1 LETTER FROM THE BOARD

villawood properties

12 December 2023

Dear Investor,

On behalf of Villawood Properties, we have great pleasure in presenting this IM for your consideration. Previously we successfully launched Villawood Note 4 , raising $50 million, which expires in April 2024. We have had a lot of enquiry of the possibility of rolling over the capital/investment, so we are pleased to introduce **Villawood Note No 6**, an open-ended corporate Note Offer also with an initial target raise of $50 million.

The advantage of being open ended, is that this is an ongoing flexible offer, where Eligible Investors can apply to contribute capital at any time, nominate their preferred term and the corresponding interest rate (with interest paid quarterly in arrears). Prior corporate note offerings, in comparison, were typically one-to-three-year term investment opportunities and investors were not provided the option for differing investment terms.

Villawood Properties has raised circa $100 million in corporate notes, across five separate note offers since November 2016. Each note was fully subscribed and with this success each progressive note offer grew in size, as did the investor base. Villawood Properties is proud to report that interest has always been paid on time and redemptions have been met when due.

Why have we chosen to issue Notes?

In the current economic environment, banks are becoming more conservative, and constrained in their lending to property developers, resulting in a slow-down in the ability for developers to deliver developed lots. Further, the ongoing conditions placed on such bank facilities can be quite onerous, and excessively challenging to operate.

Corporate notes have become an increasingly important source of debt funding for the business. Over the last six years, Villawood Properties has raised circa $100 million from five note raisings, as depicted in Table 1. This considerable funding pool has been instrumental in the business deploying capital to projects in an agile manner, in order to commence construction sooner on stages and keep pace with delivering titled lots to market.

Villawood Note No 4 Pty Ltd ACN 653 832 832 (**"Villawood Note No 4"** or **"VN4"**), as illustrated in Table 1, was a $50 million corporate note raising undertaken late CY2021. The capital raised in that offer was utilised across a variety of projects in Queensland, Victoria, and South Australia.

Notwithstanding the VN6 Note Offer will initially be available to VN4 noteholders to facilitate a rollover of their investment, the Offer is open to all Eligible Investors moving forward.

Table 1 – History of Our Debt Note Raisings

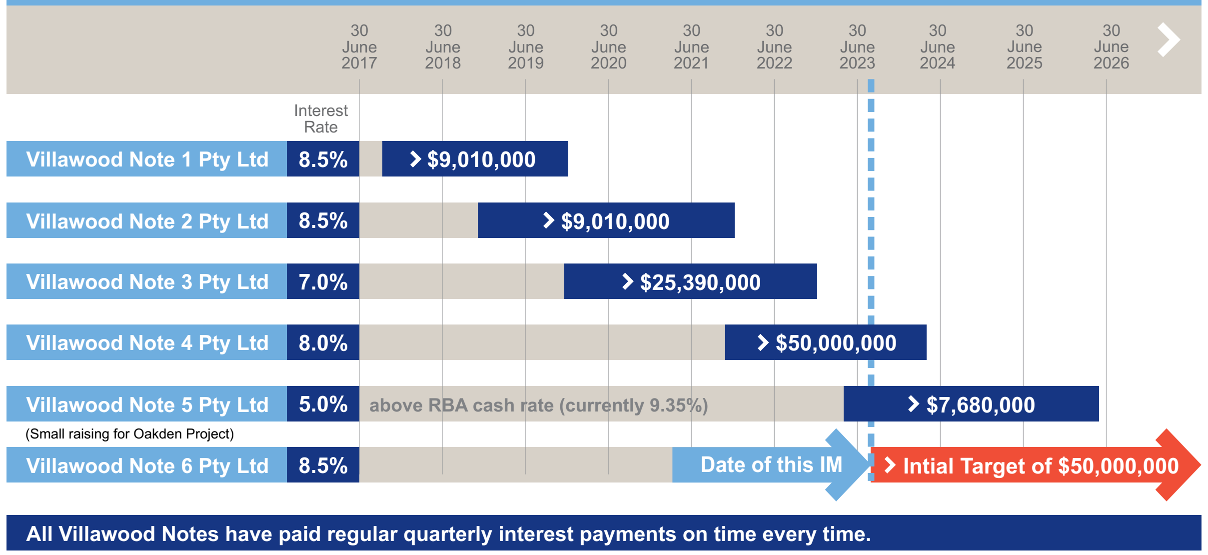

Table 2 – History of Our Debt Note and Equity Capital Raisings

Capital Source	Total Capital Raised	Total Offerings / Raisings	Investors	Investment Transactions	Average Investment
Equity	$268,991,681	27		960	$280,199
Debt Notes	$99,360,000	5		463	$214,600
TOTAL	**$368,351,681**	**32**	**417**	**1,423**	**$258,855**

Why invest with us?

Villawood Properties has a 34 year track record - from the humble beginnings of a 30 lot subdivision in Bendigo, Victoria in 1989, Villawood Properties has grown to become a trusted residential land developer in Australia. Today, Villawood Properties concentrates on large scale master-planned communities which incorporate a combination of mixed-use town centres, residents' clubs, educational facilities, large display villages and the creation of attractive parks and open spaces.

Villawood Properties' success over 34 years has been underpinned by a loyal investor base, with capital raised through single project property syndicates, multi-project property syndicates and corporate debt offerings. We have raised over $268 million for equity participation across 27 property syndicates with all completed syndicates resulting in a full return of capital and positive returns for investors. Please refer to the external report titled "Corporate Review" prepared by Core Property (June 2023) provided in **Appendix C** for more information.

Key considerations for this corporate note Offer

Investors who subscribe for Notes, will now have the flexibility to:

1 **Choose the Term of their Notes, being 12, 18, 24 or 36 months;**

2 **Achieve a fixed interest rate, depending on the Term selected with interest paid quarterly in arrears; and**

3 **Apply for Notes at any time whilst the Offer remains open.**

The interest rates applicable as at the date of this IM are:

Term	Interest Rate (p.a)
12 months	**8.5%**
18 months	**9.2%**
24 months	**9.5%**
36 months	**9.2%**

Funds raised under the Offer will be deployed to advance our 28 current projects under development, representing 21,314 lots and over $13 billion in end value. Refer to **Section 3** (Villawood Success Story) for more details.

We encourage you to consider this investment opportunity and request that you carefully read through this IM to ascertain whether an investment of this nature accords with your personal and financial objectives. We strongly recommend that you seek independent advice in relation to this matter.

Tony Johnson
Executive Director
Villawood Properties

Rory Costelloe
Executive Director
Villawood Properties

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