

Generation Development Group Limited

ACN 087 334 370

Retail Entitlement Offer

1 for 6.7 accelerated pro-rata non-renounceable entitlement offer of fully paid ordinary shares in GDG at an offer price of \$0.70 per New Share.

The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on 5 October 2020.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised entitlement and acceptance form and both should be read in their entirety. This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. Please call your stockbroker, solicitor, accountant, financial adviser or other professional adviser or the GDG shareholder information line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am to 5.30pm (Melbourne time) Monday to Friday.

IMPORTANT NOTICE

Defined terms used in these important notices have the meaning given in this retail entitlement offer information booklet (**Offer Booklet**).

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

This Offer Booklet relates to the Retail Entitlement Offer which is part of the entitlement offer by Generation Development Group Limited ACN 087 334 370 (**GDG**) of New Shares to raise approximately \$35 million. The Entitlement Offer is being made in Australia pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, which allows entitlement offers to be made to investors without a prospectus).

As this offer is not being made under a prospectus, investment statement or product disclosure statement, it is important for Eligible Retail Shareholders to read carefully and understand this Offer Booklet and the information about GDG and the Entitlement Offer that is made publicly available. In particular, please refer to the materials in this Offer Booklet (including GDG's investor presentation in Appendix A), GDG's annual reports and other announcements made available at www.gendevdevelopmentgroup.com.au (including GDG's preliminary final report for the full year ended 30 June 2020 which was released to ASX on 27 August 2020), and other announcements which may be made by GDG after publication of this Offer Booklet.

By returning an entitlement and acceptance form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the entitlement and acceptance form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer in this Offer Booklet.

Future performance and forward looking statements

This Offer Booklet contains certain "forward looking statements", including but not limited to projections and guidance on the future performance of GDG and the outcome and effects of the Entitlement Offer. Forward looking statements can generally be identified by the use of forward looking words such as "**expect**", "**anticipate**", "**likely**", "**intend**", "**propose**", "**should**", "**could**", "**may**", "**predict**", "**plan**", "**will**", "**believe**", "**forecast**", "**estimate**", "**target**", "**outlook**", "**guidance**", "**potential**", and other similar expressions within the meaning of securities laws of applicable jurisdictions.

The forward looking statements contained in this Offer Booklet are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of GDG, its Directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the "Key Risk Factors" section of GDG's investor presentation included in Appendix A of this Offer Booklet for a summary of certain general and GDG specific risk factors that may affect GDG. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including one or more of the key risk factors referred to in the "Key Risk Factors" section of GDG's investor presentation included in Appendix A of this Offer Booklet. Investors should consider the forward-looking statements contained in this Offer Booklet in light of those disclosures. The forward-looking statements are based on information available to GDG as at the date of this Offer Booklet. **You are strongly cautioned not to place undue reliance on forward looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.**

Except as required by law or regulation (including the ASX Listing Rules), GDG undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of,

and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

None of the Underwriter Parties (as defined below) has authorised, approved or verified any forward-looking statements (or any other statements) in this Offer Booklet.

Underwriters

Moelis Australia Advisory Pty Ltd and Morgans Corporate Limited (the **Underwriters**) have acted as joint lead managers to, and underwriters of, the Entitlement Offer. None of the Underwriters, any of their respective affiliates or related bodies corporate (as that term is defined in the Corporations Act) or any of their respective directors, employees, officers, representatives, agents, partners, consultants or advisers (together, the **Underwriter Parties**), the advisers to GDG or any other person has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Offer Booklet (or any other materials released by GDG) and none of them makes or purports to make any statement in this Offer Booklet and there is no statement in this Offer Booklet which is based on any statement by any of them.

The Underwriter Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from, GDG.

Disclaimer

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of GDG and the Underwriters. To the maximum extent permitted by law, each of GDG and the Underwriter Parties disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion.

To the maximum extent permitted by law, the Underwriter Parties expressly exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Retail Entitlement Offer and the information in this Offer Booklet being inaccurate or due to information being omitted from this Offer Booklet, whether by way of negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Offer Booklet.

The Underwriter Parties take no responsibility for any part of this Offer Booklet or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Offer Booklet or otherwise arising in connection with either of them.

The Underwriter Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and by returning an entitlement and acceptance form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the entitlement and acceptance form, you represent, warrant and agree that you have not relied on any statements made by the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally.

Past performance

Investors should note that past performance, including the past share price performance of GDG and the pro forma historical information in GDG's investor presentation included in Appendix A of this Offer Booklet, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future GDG performance including future share price performance.

The pro forma historical information is not represented as being indicative of GDG's views on its future financial condition and/or performance.

Jurisdictions

This Offer Booklet (including GDG's investor presentation included as part of it) and the entitlement and acceptance form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet nor the entitlement and acceptance form may be distributed or released in the United States. Neither the Entitlements to purchase New Shares pursuant to the offer described in this Offer Booklet nor the New Shares have been, or will be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be issued to, purchased by, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Shares in the Entitlement Offer will be sold only in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

References to "you" and "your Entitlement"

In this Offer Booklet, references to "you" are references to Eligible Retail Shareholders (as defined in Section 5.1) and references to "your Entitlement" (or "your entitlement and acceptance form") are references to the Entitlement (or entitlement and acceptance form) of Eligible Retail Shareholders.

Times and dates

Times and dates in this Offer Booklet are indicative only and may be subject to change. All dates refer to Melbourne time. Refer to the "Key Dates" section of this Offer Booklet for more details.

Currency

Unless otherwise stated, all dollar values in this Offer Booklet are in Australian dollars (AUD).

Trading in New Shares

GDG and the Underwriters will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by GDG, GDG's share registry or the Underwriters or failure to maintain their updated details with GDG's share registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

Refer to Section 5 for details.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Offer Booklet.

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KEY DATES

Event	Date
Announcement of the Capital Raising (including moving into trading halt and giving a completed Appendix 3B to ASX)	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
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 on the Australian Securities Exchange (ASX) 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

The timetable above is indicative only and may change. GDG, with the prior written consent of the Underwriters, may amend any of these dates and times without notice, subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. In particular, GDG reserves the right to extend the Closing Date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX. Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has

been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their entitlement and acceptance form as soon as possible after the Retail Entitlement Offer opens to ensure their application is received by GDG's share registry in time.

Enquiries

If you have any questions, please contact the GDG shareholder information line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am to 5.30pm (Melbourne time), Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

LETTER FROM CHAIRMAN

23 September 2020

Dear GDG Shareholder

On behalf of the Board of Generation Development Group Limited (**GDG** or **Company**), I am pleased to invite you to participate in the recently announced 1 for 6.7 accelerated pro-rata non-renounceable entitlement offer for new GDG ordinary shares (**New Shares**) at an issue price of \$0.70 per New Share (**Entitlement Offer**).

Equity Raising

On 17 September 2020, GDG announced its intention to undertake an equity raising of up to \$35 million by way of:

- a \$21.9 million institutional placement (**Placement**); and
- a \$13.1 million Entitlement Offer, comprising an accelerated non-renounceable entitlement offer to eligible institutions (**Institutional Entitlement Offer**) and a non-renounceable entitlement offer to Eligible Retail Shareholders (**Retail Entitlement Offer**).

The Placement and Institutional Entitlement Offer was successfully completed on 18 September 2020. This information booklet (**Offer Booklet**) relates to the Retail Entitlement Offer.

Use of Proceeds and Transaction Rationale

Approximately \$20 million will be used to acquire a 37% stake in Lonsec Holdings Pty Ltd, a leading qualitative research firm providing ratings to fund managers, superannuation funds, advisory groups, and platforms. Approximately \$10 million will be applied to the development of a new annuity product and the regulatory capital required for this. The remainder will be used for general working capital and transaction costs. Further detail is provided in GDG's Investor Presentation lodged with the Australian Securities Exchange (**ASX**) on 17 September 2020 (and included in this Offer Booklet).

Retail Entitlement Offer

Under the Retail Entitlement Offer, eligible retail shareholders in Australia and New Zealand have the opportunity to subscribe for 1 New Shares for every 6.7 ordinary shares in GDG held at 7.00pm (Melbourne time) on 21 September 2020 (**Entitlement**) at a price of \$0.70 per New Share, which is the same price as the institutional investors who participated in the Placement and Institutional Entitlement Offer (and as set out in your personalised Entitlement and Acceptance Form that is enclosed with this Offer Booklet).

If you take up your Entitlement in full, you can also apply for additional shares in excess of your Entitlement under a top-up facility (refer to section 3.10 of the Offer Booklet for more information).

The issue price of \$0.70 per New Share represents an approximate 12.5% discount to the theoretical ex-rights price.

The Retail Entitlement Offer is joint lead managed and fully underwritten by Morgans Corporate Limited and Moelis Australia Advisory Pty Ltd (the **Underwriters**) subject to the terms of the Underwriting Agreement (see section 5.12 for further details).

The Entitlement Offer is non renounceable and the Entitlements will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements they do not take up. I encourage you to consider this offer carefully.

Offer Information

The Offer Booklet contains important information, including:

1. the Investor Presentation referred to above;
2. instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you chose to do so, and a timetable of key dates; and
3. instructions on how to take up all or a part of your Entitlement.

A personalised Entitlement and Acceptance Form which details your Entitlement accompanies this Offer Booklet. Please follow the instructions contained therein to apply for New Shares under the Retail Entitlement Offer.

The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on 5 October 2020.

Please read in full the details on how to submit your application, which are set out in this Offer Booklet. You can accept by paying your Application Monies via BPAY®. If you choose to pay via BPAY® you are not required to submit the Entitlement and Acceptance form.

You should consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the Board of GDG, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Rob Coombe
Non-Executive Chairman

1. IS THIS OFFER BOOKLET RELEVANT TO YOU?

This Offer Booklet is relevant to you if you are an Eligible Retail Shareholder (as defined below).

In this Offer Booklet, references to "you" are references to Eligible Retail Shareholders and references to "your Entitlement" (or "your entitlement and acceptance form") are references to the Entitlement (or entitlement and acceptance form) of Eligible Retail Shareholders.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of GDG shares as at the Record Date, being 7.00pm (Melbourne time) on 21 September 2020;
- have a registered address on the GDG share register that is in Australia or New Zealand, or are a Shareholder that GDG has otherwise determined is eligible to participate;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds GDG ordinary shares for the account or benefit of such person in the United States);
- were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Ineligible Institutional Shareholders are those institutional shareholders on the Record Date with a registered address outside of Australia and New Zealand (or any other jurisdiction that GDG and the Underwriters agree) to whom the Entitlement Offer will not be extended in accordance with ASX Listing Rule 7.7.1(a).

2. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder you may take either of the following actions:

1. take up all or part of your Entitlement; or
2. do nothing and let all of your Entitlement lapse.

If you are a shareholder that is not an Eligible Retail Shareholder you are an **Ineligible Retail Shareholder**. Refer to Section 3.9 for more detail on Ineligible Retail Shareholders.

Options available to you	Key considerations
1. Take up all of your Entitlement	If you wish to take up all of your Entitlement, you may elect to purchase all of the New Shares at the Offer Price specified in your personalised entitlement and acceptance form (see Section 3.5 for instructions on how to take up your Entitlement). The New Shares will rank equally in all respects with existing GDG ordinary shares. The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on 5 October 2020. Eligible Retail Shareholders who take up their Entitlement in full can also apply for additional New Shares under a top-up facility established for that purpose (Top-Up Facility).
2. Take up part of your Entitlement	If you wish to take up only part of your Entitlement, you may elect to purchase a lesser number of New Shares at the Offer Price, than the number of New Shares specified in your personalised entitlement and acceptance form (see Section 3.5 for instructions on how to take up your Entitlement). The New Shares will rank equally in all respects with existing GDG shares. If you only take up part of your Entitlement, the relevant portion of your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements will be subscribed for under the Top-Up Facility or by the Underwriters or any sub-underwriters. The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on 5 October 2020.
3. Do nothing and let all of your Entitlement lapse	If you do nothing with respect to all of your Entitlement, your Entitlement will lapse and you will receive no benefit. These Entitlements will be subscribed for under the Top-Up Facility or by the Underwriters or any sub-underwriters. By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Although you will continue to own the same number of GDG shares, your percentage shareholding in GDG will be diluted.

3. HOW TO APPLY

3.1 Overview of the Retail Entitlement Offer

Eligible Retail Shareholders are being offered the opportunity to purchase 1 New Share for every 6.7 existing GDG shares held as at the Record Date of 7.00pm (Melbourne time) on 21 September 2020, at the Offer Price of \$0.70 per New Share.

You have a number of decisions to make in respect of your Entitlement. You should read this Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Retail Entitlement Offer is fully underwritten by the Underwriters on the terms and conditions of the Underwriting Agreement (see Section 5.12 for more details). Further details on the Retail Entitlement Offer are set out below.

3.2 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 1 New Share for every 6.7 existing GDG shares held as at the Record Date at the Offer Price of \$0.70 per New Share.

The Retail Entitlement Offer opens on 23 September 2020 and will close at 5.00pm (Melbourne time) on 5 October 2020.

3.3 Your Entitlement

Your Entitlement is set out on the accompanying personalised entitlement and acceptance form and has been calculated as 1 New Share for every 6.7 existing GDG shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of GDG shares, you will be sent more than one personalised entitlement and acceptance form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing fully paid ordinary shares on issue in GDG.

See Sections 5.1 and 5.11 for information on restrictions on participation.

3.4 Consider the Entitlement Offer carefully in light of your particular investment objectives and circumstances

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Retail Entitlement Offer. As a result, it is important for you to read carefully and understand the information on GDG and the Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Offer Booklet, GDG's preliminary final report for the full year ended 30 June 2020 which was released to ASX on 27 August 2020, and other announcements made available at www.gendevdevelopmentgroup.com.au (including announcements which may be made by GDG after publication of this Offer Booklet).

Please consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. You

should also refer to the "Key Risk Factors" section of GDG's investor presentation included in Appendix A of this Offer Booklet.

3.5 Options available to you

If you are an Eligible Retail Shareholder, you may take either of the following actions:

1. take up all of your Entitlement; or
2. take up part of your Entitlement and let the remainder lapse; or
3. do nothing and let all of your Entitlement lapse.

Eligible Retail Shareholders who do not participate fully in the Retail Entitlement Offer will have their percentage holding in GDG reduced.

If you wish to participate in the offer, you are encouraged to apply via BPAY in light of delays to postal services caused by the COVID-19 pandemic, as you do not need to return the Application Form enclosed with this Booklet if you choose this option.

If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement, please either:

1. complete and return the personalised entitlement and acceptance form with the requisite Application Monies for all of the New Shares in your Entitlement; or
2. pay your Application Monies for all of the New Shares in your Entitlement via BPAY® by following the instructions set out on the personalised entitlement and acceptance form,

so that they are received by GDG's share registry by no later than 5.00pm (Melbourne time) on 5 October 2020.

If you take up and pay for all your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on 12 October 2020. GDG's decision on the number of New Shares to be issued to you will be final.

GDG also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders, if GDG believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to GDG's satisfaction (see Section 5.4).

Eligible Retail Shareholders who take up their Entitlement in full can also apply for additional New Shares under the Top-Up Facility.

If you wish to take up part of your Entitlement

If you wish to take up only part of your Entitlement, please either:

1. complete and return the personalised entitlement and acceptance form with the requisite Application Monies for the number of New Shares in your Entitlement that you wish to subscribe for; or
2. pay your Application Monies for the relevant number of New Shares via BPAY® by following the instructions set out on the personalised entitlement and acceptance form,

so that they are received by GDG's share registry by no later than 5.00pm (Melbourne time) on 5 October 2020.

If you take up and pay part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on 12 October 2020. GDG's decision on the number of New Shares to be issued to you will be final.

If you do not take up all of your Entitlement, the relevant part of your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements will be subscribed for under the Top-Up Facility or by the Underwriters or any sub-underwriters.

GDG also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders, if GDG believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to GDG's satisfaction (see Section 5.4).

If you wish to let all of your Entitlement lapse

If you do nothing with respect to your Entitlement, your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements will be subscribed for under the Top-Up Facility or by the Underwriters or any sub-underwriters.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Although you will continue to own the same number of GDG shares, your percentage shareholding in GDG will be diluted.

3.6 Payment

You can pay in the following ways:

1. by BPAY®; or
2. by cheque.

Cash payments will not be accepted. Receipts for payment will not be issued.

GDG will treat you as applying for as many New Shares as your payment will pay for in full.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised entitlement and acceptance form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific biller code and your unique reference number on your personalised entitlement and acceptance form. If you have multiple holdings and consequently receive more than one personalised entitlement and acceptance form, when taking up your Entitlement in respect of one of those holdings only use the reference number specific to that holding. If you do not use the correct reference number specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

1. you do not need to submit your personalised entitlement and acceptance form but are taken to make the declarations, representations and warranties on that entitlement and acceptance form and in Section 3.8; and
2. if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by GDG's share registry by no later than 5.00pm (Melbourne time) on 5 October 2020. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make your payment.

Payment by cheque

For payment by cheque, you should complete your personalised entitlement and acceptance form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to "Generation Development Group Limited" and crossed "Not negotiable".

Your cheque must be:

1. for an amount equal to \$0.70 multiplied by the number of New Shares that you are applying for; and
2. in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised entitlement and acceptance form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised entitlement and acceptance form). Alternatively, your application will not be accepted.

3.7 Mail or hand delivery

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (Melbourne time) on 5 October 2020. If you make payment via cheque you should mail or hand deliver your completed personalised entitlement and acceptance form together with Application Monies to:

Mailing Address

GDG Retail Entitlement Offer
C/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Hand Delivery Address

GDG Retail Entitlement Offer
C/- Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Personalised entitlement and acceptance forms and Application Monies will not be accepted at GDG's registered or corporate offices or other offices of GDG's share registry.

3.8 Representations by acceptance

By completing and returning your personalised entitlement and acceptance form or making a payment by BPAY®, you will be deemed to have represented and warranted to GDG and the Underwriters (and their respective related bodies corporate and affiliates) that you:

- did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholders and are otherwise eligible to participate in the Retail Entitlement Offer;
- acknowledge that you have read and understand this Offer Booklet and your personalised entitlement and acceptance form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Offer Booklet, and GDG's constitution;
- authorise GDG to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised entitlement and acceptance form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised entitlement and acceptance form;
- acknowledge that once GDG receives your personalised entitlement and acceptance form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided, except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised entitlement and acceptance form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- authorise GDG, each Underwriter, GDG's share registry and their respective officers, employees or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of GDG's share registry upon using the contact details set out in your personalised entitlement and acceptance form;
- acknowledge and agree that:
 - determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of GDG and the Underwriters;
 - each of GDG and the Underwriters, and each of their respective affiliates, related bodies corporate, directors, employees, officers, representatives, agents, partners, consultants and advisers, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- declare that you were the registered holder(s) at the Record Date of the shares in GDG indicated on your personalised entitlement and acceptance form as being held by you on the Record Date;
- acknowledge that the information contained in this Offer Booklet and your personalised entitlement and acceptance form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;

- acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in GDG and is given in the context of GDG's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Key Risk Factors" section of GDG's investor presentation included in Appendix A of this Offer Booklet and that investments in GDG are subject to risk;
- acknowledge that none of GDG, each Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of GDG, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of shares on the Record Date;
- authorise GDG to correct any errors in your personalised entitlement and acceptance form or other form provided by you;
- are an Eligible Retail Shareholder and that the law of any place does not prohibit you from being given this Offer Booklet and the personalised entitlement and acceptance form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- are not in the United States and you are not acting for the account or benefit of a person in the United States (to the extent such person holds GDG ordinary shares for the account or benefit of such person in the United States);
- understand and acknowledge that neither the Entitlements nor New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Notwithstanding the foregoing, the Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- are subscribing for or purchasing an Entitlement or New Shares in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- have not and will not send this Offer Booklet, the entitlement and acceptance form, or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia; and
- if acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the entitlement and acceptance form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, the entitlement and acceptance form or any information relating to the Entitlement Offer to any such person.

3.9 Entitlements of Ineligible Retail Shareholders

In compliance with ASX Listing Rule 7.7.1 and section 708AA (including section 9A) of the Corporations Act, GDG has determined that it is unreasonable to extend the Retail Entitlement Offer

to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of GDG shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside of Australia and New Zealand, but it reserves its right to do so (subject to compliance with relevant laws).

Entitlements of Ineligible Retail Shareholders will be subscribed for under the Top-Up Facility or by the Underwriters or sub-underwriters.

3.10 Issue of additional New Shares under the Top-Up Facility

Any New Shares not taken up by the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Top-Up Facility at the same Offer Price (**Eligible Top-Up Facility Participants**). An Eligible Top-Up Facility Participant can apply for additional New Shares under the Top-Up Facility.

There is no guarantee that those Eligible Top-Up Facility Participants Shareholders will receive the number of New Shares applied for under the Top-Up Facility, or any. If Eligible Top-Up Facility Participants apply for more New Shares than are available under the Top-Up Facility, the Directors propose to scale back applications for additional New Shares such that New Shares available under the Top-Up Facility will be allocated as determined at the Directors' discretion.

Additional New Shares will only be allocated to Eligible Top-Up Facility Participants if available, and subject to the Corporations Act, ASX Listing Rules and other applicable laws and regulations. If you apply for additional New Shares under the Top-Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New Shares are issued under the Retail Entitlement Offer. There is no guarantee you will receive any New Shares under the Top-Up Facility.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer. If you wish to advise or change your banking instructions with GDG's share registry you may do so by going to www.boardroomlimited.com.au and following the instructions.

3.11 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer.

3.12 Enquiries

If you have not received or you have lost your personalised entitlement and acceptance form, or have any questions, please contact the GDG shareholder information line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 8.30am and 5.30pm (Melbourne time), Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

4. AUSTRALIAN TAX CONSIDERATIONS

4.1 Introduction

This is a general summary of the Australian taxation consequences of the Retail Entitlement Offer for Eligible Retail Shareholders that hold their shares on capital account for Australian income tax purposes. The categories of shareholders considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships. This summary does not consider the consequences for shareholders who:

- hold existing shares, New Shares or Entitlements in a business of share trading, dealing in securities or otherwise hold their existing shares, New Shares or Entitlements on revenue account or as trading stock;
- acquired existing shares in respect of which the Entitlements are issued under an employee share scheme;
- are subject to the 'Taxation of Financial Arrangements' provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) in relation to their holding of shares, New Shares or Entitlements; or
- are tax residents of any jurisdiction other than Australia and New Zealand.

The information contained in this summary is of a general nature and is not intended to address the circumstances of any particular individual or entity.

This summary is based upon the legislation and established interpretation of legislation as at the date of this Offer Booklet, but is not intended to be an authoritative or complete statement of the law as relevant to the circumstances of each shareholder.

As the taxation implications of the Retail Entitlement Offer will depend upon a shareholder's particular circumstances, shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Retail Entitlement Offer that are not covered by this summary. Such shareholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Retail Entitlement Offer in any jurisdictions that are relevant to them.

GDG currently qualifies as a pooled development fund (**PDF**) under the *Pooled Development Funds Act 1992* (Cth). There are special tax rules that apply to an investment in a PDF. This summary has been prepared on the basis that GDG continues to qualify as a PDF. If, for any reason, GDG ceases to qualify as a PDF the tax consequences for Eligible Retail Shareholders will be different to those explained below.

Neither GDG nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Retail Entitlement Offer.

4.2 Income tax consequences of Entitlements

a) Issue of Entitlements

The issue of Entitlements to Australian resident shareholders should not, of itself, give rise to any amount of assessable income or capital gain for shareholders.

b) Exercise of Entitlements

The exercise of Entitlements should not give rise to any capital gain under the capital gains tax (CGT) provisions.

Eligible Retail Shareholders that exercise their Entitlements will receive New Shares. New Shares (including additional New Shares issued under the Top-up Facility) will be taken to have been acquired on the day on which the Entitlements were exercised for CGT purposes.

The CGT cost base of each New Share acquired will be the sum of the amount paid to exercise the corresponding Entitlement (i.e. the Offer Price) or the amount paid under the Top-up Facility and any incidental costs in acquiring the New Shares.

c) Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse. There should not be any capital gain or loss for an Eligible Retail Shareholder from the lapse of the Entitlement.

4.3 Income tax consequences of New Shares

Dividends paid to Eligible Retail Shareholders in relation to their New Shares should generally be subject to the same income tax treatment as dividends in relation to existing shares held in GDG in the same circumstances. That is, dividends paid by GDG will generally be exempt from Australian tax regardless of whether the dividends are fully franked, partly franked or unfranked.

Eligible Retail Shareholders may elect to treat franked dividends as assessable income. Subject to the requirement in Subdivision 207-F of the ITAA 1997 to hold the New Shares at risk for 45 days ('45-day rule'), if an Eligible Retail Shareholder elects to be taxed on the franked dividend they:

- (a) must include the amount of the dividend, plus the attached franking credits, in assessable income; and
- (b) would then be entitled to a tax offset equal to the amount of the franking credit.

For shareholders entitled to refunds for excess franking credits, the tax offset should be refundable if it is greater than the tax that is otherwise payable by the Eligible Retail Shareholder on their taxable income.

Eligible Retail Shareholders may benefit by electing to be taxed on franked dividends where their effective income tax rate is lower than 30%, subject to the 45-day rule.

Where a GDG dividend is partly franked it will be treated as two dividends, a franked dividend and an unfranked dividend, for these purposes. That is, the Eligible Retail Shareholders may elect to be taxed on the franked dividend in order to access the available tax offsets referred to above. The unfranked dividend will be exempt from tax.

The election is made simply by preparing the relevant tax return on the basis that the franked dividend is taxable. Notice of the election does not need to be given to the ATO.

Eligible Retail Shareholders should also be aware that the fact that GDG dividends will generally be exempt income could affect the deductibility of expenses related to the acquisition of the New Shares.

Any future sale of New Shares will constitute a disposal for CGT purposes. However, provided GDG continues to qualify as an eligible PDF, gains made by an Eligible Retail Shareholder from the disposal of New Shares will be exempt from income tax. That is, any capital gain or capital loss from a disposal of New Shares will be disregarded.

4.4 Non-resident New Zealand shareholders

Exempt dividends paid by GDG are not subject to dividend withholding tax. However, non-resident shareholders should also consider the impact of receiving dividends under their domestic tax regime.

In addition, non-resident shareholders should consider the impact, if any, on disposal of New Shares under their domestic tax regime.

4.5 Provision of Tax File Number (TFN) or Australian Business Number (ABN)

Australian tax legislation imposes withholding tax at the highest marginal rate (currently 45% plus a Medicare levy of 2%) on the payment of distributions on certain types of investments where no TFN or ABN (if applicable) has been provided and no exemption applies. An exemption will apply to dividends paid by GDG on the New Shares that are fully franked or paid to non-residents.

Australian tax resident shareholders may be able to claim a tax credit/refund (as applicable) in respect of any TFN/ABN tax withheld on dividends in their income tax returns.

An Eligible Retail Shareholder is not obliged to provide their TFN or ABN, where relevant, to GDG.

4.6 Other Australian taxes

No stamp duty will be payable on the issue of Entitlements or the issue of New Shares.

Under the current stamp duty legislation, no stamp duty would ordinarily be payable on any subsequent transfer of New Shares while listed.

Under current Australian law, Goods and Services Tax will not be payable in respect of the issue of Entitlements or the acquisition or transfer of New Shares.

5. IMPORTANT INFORMATION

This Offer Booklet (including GDG's investor presentation in Appendix A) and enclosed personalised entitlement and acceptance form have been prepared by GDG.

This Offer Booklet is dated 23 September 2020 (other than GDG's investor presentation, released to ASX on 17 September 2020) and also available at www.gendevdevelopmentgroup.com.au. The information in this Offer Booklet remains subject to change without notice and GDG is not responsible for updating such information.

There may be additional announcements made by GDG after the date of this Offer Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by GDG (by visiting ASX's website at www.asx.com.au, or GDG's website at www.gendevdevelopmentgroup.com.au) before submitting your application to take up your Entitlement.

No party other than GDG has authorised or caused the issue of the information in this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in such information.

The information in this Offer Booklet is important and requires your immediate attention.

You should read the information in this Offer Booklet carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the "Key Risk Factors" section of GDG's investor presentation included in Appendix A of this Offer Booklet, any of which could affect the operating and financial performance of GDG or the value of an investment in GDG.

You should consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

5.1 Eligible Retail Shareholders

This Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of GDG shares as at the Record Date, being 7.00pm (Melbourne time) on 21 September 2020;
- have a registered address on the GDG share register in Australia or New Zealand, or are a Shareholder that GDG has otherwise decided is entitled to participate;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds GDG shares for the account or benefit of such person in the United States);
- were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. GDG reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised entitlement and acceptance form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

5.2 Ranking of New Shares

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing fully paid ordinary shares on issue in GDG. The rights and liabilities attaching to the New Shares are set out in GDG's constitution, a copy of which is available at www.gendevdevelopmentgroup.com.au.

5.3 Risks

GDG's investor presentation details important factors and risks that could affect the financial and operating performance of GDG. You should refer to the "Key Risk Factors" section of GDG's investor presentation released to ASX on 17 September 2020 which is included in Appendix A of this Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

5.4 Reconciliation, and the rights of GDG and the Underwriters

The Retail Entitlement Offer and the calculation of entitlements is a complex process. There may be a need to undertake a reconciliation of entitlements. If reconciliation is required, it is possible that GDG may need to issue additional New Shares to ensure that the relevant investors receive their appropriate allocation of New Shares.

GDG also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders or other applicable investors, if GDG believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. The relevant shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Retail Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by GDG in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of GDG or the Underwriters to require any of the actions set out above.

5.5 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

5.6 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

5.7 Quotation and trading of New Shares

GDG will apply for quotation of the New Shares on ASX in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, GDG will repay all Application Monies (without interest). It is expected that trading on ASX of New Shares to be issued under the Retail Entitlement Offer will commence at 10.00am (Melbourne time) on 13 October 2020 on a normal settlement basis. Application Monies will be held by GDG on trust for applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. GDG and the Underwriters will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by GDG, GDG's share registry or the Underwriters or failure to maintain their updated details with GDG's share registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

5.8 Notice to nominees and custodian

If GDG believes you hold GDG shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Retail Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

Persons acting as nominees for other persons must not take up Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to take up or exercise Entitlements and may receive no value for any such Entitlements held.

GDG is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of GDG shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Retail Entitlement Offer by the beneficiary complies with applicable foreign laws. GDG is not able to advise on foreign laws.

5.9 Not investment advice

This Offer Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. GDG is not licensed to provide financial product advice in respect of the New Shares. This Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with GDG's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.gendevdevelopmentgroup.com.au.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this Offer Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser or call the GDG shareholder information line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 8.30am and 5.30pm (Melbourne time), Monday to Friday.

Nominees and custodians may not distribute any part of this Offer Booklet in the United States or in any other country outside Australia except (i) Australian nominees may send this Offer Booklet and related offer documents to beneficial shareholders who are professional or institutional shareholders in other countries (other than the United States) listed in, and to the extent permitted under, the "Foreign Selling Jurisdictions" set out in GDG's investor presentation included in Appendix A of this Offer Booklet and (ii) to beneficial shareholders in other countries (other than the United States) where GDG may determine it is lawful and practical to make the Entitlement Offer.

5.10 Information availability

If you are in Australia you can obtain a copy of this Offer Booklet during the period of the Retail Entitlement Offer by calling the GDG shareholder information line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 8.30am and 5.30pm (Melbourne time), Monday to Friday.

A replacement entitlement and acceptance form can also be requested by calling the GDG shareholder information line.

If you access the electronic version of this Offer Booklet, you should ensure that you download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the GDG website will not include an entitlement and acceptance form.

5.11 Foreign jurisdictions

The information in this Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold shares in GDG or Entitlements on behalf of another person resident outside Australia, it is your responsibility to ensure that any participation (including for your own account or when you hold shares in GDG or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised entitlement and acceptance form is not in the United States and not acting for the account or benefit of a person in the United States.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this Offer Booklet (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. See the foreign selling restrictions set out in GDG's investor presentation included in Appendix A of this Offer Booklet for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of GDG with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the provisions of the *Financial Markets Conduct Act 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

5.12 Underwriting

GDG has entered into an underwriting agreement (**Underwriting Agreement**) with the Underwriters who have agreed, subject to the satisfaction of certain conditions precedent, to act as joint lead managers, bookrunners and underwriters of the Offer, subject to the terms and conditions of the Underwriting Agreement. As is customary with these types of arrangements:

1. the obligation to underwrite is subject to the satisfaction of certain conditions precedent, including the delivery of certain due diligence materials, and ASX not indicating that it will refuse quotation of New Shares to be issued under the Offer;
2. GDG has agreed, subject to certain carve-outs, to indemnify and hold harmless each Underwriter, their respective related bodies corporate, their respective directors, officers, and employees (and those of their respective related bodies corporate), against all claims, demands, damages, losses (including losses or costs incurred in preparation for, or involvement in connection with, any prospection or inquiry), costs, expenses, and liabilities directly or indirectly suffered or incurred in connection with the Offer; and
3. GDG and the Underwriters have given certain representations, warranties and undertakings in connection with (among other things) the Offer.

The Underwriters may (in certain circumstances, having regard to the materiality of the relevant event), terminate the Underwriting Agreement and be released from their respective obligations under it on the occurrence of certain events, including (but not limited to) where:

- 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;
- there are certain delays in the timetable for the Offer without each Underwriter's consent;
- GDG is removed from the official list of ASX, its shares are suspended from quotation, or approval for quotation of new shares to be issued under the Offer is not given by ASX;
- 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

- the S&P/ASX 300 Index falls to a level that is 90% or less of its reference level and closes at or below that level for 2 consecutive Business Days or more (or on the Business Day immediately prior to a settlement date in respect of the Offer);
- ASIC takes certain regulatory action in respect of GDG or the Offer;
- there are material disruptions in key financial markets or an outbreak of particular hostilities in certain regions; or
- GDG breaches one or more of its undertakings or obligations under the Underwriting Agreement.

The ability of the Underwriters to terminate the Underwriting Agreement in respect of some events (including (but not limited to) a material adverse change, disruptions in key financial markets or an outbreak of hostilities, or breach of the Underwriting Agreement by GDG) will depend (amongst other things) on whether the event has had or is likely to have a material adverse effect on the marketing, success or outcome of the Offer or on GDG or the GDG group, or will or is likely to give rise to a contravention by, or liability for, an Underwriter under applicable law.

In relation to the Institutional Placement and the 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 Institutional Placement and the Entitlement Offer. An exception from the selling and underwriting fee applies in the case of Director-related subscriptions under 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 Institutional Placement and the Entitlement Offer. The Underwriters will also be reimbursed for certain reasonable expenses.

5.13 Underwriters

None of the Underwriters nor any of the other Underwriter Parties has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Offer Booklet and none of them takes responsibility for any statements made in this Offer Booklet or any action taken by you on the basis of such information. None of the Underwriter Parties has authorised, approved or verified any forward-looking statements (or any other statements) in this Offer Booklet. To the maximum extent permitted by law, the Underwriter Parties expressly exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this Offer Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of this Offer Booklet.

The Underwriter Parties take no responsibility for any part of this Offer Booklet or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Offer Booklet or otherwise arising in connection with either of them.

The Underwriter Parties make no recommendation as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties, express or implied, to you concerning the Offer or any such information, and by returning an entitlement and acceptance form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the entitlement and acceptance form, you represent, warrant and agree that you have not relied on any statements made by the Underwriter Parties in relation to the New Shares or the Offer generally.

5.14 Governing law

This Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the entitlement and acceptance forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

5.15 Disclaimer or representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by GDG, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of GDG, nor any other person, warrants or guarantees the future performance of GDG or any return on any investment made pursuant to this Offer Booklet or its contents.

5.16 Withdrawal of the Entitlement Offer

GDG reserves the right to withdraw all or part of the Entitlement Offer at any time, subject to applicable laws, in which case GDG will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, GDG may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to GDG will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to GDG.

5.17 ASX Waiver

ASX has granted GDG modifications from certain ASX Listing Rules. ASX has granted GDG a waiver of Listing Rule 7.1 to permit GDG to calculate its Placement capacity by taking into account the number of shares to be issued by GDG under the underwritten component of the Offer. ASX has also granted GDG a waiver of ASX Listing Rule 7.5.4 to permit the deferred scrip consideration to be issued to in connection with the Acquisition to be issued no later than 12 months after the date of the meeting of GDG shareholders at which shareholder approval for the issue will be sought, rather than 3 months after the date of the meeting.

5.18 Privacy

As a shareholder, GDG and GDG's share registry have already collected certain personal information from you. If you apply for New Shares, GDG and GDG's share registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, GDG and GDG's share registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, GDG's share registry for ongoing administration of the register, or to printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handling of mail, or as otherwise under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) GDG or GDG's share registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to GDG through GDG's share registry as follows:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
enquiries@boardroomlimited.com.au
Ph: 1300 737 760 (within Australia)
Ph: +61 2 9290 9600 (outside Australia)

6. GLOSSARY

\$ or A\$ or AUD means references to dollar amounts in Australian currency.

Acquisition means the proposed acquisition by GDG of a minority stake in Lonsec Holdings Pty Ltd as described in the Investor Presentation.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Business Day means a day that is not a Saturday, Sunday or a public holiday in Melbourne, Victoria.

Company means Generation Development Group Limited ACN 087 334 370.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the board of directors of the Company.

Eligible Retail Shareholders has the meaning given in Section 1 of this Offer Booklet.

Entitlement means the right to subscribe for New Shares pursuant to this Offer.

Entitlement and Acceptance Form means the form which is attached to this Prospectus.

GDG means Generation Development Group Limited ACN 087 334 370.

Ineligible Retail Shareholders has the meaning given in Section 1 of this Offer Booklet.

New Share means a Share issued pursuant to the Offer under this Offer Booklet.

Offer or Entitlement Offer or Retail Entitlement Offer means the offer of New Shares in accordance with this Offer Booklet.

Offer Booklet means this offer booklet.

Offer Period means the Opening Date to the Closing Date.

Section means a section of this Offer Booklet.

Share means a fully paid ordinary share in the issued capital of the Company.

Shareholder means a registered holder of one or more Shares.

Underwriters means Moelis Australia Advisory Pty Ltd (ACN 142 008 446) and Morgans Corporate Limited (ACN 010 539 607).

Underwriting Agreement has the meaning given in Section 5.12 of this Offer Booklet.

US Securities Act means the US Securities Act of 1933, as amended.

Appendix A

Investor Presentation



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

2

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 \$23.4m¹, 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 2030²

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)



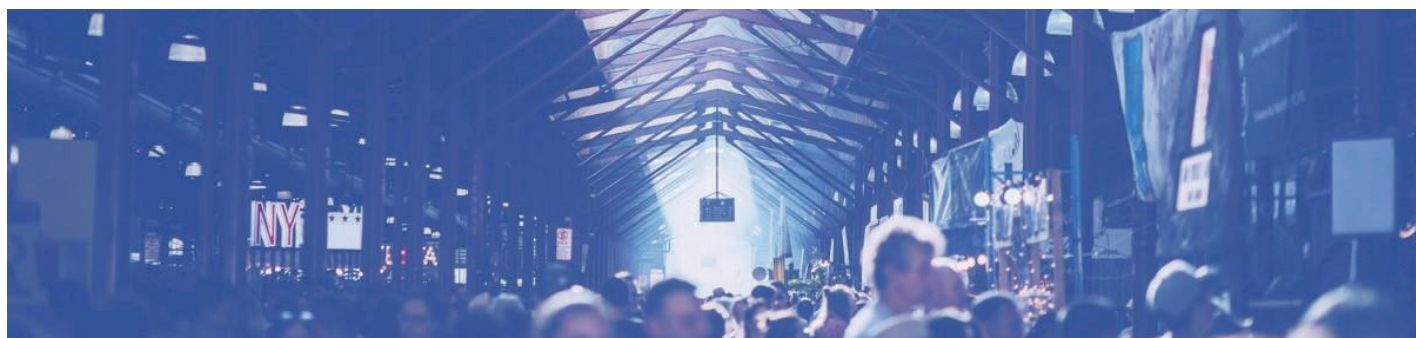
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Generation Development Group

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 \$106m¹ and net cash of \$12m².



Shareholders receive tax exempt dividends³



Shareholders benefit by tax-free capital gains on shares and most PDF income is taxed favourably³

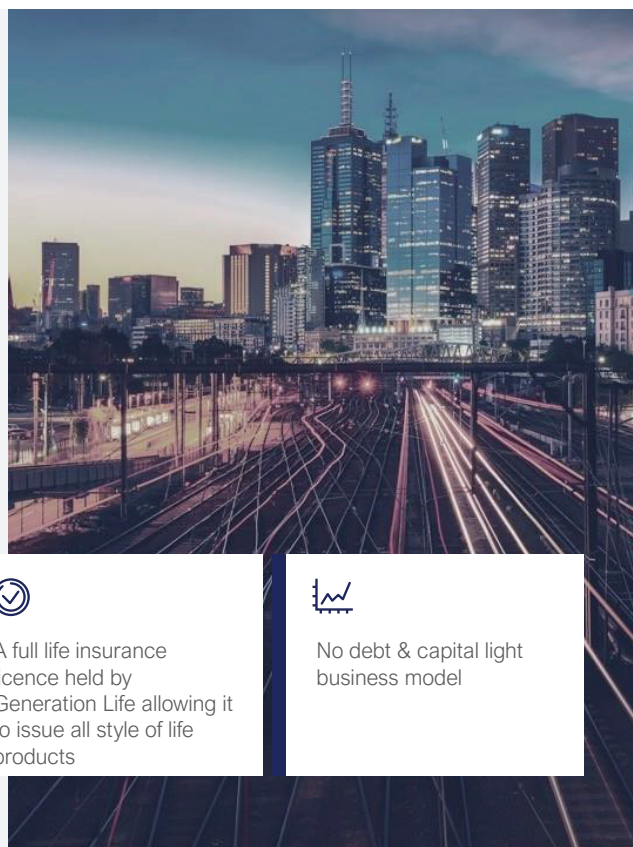


A full life insurance licence held by Generation Life allowing it to issue all style of life products



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

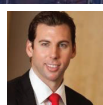
Generation Development Group



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

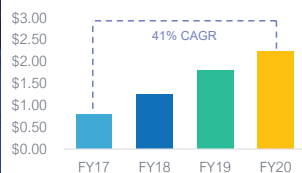


Terence Wong

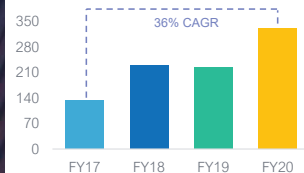
Chief Financial Officer – Generation Development Group

- Joined in 2018

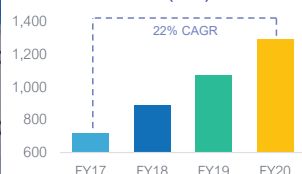
EPS



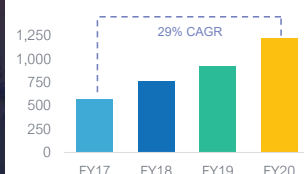
Sales



FUM (\$m)



Active Advisers



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 gains¹



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

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

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

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

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 accretive¹
- 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.

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Generation Development Group | gendevgroup.com.au



Company overview

Investment in Lonsec

FY20 Revenue:
\$29.8 million

FY20 EBITDA:
\$7.8 million¹

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.

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Generation Development Group | gendevgroup.com.au



Company overview

Investment in Lonsec

	Lonsec Research		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



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 market¹, 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 million², 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

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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

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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 2021¹
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.



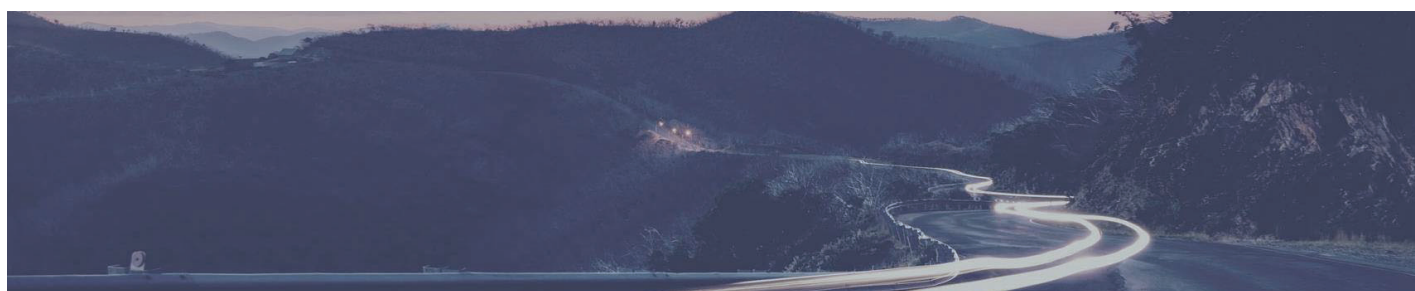
Transaction documents details

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.



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 1.185tn¹
- 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)

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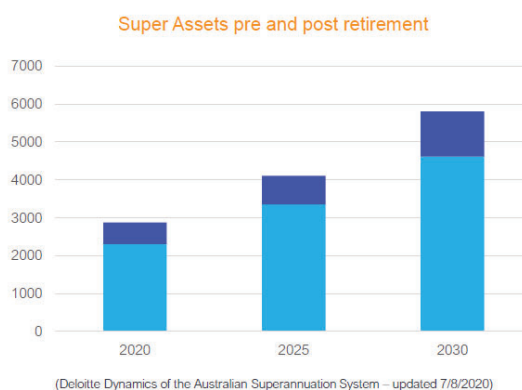
Solving Longevity Risk

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 billion¹
- Deloitte predicts that this market will grow to \$1.185 trillion by 2030¹
- Lifetime annuities represent just ~1% of post retirement assets²
- 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



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

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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"

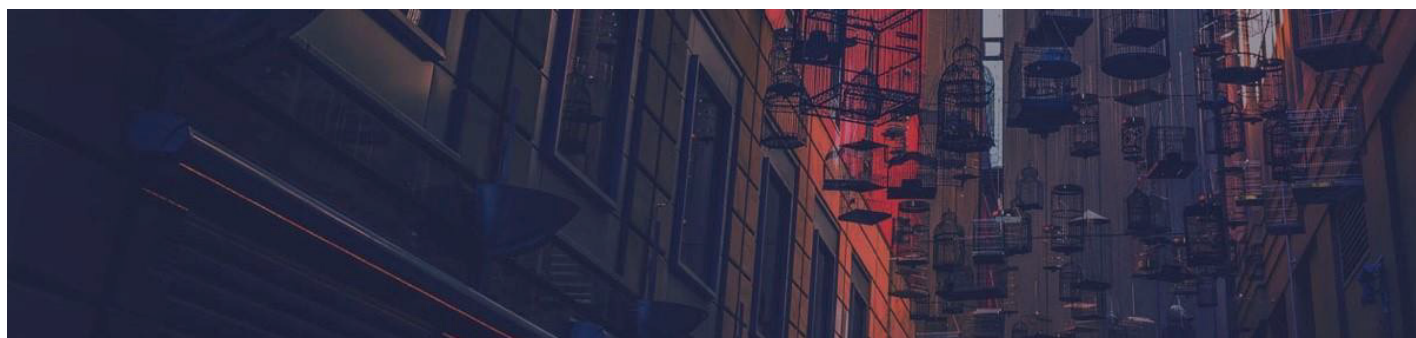
Quotes from Financial Advisers



- "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"

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 TERP¹ 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 & Pro Forma 30 June 2020 Equity Raise ²
Cash	11.7	11.7
New annuity product cash reserves	0.0	7.4
Investment in Lonsec	0.0	23.4
Other Assets	9.0	9.0
Total Assets	20.7	30.8
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)
Total Liabilities	(3.3)	(6.6)
Net Assets	17.4	24.2

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.

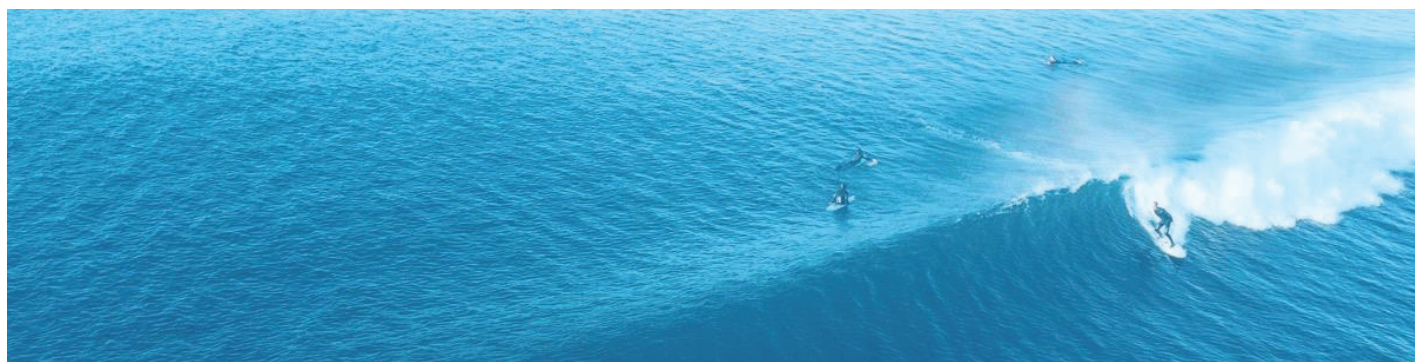
If an Underwriter terminates its obligations under the Underwriting Agreement, that Underwriter will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement by one or both Underwriters could have an adverse impact on the amount of proceeds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



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.

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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.

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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.

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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.

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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

Appendix A

Conflict of interest	- The Generation Life investment bonds hold a "highly recommended" rating from Lonsac 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 Lonsac has strict processes in place to manage conflicts of interests there is a risk that GDG's profitability would be adversely impacted if Lonsac was not able to continue to rate Generation Life's investment bonds. In addition, if this was to occur, Lonsac 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 Lonsac 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 Lonsac 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 Lonsac 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 Lonsac's financial accounts is delayed, impacting the ability of GDG to finalise its financial accounts on a timely basis.
Equity accounting for Lonsac	GDG is acquiring a minority, rather than controlling interest in Lonsac. Accordingly, GDG will be equity accounting for Lonsac 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.

Lonsac Business Risks

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Lonsac's development of its Managed Account product	Lonsac is focused on building its Managed Account product. Although this operating model has been accepted by the regulators and is used extensively by Lonsac's peers, there is a risk that this activity results in a perceived conflict of interest for Lonsac 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 Lonsac.
Lonsac's ability to grow Lonsac Investment Solutions	Lonsac'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 Lonsac is unable to develop a marketable product, this will significantly curtail demand for Lonsac'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 Lonsac.



General Risks

Appendix A

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

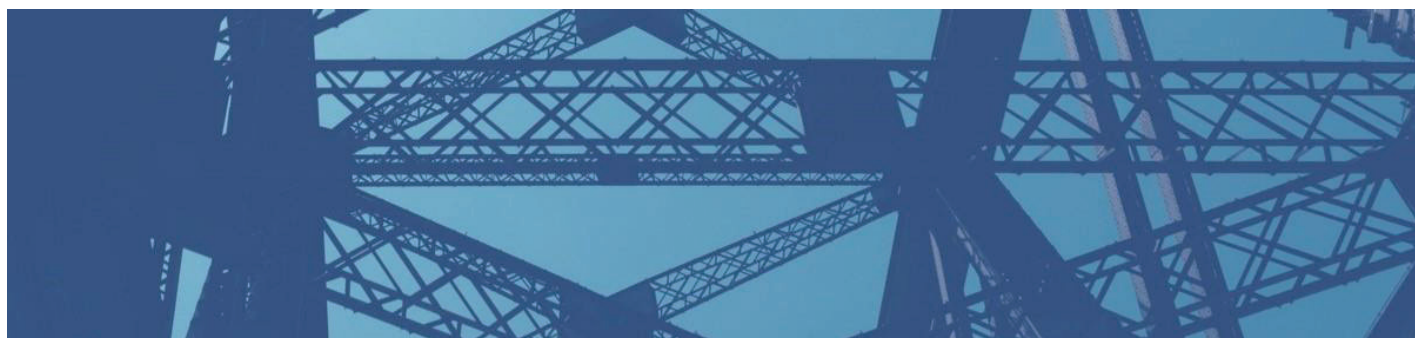
- GDG prepares its general purpose financial statements in accordance with IFRS and the Corporations Act. Australian Accounting Standards are not within the control of GDG or its board and are subject to amendment from time to time, and any such changes may impact on GDG's statement of financial position 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

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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 be 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 address 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:

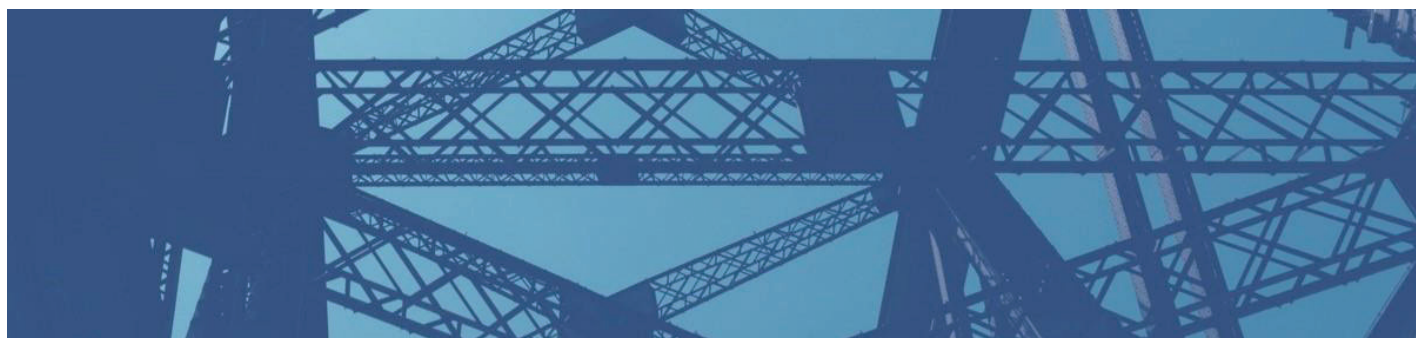
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Appendix

C. Disclaimers



Disclaimers

Appendix C

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Thank you

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