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9 May 2025

Update on Scheme Booklet and convening of Scheme Meeting

AVJennings Limited (ASX: AVJ) (**AVJennings or AVJ**) is pleased to provide the following update in relation to the proposed acquisition of AVJennings by PM Nominees C Pty Ltd (an investment vehicle of Proprium Capital Partners (Australia) Pty Ltd and AVID (comprising Bidder Cayman HoldCo, the AVID Sibling Entities and all of their respective Subsidiaries), by way of a scheme of arrangement (the **Scheme**).

The Supreme Court of New South Wales (**Court**) has made orders:

- that AVJennings convene a meeting of AVJennings shareholders to consider and vote on the proposed Scheme (**Scheme Meeting**); and
- approving the despatch of an explanatory statement providing information about the Scheme and notice of the Scheme Meeting (**Scheme Booklet**).

The Scheme Booklet has been registered with the Australian Securities and Investments Commission.

Scheme Booklet and Independent Expert's Report

A copy of the Scheme Booklet, which includes the Independent Expert's Report and a Notice of Scheme Meeting, is attached to this announcement.

The Scheme Booklet provides AVJennings shareholders with information about the Scheme. AVJennings shareholders are advised to read the Scheme Booklet in its entirety before making a decision on whether or not to vote in favour of the Scheme.

The Scheme Booklet includes a copy of the Independent Expert's Report prepared by Kroll Australia Pty Ltd (**Independent Expert**). The Independent Expert has concluded that the Scheme is in the best interests of AVJennings shareholders, in the absence of a Superior Proposal. The Independent Expert has assessed the value of an AVJennings Share to be in the range of $0.54 to $0.61 on a fully diluted basis. This range of assessed values reflects 100% ownership of AVJennings and, therefore, incorporates a control premium. The Scheme Consideration of $0.655 per AVJennings Share is above this range.

The Independent Expert's conclusions should be read in context with the full Independent Expert's Report and the Scheme Booklet.

Directors' recommendation

The AVJennings Board continues to unanimously recommend that AVJennings shareholders vote in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennnings shareholders.

Each AVJennings Director intends to vote all the AVJennings Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennnings shareholders.

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Accessing the Scheme Booklet

The Scheme Booklet is available online for viewing and downloading at https://investors.avjennings.com.au/Investor-Centre/.

In addition, AVJennings shareholders who have previously elected to receive communications electronically will receive an email to their nominated email address over the course of the following week, that will contain instructions about how to view or download a copy of the Scheme Booklet.

AVJennings shareholders who have not made such an election will receive a letter (sent by post to their registered address) containing details of where they can view and download the Scheme Booklet. This letter will be sent to applicable AVJennings shareholders during the course of the following week.

AVJennings shareholders who wish to receive a printed copy of the Scheme Booklet may request one by calling the AVJennings Shareholder Information Line on 1800 425 578 (within Australia) or +61 1800 425 578 (outside Australia), Monday to Friday between 8.30am and 5.30pm (Sydney time).

Scheme Meeting

The Scheme Meeting will be held as a hybrid meeting, scheduled to be held at 3.00pm (AEST) on Friday, 11 July 2025. AVJennings shareholders will be able to attend the Scheme Meeting in person at The Hyde Park Room, Sheraton Grand, Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 or through the online platform at https://meetings.openbriefing.com/AVJSCHEME25.

All registered AVJennings shareholders as at 7.00pm (AEST) on Wednesday, 9 July 2025 will be eligible to vote at the Scheme Meeting.

All AVJennings shareholders are encouraged to vote either by attending and voting at the Scheme Meeting (either physically or via the online platform) or by lodging a proxy to attend and vote at the virtual Scheme Meeting. The Notice of Scheme Meeting provides information on how to lodge your Proxy Form (if applicable).

Extraordinary General Meeting – Share Issue Resolution

As soon as reasonably practicable following the Scheme Meeting, AVJennings will hold an Extraordinary General Meeting to approve the Share Issue Resolution permitting AVJennings to issue shares to the Managing Director and CEO, Philip Kearns in connection with the vesting of 3,285,750 Performance Rights, subject to the Scheme becoming Effective.

The Extraordinary General Meeting will be held at the same venue and through the same online platform, although the meeting details will be different. Please use the following online platform link for the Extraordinary General Meeting at https://meetings.openbriefing.com/AVJEGM25.

The directors, other than Mr Kearns who has recused himself, unanimously recommend that AVJennings Shareholders vote in favour of the Share Issue Resolution.

The Scheme is not conditional on the Share Issue Resolution passing and may proceed even if AVJennings Shareholder approval is not granted for the issuance of additional shares to Mr Kearns pursuant to the Share Issue Resolution.

All registered AVJennings shareholders as at 7.00pm (AEST) on Wednesday, 9 July 2025 will be eligible to vote at the Extraordinary General Meeting. All AVJennings shareholders are encouraged to vote either by

attending and voting at the Extraordinary General Meeting (either physically or via the online platform) or by lodging a proxy to attend and vote at the Extraordinary General Meeting. The Notice of Extraordinary General Meeting provides information on how to lodge your Proxy Form (if applicable).

Further information

AVJennings shareholders can obtain further information in relation to the Scheme Booklet, the Scheme, the Scheme Meeting or the Extraordinary General Meeting by visiting https://www.avjennings.com.au/ or calling the AVJennings Shareholder Information Line on 1800 425 578 (within Australia) or +61 1800 425 578 (outside Australia), Monday to Friday between 8.30am and 5.30pm (Sydney time).

End

This announcement has been approved and authorised for release to the ASX by the Board.

For further information please contact:

Investor Relations

Carl Thompson
Company Secretary
AVJennings Limited
Ph: +61 417 143 411

Investor Relations & Media

Andrew Keys
Principal
Keys Thomas Associates
Ph: +61 400 400 380

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AVJennings Limited
(ABN 44 004 327 771)

AVJennings®

Scheme Booklet

for a scheme of arrangement in relation to the proposed acquisition of AVJennings Limited by PM Nominees C Pty Ltd, an investment vehicle of Proprium Capital Partners (Australia) Pty Ltd and AVID (comprising Bidder Cayman HoldCo, the AVID Sibling Entities and all of their respective Subsidiaries)



VOTE IN FAVOUR

Your Directors unanimously recommend that you **VOTE IN FAVOUR** of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of AVJennings Shareholders.

The Independent Expert has concluded that the Scheme is in the best interests of AVJennings Shareholders, in the absence of a Superior Proposal.

The Scheme Meeting for the approval of the Scheme is scheduled to be held at 3:00pm (AEST) on 11 July 2025, at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 and through an online platform at https://meetings.openbriefing.com/AVJSCHEME25.

A separate Extraordinary General Meeting of AVJennings Shareholders is scheduled to be held as soon as practicable following the Scheme Meeting, at the same venue and through an online platform at https://meetings.openbriefing.com/AVJEGM25 to approve the issue of new AVJennings Shares in connection with the Scheme.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

You should read this document in its entirety, and consider its contents carefully, before deciding whether or not to vote in favour of the Scheme. If you are in any doubt about what you should do, you should consult with a financial, legal, taxation, or other professional adviser immediately.

If you have any questions about this Scheme Booklet, the Scheme or the Extraordinary General Meeting, please contact the AVJennings Shareholder Information Line on 1800 425 578 (within Australia) or +61 1800 425 578 (outside Australia), between 8:30am and 5:30pm (AEST) Monday to Friday (excluding public holidays) or visit the AVJennings Website. If you have sold all of your AVJennings Shares, please disregard this Scheme Booklet.

Barrenjoey
Financial Adviser

Allens
Legal Adviser

Important notices

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You should review all of the information in this Scheme Booklet carefully. If you are in doubt as to what you should do, you should consult an independent and appropriately licensed professional adviser.

This Scheme Booklet provides AVJennings Shareholders with information about the proposed acquisition of AVJennings by the Bidder, an investment vehicle of Proprium and AVID.

This Scheme Booklet also provides AVJennings Shareholders with information about the Share Issue Resolution, being a proposal to issue new AVJennings Shares to Mr Philip Kearns AM (Chief Executive Officer & Managing Director of AVJennings) in connection with the Scheme.

Interpretation

A number of defined terms are used in this Scheme Booklet. These terms are explained in the Glossary in section 10.1 of this Scheme Booklet. The documents reproduced in the Annexures to this Scheme Booklet may have their own defined terms, which are sometimes different from those in the Glossary. Unless otherwise stated all data contained in charts, graphs and tables is based on information available as at the date of this Scheme Booklet; and all share prices and trading volumes refer to AVJennings Shares trading on the ASX.

Responsibility statement

AVJennings has been solely responsible for preparing the AVJennings Information. No member of AVID or the Proprium Group or any of their directors, officers, employees or advisers assumes any responsibility for the accuracy or completeness of any such AVJennings Information.

The Bidder has provided and is solely responsible for the Bidder Information. No member of the AVJennings Group or any of its directors, officers, employees or advisers assumes any responsibility for the accuracy or completeness of the Bidder Information.

PwC has prepared, and is responsible for, the information contained in section 8 (Taxation Implications) of this Scheme Booklet. No member of the AVJennings Group, AVID or the Proprium Group or any of their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information contained in section 8 (Taxation Implications), except, in the case of AVJennings, in relation to the information which it has provided to PwC.

Kroll has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. A copy of the Independent Expert's Report is contained in Annexure A to this Scheme Booklet.

MUFG Corporate Markets has had no involvement in the preparation of any part of this Scheme Booklet other than being named as the AVJennings Share Registry. MUFG Corporate Markets has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

No consenting party has withdrawn their consent to be named before the date of this Scheme Booklet.

No investment advice and not an offer

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to your own investment objectives, financial situation, taxation position or particular needs. It is important that you read this Scheme Booklet in its entirety before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. If you are in any doubt in relation to these matters, you should consult with a financial, legal, taxation or other professional adviser.

This Scheme Booklet should not be relied upon as the sole basis for any investment decision. Independent financial, legal or taxation advice should be sought before making any investment decision in relation to your AVJennings Shares.

This Scheme Booklet does not constitute or contain an offer to AVJennings Shareholders, or the solicitation of an offer from AVJennings Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with laws and regulations outside of Australia.

Regulatory information

This Scheme Booklet is the explanatory statement for the scheme of arrangement between AVJennings and the Scheme Shareholders for the purposes of section 412(1) of the Corporations Act. A copy of the proposed Scheme is set out in Annexure B to this Scheme Booklet.

A copy of this Scheme Booklet was provided to ASIC for examination in accordance with section 411(2)(b) of the Corporations Act and was lodged with ASIC for registration under section 412(6) of the Corporations Act. It was then registered by ASIC under section 412(6) of the Corporations Act before being sent to AVJennings Shareholders.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing to approve the Scheme. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet will be lodged with the ASX and the SGX. Neither the ASX, the SGX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

Notice of Meetings

The Notice of Scheme Meeting is set out in Annexure D to this Scheme Booklet. The Notice of Extraordinary General Meeting is set out in Annexure E to this Scheme Booklet.

AVJennings Shareholders' right to appear at the Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any AVJennings Shareholder may appear at the Second Court Hearing, expected to be held at 9:30am (AEST) on 23 July 2025 at the Supreme Court of New South Wales, Law Courts Building, 184 Phillip Street, Sydney. Any AVJennings Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on AVJennings a notice of appearance in the prescribed form together with any affidavit that the AVJennings Shareholder proposes to rely on.

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IMPORTANT NOTICE ASSOCIATED WITH THE COURT ORDER UNDER SECTION 411(1) OF THE CORPORATIONS ACT

The fact that the Court has ordered that a meeting be convened and has directed that an explanatory statement accompany the Notice of Scheme Meeting under section 411(1) of the Corporations Act does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how AVJennings Shareholders should vote (AVJennnings Shareholders must reach their own decision on this matter); or
- has prepared, or is responsible for, the content of this Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. All forward-looking statements may generally be identified by the use of forward-looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe AVJennings', AVID's or the Proprium Group's objectives, plans, goals or expectations are, or may be, forward-looking statements.

Any statements contained in this Scheme Booklet about the impact that the Scheme may have on the results of AVJennings' operations, and the advantages and disadvantages anticipated to result from the Scheme, are also forward-looking statements. All forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by those forward-looking statements.

The operations and financial performance of the AVJennings Group are subject to various risks, including those summarised in this Scheme Booklet, which may be beyond the control of AVJennings, AVID and/or the Proprium Group. AVJennings' Shareholders should note that the historical financial performance of the AVJennings Group provides no assurance of the future financial performance of the AVJennings Group (whether the Scheme is Implemented or not). Those risks and uncertainties include factors and risks specific to the industry in which the AVJennings Group operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. As a result, the actual results of operations and earnings of the AVJennings Group following Implementation of the Scheme or if the Scheme does not proceed, as well as the actual advantages of the Scheme, may differ significantly from those that are anticipated and may never be achieved.

None of the AVJennings Group, Bidder, AVID, Proprium Group, any of their respective officers, directors, employees or advisers, or any persons named in this Scheme Booklet with their consent or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (express or implied) as to the likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement.

All subsequent written and oral forward-looking statements attributable to any member of the AVJennings Group or any member of AVID or the Proprium Group, or any person acting on their behalf, are qualified by this cautionary statement.

The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under relevant laws or the listing rules of a relevant exchange, AVJennings, AVID and the Proprium Group or any of their respective officers, directors, employees or advisers do not give any undertaking to update or revise any such statements after the date of this Scheme Booklet, to reflect any change in expectations in or any change in events, conditions or circumstances on which any such statement is based.

Privacy

AVJennings and its officers, agents and Representatives may collect personal information in the process of implementing the Scheme. Such information may include the name, contact details and shareholdings of AVJennings Shareholders and the name of persons appointed by those persons to act as a proxy, attorney or corporate representative at the Scheme Meeting. The primary purpose of the collection of personal information is to assist AVJennings to conduct the Scheme Meeting and the Extraordinary General Meeting, and to implement the Scheme.

Personal information of the type described above may be disclosed to the AVJennings Share Registry, print and mail service providers, authorised securities brokers, any member of AVID, the Proprium Group, AVJennings and their Related Bodies Corporate, and AVJennings', AVID's and the Proprium Group's advisers and service providers. AVJennings Shareholders have certain rights to access personal information that has been collected. AVJennings Shareholders should contact the AVJennings Share Registry in the first instance if they wish to access their personal information.

AVJennings Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

External websites

Content on the websites referenced in this Scheme Booklet do not form part of this Scheme Booklet, unless expressly stated otherwise. AVJennings Shareholders should not rely on any such content.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, actual calculations may differ from amounts set out in this Scheme Booklet. Unless otherwise stated all numbers are rounded.

Times and dates

Unless otherwise stated, all times referred to in this Scheme Booklet are references to Australian Eastern Standard Time (**AEST**). All times and dates relating to the Scheme and the Extraordinary General Meeting in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from government agencies.

Date of this Scheme Booklet

This Scheme Booklet is dated 9 May 2025.



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Contents

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Important notices		**ii**
Letter from the Chairman of AVJennings		**2**
What should you do in relation to this Scheme Booklet?		**5**
Key dates		**8**
1	Key considerations relevant to your vote	**10**
2	Frequently asked questions	**15**
3	Overview of the Scheme	**30**
4	Overview of the Extraordinary General Meeting	**37**
5	Information about AVJennings	**39**
6	Information about the Bidder	**51**
7	Risks	**58**
8	Taxation Implications	**68**
9	Additional Information	**74**
10	Glossary and Interpretation	**84**
Annexure A – Independent Expert's Report		**96**
Annexure B – Scheme		**186**
Annexure C – Deed Poll		**199**
Annexure D – Notice of Scheme Meeting		**205**
Annexure E – Notice of Extraordinary General Meeting		**207**
Explanatory Notes to the Notices of Meetings		**210**
Corporate Directory		**v**

Letter from the Chairman of AVJennings

9 May 2025

Dear AVJennings Shareholder,

On behalf of the Board of AVJennings Limited (**AVJennings**), I am pleased to provide you with this Scheme Booklet, which contains important information for your consideration relating to the proposed acquisition of AVJennings by PM Nominees C Pty Ltd (the **Bidder**), an investment vehicle of Proprium Capital Partners (Australia) Pty Ltd (**Proprium**) and AVID (comprising Bidder Cayman HoldCo, the AVID Sibling Entities and all of their respective Subsidiaries).

The AVJennings Board unanimously recommends that you vote in favour of the Scheme to be considered at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennings Shareholders.[1]

Background to the Scheme

On 1 April 2025, AVJennings announced it had entered into a binding Scheme Implementation Deed with the Bidder under which it is agreed that the Bidder will acquire all of the shares in AVJennings via a scheme of arrangement (the **Scheme**).

In order for the Scheme to proceed, it must be approved at a meeting of AVJennings Shareholders (the **Scheme Meeting**), and then by the Court. The Scheme is also subject to approval being obtained from the Australian Foreign Investment Review Board and the New Zealand Overseas Investment Office, in addition to certain other conditions described in sections 3.9 and 9.9(a) of this Scheme Booklet.

The purpose of this Scheme Booklet is to provide you with information about the Scheme to assist you in voting on the Scheme Resolution at the Scheme Meeting. This Scheme Booklet also provides you with information about the Share Issue Resolution to be voted on at the Extraordinary General Meeting, scheduled to be held as soon as practicable following the Scheme Meeting.

Overview of the Scheme Consideration

If the Scheme is Implemented, AVJennings Shareholders will receive a total of $0.655 for each AVJennings Share they hold as at the Scheme Record Date (**Scheme Consideration**).

In addition, the AVJennings Board may declare and pay a fully franked special dividend of up to $0.167 per AVJennings Share as at the Special Dividend Record Date (**Special Dividend**) with the intention to maximise as far as reasonably possible the distribution of franking credits. The AVJennings Board will determine (in its absolute discretion) whether to pay any Special Dividend. This determination will depend upon a number of factors, including the availability of funds at the applicable time, the availability of a favourable ATO class ruling and receipt of relevant lender consents or waivers. The amount of any Special Dividend (if declared and paid prior to Implementation) will be deducted from the Scheme Consideration.[2]

In addition, if any Special Dividend is paid, those AVJennings Shareholders who are entitled to the Special Dividend may be entitled to franking credits of up to approximately $0.072 per AVJennings Share.[3] Your eligibility to claim the benefit of franking credits attached to any Special Dividend will depend on your personal circumstances and whether a favourable class ruling is obtained from the Australian Taxation Office.[4] Further information is set out in section 8 of this Scheme Booklet.

The Scheme Consideration of $0.655 per Scheme Share represents a:

- premium of 98.5% to the undisturbed closing price of AVJennings Shares on 27 November 2024 of $0.33 per AVJennings Share (being the last trading day prior to the announcement of the non-binding indicative proposal from the Bidder on 28 November 2024);
- premium of 97.5% to the 1-month volume weighted average price (**VWAP**) of AVJennings Shares to 27 November of 2024 of $0.3317 per AVJennings Share; and
- premium of 103.4% to the 3-month VWAP of AVJennings Shares to 27 November 2024 of $0.3221 per AVJennings Share.

1 Mr Philip Kearns AM (AVJennings' Chief Executive Officer and Managing Director) may be entitled to certain Performance Rights in connection with the Scheme, described in more detail in section 4.1 of this Scheme Booklet. Despite this interest in the outcome of the Scheme, Mr Kearns considers that, given the importance of the Scheme, and his role as an AVJennings Director, it is important and appropriate for him to provide a recommendation to AVJennings Shareholders in relation to voting on the Scheme. The AVJennings Board (excluding Mr Kearns) also consider that it is appropriate for Mr Kearns to make a recommendation on the Scheme given his role in the operation and management of AVJennings and his deep industry knowledge.

2 The AVJennings Board will determine (in its absolute discretion) whether to pay any Special Dividend. This determination will depend upon a number of factors, including the availability of funds at the applicable time, the availability of a favourable ATO class ruling and receipt of relevant lender consents or waivers.

3 The maximum benefit associated with the franking credits will be less if the Special Dividend (if declared) is less than $0.167 per AVJennings Share or if the class ruling is not obtained.

4 AVJennings Shareholders should seek independent professional taxation advice as to whether or not the receipt of any Special Dividend and any associated entitlement to a tax offset in respect of such franking credits will apply to them based on their own individual circumstances. Refer to sections 2 and 8.3 of this Scheme Booklet for further information.

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Recommendation of the AVJennings Board

The AVJennings Board unanimously recommends that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennings Shareholders. Each AVJennings Director intends to vote all of the AVJennings Shares that they hold or control in favour of the Scheme, subject to that same qualification.

Your Directors recommend the Transaction for the following reasons.

- The Scheme Consideration represents a highly attractive premium for AVJennings Shareholders to undisturbed trading prices.
- The Scheme Consideration is 100% cash, which provides AVJennings Shareholders with certain value for their AVJennings Shares.
- The Independent Expert has concluded that the Scheme is in the best interests of AVJennings Shareholders, in the absence of a Superior Proposal.
- AVJennings Shareholders who can realise benefits from the franking credits attached to any Special Dividend (if declared and provided a favourable class ruling is obtained from the ATO) may receive additional benefit from the value of those franking credits.[5]
- The AVJennings Share price will continue to be subject to market volatility and may fall if the Scheme is not Implemented.
- You will not pay brokerage fees on the transfer of your AVJennings Shares if the Scheme proceeds.

In recommending the Transaction, the AVJennings Board considered the potential disadvantages of the Scheme proceeding including:

- you will not be able to participate in any improvement in the performance of the AVJennings business, which may occur in the future;
- you may prefer to maintain your investment profile and exposure to AVJennings' portfolio and the benefits and risks of being invested in AVJennings;
- the tax consequences of the Scheme for you may not suit your individual financial or tax position; and
- you may consider that there is potential for a Superior Proposal to emerge. However, since the announcement of the Scheme on 1 April 2025 no such proposal has emerged.

Further details on the Recommendation given by the AVJennings Board is provided in section 1.1 of this Scheme Booklet.

SC Global shareholder support

The largest shareholder in AVJennings, SC Global Developments Pte Ltd (**SC Global**)[6], who through its wholly owned Subsidiaries holds and controls shares in AVJennings representing approximately 54.02%[7] of the issued share capital, has confirmed that it intends to vote all AVJennings Shares it holds and controls as at the date of the Scheme Meeting in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennings Shareholders.

Independent Expert

The AVJennings Board appointed Kroll Australia Pty Ltd as the Independent Expert to assess the merits of the Scheme. The Independent Expert has concluded that the Scheme is in the best interests of AVJennings Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the value of an AVJennings Share to be in the range of $0.54 to $0.61 on a fully diluted basis.[8] This range of assessed values reflects 100% ownership of AVJennings and, therefore, incorporates a control premium. The Scheme Consideration of $0.655 per AVJennings Share is above this range. Consequently, the Independent Expert has assessed the Scheme to be fair and as a result, the Independent Expert has assessed the Scheme to be reasonable.

A complete copy of the Independent Expert's Report is set out in Annexure A to this Scheme Booklet, and you are encouraged to read it in full.

5 When assessing the benefit of franking credits attached to any Special Dividend, AVJennings Shareholders should seek independent professional taxation advice as to whether or not the receipt of the Special Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. Refer to sections 2 and 8.3 of this Scheme Booklet for further information.

6 Mr Simon Cheong, the Chairman and a non-executive Director of AVJennings, is also the founder and Chairman of SC Global and Mr Mak Lye Mun, a non-executive Director of AVJennings, is also an independent non-executive director of SC Global.

7 Comprising 301,564,270 AVJennings Shares.

8 This includes the 558,270,857 ordinary shares on issue and assumes the vesting of the outstanding 7,178,503 Performance and Retention Rights on issue.

Letter from the Chairman of AVJennings

continued

Extraordinary General Meeting

As soon as practicable following the Scheme Meeting, AVJennings will hold an Extraordinary General Meeting to approve the Share Issue Resolution permitting AVJennings to issue shares to the Managing Director and CEO, Philip Kearns in connection with the vesting of 3,285,750 Performance Rights, subject to the Scheme becoming Effective.

The directors, other than Mr Kearns who has recused himself, unanimously recommend that AVJennings Shareholders vote in favour of the Share Issue Resolution.

The Scheme is not conditional on the Share Issue Resolution passing and may proceed even if AVJennings Shareholder approval is not granted for the issuance of additional shares to Mr Kearns pursuant to the Share Issue Resolution. In these circumstances, AVJennings will consider acquiring AVJennings Shares on-market or satisfying the vested Performance Rights by way of a cash payment.

If the Scheme Resolution does not pass by the Requisite Majorities, the Extraordinary General Meeting will proceed to consider the Share Issue Resolution. However, no shares will be issued pursuant to the Share Issue Resolution unless the criteria for accelerating the vesting and conversion of the AVJennings Equity Incentives are met, which include the Scheme becoming Effective.

How to vote

The Scheme Meeting is scheduled to be held at 3:00pm (AEST) on 11 July 2025, at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 (and through an online platform at https://meetings.openbriefing.com/AVJSCHEME25). You may vote on the Scheme Resolution by attending the Scheme Meeting in person (either physically or via the online platform), or by appointing a proxy, corporate representative or attorney to attend the Scheme Meeting on your behalf.

The Extraordinary General Meeting is scheduled to be held upon the conclusion of the Scheme Meeting at the same venue and through an online platform at https://meetings.openbriefing.com/AVJEGM25. You may vote on the Share Issue Resolution by attending the Extraordinary General Meeting in person (either physically or via the online platform), or by appointing a proxy, corporate representative or attorney to attend the Extraordinary General Meeting on your behalf.

If you do not wish to, or are unable to, attend the Scheme Meeting or the Extraordinary General Meeting in person (either physically or via the relevant online platform), you may vote on the Scheme Resolution or the Share Issue Resolution by completing the personalised Scheme Proxy Form or General Proxy Form (as applicable) accompanying this Scheme Booklet or voting online using the log in information provided.

Your proxy instruction must be received by MUFG Corporate Markets by no later than 3:00pm (AEST) on Wednesday, 9 July 2025 or if you are a member of the AVJennings Deferred Employee Share Plan & Equity Incentive Plan, by no later than 5:00pm (AEST) on Friday, 4 July 2025.

Further information

This Scheme Booklet sets out important information regarding the Scheme, including the reasons for the AVJennings Board's Recommendation, in addition to information about the Independent Expert's Report and the Share Issue Resolution.

I encourage you to read this Scheme Booklet carefully and in its entirety as it will assist you in making an informed decision on how to vote. I would also encourage you to seek independent legal, financial, tax or other professional advice before making any investment decision in relation to your AVJennings Shares.

If you have any questions regarding the Scheme, the Extraordinary General Meeting or this Scheme Booklet you should contact the AVJennings Shareholder Information Line on 1800 425 578 (within Australia) or +61 1800 425 578 (outside Australia) on Monday to Friday (excluding public holidays) between 8:30am and 5:30pm (AEST).

On behalf of the AVJennings Board, I would like to take this opportunity to thank you for your ongoing support of AVJennings, and we look forward to your participation at the Scheme Meeting and the Extraordinary General Meeting.

Yours sincerely,



Simon Cheong
Chairman – AVJennings

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What should you do in relation to this Scheme Booklet?

Step 1
Read this Scheme Booklet in its entirety

You should carefully read this Scheme Booklet in its entirety before deciding whether to vote in favour of the Scheme.

If you have any questions, please contact the AVJennings Shareholder Information Line on 1800 425 578 (for callers within Australia) or +61 1800 425 578 (for callers outside Australia), between 8:30am and 5:30pm (AEST) Monday to Friday (excluding public holidays) or visit the AVJennings Website.

If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser without delay.

If you have sold all of your AVJennings Shares, please disregard this Scheme Booklet.

Step 2
Vote on the Scheme Resolution at the Scheme Meeting

(a) Your vote is important

For the Scheme to proceed, the Requisite Majorities of AVJennings Shareholders must vote in favour of the Scheme Resolution.

(b) Who is entitled to vote on the Scheme?

If you are registered on the AVJennings Share Register as an AVJennings Shareholder at the Voting Record Date (currently expected to be 7:00pm (AEST) on 9 July 2025), you will be entitled to attend and vote on the Scheme at the Scheme Meeting, unless otherwise noted in the Notice of Scheme Meeting, which is set out in Annexure D to this Scheme Booklet.

If you hold an interest in AVJennings Shares through SGX GlobalQuote and are listed on the Depository Register on the Voting Record Date (currently expected to be 7:00pm (AEST) on 9 July 2025), you may cast your vote by completing the Scheme Voting Instruction Form provided to you and returning it to CDP at the address provided on that form.

As an AVJennings Shareholder, it is your right to vote on whether the Scheme proceeds. Your vote is important and you are strongly encouraged to vote on the Scheme. However, voting is not compulsory.

The Scheme Meeting is scheduled to be held on 11 July 2025 (see below for further details).

(c) Details of the Scheme Meeting

The Scheme Meeting to approve the Scheme is scheduled to be held at 3:00pm (AEST) on 11 July 2025 at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 and through an online platform at https://meetings.openbriefing.com/AVJSCHEME25. Further information about attending the Scheme Meeting can be found in the Notice of Scheme Meeting, which is set out in Annexure D to this Scheme Booklet.

What should you do in relation to this Scheme Booklet? continued

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Step 2

Vote on the Scheme Resolution at the Scheme Meeting (continued)

(d) How to vote?

AVJennings Shareholders on the Voting Record Date may vote at the Scheme Meeting in the following ways:

- **in person**, by physically attending the Scheme Meeting, held at 3:00pm (AEST) on 11 July 2025 at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 and voting during the Scheme Meeting;
- **online**, by participating and voting online at the Scheme Meeting, held at 3:00pm (AEST) at https://meetings.openbriefing.com/AVJSCHEME25. To vote online, you will need your SRN or HIN and your registered postcode or country of residence (if outside Australia); or
- **by custodian voting**, by appointing one or two proxies to attend and vote on your behalf, using the Scheme Proxy Form that accompanies this Scheme Booklet or submitting a proxy online at https://au.investorcentre.mpms.mufg.com. To submit a proxy vote online you will need a specific six digit Control Number (located on the front of your letter or Scheme Proxy Form). To be valid, your Scheme Proxy Form must be received by no later than 3:00pm (AEST) on Wednesday, 9 July 2025 or if you are a member of the AVJennings Deferred Employee Share Plan & Equity Incentive Plan, by no later than 5:00pm (AEST) on Friday, 4 July 2025.

If you hold an interest in AVJennings Shares through SGX GlobalQuote and are listed on the Depository Register on the Voting Record Date (currently expected to be 7:00pm (AEST) on 9 July 2025), you may cast your vote by completing the Scheme Voting Instruction Form provided to you and returning it to CDP at the address provided on that form. You can attend the meeting virtually via the live webcast but may not vote or ask questions. Details for the online platform are set out above.

Further details on how to vote are set out in the Notice of Scheme Meeting, which is set out in Annexure D to this Scheme Booklet.

Step 3

Vote on the Share Issue Resolution at the Extraordinary General Meeting

The Share Issue Resolution is an ordinary resolution. For the Share Issue Resolution to succeed, a majority of AVJennings Shareholders voting at the Extraordinary General Meeting must vote in favour of the resolution.

(a) Who is entitled to vote on the Share Issue Resolution?

If you are registered on the AVJennings Share Register as an AVJennings Shareholder at the Voting Record Date (currently expected to be 7:00pm (AEST) on 9 July 2025), you will be entitled to attend and vote on the Share Issue Resolution at the Extraordinary General Meeting, unless otherwise noted in the Notice of Extraordinary General Meeting, which is set out in Annexure E to this Scheme Booklet.

The Extraordinary General Meeting is scheduled to be held as soon as practicable following the Scheme Meeting (discussed above) on 11 July 2025 (see below for further details).

If you hold an interest in AVJennings Shares through SGX GlobalQuote and are listed on the Depository Register on the Voting Record Date (currently expected to be 7:00pm (AEST) on 9 July 2025), you may cast your vote by completing the EGM Voting Instruction Form provided to you and returning it to CDP at the address provided on that form.

(b) Details of the Extraordinary General Meeting

The Extraordinary General Meeting to approve the Share Issue Resolution is scheduled to be held as soon as practicable following the Scheme Meeting, which will be held at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 and through an online platform at https://meetings.openbriefing.com/AVJEGM25 on 11 July 2025.

Further information about attending the Extraordinary General Meeting can be found in the Notice of Scheme Meeting, which is set out in Annexure E to this Scheme Booklet.

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Step 3

Vote on the Share Issue Resolution at the Extraordinary General Meeting

(continued)

(c) How to vote?

AVJennings Shareholders on the Voting Record Date may vote at the Extraordinary General Meeting in the following ways:

- **in person**, by physically attending the Extraordinary General Meeting, held at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000, which is scheduled to be held as soon as practicable following the Scheme Meeting, and voting during the Extraordinary General Meeting; or
- **online**, by participating and voting online at the Scheme Meeting at https://meetings.openbriefing.com/AVJEGM25, which is scheduled to be held as soon as practicable following the Scheme Meeting. To vote online, you will need your SRN or HIN and your registered postcode or country of residence (if outside Australia); or
- **by custodian voting**, by appointing one or two proxies to attend and vote on your behalf, using the General Proxy Form that accompanies this Scheme Booklet or submitting a proxy online at https://au.investorcentre.mpms.mufg.com. To submit a proxy vote online you will need a specific six digit Control Number (located on the front of your letter or General Proxy Form). To be valid, your General Proxy Form must be received by the AVJennings Share Registry by no later than 3:00pm (AEST) on Wednesday 9 July 2025 or if you are a member of the AVJennings Deferred Employee Share Plan & Equity Incentive Plan, by no later than 5:00pm (AEST) on Friday 4 July 2025.

If you hold an interest in AVJennings Shares through SGX GlobalQuote and are listed on the Depository Register on the Voting Record Date (currently expected to be 7:00pm (AEST) on 9 July 2025), you may cast your vote by completing the EGM Voting Instruction Form provided to you and returning it to CDP at the address provided on that form. You can attend the meeting virtually via the live webcast but may not vote or ask questions. Details for the online platform are set out above.

Further details on how to vote are set out in the Notice of Extraordinary General Meeting, which is set out in Annexure E to this Scheme Booklet.

Key dates

Event	Date
First Court Hearing	8 May 2025
Date of this Scheme Booklet	9 May 2025
Scheme Voting Instruction Forms and General Voting Instruction Forms (for members of the AVJennings Deferred Employee Share Plan & Equity Incentive Plan) Last date and time for receipt of Scheme Meeting Voting Instruction Forms and Extraordinary General Meeting Voting Instruction Forms (in each case, including forms lodged online at https://au.investorcentre.mpms.mufg.com).	5:00pm (AEST) 4 July 2025
Scheme Proxy Forms and General Proxy Forms Last date and time for receipt of Scheme Proxy Forms and General Proxy Forms (in each case, including proxies lodged online at https://au.investorcentre.mpms.mufg.com), powers of attorney or certificates of appointment of body corporate representatives for the Scheme Meeting and the Extraordinary General Meeting.	3:00pm (AEST) on 9 July 2025
Voting Record Date Time and date for determining eligibility to vote at the Scheme Meeting and the Extraordinary General Meeting. All AVJennings Shareholders who are registered as holders of AVJennings Shares on the AVJennings Share Register or, where CDP is on the register, are registered on the Depository Register, as at the Voting Record Date will be eligible to vote at the Scheme Meeting and the Extraordinary General Meeting.	7:00pm (AEST) on 9 July 2025
Scheme Meeting The Scheme Meeting is scheduled to be held at 3:00pm (AEST) on 11 July 2025, at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 and through an online platform at https://meetings.openbriefing.com/AVJSCHEME25. AVJennings Shareholders can, or their proxies, attorneys or corporate representatives can, attend. Further details relating to the Scheme Meeting are set out in the Notice of Scheme Meeting, which is set out in Annexure D to this Scheme Booklet.	3:00pm (AEST) on 11 July 2025
Extraordinary General Meeting The Extraordinary General Meeting is scheduled to be held as soon as practicable following the Scheme Meeting at the 3:00pm and through an online platform at https://meetings.openbriefing.com/AVJEGM25. AVJennings Shareholders can, or their proxies, attorneys or corporate representatives can, attend. Further details relating to the Extraordinary General Meeting are set out in the Notice of Extraordinary General Meeting, which is set out in Annexure E to this Scheme Booklet.	As soon as practicable following the Scheme Meeting which commences at 3:00pm (AEST) on 11 July 2025
Special Dividend Determination Date Last date for AVJennings Board to determine the Special Dividend	21 July 2025

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Event	Date
If the Scheme Resolution is approved by the Requisite Majorities at the Scheme Meeting	
Second Court Hearing for approval of the Scheme	23 July 2025
Effective Date The date on which the Scheme become Effective and is binding on Scheme Shareholders. The Court order will be lodged with ASIC and announced on the ASX and the SGX. Last day of trading in AVJennings Shares – AVJennings suspended from trading on the ASX and from quotation on SGX GlobalQuote from close of trading.	24 July 2025
If the Scheme is approved by the Court and becomes Effective	
Special Dividend Record Date All AVJennings Shareholders who hold AVJennings Shares on the Special Dividend Record Date will be entitled to receive any Special Dividend (if the AVJennings Directors (in their absolute discretion) decide to declare and pay a Special Dividend).	5:00pm (AEST) on 29 July 2025
Special Dividend Payment Date Date on which any Special Dividend will be paid (if the AVJennings Board determine to declare and pay a Special Dividend).	6 August 2025
Scheme Record Date All AVJennings Shareholders who hold AVJennings Shares on the Scheme Record Date will be entitled to receive the Scheme Consideration.	7:00pm (AEST) on 11 August 2025
Implementation Date All Scheme Shareholders will be paid the Scheme Consideration to which they are entitled on this date and the Scheme Shares will be transferred to the Bidder.	14 August 2025
Delisting on ASX and termination of quotation on SGX GlobalQuote AVJennings will be delisted from the official list of ASX and quotation of AVJennings Shares on SGX GlobalQuote will be terminated.	15 August 2025

Unless otherwise stated, all times referred to in this Scheme Booklet are times in AEST. All dates are indicative only and are subject to the Court approval process and the satisfaction of or, where capable, waiver of the Conditions Precedent, including but not limited to FIRB Approval, OIO Approval, and approval from AVJennings Shareholders. The date of the Scheme Meeting may be postponed or adjourned, including if satisfaction of a Condition Precedent (including FIRB Approval or OIO Approval) is delayed, pursuant to the terms of the Scheme Implementation Deed. Any changes will be announced by AVJennings to the ASX and the SGX.

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1

Key considerations relevant to your vote on the Scheme Resolution



AVJennings®

1 Key considerations relevant to your vote

This section provides a summary of some of the reasons why the AVJennings Board unanimously recommends that AVJennings Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennings Shareholders.[1] It also sets out other reasons why you may wish to vote against the Scheme.

Each AVJennings Director intends to vote all of the AVJennings Share they own or control favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennings Shareholders.

The Scheme has a number of advantages and disadvantages that may affect AVJennings Shareholders in different ways. The AVJennings Board encourages you to read this Scheme Booklet and the Independent Expert's Report in full before deciding whether or not to vote in favour of the Scheme Resolution at the Scheme Meeting. You should seek professional advice on how the Scheme will affect you, as appropriate.

1.1 Why you should vote in favour of the Scheme

The AVJennings Directors unanimously recommend that AVJennings Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennings Shareholders. A summary of some of the reasons why is set out below.

(a) The Scheme Consideration represents a highly attractive premium for AVJennings Shareholders to undisturbed trading prices

If the Scheme Resolution is approved by the Requisite Majorities at the Scheme Meeting and the Scheme becomes Effective, Scheme Shareholders will be entitled to receive the Scheme Consideration, comprising:

- cash consideration under the Scheme of $0.655 per AVJennings Share they hold as at the Scheme Record Date, less the amount of any Special Dividend that may be declared and paid by AVJennings before the Scheme is Implemented; and
- if declared by the AVJennings Directors (in their absolute discretion) a fully franked Special Dividend of up to $0.167 per AVJennings Share for each AVJennings Share they hold as at the Special Dividend Record Date that may be declared and paid by AVJennings before the Scheme is Implemented.

The Scheme Consideration represents a highly attractive premium for AVJennings Shareholders to undisturbed trading prices. As shown below, since 27 November 2019 to the announcement of the non-binding indicative proposal from the Bidder on 28 November 2024, AVJennings Shares have not traded at a price above the Scheme Consideration of $0.655 per AVJennings Share.

The Scheme Consideration of $0.655 per AVJennings Share represents a:

- premium of 98.5% to the undisturbed closing price of AVJennings Shares on 27 November 2024 of $0.33 per AVJennings Share (being the last trading day prior to the announcement of the non-binding indicative proposal from the Bidder on 28 November 2024);
- premium of 97.5% to the 1-month VWAP of AVJennings Shares to 27 November of 2024 of $0.3317 per AVJennings Share; and
- premium of 103.4% to the 3-month VWAP of AVJennings Shares to 27 November 2024 of $0.3221 per AVJennings Share.

1 You should note when considering this recommendation that Mr Philip Kearns AM (AVJennings' Chief Executive Officer and Managing Director) may be entitled to certain Performance Rights in connection with the Scheme, described in more detail in section 4.1 of this Scheme Booklet. Despite this interest in the outcome of the Scheme, Mr Kearns considers that, given the importance of the Scheme, and his role as an AVJennings Director, it is important and appropriate for him to provide a recommendation to AVJennings Shareholders in relation to voting on the Scheme. The AVJennings Board (excluding Mr Kearns) also consider that it is appropriate for Mr Kearns to make a recommendation on the Scheme given his role in the operation and management of AVJennings and his deep industry knowledge.

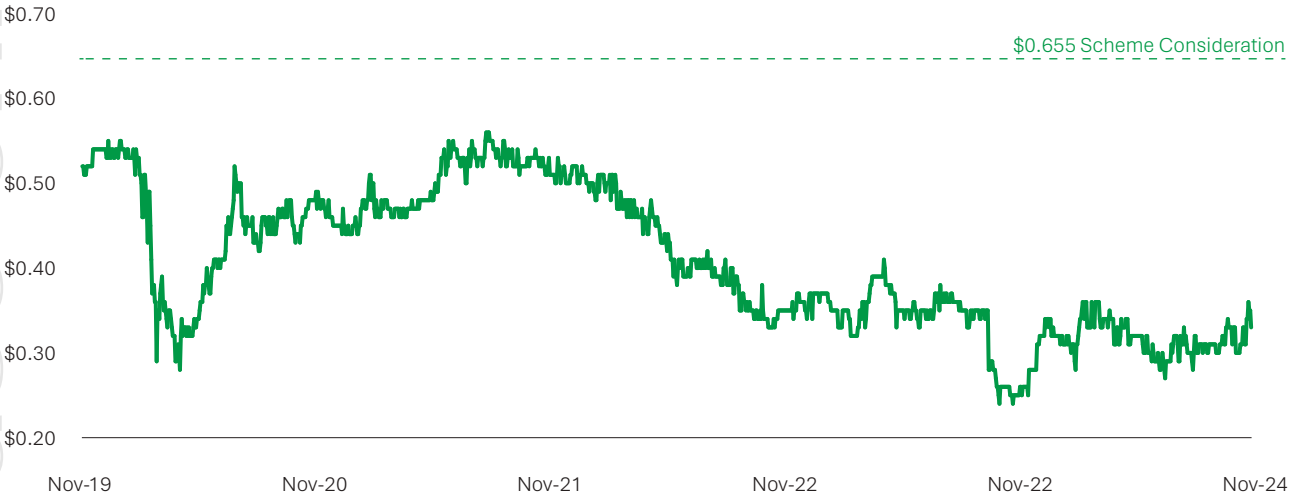
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1 Key considerations relevant to your vote

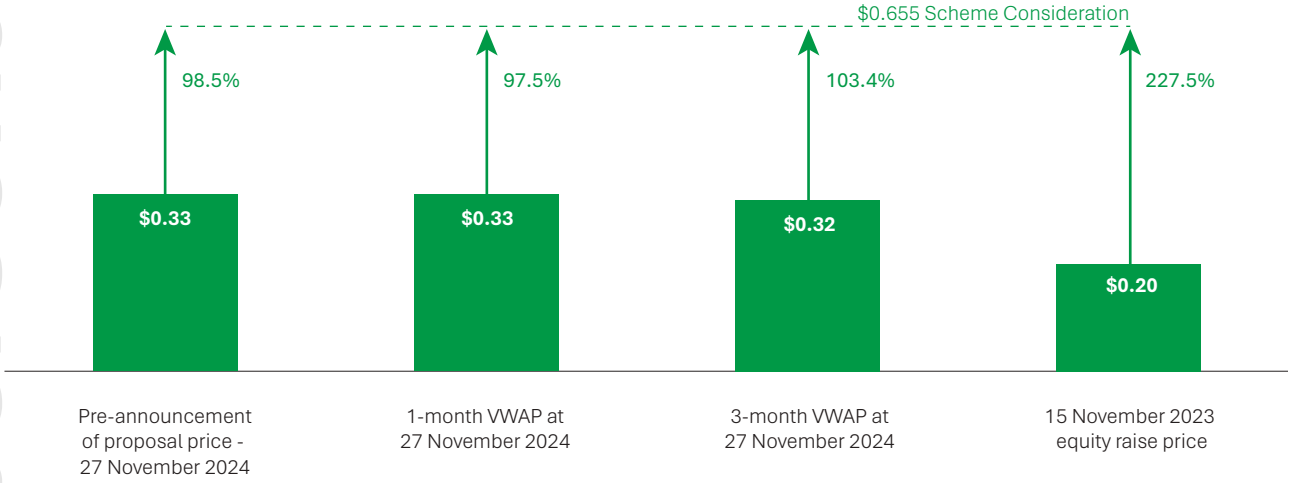
continued

1.1 Why you should vote in favour of the Scheme continued

AVJennings Shares closing price – last 5 years to 27 November 2024



Offer metrics of the Scheme Consideration



(b) The Scheme Consideration provides certain value to AVJennings Shareholders

The Scheme Consideration contemplated under the Scheme is 100% cash, providing AVJennings Shareholders with certain value for their AVJennings Shares. The certainty of the 100% cash consideration should be compared with the potential risks and uncertainties of continuing to hold AVJennings Shares (which existed before the Scheme) which include, but are not limited to, the following:

- fluctuation of value and returns due to property market conditions (including geographic and sectoral factors), general economic conditions and property-specific factors;
- interest rate risks which can impact the value of AVJennings' debt; and
- equity market volatility which can impact the value of AVJennings Shares on the ASX and SGX GlobalQuote.

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(c) The Independent Expert has concluded that the Scheme is in the best interests of AVJennings Shareholders, in the absence of a Superior Proposal

The AVJennings Board appointed Kroll Australia Pty Ltd as the Independent Expert to assess the merits of the Scheme. The Independent Expert has concluded that the Scheme is in the best interests of AVJennings Shareholders, in the absence of a Superior Proposal. The Independent Expert has assessed the value of an AVJennings Share to be in the range of $0.54 to $0.61 on a fully diluted basis.[2] This range of assessed values reflects 100% ownership of AVJennings and, therefore, incorporates a control premium. The Scheme Consideration of $0.655 per AVJennings Share is above this range. Consequently, the Independent Expert has assessed the Scheme to be fair and as a result, the Independent Expert has assessed the Scheme to be reasonable.

A complete copy of the Independent Expert's Report is set out in Annexure A to this Scheme Booklet. The AVJennings Board encourages you to read the Independent Expert's Report in full before deciding whether or not to vote in favour of the Scheme Resolution at the Scheme Meeting.

(d) AVJennings Shareholders who can realise the benefit of the franking credits attached to any Special Dividend (if declared and paid prior to Implementation and a favourable class ruling is obtained by the ATO) may receive further benefit from the value of those franking credits

The AVJennings Board may declare (in its absolute discretion) a fully franked Special Dividend of up to $0.167 per AVJennings Share prior to Implementation of the Scheme, conditional on the Scheme being approved and becoming Effective, which will be paid on the Special Dividend Payment Date to AVJennings Shareholders who hold AVJennings Shares on the Special Dividend Record Date.

The AVJennings Board will determine (in its absolute discretion) whether to pay any Special Dividend. This determination will depend upon a number of factors, including the availability of funds at the applicable time, the availability of a favourable ATO class ruling and receipt of relevant lender consents or waivers. Any Special Dividend declaration of the AVJennings Board will be communicated to AVJennings Shareholders by way of an announcement to the ASX and to the SGX.

If a Special Dividend is declared, those AVJennings Shareholders who are entitled to the Special Dividend may be entitled to franking credits of up to approximately $0.072 per AVJennings Share.[3] Whether you will be able to receive benefit of the franking credits attached to any Special Dividend will depend on your personal circumstances and whether a favourable class ruling is obtained from the ATO.[4]

Section 8 of this Scheme Booklet sets out a general summary regarding taxation implications of the Scheme for AVJennings Shareholders. To determine the tax consequences relevant to your circumstances, you should consult your own taxation adviser.

(e) AVJennings' share price will continue to be subject to market volatility and may fall if the Scheme is not Implemented or in the absence of a Superior Proposal

If the Scheme is not Implemented, AVJennings Shares will remain quoted on the ASX and SGX GlobalQuote and will continue to be subject to market volatility and the impact of general economic conditions. These factors may have an impact on the AVJennings Share price in the short, medium and long term.

If the Scheme is not Implemented, and in the absence of a Superior Proposal, the price at which AVJennings Shares trade may fall, including to a price that is below the Scheme Consideration of $0.655 per AVJennings Share.

The closing price on 27 November 2024, being the last trading day before the announcement of the non-binding indicative proposal from the Bidder on 28 November 2024, was $0.33 per AVJennings Share. Refer to section 1.1(a) above for the VWAP of AVJennings Shares over the one- and three-month periods up to and including 27 November 2024.

Since 27 November 2024, the price of AVJennings Shares has increased by 97.0% up to $0.65 on 5 May 2025 (being the Last Practicable Trading Date). If the Scheme is not Implemented, and no Superior Proposal emerges, it is possible that the price of AVJennings Shares could fall below the price at which it has traded since the announcement of the non-binding indicative proposal from the Bidder on 28 November 2024.

2 This includes the 558,270,857 ordinary shares on issue and assumes the vesting of the outstanding 7,178,503 Performance and Retention Rights on issue.

3 The maximum benefit associated with the franking credits will be less if the Special Dividend is less than $0.167 per AVJennings Share.

4 When assessing the benefit of franking credits attached to any Special Dividend, AVJennings Shareholders should seek independent professional taxation advice as to whether or not the receipt of the Special Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. Refer to sections 2 and 8.3 of this Scheme Booklet for further information.

1 Key considerations relevant to your vote

continued

1.1 Why you should vote in favour of the Scheme continued

(f) You will not pay brokerage fees on the transfer of your AVJennings Shares if the Scheme proceeds

No brokerage fees will be payable by you for the transfer of your AVJennings Shares to the Bidder under the Scheme. If you sell your AVJennings Shares on the ASX or through SGX GlobalQuote (rather than disposing of them via the Scheme), you may incur brokerage charges (and, potentially, GST on those charges).

1.2 Why you may wish to vote against the Scheme

(a) You may disagree with the AVJennings Board's unanimous Recommendation and the Independent Expert's conclusion

Despite the unanimous Recommendation of the AVJennings Board that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of AVJennings Shareholders and the Independent Expert's conclusion that the Scheme is in the best interests of AVJennings Shareholders in the absence of a Superior Proposal, you may believe that the Scheme is not in the best interests of AVJennings Shareholders and/or not in your individual interest.

(b) You may wish to be able to participate in any improvement in the performance of the AVJennings business, which may occur in the future

If the Scheme is approved and Implemented, you will cease to be an AVJennings Shareholder. As such, you will no longer be able to participate in any improvement in the performance of the AVJennings business, which may occur in the future, or the future prospects of the ongoing AVJennings business, including any benefits that may result from being an AVJennings Shareholder. However, there is no guarantee as to AVJennings' future performance, as with all investments in listed equities.

You should be aware that the Scheme may proceed even if you do not vote on the Scheme or vote against it. In these circumstances if the Scheme becomes Effective and is Implemented, you will be entitled to receive the Scheme Consideration and the Special Dividend, if such a dividend is declared and paid by the Directors of AVJennings (in their absolute discretion) but will not maintain an interest in AVJennings.

(c) You may prefer to maintain your investment profile and exposure to AVJennings' portfolio and the benefits and risks of being invested in AVJennings

You may prefer to keep your AVJennings Shares to maintain your investment in a public company with AVJennings' specific characteristics, including but not limited to risk and return. You may consider that it would be difficult to identify and invest in alternative investments that have a similar profile to AVJennings or may incur transaction costs in undertaking any new investment.

In addition, despite the risk factors relevant to AVJennings' future operations as a standalone entity (including those noted in section 7.4 of this Scheme Booklet) and the AVJennings Board's unanimous Recommendation that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of AVJennings Shareholders, you may consider that AVJennings may be able to generate greater returns for its assets as a standalone entity, or by exploring alternative corporate transactions in the future.

(d) The tax consequences of the Scheme for you may not suit your individual financial or tax position

Implementation of the Scheme may trigger taxation consequences for Scheme Shareholders, such as the realisation of a capital gain or capital loss. The tax consequences of the Scheme for you will depend on your own individual financial and tax circumstances. A general guide to the taxation implications of the Scheme is set out in section 8 of this Scheme Booklet for certain AVJennings Shareholders. This guide is expressed in general terms only and AVJennings Shareholders should seek professional taxation advice regarding the tax consequences applicable to their own circumstances.

(e) You may consider that there is the potential for a Superior Proposal to emerge

It is possible that, if AVJennings were to continue as an independent listed entity, a change of control proposal could materialise in the future, such as a takeover bid with a higher price. Implementation of the Scheme will mean that AVJennings Shareholders will not receive the benefit of any such proposal that could occur.

However, since the announcement of entering into the Scheme Implementation Deed with the Bidder on 1 April 2025, no Superior Proposal has emerged and, as at the date of this Scheme Booklet, the AVJennings Board is not aware of any Superior Proposal that is likely to emerge.

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2

Frequently Asked Questions



2 Frequently Asked Questions

Question	Answer	More information
Overview of the Scheme		
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent to you because you are an AVJennings Shareholder and you are being asked to vote on the Scheme, which, if approved by the Requisite Majorities at the Scheme Meeting and if all the conditions are satisfied, will result in the Bidder acquiring all of the Scheme Shares. This Scheme Booklet is intended to help you decide how to vote on the Scheme Resolution, which needs to be passed by the Requisite Majorities at the Scheme Meeting to allow the Scheme to proceed. This Scheme Booklet also provides information on the Extraordinary General Meeting, which relates to the issuance of new AVJennings Shares to Mr Philip Kearns AM in connection with the acceleration of his entitlement to Performance Rights.	N/A
What is the Scheme?	The Scheme is a scheme of arrangement between AVJennings and the Scheme Shareholders. A "scheme of arrangement" is a statutory procedure under the Corporations Act that is commonly used to enable one company to acquire another company.	Section 3.4 of this Scheme Booklet
Who are Scheme Shareholders for the purposes of the Scheme?	For the purposes of the Scheme, a Scheme Shareholder is an AVJennings Shareholder who, as at 7:00pm (AEST) on the Scheme Record Date (currently expected to be 11 August 2025), is: • registered on the AVJennings Share Register as the holder of one or more Scheme Shares; or • where the person registered on the AVJennings Share Register is CDP, depositors who have Scheme Shares entered against their names in the Depository Register.	Section 3.2 of this Scheme Booklet
What will I receive if the Scheme becomes Effective and is Implemented?	If the Scheme becomes Effective and is Implemented, Scheme Shareholders will be entitled to receive the Scheme Consideration of $0.655 per AVJennings Share. The AVJennings Board may also declare (in its absolute discretion) a fully franked Special Dividend of up to $0.167 per AVJennings Share prior to Implementation of the Scheme, conditional on the Scheme being approved and becoming Effective, which will be paid on the Special Dividend Payment Date to AVJennings Shareholders who hold AVJennings Shares on the Special Dividend Record Date.[1] The amount of the Special Dividend (if declared and paid prior to Implementation) will be deducted from the Scheme Consideration.	Section 3.3(a) of this Scheme Booklet

1 The AVJennings Board will determine (in its absolute discretion) whether to pay any Special Dividend. This determination will depend upon a number of factors, including the availability of funds at the applicable time, the availability of a favourable ATO class ruling and receipt of relevant lender consents or waivers.

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Question	Answer	More information
	If any Special Dividend is declared, those AVJennings Shareholders who are entitled to the Special Dividend may be entitled to franking credits of up to approximately $0.072 per AVJennings Share.[2] Your eligibility to claim the benefit of franking credits attached to any Special Dividend will depend on your personal circumstances and whether a favourable class ruling is obtained from the ATO.[3]	
What is the premium of the Scheme Consideration to AVJennings' recent share price performance?	The Scheme Consideration of $0.655 per AVJennings Share represents a: • 98.5% premium to the closing price of AVJennings Shares at 27 November 2024 of $0.33, being the date prior to the announcement of the Bidder's proposal; • 97.5% premium to the 1-month VWAP of AVJennings Shares to 27 November 2024 of $0.3317; and • 103.4% premium to the 3-month VWAP of AVJennings Shares to 27 November 2024 of $0.3221.	Section 1.1(a) of this Scheme Booklet
What will happen to AVJennings if the Scheme becomes Effective and is Implemented?	If the Scheme becomes Effective and is Implemented, AVJennings will be acquired by the Bidder, and an application will be made for termination of the official quotation of AVJennings Shares on the ASX and SGX GlobalQuote and to have AVJennings removed from the official list of the ASX. Section 6 of this Scheme Booklet sets out further details on the Bidder, AVID, the Proprium Group and the Bidder's intentions as to AVJennings into the future.	Sections 3.10 and 6 of this Scheme Booklet
Are there conditions to the Scheme proceeding?	Implementation of the Scheme is subject to the satisfaction or waiver (as applicable) of a number of Conditions Precedent including FIRB Approval, OIO Approval and approval by the Requisite Majorities of AVJennings Shareholders at the Scheme Meeting. These Conditions Precedent are summarised in sections 3.9 and 9.9(a) of this Scheme Booklet and set out in full in clause 3.1 of the Scheme Implementation Deed.	Section 9.9(a) of this Scheme Booklet
Are there any termination rights?	The Scheme Implementation Deed contains standard termination rights for both AVJennings and the Bidder. These termination rights are discussed in section 9.9(e) of this Scheme Booklet and set out in full in clause 14 of the Scheme Implementation Deed.	Section 9.9(e) of this Scheme Booklet

2 The maximum benefit associated with the franking credits will be less if the Special Dividend (if declared) is less than $0.167 per AVJennings Share.

3 When assessing the benefit of franking credits attached to any Special Dividend, AVJennings Shareholders should seek independent professional taxation advice as to whether or not the receipt of the Special Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. Refer to section 8.3 of this Scheme Booklet for further information.

2 Frequently Asked Questions continued

Question	Answer	More information
Independent Expert's opinion and the Recommendation of Your Directors		
What is the conclusion of the Independent Expert?	The Independent Expert has concluded that the Scheme is in the best interests of AVJennings Shareholders, in the absence of a Superior Proposal. The AVJennings Directors encourage you to read the Independent Expert's Report in full before making a decision whether or not to vote in favour of the Scheme. A complete copy of the Independent Expert's Report is set out in Annexure A to this Scheme Booklet.	Annexure A to this Scheme Booklet
Do the AVJennings Directors recommend the Scheme?	The AVJennings Directors unanimously recommend that AVJennings Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennings Shareholders.	Section 1.1 of this Scheme Booklet
How do the AVJennings Directors intend to vote?	The AVJennings Directors intend to vote all AVJennings Shares they hold or control in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennings Shareholders.	Letter from the Chairman of AVJennings
Have any major AVJennings Shareholders indicated their intentions to vote in favour of the Scheme?	The largest AVJennings Shareholder, SC Global[4], who through its wholly owned Subsidiaries holds and controls shares in AVJennings representing approximately 54.02%[5] of the issued share capital, has confirmed that it intends to vote all AVJennings Shares it holds and controls as at the date of the Scheme Meeting in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the AVJennings Shareholders.	Section 9.5 of this Scheme Booklet
What offers were received by the AVJennings Board prior to the Scheme?	On 15 January 2025, AVJennings announced that it had received a conditional, non-binding indicative proposal from Ho Bee Land Limited (**Ho Bee Land**) to acquire all of the remaining AVJennings Shares that it did not already own[6] for cash consideration of $0.70 per AVJennings Share (less any dividends[7]) by way of scheme of arrangement (the **Ho Bee Land Proposal**). On 19 January 2025, AVJennings entered into both a Confidentiality Deed and an Exclusivity Deed with Ho Bee Land to facilitate discussions in relation to the Ho Be Land Proposal. Ho Bee Land was granted exclusivity and access to due diligence through to 21 February 2025. On 1 April 2025 when AVJennings announced that it had entered into the Scheme Implementation Deed with the Bidder, AVJennings also confirmed that no binding proposal had been received from Ho Bee Land and that it had terminated all discussions with Ho Bee Land.	N/A

4 Mr Simon Cheong, the Chairman of AVJennings and a non-executive Director, is the founder and Chairman of SC Global and Mr Mak Lye Mun, a non-executive Director of AVJennings, is also an independent non-executive Director of SC Global.

5 Comprising 301,564,270 AVJennings Shares.

6 On 27 December 2024, Queensgate Investments Pty Limited, an associate of Ho Bee Land, lodged an initial substantial holder notice of a relevant interest in 30,078,608 AVJennings Shares, being 5.39% of the AVJennings Shares on issue.

7 Under the Ho Bee Land Proposal, the consideration offered would have been reduced by the value of any dividend or other distribution up to $0.06 per AVJennings Share announced or paid on or after 14 January 2025.

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Question	Answer	More information
Benefits, potential drawbacks and risks of the Scheme		
Why might I consider voting in favour of the Scheme?	Reasons why you may consider voting in favour of the Scheme: • the Scheme Consideration represents a highly attractive premium for AVJennings Shareholders to undisturbed trading prices; • the AVJennings Directors have unanimously recommended the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennings Shareholders; • the Scheme Consideration is 100% cash and provides certain value for AVJennings Shareholders; • the Independent Expert concluded that the Scheme is in the best interests of AVJennings Shareholders, in the absence of a Superior Proposal; • AVJennings Shareholders who can realise a benefit of the franking credits attached to any Special Dividend (if declared and a favourable class ruling is obtained from the ATO) may receive further benefit from the value of those franking credits; • AVJennings' share price will continue to be subject to market volatility and may fall if the Scheme is not Implemented or in the absence of a Superior Proposal; and • you will not pay brokerage fees on the transfer of your AVJennings Shares if the Scheme proceeds.	Section 1.1 of this Scheme Booklet
Why might I consider voting against the Scheme?	Reasons why you may consider voting against the Scheme: • you may disagree with the AVJennings Board's unanimous Recommendation that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of AVJennings Shareholders, and the Independent Expert's conclusion; • you may wish to be able to participate in any improvement in the performance of the AVJennings business, which may occur in the future; • you may prefer to maintain your investment profile and exposure to AVJennings portfolio and the benefits and risks of being invested in AVJennings; • the tax consequences of the Scheme for you may not suit your individual financial or tax position; or • you may consider that there is the potential for a Superior Proposal to emerge.	Section 1.2 of this Scheme Booklet
Scheme Meeting details, voting and approval thresholds		
When and where will the Scheme Meeting be held?	The Scheme Meeting is scheduled to commence at 3:00pm (AEST) on 11 July 2025 at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 and through an online platform at https://meetings.openbriefing.com/AVJSCHEME25.	Section 3.8(a) of this Scheme Booklet

2 Frequently Asked Questions continued

Question	Answer	More information
Can I attend the Scheme Meeting, and vote, in person?	Yes. If you are an AVJennings Shareholder on the Voting Record Date, you can attend the Scheme Meeting, and vote, in person at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 on 11 July 2025. The Scheme Meeting is scheduled to commence at 3:00pm (AEST).	Section 3.8 of this Scheme Booklet
Can I attend the Scheme Meeting, and vote, online?	Yes. If you are an AVJennings Shareholder on the Voting Record Date, you can attend the Scheme Meeting, and vote, through an online platform at https://meetings.openbriefing.com/AVJSCHEME25 on 11 July 2025. The Scheme Meeting is scheduled to commence at 3:00pm (AEST).	"How to vote" section of the Letter from the Chairman of AVJennings
Who is eligible to vote at the Scheme Meeting?	Each AVJennings Shareholder who is registered as the holder of AVJennings Shares on the AVJennings Share Register as at 7:00pm (AEST) on the Voting Record Date will be entitled to vote on the Scheme Resolution at the Scheme Meeting.	Section 3.5 of this Scheme Booklet
Why should I vote?	Voting is not compulsory. However, your vote will be important in determining whether the Scheme will proceed. If you are in any doubt as to what you should do, you should consult your financial, legal, taxation or other professional adviser without delay.	"How to vote" section of the Letter from the Chairman of AVJennings
Do I need to attend the Second Court Hearing and can I oppose the Scheme at the Second Court Hearing?	AVJennings Shareholders are not required to attend Court for the Second Court Hearing but each AVJennings Shareholder has the right to appear and make submissions to the Court at the Second Court Hearing currently expected to be at 9:30am (AEST) on 23 July 2025, if they wish. Any AVJennings Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on AVJennings a notice of appearance in the prescribed form together with any affidavit that the AVJennings Shareholder proposes to rely on. The address for service is: Allens, Deutsche Bank Place, Level 28, 126 Phillip Street, Sydney NSW 2000.	Important notices on page ii
What is the Scheme Resolution?	The Scheme Resolution is a resolution of eligible AVJennings Shareholders to approve the Scheme, the form of which is set out in the Notice of Scheme Meeting, which is set out in Annexure D to this Scheme Booklet.	Annexure D to this Scheme Booklet

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Question	Answer	More information
What voting majorities are required for approval of the Scheme?	For the Scheme to proceed, the Scheme Resolution must be passed by the Requisite Majorities, being: • a majority in number (more than 50%) of AVJennings Shareholders present and voting at the Scheme Meeting (whether in person, in person through the online platform or by proxy, corporate representative or attorney) (unless the Court orders otherwise); and • at least 75% of the total number of votes cast on the Scheme Resolution by AVJennings Shareholders present and voting at the Scheme Meeting (whether in person, in person through the online platform or by proxy, corporate representative or attorney). The Scheme is not inter-conditional with the Share Issue Resolution to be considered at the Extraordinary General Meeting. The Scheme may proceed, subject to the Scheme becoming Effective, even if shareholder approval is not obtained for the Share Issue Resolution.	Section 3.8 of this Scheme Booklet
How do I vote?	AVJennings Shareholders who hold AVJennings Shares as at 7:00pm (AEST) on the Voting Record Date may vote at the Scheme Meeting in the following ways: • **in person**, by physically attending the Scheme Meeting, held at 3:00pm (AEST) at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 and voting during the Scheme Meeting; • **online**, by participating and voting online at the Scheme Meeting at https://meetings.openbriefing.com/AVJSCHEME25. To vote online, you will need your SRN or HIN and your registered postcode or country of residence (if outside Australia); or • **by custodian voting**, by appointing one or two proxies to attend and vote on your behalf (either physically or via the online platform), using the Scheme Proxy Form that accompanies this Scheme Booklet or by submitting a proxy online at https://au.investorcentre.mpms.mufg.com. To submit a proxy vote online you will need a specific six digit Control Number (located on the front of your letter or Scheme Proxy Form). To be valid, your Scheme Proxy Form must be received by the AVJennings Share Registry by no later than 3:00pm (AEST) on Wednesday, 9 July 2025 or if you are a member of the AVJennings Deferred Employee Share Plan & Equity Incentive Plan, by no later than 5:00pm (AEST) on Friday, 4 July 2025. Further details on how to vote are set out in the Notice of Scheme Meeting, which is set out in Annexure D to this Scheme Booklet.	Annexure D to this Scheme Booklet

2 Frequently Asked Questions continued

Question	Answer	More information
What happens if I vote against the Scheme, or do not vote?	If you do not vote, or if you vote against the Scheme, then the Scheme may not be approved. The Scheme cannot be Implemented unless the Scheme Resolution is passed by the Requisite Majorities of AVJennings Shareholders at the Scheme Meeting. However, even if you do not vote or vote against the Scheme Resolution, this does not mean the Scheme will not be approved and will not be Implemented. If you vote against the Scheme Resolution but the Scheme Resolution is approved and the Scheme becomes Effective, the Scheme will be Implemented.	N/A
When will the results of the Scheme Meeting be known?	The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and will be announced to the ASX (www.asx.com.au) and the SGX (www.sgx.com).	N/A
Can I keep my AVJennings Shares if the Scheme is approved, becomes Effective and is Implemented?	No. If the Scheme Resolution is approved by the Requisite Majorities (even if you did not vote or voted against the Scheme Resolutions) and you are a Scheme Shareholder, and the Scheme become Effective and is Implemented, you will be bound by the Scheme, you will be entitled to receive the Scheme Consideration, and the Bidder will acquire your AVJennings Shares.	N/A
What happens if the Scheme Resolution is not approved?	If the Scheme Resolution is not approved and the Scheme does not proceed: • AVJennings will remain listed on the ASX and with a quotation on SGX GlobalQuote; • the expected benefits of the Scheme will not be realised and the potential disadvantages and risks associated with the Scheme will not arise; • AVJennings Shareholders will retain their AVJennings Shares; • AVJennings Shareholders will not be entitled to receive the Scheme Consideration, • the trading price of AVJennings Shares on the ASX and/or through SGX GlobalQuote may fall; and • the Break Fee of $3,703,600 may be payable by AVJennings to the Bidder in certain circumstances, however, those circumstances do not include the failure by the AVJennings Shareholders to approve the Scheme Resolution.	Section 7.2(a) of this Scheme Booklet

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Question	Answer	More information
Special Dividend		
What is the Special Dividend?	The AVJennings Board may (in its absolute discretion) declare and pay a fully franked Special Dividend of up to $0.167 per AVJennings Share as at the Special Dividend Record Date. The amount of any Special Dividend (if declared and paid prior to Implementation) will be deducted from the Scheme Consideration.[8] In addition, if a Special Dividend is paid, those AVJennings Shareholders who are entitled to the Special Dividend may be entitled to franking credits of up to $0.072 per AVJennings Share.[9] Your eligibility to claim the benefit of franking credits attached to any Special Dividend will depend on your personal circumstances and whether a favourable class ruling is obtained from the ATO.[10] A determination of the AVJennings Directors with respect to any Special Dividend will be communicated to AVJennings Shareholders by way of an announcement to the ASX and the SGX.	Sections 3.3 and 8.3 of this Scheme Booklet
Will the Special Dividend be franked?	The AVJennings Directors currently intend that, if any Special Dividend is to be declared, it will be eligible to be fully franked. This means that, depending on the tax status and individual circumstances of each AVJennings Shareholder and provided a favourable class ruling is obtained from the ATO, each AVJennings Shareholder on the AVJennings Share Register on the Special Dividend Record Date may also receive franking credits of up to approximately $0.072 per AVJennings Share.[11]	Sections 1.1(d), 3.3 and 8.3 of this Scheme Booklet
Am I eligible to receive the Special Dividend (if declared)?	If the AVJennings Directors decide to declare a Special Dividend, AVJennings Shareholders on the AVJennings Share Register as at the Special Dividend Record Date (currently expected to be 5:00pm (AEST) on 29 July 2025) will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be 6 August 2025).	Section 3.5 of this Scheme Booklet
When will I receive the Special Dividend (if declared)?	If a Special Divided is declared and paid, it is expected to be paid on the Special Dividend Payment Date. There is no certainty that the AVJennings Directors will declare the Special Dividend. The AVJennings Board will determine (in its absolute discretion) whether to pay any Special Dividend. This determination will depend upon a number of factors, including the availability of funds at the applicable time, the availability of a favourable ATO class ruling and receipt of relevant lender consents or waivers.	Section 3.10 of this Scheme Booklet

8 The AVJennings Board will determine (in its absolute discretion) whether to pay any Special Dividend. This determination will depend upon a number of factors, including the availability of funds at the applicable time, the availability of a favourable ATO class ruling and receipt of relevant lender consents or waivers.

9 The maximum benefit associated with the franking credits will be less if the Special Dividend is less than $0.167 per AVJennings Share or if the class ruling is not obtained.

10 AVJennings Shareholders should seek independent professional taxation advice as to whether or not the receipt of the Special Dividend and any associated entitlement to a tax offset in respect of such franking credits will apply to them based on their own individual circumstances. Refer to section 8.3 of this Scheme Booklet for further information.

11 The maximum benefit associated with the franking credits will be less if the Special Dividend is less than $0.167 per AVJennings Share or if the class ruling is not obtained.

2 Frequently Asked Questions continued

Question	Answer	More information
The Bidder, AVID and the Proprium Group		
Who is AVID and the Proprium Group?	AVID is one of the largest privately held residential developers in Australia with 35 residential developments projects across the eastern seaboard, 2 industrial projects and 13 land lease resort communities, of which 7 are fully operational, and 6 are in development & planning phase. AVID's extensive portfolio of projects includes a selection of residential master planned communities, industrial land, land lease resort communities, completed homes and apartments across Queensland, New South Wales and Victoria. AVID's current portfolio includes more than 7,161 residential sites, 267 hectares of industrial land and 2,448 of identified housing build pipeline, with a gross revenue pipeline of approximately $4.2 billion. AVID is owned by a number of significant international institutional investors. Their investment is managed and advised by Proprium Capital Partners, L.P. The Proprium Group, which includes, among other entities, Proprium Capital Partners, L.P and Proprium, is a specialist real estate investment manager with approximately USD$3.5 billion in assets under management, including AVID, which is one of the Proprium Group's flagship investments.	Section 6.1 of this Scheme Booklet
Who is the Bidder?	The Bidder is an investment vehicle of AVID and Proprium (an Affiliate of Proprium Capital Partners, L.P). The Bidder is an Australian proprietary company that was incorporated by AVID on 22 August 2022. The Bidder was incorporated for the purpose of acquiring property development platforms, such as AVJennings.	Section 6.2 of this Scheme Booklet
How is the Bidder funding the Scheme Consideration?	The Bidder has access to sufficient funds and intends to fund the Scheme Consideration with a combination of debt funding and equity funding from its shareholders.	Section 6.5 of this Scheme Booklet
Implementation of the Scheme and other matters		
When will the Scheme become Effective and be Implemented?	If the Scheme Resolution is approved and the Scheme becomes Effective, the Scheme will be Implemented on the Implementation Date, which is currently expected to be 14 August 2025.	Sections 3.4 and 3.10 of this Scheme Booklet
What will happen to AVJennings if the Scheme becomes Effective and is Implemented?	If the Scheme is Implemented, the Bidder will acquire all of the Scheme Shares and AVJennings will be delisted from the official list of the ASX and quotation on SGX GlobalQuote will be terminated after Implementation of the Scheme.	Section 6 of this Scheme Booklet sets out further details on the Bidder's intentions as to AVJennings' future

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Question	Answer	More information
If my shares are quoted on the ASX, when and how will I be paid?	In respect of those AVJennings Shareholders who have their AVJennings Shares quoted on the ASX, if the Scheme becomes Effective: • Scheme Shareholders will be paid the Scheme Consideration on the Implementation Date (currently expected to be 14 August 2025); and • if the AVJennings Directors determine to declare a Special Dividend, AVJennings Shareholders on the AVJennings Share Register as at the Special Dividend Record Date will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be 6 August 2025). All payments will be made by direct deposit into your nominated bank account, as advised to the AVJennings Share Registry as at the Scheme Record Date. If you have not nominated a bank account, payment will be made by Australian dollar cheque, sent by pre-paid post to your registered address as shown on the AVJennings Share Register.	Section 3.3(b) of this Scheme Booklet
If my shares are quoted on SGX GlobalQuote, when and how will I be paid?	In respect of those AVJennings Shareholders who have their AVJennings Shares quoted on SGX GlobalQuote, if the Scheme becomes Effective, with respect to the Scheme Consideration: • Scheme Shareholders with Direct Crediting Service (**DCS**) with CDP will receive the Scheme Consideration in SGD within three Business Days after the Implementation Date (currently expected to be 14 August 2025) pursuant to the Currency Conversion Service (**CCY**) which is automatically provided. As long as the Scheme Shareholder has not opted out of CCY, the Scheme Consideration will be paid in SGD based on the currency exchange rate as determined by CDP's partner bank in accordance with the CCY. For details on DCS and CCY, please visit www.sgx.com/cdpfaqs. • Scheme Shareholders who wish to receive the Scheme Consideration in AUD must opt out of CCY at least three Business Days before the Implementation Date. • Scheme Shareholders who do not have DCS or have opted out of CCY will have the Scheme Consideration credited to their Depositor Cash Ledger which shall be subject to the same terms and conditions as CDP Cash Distributions under the CDP Terms and Conditions. Such Scheme Shareholders may make a request to CDP for a one-time telegraphic transfer of the Scheme Consideration to any designated bank account in SGD (based on a currency exchange rate as determined by CDP's partner bank) or AUD, subject to CDP's administrative fee and applicable bank charges. Please visit https://www.sgx.com/cdpfaqs for more details.	Section 3.3(b) of this Scheme Booklet

2 Frequently Asked Questions continued

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Question	Answer	More information
	If the AVJennings Directors decide to declare a Special Dividend: • AVJennings Shareholders on the AVJennings Share Register as at the Special Dividend Record Date will be paid the Special Dividend within three Business Days from the Special Dividend Payment Date (currently expected to be 6 August 2025). • AVJennings Shareholders with DCS with CDP will receive the Special Dividend in SGD pursuant to the CCY which is automatically provided. As long as the Scheme Shareholder has not opted out of CCY, the Special Dividend will be paid in SGD based on the currency exchange rate as determined by CDP's partner bank in accordance with the CCY. For details on DCS and CCY, please visit https://www.sgx.com/cdpfaqs. • AVJennings Shareholders who wish to receive the Special Dividend in AUD must opt out of CCY at least three Business Days before the Special Dividend Payment Date. • AVJennings Shareholders who do not have DCS or have opted out of CCY will have the Special Dividend credited to their Depositor Cash Ledger which shall be subject to the same terms and conditions as CDP Cash Distributions under the CDP Terms and Conditions. Such AVJennings Shareholder may make a request to CDP for a one-time telegraphic transfer of the Special Dividend to any designated bank account in SGD (based on a currency exchange rate as determined by CDP's partner bank) or AUD, subject to CDP's administrative fee and applicable bank charges. Please visit https://www.sgx.com/cdpfaqs for more details.	
Do I have to pay brokerage fees or stamp duty to participate in the Scheme?	No brokerage fees or stamp duty will be payable by Scheme Shareholders on the transfer of AVJennings Shares under the Scheme or the receipt by Scheme Shareholders of the Scheme Consideration. If an AVJennings Shareholder disposes of their AVJennings Shares before the Scheme Record Date, brokerage fees may be payable.	Section 1.1(f) of this Scheme Booklet
Can I sell my AVJennings Shares now?	You can sell your AVJennings Shares on-market at any time before the close of trading on the ASX or SGX GlobalQuote (as applicable) on the Effective Date at the then prevailing market price. The prevailing market price may differ from the Scheme Consideration. AVJennings intends to apply to the ASX and the SGX for AVJennings Shares to be suspended from official quotation on the ASX and SGX GlobalQuote from close of trading on the Effective Date. You will not be able to sell your AVJennings Shares on-market after this time. In the circumstances where the AVJennings Directors determine to declare and pay a Special Dividend, you will only receive payments in respect of the AVJennings Shares that you hold both on the Scheme Record Date and the Special Dividend Record Date. For example, if a Special Dividend is declared and you sell any AVJennings Shares through an off-market transfer that is registered after the Special Dividend Record Date but before the Scheme Record Date: • you, as the 'seller' will be entitled to receive the Special Dividend and may be entitled to the franking credits attached to the Special Dividend (provided a favourable class ruling is obtained from the ATO), and will also be entitled to receive any consideration for the sale, but will not be entitled to receive the Scheme Consideration; and	N/A

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Question	Answer	More information
	• the 'buyer' who is acquiring AVJennings Shares from you, will be entitled to receive the Scheme Consideration, but will not be entitled to receive the Special Dividend nor the franking credits attached to the Special Dividend (which may have otherwise been received, provided a favourable class ruling is obtained from the ATO). In the circumstances where a Special Dividend is not declared, you will be entitled to receive the Scheme Consideration in respect of the AVJennings Shares that you hold on the Scheme Record Date only.	
What happens if a Competing Proposal for AVJennings emerges?	If a Competing Proposal emerges, the AVJennings Directors, having regard to their obligations under the Scheme Implementation Deed (including the "no talk" and "no shop" restrictions), will consider the merits of that proposal. If the AVJennings Directors consider that the Competing Proposal is, or could reasonably be considered to become, a Superior Proposal, then: • AVJennings Shareholders will be informed through an announcement to the ASX and the SGX; and • the AVJennings Directors will carefully consider the Superior Proposal and will provide you with a detailed recommendation in relation to it. If the AVJennings Directors withdraw or adversely modify their Recommendation or Voting Statement, AVJennings may be required to pay to the Bidder a Break Fee of $3,703,600 (subject to limited exceptions).	Section 9.9(b) of this Scheme Booklet
Is there a Break Fee and when is the Break Fee payable by AVJennings?	Yes. Under the Scheme Implementation Deed, AVJennings must pay the Bidder a Break Fee of $3,703,600 if certain specified events occur and relevant exceptions do not apply. Section 9.9(c) of this Scheme Booklet contains further details in relation to the Break Fee and when it may become payable by AVJennings.	Section 9.9(c) of this Scheme Booklet
Is there a Reverse Break Fee and when is the Reverse Break Fee payable by the Bidder?	Yes. Under the Scheme Implementation Deed, the Bidder must pay AVJennings a Reverse Break Fee of $3,703,600 if certain specified events occur. Section 9.9(d) of this Scheme Booklet contains further details in relation to the Reverse Break Fee and when it may become payable by the Bidder.	Section 9.9(d) of this Scheme Booklet
What are the transaction costs associated with the Scheme?	AVJennings will incur external transaction costs in connection with the Scheme. Some of these costs are conditional on the Scheme proceeding and, if the Scheme is Implemented, AVJennings expects to pay an aggregate of approximately $5.0 million (excluding GST) in external transaction costs in connection with the Scheme. If the Scheme is not Implemented, AVJennings expects that external transaction costs will be approximately $2.0 million (excluding GST). These costs include advisory fees for AVJennings financial, legal and tax advisers, fees payable in relation to the Independent Expert's Report, fees payable to the AVJennings Share Registry and general administrative fees including costs associated with the publication and dispatch of the Scheme Booklet and holding of the Scheme Meeting and the Extraordinary General Meeting.	Section 9.15 of this Scheme Booklet

2 Frequently Asked Questions continued

Question	Answer	More information
What are the tax implications of the Scheme for AVJennings Shareholders?	The taxation implications of the Scheme will depend on your personal circumstances. A general outline of the main Australian taxation implications of the Scheme for certain AVJennings Shareholders is set out in section 8 of this Scheme Booklet. As this outline is general in nature, you should consult with your own taxation advisers for detailed tax advice regarding the Australian and, if applicable, foreign taxation implications for participating in the Scheme in light of the particular circumstances which apply to you before making a decision as to how to vote on the Scheme.	Section 8 of this Scheme Booklet
The Extraordinary General Meeting		
What is the Extraordinary General Meeting?	As soon as practicable following the Scheme Meeting, AVJennings proposes to hold an Extraordinary General Meeting to vote on the Share Issue Resolution.	Section 4.1 of this Scheme Booklet
When and where will the Extraordinary General Meeting be held?	The Extraordinary General Meeting is scheduled to be held as soon as practicable following the Scheme Meeting on 11 July 2025 at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 and through an online platform at https://meetings.openbriefing.com/AVJEGM25.	Section 4.1 of this Scheme Booklet
What is the Share Issue Resolution?	The Share Issue Resolution permits AVJennings to issue new AVJennings Shares to Mr Philip Kearns AM both as an AVJennings Director and as a result of the acceleration and vesting of certain unvested Performance Rights. The Share Issue Resolution and the Scheme Resolution are not inter-conditional. However, if the Scheme Resolution is not passed by the Requisite Majorities and the Share Issue Resolution passes, the necessary conditions for the issuance of AVJennings Shares to Mr Kearns will not be met and no AVJennings Shares will be issued.	Section 4.1 of this Scheme Booklet
Who is eligible to vote at the Extraordinary General Meeting?	Each AVJennings Shareholder who is registered as the holder of AVJennings Shares on the AVJennings Share Register as at 7:00pm (AEST) on the Voting Record Date, other than Mr Philip Kearns AM associates including and closely related parties, will be entitled to vote on the Share Issue Resolution at the Extraordinary General Meeting. The full voting exclusion statement is contained in the Notice of Extraordinary General Meeting set out in Annexure E to this Scheme Booklet.	Annexure E to this Scheme Booklet

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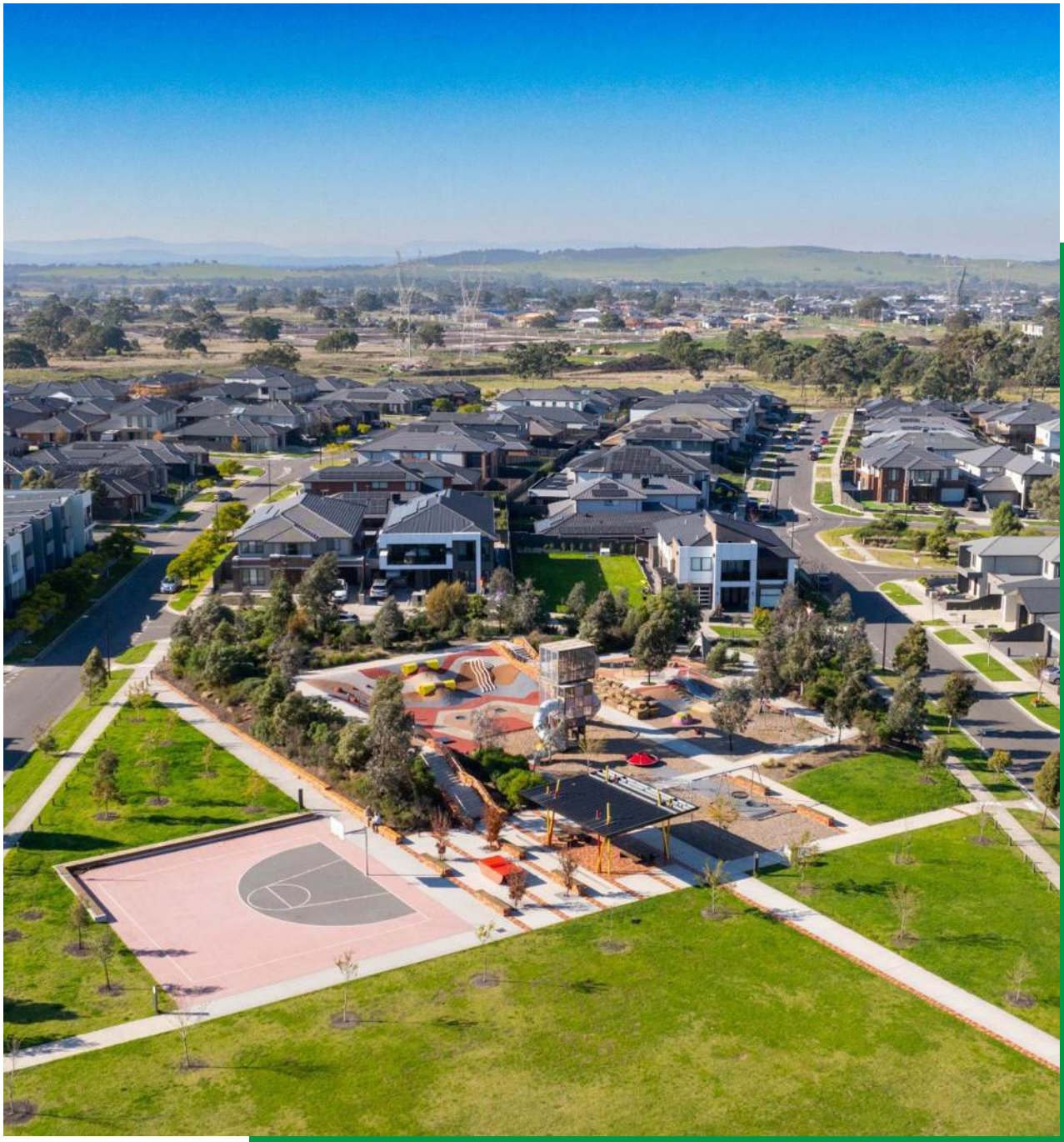
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Question	Answer	More information
What is the AVJennings Board's recommendation in relation to the Share Issue Resolution?	The AVJennings Directors, other than Mr Philip Kearns AM who has recused himself, unanimously recommend that shareholders vote in favour of the Share Issue Resolution.	Section 4.2 of this Scheme Booklet
What is the approval threshold for the Share Issue Resolution?	The Share Issue Resolution requires approval as an ordinary resolution (i.e. more than 50% of votes cast at the Extraordinary General Meeting).	Section 4.1of this Scheme Booklet
If the Share Issue Resolution is passed will the Scheme Consideration change?	No, the Scheme Consideration is a value per Scheme Share and will not change if additional AVJennings Shares are issued pursuant to the Share Issue Resolution, if passed at the Extraordinary General Meeting.	N/A
Further information		
Where can I get further information?	If you have any questions or require further information in relation to the Scheme Booklet, the Scheme or the Extraordinary General Meeting, you can contact the AVJennings Shareholder Information Line on 1800 425 578 (within Australia) or +61 1800 425 578 (outside Australia), between 8:30am and 5:30 pm (AEST), Monday to Friday (excluding public holidays). If you are in any doubt as to what you should do, please consult the appropriate legal, financial, tax or other professional advisers.	N/A

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3

Overview of the Scheme



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3 Overview of the Scheme

3.1 Background

On 1 April 2025, AVJennings announced that it had entered into a Scheme Implementation Deed with the Bidder under which the parties agreed to Implement the Scheme. A summary of the key terms in the Scheme Implementation Deed is contained in section 9.9 of this Scheme Booklet, a full copy of which is attached to AVJennings' announcement to the ASX and to the SGX on 1 April 2025 which can be obtained from the ASX website (www.asx.com.au), the SGX website (www.sgx.com) or from the AVJennings Website. A copy of the Scheme is set out in Annexure B to this Scheme Booklet.

For the Scheme to proceed and become Effective, the following conditions must be met (amongst others):

- AVJennings Shareholders must vote in favour of the Scheme at the Scheme Meeting by the Requisite Majorities set out in section 3.8(c) of this Scheme Booklet;
- the Scheme must be approved by the Court;
- FIRB Approval and OIO Approval must be obtained; and
- the other Conditions Precedent outlined in sections 3.9 and 9.9(a) of this Scheme Booklet must also be satisfied or waived (where capable).

If the above conditions are met and the Scheme becomes Effective, all Scheme Shares will be acquired by the Bidder, AVJennings will become a wholly-owned Subsidiary of the Bidder and AVJennings will be removed from the official list of the ASX and quotation on SGX GlobalQuote will be terminated.

If the Scheme is not approved or the Conditions Precedent are not satisfied or waived (where capable), AVJennings Shareholders will retain their AVJennings Shares and will not be entitled to receive the Scheme Consideration or any Special Dividend. In this case, AVJennings will, in the absence of another proposal, maintain operations as a stand-alone entity listed on the ASX and quoted through SGX GlobalQuote, and AVJennings Shareholders will continue to hold their AVJennings Shares and continue be exposed to risks and opportunities associated with their investment in AVJennings.

3.2 Scheme Shareholders

For the purposes of the Scheme, a "Scheme Shareholder" is an AVJennings Shareholder who, as at 7:00pm (AEST) on the Scheme Record Date (currently expected to be 11 August 2025), is:

- registered on the AVJennings Share Register as the holder of one or more Scheme Shares; or
- where the person registered on the AVJennings Share Register is CDP, depositors who have Scheme Shares entered against their names in the Depository Register.

3.3 Scheme Consideration

(a) Scheme Consideration

Under the Scheme, AVJennings Shareholders are being offered Scheme Consideration of $0.655 per Scheme Share, comprising cash consideration of $0.655 per Scheme Share they hold as at the Scheme Record Date, less the cash amount of any Special Dividend that may be declared and paid by AVJennings before the Scheme is Implemented.

The AVJennings Board (in its absolute discretion) may determine to declare and pay a fully franked Special Dividend of up to $0.167 per AVJennings Share held by AVJennings Shareholders as at the Special Dividend Record Date. The cash amount of any Special Dividend (if declared and paid prior to Implementation) will be deducted from the Scheme Consideration.[1]

If any Special Dividend is declared, those AVJennings Shareholders who are entitled to the Special Dividend may be entitled to franking credits of up to approximately $0.072 per AVJennings Share.[2] Whether you will be able to receive benefits from the franking credits attached to any Special Dividend will depend on your personal circumstances and whether a favourable class ruling is obtained from the ATO.[3]

1 The AVJennings Board will determine (in its absolute discretion) whether to pay any Special Dividend. This determination will depend upon a number of factors, including the availability of funds at the applicable time, the availability of a favourable ATO class ruling and receipt of relevant lender consents or waivers.

2 The maximum benefit associated with the franking credits will be less if the Special Dividend (if declared) is less than $0.167 per AVJennings Share or if the class ruling not obtained.

3 When assessing the benefit of franking credits attached to any Special Dividend, AVJennings Shareholders should seek independent professional taxation advice as to whether or not the receipt of the Special Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. Refer to sections 2 and 8.3 of this Scheme Booklet for further information.

3 Overview of the Scheme continued

A determination of the AVJennings Directors will be communicated to AVJennings Shareholders by way of an announcement to the ASX and the SGX.

(b) Payment of Scheme Consideration

If the Scheme becomes Effective:

- Scheme Shareholders will be sent the Scheme Consideration on the Implementation Date (currently expected to be 14 August 2025); and
- if the AVJennings Directors determine to declare and pay a Special Dividend, AVJennings Shareholders on the AVJennings Share Register as at the Special Dividend Record Date will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be 6 August 2025).

In respect of those Scheme Shareholders who have their Scheme Shares quoted on the ASX:

- All payments will be made by electronic funds transfer into the Scheme Shareholder's nominated bank account, as advised to the AVJennings Share Registry. If the Scheme Shareholder has not nominated a bank account, payment will be made by Australian dollar cheque, sent by pre-paid post to the Scheme Shareholder's registered address as shown on the AVJennings Share Register.
- If the Scheme Shareholder does not have a registered address, or AVJennings considers the Scheme Shareholder is not known at its registered address and no bank account has been nominated, payments due to the Scheme Shareholder will be transferred from the trust account held in the name of AVJennings and held by MUFG Corporate Markets on trust on behalf of the relevant Scheme Shareholder until claimed or applied under the relevant laws dealing with unclaimed money.
- Scheme Shareholders are encouraged to ensure that their contact details and banking instructions are up to date. Scheme Shareholders can review their shareholder information either online at https://au.investorcentre.mpms.mufg.com or by calling the AVJennings Shareholder Information Line on 1800 425 578 (within Australia) or +61 1800 425 578 (outside Australia), Monday to Friday between 8:30am and 5:30pm (AEST).

In respect of those Scheme Shareholders who have their Scheme Shares quoted on SGX GlobalQuote:

- Scheme Shareholders with Direct Crediting Service (**DCS**) with CDP will receive the payments in SGD pursuant to the Currency Conversion Service (**CCY**) which is automatically provided. As long as the Scheme Shareholder has not opted out of CCY, the payment will be paid in SGD based on the currency exchange rate as determined by CDP's partner bank in accordance with the CCY. For details on DCS and CCY, please visit https://www.sgx.com/cdpfaqs.
- Scheme Shareholders who wish to receive the payment in AUD must opt out of CCY at least three Business Days before the payment date.
- Scheme Shareholders who do not have DCS or who have opted out of CCY will have the payment credited to their Depositor Cash Ledger which shall be subject to the same terms and conditions as Cash Distributions under the CDP Terms and Conditions. Such Scheme Shareholder may make a request to CDP for a one-time telegraphic transfer of the payment to any designated bank account in SGD (based on a currency exchange rate as determined by CDP's partner bank) or AUD, subject to CDP's administrative fee and applicable bank charges. Please visit https://www.sgx.com/cdpfaqs for more details.

3.4 Scheme

In the event that the Scheme is approved by AVJennings Shareholders and the Court then:

- the Scheme will become Effective on the Effective Date;
- AVJennings Shares will cease trading on the ASX and cease to be quoted on SGX GlobalQuote at the close of trading on the Effective Date;
- any Special Dividend (if declared) will be paid to AVJennings Shareholders on the Special Dividend Payment Date for each AVJennings Share held by them on the Special Dividend Record Date; and
- on the Implementation Date, all Scheme Shares will be transferred to the Bidder (without any need for action by Scheme Shareholders) and Scheme Shareholders will be paid the Scheme Consideration for each Scheme Share held by them as at the Scheme Record Date.

Following Implementation of the Scheme, Scheme Shares previously held by AVJennings Shareholders will be transferred to the Bidder, at which point AVJennings will become a wholly-owned Subsidiary of the Bidder and will be delisted from the ASX and quotation on SGX GlobalQuote will be terminated.

A copy of the Scheme is set out in Annexure B to this Scheme Booklet.

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3.5 Entitlement to participate in the Scheme and to receive any Special Dividend (if declared)

If you are registered on the AVJennings Share Register as an AVJennings Shareholder at the Voting Record Date (currently expected to be 7:00pm (AEST) on 9 July 2025), you will be entitled to attend and vote on the Scheme at the Scheme Meeting, unless otherwise noted in the Notice of Scheme Meeting, which is set out in Annexure D to this Scheme Booklet.

If the AVJennings Directors determine to declare a Special Dividend, AVJennings Shareholders on the AVJennings Share Register as at the Special Dividend Record Date (currently expected to be 5:00pm (AEST) on 29 July 2025) will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be 6 August 2025).

3.6 Determination of persons entitled to Scheme Consideration

(a) Voting Record Date

If you are registered on the AVJennings Share Register as an AVJennings Shareholder at the Voting Record Date (currently expected to be 7:00pm (AEST) on 9 July 2025), you will be entitled to attend and vote on the Scheme at the Scheme Meeting, unless otherwise noted in the Notice of Scheme Meeting, which is set out in Annexure D to this Scheme Booklet.

If the Scheme is approved by the Requisite Majorities at the Scheme Meeting, and the Court approves the Scheme at the Second Court Hearing, you will be entitled to the Scheme Consideration.

(b) Dealings on or prior to the Scheme Record Date

For the purpose of establishing the identity of Scheme Shareholders, dealings in AVJennings Shares will be recognised only if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered on the AVJennings Share Register as the holder of the relevant AVJennings Shares as at 7:00pm (AEST) on the Scheme Record Date;
- in the case of Scheme Shares held by CDP, depositors who have Scheme Shares entered against their names in the Depository Register as at 7:00pm (AEST) on the Scheme Record Date; and
- in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the AVJennings Share Registry by 7:00pm (AEST) on the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

If the Scheme becomes Effective, AVJennings must register registrable transmission applications or transfers of the kind recognised above on or before the Implementation Date.

AVJennings will not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Shareholders, nor for any other purpose pursuant to the Scheme, any transfer or transmission application in respect of AVJennings Shares received after such times, or received prior to such times but not in actionable or registrable form (as appropriate).

(c) Dealings after the Scheme Record Date

For the purposes of determining entitlements to the Scheme Consideration, AVJennings will, until the Scheme Consideration has been paid to the Scheme Shareholders on the Implementation Date, maintain the AVJennings Share Register in its form as at the Scheme Record Date. The AVJennings Share Register in this form will solely determine entitlements to the Scheme Consideration.

From the Scheme Record Date, except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry:

- all statements of holding in respect of AVJennings Shares cease to have effect as documents of title in respect of such AVJennings Shares; and
- each entry on the AVJennings Share Register will cease to be of any effect.

3 Overview of the Scheme continued

3.7 Determination of persons entitled to any Special Dividend (if declared)

In order to identify the persons who are entitled to receive any Special Dividend (if declared by the AVJennings Directors in their absolute discretion), dealings in AVJennings Shares will be recognised only if:

- in the case of dealing of the type to be effected using CHESS, the transferee is registered on the AVJennings Share Register as the holder of the relevant AVJennings Share as at 5:00pm (AEST) on the Special Dividend Record Date;
- in the case of AVJennings Shares held by CDP, depositors who have the AVJennings Shares entered against their names in the Depository Register as at 5:00pm (AEST) on the Special Dividend Record Date; and
- in all other cases, registrable transmission applications or transfers in respect of those dealings are received by the AVJennings Share Registry on or before 5:00pm (AEST) on the Special Dividend Record Date (and the transferee remains registered as at the Special Dividend Record Date).

In order to establish the individuals who are entitled to receive any Special Dividend (if declared), no transfer or transmission applications in respect of AVJennings Shares will be accepted by AVJennings for registration after the Special Dividend Record Date. In any event, it is proposed that AVJennings Shares will be suspended from quotation from close of trading on the Effective Date.

3.8 Scheme Meeting

(a) Date and time of the Scheme Meeting

The Scheme Meeting is proposed to be held at 3:00pm (AEST) on 11 July 2025 at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 and through an online platform at https://meetings.openbriefing.com/AVJSCHEME25 for the purposes of approving the Scheme. The Notice of Scheme Meeting is set out in Annexure D to this Scheme Booklet.

Although the Court has ordered the Scheme Meeting, this does not mean the Court has formed a view on the merits of the Scheme or is providing any indication of how AVJennings Shareholders should vote on the Scheme Resolution. It is important that AVJennings Shareholders reach their own decision on these matters.

In any event, the Court must approve the Scheme at the Second Court Hearing before the Scheme can become Effective.

(b) Scheme Resolution

At the Scheme Meeting, AVJennings Shareholders will be asked to consider and, if thought fit, to pass the Scheme Resolution to approve the Scheme. The form of the Scheme Resolution is set out in the Notice of Scheme Meeting set out in Annexure D to this Scheme Booklet.

(c) Requisite Majorities required to pass resolution

The Scheme Resolution must be approved by:

- a majority in number (more than 50%) of AVJennings Shareholders present and voting at the Scheme Meeting (whether in person, in person through the online platform or by proxy, corporate representative or attorney) (unless waived by the Court); and
- at least 75% of the total number of votes cast on the Scheme Resolution by AVJennings Shareholders present and voting at the Scheme Meeting (whether in person, in person through the online platform or by proxy, corporate representative or attorney).

(d) Entitlement to vote at the Scheme Meeting

Each AVJennings Shareholder who is registered on the AVJennings Share Register at the Voting Record Date (currently expected to be 7:00pm (AEST) on 9 July 2025) is entitled to vote at the Scheme Meeting.

3.9 Conditions Precedent to the Implementation of the Scheme

Implementation of the Scheme is subject to the satisfaction or waiver (where capable) of a number of Conditions Precedent customary for a transaction of this nature, including:

- shareholder approval of the Scheme Resolution at the Scheme Meeting;
- the Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- certain regulatory approvals, including FIRB Approval and OIO Approval;
- the Independent Expert continuing to conclude the Scheme is in the best interests of AVJennings Shareholders;

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- AVJennings takes all necessary steps to ensure that no AVJennings Equity Incentives will be on issue by the Scheme Record Date;
- no legal restraint or prohibition is imposed to prevent Implementation of the Scheme;
- no Material Adverse Change occurs between 31 March 2025 and 8:00am on the Second Court Date; and
- no AVJennings Prescribed Occurrence occurs between 31 March 2025 and 8:00am at the Second Court Date.

A summary of the Conditions Precedent is included in section 9.9(a) and the Conditions Precedent are set out in full in clause 3.1 of the Scheme Implementation Deed, a full copy of which is attached to AVJennings' announcement to the ASX and to the SGX on 1 April 2025, which can be obtained from the ASX website (www.asx.com.au), the SGX website (www.sgx.com) or the AVJennings Website.

3.10 Implementation of the Scheme

If the Scheme Resolution is approved by AVJennings Shareholders by the Requisite Majorities and all other Conditions Precedent as described in section 9.9(a) of this Scheme Booklet and clause 3.1 of the Scheme Implementation Deed (other than Court approval of the Scheme) have been satisfied or waived (where capable), then the steps described below will be taken to Implement the Scheme.

(a) Court approval of the Scheme

AVJennings will apply to the Court to approve the Scheme in accordance with section 411(4)(b) of the Corporations Act at the Second Court Hearing (currently expected to be 23 July 2025). The Corporation Act and the relevant Court rules provide a procedure for AVJennings Shareholders to oppose the approval of the Scheme by the Court.

(b) Court order

If the Court approves the Scheme, and all conditions to the Scheme have been satisfied or waived, AVJennings will lodge with ASIC an office copy of the Court order approving the Scheme, at which point the Scheme will become Effective (currently expected to be 24 July 2025).

If the Scheme becomes Effective, then AVJennings and the Bidder will become bound to Implement the Scheme in accordance with the terms of the Scheme and the Deed Poll.

(c) Suspension of trading of AVJennings Shares

With the effect from the close of trading on the day on which the office copy of the Court order is lodged with ASIC, AVJennings Shares will be suspended from trading on the ASX and through SGX GlobalQuote.

(d) Payment of any Special Dividend (if declared)

If a Special Dividend is declared by the AVJennings Directors in their absolute discretion, AVJennings will pay to each AVJennings Shareholder, on the Special Dividend Payment Date, the Special Dividend for each AVJennings Share held by them as at the Special Dividend Record Date.

In respect of those AVJennings Shareholders who have their AVJennings Shares quoted on the ASX:

- where the AVJennings Shareholder has nominated a bank account that is currently used by AVJennings for the payment of dividends, the Special Dividend will be paid by electronic funds transfer in Australian currency into that account;
- where the AVJennings Shareholder has not nominated a bank account, the Special Dividend will be paid by a cheque in Australian currency, sent by pre-paid post to the registered address of the Scheme Shareholder as shown on the AVJennings Share Register; and
- AVJennings Shareholders may update their payment information online by logging in to https://au.investorcentre.mpms.mufg.com.

3 Overview of the Scheme continued

3.10 Implementation of the Scheme continued

In respect of those AVJennings Shareholders who have their AVJennings Shares quoted on SGX GlobalQuote:

- AVJennings Shareholders with Direct Crediting Service (**DCS**) with CDP will receive the Special Dividend in SGD pursuant to the Currency Conversion Service (**CCY**) which is automatically provided. As long as the AVJennings Shareholder has not opted out of CCY, the Special Dividend will be paid in SGD based on the currency exchange rate as determined by CDP's partner bank in accordance with the CCY. For details on DCS and CCY, please visit https://www.sgx.com/cdpfaqs.
- AVJennings Shareholders who wish to receive the Special Dividend payment in AUD must opt out of CCY at least three Business Days before the Special Dividend Payment Date; and
- AVJennings Shareholders who do not have DCS or have opted out of CCY will have the Special Dividend credited to their Depositor Cash Ledger which shall be subject to the same terms and conditions as CDP Cash Distributions under the CDP Terms and Conditions. Such AVJennings Shareholder may make a request to CDP for a one-time telegraphic transfer of the Special Dividend to any designated bank account in SGD (based on a currency exchange rate as determined by CDP's partner bank) or AUD, subject to CDP's administrative fee and applicable bank charges. Please visit https://www.sgx.com/cdpfaqs for more details.

AVJennings Shareholders may update their payment information online by logging into https://au.investorcentre.mpms.mufg.com.

(e) Transfer of AVJennings Shares

By no later than one Business Day before the Implementation Date, with respect to Scheme Shares held by CDP in relation to holdings through SGX GlobalQuote, the Bidder will pay or procure the payment into an account nominated by CDP of an amount equal to the aggregate amount of Scheme Consideration to be provided to such Scheme Shareholders.

By no later than one Business Day before the Implementation Date, with respect of all other Scheme Shares, the Bidder will deposit into an Australian dollar denominated account in the name of AVJennings, an amount equal to the aggregate amount of Scheme Consideration in cleared funds to be provided to all other Scheme Shareholders.

On the Implementation Date, subject to the deposit of the aggregate Scheme Consideration being made, all Scheme Shares will be transferred to the Bidder (without the need for any further act by any Scheme Shareholder).

(f) Payment of Scheme Consideration

Refer to section 3.3(b) above for further details about the payment of Scheme Consideration.

(g) Delisting of AVJennings

Up to and including the Implementation Date, AVJennings' admission to the official list of the ASX and quotation through SGX GlobalQuote must be maintained.

Following the Implementation Date, AVJennings will apply for the termination of the official quotation of AVJennings Shares on the ASX and SGX GlobalQuote and to have itself removed from the official list of the ASX and from quotation on SGX GlobalQuote.

(h) End Date

The Scheme will lapse and be of no further force or effect (and Implementation will not occur) if the Effective Date has not occurred on or before the End Date.

3.11 Timetable

An indicative timetable for the Scheme is included on pages 8-9 of this Scheme Booklet. All dates and times subsequent to the Scheme Meeting are indicative only due to their subjectivity to the Court approval process and the ability to satisfy or waive the Conditions Precedent. Any timetable changes (which may include a change in the date of the Second Court Hearing) will be announced on the ASX and the SGX, and on the AVJennings Website.

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4

Overview of the Extraordinary General Meeting



4 Overview of the Extraordinary General Meeting

4.1 Background

As soon as practicable following the Scheme Meeting, AVJennings proposes to hold an Extraordinary General Meeting to vote on the Share Issue Resolution to approve, by way of an ordinary resolution, the issuance of new AVJennings Shares to Mr Philip Kearns AM in connection with the acceleration of his entitlement to Performance Rights in connection with the Scheme for nil cash consideration. The Extraordinary General Meeting is scheduled to be held at the same venue and through an online platform at https://meetings.openbriefing.com/AVJEGM25.

Approval is required for the issue of new AVJennings Shares to Mr Kearns as he is a related party of AVJennings as a result of his role as an AVJennings Director.

The Share Issue Resolution is required as AVJennings, in the usual course, has previously satisfied the vesting of Performance Rights by way of purchase of AVJennings Shares on-market and therefore has not sought AVJennings Shareholder approval to each issuance of Performance Rights or other AVJennings Equity Incentives.

However, as the AVJennings Board has determined to accelerate and vest 93.9% of the AVJennings Equity Incentives across in aggregate across all participants, the AVJennings Board has also determined to issue new AVJennings Shares to avoid potential liquidity issues. Further information is set out in 9.11 of this Scheme Booklet.

The implied value of the AVJennings Shares that are proposed to vest in Mr Kearns pursuant to the Share Issuance Resolution is $2,152,166.25, based on the Scheme Consideration of $0.655 per AVJennings Share.

Each AVJennings Shareholder who is registered as the holder of AVJennings Shares on the AVJennings Share Register as at 7:00pm (AEST) on the Voting Record Date, other than Mr Philip Kearns AM and associates including closely related parties, will be entitled to vote on the Share Issue Resolution at the Extraordinary General Meeting.[1]

Subject to receipt of approval of the Share Issue Resolution at the Extraordinary General Meeting, and approval of the Scheme Resolution at the Scheme Meeting and Court approval, the Scheme will become Effective and AVJennings intends to issue additional AVJennings Shares to Mr Kearns in the period after the Scheme Effective Date and before the Scheme Record Date.

Further information regarding the Extraordinary General Meeting is set out in the Notice of Extraordinary General Meeting, which is set out in Annexure E to this Scheme Booklet.

4.2 AVJennings Board Recommendation

The AVJennings Board (with Mr Kearns abstaining) recommends that AVJennings Shareholders vote in favour of the Share Issue Resolution.

The Share Issue Resolution is not a condition of the Scheme or the Scheme Resolution. If the Share Issue Resolution does not pass with the required majority, the AVJennings Board will explore alternative options including acquisitions on-market or cash payments with the same implied value as the new AVJennings Shares proposed to be issued pursuant to this resolution. However, regardless of the outcome of the vote on the Share Issue Resolution, if the Scheme Resolution is passed, the Conditions Precedent are satisfied or waived (as applicable) and the Scheme becomes Effective, the Scheme will be Implemented.

4.3 Form of the Share Issue Resolution

The proposed form of the Share Issue Resolution to be voted on at the Extraordinary General Meeting is as follows:

To approve for all purposes, including ASX Listing Rule 10.11, the issue to Philip Kearns of 3,285,750 AVJennings Shares as satisfaction for the accelerating, exercise and vesting of 3,285,750 Performance Rights on the terms set out in the Explanatory Memorandum to the Notice of Meeting.

1 Please refer to the voting exclusion statement set out in the Notice of Extraordinary General Meeting, which is set out in Annexure E to this Scheme Booklet for more details.

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5

Information about AVJennings



5 Information about AVJennings

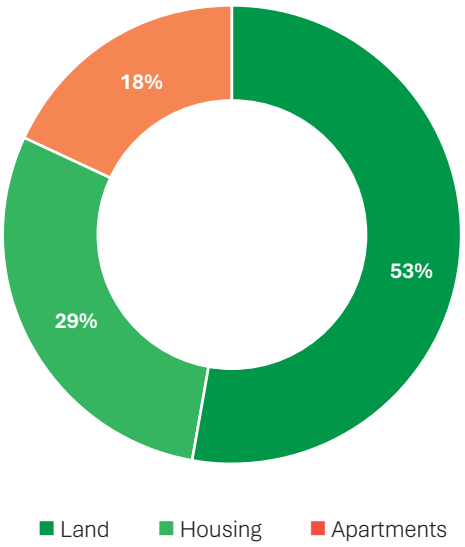
5.1 Overview

AVJennings is an Australian residential property development company, with over 90 years of operating experience. As of 5 May 2025, being the Last Practicable Trading Date, AVJennings has a market capitalisation of approximately $363 million and is listed on the ASX (ticker: AVJ) with AVJennings Shares also publicly trading on the SGX through SGX GlobalQuote.

The principal activities of AVJennings are residential property development, with AVJennings being well positioned to benefit from the increasing need for more housing options. AVJennings' operating model is to acquire land, subdivide it, and develop master-planned communities composed of land and integrated housing, as well as the development of low/mid-rise apartments.

As at 31 December 2024, AVJennings was currently developing 24 geographically diverse projects comprising 9,586 lots which includes masterplanned residential communities, including land, integrated housing, and townhomes, across greenfield and infill sites as well as apartments communities on infill sites. For its built-form housing and townhomes, AVJennings operates under a turnkey model, whereby it directly manages its projects through their entire lifecycle, including design, planning, delivery, sales and settlement.

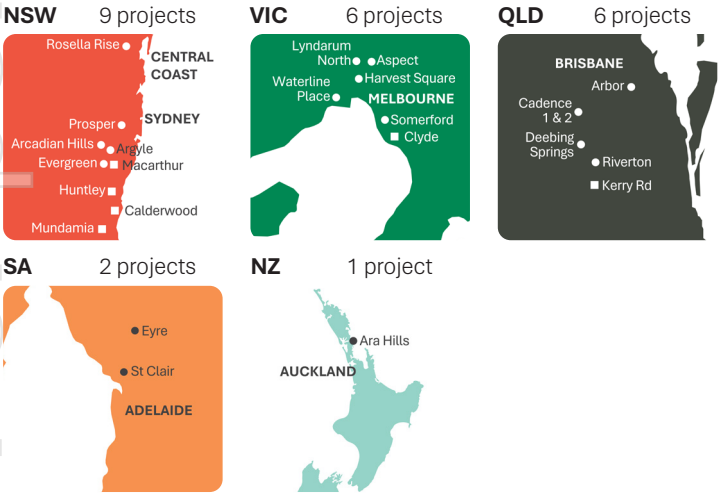
Net funds employed by product as at 31 Dec 2024

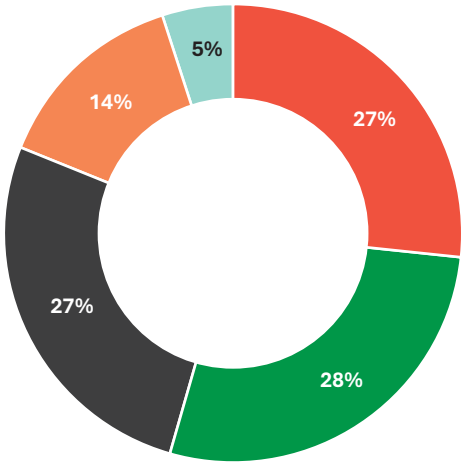


5.2 Overview of assets and operations

AVJennings' portfolio provides it with both geographic and product diversification. AVJennings' operations, as at 31 December 2024, comprise 24 ongoing projects across Australia and New Zealand, with exposure weighted towards Australia's Eastern Seaboard.

Lot allocation by region as at 31Dec 2024





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5.3 Pro9

AVJennings entered a joint venture with Pro9 Global in June 2023 to establish an Australian manufacturing plant to produce Pro9's energy-efficient prefabricated walling system. The factory was completed and entered production in FY25. The use of Pro9 walls contributes to faster build times which in turn, enhances capital recycling. Homes built using Pro9 walls help AVJennings' homes to exceed the minimum energy rating for newly built homes in Australia. The government and broader construction industry have expressed significant interest in using Pro9 walls to assist Australia's housing shortage and climate change goals, presenting a future growth opportunity for AVJennings.

5.4 AVJennings' Strategy

AVJennings reduces its exposure to residential market volatility by maintaining a diversified portfolio with low market concentration. By offering a flexible and diverse product mix, including land, built-form housing and low to mid-rise apartments, AVJennings appeals to a broad customer base, including retail land buyers, first home buyers, subsequent home buyers, builders and investors.

AVJennings' turnkey operating model gives it control over the entire lifecycle of its products, ensuring the high quality of its offering.

Through its Pro9 Joint Venture, AVJennings is aiming to build its annuity income stream and increase the energy efficiency of its products to be above the minimum standard required in Australia. Pro9 has the potential to redefine AVJennings' earnings and growth profile in the future.

5.5 People

As at 31 March 2025, AVJennings employs approximately 144 full and part time employees across Australia and New Zealand. 141 employees are based in Australia and 3 are based in New Zealand.

5.6 Board and senior management team

(a) Board of Directors

As at the date of this Scheme Booklet, the AVJennings Board comprises the following Directors:

Simon Cheong (Chairman and Non-Executive Director)

Appointed: 20 September 2001

Mr Cheong has over 35 years' experience in real estate, banking and international finance. He is the founder and Chairman of SC Global. He has formerly held positions with Citibank (Singapore) as their Head of Real Estate Finance for Singapore as well as with Credit Suisse First Boston as a Director and Regional Real Estate Head for Asia (excluding Japan). In 1996, Mr Cheong established his own firm, SC Global, a real estate and hotel advisory and direct investment group specialising in structuring large and complex transactions worldwide. He was twice elected President of the prestigious Real Estate Developers' Association of Singapore (REDAS) for 2 terms from 2007 till 2010. He served on the Board of the Institute of Real Estate Studies, National University of Singapore from 2008 to 2011 and was a board member of the Republic Polytechnic Board of Governors from 2008 to 2011. He was also a Council Member of the Singapore Business Federation, a position he held from 2007 to 2010. On 1 June 2017, Mr Cheong was appointed a non-executive Director of Singapore Airlines Limited.

As at the date of this Scheme Booklet, Mr Cheong is a resident of Singapore.

Jerome Rowley (Deputy Chairman and Non-Executive Director)

Appointed: 22 March 2007

Mr Rowley has been a career banker since the early 1970s with Citigroup, Morgan Grenfell and ABN Amro. From 1992 until 2002, he served as Managing Director and CEO of ABN Amro Australia and Head of Relationship Management and Structured Finance for ABN Amro, Asia Pacific. He has been active in both wholesale and investment banking domestically and internationally. During his career, Mr Rowley devoted considerable effort towards the recognition, understanding and management of risk as a means of profit optimisation. Of particular significance was his involvement in advising and funding including debt, equity and hybrids, of infrastructure projects in both Australia and Asia Pacific.

As at the date of this Scheme Booklet, Mr Rowley is a resident of Sydney, New South Wales.

5 Information about AVJennings continued

5.6 Board and senior management team continued

Philip Kearns AM (Managing Director and CEO)

Appointed: 21 March 2019

Mr Kearns has been a Director of AVJennings Limited since 21 March 2019. He was subsequently appointed Chief Executive Officer on 10 January 2022 and as Managing Director on 15 February 2022. Mr Kearns has over fifteen years' corporate leadership experience and has been instrumental in driving cultural change, building new revenue streams and improving stakeholder engagement in banking, insurance and financial planning, all with involvement in the property sector. Mr Kearns was previously a Director of Venues NSW, a Government Board that owns and operates multiple sports and entertainment venues across New South Wales. Additionally he was a member of the NSW "Game Changers" Ministerial Advisory Board for Women in Sport. He was CEO of Centric Wealth where he gained experience in the Private Equity world which added to his experience at Investec Bank in property funds, private clients and his corporate finance relationships. Mr Kearns is a Director of Coolabah Capital Investments, a private fixed interest funds management business. He was director of the committee to successfully get the Rugby World Cup (RWC) to Australia in 2027 and 2029 and has been appointed to the Board of the Organising Committee for those RWC's.

Mr Kearns was appointed a member of the Order of Australia in 2017 for significant service to the community through support for charitable organisations, to business, and to rugby union at the elite level. He played 67 tests for the Australia national rugby union team, Wallabies (1989-1999) and captained the team ten times and after his rugby career worked as a rugby commentator with FOX Sports for 21 years.

As at the date of this Scheme Booklet, Mr Kearns is a resident of Sydney, New South Wales.

Bobby Chin (Non-Executive Director)

Appointed: 18 October 2005

Mr Chin is a Director of Singapore listed companies Ho Bee Land Limited and Frasers Property Limited. He is also a Director of Singapore Health Services Pte Ltd, Temasek Holdings Limited, Temasek Trust Limited, TT IPC Ltd and Temasek Capital China Holdings (Pte Ltd). He is also on the Board of Trustees of Asia Pacific Breweries Foundation.

Mr Chin served 31 years with KPMG Singapore and was its Managing Partner from 1992 until September 2005. He is a Fellow of the Institute of Chartered Accountants in England and Wales, and a Distinguished Lifetime Member of the Institute of Singapore Chartered Accountants.

As at the date of this Scheme Booklet, Mr Chin is a resident of Singapore.

Bruce Hayman (Non-Executive Director)

Appointed: 18 October 2005

Mr Hayman has many years of commercial management experience with over 20 of those at operational Chief Executive or General Manager Level. He is currently Chairman of Chartwell Management Services. He previously fulfilled senior management roles both in Australia and overseas for companies such as Nicholas Pharmaceutical Group, Dairy Farm Group, Hong Kong Land and Seagram Corporation. During his time in Singapore, he held the position of Foundation President of the Singapore Australia Business Council, now known as AUSTCHAM Singapore.

Mr Hayman served as CEO of the Australian Rugby Union and as Chairman of the Board of the Rugby Club Ltd. He retired as a Director and Deputy Chair of Diabetes NSW & ACT after 16 years of service. Mr Hayman is currently Chairman of the Ella Foundation.

As at the date of this Scheme Booklet, Mr Hayman is a resident of Bowral, New South Wales.

Lai Teck Poh (Non-Executive Director)

Appointed: 18 November 2011

Mr Lai has been a career banker since the late 1960s. He joined Citibank Singapore in April 1968, rising through the ranks to become Vice President and Head of the Corporate Banking Division. During his time with Citibank, Mr Lai undertook international assignments with Citibank in Jakarta, New York and London. His last position with Citigroup was as Managing Director of Citicorp Investment Banking Singapore Ltd from 1986 to 1987.

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Mr Lai joined Oversea-Chinese Banking Corporation Limited (OCBC) in January 1988 as Executive Vice President and Division Head of Corporate Banking. He moved on to various other senior management positions in OCBC, including Head of Information Technology and Central Operations, Chairman OCBC Asset Management, Head Risk Management and Head Audit. Following his retirement from executive positions in April 2010, Mr Lai served as a Board Director of OCBC from June 2010 to December 2019, OCBC AL-Amin Bank Bhd (2011 to 2018) and OCBC Bank Malaysia Bhd (2011 to 2019). He stepped down from the Board of Commissioners of PT Bank OCBC NISP Tbk on 20 March 2025. He was Chairman of Bank of Singapore Limited until 1 January 2024 and continued in his role as a Director, stepping down on 2 May 2025.

Besides banking roles, Mr Lai was a Non-Executive Director of United Engineers Ltd (1992 to 2011) and WBL Corporation Ltd (1993 to 2014). Both were Singapore listed companies engaged in diversified regional businesses, including property development.

As at the date of this Scheme Booklet, Mr Lai is a resident of Singapore.

Mak Lye Mun (Non-Executive Director)

Appointed: 15 October 2021

Mr Mak is currently Executive Chairman of Intraco Limited and an independent non-executive director of Boustead Singapore Limited and Well Chip Group Sdn Bhd Malaysia. He was re-designated as non-executive Chairman of Well Chip Group effective 13 November 2023. He is also an independent non-executive director of SC Global, AVJennings' majority shareholder.

Mr Mak joined the CIMB Group (an ASEAN universal bank listed in Malaysia) following the acquisition of GK Goh Securities Pte. Ltd. in 2005, where he served as the Head of Corporate Finance. He was CEO of CIMB Bank Singapore and its Country Head from 2008 until his retirement in December 2019. Previously, Mr Mak was the Head of Mergers & Acquisitions Advisory Department with DBS Bank Ltd (formerly known as The Development Bank of Singapore). He held various senior positions in the Corporate Finance divisions of Vickers Ballas & Co. Pte. Ltd., Ernst & Young, Oversea-Chinese Banking Corporation Limited and Citicorp Investment Bank (Singapore) Limited.

Mr Mak was also a Member of the Inaugural Singapore Stock Exchange (SGX) Listings and Advisory Committee. In January 2021, he was appointed as a governing board member of the Duke-NUS Medical School (a graduate medical school in Singapore).

As at the date of this Scheme Booklet, Mr Mak is a resident of Singapore.

(b) Senior management team

As at the date of this Scheme Booklet, the Senior Management Team of AVJennings comprises the following individuals:

Philip Kearns AM (Chief Executive Officer)

(As outlined above)

Shana Souter (Chief Financial Officer)

Joining the AVJennings team in early 2023, Shanna Souter has 25 years' experience with over 15 of those in the property industry holding executive and senior management roles. Prior to joining AVJennings, Shanna spent 11 years at Mirvac, most recently in the role of GM, Finance and Operations, Residential overseeing a wide range of finance and operational activities across its residential business. She also held previous roles within its construction business and as its Head of Internal Audit. Shanna has also previously held roles at Brookfield Infrastructure and EY.

Shanna has a strong track record of transformation, stakeholder management and building high performing teams which fits in very well with AVJennings' ambition and strategic direction.

Stenio Orlandi (Chief Operating Officer)

Mr Orlandi is the Chief Operating Officer of AVJennings. This follows on from the role of Chief Strategy Officer commencing in July 2012, after serving as the Chief Financial Officer for the 3 years prior to that. Before this, he was the Executive General Manager, New South Wales, for AVJennings' residential land development activities in that State. With over 25 years industry experience, Stenio's work has encompassed an extremely broad range of activities in all aspects of residential land subdivision and development, covering projects from large homes through to major land subdivision schemes and apartments.

5 Information about AVJennings continued

5.6 Board and senior management team continued

Lisa Hunt (General Manager – Human Resources)

Lisa Hunt joined AVJennings as General Manager Human Resources on 22 June 2009. Ms Hunt has over 20 years' experience working in senior roles in HR and WHS Workplace Health and Safety the Financial Services and Motoring and Services sectors across Australia and New Zealand. She was previously the General Manager, People and Capability at NRMA Motoring and Services, after holding Senior Executive HR roles at Commonwealth Bank of Australia. Prior to moving into HR roles, her career included over 10 years in banking.

Carl Thompson (Company Secretary and General Counsel)

Mr Thompson has been Company Secretary of AVJennings Limited since 12 January 2009. He previously held the company secretary and general counsel role at Downer EDI Ltd. Prior to that he was a partner at national law firm Corrs Chambers Westgarth, practising in corporate and commercial work.

5.7 Capital Structure

(a) Capital structure and market capitalisation

As at the date of this Scheme Booklet, the capital structure of AVJennings is as follows.

Capital	Total number on issue
AVJennings Shares	558,270,857
Performance Rights	7,053,575
Retention Rights	124,928

See section 9.11 of this Scheme Booklet for further information on the intended treatment of the Performance Rights and Retention Rights in connection with the Scheme.

As at the Last Practicable Trading Date, AVJennings had a market capitalisation of approximately $363 million (based on a closing price of $0.65 per AVJennings Share and 558,270,857 AVJennings Shares on issue).

(b) Substantial shareholders

As at the Last Practicable Trading Date, based on substantial holder notice filings to the ASX and the SGX,[1] the substantial holders of AVJennings Shares as follows.[2]

Name	Number of AVJennings Shares	Percentage (voting power)
SC Global	301,564,270	54.02%
Brazil Farming Pty Ltd	33,993,835	6.09%
Queensgate Investments Pty Ltd[3]	30,078,608	5.39%

The shareholdings listed in this section 5.7(b) are disclosed to AVJennings by the shareholders in substantial holding notices. Information in regard to substantial holdings arising, changing or ceasing after the date of this Scheme Booklet, or in respect of which the relevant announcement is not available on the ASX website (www.asx.com.au) or the SGX website (www.sgx.com), is not included above.

1 These substantial holder notices can be found on the ASX website (www.asx.com.au), the SGX website (www.sgx.com) and the AVJennings Website.

2 The table below excludes any shareholdings in a nominee or custodian capacity so far as is known to AVJennings.

3 Queensgate Investments Pty Ltd holds a relevant interest in AVJennings Shares under section 608(1)(b) and (c) of the Corporations Act. HB Land Pty Ltd, Ho Bee Land Limited, Chua Wee-Chern, Ho Bee Holdings (Pte) Ltd and Chua Thian Poh are deemed to hold a relevant interest in securities held by Queensgate Investments Pty Ltd by virtue of having (in aggregate) voting power greater than 20% in Queensgate Investments Pty Ltd.

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5.8 Group structure

As at the date of this Scheme Booklet, AVJennings has an ownership interest of 50% or more in the following entities.

Name	Principal place of business / country of incorporation	Ownership interest (%)
A.V. Jennings Real Estate Pty Limited	Australia	100%
AVJennings Real Estate (VIC) Pty Limited	Australia	100%
AVJennings Holdings Limited	Australia	100%
AVJennings Properties Limited	Australia	100%
Jennings Sinnamon Park Pty Limited	Australia	100%
Long Corporation Limited	Australia	100%
Orlit Pty Limited	Australia	100%
Sundell Pty Limited	Australia	100%
AVJennings Housing Pty Limited	Australia	100%
AVJennings Home Improvements S.A. Pty Limited	Australia	100%
AVJennings Mackay Pty Limited	Australia	100%
Montpellier Gardens Pty Limited	Australia	100%
AVJennings (Cammeray) Pty Limited	Australia	100%
AVJennings Syndicate No 3 Limited	Australia	100%
AVJennings Officer Syndicate Limited	Australia	100%
AVJennings Properties SPV No 1 Pty Limited	Australia	100%
AVJennings Properties SPV No 2 Pty Limited	Australia	100%
AVJennings Properties SPV No 4 Pty Limited	Australia	100%
AVJennings Wollert Pty Limited	Australia	100%
AVJ Erskineville Pty Limited	Australia	100%
AVJ Hobsonville Pty Limited	New Zealand	100%
AVJennings Properties SPV No 9 Pty Limited	Australia	100%
AVJennings SPV No 10 Pty Limited	Australia	100%
AVJennings SPV No 19 Pty Limited	Australia	100%
AVJennings SPV No 20 Pty Limited	Australia	100%
AVJennings SPV No 22 Pty Limited	Australia	100%
AVJennings SPV No 23 Pty Limited	Australia	100%
AVJennings SPV No 24 Pty Limited	Australia	100%
AVJennings SPV No 25 Pty Limited	Australia	100%
AVJennings SPV No 26 Pty Limited	Australia	100%
AVJennings SPV No 27 Pty Limited	Australia	100%
AVJennings SPV No 29 Pty Limited	Australia	100%
Creekwood Developments Pty Limited	Australia	100%
Portarlington Nominees Pty Limited	Australia	100%
Pro9 Australia Pty Limited	Australia	50%

5 Information about AVJennings continued

5.9 Recent AVJennings ASX share price performance

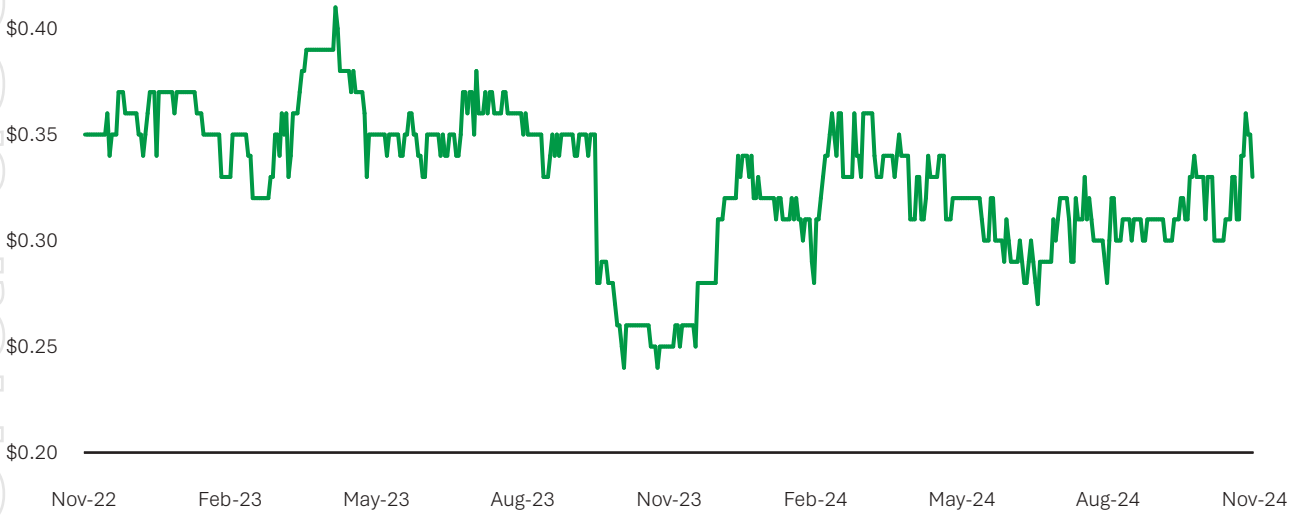
AVJennings Shares are listed on the ASX under the trading code "AVJ". AVJennings Shares are also quoted through SGX GlobalQuote.

On 28 November 2024, AVJennings announced its receipt of the Bidder's non-binding indicative proposal. The closing share price on 27 November 2024, being the last trading day prior to the announcement of the Bidder's non-binding indicative proposal, was $0.33 per AVJennings Share.

During the prior three months ended 27 November 2024:

- the highest recorded daily closing price of AVJennings Shares was $0.355 on 22 November 2024; and
- the lowest recorded daily closing price for AVJennings Shares was $0.280 on 28 August 2024.

The graph below shows AVJennings' closing price on the ASX over the 24 months to 27 November 2024.



Since 27 November 2024, the price of AVJennings Shares has increased 97% up to $0.65 on 5 May 2025 (being the Last Practicable Trading Date).

5.10 Historical financial information

This section sets out a summary of the historical financial information for AVJennings. The historical information has been extracted from AVJennings' consolidated financial statements for the half year ended 31 December 2024 and audited consolidated financial statements for the full year ended 30 June 2024 including the comparative information for the full year ended 30 June 2023.

(a) Basis of preparation

The financial information in this section has been prepared in accordance with the requirements of the AVJennings Constitution (as applicable) and the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. Further detail about AVJennings' financial position and performance can be found in the financial statements for FY2024 and FY2023, and the half year ended 31 December 2024 as announced to the ASX and the SGX on 28 August 2024, 31 August 2023 and 25 February 2025 respectively. These can be found on the ASX website (www.asx.com.au), the SGX website (www.sgx.com) and the AVJennings Website.

As the financial information is extracted and/or summarised from the consolidated financial statements for the half year ended 31 December 2024 and the audited consolidated financial statements of AVJennings for FY2023 and FY2024, the financial information presented in the tables below is in abbreviated form and does not represent the complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

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(b) Consolidated statement of comprehensive income

The following table presents the historical consolidated statement of comprehensive income for the financial years ended 30 June 2023 and 30 June 2024, and the half year ended 31 December 2024.

$'000	31 Dec 2024	30 June 2024	30 June 2023 (restated)
Continuing operations			
Revenue from contracts with customers	131,360	319,746	285,929
Revenue	**131,360**	**319,746**	**285,929**
Cost of sales	(102,197)	(245,454)	(195,147)
Gross profit	**29,163**	**74,292**	**90,782**
Share of loss of equity accounted investments	(286)	(267	(169)
Expected credit loss	68	(77)	-
Change in inventory provisions	251	(1,349)	(4,475)
Write-off of a terminated project	-	(17,774)	-
Fair value adjustment to investment property	(20)	72	(88)
Selling and marketing expenses	(3,492)	(7,524)	(4,953)
Employee expenses	(14,406)	(29,257)	(27,537)
Other operational expenses	(2,928)	(5,808)	(6,561)
Management and administrational expenses	(4,664)	(9,449)	(10,754)
Depreciation and amortisation expenses	(901)	(1,684)	(1,656)
Finance income	372	735	400
Finance costs	(360)	(685)	(589)
Other income	764	348	282
Profit before income tax	**3,561**	**1,573**	**34,682**
Income tax expenses	(1,135)	(551)	(10,645)
Profit after income tax	**2,426**	**1,022**	**24,037**
Other comprehensive income			
Foreign currency translation (loss) / gain	(785)	(323)	881
Other Comprehensive (loss) / income	**(785)**	**(323)**	**881**
Total comprehensive income	**1,641**	**699**	**24,918**
Profit attributable to owners of the Company	**2,426**	**1,022**	**24,037**
Total comprehensive income attributable to owners of the company	**1,641**	**699**	**24,918**
Earnings per share (cents):			
Basic earnings per share	0.43	0.20	5.92
Diluted earnings per share	0.43	0.20	5.92

5 Information about AVJennings continued

5.10 Historical financial information continued

(c) Consolidated statement of financial position

The following table presents the historical consolidated balance sheet as at 30 June 2023, 30 June 2024, and 31 December 2024.

$'000	31 Dec 2024	30 June 2024	30 June 2023 (restated)
Current assets			
Cash and cash equivalents	9,933	15,121	12,983
Receivables	2,915	5,822	27,434
Inventories	214,680	195,192	218,674
Financial assets at fair value through profit or loss	-	9,640	-
Tax receivable	4,497	2,477	-
Other assets	3,716	8,194	5,628
Total current assets	**235,741**	**236,446**	**264,719**
Non-current assets			
Receivables	2,334	2,708	1,799
Inventories	584,386	608,767	588,217
Investment property	1,720	1,740	1,668
Equity accounted investments	17,331	4,617	4,884
Financial assets at fair value through profit or loss	-	-	3,500
Plant and equipment	657	731	993
Right-of-use assets	4,886	5,369	5,432
Intangible assets	2,816	2,816	2,816
Total non-current asset	**614,130**	**626,748**	**609,309**
Total assets	**849,871**	**863,194**	**874,028**
Current liabilities			
Payables	107,013	69,433	133,359
Lease liabilities	1,469	1,390	1,053
Tax payable	-	-	3,301
Provisions	13,878	8,449	6,617
Total current liabilities	**122,360**	**79,272**	**144,330**
Non-current liabilities			
Payables	25,514	82,048	107,530
Borrowings	218,346	221,708	171,301
Lease liabilities	3,864	4,349	4,607
Deferred tax liabilities	18,579	17,584	18,874
Provisions	3,071	1,615	1,416
Total non-current liabilities	**269,374**	**327,304**	**303,728**
Total liabilities	**391,734**	**406,576**	**448,058**
Net Assets	**458,137**	**456,618**	**425,970**
Equity			
Contributed equity	202,532	202,597	173,172
Reserves	7,598	8,440	8,239
Retained earnings	248,007	245,581	244,559
Total equity	**458,137**	**456,618**	**425,970**

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(d) Consolidated statement of cash flows

The following table presents the historical consolidated statement of cash flows for the financial years ended 30 June 2023 and 30 June 2024, and the half year ended 31 December 2024.

$'000	31 Dec 2024	30 June 2024	30 June 2023
Cash flow from operating activities			
Receipts from customers (inclusive of GST)	147,777	362,974	298,894
Payments for land	(20,342)	(93,531)	(41,586)
Payments to other suppliers and employees (inclusive of GST)	(113,082)	(310,547)	(281,551)
Interest paid	(10,220)	(21,066)	(13,120)
Income tax paid	(2,152)	(7,280)	(3,621)
Net cash from/(used in) operating activities	**1,981**	**(69,450)**	**(40,984)**
Cash flow from investing activities			
Payments for plant and equipment	(57)	(12)	(827)
Payments for financial assets at fair value through profit or loss	(3,360)	(7,484)	(2,156)
Interest received	372	735	400
Net cash used in investing activities	**(3,045)**	**(6,761)**	**(2,583)**
Cash flow from financing activities			
Proceeds from borrowings	38,879	204,009	171,377
Repayment of borrowings	(42,241)	(153,602)	(109,266)
Principal elements of lease payments	(693)	(1,206)	(1,266)
Net payment for treasury shares	(65)	(146)	(299)
Dividends paid	-	-	(7,191)
Share buy back on-market	-	-	(35)
Net proceeds from issue of shares	-	29,205	-
Net cash from/(used in) financing activities	**(4,120)**	**78,260**	**53,320**
Net increase/ (decrease)in cash and cash equivalents	**(5,184)**	**2,049**	**9,753**
Cash and cash equivalents at beginning of the year	15,121	12,983	3,274
Effects of exchange rate changes on cash and cash equivalents	(4)	89	(44)
Cash and cash equivalents at end of the year	**9,933**	**15,121**	**12,983**

5 Information about AVJennings continued

5.11 Material changes to AVJennings' financial position since 31 December 2024

To the knowledge of the AVJennings Directors, the financial position of AVJennings has not materially changed since 31 December 2024 other than that which was described in the Q3 FY25 Business Update.

5.12 AVJennings Directors' intentions for the business

The Corporations Act requires a statement by the AVJennings Directors of their intentions regarding the AVJennings' business.

If the Scheme is Implemented, the Bidder will own and control all of the AVJennings Shares and intends to reconstitute the AVJennings Board such that some or all of the AVJennings Directors may be replaced (see section 6.6 of this Scheme Booklet). Accordingly, it is not possible for the AVJennings Directors to provide a statement of their intentions after the Scheme is Implemented regarding:

- the continuation of the business of AVJennings or how AVJennings' existing business will be conducted going forward;
- any major changes, if any, to be made to the business of AVJennings, including any redeployment of the fixed assets of AVJennings; or
- any future employment of the present employees of AVJennings.

The intentions of the Bidder with respect to these matters are set out in section 6.6 of this Scheme Booklet.

If the Scheme is not Implemented, it is the AVJennings Directors' intention, as at the date of this Scheme Booklet, to conduct a strategic review of the AVJennings' business to seek to maximise value for AVJennings Shareholders. In all other respects, the Board of AVJennings intends for AVJennings to continue as a standalone entity with management continuing to implement the business plan and financial and operating strategies it had in place prior to entry into the Scheme Implementation Deed.

5.13 Risks relating to AVJennings' business

If the Scheme does not become Effective, the existing risks relating to AVJennings' business will continue to be relevant. Section 7.4 of this Scheme Booklet sets out a summary of the key risks relating to the AVJennings business and an investment in AVJennings.

5.14 Publicly available information

AVJennings is a disclosing entity for the purposes of the Corporations Act and is subject to periodic reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

These obligations require AVJennings to notify ASX of information about specified matters and events as they arise for the purpose of ASX making that information available to participants in the market.

Once AVJennings becomes aware of any information concerning it which a reasonable person would expect to have a material effect on the price or value of an AVJennings Share, AVJennings must (subject to limited exceptions) immediately tell ASX that information.

Publicly disclosed information about all ASX-listed entities, including AVJennings, is available on the ASX website (www.asx.com.au). Publicly disclosed information about all SGX-listed entities, including AVJennings, is available on the SGX website (www.sgx.com).

In addition, AVJennings is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by AVJennings may be obtained from an ASIC office.

AVJennings' annual and interim reports and public announcements are also available at the AVJennings Website.

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6

Information about the Bidder



6 Information about the Bidder

The information contained in this section 6 has been prepared by the Bidder and the intentions, views and opinions contained in this section are the responsibility of the Bidder. This section 6 contains information relating to the Bidder, AVID and the Proprium Group, and outlines how the Bidder is funding the Scheme Consideration and its intentions in relation to AVJennings. AVJennings and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

6.1 Overview of AVID and the Proprium Group

AVID is one of the largest privately held residential developers in Australia with 35 residential developments projects across the eastern seaboard, 2 industrial projects and 13 land lease resort communities, of which 7 are fully operational, and 6 are in development & planning phase. AVID's extensive portfolio of projects includes a selection of residential master planned communities, industrial land, land lease resort communities, completed homes and apartments across Queensland, New South Wales and Victoria. AVID's current portfolio includes more than 7,161 residential sites, 267 hectares of industrial land and 2,448 of identified housing build pipeline, with a gross revenue pipeline of approximately $4.2 billion.

AVID is an experienced, market-based acquirer of residential development assets both in direct markets and via corporate transactions. This experience includes the acquisition of Villa World Limited (formerly ASX:VLW) by scheme of arrangement in 2019. In 2024, AVID acquired a land lease communities business from the Living Gems group.

AVID is owned by a number of significant international institutional investors. Their investment is managed and advised by Proprium Capital Partners, L.P. The Proprium Group, which includes, among other entities, Proprium Capital Partners, L.P and Proprium, is a specialist real estate investment manager with approximately USD$3.5 billion in assets under management, including AVID, which is one of the Proprium Group's flagship investments. The Proprium Group manage funds on behalf of institutional investors across the globe, including government and private sector pension and retirement funds, banks, family offices and sovereign wealth funds. The Proprium Group is headquartered in the United States and it has offices in the New York area, London, Netherlands, Hong Kong, Sydney and Atlanta.

Further information on the Proprium Group is available from its website at https://proprium.com/.

AVID is headquartered in Sydney, with offices in Melbourne, Brisbane and throughout Queensland. Further information on AVID is available from its website at www.avid.com.au.

6.2 Overview of the Bidder

The Bidder is an Australian proprietary company that was incorporated by AVID on 22 August 2022. The Bidder was incorporated for the purpose of acquiring property development platforms, such as AVJennings.

The immediate holding company of the Bidder is Bidder HoldCo. Bidder HoldCo was incorporated for the purpose of holding all the shares in the Bidder. AVID has also incorporated an Australian company, being Bidder FinCo which holds all of the shares in Bidder HoldCo. Bidder FinCo is an Australian company which has provided the Equity Commitment (defined below) to the Bidder and will enter into the Mezzanine Facility Agreement (defined below). Bidder FinCo currently has cash in bank of an aggregate amount of $230,000,000 to pay the Equity Commitment.

Bidder Cayman HoldCo was incorporated in the Cayman Islands for the purpose of holding all the shares in Bidder FinCo and other AVID entities. Bidder Cayman HoldCo is owned by a number of significant international institutional investors.

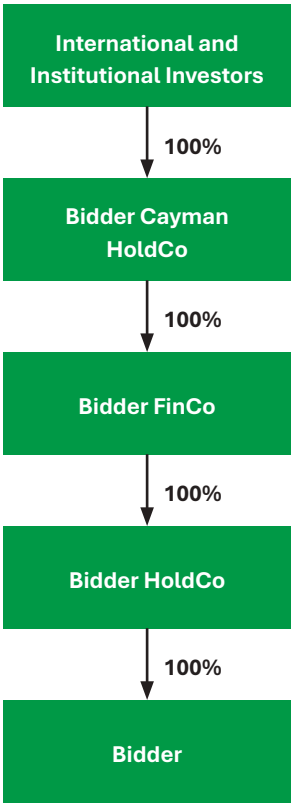
Except as described in this section 6, none of the Bidder, Bidder HoldCo and Bidder FinCo have commenced trading or conducted business, nor do they own or hold any assets or have any liabilities other than in connection with their incorporation, the entry into the transaction documents in connection with the Scheme and the taking of such other actions as are necessary to facilitate the implementation of the Scheme (including actions in relation to the incurrence of costs, fees and expenses in connection with the Scheme).

If the Scheme becomes Effective and is Implemented, the Bidder will acquire all of the Scheme Shares on the Implementation Date.

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The ownership structure of the Bidder Group is illustrated below:



6.3 Directors of the Bidder

As at the date of the Scheme Booklet, the directors of the Bidder and Bidder HoldCo are Anthony Kingsley and Cameron Holt; and the directors of Bidder FinCo are Anthony Kingsley, Cameron Holt, Samuel Dusza, Jan-Willem De Geus and Thomas Wong. Please see below the Bidder Director profiles:

- **Anthony Kingsley:** Anthony is a Partner of Proprium Capital Partners (Australia) Pty Ltd. Prior to joining Proprium, Anthony co-founded Anton Capital Pty Ltd, a boutique real estate advisory group focused on creating investing partnerships with sophisticated investors targeting private equity returns. Before forming Anton Capital, Anthony was the former Head of Investing for Morgan Stanley Real Estate in Australia where he was responsible for nearly A$5bn of Group's investment in Australia. Anthony worked at Morgan Stanley for close to 7 years across a variety of different roles including Investment Banking and Private Capital Raising and more recently as a senior acquisition officer and manager for the Investment Business. Before joining Morgan Stanley, he also held senior positions in Lend Lease where he was the Portfolio Manager of the APPF Commercial Fund, Assistant Fund Manager to the listed Lend Lease US Office Trust and Fund Manager responsible for the Separate Accounts Business. Anthony has a Bachelor of Applied Science (Land Economics) degree from University of Technology, Sydney.
- **Cameron Holt:** Leading the overall strategic direction and operations of the AVID business, Cameron has more than 20 years' experience in private sector and government. His involvement across all property sectors includes joint venture projects and large-scale housing companies. He holds a Master of Commerce, Post Graduate Diploma of Land Economics, Bachelor of Town Planning and has Real Estate Agent licences in multiple jurisdictions. Cameron also currently sits on the Property Council of Australia's Residential Development Council Board and as well as the Urban Development Institute of Australia NSW Board and is also the National Board Delegate.

6 Information about the Bidder continued

6.4 Rationale for the Bidder's proposed acquisition of AVJennings

As detailed in section 6.1, AVID and the Proprium Group are experienced, market-based acquirers of residential development assets in direct markets and via corporate transactions. As a prominent residential property developer with a diverse portfolio of properties, projects, and developments throughout Australia and New Zealand, the Bidder believes AVJennings will meaningfully strengthen AVID's portfolio and inject new momentum into AVID's ongoing growth journey. The Bidder sees strong alignment between the two businesses.

6.5 Funding arrangements for the Scheme Consideration

(a) Scheme Consideration

If the Scheme is Implemented, Scheme Shareholders will be entitled to receive Scheme Consideration.

The Scheme is not conditional on the Bidder obtaining debt or equity finance to fund the payment of the Scheme Consideration. The Bidder has access to sufficient funds and intends to fund the Scheme Consideration with a combination debt funding and equity funding from its shareholders, as detailed below.

(b) Equity funding

The Bidder has received a legally binding equity commitment letter from Bidder FinCo dated 31 March 2025 pursuant to which Bidder FinCo has agreed to provide funding to the Bidder, in an aggregate amount of A$230,000,000 (**Equity Commitment**) to assist the Bidder in meeting its obligations to fund the Scheme Consideration as and when it becomes payable (or where the Break Fee becomes payable in accordance with the terms of the Scheme Implementation Deed). This Equity Commitment is cash-backed. The obligation to provide the Equity Commitment to the Bidder to fund the Scheme Consideration is conditional only upon the satisfaction or waiver of each of the Conditions Precedent set out in the Scheme Implementation Deed. The obligation to provide the Equity Commitment to fund the Break Fee is not conditional and must be satisfied where the Break Fee becomes payable in accordance with the Scheme Implementation Deed.

(c) Debt funding

Senior Funding

The Bidder has entered into a debt commitment letter dated 27 March 2025 (the **ANZ Debt Commitment Letter**) under which Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (**ANZ**) will enter into a senior secured syndicated facilities agreement with the Bidder (**ANZ Facilities Agreement**). Pursuant to the ANZ Debt Commitment Letter, ANZ has agreed to provide a term facility with a facility limit of up to A$100,000,000 (**Term Facility**) and revolving credit facilities with an aggregate facility limit of up to A$194,500,000 and NZ$65,000,000 (**Revolving Facilities** and together with the Term Facility, the **ANZ Facilities**).

The ANZ Debt Commitment Letter also includes bank guarantee and performance guarantee facilities with an aggregate facility limit of up to A$34,500,000, which may be used to finance bank guarantee requirements of the AVJennings Group and for the replacement and/or refinancing of existing indebtedness of the AVJennings Group under its surety bond financing arrangements.

On or before the Second Court Date, the Bidder intends to enter into the ANZ Facilities Agreement and related definitive financing documentation required to be entered into as a condition precedent to the initial borrowings under the ANZ Facilities Agreement, the material terms and conditions of which are specified in the ANZ Debt Commitment letter. The ANZ Facilities Agreement will supersede the ANZ Debt Commitment Letter.

The ANZ Facilities are available to the Bidder for the purposes of, among other things:

- funding the purchase price for the acquisition of the Scheme Shares;
- refinancing existing indebtedness of AVJennings;
- paying costs and expenses incurred in connection with the Scheme and associated transaction; and
- funding working capital and general corporate purposes of the Bidder and (after implementation of the Scheme) the AVJennings Group.

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The ANZ Facilities will be provided on a customary "certain funds" basis and are subject to the satisfaction of certain conditions precedent which are customary for facilities of this nature and which include confirmation that:

- a minimum amount of equity funding has been provided to the Bidder;
- subject only to the payment of the purchase consideration due and payable under the Scheme Implementation Deed and satisfaction of any other steps contemplated to occur as part of the completion process under the Scheme Implementation Deed, completion of the acquisition will occur in accordance with the Scheme Implementation Deed; and
- all authorisations necessary for completion of the acquisition of the Scheme Shares have been obtained, including the FIRB Approval.

The Bidder expects that all conditions precedent under the ANZ Facilities will be satisfied before the Second Court Date (other than certain procedural conditions precedent which are intended to be satisfied concurrently with, or prior to, the first drawdown under the ANZ Facilities as required by the Scheme Implementation Deed, including payment of fees and expenses).

If all of the conditions precedent under the ANZ Facilities are satisfied or waived, then (subject to the provisions set out in the paragraph below and provided it is not unlawful for ANZ to do so) ANZ must provide funding under the ANZ Facilities.

Mezzanine Funding

In addition to the Equity Commitment, Bidder FinCo has also entered into a debt commitment letter dated 27 March 2025 under which Perpetual Corporate Trust Limited (ABN 99 000 341 533) as custodian for the Metrics Credit Partners Diversified Australian Senior Loan Fund (**Metrics**) will enter into a mezzanine secured syndicated facilities agreement with Bidder FinCo (**Mezzanine Facility Agreement**) and provide a term facility with a facility limit of up to $142,000,000 (**Mezzanine Facility**). The Mezzanine Facility will be structurally subordinated to the ANZ Facilities.

The proceeds of the Mezzanine Facility may be used to assist in:

- funding the purchase price for the acquisition of the Scheme Shares;
- refinancing existing indebtedness of AVJennings; and
- paying costs and expenses incurred in connection with the Scheme and associated transaction,

including, in each case, by on-lending or otherwise contributing such proceeds to the Bidder.

On or before the Second Court Date, the Bidder will enter into the Mezzanine Facility Agreement and related definitive financing documentation required to be entered into as a condition precedent to the initial borrowings under the Mezzanine Facility Agreement, the material terms and conditions of which are specified in the Mezzanine Debt Commitment letter. The Mezzanine Facility Agreement will supersede the Mezzanine Debt Commitment Letter. The material terms and conditions (other than economic terms) specified in the Mezzanine Debt Commitment Letter are largely consistent with the terms and conditions in the ANZ Debt Commitment Letter.

The Mezzanine Facility will be provided on a customary "certain funds" basis and is subject to the satisfaction of certain conditions precedent which are customary for facilities of this nature and are largely consistent with conditions precedent under the ANZ Facilities Agreement. Bidder FinCo expects that all conditions precedent will be satisfied before the Second Court Date (other than certain procedural conditions precedent which are intended to be satisfied concurrently with, or prior to, the first drawdown under the Mezzanine Facility as required by the Scheme Implementation Deed, including payment of fees and expenses).

If all of the conditions are satisfied or waived, then (subject to the provisions set out in the paragraph below and provided it is not unlawful for Metrics to do so) Metrics must provide funding under the Mezzanine Facility.

The provision of the ANZ Facilities and the Mezzanine Facility are each subject to the correctness of certain representations (which are customary for facilities of this nature) and that certain events of default have not occurred and are not subsisting.

As at the date of this Scheme Booklet, neither the Bidder nor Bidder FinCo is aware of:

- any reason why any of the conditions precedent to the ANZ Facilities or the Mezzanine Facility will not be satisfied, and are confident they will be satisfied, in time to allow payment in full of the aggregate Scheme Consideration as and when due under the terms of the Scheme;
- any reason why the ANZ Facilities or the Mezzanine Facility will not be available to be drawn down for the purpose of funding the purchase price for the acquisition of the Scheme Shares as contemplated under the terms of the Scheme; or

6 Information about the Bidder continued

6.5 Funding arrangements for the Scheme Consideration continued

- the occurrence of any misrepresentation or event of default or any circumstance that would lead to any misrepresentation or an event of default or which would give rise to a right of ANZ or Metrics to terminate the ANZ Facilities or the Metric Facility.

The proceeds that will be available to the Bidder under the ANZ Facilities Agreement, together with the proceeds of the Equity Commitment and the proceeds that will be available to Bidder FinCo (and will in turn be contributed to the Bidder) under the Mezzanine Facilities Agreement, are in excess of the amount that is required to fund the Scheme Consideration.

6.6 Bidder's intentions if the Scheme is Implemented

This section 6.6 sets out the Bidder's current intentions on the basis of facts and information concerning AVJennings and the general business environment known to the Bidder, in each case, as at the time of the preparation of this Scheme Booklet. Final decisions will only be reached by the Bidder in light of increased knowledge through exposure to the business and material information and circumstances at the relevant time. Any major decisions regarding the business of AVJennings will only be made following receipt of appropriate legal, taxation and financial advice and a detailed review of AVJennings' strategic, financial and commercial operational matters to determine the optimum manner of operating and managing the business. Accordingly, the statements set out in this section 6.6 are statements of current intention only, which may change as new information becomes available or circumstances change.

If the Scheme is Implemented, the Bidder intends to fully integrate the AVJennings business into its existing operations.

(a) Operations

The Bidder views the acquisition of the AVJennings business as consistent with AVID's existing strategy. The Bidder intends to integrate the AVJennings business into its existing operations, corporate and governance structure.

(b) Directors

If the Scheme is Implemented, the Bidder intends to reconstitute the AVJennings Group directors to include nominees of AVID (who are yet to be identified at the date of this Scheme Booklet).

(c) Management and employees

The Bidder considers that the AVJennings' business operations and culture are well aligned with AVID's own business operations and culture.

The Bidder's intention is to best utilise the talent and skill sets across the combined platform, capitalising on the knowledge and experience within AVJennings and AVID.

(d) Head office

If the Scheme is Implemented, the Bidder intends for AVJennings' head office to be located in Sydney, New South Wales.

(e) Delisting

If the Scheme is Implemented, it is intended that quotation of the AVJennings Shares on the ASX and SGX GlobalQuote will be terminated and AVJennings will be removed from the official list of the ASX and SGX GlobalQuote on or around the Business Day immediately following the Implementation Date.

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6.7 Bidder's interests in AVJennings Shares

(a) Interest in AVJennings Shares

As at the Last Practicable Trading Date, none of the Bidder or any of its associates had any Relevant Interest or voting power in AVJennings Shares.

(b) Dealing in AVJennings Shares in previous four months

None of the Bidder or any of its associates has provided or agreed to provide consideration for any AVJennings Shares under any other transaction during the period of 4 months before the date of this Scheme Booklet.

(c) Benefits to holders of AVJennings Shares

During the 4 months immediately prior to the date of this Scheme Booklet, none of the Bidder or any of its associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an associate to:

- vote in favour of the Scheme; or
- dispose of AVJennings Shares,

where the benefit was not offered to all AVJennings Shareholders.

(d) Benefits to AVJennings officers

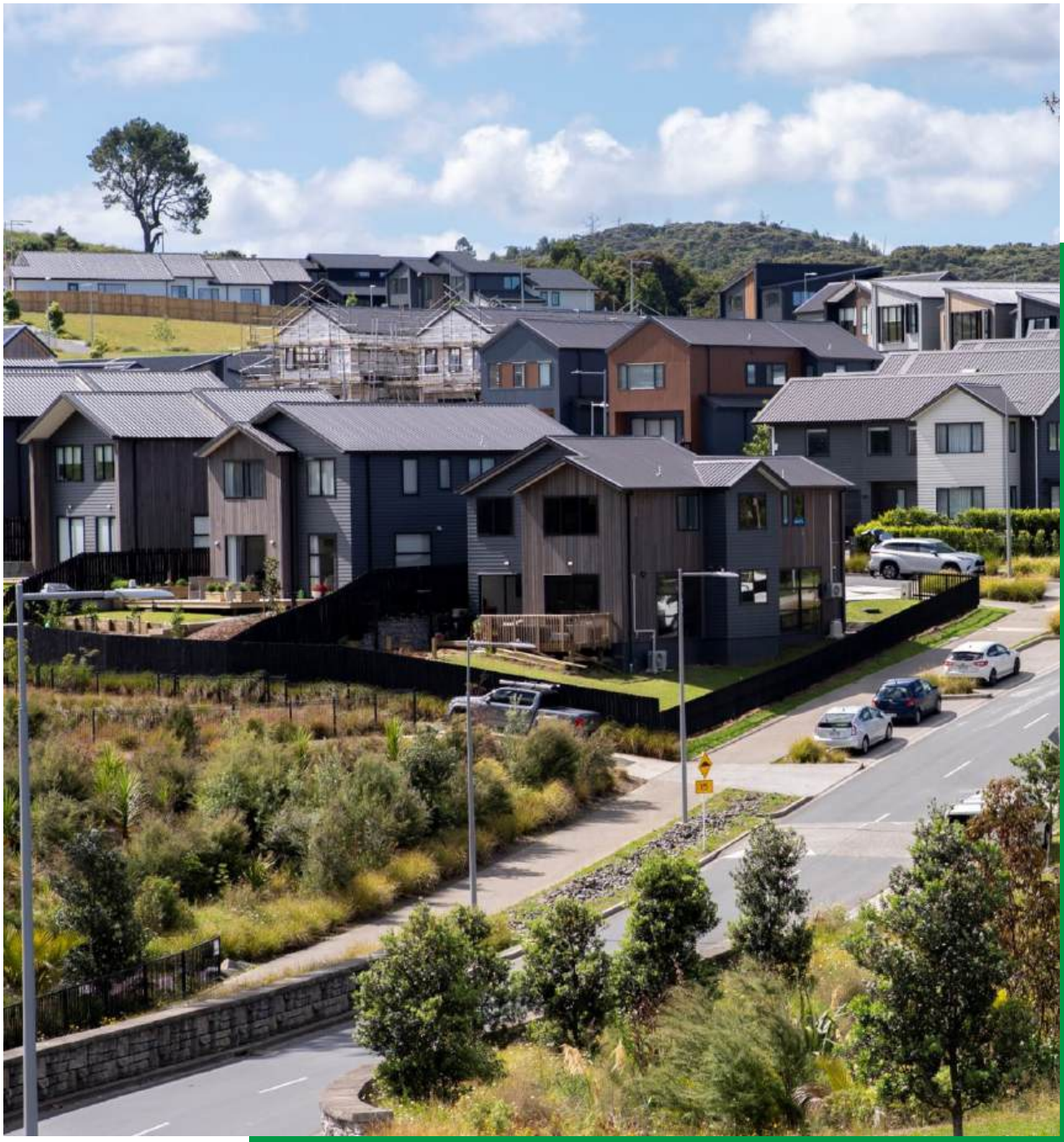
None of the Bidder or any of its associates will be making any payment or giving any benefit to any current officers of AVJennings as consideration for, or otherwise in connection with, their resignation or retirement from their respective offices if the Scheme is Implemented.

6.8 Other material information

The Bidder confirms that there is no other material information regarding the Bidder or its intentions regarding AVJennings that is material to the making of a decision by an AVJennings Shareholder on whether or not to vote in favour of the Scheme that is within the knowledge of any director of the Bidder as at the date of this Scheme Booklet that has not been previously disclosed to AVJennings Shareholders.

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7
Risks



AVJennings®

7 Risks

7.1 Introduction

The AVJennings Board considers that it is appropriate for AVJennings Shareholders, in considering the Scheme, to be aware that there are a number of specific risks associated with the Scheme, any Special Dividend that may be declared and paid and your current investment in AVJennings, as well as general investment risks which could materially adversely affect the future operating and financial performance of AVJennings, as well as the value of AVJennings Shares and the potential for any future dividends.

This section outlines:

- specific risks associated with the Scheme (refer to section 7.2 below);
- specific risks associated with any Special Dividend (refer to section 7.3 below);
- specific risks associated with your current investment in AVJennings (refer to section 7.4 below); and
- general investment risks (refer to section 7.5 below).

The risk factors described in this section are not an exhaustive list and should be read in conjunction with the other information contained in this Scheme Booklet. There may be additional risks and uncertainties not currently known to AVJennings which may also have a material adverse effect on AVJennings' financial and operational performance now or in the future.

If the Scheme becomes Effective, Scheme Shareholders will be entitled to receive the Scheme Consideration, cease to be an AVJennings Shareholder and will also no longer be exposed to the risks set out in sections 7.2, 7.4 and 7.5 below (and other risks to which AVJennings may be exposed). If the Scheme does not proceed, AVJennings will continue to operate as a stand-alone entity listed on the ASX and with quotation through SGX GlobalQuote, you will continue to hold your AVJennings Shares, you will not be entitled to receive the Scheme Consideration or the Special Dividend (if declared or paid by the AVJennings Board (in its absolute discretion)) and you will continue to be exposed to risks and opportunities associated with that investment.

In making your decision how to vote on the Scheme Resolution, you should read this Scheme Booklet carefully. You should carefully consider the risk factors outlined below and your individual circumstances. This section 7 is general in nature only and does not take into account your individual objectives, financial situation, taxation position or particular needs.

While the AVJennings Board recommends that eligible AVJennings Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennings Shareholders, AVJennings Shareholders are encouraged to make their own independent assessment as to whether to vote in favour of the Scheme.

7.2 Risks associated with the Scheme

(a) Implications for AVJennings and AVJennings Shareholders if the Scheme is not Implemented

If the Scheme is not Implemented, Scheme Shareholders will not be entitled to receive the Scheme Consideration and, if no comparable proposal to the Scheme or Superior Proposal is received by the AVJennings Board (or otherwise emerges) that is ultimately completed, AVJennings will continue to operate as a standalone entity listed on the ASX and with quotation through SGX GlobalQuote. See section 5.12 of this Scheme Booklet for further information on the strategy and intentions of AVJennings if the Scheme does not proceed. Unless AVJennings Shareholders choose to sell their AVJennings Shares on the ASX and/or through SGX GlobalQuote, AVJennings Shareholders will continue to hold AVJennings Shares and will be exposed to both risks (including those set out sections 7.4 and 7.5 of this Scheme Booklet) and potential future benefits in retaining exposure to AVJennings' business and assets.

The AVJennings Share price will also remain subject to market volatility and, if no comparable proposal to the Scheme or Superior Proposal is received by the AVJennings Board (or otherwise emerges), the AVJennings Share price may fall or trade at a price below the Scheme Consideration (including, potentially, to a price that is close to or below the AVJennings Share price on 27 November 2024, being the last trading day prior to the announcement of the non-binding indicative proposal from the Bidder on 28 November 2024), at least in the near term.

While it is not possible to predict the future performance of AVJennings or the AVJennings Share price, in deciding whether or not to vote in favour of the Scheme, you should have regard to the prospects of AVJennings on a stand-alone basis (that is, if the Scheme is not approved and Implemented).

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7 Risks continued

7.2 Risks associated with the Scheme continued

If the Scheme is not Implemented, there may also be adverse consequences for AVJennings' operating cashflow as a result of implementing the restrictions on AVJennings' business in the ordinary course of business agreed in the Scheme Implementation Deed. These include the deferral of certain phases of new projects and retention of cash on balance sheet to fund any Special Dividend.

(b) The Scheme Implementation Deed may be terminated by AVJennings or the Bidder in certain circumstances and the Scheme is also subject to certain Conditions Precedent

Each of AVJennings and the Bidder has the right to terminate the Scheme Implementation Deed in certain circumstances, in which case the Scheme will not proceed. These termination rights are summarised in section 9.9(e) of this Scheme Booklet. The Scheme is also subject to certain Conditions Precedent that must be satisfied (or, if applicable, waived) for the Scheme to become Effective. These Conditions Precedent are summarised in section 9.9(a) of this Scheme Booklet.

The failure of a Condition Precedent to be satisfied (or, if applicable, waived) may also give rise to a right for either AVJennings or the Bidder to terminate the Scheme Implementation Deed. As at the date of this Scheme Booklet, the AVJennings Board is not aware of any circumstances which would cause any outstanding Condition Precedent not to be satisfied. Despite this, there is a possibility that one or more of the Conditions Precedent will not be satisfied (or, if applicable, waived) and that the Scheme will not proceed. There are a number of Conditions Precedent which are outside the control of AVJennings.

If, for any reason, the Conditions Precedent are not satisfied (or, if applicable, waived) and the Scheme does not proceed, or if the Scheme Implementation Deed is otherwise terminated, the AVJennings Share price will continue to be subject to market volatility and may fall.

(c) Tax consequences for Scheme Shareholders

If the Scheme becomes Effective, there will be tax consequences for Scheme Shareholders, which may include tax being payable. For further information regarding general Australian tax consequences of the Scheme for Scheme Shareholders, see section 8 of this Scheme Booklet. The taxation consequences of the Scheme for Scheme Shareholders may vary depending on the nature and characteristics of Scheme Shareholders and their specific circumstances. Accordingly, you should seek professional tax advice in relation to your circumstances.

(d) Risks if the Scheme is Implemented

If the Scheme is Implemented, you will no longer be an AVJennings Shareholder and will forgo any future benefits that may result from being an AVJennings Shareholder. In particular, if the Scheme is Implemented, you will not be able to participate in the future financial and share price performance of AVJennings, retain any exposure to AVJennings' business or assets or have the opportunity to share in any value that could be generated by AVJennings in the future. However, there is no guarantee as to AVJennings' future performance, or its future share price and financial performance, as is the case with all investments in companies listed on the ASX and the SGX. AVJennings Shareholders may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of AVJennings, or may incur transaction costs in undertaking any new investment.

7.3 Risks associated with any Special Dividend

(a) Payment of any Special Dividend

The AVJennings Board may declare a fully franked Special Dividend of up to $0.167 per AVJennings Share prior to Implementation of the Scheme, with the payment of this dividend if declared by the AVJennings Directors (in their absolute discretion) is conditional on the Scheme being approved by AVJennings Shareholders and becoming Effective.

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The AVJennings Board will determine (in its absolute discretion) whether to pay any Special Dividend. This determination will depend upon a number of factors, including the availability of funds at the applicable time, the availability of a favourable ATO class ruling and receipt of relevant lender consents or waivers.

(b) Ability to receive the benefit of the franking credits attached to any Special Dividend

If AVJennings pays a Special Dividend of the maximum amount of $0.167 per AVJennings Share, those AVJennings Shareholders who are entitled to the franking credits attached to any Special Dividend may be entitled to franking credits of up to approximately $0.072 per AVJennings Share.[1] Whether you will be able to receive benefits from the franking credits attached to any Special Dividend will depend on your personal circumstances and whether a favourable class ruling is obtained from the ATO.[2]

There is a risk that the ATO Commissioner may use certain powers established under tax law to deny an AVJennings Shareholder the benefit of the franking credits attaching to any Special Dividend. AVJennings has sought a class ruling on behalf of AVJennings Shareholders in relation to, among other things, whether the ATO Commissioner will exercise his discretion to deny access to the franking credits. However, the final class ruling has not been issued as at the date of this Scheme Booklet and will not be issued prior to the Special Dividend Payment Date. You should consult your own taxation adviser to determine the tax consequences relevant to your specific circumstances. Refer to section 8 of this Scheme Booklet for further information regarding the tax implications in respect of any Special Dividend.

7.4 Risks associated with your current investment in AVJennings Shares

There are a range of business-specific risks associated with your current investment in AVJennings, as set out below. You will only continue to be exposed to these risks if the Scheme is not Implemented, in which case AVJennings will continue to operate as a stand-alone entity listed on the ASX and with quotation through SGX GlobalQuote.

(a) Property market risk

AVJennings' asset values and earnings are subject to property market conditions. Increases in supply or falls in demand in any of the sectors of the property market in which AVJennings operates could influence the acquisition of sites, the timing and value of AVJennings' sales and the carrying value of projects and any income producing assets as well as earnings. A downturn in the property markets due to deterioration in the economic climate could result in reduced asset values and earnings, as could a decline in sales.

General and specific market conditions, including the availability of mortgage finance and interest rates, among other things, may also have an impact on the ability of buyers to complete sales contracts and may negatively impact consumer confidence.

A number of contracts for the sale of residential lots are entered into on a "conditional" basis (e.g. subject to finance). Should market conditions remain challenging or deteriorate, the level of conditional contract terminations may increase. There may also be an increase in the rate of buyers defaulting under unconditional contracts.

Where there are terminations due to default, AVJennings will be entitled to retain the deposits paid by the buyers in most cases, but the properties may be resold at lower prices depending on-market conditions.

Market sentiment may also be influenced by media commentary and observations by industry analysts and may have a significant influence on the confidence of and the propensity of purchasers to buy properties. Such sentiment may have a more significant short-term influence on project enquiry levels and rates of sale than medium term factors such as the likelihood of oversupply or undersupply in some market segments. A decline in market sentiment which reduces rates of sales could adversely influence the amount of profit that can be brought to account in a particular financial period and can impact on AVJennings' liquidity.

1 The maximum benefit associated with the franking credits will be less if the Special Dividend (if declared) is less than $0.167 per AVJennings Share.

2 When assessing the benefit of franking credits attached to any Special Dividend, AVJennings Shareholders should seek independent professional taxation advice as to whether or not the receipt of the Special Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. Refer to sections 2 and 8.3 of this Scheme Booklet for further information.

7 Risks continued

7.4 Risks associated with your current investment in AVJennings Shares continued

(b) Property valuation risk

Unanticipated factors influencing the realisable value of AVJennings' projects, such as those listed below, could impact on future earnings:

- a sustained downturn in the property market, such as the under-performance of residential property markets, may result in the diminution in the value of assets, a lower reported profit and a higher debt/equity;
- changes in the conditions of town planning consents applicable to AVJennings projects as a consequence of the unpredictable nature of council policies;
- variances in the cost of development as a consequence of the imposition of levies by state and local government agencies;
- environmental issues and changes to government regulations relating to real estate;
- any failure to deliver on or to effectively execute AVJennings' stated strategy or a failure to redefine the strategy to meet changing market conditions;
- the profit and risk factors, including discount rates applied, that are considered appropriate by professional valuers, for any properties held by AVJennings in response to changes in market conditions;
- development cost increases including, but not limited to, land, construction materials, consultants, labour, imposition of taxes and increases to state and local government charges will reduce the profitability of AVJennings;
- general cost increases;
- a failure of a significant portion of purchasers to settle on unconditional contracts;
- the presence of previously unidentified threatened flora and fauna species, which may influence the amount of developable land on major projects;
- archaeological or ethnographic claims, including native title claims;
- the activities of resident action and lobby groups; and
- land resumptions for roads and major infrastructure, which cannot be adequately offset by the amount of compensation eventually paid.

(c) Project development risk

The majority of AVJennings' business is to identify, analyse and purchase land for future development as residential communities which have a number of inherent risks in addition to those associated with property development generally, including:

- a risk that appropriate planning consents are not obtained or, if obtained, are not properly adhered to;
- a risk that development costs escalate beyond those originally anticipated;
- a risk of project delays due to factors beyond the control of AVJennings;
- a risk that any property development team and/or subcontractor appointed to implement a development project does not perform their role to a satisfactory standard or acts or fails to act in breach of contract;
- a risk that competing residential development projects adversely affect the overall return achieved by a residential development project undertaken by AVJennings because they provide competitive alternatives for potential purchasers and potential lessees;
- a risk that one or more residential properties does not sell; and
- a risk that market conditions change during any development project more materially than allowed for within the development project's assumptions.

Although some of these risks can be mitigated, it is not possible to remove entirely the risks inherent in residential development projects.

In addition, although AVJennings plans to apply many of the development and marketing strategies that it has employed in the past, new projects may pose unforeseen challenges and demands on its managerial and financial resources. Non-completion of such developments, or any of AVJennings' other developments, may have a material and adverse effect on AVJennings' business, financial condition, prospects and results of operations.

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(d) Ability to acquire new land sites for developments

AVJennings is required to constantly identify land sites for property development to maintain the growth of its property development business. AVJennings usually replenishes and sources for new plots of land by participating in expressions of interest and other competitive processes to acquire land, acquiring plots of land from private owners as well as sourcing for suitable development sites through government land sales programmes or external property agents.

As AVJennings competes with other property developers for new land sites and there is no assurance that suitable sites will always be available at acceptable costs, AVJennings may not be able to secure a sufficient number of desired new land sites to maintain a pipeline of potential property development projects as planned. In such case, AVJennings may be forced to undertake fewer property development projects or projects with lower margins. Such circumstances may adversely affect AVJennings' profitability and financial performance.

(e) Construction activity risk

AVJennings is subject to risks associated with construction activities, including:

- the ability of third parties such as designers and sub-contractors to perform their work in accordance with their obligations;
- defective work and latent defects arising from incorrect design and poor sub-contractor workmanship and related third party claims;
- liquidated damages from delays in delivery on projects;
- cost overruns as a consequence of inadequate design, change in pricing conditions, industrial disputes, unforeseen conditions including inclement weather or under-performance of third parties;
- professional liability claims arising from allegations of negligence; and
- the availability and cost of labour and materials.

The nature of construction means that at any one time there are claims where the outcome remains uncertain for many years and is dependent on the ability to recover from third parties and insurance policies. The business is managed as a portfolio of projects and assets in which there is variation of performance, with some projects and assets over-performing whilst others under-perform, including loss-making projects, under- yielding assets and projects and assets subject to litigation.

(f) Compulsory acquisition risk

Land and real property comprise a significant part of AVJennings' property development business. Properties of AVJennings, or the land on which the properties therein are located, may be compulsorily acquired by the respective governments of the countries in which they are located for, among other things, public use or due to public interest.

In the case of compulsory acquisition by government authorities in Australia, the compensation payout has historically been based on the market value of the land which is determined by an independent valuer. However, there is no assurance that such practice will not change or that AVJennings will be able to further acquire land of comparable location or value. Accordingly, if it would not be in the interests of AVJennings to have the land compulsorily acquired for any other reason, AVJennings' business, financial condition, prospects and results of operations may be adversely affected.

(g) Illiquidity of property assets

Property investments are generally illiquid. Such illiquidity limits the ability of an owner or a developer to convert property assets into cash on short notice or may require a substantial reduction in the price that may otherwise be sought for such asset to ensure a quick sale. Such illiquidity also limits the ability of AVJennings to vary its portfolio in response to changes in economic, real estate market or other conditions in the short term. For instance, AVJennings may be unable to liquidate its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. This could have an adverse effect on AVJennnings' financial condition and results of operations, with a consequential adverse effect on AVJennings' ability to make forecast returns.

(h) Investment pipeline risk

The performance of AVJennings is, to a large extent, dependent on the ability of the senior management team and the AVJennings acquisition teams to identify and source suitable acquisition opportunities. Such opportunities are subject to market conditions and other factors, many of which are outside the control of AVJennings.

7 Risks continued

7.4 Risks associated with your current investment in AVJennings Shares continued

(i) Interest rates and bank lending criteria

Increases in interest rates and/or the persistence of tight lending criteria for the provision of purchasers' mortgage financing could have the effect of reducing the affordability and availability of funding for buyers, therefore reducing demand and the number of sales made by AVJennings. Interest rates also impact AVJennings' costs of funds.

(j) Sales prices

Lower than expected sales prices across AVJennings' portfolio of projects would generally result in lower profits by reducing the settlement revenue from AVJennings' development business and the fee income from the joint venture businesses.

(k) Inflation and construction costs

Higher than expected inflation rates generally, or specifically to the broader residential development industry, could be expected to increase operating costs and development costs and potentially reduce the value of land owned by AVJennings. Additionally, there may be upward pressure on the costs of materials and labour required for housing construction. These cost increases may be offset by increased selling prices, although there can be no certainty that increased selling prices will be achieved.

(l) Supply chain risk

AVJennings may be unable to procure delivery of key supplies and services within timeframes and at prices required to meet current project feasibilities. AVJennings also faces the risk of a civil contractor or other major supplier or service provider encountering financial difficulty or experiencing other delays and being unable to complete or deliver contracted works or materials either in a timely fashion or at all. In such cases, the timing of settlement of lots may be delayed, resulting in a greater risk of sale contracts for contracted lots terminating, additional holding costs and/or a delay in the receipt of settlements proceeds or fees.

In addition to the above, if AVJennings is required to appoint an alternative service provider or materials supplier to complete outstanding works or deliver outstanding materials, AVJennings may incur additional expenses than would otherwise have been the case. Insurance may not be available to cover such additional expenses (for example, in situations where insurance held by AVJennings, or the civil contractor, service provider or supplier may not cover those events).

(m) Need for capital

Significant expenditures associated with each project or asset, such as site costs, mortgage or landholder payments, maintenance costs, employee costs and taxes, are generally not reduced when circumstances cause a reduction in return for those projects and assets. The value of a project or an asset owned by AVJennings may be adversely affected if the income from the asset declines and other related expenses remain unchanged. In addition, circumstances or events may occur in relation to one or more projects which are unforeseen but which may result in AVJennings being required to undertake greater capital expenditure than was originally planned, giving rise to potentially lower margins.

AVJennings may also require additional financing to fund working current and future capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to AVJennings. AVJennings' ability to arrange adequate financing (if at all) on terms which are acceptable to AVJennings depends on a number of factors that are beyond its control, including general economic and political conditions, the cyclicality of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources, the terms on which financial institutions are willing to extend credit to AVJennings and the availability of other sources of debt or equity financing.

Uncertainty in the capital and credit markets may adversely affect AVJennings' ability to obtain financing on terms which are acceptable to AVJennings. If AVJennings is unable to obtain financing on terms which are acceptable to AVJennings, it may have to curtail its capital expenditure and/or defer its property development projects and/or divest assets. Such an event may have a material and adverse impact on AVJennings' business, financial condition and results of operations.

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(n) Changes in government policy

Changes in government policy (including taxation, fiscal, monetary and regulatory policies at federal, state and local levels), including policies on government land development, public housing, immigration, negative gearing and first home buyer assistance and delays in the granting of approvals (including rezoning approvals) or the registration of subdivision plans may affect the amount and timing of AVJennings' future profits. State government and/or council development contributions may be introduced or increased, impacting land values and the profitability of projects.

(o) Breach of financial covenants

As at 31 March 2025, AVJennings is in compliance with all covenants under its debt facilities. The financial covenants in AVJennings' debt facilities relate to, among other things, AVJennings cash flow and asset values. A material adverse movement in any of these may cause covenants under AVJennings' debt facilities to be breached.

AVJennings has sought certain consents and waivers in connection with the potential payment of the Special Dividend (if declared by the AVJennings Board (in its absolute discretion)).

If a breach which cannot be cured occurs, this is likely to have negative consequences for AVJennings, including the possibility of early repayment of drawn debt. Property assets are by their nature illiquid investments. This may make it difficult to sell assets quickly to repay debt.

(p) Counterparty risk

AVJennings deals with many counterparties, including customers who purchase individual lots, builders who purchase multiple lots, parties who purchase englobo sites, suppliers, subcontractors, and other service providers. If any of these parties fail to meet their contractual obligations, the result could have an adverse impact on AVJennings' business and financial performance.

(q) Key personnel risk

AVJennings is reliant on a number of key personnel employed by AVJennings and will need to retain and attract suitably qualified and skilled personnel to support its strategic objectives. Loss of such personnel, or inability to attract suitably qualified personnel, may have a material adverse impact on AVJennings' business and financial performance. AVJennings' efforts to retain and develop key personnel may also result in additional expenses which could adversely affect its profitability.

(r) Joint venture risks

AVJennings currently undertakes joint ventures on development projects and asset ownership as well as in relation to the Pro9 Joint Venture. At times, major decisions are required to be made in respect of these joint venture arrangements (for example, redevelopment and refurbishment, refinancing, the sale of assets or surplus land, design and construction, the purchase of additional land and bid pricing). AVJennings' interests may not always be the same as those joint venture partners in relation to these matters and conflicts can have adverse time and cost implications.

Some of these agreements contain buy/sell provisions which may be triggered by a joint venture party and may require AVJennings to determine whether to retain or sell its interest in the joint venture. In addition, pre-emptive provisions or first rights of refusal may apply to sales or transfers of interests in co-owned assets and businesses.

These provisions may work to the disadvantage of AVJennings because, among other things, AVJennings might be required to make decisions about buying or selling interests in these assets and businesses at a time that is disadvantageous to it. While the majority of AVJennings' joint venture partners are large corporates or institutional investors, there is also the risk that they may default on their obligations or otherwise act in a manner which adversely affects AVJennings.

(s) Environmental and cultural heritage matters

AVJennings will, from time to time, be exposed to a range of environmental risks including: soil and water contamination, construction (lead paint, asbestos, polychlorinated biphenyl (PCBs)), cultural heritage (Aboriginal), flora and fauna (native vegetation, endangered species) and greenhouse gases. In addition, there is a risk that assets owned or projects undertaken by the AVJennings Group from time to time may be contaminated by materials harmful to human health (such as asbestos and other hazardous materials).

The discovery of, or incorrect assessment of costs associated with, environmental matters, cultural heritage or contamination on any of AVJennings' projects could have an adverse effect on the profitability and timing of receipt of revenue from that project.

7 Risks continued

7.4 Risks associated with your current investment in AVJennings Shares continued

(t) Climate change risks

Should AVJennings fail to adequately respond to the impact of climate change and associated legislative requirements, this could result in litigation (if reporting requirements are not met), reduced profit due to the impact of increased costs associated with energy efficiency and other costs associated with upgrading existing buildings to comply with new building standards or contractual obligations.

AVJennings may also be adversely impacted by a loss of market share if building designs do not address community expectations or match competitor products on sustainability issues. Prolonged adverse or unpredictable weather conditions (such as those experienced in Australia and New Zealand in recent times, including the persistent wet weather experienced in parts of Australia and in Auckland over 2022, early 2023 and early 2025) may result in delays in construction, giving rise to possible project losses, liquidated damages claims and/or deferral of revenue or profit recognition.

(u) Licensing

AVJennings, via one or more of its wholly owned Subsidiaries, holds building licences and real estate agency licences where required in the jurisdictions in which it operates. Failure to comply with the requirements of those licences, or failure to maintain those licences, may have a significant impact on AVJennings' financial performance.

(v) Capital expenditure

The risk of unforeseen capital or other expenditure requirements for AVJennings may impact its financial performance.

(w) Legal and other proceedings

AVJennings may be involved from time to time in disputes, including with various parties involved in the development and sale of AVJennings' properties (such as contractors, sub-contractors, suppliers, construction companies, purchasers and other partners) and the management and operations of AVJennings' properties. These disputes may lead to legal and other proceedings, and may cause AVJennings to suffer additional costs and delays to the relevant property development(s). In addition, AVJennings may have disagreements with regulatory bodies, including in the course of its operations, which may subject AVJennings to administrative proceedings and unfavourable decrees that result in financial losses and/or a delay in the construction or completion of AVJennings' projects.

(x) Insurance

AVJennings carries a range of insurance products for, among other things, workers compensation, public liability, professional indemnity, industrial special risks, and directors and officers. However, AVJennings' insurance will not cover every potential risk associated with its operations.

The occurrence of a significant adverse event, the risks of which are not, or are not fully, covered by insurance, could have a material adverse effect on AVJennings' financial condition or performance. Depending on the type of coverage, AVJennings may have to incur an excess prior to any payment by the insurer or pay for any difference between the full replacement cost and insured amount. AVJennings may also incur increases to its insurance premium applicable to other areas of cover as a result of the event.

AVJennings may not be able to recover under its insurance if the company or companies providing the insurance (or any reinsurance) are under financial distress or fail.

(y) Workplace health and safety

AVJennings may face the risk of workplace injuries, which may result in production or industrial stoppages, workers' compensation claims, related common law claims and potential work health and safety prosecutions. This may have a material adverse impact on AVJennings' financial performance.

(z) Competition risk

AVJennings may face the risk of loss of market share in the various residential corridors in which it operates as a result of the launch of competitors' residential estates. Such competition may adversely affect AVJennings' ability to acquire development sites or may result in the reduction of sales of residential lots or reduction in sales prices of residential lots or both. This may adversely affect AVJennings' financial condition or performance and the ability of AVJennings to meet its interest payment and debt repayment obligations.

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(aa) Investment in Pro9

Pro9 is a Joint Venture established in June 2023 between AVJennings and Pro9 Global Limited. Its primary objective is to manufacture the highly durable and energy efficient Pro9 prefabricated walling system in Australia. The Pro9 Joint Venture is at an early stage of operational activities and only commenced production in the last financial year. As a result, there is a risk that the commercial operations take longer than anticipated to return a profit; that there are further manufacturing delays; that further capital contributions are required from AVJennings and Pro9 Global Limited or that our joint venture partner may otherwise act in a manner which adversely affects AVJennings.

(bb) Technology and cyber security incidents

AVJennings' information technology systems (including those provided by third party technology vendors) are vulnerable to service interruptions, degradation, damage or interruption from a number of sources, including natural disasters, power losses, computer systems failures, hardware and software defects or malfunctions, hardware and software updates, distributed denial-of-service, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data and similar events, computer viruses, other malware or other cyber-attacks, penetration by hackers seeking to disrupt operations or misappropriate information, break-ins, sabotage, intentional acts of vandalism and other breaches of security.

Any damage or interruption to, or reduction in speed or functionality of, AVJennings' information systems or those provided by third party technology vendors could significantly curtail, directly and indirectly, AVJennings' ability to conduct its business and generate revenue and could result in significant costs being incurred, for example to rebuild systems, respond to regulatory inquiries or actions, pay damages, or take other remedial steps with respect to third parties.

(cc) Foreign exchange risk

AVJennings consolidates the results of overseas businesses into AVJennings Group results and the performance of overseas businesses in Australian dollars, when reported in AVJennings Group financial statements may vary due to the movement of foreign exchange rates, subject to any currency hedging arrangements AVJennings has in place. This could have an adverse effect on AVJennings' financial performance.

7.5 General investment risks

Like many listed companies, the market price of AVJennings Shares and the potential for any future dividends to AVJennings Shareholders are influenced by a number of factors, including the following:

- changes in investor sentiment and overall performance of the Australian, Singaporean and other international stock markets;
- changes in sentiment in credit markets;
- changes in general economic and business conditions, including changes in business and industry cycles, inflation, interest rates, exchange rates, prices of commodities and raw materials, the cost of energy and other utility costs, access to debt and capital markets, employment levels, sentiment in credit markets and consumer demand;
- changes in government fiscal, monetary, taxation and regulatory policies, including legislative and regulatory regimes for corporations, taxation laws and foreign investment policies;
- government or political intervention in Australia or other countries in export and import markets (including sanction controls, tariffs and import duties) and the disruptions this causes to supply and demand dynamics;
- changes to the rate of company income tax or the tax arrangements between Australia and other jurisdictions in which AVJennings operates;
- loss of key personnel;
- interruptions at AVJennings' workplaces arising from industrial disputes, work stoppages and accidents, which may result in business operations delays;
- weather conditions, natural disasters, wars or catastrophes (including pandemics), whether on a global, regional or local scale;
- changes to accounting standards and reporting standards which affect the financial performance and position reported by AVJennings; and
- reputational risks, particularly in connection with the property development industry.

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Taxation implications



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8 Taxation implications

8.1 Introduction

The following is a general summary of the Australian income tax, goods and services tax (GST), and stamp duty implications for AVJennings Shareholders in relation to any Special Dividend that may be paid by AVJennings prior to the Implementation of the Scheme, and their disposal of AVJennings Shares under the Scheme (assuming it becomes Effective).

This summary is general in nature and does not purport to be an authoritative or complete analysis of the tax consequences arising from the Scheme. It does not constitute tax advice and should not be relied upon as such. AVJennings Shareholders are advised to seek professional tax advice in relation to their particular circumstances.

The description is based upon the Australian taxation law and administrative practice in effect as at the date of this Scheme Booklet. The laws are complex and subject to change periodically, as is their interpretation by the courts and the tax authorities.

The information provided below is not applicable to all AVJennings Shareholders. This tax summary applies to Australian tax resident and foreign resident shareholders who hold their shares on capital account. This summary does not apply to AVJennings Shareholders who:

- hold their AVJennings Shares on "revenue account" for taxation purposes (such as share trading entities or entities who acquired their AVJennings Shares for the purposes of resale at a profit) or as "trading stock";
- acquired their AVJennings Shares pursuant to an employee share, option or rights plan;
- may be under a legal disability (e.g. under the age of 18 at 30 June 2025 or 2026 (as applicable), bankrupt or declared legally incapable due to a mental condition) or subject to certain special tax rules, including insurance companies, partnerships, tax-exempt organisations, dealers in shares or shareholders who change their tax residency while holding their AVJennings Shares or entities subject to the Investment Manager Regime under Subdivision 842-1 of the Income Tax Assessment Act 1997 (**ITAA 1997**) in respect of their AVJennings Shares;
- are not Australian tax residents and who hold their shares at or through an Australian permanent establishment;
- have a functional currency for Australian tax purposes other than an Australian functional currency;
- are taken to have acquired their AVJennings Shares before 20 September 1985; and/or
- are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their AVJennings Shares.

AVJennings Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

8.2 Class Ruling

AVJennings has applied to the ATO requesting a class ruling to obtain the Commissioner of Taxation's views on specific Australian income tax implications for certain AVJennings Shareholders for any Special Dividend that may be declared and paid by AVJennings prior to the Implementation of the Scheme and their disposal of AVJennings Shares under the Scheme.

The Scheme is not conditional on the receipt of the class ruling.

The class ruling has not been issued by the ATO as at the date of this Scheme Booklet. AVJennings anticipates that the ATO will provide a draft of the class ruling prior to the Scheme becoming Effective. AVJennings will make an announcement to the ASX and the SGX if it receives a draft of the class ruling before the Scheme Meeting or the Second Court Hearing. A final class ruling is not expected to be issued until after the Implementation of the Scheme.

AVJennings Shareholders should refer to the class ruling once it is published. The class ruling will be available at www.ato.gov.au. It is anticipated that the Commissioner's views in the class ruling will be generally consistent with the description of the Australian tax consequences in this summary. However, it is possible that the Commissioner may reach a different conclusion. Accordingly, it is important that this summary be read in conjunction with the class ruling.

8 Taxation implications continued

8.3 Special Dividend

(a) Overview of proposed Special Dividend

If the Scheme becomes Effective, AVJennings is permitted to pay a Special Dividend to all AVJennings Shareholders who are registered as a holder of AVJennings Shares on the Special Dividend Record Date. The Special Dividend (if declared by the AVJennings Directors in their absolute discretion) is expected to be fully franked and will be paid on the Special Dividend Payment Date.

Under Australian tax law, certain Australian tax resident AVJennings Shareholders who receive a franked Special Dividend may be entitled to a "tax offset" equal to the amount of the franking credit attaching to the dividend, provided they are not prevented from claiming the benefit of the franking credit (see further below).

If an AVJennings Shareholder is entitled to a "tax offset", the shareholder may offset or reduce the amount of tax payable on their taxable income. However, certain AVJennings Shareholders may not be eligible to receive a "tax offset" for their franking credits. This is explained further below.

The Australian tax legislation prescribes a number of rules which may prevent AVJennings Shareholders from claiming the benefit of franking credits on a Special Dividend, including the requirement that an AVJennings Shareholder is not a "qualified person" (see further below).

Broadly, these rules are designed to, amongst other things, discourage trading in franking credits, and may deny the benefit of franking credits to AVJennings Shareholders generally, or because of their particular circumstances. It is expected that these issues will be addressed in the class ruling requested by AVJennings. AVJennings Shareholders should refer to the class ruling once published. The commentary below is subject to the Commissioner's determination in respect of these matters.

(b) Taxation treatment of any Special Dividend

(i). Australian resident individuals, companies and complying superannuation funds

If the "qualified person" requirements are met (see further below), Australian tax resident AVJennings Shareholders who are individuals, or that are companies or complying superannuation entities:

- should include any Special Dividend in their assessable income in the income year in which the dividend is paid, together with any franking credits attached to that dividend; and
- should be entitled to a tax offset equal to the franking credits attached to any Special Dividend.

A franking credit tax offset that is received by an individual or complying superannuation entity can be applied to offset or reduce the tax payable on their taxable income. Where the tax offset exceeds the tax payable on their taxable income, these AVJennings Shareholders should be entitled to a tax refund.

Where the AVJennings Shareholder is a corporate shareholder, franked dividends will generally give rise to a franking credit in the company's franking account.

To the extent that any Special Dividend is unfranked, an AVJennings Shareholder should generally be taxed at their applicable tax rate on the Special Dividend, with no entitlement to any tax offset.

(ii). Australian resident trusts and partnerships

Australian tax resident AVJennings Shareholders who are trustees (other than trustees of complying superannuation entities) or partnerships should include any Special Dividend in the net income of the partnership or trust in the income year in which the dividend is paid, together with any franking credits attached to that dividend.

The tax laws that apply to the treatment of dividends, and in particular franked dividends, for trusts and partnerships are complex. However, subject to satisfying certain conditions, the liability to pay tax on any Special Dividend (and any franking credits) and the tax offset provided by any franking credits can flow through to the eligible beneficiaries or partners.

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(iii). Non- Australian resident individuals and corporate AVJennings Shareholders

A Special Dividend paid to AVJennings Shareholders who are non-residents of Australia should not be subject to Australian dividend withholding tax to the extent that the Special Dividend has been franked.

To the extent that a Special Dividend is unfranked, Australian dividend withholding tax will be imposed at a rate not exceeding 30% by AVJennings on behalf of the AVJennings Shareholder.

In certain circumstances, it is possible for the rate of dividend withholding tax to be reduced under an applicable double taxation agreement which Australia has with certain countries.

(c) Franking credits – shares held at risk

The benefit of franking credits can be denied where an AVJennings Shareholder is not a "qualified person". If an AVJennings Shareholder is not a "qualified person", then the shareholder would not need to include an amount equal to any franking credits attaching to any Special Dividend in their assessable income but would also not be entitled to a tax offset.

Broadly, to be a "qualified person", a shareholder must satisfy the "holding period rules".

Under these rules, an AVJennings Shareholder is required to have held their AVJennings Share "at risk" for a continuous period of at least 45 days (not including the date of acquisition and the date of disposal of the shares) within the relevant "qualification period".

An AVJennings Share will not be taken to have been held "at risk" by an AVJennings Shareholder where they hold positions (such as hedging positions) that materially diminish the risks of loss or opportunities for gain on their shares by more than 70%, although those days do not break the continuity of the 'at-risk' period.

In relation to this Scheme, AVJennings Shareholders will cease to be considered to hold their AVJennings Shares 'at risk' from the Scheme Record Date.

As the Special Dividend is taken into account in determining the amount of the Scheme Consideration, the so-called'related payments' rule will apply to AVJennings Shareholders. Accordingly, the relevant "qualification period" will commence 45 days before the ex-dividend date and end 45 days after the ex-dividend date (the ex-dividend date being one day after the Special Dividend Record Date).

As a practical matter, and applying the indicative timetable, an AVJennings Shareholder who receives a Special Dividend and holds their AVJennings Shares "at risk" for a continuous period of at least 45 days during the period from 15 June 2025 to 10 August 2025 (inclusive) should satisfy the "holding period rules" and be eligible for the franking credit and tax offset. This issue is expected to be addressed in the class ruling requested by AVJennings. AVJennings Shareholders should refer to the class ruling once published.

8.4 Disposal of AVJennings Shares

(a) Australian tax residents

The disposal of an AVJennings Share by an AVJennings Shareholder will trigger capital gains tax (**CGT**) event A1.

The CGT event should occur when the change of ownership of the AVJennings Shares occurs. Under the Scheme, the change of ownership will occur on the Implementation Date.

Broadly, an AVJennings Shareholder will:

- make a "capital gain" if the capital proceeds from the disposal of their AVJennings Shares exceeds the cost base of their AVJennings Shares; or
- make a "capital loss" if the capital proceeds from the disposal of their AVJennings Shares are less than the reduced cost base of their AVJennings Shares.

AVJennings Shareholders who make a capital gain on the disposal of their AVJennings Shares will be required to include the net capital gain (if any) for the income year in their assessable income.

A capital loss realised on the disposal of the AVJennings Shares may be used to offset other capital gains derived by an AVJennings Shareholder in the income year in which the capital loss is realised, or may be carried forward to offset capital gains derived by the shareholder in future income years. Specific capital loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances. AVJennings Shareholders should obtain their own tax advice in relation to the operation of these rules.

8 Taxation implications continued

8.4 Disposal of AVJennings Shares continued

(i). Capital Proceeds

The capital proceeds for the CGT event arising from the disposal of AVJennings Shares under the Scheme will consist of the money received, or entitled to be received, by an AVJennings Shareholder. Accordingly, the capital proceeds should include the Scheme Consideration (being $0.655 per AVJennings Share, reduced by the amount of any Special Dividend that may be declared and paid by AVJennings) received under the Scheme.

Based on the facts and circumstances of the Scheme, it is expected that any Special Dividend that may be paid by AVJennings should not constitute capital proceeds from the disposal of the AVJennings Shares. This issue is being addressed in the class ruling requested from the ATO. It is possible that the Commissioner may adopt a contrary view in regard to any Special Dividend and require that it form part of capital proceeds. The ATO has not finalised its position as at the date of this Scheme Booklet. AVJennings Shareholders should refer to the class ruling once published.

(ii). Cost base

The cost base and reduced cost base of AVJennings Shares will generally include the amount paid, or the market value of any property given, to acquire the AVJennings Shares, plus certain incidental costs of acquisition (e.g. brokerage fees). The cost base of each AVJennings Share will depend on the individual circumstances of each AVJennings Shareholder.

If the AVJennings Shares were acquired at or before 11.45am on 21 September 1999, an AVJennings Shareholder who is an individual, a complying superannuation entity or the trustee of a trust may choose to adjust the cost base of their AVJennings Shares to include indexation by reference to changes in the consumer price index from the calendar quarter in which their AVJennings Shares were acquired until the quarter ended 30 September 1999. AVJennings Shareholders that are companies will include that indexation adjustment if their AVJennings Shares were acquired at or before 11.45am on 21 September 1999. Indexation adjustments are taken into account only for the purposes of calculating capital gains; they are ignored when calculating capital losses.

AVJennings Shares acquired in different transactions may have different cost bases and therefore capital gains may arise in respect of some AVJennings Shares while capital losses may arise in respect of other AVJennings Shares.

(iii). CGT discount

Generally, Australian resident AVJennings Shareholders who are individuals, trusts, and complying superannuation funds that have held AVJennings Shares for at least 12 months (but have not chosen to index their cost base – refer above) at the time of disposal should be entitled to a CGT discount in calculating the amount of capital gain on disposal of their AVJennings Shares.

The CGT discount is applied after any available capital losses have been offset to reduce the capital gain.

The applicable CGT discount which would reduce a capital gain arising from the disposal of AVJennings Shares is 50% in the case of individuals and trusts or 33 1/3% in the case of Australian complying superannuation entities. The CGT discount is not available for AVJennings Shareholders that are companies.

As the rules relating to discount capital gains for trusts are complex, AVJennings recommends that AVJennings Shareholders who are trustees seek their own independent advice on how the CGT discount provisions will apply to them and the trusts' beneficiaries.

(b) Non-Australian tax resident AVJennings Shareholders

For an AVJennings Shareholder who:

- is a foreign resident, or the trustee of a foreign trust for CGT purposes; and
- has not used their AVJennings Shares at any time in carrying on a business through a permanent establishment in Australia,

the disposal of the AVJennings Shares will generally only result in Australian CGT implications if, in broad terms:

- that AVJennings Shareholder together with their associates held 10% or more of the AVJennings Shares at the time of disposal or for a 12 month period within two years preceding the disposal (referred to as a "non-portfolio interest"); and
- more than 50% of the market value of AVJennings' assets is attributable to direct or indirect interests in "taxable Australian real property" (as defined in the income tax legislation). Taxable Australian real property generally refers to Australian land that is owned or leased.

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The Australian Government announced as part of the 2024-25 Federal Budget in May 2024 that for CGT events commencing on or after 1 July 2025, they will seek to introduce law to broaden the definition of "taxable Australian real property". The Australian Government announced as part of the 2025-26 Federal Budget in March 2025 that the start date of the measure will be deferred from 1 July 2025 to the later of 1 October 2025 or the first 1 January, 1 April, 1 July or 1 October after the amending Act receives Royal Assent.

A foreign resident individual AVJennings Shareholder who has previously been an Australian tax resident and chose to disregard a capital gain or loss in respect of their AVJennings Shares from CGT event I1 on ceasing to be an Australian tax resident may be subject to Australian CGT consequences on disposal of their AVJennings Shares.

AVJennings Shareholders that are non-Australian tax residents should seek their own independent tax advice as to the tax implications of the Scheme, including tax implications in their country of residence.

8.5 Foreign Resident Capital Gains Withholding

The foreign resident capital gains withholding regime may impose a 15% "withholding" obligation (calculated by reference to the Scheme Consideration) on the Bidder if:

- the Bidder considers, or reasonably believes that an AVJennings Shareholder is a foreign resident; and
- the AVJennings Shareholder satisfies the "non-portfolio interest" test referred to above.

The Bidder, in cooperation with AVJennings, may seek to clarify the status of particular AVJennings Shareholders and require these AVJennings Shareholders to provide the Bidder with either:

- a declaration that they are an Australian tax resident or that their AVJennings Shares are not an'indirect Australian real property interest'(Declaration Form); or
- a notice of variation granted by the ATO varying the amount or rate of tax to be withheld (Variation Notice).

Unless a signed Declaration Form or Variation Notice is provided to the Bidder for these particular AVJennings Shareholders, the Bidder may withhold 15% of the Scheme Consideration payable to the AVJennings Shareholder and pay that amount to the Commissioner of Taxation. The Bidder and AVJennings have agreed that they may approach the ATO to obtain clarification as to the application of the foreign resident capital gains withholding regime. The Bidder has advised AVJennings that it expects to only contact a small number of AVJennings Shareholders and that if the Bidder does not contact an AVJennings Shareholder then it does not expect that it will withhold any amount under these provisions.

Foreign resident AVJennings Shareholders should consult with a professional tax adviser regarding their particular circumstances.

8.6 GST

There should be no GST payable in respect of the disposal of AVJennings Shares under the Scheme. Where an AVJennings Shareholder is not registered or required to be registered for GST, the disposal will be outside the scope of the GST. Otherwise, the disposal of the AVJennings Shares will be an input taxed financial supply. Where this is the case, AVJennings Shareholders should obtain independent advice in relation to whether there is an ability to claim any input tax credits for the costs (such as legal or professional fees) associated with the disposal of the AVJennings Shares.

8.7 Stamp Duty

No stamp duty should be payable by AVJennings Shareholders on the disposal of AVJennings Shares in accordance with the Scheme.

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9

Additional information



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9 Additional information

9.1 Interests of AVJennings Directors in AVJennings Shares and AVJennings Equity Incentives

The table below lists the Relevant Interests of AVJennings Directors in AVJennings Shares as at the date of this Scheme Booklet.

Name	Current Position	Relevant Interest in AVJennings Shares	Relevant Interest in AVJennings Equity Incentives
Simon Cheong	Non-Executive Chairman	301,564,270 AVJennings Shares	Nil.
Jerome Rowley	Non-Executive Director	508,886 AVJennings Shares	Nil.
Bruce Hayman	Non-Executive Director	266,386 AVJennings Shares	Nil.
Bobby Chin	Non-Executive Director	Nil.	Nil.
Lai Teck Poh	Non-Executive Director	Nil.	Nil.
Mak Lye Mun	Non-Executive Director	Nil.	Nil.
Philip Kearns AM	CEO & Managing Director	34,364 AVJennings Shares	3,541,648 unvested Performance Rights

Each AVJennings Director intends to vote, or cause to be voted, all AVJennings Shares held or controlled by them, in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AVJennings Shareholders.

9.2 Marketable Shares in the Bidder, AVID or Proprium Group held by, or on behalf of, AVJennings Directors

No marketable securities of the Bidder or a member of the AVID are held by, or on behalf of, AVJennings Directors as at the date of this Scheme Booklet.

9.3 Interests of AVJennings Directors in contracts of the Bidder or a member of AVID or Proprium Group

No AVJennings Director has an interest in any contract entered into by the Bidder or any member of AVID or Proprium Group.

9.4 Other interests of AVJennings Directors

As at the date of this Scheme Booklet, the AVJennings Directors are not aware of any AVJennings Director having any other interests, whether as a director, member or creditor of the Bidder or a member of AVID or the Proprium Group or otherwise, which is material to the Scheme, other than in their capacity as a holder of AVJennings Shares, being their entitlement to receive the Scheme Consideration for the AVJennings Shares they hold and the AVJennings Equity Incentives noted in section 4.1 that Mr Kearns would be entitled to receive subject to the Scheme becoming Effective.

9.5 SC Global shareholder support

The largest shareholder in AVJennings, SC Global[1], who through its wholly owned Subsidiaries holds and controls shares in AVJennings representing approximately 54.02%[2] of the issued share capital of AVJennings, has confirmed that it intends to vote all AVJennings Shares it holds and controls as at the date of the Scheme Meeting in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the AVJennings Shareholders.

1 Mr Simon Cheong, the Chairman of AVJennings and a non-executive Director, is also the founder and Chairman of SC Global and Mr Mak Lye Mun, a non-executive Director of AVJennings, is also an independent non-executive Director of SC Global.

2 Comprising 301,564,270 AVJennings Shares.

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9 Additional information continued

9.6 Suspension of trading of AVJennings Shares

If the Court approves the Scheme, AVJennings will notify the ASX and the SGX. It is expected that suspension of trading on the ASX and through SGX GlobalQuote in AVJennings Shares will occur from close of trading on the Effective Date.

9.7 Deed Poll

The Bidder has executed the Deed Poll under which it has undertaken to procure that each Scheme Shareholder is provided the Scheme Consideration to which they are entitled under the Scheme, in accordance with the terms of the Scheme and subject to the Scheme becoming Effective.

A copy of the Deed Poll is set out in Annexure C to this Scheme Booklet.

9.8 Warranties by Scheme Shareholders

Each Scheme Shareholder is deemed to have warranted to the Bidder and AVJennings on the Implementation Date, and, to the extent enforceable, to have appointed and authorised AVJennings as that Scheme Shareholder's agent and attorney to warrant to the Bidder, that:

- all of their Scheme Shares (including all rights and entitlements attaching to those Scheme Shares) will, at the time of the transfer of them to the Bidder pursuant to this Scheme, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of Third Parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
- they have full power and capacity to sell and to transfer their Scheme Shares to the Bidder pursuant to this Scheme; and
- they have no existing right to be issued any AVJennings Shares, AVJennings Equity Incentives, or any other AVJennings securities.

9.9 Summary of Scheme Implementation Deed

On 1 April 2025, AVJennings announced that it entered into a Scheme Implementation Deed with the Bidder under which it was agreed that the Bidder will acquire all of the ordinary shares in AVJennings for $0.655 cash consideration per share by way of a scheme of arrangement.

A summary of the key elements of the Scheme Implementation Deed is set out below. A full copy of the Scheme Implementation Deed is attached to AVJennings' announcement to the ASX and to the SGX on 1 April 2025 which can be obtained from the ASX website (www.asx.com.au), the SGX website (www.sgx.com) or from the AVJennings Website.

(a) Conditions Precedent

Implementation of the Scheme is subject to the following conditions which must be satisfied or waived (where capable) before the Scheme can be Implemented:

- **FIRB Approval**: before 8.00am on the Second Court Date either:
  - receiving a written notice under the FATA from the Treasurer (or their delegate) stating that, or to the effect that, the Commonwealth Government does not object to the Transaction (either on an unconditional basis or subject only to (i) certain Tax Conditions issued by FIRB from time to time; or (ii) any other conditions which the Bidder accepts (acting reasonably)); or
  - following the Bidder giving notice of the Transaction under the FATA, the Treasurer becomes precluded by passage of time from making any order or decision under Division 2 of Part 3 of the FATA in respect of the Transaction.
- **OIO Approval**: before 8.00am on the Second Court Date, the Bidder has received in writing from the OIO all consents required under the *Overseas Investment Act 2005* (NZ) for the Implementation of the Scheme (either unconditionally or subject only to (i) any conditions that are materially consistent with the then-current example conditions published by the OIO, or the automatic conditions specified in the *Overseas Investment Act 2005* (NZ); and (ii) any other conditions which the Bidder accepts (acting reasonably)).
- **Shareholder approval**: AVJennings Shareholders approve the Scheme by the Requisite Majorities under the Corporations Act at the Scheme Meeting.

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- **Independent Expert**: the Independent Expert's Report concludes that the Scheme is in the best interests of AVJennings Shareholders, on or before the date on which the Scheme Booklet is registered with ASIC, and the Independent Expert does not adversely change or withdraw that conclusion before 8:00am on the Second Court Date.
- **Court approval**: the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act at the Second Court Hearing.
- **No restraints**: as at 8:00am on the Second Court Date, no applicable law, rule or other material legal restraint or prohibition is in place that restrains, impedes, prevents, makes illegal or prohibits the Implementation of the Scheme.
- **AVJennings Equity Incentives**: AVJennings has taken all necessary steps by 8.00am on the Second Court Date to ensure that no AVJennings Equity Incentives will be on issue before the Scheme Record Date, in accordance with the treatment of all outstanding AVJennings Equity Incentives as agreed between the parties and contemplated by the Scheme.
- **No Material Adverse Change**: no Material Adverse Change occurs between 31 March 2025 and 8:00am on the Second Court Date (inclusive).
- **No AVJennings Prescribed Occurrence**: no AVJennings Prescribed Occurrence occurs between 31 March 2025 and 8:00am on the Second Court Date (inclusive).

These conditions, and the provisions relating to the satisfaction or waiver of these conditions, are set out in full in clause 3 of the Scheme Implementation Deed. The Scheme will not proceed unless all Conditions Precedent are satisfied or waived (as applicable) in accordance with the Scheme Implementation Deed.

If a Condition Precedent fails or cannot be satisfied or waived (where capable of waiver) by the End Date, being the later of 30 September 2025 and such other day agreed in writing between AVJennings and the Bidder, the parties will consult in good faith and failing agreement, the Scheme Implementation Deed may be terminated.

(b) Exclusivity

The Scheme Implementation Deed contains customary exclusivity provisions in favour of the Bidder. These obligations may be summarised as follows:

- **No existing discussions**: AVJennings represents and warrants that neither it nor any of its Representatives are in any negotiations or discussions, or party to any agreement or arrangement, in connection with, or that could reasonably be expected to lead to, any Competing Proposal with any Third Party. AVJennings also represents and warrants that it has requested in writing that all Non-public Information previously provided to any Third Party in respect of a Competing Proposal be returned or destroyed in accordance with the terms of any confidentiality agreements in place with each Third Party.
- **No-shop**: During the Exclusivity Period, AVJennings must not (and must ensure that its Related Bodies Corporate and their respective Representatives do not) directly or indirectly solicit, invite, encourage or initiate any Competing Proposal or any enquiries, expressions of interest, offers, proposals, negotiations or discussions with any Third Party in relation to, or which could reasonably be expected to encourage or lead to the making of, or with a view to obtaining, a Competing Proposal, or communicate any intention to do any of these things.
- **No-talk**: During the Exclusivity Period, subject to the fiduciary exception (discussed below), AVJennings must not (and must ensure that its Related Bodies Corporate and their respective Representatives do not) facilitate, participate in or continue any negotiations or discussions with any Third Party with respect to any inquiry, expression of interest, offer, proposal or discussion by any Third Party which would reasonably be expected to encourage or lead to the making of a Competing Proposal, or negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal.
- **No due diligence**: subject to the fiduciary exception (discussed below), during the Exclusivity Period, AVJennings must not (and must ensure that its Related Bodies Corporate and their respective Representatives do not) disclose or otherwise make available any Non-public Information or provide access to any AVJennings officers or employees to a Third Party with a view to obtaining, or which would reasonably be expected to encourage or lead to receipt of, a Competing Proposal (including providing such information for the purposes of the conduct of due diligence investigations in respect of AVJennings) whether by that Third Party or another person or communicate to any Third Party an intention to do any of these things.

9 Additional information continued

9.9 Summary of Scheme Implementation Deed continued

- **Fiduciary exception**: the no-talk and no due diligence restrictions do not apply if the AVJennings Board, acting in good faith, has determined:
  - after receiving written advice from its external financial advisers, that the Competing Proposal could reasonably be expected to lead to a Superior Proposal; and
  - after receiving advice from its corporate law advisers, that compliance with the no talk and no due diligence restrictions (as applicable) would, or would be reasonably likely to, constitute a breach of any of the fiduciary or statutory duties of any member of the AVJennings Board,

  provided that the Competing Proposal was not brought about by a breach of the Scheme Implementation Deed.
- **Notification**: as soon as reasonably practicable (and in any event within 24 hours), AVJennings must notify the Bidder if it becomes aware of any:
  - negotiations, discussions or other communications, or any other contact or approach, in relation to an actual or potential Competing Proposal;
  - approach or proposal made to AVJennings, its Related Bodies Corporate or Representatives, in connection with an actual or potential Competing Proposal or that may be reasonably expected to lead to a Competing Proposal;
  - request made for any Non-public Information; or
  - provision by AVJennings, its Related Bodies Corporate or Representatives of any material Non-public Information to any Third Party in connection with an actual or potential Competing Proposal.
- **Matching right**: During the Exclusivity Period if AVJennings receives a Competing Proposal, it must provide all material details of that actual, proposed or potential Competing Proposal to the Bidder. If the AVJennings Board determines, having taken legal and financial advice, that it is or is reasonably likely to be a Superior Proposal, it must give the Bidder five Business Days to make a counterproposal. The AVJennings Board will then determine between the two proposals which one is superior. In these circumstances, if the recommendation from the AVJennings Board or any Director is changed to a different proposal, AVJennings may terminate the Scheme Implementation Deed but must pay the Bidder the Break Fee (being $3,703,600).

(c) Break Fee

AVJennings may be required to pay to the Bidder a Break Fee of $3,703,600 if the Scheme Implementation Deed is terminated.

- **Change of recommendation**: the Break Fee is payable if the Bidder terminates the Scheme Implementation Deed following a change of recommendation by any AVJennings Director or failure to comply with the undertaking from each AVJennings Director to vote (or procure the voting of) all AVJennings Shares held or controlled by him or her in favour of the Scheme at the Scheme Meeting. unless:
  - the Independent Expert does not conclude or continue to conclude that the Scheme is in the best interests of AVJennings Shareholders (except in circumstances where the sole or predominate reason for that conclusion is the announcement of a Superior Proposal);
  - a court, ASIC or the Takeovers Panel requests that any AVJennings Director change, withdraw, qualify or modify, or abstain from making their Recommendation or Voting Statement;
  - the Scheme Implementation Deed otherwise permits the change; or
  - AVJennings is (or would have been) entitled to terminate the Scheme Implementation Deed for material breach (and has given reasonable notice).
- **Tail Period**: the obligation to pay the Break Fee will also be triggered if AVJennings validly terminates the Scheme Implementation Deed and in the following 12 months implements a Competing Proposal.

(d) Reverse Break Fee

The Bidder may be required to pay AVJennings a Reverse Break Fee of $3,703,600 if AVJennings terminates the Scheme Implementation Deed before 8:00am on the Second Court Date and either:

- the Bidder is in material breach of any provision of the Scheme Implementation Deed (other than a representation and warranty not being true and correct); or
- a representation and warranty given by the Bidder is not true and correct, where that breach of representation and warranty is material in the context of the Transaction as a whole.

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AVJennings must provide the Bidder with written notice of the contravention and allow a cure period of up to five Business Days (less if only identified closer to the Second Court Date).

(e) Termination rights

Either party may terminate the Scheme Implementation Deed by written notice before 8:00am on the Second Court Date if:

- the other party is in material breach of the Scheme Implementation Deed (other than a representation and warranty not being true and correct) or a representation and warranty given by the other party is not true and correct, where that breach is material in the context of the Transaction as a whole;
- the party wishing to terminate has given written notice setting out the relevant circumstances and stating an intention to terminate; and
- if the relevant circumstances continue for five Business Days (or shorter if just before the Second Court Date).

If a Condition Precedent fails or cannot be satisfied or waived (where capable of waiver) by the End Date, being the later of 30 September 2025 and such other day agreed in writing between AVJennings and the Bidder, the parties will consult in good faith and failing agreement, the Scheme Implementation Deed may be terminated.

The Bidder may terminate the Scheme Implementation Deed by written notice before 8:00am on the Second Court Date if:

- any AVJennings Director fails to provide their Recommendation or Voting Statement;
- any AVJennings Director has:
  - changed, withdrawn or adversely modified their Recommendation or Voting Statement;
  - recommended a Competing Proposal;
  - made a public statement to the effect that they no longer recommend the Scheme or supporting, endorsing or recommending a Competing Proposal or recommends that AVJennings Shareholders accept or vote in favour of a Competing Proposal,

  in each case whether or not permitted by the Scheme Implementation Deed; or
- AVJennings enters into any agreement or arrangement in relation to the implementation of any Competing Proposal.

AVJennings may terminate the Scheme Implementation Deed by written notice before 8:00am on the Second Court Date if a majority of the AVJennings Board withdraws its Recommendation and, if required to pay the Break Fee, has paid this to the Bidder.

The Scheme Implementation Deed will terminate automatically if, at the Scheme Meeting, AVJennings Shareholders do not pass the resolution to approve the Scheme in accordance with the Corporations Act.

The parties may terminate the Scheme Implementation Deed by another written agreement between them.

(f) Representations and Warranties

The Scheme Implementation Deed contains customary representations and warranties given by each of AVJennings and the Bidder to each other. These representations and warranties are set out in Schedule 2 (in the case of AVJennings) and Schedule 1 (in the case of the Bidder) of the Scheme Implementation Deed.

9.10 Status of FIRB Approval and OIO Approval

The Scheme is subject to receipt of FIRB Approval and OIO Approval. Applications for these approvals were made by the Bidder on 1 April 2025 and 9 April 2025, respectively, and, as at the date of this Scheme Booklet, these approvals have not yet been received. As Conditions Precedent and in accordance with the Scheme Implementation Deed, any FIRB Approval and OIO Approval must be received before 8:00am on the date of the Second Court Date for these Conditions Precedent to be satisfied.

While AVJennings is not aware of any circumstances which would cause the FIRB condition precedent or the OIO condition to not be satisfied as at the date of this Scheme Booklet, it is possible that the requirement for approval from FIRB or the OIO may be delayed and that this may result in a delay to the date of the Scheme Meeting. AVJennings Shareholders should note that both the FIRB condition and the OIO condition will need to be satisfied in order for the Scheme to proceed. The Scheme is not conditional on any other regulatory approvals.

9 Additional information continued

9.10 Status of FIRB Approval and OIO Approval continued

Pursuant to rule 5.1.01(1)(b) and clause 8302(h) of Schedule 8 of the Corporations Regulations 2001 (Cth), the explanatory statement required for a Scheme must set out whether, within the knowledge of the AVJennings Directors, the financial position of AVJennings has materially changed since the date of the last balance sheet laid before the company in general meeting or sent to shareholders in accordance with sections 314 or 317 of the Corporations Act, as well as the full particulars of the changes.

ASIC has granted AVJennings relief from this requirement so that this Scheme Booklet only need set out, within the knowledge of the AVJennings Directors, that the financial position of AVJennings has not materially changed since 31 December 2024 (being the last date of the period to which the financial statements for the half year ended 31 December 2024 relate). AVJennings will provide a copy of the financial statements for the half year ended 31 December 2024 free of charge to any AVJennings Shareholder who requests a copy

9.11 AVJennings Equity Incentives

(a) AVJennings Equity Incentives on issue

As set out in AVJennings' 2024 Annual Report, AVJennings offers each key management personnel Performance Rights and Retention Rights, which are designed to align executives' interests with shareholders and to consider themselves like shareholders.

As at the Last Practicable Trading Date, AVJennings has 7,053,575 Performance Rights and 124,928 Retention Rights on issue:

	Outstanding unvested rights	Number of participants
Performance Rights		
FY23 LTI Plan Grant	1,882,519	8
FY24 LTVR Plan Grant	2,024,188	5
FY25 LTVR Plan Grant	3,146,868	5
Total	**7,053,575**	**-**
Retention Rights		
FY23 Grant	124,928	6
Total	**124,928**	**-**

AVJennings has also issued short term variable remuneration (**STVR**) grants for FY2024 with 75% issued in cash which has already been settled and 25% as a deferred cash payment.

Each AVJennings Performance Right and Retention Right confers on its holder the entitlement to acquire AVJennings Shares (or an equivalent cash amount) upon satisfaction of the vesting conditions, as determined by the AVJennings Board at the end of the relevant performance period. No amount is payable by the holder of the AVJennings Performance Right or the AVJennings Retention Right upon vesting.

As set out in section 9.1 of this Scheme Booklet, none of the Non-Executive AVJennings Directors hold any Performance Rights or Retention Rights. AVJennings does not have any options over any AVJennings Shares on issue as at the date of this Scheme Booklet.

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(b) Treatment of AVJennings Equity Incentives under the Scheme

Under the Scheme Implementation Deed, AVJennings must put in place arrangements so that, subject to the Scheme becoming Effective, AVJennings ensures that, before the Scheme Record Date, no AVJennings Equity Incentives are on issue.

The AVJennings Board has determined in connection with the Transaction to undertake the following steps:

- in aggregate:
  - 93.9% of the outstanding Performance Rights and Retention Rights outlined above to be vested in full on the Effective Date and exercised ahead of the Scheme Record Date;
  - 6.1% of the outstanding Performance Rights and Retention Rights outlined above will be cancelled on the Effective Date;
  - a summary of the proposed vesting is set out below, on an aggregated basis across all participants, although the vesting may vary for individual participants:

	Outstanding AVJennings Equity Incentives	Number of AVJenning Equity Incentives vesting	Number of AVJennings Equity Incentives lapsing
Performance Rights			
FY23 LTI Plan Grant	1,882,519	1,822,024	60,495
FY24 LTVR Plan Grant	2,024,188	1,792,835	231,353
FY25 LTVR Plan Grant	3,146,868	3,003,073	143,795
Total	**7,053,575**	**6,617,932**	**435,643**
Retention Rights			
FY23 Grant	124,928	124,928	-
Total	**124,928**	**124,928**	**-**

- of those Performance Rights and Retention Rights that will be accelerated and vested in accordance with the above, such Performance Rights and Retention Rights will be exercised through the issuance of new fully paid ordinary shares in AVJennings (on a 1:1 basis) to participants.
- in connection with the acceleration and vesting through the issuance of new AVJennings Shares, an Extraordinary General Meeting will be held as soon as practicble following the Scheme Meeting to vote on the Share Issue Resolution to approve the issuance of shares to Philip Kearns AM, in his position as a Director and key management personnel. Further information is included in section 4 of this Scheme Booklet.
- all remaining entitlements under the FY2024 short term incentives will vest in full and be cashed out on or after the Scheme Effective Date and before the Scheme Record Date;
- all FY25 short term incentives will be assessed for the full financial year FY2025 and will be vested and cashed out, up to 100% of the entitlements. The timing of these payments is being finalised but it is likely to occur:
  - first 50% of each participant's entitlement is to vest upon approval of the Scheme by the Requisite Majorities at the Scheme Meeting and be paid, immediately thereafter; and
  - second 50% of each participant's entitlement is to vest on the Effective Date and be paid, after the Effective Date and before the Implementation Date;
- if the Scheme does not become Effective, the Scheme Implementation Deed between the parties is terminated or, in the case of vesting of the first tranche of the short term incentives, shareholder approval for the Transaction as a whole is not obtained, the short term and long term incentives will continue in accordance with their terms;
- if shareholder approval is not received for the issuance of new AVJennings Shares in satisfaction of the awards, AVJennings has the option to buy shares on-market or to cash-out participants; and

9 Additional information continued

9.12 ASIC relief and ASX waivers and confirmations

AVJennings has applied for the following waivers or confirmations in relation to the following ASX Listing Rules as they apply to AVJennings:

- a waiver from ASX Listing Rule 6.23.4 in connection with the acceleration and vesting of the Performance Rights and the Retention Rights. Further detail about the acceleration and vesting is set out in section 9.11 of this Scheme Booklet; and
- confirmation that the timetable for Implementation of the Scheme and payment of any Special Dividend (if declared) is acceptable to the ASX.

Pursuant to rule 5.1.01(1)(b) and clause 8302(h) of Schedule 8 of the *Corporations Regulations 2001* (Cth), the explanatory statement required for a Scheme must set out whether, within the knowledge of the AVJennings Directors, the financial position of AVJennings has materially changed since the date of the last balance sheet laid before the company in general meeting or sent to shareholders in accordance with sections 314 or 317 of the Corporations Act, as well as the full particulars of the changes.

ASIC has granted AVJennings relief from this requirement so that this Scheme Booklet only need set out, within the knowledge of the AVJennings Directors, that the financial position of AVJennings has not materially changed since 31 December 2024 (being the last date of the period to which the financial statements for the half year ended 31 December 2024 relate). AVJennings will provide a copy of the financial statements for the half year ended 31 December 2024 free of charge to any AVJennings Shareholder who requests a copy.

9.13 Consents and disclosures

The following parties have given, and have not withdrawn before the date of this Scheme Booklet their consent to be named in this Scheme Booklet in the form and context in which they are named:

- Barrenjoey Capital Partners as financial adviser to AVJennings;
- Allens as legal adviser to AVJennings in relation to the Scheme;
- PwC as taxation adviser to AVJennings in relation to the Scheme and to the inclusion of the information in section 8 of this Scheme Booklet;
- MUFG Corporate Markets as AVJennings' Share Registry;
- The Central Depository (Pte) Ltd as AVJennings' Singapore Registry; and
- EY as AVJennings' auditor.

The Independent Expert, Kroll, has given and has not withdrawn its consent to be named in this Scheme Booklet and to the inclusion of the Independent Expert's Report in Annexure A to this Scheme Booklet and to the references to the Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such reference is included.

The Bidder has given, and has not withdrawn, its consent to be named in this Scheme Booklet and to the inclusion of the Bidder Information in this Scheme Booklet in the form and context in which that information is included.

Each person named in this section 9:

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this section 9; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this section 9.13.

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9.14 No unacceptable circumstances

The AVJennings Directors believe that the Scheme does not involve any circumstances in relation to the affairs of AVJennings that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

9.15 Transaction costs

AVJennings estimates that, if the Scheme is Implemented, it will incur approximately $5.0 million (excluding GST and disbursements) in external transaction costs related to the Scheme, which includes advisory fees, legal fees, valuation fees, Court fees, and registry, printing and mailing costs. Of this, approximately $1.5 million has been incurred already, and will be payable regardless of whether or not the Scheme becomes Effective, excluding any Break Fee that may be payable to the Bidder.

9.16 No other information material to the making of a decision in relation to the Scheme

To the knowledge of AVJennings Directors, there is no information which has not previously been disclosed to AVJennings Shareholders otherwise than as contained or referred to in this Scheme Booklet, including the Independent Expert's Report, and the information that is contained in the annexures to this Scheme Booklet, which is material to an AVJennings Shareholder making a decision whether to vote in favour of the Scheme.

9.17 Supplementary information

AVJennings will issue supplementary information to this Scheme Booklet if it becomes aware of any of the following between the date of this Scheme Booklet and the Effective Date:

- a material statement in this Scheme Booklet is or becomes false or misleading in a material respect;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter has arisen which would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to consultation with the Bidder and obtaining any relevant approvals, AVJennings may circulate and publish any supplementary document by:

- making an announcement to the ASX and the SGX;
- posting the supplementary document to AVJennings Shareholders at their registered address as shown on the AVJennings Share Register, or by email for AVJennings Shareholders who have elected to receive communications electronically; or
- posting a statement on the AVJennings Website.

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10

Glossary & interpretation



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10 Glossary and interpretation

10.1 Glossary

The meanings of the terms used in this Scheme Booklet are set out below:

Term	Meaning
AEST	Australian Eastern Standard Time.
Affiliate	any person that directly or indirectly controls, is controlled by or is under common control with that person. For the purposes of this definition, control (including the terms "controlling", "controlled by" and "under common control with") means, with respect to any person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise.
ASIC	Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.
ASX Listing Rules	the official listing rules of ASX.
ATO	Australian Taxation Office.
AVID	means Bidder Cayman HoldCo and each of its AVID Sibling Entities and all of their respective Subsidiaries (including, for the avoidance of doubt, the Bidder).
AVID Sibling Entities	Project Malone Trust and Project Malone BV.
AVJennings or AVJ	AVJennings Limited (ACN 004 327 771).
AVJennings Deferred Employee Share Plan & Equity Incentive Plan	where you have acquired AVJennings Shares as a result of the conversion and vesting of AVJennings equity incentives, the plan terms that govern the holding of such AVJennings shares on trust but the trustee on the AVJennings Share Register.
AVJennings Board or Board of Directors	the board of directors at AVJennings.
AVJennings Director or Your Director	a member of the AVJennings Board.
AVJennings Equity Incentives	(a) Performance Rights; (b) Retention Rights; and (c) any other rights under an AVJennings incentive scheme, including rights to receive cash payments (whether granted before, on or after 31 March 2025).
AVJennings Group	AVJennings and each of its Subsidiaries, and a reference to an 'AVJennings Group member' or a 'member of the AVJennings Group or any of its Subsidiaries' is to AVJennings and its Subsidiaries from time to time.

10 Glossary and interpretation continued

10.1 Glossary continued

Term	Meaning
AVJennings Information	the information contained in this Scheme Booklet, other than the Bidder Information, the information contained in section 8 (Taxation Implications) and the information set out in Annexure A (Independent Expert's Report).
AVJennings Prescribed Occurrence	has the meaning given to the term "Target Prescribed Occurrence" in clause 1.1 of the Scheme Implementation Deed.
AVJennings Share Register	the register of members of AVJennings maintained in accordance with the Corporations Act.
AVJennings Share Registry	MUFG Corporate Markets.
AVJennings Share	a fully paid ordinary share in the capital of AVJennings.
AVJennings Shareholder	each person who is registered as the holder of an AVJennings Share in the AVJennings Share Register.
AVJennings Shareholder Information Line	1800 425 578 (within Australia) or +61 1800 425 578 (outside Australia).
AVJennings Website	https://www.avjennings.com.au/.
Bidder	PM Nominees C Pty Ltd (ACN 661 879 161).
Bidder Board	the board of directors of the Bidder.
Bidder Cayman HoldCo	Malone Holdings, an entity incorporated in the Cayman Islands.
Bidder Director	a member of the Bidder Board.
Bidder FinCo	PM Nominees A Pty Ltd (ACN 661 871 094).
Bidder Group	the Bidder and each of its Related Bodies Corporate, and a reference to a 'Bidder Group Member' or a 'member of the Bidder Group' is to the Bidder or any of its Related Bodies Corporate.
Bidder HoldCo	PM Nominees B Pty Ltd (ACN 661 873 105).
Bidder Information	the information contained in: • the definitions of AVID, AVID Sibling Entities, the Bidder, the Bidder Board, Bidder Cayman HoldCo, Bidder Director, Bidder FinCo, Bidder Group, Bidder HoldCo, CCY, DCS, Proprium and the Proprium Group; • section 2 (Frequently asked questions) under the heading "The Bidder, AVID and the Proprium Group"; • section 6 (Information about the Bidder); • the first paragraph in section 9.10 (Status of FIRB Approval and OIO Approval); and • the summary of payment mechanics for the Scheme Consideration to holders of Scheme Shares through SGX GlobalQuote.

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Term	Meaning
Break Fee	$3,703,600, payable in the circumstances summarised in section 9.9(c) of this Scheme Booklet and set out in full in clause 12 of the Scheme Implementation Deed.
Business Day	a Business Day within the meaning given in the ASX Listing Rules; and a day that banks are open for business in Sydney, Australia, and the Republic of Singapore.
CCY	Currency Conversion Service.
CDP	Central Depository (Pte) Limited.
CHESS	Clearing House Electronic Subregister System.
CDP Cash Distribution	has the meaning ascribed to it in the CDP Terms and Conditions.
CDP Terms and Conditions	means the terms and conditions for the operation of a securities account with CDP, as updated from time to time and as published on CDP's website at: https://www.sgx.com/securities/retail-investor/apply-cdp-securities-account.
Competing Proposal	means any proposal, offer, expression of interest, agreement, arrangement or transaction which, if entered into or completed substantially in accordance with its terms, would result in a Third Party (either alone or together with any Associate) directly or indirectly: (a) acquiring or having a right to acquire: (i) a Relevant Interest in; (ii) a legal, beneficial or economic interest (including by way of an equity swap, contract for difference or other derivative, or similar transaction or arrangement) in; or (iii) control of, 20% or more of the securities in any member of the AVJennings Group; (b) directly or indirectly acquiring or having a right to acquire control of AVJennings within the meaning of section 50AA of the Corporations Act; (c) directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of: (i) all or a material part of the business conducted by the AVJennings Group taken as a whole; or (ii) any material assets of the AVJennings Group taken as a whole; (d) otherwise directly or indirectly acquiring or merging with AVJennings; or (e) requiring AVJennings to abandon or otherwise fail to proceed with, the Scheme, whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, other securities or assets, assignments of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement recapitalisation, refinancing or other transaction or arrangement. For the avoidance of doubt, each successive material modification or variation of a Competing Proposal will constitute a new Competing Proposal.
Conditions Precedent	each of the conditions set out in clause 3.1 of the Scheme Implementation Deed and summarised in sections 3.9 and 9.9(a) of this Scheme Booklet.

10 Glossary and interpretation continued

10.1 Glossary continued

Term	Meaning
Corporations Act	the *Corporations Act 2001* (Cth).
Court	the Supreme Court of New South Wales or such other court of competent jurisdiction as AVJennings and the Bidder agree in writing.
DCS	Direct Crediting Service.
Deed Poll	the deed poll executed on 6 May 2025 by the Bidder in favour of the Scheme Shareholders, in the form set out in Annexure C to this Scheme Booklet.
Depositor Cash Ledger	has the meaning ascribed to it in the CDP Terms and Conditions.
Depository Register	has the same meaning as ascribed to it in Section 81SF of the Securities and Futures Act 2001 of Singapore.
Disclosure Letter	the letter identified as such provided by AVJennings to the Bidder and countersigned by or on behalf of the Bidder prior to entry into the Scheme Implementation Deed and any document identified in that letter as having been disclosed to the Bidder subject to such document having been Fairly Disclosed in the Due Diligence Material.
Due Diligence Material	means the Data Room Materials (as defined in the Scheme Implementation Deed) and any information disclosed by or on behalf of the AVJennings Group (including in response to requests for information) to any member of the Bidder Group or any officer, employee or Adviser of any of them, including information disclosed to the Bidder and its Advisers during management presentations set out in the Disclosure Letter.
Effective	means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act approving the Scheme.
Effective Date	the date on which the Scheme becomes Effective.
Encumbrance	a mortgage, charge, lien, encumbrance, pledge, security interest (including 'security interest' within the meaning of section 12 of the *Personal Property Securities Act* 2009 (Cth) or similar).
End Date	30 September 2025, being the date six months after the date of the Scheme Implementation Deed, or such other date as agreed in good faith by AVJennings and the Bidder.
Exclusivity Period	from 31 March 2025 until the earlier of the End Date, the Effective Date and the date the Scheme Implementation Deed is terminated.
Extraordinary General Meeting `	the extraordinary general meeting of AVJennings to be held to vote on the Share Issue Resolution.
FATA	*Foreign Acquisitions and Takeovers Act 1975* (Cth).

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Term	Meaning
Fairly Disclosed	in relation to a matter, that sufficient information about the matter is disclosed in to enable a reasonable and sophisticated recipient of the relevant information who is experienced in transactions similar to the Scheme to identify the nature and potential impact of the relevant fact, matter, circumstance or event.
FIRB	the Australian Foreign Investment Review Board.
FIRB Approval	has the meaning set out in section 9.9(a) of this Scheme Booklet.
First Court Hearing	means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act that the Scheme Meeting be convened is heard or, if the application is adjourned for any reason, the day on which the adjourned application is heard.
FY2023	the financial year ended 30 June 2023.
FY2023 LTI Plan Grant	grants made under the LTI Plan.
FY2024	the financial year ended 30 June 2024.
FY2024 LTVR Plan Grant	grants made for FY2024 under the LTVR Plan.
FY2025	the financial year ended 30 June 2025.
FY2025 LTVR Plan Grant	grants made for FY2025 under the LTVR Plan.
General Proxy Form	the proxy form for the Extraordinary General Meeting which accompanies this Scheme Booklet.
General Voting Instruction Form	the voting instruction form for members of the AVJennings Deferred Employee Share Plan & Equity Incentive Plan for the Extraordinary General Meeting.
GST	has the same meaning as "GST" in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
HIN	Holder Identification Number.
Implementation	means the implementation of the Scheme in accordance with its terms.
Implementation Date	the date which is three Business Days after the Scheme Record Date, or such other date agreed to in writing between AVJennings and the Bidder.
Independent Expert or Kroll	Kroll Australia Pty Ltd (ABN 73 116 738 535).
Independent Expert's Report	the report prepared by the Independent Expert dated 8 May 2025, which is set out in Annexure A to this Scheme Booklet.
ITAA 1997	*Income Tax Assessment Act 1997* (Cth).
Last Practicable Trading Date	5 May 2025, being the last practicable trading date before the date of this Scheme Booklet.

10 Glossary and interpretation continued

10.1 Glossary continued

Term	Meaning
LTI Plan	the AVJennings Executive Long Term Incentive Plan in place for the financial year ended 30 June 2023.
LTVR Plan	the AVJennings Executive Long Term Variable Remuneration Plan, which was adopted following the financial year ended 30 June 2023, and is used in conjunction with the STVR Plan.
Material Adverse Change	an event, occurrence, change, condition, circumstance, thing or matter occurring after 31 March 2025 or occurring anytime after 31 December 2024 but that only becomes known to the Bidder after 31 March 2025 (**Specified Event**), and which (individually or when aggregated with other Specified Events) has or is reasonably likely to have the effect of: (a) diminishing the consolidated net assets of the AVJennings Group by $23,000,000 or more, as compared to what the consolidated net assets of the AVJennings Group could reasonably be expected to have been but for the relevant Specified Event(s); or (b) as at 5:00pm on the date that is two Business Days before the Second Court Date: (i) all Financial Indebtedness of AVJennings net of any Cash (each, as defined in the Scheme Implementation Deed) exceeds $275,000,000; or (ii) the Target Surety Bond Amount (as defined in the Scheme Implementation Deed) exceeding $28,500,000; in each case other than a Specified Event: (c) required or expressly permitted by the Scheme Implementation Deed or the Scheme (including the payment of any Special Dividend); (d) which the Bidder has previously approved or requested in writing; (e) to the extent that it was Fairly Disclosed in the Due Diligence Material or the Disclosure Letter; (f) to the extent it was Fairly Disclosed to ASX in the 18 months prior 31 March 2025 or Fairly Disclosed in a document lodged with ASIC in the 18 months prior to 31 March 2025, or which would be disclosed in a search of the PPS Register or the public records maintained by any Relevant Court in Australia (as defined in the Scheme Implementation Deed) in relation to AVJennings or a Subsidiary of AVJennings (as relevant), in each case prior to 31 March 2025; (g) to the extent it was known to the Bidder prior to 31 March 2025, including as Fairly Disclosed in any investment committee papers or due diligence reports prepared by, for or on behalf of the Bidder in relation to the Transaction; (h) relating to costs and expenses incurred by AVJennings associated with the Transaction process, including all fees payable to external advisers of AVJennings, to the extent such amounts are Fairly Disclosed in the Due Diligence Material or the Disclosure Letter; (i) which arise from: (i) changes that affect the industry in which AVJennings operates generally; (ii) changes in commodity prices, international or domestic financial markets, exchange rates or interest rates; (iii) general economic, retail, political or business conditions, including changes or disruptions to, or fluctuations in, domestic or international financial markets, commodity prices or exchange rates, in each case, other than where such matters have a materially disproportionate effect on the AVJennings Group as compared to other businesses operating in the same market segment as the AVJennings Group;

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Term	Meaning
	(iv) acts of terrorism, outbreak or escalation of war (whether or not declared), major hostilities, civil unrest, epidemic, pandemic, natural disaster or adverse weather conditions (including Cyclone Alfred), cyber security incidents or the like; (v) general outbreaks or escalation of illness (including COVID-19 or any mutation, variation or derivative) or the like, or from any law, order, rule or direction of any Government Agency in relation thereto; (vi) any actual or proposed change in any law, regulation, generally accepted accounting standards or principles or the interpretation of any such standards or principles or other change in accounting standards; or (vii) the announcement of, or entry into, or performance of obligations under, the Scheme Implementation Deed and consummation of the transactions contemplated hereby (including, to the extent it arises out of the entry into or performance of those obligations, the identify of any member of the Bidder Group, any loss of or adverse change in the relationship of AVJennings and any member of the AVJennings Group with their respective employees, customers, partners (including joint venture partners), creditors, suppliers, contractors or other contractual counterparties as at 31 March 2025, including the loss of any contract).
MUFG Corporate Markets	MUFG Corporate Markets (AU) Limited (ACN 083 214 537), a division of MUFG Pension & Market Services.
Non-public Information	any non-public information about the business, operations or affairs of AVJennings.
Notice of Extraordinary General Meeting	the notice of meeting relating to the Extraordinary General Meeting, which is set out in Annexure E to this Scheme Booklet.
Notice of Scheme Meeting	the notice of meeting relating to the Scheme Meeting, which is set out in Annexure D to this Scheme Booklet.
OIO	the New Zealand Overseas Investment Office.
OIO Approval	has the meaning set out in section 9.9(a) of this Scheme Booklet.
Performance Rights	the performance rights issued under the LTI Plan, STVR Plan and LTVR Plan as set out in section 9.11 of this Scheme Booklet.
Proprium	Proprium Capital Partners (Australia) Pty Ltd (ACN 165 168 016).
Proprium Group	means Proprium Capital Partners, L.P and its Affiliates (including, for the avoidance of doubt, Proprium).
Pro9	Pro9 Australia Pty Ltd (ACN 654 273 480).
Pro9 Joint Venture	the joint venture carried on by AVJennings and Pro9 Global Limited through their investment in Pro9.
PwC	PricewaterhouseCoopers (ABN 52 780 433 757).

10 Glossary and interpretation continued

10.1 Glossary continued

Term	Meaning
Recommendation	recommendation from an AVJennings Director or AVJennings Directors (as the context requires) that AVJennings Shareholders vote in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of AVJennings Shareholders.
Related Bodies Corporate	has the meaning set out in section 50 of the Corporations Act.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Representatives	means, in relation to the Bidder or AVJennings: (a) each entity in the Bidder Group or other member of the AVJennings Group (as applicable); (b) an officer or employee of a member of the Bidder Group or AVJennings Group (as applicable); or (c) an adviser to a member of the Bidder Group or AVJennings Group (as applicable).
Requisite Majorities	means: (a) a majority in number (i.e. more than 50%) of AVJennings Shareholders present and voting at the Scheme Meeting (whether in person, in person through the online platform or by proxy, corporate representative or attorney) (unless the Court orders otherwise); and (b) at least 75% of the total number of votes cast on the Scheme Resolution by AVJennings Shareholders present and voting at the Scheme Meeting (whether in person, in person through the online platform or by proxy, corporate representative or attorney).
Reverse Break Fee	$3,703,600, payable in the circumstances summarised in section 9.9(d) of this Scheme Booklet and set out in full in clause 13 of the Scheme Implementation Deed.
Retention Rights	any retention right issued under employee incentive arrangements of the AVJennings Group.
SC Global	SC Global Developments Pte Ltd.
Scheme or Scheme of Arrangement	the scheme of arrangement under Part 5.1 of the Corporations Act between AVJennings and the Scheme Shareholders, the form of which is set out in Annexure B to this Scheme Booklet, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by the Bidder and AVJennings.
Scheme Booklet	this document, including any annexures.
Scheme Consideration	the consideration to be provided by the Bidder to each Scheme Shareholder for the transfer to the Bidder of each Scheme Share.

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Term	Meaning
Scheme Implementation Deed	the Scheme Implementation Deed between AVJennings and the Bidder dated 31 March 2025. A summary is set out in section 9.9, and a full copy of which is attached to AVJennings' announcement to the ASX and to the SGX on 1 April 2025, which can be obtained from the ASX website (www.asx.com.au), the SGX website (www.sgx.com) or from the AVJennings Website.
Scheme Meeting	the meeting of AVJennings Shareholders to be ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Scheme and includes any adjournment of that meeting.
Scheme Proxy Form	the proxy form for the Scheme Meeting which accompanies this Scheme Booklet.
Scheme Record Date	7:00pm on the 12th Business Day after the Effective Date or such other time and date agreed to in writing between the parties.
Scheme Resolution	a resolution of AVJennings Shareholders to approve the Scheme, the form of which is contained in the Notice of Scheme Meeting set out in Annexure D to the Scheme Booklet.
Scheme Share	all AVJennings Shares on issue as at the Scheme Record Date.
Scheme Shareholder	a holder of AVJennings Shares registered in the AVJennings Share Register as at the Scheme Record Date, and where such person is CDP, depositors who have Scheme Shares entered against their names in the Depository Register.
Scheme Voting Instruction Form	the voting instruction form for members of the AVJennings Deferred Employee Share Plan & Equity Incentive Plan for the Scheme Meeting.
Second Court Date	means the first day the Second Court Hearing is heard or, if the application is adjourned for any reason, the day on which the adjourned application is heard.
Second Court Hearing	the hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
SGX	Singapore Exchange Limited and, where the context requires, the financial market that it operates.
SGX GlobalQuote	a quotation board for international securities, operated by SGX.
Share Issue Resolution	a resolution to approve the issue of new AVJennings Shares to Mr Philip Kearns AM (Chief Executive Officer & Managing Director of AVJennings) in connection with the Scheme as set out in section 4 of this Scheme Booklet.
Special Dividend	a fully franked dividend of up to $0.167 per AVJennings Share, which, if declared by the AVJennings Directors (in their absolute discretion), will be paid to AVJennings Shareholders on the Special Dividend Payment Date.
Special Dividend Payment Date	the date for payment of any Special Dividend (if declared).

10 Glossary and interpretation continued

10.1 Glossary continued

Term	Meaning
Special Dividend Record Date	the date for eligibility to participate in any Special Dividend (if declared).
SRN	Shareholder Reference Number.
STVR Plan	the AVJennings Executive Short Term Variable Remuneration Plan, which was adopted following the financial year ended 30 June 2023, and is used in conjunction with the LTVR Plan.
Subsidiary	has the meaning given in the Corporations Act.
Superior Proposal	means a bona fide, written Competing Proposal in relation to the acquisition of 20% or more of the issued securities of AVJennings which is received by AVJennings and which the AVJennings Board, acting in good faith and in order to satisfy what the AVJennings Board considers to be its fiduciary or statutory duties (after receiving written advice from its external legal and financial advisers) determines: (a) is reasonably capable of being valued and completed; and (b) would, if completed in accordance with its terms, be more favourable to the shareholders of AVJennings than the latest proposal provided by the Bidder (or any of its Related Bodies Corporate) to AVJennings, taking into account all aspects of the Competing Proposal and the latest proposal provided by the Bidder (or any of its Related Bodies Corporate) to AVJennings, including conditions, the identity, reputation and financial condition of the person making the proposal and all relevant legal, regulatory and financial matters.
Takeovers Panel	the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).
Tax Condition	the 'example' tax conditions in the form published by or on behalf of FIRB as set out in section D of version 4 of FIRB's Guidance Note 12 on 'Tax Conditions' in the form last updated on 14 March 2025 (as amended from time to time).
Third Party	means any person other than the Bidder and its Related Bodies Corporate and its Affiliates.
Transaction	the acquisition of the Scheme Shares by the Bidder through Implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed.
Treasurer	means the Treasurer of the Commonwealth of Australia (or his delegate).
USD	the lawful currency of the United States of America.
Voting Record Date	7:00pm (AEST) on 9 July 2025.

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Term	Meaning
Voting Statement	statement that the relevant AVJennings Director will vote (or procure the voting of) all AVJennings Shares held or controlled by him or her in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of AVJennings Shareholders.
VWAP	volume weighted average price.

10.2 Interpretation

In this Scheme Booklet:

(a) words of any gender include all genders;

(b) words importing the singular include the plural and vice versa;

(c) an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

(d) a reference to a section or annexure, is a reference to a section of or annexure of, to this Scheme Booklet as relevant;

(e) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;

(f) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet

(g) a reference to time is a reference to Australian Eastern Standard time unless otherwise specified;

(h) a reference to dollars and $ is to Australian currency and a reference to S$ and SGD is to Singaporean currency;

(i) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not consistent with those standards, in accounting principles and practices generally accepted in Australia; and

(j) the words “include”, “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

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Annexure A

Independent Expert's Report



AVJennings®

A Independent Expert's Report

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Kroll Australia Pty Ltd
Level 32, 85 Castlereagh St
Sydney NSW 2000
www.kroll.com

Ph: (02) 8286 7200

ABN: 73 116 738 535

The Directors
AVJennings Limited
Level 4
108 Power Street
Hawthorn VIC 3122

6 May 2025

Dear Directors

Part One – Independent Expert's Report

1 Introduction

On 1 April 2025, AVJennings Limited (**AVJennings**) announced that it had entered into a Scheme Implementation Deed with PM Nominees C Pty Ltd (**Bidder**), an investment vehicle controlled by Proprium Capital Partners (Australia) Pty Ltd and AVID Property Group (together, **AVID**) under which the Bidder would acquire all of the outstanding shares in AVJennings (**AVJennings Shares**) by way of a scheme of arrangement (**Scheme**) (**Transaction**).

Under the Scheme, shareholders of AVJennings (**AVJennings Shareholders**) who hold AVJennings Shares at 7:00pm (AEST) on 4 August 2025 (**Scheme Record Date**) (**Scheme Shareholders**) will receive cash consideration of $0.655 for each AVJennings Share held, less any dividend that is declared or paid before the implementation date of the Scheme (**Scheme Consideration**). The AVJennings Board may declare and pay a fully franked special dividend of up to $0.167 per AVJennings Share as at the Special Dividend Record Date at 5:00pm (AEST) on 22 July 2025 (**Special Dividend Record Date**) (**Special Dividend**). The Special Dividend is expected to result in franking credits of up to approximately $0.072 per AVJennings Share.

AVJennings is a residential property development company that acquires, develops and markets residential land, houses and apartments in greenfield growth corridors and urban infill sites on the Eastern seaboard of Australia, South Australia and New Zealand. As at 31 December 2024, AVJennings' pipeline comprised 9,586 lots under control, including 951 lots under development. As at 31 December 2024, SC Global Developments Pte Ltd (**SC Global**), a company owned by Mr Simon Cheong, through its wholly owned subsidiaries, holds and controls approximately 54.02% of AVJennings Shares. Mr Cheong is the Chairman and a Non-Executive Director of AVJennings. As at 27 November 2024, the last trading day before the announcement of the AVID non-binding indicative offer (**AVID Proposal**), AVJennings had a market capitalisation of $184.2 million.[1]

AVID is one of the largest privately held residential developers in Australia with 35 residential development projects across the eastern seaboard, two industrial projects and 13 land lease resort communities, of which seven are fully operational, and six are in development & planning phase. AVID's portfolio of projects includes a selection of residential master planned communities, industrial land, land lease resort

[1] Calculated as the closing share price on 27 November 2024 of $0.33 multiplied by 558,270,857 AVJennings ordinary shares on issue.

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communities, completed homes and apartments across Queensland, New South Wales (**NSW**) and Victoria. AVID's current portfolio includes more than 7,161 residential sites, 267 hectares of industrial land and 2,448 of identified housing build pipeline, with a gross revenue pipeline of approximately $4.2 billion.

AVID is owned by a number of international institutional investors and is managed and advised by Proprium Capital Partners, L.P. The Proprium Group, which includes Proprium Capital Partners, L.P. and other entities, is a specialist real estate investment manager with approximately US$3.5 billion in assets under management. The Proprium Group manages funds on behalf of institutional investors worldwide and is headquartered in the United States, with offices in the New York area, London, the Netherlands, Hong Kong, Sydney, and Atlanta.

The Scheme is subject to approval by AVJennings Shareholders at a meeting (**Scheme Meeting**) to be held at 3:00pm (AEST) on 11 July 2025. For the Scheme to proceed, the Scheme Resolution[2] must be approved by at least 75% of the total number of votes cast by AVJennings Shareholders at the Scheme Meeting (in person or by proxy) and by more than 50% of AVJennings Shareholders present and voting (in person or by proxy) at the Scheme Meeting.

The AVJennings Board unanimously recommends that AVJennings Shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of AVJennings Shareholders.

SC Global has confirmed to AVJennings that, based on the disclosed terms of the Scheme, it intends to vote all AVJennings Shares it holds and controls as at the date of the Scheme Meeting in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interest of AVJennings Shareholders.

The Scheme is subject to a number of conditions as set out in Section 5.3 of this report, including approvals obtained from the Foreign Investment Review Board (**FIRB**) and the New Zealand Overseas Investment Office (**OIO**).

In order to assist the AVJennings Shareholders in assessing the Scheme, the Directors of AVJennings (**AVJennings Directors**) have appointed Kroll Australia Pty Ltd (**Kroll**) to prepare an independent expert's report setting out whether, in our opinion, the Scheme is in the best interests of AVJennings Shareholders in the absence of a superior proposal.

This report will be included in the Scheme Booklet prepared by AVJennings to be sent to the AVJennings Shareholders in relation to the Scheme.

Further information regarding Kroll, as it pertains to the preparation of this report, is set out in Appendix 1.

Kroll's Financial Services Guide is contained in Part Two of this report.

2 Scope of report

The Transaction involves a scheme of arrangement which will be subject to AVJennings Shareholder approval in accordance with Section 411 of the Corporations Act 2001 (Cth) (**Corporations Act**). Section 412(1) of the Corporations Act requires, among other requirements, that an explanatory statement issued in relation to a proposed scheme of arrangement, includes information that is material to the making of a decision by a member as to whether or not to approve the scheme.

Part 3 Schedule 8 of the Corporations Regulations specifies that the information to be lodged with ASIC must include a report prepared by an expert:

- if the other party to a reconstruction in a scheme of arrangement holds at least 30% of the company; or
- where the parties to the reconstruction have common Directors.

Even where an independent expert's report is not strictly required by the law, it is not uncommon for directors of a company to commission one to ensure they are providing the information that is material to the making of a decision by a creditor or member.

In this regard, as set out in the Scheme Implementation Deed, a condition of the Scheme becoming effective is that an independent expert concludes (and continues to conclude) that the Scheme is in the best interest of AVJennings Shareholders.

[2] As defined in the Scheme Booklet.

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In undertaking our work, we have referred to guidance provided by ASIC in its Regulatory Guides in particular, Regulatory Guide 111 'Content of expert reports' (**RG 111**) which outlines the principles and matters which it expects a person preparing an independent expert report to consider.

Further details of the relevant technical requirements and the basis of assessment in forming our opinion are set out in Section 6 of this report.

3 Opinion

3.1 Background to the Transaction

In order to curb the impact of the COVID-19 pandemic which commenced in early 2020, the Reserve Bank of Australia lowered the official cash rate to record lows while the Federal Government increased expenditure. As a result, Australian residential property developers performed strongly in 2021, achieving cyclical highs in lot sales. However, from late 2021, a confluence of factors have created extremely challenging trading conditions for Australian residential property developers.

Demand has been impacted as increases in the official cash rate and high inflation have put pressure on affordability indices. Furthermore, lenders have also tightened portfolio controls, individual loan-to-value ratios and servicing thresholds.

On the supply side, development timeframes have expanded as a result of delays in obtaining planning approvals and COVID-19 pandemic-induced supply chain constraints impacting key material and labour inputs. This has meant that developers have needed to hold inventory for longer, reducing returns on equity. At the same time, holding costs have increased as a result of increases in the official cash rate. Increases in funding costs have been particularly challenging for AVJennings as a large share of its inventory balance is not expected to be completed until FY29 or beyond.

After making a number of land acquisitions in order to build scale and diversify, from early 2023, AVJennings paused land acquisitions, curtailed development activities, suspended its share buyback and paused dividends in order to conserve capital amid uncertain market conditions. Despite these measures, cash flow was impacted by substantial land payables remaining from prior periods and continued development expenditure, including as a result of the increases in interest rates. Operating cash flow losses were funded by an increase in borrowings. In its FY23 results released on 21 August 2023, AVJennings announced it was undertaking a proactive review of its capital structure with support from its lenders.

In October 2023, AVJennings raised $30.4 million of equity to fund the production of built-form housing, upgrades to its financial and operating systems and for general working capital, at an issue price of $0.20, a 50.0% discount to the last close and an 80.8% discount to net tangible assets (**NTA**), reducing its NTA per share by 22.1% from $1.04 to $0.81. Since this equity raising AV Jennings has traded at an average 62.7% discount to NTA.

On 20 May 2024, AVJennings announced the write-off of $17.2 million of capitalised development expenses as a result of the termination of the option at Rocksberg land in Caboolture, Queensland as AVJennings considered that funding the development costs would place further strain on its balance sheet.

As at 31 December 2024 AVJennings' gearing had increased to 24.5%[3] and the Board has not reinstated dividends as development costs have not been matched by increases to forecast revenue and it would place further strain on the balance sheet beyond what was originally contemplated.

Despite the official cash rate remaining steady from December 2023, industry conditions remained challenging throughout 2024, with affordability indices at historical lows and inflation continuing to remain above the RBA's target band.

In this environment it is likely that any further equity raising to increase AVJennings' balance sheet capacity would be at a significant discount to NTA, further diluting NTA per share.

It is in this context that we have evaluated the Scheme.

[3] Calculated as (Borrowings Less Cash) / Total Assets.

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3.2 Summary of opinion

In our opinion, the Scheme is in the best interests of AVJennings Shareholders, in the absence of a superior proposal.

In arriving at this opinion, we have assessed whether the Scheme is:

- **fair**, by comparing the Scheme Consideration to our assessed value of an AVJennings Share on a controlling interest basis. This approach is in accordance with the guidance set out in RG 111; and
- **reasonable**, by assessing the implications of the Scheme for AVJennings Shareholders, the alternatives to the Scheme that are available to AVJennings, and the consequences for AVJennings Shareholders of not approving the Scheme.

We have assessed the Scheme to be fair and reasonable. Consequently, consistent with RG 111, we have concluded that the Scheme is in the best interests of AVJennings Shareholders, in the absence of a superior proposal.

We have assessed the value of an AVJennings Share to be in the range $0.54 to $0.61. As the Scheme Consideration of $0.655 falls above our assessed value range for an AVJennings Share, the Scheme is fair.

In forming our view as to the value of AVJennings, we have considered a series of factors including the status of AVJennings' current development pipeline, the Company's recent financial performance including the number of lot settlements and the development margin earned from projects, the performance of Pro9 to date, as well as the uncertainty facing AVJennings in the near-term given broader macroeconomic uncertainty around inflation and interest rates. As required under RG 111, we have considered the synergies on the basis of those that would be available to a pool of potential acquirers. Our analysis of the fairness of the Scheme is detailed further in Section 3.3 of this report.

In accordance with RG 111, an offer is reasonable if it is fair. As we have assessed the Scheme to be fair, it is also reasonable. Regardless of this requirement, we have considered a range of other factors that are relevant to an assessment of the reasonableness of the Scheme, including:

- the Scheme Consideration represents a substantial premium to undisturbed trading prices of AVJennings Shares;
- the Scheme Consideration is in cash and provides certainty of the pre-tax amount that AVJennings Shareholders will receive;
- AVJennings Shareholders will not participate in any future increases in the value of AVJennings, however, they will no longer be exposed to the risks facing the business, which are not insignificant;
- there are risks associated with the Special Dividend;
- in the event that the Scheme is not approved or any other conditions precedent prevent the Scheme from being implemented, AVJennings will continue to operate in its current form and its share price is likely to fall to levels consistent with the undisturbed trading price of AVJennings Shares, subject to any future financial achievements in the subsequent period, industry developments and the impact of broader trends in equity markets; and
- no superior proposal has emerged since the announcement of the Transaction.

Other matters which AVJennings Shareholders should consider in assessing the Scheme include:

- AVJennings will incur transaction costs if the Scheme does not proceed;
- the outstanding conditions precedent which, if not satisfied, will result in the Scheme not being implemented; and
- the tax implications of the Scheme.

Our analysis of the reasonableness of the Scheme is detailed further in Section 3.4 of this report. The decision to approve the Scheme is a matter for individual AVJennings Shareholders based on their views as to value, expectations about future market conditions and their particular circumstances, including investment strategy and portfolio, risk profile and tax position. If in doubt, AVJennings Shareholders should consult their own professional adviser regarding the action they should take in relation to the Scheme.

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3.3 The Scheme is fair

3.3.1 Valuation of AVJennings

Kroll has assessed the value of AVJennings' equity to be in the range of $304.1 million to $347.7 million, which corresponds with a concluded value per AVJennings Share in the range of $0.54 to $0.61 on a fully diluted basis.[4] Our range of assessed values reflects 100% ownership of AVJennings and, therefore, incorporates a control premium.

Kroll has valued AVJennings' development projects under a Run-off Scenario. That is, it is assumed that AVJennings' existing development projects run-off and are not replaced with future projects. Kroll has considered a Development Platform Scenario whereby AVJennings' existing development projects run-off and are replaced with future projects into perpetuity. However, as a result of AVJennings' relatively low return on equity, relatively high funding costs and long development cycle, we do not consider that a hypothetical acquirer would attribute value to the Development Platform Scenario greater than that which is assessed under our Run-off Scenario, particularly given that there are a number of potential acquirers that already have their own development platform.

The value of AVJennings' equity on a standalone basis has been determined by estimating the fair value of AVJennings' development projects, Pro9 and capitalised corporate overheads (net of synergies), together with consideration of AVJennings' net tax liability and non-operating liabilities and adjusted net debt (including lease liabilities). Synergies available to a pool of potential acquirers have been included in order to determine the value of AVJennings' equity on a 100% control basis.

The valuation is summarised as follows.

AVJennings Valuation Summary ($ millions)

	Section Reference	Valuation Range	
		Low	High
Net present value of development projects	9.3	**651.3**	**702.0**
Capitalised overheads (net of synergies)	9.3	(134.4)	(141.6)
Pro9	9.4	12.8	12.8
Net tax liability as at 31 December 2024	9.5	(14.1)	(14.1)
Value of AVJennings' operating business		**515.5**	**559.1**
Non-operating assets/(liabilities) (net)	9.6	10.0	10.0
AVJennings enterprise value (control basis)		**525.6**	**569.1**
Adjusted net debt as at 31 March 2025[1]	9.7	221.4	221.4
Value of AVJennings' equity (control basis)		**304.1**	**347.7**
Diluted number of AVJennings Shares (millions)[2]	8.7	565.4	565.4
Value per AVJennings Share (control basis) ($)		**0.54**	**0.61**

Source: Kroll analysis.
Notes:
1. Includes lease liabilities.
2. Includes 558,270,857 ordinary shares on issue and assumes the vesting of the outstanding 7,178,503 AVJennings Performance Rights and Retention Rights.

In assessing the value of AVJennings' development projects, Kroll has adopted a DCF methodology as the primary methodology (refer to Section 9.3.1 of this report). The value derived from the DCF methodology has been cross-checked using a market approach, including price to NTA and EBITDA multiples (refer to Section 9.3.2 of this report).

Comparison of Kroll's valuation to NTA

Kroll's primary valuation methodology results in a value that is less than the book value of AVJennings' diluted NTA.

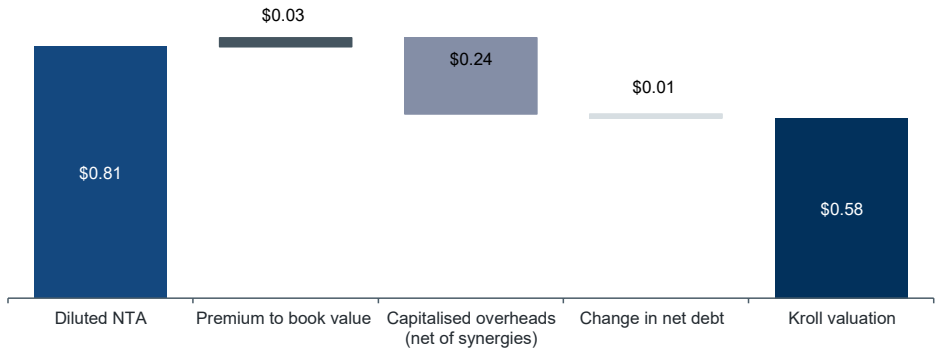
[4] Includes the 558,270,857 ordinary shares on issue and assumes the vesting of the outstanding 7,178,503 Performance and Retention Rights on issue.

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A reconciliation of AVJennings' diluted NTA per share as at 31 December 2024 to Kroll's mid-point valuation of AVJennings is illustrated as follows.

Reconciliation of AVJennings Diluted NTA per share to Kroll's Mid-point Valuation as at 31 December 2024



Source: Kroll analysis.
Note 1: Numbers may not add due to rounding.

In considering our assessed range of values of $0.54 to $0.61 per AVJennings Share we note the following:

- it represents a discount to diluted NTA[5] as at 31 December 2024 ($0.81) in the range of $0.19 to $0.27, or 23.6% to 33.2%, which is within the range of discounts to NTA observed for comparable property development companies (which range from a discount of 39.5% to a premium of 27.6%). Premiums/(discounts) to NTA are impacted by the point in the cycle at which the transaction occurs (refer to Appendix 3 of this report). In this regard, the most recent transaction identified, the acquisition of Devine Limited (**Devine**) in 2021, occurred at a discount to NTA of 39.5%, and four of the eight publicly listed residential property developers identified are currently trading at a discount to NTA (refer to Section 9.3.2 of this report);
- in the month prior to 27 November 2024, the last trading day prior to the announcement of the Scheme, AVJennings Shares traded at a VWAP of $0.33, which represents a 59.5% discount to NTA as at 30 June 2024 of $0.81;
- the discount to NTA implied by our assessed range of values can be accounted for by the following offsetting factors;
  - AVJennings' assets mainly comprise inventory that is carried at the lower of cost and net realisable value whereas Kroll's valuation of the development assets reflects our assessment of fair value. A significant portion of AVJennings' inventory is carried at cost. Net realisable value does not represent fair value as it is assessed on the future margin expected to be attributable to the projects on an undiscounted basis (i.e. not considering the timing of when AVJennings may be able to realise this future margin or reflect the risk of achievement) and excluding any tax. In this regard, many of AVJennings' current projects are yet to commence settlement (eight projects representing 43.6% of lots) and a further four projects representing 24.1% of lots as at 31 December 2024 are not expected to commence settlements until beyond FY29. Overall, Kroll's discounted cash flow analysis results in a value of the development projects that is (1.4)% to 6.3% greater than their book value as at 31 December 2024 of $660.3 million;[6]
  - AVJennings' inventory balance does not reflect the impact of the ongoing operating costs required to realise those assets. Kroll has assessed the value of AVJennings' remaining operating costs (net of synergies) in the range of $134.4 million to $141.6 million, or $0.24 to $0.25 per share; and
  - the change in net debt to 31 March 2025 which increased by $7.7 million resulting in a decrease in value by $0.01 per share.

[5] Calculated as NTA as at 31 December 2024 divided by the diluted number of shares.
[6] Calculated as the sum of NTA less net debt, Pro9, equity accounted investments and net tax liability as at 31 December 2024.

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Comparison of Kroll's valuation to recent share trading

The assessed range of values of $0.54 to $0.61 per AVJennings Share represents a premium to the one-month VWAP to 27 November 2024 ($0.33) in the range of 63.0% to 86.3%. The significant premium for AVJennings likely reflects:

- that Kroll's valuation is inclusive of a control premium whereas the prices at which AVJennings Shares are traded on the share market reflect trading in minority (and fairly illiquid) parcels. Premiums observed in control transactions are typically in the range of 25% to 40%;
- premiums paid in transactions involving Australian residential property developers are in a wide range ((4.8%) to 100%). There are a number of transactions where significant premiums were observed e.g. Devine/ CIMIC Residential Investments Pty Ltd (**CIMIC**) (2021), 100.0%, Payce Consolidated Limited (**Payce**) /Bellawest Pty Ltd (**Bellawest**) (2016), 80.0%, and Tian An Australia Ltd (**Tian An**)/Oasis Star Limited (**Oasis Star**) (2017), 47.7%, noting that trading in these target companies was also illiquid with limited free float (free float of 30.5% for Devine, 1.9% for Payce and 13.6% for Tian An and percentage of shares traded in the preceding 12 months of 8.5% for Devine, 7.2% of Payce and 20.6% for Tian An); and
- that the AVJennings share price during this period was adversely impacted by factors such as the presence of a major shareholder, illiquid share trading, board composition with the majority shareholder as Chairman and the significant tenure of certain Board members, absence of a dividend, the capital structure review, and a dilutive equity raising priced at a significant discount to AVJennings' trading price and NTA per share (refer to Section 8.8.1 of this report).

In forming our view as to the value of AVJennings Shares, we have considered a series of factors including:

- AVJennings' position as a residential property developer which develops residential land, houses, and apartments in greenfield growth corridors and infill sites on the Eastern seaboard of Australia, South Australia and New Zealand;
- the timing and status of AVJennings' current development pipeline which consisted of 9,586 lots over 24 projects as at 31 December 2024, with four projects (representing 24.1% of lots) not expected to commence settlements until FY29 and beyond;
- the performance of Pro9 to date including the ramp up of operations at its factory, future capital requirements, and forecast future sales and material and labour costs;
- AVJennings' recent operating and financial performance including the number of lot settlements, return on equity which has been well below its weighted average cost of debt, the Company's negative cash flows from operating activities in FY23 and FY24, and the lack of dividends declared since the interim FY23 dividend;
- the current outlook for the Australian residential property development industry including the current performance of property markets across Australia, the current macroeconomic environment, the impact of government regulations on the timing and cost of development of projects, the potential growth in the prefabricated housing industry, and current land and housing supply shortages in Australia;
- proposed policies by the Federal Labor Government related to the housing industry in Australia including those aimed at addressing the current affordability crisis, particularly for first homebuyers. We, however, note that current proposed policies are primarily geared towards driving first homebuyer demand and fail to address significant supply side challenges. Given uncertainty around policy outcomes and broader industry factors as outlined above, AVJennings' management does not consider there to be sufficient information at this point to believe the policy changes will materially impact earnings over the life of a project; and
- synergies available to a pool of potential acquirers.

It should be noted that a valuation of AVJennings in the current macroeconomic and geopolitical environment is complex and requires judgement as to the outlook for markets and the global economy.

Special Dividend

The total cash consideration of $0.655 will be reduced by any Special Dividend, being a fully-franked dividend of up to $0.167 for each AVJennings Share held as at the Special Dividend Record Date, which if declared and paid will result in franking credits of up to approximately $0.072 per AVJennings Share (provided a favourable class ruling is obtained from the ATO).

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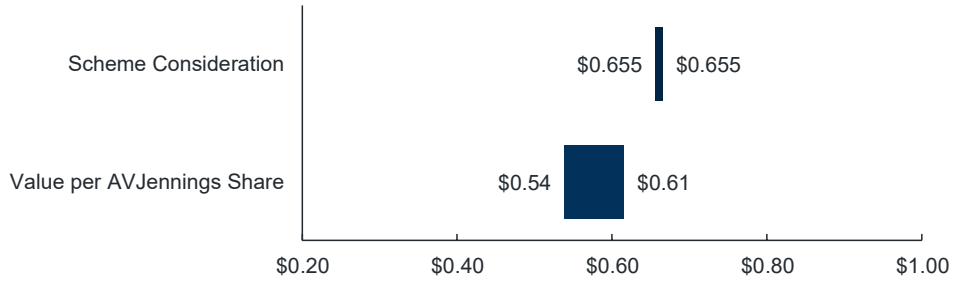
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In Kroll's opinion, it is not appropriate for the assessment of the Scheme to either factor in the value of AVJennings the value of accumulated franking credits or include in the value of the consideration the value of the credits attached to the Special Dividend since the value of those credits to each shareholder varies depending on their individual circumstances. Nevertheless, it needs to be recognised that, where part of a takeover offer comprises a franked dividend, some shareholders may realise additional value from the franking credits (i.e. they are better off in after tax terms than they would have been had the same amount been paid as part of the acquisition price and been received as a capital gain).

3.3.2 Assessment of fairness

A comparison of our assessed value per AVJennings Share, on a control basis, to the Scheme Consideration is illustrated as follows.

Fairness Assessment



Source: Kroll analysis.

According to RG111, the Scheme should be considered fair if the consideration offered to AVJennings Shareholders is equal to or greater than our assessed value of an AVJennings Share.

As the Scheme Consideration falls above the range of values for an AVJennings Share, **the Scheme is fair.**

3.4 The Scheme is reasonable

In accordance with RG 111, an offer is reasonable if it is fair. **As we have assessed the Scheme to be fair, it is also reasonable.** However, irrespective of the requirement to conclude the Scheme is reasonable, we have also considered a range of other factors that are relevant to an assessment of the reasonableness of the Scheme.

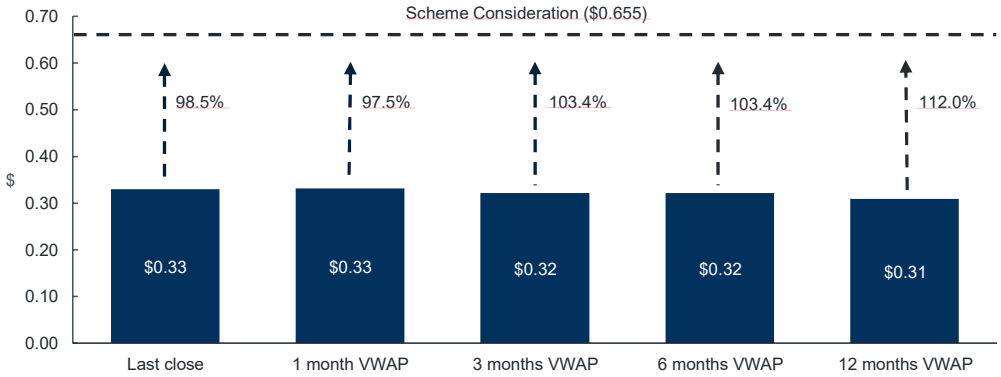
3.4.1 The Scheme Consideration represents a significant premium to the undisturbed trading prices of AVJennings Shares

The Scheme Consideration of $0.655 in cash per AVJennings Share represents a significant premium to AVJennings' closing share price and VWAP calculated over a range of periods up until 27 November 2024, the last trading day prior to the announcement of the Scheme.

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The following chart presents the premium of the Scheme Consideration relative to the AVJennings share price trading benchmarks.

Premium of Scheme Consideration over the AVJennings Share Price



Source: IRESS; Kroll analysis.
Note 1: The premiums illustrated above have been calculated based on AVJennings' closing share price and VWAP up until close on 27 November 2024, the last trading day prior to the announcement of the Scheme.

The Scheme Consideration represents significant premiums over recent AVJennings share prices and above the range of premiums typically observed. We note that:

- observations from transaction evidence indicate that control premiums are broadly in the range of 25% to 40% for completed transactions depending on the individual circumstances.[7] However, in transactions where it was estimated the combined entity would be able to achieve significant synergies, the premium was frequently estimated to be in excess of this range. As set out in the following table, three of the comparable transactions involving property development companies that Kroll has considered occurred at a control premium in excess of this range.

Control Premiums for Property Development Companies

Announcement Date	Target	Acquirer	Premium to Undisturbed Share Price
25 May 2021	Devine Limited	CIMIC Residential Investments Pty Ltd	100.0%
12 March 2019	Villa World Limited	Avid Property Group Australia Pty. Ltd.	16.7%
24 July 2017	Tian An Australia Limited	Oasis Star Limited	47.7%
1 July 2016	Payce Consolidated Limited	Bellawest Pty Limited	80.0%
10 April 2013	CIC Australia Limited	Peet Limited	(4.8%)

Source: S&P Capital IQ, Mergermarket; Kroll analysis.

[7] Source: 2024 Mergerstat Review. Range represents median premium from 2014 to 2023. Premiums are calculated based on the seller's closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.

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While FactSet does not include a specific property development industry classification, average premiums to enterprise value for the real estate industry for 2019 to 2023 were in the range of 16.9% to 31.1%, which is equivalent to a premium to equity in the range of 26.0% to 47.8%, assuming 35.0% gearing.

The control premium implied by the Scheme Consideration sits above the range of premiums over enterprise value that are typically observed (25% to 40%) and is above the range of premiums for the overall real estate industry observed by FactSet but is consistent with two transactions in the property development industry (Devine/CIMIC (2021), 100.0% and Payce/Bellawest (2016), 80.0%), noting that:

- similar to AVJennings, trading in these target companies was illiquid with limited free float of 30.5% for Devine and 1.9% for Payce and liquidity of 8.5% for Devine and 7.2% of Payce. Furthermore, at the time of the acquisition announcement, Devine was not covered by any equity brokers, and limited information about the company's ongoing projects was available to the market due to commercial sensitivity. This lack of coverage and information could have contributed to a lower trading price for Devine before the acquisition announcement; and
- it may have been the case given CIMIC's close existing relationship with Devine which was evidenced by numerous joint venture agreements, that CIMIC was able to extract certain other benefits that were unique to CIMIC;

- the Scheme is the outcome of a competitive bidding process between AVID and Ho Bee Land Limited (**Ho Bee Land**);
- it is likely that the AVJennings share price during this period was adversely impacted by factors such as the presence of a major shareholder, illiquid share trading, board composition with the majority shareholder as Chairman and the significant tenure of certain Board members, absence of a dividend, the capital structure review, and a dilutive equity raising priced at a significant discount to AVJennings' trading price and NTA per share (refer to Section 8.8.1 of this report); and
- AVJennings shares have not traded above $0.655 since March 2018.

3.4.2 Certainty of value

The Transaction offers AVJennings Shareholders an opportunity to exit their investment in AVJennings at a price that is certain and which, as noted above, incorporates a significant premium to AVJennings' undisturbed trading prices over the previous 12 months. Trading in AVJennings Shares is illiquid and consequently, it may not be possible for AVJennings Shareholders to exit their investment at a time of their choosing without putting downward pressure on the AVJennings share price. Furthermore, there is no certainty as to the price at which AVJennings Shareholders would realise their investment at that time, particularly given the current challenging trading conditions for property developers as discussed in Section 7 of this report.

We note also that in order to grow its business, AVJennings requires access to capital. As AVJennings Shares are trading at a substantial discount to NTA, any equity raising would likely result in a further reduction in NTA per share and share price.

Furthermore, any future on-market sale by AVJennings Shareholders would likely incur brokerage costs, which would be avoided if the Scheme is approved.

3.4.3 By exiting their investment in AVJennings, whilst AVJennings Shareholders will not participate in any future growth in the value of AVJennings, they will no longer be exposed to the risks associated with the business

By exiting their investment in AVJennings, shareholders will not participate in any future growth in the value of AVJennings. The Scheme Consideration, however, exceeds Kroll's valuation of AVJennings, which already includes potential benefits from AVJennings current development pipeline. On the other hand, shareholders will no longer be exposed to the risks associated with the business as discussed in Section 7.4 of the Scheme Booklet, including:

- **Residential property market risk:** including fluctuations in general economic conditions, globally and locally, that result in changes to prevailing market conditions such as a sustained downturn in property markets, changes in consumer sentiment, reduced demand for AVJennings' product, the availability of mortgage finance for customers, and reduction in the value of its land bank;

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- **Property valuation risk:** includes risks which can impact on the realisable value of AVJennings' development stock;
- **Project development risk:** including risks that planning consents are not obtained, project timelines are delayed, market conditions change throughout the development period, and costs escalate beyond initial budgets;
- **Ability to acquire new land sites for developments:** there is a risk that AVJennings is not able to secure a sufficient number of desired new land sites to maintain a pipeline of potential property development projects as planned;
- **Construction activity risk:** including the inability of sub-contractors to perform their work in accordance with their obligations, defective work and latent defects arising from incorrect design or poor workmanship, liquidated damages for late delivery, cost overruns and professional liability claims;
- **Regulatory risk:** AVJennings is dependent on various State Regulatory Bodies and Councils granting the requisite licenses and approvals required to carry on its business in a timely manner; and
- **Financial risk**: variations in interest rates and inflation may impact AVJennings' revenues and earnings. There is further risk associated with access to capital and refinancing AVJennings' existing debt facilities on favourable terms. Uncertainty in the capital and credit markets may adversely affect AVJennings' ability to obtain financing on terms which are acceptable to AVJennings. If AVJennings is unable to obtain financing on terms which are acceptable to AVJennings, it may have to curtail its capital expenditure and/or defer its property development projects and/or divest assets.

3.4.4 Risks associated with any Special Dividend

The AVJennings Board will determine (in their absolute discretion) whether to pay any Special Dividend. This determination will depend upon a number of factors, including the availability of funds at the applicable time, the availability of a favourable ATO class ruling and receipt of relevant lender consents or waivers.

3.4.5 AVJennings' share price will likely fall in the absence of the Transaction

AVJennings Shares closed at $0.33 on 27 November 2024, the last trading day before the announcement of the Transaction. Since then, AVJennings Shares have traded in the range of $0.59 to $0.73. The current AVJennings share price reflects the terms of the Transaction and, therefore, includes a significant control premium. As such, in the absence of the Transaction, a superior proposal or speculation concerning a superior proposal, the AVJennings Share price is likely to fall to levels consistent with AVJennings' undisturbed trading prices, with an allowance for:

- subsequent announcements in relation to company specific initiatives which the market may assess as value enhancing or diminishing. In this regard, on 25 February 2025, AVJennings released its 1H25 financial results, which indicated a decline in profit relative to 1H24. Additionally on 5 May 2025, AVJennings released its Q3 FY25 business update which indicated that FY25 revenue was expected to be below FY24;
- any industry developments. In this regard, since 27 November 2024:
  - inflation rates have declined with the annual change in the consumer price index falling to 2.4% in the March 2025 quarter;
  - on 19 February 2025, the Reserve Bank of Australia lowered the official cash rate by 25 bps from 435 bps to 410 bps;
  - house prices increased 0.7% nationally for the quarter to 31 March 2025;[8]
  - housing commencements declined by 6.1% and apartment and townhouse commencements declined 1.5% for the December 2024 quarter;[9]
  - demand driven housing policies announced by the Federal Labor Government. We, however, note that current proposed policies are primarily geared towards driving first homebuyer demand and fail to address significant supply side challenges; and

[8] CoreLogic; Hedonic Home Value Index, April 2025.
[9] ABS: Building Activity, Australia, April 2025.

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- the Comparable Company Index[10] has increased by 4.9% until 5 May 2025; and
- the impact of trends in broader equity markets. In this regard, from 27 November 2024 (the last trading day prior to the announcement of the AVID Proposal) until 5 May 2025, the S&P/ASX 200 Index (**ASX 200 Index**) has decreased by 3.0%.

3.4.6 Alternative solutions

In weighing up the Scheme, AVJennings Shareholders should have regard to the alternatives that are available to AVJennings, including:

- remaining as a listed residential property developer;
- liquidation/wind-up of AVJennings; and
- the likelihood of a superior acquisition proposal.

With regard to each of these alternatives, we note the following:

Remaining as a listed residential property developer

It is open for AVJennings Shareholders to vote against the Scheme and retain their investment in AVJennings in the expectation that the AVJennings share price will increase in the future as a result of demand driven housing policies announced by the Federal Labor Government, however, the impact of these policies is uncertain as the current proposed policies are primarily geared towards driving first homebuyer demand and fail to address significant supply side challenges whereas the consideration under the Transaction effectively de-risks these uncertainties.

AVJennings' growth opportunities are likely to remain limited if it is unable to fund development activities at favourable rates. Without substantial growth to build scale and diversification, AVJennings is likely to continue to be exposed to risks associated with the geographical markets in which it operates. SC Global's 54.02% interest may continue to create an overhang in AVJennings' register, and AVJennings Shares are likely to remain illiquid.

Liquidation/wind-up

A wind up of the portfolio is unlikely to realise a return to AVJennings Shareholders in excess of the consideration under the Proposal and would involve greater risks and costs including:

- any sale of the portfolio would likely take a considerable amount of time given the size of the portfolio (9,586 lots as at 31 December 2024);
- the sale of the portfolio under a liquidation scenario would likely involve the sale of developments on an 'as is' basis;
- there would likely be significant execution risk in the current macroeconomic and geopolitical environment, noting that interest rates currently remain elevated, affordability is at an all-time low in NSW and Victoria where 54.0% of AVJennings' inventories are located and as a result of the uncertain quantum and impact of US tariffs;
- the net proceeds from sale would be reduced by selling costs and taxes:
  - additional selling costs (e.g. legal and agents' fees and broker fees) would likely be incurred; and
  - the sales may result in a capital gain for tax purposes.
- there would likely be a point in time where the proceeds from the sale of the remaining properties are insufficient to cover overheads. Furthermore, AVJennings would incur redundancy costs as it is wound down, which would attach further reduce the net proceeds from the sale of the portfolio.

[10] Based on the performance of an index which is comprised of Peet Limited, Cedar Woods Properties Ltd, and Finbar Group from 27 November 2024.

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Likelihood of a superior proposal emerging from a third party

Whilst there will continue to be an opportunity for a superior proposal, we consider the likelihood of a superior proposal to be impacted by the following:

- the Scheme Consideration represents a significant premium to AVJennings' undisturbed trading prices over the last 12 months, which ranges from 98.5% to 112.0%. In part, this reflects the outcome of a competitive bidding process between AVID and Ho Bee Land. Additionally, AVID appears to have placed significant strategic value on AVJennings and likely expects to generate substantial synergies given that it has an existing Australian development platform. This is likely to limit the range of potential acquirers, given the need for a competing bid to exceed this offer price;
- the Transaction was first announced on 28 November 2024, signalling to the market that AVJennings is 'in play'. There has been ample time for a superior proposal to emerge;
- SC Global currently holds or controls a 54.0% interest in AVJennings Shares and has confirmed its intention to vote in favour of the Scheme. An alternative acquirer would need the support of SC Global. In the event that a superior proposal emerges, AVID has a matching right. Should AVID choose not to match a superior proposal, these shareholders would have the right to vote against the Scheme;
- it is open for AVJennings Shareholders to vote against the Scheme in the hope that the AVJennings Directors will be able to extract a higher offer from AVID. However, the Transaction is a consequence of a period of due diligence and negotiations between the AVJennings Directors and AVID, after which the Scheme Consideration was reduced from $0.67 to $0.655. It is, therefore, unlikely that AVJennings would be able to obtain a higher offer from AVID; and
- in certain circumstances, AVJennings may be required to pay a break fee to AVID. Although these provisions may be influential, we do not consider that they would prevent a superior proposal being made.

3.4.7 Other considerations

In forming our opinion, we have also considered a number of other factors. Whilst we do not necessarily consider these factors to impact our assessment of the reasonableness of the Scheme, we have addressed them as follows.

One-off transaction costs

If the Scheme is implemented, AVID will bear all fees and costs incurred by AVJennings in connection with the Transaction. If the Scheme is not implemented, AVJennings expects that external transaction costs will be approximately $2.0 million (excluding GST), being costs that have already been incurred or will be incurred even if the Scheme is not implemented.

The Scheme is subject to the satisfaction of a number of conditions

There are a number of conditions which, if not satisfied, will result in the Scheme not being implemented including approvals from the FIRB and OIO. If any conditions precedent prevent the Scheme from being implemented, AVJennings Shareholders will continue to hold their existing AVJennings Shares.

Taxation implications for AVJennings Shareholders

A general summary of the Australian income tax, GST and stamp duty consequences of the Scheme (if it becomes Effective) and any Special Dividend (if paid) for AVJennings Shareholders are outlined in Section 8 of the Scheme Booklet.

Section 8.4a of the Scheme Booklet considers the Australian resident taxation implications of the Scheme. In particular, this section indicates that the disposal of AVJennings Shares will trigger a capital gains tax event for Australian tax purposes which may result in a capital gain or capital loss for the AVJennings Shareholder.

Section 8.4a of the Scheme Booklet considers the cost base, capital proceeds, applicable capital gains tax discount and implications for Australian AVJennings Shareholders. The capital proceeds received in respect of the disposal of each AVJennings Share should be the amount of the Scheme Consideration, excluding the Further Dividend (if paid), subject to ATO confirmation.

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Section 8.3 of the Scheme Booklet considers the taxation consequences of the Special Dividend. If the AVJennings Directors determine to pay the Special Dividend, and subject to certain requirements, AVJennings Shareholders who are Australian tax residents and who receive the Special Dividend will be required to include the amount of the attached franking credits in their assessable income, and will be entitled to a tax offset equal to the amount of the franking credits attached to the Special Dividend. As the Special Dividend is taken into account in determining the amount of the Scheme Consideration, the 'related payments' rule will apply to AVJennings Shareholders.

Section 8.4b of the Scheme Booklet considers the tax implications for AVJennings Shareholders that are non-residents of Australia.

In accordance with Sections 8.6 and 8.7 of the Scheme Booklet, AVJennings Shareholders should not be liable for GST or stamp duty, however, each AVJennings Shareholder should seek independent advice in relation to their individual circumstances.

We note that AVJennings Shareholders should consider their individual taxation circumstances and review Section 8 of the Scheme Booklet for further information where it applies to their circumstances. AVJennings Shareholders should obtain their own independent professional advice on the tax consequences of disposing of their AVJennings Shares under the Scheme.

3.4.8 Consequences if the Scheme does not proceed

In the event that the Scheme is not approved or any conditions precedent prevent the Scheme from being implemented:

- it is the AVJennings Directors' intention to conduct a strategic review of the AVJennings' business to seek to maximise future value for AVJennings Shareholders. In all other respects, the Board of AVJennings intends for AVJennings to continue as a standalone entity with management continuing to implement the business plan and financial and operating strategies it had in place prior to entry into the Scheme Implementation Deed;
- there may be adverse consequences for AVJennings' operating cashflow as a result of implementing the restrictions on AVJennings' business in the ordinary course of business agreed in the Scheme Implementation Deed. These include the deferral of certain phases of new projects and retention of cash on balance sheet to fund any Special Dividend;
- AVJennings Shareholders will continue to be exposed to the risks and opportunities associated with an investment in AVJennings. In particular, AVJennings has limited capital to pursue growth opportunities. Refer to Section 3.4.3 of this report;
- the AVJennings Share price will likely fall. The current price of AVJennings Shares reflects the terms of the Transaction and includes a control premium. As such, in the absence of the Transaction, a superior proposal or speculation concerning a superior proposal, the AVJennings Share price is likely to fall (refer to Section 3.4.5 of this report). The share price will continue to be subject to market volatility and trading is likely to continue to be illiquid;
- AVJennings' ability to grow and pay dividends is likely to be impacted by the company's capital constraints;
- AVJennings Shareholders will not receive the Scheme Consideration or the Special Dividend (if declared);
- AVJennings will incur an estimated $2.0 million (excluding GST) of one-off transaction costs in relation to the Transaction; and
- a break fee of $3.7 million (excluding GST) may be payable by AVJennings to AVID in certain circumstances.

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4 Other matters

Our report has been prepared in accordance with the relevant provisions of the Corporations Act and other applicable Australian regulatory requirements and has been prepared solely for the purpose of Section 640 of the Corporations Act. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

This report constitutes general financial product advice and has been prepared without taking into consideration the individual circumstances of AVJennings Shareholders. This advice, therefore, does not consider the financial situation, objectives or needs of individual AVJennings Shareholders.

The decision of AVJennings Shareholders as to approve the Scheme is a matter for individual shareholders who should, therefore, consider the appropriateness of our opinion to their specific circumstances. As an individual's decision to vote in favour of the Scheme Resolution may be influenced by their particular circumstances, we recommend that individual AVJennings Shareholders, including residents of foreign jurisdictions, seek their own independent professional advice.

Our opinion is based solely on information available as at the date of this report. This information, and our limitations and reliance on information section, are set out in Appendix 2. We have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

References to financial years have been abbreviated to 'FY', references to half years have been abbreviated to 'H' and references to quarters have been abbreviated to 'Q'. For AVJennings, the financial year is the 12 months to 30 June and half years are the six months to 31 December. All currencies are Australian dollars unless otherwise specified.

Kroll has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is included at the end of this report.

The above opinion should be considered in conjunction with, and not independently of, the information set out in the remainder of this report, including the appendices.

Yours faithfully



Celeste Oakley
Authorised Representative



Ian Jedlin
Authorised Representative

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Independent Expert's Report
and
Financial Services Guide

in relation to the proposed acquisition of AVJennings Limited by Proprium Capital Partners (Australia) Pty Ltd and AVID Property Group through its investment vehicle PM Nominees C Pty Ltd



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Table of Contents

Part One – Independent Expert's Report 1
1 Introduction 1
2 Scope of report 2
3 Opinion 3
3.1 Background to the Transaction 3
3.2 Summary of opinion 4
3.3 The Scheme is fair 5
3.4 The Scheme is reasonable 8
4 Other matters 15
5 The Scheme 18
5.1 The AVID Proposal 18
5.2 The Ho Bee Land Proposal 18
5.3 Conditions precedent 19
5.4 Exclusivity provisions 19
5.5 Transaction costs 19
6 Scope of the report 19
6.1 Purpose 19
6.2 Basis of assessment 20
7 Industry 21
7.1 Overview 21
7.2 Key industry drivers 22
7.3 Industry trends 23
7.4 Regulation 26
7.5 Outlook 27
8 Profile of AVJennings 28
8.1 Background 28
8.2 Revised strategy 29
8.3 Operations 29
8.4 Financial performance 37
8.5 Financial position 41
8.6 Cash flows 44
8.7 Capital structure and ownership 45
8.8 Share price performance 46
9 Valuation of AVJennings 51
9.1 Overview 51
9.2 Approach 54
9.3 Valuation of development projects 58
9.4 Valuation of Pro9 65
9.5 Net deferred tax liability 65
9.6 Other assets and liabilities 65
9.7 Adjusted net debt 65
Appendix 1 – Kroll disclosures 66
Appendix 2 – Limitations and reliance on information 68
Appendix 3 – Market evidence 70
Appendix 4 – Valuation methodologies 79
Appendix 5 – Discount rate 81
Appendix 6 – Synergies benchmarking 87
Part Two – Financial Services Guide 88

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5 The Scheme

5.1 The AVID Proposal

On 2 August 2024, AVJennings received a confidential non-binding and incomplete preliminary offer from AVID and Proprium to acquire 100% of AVJennings Shares via an agreed scheme of arrangement. Confidentiality was a condition of the preliminary offer.

A sub-committee of the AVJennings Board, in consultation with its financial and legal advisers, carefully assessed the merits of the incomplete preliminary offer and determined to grant AVID an initial period of due diligence to advance the preliminary offer.

Since the initial approach, both parties have held extensive discussions and negotiations, resulting in the improved Indicative Proposal of $0.67 per AVJennings Share received on 27 November 2024.

On 28 November 2024, AVJennings signed an Exclusivity Deed granting AVID the exclusive confirmatory due diligence period to 31 January 2025 and announced that it had received an unsolicited, incomplete and non-binding indicative proposal from Proprium and AVID to acquire all of the AVJennings Shares for cash consideration of $0.67 per share by way of a scheme of arrangement. The Exclusivity Deed included a fiduciary exception from the "no talk" and "no due diligence" provisions to permit AVJennings to engage with a bona fide actual, proposed or potential competing proposal.

AVID also proposed to permit AVJennings to pay a fully franked special dividend on or before the scheme implementation date, allowing eligible AVJennings shareholders to receive additional value of up to approximately $0.06 per share in franking credits. The consideration paid pursuant to the scheme would be reduced by the cash amount of any such special dividend paid to AVJennings shareholders.

5.2 The Ho Bee Land Proposal

On 23 December 2024, Queensgate Investments Pty Ltd (**Queensgate**), an associate of Ho Bee Land, lodged a substantial shareholder notice, advising that it had acquired a 5.39% interest in AVJennings.

On 15 January 2025, AVJennings announced that it had received an unsolicited, conditional and non-binding indicative proposal from Ho Bee Land to acquire all of the shares in AVJennings that it does not already own for cash consideration of $0.70 per share (less any dividends) by way of a scheme of arrangement (the **Ho Bee Land Proposal**). As the Ho Bee Land Proposal was determined to be a competing proposal to the AVID Proposal, AVJennings notified AVID of the Ho Bee Land Proposal in accordance with the Exclusivity Deed.

On 17 January 2025, the AVJennings Board announced that following receipt of advice from AVJennings financial and legal advisors, the Board had concluded that the fiduciary exception applied to the Ho Bee Land Proposal and it intended to provide due diligence access to Ho Bee Land.

On 20 January 2025, the AVJennings Board announced that AVJennings had entered into both a Confidentiality Deed and an Exclusivity Deed with Ho Bee Land to facilitate discussions in relation to the Ho Bee Land Proposal. The Directors granted Ho Bee Land exclusivity and access to due diligence through to 21 February 2025.

On 21 January 2025, AVJennings advised that Mr Bobby Chin, who is also a director of Ho Bee Land, had advised the AVJennings Board that he will recuse himself from all discussions and deliberations in relation to the AVID Proposal and Ho Bee Land Proposal.

5.2.1 The Scheme

Following a period of due diligence, on 1 April 2025, AVJennings announced that it had entered into a Scheme Implementation Deed with the Bidder, PM Nominees C Pty Ltd, an investment vehicle of Proprium Capital Partners (Australia) Pty Ltd and AVID Property Group (together, AVID) under which the Bidder would acquire all of the AVJennings Shares by way of the Scheme.

Under the Scheme, Scheme Shareholders will receive the Scheme Consideration, being cash consideration of $0.655 for each AVJennings Share held, less any dividend that is declared or paid before the implementation of the Scheme. The AVJennings Board may declare and pay a fully franked Special Dividend of up to $0.167 per AVJennings Share as at the Special Dividend Record Date. The Special

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Dividend is expected to result in franking credits of up to approximately $0.072 per AVJennings Share. The AVJennings Board will determine (in their absolute discretion) whether to pay any Special Dividend. This determination will depend upon a number of factors, including the availability of funds at the applicable time, the availability of a favourable ATO class ruling and receipt of relevant lender consents or waivers.

AVJennings confirmed that no binding proposal had been received from Ho Bee Land and that it had terminated all discussions with Ho Bee Land. It also advised that given a binding proposal from Ho Bee Land had not been forthcoming and following careful consideration of the revised AVID proposal, the AVJennings Board determined to formally agree the Scheme with AVID.

The AVJennings Board unanimously recommends that AVJennings Shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of AVJennings Shareholders.

SC Global has confirmed to AVJennings that, based on the disclosed terms of the Scheme, it intends to vote all AVJennings Shares it holds and controls as at the date of the Scheme Meeting in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interest of AVJennings Shareholders.

5.3 Conditions precedent

The Scheme is subject to a number of conditions including:

- AVJennings Shareholder approval;
- approval of the Supreme Court of New South Wales;
- an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of AVJennings Shareholders;
- receipt of approvals from Australian FIRB and New Zealand OIO;
- AVJennings takes all necessary steps to ensure that no AVJennings Equity Incentives will be on issue before the Scheme Record Date; and
- no prescribed occurrences, no legal restraints, and no material adverse changes.

5.4 Exclusivity provisions

The Scheme Implementation Deed contains customary exclusivity provisions that apply during the Exclusivity Period,[11] including 'no existing discussions', 'no shop', 'no talk' and 'no due diligence' ('no talk' and 'no due diligence' are subject to a fiduciary carve out), notification obligations and a matching right. A break fee of approximately $3.7 million will be payable by AVJennings to the Bidder in certain circumstances (**Target Break Fee**) and a reverse break fee of approximately $3.7 million will be payable by the Bidder to AVJennings in certain circumstances (**Bidder Break Fee**).

5.5 Transaction costs

AVJennings will incur third party costs and expenses in connection with the Scheme, including fees payable to external advisors. If the Scheme is approved, transaction costs will be borne by AVID. If the Scheme is not approved, the total transaction costs payable by AVJennings are estimated at $2.0 million.

6 Scope of the report

6.1 Purpose

The Transaction will be undertaken by way of a scheme of arrangement which will be subject to AVJennings shareholders' approval in accordance with Section 411 of the Corporations Act. Section 411(3) of the Corporations Act requires that an explanatory statement issued in relation to a proposed scheme of

[11] The Exclusivity Period is the period from 31 March 2025 and, subject to regulatory approvals, until the earlier of 17 July 2025, being the date on which the Scheme becomes effective (**Effective Date**); 30 September 2025, being the date six months after the date of the Scheme Implementation Deed, or such other date as agreed in good between the Bidder and AVJennings (**End Date**); and the termination of the Scheme Implementation Deed.

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arrangement includes information that is material to the making of a decision by a creditor or member as to whether to agree with the relevant proposal.

Part 3 Schedule 8 of the Corporations Regulations specifies that the information to be lodged with ASIC must include a report prepared by an expert:

- if the other party to a reconstruction in a scheme of arrangement holds at least 30% of the company; or
- where the parties to the reconstruction have common Directors.

The report prepared by the expert must state whether, in the expert's opinion, the proposed scheme of arrangement is in the best interests of the members of the body as a whole and set out the expert's reason(s) for forming that opinion.

Even where an independent expert's report is not strictly required by the law, it is not uncommon for directors of a company to commission one to ensure they are providing the information that is material to the making of a decision by a creditor or member.

In this regard, as set out in the Scheme Implementation Deed, a condition of the Scheme becoming Effective is that an independent expert concludes (and continues to conclude) that the Scheme is in the best interest of AVJennings Shareholders.

Our report has also been prepared in accordance with the relevant provisions of the Corporations Act and other applicable Australian regulatory requirements. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

6.2 Basis of assessment

We have referred to guidance provided by ASIC in its Regulatory Guides in particular, RG 111, which outlines the principles and matters which it expects a person preparing an independent expert's report to consider. RG 111 differentiates between the analysis required for control transactions and other transactions. In relation to control transactions, RG 111.10-12 states:

- 'fair and reasonable' is not regarded as a compound phrase;
- an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities subject to the offer;
- the comparison should be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash;
- the expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison; and
- an offer is 'reasonable' if it is 'fair'. An offer might be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for shareholders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111.18 of the Corporations Act states that where a scheme of arrangement is used as an alternative to a takeover bid (as in the case of the Proposed Transaction), the form of analysis undertaken by the expert should be substantially the same as for a takeover bid. That form of analysis considers whether the transaction is "fair and reasonable" and, as such, incorporates issues as to value.

RG 111.20 states that if an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is 'in the best interests' of the members of the company.

RG 111.21 states that if an expert would conclude that a proposal was 'not fair but reasonable' if it was in the form of a takeover bid, it is still open to the expert to also conclude that the scheme is 'in the best interests' of the members of the company.

RG 111.11 provides that an offer is fair if the value of the consideration is equal to or greater than the value of the securities subject to the offer. This comparison can be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash and without regard to the percentage holding of the bidder or its associates in the target entity. That is, RG 111.11 requires the value of the target to be

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assessed as if the bidder was acquiring 100% of the issued equity (i.e. on a controlling interest basis). In addition, any special value of the 'target' to a particular 'bidder' (e.g. synergies that are not available to other bidders) should not be taken into account under the comparison.

Accordingly, when assessing the full underlying value of AVJennings, we have considered those synergies and benefits which would be available to more than one potential purchaser (or a pool of potential purchasers) of AVJennings. As such, we have not included the value of special benefits that may be unique to any particular acquirer.

RG 111.13 sets out the factors an expert might consider in assessing whether an offer is reasonable:

- the bidder's pre-existing voting power in securities in the target;
- other significant shareholding blocks in the target;
- the liquidity of the market in the target's securities;
- taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
- any special value of the target to the bidder, such as particular technology, etc;
- the likely market price if the offer is unsuccessful; and
- the value to an alternative bidder and likelihood of an alternative offer being made.

Kroll has considered the commercial nature of the Scheme, and the likely financial, tax, corporate governance, regulatory and other impacts of the Scheme. In forming our opinion as to whether the Scheme is fair and reasonable to AVJennings Shareholders, we have had regard to the following specific factors:

- the rationale for the Scheme and its terms;
- the share price performance of AVJennings up until the announcement of the Scheme including consideration of the available free float;
- whether AVJennings shareholders are receiving an appropriate premium for control, including consideration of the strategic value of AVJennings;
- any potential taxation risks and/or consequences for existing AVJennings shareholders, including any impact on non-resident shareholders;
- potential regulatory risks;
- likelihood and, if appropriate, comparison of alternative offers;
- likely movement in share price in the absence of the Scheme;
- any other advantages and disadvantages that would have an impact on AVJennings shareholders; and
- implications if the Scheme is not approved.

7 Industry

7.1 Overview

AVJennings operates within three industry segments in the Australian residential property development industry; land development and subdivision, housing construction, and multi-unit and townhouse construction. The following section examines the wider residential property development industry, focusing on the three segments most relevant to AVJennings.

7.1.1 Australian land development and subdivision segment

Land development and subdivision involves amalgamating land into lots, subdividing, and preparing these lots for sale.[12] The process typically includes acquiring large plots of land and dividing them into smaller parcels with individual titles and selling them to individual buyers, such as retail buyers and builders. The process involves preparing development applications, rezoning land, securing development rights, and

[12] Fox Staniland Lawyers: Subdivisions and Development, Date accessed January 2025.

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conducting civil works on the land, including connecting the land to utilities. Land development and subdivision excludes building construction on the subdivided land.[13]

7.1.2 House construction

According to the Australian and New Zealand Standard Industrial Classification (**ANZSIC**), house construction involves building and selling free-standing residential dwellings, excluding multi-unit apartments and townhouses, as well as carrying out additions, alterations, and renovations to existing residential dwellings.[14] Participants in this segment primarily serve as prime contractors, delivering complete homes to individual owners or property developers. AVJennings only participates in housing construction within its own developments. It does not carry out alterations, additions and renovations, or serve as a contractor to property developers. House construction involves activities such as coordinating and managing subcontractors, material supplies, and regulatory compliance. In FY24, the value of work completed by the segment was estimated to be $50.5 billion,[15] with the industry completing approximately 119,000 dwelling units over the same period.[16] The house construction segment is highly fragmented, with the four largest detached dwelling construction companies accounting for approximately 8.0% of total industry revenues in 2023.[17]

7.1.3 Multi-unit apartments

According to ANZSIC, the multi-unit apartment and townhouse construction segment encompasses companies specialising in the construction of residential buildings excluding free-standing houses, and carrying out alterations, additions, and renovations to such buildings.[18] Industry participants primarily serve as principal contractors, delivering completed units to both owner-occupiers and investors. Approximately 30% of Australia's housing stock consists of non-detached dwellings, with this share growing over the previous decade.[19] In FY24, the value of work completed by the segment was estimated to be $25.9 billion,[20] with the industry completing approximately 61,000 dwelling units over the same period.[21] Similar to the housing construction industry, the multi-unit apartment and townhouse construction industry is highly fragmented, with the largest four participants representing 13.0% of total industry revenues in FY23.[22]

7.2 Key industry drivers

Key drivers for the residential property development industry include:

- **housing prices**: Movements in residential housing prices correspond to the underlying demand for housing and influence housing affordability. When the housing market is characterised by high prices, homebuyers, particularly first-home buyers and those with low mortgage affordability, are unable to enter the market reducing demand for construction. Conversely, demand from speculative residential property investors may increase with investors encouraged to construct new properties and capitalise on price growth;[23]
- **government incentives**: Government incentives can directly contribute to demand for housing and multi-unit apartment construction by reducing the cost of housing through subsidies or through taxation initiatives to improve affordability. The Federal Government's HomeBuilder Grant initiative, which provided up to $25,000 for new builds or renovations for owner-occupiers between June 2020 and March 2021, is an example of government incentives that directly increase demand for housing construction by reducing the out-of-pocket cost of construction;

[13] Realestate.com: New Builds: What is land development? August 2024.
[14] ABS: House Construction (ANZSIC), June 2013.
[15] ABS: Building activity, Australia, October 2024. Amount excludes the value of additions and alterations work completed.
[16] ABS: Building activity, Australia, October 2024.
[17] NHASC: State of the Housing System 2024, May 2024.
[18] ABS: Other Residential Building Construction (ANZSIC), June 2013.
[19] NHASC: State of the Housing System 2024, May 2024.
[20] ABS: Building activity, Australia, October 2024. Amount excludes the value of additions and alterations work completed.
[21] ABS: Building activity, Australia, October 2024. Amount excludes the value of additions and alterations work completed.
[22] NHASC: State of the Housing System 2024, May 2024.
[23] Parliament of Australia, Senate Select Committee on Housing Affordability in Australia, June 2008.

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- **residential property yields**:[24] Higher rental yields can make housing investment and home ownership more attractive to investors, increasing demand for housing and multi-unit apartment construction;[25]
- **population growth**: Demand for housing and multi-unit apartment construction is heavily influenced by population growth levels. Australia has consistently experienced faster population growth than other advanced economies, particularly driven by high levels of net overseas migration.[26] Throughout FY24, Australia experienced strong levels of population growth above long-run averages, with net overseas immigration totalling approximately 446,000 people.[27] Interstate migration can also increase demand in certain housing markets; and
- **general economic conditions**: General economic conditions can influence spending on housing and the ability for buyers to finance housing purchases. Interest rates are a major driver of effective demand for housing, with higher interest rates reducing borrowing capacity and overall mortgage affordability, diminishing the ability to fund housing purchases and construction.[28] Higher interest rates also result in higher funding and holding costs for developers. Similarly, high levels of unemployment and low household incomes diminish consumer confidence resulting in lower effective demand for housing and multi-unit apartments.[29]

7.3 Industry trends

7.3.1 Housing affordability crisis

The housing affordability crisis in Australia has deteriorated further since the onset of the COVID-19 pandemic. The current Australian housing landscape is characterised by increasing affordability pressures primarily in NSW and Victoria, with Australians experiencing the highest level of household debt[30] and the second highest level of rental growth among advanced economies.[31] The crisis has been driven by rising interest rates and escalating dwelling prices, which have increased 38.6% since March 2020. House prices in Brisbane, Adelaide and Perth have experienced the highest level of growth among capital cities at 67.6%, 71.4%, and 76.8% respectively. In contrast, prices in Victoria experienced the lowest growth at 9.9% over the same period.[32] As a consequence, the ratio of dwelling value to income reached its peak in September 2024 at 8.0 times (the 20 year average being 6.7 times) and the percentage of income required to service a mortgage increased to 50.6% (14.0% above the 20 year average). As housing affordability has deteriorated residential developers have reached affordability caps in NSW and Victoria, diminishing margins for residential developers and making projects unviable, in turn reducing supply and increasing affordability pressures.

7.3.2 Shifting demand away from single-unit housing

In recent years, the Australian residential property market has experienced a structural shift, with an increasing preference for higher-density apartments and townhouses over detached houses.[33] Traditionally, Australians have favoured detached housing; however, a series of factors, including population growth especially from India and other parts of Asia, limited infrastructure for greenfield projects, and the diminishing availability of land in major cities have heightened the demand for multi-unit apartments. Additionally, the higher prices of single-unit housing compared to multi-unit apartments have been a significant driver of this increased demand.[34] Consequently, many urban areas have seen multi-unit developments constitute a

[24] Defined as investment returns earned on residential property.
[25] Domain: Rental Report, June 2024.
[26] Reserve Bank of Australia: Housing Market Cycles and Fundamentals, Sarah Hunter, 16 May 2024.
[27] ABS: Overseas Migration, 2023-24.
[28] NHASC: State of the Housing System 2024, May 2024.
[29] Parliament of Australia, Senate Select Committee on Housing Affordability in Australia, June 2008.
[30] Determined as the highest share of household loan repayments to gross household income among advanced economies in 2022.
[31] NHASC: State of the Housing System 2024, May 2024.
[32] ANZ, Core Logic; Housing Affordability Report, November 2024.
[33] Property Council of Australia: Support for High Density Living on the Rise, Date Visited 1st December 2024.
[34] NHASC: State of the Housing System 2024, May 2024.

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growing proportion of total housing developments. For example, multi-unit apartments accounted for 70% of housing delivered between 2016 and 2021 in Greater Sydney.[35]

7.3.3 Build-to-Rent

Build-to-Rent (**BTR**) accommodation has gained popularity in recent years as a potential solution to housing supply shortages in major cities. BTR is a large-scale housing model in which multi-unit apartments are built specifically for rental rather than for sale, offering developers long-term stable income. As of 2023, the Australian BTR sector was estimated to be worth $16.9 billion, representing 0.2% of the total value of the residential rental market.[36] By 2030, BTR is forecast to grow to represent 1.5% of the total Australian rental market, driving growth in the multi-unit apartment and townhouse construction industry.[37]

The sector's growth is driven by several key factors, including:

- growing domestic and foreign institutional investment with BTR developments providing stable cash flows and the potential for long term capital gains;[38]
- economies of scale benefits;
- increased demand for rental housing in major cities; and
- tax concessions introduced by the Australian Government.[39]

7.3.4 Lack of available land

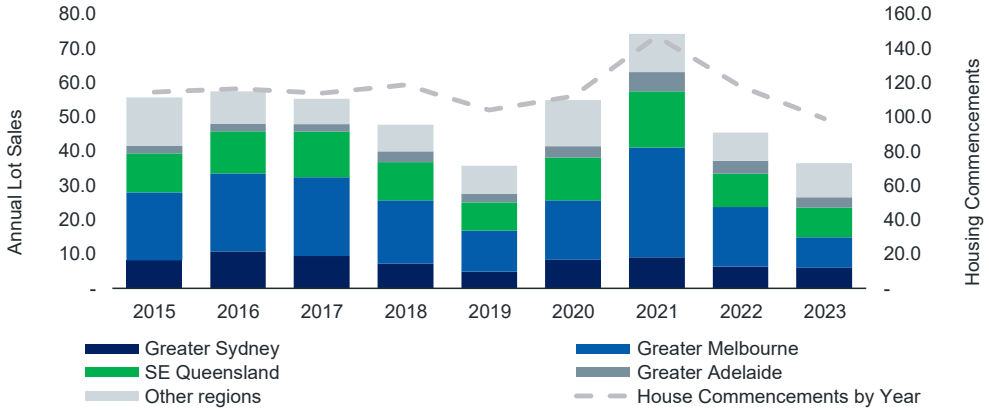
Land supply shortages in the residential development industry have led to increased land and housing costs and lower housing approvals. Historic shortages of development-ready land supply have been a significant industry challenge, with aggregate annual lot sales in FY23 down approximately 62.0% from peak levels in 2021, reaching 20-year lows.[40] This decline has been driven by a multitude of factors including increased building and labour costs, complexities in planning and zoning regulations, a lack of government infrastructure, high developer contribution charges, and new land taxes levied.[41] The resulting shortages have pushed up land costs, with unimproved land prices in greater Sydney estimated to be 51.9% higher than in 2019.[42] Consequently, developers have faced challenges in acquiring land for development as well as obtaining development outcomes for acquired land, contributing to a decline in new home commencements between 2021 to 2024 and exacerbating housing affordability concerns.

[35] Western Sydney Local Health District: Healthy Higher Density Living for Families with Children, June 2023.
[36] Ernst & Young: A New Form of Housing Supply for Australia: Build to Rent housing, April 2023.
[37] Knight Frank: BTR sector in Australia forecast to see 55,000 dedicated units by 2030.
[38] Gilbert + Tobin: Build-to-Rent – Financing Considerations, October 2023.
[39] KPMG: Federal Government passes legislation on build-to-rent tax concessions, December 2024.
[40] UDIA: State of the Land 2024, March 2024.
[41] HIA: Land shortages at core of housing crisis, August 2023.
[42] CoreLogic: Land Value Index, Accessed January 2025.

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The decline in annual land lot sales and housing commencements is illustrated in the following chart.

Annual Land Lot Sales (Thousands) vs Housing Commencements (Thousands)

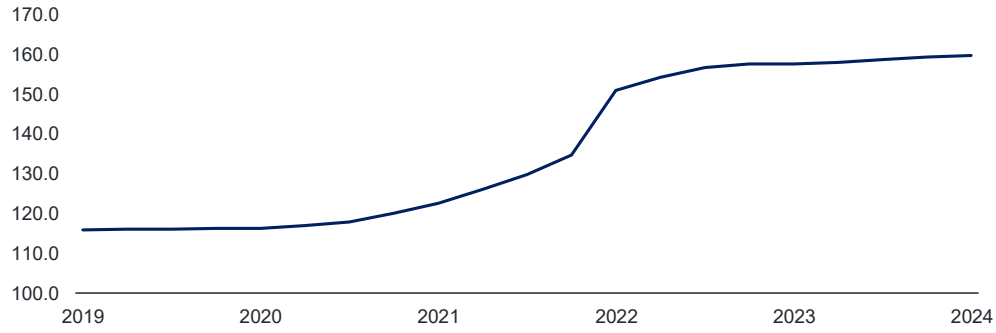


Source: UDIA State of the Land Report 2024, Australian Bureau of Statistics and Kroll Analysis.

7.3.5 Rising building costs

Higher building material and labour costs, paired with declining labour productivity, have resulted in significantly increased development and construction costs since 2021. Due to the impacts of global supply chain issues and reduced raw material supply resulting from the COVID-19 pandemic, the price of house construction inputs has increased by 34.8% since December 2019 as seen in the following.[43]

House Construction Input Prices Index



Source: Australian Bureau of Statistics Quarterly Building Activity 30 June 2024, Kroll analysis.

Additionally, a domestic shortage of skilled labour and declining construction labour productivity[44] have contributed to the elevated construction costs. These increasing costs have resulted in an overall slowdown in the residential development industry, diminishing developers' margins and increasing the average completion time for new houses.[45] The cost blowouts in many projects have led to approximately 3,000 construction companies entering into insolvency in FY24.[46]

[43] ABS: Producer Price Indexes, Australia, September 2024.
[44] ABC: Treasurer aims to bring home building into the 21st century with new fund for states, November 2024.
[45] SMH: Cost of building a home in Australia jumps $100000 in four years, November 2024.
[46] UNSW BusinessThink: Fixing the construction industry house of cards, Bradley Hastings and Peter Swan, 13 October 2024.

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7.3.6 Prefabricated construction

Prefabricated construction has garnered significant attention in the house construction industry as a potential solution to increasing housing construction costs and Australia's current housing supply shortages. Prefabricated construction involves the off-site construction of housing components, typically in a factory, which are then delivered on-site for assembly.[47] This methodology offers several benefits including:

- **reduced project time**: Build times are estimated to be up to 50% to 60% shorter compared to traditional methods. Additionally, prefabricated housing can reduce schedule risk from weather impacts on on-site works;[48]
- **economies of scale:** Resulting from streamlined production processes;[49]
- **environmental benefits:** With modular housing 50% more energy efficient and 40% more efficient in terms of raw material usage compared to conventional builds; and[50]
- **safer construction**: With elements constructed in a controlled environment[51] and installation requiring lower on-site labour.

The potential for prefabrication to boost housing stock has since been explored by several state governments, with the NSW government committing $10.0 million and the Victorian Government committing $10.1 million to explore and trial the use of prefabricated construction to meet social housing targets.[52,53] Currently, prefabricated constructed houses represent less than 5.0%[54] of new residential construction in Australia compared to over 20.0% in Sweden,[55] indicating significant potential for growth in the sector.

7.3.7 National Housing Accord

The National Housing Accord was announced by the Federal Government in October 2022 with the aim to improve the supply and affordability of housing. The accord introduced targets to build 1.2 million new homes by 2029, as well as 20,000 new affordable homes. Key initiatives of the accord include:

- a $3 billion, New Home Bonus to incentivise states and territories to increase housing supply towards the targets;
- a one-off $2 billion payment to states and territories through the Social Housing Accelerator to deliver a permanent increase in the stock of social housing;
- state government commitments to collaborate with local governments to deliver planning and land-use reforms; and
- expedited zoning, planning and land release to meet social and affordable housing targets.

Despite being already 15,000 homes behind the housing target,[56] Treasury expects the accord to have several positive impacts on the residential development industry including increasing demand for medium and high-density housing in major cities, reducing the cost impact and timeline delays of zoning and planning regulations, supporting the training of more apprentices to mitigate current skill gaps, and providing industry participants with better access to funding for development projects.[57]

7.4 Regulation

The Australian residential development industry is characterised by significant laws, regulations, and policies as well as bureaucratic delays, requiring participants to navigate a range of federal, state, and local regulations. These policies aim to ensure the quality of construction and the economic efficiency of land

[47] Property Council of Australia: What role can prefab homes play in the housing crisis?, July 2024.
[48] Advanced Manufacturing Growth Centre: Pre-fab Innovation Hub to build industry capability, August 2019.
[49] Advanced Manufacturing Growth Centre: Pre-fab Innovation Hub to build industry capability, August 2019.
[50] APAC Outlook, Modular Housing: The New Generation of Australian Housing, August 2024.
[51] Modular Building Institute: What is modular construction, accessed January 2025.
[52] NSW Government: Modular Homes to Deliver more Social Housing Sooner, July 2024.
[53] Property Council of Australia: What role can prefab homes play in the housing crisis?, July 2024.
[54] NHASC: State of the Housing System 2024, May 2024.
[55] NHASC: State of the Housing System 2024, May 2024.
[56] Property Council of Australia, 15,000 homes behind just three months into national housing target, January 2025.
[57] Treasury: Delivering the National Housing Accord, Accessed January 2025.

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use[58] but have historically operated as barriers to new and diverse housing developments. Key regulations encountered by industry participants include:

- **zoning regulations**: relates to state and local government policies which determine the types of activities and/or developments allowed or prohibited, on a given site.[59] The planning system is highly complex with arrangements varying between states and across local councils and the re-zoning process can take many years to conclude;
- **development approval:** relates to the process for assessing an application to carry out development such as building works, and, in some cases, change in land use and land subdivision. Development approvals aim to ensure land use is consistent with zoning regulations, but as noted above can be subject to delays and approvals can be heavily conditional; and
- **National Construction Code (NCC):** a uniform set of regulations which set minimum technical designs and construction provisions for buildings. Areas covered include safety, health amenities and sustainability of certain buildings.[60]

Overall, the regulatory burden can be a significant barrier for housing construction projects for the following reasons:

- **increasing costs**: Regulations can impose additional restrictions to the development and construction processes increasing development costs. Studies have shown that zoning restrictions have a large impact on house prices, with zoning restrictions representing a significant share of the cost of an average house.[61] Additionally, recent changes to minimum environmental efficiency standards in the NCC have been estimated to increase the cost of new detached houses or apartments by $25,000;[62]
- **increased project delays:** Developers can encounter frictions in the approval process as well as the development and construction process including delays in processing development applications and delays in receiving relevant approvals before commencing construction, which can extend project timelines. For example, only 52% of NSW councils have achieved their residential assessment processing targets through February 2025 for the financial year ending June 2025[63] contributing to a decline in housing approvals and increased project timelines; and
- **limiting land supply:** Stringent regulations have been a contributor to the decline in land lots released since FY21 compared to previous years, contributing to the reduction in the supply of new houses being built as discussed in Section 7.3.4 along with other factors such as labour shortages.

7.5 Outlook

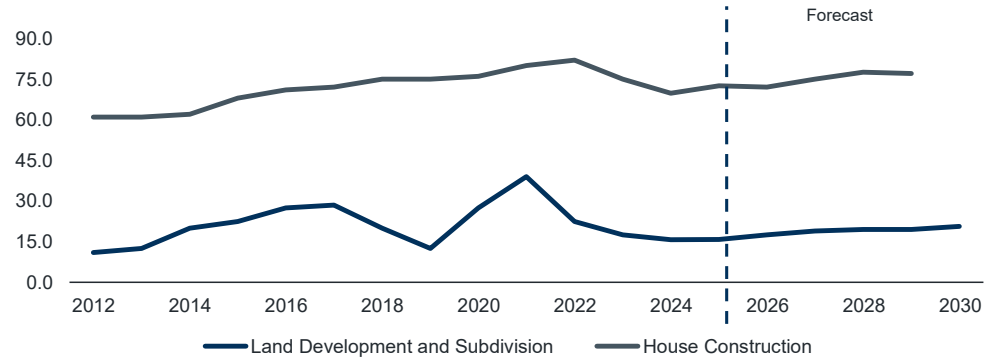
Demand for residential property development is expected to increase through to 2030, with revenue growth in the land development and subdivision segment forecast to grow at a compound average growth rate (**CAGR**) of 5.6% from 2025 to 2030, and the house construction segment forecast to grow with a CAGR of 1.4% over 2025 to 2029.[64,65]

[58] NHASC: State of the Housing System 2024, May 2024.
[59] Productivity commission: Plan to identify planning and zoning reforms, March 2021.
[60] National Construction Code: Accessed January 2025.
[61] Kendall, R. & Tulip, P: The Effect of Zoning on Housing Prices, 2018.
[62] HIA: Home buyers rush to beat building code changes, November 2024.
[63] NSW Government: Development Application Lodgement Performance, Accessed 3 March 2025.
[64] IBISWorld Land Development and Subdivision in Australia 2024.
[65] IBISWorld: House Construction in Australia 2024.

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Projected Revenue for Land Development and Subdivision and House Construction Segments ($ billion)



Source: IBISWorld Land Development and Subdivision in Australia 2024, IBISWorld House Construction in Australia 2024, Kroll analysis.

Industry performance is expected to be driven by the following:

- **population growth:** the population is expected to grow at a CAGR of 1.7% between 2024 and 2030, slightly above the long-run average of 1.5% but slower than previous years due to a slowdown in net overseas migration;[66]
- **government incentives:** the housing targets set by the National Housing Accord to build 1.2 million homes and 20,000 affordable houses are expected to increase development activity with the federal government allocating federal financial incentives to state governments to support the achievement of the targets. Further, policies proposed by the Federal Labor Government including the lowering of minimum deposits to 5% for first home buyers are likely to increase demand for housing but are unlikely to materially address current supply issues including elevated building costs (refer to Section 7.3.5) and the lack of available land (refer to Section 7.3.4);
- **streamlined planning assessments:** in line with the goal to increase housing supply as set out in the National Housing Accord, the focus on reducing delays in development planning assessments is set to continue;
- **lower interest rates**: interest rates are forecast to decline with the RBA commencing its interest rate cutting cycle in February 2025 and with the Big Four Australian banks expecting between one to four further interest rate cuts forecast up to February 2026.[67] Lower interest rates are expected to stimulate borrowing and investment in development projects, providing relief to mortgage holders and boosting the housing market; and
- **house prices**: house pricing growth is forecast to differ between states with affordability caps forecast to limit future price growth in NSW and Victoria. In contrast, stronger market conditions are expected in Queensland, Western Australia, and South Australia.

8 Profile of AVJennings

8.1 Background

AVJennings is a residential property development company that acquires, develops and markets residential land, houses and apartments in greenfield growth corridors and infill sites on the Eastern seaboard of Australia, South Australia and New Zealand. It is listed on the ASX, and the SGX through SGX GlobalQuote. As at 27 November 2024, the last trading day before the announcement of the Scheme, AVJennings had a

[66] ABS: Overseas Migration, December 2024.
[67] Yahoo Finance: Big Four banks reveal interest rate cut forecasts ahead of RBA's crucial February call, February 2025.

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market capitalisation of $184.2 million.[68] As at 1 April 2025, SC Global holds or controls a 54.02% interest in AVJennings.

AVJennings was founded as a contract home builder in Melbourne in 1932 by Sir Albert Victor Jennings with a vision of creating communities rather than just houses. Mr Jennings believed in the "Australian dream" of a better life through home ownership.

On 1 November 2021, AVJennings announced the appointment of Mr Philip Kearns as Chief Executive Officer. On 15 November 2022, AVJennings announced the appointment of Ms Shanna Souter as Chief Financial Officer. Following the appointment of the new leadership, in April 2023, AVJennings adopted a revised strategy.

On 22 June 2023, AVJennings announced it had entered into a joint venture with Pro9 Global Limited (**Pro9 Global**) to utilise Pro9 Global's technology to manufacture the highly durable and energy efficient Pro9 walling system (**Pro9 walls**) in Australia.

On 28 August 2024, AVJennings announced that, consistent with its objective of modernising the business, the Directors intended to undertake a refresh of the Board over the balance of 2024 and that several departures were planned on a staggered basis including long tenured Directors. The Board refresh was put on hold pending the outcome of the AVID Proposal.

8.2 Revised strategy

AVJennings' revised strategy is to transform, modernise and grow through disciplined capital management, optimising the project pipeline, focusing on strong markets and leveraging its Pro9 walling system. It is focused on:

- **maintaining a flexible product offering**: including land, built-form housing and low/mid-rise apartments, which allows AVJennings to appeal to a broad customer base, maintain a diversified revenue stream, reduce exposure to market volatility, and respond to market conditions;
- **modernising its foundations**: including leveraging technology, modernising its capital structure and building the capability of employees and processes; and
- **building annuity income**: via Pro9, development services and other living sectors.

As a result of focusing on these initiatives, AVJennings is seeking to drive future growth and enhance shareholder value by improving returns on equity, leading to increased capital growth and dividends.

8.3 Operations

8.3.1 Overview

AVJennings specialises in the development of master-planned communities with products aimed at the more affordable end of the housing market and primarily across fringe urban areas in Australia and New Zealand, and the development of apartments in infill urban areas. AVJennings' development pipeline as at 31 December 2024, comprised 9,586 lots under control, including 951 lots under development, across 24 communities predominantly located on the east coast of Australia, South Australia, and New Zealand.[69]

8.3.2 Products

AVJennings primarily generates earnings from three main products:

- **Land:** This involves the acquisition, and subsequent subdivision and development of vacant land, for sale directly to retail customers or other builders and developers. Land is typically located in greenfield growth corridors on the fringes of major Australian urban centres and regional markets near these same urban centres. Sold land is ready to be built on by end customers. Activities undertaken in this segment include; planning, ensuring compliance with local regulations, conducting civil works on the vacant land, and integrating community features such as parks and open spaces, which enhance the residential environment;

[68] Calculated as the closing share price of $0.33 multiplied by 558,270,857 quoted AVJennings Shares outstanding.
[69] AVJennings FY24 Annual Report.

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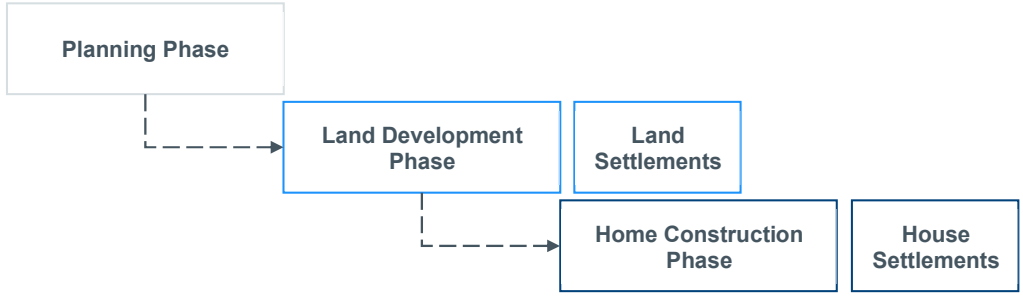
- **Integrated Housing:** Involves the development of housing and land packages which include fixed-price "turnkey" housing packages (houses are developed from a piece of land to completion, being ready for customers to move into immediately) within AVJennings' communities. Housing options offered include detached, terrace, and townhome houses. Integrated houses sold include an array of fixtures and finishings as standard, including blinds and flyscreens, solar panels, air-conditioning, fencing, and landscaping. The company does not provide contract housing services on individual's own land, with all houses built within AVJennings' communities; and
- **Apartments:** Involves the construction of low and mid-rise apartments, typically in prime locations within inner-city suburbs in the eastern Australian states including developments in Williamstown, Victoria, Brunswick, Victoria, Macarthur, NSW and Kogarah, NSW.

In addition to their three main products, AVJennings generates service-based income from the provision of property development and other services to joint venture arrangements.

8.3.3 Development cycle

The following graphic illustrates the production timeline and key development stages for a typical project.

AVJennings Typical Project Timeline



Source: AVJennings' management, Kroll Analysis.

The key development stages for a typical development with traditional construction methods are detailed as follows:

- **Planning:** This is the longest phase in the development cycle and involves zoning and planning of acquired land. The planning phase can typically take 3 to 5 years but up to ~10 years for unzoned land;
- **Land Development:** This phase typically takes 9 to 12 months and involves conducting civil works in preparation of land sales and housing construction. Land is typically brought to market between commencement of civil works and ~50% completion of civil works and settlements typically occur four to six weeks after completion; and
- **House Construction:** This phase typically takes 8 to 11 months and involves the construction and sale of houses. Similar to land sales, housing construction occurs in batches and sales typically commence upon 40% completion of construction. Settlements typically occur four to six weeks after completion of construction.

8.3.4 Development pipeline

AVJennings' development pipeline as at 31 December 2024 is predominantly located across NSW, Victoria, and Queensland, with the three states accounting for 80.7% of total lots. Of the Company's current development pipeline, 12% of lots have been activated (lots which are either work in progress or fully completed) with the remainder undeveloped.[70]

In FY24, the termination of the option associated with the Rocksberg project in Queensland reduced lots under control by 3,500. This, in conjunction with no new acquisitions being made during the year, resulted

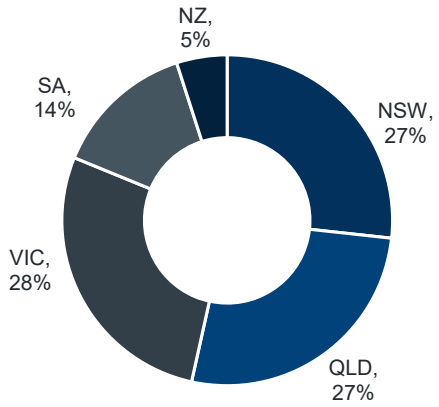
[70] AVJennings 1H25 Results Presentation.

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in AVJennings' pipeline of lots under control reducing from 14,094 at 30 June 2023 to 9,871 at 30 June 2024. Lots under control reduced further to 9,586 as at 31 December 2024.

The geographical breakdown of AVJennings' development pipeline as at 31 December 2024 is illustrated in the following.

Geographical Breakdown of AVJennings' Pipeline as at 31 December 2024



Source: AVJennings 1H25 Results Presentation. Total does not add to 100% due to rounding.

A brief overview of AVJennings' development pipeline as at 31 December 2024 is outlined as follows.

AVJennings Development Pipeline as at 31 December 2024

Site	Remaining Lots	Type[1]	Structure[2]	FY25	FY26	FY27	FY28	FY29+
NSW								
Argyle, Elderslie	27	L, IH	100% AVJ					
Evergreen, Spring Farm (East Village)	316	L, IH	100% AVJ					
Arcadian Hills, Cobbitty	18	L,IH	100% AVJ					
Rosella Rise, Warnervale	423	L, IH	PDA					
Prosper, Kogarah	56	APT	100% AVJ		✓			
Huntley	181	L	100% AVJ					✓
Calderwood	390	L	100% AVJ					✓
Mundamia	338	L	PDA			✓		
Macarthur	793	APT	100% AVJ					✓
Queensland								
Arbor, Rochedale	5	IH	100% AVJ		✓			
Riverton, Jimboomba	853	L, IH	100% AVJ					
Deebing Springs, Deebing Heights	157	L, IH	100% AVJ					
Cadence, Ripley	58	L, IH	100% AVJ					
Cadence 2, Ripley	333	L, IH	PDA		✓			
Kerry Rd, Beaudesert	1,146	L	100% AVJ		✓			
New Zealand								
Ara Hills, Orewa	507	L	100% AVJ					
Victoria								
Lyndarum North, Wollert	1,274	L, IH	JV					

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Site	Remaining Lots	Type[1]	Structure[2]	FY25	FY26	FY27	FY28	FY29+
Aspect, Mernda	111	L, IH	100% AVJ					
Harvest Square, Brunswick West	71	IH, APT	PDA	✓				
Waterline Place, Williamstown	72	IH, APT	100% AVJ					
Clyde	942	L	100% AVJ					✓
Somerford, Clyde North	169	L, IH	100% AVJ					
South Australia								
St Clair	29	L	100% AVJ					
Eyre, Penfield	1,266	L, IH	PDA					
Western Australia								
Various[3]	42	IH	Other					
Other								
Various	9	L, IH						
Total	**9,586**							

Legend: Pre-Delivery Phase | Delivery/Settlement Phase | ✓ Settlement Commence

Source: AVJennings Results Presentation 1H25.
Notes:
1. Product type: L = Land, IH = Integrated Housing, APT= Apartments.
2. Structure: 100% AVJ = AVJennings fully owned, PDA= Project Delivery Agreement, JV= Joint Venture.
3. Lots are not operational, AVJennings has only has a financial interest.

In relation to AVJennings' key developments, we note the following:

- **Evergreen, Spring Farm, NSW:** a residential community offering land and 3, 4 and 5 bedroom integrated housing packages located in Spring Farm, NSW. The project is currently in the delivery/settlement phase and is not expected to be completed until beyond FY29;
- **Rosella Rise, Warnervale, NSW:** a residential community offering both land and integrated housing packages located in the Central Coast region of NSW. The project is currently in the delivery/settlement phase, first settlements occurred in FY23;
- **Prosper, Kogarah, NSW:** a collection of 1, 2, and 3-bedroom boutique apartments located 14 km south of Sydney's central business district (**CBD**). Construction is currently in progress and is expected to be completed in 1H26, with settlements forecast to begin in FY26;
- **Waterline, Williamstown, VIC:** a community located in Williamstown, Victoria, 12km from the Melbourne CBD. The project is comprised of 14 residential buildings, offering 1, 2 and 3-bedroom apartments and 3 bedroom townhouses. The project is currently in the delivery/settlement phase with many apartments and townhouses previously delivered. It is not expected to be fully completed until FY27. The Merchant apartment building was previously completed in June 2024 representing the last apartment building to be delivered in the community;
- **Lyndarum North, Wollert, VIC:** a joint venture in which AVJennings holds a 49% interest, located in Wollert, Victoria, 27km north of the Melbourne CBD. The community offers both land and integrated housing options. The project saw the completion of 140 residential lots throughout FY24;[71]
- **Cadence 1 and 2, Ripley, QLD:** a master planned community located in Ripley, Queensland, 45km west of the Brisbane CBD and 10km from Ipswich. Houses offered in the community are a mix of detached, terraces, and townhouses. As at 31 December 2024, 58 lots remain in Cadence 1. Settlements of lots in Cadence 2 are expected to commence in 1H26; and
- **Ara Hills, Orewa, NZ:** a village-based community with a combined area of 84.5 hectares, located 3km from Orewa Village and 30km north of the Auckland CBD. The development exclusively offers land

[71] AVJennings FY24 Annual Report.

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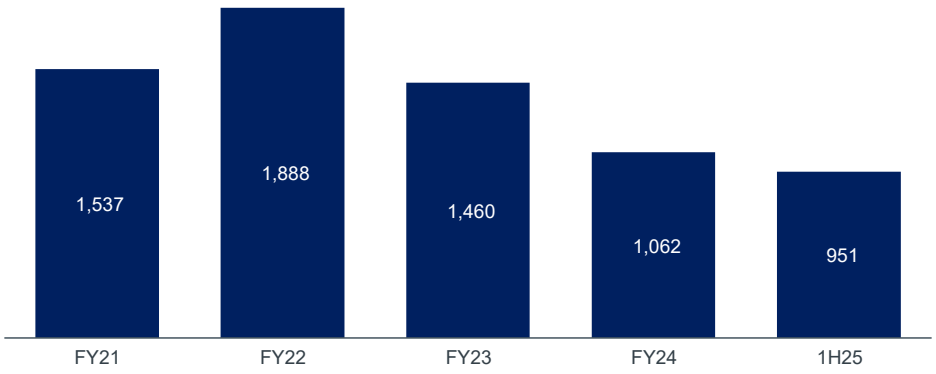
packages with titles of 46 lots anticipated to be available in late FY25. A plan change is currently underway seeking to increase the project density from 700 to 900 lots.[72]

As at 31 December 2024, 8 projects representing 4,179 lots have yet to commence settlements with at least 2,306 lots (representing 24.1% of total lots) not expected to commence settlement until FY29 and beyond.

8.3.5 Work in progress

In response to weaker market conditions, primarily driven by the RBA's interest rate raising cycle which commenced in May 2022, AVJennings scaled back production. Between FY23 and 1H25, lots which were work-in-progress comprised between 9.9% to 10.8% of the Company's pipeline compared to 14.8% in FY22. The number of lots which were work in progress at the end of the financial year between FY21 and 1H25 is illustrated as follows.

Number of Lots Work in Progress



Source: AVJennings Annual Reports and Results Presentations.

8.3.6 Acquisitions

AVJennings typically structures its land acquisitions in two ways:

- **on-balance sheet:** this typically involves an upfront payment with the remainder paid in staged payments or a single payment on acquisition; and
- **project delivery agreements:** land is not acquired upfront and is rather paid over the life of the project, with a portion of revenues generated paid to the landowner.

Land acquisitions in FY22 and FY23 totalled 4,080 lots in line with the company's growth strategy. AVJennings paused acquisitions in 1H23, due to market uncertainty and in order to preserve capital.

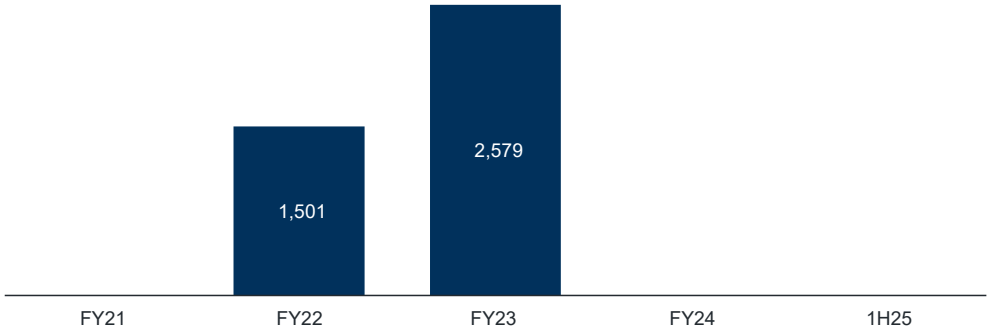
[72] AVJennings FY24 Annual Report.

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The number of lots acquired between FY21 and 1H25 is illustrated as follows.

Number of Lots Acquired



Source: AVJennings Annual Reports and Results Presentations.

8.3.7 Pro9 Joint Venture

In June 2023, AVJennings entered into a joint venture with Pro9 Global to establish a facility to manufacture the Pro9 structural walling system in Australia. Pro9 walling systems are factory-built steel frame, fully enclosed walls which are delivered to the job site ready for installation. Pro9 walls provide a range of benefits to AVJennings and its customers including:

- faster build times, with Pro9 walls able to be typically installed in a few days, significantly reducing average time to lock up and allowing for increased building efficiency and increased certainty of project delivery;
- reduced material and labour cost risks compared to traditional construction methods;
- significantly reduced on-site trade visits reducing safety risks and community traffic; and
- environmental benefits with Pro9 walls providing significant improvements in energy efficiency, with AVJennings' Stellar Collection homes incorporating Pro9 walls achieving a minimum 8 star rating under the National House Energy Scheme (**NatHers**) (a minimum 7 star rating is mandated by the government under the NCC).[73] Additionally, the use of Pro9 walling systems has further enabled the reduction of on-site construction waste by approximately 80%.[74]

As part of the joint venture, AVJennings has established a manufacturing facility in NSW, with the capacity to manufacture walls for up to 800 to 1,000 homes annually at full production. The facility began production in August 2024. AVJennings has further utilised Pro9 walls in its Stellar Collection homes which have been rolled out across various communities including in Riverton, Queensland and Spring Farm, NSW with over 90 homes in the pipeline across FY25-FY26.[75]

8.3.8 Customers

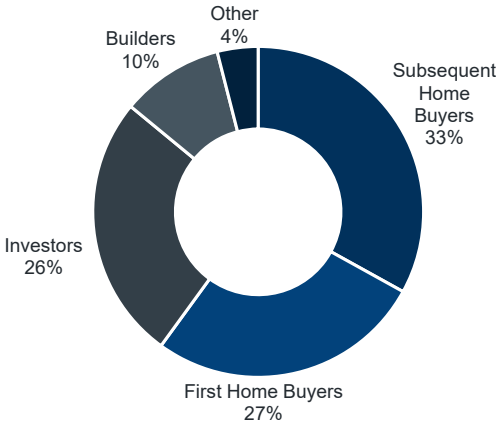
AVJennings products are primarily targeted at the more affordable end of the housing market. Owner occupiers typically represent the largest share of sales, accounting for approximately 60% of FY24 sales. First home buyers represent a sizeable share of owner occupier sales with buyers often being eligible to receive First Home Buyer grants. These grants differ on a state-by-state basis. Builders and investors represent a smaller but still significant portion of sales, accounting for 10.0% and 26.0% of FY24 sales respectively. AVJennings is also involved in the building of affordable and social housing in partnership with state governments.

[73] AVJennings FY24 Annual Report.
[74] AVJennings FY24 Annual Report.
[75] AVJennings 1H25 Investor Presentation.

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The breakdown of FY24 sales for AVJennings by customer types is illustrated in the following.

FY24 Sales by Purchaser Type

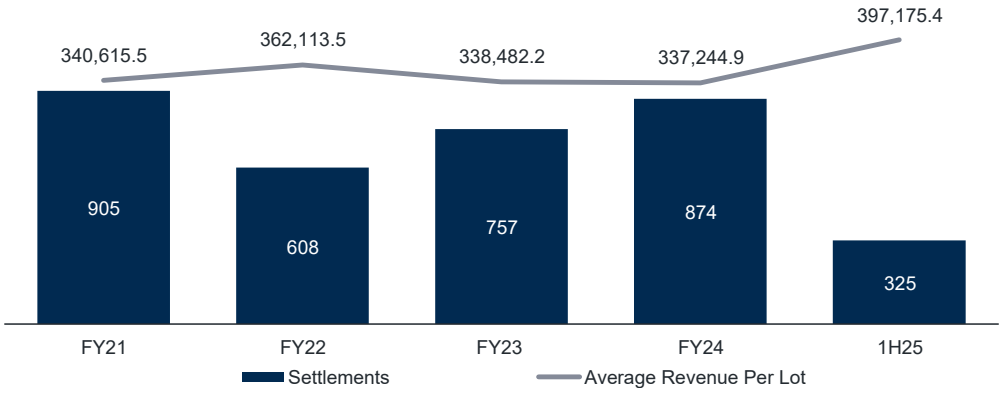


Source: AVJennings FY24 Annual Report.

8.3.9 Settlements

The following chart summarises AVJennings total lot settlements and average revenue per lot from FY21 to 1H25.

Total Lot Settlements and Average Revenue per Lot ($) between FY21 and 1H25



Source: AVJennings Annual Reports and Results Presentations, and Kroll analysis.
Note 1: Average revenue per lot is calculated by total revenues from land, integrated housing, and apartments divided by total settlements.

Between FY21 and 1H25, lot settlements peaked in FY21 at 905 lots. This peak was primarily driven by land settlements, which comprised around 70% of the settled contracts in that year.[76] Additionally, a significant number of apartment settlements, particularly from the completion and substantial settlement of the Empress building at Waterline Place, Williamstown, Victoria further boosted the settlement numbers in FY21.

In FY22, settlements declined by 32.8% to 608 lots. This decrease was due to production and settlement delays caused by weather, supply chain issues, and the COVID-19 pandemic.

[76] AVJennings: 2021 Earnings Call, August 2021.

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In FY23, despite continued wet weather on the east coast in 1H23 and extreme weather events in New Zealand, settlements increased by 24.5%, primarily driven by HomeBuilder land sales from prior periods, with revenue from land sales up 58.4% year on year. Key project contributors included Lyndarum North, Victoria, Ara Hills, New Zealand, Riverton, Queensland, Cadence, Queensland, and Aspect, Victoria.

By FY24, settlements reached 874 lots, marking a 15.5% increase from FY23. This growth was primarily driven by retail settlements in projects such as Waterline Place, Victoria, Lyndarum North, Victoria, and Eyre, South Australia, as well as the disposal of lots related to legacy projects, including 177 lots in the Glenrowan project, Queensland and three remaining sites within the St Clair project, South Australia.

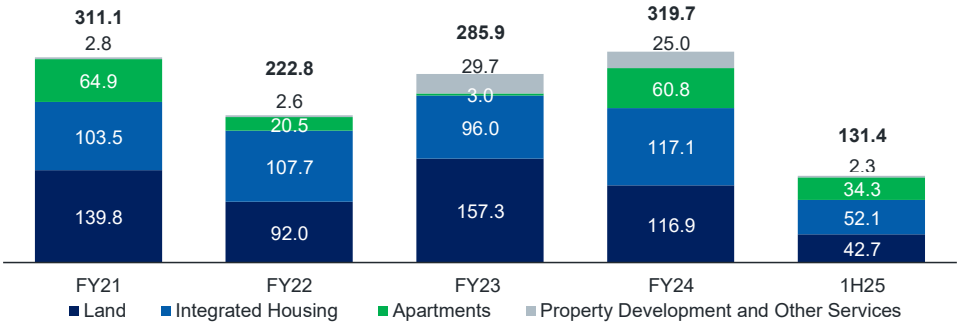
In 1H25, settlements totalled 325 lots, driven by settlements from Waterline Place, Victoria, Evergreen, NSW, Aspect, Victoria, and Rosella Rise, NSW. The greater average revenue per lot over the period was driven by the greater skew of settlements towards higher revenue generating apartment and integrated house sales.

At an annual settlement rate of 874 lots, AVJennings' 9,586 development pipeline has a remaining life of approximately 11 years.

8.3.10 Revenue

The following chart summarises the share of revenue by product type between FY21 to 1H25.

FY21 to 1H25 Revenue by Product Type ($ million)



Source: AVJennings annual reports, results presentations, and Kroll analysis.
Note 1: Numbers may not add due to rounding differences.

The trend in revenue largely mirrored movements in settlements with revenue per lot remaining fairly steady. Land sales have typically represented a majority of sales, with land as a share of total sales ranging from 32.5% to 55.0% between FY21 and 1H25. Integrated housing as a share of total sales ranged from 33.3% to 48.3% of sales over the same period. Integrated housing has represented an increasing share of total sales in recent years as the Company has looked to shift its product mix towards integrated housing. Apartment sales have fluctuated over the period ranging from 1.0% to 26.1% of revenue mainly due to the timing of settlement of apartments within the Waterline development in Victoria.

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8.4 Financial performance

8.4.1 Historical financial performance

The following table summarises the financial performance of AVJennings for FY21 through to 1H25.

AVJennings Financial Performance[1] ($ millions)

	FY21 Audited	FY22 Audited	FY23 Audited	FY24 Audited	1H25 Reviewed
Sale of land	139.8	92.0	157.3	116.9	42.7
Sale of integrated housing	103.5	107.7	96.0	117.1	52.1
Sale of apartments	64.9	20.5	3.0	60.8	34.3
Property development & other services	2.8	2.6	29.7	25.0	2.3
Total revenue	**311.1**	**222.8**	**285.9**	**319.7**	**131.4**
Cost of goods sold[2]	(240.8)	(158.7)	(195.1)	(245.5)	(102.2)
Gross profit	**70.3**	**64.1**	**90.8**	**74.3**	**29.2**
Operating expenses	(39.7)	(44.7)	(49.8)	(52.1)	(25.5)
Underlying EBITDA	**30.5**	**19.4**	**41.0**	**22.3**	**3.7**
Depreciation and amortisation	(1.9)	(1.7)	(1.7)	(1.7)	(0.9)
EBIT (before other income/expense and adjustments)	**28.7**	**17.7**	**39.3**	**20.5**	**2.8**
Share of loss of equity accounted investments	(2.3)	1.6	(0.2)	(0.3)	(0.3)
Sundry income	0.4	0.2	0.2	0.2	0.1
Rent from investment property	0.1	0.1	0.1	0.1	0.7
Change in inventory provisions	(1.8)	-	(4.5)	(1.3)	0.3
Fair value adjustments[3]	0.2	(0.0)	(0.1)	0.1	(0.0)
Provision - equity accounted investments	1.6	(1.5)	-	-	-
EBIT	**26.8**	**18.1**	**34.9**	**19.3**	**3.5**
Net finance income/(expense)	(0.2)	(0.2)	(0.2)	0.1	0.0
Underlying profit before tax (PBT)	**26.7**	**17.9**	**34.7**	**19.3**	**3.6**
Write-off of a terminated project[4]	-	-	-	(17.8)	-
Statutory profit before tax	**26.7**	**17.9**	**34.7**	**1.6**	**3.6**
Income tax expense	(8.0)	(4.9)	(10.6)	(0.6)	(1.1)
Net profit after tax (NPAT)	**18.7**	**13.0**	**24.0**	**1.0**	**2.4**
Growth					
Revenue growth	*18.6%*	*(28.4%)*	*28.3%*	*11.8%*	*9.1%*
Gross profit growth	*17.3%*	*(8.7%)*	*41.6%*	*(18.2%)*	*(6.1%)*
PBT growth	*102.7%*	*(32.8%)*	*93.4%*	*(44.2%)*	*(14.9%)*
NPAT growth	*107.0%*	*(30.3%)*	*84.3%*	*(95.7%)*	*(13.2%)*
Profitability					
Gross profit margin	*22.6%*	*28.8%*	*31.7%*	*23.2%*	*22.2%*
EBITDA margin	*9.8%*	*8.7%*	*14.3%*	*7.0%*	*2.8%*
PBT margin	*8.6%*	*8.1%*	*12.1%*	*6.1%*	*2.7%*
NPAT margin	*6.0%*	*5.9%*	*8.4%*	*0.3%*	*1.8%*
Return on equity[5]	*4.7%*	*3.2%*	*5.8%*	*0.2%*	*NA[6]*

Source: AVJennings Annual Reports, Investor Presentations, Results Announcements and Kroll analysis.
Notes:
1. Minor variances to reported figures may be due to rounding.
2. Includes capitalised interest.
3. Includes fair value remeasurement of AVJennings' investment property at Waterline Place, Victoria.
4. Relates to the termination of option on the Rocksberg land in Caboolture, Queensland.
5. Return on equity is provided by AVJennings management for FY22 and FY23. For FY21 and FY24, return on equity is calculated as NPAT divided by the average of the equity balance at the beginning of the period and at the end of the period.
6. Represents not applicable.

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In relation to the historical financial performance of AVJennings, we note:

- AVJennings operates in the residential property market, which is inherently cyclical and influenced by regional economic conditions. The company's financial performance broadly depends on planning outcomes, fluctuations in interest rates, consumer confidence, weather conditions and the stage of development of land, housing and apartments (refer to Section 7.2 of this report);
- revenue from the sale of land, houses, and apartments is recognised at a point in time when control is transferred to the customer. In most cases, transfer of control occurs at settlement when legal title is transferred to the customer, and an enforceable right to payment is established. In addition, AVJennings provides property development and other services to its joint ventures. The performance obligation is satisfied over time and revenue is progressively recognised based on the service agreement;
- the trend in revenue largely mirrored movements in settlements as described in Section 8.3.9 of this report, with revenue per lot remaining fairly steady;
- gross margin increased from 22.6% in FY21 to 28.8% in FY22, driven by strong pricing growth during the period. Gross profit increased by 41.6% in FY23, followed by a decline of 18.2% in FY24. Gross profit improvement in FY23 was attributed to a heavier skew towards higher margin land projects. In FY24, gross profit declined due to ongoing cost pressures related to labour and some built-form material categories, a significant slowdown in New Zealand and the impact of one-off capital management initiatives. The capital management initiatives included the disposal of all 177 remaining lots within the Glenrowan project, the sale of a large parcel of land (59 lots) at the Elderslie project, and the disposal of three remaining medium density sites within the St Clair project. Gross margin declined to 22.2% in 1H25 (as compared to 25.8% in 1H24) due to a higher number of apartment settlements, cost escalations in built-form housing, and capital recycling initiatives, particularly at St. Clair;
- operating expenses grew from $39.7 million in FY21 to $52.0 million in FY24 driven by a consistent rise in employee expenses, selling and marketing costs, and other operational expenses. Net interest expense was stable and immaterial throughout the period as most interest expenses are capitalised to projects. Operating expenses stood at $25.5 million in 1H25 as compared to $25.0 million in 1H24;
- underlying PBT fluctuated throughout the period presented and mainly reflected the trend in gross profit;
- in FY24, AVJennings recorded a $17.8 million write-off due to the company's decision to terminate its option on the Rocksberg land in Caboolture, Queensland. This termination led to the write-off of capitalised development expenses and the reimbursement of the landowners' transaction costs. The decision to terminate the option was based on a significant increase in expected development and infrastructure costs that had not been matched by increases in forecast revenue;
- lower earnings and the write-off resulted in NPAT declining from $24.0 million in FY23 to $1.0 million in FY24. In 1H25, NPAT declined by 13.2% to $2.4 million compared to 1H24. This decline was driven by higher costs of sales due to the aforementioned cost escalations in built-form housing and capital recycling initiatives;
- return on equity fluctuated in line with the movement in NPAT. Return on equity[77] declined from 5.8% in FY23 to 0.2% in FY24 due to the decline in NPAT and an increase in the equity base following an equity raising of $30.4 million in November 2023;
- earnings per share (**EPS**) declined sharply in FY24, reflecting the decline in NPAT and an increase in the number of shares outstanding following the equity raising; and
- in response to softer short-term trading conditions in 2H23, no final FY23 dividend was declared. Similarly, in FY24, no dividends were declared as a result of the decline in earnings. The Board stated at the end of FY24 that it expects to return to its normal dividend declaration cycle in FY25. However, dividends for 1H25 were withheld as the Board was waiting for the outcome of the due diligence process with AVID and Ho Bee Land and the finalisation of proposed offer, terms and structure.

[77] Return on equity is calculated as NPAT divided by the average of the equity balance at the beginning of the period and at the end of the period.

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The following table summarises the per share metrics of AVJennings.

Per Share Metrics of AVJennings

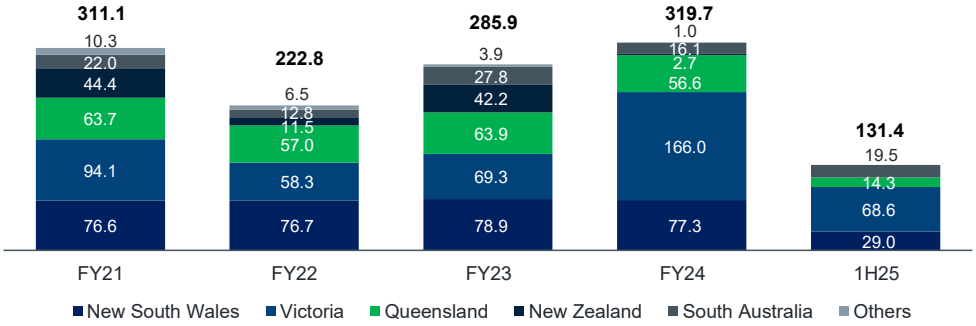
	FY21	FY22	FY23	FY24	1H25
Weighted average number of shares (basic) (millions)	405.5	405.7	405.7	508.5	557.7
Basic EPS (cents)	4.6	3.2	5.9	0.2	0.4
Dividends per share (cents)	2.5	1.8	1.1	-	-
Dividend payout ratio	54.1%	55.0%	18.6%	NA	NA

Source: AVJennings Annual Reports, Investor Presentations, Results Announcements and Kroll analysis.

8.4.2 Segment results

AVJennings' revenue and profit by geographical segment is illustrated as follows.

Revenue by Geographical Segment[1] ($ millions)



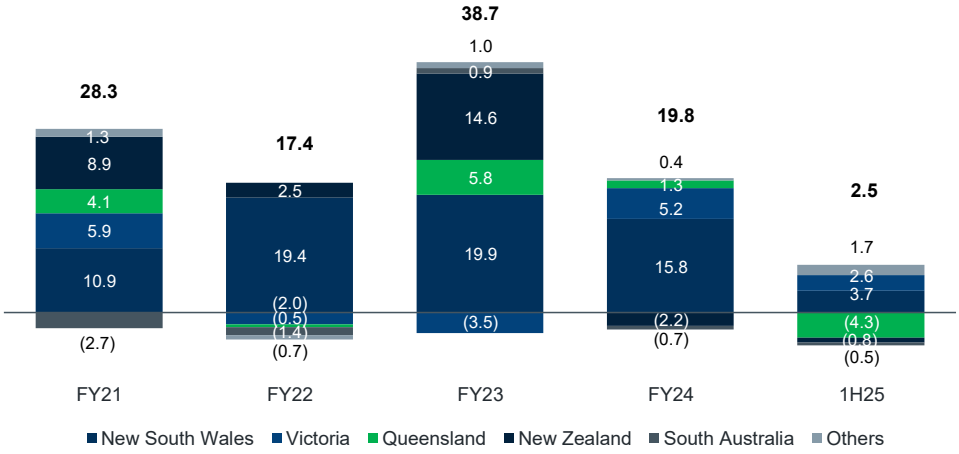
Source: AVJennings Annual Reports and Kroll analysis.

NSW, Victoria and Queensland accounted for the majority of sales from FY21 to FY24. In 1H25, Victoria accounted for more than half of the sales driven by a higher number of apartment settlements. Revenue from Victoria significantly increased in FY24 driven primarily by the growth in sale of apartments (from $0.9 million in FY23 to $59.8 million in FY24) and integrated housing in the region (from $5.4 million in FY23 to $30.3 million in FY24). The revenue contribution from New Zealand decreased in FY24 due to a market slowdown, which led to a decline in land settlements.

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Segment results[1] by Geographical Segment[2] ($ millions)



Source: AVJennings Annual Reports and Kroll analysis.
Notes:
1. Segment results are revenue less cost of sales, operating expenses, depreciation and amortisation and finance costs. It is essentially EBIT less finance costs.
2. Other segment includes South Australia and others.

NSW was the key contributor to the segment results from FY21 to FY24 and in 1H25, generating consistently high margins across the periods presented. In particular, despite significant revenue contributions from Victoria in FY24 and 1H25, segment results were only $5.2 million and $2.6 million, respectively. Although the revenue contribution from New Zealand is relatively modest, it generated significant segment results in FY21 to FY23. In FY24 and 1H25, the reduction in New Zealand revenue resulted in AVJennings generating a loss in New Zealand.

8.4.3 Outlook

AVJennings has not provided specific earnings guidance, however, on release of the 1H25 results on 25 February 2025, it provided the following outlook:

- FY25 gross margin is expected to be down on FY24 due to greater settlement skew towards apartments and built-form housing;
- revenue and earnings are expected to be heavily skewed to the second half with a sizeable increase in built-form with ongoing risks related to recovery in the Victorian and New Zealand market and achieving timely full production within the Pro9 factory; and
- in the second half of FY25, affordable markets of Queensland and South Australia are expected to continue to do well while price sensitive markets including NSW, Victoria and New Zealand are expected to be impacted due to affordability constraints. However, commencement of the rate cut cycle in New Zealand along with improving consumer confidence had a positive impact on the market.

In addition, Kroll has also considered broker forecasts. As far as Kroll is aware, AVJennings is followed by only one broker. This broker has published a report following the release of AVJennings' 1H25 results. It is not an advisor on the Scheme, however, it was the underwriter for the November 2023 equity raising.

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8.5 Financial position

The following table summarises the financial position of AVJennings as at 30 June 2021, 30 June 2022, 30 June 2023, 30 June 2024 and 31 December 2024.

AVJennings Financial Position[1] ($ millions)

	As at 30 June				As at 31 December 2024
	2021 Audited	2022 Audited	2023 Audited	2024 Audited	Reviewed
Inventories	540.8	688.8	806.9	804.0	799.1
Receivables	46.2	15.7	29.2	8.5	5.2
Payables	(47.9)	(182.1)	(240.9)	(151.5)	(132.5)
Working capital	**539.1**	**522.5**	**595.2**	**661.0**	**671.8**
Loan to Pro9 Joint Venture	0.0	0.0	3.5	9.6	-
Equity accounted investments	4.9	5.1	4.9	4.6	17.3
Investment property	1.8	1.8	1.7	1.7	1.7
Right-of-use assets	4.9	5.8	5.4	5.4	4.9
Intangible assets	2.8	2.8	2.8	2.8	2.8
Property, plant and equipment	2.0	2.1	1.0	0.7	0.7
Other assets/(liabilities)	(15.7)	(19.8)	(24.6)	(17.0)	(27.3)
Total funds employed	**539.8**	**520.2**	**589.9**	**668.9**	**671.9**
Cash and cash equivalents	13.1	3.3	13.0	15.1	9.9
Interest bearing liabilities	(138.5)	(109.2)	(171.3)	(221.7)	(218.3)
Lease liabilities	(5.2)	(6.2)	(5.7)	(5.7)	(5.3)
Net debt (including lease liabilities)	**(130.7)**	**(112.1)**	**(164.0)**	**(212.3)**	**(213.7)**
Net assets	**409.1**	**408.0**	**426.0**	**456.6**	**458.1**
Equity attributable to AVJennings Shareholders	**409.1**	**408.0**	**426.0**	**456.6**	**458.1**
Statistics					
NTA per AVJennings Share	*$1.00*	*$1.00*	*$1.04*	*$0.81*	*$0.82*
Gearing[2]	*20.1%*	*14.5%*	*18.1%*	*23.9%*	*24.5%*
Working capital as % of sales	*173.3%*	*234.5%*	*208.2%*	*206.7%*	*255.7[3]*
Cash conversion cycle (days)[4]	*542.1*	*1,200.3*	*1,031.9*	*927.5*	*1,187.3[5]*

Source: AVJennings Annual Reports, Investor Presentations, Results Announcements and Kroll Analysis.
Notes:
1. Minor variances to reported figures may be due to rounding.
2. Calculated as borrowing net of cash divided by total assets.
3. Calculated using annualised 1H25 revenue.
4. Calculated as addition of days inventories outstanding and days sales outstanding minus days payable outstanding. Includes both current and non-current inventories, receivables and payables.
5. Days inventories, days payables and days sales were calculated based on annualising revenue and cost of goods sold (**COGS**) of 1H25.

In relation to the financial position of AVJennings as at 31 December 2024, we note:

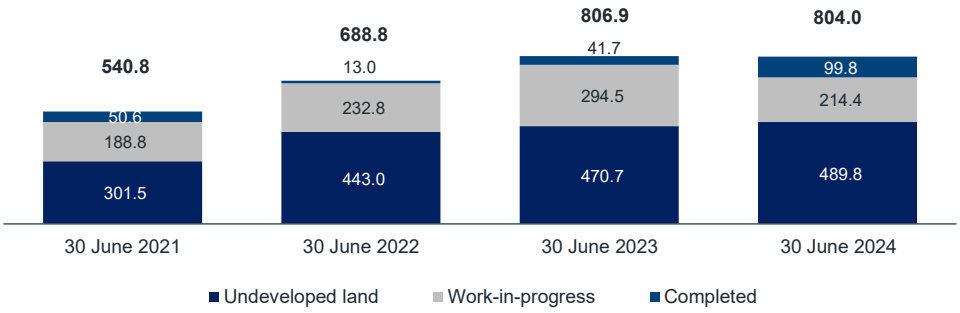
- the majority of AVJennings' assets are inventories. Inventory is carried at the lower of cost and net realisable value. Cost includes acquisition, development, capitalised interest, and all other costs directly related to specific projects prior to the completion of development or construction. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and sell the inventory. Net realisable value considers average historical and forecast selling prices and sales rates for each project as well as changes in macroeconomic conditions impacting forecast assumptions. It involves a significant degree of judgement and can present a range of alternative outcomes;

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- inventories are categorised into undeveloped land, work-in progress (includes houses and apartments under construction, and subdivided land), and completed inventory (includes completed residential land lots, houses and apartments). The allocation of inventory by category is illustrated as follows.

Inventories by category ($ millions)



Source: AVJennings Annual Reports, Investor Presentations, Results Announcements and Kroll analysis.

- growth in inventories from 30 June 2021 to 30 June 2022 mainly reflects land acquisitions and an increase in active projects in response to stronger market activity after pulling back on production at the start of the COVID-19 pandemic in order to preserve cash. Growth in inventories from 30 June 2022 to 30 June 2023 reflects the increased built-form housing and apartment development activity in order to meet demand. No land acquisitions (other than those already contracted) were made since 2H23. In FY24, $17.8 million of capitalised development expenses and reimbursement of landowners' transaction costs were written down as a result of the decision to terminate the option over the Rocksberg project in Queensland;
- AVJennings' inventories are predominantly non-current in nature with current inventories accounting for 24.3% and 26.9% of total inventories as at 30 June 2024 and 31 December 2024, respectively. As at 30 June 2024, current inventories primarily consisted of completed inventory and work-in-progress. Non-current inventories mainly consisted of $480.4 million of undeveloped land and $123.6 million of work-in-progress inventories;
- receivables are relatively minor and mainly include trade receivables, GST receivables and other receivables. The decline in FY24 was primarily due to payments received in relation to New Zealand builder sales;
- as at 31 December 2024, payables amounted to $132.5 million, reflecting a 12.5% decline compared to 30 June 2024, following the Beaudesert land acquisition payment. As at 30 June 2024, payables mainly included land creditors totalling $126.6 million ($205.1 million at 30 June 2023), which related to deferred consideration to purchase land from landowners. Payables declined by 37.1% during FY24 primarily due to land payments for projects located at Beaudesert, Queensland, Clyde, Victoria, and Macarthur, NSW;
- as at 31 December 2024, equity accounted investments include AVJennings' 33.3% interest in a joint venture with Pindan Capital Group Dwelling (building construction business) and a 50.0% interest in Pro9 Australia;

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A summary of the AVJennings' joint ventures as at 31 December 2024 are as follows.

Equity Accounted Investments ($ millions)

Joint Venture	Description	Interest Held	Carrying Value
Pindan Capital Group Dwelling Trust	Building construction business	33.0%	4.5
Pro9 Australia	Prefabricated walling system manufacturing	50.0%	12.8[1]
Total			**17.3**

Source: AVJennings FY24 Annual Report and Kroll Analysis.
Note 1: AVJennings had provided a total convertible loan of $13.0 million to the Pro9 Joint Venture as at 21 November 2024. The conditions for the conversion of this loan into the Joint Venture equity, which included the successful establishment of the Australian manufacturing plant and the production and delivery of the first AVJ residential home, were met in November 2024. As a result, the full loan amount was subsequently converted into equity, increasing AVJennings' ownership in the Joint Venture to 50% at 31 December 2024 from 5% as at 30 June 2024.

- investment property relates to AVJennings' investment in a retail space asset located at Waterline Place, Victoria, held for long term yield and capital appreciation;
- right of use assets, intangible assets, and property, plant and equipment represent a small portion of total assets. The intangible asset relates to the value of the AVJennings brand name which was acquired as part of a business combination in 1995;
- provisions of $13.9 million as at 31 December 2024 relates to employee entitlements and rectification provisions, which consists of costs of maintenance, completion, and rectification of completed projects;
- gearing increased slightly from 14.5% at 30 June 2022 to 18.1% at 30 June 2023 despite management adopting a disciplined approach to capital management. AVJennings completed an equity raising of $30.4 million in November 2023, the purpose of which was to accelerate the building of its housing product within its developments to meet the increase in demand and shift in customer preferences to built-form housing, upgrade financial and operating systems to support greater business efficiency, and support working capital. Gearing increased to 23.9% at 30 June 2024 and to 24.5% at 31 December 2024;
- borrowings as at 31 December 2024, showed a slight decline relative to 30 June 2024 but remained higher compared to 30 June 2023, due to increased production and committed land acquisition payments; and
- NTA per share declined from $1.04 in FY23 to $0.82 in 1H25 as a consequence of the increase in shares outstanding as a result of the equity raising in November 2023 at a price of $0.20 per share, which represented an 80.8% discount to NTA per share at 30 June 2023 of $1.04.

8.5.1 Net borrowings

As at 31 December 2024, AVJennings had net borrowings of $208.4 million, comprised of $9.9 million of cash and $218.3 million of interest bearing liabilities.

A summary of AVJennings' borrowings is set out as follows.

AVJennings' Borrowings as at 31 December 2024 ($ millions)

Debt facility	Facility limit	Drawn	Undrawn	Maturity
Bank overdraft	5.0	-	5.0	30 Sept 2027
Bank loans	319.0	218.3	100.7	30 Sept 2027
Total	**324.0[1]**	**218.3**	**105.7**	

Source: AVJennings Annual Reports, Investor Presentations, Results Announcements and Kroll Analysis.
Note 1: Excludes bank guarantee limit and its related undrawn amount.

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As at 31 December 2024, AVJennings' borrowings had a weighted average cost of debt of 8.1%[78] and a maturity of 30 September 2027.

In addition, AVJennings has entered into contract performance bond facilities which are secured by Deeds of Indemnity between AVJennings and various controlled entities. AVJennings has noted a contingent liability in respect of certain performance bonds amounting to $26.2 million as at 31 December 2024.

There were no defaults or breaches of any covenants relating to the facilities as at 30 June 2024 and 31 December 2024. AVJennings' gearing of 23.9% as at 30 June 2024 and 24.5% as at 31 December 2024 were within the target range of 15.0% to 35.0%.

8.6 Cash flows

The following table summarises the cash flow statement of AVJennings as for FY21 through 1H25.

AVJennings Cash Flows[1] ($ millions)

	FY21 Audited	FY22 Audited	FY23 Audited	FY24 Audited	1H25 Reviewed
Receipts from customers	331.1	275.6	298.9	363.0	147.8
Payments for land	-	-	(41.6)	(93.5)	(20.3)
Payment for development expenditure, suppliers and employees	(253.9)	(229.4)	(281.6)	(310.5)	(113.1)
Interest paid	(8.2)	(7.3)	(13.1)	(21.1)	(10.2)
Income tax paid	(5.0)	(5.8)	(3.6)	(7.3)	(2.2)
Cash flow from operating activities	**64.0**	**33.1**	**(41.0)**	**(69.5)**	**2.0**
Payments for plant and equipment	(0.4)	(0.3)	(0.8)	(0.0)[2]	(0.1)
Payments for financial assets at fair value through profit or loss	-	-	(2.2)	(7.5)	3.4
Interest received	0.2	0.1	0.4	0.7	0.4
Cash flow from investing activities	**(0.2)**	**(0.1)**	**(2.6)**	**(6.8)**	**(3.0)**
Principal elements of lease payments	(1.5)	(1.4)	(1.3)	(1.2)	(0.7)
Net payments for treasury shares	(0.4)	0.2	(0.3)	(0.1)	(0.1)
Dividends paid	(2.8)	(11.8)	(7.2)	-	-
Share buy back in market	-	-	(0.0)[1]	-	-
Net proceeds from issue of shares	-	-	-	29.2	-
Net increase/(decrease) in cash	**59.0**	**19.5**	**(52.4)**	**(48.4)**	**(1.8)**
Opening net debt	184.4	125.4	105.9	158.2	206.6
Increase/(decrease) in net debt	(59.0)	(19.5)	52.4	48.4	1.8
Closing net debt	**125.4**	**105.9**	**158.2**	**206.6**	**208.4**

Source: AVJennings Annual Reports, Investor Presentations, Results Announcements and Kroll Analysis.
Notes:
1. Minor variances to reported figures may be due to rounding.
2. Greater than ($0.05) million.

In FY21 and FY22, positive cash flow from operating activities were mainly utilised to repay borrowings and pay dividends.

In FY23 and FY24, cash flow from operating activities was negative mainly due to payments for land and an increase in production activities across apartments, built-form housing and large land projects and an increase in interest paid as borrowings and interest rates increased. In 1H25, cash flow from operating activities was slightly positive, reflecting a reduction in payments for land and development expenditure relative to 1H24.

In 2H23 and FY24, management sought to conserve capital given uncertain market conditions. No final FY23 dividend was declared, and no dividends were declared in FY24, the share buyback was suspended on 22 June 2023 and no land acquisitions were undertaken in 2H23 and FY24 (other than payments for committed acquisitions). In 2H23, there was a 20% year-on-year reduction in lots under development and

[78] Weighted average cost of debt is 12-month period to date and includes base rate, margin, line fees and other miscellaneous facility fees.

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in FY24, there was a 43.8% reduction compared to FY22 mainly due to termination of the Rocksberg project. Dividends were withheld for 1H25, as the Board awaited the results of the due diligence processes with AVID and Ho Bee Land, as well as the finalisation of the proposed offer, terms, and structure.

In FY23, net cash outflows were funded by an increase in borrowings. In FY24, net cash outflows were funded by a further increase in borrowings as well as a deeply discounted equity raising.

8.7 Capital structure and ownership

As at 2 May 2025, AVJennings has the following securities on issue:

- 558,270,857 fully paid shares (including 585,579 treasury shares);
- 7,053,575 Performance Rights; and
- 124,928 Retention Rights.

8.7.1 AVJennings shareholders

As at 2 May 2025, AVJennings had 2,742 registered shareholders across the ASX and SGX, including 245 holders of unmarketable parcels. The top 20 registered shareholders on the ASX accounted for 86.7% of securities on issue and mainly included The Central Depository (Pte) Ltd (**CDP**) and other strategic corporate investors, company employees/individual insiders and custodians and nominees. The top 20 registered shareholders on the SGX (within the CDP sub-register) mainly include shares held by nominees on behalf of SC Global, direct holdings by SC Global subsidiaries and other individuals. Retail investors (holdings of less than 100,000 securities) accounted for 92.3% of holders.

8.7.2 AVJennings substantial shareholders

AVJennings has received notices from the following substantial shareholders as at 2 May 2025.

AVJennings Substantial Shareholders

Substantial shareholder	Date of notice	Number of shares[1]	Percentage[1]
SC Global	5 December 2023	301,564,270	54.02%
Brazil Farming Pty Ltd	11 June 2024	33,993,835	6.09%
Queensgate Investments Pty Ltd	23 December 2024	30,078,608	5.39%

Source: ASX announcements.
Note 1: For SC Global, number of shares and percentage ownership is as at the last practicable date. For Queensgate Investments Pty Ltd, number of shares and percentage ownership is as at date of notice.

In addition, entities associated with Ho Bee Land have a deemed relevant interest in the shares held by Queensgate by virtue of having (in aggregate) voting power greater than 20% in Queensgate.

Furthermore, entities associated with the Gill family[79] hold a further 5.09% of AVJennings Shares and AVJennings' current and former management hold between 2% and 3% of AVJennings Shares.

S&P Capital IQ estimates AVJennings' free float at 25.8%.[80]

8.7.3 AVJennings Performance Rights and Retention Rights

AVJennings operated the AVJennings Executive Long Term Incentive Plan (**LTI Plan**) until FY23 and the AVJennings Executive Long Term Variable Remuneration Plan (**LTVR Plan**) from FY24 under which performance rights (**Performance Rights**) are granted annually to key management executives, and are subject to performance related vesting criteria assessed over a three year period. Prior to FY24, AVJennings had granted retention rights (**Retention Rights**) to key management executives which vested over a period of three years. The last grant of Retention Rights was in September 2022.

[79] Includes Gillcorp Pty Limited, John E Gill Trading Pty Ltd, John E Gill Operations Pty Ltd and Dr D R M Gill and Mrs J M Gill <the Gill Super Fund A/c>.
[80] Free float is calculated as total number of shares outstanding less shares held by strategic corporate investors and company employees/ individual insiders divided by the total number of shares outstanding.

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As at 2 May 2025, AVJennings had the following Performance Rights and Retention Rights on issue.

AVJennings Performance Rights and Retention Rights

Year of grant	Number Unvested	Number Vested	Total
Performance Rights			
FY23	1,882,519	-	1,882,519
FY24	2,024,188	-	2,024,188
FY25	3,146,868		3,146,868
Total	**7,053,575**	**-**	**7,053,575**
Retention Rights			
FY23	124,928	-	124,928
Total Performance Rights and Retention Rights	**7,178,503**	**-**	**7,178,503**

Source: AVJennings.

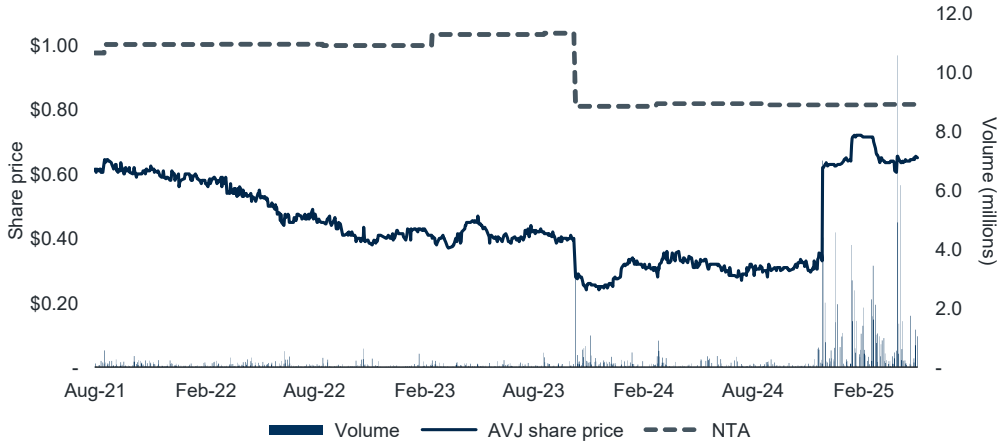
The AVJennings Remuneration Committee has determined that, subject to final sign-off of the Board in connection with the Transaction, up to 100% of the outstanding Performance Rights and Retention Rights are to be vested in full on the Scheme Effective Date and exercised ahead of the Scheme Record Date and will be exercised through the issuance of new fully paid ordinary shares in AVJennings (on a 1:1 basis) to participants. As a result, additional resolutions will be included for voting on at the Scheme Meeting to approve the issuance of shares including to Philip Kearns AM, in his position as a Director and key management personnel.

8.8 Share price performance

8.8.1 Recent share market trading

The trading price and volume of AVJennings shares and NTA per share since 3 August 2021 are set out as follows.

AVJennings Share Price since 3 August 2021



Source: S&P Capital IQ and Kroll analysis.
Note 1: From 10 October 2023 (the announcement of the equity raising) and 23 February 2024 (the release of AVJennings' FY24 half year results), NTA has been adjusted for the equity raising.

Discount to NTA

In the period presented, AVJennings shares have traded at a substantial discount to NTA. This likely reflects:

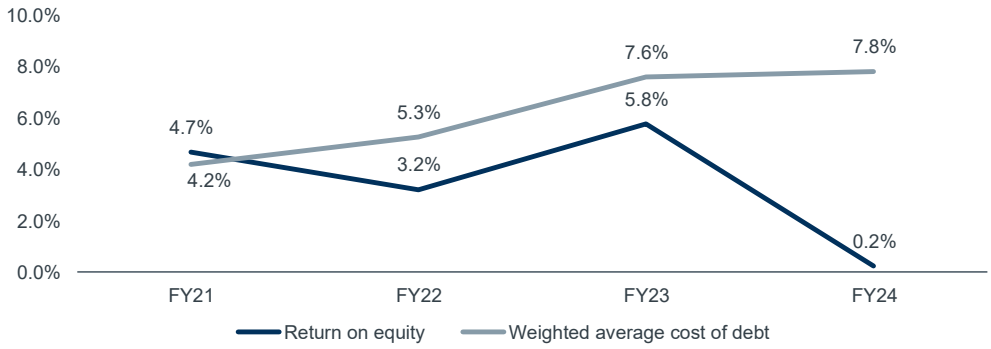
- as discussed in Section 8.5 of this report, AVJennings' assets predominantly comprise inventory, which is held at the lower of net realisable value or cost. Net realisable value is assessed on the future margin expected to be attributable to the projects on an undiscounted basis (i.e. not taking into

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account the timing of when AVJennings may be able to realise this future margin or reflect the risk of achievement). Settlements in FY25 to FY27 are expected to be lower than historical average due to softer market conditions resulting from persistent high interest rates and planning constraints limiting available stock. Furthermore, a large share of AVJennings' inventory balance has an expected completion date of FY29 or beyond. Consequently, AVJennings' share price is likely to reflect the time value of money and risk of achievement and will consequently be lower than the net realisable value;

- AVJennings' net assets do not reflect the impact of the ongoing operating costs required to realise those assets. In FY24, operating costs were $52.0 million;
- the prices at which AVJennings Shares trade reflect trading in minority parcels whereas the book value of net assets reflects 100% ownership;
- SC Global's 54.02% interest in AVJennings is likely to ensure that there is no takeover premium reflected in AVJennings' share price;
- trading in AVJennings Shares is illiquid, with relatively low volumes and a large bid-ask spread (refer to Section 8.8.3 of this report). It has a free float of 25.8%.[81] Furthermore, AVJennings has not provided any specific earnings guidance and it is only followed by one broker;
- board composition, with the majority shareholder as Chairman and the significant tenure of certain Board members;
- AVJennings has not declared a dividend since the interim FY23 dividend;
- AVJennings has undertaken a capital structure review. It has not acquired land (other than under existing contracts) since 2H23. Operating cash flow losses in FY23 and FY24 were funded by borrowings and the deeply discounted November 2023 equity raising (at an 80.8% discount to NTA). Gearing has increased to 24.5% at 31 December 2024, although it remains within the target range. AVJennings has terminated an option and recognised a material impairment for a large project (Caboolture) in order to conserve capital; and
- AVJennings' return on equity is relatively low. In the last three years, return on equity has been well below the weighted average cost of debt (including fees and charges) as illustrated in the following.

Return on Equity[1] vs Weighted Average Cost of Debt[2]



Source: AVJennings Annual Reports and Kroll analysis.
Notes:
1. Return on equity is provided by AVJennings management for FY22 and FY23. For FY21 and FY24, return on equity is calculated as NPAT divided by the average of the equity balance at the beginning of the period and at the end of the period.
2. At 30 June 2024, weighted average cost of debt is 12-month period to date and includes base rate, margin, line fees and other miscellaneous facility fees. At 30 June 2023, weighted average cost of debt excluded line fees.

[81] Source: S&P Capital IQ.

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Share price trend

From 3 August 2021 until 8 November 2022, the AVJennings share price declined by 38.2%, from a close of $0.615 to close at $0.380, while the discount to NTA widened from 38.5% to 62.0%. This reflects an industry-wide decline following cyclical highs reached over the previous 12 months in response to strong government stimulus, as affordability indices once again exhibited pressure and lenders tightened portfolio controls, individual loan-to-value ratios and servicing thresholds. From May 2022 until November 2022, the Reserve Bank of Australia raised the official cash rate from 0.1% to 2.85%. Furthermore, COVID-19 pandemic-induced supply chain constraints on key material and labour inputs were expected to increase development timeframes.[82] Also during this time:

- on 4 March 2022, it was announced that AVJennings would be removed from the S&P/ASX All Ordinaries Index effective 21 March 2022;
- on 27 June 2022, AVJennings announced that Chief Financial Officer, Mr. Larry Mahaffy had passed away; and
- on 1 July 2022, AVJennings advised that it expected profit before tax for FY22 to fall within $16 million and $18 million, a significant decline from $26.7 million for FY21, as several factors caused approximately 250 sale contracts, which were expected to settle in 2H22, to fall into 1H23, including persistent wet weather on the east coast of Australia and Auckland, New Zealand, production delays due to supply chain blockages, materials shortages and labour shortages as well as lingering COVID-19 pandemic related interruptions delaying the timing of settlements.

From 11 November 2022 until 26 March 2023, the AVJ share price stabilised, closing in the range of $0.37 to $0.43, potentially as the market had already priced in the impact of further increases in the official cash rate as well as the impact on earnings of the previously advised supply chain disruptions and the shortage of skilled labour. In addition, on 15 November 2022, AVJennings announced the appointment of Ms Shanna Souter as Chief Financial Officer. Over this period, the discount to NTA ranged from 57.0% to 64.1%.

On 28 March 2023, AVJennings announced a buyback of up to 7,500,000 shares.[83] The AVJennings share price increased from $0.38 to a high of $0.47 on 3 May 2023, before declining to $0.405 on 21 June 2023. The buyback was suspended on 22 June 2023 in order to preserve capital.[84] The share price then closed in the range of $0.385 to $0.440 until 10 October 2023. From 21 June 2023 until 10 October 2023, the discount to NTA ranged from 50.7% to 63.1%.

On 11 October 2023, AVJennings announced a fully underwritten, 1 for 2.67 pro rata accelerated renounceable entitlement offer for approximately $30.4 million equity at an issue price of $0.20 per AVJennings Share, a 50.0% discount to the last closing price of $0.40 on 10 October 2023 and a 42.1% discount to the theoretical ex-rights price of $0.346. After a two-day trading halt, the AVJennings share price declined by 30.0% on 13 October 2023 to close at $0.28 then from 30 October 2023 until 5 December 2023, closed in the range of $0.24 to $0.26, a discount to pro forma NTA[85] in the range of 68.0% to 70.4%.

From the close of $0.245 on 5 December 2023, the AVJennings share price then increased by 46.9% to close at a high of $0.360 on 2 April 2024, a 56.1% discount to NTA. During this time, on 26 February 2024, AVJennings announced 1H24 results. Despite revenue being down by 14%, a number of lead indicators pointed to a recovery, including a 26% increase in enquiries and a 75% increase in contract signing volumes as a result of improved consumer confidence following periods of interest rate stabilisation.

On 20 May 2024, AVJennings announced the write-off of $17.2 million of capitalised development expenses as a result of the termination of the option at Rocksberg land in Caboolture, Queensland. The share price declined by 9.0% in the following two days.

In the month to 27 November 2024, the last trading day before the announcement of the Indicative Proposal, AVJennings shares closed in the range of $0.30 to $0.36, at a VWAP of $0.33, a discount to NTA of 59.5%.

[82] Source: Company announcement to ASX, "AVJennings Delivers Strong Growth in Earnings and Dividends", 17 February 2022.
[83] AVJennings: AVJennings Announces On-Market Buy Back, March 2023.
[84] AVJennings: Transaction and Market Update, June 2023.
[85] NTA has been adjusted for the equity raising between 10 October 2023 (the announcement of the equity raising) and 23 February 2024 (the release of AVJennings' FY24 half year results).

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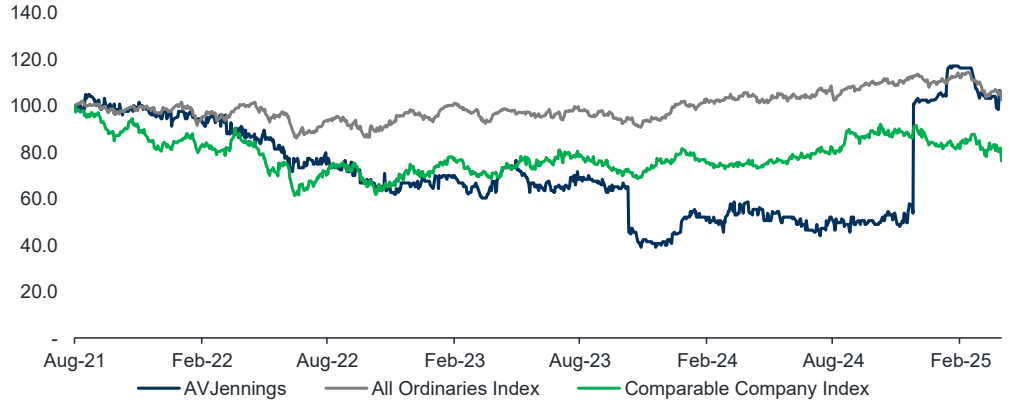
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8.8.2 Relative share price performance

AVJennings is not a member of any indices. Kroll has compared AVJennings' share price to a capitalisation weighted index of residential property developers, including Peet Limited (**Peet**), Finbar Group (**Finbar**), and Cedar Woods Properties Ltd (**Cedar Woods**) (**Comparable Company Index**) as well as the All Ordinaries Index.

The performance of AVJennings relative to the Comparable Company Index since 3 August 2021 is illustrated as follows.

AVJennings' Relative Share Price Performance from 3 August 2021

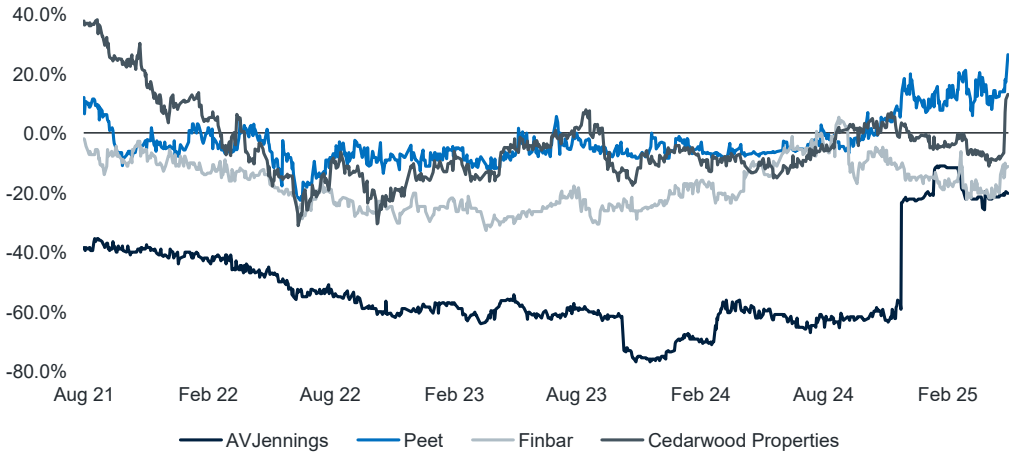


Source: S&P Capital IQ, Kroll analysis.

From 3 August 2021 until late 2022, the AVJennings' share price and the Comparable Company Index declined, underperforming the All Ordinaries Index, reflecting the industry-wide decline described in Section 8.8.1 of this report. The AVJennings share price and the indices then remained relatively flat until October 2023, when the AVJennings share price declined steeply as a result of the dilutive equity raising, underperforming both indices. Subsequently, the AVJennings share price broadly tracked the indices until the announcement of the Indicative Proposal.

AVJennings' discount to NTA relative to the peers from 3 August 2021 is illustrated as follows.

AVJennings' Discount to NTA relative to Peers from 3 August 2021



Source: S&P Capital IQ, Kroll analysis.

AVJennings has consistently traded at a greater discount to NTA than the peers, likely reflecting:

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- AVJennings' project pipeline has a large number of projects for which settlements are expected to commence in FY29 and beyond. As of 31 December 2024, only 12% of AVJennings' pipeline had been completed or were work in progress. In contrast, Cedar Woods has a smaller portion of its pipeline in the planning phase, with most new projects set to commence settlements in FY25 and FY26. Similarly, Peet's land bank development projects have a lower proportion (33%) in the planning phase, with settlements for eight new projects expected to commence by FY27. Finbar, which focuses on developing apartments and commercial units in Western Australia, has a balanced mix of completed projects, projects under construction, and projects in the planning phase in its portfolio;
- AVJennings has a relatively low four-year average (FY21 to FY24) return on equity of 3.5%, compared to Cedar Woods 8.5%, Peet 8.3% and Finbar 4.0% (refer to Appendix 3 of this report), reflecting lower profitability and efficiency of AVJennings' operations as compared to peers;
- AVJennings' significantly lower four-year average return on equity of 3.5% relative to its weighted average cost of debt, which reached 8.1% as at 31 December 2024.[86] In contrast, Cedar Woods' return on equity of 8.5% exceeds its cost of debt of 5.6% while Peet's return on equity of 8.3% is slightly lower than its cost of debt of 8.6%. Finbar's return on equity stood at 4.0% relative to its cost of debt which is based on BBSY+2.2% (refer to Appendix 3 of this report);
- AVJennings had a negative cash conversion ratio in FY23 and FY24 as it generated negative cash flow from operations. This contrasts with Cedar Woods, which had a positive cash conversion ratio in both FY23 and FY24. Peet's cash conversion ratio was positive in FY23 but turned negative in FY24, while Finbar had a negative cash conversion ratio in both years;
- AVJennings has not declared a dividend since 2H23 in line with its capital management policy to preserve capital (and currently as a result of the Transaction), whereas Cedar Woods and Peet have declared dividends with respect to FY23 and FY24. Finbar declared a dividend in FY24, although no dividend was declared in FY23;
- AVJennings' significantly lower liquidity (one year, as % of total share outstanding) of 4.3% as compared to Cedar Woods (26.5%), Peet (20.8%) and Finbar (16.9%) (refer to Appendix 3 of this report); and
- AVJennings' low free float of 25.8% of AVJennings stock as compared to Cedar Woods (73.8%), Peet (62.3%) and Finbar (40.0%).[87]

8.8.3 Liquidity

An analysis of the volume of trading in the AVJennings Shares, including the VWAP for various periods up to 27 November 2024 (the last trading day before the announcement of the Proposal) is set out as follows.

AVJennings Liquidity up to 27 November 2024

Period	Price ($)			Cumulative Value ($ million)	Cumulative volume (million)	Percentage of issued capital	Percentage of free float[1]
	Low	High	VWAP				
1 day	0.31	0.35	0.33	0.13	0.04	0.0%	0.1%
1 week	0.31	0.36	0.34	1.88	0.65	0.3%	1.3%
1 month	0.30	0.36	0.33	3.57	1.18	0.6%	2.5%
3 months	0.28	0.36	0.32	5.68	1.83	1.0%	3.9%
6 months	0.27	0.36	0.32	10.38	3.24	1.9%	7.2%
12 months	0.24	0.37	0.31	23.91	7.39	4.3%	16.6%

Source: IRESS, Kroll analysis.
Note 1: Free float is 25.8%, sourced form S&P Capital IQ.

In the 12 months to 27 November 2024, 4.3% of issued shares (16.6% of free float) were traded. This level of trading indicates that trading in AVJennings Shares are illiquid.

[86] Weighted average cost of debt is 12-month period to date and includes base rate, margin, line fees and other miscellaneous facility fees.
[87] Source: S&P Capital IQ.

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Kroll has further considered the average bid-ask spread for the 1-year period up until 27 November 2024. We note the historical average bid-ask spread ranged from 1.4% to 16.4%, and the average bid-ask spread was relatively wide at 4.7%, indicating there are relatively few buyers and sellers of AVJennings Shares and supporting our view that AVJennings Shares are illiquid.

9 Valuation of AVJennings

9.1 Overview

Kroll has assessed the value of AVJennings' equity in the range of $304.1 million to $347.7 million, which corresponds with a value per AVJennings Share in the range of $0.54 to $0.61 on a fully diluted basis.[88]

Kroll has valued AVJennings' development projects under a Run-off Scenario. That is, it is assumed that AVJennings' existing development projects run-off and are not replaced with future projects. Kroll has considered a Development Platform Scenario whereby AVJennings' existing development projects run-off and are replaced with future projects into perpetuity. However, as a result of AVJennings' relatively low return on equity, relatively high funding costs and long development cycle, we do not consider that a hypothetical acquirer would attribute value to the Development Platform Scenario greater than that which is assessed under our Run-Off Scenario, particularly given that there are a number of potential acquirers that already have their own development platform.

Our ranges of assessed values reflect 100% ownership of AVJennings and, therefore, incorporate a control premium. As our valuation includes a control premium, our ranges of assessed values per share exceed the price at which we expect AVJennings Shares would trade on the ASX in the absence of the Scheme.

The value of AVJennings' equity has been determined by estimating the fair value of AVJennings' development projects, Pro9 and capitalised corporate overheads (net of synergies available to a pool of potential acquirers), together with consideration of AVJennings' net tax liability and non-operating assets/ liabilities and adjusted net debt (including lease liabilities) to determine the value of AVJennings' equity on a stand-alone basis.

The valuation is summarised as follows.

AVJennings Valuation Summary ($ millions)

	Section Reference	Valuation Range	
		Low	High
Net present value of development projects	9.3	**651.3**	**702.0**
Capitalised overheads (net of synergies)	9.3	(134.4)	(141.6)
Pro9	9.4	12.8	12.8
Net tax liability as at 31 December 2024	9.5	(14.1)	(14.1)
Value of AVJennings' operating business		**515.5**	**559.1**
Non-operating assets/(liabilities) (net)	9.6	10.0	10.0
AVJennings enterprise value (control basis)		**525.6**	**569.1**
Adjusted net debt as at 31 March 2025[1]	9.7	221.4	221.4
Value of AVJennings' equity (control basis)		**304.1**	**347.7**
Diluted number of AVJennings Shares (millions)[2]	8.7	565.4	565.4
Value per AVJennings Share (control basis) ($)		**0.54**	**0.61**

Source: Kroll analysis.
Notes:
1. Includes lease liabilities.
2. Includes 558,270,857 ordinary shares on issue and assumes 7,178,503 new AVJennings Shares are issued with respect to the AVJennings Performance Rights and Retention Rights.

[88] Includes the 558,270,857 ordinary shares on issue and assumes 7,178,503 new AVJennings Shares are issued with respect to the AVJennings Performance Rights and Retention Rights.

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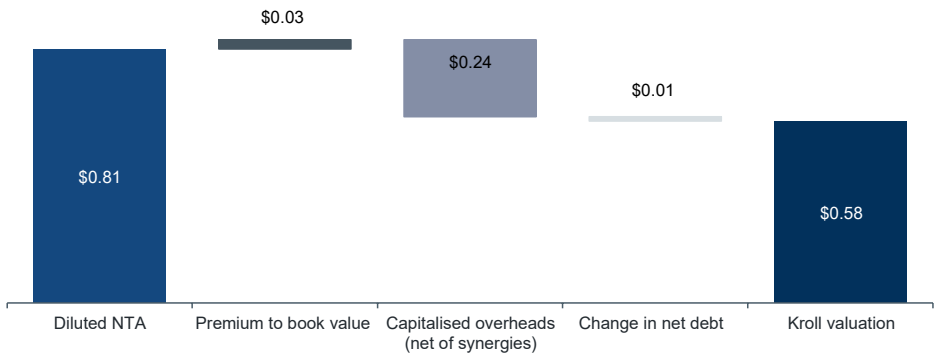
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In assessing the value of AVJennings' development projects, Kroll has adopted a DCF methodology as the primary methodology (refer to Section 9.3.1 of this report). The value derived from the DCF methodology has been cross-checked using a market approach (refer to Section 9.3.2 of this report).

Comparison of Kroll's valuation to NTA

Kroll's primary valuation of AVJennings results in a value that is less than AVJennings' net asset value. A reconciliation of AVJennings' diluted NTA per share as at 31 December 2024 to Kroll's mid-point valuation of AVJennings is illustrated as follows.

Reconciliation of AVJennings Diluted NTA per share to Kroll's Mid-point Valuation as at 31 December 2024



Source: Kroll analysis.

The assessed range of values of $0.54 to $0.61 per AVJennings Share represents:

- a discount to diluted NTA[89] as at 31 December 2024 ($0.81) in the range of $0.19 to $0.27, or 23.6% to 33.2%, which is within the range of discounts to NTA observed for comparable property development companies (from a discount of 39.5% to a premium of 27.6%). Premiums/(discounts) to NTA are impacted by the point in the cycle at which the transaction occurs (refer to Appendix 3 of this report). In this regard, the most recent transaction identified, the acquisition of Devine in 2021, occurred at a discount to NTA of 39.5%, and four of the eight publicly listed residential property developers identified are currently trading at a discount to NTA (refer to Section 9.3.2 of this report);
- in the month to 27 November 2024, the last trading day prior to the announcement of the Scheme, AVJennings Shares traded at a VWAP of $0.33, which represents a 59.5% discount to NTA as at 30 June 2024 of $0.81;
- the discount to NTA implied by our assessed range of values can be accounted for by the following offsetting factors;
  - AVJennings' assets mainly comprise inventory that is carried at the lower of cost and net realisable value whereas Kroll's valuation of the development assets reflects our assessment of fair value. A significant portion of AVJennings' inventory is carried at cost. Net realisable value does not represent fair value as it is assessed on the future margin expected to be attributable to the projects on an undiscounted basis (i.e. not considering the timing of when AVJennings may be able to realise this future margin or reflect the risk of achievement) and excluding any tax. In this regard, many of AVJennings' current projects are yet to commence settlement (eight projects representing 43.6% of lots) and a further four projects representing 24.1% of lots at 31 December 2024 are not expected to commence settlement until beyond FY29. Overall, Kroll's discounted cash flow analysis results in a value of the development projects that is (1.4)% to 6.3% greater than their book value as at 31 December 2024 of $660.3 million;[90]

[89] Calculated as NTA as at 31 December 2024 divided by the diluted number of shares.
[90] Calculated as the sum of NTA less net debt, Pro9, equity accounted investments and net tax liability as at 31 December 2024.

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- AVJennings' inventory balance does not reflect the impact of the ongoing operating costs required to realise those assets. Kroll has assessed the value of AVJennings' remaining operating costs (net of synergies) in the range of $134.4 million to $141.6 million, or $0.24 to $0.25 per share; and
- the change in net debt to 31 March 2025 which increased by $7.7 million resulting in a decrease in value by $0.01 per share.

Comparison of Kroll's valuation to recent share trading

The assessed range of values of $0.54 to $0.61 per AVJennings Share represents a premium to the one-month VWAP to 27 November 2024 ($0.33) in the range of 63.0% to 86.3%. The significant premium for AVJennings likely reflects:

- that Kroll's valuation is inclusive of a control premium whereas the prices at which AVJennings Shares are traded on the share market reflect trading in minority (and fairly illiquid) parcels. Premiums observed in control transactions are typically in the range of 25% to 40%;
- premiums paid in transactions involving Australian residential property developers are in a wide range ((4.8%) to 100%). There are a number of transactions where significant premiums were observed e.g. Devine/CIMIC (2021), 100.0%, Payce/Bellawest (2016), 80.0%, and Tian An/Oasis Star (2017), 47.7%, noting that trading in these target companies was also illiquid with limited free float (free float of 30.5% for Devine, 1.9% for Payce and 13.6% for Tian An and percentage of shares traded in the preceding 12 months of 8.5% for Devine, 7.2% of Payce and 20.6% for Tian An). Furthermore, at the time of the acquisition announcement, Devine was not covered by any equity brokers, and limited information about the company's ongoing projects was available to the market due to commercial sensitivity. This lack of coverage and information could have contributed to a lower trading price for Devine before the acquisition announcement (refer to Appendix 3 of this report); and
- it is likely that the AVJennings share price during this period was adversely impacted by factors such as the presence of a major shareholder, illiquid share trading, board composition with the majority shareholder as Chairman and the significant tenure of certain Board members, absence of a dividend, the capital structure review, and a dilutive equity raising priced at a significant discount to AVJennings' trading price and NTA per share (refer to Section 8.8.1 of this report).

In forming our view as to the value of AVJennings Shares, we have considered a series of factors including:

- AVJennings' position as a residential property developer which develops residential land, houses, and apartments in greenfield growth corridors and infill sites on the Eastern seaboard of Australia, South Australia and New Zealand;
- the timing and status of AVJennings' current development pipeline which consists of 9,586 lots over 24 projects as at 31 December 2024, with 24.1% of projects not expected to commence settlement until FY29 and beyond;
- the performance of Pro9 to date including the ramp up of operations at its factory, future capital requirements, and forecast future sales and material and labour costs;
- AVJennings' recent operating and financial performance including the number of lot settlements, return on equity which has been well below its weighted average cost of debt, the Company's negative cash flows from operating activities in FY23 and FY24, and the lack of dividends declared since the interim FY23 dividend;
- the current outlook for the Australian property development industry including the current performance of property markets across Australia, the current macroeconomic environment, the impact of government regulations on the timing and cost of development of projects, current land shortages in Australia, the potential growth in the prefabricated housing industry, and the current housing supply shortage in Australia;
- Federal Labor Government policies related to the housing industry in Australia including those aimed at addressing the current affordability crisis, particularly for first homebuyers. We, however, note that current proposed policies are primarily geared towards driving first homebuyer demand and fail to address significant supply side challenges. Given uncertainty around policy outcomes and broader industry factors outlined above, AVJennings' management does not consider there to be sufficient

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information at this point to believe the policy changes will materially impact earnings over the life of a project; and

- synergies available to a pool of potential acquirers.

Special Dividend

The total cash consideration of $0.655 will be reduced by any Special Dividend, being a fully-franked dividend of up to $0.167 for each AVJennings Share held as at the Special Dividend Record Date, which if declared and paid will result in franking credits of up to approximately $0.072 per AVJennings Share (provided a favourable class ruling is obtained from the ATO).

In Kroll's opinion, it is not appropriate for the assessment of the Scheme to either factor into the value of AVJennings, the value of accumulated franking credits or include in the value of the consideration the value of the credits attached to the Special Dividend since the value of those credits to each shareholder varies depending on their individual circumstances. Nevertheless, it needs to be recognised that, where part of a takeover offer comprises a franked dividend, some shareholders may realise additional value from the franking credits (i.e. they are better off in after tax terms than they would have been had the same amount been paid as part of the acquisition price and been received as a capital gain).

9.2 Approach

9.2.1 Overview

Our valuation of AVJennings has been prepared on the basis of 'fair value'. The generally accepted definition of fair value (and that applied by us in forming our opinion) is the value agreed in a hypothetical transaction between a knowledgeable, willing, but not anxious buyer and a knowledgeable, willing, but not anxious seller, acting at arm's length. Fair value excludes 'special value', which is the value over and above the value that a particular buyer, which can achieve synergistic or other benefits from the acquisition, may be prepared to pay.

In the absence of direct market evidence, fair value is commonly derived by applying one or more of the following valuation approaches:

- income approach;
- the market approach; or
- cost approach.

These approaches are discussed in further detail in Appendix 4 of this report. The decision as to which approach to adopt will depend on various factors including the availability and quality of information, the maturity of the business and the actual practice adopted by purchasers of the type of asset or business involved. A secondary methodology is often adopted as a cross-check to ensure the reasonableness of the outcome, with the valuation conclusion ultimately being a judgement derived through an iterative process.

For profitable businesses, the market approach and income approach are commonly used as they reflect 'going concern' values, which typically incorporate some element of goodwill over and above the value of the underlying assets. For businesses that are either non-profitable, non-tradeable or asset rich (e.g. real estate investment trusts), a cost approach is often adopted as there tends to be minimal goodwill, if any.

9.2.2 Selection of methodology

A discussion of the rationale for the selection of the valuation methodologies is set out as follows.

Income approach

Under an income approach, the value of an asset is determined by converting future cash flows to a current value. It is commonly adopted when:

- the income producing ability is the critical element affecting value from a market participant perspective;
- future cash flows can be estimated on a reasonable basis; and

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- there is not a substantial operating history, there is a variable pattern of cash flow, or the asset has a finite life.

The most common application of the income approach is the DCF methodology. This methodology allows for cash flows to reflect a range of risks and opportunities, allows for a range of scenarios to be modelled, and allows for AVJennings' variable pattern of cash flows to be accounted for. In addition, a DCF methodology allows for a run-off scenario to be modelled.

A DCF methodology can be applied to cash flows to the whole asset or business or cash flows to equity. Cash flows to the whole asset or business is most commonly used because an asset or business should theoretically have a single value that is independent of how it is financed or whether income is paid as dividends or reinvested.

Utilising the DCF methodology requires estimation of cash flows for a number of years and discounting those cash flows back to present value. AVJennings has provided a 14 year forecast to FY2039 (**Financial Model**).

Kroll has prepared a DCF analysis that uses the Financial Model as its starting point. Kroll has undertaken various enquiries and independent analysis in relation to AVJennings' assumptions underlying the Financial Model, including holding discussions with AVJennings management and reviewing key assumptions in the context of current economic, financial and other conditions.

Following our enquiries and independent analysis, Kroll is of the view that the Financial Model has been prepared on a reasonable basis and is, therefore, suitable as a basis for our DCF analysis. In making this assessment, we have taken the following into account:

- the financial model is a sum of the parts model which is comprised of individual feasibility models for each of AVJennings' projects and capitalised corporate overheads;
- the financial model for AVJennings' development projects is a consolidated run-off model based on individual feasibility models for each of AVJennings' current projects. The individual feasibility models are used for planning purposes including as part of the annual budget setting process, to compare forecast performance against funding covenants, and to observe development performance against projections;
- each individual feasibility model is managed by each project's individual manager and is updated on a monthly basis. Each model runs for the forecast life of the development but only assumptions for the next three years are examined for consolidated planning purposes;
- revenue assumptions are forecast on a project level with prices based on the sales performance from previous phases, advice from external experts and from market evidence on a corridor and state basis;
- project costs are based on contracted rates, tendered rates for previous stages, or pricing suggested by external experts; and
- the assumptions in each feasibility model are reviewed by the Chief Operating Officer (**COO**) annually as part of the annual budget setting process. The annual budget is reviewed and approved by the Board.

Kroll has also considered cash flow forecasts for Pro9, however, given that Pro9 is effectively a start-up business, we are unable to establish a reasonable basis for those cash flow forecasts.

We have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any forward-looking financial information. However, we have made sufficient enquiries and, where considered necessary, have adjusted certain assumptions to reflect our judgement.

The cash flows within our DCF analysis do not constitute a forecast or projection by Kroll of the future performance of AVJennings, and no assurance or warranty is provided that future performance will align with the assumptions adopted in the model. These assumptions do not, and do not purport to, represent the range of potential outcomes for AVJennings' business operations.

Regarding the valuation of AVJennings' development portfolio, Kroll has considered risk at a portfolio level rather than at an individual project level. We note that risk is diversified across AVJennings' development

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portfolio with projects currently at varying stages in the development cycle. This is in-line with other companies in the residential development industry from which Kroll has derived betas.

Market approach

The market approach is based on comparing the asset or business to identical or comparable assets or businesses for which there is available price information. Application of this approach involves the capitalisation of the cash flows or earnings (or revenue) of a business at a multiple that reflects both the risks of the business and the future growth prospects of the income it generates. It is commonly adopted where:

- the asset or business or similar assets or businesses are actively publicly traded (**market comparable methodology**);
- there are frequent and/or observable transactions in comparable assets or businesses (**comparable transactions methodology**); and
- there is substantial operating history and a consistent earnings trend.

AVJennings operates in the residential housing market, which is inherently cyclical and influenced by both national and regional economic conditions. The company's financial performance broadly depends on the fluctuations in interest rates, consumer confidence and the stage of development of land, housings and apartments (refer to Section 7 of this report). Where companies have cyclical earnings, valuers typically have regard to an average of the earnings over the cycle, rather than earnings in any particular year.

In addition, there are a number of publicly traded Australian residential property developers, as well as transactions involving Australian residential property developers from which to calculate meaningful multiples. Consequently, a market approach has been used as a cross-check.

Application of this approach involves the capitalisation of the cash flows or earnings of a business at a multiple that reflects both the risks of the business and the future growth prospects of the income it generates. This methodology requires an element of professional judgement as to:

- the level of earnings or cash flows that are expected to be maintainable indefinitely, adjusted for non-recurring items and other known factors likely to impact on future operating performance; and
- an appropriate capitalisation multiple that reflects the risk and growth prospects associated with the level of earnings being capitalised. The capitalisation multiple is usually determined having regard to market evidence derived from comparable transactions and share market prices for comparable companies, whilst also considering the specific characteristics of the business being valued.

The earnings base to which a multiple is commonly applied include revenue, EBITDA, EBIT and net profit after tax. The choice between parameters is usually not critical and should give a similar result.

In considering the appropriate earnings period of the asset or business being valued from which to calculate multiples, factors to consider include whether the historical performance of the asset or business reflects the expected level of future operating performance, such as whether the underlying business is cyclical and at what stage of the cycle the performance is being measured. Kroll has considered these issues as part of its analysis of market evidence.

Companies within the land development and wider property development industry are commonly valued with reference to their underlying tangible asset base given the capital intensity of the business models.

AVJennings has not announced specific earnings guidance and there is only one broker covering AVJennings and that broker was the underwriter in AVJennings' recent equity raising. Kroll has considered premiums/(discounts) to historical NTA as well as historical multiples of average EBITDA over the cycle.

Rule-of-thumb valuation benchmarks are sometimes considered to be an application of the market approach. They generally should not be given substantial weight unless market participants place particular reliance on them. Kroll is not aware of any rules-of-thumb that are utilised in valuing property development companies.

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Cost approach

A cost-based approach is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business, such as real estate holding companies which record their portfolio on the balance sheet at fair value. For property development companies, however, assets mainly reflect inventories, which are recorded at the lower of cost and net realisable value. Net realisable value is assessed on the future margin expected to be attributable to the projects on an undiscounted basis (i.e. not taking into account the timing of when AVJennings may be able to realise this future margin or reflect the risk of achievement). A large share of AVJennings' inventory balance has an expected completion date of FY29 or beyond. Consequently, a cost approach has not been utilised to value AVJennings' projects.

Kroll has adopted the cost approach to assess the value of AVJennings' 50% stake in Pro9. We note that Pro9 does not have a substantial operating history and we are unable to establish a reasonable basis for forecast future cash flows to apply the income approach. We further note the limited comparability of multiples and the inability to establish a level of through-the-cycle maintainable earnings for the purposes of adopting a market approach.

9.2.3 Control premium

Consistent with the requirements of RG 111, we have assumed 100% ownership of AVJennings and, therefore, our valuation includes a control premium.

Successful transactions are commonly completed with an implied acquisition premium to the pre-trading equity price of the target in the order of 25% to 40% depending on the individual circumstances.[91] In considering the evidence provided by actual transactions, it is important to recognise that the observed premium for control is an outcome of the valuation process, not a determinant of value, and that each transaction will reflect to varying degrees the outcome of a unique combination of factors, including:

- the acquirer's capacity to realise full control over the strategy and cash flows of the target entity;
- the magnitude of synergies available to all acquirers, for example, the rationalisation of costs related to duplicated functions, or the removal of costs associated with the target being a listed entity;
- uncertainties related to the timing of full realisation of target synergies;
- the expected costs to migrate and integrate the business;
- the nature of the acquirer (i.e. whether the acquirer is a financial investor or a trade participant);
- synergistic or special value that may be unique to a particular acquirer;
- the interest acquired in the transaction with consideration to the acquirer's pre-existing shareholding in the target;
- the prevailing conditions of the economy and capital markets at the time of the transaction with consideration to the position in the overall market cycle;
- desire (or anxiety) for the acquirer to complete the transaction;
- whether the acquisition is competitive; and
- the extent the target company's share price already reflects a degree of takeover speculation.

The premium that is ultimately applied must have regard to the circumstances of each case. In some situations, it may be appropriate to apply no premium for control, for example, there are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by institutional investors through an initial public offering. Accordingly, an assessment as to an appropriate control premium, if any, is essentially a matter of judgement.

The multiples derived for listed comparable companies generally reflect prices at which portfolio interests (i.e. minority interests) are traded and consequently, do not include a control premium. They may also be impacted by the level of liquidity in trading of the particular security. Accordingly, when valuing a business as a whole (i.e. AVJennings on a 100% basis), or when valuing the main undertaking of a business, it is

[91] 2023 Mergerstat Review. Range represents median premium from 2013 to 2022. Premiums are calculated based on the seller's closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.

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appropriate to reference the multiples achieved in recent transactions, where a control premium and breadth of purchaser interest are more fully reflected.

There are a number of potential strategic acquirers of AVJennings that have an existing development platform and a substantial Australian presence and are of significant scale.

Any acquirer of AVJennings (financial or strategic) is likely to be able to derive savings from listed public company costs. A strategic acquirer is also likely to be able to save a portion of corporate overheads. In addition, property development companies with a substantial presence in Australia are likely to also be able to save a portion of overheads associated with site/land, marketing, sales and workflow.

Cost synergies available to a potential acquirer have been estimated at 40.0% of overheads. Kroll has assumed that an acquirer could reduce overheads as a percentage of revenue in line with Cedar Woods and Finbar which had the lowest overheads as a percentage of revenue among listed comparable residential property development companies. Kroll notes, however, that some developers capitalise a material portion of overheads rather than including them in overheads. Whilst the approach undertaken by Finbar is unclear, Cedar Woods does not appear to capitalise a significant portion of overheads into COGS and is, therefore, a relevant benchmark. Refer to Appendix 6 of our report.

Additionally, it is expected that an acquirer could achieve further synergies through the elimination of listed public company costs including board fees, remuneration of key management personnel, and audit fees. These costs accounted for approximately 8.2% of overheads in FY24.

The estimate of synergies available to a potential acquirer is presented as follows.

Assumed Synergies ($ millions)

Comparable companies overhead percentage of revenue[1]	12.0%
AVJennings' overhead percentage of revenue[1]	17.7%
Difference	5.7%
Implied % of total overheads[2]	**32.2%**
Additional listed public company costs	8.2%
Total overhead synergies available (rounded)	**40.0%**

Source: S&P Capital IQ, Company financial statements; Kroll analysis.
Notes:
1. Calculated using average revenue in FY23 and FY24.
2. Calculated as difference/ AVJennings' overhead percentage of revenue.

In cross-checking the implied value of AVJennings utilising a market approach, potential synergy benefits have been included by incorporating a multiple that is based on recent transaction evidence and includes a control premium. Adding both an adjustment to earnings to reflect synergies and a control multiple in the valuation would result in an overstatement of the benefits of a transaction.

9.3 Valuation of development projects

9.3.1 Discounted cash flow analysis

Kroll has assessed the value of AVJennings' operating business in the range of $515.5 million to $559.1 million.

As discussed, the DCF analysis was based on a long-term financial model developed by Kroll on the basis of a financial model provided by AVJennings. The DCF analysis uses as a starting point the financial position of AVJennings as at 31 March 2025 and projects nominal, unlevered, after tax cash flows to FY39 a period of 14.25 years. Unlevered, after tax cash flows are discounted by a weighted average cost of capital (**WACC**) in the range of 9.50% to 11.00% (refer to Appendix 5). No terminal value has been included.

The key assumptions underlying the forecast cash flows are:

- **residential lot/unit sales rates:** Management forecasts residential sales considering the latest expected completion dates of various phases including construction programs and time frames within its communities and development projects. In addition to historical evidence, Management considers market research and advice from external experts and revises settlement forecasts within the

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feasibility models to reflect current market dynamics and are directly linked to sales rates. In addition to sales rates, management monitors for trends in customer cancellation rates, typically driven by financing availability when determining settlement forecasts;

- **land acquisition costs:** Land acquisition costs are based on the contractual agreements with the original landowners. For land acquisitions under project delivery agreements this cost is funded by revenue flows from the project;
- **development costs:** Largely consist of site-wide infrastructure, land holding costs (including rates and land tax), civil works, housing construction costs, statutory fees and contributions, professional fees, and development management costs (for certain JVs). The various costs are forecast based on current contracted rates, tendered rates for previous stages and external pricing suggested by consultants and civil engineers;
- **escalation rate:** Costs and revenue escalations are project specific and vary depending on the latest macroeconomic data available to Management in addition to consultation from relevant project managers who will advise on observable historical trends;
- **ownership structure:** For any projects that are part of a JV, we have taken AVJennings' pro-rata share of the total cash flows of the JV;
- **capitalised overheads:** Overheads have been forecast based on budgeted overheads for FY25 increased by forecast CPI throughout the Forecast Period. Kroll has assumed a fixed overhead cost base of $15.0 million which is forecast to increase annually in line with forecast CPI throughout the forecast period. The remainder of forecast overheads have been assumed to be variable, and are forecast to decline in proportion to the roll-off of the development portfolio;
- **corporate tax rate** of 30% in line with the Australian corporate tax rate; and
- **synergies** have been forecast at 40.0% of forecast overheads as discussed in Section 9.2.3

9.3.2 Valuation cross-check

In order to cross-check our selected valuation range for AVJennings Shares, Kroll has compared the implied valuation metrics from the DCF analysis to market evidence derived from transactions involving Australian residential property developers and multiples at which Australian residential property developers trade.

Our assessed value of AVJennings' operating business implies the following discount to NTA per share and EBITDA multiples.

AVJennings Implied Multiples Cross-check

	Parameter	Low	High
Value of AVJennings' equity		**304.1**	**347.7**
Discount to NTA at 31 December 2024	$0.82	(34.1%)	(24.6%)
Value of AVJennings' operating business		**515.5**	**559.1**
Adjusted EBITDA multiple (FY24)[1]	$39.1 million	13.2	14.3
Adjusted EBITDA multiple (4-year average) [1]	$38.2 million	13.5	14.6

Source: Kroll analysis.
Note 1: Excludes capitalised interest within COGS.

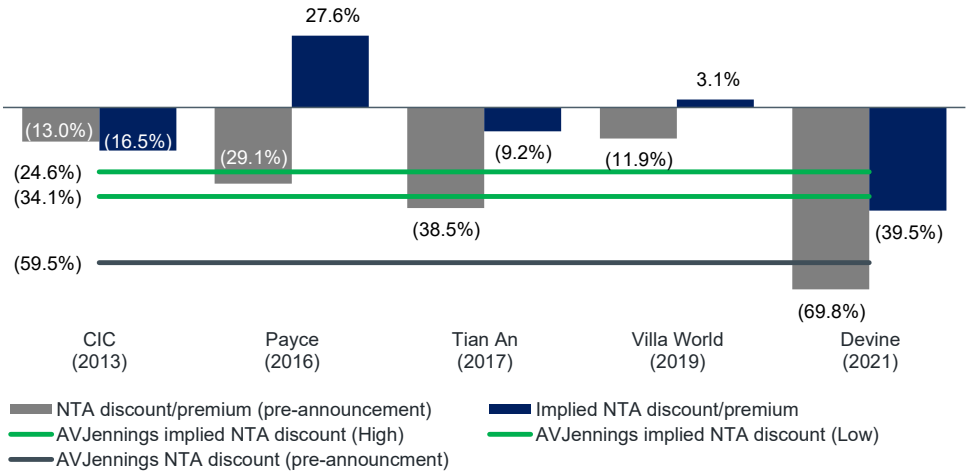
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Transactions evidence

A comparison of AVJennings' implied premium/(discount) to NTA with those observed in comparable transactions involving Australian residential property developers is presented as follows.

Premium/(Discount) to NTA



Source: S&P Capital IQ, Company financial statements, Kroll analysis.

In relation to the premium/(discount) to NTA of the comparable transactions we note:

- the extent of any premium / discount to NTA depends on a range of factors, such as the anticipated strategic value and cost synergies, the anticipated development margins (as indicated by the difference between a developer's anticipated return on equity relative to its funding costs) and the quantum of overhead costs required to deliver the projects. If, for example, a developer's funding costs are equivalent to its return on equity, to the extent that an overhead platform is required to deliver the projects, this will reduce the value to below NTA. If, on the other hand, a developer is able to generate significant returns above its cost of capital, this will narrow the gap to NTA or may result in a value that is greater than NTA;
- each of these transactions occurred in a different operating environment to today. Building costs have increased significantly in recent years (refer to Section 7.3.5 of this report). The current macroeconomic environment is also more challenging, with interest rates at their highest levels since April 2012 and affordability at all-time lows (refer to Section 7.3.1 of this report), reducing demand. These factors make it more challenging to generate a significant return on equity. At the same time, funding costs as well as planning delays have increased (refer to Section 7.4 of this report) meaning that developers have to hold inventory for longer before generating any returns on projects. Consequently, we would expect that had these transactions occurred in the current macroeconomic and operating environment, they may have attracted lower premiums / greater discounts to NTA;
- the most recent transaction was the acquisition of Devine in 2021, which occurred at a significant discount to NTA of 39.5%. This likely reflects that most of Devine's inventory was tied to the Riverstone Rise project in Gladstone, which was not expected to be completed until 2046. This long timeline likely resulted in a lower assessed market value for Devine due to the time value of money compared to the book value of the project (the lower of cost and net realisable value). Additionally, the transaction's significant discount to NTA was likely also driven by Devine's weak financial performance, with the company registering losses for three years prior to the announcement of the offer and generating a negative return on equity of (9.0%) in the last financial year and a negative four-year average return on equity of (10.1%). Although AVJennings also has a long timeline for much of its development projects, its return on equity is higher (four-year average of 3.5%, last financial year of 0.2%), suggesting a lower discount to NTA is appropriate for AVJennings. On the other hand, AVJennings is currently operating in a more challenging macroeconomic environment, with

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significantly higher interest rates currently than in 2021, reduced affordability and weaker demand. Furthermore, building costs have increased substantially since 2021 (refer to Section 7.3.5 of this report) and planning delays have increased further (refer to Section 7.4 of this report). Immediately prior to the announcement of the transaction, Devine was trading at a discount to NTA of 69.8%;

- the acquisition of CIC Australia Limited (**CIC**) occurred at a discount to NTA of 16.5%. The discount was likely driven by CIC's relatively low return on equity (four-year average of 4.3%) compared to its cost of debt (7.1%) and relatively small operating scale, however, the return on equity in the financial year preceding the transaction was relatively strong at 7.4%. In comparison, AVJennings' four-year average return on equity is lower at 3.5%, the return on equity for the last financial year was substantially lower (0.2%) and its cost of debt is higher (8.1%).[92] The transaction occurred in 2013, in a very different macroeconomic environment to today. Immediately prior to the announcement of the transaction, CIC was trading at a discount to NTA of 13.0%, compared to AVJennings which closed at a discount to NTA of 59.5% on 27 November 2024;
- Payce and Villa World Group (**Villa World**) have operations of similar scale to AVJennings, however, differences in their business models and product offerings make Payce not directly comparable to AVJennings. Payce focused mainly on developing residential apartments and retail areas in the Sydney market. Additionally, Payce primarily operated as an off-the-plan developer meaning it had sold its properties prior to construction and hence had a lower risk profile in comparison to AVJennings. Villa World's business is comparable to AVJennings, as it operated as a residential property developer with development and construction operations across NSW, Queensland, and Victoria;
- the acquisitions of Payce and Villa World were completed at premiums to NTA of 27.6% and 3.1% respectively. These premiums to NTA likely reflect that both companies had a relatively high four-year average return on equity (27.8% and 12.6%, respectively), and a relatively low cost of debt (6.4% for Villa World). Immediately prior to the announcement of the transactions, Payce and Villa World were trading at a discount to NTA of 29.1% and 11.9%, and
- the acquisition of Tian An occurred at a discount to NTA of 9.2%. Although it had a relatively low four-year average return on equity of (3.8%), it's return on equity in the year prior to the transaction was 6.5%, which was above its cost of debt of 5.7%. Immediately prior to the announcement of the transaction, Tian An was trading at a discount to NTA of 38.5%.

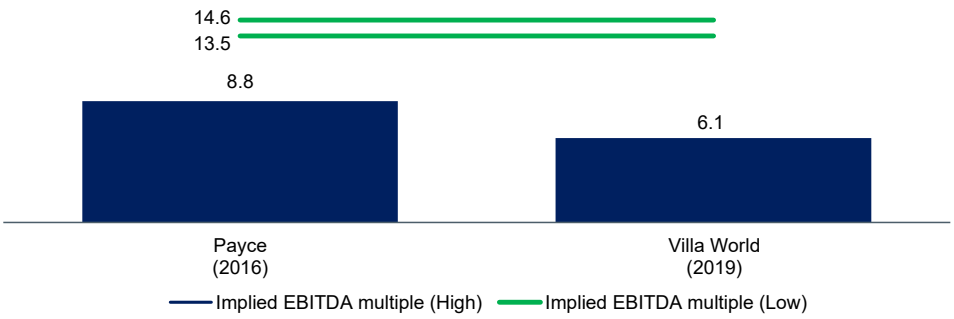
[92] Source: p.16 of 1H25 Results Presentation. Weighted average cost of debt is 12-month average to date and includes base rate, margin, line fees and annual facility extension fees. Weighted average cost of interest is 5.9% for the 12 months to 31 December 2024.

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A comparison of AVJennings' implied EBITDA multiples with those observed in comparable transactions involving Australian residential property developers is presented as follows.

EBITDA multiple[1]



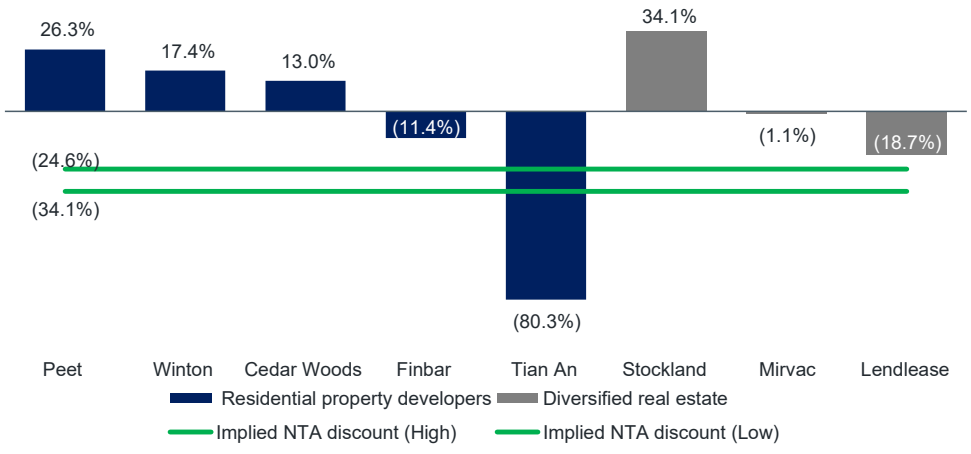
Source: S&P Capital IQ, Company financial statements, Kroll analysis.
Notes:
1. Multiples presented are based on four-year average EBITDA prior to the date of announcement of the transaction. EBITDA has been adjusted to exclude capitalised interest within COGS.
2. Multiples for Devine, Tian An and CIC are not meaningful as they were loss making and consequently, they have not been included in the chart.

The EBITDA multiples implied by Kroll's valuation of AVJennings substantially exceed the multiples for Payce and Villa World.

Share market evidence

A comparison of AVJennings' discount to NTA with the multiples of listed residential property developers and diversified real estate companies are presented as follows.

Premium/(Discount) to NTA



Source: S&P Capital IQ, Company financial statements, Kroll analysis.

The discount to NTA implied by Kroll's valuation of AVJennings is greater than those for all of the comparable companies except for Tian An. Kroll's valuation includes a premium for control whereas the prices at which

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comparable companies trade do not, however, Kroll considers that a higher discount is appropriate for AVJennings compared to most of the comparable companies since:

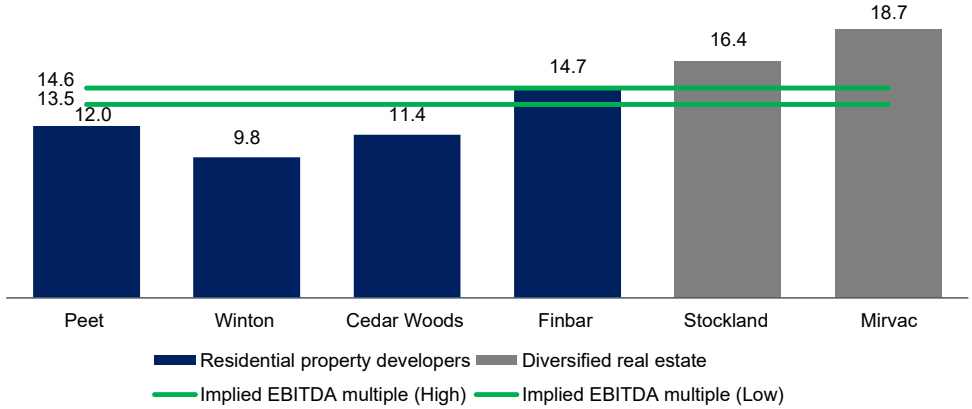
- we have included residential property developers and diversified real estate companies operating in Australia and New Zealand in our analysis. However, we note that diversified real estate companies are less comparable to AVJennings as a result of their large scale of operations, diverse product offerings (such as fund and investment management, construction, and development services), and different economies of scale. In particular, they are able to utilise earnings from their substantial investment portfolios to fund developments;
- certain companies have activities for which value is not fully reflected in NTA. For example, Peet undertakes development activities on behalf of third parties and also generates earnings from funds management activities. These activities represented 33.6% and 27.9% of Peet's EBITDA for FY24. As a result of these activities, it is trading at a premium to NTA;
- certain companies generate earnings from other sources which likely provide more stable income through the cycle, with Winton Land Limited (**Winton**) owning and operating retirement villages and a commercial portfolio and Finbar generating rental earnings through its portfolio of commercial investment properties (rental income contributed 27.8% of net profit before tax in FY24). Furthermore, these companies are able to fund development activities from these more stable earnings;
- AVJennings has a relatively low return on equity (four-year average of 3.5% and 0.2% in the last financial year) compared to its cost of debt (8.1% at 31 December 2024). In comparison:
  - Peet is trading at a premium to NTA of 26.3% and has a relatively high four-year average return on equity of 8.3% and a cost of debt of 8.6% as at 31 December 2024;
  - Winton is trading at a premium to NTA of 17.4% and has a relatively high four-year average return on equity of 9.4% and a cost of debt of 9.1% as at 31 December 2024;
  - Cedar Woods is trading at a premium to NTA of 13.0% and it has a relatively high four-year average return on equity of 8.5% and a relatively low cost of debt at 5.6% as at 31 December 2024;
  - Finbar is trading at a discount to its NTA of 11.4%. Its four-year average return on equity of 4.0% is similar to that of AVJennings, however, its cost of debt is lower (BBSY+2.2%) than for AVJennings; and
  - Tian An is trading at a greater discount to NTA of 80.3%. Its four-year average return on equity of (11.2%) is substantially lower than for AVJennings;
- many of AVJennings' current projects are yet to commence settlements (eight projects representing 43.6% of lots) and a further four projects representing 24.1% of lots at 31 December 2024 are not expected to commence settlement until beyond FY29. In comparison:
  - as at 30 June 2024, Peet's land bank development projects have a lower proportion (33%) in the planning phase, with eight new projects expected to start settlements by FY27;
  - Winton is primarily focused on residential lots which comprise of 78% of its portfolio, however, it also owns retirement villages and a commercial portfolio, which likely provide more stable income;
  - Cedar Woods has a lower portion of its pipeline in the planning phase, with most new projects set to commence settlements in FY25 and FY26; and
  - Finbar, which focuses on developing apartments and commercial units in Western Australia, has a balanced mix of completed projects, projects under construction, and projects in the planning phase in its portfolio;
- Peet and Cedar Woods both released updated profit guidance in April 2025 and May 2025 respectively, with Cedar Woods upgrading profit guidance for FY25 and FY26 and Peet increasing profit guidance and projecting a higher dividend for FY25. In contrast, AVJennings in its Q3 FY25 update released in May 2025, indicated that FY25 revenue would be below FY24.

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A comparison of AVJennings' implied EBITDA multiple with the multiples of listed residential property developers and diversified real estate companies are presented as follows.

EBITDA multiple



Source: S&P Capital IQ, Company financial statements, Kroll analysis.
Note 1: The multiples presented are based on the average EBITDA of the latest four financial years. EBITDA has been adjusted to exclude capitalised interest within COGS.

The implied EBITDA multiples for AVJennings are reasonable since:

- the presented multiples are based on share market prices and do not include a control premium whereas Kroll's valuation of AVJennings includes a control premium;
- as discussed, diversified real estate companies are less comparable to AVJennings as a result of their large scale of operations, diverse product offerings (such as fund and investment management, construction, and development services), and different economies of scale. In particular, they are able to utilise earnings from their substantial investment portfolios to fund developments. As such, they could be expected to trade at higher multiples than residential property development companies;
- the residential property development companies are more comparable to AVJennings as they are of a broadly similar scale and are primarily engaged in the development of land, apartments, townhouses, and communities, similar to AVJennings;
- as discussed, Peet and Finbar's earnings are more diversified and more stable than AVJennings' making them less risky and contributing to higher trading multiples. Peet derives income from its development activities on behalf of third parties and from its funds management activities. Alternatively, Finbar generates rental income from its portfolio of investment properties;
- Tian An is not included in the above chart as its four-year average earnings are negative;
- Winton operates similarly to AVJennings in terms of business operations and product offerings, and it is trading at a four-year average EBITDA multiple of 9.8 times. We note, however, that Winton primarily operates in New Zealand and as such, it is subject to different macroeconomic and regulatory conditions than for AVJennings;
- compared to AVJennings, Peet and Cedar Woods have a greater share of their development pipelines in the settlement phase, with only 33% of Peet's land bank in the planning phase and with the majority of Cedar Woods' projects expected to commence settlements in FY25 and FY26. This results in a stronger near term growth outlook for Peet and Cedar Woods, relatively to AVJennings, and suggests a lower multiple (excluding a control premium) is appropriate for AVJennings;
- a greater portion of Peet and Cedar Woods' current development pipelines are located in faster growing regions including South Australia, Queensland, and Western Australia, with more than half of Peet's developments located in Western Australia and Queensland and 76.0% of Cedar Woods' lots located across South Australia, Queensland, and Western Australia. Similarly, the entirety of Finbar's pipeline is located in Western Australia which was the fastest growing market among Australian

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capital cities. Alternatively, a greater share of AVJennings' development pipeline is located in underperforming regions with 54.0% of lots located in Victoria and NSW which have reached affordability caps. These factors also result in a higher growth outlook for Peet, Cedar Woods and Finbar, relative to AVJennings, suggesting a lower multiple (excluding a control premium) is appropriate for AVJennings; and

- Peet and Cedar Woods both increased profit guidance in April 2025 and May 2025 respectively whereas, AVJennings indicated that FY25 revenue would be below FY24 in its Q3 FY25 update released in May 2025.

The relevant market evidence is provided in detail in Appendix 3.

9.4 Valuation of Pro9

Kroll has assessed the value of AVJennings' share in Pro9 to be $12.8 million based on a cost approach as at 31 December 2024. As discussed in Section 9.2.2, Pro9 is effectively a start-up business and Kroll is unable to establish a reasonable basis for the cash flow forecasts provided.

9.5 Net deferred tax liability

Kroll has valued AVJennings' net deferred tax liabilities at its book value as at 31 December 2024 of $14.1 million.

9.6 Other assets and liabilities

In order to arrive at the enterprise value of AVJennnings', it is necessary to adjust for any assets and liabilities not required to sustain the adopted level of maintainable earnings. Kroll has assessed the value of AVJennnings' surplus net assets for the purpose of this valuation to be $10.0 million. Kroll has valued these other assets and liabilities based on the cost approach as at 31 December 2024. These assets include:

- **St Clair**: Kroll has valued the remaining lots from AVJennings' legacy project at St Clair at $5.5 million; and
- **equity accounted investments**: Kroll has valued AVJennings' 33.3% equity accounted interest in Pindan Capital Group Dwelling Trust at $4.5 million.

9.7 Adjusted net debt

In order to arrive at the value of equity, it is necessary to deduct the net debt from the unlevered value of AVJennings. Kroll has assessed AVJennings adjusted net debt position for the purpose of this valuation to be $221.4 million. This amount is based on AVJennings' balances for external borrowings, lease liabilities and cash balance as at 31 March 2025.

AVJennings' Adjusted Net Debt ($ millions)

	Unaudited
Cash and cash equivalents as at 31 March 2025	19.9
Total external borrowings as at 31 March 2025	(236.4)
Lease liabilities as at 31 March 2025	(5.0)
Adjusted net debt	**(221.4)**

Source: Management, Kroll analysis.
Note 1: Total does not add due to rounding.

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Appendix 1 – Kroll disclosures

Qualifications

The individuals with overall responsibility for preparing this report on behalf of Kroll are Ian Jedlin and Celeste Oakley. Ian is an Associate and Accredited Business Valuation Specialist of the Institute of Chartered Accountants Australia and New Zealand and holds a Master of Commerce. Celeste holds a Bachelor of Economics, a Bachelor of Laws and a CFA designation. Both Ian and Celeste have extensive experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of independent expert reports.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Kroll's opinion as to whether the Scheme is in the best interests of AVJennings Shareholders. Kroll expressly disclaims any liability to any AVJennings Shareholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, Kroll has had no involvement in the preparation of the Scheme Booklet or any other document prepared in respect of the Scheme. As such, Kroll takes no responsibility for the content of the Scheme Booklet as a whole or other documents prepared in respect of the Scheme (other than this report).

Independence

Kroll considers itself to be independent in accordance with the requirements of Regulatory Guide 112 issued by ASIC on 30 March 2011. In considering independence, it is noted that Kroll does not have, and has not had within the previous two years, any business or professional relationship with AVJennings or the Bidder or any financial or other interest that could reasonably be regarded as capable of affecting our ability to provide an unbiased opinion in relation to AVJennings. Kroll's only role with respect to the Scheme has been the preparation of this report.

Kroll will receive a fixed fee of $275,000 (excluding GST and out of pocket expenses) for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Scheme. Kroll will receive no other benefit for the preparation of this report.

Declarations

AVJennings has provided an indemnity to us for any claims arising out of any misstatement or omission in any material or information provided to us in the preparation of this report.

During the course of this engagement, Kroll provided draft copies of this report to management of AVJennings for comment as to factual accuracy, as opposed to opinions, which are the responsibility of Kroll alone. Changes made to this report as a result of those reviews have not altered the methodology or opinions of Kroll as stated in this report.

The engagement has been conducted in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board (**APESB**).

Kroll is authorised by Millinium Capital Managers Limited, Australian Financial Services License no. 284336, to provide the following financial services as their Corporate Authorised Representative:

- provide financial product advice in respect of the following classes of financial products:
- interests in managed investment schemes including investor directed portfolio services; and
- securities;

with respect to retail clients and wholesale clients.

Consents

Kroll consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet to be issued to AVJennings Shareholders. Neither the whole nor any part of this report or its

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attachments or any reference thereto may be included or attached to any other document without the prior written consent of Kroll as to the form and context in which it appears.

Kroll consents to:

1. be named in its capacity as the independent expert appointed by the board of directors of AVJennings in the Scheme Booklet; and
2. the inclusion in the Scheme Booklet of:
    i. this report, in the form and context in which it is included in the Scheme Booklet; and
    ii. all references to this report, and statements extracted from or based on this report, in the form and context in which each such reference and statement is included in the Scheme Booklet.

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Appendix 2 – Limitations and reliance on information

Limitations and reliance on information

Kroll's opinion is based on prevailing economic, market, business and other conditions at the date of this report. However, the factors impacting these conditions continue to evolve and can change over relatively short periods of time. The impact of any subsequent changes in these conditions on the global economy and financial markets generally, and the assets being valued specifically, could impact upon value in the future, either positively or negatively. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

Our report is also based on financial and other information provided by AVJennings and its advisers. AVJennings has been responsible for ensuring that information provided by it and its representatives is not false or misleading or incomplete. AVJennings has represented in writing to Kroll that to its knowledge, the information provided is complete and not incorrect or misleading in any material respect. Complete information is deemed to be information which at the time of completing this report should have been made available to Kroll and would have reasonably been expected to have been made available to Kroll to enable us to form our opinion. We have no reason to believe that any material facts have been withheld from us.

In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying such information. Nothing in this report should be taken to imply that Kroll has in any way carried out an audit of the books of account or other records of AVJennings for the purposes of this report. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles including the Australian equivalents to International Financial Reporting Standards, as applicable.

In addition, we have also had discussions with AVJennings in relation to the nature of the business operations, specific risks and opportunities, historical results of AVJennings and prospects for the foreseeable future of AVJennings. This type of information has been evaluated through analysis, inquiry and review to the extent considered necessary or practical as part of the information used in forming our opinion is comprised of the opinions and judgements of management. Kroll does not warrant that its procedures and inquiries have identified all matters that a more extensive analysis might disclose as they did not include verification work nor an audit or review engagement in accordance with standards issued by the Auditing and Assurance Standards Board or equivalent body.

An important part of the information used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. Such information is often not capable of external verification or validation.

The statements and opinions included in this report are given in good faith and in the belief that such statements and opinions are not false or misleading.

Disclosure of information

In preparing this report, Kroll has had access to all financial information considered necessary in order to provide the required opinion. AVJennings has requested Kroll limit the disclosure of certain information relating to AVJennings to information previously disclosed. This request has been made on the basis of the commercially sensitive and confidential nature of the operational and financial information of the operating entities comprising AVJennings. As such the information disclosed in this report, unless otherwise indicated, has been limited to the type of information that is regularly placed into the public domain by AVJennings.

Sources of information

In preparing this report we have been provided with and considered the following sources of information:

Publicly available information

- Scheme Booklet;
- Scheme Implementation Deed;
- results presentations and annual reports for AVJennings from FY21 to FY24;

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- ASX announcements, press releases, media and analyst presentations and other public filings by AVJennings including information available on its website;
- recent press articles regarding AVJennings;
- information sourced from S&P Capital IQ;

Non-public information

- AVJennings Board papers and other internal briefing papers prepared by AVJennings; and
- other confidential documents, presentations and workpapers.

In addition, we have had discussions with, and obtained information from, senior management of AVJennings.

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Appendix 3 – Market evidence

Comparable companies

The following table sets out the financial and trading data for the selected comparable companies as at 5 May 2025.

Company name	Country	Market Capitalisation ($ million)	Cost of debt	Gearing[3]	Cash conversion (days)[4]	Free float	Liquidity[5]	ROE (%)	
								FY	Four-year average
AVJennings	**Australia**	**184.2[1]**	**7.8%[2]**	**23.9%**	**928**	**25.8%**	**4.3%[6]**	**0.2%**	**3.5%**
Residential property developers									
Peet Limited	Australia	737.4	8.6%	30.3%	1,438	62.3%	20.8%	6.1%	8.3%
Winton Land Limited	New Zealand	548.4	9.1%	11.0%	808	29.7%	0.9%	3.1%	9.4%
Cedar Woods	Australia	523.1	5.6%	24.1%	853	73.8%	26.5%	9.1%	8.5%
Finbar Group	Australia	216.3	BBSY+2.2%	11.1%	650	40.0%	16.9%	6.7%	4.0%
Tian An Australia Limited	Australia	13.4	4.3%[7]	77.0%	na	3.3%	0.3%	8.3%	(11.2%)
Diversified real estate companies									
Stockland Corporation	Australia	13,265.8	5.3%	28.4%	685	99.4%	78.9%	3.1%	8.4%
Mirvac Group	Australia	8,996.6	5.7%	29.2%	234	99.5%	140.0%	(8.1%)	1.8%
Lendlease Group	Australia	3,509.9	5.5%	24.4%	65	92.8%	81.3%	(26.1%)	(7.1%)

Source: S&P Capital IQ, Company financial statements; Kroll analysis.

Notes:

1. Presented data as at 27 November 2024, the last trading day before the announcement of the Scheme.
2. Represents weighted average cost of debt.
3. Gearing is calculated based on (Interest bearing liabilities + lease liabilities – Cash) / Total assets.
4. Calculated based on Days inventory outstanding + Days sales outstanding – Days payable outstanding.
5. Represents data based on one year to 5 May 2025 and as % of total share outstanding.
6. Represents data based on one year to 27 November 2024 and as % of total share outstanding.
7. Represents cost of debt of loan related to Commonwealth Bank of Australia as at 31 December 2023. Loan from Oasis Star Limited (Tian An's parent entity) is interest free from 23 May 2024.

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Comparable companies (continued)

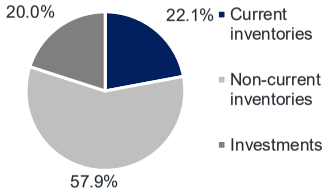
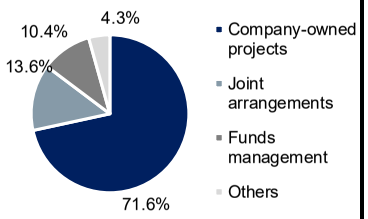
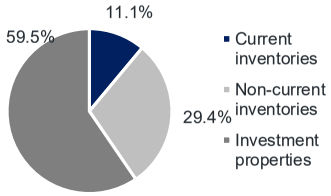
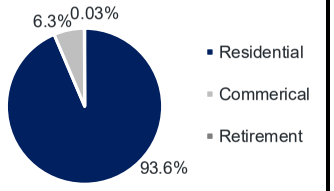
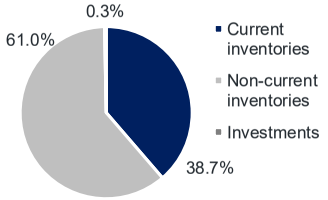
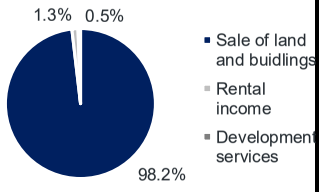
The following table sets out the trading multiples for the selected comparable companies as at 5 May 2025.

Company name	Country	Enterprise value ($ million)[1]	Market Capitalisation ($ million)[1]	Price to book multiple (times) LTM	Price to NTA (Discount) /Premium	EBITDA multiple (times)[3] FY	EBITDA multiple (times)[3] Four-year average
AVJennings	**Australia**	**374.9[2]**	**184.2[2]**	**0.40**	**(59.5%)**	**9.6**	**9.8**
Residential property developers							
Peet Limited	Australia	895.8	737.4	1.26	26.3%	12.5	12.0
Winton Land Limited	New Zealand	615.7	548.4	1.17	17.4%	20.4	9.8
Cedar Woods	Australia	708.4	523.1	1.13	13.0%	11.6	11.4
Finbar Group	Australia	248.5	216.3	0.89	(11.4%)	7.2	14.7
Tian An Australia Limited	Australia	250.1	13.4	0.20	(80.3%)	68.9	nmf[4]
Diversified real estate companies							
Stockland Corporation	Australia	17,140.8	13,265.8	1.33	34.1%	28.7	16.4
Mirvac Group	Australia	10,585.6	8,996.6	0.98	(1.1%)	nmf[5]	18.7
Lendlease Group	Australia	1,448.9	3,509.9	0.70	(18.7%)	nmf[6]	nmf[6]

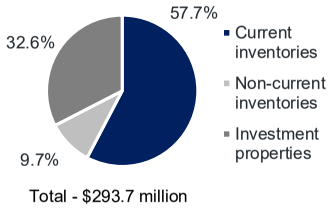
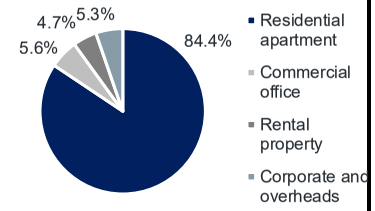
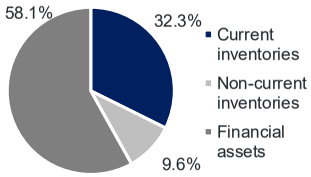
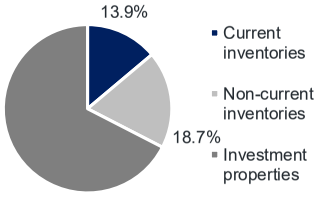
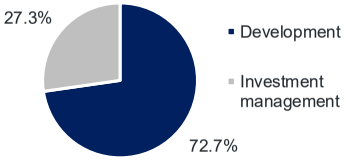
Source: S&P Capital IQ, Company financial statements; Kroll analysis.

Notes:
1. Data is sourced from S&P Capital IQ. Enterprise value is adjusted for non-operating assets/liabilities.
2. Presented data as at 27 November 2024, the last trading day before the announcement of the Scheme.
3. Based on four-year average EBITDA. EBITDA excludes non-recurring expenses and share of profit from associates and joint ventures.
4. Represents not meaningful.
5. EBITDA was negative in FY24.
6. Low EBITDA multiple of 2.9 times (based on four-year average EBITDA) and 2.8 times (FY EBITDA) due to exclusion of $6.2 billion of equity accounted investments.

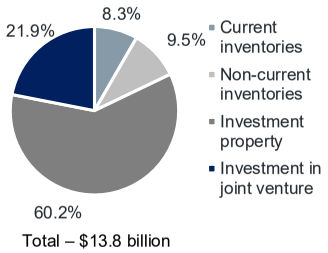
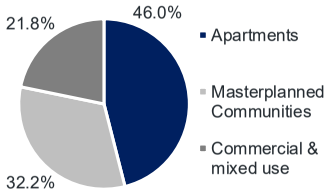
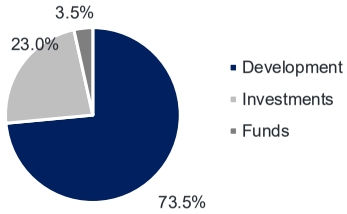
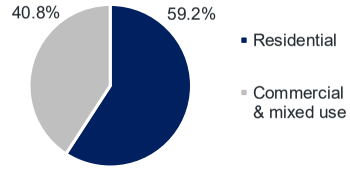
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Company	Business Description	Projects and investments book value composition[1]	Revenue breakdown by segment/services[1]	Key products offering
Peet Limited	Peet Limited is a residential real estate developer. The company is engaged in development of residential land, master planned communities, townhouses, and apartments across Australia. Peet also engages in funds management services which include asset and funds management agreements with external capital providers, underwriting, capital raising and asset identification services. As at 31 December 2024, Peet's pipeline includes 32,130 lots and contract value of $661.0 million.	 Total – $993.4 million		▪ Land development ▪ House ▪ Medium density apartments ▪ Funds management
Winton Land Limited	Winton Land Limited is a New Zealand based real estate company engaged in development of resident lots, dwellings, apartments, commercial units and retirement units. Winton specialises in developing integrated and fully master-planned communities operating in New Zealand and Australia. As at 31 December 2024, Winton Land has a portfolio of 6,000 land bank units.	 Total – NZ$540.4 million		▪ Land development ▪ Townhouses ▪ Apartments ▪ Retirement villages ▪ Commercial units
Cedar Woods	Cedar Woods is a developer of residential communities and commercial properties in Australia. The company is engaged in the development of residential communities, apartments, and townhouses. As at 31 December 2024, Cedar Wood has 37 projects and a pipeline of more than 9,700 lots/ apartments.	 Total - $735.0 million		▪ Land development ▪ Townhouses ▪ Medium to high density apartments ▪ Commercial units

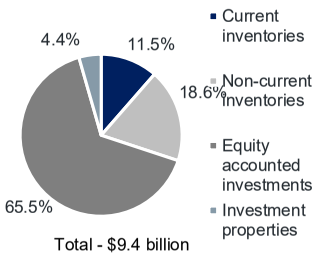
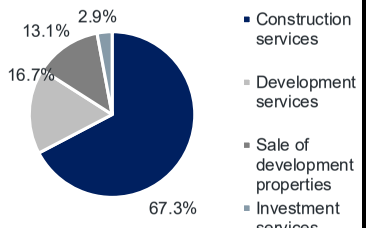
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Company	Business Description	Projects and investments book value composition[1]	Revenue breakdown by segment/services[1]	Key products offering
Finbar Group	Finbar is engaged in the development of apartments and commercial units, and investment in properties in Western Australia. Finbar operates its business through three segments which includes residential apartment development, commercial development and property rental. As at 31 December 2024, Finbar's project pipeline is valued at $1.2 million.	 Total - $293.7 million		▪ Medium to high density apartments ▪ Commercial lots
Tian An Australia Limited	Tian An Australia Limited is an Australia-based property developer engaged in the development and sale of residential land and built-form products. The Company has interests in developments on the east coast of Australia and developments in the Mandurah/Peel Region of Western Australia.	 Total - $305.6 million[2]	*Not applicable*[3]	▪ Land development ▪ Apartments ▪ Commercial units ▪ Residential community
Stockland Corporation	Stockland is an Australian diversified property group engaged in the development of residential properties, commercial properties, and mixed-use assets. The company is also engaged in investment and management of properties and residential investment properties. As at 31 December 2024, Stockland's pipeline consisted of 96,400 lots in its master planned communities and 7,900 home sites in its land lease communities.	 Total - $14.0 billion		▪ Land development ▪ Lend lease communities ▪ Master planned communities ▪ Town centres and workplace ▪ Logistic assets (Industrial building and warehouse)

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Company	Business Description	Projects and investments book value composition[1]	Revenue breakdown by segment/services[1]	Key products offering
Mirvac Group	Mirvac is a diversified real estate company engaged in property investment, development, hotel management and investment management. The company holds investments in properties including retail, office, industrial and hotel sectors throughout Australia, held for the purpose of producing rental income. Mirvac also manages listed and unlisted property funds. As at 31 December 2024, Mirvac's business has a development pipeline of $29.0 billion.	 Total – $13.8 billion **Property and development assets inventory breakdown** 	 **Development EBIT breakdown** 	▪ Land development ▪ House ▪ Medium density apartments ▪ Investment management ▪ Leasing (Industrial, workspace)

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Company	Business Description	Projects and investments book value composition[1]	Revenue breakdown by segment/services[1]	Key products offering
Lend Lease Group	Lend Lease is an integrated property company which provides diverse services including development, investment management, project, construction and asset management. The company has its operation in Asia-Pacific, Europe and Americas. As of 30 June 2024, Lend Lease's development business has projects valued at $14.5 billion as work in progress.			▪ Land development ▪ House ▪ Medium to high density apartments ▪ Construction ▪ Retirement village units

Source: S&P Capital IQ, Company financial statements; Kroll analysis.
Notes:
1. Presented based on latest FY results.
2. Financial assets include joint agreements projects of Tian An Australia.

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Comparable transactions

The following table sets out the key comparable transactions.

Announcement Date	Target	Acquirer	Percentage acquired	Cost of debt	Gearing[2]	Free float	Liquidity[3]	ROE (%)	
								FY	Four-year average
25 May 2021	Devine Limited	CIMIC Residential Investments Pty Ltd	40.9%[1]	1.2%	29.2%	30.5%	8.5%	(9.0%)	(10.1%)
12 March 2019	Villa World Limited	Avid Property Group Australia Pty. Ltd.	100.0%	6.4%	23.8%	87.8%	23.3%	7.7%	12.6%
24 July 2017	Tian An Australia Limited	Oasis Star Limited	52.2%	5.7%	0.0%	13.6%	20.6%	6.5%	(3.8%)
1 July 2016	Payce Consolidated Limited	Bellawest Pty Limited	50.1%	NA	38.4%	1.9%	7.2%	36.8%	27.8%
10 April 2013	CIC Australia Limited	Peet Limited	86.8%	7.1%	32.1%	7.1%	18.9%	7.4%	4.3%

Source: S&P Capital IQ, Company financial statements; Kroll analysis.

Notes:
1. Acquirer already held a stake of 59.1% in the target company before the transaction.
2. Gearing is calculated based on (Interest bearing liabilities + lease liabilities – Cash) / Total assets.
3. Represents data based on one year to date of announcement and as % of total share outstanding.

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Comparable transactions (continued)

Announcement Date	Target	Acquirer	Percentage acquired	Implied Equity Value (100%) ($ million)	Implied Enterprise Value (100%) ($ million)[2]	Price to Book multiple (times)	Price to NTA (Discount) /Premium	Premium to undisturbed price	EBITDA multiple (times) FY	EBITDA multiple (times)[3] Four-year average
25 May 2021	Devine Limited	CIMIC Residential Investments Pty Ltd	40.9%[1]	38.1	70.4	0.57	(39.5%)	100.0%	nmf[4]	nmf[4]
12 March 2019	Villa World Limited	Avid Property Group Australia Pty. Ltd.	100.0%	294.4	340.7	1.02	3.1%	16.7%	8.0	6.1
24 July 2017	Tian An Australia Limited	Oasis Star Limited	52.2%	112.6	53.3	0.91	(9.2%)	47.7%	6.4	nmf[4]
1 July 2016	Payce Consolidated Limited	Bellawest Pty Limited	50.1%	250.0	706.6	1.28	27.6%	80.0%	5.4	8.8
10 April 2013	CIC Australia Limited	Peet Limited	86.8%	75.5	50.8	0.91	(16.5%)	(4.8%)	nmf[4]	nmf[4]

Source: S&P Capital IQ, Company financial statements; Kroll analysis.

Notes:
1. Acquirer held remaining stake of 59.1% in the target company before the transaction.
2. Implied enterprise value is adjusted for non-operating items.
3. Based on four-year average EBITDA.
4. Represents not meaningful. The company registered a negative EBITDA for the period considered.

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Devine Limited / CIMIC Residential Investments Pty Ltd

On 25 May 2021, CIMIC Residential Investments Pty Limited (**CIMIC**) proposed to acquire a 40.9% stake in Devine for an equity value of $38.1 million (on a 100% basis). CIMIC, which already held a 59.1% interest in Devine, offered to purchase the additional stake at a per-share price of $0.24. Devine is primarily involved in community development and the construction of houses, apartments, and mixed-use projects. As of 31 December 2020, Devine had a residential development pipeline of approximately 4,300 future allotments. The company operates mainly in Queensland, Victoria, and South Australia. The transaction, completed in July 2021, and reflected a historical book value multiple of 0.57 times.

Villa World Limited/ AVID Property Group Australia Pty Ltd

On 12 March 2019, AVID Property Group Australia Pty Ltd (**AVID Property Group**) made a conditional takeover offer for Villa World with an equity value of $294.4 million. Villa World, an Australian property developer, acquires, develops, and markets residential land and houses along the Eastern seaboard of Australia. As of 30 June 2019, Villa World had 26 active projects with 5,588 unsold lots. At the time, AVID Property Group anticipated that the acquisition would support its plan to expand its existing platform by leveraging Villa World's presence in greenfield growth corridors on Australia's east coast. The transaction, completed in October 2019, and reflected a historical book value multiple of 1.02 times.

Tian An Australia/ Oasis Star Limited

On 24 July 2017, Tian An received an off-market takeover proposal from Oasis Star Limited (**Oasis Star**). At the time of the proposal, Oasis Star already held a 34.5% interest in Tian An. Tian An is involved in the development and sale of residential land and built-form products, with interests in developments on the east coast of Australia and in the Mandurah/Peel region of Western Australia. Oasis Star is a wholly-owned subsidiary of Tian An China Investments Company Limited, a real estate and investment company focused on large-scale developments in Northern, Eastern, and Southern China. The transaction, completed in December 2017, reflects a historical book value multiple of 0.91 times.

Payce Consolidated Limited/ Bellawest Pty Limited

On 1 July 2016, Payce announced a scheme of arrangement where Bellawest would acquire 50.1% of Payce's ordinary shares. At the time, Payce already held a 49.9% stake in Bellawest. The acquisition proposal offered cash consideration of $12.60 per Payce share or one unsecured, two-year note with a face value of $12.60 and a 6.5% coupon, or a combination of cash and notes. Payce specialises in developing and selling residential, retail, and commercial properties, mainly in Sydney. Its core business focuses on medium-density apartments and mixed-use projects. At the acquisition announcement, Payce had a development pipeline of 7,500 apartments in Sydney over the next five years. The transaction, completed in November 2016, and reflected a historical book value multiple of 1.28 times.

CIC Australia Limited/ Peet Limited

On 10 April 2013, Peet announced a cash takeover of CIC for an equity value of $75.5 million (100% basis). The acquisition proposal offered cash consideration of $0.60 per CIC share. CIC is a residential property developer with seven active projects across the Australian Capital Territory, NSW, and South Australia. The majority of CIC's active projects are held through joint ventures and con-investment structures. At the time of the acquisition, CIC expected the acquisition to be at least 10% accretive to FY14 EPS and to increase operating cash flows. At the time of the announcement of acquisition CIC had pre-sales for over 500 lots worth over $148 million. Peet acquired 86.8% stake in CIC from GPG and other investors in June 2013 at a historical book value multiple of 0.91 times.

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Appendix 4 – Valuation methodologies

The purpose of the valuation methodology adopted is, in the absence of direct market evidence, to provide an estimate of value using methodologies that rely on other sources of evidence. Consistent with International Valuation Standards, valuation methodologies applicable to assets or businesses can be categorised under three approaches: market approach, income approach and cost approach.

These approaches have application in different circumstances. The decision as to which approach to adopt will depend on various factors including the availability and quality of information, the maturity of the business and the actual practice adopted by purchasers of the type of asset or business involved.

Market approach

The market approach is based on comparing the asset or business to identical or comparable assets or businesses for which there is available price information. It is commonly adopted where:

- the asset or business or similar assets or businesses are actively publicly traded (**market comparable methodology**);
- there are frequent and/or observable transactions in comparable assets or businesses (**comparable transactions methodology**); and
- there is substantial operating history and a consistent earnings trend.

The market comparable methodology indicates the value of a business by comparing it to publicly traded companies in similar lines of business. An analysis of the trading multiples of comparable companies yields insight into investor perceptions and, therefore, the value of the subject company. The multiples are evaluated and compared based on the relative growth potential and risk profile of the subject company vis-a-vis the publicly traded comparable companies. The multiples derived for comparable quoted companies are generally based on security prices reflective of the trades of small parcels of securities. As such, multiples are generally reflective of the prices at which portfolio interests change hands.

The comparable transaction methodology indicates value based on exchange prices in actual transactions. This process essentially involves the comparison and correlation of the subject company with other similar businesses recently sold or currently offered for sale. Considerations such as timeframe of transaction, premiums, and conditions of sale are analysed, and the observed transaction multiples are subjectively adjusted to indicate a value for the subject company.

A key step in both methods is determining the appropriate unit of comparison. In a business valuation common units of comparison include, revenue, EBITDA, EBIT, net profit after tax and book values. The choice will typically depend on the industry and characteristics of the subject asset.

Rule-of-thumb valuation benchmarks are sometimes considered to be an application of the market approach. They generally should not be given substantial weight unless market participants place particular reliance on them.

Income approach

Under an income approach the value of an asset is determined by converting future cash flows to a current value. It is commonly adopted when:

- the income producing ability is the critical element affecting value from a market participant perspective;
- future cash flows can be estimated on a reasonable basis; and
- there is not a substantial operating history or there is a variable pattern of cash flow, or the asset has a finite life.

The most common methodology adopted is the DCF methodology. It has a strong theoretical basis and benefits by explicitly estimating future cash flows, allowing it to be used in a variety of circumstances, whether that be a start-up or an established business. It also allows for various scenarios and/or sensitivities to be modelled. Under a DCF methodology, forecast cash flows are discounted back to the valuation date resulting in a present value for the asset. Where there is an explicit forecast period a terminal value will typically be included, representing the value of the asset at the end of this period, which is also discounted back to the valuation date to give an overall value for the business. The rate at which the future cash flows are discounted (the discount rate) should reflect not only the time value of money, but also the risk associated with the asset or business' future operations. Whilst discount rates are generally determined

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from observable data, substantial judgement is required in their determination. Further, the cash flows themselves also require considerable judgement in their preparation, placing significant importance on the quality of the underlying cash flow forecasts and the determination of an appropriate discount rate in order for a DCF methodology to produce a sensible valuation figure.

DCF's can also be extremely sensitive to what may be considered small changes in various assumptions and the longer the forecast period the more difficult it is in general to forecast cash flows with sufficient reliability. As such, it is important to adequately understand the basis and risks associated with the various assumptions used to derive the cash flow forecasts and recognise the impact it can have on resulting values including the value range. Notwithstanding, DCF methodologies are widely used and benefit from the rigour associated with the preparation of future cash flows.

Cost approach

Under a cost approach the value of an asset is determined having regard to the cost to replace or reproduce the asset. The most common methodologies include:

- the replacement cost;
- the reproduction cost method; and
- the summation method.

A cost based approach is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies).

A premium is added, if appropriate, to the marked-to-market net asset value, reflecting the profitability, market position and the overall attractiveness of the business. The net asset value, including any premium, can be matched to the 'book' net asset value, to give a price to net assets, which can then be compared to that of similar transactions or quoted companies.

A net asset approach is also useful as a cross-check to assess the relative riskiness of the business (e.g. through measures such as levels of tangible asset backing).

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Appendix 5 – Discount rate

Kroll has selected a WACC in the range of 9.50% to 11.00% for AVJennings based on the selected parameters presented in the following table. To calculate the WACC, a cost of equity has been calculated using the capital asset pricing model (**CAPM**), and the cost of debt. The WACC is commonly employed as the basis for determining an appropriate discount rate where cash flow forecasts consist of free cash flows to both debt and equity holders. Whilst we have utilised the WACC, we recognise that market participants often use less precise methods for determining a discount rate, including target internal rates of return or hurdle rates. They also often do not distinguish between investment types or regions.

We have utilised the following parameters in deriving our base discount rate for the Australian market.

Selected WACC Parameters for AVJennings

Parameter	Symbol	Low	High
Risk free rate	**Rf**	4.00%	4.00%
Equity risk premium	**ERP**	6.00%	6.00%
Unlevered Beta		1.00	1.20
Tax rate	**t**	30.00%	30.00%
Gearing (Net Debt / (Net Debt + Equity))	**D/(D+E)**	40.00%	30.00%
Debt/ Equity	**D/E**	66.67%	42.86%
Levered Beta	**β**	1.47	1.56
Cost of Equity (Post-Tax)	**Ke**	12.80%	13.36%
Pre-tax cost of debt	**Kd**	7.00%	7.00%
AVJennings WACC (Rounded)		**9.60%**	**10.80%**
AVJennings Selected WACC		**9.50%**	**11.00%**

Source: Kroll analysis.

The objective of the discount rate is to appropriately reflect the expected return of a hypothetical prudent purchaser, based upon the perceived risks associated with AVJennings. In this respect, it is relevant to recognise that the selection of an appropriate discount rate to apply to the forecast cash flows of any asset or business operation is a matter of judgement and that the individual components should not be considered in isolation but rather as components of an overall discount rate. As a result of this subjectivity, the calculated discount rate should be treated as guidance rather than objective truth.

Furthermore, our discount rate reflects an assessment at a point in time as to both current market conditions and future expectations. To the extent that there are any changes in conditions and expectations over time, it is likely that an adjustment to the discount rate may be warranted.

Cost of equity

The cost of equity has been derived from the application of a modified CAPM.[93] The CAPM has been empirically tested and is widely accepted for the purpose of estimating a company's required return on equity. In applying the CAPM, the rate of return on equity is estimated as the current risk-free rate of return on a long-term government bond plus a market risk premium, multiplied by the "beta" for the shares. Beta is defined as a risk measure that reflects the sensitivity of a company's share price to the movements of the stock market as a whole and is a measure of systematic risk.

The modified CAPM rate of return on equity capital is calculated using the formula:

Ke = Rf + ß * (Rm - Rf) + α

Where:

Ke = Rate of return on equity capital;

Rf = Risk-free rate of return (normalised long-term Australian sovereign risk);

β = Beta or systematic risk for this type of equity investment, re-levered to reflect the debt-to-equity profile of the Investment;

[93] CAPM is modified by the inclusion of an alpha.

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Rm - Rf = Equity risk premium (**ERP**); the expected return on a broad portfolio of stocks in the market (**Rm**) less the risk-free rate (**Rf**); and

α = Alpha including where relevant, size or other company specific risk.

Risk-free rate

The risk-free rate is a key input in the CAPM. It is the return available, as of a valuation date, on a security that the market generally regards as free of the risk of default. When valuing a going-concern business, the risk-free rate is typically measured over a long-term period. In practice, long-dated bonds issued by governments considered to be generally safe have traditionally been accepted as a proxy for a risk-free security. As AVJennings' forecast cash flows are denominated in Australian dollars, we have used the 10-year Australian Government Treasury yield as a proxy for the risk-free security. As at 30 April 2025, the spot 10-year yield was 4.15%.[94]

Sovereign yields in many developed countries, including Australia, had been at (or near) historical lows in recent times. Periods of high uncertainty are often accompanied by flights to quality, which means investors shift significant capital to liquid assets considered "safe", such as government securities of major advantaged economies, lowering yields on these securities. Australia is one of the very few countries in the world carrying a AAA sovereign debt rating and is therefore considered a safe haven by global investors.

More recently, continued high inflation globally and in Australia prompted central banks to repeatedly increase interest rates from 2022 until late 2023. This has caused an increase in the spot 10-year Australian Commonwealth Government bond yield from 3.0% on 2 August 2022 to reach a peak of 4.9% on 1 November 2023, before declining throughout the remainder of 2023. Since the end of 2023, we have seen the 10-year bond yield fluctuate between 3.8% and 4.7%, with the yield fluctuating in the range of 4.1% and 4.6% in 2025. Similar movements in the yields of government securities can be seen globally.

During these periods of massive central bank interventions, where risk-free rates appear to be volatile, Kroll recommends the use of normalised risk-free rates. A normalised risk-free rate is an estimate of a risk-free security that would prevail in the absence of non-market factors affecting rates. A normalised risk-free can be accomplished in a number of ways, including:

(i) simple averaging; and

(ii) various "build-up" methods.

The first method of estimating a normalised risk-free rate entails calculating averages of yields-to-maturity on long-term government securities over various periods. This method's implied assumption is that government bond yields will revert to the mean. As of 5 May 2025, the 10-year trailing average of the 10-year Australian Commonwealth Government bond yield was 2.6%.

The second method is to normalise risk-free rates relied on build-up models based on the "Fisher equation", which consists of adding a country's projected real rate based on stabilised medium-to-long-term economic conditions to the long-term expected inflation.[95] The long-term real rate cannot be observed directly in the market but there are academic papers that provide attempt to estimate such rate. In the case of Australia, we found that these estimates ranged between (0.3)% to 1.3%.[96] For the second component of the equation, we use a number of well-established surveys and economic forecasting providers, to arrive at consensus estimates for long-term expected inflation in Australia. As of May 2025,[97] Kroll's analysis of the long-term Australian estimates of inflation produced estimates of 2.3% to 2.7%. Based on this approach we arrived at a normalised risk-free rate of 3.5% for Australia.

[94] Risk free rate data is the latest data as at 5 May 2025.

[95] This is a simplified version of the "Fisher equation", named after Irving Fisher. Fisher's "The Theory of Interest" was first published by Macmillan (New York), in 1930. To be more precise, nominal interest rates incorporate not just inflation expectations, but also compensation for bearing inflation risk. In other words, inflation compensation economically consists of two components: expected inflation (the rate of inflation over the term of the risk-free investment) plus an inflation risk premium (the risk that expected inflation will increase or decrease relative to expected inflation). In essence, the inflation risk premium is related to the dispersion of forecasts of market participants around the expected future inflation rate. The greater the dispersion, the greater the uncertainty, the higher the premium demanded by investors to compensate for this risk.

[96] Nugent, T., and Tapas Strickland, "What does monetary policy neutrality look like today?", Australia Markets Weekly, June 2021, National Australia Bank; Guttmann, R., D. Lawson, and P. Rickards, "The Economic Effects of Low Interest Rates and Unconventional Monetary Policy", RBA Bulletin–September 2020. Bulletin, (September); McCririck, Rachael, and Daniel Rees, 2017 "The Neutral Interest Rate", RBA Bulletin, September Quarter 2017.

[97] Data is the latest available as at 5 May 2025.

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In determining an appropriate risk-free rate, in addition to the normalised risk-free rate, we have considered:

- the current spot 10-year yield on the Australian Commonwealth Government bond (4.1% as at 30 April 2025);[98]
- the average 10-year yields on the Australian Commonwealth Government bond over the 3 and 6 months until 30 April 2025 which were both 4.4%; and
- that the RBA lowered the cash rate target to 4.1% in February 2025, which indicates recent yields could represent a peak in the cycle.

On this basis we have arrived at a risk-free rate of 4.0% which we have used to derive a cost of equity.

Equity risk premium

The ERP represents the required return for bearing the incremental risk of investing in a diversified portfolio of equities rather than investing in a risk-free asset (such as a government bond of a government considered safe of default). A forward-looking ERP is not directly observable in the market. Accordingly, valuation practitioners typically utilise historical data to estimate ERP. However, it is important to understand the level of risk-free rates used to measure the historical ERP and whether the resulting combination of risk-free rate and ERP result in a reasonable proxy for a forward-looking base cost of equity.

To the extent that the realised (i.e., historical) ERP equates on average to expected premiums in prior periods, the historical average ERP may be a useful starting point in developing a current forward-looking ERP estimate. A reason one might look to the historical ERP is that the expectations of investors will be framed from their experiences, and the average historical ERP might be expected to have an influence on investors' expectations about the future. Hence there is usually at least some reliance on average historical ERPs when developing current forward-looking ERP estimates.

However, this does not mean that the ERP estimate should be static over time. Periods of market stability (low volatility) likely indicate that the current forward-looking ERP estimate is below the historical average, and periods of heightened volatility likely indicate that the current forward-looking ERP estimate is above the historical average.

The historical ERP has been estimated from an Australian investor perspective over different periods by various researchers and regulatory authorities. In forming our view we have had particular regard to the work of Dr Bishop,[99] as summarised and updated in "Appendix 3B: Additional Sources of Equity Risk Premium Data – Australia" in the *2021 Valuation Handbook – International Guide to the Cost of Capital*, published by Duff & Phelps (a Kroll business).[100] Dr. Bishop estimated the historical Australian ERP for the period of 1900–2020 under different investor perspectives: (i) an Australian investor (in Australian Dollars, or AUD) with access to (i.e., eligible to receive) imputation tax benefits; (ii) an investor in AUD without access to imputation tax benefits.

The geometric average and the arithmetic average realised ERP were both calculated relative to Australian long-term government bonds. Both the geometric and arithmetic average ERP indications were estimated directly from the underlying data. We consider the arithmetic average to be more relevant for the valuation of businesses. The analysis indicated an arithmetic average ERP of 6.8% for an investor with access to imputation benefits and 6.4% for an investor without access to imputation benefits.

In order to be consistent with the approach we adopted to estimate the risk-free rate (based on a normalised estimate), we have applied a long-term view in determining the ERP. On this basis we consider an ERP of 6.0% as appropriate for the long-term investment climate in Australia. Furthermore, an ERP of 6.0% is also within the range determined in various other academic studies and adopted by independent experts in comparable independent expert reports.

Beta

Beta (β) is a statistical measure of the volatility of the price of a specific stock relative to the movement of a general group. Generally, beta is considered to be indicative of the market's perception of the relative risk of the specific stock. For unlisted firms, practical application of the CAPM is dependent upon the ability to

[98] Data is the latest available as at 5 May 2025.
[99] Bishop, S., T. Carlton and T. Pan, "Market Risk Premium; Australian Evidence" Research Paper for the CAANZ Business Valuation Specialist Conference, 13- 14 August, 2018.
[100] The *2021 Valuation Handbook – International Guide to the Cost of Capital* is available in the Cost of Capital Navigator online platform.

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identify publicly traded companies that have similar risk characteristics as the subject company/assets in order to derive meaningful measures of beta.

In selecting an appropriate beta to apply to AVJennings, Kroll has considered betas for listed Australian and New Zealand residential and diversified property development companies as at 5 May 2025.

Beta Analysis as at 5 May 2025

		Capital IQ (Local Index)[2]			
		2 Year Weekly		5 Year Monthly	
Company Name	Market Capitalisation ($ million)[3]	Levered	Unlevered	Levered	Unlevered
AVJennings Limited	**184.2**	**0.90**	**0.45**	**0.85**	**0.51**
Residential property developers					
Peet Limited	737.4			0.48	0.35
Winton Land Limited	548.4	0.69	0.68		
Cedar Woods Properties Limited	523.1	0.65	0.52	1.02	0.80
Finbar Group Limited	216.3			0.68	0.52
Tian An Australia Limited	13.4				
Diversified real estate companies					
Stockland	13,265.8	1.15	0.90	1.36	1.05
Mirvac Group	8,996.6	1.01	0.74	1.36	1.03
Lendlease Group	3,509.9	1.45	0.92	1.30	0.98
Selected Companies Minimum		**0.65**	**0.52**	**0.48**	**0.35**
Selected Companies Maximum		**1.45**	**0.92**	**1.36**	**1.05**
Selected Companies Median[6]		**1.01**	**0.74**	**1.16**	**0.89**
Selected Companies Average[6]		**0.99**	**0.75**	**1.03**	**0.79**

Source: S&P Capital IQ and Kroll Analysis.
Notes:
1. S&P Capital IQ (Local Index) two-year and five-year levered betas are based on each of the comparable companies' correlation with a relevant local index. Two-year and five-year unlevered betas are calculated using the respective company's average two and five-year debt to equity (**D/E**) ratio. D/E is defined as net debt divided by the summation of market capitalisation and minority interests.
2. The presented market capitalisations have been sourced from S&P Capital IQ using their recorded shares on issue.
3. AVJennings' market capitalisation and S&P Capital IQ betas are calculated as at 27 November 2024, the last undisturbed trading day.
4. Shaded cells indicate statistically insignificant results.
5. Medians and averages exclude AVJennings.

With regards to the observed betas of comparable companies as at 5 May 2025 we note that:

- Kroll has primarily considered five-year monthly betas as residential property development companies typically have long working capital cycles with full completion of projects typically taking more than two years;
- share prices have been regressed against a local rather than a global index, since property development companies typically operate within a single geographical market;
- overall, betas are broadly comparable when calculated over a two-year period and a five-year period;
- trading in shares of a number of the comparable companies is illiquid, which results in data points not being statistically significant (and those data points have been excluded) or displaying relatively low statistical significance:
  - AVJennings has a two-year weekly unlevered beta of 0.45 and a five-year monthly unlevered beta of 0.51. AVJennings shares are illiquid, which impacts the statistical significance of its betas;
  - Cedar Woods has a two-year and a five-year unlevered beta of 0.52 and 0.80 respectively. Its two year beta is relatively low, likely reflecting operational stability in FY23 and FY24 with the company's net profit improving by 28.1% and 30.6%, respectively. We note that Cedar Woods has similar operations to AVJennings but is relatively larger and its shares are more liquid (Cedar Woods has a free float of 73.8% compared to AVJennings at 25.8%);

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- the calculated five-year betas for Winton and Tian An, yielded r-squares less than 0.05 indicating that they were less statistically significant than the other comparable companies; and
- we note that relative to other listed residential property development companies, AVJennings has a greater share of its development pipeline settling in later years and as a result its future cash flows would have greater sensitivity to market conditions. Due to this we would expect AVJennings to have a higher beta.

- trading in the shares of Stockland, Mirvac, and Lendlease are liquid. However, each is more diversified and larger than AVJennings with all three companies having significant property investments and each company participating in commercial and high-rise property development. Their 5-year unlevered betas range between 0.98 and 1.05. In comparison, we would expect AVJennings to have a higher unlevered beta, reflecting its greater volatility resulting from its lower diversification and greater share of earnings subject to the cyclical residential property market.

Intuitively, as the residential property development industry is cyclical, Kroll would expect the unlevered beta for a residential building company in Australia, such as AVJennings, to be around 1.0. Having regard to the factors discussed above, Kroll has selected an unlevered beta for AVJennings in the range of 1.00 to 1.20. Based on our selected market gearing of 30.0% to 40.0%, as discussed in the following section, this results in a levered beta in the range of 1.47 to 1.56.

Gearing

In selecting an appropriate gearing ratio for AVJennings for the purpose of re-leveraging our selected asset beta, we have considered the gearing levels of comparable companies.

The gearing ratios for the selected comparable companies are set out as follows.

Gearing Analysis as at 5 May 2025

Company Name	Market Capitalisation ($ million)	Average Debt/ Capital[2] 2 Year	5 Year
AVJennings Limited	**184.2**	**57.3%**	**46.9%**
Residential property developers			
Peet Limited	737.4	36.9%	34.2%
Winton Land Limited	548.4		
Cedar Woods Properties Limited	523.1	27.1%	27.6%
Finbar Group Limited	216.3	38.0%	27.2%
Tian An Australia Limited	13.4		
Diversified real estate companies			
Stockland	13,265.8	27.7%	29.4%
Mirvac Group	8,996.6	34.0%	31.4%
Lendlease Group	3,509.9	44.3%	28.5%
Median[3]		**35.4%**	**29.0%**
Mean[3]		**34.7%**	**29.7%**

Source: S&P Capital IQ.
Notes:
1. The presented market capitalisations and gearings have been sourced from S&P Capital IQ as at 5 May 2025, except for AVJennings which is calculated as at 27 November 2024, the last undisturbed trading day.
2. Gearing has been calculated as total net debt/(total net debt plus market capitalisation).
3. Medians and averages exclude AVJennings.
4. Shaded cells indicate outliers.

For any company, there is likely to be a level of gearing that represents the optimal capital structure for that company. In estimating a discount rate, the gearing assumption should reflect this optimal or target capital structure, however, "optimal" as opposed to "actual" capital structures are not readily observable. In practice, both the existing capital structure and those of comparable businesses are used as a guide considering the specific circumstances of the relevant entity.

The majority of comparable companies considered have a gearing ratio between 25.0% to 40.0% with a median gearing ratio of 35.4% and 29.0% (on a two and five-year period, respectively).

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Tian An carries a significant amount of leverage, but over 85% of its debt consists of a loan from its parent company, Oasis Star. This loan is interest-free from 23 May 2024, until the facility expires on 31 December 2027.

AVJennings' target gearing ratio is 15.0% to 35.0% based on the book value of equity,[101] which is equivalent to 40.9% to 61.8% based on AVJennings' market value of equity as at 27 November 2024.[102]

Having regard to these factors, we have selected a gearing ratio of 30.0% to 40.0% for AVJennings.

Pre-tax cost of debt

For the purposes of assessing fair value, we estimated the cost of debt from the perspective of the likely debt rate that would apply to AVJennings if acquired by an external market participant. We have approximated the long term, pre-tax cost of debt with the following methodology:

- using our long-term risk-free rate (4.00%) as a base; and
- applying a spread of 3.00%, which is based on input from banks reflecting the standard debt margin for the property development sector at a neutral risk rating.

Based on the above, a long-term pre-tax cost of debt of 7.0% is considered to be appropriate.

We note that our selected cost of debt is below the reported weighted average cost of debt of 8.1% as at 31 December 2024 as we note that AVJennings' current cost of debt is reflective of the Company's capital constraints and is not reflective of a likely cost of debt under a scenario where AVJennings is acquired by an external market participant.

Tax rate

We have adopted the effective tax rate of 30% for Australia.

Company specific risk premium (alpha)

Under CAPM theory, it is assumed that diversified investors require no additional returns to compensate for specific risks because across a diversified portfolio the net effect of specific risks will on average, be zero. In practice, many investors include an additional risk premium to reflect company specific factors or risks which may not otherwise be captured in financial forecasts, and it is common for companies to set hurdle rates for investments above their own estimates of the cost of capital to deal with these issues. Such adjustments are, however, not able to be observed and are inherently subjective.

We have not applied an alpha factor in the current valuation of AVJennings as we currently consider that other company specific risks are sufficiently reflected in the forecast cash flows.

Cross-check

As a cross-check to our WACC we have considered analysis of recent reports by the single broker following AVJennings which utilise a WACC of 11.40% in their valuation models. This is above the range of WACC selected by Kroll. We note that there are significant limitations in this evidence as AVJennings is only followed by a single broker. We have further considered WACC's adopted by brokers following AVJennings' most comparable peers. However, we note that coverage for AVJennings peers are similarly limited, and the analysts do not disclose their adopted WACC's.

[101] AVJennings' target gearing ratio is calculated as net debt/ total assets.
[102] Based on AVJennings' market capitalisation as at 27 November 2024.

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Appendix 6 – Synergies benchmarking

The following table sets out the synergies benchmarking conducted for the selected comparable companies as at 5 May 2025.

Company Name	FY24 Overheads	FY24 Revenue	FY23 Revenue	Overheads as a % of average revenue
AVJennings Limited	**53.7**	**319.7**	**285.9**	**17.7%**
Residential property developers				
Peet Limited	51.0	314.4	363.7	15.0%
Winton Land Limited	41.3	173.6	221.1	20.9%
Cedar Woods Properties Limited	48.8	386.3	391.3	12.5%
Finbar Group Limited	13.6	194.3	34.0	11.9%
Tian An Australia Limited[1]	na	na	na	na
Diversified real estate companies				
Stockland	466.0	2,989.0	2,808.0	16.1%
Mirvac Group	267.0	3,035.0	1,940.0	10.7%
Lendlease Group	659.0	9,369.0	10,370.0	6.7%
Median	**51.0**	**353.0**	**377.5**	**13.8%**
Mean	**177.8**	**2,097.7**	**2,051.7**	**14.0%**

Source: S&P Capital IQ, Kroll Analysis.
Note 1: Tian An did not recognise any revenue in FY24 and FY23.

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Part Two – Financial Services Guide

What is an FSG?

This Financial Services Guide ("FSG") is an important document that provides you with information to help you decide whether to use our financial services.

This FSG contains information on:

- who we are;
- who our authorised representatives are;
- how we can be contacted;
- certain financial services that we can offer you;
- how we, our authorised representatives and other parties involved in providing the financial services are paid in relation to the financial services we offer; and
- details of how you can make a complaint about us or the financial services we provide.

Who we are?

Kroll Australia Pty Ltd (ACN 116 738 535), ("We", "us" and "Kroll") is authorised to provide retail financial services on behalf of Millinium Capital Managers Limited (ACN 111 283 357) ("Millinium"), Australian Financial Services License ("AFSL") no. 284336, as a Corporate Authorised Representative ("CAR"). We have also appointed Mr. Ian Jedlin and Ms. Celeste Oakley as authorised representatives to Millinium's AFSL (our "Authorised Representative"). All authorised representatives of Kroll are authorised representatives of Millinium. We aim to provide quality financial products and services to investors. Kroll acts on its own behalf when providing financial services.

Kroll has been engaged by AVJennings Limited ("Client") to prepare an independent expert's report ("Report") in connection with the Scheme. AVJennings will provide our Report to you.

Our details

Kroll Australia Pty Ltd
Level 32, 85 Castlereagh St
SYDNEY
NSW 2000
www.kroll.com
Ph: 02 8286 7200

Our Authorised Representatives

Ian Jedlin
ASIC authorised representative: No. 000404117
Level 32, 85 Castlereagh St, SYDNEY, NSW 2000

Celeste Oakley
ASIC authorised representative: No. 001309836
Level 32, 85 Castlereagh St, SYDNEY, NSW 2000

Authorised Financial Services

Kroll is authorised by Millinium to provide the following financial services as their CAR:

- provide financial product advice in respect of the following classes of financial products:
- interests in managed investment schemes including investor directed portfolio services; and
- securities,
- with respect to retail clients and wholesale clients.

This FSG only relates to the provision of general advice by Kroll.

Personal Advice

Neither we nor our authorised representatives can provide you with personal advice. Personal advice is advice that takes into account your objectives, financial situation and needs. Where you are referred to a financial planner for personal advice, they will make reasonable enquiries to understand your personal objectives, financial situation and needs. Their personal advice, and any relevant warnings, will be provided to you in their Statement of Advice ("SOA").

Remuneration

Kroll charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay Kroll $275,000 (excluding GST and out of pocket expenses) for preparing the Report. Kroll and its officers, representatives, related entities and associates ("Personnel") will not receive any other fee or benefit in connection with the provision of the Report. All Personnel that provide general advice on our behalf in providing services are on contract to us and receive a salary or payments in accordance with their respective contracts. They may also receive a bonus, but it is not related to the general advice provided in the Report.

Kroll may provide professional services, including consultancy, business intelligence, transfer pricing and financial advisory services, to the person who engaged us and receive fees for those services Kroll and any of its associated entities may at any time provide

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professional services to financial product issuers in the ordinary course of business.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.

Complaint Redressal

If you have a complaint, please let either Kroll or the Authorised Representative know. Formal complaints should be sent in writing to Complaints Officer, Kroll, Level 32, 85 Castlereagh St, SYDNEY, NSW 2000. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 8286 7227 and they will assist you in documenting your complaint. If the complaint cannot be settled in the first instance by Kroll, you should contact Millinium via the contact details set out below:

In writing:

Dispute Resolution Officer
Millinium Capital Managers Limited
GPO Box 615
Sydney, NSW, 2000

When your complaint is received by Millinium it will be entered onto Millinium's complaints register. All details of the complaint will be sent to the Disputes Resolution Officer who will investigate the circumstances of the complaint. If the Disputes Resolution Officer is unable to reach a satisfactory resolution of the complaint within thirty (30) business days of receipt, you should contact Australian Financial Complaints Authority ("AFCA"). The details are:

In writing:

https://www.afca.org.au/make-a-complaint
Telephone
1300 56 55 62 (local call rate)
Email
info@afca.orga.au
Website
www.afca.org.au

Please note that AFCA can currently only deal with claims for compensation up to $1,085,000. Monetary limits and the AFCA terms of reference do change from time to time. Current details can be obtained from the AFCA website listed above.

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Annexure B

Scheme



AVJennings®

B Scheme

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Form of Scheme

Scheme of Arrangement pursuant to section 411 of the *Corporations Act 2001* (Cth)

Between

AVJennings Limited (ACN 004 327 771) of Level 4, 108 Power Street, Hawthorn Victoria 3122 (***Target***).

And

Each holder of Target Shares recorded in the Target Share Register as at the Scheme Record Date (each a ***Scheme Shareholder*** and, together, the ***Scheme Shareholders***).

Recitals

A Target is an Australian public company limited by shares, registered under the Corporations Act, and has been admitted to the official list of the ASX. Target Shares are quoted for trading on the ASX.

B PM Nominees C Pty Ltd (ACN 661 879 161) is a company incorporated in Australia (***Bidder***).

C Target and Bidder have entered into a Scheme Implementation Deed dated 31 March 2025 (the ***Scheme Implementation Deed***) pursuant to which:

(a) Target has agreed to propose this Scheme to Target Shareholders; and

(b) Target and Bidder have agreed to take certain steps to give effect to this Scheme.

D If this Scheme becomes Effective, then:

(a) all of the Scheme Shares and all of the rights and entitlements attaching to them on the Implementation Date will be transferred to Bidder; and

(b) the Scheme Consideration will be provided to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and

(c) Target will enter the name and address of Bidder in the Target Share Register as the holder of all of the Scheme Shares.

E By executing the Scheme Implementation Deed, Target has agreed to propose and implement this Scheme, and Bidder has agreed to assist with that proposal and implementation, on and subject to the terms of the Scheme Implementation Deed.

F Bidder has entered into the Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders that Bidder will observe and perform the obligations contemplated of it under this Scheme.

It is agreed as follows.

1 Definitions and interpretation

1.1 Definitions

In this document, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as 'ASX' operated by it.

ASX Listing Rules means the official listing rules of ASX.

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Business Day means any day that is each of the following:

(a) a Business Day within the meaning given in the ASX Listing Rules; and

(b) a day that banks are open for business in Sydney, Australia, and the Republic of Singapore.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

Constitution means the constitution of Target, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth), as amended by any applicable ASIC class order, ASIC legislative instrument or ASIC relief.

Court means the Supreme Court of New South Wales Court or such other court of competent jurisdiction under the Corporations Act agreed to in writing between Target and Bidder.

Deed Poll means the deed poll executed on 6 May 2025 by Bidder in favour of the Scheme Shareholders.

Depository Register shall have the same meaning as ascribed to it in Section 81SF of the Securities and Futures Act 2001 of Singapore.

Effective means, when used in relation to this Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means the date which is six months after the date of the Scheme Implementation Deed, subject to any extension under clause 3.7 of the Scheme Implementation Deed.

Implementation Date means the third Business Day after the Scheme Record Date, or such other date as Target and Bidder may agree in writing.

Permitted Special Dividend has the meaning given to that term in the Scheme Implementation Deed.

Registered Address means, in relation to a Scheme Shareholder, the address of that Scheme Shareholder shown in the Target Share Register as at the Scheme Record Date.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court and agreed to by Bidder and Target (such agreement not to be unreasonably withheld or delayed) made or required by the Court under section 411(6) of the Corporations Act and agreed to by Target and Bidder.

Scheme Consideration means the consideration to be provided to each Target Shareholder for the transfer to Bidder of each Scheme Share being, in respect of each Scheme Share, a cash amount of $0.655, less the cash amount of any Permitted Special Dividend.

Scheme Meeting means the meeting of Target Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to this Scheme and includes any adjournment or postponement of that meeting.

Scheme Orders means the orders of the Court made under section 411(4)(b) of the Corporations Act (and if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

Scheme Record Date means 7:00pm on the 12th Business Day after the Effective Date or such other time and date agreed to in writing between Target and Bidder.

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Scheme Shareholder means a person registered in the Target Share Register as the holder of one or more Scheme Shares at the Scheme Record Date, and where such person is The Central Depository (Pte) Limited, depositors who have Scheme Shares entered against their names in the Depository Register.

Scheme Shares means the Target Shares on issue as at the Scheme Record Date.

Scheme Transfer means, in relation to each Scheme Shareholder, a proper instrument of transfer of their Scheme Shares for the purpose of section 1071B of the Corporations Act.

Second Court Date means the first day of hearing of an application made to the Court for orders pursuant to section 411(4)(b) of the Corporations Act approving this Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Target Share Register means the register of members of Target maintained in accordance with the Corporations Act.

Target Share Registry means MUFG Corporate Markets (AU) Limited (ACN 083 214 537), a division of MUFG Pension & Market Services or any replacement provider of share registry services to Target.

Target Shares means fully paid ordinary shares issued in the capital of Target.

Target Shareholder means a person who is registered in the Target Share Register as a holder of Target Shares, and where such person is The Central Depository (Pte) Limited, depositors who have Scheme Shares entered against their names in the Depository Register.

Trust Account means an Australian dollar denominated trust account held with an Australian bank operated by Target (or by the Target Share Registry on behalf of Target) as trustee for the Scheme Shareholders.

1.2 Interpretation

(a) Headings are for convenience only and do not affect interpretation.

(b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.

(i) The following rules apply unless the context requires otherwise.

(ii) The singular includes the plural, and the converse also applies.

(iii) A gender includes all genders.

(iv) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(v) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.

(vi) A reference to a clause is a reference to a clause of this Scheme.

(vii) A reference to an agreement or document (including a reference to this document) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this document or that other agreement or document.

(viii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.

(ix) A reference to a person includes the person's successors, permitted substitutes and permitted assigns (and, where applicable, the person's legal personal representatives).

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(x) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

(xi) A reference to dollars or $ is to Australian currency.

(xii) Words and phrases not specifically defined in this Scheme have the same meanings (if any) given to them in the Corporations Act.

(xiii) A reference to time is to Sydney, Australia time.

(xiv) If the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.

2 Conditions

2.1 Conditions Precedent

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

(a) as at 8:00am on the Second Court Date each of the conditions precedent set out in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent relating to the approval of the Court set out in clause 3.1(d) of the Scheme Implementation Deed) has been satisfied or waived in accordance with the Scheme Implementation Deed;

(b) as at 8:00am on the Second Court Date, neither the Scheme Implementation Deed nor the Deed Poll has been terminated in accordance with its terms;

(c) the Court makes orders approving this Scheme under section 411(4)(b) of the Corporations Act, including with such alterations made or required by the Court under section 411(6) of the Corporations Act and that are agreed to Target and Bidder (such agreement not to be unreasonably withheld or delayed);

(d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and that are agreed to Target and Bidder (such agreement not to be unreasonably withheld or delayed); and

(e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme come into effect, pursuant to section 411(10) of the Corporations Act on or before the End Date.

2.2 Lapsing

This Scheme will lapse and be of no further force or effect if:

(a) the Effective Date does not occur on or before the End Date; or

the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Target and Bidder otherwise agree in writing.

3 Scheme becoming Effective

Subject to clause 2, this Scheme will take effect on and from the Effective Date.

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4 Implementation of Scheme

(a) If the conditions precedent in clause 2.1 are satisfied or waived, Target must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Scheme Orders as soon as possible and in any event before 5.00pm on the Business Day immediately following the day on which the Court approves this Scheme, or such other date as agreed by Target and Bidder.

(b) On the Implementation Date, subject to Bidder having satisfied its obligations in clause 5.2, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by Target or any of its directors and officers as attorney and agent for Scheme Shareholders under this Scheme), by:

(i) Target delivering to Bidder for execution duly completed (and, if necessary, stamped) Scheme Transfers to transfer all of the Scheme Shares to Bidder (and one or more Scheme Transfers can be a master transfer of all or part of all of the Scheme Shares), duly executed by Target (or any of its directors and officers) as the attorney and agent of each Scheme Shareholder as transferor under clause 8.3 or by the CDP in respect of Scheme Shares held by Scheme Shareholders through SGX Global Quote;

(ii) Bidder executing the Scheme Transfers as transferee and delivering them to Target for registration; and

(iii) Target, immediately after receipt of the Scheme Transfers under clause 4(b)(ii), entering, or procuring the entry of, the name and address of Bidder in the Target Share Register as the holder of all of the Scheme Shares.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, each Scheme Shareholder will be entitled to the Scheme Consideration for each Scheme Share held by that Scheme Shareholder.

5.2 Deposit of Scheme Consideration

Bidder must with respect to: (i) Scheme Shares held by the Central Depository (Pte) Limited (**CDP**) through SGX Global Quote, deposit (or procure the deposit) into such account as nominated by CDP (the ***CDP Account***) of an amount in cleared funds equal to the aggregate amount of Scheme Consideration for such Scheme Shares in accordance with the terms of the processing agent agreement to be entered into between the Bidder and CDP; and (ii) all other Scheme Shares, deposit (or procure the deposit) in cleared funds into the Trust Account an amount at least equal to the aggregate amount of the Scheme Consideration payable to such Scheme Shares by no later than the date that is one Business Day before the Implementation Date provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account.

5.3 Payment to Scheme Shareholders

(a) On the Implementation Date, subject to Bidder having satisfied its obligations in clause 5.2, Target must pay or procure the payment, from the Trust Account and the CDP Account (as applicable), to each Scheme Shareholder the Scheme Consideration as that Scheme Shareholder is entitled under this clause 5.

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(b) The obligations of Target under clause 5.3(a) will be satisfied by Target (in its absolute discretion):

(i) where a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Target Share Registry to receive dividend payments from Target by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or

(ii) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 5.3(b)(i), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.4).

5.4 Joint holders

In the case of Scheme Shares held in joint names:

(a) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Target, the holder whose name appears first in the Target Share Register as at the Scheme Record Date or to the joint holders; and

(b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Target, the holder whose name appears first in the Target Share Register as at the Scheme Record Date or to the joint holders.

5.5 Cancellation and re-issue of cheques

(a) Target may cancel a cheque issued under this clause 5 if the cheque:

(i) is returned to Target or the Target Share Registry; or

(ii) has not been presented for payment within six months after the date on which the cheque was sent.

(b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Target or the Target Share Registry (which request may not be made until the date which is 20 Business Days after the Implementation Date), Target must reissue a cheque that was previously cancelled under clause 5.5(a).

5.6 Fractional entitlements

Where the calculation of the Scheme Consideration to be paid to a Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent.

5.7 Unclaimed monies

The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of the *Unclaimed Money Act 1995* (NSW)).

5.8 Withholding

Notwithstanding any other provision in this Scheme, if Bidder determines, having regard to legal or other professional advice, that Bidder is either:

(a) required by law to withhold any amount from a payment to a Scheme Shareholder; or

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(b) liable to pay an amount to the Commissioner of Taxation under section 14-200 of Schedule 1 to *Taxation Administration Act 1953* (Cth) in respect of the acquisition of Scheme Shares from a Scheme Shareholder,

Bidder is entitled to withhold the relevant amount before making the payment to the Scheme Shareholder (including any payments made under clauses 5.2 and 5.3 of this Scheme) and the payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme (including (but not limited to) clauses 5.1, 5.2 and 5.3 of this Scheme).

5.9 Remaining monies (if any) in Trust Account

To the extent that, following satisfaction of Target' obligations under the other provisions of this clause 5 and provided Bidder has by that time acquired the Scheme Shares in accordance with this Scheme, there is a surplus in the Trust Account, then subject to compliance with applicable laws, the other terms of this Scheme, the Deed Poll and the Scheme Implementation Deed, that surplus (less any bank fees and related charges) shall be paid by Target (or the Target Share Registry on Target' behalf) to Bidder.

5.10 Orders of a court

(a) If written notice is given to Target (or the Target Share Registry) of an order or direction made by a court that:

(i) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Target in accordance with this clause 5, then Target shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or

(ii) prevents Target from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibitive by applicable law, Target shall be entitled to (as applicable) retain an amount equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration, until such time as payment in accordance with this clause 5 is permitted by that (or another) court or direction or otherwise by law.

(b) To the extent that amounts are so deducted or withheld in accordance with clause 5.10(a), such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

6 Dealings in Target Shares

6.1 Dealings in Target Shares by Scheme Shareholders

For the purpose of establishing the persons who are Scheme Shareholders, dealings in Target Shares will be recognised by Target provided that:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Target Share Register as the holder of the relevant Target Shares by the Scheme Record Date; and

(b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the Target Share Registry by 5.00pm on the day which is the

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Scheme Record Date at the place where the Target Share Register is located (in which case Target must register such transfers or transmission applications before 7.00pm on that day),

and Target will not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Shareholders nor for any other purpose (other than to transfer to Bidder pursuant to this Scheme and any subsequent transfers by Bidder and its successors in title), any transfer or transmission application in respect of Target Shares received after such times, or received prior to such times but not in actionable or registrable form (as appropriate).

6.2 Register

(a) Target will, until the Scheme Consideration has been provided and the name and address of Bidder has been entered in the Target Share Register as the holder of all of the Scheme Shares, maintain, or procure the maintenance of, the Target Share Register in accordance with this clause 6, and the Target Share Register in this form and the terms of this Scheme will solely determine entitlements to the Scheme Consideration.

(b) If the Scheme becomes Effective, as from the Scheme Record Date (and other than for Bidder following the Implementation Date), each entry in the Target Share Register as at the Scheme Record Date relating to Scheme Shares will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration in respect of those Scheme Shares.

(c) As soon as possible on or after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, Target will ensure that details of the names, Registered Addresses and holdings of Target Shares for each Scheme Shareholder as shown in the Target Share Register are available to Bidder.

6.3 Effect of share certificates and holding statements

As from the Scheme Record Date (and other than for Bidder following the Implementation Date), all share certificates and holding statements for Scheme Shares (other than statements of holding in favour of Bidder) will cease to have effect as documents of title in respect of those Scheme Shares.

6.4 No disposals after Record Date

If this Scheme becomes Effective, each Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after 5.00pm on the Scheme Record Date (other than to Bidder in accordance with this Scheme and any subsequent transfers by Bidder and its successors in title), and any attempt to do so will have no effect and Target shall be entitled to disregard any such disposal, purported disposal or agreement.

7 Suspension and termination of quotation of Target Shares

(a) Target must apply to (i) the ASX to suspend trading of Target Shares on ASX; and (ii) the SGX to suspend the trading of Target Shares on SGX Global Quote, in each case with effect from the close of trading on the Effective Date.

(b) On a date after the Implementation Date to be determined by Bidder, Target must apply (i) to ASX for termination of official quotation of the Target Shares on ASX and the removal of Target from the official list of ASX; and (ii) to SGX for the termination of the quotation of Target Shares on SGX Global Quote.

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8 General provisions

8.1 Further assurances

(a) Each Scheme Shareholder and Target will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of this Scheme and the transactions contemplated by it.

(b) Without limiting Target's other powers under this Scheme, Target has power to do all things that it considers necessary or desirable to give effect to this Scheme and the transactions contemplated by it.

8.2 Scheme Shareholders' agreements and consents

Each Scheme Shareholder:

(a) irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares (other than any right to receive the Permitted Special Dividend (if any)), to Bidder in accordance with the terms of this Scheme;

(b) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;

(c) agrees to, on the direction of Bidder, destroy any statements of holding or share certificates relating to their Scheme Shares;

(d) acknowledges and agrees that this Scheme binds Target and all Scheme Shareholders (including those that did not attend the Scheme Meeting or did not vote at that meeting or voted against this Scheme at that Scheme Meeting) and, to the extent of any inconsistency, overrides the Constitution; and

(e) irrevocably consents to Target and Bidder doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it,

without the need for any further act by that Scheme Shareholder.

8.3 Appointment of Target as attorney for implementation of Scheme

Each Scheme Shareholder, without the need for any further act by that Scheme Shareholder, irrevocably appoints Target as that Scheme Shareholder's agent and attorney for the purpose of:

(a) doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of this Scheme and the transactions contemplated by it, including the effecting of a valid transfer or transfers (or the execution and delivery of any Scheme Transfers) under clause 4(b)(i); and

(b) enforcing the Deed Poll against Bidder,

and Target accepts such appointment. Target, as agent and attorney of each Scheme Shareholder, may sub delegate its functions, authorities or powers under this clause 8.3 to all or any of its directors and officers (jointly, severally, or jointly and severally).

8.4 Warranty by Scheme Shareholders

(a) Each Scheme Shareholder is deemed to have warranted to Bidder and Target on the Implementation Date, and, to the extent enforceable, to have appointed and authorised Target as that Scheme Shareholder's agent and attorney to warrant to Bidder, that:

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(i) all of their Scheme Shares (including all rights and entitlements attaching to those Scheme Shares) will, at the time of the transfer of them to Bidder pursuant to this Scheme, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;

(ii) they have full power and capacity to sell and to transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to Bidder pursuant to this Scheme; and

(iii) they have no existing right to be issued any Target Shares, Target Equity Incentive, or any other Target securities.

(b) Target undertakes in favour of each Scheme Shareholder that it will provide such warranty, to the extent enforceable, to Bidder as agent and attorney for each Scheme Shareholder.

8.5 Title to and rights in Scheme Shares

(a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Bidder will, at the time of transfer of them to Bidder, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.

(b) Immediately upon the deposit of the Scheme Consideration in the manner contemplated by clause 5.2, Bidder will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Target of the name and address of Bidder in the Target Share Register as the holder of the Scheme Shares.

8.6 Appointment of Bidder as attorney and agent for Scheme Shares

(a) From the time that Bidder has satisfied its obligations in clause 5.2 until Bidder is registered in the Target Share Register as the holder of all Scheme Shares, each Target Shareholder:

(i) without the need for any further act by that Target Shareholder, irrevocably appoints Bidder as its proxy to (and irrevocably appoints Bidder as its agent and attorney for the purpose of appointing any director or officer of Bidder as that Target Shareholder's proxy and, where appropriate, its corporate representative to):

(A) attend shareholders' meetings of Target;

(B) exercise the votes attaching to the Target Shares registered in the name of the Target Shareholder; and

(C) sign any Target Shareholders' resolution;

(ii) must take all other action in the capacity of a Target Shareholder as Bidder reasonably directs; and

(iii) acknowledges and agrees that in exercising the powers referred to in clause 8.6(a), Bidder and any person nominated by Bidder under clause 8.6(a) may act

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in the best interests of Bidder as the intended registered holder of the Scheme Shares.

(b) From the time that Bidder has satisfied its obligations in clause 5.2 until Bidder is registered in the Target Share Register as the holder of all Scheme Shares, no Target Shareholder may attend or vote at any meetings of Target Shareholders or sign any Target Shareholders' resolution (whether in person, by proxy or by corporate representative) other than under this clause 8.6.

8.7 Alterations and conditions to Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions, Target may, by its counsel or solicitors, and with the prior written consent of Bidder:

(a) consent on behalf of all persons concerned, including each Target Shareholder, to those alterations or conditions; and

(b) each Scheme Shareholder agrees to any such alterations or conditions which Target has consented to.

8.8 Enforcement of Deed Poll

Target undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Bidder on behalf of and as agent and attorney for the Scheme Shareholders.

8.9 Consent

Each of the Scheme Shareholders consents to Target doing all things necessary or incidental to the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Target or otherwise.

8.10 Notices

(a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Target' registered office or by the Target Share Registry, as the case may be.

(b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Target Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

8.11 Duty

Bidder will:

(a) pay all duty (including stamp duty and any related fines, penalties and interest) payable on the transfer by Scheme Shareholders of the Scheme Shares to Bidder pursuant to this Scheme; and

(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.11(a).

8.12 Governing law and jurisdiction

This document is governed by the laws of New South Wales. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction there and courts of appeal from them in connection with matters concerning this document. The parties irrevocably waive any objection to

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the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

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Annexure C

Deed Poll



C Deed Poll

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Deed Poll

This Deed Poll is made on 6 May 2025

By

PM Nominees C Pty Ltd (ACN 661 879 161) of Level 5, 7 Macquarie Place, Sydney, New South Wales (the ***Bidder***).

In favour of

Each Scheme Shareholder

Recitals

A Bidder and AVJennings Limited (ACN 004 327 771) of Level 4, 108 Power Street, Hawthorn Victoria 3122 (***Target***) have entered into a Scheme Implementation Deed dated 31 March 2025 (the ***Scheme Implementation Deed***).

B Target has agreed in the Scheme Implementation Deed to propose the Scheme, pursuant to which, subject to the satisfaction or waiver of certain conditions precedent, Bidder will acquire all of the Scheme Shares from Scheme Shareholders for the payment of the Scheme Consideration.

C In accordance with the Scheme Implementation Deed, Bidder is entering into this Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders that Bidder will observe and perform the obligations contemplated of it under the Scheme.

It is agreed as follows.

1 Definitions and interpretation

1.1 Definitions

Terms defined in the Scheme Implementation Deed have the same meaning in this Deed Poll, unless the context requires otherwise.

1.2 Interpretation

The provisions of clause 1.2 of the Scheme Implementation Deed form part of this Deed Poll as if set out in full in this Deed Poll, and on the basis that references to 'this deed' in that clause are references to 'this Deed Poll'.

2 Nature of Deed Poll

Bidder acknowledges that:

(a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholders are not party to it; and

(b) under the Scheme, each Scheme Shareholder appoints Target and each of its directors, secretaries and officers (jointly and each of them severally) as its agent and attorney to enforce this Deed Poll against Bidder on behalf of that Scheme Shareholder.

3 Conditions precedent and termination

3.1 Conditions precedent

The obligations of Bidder under this Deed Poll are subject to the Scheme becoming Effective.

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3.2 Termination

If the Scheme Implementation Deed is terminated before the Effective Date or the Scheme does not become Effective on or before the End Date, the obligations of Bidder under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect, unless Target and Bidder otherwise agree.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

(a) Bidder is released from its obligations under this Deed Poll, except those obligations under clause 8.6; and

(b) each Scheme Shareholder retains any rights, powers or remedies that Scheme Shareholder has against Bidder in respect of any breach of Bidder's obligations under this Deed Poll that occurred before termination of this Deed Poll.

4 Compliance with Scheme obligations

4.1 Obligations of Bidder

Subject to clause 3, Bidder covenants in favour of each Scheme Shareholder that it will observe and perform all obligations contemplated of Bidder under the Scheme, including the relevant obligations relating to the provision of the Scheme Consideration in accordance with the terms of the Scheme.

5 Representations and warranties

Bidder makes the following representations and warranties in respect of itself.

(a) (**Status**) It is a corporation duly incorporated and validly existing under the laws of the place of its incorporation.

(b) (**Power**) It has the power to enter into and perform its obligations under this Deed, and to carry out the transactions contemplated by this Deed.

(c) (**Corporate authorisations**) It has taken all necessary corporate action to authorise the entry into and performance of this Deed Poll by it and to carry out the transactions contemplated by this Deed Poll.

(d) (**Document binding**) This Deed Poll is its valid and binding obligation enforceable in accordance with its terms.

(e) (**Transactions permitted**) The execution and performance by it of this Deed Poll and each transaction contemplated by this Deed Poll does not violate in any respect a provision of:

(i) a law or treaty or a judgment, ruling, order or decree binding on it; or

(ii) its constitution or other constituent documents.

6 Continuing obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

(a) Bidder having fully performed its obligations under this Deed Poll; and

(b) termination of this Deed Poll under clause 3.

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7 Further assurances

Bidder will, on its own behalf and, to the extent authorised by the Scheme, on behalf of each Scheme Shareholder, do all things and execute all deeds, instruments, transfers or other documents as may be necessary to give full effect to the provisions of this Deed Poll and the transactions contemplated by it.

8 General

8.1 Notices

Any notice, demand, consent or other communication (a ***Notice***) given or made under this Deed Poll:

(a) must be in writing and signed by the sender or a person duly authorised by the sender;

(b) must be sent by regular ordinary post (airmail if appropriate) to the addresses referred to below, or sent by email to the addresses referred to below:

(i) to Bidder: Address: Level 5, 7 Macquarie Place, Sydney NSW 2000
Attention: Richard Amos
Email: ramos@avid.com.au

(c) will be conclusively taken to be duly given or made:

(i) in the case of delivery in person, when delivered;

(ii) in the case of delivery by post, six Business Days after the date of posting (if posted to an address in the same country) or ten Business Days after the date of posting (if posted to an address in another country); and

(iii) in the case of email, at the earliest of:

(A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;

(B) the time that the intended recipient confirms receipt of the email by reply email; and

(C) two hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that two hour period, an automated message that the email has not been delivered,

(d) but if the result is that a Notice would be taken to be given or made:

(i) in the case of delivery by hand or post, at a time that is later than 5:00pm;

(ii) in the case of delivery by email, at a time that is later than 7:00pm; or

(iii) on a day that is not a business day,

in the place specified by the intended recipient as its postal address under clause 8.1(b), it will be conclusively taken to have been duly given or made at the start of business on the next business day in that place.

8.2 No waiver

No failure to exercise nor any delay in exercising any right, power or remedy by Bidder or by any Scheme Shareholder operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or

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remedy. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy. A waiver is not valid or binding on the person granting that waiver unless made in writing.

8.3 Remedies cumulative

The rights, powers and remedies of Bidder and of each Scheme Shareholder under this Deed Poll are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

8.4 Amendment

No amendment or variation of this Deed Poll is valid or binding unless:

(a) either:

(i) before the First Court Date, the amendment or variation is agreed to in writing by Target and Bidder (which such agreement may be given or withheld without reference to or approval by any Scheme Shareholder); or

(ii) on or after the First Court Date, the amendment or variation is agreed to in writing by Target and Bidder (which such agreement may be given or withheld without reference to or approval by any Scheme Shareholder), and is approved by the Court; and

in which event the Bidder enters into a further deed poll in favour of the Scheme Shareholders giving effect to that amendment or variation.

8.5 Assignment

The rights and obligations of Bidder and of each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, encumbered or otherwise dealt with and no person may attempt, or purport, to do so without the prior consent of Bidder and Target.

8.6 Duty

Bidder will:

(a) pay all duty (including stamp duty and any related fines, penalties and interest) payable on the transfer by Scheme Shareholders of the Scheme Shares to Bidder pursuant to the Scheme; and

(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.6(a).

8.7 Governing law and jurisdiction

This Deed Poll is governed by the laws of New South Wales. Bidder submits to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this Deed Poll.

Executed and delivered as a Deed Poll.

C Deed Poll continued

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **PM Nominees C Pty Ltd**:

DocuSigned by:
Anthony Kingsley
B7863623E40748A...

Director
Anthony Kingsley

Print Name

DocuSigned by:
14ACD2307EB941C...

Director/Secretary
Cameron Holt

Print Name

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Annexure D

Notice of Scheme Meeting



D Notice of Scheme Meeting

AVJennings (ABN 44 004 327 771)
Notice of Scheme Meeting

Notice is given that, by an order of the Supreme Court of New South Wales (**Court**) made on 8 May 2025 pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a meeting of AVJennings Limited (ASX:AVJ) (**AVJennings**) will be held on Friday, 11 July 2025 at 3:00pm (AEST), at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 and through an online platform at https://meetings.openbriefing.com/AVJSCHEME25. Capitalised terms used, but not defined, in this notice have the meanings given to them in the Scheme Booklet, of which this notice forms a part.

Purpose of the Scheme Meeting

The purpose of the Scheme Meeting to be held pursuant to this notice is to consider, and if thought fit, to agree (with or without modification) to a scheme of arrangement proposed to be made between AVJennings and AVJennings Shareholders (**Scheme Resolution**).

A copy of the Scheme and a copy of the explanatory statement (required by section 412 of the Corporations Act in relation to the Scheme) are contained in this Scheme Booklet, of which this notice forms part.

Business

Resolutions of holders of AVJennings Shares

Resolution – Scheme Resolution

To consider and, if thought fit, to pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

> *That pursuant to, and in accordance with, section 411 of the Corporations Act, the Scheme, the terms of which are contained in and more particularly described in the Scheme Booklet (of which this Notice of Scheme Meeting forms part) is approved (with or without alterations and/or conditions as approved by the Court and agreed to by AVJennings Limited).*

AVJennings Board Recommendation

For the reasons set out in the Scheme Booklet, the AVJennings Board unanimously recommends that eligible AVJennings Shareholders vote in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the AVJennings Shareholders.

SC Global Voting Intention

The largest shareholder in AVJennings, SC Global, who through its wholly owned Subsidiaries holds and controls shares in AVJennings representing approximately 54.02% of the issued share capital, has confirmed that it intends to vote all AVJennings Shares it holds and controls as at the date of the Scheme Meeting in favour of the Scheme Resolution.

By Order of the Court and the AVJennings Board



Carl Thompson
Company Secretary, AVJennings Limited

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Annexure E

Notice of Extraordinary General Meeting



E Notice of Extraordinary General Meeting

AVJennings (ABN 44 004 327 771)
Notice of Extraordinary General Meeting

Notice is given that an Extraordinary General Meeting of AVJennings Limited (ASX: AVJ) (**AVJennings**) will be held on Friday, 11 July 2025, as soon as practicable following the conclusion of the Scheme Meeting at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 and through an online platform at https://meetings.openbriefing.com/AVJEGM25. Capitalised terms used, but not defined, in this notice have the meanings given to them in the Scheme Booklet, of which this notice forms a part.

Purpose of the Extraordinary General Meeting

As set out in the Scheme Booklet, AVJennings proposes to hold an Extraordinary General Meeting to vote on the Share Issue Resolution to approve, by way of an ordinary resolution, the issuance of new AVJennings Shares to Mr Philip Kearns AM in connection with the acceleration of his entitlement to Performance Rights in connection with the Scheme for nil cash consideration.

Approval is required for Mr Kearns as he is a related party of AVJennings as a result of his role as a director of AVJennings.

This resolution is required as AVJennings, in the usual course, has satisfied the vesting of Performance Rights by way of purchase of AVJennings Shares on market and therefore has not sought AVJennings Shareholder approval to each issuance.

However, as the AVJennings Board has determined to accelerate and vest, in aggregate, 93.9% of the Performance Rights the AVJennings Board has also determined to issue new AVJennings Shares to avoid potential liquidity concerns.

Subject to receipt of approval of the Share Issue Resolution and the Scheme becoming Effective, AVJennings intends to issue the AVJennings Shares in the period after the Scheme Effective Date and before the Scheme Record Date.

A copy of the explanatory statement in relation to the Share Issue Resolution and the proposed Scheme are contained in this Scheme Booklet, of which this notice forms part.

Additional information about the Extraordinary General Meeting is set out in the explanatory notes for the notices of meeting that accompany and form part of this notice.

Business

Resolutions of holders of AVJennings Shares

Resolution – Share Issue Resolution

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

> *To approve for all purposes, including ASX Listing Rule 10.11, the issue to Philip Kearns of 3,285,750 AVJennings Shares as satisfaction for the accelerating, exercise and vesting of 3,285,750 Performance Rights on the terms set out in the Explanatory Memorandum to the Notice of Meeting.*

AVJennings Board Recommendation

For the reasons set out in the Scheme Booklet, the AVJennings Board, other than Mr Philip Kearns AM who has recused himself, unanimously recommends that eligible AVJennings Shareholders vote in favour of the Share Issue Resolution.

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Voting exclusion statement

AVJennings will disregard any votes cast on Resolution 1:

- in favour of the resolution by or on behalf of Philip Kearns AM or any of his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is the holder of AVJennings Equity Incentives (as disclosed in section 9.11 of the Scheme Booklet), at the date of the EGM, or their closely related parties.

However, votes will not be disregarded if they are cast on Resolution 1 by:

- a person as proxy or attorney for a shareholder entitled to vote on Resolution 1, in accordance with a direction given to the proxy or attorney to vote on Resolution 1 in that way; or
- the Chair of the Meeting as proxy for a shareholder entitled to vote on Resolution 1 under an express authorisation in the proxy appointment to exercise the proxy as the Chair of the Meeting decides, even though Resolution 1 is connected with the total remuneration of a member of the AVJennings' KMP; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 1; and
  - the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

By Order of the Board



Carl Thompson
Company Secretary, AVJennings Limited

Explanatory Notes to the Notices of Meetings

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1 General

These notes should be read in conjunction with the Notice of Scheme Meeting, the Notice of Extraordinary General Meeting (together, the **Notices of Meetings**) and the Scheme Booklet, of which the Notices of Meetings form part. Unless the context requires otherwise, terms used in the Notices of Meetings and in these notes have the same meaning as set out in section 10 (Glossary and interpretation) of the Scheme Booklet.

2 Chairman

The Court has directed that Simon Cheong is to act as Chairman of the Scheme Meeting (and that, if Simon Cheong is unable or unwilling to attend, Jerome Rowley is to act as the Chair of the Scheme Meeting).

Simon Cheong will also act as Chairman of the Extraordinary General Meeting scheduled to be held as soon as reasonably practicable after the conclusion of the Scheme Meeting (and if Simon Cheong is unable or unwilling to attend, Jerome Rowley is to act as Chair of the Extraordinary General Meeting).

3 Requisite majorities

Scheme Resolution

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be passed at the Scheme Meeting by:

- a majority in number (more than 50%) of AVJennings Shareholders present and voting at the Scheme Meeting (whether in person, in person through the online platform or by proxy, corporate representative or attorney) (unless the Court orders otherwise); and
- at least 75% of the total number of votes cast on the Scheme Resolution by AVJennings Shareholders present and voting at the Scheme Meeting (whether in person, in person through the online platform or by proxy, corporate representative or attorney).

Share Issue Resolution

The Share Issue Resolution is an ordinary resolution. For the Share Issue Resolution to succeed, a majority of AVJennings Shareholders voting at the Extraordinary General Meeting must vote in favour of the resolution.

4 Court approval (Scheme Resolution)

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification) must be approved by an order of the Court. If the Scheme Resolution is approved at the Scheme Meeting by the Requisite Majorities and the other conditions are satisfied or waived (if applicable), AVJennings intends to apply to the Court on or around Wednesday, 23 July 2025 for approval of the Scheme.

5 Changes to the current arrangement

AVJennings may be required to make changes to the arrangements for the Scheme Meeting and/or the Extraordinary General Meeting. If there are any updates, AVJennings will ensure that AVJennings Shareholders are given as much notice as possible. Further information will also be made available at the AVJennings website at https://www.avjennings.com.au/.

6 Entitlement to vote

For AVJennings Shareholders:

If you are registered on the AVJennings Share Register as an AVJennings Shareholder at the Voting Record Date (currently expected to be 7:00pm (AEST) on 9 July 2025), you will be entitled to attend and vote on the Scheme Resolution at the Scheme Meeting, and the Share Issue Resolution at the Extraordinary General Meeting.

For holders of interests in AVJennings Shares via CDP acquired through SGX GlobalQuote:

If you are registered on the Depository Register as holding an interest in AVJennings Shares through The Central Depository (Pte) Limited (**CDP**) at the Voting Record Date, you will be entitled to vote on the Scheme Resolution at the Scheme Meeting, and the Share Issue Resolution at the Extraordinary General Meeting.

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7 Voting at the Scheme Meeting and the Extraordinary General Meeting

For AVJennings Shareholders:

AVJennings Shareholders on the Voting Record Date may vote at the Scheme Meeting and the Extraordinary General Meeting in the following ways:

- **in person**, by physically attending the Scheme Meeting and the Extraordinary General Meeting, commencing at 3:00pm (AEST) at The Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000 (with the Extraordinary General Meeting to follow as soon as reasonably practicable after the conclusion of the Scheme Meeting) and voting during the Scheme Meeting;
- **online**, by participating and voting online at the Scheme Meeting at https://meetings.openbriefing.com/AVJSCHEME25 and the Extraordinary General Meeting at https://meetings.openbriefing.com/AVJEGM25, commencing at 3:00pm (AEST) (with the Extraordinary General Meeting to follow as soon as reasonably practicable after the conclusion of the Scheme Meeting). To vote online, you will need your SRN or HIN and your registered postcode or country of residence (if outside Australia); or
- **by custodian voting**, by appointing one or two proxies to attend and vote on your behalf in person, using the Scheme Proxy Form and the General Proxy Form that accompanies the Scheme Booklet or submitting a proxy online at https://au.investorcentre.mpms.mufg.com. To submit a proxy vote online you will need a specific six digit Control Number (located on the front of your letter, Scheme Proxy Form or General Proxy Form). To be valid, your Scheme Proxy Form and/or General Proxy Form must be received by the AVJennings Share Registry by no later than 3:00pm (AEST) on Wednesday 9 July 2025 or if you are a member of the AVJennings Deferred Employee Share Plan & Equity Incentive Plan, by no later than 5:00pm (AEST) on Friday, 4 July 2025.

For holders of interests in AVJennings Shares via CDP acquired through SGX GlobalQuote:

You are required to provide voting instructions to CDP in advance of the meeting in accordance with the Voting Instruction Forms provided to you. You may only appoint the Chairman as your proxy and you will not be able to ask questions or vote at the meeting. Details about how you can attend the meeting virtually to observe proceedings are set out in paragraph 12 below.

8 Voting by proxy

For AVJennings Shareholders:

You can direct your proxy to vote at either or both of the Scheme Meeting or the Extraordinary General Meeting by following the instructions on the Scheme Proxy Form or the General Proxy Form (as applicable).

If the Chairman of the Scheme Meeting and/or the Extraordinary General Meeting is appointed as your proxy (or is appointed your proxy by default), he can be directed how to vote by ticking the relevant boxes next to the Scheme Resolution on the Scheme Proxy Form and/or the Share Issue Resolution on the General Proxy Form (i.e. 'for', 'against' or 'abstain'). The Chairman of the Scheme Meeting and the Extraordinary General Meeting is required to cast all votes as directed.

The Chairman of the Scheme Meeting intends to vote all undirected and available proxies in favour of the Scheme Resolution. The Chairman of the Extraordinary General Meeting intends to vote all undirected and available proxies in favour of the Share Issue Resolution.

For holders of interests in AVJennings Shares via CDP acquired through SGX GlobalQuote:

You can direct your proxy to vote at either or both of the Scheme Meeting or the Extraordinary General Meeting by following the instructions on the Voting Instruction Forms. Please refer to Note (1) of the Voting Instruction Forms provided regarding the appointment of the Chairman as your proxy.

Where the Chairman of the Scheme Meeting and/or the Extraordinary General Meeting is appointed as your proxy, he can be directed how to vote by ticking the relevant boxes next to the Scheme Resolution on the Scheme Voting Instruction Form and/or the Share Issue Resolution on the General Voting Instruction Form (i.e. 'for', 'against' or 'abstain'). The Chairman of the Scheme Meeting and the Extraordinary General Meeting is required to cast all votes as directed.

The Chairman of the Scheme Meeting intends to vote all undirected and available proxies in favour of the Scheme Resolution. The Chairman of the Extraordinary General Meeting intends to vote all undirected and available proxies in favour of the Share Issue Resolution.

Explanatory Notes to the Notices of Meetings continued

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9 Lodging proxies

For AVJennings Shareholders:

The Scheme Proxy Form and the General Proxy Form must be received by 3:00pm (AEST) on Wednesday, 9 July 2025. The completed Scheme Proxy Form and General Proxy Form may be submitted as follows:

By internet:

https://au.investorcentre.mpms.mufg.com

Login to the Investor Centre using the holding details as shown on the Scheme Proxy Form/ General Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, you will need your SRN or HIN.

By post:

AVJennings Limited
C/- MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235, Australia

By hand:[1]

delivering it to MUFG Corporate Markets (AU) Limited

Parramatta Square
Level 22, Tower 6, 10 Darcy Street
Parramatta NSW 2150

If you have any questions or require further information in relation to the Scheme Meeting or the Extraordinary General Meeting, you can contact the AVJennings Shareholder Information Line on 1800 425 578 (within Australia) or +61 1800 425 578 (outside Australia), between 8:30am and 5:30 pm (AEST), Monday to Friday (excluding public holidays).

A replacement Scheme Proxy Form or General Proxy Form may be obtained from the AVJennings Share Registry, MUFG Corporate Markets. Further details in respect of the Scheme Resolution to be put to the Scheme Meeting, and the Share Issue Resolution to be put to the Extraordinary General Meeting, are set out in the accompanying Scheme Booklet.

For holders of interests in AVJennings Shares via CDP acquired through SGX GlobalQuote:

You can lodge your Voting Instruction Forms by following the instructions set out in the Voting Instruction Forms.

10 Voting by corporate representative

For AVJennings Shareholders:

If you are a body corporate, you can appoint a corporate representative to attend and vote at the Scheme Meeting and/or Extraordinary General Meeting on your behalf. The appointment must comply with section 250D of the Corporations Act.

To vote at and attend the Meeting through a corporate representative, a 'Certificate of Appointment of Corporate Representative' must be received at support@cm.mpms.mufg.com prior to admission to the relevant meeting. A form of the certificate may be obtained from the Company's share registry or online at www.mpms.mufg.com/en/mufgcorporate-markets.

Corporate representative forms must be provided to the AVJennings Share Registry by no later than 3:00pm (AEST) on Wednesday 9 July 2025.

A validly appointed corporate representative wishing to attend and vote at the Scheme Meeting or the Extraordinary General Meeting will require the name, Shareholder Number and postcode of the body corporate that appointed it in order to access the relevant online platform.

For holders of interests in AVJennings Shares via CDP acquired through SGX GlobalQuote:

You cannot vote by corporate representative. For details about how you may vote at the Scheme Meeting and the Extraordinary General Meeting, see paragraph 8.

1 Note: This option is only available in business hours: Monday to Friday, 9:00am-5:00pm (AEST), excluding public holidays.

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11 Voting by attorney

For AVJennings Shareholders:

Certified copies of powers of attorney must be received by the AVJennings Share Registry by no later than 3:00pm (AEST) on Wednesday, 9 July 2025. A certified copy of a power of attorney may be submitted in the same manner as a completed Scheme Proxy Form or General Proxy Form, as described above at paragraph 7.

For holders of interests in AVJennings Shares via CDP acquired through SGX GlobalQuote:

You cannot vote by attorney at the Scheme Meeting or Extraordinary General Meeting. For details about how you may vote at the Scheme Meeting and the Extraordinary General Meeting, see paragraph 8.

However, you may sign your Voting Instruction Forms by way of a power of attorney provided that the Power of Attorney or other authority appointing the attorney or a notarially/duly certified copy of that Power of Attorney or other Attorney or other Authority is attached to the Voting Instruction Form, if it is signed by an attorney.

12 How to be present virtually at the meetings

AVJennings Shareholders, including holders of interests in AVJennings Shares via CDP acquired through SGX GlobalQuote may be present virtually via the relevant live webcast and view the Scheme Meeting and the Extraordinary General Meeting. The online platform for the Scheme Meeting can be accessed at https://meetings.openbriefing.com/AVJSCHEME25 and the online platform for the Extraordinary General Meeting can be accessed at https://meetings.openbriefing.com/AVJEGM25

For holders of interests in AVJennings Shares via CDP acquired through SGX GlobalQuote:

You are required to provide voting instructions to CDP in advance of the Scheme Meeting and the Extraordinary General Meeting in accordance with the Voting Instruction Forms. You may only appoint the Chairman as your proxy and you will not be able to ask questions or vote at the Scheme Meeting and the Extraordinary General Meeting.

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Corporate Directory

AVJennings Limited

Level 4, 108 Power Street
Hawthorn VIC 3122
Australia
+61 3 8888 4800
investors.avjennings.com.au/Investor-Centre

Directors

Simon Cheong
Chairman & Non-Executive Director

Jerome Rowley
Deputy Chairman & Non-Executive Director

Philip Kearns
Managing Director and Chief Executive Officer

Bobby Chin
Non-Executive Director

Bruce Hayman
Non-Executive Director

Teck Poh Lai
Non-Executive Director

Mak Lye Mun
Non-Executive Director

Independent Expert

Kroll
Level 32, 85 Castlereagh Street
Sydney NSW 2000
Australia

Australian Registry

MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235
Australia

Singapore Registry

The Central Depository (Pte) Ltd
The Metropolis Tower 2
11 North Buona Vista Drive #06-07
Singapore 138589

Legal Adviser

Allens
Level 28, Deutsche Bank Place
126 Phillip Street
Sydney NSW 2000
Australia

Financial Adviser

Barrenjoey
Level 19, Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000
Australia

Australian Tax Adviser

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay
Barangaroo NSW 2000
Australia

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ABN 44 004 327 771

LODGE YOUR VOTE

ONLINE
https://au.investorcentre.mpms.mufg.com

BY MAIL
AVJennings Limited
C/- MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY HAND
MUFG Corporate Markets (AU) Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

ALL ENQUIRIES TO
Telephone: 1800 425 578 Overseas: +61 1800 425 578

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VOTING/PROXY FORM

I/We being a member(s) of AVJennings Limited (the **Company)** and entitled to attend and vote hereby appoint:

STEP 1 Please mark either A or B

A VOTE DIRECTLY

☐ **elect to lodge my/our vote(s) directly (mark box)**

in relation to the Scheme Meeting of the Company to be held at **3:00pm (AEST) on Friday, 11 July 2025,** and at any adjournment or postponement of this Meeting.

You should mark either "for" or "against" for the below item. Do not mark the "abstain" box.

OR

B APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **3:00pm (AEST) on Friday, 11 July 2025** (the **Meeting**) and at any postponement or adjournment of this Meeting.

The Meeting will be conducted as a hybrid event. You can participate by attending in person at **the Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000** or logging in online at **https://meetings.openbriefing.com/AVJSCHEME25** (refer to details in the Virtual Annual General Meeting Online Guide).

The Chairman of the Meeting intends to vote undirected proxies in favour of the resolution.

STEP 2

VOTING DIRECTIONS

Resolution

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any box with an ☒

		For	Against	Abstain*
1	"That pursuant to, and in accordance with, section 411 of the Corporations Act, the Scheme, the terms of which are contained in and more particularly described in the Scheme Booklet (of which this Notice of Scheme Meeting forms part) is approved (with or without alterations and/or conditions as approved by the Court and agreed to by AVJennings Limited)."	☐	☐	☐

* If you mark the Abstain box for the above Item, you are directing your proxy not to vote on your behalf and your votes will not be counted in computing the required majority.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

AVJ PRX2501N

HOW TO COMPLETE THIS SHAREHOLDER VOTING/PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

VOTING UNDER BOX A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either **"for"** or **"against"** for the item.

If no direction is given on the item, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

Custodians and nominees may, with the Share Registrar's consent, identify on the Voting/Proxy Form the total number of votes in each of the categories **"for"** and **"against"** and their votes will be valid.

If you have lodged a direct vote, and then you attend the Meeting, your attendance will cancel your direct vote.

The Chairman's decision as to whether a direct vote is valid is conclusive.

VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the item of business, your proxy may vote as he or she chooses. If you mark more than one box on the item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Voting/Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Voting/Proxy Form and the second Voting/Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act (2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be received at support@cm.mpms.mufg.com prior to admission in accordance with the Notice of Scheme Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.mpms.mufg.com/en/mufg-corporate-markets.

LODGEMENT OF A VOTING/PROXY FORM

This Voting/Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm (AEST) on Wednesday, 9 July 2025,** being not later than 48 hours before the commencement of the Meeting. Any Voting/Proxy Form received after that time will not be valid for the scheduled Meeting.

Voting/Proxy Forms may be lodged using the reply paid envelope or:

ONLINE

https://au.investorcentre.mpms.mufg.com

Login to the Investor Centre using the holding details as shown on the Voting/Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

BY MOBILE DEVICE

QR Code

Our voting website is designed specifically for voting online. You can now lodge your vote by scanning the QR code adjacent or enter the voting link **https://au.investorcentre.mpms.mufg.com** into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

BY MAIL

AVJennings Limited
C/- MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY HAND

delivering it to MUFG Corporate Markets (AU) Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

* in business hours (Monday to Friday, 9:00am–5:00pm)

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE SCHEME MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

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AVJennings®

ABN 44 004 327 771

LODGE YOUR VOTE

ONLINE
https://au.investorcentre.mpms.mufg.com

BY MAIL
AVJennings Limited
C/- MUFG Corporate Markets (AU) Limited
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Sydney South NSW 1235 Australia

BY HAND
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Parramatta Square, Level 22, Tower 6,
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ALL ENQUIRIES TO
Telephone: 1800 425 578 Overseas: +61 1800 425 578

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VOTING/PROXY FORM

I/We being a member(s) of AVJennings Limited (the **Company)** and entitled to attend and vote hereby appoint:

STEP 1 Please mark either A or B

A VOTE DIRECTLY

☐ **elect to lodge my/our vote(s) directly (mark box)**

in relation to the Extraordinary General Meeting of the Company to be held **as soon as reasonably practiable following the conclusion of the Scheme Meeting to be held on Friday, 11 July 2025 at 3:00pm (AEST),** and at any adjournment or postponement of this Extraordinary General Meeting.

You should mark either "for" or "against" for the below item. Do not mark the "abstain" box.

OR

B APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held **as soon as reasonably practicable following the conclusion of the Scheme Meeting on Friday, 11 July 2025 at 3:00pm (AEST)** (the **Meeting**) and at any postponement or adjournment of this Extraordinary General Meeting.

The Meeting will be conducted as a hybrid event. You can participate by attending in person at **the Hyde Park Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney 2000** or logging in online at **https://meetings.openbriefing.com/AVJEGM25** (refer to details in the Virtual Annual General Meeting Online Guide).

The Chairman of the Meeting intends to vote undirected proxies in favour of the resolution.

STEP 2

VOTING DIRECTIONS

Resolution

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Scheme Meeting.

Please read the voting instructions overleaf before marking any box with an ☒

		For	Against	Abstain*
1	"To approve for all purposes, including ASX Listing Rule 10.11, the issue to Philip Kearns of 3,285,750 AVJennings Shares as satisfaction for the accelerating, exercise and vesting of 3,285,750 Performance Rights on the terms set out in the Explanatory Memorandum to the Notice of Meeting"	☐	☐	☐

* If you mark the Abstain box for the above Item, you are directing your proxy not to vote on your behalf and your votes will not be counted in computing the required majority.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER VOTING/PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

VOTING UNDER BOX A

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If no direction is given on the item, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

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If you have lodged a direct vote, and then you attend the Meeting, your attendance will cancel your direct vote.

The Chairman's decision as to whether a direct vote is valid is conclusive.

VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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APPOINTMENT OF A SECOND PROXY

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CORPORATE REPRESENTATIVES

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Voting/Proxy Forms may be lodged using the reply paid envelope or:

ONLINE

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BY MOBILE DEVICE

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* in business hours (Monday to Friday, 9:00am–5:00pm)

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

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