

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **October 26, 2020**

LF CAPITAL ACQUISITION CORP.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-38545
(Commission File Number)

82-2196021
(IRS Employer
Identification No.)

**600 Madison Avenue,
Suite 1802
New York, NY 10022**
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(212) 688-1005**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|--------------------------|--|
| Class A Common Stock | LFAC | The Nasdaq Stock Market LLC |
| Units, each consisting of one Class A share of Common Stock, \$0.0001 par value, and one warrant to purchase one Class A share of Common Stock | LFACU | The Nasdaq Stock Market LLC |
| Warrants to purchase one share of Class A Common Stock | LFACW | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

Furnished as Exhibit 99.1 to this Current Report on Form 8-K is the investor presentation, dated October 26, 2020 that will be used by LF Capital Acquisition Corp. (the “Company”) and Landsea Homes Incorporated (the “Landsea”) at investor presentations in connection with their proposed merger (the “Merger”).

The foregoing (including Exhibit 99.1) is being furnished pursuant to Item 7.01 and will not be deemed to be filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise be subject to the liabilities of that section, nor will it be deemed to be incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act.

Important Information About the Merger and Where to Find It

The Company has filed a preliminary proxy statement in connection with the Merger and other matters and will mail a definitive proxy statement to its stockholders as of the record date established for voting on the Merger. **The Company’s stockholders and other interested persons are advised to read the preliminary proxy statement and any amendments thereto and, once available, the definitive proxy statement, in connection with Company’s solicitation of proxies for its special meeting of stockholders to be held to approve, among other things, the Merger, because these documents contain important information about the Company, Landsea and the Merger.** The Company’s stockholders may also obtain a copy of the preliminary or definitive proxy statement, once available, as well as other documents filed with the SEC by the Company, without charge, at the SEC’s website located at www.sec.gov or by directing a request to: LF Capital Acquisition Corp., 600 Madison Avenue, Suite 1802, New York, NY 10022. The information contained on, or that may be accessed through, the websites referenced in this press release is not incorporated by reference into, and is not a part of, this press release.

Participants in the Solicitation

The Company and its directors, executive officers, other members of management, and employees, under SEC rules, may be deemed to be participants in the solicitation of proxies of the Company’s stockholders in connection with the Merger and the related transactions. Investors and security holders may obtain more detailed information regarding the names and interests in the proposed transactions of the Company’s directors and officers in the Company’s filings with the SEC, including the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, which was filed with the SEC on February 24, 2020, and such information in the Proxy Statement with the SEC by the Company in connection with the Special Meeting to be held to approve the Merger and the related transactions.

Forward Looking Statements

This Current Report on Form 8-K includes “forward looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. When used in this Current Report on Form 8-K, the words “estimates,” “projected,” “expects,” “anticipates,” “forecasts,” “plans,” “intends,” “believes,” “seeks,” “may,” “will,” “should,” “future,” “propose” and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the Company’s management’s control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include: the conditions to the completion of the Merger, including the required approval by the Company’s stockholders, may not be satisfied on the terms expected or on the anticipated schedule; the parties’ ability to meet expectations regarding the timing and completion of the Merger; the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement entered into in connection with the Merger (the “Merger Agreement”); the approval by the Company’s stockholders of an amendment to the Company’s organizational documents to extend the termination date for the Company in order for the parties to have adequate time to close the proposed transactions; the outcome of any legal proceedings that may be instituted against the Company related to the Merger or the Merger Agreement; and the amount of the costs, fees, expenses and other charges related to the Merger. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law

No Offer or Solicitation

This Current Report on Form 8-K shall not constitute a solicitation of a proxy, consent or authorization with respect to any securities or in respect of the Merger. This Current Report on Form 8-K shall also not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any states or jurisdictions in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of section 10 of the Securities Act, or an exemption therefrom.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--------------------|
|--------------------|--------------------|

| | |
|----------------------|---|
| 99.1 | Investor Presentation, dated October 26, 2020 |
|----------------------|---|

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LF CAPITAL ACQUISITION CORP.

By: /s/ Scott Reed
Name: Scott Reed
Title: Chief Executive Officer

Dated: October 26, 2020



October 2020

INVESTOR PRESENTATION

LANDSEA[®]
HOMES
Live in your element[®]

DISCLAIMER

This presentation is contemplated a business combination (the "Transaction") pursuant to an Agreement and Plan of Merger (the "Merger Agreement") by and among LF Capital Acquisition Corp., a Delaware corporation ("LF Capital"), LFCA Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of LF Capital, Landsea Holdings Corporation, a Delaware corporation, and Landsea Homes Incorporated, a Delaware corporation and wholly-owned subsidiary of Landsea Holdings Corporation ("Landsea", together with LF Capital, "we" or "us"), dated as of August 31, 2020. This presentation discusses the Transaction and does not purport to be all-inclusive or to give you any legal, tax or financial advice. This presentation does not constitute or involve, and should not be taken as constituting or involving, the giving of any investment advice, or the making of any representation, warranty or covenant whatsoever by LF Capital, Landsea or any other person.

This presentation does not constitute (i) a solicitation of a proxy, consent or authorization with respect to any securities or in respect of the Transaction or (ii) an offer to sell, a solicitation of an offer to buy, or a recommendation to buy any security of LF Capital, Landsea or any of their respective affiliates. You should not construe the contents of this presentation as legal, tax, accounting or investment advice or as a recommendation with respect to the voting, purchase or sale of any security or as to any other matter.

The information presented herein is not a complete description and is not an offer to buy or sell any securities of any Company.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.

Forward-Looking Statements

Certain statements in this presentation constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, conveying the expectations of management of LF Capital and/or Landsea as to the future based on plans, estimates and projections at the time LF Capital and/or Landsea makes the statements. Forward-looking statements involve inherent significant risks and uncertainties and we caution you that a number of important factors could cause actual results to differ materially from those contained in any such forward-looking statement. The forward-looking statements contained in this presentation include, but are not limited to, statements related to the Transaction between us and the proposed terms thereof, Landsea's business, industry, strategy and ability to grow, the anticipated future business and financial performance of the combined company following the Transaction, the anticipated timing of the transactions described herein, the ability to complete the transactions on the terms and within the timeframe contemplated herein, the ability to finance the Transaction and any investor redemptions, the ability of the parties to the transaction to satisfy the closing conditions to the transaction, and the potential impact the transactions contemplated hereby will have on LF Capital and the Company Group and their respective businesses.

You can identify these statements by forward-looking words such as "may", "expect", "anticipate", "contemplate", "believe", "estimate", "plans," "intends", "targets," "will," "expects," "suggests," "anticipates," "outlook," "continues," "projects," "forecasts", "continue" or similar words. You should read statements that contain these words carefully because they: discuss future expectations; contain projections of future results of operations or financial condition; or state other "forward-looking" information.

The forward-looking statements contained in this presentation are based on our current expectations about future events and trends that it believes may affect LF Capital's, Landsea's or the combined company's financial condition, results of operations, strategy, short-term and long-term business operations and objectives and financial needs. You should not place undue reliance upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, no guarantee can be made as to future results, performance or achievements. There may be events in the future that we are not able to predict accurately or over which we have no control.

The cautionary language discussed in this presentation provides examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described by us in such forward-looking statements, including, among other things, claims by third parties against the Trust Account, unanticipated delays in the distribution of the funds from the Trust Account, our ability to finance and consummate the Transaction, the benefits of the Transaction, the business prospects of Landsea, expansion plans and opportunities, the impact of the COVID-19 pandemic and its effects on us, our respective businesses, vendors, customers and communities, U.S. and world financial markets, potential regulatory actions, changes in stakeholder behaviors, and impacts on and modifications to our operations, businesses, or financial condition relating thereto. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

All forward-looking statements included herein are expressly qualified in their entirety by the cautionary statements contained or referred to in this disclaimer. Except to the extent required by applicable laws and regulations, we undertake no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information and Where to Find It

In connection with the Transaction, LF Capital Acquisition Corp. filed a preliminary proxy statement with the SEC on September 25, 2020 (the "Proxy Statement"). When available, LF Capital Acquisition Corp. will mail a definitive Proxy Statement and other relevant documents to its stockholders. This presentation is not a substitute for the Proxy Statement or any other document that LF Capital Acquisition Corp. may file with the SEC in connection with the Transaction (collectively, including any amendments or supplements to any of the foregoing, the "Additional Documents"). This presentation is for informational purposes only and does not constitute an offer to sell or a solicitation to buy any securities and does not constitute any form of commitment or recommendation on the part of us, our respective representatives and advisors, or any of their respective subsidiaries, affiliates or associated companies, or any other person or entity. STOCKHOLDERS OF LF CAPITAL ACQUISITION CORP. ARE URGED TO READ THE PROXY STATEMENT AND ANY ADDITIONAL DOCUMENTS CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT US, THE TRANSACTION AND RELATED MATTERS.

Stockholders of LF Capital Acquisition Corp. will be able to obtain free copies of the Proxy Statement and any Additional Documents containing important information about the Transaction once these documents are filed with the SEC by visiting a website maintained by the SEC at <http://www.sec.gov> or by contacting LF Capital Acquisition Corp. at 600 Madison Avenue, Suite 1802, New York, NY 10022, phone number (212) 319-6550.



DISCLAIMER

Participants in the Solicitation

LF Capital Acquisition Corp., Landsea, their respective affiliates, and each of their respective directors, officers and employees may be deemed to be participants in the solicitation of proxies from the stockholders of LF Capital Acquisition Corp. in connection with the Transaction.

Information regarding the identity of LF Capital Acquisition Corp.'s directors and executive officers and their ownership of its common stock is set forth in LF Capital Acquisition Corp.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on February 24, 2020, and in its prior proxy statements, including the proxy statement for its 2020 annual meeting of stockholders, filed with the SEC on October 30, 2019. Additional information regarding the interests of such participations in the Transaction will be available in the Proxy Statement and the Additional Documents. You may obtain free copies of these documents through the SEC's website or by contacting LF Capital Acquisition Corp., as described above.

Non-GAAP Financial Metrics

This presentation contains certain financial information determined by methods other than in accordance with accounting principles generally accepted in the United States ("GAAP"). Any non-GAAP financial measures and other non-GAAP financial information used in this presentation are in addition to, and should not be considered superior to, or a substitute for, financial measures prepared in accordance with GAAP. Non-GAAP financial measures and other non-GAAP financial information is subject to significant inherent limitations.

We believe that the disclosure of these "non-GAAP" financial measures presents additional information which, when read in conjunction with our consolidated financial statements prepared in accordance with GAAP, assists in analyzing our operating performance and the Transaction. Additionally, we believe this financial information is utilized by regulators and market analysts to evaluate a company's financial condition, and therefore, such information is useful to investors. The non-GAAP financial measures should not be viewed as substitutes for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. A reconciliation of the non-GAAP financial measures used in this presentation to the most directly comparable GAAP measures is provided in Appendix B to this presentation.

Market and Industry Data

Market data and industry data used throughout this presentation is based on information derived from third party sources, each of our management's knowledge of their respective industries and businesses, and good faith estimates by our management teams. While we believe that the third party sources from which market and industry data has been derived are reputable, we have not independently verified such market and industry data, and you are cautioned not to give undue weight to such market and industry data.

Use of Projections

The projections included herein are forward-looking statements and are subject to risks and uncertainties that could cause actual results to differ materially from those statements and should be read with caution. They are subjective in many respects and thus susceptible to interpretations and periodic revisions based on actual experience and recent developments. While presented with numerical specificity, the projections were not prepared in the ordinary course and are based upon a variety of estimates and hypothetical assumptions made by management of the LF Capital and Landsea with respect to, among other things, general economic, market, interest rate and financial conditions, the availability and cost of capital for future developments, the timing of borrowers repaying developments, competition within Landsea's markets, real estate and market conditions. The projections were not prepared with a view toward compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for prospective financial information or GAAP.

None of the assumptions underlying the projections may be realized, and they are inherently subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond our control. Accordingly, there can be no assurance that the assumptions made in preparing the projections will prove accurate, and actual results may materially differ.

For these reasons, as well as the bases and assumptions on which the projections were compiled, the inclusion of the information set forth below should not be regarded as an indication that the projections will be an accurate prediction of future events, and they should not be relied on as such. We have not, nor any of our respective affiliates, advisors or other representatives has made, or makes, any representation to any stockholder regarding the information contained in the projections and, except as required by applicable securities laws, neither of us intends to update or otherwise revise the projections to reflect circumstances existing after the date when made or to reflect the occurrences of future events even in the event that any or all of the assumptions are shown to be in error.

INVESTMENT IN ANY SECURITIES DESCRIBED HEREIN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER REGULATORY AUTHORITY NOR HAS ANY REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS PRESENTATION DOES NOT CONSTITUTE AN OFFER OR SOLICITATION OF ANY SECURITIES. THE COMPANY WILL MAKE ANY OFFER TO SELL SECURITIES ONLY PURSUANT TO A DEFINITIVE SUBSCRIPTION AGREEMENT. THE COMPANY RESERVES THE RIGHT TO WITHDRAW OR AMEND FOR ANY REASON ANY OFFERING AND TO REJECT ANY SUBSCRIPTION AGREEMENT IN WHOLE OR IN PART FOR ANY REASON.

TODAY'S SPEAKERS



Scott Reed

CEO & President, LF Capital

Founder of BankCap Partners, a bank-focused private equity firm

Director at Silvergate Capital (public), InBankshares (public), Vista Bancshares (private), Uncommon Giving (private)

Formerly with Swiss Bank/O'Connor (derivatives trading), Bain & Co (strategy consulting), Bear Stearns (investment banking)



John Ho

Chief Executive Officer, Landsea Homes

Established Landsea Holdings Corporation in 2013, overseeing the significant growth of the business from its first land acquisition to most recent homebuilder acquisitions

Former Director/VP at Jones Lang LaSalle

Previously Director at Colliers International



Michael Forsum

President and Chief Operating Officer, Landsea Homes

30+ years of experience in the industry, key in expanding business into new markets and setting up strategy of growth by identifying potential opportunities in Texas and Florida

Former Co-Founder of Starwood Land Ventures and Arcadia DMB Capital

Previously Western Region President at Taylor Woodrow/Morrison

LANDSEA HOMES TO MERGE WITH LF CAPITAL¹

Transaction takes public a growth-oriented, well-capitalized homebuilder focused on High Performance Homes in desirable core markets of California and Arizona

Summary of Key Terms

Total equity value of \$497 million implies an investment entry point at 0.84x pro forma TBV

Landsea Green ("Parent") to roll 100% of existing equity, with meaningful cash on balance sheet to fund future growth

LF Capital sponsor has agreed to restructure its shareholdings to support the transaction:

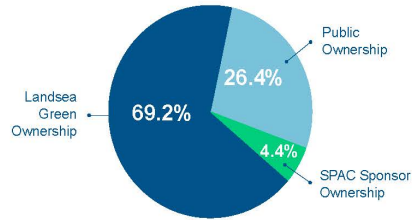
- Forfeit 2.26 million private warrants and 600k sponsor promote shares and place a further 500k sponsor promote shares into earnout with a \$14/share hurdle
- Transfer 2.2 million private warrants and 500k sponsor promote shares to Parent (with the same \$14/share hurdle as above)

LF Capital has entered into forward purchase agreements with certain investors to purchase up to \$35 million shares of common stock in the aftermarket

Concurrent with the transaction, LF Capital intends to offer public warrant holders the right to receive \$1.85 per warrant in exchange for a 90% reduction in the conversion ratio for the public warrants

Transaction expected to close 4Q2020

Illustrative Pro Forma Ownership⁴



| PF OWNERSHIP | | |
|--------------------------|--------------|--------------|
| Landsea Green | 32.6m | \$344 |
| Public | 12.4m | \$131 |
| SPAC Sponsor | 2.1m | \$22 |
| Total¹ | 47.1m | \$497 |

PRO FORMA VALUATION AT CLOSE

| | |
|---------------------------------------|----------------|
| LFAC Estimated Trust Value at Closing | \$10.57 |
| Pro Forma Shares Outstanding | 47.1m |
| Total Equity Value | \$497.3 |
| Pro Forma Net Debt | \$137.8 |
| Pro Forma Enterprise Value | \$635.1 |

Valuation

| | | |
|-------------------------------------|---------|-------|
| PF Tangible Book Value ² | \$591.4 | 0.84x |
| 2021E Op. EBITDA | \$86.9 | 7.3x |
| 2022E Net Income | \$74.7 | 6.7x |

SOURCES & USES (\$m)

| | | | |
|----------------------------|--------------|-----------------------------------|--------------|
| Cash in Trust ³ | \$129 | Cash to Balance Sheet | \$107 |
| Seller Rollover Equity | 344 | Seller Rollover Equity | 344 |
| | | Transaction Expenses ⁵ | 22 |
| Total Sources | \$473 | Total Uses | \$473 |

Rare opportunity to invest in a high-quality, fast-growing homebuilder at 0.84x tangible book value

Landsea has a conservative pro forma net debt-to-net book capitalization ratio of 18.4% and strong liquidity position with \$187m of pro forma cash.

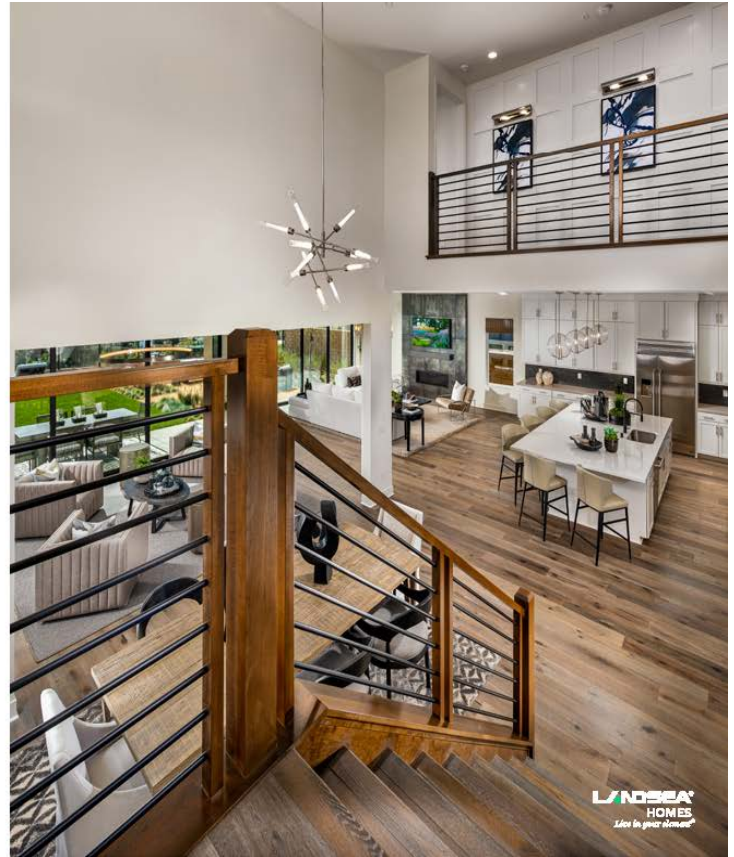
WHAT WE DO

Driven by a pioneering commitment to sustainability, Landsea Homes designs and builds homes and communities throughout the nation that reflect modern living – inspired spaces and features, built in vibrant, prime locations where they connect seamlessly with their surroundings and enhance the local lifestyle for living, working and playing. And the defining principle, “Live in Your Element®,” creates the foundation for our customers to live where they want to live, how they want to live – in a home created especially for them.



WHY WE EXIST

At Landsea Homes, we exist to make a positive impact on the lives of our employees, customers and all stakeholders by revolutionizing the industry. It starts with the acknowledgment that incredible customer experiences begin with incredible employee experiences. That commitment extends to our financial and building partners, whom we strive to provide with consistency and predictability. And it's all manifested in homes and communities that are more than just structures and developments. Taken together, they are the single most important place in life.



LANDSEA SNAPSHOT

Overview

Landsea was founded in 2013 and commenced U.S. homebuilding operations in 2014

Headquartered in Newport Beach, CA

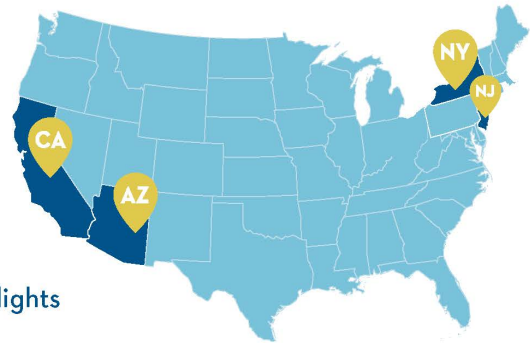
Growth-oriented homebuilder focused on entry-level and move-up price points in desirable U.S. markets with a concentration in Arizona and California

Completed acquisitions of Pinnacle West Homes in 2019 and Garrett Walker Homes in 2020

The High Performance Homes program, developed by Landsea Homes, is an industry-leading program that provides homebuyers with focus on home automation, sustainability and energy savings



Unique product differentiation strategy through new home innovation and cutting-edge technology, including a strategic partnership with a "Big Five" technology company.



Q2 - 2020 Operating Highlights

Operating Metrics

| | | | |
|----------------------|--------------------------|-----------------------|----------------------------------|
| 1,302 LTM Orders | 35 Active Communities | 932 LTM Deliveries | \$660k ASP of Deliveries |
| 856 Backlog Units | \$376m Backlog Value | \$440k Backlog ASP | 5,394 Lots Owned & Controlled |

Financial Metrics

| | | | |
|------------------------|-----------------------------------|------------------------------|------------------------|
| \$641m LTM Revenues | 20% LTM Adj. Homebuilding GM % | \$56m LTM Adjusted EBITDA | \$907m Total Assets |
|------------------------|-----------------------------------|------------------------------|------------------------|

COMPANY HIGHLIGHTS



Focused on entry-level and move-up homes in high-growth markets



Strategically desirable portfolio of land positions and communities, creating significant value



Expertise in executing acquisitions and developing high-quality communities



Strong financial performance and solid balance sheet provide firepower for growth



Differentiated platform rooted in innovation, energy efficiency and sustainability that attracts today's homebuyers



Experienced leadership with entrepreneurial culture driving fundamental execution

DIFFERENTIATED PLATFORM

ADDRESSING THE NEEDS OF TODAY'S HOMEBUYER

The High Performance Homes program is an industry-leading program that provides homebuyers with a three-tiered approach that includes **home automation**, **sustainability** and **energy savings**.

Designed to provide a superior living environment, the program is aimed at enhancing a home's comfort and durability, improving indoor air quality, delivering cutting-edge home automation solutions through a strategic partnership with a "Big Five" technology company, reducing energy costs and lessening the consumption of the earth's precious resources.



Home Automation *Live the Connected Life*

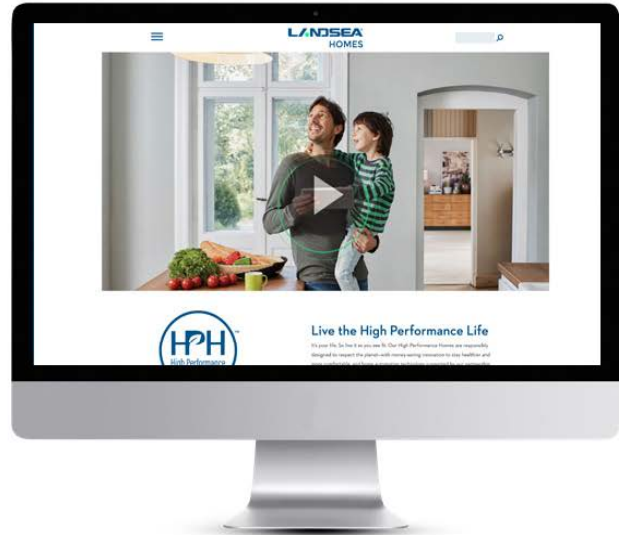
- Meshnet wireless internet
- Apple TV® included
- White glove service for lifestyle customization setup

Sustainability *To Live Lightly on the Land*

- Construction material waste reduced by 10% to 25% (plaster, drywall, plumbing)
- Architecturally designed to provide a lighter environmental imprint

Energy Savings *Modern Living Made Smarter*

- Enhanced insulation
- Tankless water heater
- LED & ENERGY STAR® features to use less energy



LEADING THE VIRTUAL SALES PROCESS

Landsea Homes was well positioned to quickly adapt to the current conditions caused by COVID-19 and is an industry leader in the use of innovative technology to maximize the experience for future residents.

Giving home shoppers a "you are here" experience with a variety of online tools:

- Micro Community Videos
- Photo Galleries
- 360° Virtual Tours
- Interactive Floor Plans
- Interactive Area and Site Maps

Dedicated Inside Sales Counselors support all division/ community web leads, phone calls and on-site appointments seven days a week.



1/1/20 - 8/31/20

573,070

Unique Web Users

30,110

Direct Phone Calls to Inside Sales

2,002

Total On-Site Appointments

1,314

Net Orders

LANDSEA
HOMES
Live to your dreams®

STRONG FUNDAMENTALS

UNDERPIN THE HOMEBUILDER MARKET

Homebuilding Tailwinds

Single-family homes are becoming a more meaningful component of lifestyle in a post-COVID world

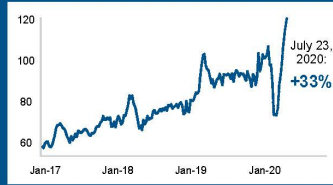
Low-interest rate environment for the foreseeable future

Generational shift with millennials moving from dense, urban locations

Underlying housing demand is robust with supply lagging new household formations (a trend that is forecasted to continue)

Low-Rate Environment and Generational Shift Are Facilitating Growth

Homebuyer Demand Index - Seasonally Adjusted¹



30-Year Mortgage Rate²



Housing Supply Returning to '01 Levels

Months Housing Supply³



FAVORABLE DYNAMICS

ENTRY-LEVEL AND FIRST MOVE-UP HOMES

Millennials

The largest generation in the U.S. labor force (35%)¹

Have become the largest cohort of homebuyers at 37% of all homebuyers²

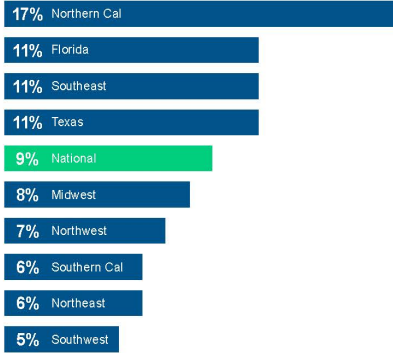
From 2014 to 2018, U.S. household formations averaged ~1.3m/year as compared to ~740k from 2007 to 2013⁴

Urgency & Convenience

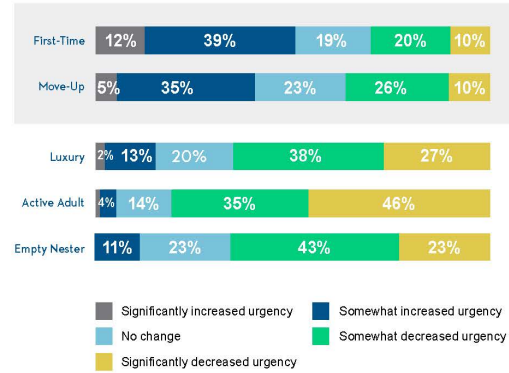
More homebuyers are entering the market due to COVID-related reasons, including better mortgage rates/prices, disliking home layout or needing a larger home

Most recent buyers who purchased new homes were looking to avoid renovations and looked for customization¹

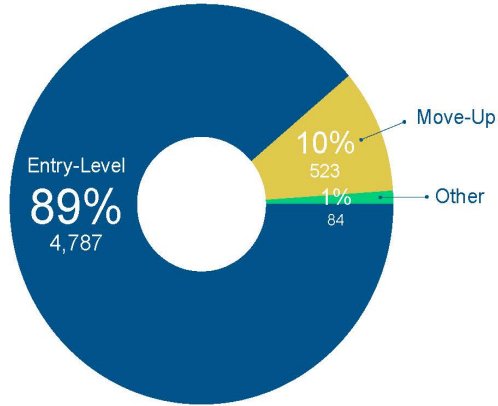
9% of Buyers Nationally Are Expediting Purchases from Their Shelter-in-Place Experiences³



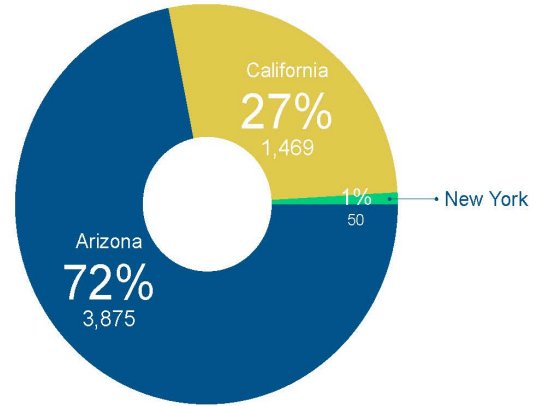
51% of Builders Selling to First-Time Buyers Note Increased Buyer Urgency³



FOCUSED ON ENTRY-LEVEL HOMES IN HIGH-GROWTH GEOGRAPHIES

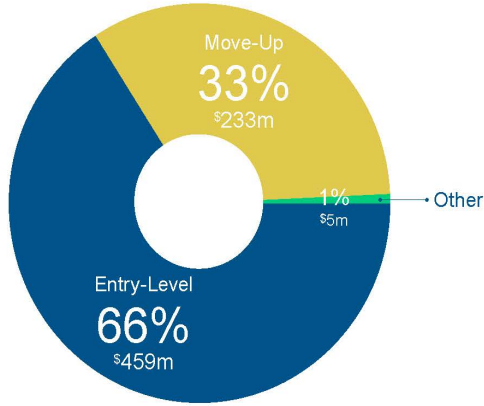


Lots Owned/Controlled¹
by Product Class

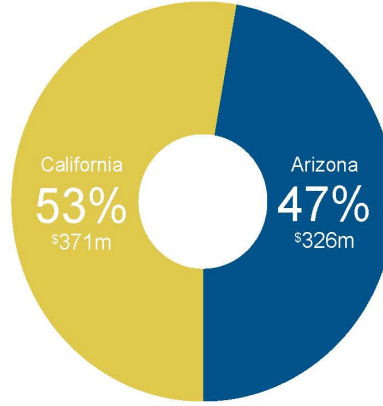


Supply of Lots¹ by State

FOCUSED ON ENTRY-LEVEL HOMES IN HIGH-GROWTH GEOGRAPHIES



2020E Revenue by Product Class



2020E Revenue by Geography



IMPRESSIVE OPERATING RESULTS YEAR TO DATE

DESPITE COVID SHUTDOWNS

Landsea's strategic shift toward lower \$ASP homes has driven strong performance in 2020

Rebound from March underpinned by Landsea's differentiated platform and target price points

Backlog value at the end of August was \$423.6M

Net Orders Value (\$m)

\$642m

YTD Contract Value



Net order momentum early in 2020 resulted in a record February for Landsea

June net orders demonstrate resiliency in core markets of Arizona and California

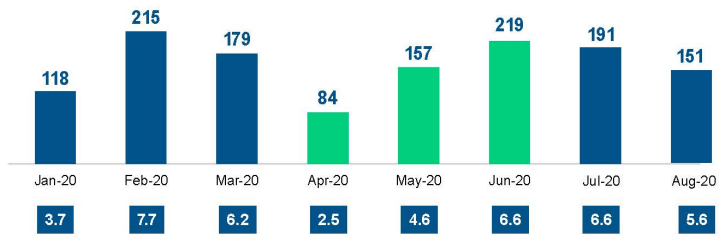
Backlog units at the end of August was 898

Net Orders (Units)

1,314

YTD Orders

Absorption rate¹⁾



OUR CORE MARKETS: CALIFORNIA

Most populous state in the U.S., benefiting from stable employment growth and supply-constrained housing markets

Third-fastest growing state in the country in terms of numeric population growth¹

From 2012 to 2017, had median household income in the top 15 and rose 18.5% from 2014 to 2018²

San Francisco metro area housing market median sale price growth of 11% since 2015³

Los Angeles metro area housing market median sale price growth of 15% since 2015³

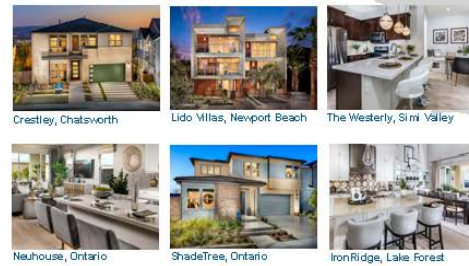
Growing opportunity to service outside metro areas as demand increases for lower priced homes



NORTHERN CALIFORNIA



SOUTHERN CALIFORNIA



INDUSTRY RECOGNITION

"Best of OC" Awards
Best New Home Builder
Best New Home Community – IronRidge

Times OC Readers' Choice Awards
Best New Home Builder

BIA SoCal Real Estate Awards
Best Innovative Use of Technology and Best Architectural Design – Lido Villas

CASE STUDY: THE VALE, SUNNYVALE, CA

Project Overview

Acquired 25 acres of entitled land (former AMD semiconductor plant)

Master-planned community of 450 townhomes between three distinct communities

Landsea was the master developer for all three communities

Built out two communities for total of 314 attached row-style townhomes

Sold one community consisting of 136 attached townhomes to TMHC

Extremely successful sales, averaging 10 new homes sales per month



PROVEN ACQUISITION PLAYBOOK

WITH EXPANSION INTO ARIZONA

Disciplined Approach to Acquisitions

Attractive target in high-value homebuilding markets

Management team with deep experience in the regions it enters

Targeting the "right markets"

Utilize same discipline developed in California, following the three-step approach

- 1 Land acquisition in new markets
- 2 Develop relationships and sub-contractor list while pursuing accretive acquisitions
- 3 Builder acquisition
Retain employees, further build out relationships and scale

Acquirer of Choice

Strategic focus on roll-up strategy, targeting undercapitalized players who have built up their businesses as far as they can with local capital

Owners looking to sell to the right player who will take care of the employees

Deep relationships and strong institutional knowledge across geographies

PROVEN ACQUISITION PLAYBOOK

WITH EXPANSION INTO ARIZONA

Entered the Arizona market with two acquisitions in the last 12 months

Created a top 5 homebuilder in Arizona, as of YTD April 2020, with over 1,200 deliveries in 2020

Provides significant diversification outside the California market

Gives Landsea land positions within best-selling master-planned communities and lots that are complementary to current portfolio



OUR CORE MARKETS: ARIZONA

High-growth market with strong underlying fundamentals

Fourth-fastest growing state in the country in terms of percent population growth¹

Top 10 state for personal income growth²

From 2014 to 2018, median household income in Arizona rose 26.5%, the eighth-fastest growth rate in the U.S.³

25% decline in housing inventory growth since 2015, second-lowest in the U.S.⁴



Centerra, Goodyear



Olive Grove, Glendale



The Villages at North Copper Canyon, Surprise



Sundance, Buckeye



Yerrado, Buckeye



Alamar, Avondale



Bermann Country Garden Estates, Chandler



Sonora Crossing, Chandler



Harvest, Queen Creek



2018

Sonora Crossing 78 lots and Harvest 90 lots

2019

Pinnacle West 20 communities, includes additional phases in some communities

2020

Garrett Walker 18 communities, includes additional phases in some communities



LANDSEA GROWTH STRATEGY

Expand community count in our current operating divisions and grow market share

California

Tracy 306 lots & Sunnyvale 128 lots

Arizona

Surprise – 476 lots

Maintain an appropriate supply of land in key markets for future buildout

Diversification across product offerings with a focus on entry-level and first move-up homebuyers in desirable new markets

Created a solid foundation of entry-level homes with select opportunistic infill locations

Explore geographic expansion opportunities in desirable new markets (e.g., Texas and Florida) organically or via M&A

Strengthen unique brand position through product differentiation

The parent company is a pioneer in the use of green technology homebuilding with the global perspective providing a unique advantage

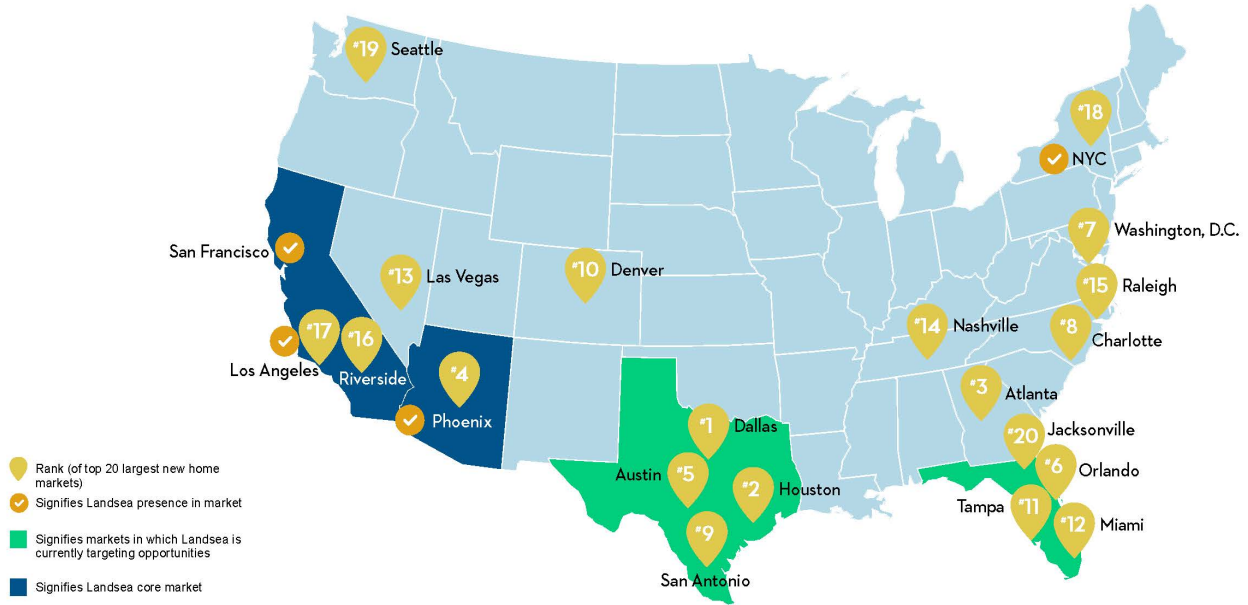
Landsea High Performance Homes are designed to the highest standards in sustainable building technology, home automation, smart security, energy-saving efficiency and health-centric living

Gain access to growth capital while keeping conservative leverage profile

Diversify sources of capital by becoming a publicly traded homebuilder in the U.S.

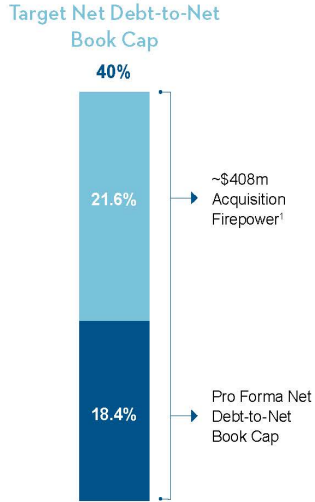
SUBSTANTIAL GEOGRAPHIC RUNWAY

FOR FUTURE GROWTH



ILLUSTRATIVE UPSIDE FROM ACQUISITIONS

Acquisition Firepower



Key Financial Criteria

| | Homebuilders | | Land | |
|-----------|------------------------|-------------------|---------------------|---------------------|
| Criteria | 18+% | 6x – 8x | 18+% | 20+% |
| | Adj. Home Gross Margin | EBITDA Multiple | IRR (Finished Lots) | IRR (Entitled Lots) |
| Criteria | 15+% | 250k – 500k | 22+% | 18+% |
| | 5-Year IRR | ASP of Deliveries | IRR (Raw Land) | Gross Margin |
| Target | Target A | | Target | |
| | Target B | | Land A | |
| Geography | Texas | | Goodyear, AZ | |
| | Florida | | Land B | |
| | | | Surprise, AZ | |
| | | | Land C | |
| | | | Anaheim, CA | |
| | | | Land D | |
| | | | Tracy, CA | |

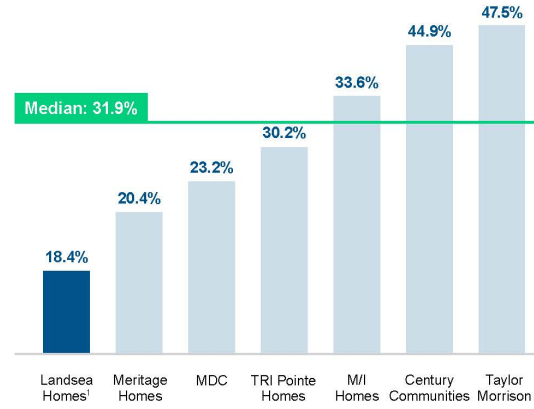
CAPITAL STRUCTURE

WITH ROBUST LIQUIDITY

Landsea has a conservative net debt-to-net book capitalization ratio and strong liquidity position with \$187m of pro forma cash¹



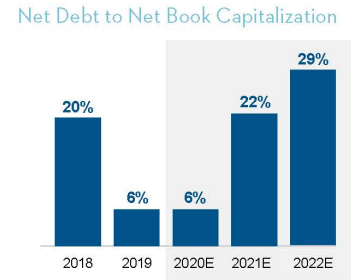
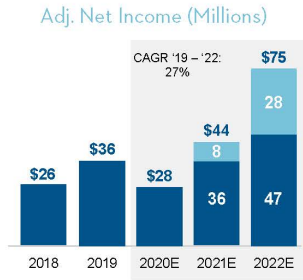
Conservative Capitalization Relative to Peers



Significant Financial Flexibility to Execute Our Strategy

FINANCIAL PROJECTIONS

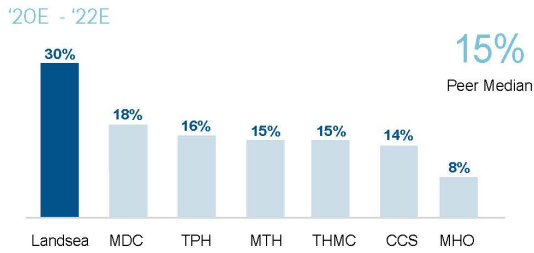
Strong Backlog of \$376m Anchors Forecasted Assumptions



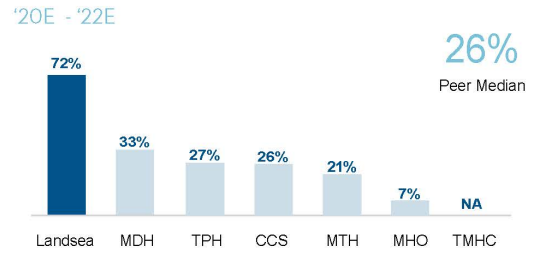
Owned/Controlled Land & Future Land Acquisitions Future Business Acquisition

ROBUST FINANCIAL PROFILE AND OPERATING MOMENTUM

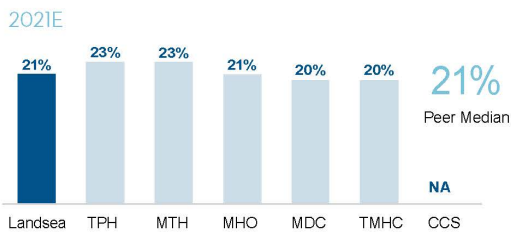
Revenue Growth Compared to Peers



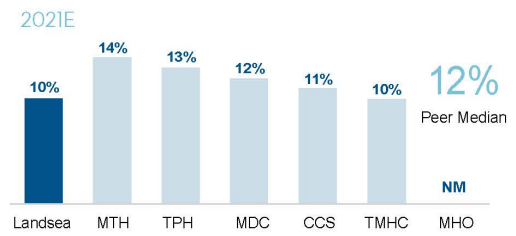
Adjusted Net Income Growth Compared to Peers



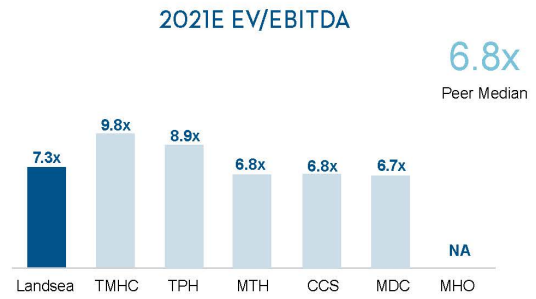
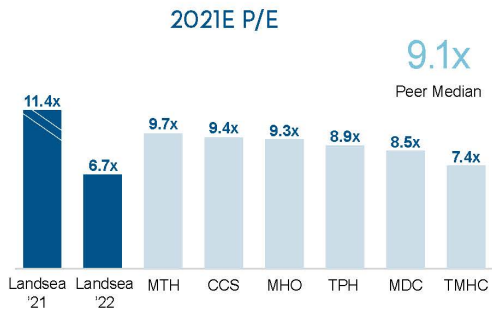
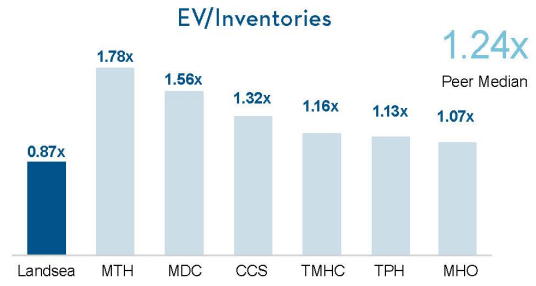
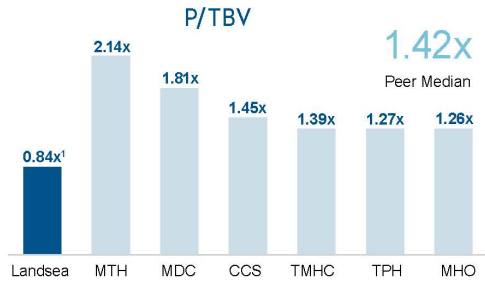
Fully Adj. Homebuilding GM Compared to Peers



Operating EBITDA Margin Compared to Peers



DESIRABLE VALUATION ENTRY POINT



CORPORATE GOVERNANCE

Experienced Board with Independent Directors

- 2 directors designated by LFAC will be on the Board
- Independent director review of related-party transactions
- Annual elections for all directors
- Need more than 70% shareholder vote in order to change charter or bylaws

Audits Completed by Big Four Accounting Firm (PwC)

Have been audited by PwC for the last 4 years

Landsea Homes Management Team

- Located in Newport Beach, CA
- No shared operational resources with Landsea Green
- 100% of Landsea Homes employees locally hired

Experienced U.S. Board Members

| | | | |
|--|--|--|--|
|  <p>Ming (Martin) Tian Chairman, Landsea Green Years in Industry: 25</p> | | | |
|  <p>Din (Joanna) Zhou Chief International Business Officer, Landsea Green Years in Industry: 25</p> |  <p>Bruce Frank Former Assurance Senior Partner at E&Y Years in Industry: 35</p> |  <p>Tom Hartfield Former Managing Director and Partner at Houlihan Lokey Howard & Zukin Years in Industry: 30</p> |  <p>Robert Miller Currently a Partner at the Law Firm, Lubin Olson & Niewiadomski LLP Years in Industry: 20</p> |
|  <p>John Ho Chief Executive Officer, Landsea Homes Years in Industry: 10</p> |  <p>Scott Reed President & Chief Executive Officer, LF Capital Years in Industry: 20</p> |  <p>Elias Farhat Director, LF Capital Years in Industry: 30</p> | <div style="border: 1px solid black; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> <p>TBD</p> </div> <p>TBD TBD</p> |

COMPANY HIGHLIGHTS



Focused on entry-level and move-up homes in high-growth markets



Strategically desirable portfolio of land positions and communities, creating significant value



Expertise in executing acquisitions and developing high-quality communities



Strong financial performance and solid balance sheet provide firepower for growth



Differentiated platform rooted in innovation, energy efficiency and sustainability that attracts today's homebuyers



Experienced leadership with entrepreneurial culture driving fundamental execution



A

APPENDIX

HIGHLY EXPERIENCED EXECUTIVE MANAGEMENT TEAM



John Ho
Chief Executive Officer

Industry Experience: 15 years
 Former Director/VP at Jones Lang LaSalle
 Previously Director at Colliers International



Michael Forsum
President and Chief Operating Officer

Industry Experience: 30 years
 Former Co-Founder of Starwood Land Ventures and Arcadia DMB Capital
 Previously Western Region President at Taylor Woodrow/Morrison



Franco Tenerelli
Chief Legal Officer

Industry Experience: 17 years
 Former Western Regional Counsel at Toll Brothers
 Previously an attorney at Holland & Knight LLP



Mike Cunningham
SVP Accounting and FP&A

Industry Experience: 15 years
 Former VP/Corporate Controller at The New Home Company
 Previously at John Laing Homes and E&Y



Michelle Byrge
Vice President Corporate Marketing

Industry Experience: 18 years
 Former VP of Marketing at Oakwood Homes and Henry Walker Homes
 Previously worked for Richmond American Homes



Josh Santos
Division President Northern California

Industry Experience: 14 years
 Former VP of Sales at Richmond American Homes
 Previously worked for Shea Homes



Tom Baine
Division President Southern California

Industry Experience: 28 years
 Former VP at Taylor Morrison



Greg Balen
Division President Arizona

Industry Experience: 25+ years
 Former President of California Division at Starwood Land Ventures

PARENT OVERVIEW

Landsea Group Co. is a top 100 real estate company in China and China's leading green technology residential property developer. Holdings include the following:

- 30 three-star green building residential projects
- 64% market share for building energy-efficient homes across China
- Leader in the use of comfortable energy-efficient products

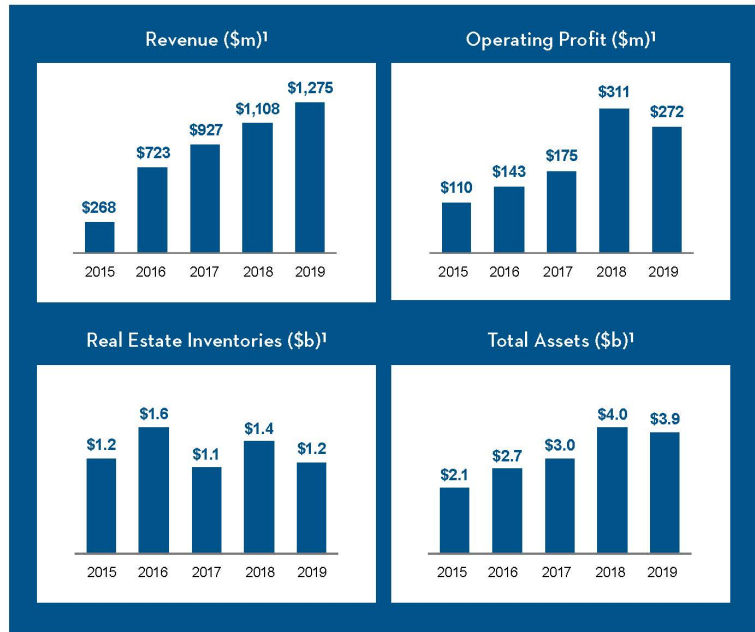
Landsea Group Co. has been developing property internationally since 2001

- Fourth-largest multifamily developer in China
- Operates assisted living and memory care facilities in six cities
- Majority shareholder of Landsea Green Group Co. Ltd., Landsea's parent

Supplies homes and related services to the following:

- Over 300,000 customers
- Over 20 cities in China
- Total developed GFA over 18 million square miles

Has a real estate investment management business with over \$1 billion under management





B
APPENDIX

FORECAST ASSUMPTIONS

1 Overall Theme and Strategy

Focus on entry-level homes, utilizing SPAC proceeds (\$107m net proceeds from merger) to:

Initially paydown debt until new M&A target is identified/under control

Appropriately increase scale within our current markets

Manage to a 3- to 4-year lot supply based on LTM deliveries and expectation of no joint ventures

Wind down existing NYC positions (two assets) and redeploy that capital into new markets

2020 P&L comes solely from current communities; 2021 P&L expected primarily from communities we own or control and \$85m of revenue and \$8m of adjusted net income from a NewCo acquisition

2 New Markets

Use large portion of transaction proceeds to acquire another builder in a new market

Forecast assumes closing a transaction in 1Q2021 at a conservative multiple compared to Pinnacle West Homes and Garrett Walker Homes

Forecast assumes closing on a second builder in 1Q2022

3 Revenue

No additional lot sales; however, depending on market conditions, we may find opportunities to buy a large master plan and sell lots as we've done in the past

4 Cost of Goods Sold

Specific to each community based on current budgets

5 Expenses

Selling expenses are projected at each community and will vary as a percentage of revenue depending on internal commission rates, level of cobroker participation, local taxes and other marketing and advertising costs of each community

G&A Expenses include expected costs to operate as a public company, including executive and board compensation

6 Liquidity

Minimum cash balances between \$50m - \$60m

Target debt-to-cap ratio of ~40%, but capacity to support a 50% debt-to-cap ratio

We assumed a bond issuance to occur in 1Q2022 and the creation of an unsecured revolver to replace all existing debt

NEW YORK METRO ASSETS

NY metro market experienced increased traffic and sales pace in July and August as restrictions were lifted

Avora has 39 remaining units to be sold and delivered. The project is expected to close out in 2021

New York metro communities are at full investment and project debt financing is fully committed



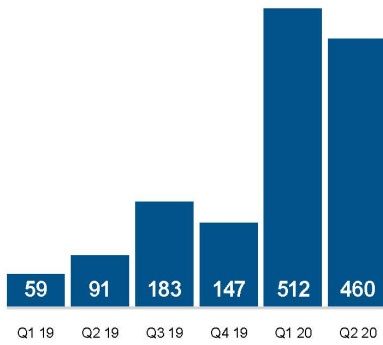
| Operating Metrics | Community | Location | Total Units | Units Delivered LTD | Backlog | Unsold Units | ASP \$ | Target Buyer | Status of Construction | Type |
|-------------------|-----------|---------------|---------------|---------------------|---------|--------------|--------|--------------|------------------------|-------------------|
| | | 14th and 6th | New York City | 50 | 0 | 0 | 50 | \$2.5 | Move-Up | Foundation |
| | Avora | Weehawken, NJ | 184 | 130 | 3 | 51 | \$1.2 | Move-Up | Complete | Unconsolidated JV |

| \$ in millions | Community | LHI's Contribution % | Total Assets | Debt | Total Liability | Total Equity | LHI Equity | Ptr Equity |
|----------------|-----------|----------------------|--------------|--------|-----------------|--------------|------------|------------|
| | | 14th and 6th | 95% | \$78.4 | \$44.5 | \$46.9 | \$31.5 | \$29.9 |
| | Avora | 51% | \$62.4 | \$7.0 | \$12.8 | \$49.6 | \$25.3 | \$24.3 |

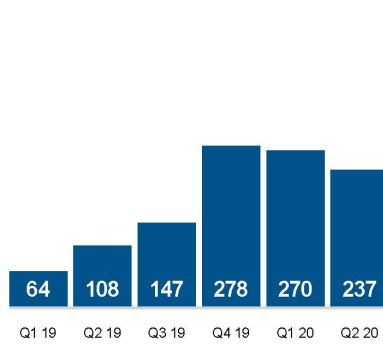
KEY OPERATING METRICS¹

Operating Metrics by Quarter

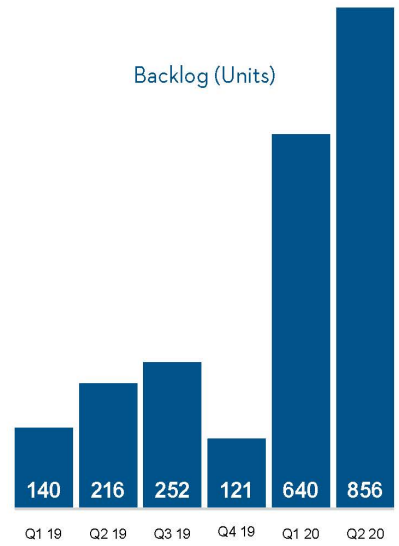
New Home Orders (Units)



Home Deliveries (Units)



Backlog (Units)

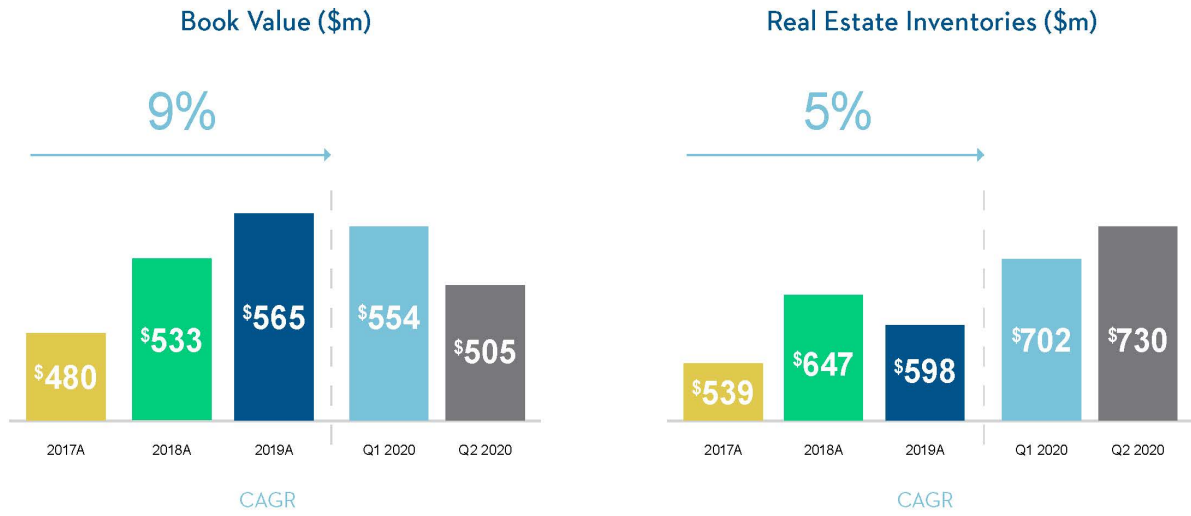


SUMMARY P&L

\$ in millions

| | FYE 12/31 | | |
|---------------------------------------|----------------|----------------|----------------|
| | 2017 | 2018 | 2019 |
| Net Orders (Units) | 120 | 333 | 480 |
| Home Deliveries (Units) | 38 | 290 | 597 |
| Backlog (Units) | 101 | 145 | 121 |
| ASP of Deliveries (\$ Thousands) | \$757 | \$1,199 | \$953 |
| Home Sales | \$28.8 | \$347.8 | \$568.9 |
| Lot Sales | 168.6 | 30.8 | 62.1 |
| Total Revenue | \$197.3 | \$378.6 | \$631.0 |
| Home Sales Margin | 1.6 | 68.9 | 90.8 |
| Lot Sales Margin | 20.3 | 3.5 | 8.6 |
| Total Gross Margin | \$21.9 | \$72.3 | \$99.5 |
| Fully Adj. Home GM% | 19.3% | 24.5% | 23.6% |
| SG&A | 25.3 | 42.6 | 61.4 |
| SG&A as a % of Home Sales | 87.9% | 12.2% | 10.8% |
| Operating Income | (\$3.4) | \$29.7 | \$38.1 |
| Income/(Loss) Expense ¹ | 3.2 | 11.6 | (9.5) |
| Pretax Income | (\$0.1) | \$41.3 | \$28.6 |
| Pretax Income % | (0.1%) | 10.9% | 4.5% |
| Tax Provision | 0.2 | 4.6 | 6.2 |
| Effective Tax Rate % | NM | 11.2% | 21.6% |
| Net Income | (\$0.3) | \$36.7 | \$22.4 |
| Net Income % | (0.2%) | 9.7% | 3.5% |
| Profit (Loss) to Noncontrol Interests | 0.1 | 7.5 | 5.2 |
| Net Income to Landsea | (\$0.4) | \$29.2 | \$17.2 |
| Operating EBITDA | \$5.1 | \$42.0 | \$73.9 |

HISTORICAL BALANCE SHEET DETAIL



SUPPLEMENTAL FINANCIAL DISCLOSURE

| (\$ in thousands) | (Unaudited) Six Months Ended June 30 | | Years Ended December 31 | | | | | |
|-------------------------------------|---|------------|-------------------------|-----------|-----------|-----------|-----------|-------------|
| | 2019 | 2020 | 2017A | 2018A | 2019A | 2020E | 2021E | 2022E |
| Home Sales | \$184,680 | \$231,353 | \$28,753 | \$347,828 | \$566,872 | \$696,601 | \$882,561 | \$1,183,485 |
| Lot Sales | \$37,172 | \$0 | \$168,553 | \$30,789 | \$62,116 | \$0 | \$0 | \$0 |
| Total Revenue | \$221,852 | \$231,353 | \$197,306 | \$378,617 | \$630,988 | \$696,601 | \$882,561 | \$1,183,485 |
| % Growth | n.a. | 4.3% | n.a. | 92% | 67% | 10% | 27% | 34% |
| Total Gross Margin | \$37,352 | \$22,464 | \$21,886 | \$72,313 | \$99,459 | \$95,857 | \$148,602 | \$209,851 |
| Home Sales GM % | 17.6% | 9.7% | 5.4% | 19.8% | 16.0% | 13.8% | 16.8% | 17.7% |
| Fully Adj. Home GM% | 23.8% | 19.1% | 19.3% | 24.5% | 23.6% | 20.4% | 21.4% | 22.1% |
| Lot Sales GM % | 13.1% | 0.0% | 12.1% | 11.2% | 13.9% | 0.0% | 0.0% | 0.0% |
| SG&A | \$23,221 | \$37,568 | \$25,261 | \$42,579 | \$61,406 | \$85,431 | \$104,385 | \$121,001 |
| SG&A as a % of Home Sales | 12.6% | 16.2% | 87.9% | 12.2% | 10.8% | 12.3% | 11.8% | 10.2% |
| Operating Income | \$14,130 | (\$15,104) | (\$3,375) | \$29,734 | \$38,053 | \$10,426 | \$44,218 | \$88,850 |
| Net Income to Landsea | \$2,418 | (\$22,806) | (\$413) | \$29,184 | \$17,200 | \$845 | \$33,265 | \$63,892 |
| EBITDA | \$20,955 | (\$15,517) | \$4,688 | \$63,380 | \$73,851 | \$42,177 | \$80,362 | \$126,672 |
| Operating EBITDA | \$22,942 | \$8,541 | \$5,146 | \$41,967 | \$73,905 | \$61,934 | \$86,949 | \$138,276 |
| Adjusted Net Income to Landsea | \$10,635 | (\$1,013) | \$1,845 | \$26,409 | \$36,223 | \$27,800 | \$43,546 | \$74,720 |
| KPIs | | | | | | | | |
| Net Orders (Units) | 150 | 972 | 120 | 333 | 480 | 1,624 | 2,072 | 2,608 |
| Net Orders Value | \$175,200 | \$453,961 | \$148,000 | \$376,000 | \$462,400 | \$701,204 | \$817,161 | \$986,435 |
| ASP of Net Orders | \$1,168K | \$467K | \$1,233K | \$1,129K | \$963K | \$432K | \$394K | \$378K |
| Deliveries (Units) | 172 | 507 | 38 | 289 | 597 | 1,462 | 1,979 | 2,657 |
| ASP of Deliveries | \$1,074K | \$456K | \$757K | \$1,204K | \$953K | \$476K | \$446K | \$445K |
| Average Active Communities | 13 | 31 | 3 | 8 | 15 | 32 | 43 | 52 |
| Net Debt | \$143,579 | \$243,439 | \$115,425 | \$132,956 | \$35,921 | \$45,103 | \$188,164 | \$307,815 |
| Debt-to-Cap Ratio | 21% | 39% | 22% | 30% | 25% | 16% | 26% | 34% |
| Net Debt-to-Cap Ratio | 8% | 32% | 19% | 17% | 5% | 6% | 20% | 27% |
| Fully Diluted EPS ¹ | | | n.m. | \$0.60 | \$0.36 | \$0.02 | \$0.69 | \$1.32 |
| Fully Diluted Adj. EPS ¹ | | | \$0.04 | \$0.55 | \$0.75 | \$0.52 | \$0.90 | \$1.55 |
| Absorption Rate | 2.3 | 5.3 | 3.4 | 3.7 | 2.7 | 3.9 | 4.0 | 4.2 |
| Adjusted ROE ² | | | 0.4% | 5.0% | 6.4% | 5.3% | 7.8% | 12.0% |

RECONCILIATIONS OF ADJUSTED METRICS

ADJUSTED HOMEBUILDING GROSS MARGIN

| <i>\$ in millions</i> | FYE 12/31 | | |
|---|---------------|----------------|----------------|
| | 2017 | 2018 | 2019 |
| Home Sales | \$28.8 | \$347.8 | \$568.9 |
| Home Sales COGS | (27.2) | (279.0) | (478.1) |
| Home Sales Gross Margin | \$1.6 | \$68.9 | \$90.8 |
| <i>Margin %</i> | 5% | 20% | 16% |
| Add: Intercompany Interest in COGS | 2.7 | 9.2 | 15.6 |
| Add: Interest in COGS | 1.3 | 7.1 | 24.7 |
| Add: Purch. Acctg. in COGS | - | - | 2.9 |
| Fully Adj. Home Sales Gross Margin | \$5.5 | \$85.1 | \$134.1 |
| <i>Margin %</i> | 19% | 24% | 24% |

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D

| OPERATING EBITDA | | | |
|--|----------------|---------------|---------------|
| <i>\$ in millions</i> | FYE 12/31 | | |
| | 2017 | 2018 | 2019 |
| Net Income | \$(0.3) | \$36.7 | \$22.4 |
| Add: Tax Provision | 0.2 | 4.6 | 6.2 |
| Pretax Income | (0.1) | 41.3 | 28.6 |
| Add: Third-Party Interest in COGS | 2.0 | 7.2 | 24.7 |
| Add: Interco. Interest in COGS | 2.7 | 9.2 | 15.6 |
| Add: Interco. Int. Amort. to JVinc. | - | 4.1 | 1.9 |
| Depreciation | 0.2 | 1.6 | 3.0 |
| EBITDA | \$4.7 | \$63.4 | \$73.9 |
| <i>Margin %</i> | 2% | 17% | 12% |
| Add: Purch. Acctg. In COGS | - | - | 2.9 |
| Add: (Profit)/Loss from JVs | 0.5 | (17.1) | 6.0 |
| Add: Transaction Costs | - | - | 1.2 |
| Add: Impairment in COGS | - | - | - |
| Less: Debt Forgiveness Income | - | - | - |
| Less: Vale Imputed Int. in COGS ¹ | - | (4.3) | (10.0) |
| Operating EBITDA | \$5.1 | \$42.0 | \$73.9 |
| <i>Margin %</i> | 3% | 11% | 12% |

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D

| ADJUSTED NET INCOME | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| \$ in millions | FYE 12/31 | | | | |
| | 2018 | 2019 | 2020E | 2021E | 2022E |
| Net Income (Loss) to Landsea | \$29.2 | \$17.2 | \$0.8 | \$33.3 | \$63.9 |
| Add: Interco. Interest in COGS ¹ | 9.2 | 15.6 | 10.4 | 7.5 | 3.2 |
| Add: Inventory Impairments | 0.0 | 0.0 | 3.4 | 0.0 | 0.0 |
| Add: Purch. Acctg. in COGS ² | 0.0 | 2.9 | 9.0 | 8.2 | 11.6 |
| Add: (Profit)/Loss from JV's | (13.0) | 7.9 | 14.2 | (1.6) | 0.0 |
| Total Adjustments | (3.9) | 26.4 | 36.9 | 14.1 | 14.8 |
| Normalized Effective Tax Rate | 28% | 28% | 27% | 27% | 27% |
| Tax-Effectuated Adjustments | (2.8) | 19.0 | 27.0 | 10.3 | 10.8 |
| Illustrative Adj. Net Income to Landsea | \$26.4 | \$36.2 | \$27.8 | \$43.5 | \$74.7 |

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