

28 November 2017

2017 ANNUAL GENERAL MEETING – CHAIRMAN AND CEO ADDRESSES

In accordance with ASX Listing Rule 3.13, attached are the addresses and accompanying presentation slides to be given by the Chairman and Chief Executive Officer at the Annual General Meeting of Gateway Lifestyle Operations Limited and the General Meeting of Residential Parks No. 2 Trust today at 11.00 a.m. (AEDT).

The meeting will be webcast at <https://edge.media-server.com/m6/p/fif4juio>.

Further information on Gateway Lifestyle Group can be found at www.gatewaylifestyle.com.au

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28 November 2017

GATEWAY LIFESTYLE GROUP (ASX: GTY) FY17 AGM

Chairman's Address

Good morning ladies and gentlemen. Welcome to Gateway Lifestyle Group's annual general meeting for 2017.

During the financial year 2017, we have continued to build on the progress we have made since listing in June 2015. This year, however, was not without some challenges, which we addressed throughout the year.

As Australia's largest operator of land lease communities, we are acutely aware of the housing affordability debate in this country. Gateway Lifestyle remains at the forefront of addressing housing affordability and inspiring better lifestyles for over 9,000 residents who now call a Gateway Lifestyle community home.

Positioned to provide quality communities underpinned by sustainable rents, simple contracts and affordable home ownership, Gateway Lifestyle continues to deliver communities that address the long-term needs of our residents.

During the year, we welcomed over 800 new residents into our communities through new home settlements, home resales and acquisitions. In addition, we completed our first comprehensive resident survey to help us better understand the issues that are most important to our residents' satisfaction. It is pleasing that 89% of our residents would recommend moving into a Gateway Lifestyle community to a friend or relative.

Over the course of financial year 2017 we increased the number of long-term occupied sites to 6,539 through the settlement of 241 new homes and the acquisition of four new communities. As a result, the long-term recurring rental income increased by 24.5% to \$46.3 million and over \$48 million on an annualised basis.

On the financial metrics, the Group earned a net profit after tax of \$59.7 million, declared and paid 9.10 cents per security in distributions for financial year 2017, a payout ratio of 69% of distributable earnings, which reflects a solid yield and the strong cash position of the Group. The Group entered financial year 2018 with gearing of 23.4%, below our target range of 25-35% which will provide us with scope for further growth.

In May 2017, the Group announced it had adopted a Distribution Reinvestment Plan and it operated for the final distribution to 30 June 2017. We saw a good take up with approximately 21% of securities participating, providing funds for our development pipeline and further strengthening our capital position.

The Board is committed to ensuring Gateway is operated and managed in a sustainable manner with strong corporate governance practices fundamental to the long-term performance of the Group. As the expectations being placed on companies continue to evolve, the Board monitors and reviews its governance practices to meet our regulatory objectives and the expectations of all stakeholders, while managing the risks across the business.

During the financial year we strengthened the executive team to support the current operations and future growth. We announced the appointment of a new Chief Financial Officer, Owen Kemp, and Chief Operating Officer, Mike Bosel, who have both demonstrated a high level of commitment and delivery since their appointment.

We experienced adverse weather related days on key projects in late 3Q17 and 4Q17 which ultimately affected our ability to achieve our targeted settlements in the last quarter of FY17, and as a result our FY17 guidance target. This highlighted a need to improve the forward visibility in our development activities to mitigate the impact of such events across the planning and execution cycle. Today, we are pleased with the improvements already achieved in this area, however remain all too aware that we cannot become complacent. Importantly, these improvements, combined with our strengthened executive team provides that we are well positioned to deliver our three to five year plan for the Group.

Sustainability remains a core focus and during the year we invested in better understanding the key concerns we believe are the most important to our stakeholders and for the performance of the business. Our employees have made valuable contributions throughout the year and we have implemented a series of workplace initiatives that have had a positive impact on our safety culture.

We are encouraged that the major corporate governance advisers have reviewed the Remuneration Report and have recommended that their client securityholders vote in favour of this years' Remuneration Report. As foreshadowed in the Remuneration Report, during the year the Company adopted a revised short term incentive framework.

In addition, we reviewed the performance measures of the executive long term incentive plan and have introduced a distributable earnings growth metric as one key performance condition. The introduction of the distributable earnings metric has taken into account feedback from proxy advisers and our major securityholders and input from a remuneration consultant regarding the performance measures of the long term incentive plan introduced in FY16. We believe the distributable earnings metric reflects the strategic objectives of the Group and will incentivise the sustainability of earnings performance over the-long term. The major corporate governance proxy advisers have recommended in favour of the grant of the long term incentive rights to the CEO.

In FY17 there was no change to fixed remuneration for the CEO. In addition, there was no increase to base fees for non-executive directors.

Today we are seeking approval by way of Item 4, to amend the Constitution of the Company to enable capital to be reallocated between the Company and the Trust from time to time.

The Capital Reallocation Amendment will enable the Gateway Lifestyle Group to adjust capital levels between the Company and Trust by moving capital from the Trust to the Company or from the Company to the Trust. This allows Gateway Lifestyle Group to manage the capital of the Company and Trust so that it better aligns respective underlying capital requirements, with the aim of enhancing returns to investors from the operations of the business over time.

The Board unanimously supports the capital reallocation proposal and the major proxy advisors have also recommended in favour of the resolution.

At today's meeting, I will offer myself for re-election. I believe my experience in the finance sector and my expertise in the affordable living and commercial property market has positioned me well for this responsibility. I look forward to continuing to serve on the Board should securityholders support the resolution to re-elect me.

We are progressing well with our diversity objectives for both the Board and Executive team. We currently have 20% female representation on the Board and the executive team has 40% female representation. The

Board understands it is important to have the right mix of skills and experience to guide and govern the Group effectively.

I would like to thank my Board colleagues and the employees of Gateway Lifestyle for their dedication over the year. The Board and I are confident given the changes to the Executive team that we are well placed to deliver against our performance objectives.

Thank you to our securityholders for their ongoing support.

The continued commitment of our employees, strong fundamentals of the business and positive macro-economic drivers for the sector will enable Gateway Lifestyle to continue to deliver enhanced returns for our securityholders in the years ahead. We will continue to apply a disciplined and consistent implementation of our strategy to grow the long-term recurring income stream of the business through the management of our existing communities, development of new communities and acquisitions.

Andrew Love
CHAIRMAN

28 November 2017

GATEWAY LIFESTYLE GROUP (ASX: GTY) FY17 AGM

CEO Address

Thank you Andrew, and good morning everyone.

Today I would like to take you through the 2017 financial year results, provide you with an update on the financial year 2018 performance to date and also our outlook for the remainder of the financial year.

I am pleased to report we are on track to deliver our financial year 2018 guidance of 7% growth¹ in distributable earnings, reflecting a solid start to the year across the operations and development segments of our business.

FY17 key highlights

Financial year 2017 was a year of consolidation and forward investment into the build out of our portfolio, with a focus on expanding our long-term recurring revenue base. Revenue increased 4.4% to \$118.9 million and net profit after tax increased 53.4% to \$59.7 million. Distributable earnings, our key earnings metric, increased 4.5% to \$39.6 million, representing 13.2 cents per stapled security and the Group distributed 9.1 cents per stapled security or 69% of distributable earnings.

Rental revenue increased 22.5% to \$60.9 million, largely driven by a 24.5% increase in our long-term rental revenue to \$46.3 million. Growth in long-term rental revenue remains the core value driver of our business. During the year we added 595 long-term occupied sites to the portfolio through the sale of 241 new homes and the acquisition of four communities. At 30 June 2017, the portfolio comprised 6,539 long-term occupied sites, equating to an annualised long-term rental revenue of over \$48 million.

Development revenue from new home sales decreased by 10.3% to \$57.5 million with 241 new home settlements. Settlement volumes in Q4 were impacted by adverse weather at a number of projects. This highlighted the need for improved forward planning throughout our home inventory supply chain to provide better visibility on our development projects. Gross profit margin per new home settlement increased to \$105k, however, we expect the gross development margin per new home to be circa \$100k in the near to medium term, which takes into account the impact of project mix.

Our balance sheet remains strong as indicated by our low gearing of 23.4%. LVR and Interest Cover Ratio, our two primary covenants, remain well within our banking covenants and we continue to have headroom in our undrawn facilities.

FY17 achievements

Throughout financial year 2017 we continued to invest in all aspects of the business and challenge ourselves on how we operate our communities to meet our resident's needs, now and into the future. We believe our communities provide a long-term solution that ticks the boxes of both lifestyle and affordability.

We are committed to investing time, energy and leadership to develop a culture of safety and performance.

1. Subject to no material change in market conditions.

We are building an inclusive workforce, with systems that are simple, reliable and deliver safe outcomes for our employees and residents. We have achieved significant progress on building our capabilities and expertise while we continue to design a workplace focused on continuous improvement. The executive team was strengthened with the addition of Owen Kemp as CFO and Mike Bosel as COO and I am confident we have the team with the right capabilities and experience to support the day to day operations and the strategic direction of Gateway Lifestyle. I would like to take this opportunity to thank the dedicated staff of Gateway Lifestyle for their contribution to our success to date.

During the year we completed our first comprehensive resident survey to help us better understand what matters most to our residents. We would like to thank all our residents who participated in the survey and provided valuable insight into our communities. Pleasingly, we received a strong endorsement from our residents with 89% recommending living in a Gateway Lifestyle community and 92% feeling connected to their community. One of Gateway Lifestyle's market differentiators and contributors to our resident satisfaction are our community managers who foster and manage strong resident relationships and are highly focused on the communities they manage.

There has been a disciplined approach to capital deployment within the existing portfolio and in assessing new opportunities in what is an increasingly competitive acquisition environment for operating assets. We remain well capitalised to execute our strategy of growing the long-term rental revenue, act on new opportunities and deliver long-term value to our securityholders.

Residents

Our 9000+ residents are the cornerstone of the business. We have a clear understanding that a sense of engagement, community and well-being are important considerations for our residents. Retirees are having to make a major decision about their lifestyle and they want to get it right. They want to make the decision on where they see themselves living for the next 20 years and beyond. The way we operate and design our communities now and into the future will increasingly be influenced by our resident's expectations and our commitment to innovation will ensure that we are able to attract new residents to our communities.

Building long-term value

We remain focused on the core drivers of value that enable us to leverage our scale and competitive advantage to create value. We are committed to growing the long-term rental revenue by investing in the build out of our portfolio, targeting new acquisition opportunities and delivering operational and organisational efficiencies from our corporate platform.

The benefits of growing the long-term recurring income stream within our mature and conversion communities was evidenced by the \$25 million net fair value gain for these assets during financial year 2017. This uplift was driven by improved operating performance and tightening cap rates. The quality and predictability of the long-term income stream continues to be the foundation of our business together with operational excellence, commitment to affordability and an ongoing focus to meet our resident expectations.

The competitive environment for operating assets during financial year 2017 tightened further with a number of transactions at industry record low yields. This has increased the focus of our business on greenfield development opportunities, and we are currently at various stages of due diligence on a number of greenfield sites. Additionally, we continue to assess each asset within the portfolio and explore opportunities to recycle capital through the divestment of non-core assets.

FY18 trading update and outlook

We have seen an encouraging start to financial year 2018, with good forward visibility heading into 2H18. Based on this, we maintain our financial year 2018 guidance at 7% growth in distributable earnings, subject to no material change in market conditions.

We are on track to exceed \$50 million in long-term recurring revenue for financial year 2018, with long-term rental growth and operations EBITDA performing in line with expectations.

As at 24 November 2017, we have settled 101 new homes with 62 settlements in Q1 and continued demand at our key selling projects. Historically, we have experienced a strong skew of settlements to the second half of the financial year. Our current expectations for the 2018 financial year is that the skew will be less pronounced, and we remain on track for circa 250 settlements. While we have seen market conditions in the residential sector ease in some locations, overall, we continue to attract demand from those seeking to make a smart lifestyle choice that provides certainty of home ownership and affordability.

Conclusion

In conclusion, Gateway Lifestyle is underpinned by strong fundamentals, with a long-term recurring rental income stream expected to exceed \$50 million in financial year 2018 and the ongoing development of new homes within the existing portfolio. With a strong balance sheet and demand for our communities, we have continued to forward invest in home inventory and the build out of the portfolio to support the next 12-18 months settlement volume.

Looking forward, we are focused on delivering communities that inspire a better lifestyle for our residents.

Finally, my thanks to the Board and our securityholders on your continued support. I would now like to hand back to Andrew to commence the formal business of the meeting.

Trent Ottawa

Chief Executive Officer

INSPIRING A BETTER *lifestyle*



2017

Annual General Meeting

28 November 2017

Disclaimer

Summary Information

The Gateway Lifestyle Group (GTY) is a stapled group. Shares in Gateway Lifestyle Operations Limited (GTY or the Company) and units in the Residential Parks No.2 Trust (Trust) are stapled and cannot be traded separately. As a result of the stapling and in accordance with the Constitution of the Trust and Company, the operations of the Gateway Lifestyle Group are coordinated under the management of the Company.

The material in this presentation has been prepared by the Company and contains summary information about GTY's activities. One Managed Investments Funds Limited (ACN 117 400 987 /AFSL 297042) (OMIFL) is the responsibility entity of the Trust. The information contained in this presentation was not prepared by OMIFL. While OMIFL has no reason to believe that the information is inaccurate, the truth or accuracy of the information in this presentation cannot be warranted or guaranteed by OMIFL.

The information in this presentation is of a general background nature and does not purport to be complete or contain all the information security holders would require to evaluate their investment in GTY. It should be read in conjunction with GTY's other periodic and continuous disclosure announcements which are available at www.gatewaylifestyle.com.au. Other than to the extent required by law (and only to that extent) each of GTY and OMIFL and their respective officers, employees and professional advisors make no representation or warranty (express or implied) as to, and assume no responsibility or liability for, the contents of this presentation.

Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Future performance

This presentation contains certain "forward-looking statements". Forward-looking statements, opinions and estimates provided in this presentation are inherently uncertain and are based on assumptions and estimates which are subject to change without notice, as are statements about market and industry trends, which are based on interpretation of market conditions. Actual results and performance may vary materially because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risk such as changes in market conditions and in regulations. Investors should form their own views as to these matters and any assumptions on which any of the forward-looking statements are based and not place reliance on such statements.

Not financial product advice or offer

Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities. Before acting on any information, you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice.

Non-IFRS financial measures.

The Group results are reported under International Financial Reporting Standards (IFRS). However, this presentation includes certain financial information that are non-IFRS financial measures for the purposes of providing a more comprehensive understanding of the performance of the Group. These non-IFRS financial measures include Distributable Earnings, EBITDA and other operating measures which provide useful information for measuring the underlying operating performance of the Group. Such non-IFRS information is unaudited, however the numbers have been extracted from audited financial statements.

Chairman's Address

Andrew Love



Board of Directors



Andrew Love
Independent Chairman



Andy Fay
Independent Non-Executive
Director
Chair of Audit and Risk
Management Committee



Stephen Newton
Independent Non-Executive
Director



Rachel Launders
Independent Non-Executive
Director
Chair of Remuneration and
Nomination Committee



Trent Ottawa
Executive Director
Chief Executive Officer

Gateway Lifestyle is strongly positioned for growth and sustainable returns



\$59.7m

net profit after
tax

\$39.6m

distributable earnings

\$46.3m

long-term recurring
revenue

6,539

long-term occupied
sites

+9,000

residents

CEO's Address

Trent Ottawa



FY17 key highlights



Total revenue

\$118.9m

up 4.4%

Distributable earnings

\$39.6m

up 4.5%

Long-term rental revenue

\$46.3m

increased 24.5%

Growth capacity

~\$70m

Net profit after tax

\$59.7m

up 53.4%

Distributions paid

9.1 cents

per stapled security equating
to a 69% payout ratio

Long-term occupied sites

6,539

increase of 595 in FY17

Gearing

23.4%

FY17 achievements



Communities

24.5% growth in long-term income to \$46m

New community designs addressing evolving resident trends

Added 595 long-term occupied sites to the portfolio

Acquired 4 new communities

People

Experienced executive and senior management team

Equal opportunity employer supporting diversity in the workplace

Employment opportunities across regional, coastal and metro locations

Residents

800+ new residents moved into a Gateway Lifestyle community

Inaugural resident survey to better understand satisfaction and well-being of our residents

89% of our residents would recommend living in a Gateway Lifestyle community

Capital

Strong balance sheet with ~\$70m in growth capacity

Disciplined approach to capital deployment and recycling

Strong cash conversion with a return on equity focus

Our residents

Engagement

92% of residents feel connected to their Gateway Lifestyle community*

Community

89% of residents would recommend Gateway Lifestyle*

Wellbeing

70% of residents felt their wellbeing had improved since moving into a Gateway Lifestyle community*



* Research conducted by Spark Strategy in conjunction with Gateway Lifestyle.

Building long-term value

Mature communities

- Improving value of communities
- Operational synergies
- Enhanced resident experience
- Refurbishment opportunities

Conversion communities

- Asset repositioning
- Opportunity to improve quality of income
- Regeneration strategy

Greenfield developments

- ~300 sites owned
- ~1,000 sites under option
- Growing focus, ROE driven
- Higher quality design



Acquisitions

- Disciplined selection criteria
- Long term focus
- New business opportunities

Asset recycling

- Capital management
- Non-core asset divestment
- Redeployment into higher ROE assets

Operational excellence

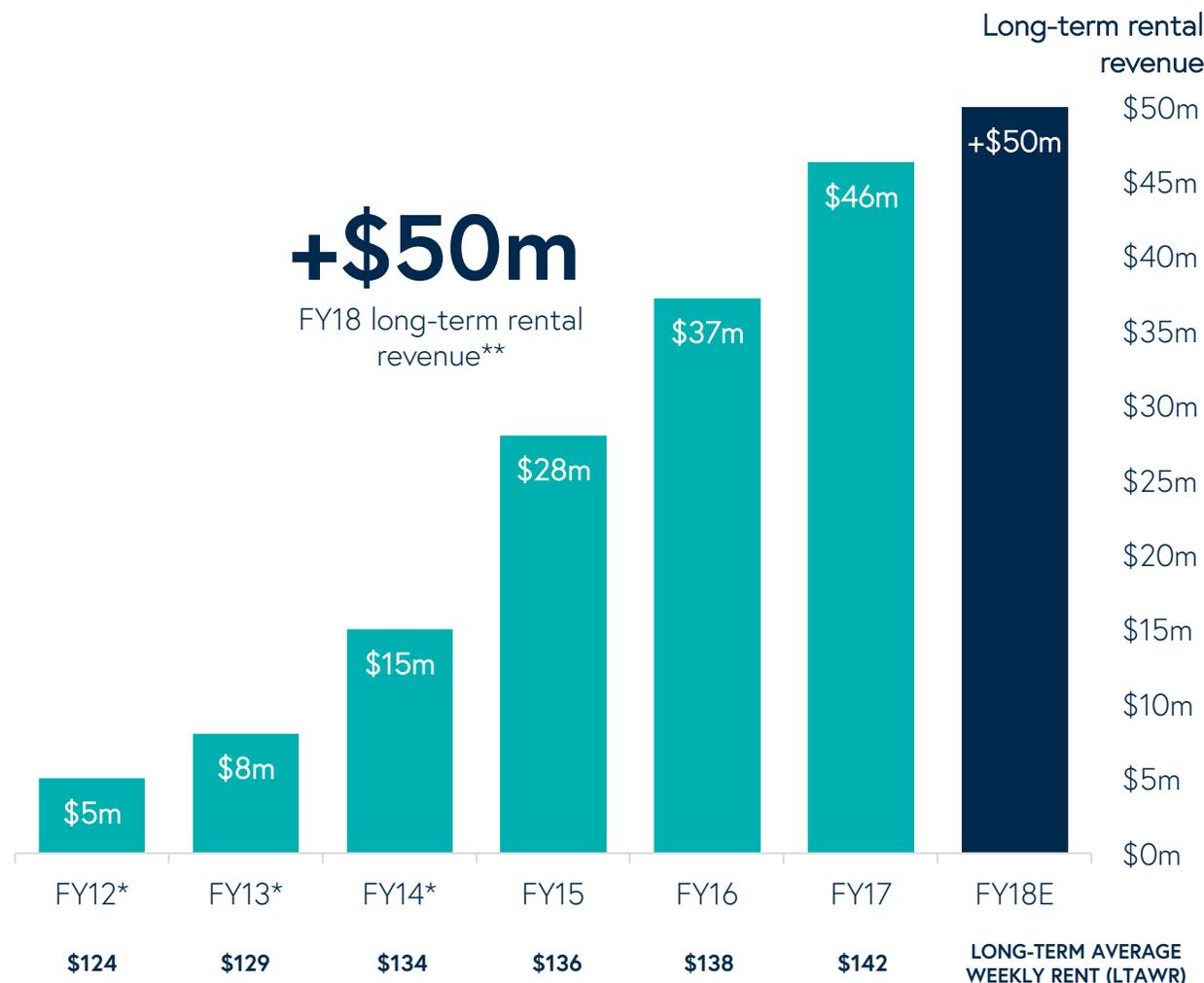
- Resident focused
- Investment in people and systems
- Cost management

FY18 trading update and outlook

Ongoing focus remains on growing the portfolio of long-term occupied sites

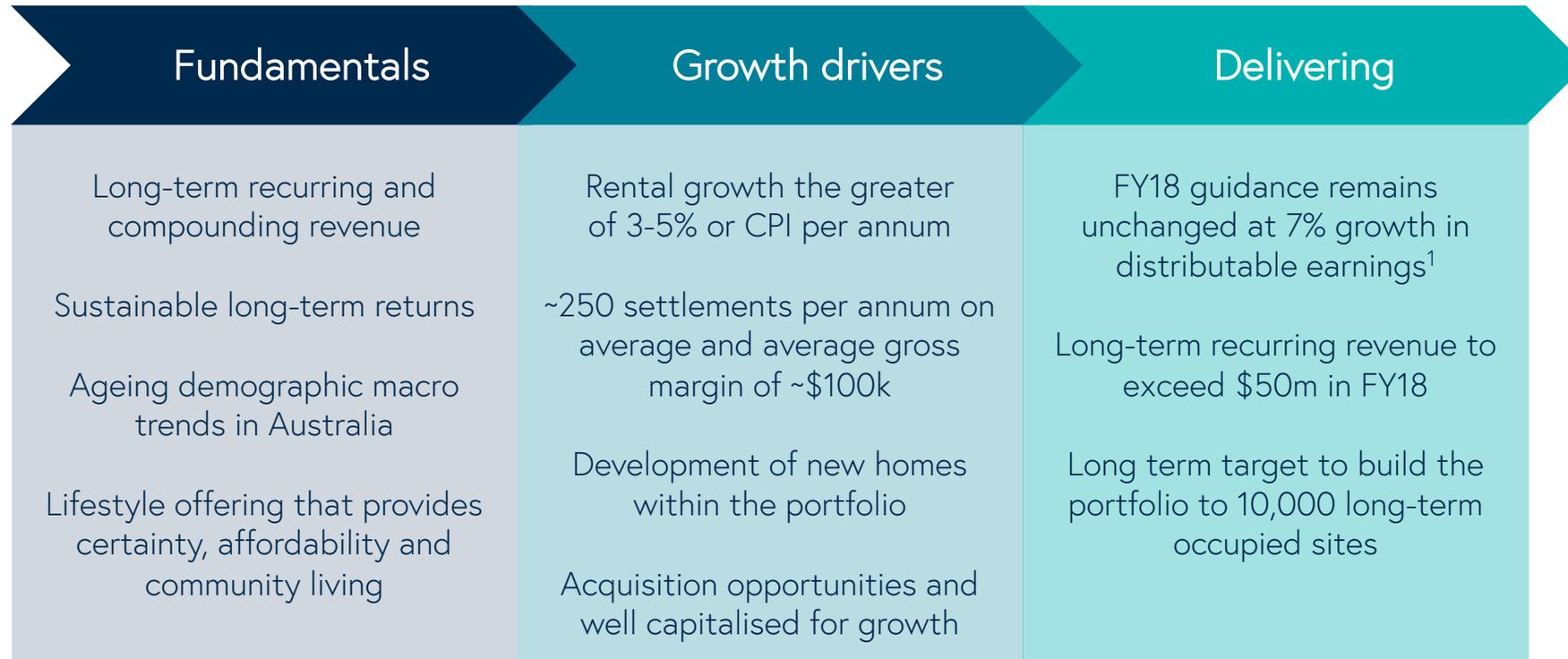
- Guidance of 7% growth for FY18 in distributable earnings remains unchanged¹
 - On track to exceed \$50m in long-term recurring revenue for FY18
 - Long-term rental growth and operations EBITDA in line with expectations
 - 101 settlements to 24 November 2017, on track for ~250 settlements with a less pronounced skew to 2H18 than anticipated
- Forward investment in communities and home inventory to support 12-18 month settlement volume
- Well capitalised with low gearing

¹ Subject to no material change in market conditions.



* Pro-forma data is based on historical information for the assets comprising Gateway Lifestyle as at 15 June 2015, being the date of listing of the stapled security on the ASX.
 ** Estimate for the financial year ending 30 June 2018.

Inspiring a better lifestyle



1. Subject to no material change in market conditions.

Creating communities that inspire a better lifestyle

Discussion and questions



Formal Business



Item 1

Annual Financial Report, Directors' Report & Auditor's Report

To receive and consider Gateway Lifestyle Group's Financial Statements for the year ended 30 June 2017 and the reports of the Directors and the Auditor as set out in the 2017 Annual Report.

Note: There is no requirement for securityholders to approve these reports.

Item 2

Adoption of the Remuneration Report for the year ending 30 June 2017 – Proxy Votes Received

That the Remuneration Report for the year ended 30 June 2017 be adopted.

| Item 2 | For | Against | Open | Abstain |
|-----------|-------------|-----------|---------|---------|
| | 208,557,744 | 8,894,368 | 105,179 | 130,712 |

Note: Votes on this resolution are advisory only and do not bind the Directors or the Company.

Item 3

Re-election of Director – Proxy Votes Received

That Andrew Love who retires by rotation in accordance with the Constitution of the Company and being eligible, be re-elected as a Director of the Company.

| Item 3 | For | Against | Open | Abstain |
|-----------|-------------|-----------|---------|---------|
| | 214,669,629 | 9,290,932 | 126,578 | 55,802 |

Item 4

Capital Reallocation Amendment – Proxy Votes Received

To consider, and if thought fit, pass the following resolution as a special resolution of the Company:

"That the Constitution of the Company be amended by inserting the following paragraph as a new rule 2.11:

2.11 Capital Reallocation

- (a) If at any time, a Stapled Entity makes a capital payment to the company as a capital reallocation amount
 - (1) each member is taken to have directed the company to accept that capital reallocation amount; and
 - (2) the company must apply that amount as an additional capital payment in respect of each Share that is Stapled to a Security of the Stapled Entity making the capital payment equally in respect of each Share.
- (b) Subject to the Act and the Listing Rules, the company may at anytime make capital payment to another Stapled Entity as a capital reallocation amount provided that
 - (1) the constitution of the Stapled Entity contains provisions to the effect of those in rule 2.11 (a): and
 - (2) the Board is satisfied that the capital payment will be applied as an additional capital payment in respect of each Attached Security to which a Share is Stapled equally"

| Item 4 | For | Against | Open | Abstain |
|--------|-------------|-----------|--------|---------|
| | 218,791,103 | 5,614,096 | 99,020 | 58,768 |

Item 5

Approval of FY18 Long Term Incentive grant to the CEO, Trent Ottawa – Proxy Votes Received

That for the purposes of ASX Listing Rule 10.14, and for all other purposes, securityholders approve the grant of Security Rights to Trent Ottawa under the Gateway Lifestyle Group Equity Incentive Plan as his FY18 long term incentive award on the terms described in the Explanatory Notes to the Notice of Annual General Meeting.

| Item 5 | For | Against | Open | Abstain |
|--------|-------------|-----------|---------|---------|
| | 209,345,685 | 8,623,684 | 101,078 | 54,602 |

Conduct of Poll



Close of meeting

Thank you for your attendance.

I now invite you to join the Directors and Management Team for light refreshments.

