generation development group

17 September 2020

Generation Development Group Ltd

Strategic growth initiatives and capital raising

Grant Hackett
Chief Executive Officer
Generation Life

Terence Wong
Chief Financial Officer
Generation Development Group

Outthinking today.

Executive Summary

Recent strong growth and financial performance – FY20 NPAT growth of 25% (50% CAGR since FY17) and FUM growth of 21% (22% CAGR since FY17)

Significant initiatives being implemented to accelerate GDG's growth and diversification strategy, funded via an equity raising of up to $35 million

Acquiring a 37% stake in Lonsec for up front cash consideration of $20.1m plus deferred scrip consideration of up to $6.6m, with an assumed total value of $23.4m[1], providing leverage to strong industry and regulatory tailwinds as well as access to diversified revenue streams

Commencement of development of a new annuity product to access the lifetime annuity market which is expected to grow to $1.185 trillion by 2030[2]

Long term strategy for GDG is to continue to diversify and grow its earnings through organic growth, product development and investments which target businesses well positioned to benefit from changes in the financial services landscape

1. The assumed value is based on the expected deferred scrip consideration that will be paid by GDG if Lonsec meets its FY21 budget performance.
2. Deloitte. Dynamics of the Australian Superannuation System – November 2019 (Updated August 2020)

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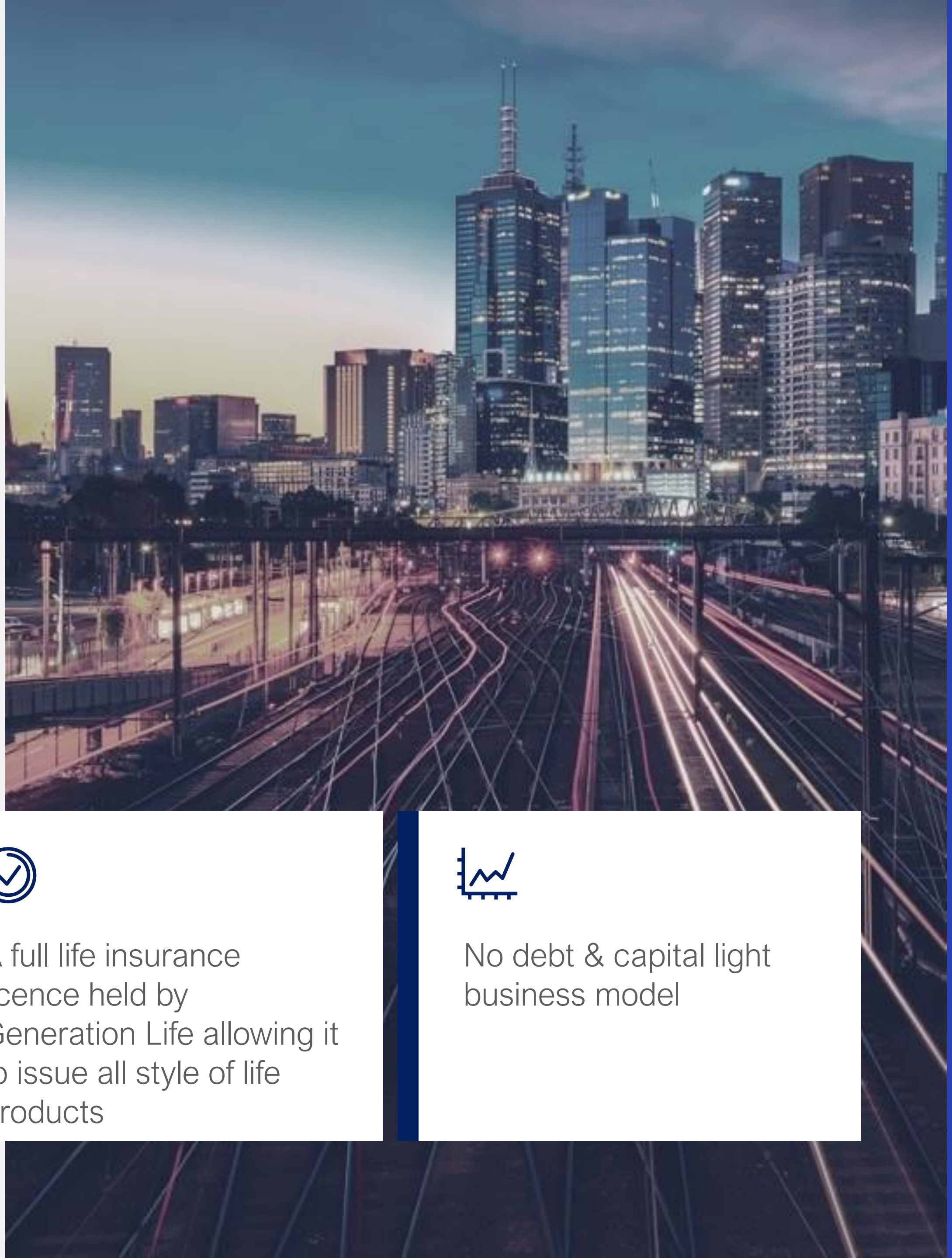
Generation Development Group

Company Overview

Generation Development Group

A compelling shareholder value building model

Generation Development Group (ASX:GDG) is a licenced Pooled Development Fund (PDF) owning a recurring revenue producing life/investment income with a market capitalisation of $106m[1] and net cash of $12m[2].



- Shareholders receive tax exempt dividends[3]
- Shareholders benefit by tax-free capital gains on shares and most PDF income is taxed favourably[3]
- A full life insurance licence held by Generation Life allowing it to issue all style of life products
- No debt & capital light business model

1. Based on closing share price of $0.84 as at 16 September 2020
2. As at 30 June 2020
3. Shareholders should obtain independent tax advice that considers their own circumstances

Management team with a proven track record

Generation Development Group

Rob Coombe

Non-Executive Chairman

- Highly respected financial services sector executive in Australia with over 35 years of corporate experience
- Chairman Tibra Capital and MLC Wealth, Director CIMB Group. Previously CEO Craveable Brands, Westpac Retail and Business Bank and BT Financial Group
- Joined GDG in 2017

Grant Hackett

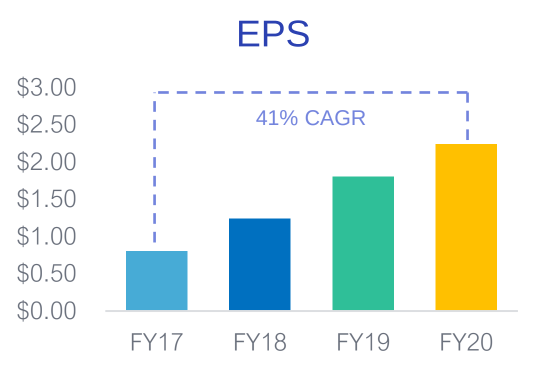
Chief Executive Officer – Generation Life

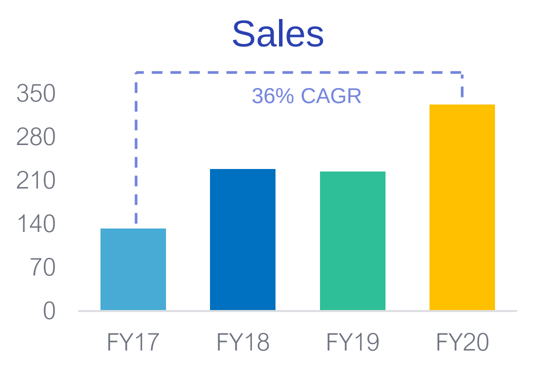
- Joined in 2017

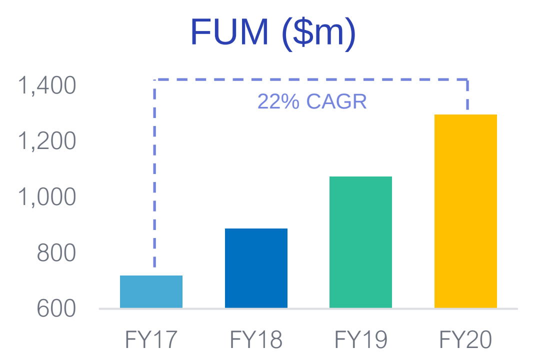
Terence Wong

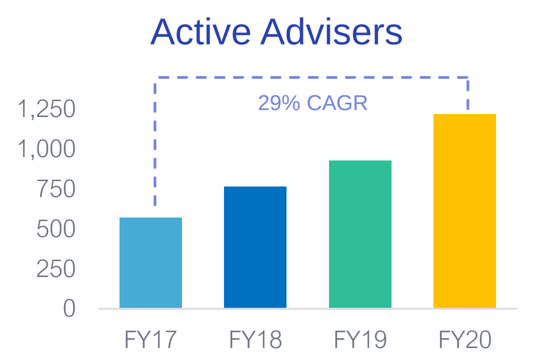
Chief Financial Officer – Generation Development Group

- Joined in 2018









Today's announcement and capital raising represents a significant development in executing on both aspects of GDG's growth strategy

Generation Development Group

Generation Development Group Today

Continuing to deliver record FUM growth and taking market share

- Recurring income from life/investment income from investment bonds
- Pooled development Fund whereby shareholders receive tax exempt dividends and capital gains[1]
- Sustained track record of delivering increased sales and FUM, growing at a 22% CAGR and 38% of market inflows
- Consistent NPAT growth, 3 year CAGR of 50%

  $12m cash + nil debt
- FY21 guidance for sales growth to be at least 'in line' with FY20 levels

Growth Strategy

Diversify earnings while still producing long term earnings growth

Organic growth

- Innovative future products to push into attractive new market segments
  - Tax effective regular income products targeting yield hungry investors
  - Product that addresses longevity risk with an aging population

Investments

- Target businesses that are well positioned to benefit from changes in the landscape in financial services
  - Beneficiaries of strong industry and regulatory tailwinds
  - Incumbent players in attractive market niches

1. Shareholders should obtain independent tax advice that considers their own circumstances

Generation Life FY20 Highlights & Key Performance Measures

Generation Development Group

Life Business FUM
$1,295 m

Up 21%

Life Product Sales
$332 m

Up 48%

Market share
38.1%

March quarter 2020

Plan for Life

APL's
420

Up 7%

Product rating
Highly Recommended

Zenith and Lonsec

Active Financial Advisers
1,220

Up 32%

Rolling 12 month average

New Bond Numbers
9,563

Up 64%

Saving Plans
$35.8 m

Up 57%

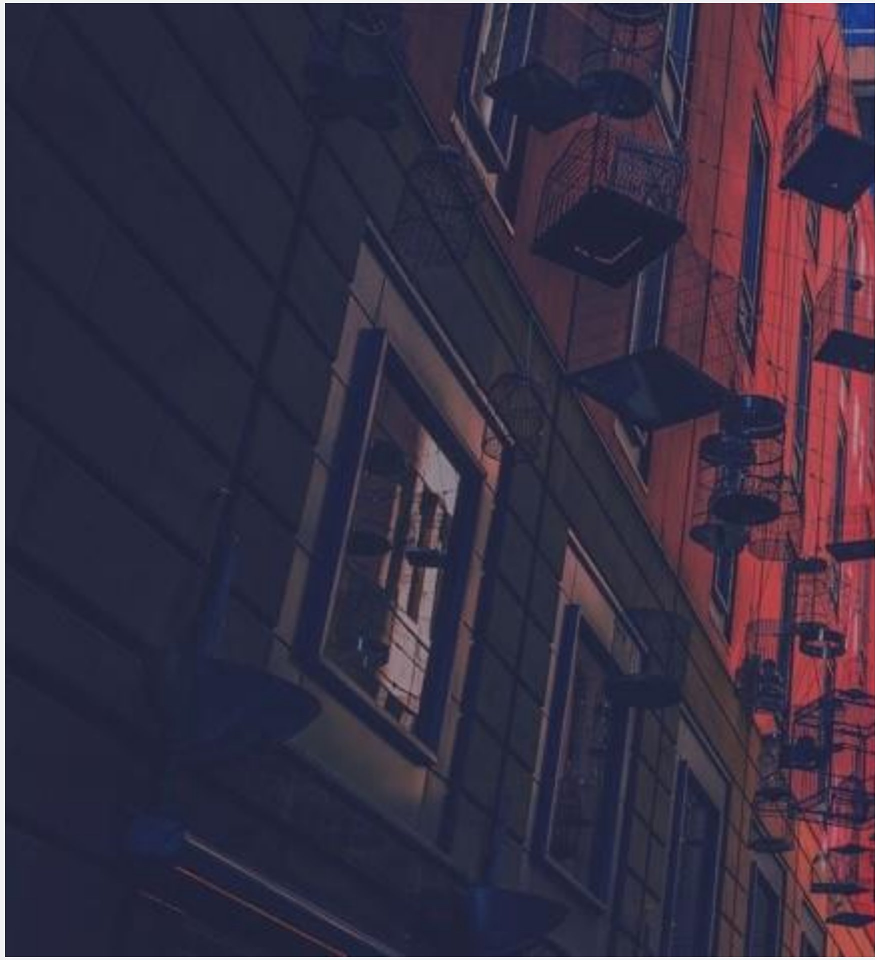
49 investment options
Up 2%

Average investment term
12.9 years

Rolling 2 year average

(1÷average redemption % p.a. over 2 years)

FY20 Financial result summary
Generation Development Group



	FY20	FY19	Change	Change %
Revenue* (A$'000)	18,964	15,333	3,631	24
Expenses** (A$'000)	(16,148)	(13,083)	(3,065)	(23)
Underlying NPAT (A$'000)	2,816	2,250	566	25
Underlying EPS (cps)	2.24	1.80	0.44	24
DPS (A$)	0.02	0.02	-	-
FUM (A$'000)	1,295,000	1,073,000	222,000	21
Cash and cash equivalent*** (A$'000)	11,677	13,701	(2,024)	(15)

* Underlying excluding Benefit Funds, Ascalon and non-recurring, including income tax benefit
** Underlying excluding Benefit Funds, Ascalon and non-recurring
*** Includes term deposits, excluding cash attributable to Benefit Funds

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Investment in Lonsec

Lonsec

Strategic investment overview

Rationale for GDG's investment in Lonsec

1. **Acquisition of a 37% stake in Lonsec, a leading qualitative research firm providing ratings to a blue-chip client base**
2. **Acquisition is expected to be mid to high single digit EPS accretive[1]**
3. **Investing with highly regarded Lonsec shareholders – including M.H. Carnegie Nominees Pty Ltd (36%)**
4. **Lonsec provides GDG with access to diversified revenue streams and an incumbent position in a niche market**
5. **Lonsec is leveraged to strong regulatory tailwinds in an industry that is increasingly reliant on independent specialists**
6. **Multiple growth avenues available to Lonsec including further development of Lonsec Investment Solutions and M&A opportunities**

1. Accretion calculated applying the shares issued in the capital raising pro-rata for cost of Lonsec investment plus transaction costs. Incorporates impact of potential issuance of deferred scrip consideration. Illustratively assumes twelve month impact of the transaction as though the transaction had occurred on 1 July 2020, including any fees received. Earnings exclude impact of one-off transaction costs. EPS accretion is calculated in accordance with AASB 133.

Company overview
Investment in Lonsec

FY20 Revenue:
$29.8 million

FY20 EBITDA:
$7.8 million[1]

Established in 1994 with offices in Sydney and Melbourne

Provides research and/or ratings for **over 1,900 products and funds**

One of Australia's largest qualitative research firms whose research ratings is used by many Fund Managers, Superannuation Funds, and Dealer Groups / IFAs

Post the Royal Commission, Lonsec is well positioned to independently assess the quality of investment processes for the benefit of funds, advisers and investors

Lonsec Research:
Money Management Magazine research house of the year

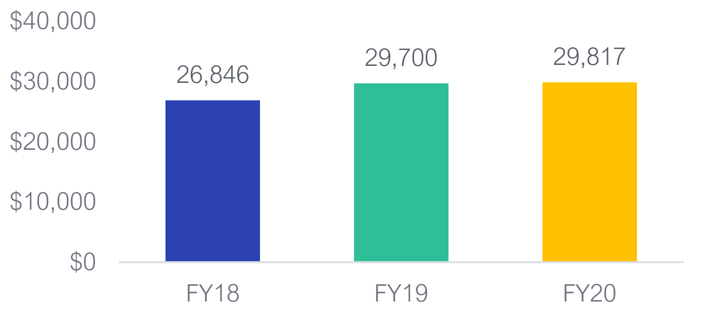
1. Note this represents underlying EBITDA and will be different to statutory accounts as a result of adjustments for abnormal items. FY20 is still subject to audit.

Company overview
Investment in Lonsec

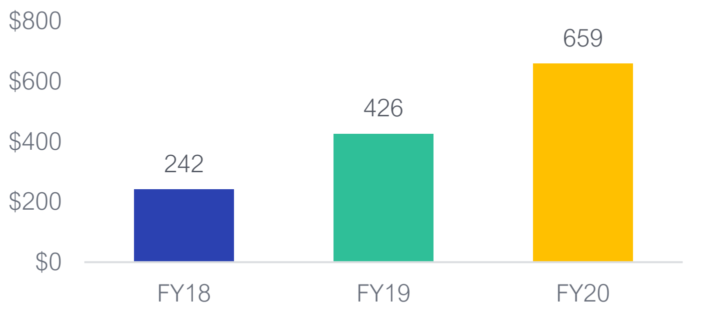
	Lonsec Research	SUPER RATINGS	Lonsec Investment Solutions	iRate
Market position	▪ A leading research and ratings provider in the investment products industry	▪ A leading superannuation ratings and research provider in Australia	▪ Fast growing emerging player in burgeoning Dealer Group/ IFA need for diversified managed portfolios and SMAs	▪ Market leading investment research platform providing financial professionals with a full range of research, ratings and analytical tools.
Key Services	▪ High grade qualitative investment research of close to 1,300 products across a wide breadth of asset classes and product types	▪ Superannuation research including data analysis, product ratings, performance benchmarking, market insights and consulting ▪ More than 600 superannuation and pension products rated ▪ Over 6,000 investment options surveyed monthly	▪ Lonsec branded diversified managed portfolios and separately managed accounts (SMA) ▪ Tailored/white label managed accounts ▪ Direct equity and Managed Fund models ▪ Investment consulting services	▪ Qualitative investment research with extensive depth and breadth of coverage ▪ Access to portfolio construction tools ▪ Model portfolios and dynamic asset allocation
Clients	▪ Over 200 funds management groups	▪ Most industry funds, public sector funds and master trusts ▪ Investment managers, asset consultants, administrators and insurers	▪ Approx. $659m FUM as at 30 June 2020 ▪ Major platforms ▪ ~30 groups received investment consulting services (FY20)	▪ 4,540 subscribers as at 30 June 2020
% of revenue (FY20)	▪ ~55%	▪ ~23%	▪ ~9%	▪ ~12%

Historical financials
Investment in Lonsec

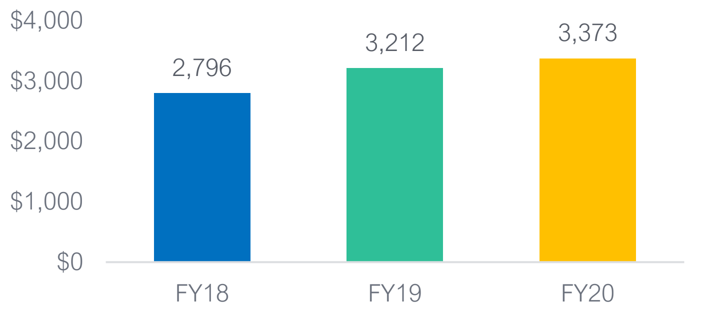
Revenue ($'000)



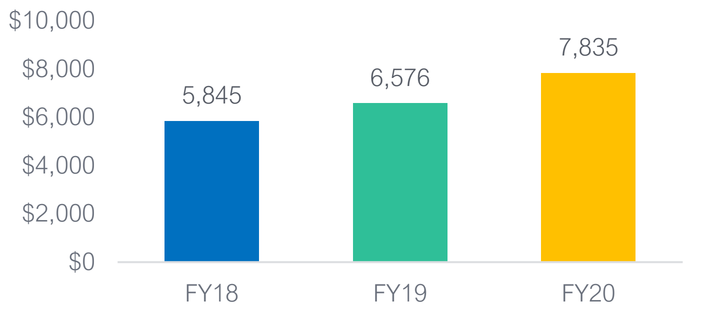
FUM ($'m) - LIS



Underlying NPAT ($’000)



Underlying EBITDA ($’000)



Growth Drivers

- Lonsec Research has recently embarked on a significant investment in technology, including data science to facilitate greater insights in a more timely and efficient manner
- New product development to expand breadth of offering driving additional revenue growth. Recent launch of sustainability ratings delivering market leadership
- Exposure to the fast growing SMA sector with Lonsec Investment Solutions FUM increasing 172% since 2018

FY20 is based on the 30 June 2020 management accounts and remains subject to final audit. Revenue and expenditure items have been adjusted to reflect normalised Underlying EBITDA and Underlying NPAT . Adjustments include, but are not limited to, IT related asset write-offs, earn-outs from sale of investments, redundancies from restructuring and prior period accounting adjustments. FY20 Underlying EBITDA & Underlying NPAT include an adjustment for AASB 16, Leases.

Investment highlights

Rationale for GDG's investment in Lonsec

Lonsec

1. Strong industry and regulatory tailwinds increasing reliance on independent specialists
2. Resilient, recurring revenue stream from core research offering
3. Emerging Managed Accounts products provide direct exposure to retail capital in a fast-growing product segment
4. Incumbent position in an attractive market niche
5. Gatekeeper to key retail distribution channels
6. Significant M&A growth opportunities

Investment highlights (continued)

Rationale for GDG's investment in Lonsec

1 Strong industry and regulatory tailwinds increasing reliance on independent specialists

- Compulsory superannuation has led to sustained growth in retail capital across the wealth management industry
- Increasing regulation and compliance requirements, breakup of adviser networks following the Royal Commission and increasing complexity of investment products is driving a growing reliance on independent research to de-risk investment advice provided to retail clients
- Advisers are increasingly seeking best of breed solutions to meet their client needs with uncompromised product choice
- Stockbrokers and financial advisers both seeking independent portfolio construction services

2 Resilient, recurring revenue stream from core research offering

- Core business of fund research and rating (more than half of FY20 revenues) providing a resilient, recurring revenue stream with minimal correlation to the economic cycle
- Stable, predictable revenue cycle where funds are reviewed and rated annually providing a strong base of recurring revenue
- Funds are charged on a fixed fee basis per review, limiting exposure to variability in assets under management (AUM) and market volatility

3 Direct exposure to retail capital in a fast-growing product segment

- Access to high growth managed accounts market[1], with direct exposure to growing retail capital
- Managed accounts are an increasingly popular alternative investment structure to investment funds that offer a more tailored product to the client, while retaining the benefit of direct ownership of the underlying assets:
  - Timely investment changes increases responsiveness to market movement, which generally leads to higher investment returns
  - Lower trading costs
  - Facilitates better portfolio construction and tax management
- % of AUM fee provides the opportunity for growth through asset based fees
- Lonsec has current AUM of over $700 million[2], being purely organic growth

1. FUM in managed accounts increased by $9.3bn in the 6 months to 30 June 2019 to $71.4bn. (Institute of Managed Account Professionals (IMAP)
2. As at July 2020

Investment highlights (continued)

Rationale for GDG's investment in Lonsec

4 Incumbent player in an attractive market niche

- Lonsec is an incumbent in an attractive market niche
- Of the 3 main providers in its market, Lonsec has the broadest access to distribution, which is key to fund manager's opportunity to increase AUM
- Unique niche supports a large profit pool, with high barriers to entry
- Lonsec's iRate database which has been built up over many years and provides customers with easy access to vast product data which allows for optimised portfolio construction

5 Gatekeeper to key retail distribution channels

- Post the Royal Commission, Lonsec is well positioned to assess the quality of investment processes to the benefit of fund managers, superannuation funds, advisers and investors
- Annual research and ratings are crucial to access the Approved Product Lists of wealth platforms and dealer groups
- Lonsec maintains a diversified customer base of blue chip fund managers, superannuation funds, advisory groups and platforms

6 Significant M&A growth opportunities

- There are a number of M&A opportunities for Lonsec, including but not limited to
  - Managed account providers
  - Research organisations providing data or services to the wealth management industry
- GDG intends to support Lonsec's future growth and will contribute equity to fund acquisitions that are value enhancing for Lonsec

Transaction overview
Investment in Lonsec

Transaction overview

Transaction overview	▪ Acquiring a 37% stake in Lonsec Holdings Pty Ltd ▪ Other shareholders include: M.H. Carnegie Pty Ltd, Equip Super ▪ Expected completion in mid-October 2020
Consideration	▪ $20.1m cash consideration ▪ Up to $6.6m ($3.3m assumed) of deferred scrip consideration issued at $0.70 ▪ Deferred scrip consideration contingent on Lonsec's FY21 EBITDA performance ($5.8m - $8.3m) payable post release of FY21 results in August 2021[1]
Valuation	Headline (Assumed mid-point): ▪ Implied EV / FY20 EBITDA of 8.1x ▪ Implied FY20 P / E of 18.9x
Financial Impact[2]	▪ Mid to high single digit EPS accretive

GDG representation and controls

Board representation	GDG may appoint two Directors (of a total of six), although until October 2021 the vendors will nominate one of these appointees.
Decision making	The approval of 70% of the Directors (including at least one Director appointed by GDG) is required for specified key matters.
Pre-emptive rights and tag along rights	Together with other shareholders, GDG has a pre-emptive right over any shares in the Company that an exiting shareholder proposes to sell. Tag along rights apply entitling other shareholders to participate in a sale on a proportionate basis.
Drag along rights	Drag along rights apply where one or more shareholders holding in aggregate more than 70% of the issued shares receive an offer from a third party to purchase all of the shares in the Company.
Veto rights	GDG may veto a shareholder's exercise of its rights to transfer its shares under the pre-emptive rights and tag along and drag along provisions.
GDG's status as a pooled development fund	In certain circumstances, the Company must use reasonable endeavours to enable GDG to exercise its shareholder rights to the extent the exercise of such rights is adversely impacted by the PDF Act.

1. The issue of the deferred scrip consideration is subject to GDG shareholder approval. If that shareholder approval is not obtained, an equivalent value is to be payable in cash.
2. Accretion calculated applying the shares issued in the capital raising pro-rata for cost of Lonsec investment plus transaction costs. Incorporates impact of potential issuance of deferred scrip consideration. Illustratively assumes twelve month impact of the transaction as though the transaction had occurred on 1 July 2020, including any fees received. Earnings exclude impact of one-off transaction costs. EPS accretion is calculated in accordance with AASB 133.

Transaction documents details
Investment in Lonsec

Acquisition	▪ GDG has entered into agreements to obtain a 37% stake in Lonsec by:
	  ▪ Acquiring Lonsec shares from exiting shareholders (Share Sale); and
	  ▪ Subscribing for further Lonsec shares (Subscription).

Transaction price and consideration	▪ Total consideration of up to $26.7m.
	▪ Pursuant to the Share Sale:
	  ▪ $16.9m cash consideration is payable on Completion;
	  ▪ Up to $2.2m cash consideration is payable following review of Lonsec's FY20 accounts; and
	  ▪ Up to $6.6m deferred scrip consideration is payable following review of Lonsec's FY21 accounts.
	▪ GDG has agreed to pay $1m as consideration for the subscription of new shares in Lonsec.

Conditions	▪ Sale is conditional on:
	  ▪ The settlement and allotment of all shares proposed to be issued under the capital raising; and
	  ▪ The successful completion of the Share Sale and the Subscription.
	▪ Certain amendments to the Lonsec shareholders deed are also required to be made.

Completion	▪ Completion is currently expected around mid-October 2020, although the timetable may change. ▪ Timing is ultimately subject to satisfaction of closing conditions and completion deliverables.
Liability regime	▪ Typical warranties for a transaction of this type. ▪ The indemnities and warranties are subject to various limitations and qualifications and subject to certain usual and customary exceptions for transactions of this nature, an aggregate limit of the purchase price or subscription price (as applicable) applies.
Restriction on business	▪ Up until Completion, the business of Lonsec must be operated in the ordinary course.

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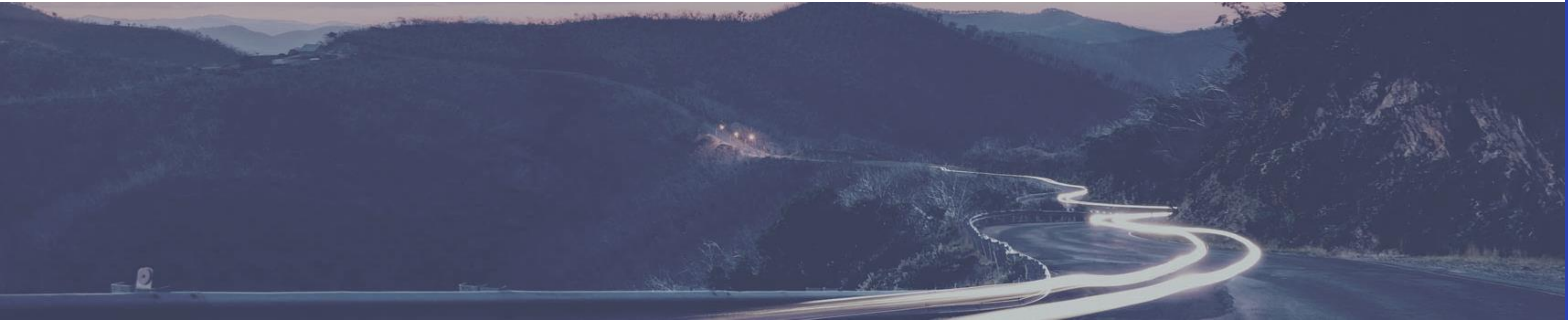
Solving Longevity Risk – New Annuity Product



Annuity Product overview
Rationale for developing a new GDG annuity product to address longevity risks

1. **Large potential addressable market expected to double above next 10 years to over 1.185tn[1]**
2. **Market soundings indicate strong advisor support for proposed product, which is unique to the current market offering**
3. **Innovative product with potential to deliver higher returns – meaning more income**
4. **Capital-light model – relatively low upfront development costs with regulatory capital requirements similar to operational risk capital required for investment bonds**
5. **Leverages GDG’s strengths and high barriers to entry through the Generation Life platform - management, brand, licensing, regulated life business and distribution**
6. **Important step in progressing GDG’s strategy to grow a diversified financial services business operating in attractive market niches with high barriers to entry**

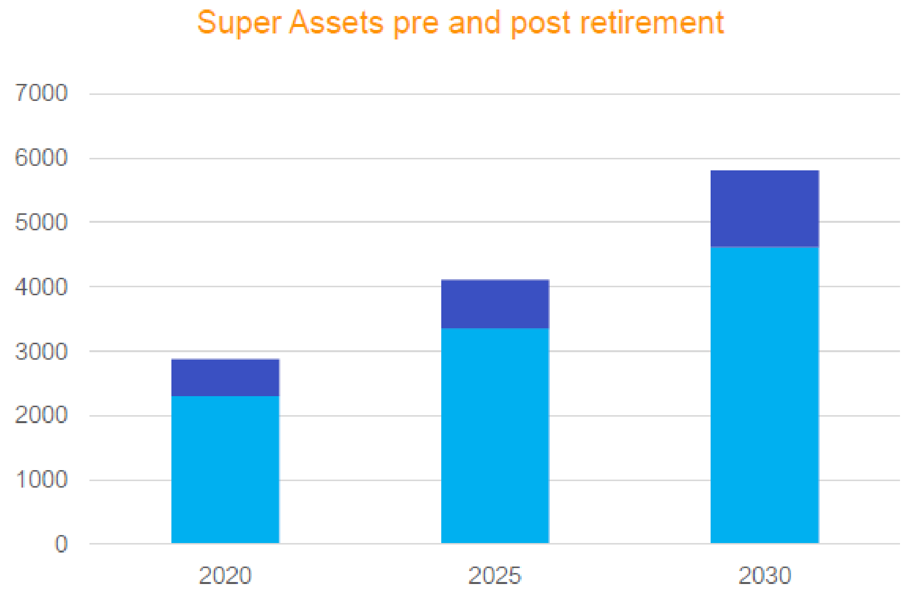
1. Deloitte Dynamics of the Australian Superannuation System – November 2019 (Updated August 2020)

Solving Longevity Risk
Significant market opportunity for an annuity product to address longevity risk

Market opportunity

- One of the key challenges facing Australians is managing the retirement risk of longevity or in other words outliving savings for retirement
- GDG has identified the opportunity for a product to address longevity risk
- As at 30 June 2020, post retirement assets total $566 billion[1]
- Deloitte predicts that this market will grow to $1.185 trillion by 2030[1]
- Lifetime annuities represent just ~1% of post retirement assets[2]
- A significant opportunity to develop a lifetime income stream solution that advisers are happy to include in their clients' retirement income portfolios
- An allocation of 5% of post-retirement assets to lifetime annuities would represent a potential $59 billion FUM opportunity by 2030

Retirement Landscape



(Deloitte Dynamics of the Australian Superannuation System – updated 7/8/2020)

1. Deloitte Dynamics of the Australian Superannuation System – November 2019 (Updated August 2020)
2. Plan for Life Retirement Income Market as at December 2019

Solving Longevity Risk
Introducing the proposed GDG Lifetime Annuity Product

GDG has identified a significant market opportunity supported by Financial Adviser testing and is in the process of developing an innovative product to capitalise on this opportunity – a market linked lifetime annuity

GDG Lifetime Annuity Initiative

- ✓ Capital light model
- ✓ Pays income for life
- ✓ Investment linked where level of income paid is based on the underlying performance of investments chosen by the client and their adviser which means the income can fluctuate from year to year
- ✓ Potential to deliver higher customer returns
- ✓ Death benefit
- ✓ Ability to link and access the age pension
- ✓ Very positive adviser feedback who see the proposition as compelling and a way to deliver more income to their clients
- ✓ Commenced discussions with regulators and signed term sheet with partner
- ✓ Longevity risk lies with reinsurer
- Indicative initial capital requirement of ~$10 million
  - $5.0m product development costs (salary, consulting, IT build, etc)
  - $5.0m regulatory capital
- Development timeframe – approx. 12 months subject to regulatory approval

Advisor feedback

Current Products

- Poor rates on current products are a ‘big turn off’
- Current products are expensive
- Past solutions “way too complex”

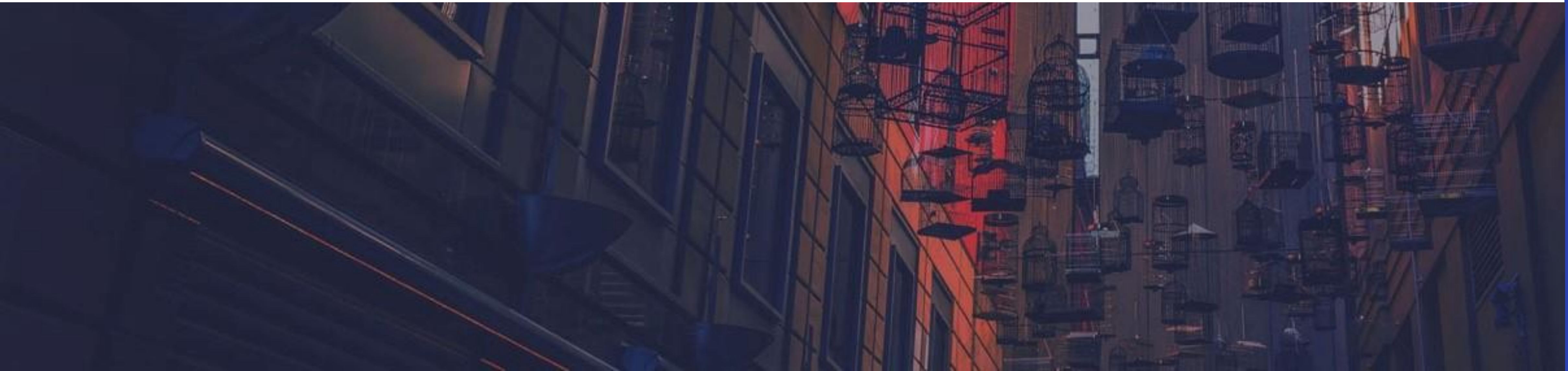
Quotes from Financial Advisers

- *“Having an investment choice is good”*
- *“Very much needed in the market”*
- *“Sound simple – clients like simple”*
- *“Volatility manageable – “that’s what we do (explain volatility)”*
- *“The potential for greater income through choice is good”*

generation life

The Offer

Capital raising details



Capital raising details
The Offer

Offer Size & Structure	▪ Fully underwritten institutional placement ("**Placement**") and partially underwritten 1 for 6.7 pro-rata accelerated non-renounceable entitlement offer ("**Entitlement Offer**") to raise \$30m-\$35m

Offer Price	▪ All shares under the Placement and Entitlement Offer will be issued at a fixed price of \$0.70 per New Share (Offer Price).
	▪ This Offer Price represents a
	  ▪ 16.7% discount to the last traded price of \$0.84 on 16 September 2020
	  ▪ 12.5% discount to TERP[1] of \$0.80.
	  ▪ 11.7% discount to GDG's 30-day Volume Weighted Average Price of \$0.79

Placement & Institutional Entitlement Offer	▪ Fully underwritten Placement of to raise \$21.9m ▪ Fully underwritten Institutional Entitlement Offer to raise \$8.1m ▪ The Placement and Institutional Entitlement Offer will be conducted by way of a bookbuild process on 17 September 2020 ▪ Entitlements under the Institutional Entitlement Offer that are not taken up and entitlements of ineligible institutional shareholders under the Entitlement Offer will be offered for sale in the bookbuild
Retail Entitlement Offer	▪ Retail Entitlement Offer to raise up to \$5.0m ▪ The Retail Entitlement Offer will open on 23 September 2020 and closes on 5 October 2020 ▪ Eligible retail shareholders who take up their entitlement in full can also apply for additional shares in excess of their entitlement under a 'top up' facility
Use of Funds	▪ Acquisition of 37% stake in Lonsec, development of new annuity product, general corporate working capital, and payment of transaction costs
Ranking	▪ New Shares will rank equally with existing fully paid ordinary shares from their time of issue. New Shares issued under the Placement will not be entitled to participate in the Entitlement Offer
Underwriting	▪ The Placement and Institutional Entitlement Offer are fully underwritten by Moelis Australia Advisory Pty Ltd and Morgans Corporate Limited

1. The Theoretical Ex-Rights Price ("TERP") is the theoretical price at which GDG shares should trade immediately after the ex-date of the Entitlement Offer and Placement, and is calculated based on the maximum size of the Entitlement Offer of \$13.1 million and underwritten Placement of \$21.9 million. TERP is a theoretical calculation only and the actual price at which GDG shares will trade on the ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. TERP is calculated by reference to the dividend adjusted closing price of GDG shares as traded on the ASX on the last trading day prior to the announcement of the Entitlement Offer of \$0.84

Sources & uses of proceeds / pro-forma balance sheet

The Offer

Sources of Proceeds ($m)	Min	Max
Placement	21.9	21.9
Rights Issue	8.1	13.1
Total Sources	**30.0**	**35.0**

Uses of Proceeds ($m)	Min	Max
Acquisition of 37% stake in Lonsec	20.1	20.1
Funding towards New Annuity Product[1]	7.4	10.0
Working capital[1]	0.0	2.4
Transaction costs	2.5	2.5
Total Uses	**30.0**	**35.0**

$ Million	30 June 2020	Acquisition & Equity Raise[2]	Pro Forma 30 June 2020
Cash	11.7		11.7
New annuity product cash reserves	0.0	7.4	7.4
Investment in Lonsec	0.0	23.4	23.4
Other Assets	9.0		9.0
Total Assets	**20.7**	**30.8**	**51.5**
Trade and Other Payables	(0.4)		(0.4)
Lease Liabilities	(0.5)		(0.5)
Provisions and Other Liabilities	(2.4)		(2.4)
Deferred consideration	0.0	(3.3)	(3.3)
Total Liabilities	**(3.3)**	**(3.3)**	**(6.6)**
Net Assets	**17.4**	**27.5**	**44.9**

1. The first $2.6m of the Retail Entitlement Proceeds will be applied towards the New Annuity Product development costs and the balance up to $2.4m to working capital.
2. Assumes on $30m capital raising.

Timetable
The Offer

Event	Date
Announcement of the Capital Raising	Thursday 17 September 2020
Announcement of results of the Institutional Entitlement Offer, trading resumes on an ex-entitlement basis	Monday 21 September 2020
Record date for Retail Entitlement Offer (7.00pm (Melbourne time)) (**Record Date**)	Monday 21 September 2020
Retail Entitlement Offer opens	Wednesday 23 September 2020
Offer Booklet and entitlement and acceptance form despatched, and announcement of despatch	Wednesday 23 September 2020
Settlement of the Institutional Placement and the Institutional Entitlement Offer	Friday 25 September 2020
Allotment of new shares under the Institutional Placement and the Institutional Entitlement Offer	Monday 28 September 2020
Quotation of new shares issued under the Institutional Placement and the Institutional Entitlement Offer	Monday 28 September 2020
Normal trading for New Shares issued under the Institutional Placement and the Institutional Entitlement Offer commences	Tuesday, 29 September 2020
Closing date for acceptances under the Retail Entitlement Offer (5.00pm (Melbourne time)) (**Closing Date**)	Monday 5 October 2020
Announcement of results of Retail Entitlement Offer	Thursday 8 October 2020
Settlement of the Retail Entitlement Offer	Friday 9 October 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Monday 12 October 2020
Normal trading for New Shares issued under the Retail Entitlement Offer commences	Tuesday 13 October 2020
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Tuesday 13 October 2020

Underwriting agreement details

The Offer

GDG has entered into an underwriting agreement under which Moelis Australia Advisory Pty Ltd and Morgans Corporate Limited (the Underwriters) have agreed to act as joint lead managers of the Offer and bookrunners and underwriters of the Placement and Institutional Entitlement Offer, subject to the terms and conditions of that agreement (Underwriting Agreement).

The Underwriters' obligations under the Underwriting Agreement, including to manage the Offer and underwrite the Placement and Institutional Entitlement Offer, are conditional on certain matters, including GDG entering into the transaction documents relating to GDG's investment in Lonsec (Transaction Documents), GDG obtaining all ASX waivers and ASIC modifications necessary to implement the Offer and GDG maintaining Innovation and Science Australia (PDF Board) approval in relation to GDG's investment in Lonsec.Further, if certain events occur, some of which are beyond GDG's control, each Underwriter may terminate its obligations under the Underwriting Agreement. Such events include where:

- a Transaction Document is (or is threatened to be) terminated, rescinded, repudiated, is amended in a material respect, or is or becomes void or voidable;
- ASX announces that GDG will be removed from the official list or that its shares will be delisted or suspended from quotation by ASX;
- ASIC applies for certain orders under the Corporations Act in relation to the Offer or an offer document, or gives a notice of intention to prosecute or prosecutes GDG or any of its directors, or takes certain other actions;
- a certificate or new circumstances sign-off which is required to be furnished by GDG under this Underwriting Agreement is not furnished when required;
- an offer document or any aspect of the Offer does not comply in any material respect with the Corporations Act, ASX Listing Rules or any other applicable law, including by containing any statement which is misleading or deceptive (including by way of omission) or which is likely to mislead or deceive, or omits any required information, or any forecast, expression of opinion, intention or expectation that is not based on reasonable grounds;
- GDG alters its capital structure or constitution without the prior written consent of the Underwriters;
- GDG or one of its related bodies corporate (Group Member) is insolvent or there is an act or omission which is likely to result in GDG or a Group Member becoming insolvent;
- GDG or a Group Member is wound up, or is involved in winding up or similar proceedings;
- GDG is prevented from allotting or issuing New Shares under the Offer;
- GDG withdraws the Offer or any part of the Offer;
- under the Corporations Act, GDG becomes required to give, or gives, a correcting notice;
- approval for the official quotation of the New Shares is not given by ASX by the applicable dates;
- the S&P/ASX 300 Index falls to a level that is 90% or less of its level on the close of trading on the business day immediately preceding the Underwriting Agreement and closes at or below that level for two consecutive business days or more (or closes at or below that level on the business day immediately prior to the retail settlement date);
- there are certain delays in the timetable for the Offer without the Underwriters' consent;
- an application is made to a governmental agency for an order, declaration or remedy, or a governmental agency commences or announces an intention to commence an investigation, in connection with the Offer;
- there is (or is likely to be) a material adverse effect to the business, assets, liabilities, financial position or performance, profits, losses, results, operations or prospects of the GDG Group from those disclosed to ASX in accordance with the ASX Listing Rules prior to the date of the Underwriting Agreement or in the offer materials; or
- approval of the PDF Board for GDG to undertake the transactions contemplated by the Transaction Documents is revoked, terminated, rescinded or repudiated, is amended in a material respect, or is or becomes void or voidable.

Underwriting agreement details (cont.)
The Offer

In addition, in some cases an Underwriter's ability to terminate the Underwriting Agreement will depend (amongst other things) on whether the event has or is likely to have a material adverse effect on the success, marketing or settlement of the Offer or on GDG or leads to or is likely to lead to a contravention by, or liability of, an Underwriter under applicable law.

Such events include where:

- a statement in a certificate or new circumstances sign-off which is required to be furnished by GDG under the Underwriting Agreement is untrue, incorrect, incomplete or misleading or deceptive (including by omission);
- in the reasonable opinion of an Underwriter, GDG is required to give a correcting notice under the Corporations Act;
- information in a public disclosure includes a statement which is or becomes misleading or deceptive or likely to mislead or deceive or any forecasts, expressions of opinion, intention or expectation which are not based on reasonable grounds;
- any information supplied by or on behalf of GDG to the Underwriters is or becomes misleading or deceptive (including by omission);
- a change in the chairman, Chief Executive Officer or Chief Financial Officer of the GDG or board of directors of the GDG is announced or occurs;
- a director of GDG is charged with an indictable offence, or a public action is commenced by a government authority against any of GDG's directors or a government authority announces that it intends to take that action, or a director of GDG is disqualified from managing a corporation under applicable law;
- a representation or warranty contained in the Underwriting Agreement on the part of GDG is breached or proves to be, has been, or becomes untrue or incorrect or misleading or deceptive;
- a new law or policy is introduced that acts to (or is likely to) prohibit or restrict the Offer, capital issues or the operation of stock markets or materially adversely affects the GDG Group or investors in it;
- GDG fails to perform or observe any of its obligations under the Underwriting Agreement
- there is a suspension or material limitation in securities trading in certain financial markets or a general moratorium on commercial banking activities is declared in these markets;
- hostilities commence, or a major escalation in existing hostilities occurs, involving certain countries, or a major terrorist act occurs in any of those countries;
- information supplied in writing by or on behalf of GDG to the Underwriters is misleading or deceptive (including by omission);
- GDG fails to comply with a provision of its constitution, the ASX Listing Rules, the Corporations Act, applicable laws or a requirement or order made by or on behalf of ASX, ASIC or another governmental agency; or
- in the reasonable opinion of an Underwriter, a new circumstance arises that would have been required to be disclosed in the offer documents had it arisen before the offer documents were lodged with ASX.

If an Underwriter terminates its obligations under the Underwriting Agreement, that Underwriter will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement by one or both Underwriters could have an adverse impact on the amount of proceeds raised by the Offer.

In relation to the Placement and the Institutional Entitlement Offer, each Underwriter will be paid (in their respective proportions) a selling and underwriting fee of 2% and a management fee of 1% of the gross proceeds of the Placement and the Institutional Entitlement Offer. In relation to the Retail Entitlement Offer, each Underwriter will be paid (in their respective proportions) a management fee of 1% of the gross proceeds of the Retail Entitlement Offer. GDG may also pay the Underwriters a success fee (in their respective proportions) of up to 1% of the gross proceeds of the Placement and the Entitlement Offer.

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Appendix

A. Risks

Risks specific to Generation Development Group

Appendix A

Decline in FUM	▪ GDG derives a significant proportion of its earnings from fees and charges based on the level of funds under management (FUM). The level of FUM will reflect (in addition to other factors such as the funds flowing into and out of FUM) the investment performance of those funds. Therefore, changes in domestic and/or global investment market conditions or poor investment performance of the products in which GDG's clients invest could lead to a decline in FUM, adversely impacting the amount that GDG earns in fees and charges. Deterioration in investment market conditions could also lead to a reduced consumer interest and decrease in the ability to attract new investors in GDG's financial products and services. Additionally, it is possible that some funds could reduce in size or be terminated. As GDG's management fees and charges are based on a percentage of FUM, a decline in GDG's FUM could result in a consequential reduction in management fees, income, profit and share value.
Competitive risks	▪ GDG operates in the financial services industry which is highly competitive. GDG may not be able to effectively compete with or maintain its market share in relation to competitors who have a greater range of products and services or greater financial and marketing resources.
New product development risk	▪ Successful product development in the financial services sector requires a material amount of capital, time, resources and various approvals before it can be brought to market. Any of these factors, or a combination thereof, could materially delay or derail a successful product development leading to material financial loss and reputation damage. In addition, even if a compelling and attractive product is introduced to market, it may not sell due to a lack of investor demand, resulting in material adverse financial consequences including an inability to recoup investments in developing the product.
Staff retention and key person risk	▪ GDG's future success will depend on its continued ability to attract and retain highly skilled, qualified and experienced personnel. There can be no assurance that key personnel will continue to be employed by, or contracted to, GDG or that GDG will be able to attract and retain qualified personnel in the future. Failure to retain or attract key personnel could have a material adverse impact on GDG's business, reputation, financial position and performance.
Growth Strategies	▪ GDG may not be able to execute effectively the strategies for its current and future acquired businesses. Future growth strategies which target expansion of existing business or products or creation of new businesses or products could expose GDG to additional or unforeseen costs or other barriers to entry, including due to factors such as the existing competitive landscape, changes in law or regulation and economic and market conditions. There is also a risk of disruption to GDG's business strategies and models due to factors that are outside the control of GDG. Such disruption could adversely impact GDG's reputation and financial performance.

Risks specific to Generation Development Group

Appendix A

Unit pricing errors	▪ Systems failures or errors in unit pricing of investments are issues affecting the broader funds management industry that may result in significant financial losses and brand damage to a number of financial services organisations. A unit pricing error made by GDG could cause financial or reputational loss.
Mergers, acquisitions and divestments	▪ GDG at times evaluates and may undertake a range of initiatives, including mergers, acquisitions, joint ventures, strategic alliances and divestments, which facilitate GDG's strategic direction. These strategic initiatives can be complex and costly and may require GDG to comply with additional regulatory requirements which may carry additional risk. There can also be no guarantee that GDG will identify any future strategic initiatives or that these strategic initiatives will deliver the anticipated positive business results. This could have a material adverse impact on the business, prospects, engagement with regulators, financial performance or position of GDG. ▪ In particular, there are a number of growth opportunities for Lonsec, which GDG intends to support by contributing equity to fund opportunities that are value enhancing for Lonsec. There is a risk that GDG's shareholding in Lonsec will be diluted if it is unable to fund its proportionate share of the capital requirement, or that greater than its proportionate share of funding will be required if the remaining Lonsec shareholders do not contribute their share of the funding.
Loss of PDF status / taxation	▪ GDG is registered as a pooled development fund and the Pooled Development Funds Act (PDF Act) imposes restrictions on what GDG can and cannot do. GDG is required to comply with the requirements of the PDF Act. If GDG fails to comply with these requirements, it risks deregistration by the PDF Board and the associated tax benefits of its PDF status will be lost. In addition, GDG may decide to relinquish its registration as a pooled development fund if the Board believes the PDF Act places undue constraints on GDG's future growth.
Funding risk	▪ As a pooled development fund, GDG's only source of funding is through equity capital. It may not access debt funding. A deterioration in GDG's ability to obtain the necessary funding required to meet its strategic objectives may have an adverse impact on GDG's performance or financial position.

Risks specific to Generation Development Group

Appendix A

Prudential regulation and capital adequacy	▪ Certain GDG entities are required to meet capital, prudential and liquidity standards prescribed by the Australian Prudential Regulation Authority (APRA) and other regulators. If these entities fail to meet these prudential standard requirements or these standards change, the relevant regulator has a number of broad powers at its disposal which may have an adverse effect on GDG and may be adverse to the interests of shareholders. ▪ In certain circumstances, APRA or other regulators may require GDG to hold a greater level of capital to support its business. Regulatory changes may require GDG to revise or withdraw its range of products or services, change its product pricing, fees or charges, redesign its technology or other systems including significant expense and having to retrain its staff, pay additional tax, hold more capital or incur other costs. While GDG may try to mitigate the impacts of these changes should they occur, they may still have a material adverse impact on the financial performance and position of GDG.
Reliance on AFSL	▪ In order to provide some of its services in Australia, some GDG entities are required to hold licences including an Australian Financial Services License (AFSL). If there is a failure to comply with the general obligations of its AFSL, this could result in the suspension or cancellation of the AFSL which enables it to operate key parts of its business. A breach or loss of licences could have a material adverse effect on the business and financial performance of GDG. AFSLs also require the licence holder to maintain certain levels of capital. These capital requirements may change from time to time. Earnings dilution may occur where GDG is required to hold a higher capital base.
Insurance	▪ GDG holds insurance policies, including for errors and omissions (professional indemnity) and directors' and officers' insurance, at levels at which GDG regards as commensurate with industry standards, and adequate having regard to its business activities. These policies provide a degree of protection for GDG's assets, liabilities, officers and employees. However, no assurance can be given that any insurance that GDG currently maintains will be available in the future on a commercially reasonable basis or provide adequate cover against claims made against GDG, noting that there are some risks that are uninsurable or risks where the insurance coverage is less than might be required. ▪ GDG also faces risks associated with the financial strength of its insurers to meet indemnity obligations when called upon which could have an adverse effect on earnings. If GDG incurs uninsured losses or liabilities, its assets, profits and prospects may be adversely affected.

Risks specific to Generation Development Group

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Future payment of dividends	▪ The payment of dividends on GDG shares is dependent upon a range of factors including the profitability of GDG, the availability of cash, capital requirements of the business and other business obligations. Any future dividend levels will be determined by the GDG board having regard to its operating results and financial position at the relevant time. There is no guarantee that any dividend will be paid by GDG and, if paid, that it will be franked.
Regulatory and legislative risk	▪ The financial services sectors in which GDG operates are subject to extensive legislation, regulation and supervision by a number of regulatory bodies in multiple jurisdictions. The regulatory regimes governing GDG's business activities are complex and subject to change. The impact of future regulatory and legislative change on GDG cannot be predicted. In addition, if the amount and complexity of new regulation increases, so too may the cost of compliance and risk of non-compliance.
Ascalon specific risk	▪ GDG endeavours to launch a fund targeting hedge funds in Asia Pacific through its investment in Ascalon Capital Managers. There is a risk that this will not succeed. In that event, there would be financial, time, resources, and potentially, reputational losses associated with the failure to launch the fund.
Litigation	▪ GDG may, in the ordinary course of business, be involved in possible litigation disputes. Any such disputes may be costly and adversely affect the operational and financial results of GDG..
Cybersecurity	▪ There is a risk of significant failure in GDG's operations or material financial loss as a result of cyber- attacks. Threats to information security are constantly evolving and techniques used to perpetrate cyber-attacks are increasingly sophisticated.

Risks specific to Generation Development Group

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Information technology	▪ GDG and the financial services industry relies heavily on information technology to conduct an efficient and cost-effective business. Therefore, any significant or sustained failure or inadequacy in GDG’s core technology systems or cyber security could have a materially adverse effect on its operations in the short term, which in turn could undermine longer term confidence and impact GDG’s future profitability and financial position. Third party risk management is of key importance for GDG. GDG requires adequate assurance over the policies and processes that third parties have in place, for protection of information that is in custody of the third party. In addition, GDG faces the risk, common with other industry participants, that further technology changes will be required which could result in an increase in costs.
Security or privacy data	▪ Failures or breaches of data protection and systems security can cause reputational damage, regulatory impositions and financial loss. The legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding. Australian Privacy Principles govern privacy and data protection throughout Australia and significantly enhance privacy and data protection regulation. The protection of customer, employee, third party and company data is critical to GDG’s operations. GDG retains a significant amount of customer, employee and third party information, including through its database of customers. Customers, employees and third parties such as suppliers will also have high expectations that GDG will adequately protect their personal information.
Failure of risk management strategies	▪ GDG has implemented risk management strategies and internal controls involving processes and procedures intended to identify, monitor and mitigate the risks to which it is subject, including market risk, strategic risk, financial risk, insurance risk, credit and counterparty risk and operational risk. GDG has a defined risk appetite which outlines the level of risk that is acceptable in striving to achieve GDG’s strategic goals and financial objectives. This is combined with what GDG considers to be a robust risk management framework which monitors, mitigates and manages the risks to which GDG is exposed. However, there are inherent limitations with any risk management framework as there may exist, or develop in the future, risks that GDG has not anticipated or identified or controls that may not operate effectively. If any of GDG’s risk management processes and procedures prove ineffective or inadequate or are otherwise not appropriately implemented, GDG could suffer unexpected losses and reputational damage which could adversely affect GDG’s financial performance, capital resources, financial condition and prospects.
Reputational damage	▪ GDG’s ability to attract and retain customers and investors and its prospects could be adversely affected if GDG’s reputation is damaged. Failure to appropriately address issues that could or do give rise to reputational damage could also give rise to additional legal risks, subject GDG to regulatory enforcement action, fines and penalties and could lead to loss of business, which could adversely affect GDG’s financial performance, financial condition and prospects.

Transaction Risks
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Non-controlling shareholder risk	▪ GDG is not acquiring a controlling interest in Lonsec. While it will be afforded certain levels of protection by virtue of a Shareholding Deed and board representation, it will not be able to, on a standalone basis, control and make decisions. This could limit GDG's ability to dictate the strategic direction, capital decisions and operations of Lonsec.
Reliance on information provided in Lonsec due diligence	▪ GDG undertook a due diligence process in respect of its investment in Lonsec which relied in part on the review of financial information and other information provided by Lonsec. Despite making reasonable efforts, GDG has not been able to verify the accuracy, reliability or completeness of all the information which was provided. ▪ If any information provided to and relied upon by GDG in its due diligence and preparation proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of Lonsec may be materially different to expectations. ▪ Investors should also note that there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the investment have been identified and avoided or managed appropriately. Therefore, there is a risk that issues and risks may arise that could adversely affect the financial performance of GDG.
Lonsec dividends	▪ Lonsec's ability to pay dividends will be dependent upon its financial performance and its funding requirements to fund its growth agenda. Accordingly, there is no certainty that dividends will be paid by Lonsec to GDG. In addition, should there be a funding shortfall, GDG may be required to invest additional equity capital, or there could be a dilution of its interest and value in Lonsec.
Liquidity risk in Lonsec	▪ As Lonsec is not a publicly listed entity, there is liquidity risk associated with GDG acquiring a minority shareholding. This could make it challenging for GDG to dispose of its ownership interest at a later point in time, with the risk of protracted disposal times, as well as potentially lower proceeds. To the extent that other Lonsec shareholders cease to be supportive shareholders of Lonsec, it could materially curtail Lonsec's performance with resulting adverse financial consequences for GDG's investment in Lonsec.

Transaction Risks
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Conflict of interest	▪ The Generation Life investment bonds hold a "highly recommended" rating from Lonsec Research Pty Ltd. GDG considers this rating to be an important factor in its ability to sell investment bonds which are a key contributor to its earnings. Whilst Lonsec has strict processes in place to manage conflicts of interests there is a risk that GDG's profitability would be adversely impacted if Lonsec was not able to continue to rate Generation Life's investment bonds. In addition, if this was to occur, Lonsec would lose the revenue it currently earns from rating Generation Life investment bonds. ▪ In addition, GDG's Non-Executive Chairman Robert Coombe is a member of the advisory board of Five V Capital, which holds a controlling interest in Zenith Investment Partners (Zenith), a competitor of Lonsec Research. Mr Coombe has provided an undertaking to not be involved in any decisions or access any information in relation to Zenith in his capacity as advisor to Five V Capital.
Completion risk	▪ If GDG's investment in Lonsec is not completed as a result of a failure to satisfy conditions (or otherwise), GDG will need to consider alternative uses for the proceeds from the Offer, or ways to return such proceeds to investors. If completion of the investment is delayed, GDG may incur additional costs and it may take longer than anticipated for GDG to realise the benefits of the investment. Any failure to complete, or delay in completing, the investment may adversely affect GDG's financial performance and the price of its shares.
Entitlement offer – dilution	▪ Entitlement rights cannot be traded on the Australian Securities Exchange (ASX) or otherwise transferred. If a shareholder does not participate in the Entitlement Offer or does not take up their full entitlement to acquire New Shares under the Entitlement Offer their percentage shareholding in GDG will be diluted.
Difference in accounting policies	▪ The accounting policies to be applied by Lonsec in the preparation of its accounts could differ from those adopted by GDG. This could materially increase the reporting complexity and costs associated with the preparation of GDG's accounts. There is also a risk that the preparation of Lonsec's financial accounts is delayed, impacting the ability of GDG to finalise its financial accounts on a timely basis.
Equity accounting for Lonsec	▪ GDG is acquiring a minority, rather than controlling interest in Lonsec. Accordingly, GDG will be equity accounting for Lonsec and not consolidating its investment in its financial statements. As a result, the level of financial information disclosed in the financial statements of GDG may not be as detailed, or give a true picture of its economic performance, as if it was consolidated.

Lonsec Business Risks
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Lonsec's development of its Managed Account product	▪ Lonsec is focused on building its Managed Account product. Although this operating model has been accepted by the regulators and is used extensively by Lonsec's peers, there is a risk that this activity results in a perceived conflict of interest for Lonsec as an integrated research provider and product manufacturer, which could negatively impact its business and financial performance, with resulting adverse financial consequences for GDG's investment in Lonsec.
Lonsec's ability to grow Lonsec Investment Solutions	▪ Lonsec's strategy to build its Investment Solutions business is dependent upon its ability to provide a bespoke product, developed specifically for financial advisers – effectively an asset consulting service wrapped as a product. Should there be any flaws in the design process, or if Lonsec is unable to develop a marketable product, this will significantly curtail demand for Lonsec's Managed Account Solutions and result in an earnings shortfall, as well as potential reputational damage. This may in turn result in adverse financial consequences for GDG's investment in Lonsec.

General Risks
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General economic environment	▪ Changes in general economic factors such as economic growth, interest rates, exchange rates, inflation and business and consumer confidence and general market factors may have an adverse impact on GDG's (references to GDG includes GDG as standalone entity as well as all related group entities) earnings . Aspects of the business that could be affected include reduced management and administration fees and funds under management. ▪ In particular, the COVID-19 pandemic has had a significant impact on the global economy and the ability of individuals and businesses to operate. There continues to be considerable uncertainty as to the duration of, and the ongoing and further impact of COVID-19 in relation to government policies, spending, regulatory actions, work stoppages, lockdowns, quarantines and travel restrictions. The impacts of COVID-19 are beyond GDG's control and may have a material adverse effect on the overall business sentiment and environment, causing material uncertainties. These impacts may cause GDG's business to suffer and impact GDG's business, financial condition and results of operations. Furthermore, increased economic uncertainty and increased unemployment resulting from the economic impacts of the spread of COVID-19 could result in a material reduction in sales inflows and Generation Life policyholders seeking sources of liquidity and withdrawing at greater rates than previously expected.
General share investment risk	▪ There are various risks associated with investing in any form of business and with investing in listed entities generally. The value of GDG shares following the Offer will depend on general share market and economic conditions as well as the specific performance of GDG. There is no guarantee of profitability, dividends, return of capital, or the price at which GDG shares will trade on the ASX. The past performance of GDG shares is not necessarily an indication as to future performance as the trading price of GDG shares can go down or up in value. ▪ As GDG is a listed company, the price at which its shares trade will be subject to the numerous influences that may affect both the broad trend in the share market and the share prices of individual companies and sectors. Investors should recognise that the price of New Shares may fall as well as rise.
General regulatory risk	▪ Changes in laws, regulations and government policy may affect GDG and the attractiveness of an investment in GDG positively or negatively. The financial services sector in which GDG operates is subject to extensive legislation, regulation and supervision by a number of regulatory bodies. ▪ The regulatory environment is increasingly onerous and this has increased the cost of compliance and risk of non-compliance over the years. Changes in laws, regulations and government policy may impact on the attractiveness of an investment in GDG or Generation Life's financial products, thereby impacting upon GDG's profitability. Delays in or failure to secure regulatory approvals may impede new product innovation.

General Risks
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Capital availability	▪ Current economic conditions can impact upon the availability of equity funding that may be required to support the cash flow of a business. GDG's operations and growth may be affected by the availability of funding which would impact on GDG's ability to develop products and establish business operations in the expected time frame and/or at its current levels.
Operational and controls risk	▪ Operational risk relates to the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events which impact on GDG's business. GDG is exposed to operational risks including risks arising from process error, fraud, system failure, failure of security and physical protection systems including cyber security and any pricing errors. GDG has specific operational exposures in connection with product disclosure statements, legal and regulatory compliance, product commitments and others. Operational risk has the potential to have an effect on GDG's financial performance and position as well as reputation.
Liquidity and realisation	▪ There can be no guarantee that there will be an active market in the New Shares or that the price of the New Shares will increase or not decrease. There may be relatively few or many buyers or sellers of the New Shares on the ASX at any one time which may lead to increased price volatility and affect the price at which shareholders are able to sell their New Shares.
Taxation	▪ Future changes in taxation law in Australia, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may impact the future tax liabilities of GDG or may affect taxation treatment of an investment in GDG shares, or the holding or disposal of those shares.
Force Majeure Events	▪ Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of GDG and the price of GDG shares. These events include but are not limited to terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease and biosecurity threats such as Covid19 or other man-made or natural events or occurrences that can have an adverse effect on the demand for GDG's products and services.

General Risks
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Accounting standards	▪ GDG prepares its general purpose financial statements in accordance with IFRS and the Corporations Act. Australian Accounting Standards are not within the control of GDG or its board and are subject to amendment from time to time, and any such changes may impact on GDG's statement of financial position or statement of financial performance. ▪ Preparation of the GDG's financial statements requires management to make estimates and assumptions and to exercise judgement in applying relevant accounting policies, each of which may directly impact the reported amounts of assets, liabilities, income and expenses. A higher degree of judgement is required for the estimates used in the calculation of valuation of goodwill and other intangible assets and as well as other statement of financial position items. Changes in the methodology or assumptions on which the assessment of goodwill and intangible balance is based together with expected future cash flows (including changes flowing from current and potential regulatory reform), could result in the potential write-off or a part of all of the goodwill or intangible balances. ▪ If the judgements, estimates and assumptions which are used to prepare financial statements are subsequently found to be incorrect, there could be a significant loss to GDG beyond that anticipated or provided for, which may adversely impact GDG's reputation and financial performance and position.

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Appendix

B. International Offer Restrictions

International offer restrictions
Appendix B

This document does not constitute an offer of new ordinary shares in Generation Development Group Limited (New Shares) in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Australia

The information in this document has been prepared on the basis that all offers of New Shares will be made to Australian resident investors to whom an offer of shares may lawfully be made without disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) (Corporations Act). This document is not a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act and has not been, and will not be, lodged with the Australian Securities and Investments Commission (ASIC). Neither ASIC nor ASX takes any responsibility for the contents of this document. Accordingly, this document may not contain all information which a prospective investor may require to make a decision about whether to subscribe for New Shares and it does not contain all of the information which would otherwise by required by Australian law to be disclosed in a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act. This document does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to the offer of New Shares or any other transaction in relation to Generation Development Group Limited shares, you should assess whether that transaction is appropriate in light of your own financial circumstances or seek professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (FMC Act). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of GDG Limited with registered addressed in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. Other than under the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Appendix

C. Disclaimers

Disclaimers
Appendix C

No reliance
To the maximum extent permitted by law, the information contained in this presentation is given without any liability whatsoever being accepted by Generation Development Group Limited (GDG) or any of its related bodies corporate or their respective directors, officers, partners, employees, advisors and agents (Relevant Parties). The information contained in this presentation is not intended to constitute legal, tax or accounting advice or opinion. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or thoroughness of the information, whether as to the past or future. Recipients of the document must make their own independent investigations, consideration and evaluation.

Limited disclosure
This presentation contains summary information about GDG and its activities which is current at the date of this presentation. The information in this presentation is of a general nature. The presentation does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in GDG nor does it contain all the information which would be required in a disclosure document prepared in accordance with the requirements of the Corporations Act 2001 (Cth) and should not be used in isolation as a basis to invest in GDG. It should be read in conjunction with GDG's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Seek your own advice
In providing this presentation, GDG has not considered the objectives, financial position or needs of the recipient. The recipient should consult with its own legal, tax or accounting advisers as to the accuracy and application of the information contained herein, and conduct its own due diligence and other enquiries in relation to such information and any investment in GDG and the recipient's objectives, financial position or needs. The Generation Life Product Disclosure Statement (PDS) should be considered in deciding to acquire, or continue to hold, investment bonds.

No offer to acquire GDG shares
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