

Results Presentation

for the half year ended 31 December 2024



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Lifestyle[®]
COMMUNITIES

Life.
Unlimited.

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A business for purpose

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A sustainable financial model where **homeowners can prosper.**

High quality resort-style facilities that exceed expectation and are actively maintained and refurbished.

An empowering and engaging homeowner offering that **re-imagines traditional retirement.**

An affordable housing option for Australians aged over 50.

A transparent sales approach that **engages the customer** to ensure they are making the right choice.

Phillip Island Clubhouse

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Lifestyle Riverfield Clubhouse

SECTION 1

Business update

1HFY25 results snapshot

Reasonable half year result in a tough operating environment

Key metrics

	Measure	1HFY25	2HFY24	1HFY24	2HFY23	1HFY23
New home settlements	Homes	137	187	124	215	141
Net new home sales	Homes	41	178	197	229	214
Established home resale settlements	Homes	58	76	75	90	88
Total settled homes (end of period)	Homes	3,997	3,860	3,673	3,549	3,334
Portfolio + pipeline (end of period) ¹	Homes	6,558	6,563	6,382	5,912	5,599
Annuity revenue (rent + DMF)	\$m	27.7	27.8	26.9	23.9	23.2
Operating profit after tax	\$m	22.7	32.1	20.8	45.9	25.2
Operating EPS	cps	18.7	28.2	19.9	43.9	24.1
Total assets	\$m	1,578.1	1,511.6	1,440.7	1,191.4	1,084.3
Weighted average cap rate	%	5.21%	5.21%	5.15%	5.14%	5.18%
Average DMF valuation	\$'000 per home	64	64	58	58	54
Dividend declared	cps	–	5.0	5.5	6.0	5.5
Net debt	\$m	355.5	319.9	490.2	369.8	350.0
Net debt to assets less unsettled land	%	24.6%	23.1%	39.8%	33.5%	35.1%

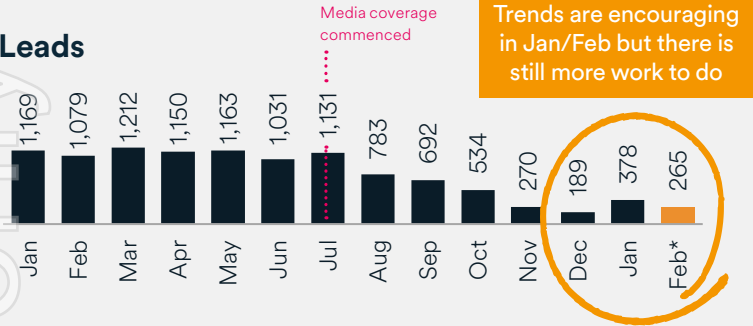
Note:

1. Portfolio + pipeline includes settled homes, projects under construction, and future projects not yet started

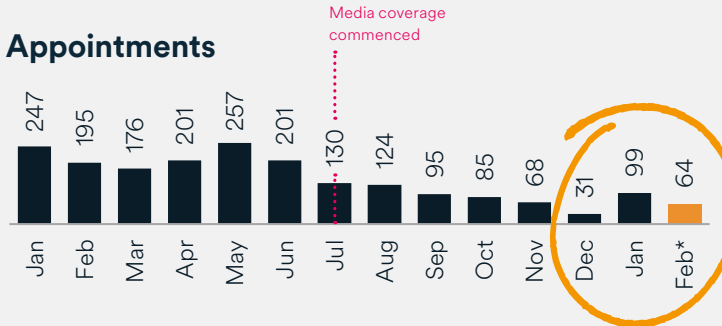
- New home settlements were higher than the prior corresponding period (137 v 124) but the sales rate was materially lower (41 v 197)
- Due to the lag between sales and settlements, the slowing sales rate will likely result in more subdued settlements in FY26
- We have commenced initiatives to address this including:
 - Debt facility refinanced (extended tenor and reduced ICR covenant from 2.5x to 1.75x)
 - Strategic review of land holdings
 - Dividend paused

New home sales performance

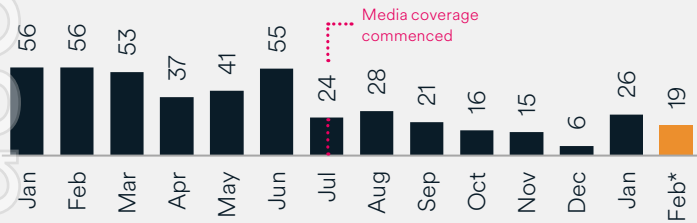
Leads



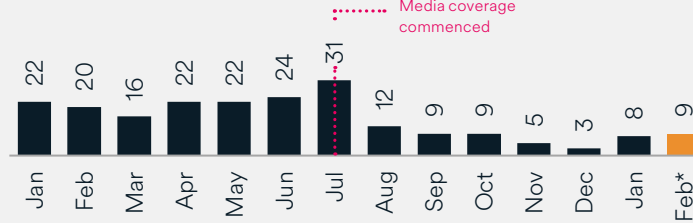
Appointments



Gross sales (No. homes)

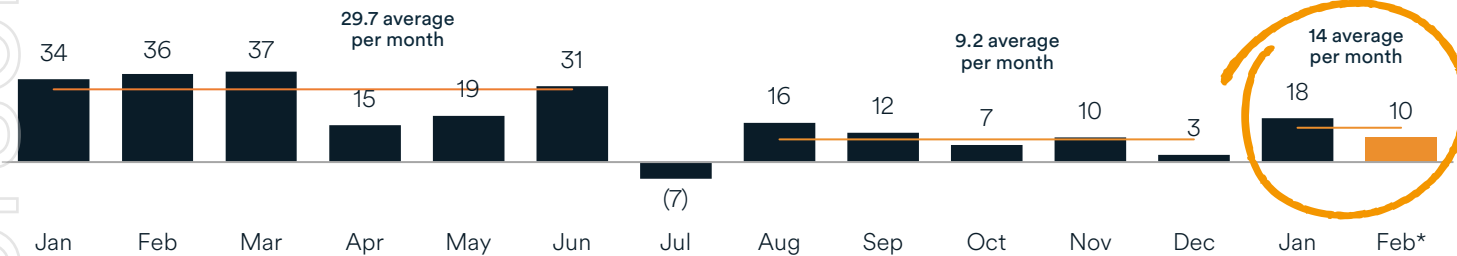


Cancellations (No. homes)



* February trading results are up to and including the 23rd of February.

Net sales (No. of homes)



* February trading results are up to and including the 23rd of February.

** Prior period sales have been adjusted to remove projects subsequently paused - Merrifield, Ocean Grove, and Yarrawonga

- Leads, appointments and sales in Jan/Feb trending above December lows
- Pleasingly, the conversion rate from face-to-face appointment to sale is consistent with our performance prior to the media coverage (~22%)
- Continued focus on site activations to drive more customers to visit site and experience the offer for themselves

Sales slowed due to economic headwinds, then dropped materially following the negative media exposure

External environment

- Low consumer confidence, inflation, and interest rate rises resulted in deteriorating conditions in the Victorian property market
- This has seen sales slowing over time

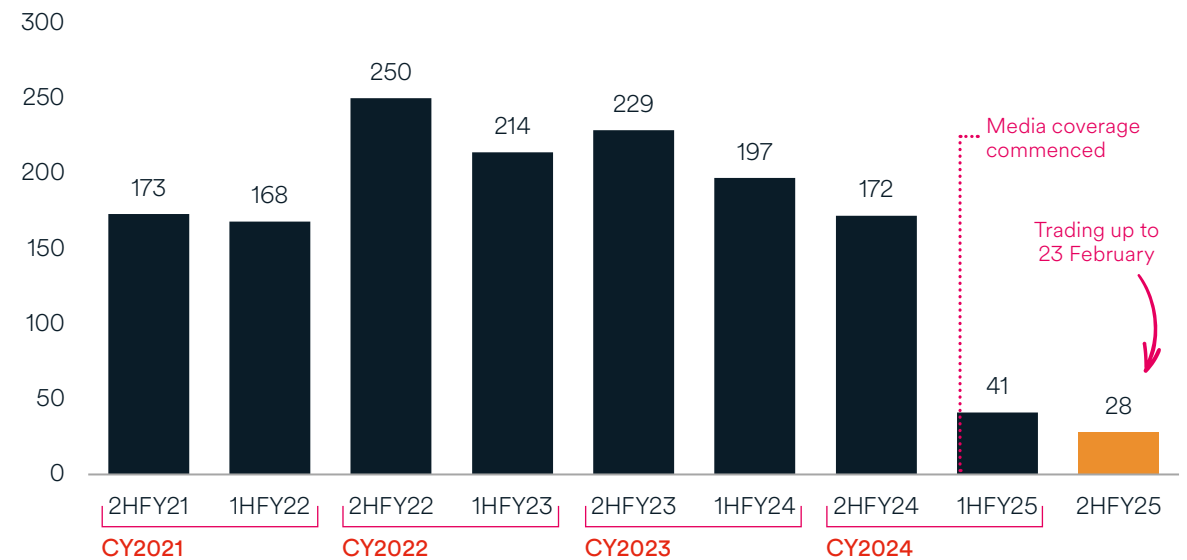
July 2024 adverse media coverage

- Exacerbated an already difficult sales environment
- One-off cancellation spike
- Significantly reduced the number of new customers attending face to face appointments
 - but pleasingly, conversion rate has remained consistent (circa 22%)

Sales prices have increased relative to the median house price

- The LIC business model has been built on the premise that an equity release for new homeowners is a key part of the sales proposition
- Due to a combination of rising costs and declining/stable median house prices in our primary catchments, our sales prices increased to above 90% of the median in most projects in the market
- We remain confident that sales prices at or around 80% of the median house price is fundamental to improving sales cadence

Total sales per period (no. of homes)



<ul style="list-style-type: none"> • Trading impacted by Covid lockdowns • Supply chain disruption created delivery risk 	<ul style="list-style-type: none"> • Post Covid boom • Strong demand • 7 new projects planned for launch • First interest rate rises in May 2022 	<ul style="list-style-type: none"> • Interest rates continue to rise • Median house prices moderating • Construction cost increases flowing through • Sales prices increasing to recover costs • Build rates were slowed down • Merrifield project put on pause 	<ul style="list-style-type: none"> • Sales impacted by adverse media coverage • Ocean Grove and Yarrowonga projects paused after civil completion • Cost saving measures undertaken • Brand rebuild strategy commenced • Trends are encouraging in Jan/Feb but still more work to do
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Resales performance

Resales volumes have also been affected by market conditions – homes are taking longer to sell

		1HFY25	2HFY24	1HFY24	2HFY23	1HFY23
No. of resales settlements ¹	No. of settlements	58	76	75	90	88
Average tenure	Years	7.7	7.0	7.2	7.0	6.2
Average DMF rate	% of resale price	17%	17%	18%	17%	17%
Average purchase price (move in)	\$	332,300	350,855	324,859	320,017	329,152
Average purchase price (move out)	\$	510,246	523,961	511,923	491,342	479,993
Move out price less move in price	\$	177,946	173,106	187,064	171,326	150,842
Average DMF paid to Lifestyle Communities®	\$	85,187	92,867	95,355	84,523	78,526
Average cash gain to homeowners on exit ²	\$	92,759	80,239	91,709	86,803	72,316

Notes:

1. Includes 1 resale for 1HFY25 that did not pay a DMF due to the smart buy guarantee
2. Subject to market outcomes and tenure within the community.

- Average time on market has increased from circa 62 days in FY24 to circa 91 days in 1HFY25
- Number of homes currently on market has increased from 23 at 30 June 2024 to 57 at 31 December 2024
- This represents approximately 1.5% of the portfolio — not high by historical measures

DMF rationale

- Key point of difference and customer benefit **Live now, pay later** helps maximise equity free-up
- Creates a long term vested interest in ensuring that the communities are maintained and improved
- Drives our 30-year reinvestment plan in each community

Lifestyle Communities® resales support

- Dedicated in-house resales team
- Empowered sales process where homeowners are in control of the sales price and home presentation

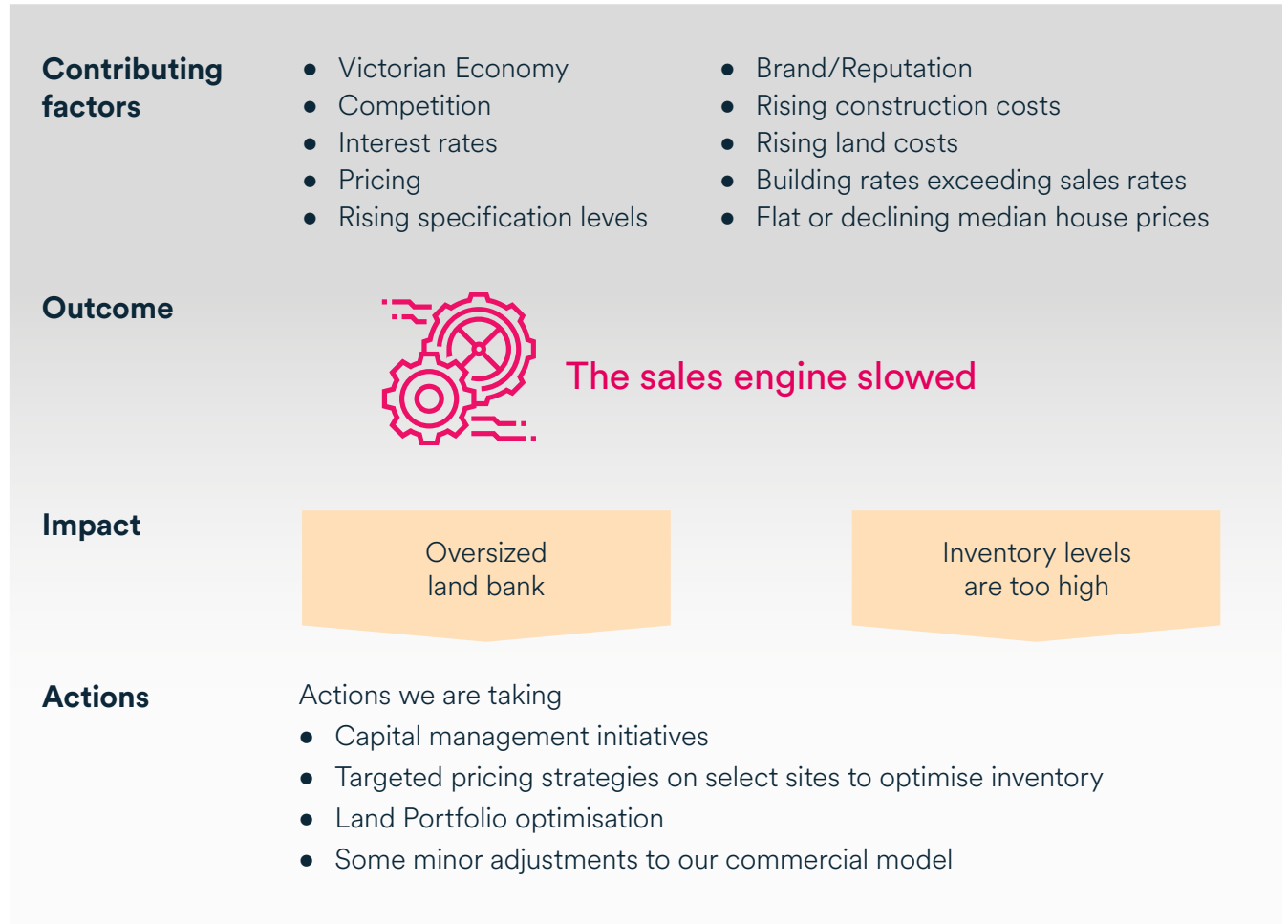
Actions in progress following the material slowdown in sales

- As the sales rate has continued to slow, there has been a build up of:
 - Completed housing inventory
 - Undeveloped land
- Consequently, we have adopted a pro-active strategy of:
 - i. Capital management initiatives; and
 - ii. Portfolio optimisation measures

DMF Choice

While we continue to investigate ways to enhance customer choice by introducing an upfront DMF option, we have adopted a measured approach to any potential changes to our commercial model.

We will defer such initiatives until after the resolution of both the VCAT proceedings and the Victorian Government's review of the Residential Tenancies Act.



Capital management initiatives

Debt facility restructure — February 2025

- Total debt facility right-sized (down) to \$660 million, reflecting reduced near-term development requirements
- Interest Coverage Ratio (ICR) covenant adjusted to 1.75x (down from 2.5x) for the next two years, providing additional operational flexibility. After 2 years the covenant will step up to 2.0x
- Extended tenor on \$176 million of the \$265 million tranche which was due to expire in August 2026 until August 2029. The remaining \$89 million of this August 2026 tranche will be re-assessed closer to the renewal date and will either be rolled over or allowed to lapse depending on the business needs at the time

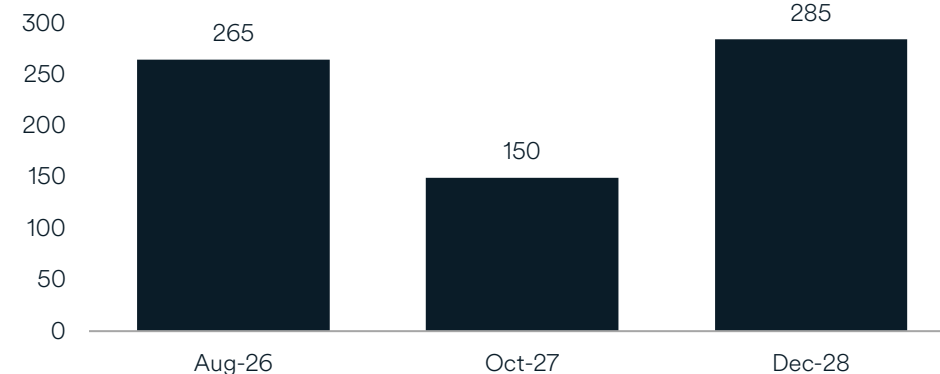
Dividend pause

- Board decision to pause dividend to preserve capital until the sales environment improves

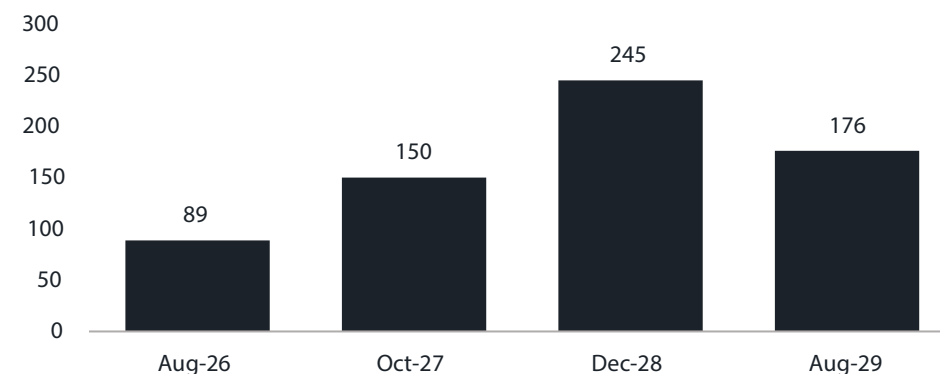
Working capital and cost saving initiatives

- Targeted pricing strategies on selected sites
- Build rates at development sites have been reduced to allow time for the sales rate to catch up
- Planned development spend for FY25 has been reduced by over \$100 million
- Headcount reduced by circa 17% since 30 June 24 — predominantly in project, sales, and delivery roles

Previous debt maturities — \$700m million facility (\$m)



Revised debt maturities — \$660m million facility (\$m)



Portfolio optimisation – inventory

	No. completed homes	Carrying value Dec-24 \$m
Wollert	8	1.9
Deanside	67	15.2
St Leonard - The Shores	33	9.0
Meridian	24	6.0
Woodlea	55	16.9
Phillip Island	25	8.5
Bellarine	26	9.0
Riverfield	31	8.7
Total	269	75.2



Optimal levels	Optimal carrying value \$m
8	1.9
15–20	3.4–4.5
15–20	4.1–5.5
15–20	3.8–5.0
15–20	4.6–6.1
15–20	5.1–6.8
15–20	5.2–6.9
15–20	4.2–5.6
113–148	32.3–42.3

Excess inventory

- Excess completed homes inventory of 121–156 homes across 7 sites
- Further 90 unsold homes currently in production which will be completed in the coming months
- Represents circa \$65m - \$75m of committed capital that will reduce over time
- Further \$31 million of completed homes sold and awaiting settlement

How did we get here?

- Accelerating build rate during back-end of COVID period in response to construction delays and difficulties in securing building materials
- Sales results below expectations
- Takes 6-9 months to slow down the build engine

Strategy to reduce inventory

- Targeted pricing strategies on select sites
- Focused selling towards completed homes
- Build rates reduced to minimise further inventory build up
- Mindful of the implications for recent purchasers and resales

Portfolio optimisation – land

Excess land

- By 30 June 2025 we will be carrying 8 sites that will be on pause
- This represents circa \$273 million of committed capital

How did we get here?

- Lifestyle has always aimed to operate a just-in-time development model
- Much of this land was committed to in 2022/23 before the downturn in the sales cycle was fully evident
- Current sales rates don't support recommencement of paused projects or starting new projects, resulting in a larger bank of unproductive land

Strategy to reduce land bank

- Warragul has a contractual right to terminate, which we intend to exercise
- We are exploring sale options for a number of other sites, and are targeting to sell a further 1-2 sites over the next 6 months
- This will reduce our development pipeline by circa 600 homes (circa 1,950 will remain)
- Targeting to recoup \$80 – \$100 million from this strategy

	Land cost \$m	Planning + civil works completed \$m	Est. carrying value at 30-Jun-25 \$m
Land settled at Dec-24 and project on pause			
Merrifield	21.9	17.0	38.9
Ocean Grove 2	42.8	11.9	54.7
Yarrowonga	6.5	8.8	15.3
Warragul II	19.7	0.3	20.0
Land to be settled in 2HFY25			
Drysdale	40.0	1.3	41.3
Inverloch	32.7	0.4	33.1
Clyde 3	41.8	3.9	45.7
Armstrong Creek	23.9		23.9
	229.3	43.6	272.9

Right-sizing the pipeline for a more subdued sales environment.

At home at Lifestyle St Leonards

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SECTION 2

Financial Results

Growing annuity income stream

There are two components to the annuity income stream:

Site rental fee

- \$220 per single and \$254 per couple, per week, per home
- Indexed at greater of CPI or 3.5% p.a.
- Gross rental income for 1HFY25 was \$22.6 million

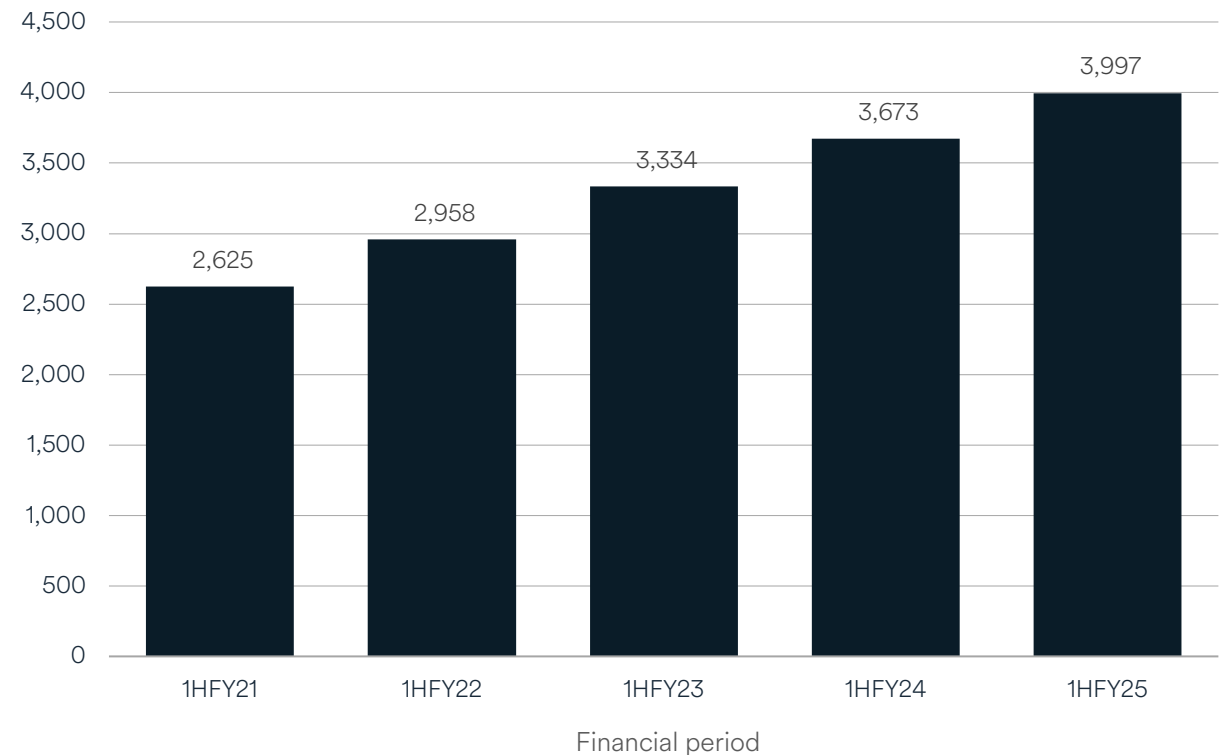
Deferred Management Fee (DMF)

- Increases at 4% per year capped at 20% of the resale price
- 58 resale settlements provided DMF income of \$5.1 million¹
- Average tenure of established settlements during 1HFY25 was 7.7 years

Notes:

1. Inclusive of selling and administration fees.
2. Represents gross numbers not adjusted for joint venture interests.

Home sites under management²



Income statement

- 137 New Home Settlements (1HFY24: 124) and 58 Resales Settlements (1HFY24: 75)
- 3,997 homes under management (1HFY24: 3,673)
- Community operating margin % impacted by timing of refurbishment spend — expected to normalise in the second half
- DMF contribution lower due to lower transaction volumes
- Average revenue per settlement \$620k up from \$567k in 1HFY24 due to passing on cost increases and change in project mix
- Project management, sales, and marketing costs reduced due to paused projects

\$000s	1HFY25	2HFY24	1HFY24	2HFY23	1HFY23
Community operations					
Site rental	22,597	20,949	20,487	17,283	16,961
Community operating costs	(10,340)	(8,946)	(9,437)	(8,013)	(7,206)
Community operating margin	12,257	12,003	11,050	9,270	9,755
Community operating margin %	54.2%	57.3%	53.9%	53.6%	57.5%
Deferred management fees					
DMF sales and marketing costs	5,104	6,784	6,436	6,666	6,255
DMF margin	(1,234)	(1,264)	(1,123)	(873)	(1,188)
DMF margin	3,870	5,520	5,313	5,793	5,067
DMF margin %	75.8%	81.4%	82.6%	86.9%	81.0%
Net contribution from community operations	16,127	17,523	16,363	15,063	14,822
New community creation					
Home settlement revenue	84,925	112,613	70,314	113,608	67,219
Cost of sales ²	(72,234)	(91,224)	(57,086)	(89,889)	(52,948)
Home settlement margin	12,691	21,389	13,228	23,719	14,271
Home settlement margin %	14.9%	19.0%	18.8%	20.9%	21.2%
Project management, Sales, & Marketing costs	(8,392)	(11,676)	(11,095)	(7,151)	(5,960)
Net development contribution	4,299	9,713	2,133	16,568	8,311
Fair value uplift attributed to settlements and rent increases	27,049	31,381	24,493	60,060	24,886
Other costs					
Corporate overheads	(9,902)	(10,314)	(10,061)	(8,417)	(8,731)
Employee share scheme	(1,413)	(656)	(1,029)	465	(1,869)
Other costs	(2,059)	(57)	(425)	(1,156)	-
Facility fees and interest on non-development debt	(1,739)	(2,116)	(2,162)	(1,412)	(1,267)
Net other revenue and expenses	203	528	313	(50)	(49)
Operating profit before tax	32,565	46,001	29,626	81,121	36,103
Operating profit after tax	22,740	32,100	20,770	45,889	25,240
Reconciliation to statutory profit:					
Statutory fair value change due to change in assumptions (after tax)	-	(2,891)	-	10,771	-
Statutory net profit after tax	22,740	29,209	20,770	56,660	25,240

Note:

1. There were no changes to valuations during the period attributable to movement in assumptions used by independent valuers. Therefore, statutory and operating profit were the same.
2. Cost of sales includes \$21.4m for the share of community infrastructure sold to each homeowner and expensed upon settlement (1HFY24: \$15.7m).

Fair value adjustments

- The fair value adjustment typically comprises three components:
 - The value uplift created when a customer settles on their home, which creates an ongoing annuity income stream;
 - The uplift created as a result of the contractual rent increase applied to settled homes each year;
 - Changes in fair market values due to changes in valuation assumptions used by independent valuers and Directors¹.
- Categories 1 and 2 represent value created through our operations
- Valuation changes caused by category 3 are outside of Lifestyle Communities[®] direct control and therefore are not considered part of operating earnings
- A reconciliation of the operating fair value uplift to the statutory fair value uplift is provided in the table to the right

Notes:

- These changes typically include external market factors outside of Lifestyle Communities[®] control such as rent capitalisation rates, external market price growth assumptions and other available market data.

Pre-tax

Reconciliation of operating fair value adjustment to statutory fair value adjustment (pre-tax)	1HFY25	2HFY24	1HFY24	2HFY23	1HFY23
New home settlements (in period)	137	187	124	215	141
Total homes under management (end of period)	3,997	3,860	3,673	3,549	3,334
Annual rental increase (effective 1 July)	3.6%	3.6%	3.6%	6.6%	6.6%
Underlying Fair Value Adjustment attributable to:					
1. Annual rental increase on homes under management (contracted)	8.9	8.7	9.0	17.9	8.6
2. Conversion of undeveloped land into completed homes at settlement (value of rent and DMF annuities)	18.1	22.7	15.5	26.7	16.3
Operating Fair Value uplift attributed to settlements and rent increases	27.0	31.4	24.5	44.6	24.9
3. Other movements as a result of changes to valuation assumptions used by independent valuers	-	(4.1)	-	15.4	-
Statutory Fair Value Adjustment (pre-tax)	27.0	27.3	24.5	60.0	24.9

Balance sheet

- The inventory balance includes:
 - \$153 million for display homes and houses in progress
 - \$191 million for Civil and Infrastructure works on developments in progress
- Trade payables includes accruals for future land settlements at Ocean Grove II, Warragul II, Ridgelea (Pakenham) Inverloch, Clyde 3 and Armstrong Creek.
- Borrowings have increased due to the Armstrong Creek deposit, Warragul II land payment and development and operational spend.
- Borrowings are linked to development projects – debt is repaid through new home settlements

Land settlements due in 2HFY25

Community	\$m	Est. timing
Inverloch	29.8	Jan-25
Ridgelea (Pakenham)	1.6	Jan-25
Armstrong Creek	22.8	Feb-25
Ocean Grove II	39.0	Mar-25
Clyde 3	39.9	Mar-25
Warragul II	0.9	Mar-25
Total	134	

Balance sheet highlights

\$000s	1HFY25	2HFY24	1HFY24	2HFY23	1HFY23
Cash and cash on deposit	1,496	4,095	1,839	1,233	1,050
Inventories	344,042	321,201	279,562	193,555	151,150
Investment properties	1,189,765	1,141,373	1,109,272	962,150	904,754
Other assets	42,747	44,961	50,028	34,502	27,327
Total assets	1,578,050	1,511,630	1,440,701	1,191,440	1,084,281
Trade and other payables	166,422	158,256	221,992	115,849	103,686
Current tax payable				1,020	
Interest-bearing loans and borrowings	357,000	324,000	492,000	371,000	351,000
Deferred tax liabilities	199,874	191,559	181,456	171,954	153,597
Other liabilities	6,491	6,060	8,005	6,760	1,702
Total liabilities	729,787	679,875	903,453	666,583	609,985
Net assets	848,263	831,755	537,248	524,857	474,296
Net debt/assets less cash and unsettled land ¹	24.6%	23.1%	39.8%	33.5%	35.1%

Note:

1. Net debt includes cash. Assets includes \$134m for land commitments not yet settled (2HFY24: \$123m)

Inventory balances by Project

- At each development, we sell a mix of:
 - Build-to-order homes
 - Ready-to-move-in homes
- Civil, infrastructure and interest costs for each development are capitalised to inventory and released on a pro-rata basis per new home settlement
- Housing costs are capitalised as incurred and released as each house is settled
- Display homes are typically sold at the end of each development
- Unsold homes are built where it makes sense in the urban plan — we do not leave gaps in a street if homes are unsold
- For each project:
 - inventory balances typically accumulate at the beginning of a project when civil works and clubhouses are constructed
 - housing build rates are calibrated to sales rates (with some ready to move stock)
- Deanside was built ahead of the sales rate to prioritise stability during the Covid period supply chain uncertainties. This stock is progressively being sold down

Community	Inventory phase	Civils+ capitalised interest (\$m)	Housing \$m	Total \$m	No. homes completed not sold	No. completed display homes
Wollert	Release	4.2	4.6	8.8	5	3
Deanside	Release	13.7	20.7	34.4	59	8
St Leonards - The Shores	Accumulate	17.6	15.3	32.9	27	6
Meridian	Release	4.3	7.5	11.8	16	8
Woodlea	Release	24.7	22.0	46.7	47	8
Phillip Island	Accumulate	42.4	24.9	67.3	19	6
Bellarine	Release	8.3	18.8	27.1	18	8
Riverfield (Clyde)	Release	24.5	23.1	47.6	25	6
Ridgelea (Pakenham)	Accumulate	18.9	13.6	32.5		
Ocean Grove II	Paused	7.7	0.4	8.1		
Yarrowonga	Paused	7.8	0.1	7.9		
Merrifield	Paused	15.4	1.3	16.6		
Preliminaries		1.5	0.7	2.2		
Total		191.0	153.0	344.0	216	53

Inventory Phase:

Accumulate = Inventory balance expected to increase for this project as development activity continues.

Release = Inventory balance expected to decrease for this project as new homes are settled and inventory is released to cost of goods sold.

1. The \$153.0m cost of housing inventory includes homes sold but not yet settled, display homes, homes completed and not sold, and progress payments on homes under construction.

Cash flow

Community operations cash flows:

- Site rentals continued to increase due to a higher number of homes under management
- Offset by lower DMF revenue due to lower transaction volumes

Development cash flows:

- Planned development spend in FY25 reduced by \$100 million to reflect subdued sales environment
- Increased settlement revenue driven by higher new home settlements (137 in 1H25 v 124 in 1HFY24)
- Decreased interest due to the lower debt profile post capital raising

Borrowings have increased due to:

- Development and operating activity (to be recovered through future home sales)
- Deposit for Armstrong Creek and the Warragul land payment

\$m	1HFY25	2HFY24	1HFY24	2HFY23	1HFY23
Community operations cash flows					
Site rentals	24.1	20.9	20.5	17.2	17.0
Deferred Management Fees	5.1	6.8	6.4	6.6	6.3
Community operating costs	(11.9)	(9.2)	(9.4)	(8.0)	(7.2)
DMF Sales & Marketing costs	(1.2)	(1.3)	(1.1)	(0.9)	(1.2)
Net utilities	0.2	(0.4)	0.3	(0.1)	-
Net annuity cash flows	16.3	16.8	16.7	14.8	14.9
Development cash flows					
New home settlements	96.2	113.2	70.3	113.6	67.2
Development expenditure	(100.6)	(122.7)	(156.2)	(109.3)	(88.2)
Interest on development debt	(10.1)	(12.7)	(9.9)	(7.2)	(5.1)
Net development cash flows	(14.5)	(22.2)	(95.8)	(2.9)	(26.0)
Support Office costs	(11.7)	(7.3)	(11.6)	(8.7)	(10.6)
Interest and fees on non-development debt	(1.2)	(0.7)	(1.7)	(1.6)	(0.9)
Tax paid	(1.7)	(5.4)	(4.0)	(4.3)	(5.1)
Net operating cash flows	(12.8)	(18.8)	(96.4)	(2.7)	(27.8)
Reconciliation to statutory cash flows					
Land (investing cash flow)	(13.1)	(67.7)	(9.5)	(5.0)	(68.5)
PPE and lease payments	(3.6)	(3.5)	(8.2)	(4.6)	(4.2)
Borrowings	33.0	(168.0)	121.0	20.0	106.0
Dividends paid	(6.1)	(5.7)	(6.3)	(5.7)	(6.3)
Equity raised		267.3			
Treasury shares		(1.3)		(1.9)	
Net cash flow	(2.6)	2.3	0.6	0.1	(0.8)

Development cash flows split by project

- Commencement of projects not yet started is subject to assessment of market conditions once planning approval is received and remains subject to Board approval
- 9 Projects were in active construction in 1HFY25 (1HFY24: 10)
- Woodlea changed from cash draw to cash recovery phase during 1HFY25
- Re-commencement of housing and clubhouse construction at Merrifield, Yarrowonga and Ocean Grove is subject to market conditions

Community	Cash recovery projects	Cash draw projects	Projects not yet started	1HFY25 cash flow	2HFY24 cash flow	1HFY24 cash flow
Wollert	●			6.0	6.6	10.7
Deanside	●			1.7	4.4	2.1
Meridian	●			5.8	27.6	(11.5)
Bellarine	●			19.0	12.6	(18.7)
Woodlea	●			5.7	(10.0)	(10.0)
St Leonards — The Shores		●		(9.6)	(15.5)	(8.0)
Clyde Riverfield		●		(2.8)	(0.1)	(18.7)
Pakenham East		●		(20.2)	(7.1)	(5.0)
Phillip Island		●		(4.9)	(27.4)	(20.6)
Paused projects						
Merrifield				(2.7)	(7.1)	(7.3)
Yarrowonga				(4.9)	(3.5)	–
Ocean Grove 2.0				(7.0)	(2.4)	–
Total				(13.9)	(21.9)	(94.9)

Note: In addition, the group spent \$0.6m in 1HFY25 (\$0.9m in 1HFY24) on preliminary works, planning, designing and consultants for projects not yet started. FY24 cashflow for St Leonards includes The Waves.

Debt covenants and key metrics

Subsequent Event: The details on this page represent the debt position as at 31 December 2024. In February 2025 the debt facility was renegotiated. Details of the revised facility and covenants are contained on slide 7.

- The syndicate includes five banks: CBA, NAB, HSBC, Westpac, and ANZ
- The group's debt maturities are:
 - \$265 million tranche with a maturity in August 2026
 - \$150 million tranche with a maturity in October 2027
 - \$285 million tranche with a maturity in December 2028
- The group recovers the majority of its interest costs through its development projects and allocates interest to each project based on its respective debt draw during the construction phase

Interest cover ratio

(\$'000)	Annual interest coverage ratio 1HY25
Interest paid ¹	24,353
Profit before tax	74,434
Less Fair Value adjustment	54,300
Add back infrastructure expensed to cost of goods sold	49,410
Add back interest expense	3,117
Add back interest included in cost of goods sold	11,432
Add back depreciation and amortisation	4,161
Add back abnormals	1,928
Adjusted EBITDA	90,182
Interest cover ratio	3.7
Covenant ²	>2.5x

Notes:

1. Interest paid for covenant purposes includes interest paid, interest received and the movement in interest accruals year on year.
2. As part of the refinancing in February 2025, the ICR covenant has subsequently been reduced to 1.75x for 2 years commencing in the June-25 reporting period.
3. Represents the weighted average cost of drawn debt excluding commitment fees on undrawn debt.

Lifestyle has three main debt and lending covenants which are regularly stress tested. They are:



Key debt metrics

		1HFY25	2HFY24	1HFY24	2HFY23	1HFY23
Gross assets	\$m	1,578	1,512	1,441	1,191	1,084
Interest bearing liabilities	\$m	357	324	492	371	351
Total debt facilities	\$m	700	700	700	525	525
Undrawn debt	\$m	343	376	208	154	174
Net debt/assets less cash and land accruals	%	24.6%	23.1%	39.8%	33.5%	35.1%
Net Debt to debt plus equity	%	29.6%	28.0%	47.8%	41.4%	42.5%
Cash interest paid on drawn debt	\$m	11.4	13.7	11.6	4.9	9.8
Weighted average cost of debt ³	%	6.04%	5.75%	4.83%	4.10%	3.03%
Annual weighted average debt maturity	Years	2.8	3.3	3.3	3.3	3.4
Annual interest coverage ratio	Times	3.7	3.2	2.1	3.2	4.5
Annual loan to value ratio	%	34.7	32.3	54.3	45.2	45.5
% of debt fixed	%	67%	74%	49%	92%	97%
Debt providers	No.	5	5	5	3	3

The group recovers the majority of its interest costs through its development projects and allocates interest to each project based on its respective debt draw during the construction phase. Sales prices are set using forward estimates for interest rates which includes an allowance for upward movement as interest rates normalise following their pandemic lows. These interest rate assumptions are reviewed and retested every 3 months.

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SECTION 3

Outlook

Outlook

Despite the near-term market conditions, the fundamental drivers of retirement living demand remain strong and underpin our confidence in the long-term outlook for our business

Trading

- Lead indicators showing early signs of improvement but material near term challenges remain
- Due to the lag between sales and settlements, the slowing sales rate will likely result in more subdued settlements in FY26
- Our immediate focus is on executing the land and inventory optimisation strategies
- Recent improvement in lead indicators supports our confidence in the gradual recovery of sales momentum

VCAT hearing

- Hearing scheduled for early May 2025 with decision to follow at a later date — expected to provide clarity on the deferred management fee structure
- We remain confident in our position and continue to prioritise homeowner engagement and maintaining our high customer satisfaction ratings

Pipeline status as of 23 February 2025

The status of the sales and settlement pipeline for the current financial year to 23 February is as follows:

- 168 new home settlements completed
- A total of 281 new home sale deposits are in hand. Of these:
 - 175 homes will be completed and available for settlement in FY25
 - 44 of these customers have an unconditional contract on their own home and a planned settlement date on their Lifestyle Communities home before 30 June 2025
 - 71 of these customers are actively marketing their existing homes for sale
 - 106 homes will be completed and available for settlement in FY26 and beyond

New CEO appointment

Henry Ruiz appointed Chief Executive Officer commencing on the 5th of March.

Mr Ruiz is a seasoned executive with over 25 years' experience in the property, digital media and technology sectors.

For the last 15 years Henry has been with REA Group, where he served as CEO of REAx, Chief Strategy and Product Officer, Chief Digital Officer and CEO of REA Asia.



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Appendix

A.1 Model of living

How does the Lifestyle Communities® model of living work?

Homeowners at Lifestyle Communities® own their own home and lease the land upon which their homes are located, via a weekly site fee and a deferred management fee.

75-80%

On average, homes typically priced at 75-80% of the median house price in the target catchment¹

90 Year Lease

A 90-year lease over the land provides security of tenure

On average, release of approximately \$223,000² upon sale of previous home

Homeowners at Lifestyle Communities® are covered by the Residential Tenancies Act

Homeowners control price, presentation and sales strategy at exit



The weekly site fee is approx. 18-20% of the Aged Pension after receipt of the Commonwealth Rental Assistance.³

Notes

1. Under our pricing model it is our intention to recover development costs through our new home sales. Our aim is to sell homes at an average price of 75% to 80% of the prevailing median house price for the relevant catchment for each development. Actual prices may vary due to movements in median house prices, increased costs to build, and individual house premiums or discounts.
2. Calculated as the difference between the homeowners house sale price and the homeowners Lifestyle house purchase price.
3. Calculated in accordance with the formula used by the Department of Social Services. Which is: Rent minus Commonwealth Rental Assistance divided by the Pension.

A.2 Growing recurring revenue stream

Lifestyle Communities® business has two core elements

1. Creating communities

A mix of equity and debt capital is used to develop greenfield sites to create new communities. Capital is recovered from one community and is recycled into the next project.

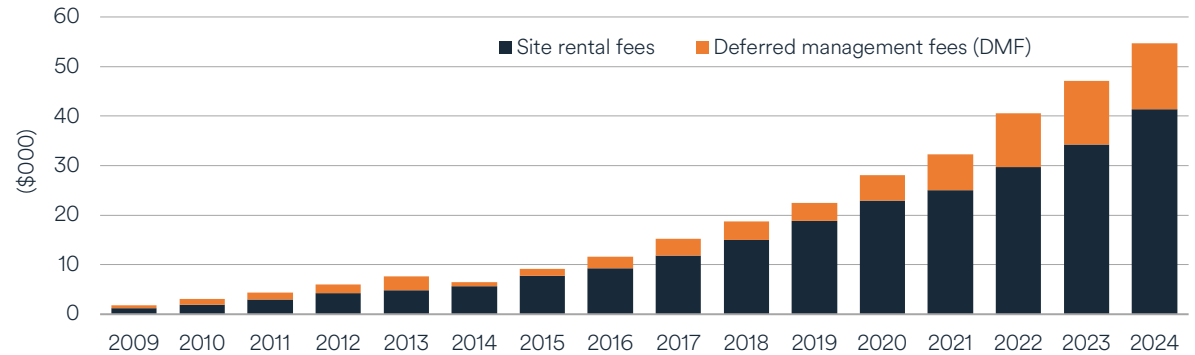


The speed of capital recycling enables the acquisition of new sites.

Completed communities build a long-term sustainable income and future dividends.

2. Managing communities

Completed communities generate recurring revenue streams which are growing as new communities are added to the portfolio.



Total number of homes settled (Cumulative)	202	305	412	546	695	906	1,146	1,348	1,626	1,947	2,284	2,537	2,792	3,193	3,549	3,860
Number of resales	4	11	8	11	10	23	34	52	73	59	53	102	121	156	178	151

DMF of 4% per annum on the resale price of the home, capped at 20% after 5 years.

Note: Timing of resales and setting of the resale price is controlled by the homeowner. Lifestyle Communities® has a resales team and may be appointed as the resales agent. The deferred management fee ensures Lifestyle Communities® interests are aligned with our homeowners to achieve the highest possible price and achieve a sale in the shortest possible time frame.

The speed at which Lifestyle Communities® can create new communities is limited by the size of the capital pool and the speed at which it can recover its capital through driving new home settlements

A.3 Portfolio snapshot 1HFY25

Communities	Total homes in communities	Homes sold and occupied	Homes sold and awaiting settlement	Homes occupied or sold and awaiting settlement	
				No.	%
Established Communities					
16 fully completed Communities	3,063	3,063		3,063	100%
Communities — under construction					
Wollert	246	220	10	230	94%
Deanside	266	171	18	189	71%
St Leonards - The Shores	158	17	25	42	27%
Meridian	274	246	4	250	91%
Woodlea	180	51	5	56	31%
Phillip Island	255	42	57	99	39%
Bellarine	161	114	23	137	85%
Riverfield (Clyde)	230	–	65	138	60%
Ridgelea (Pakenham)	174	0	69	69	40%
Projects on development pause					
Ocean Grove II ³	204				
Yarrawonga ³	110				
Merrifield ³	195				
New Communities — awaiting commencement					
Warragul II ⁴	205				
Clifton Springs ⁵	209				
Clyde III ⁵	254				
Inverloch ⁵	204				
Armstrong Creek ^{2,5}	170				
Total¹	6,558	3,997	276	4,273	65%

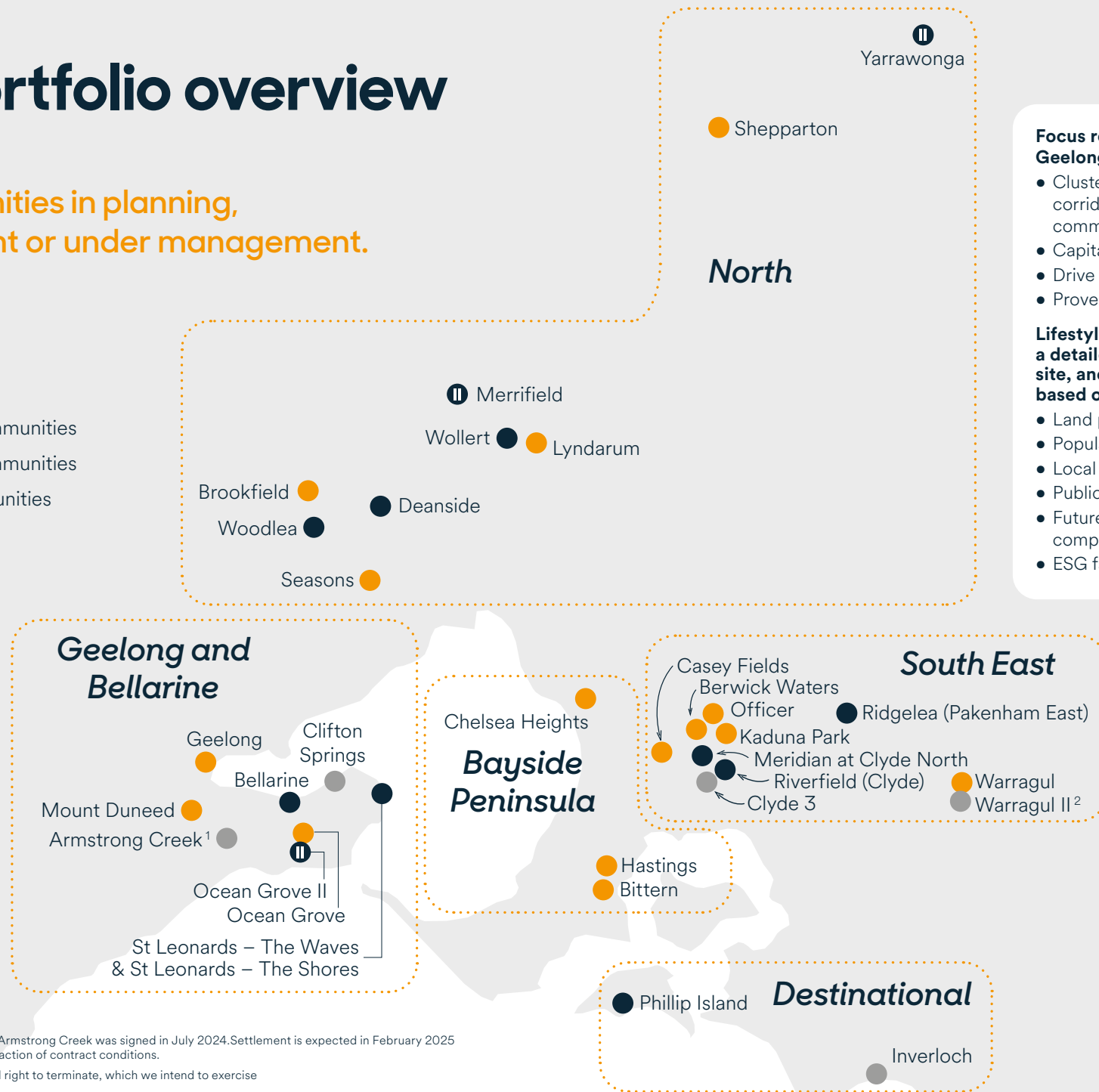
Notes:

- Lifestyle Communities® will have an economic interest in 6,357 home sites.
- The contract for the land at Armstrong Creek was signed in July 2024. Settlement is expected in February 2025 but remains subject to satisfaction of contract conditions.
- Civil works completed but further development of the project has been paused until such time as market conditions improve.
- Settlement of land remains subject to contractual conditions including receipt of a planning permit satisfactory to Lifestyle Communities. This has not been achieved and we therefore intend to exercise our right to exit this contract.
- Development program paused until we have made visibility on the recovery in sales rates

A.4 Portfolio overview

33 Communities in planning, development or under management.

- Completed Communities
- Developing Communities
- Planning Communities



Focus remains on Melbourne and Geelong’s growth corridors:

- Cluster approach – each growth corridor can sustain multiple communities
- Capitalise on brand
- Drive referral
- Proven track record

Lifestyle Communities® undertakes a detailed vetting of each potential site, and prioritises acquisitions based on the following criteria

- Land prices and location
- Population demographic
- Local amenities
- Public transport options
- Future development plans and competition
- ESG factors

Note:

1. The contract for the land at Armstrong Creek was signed in July 2024. Settlement is expected in February 2025 but remains subject to satisfaction of contract conditions.
2. Warragul II has a contractual right to terminate, which we intend to exercise

A.5 Dividend policy

As a general principle, Lifestyle Communities® intends to pay dividends out of post-tax operating cashflow generated from community management including:

- Operating cash flow generated from community management (net rental and DMF)
- Apportionment of corporate overheads attributable to management of the communities (currently 50%)
- Interest on average pre-development debt
- Tax attributed to the above

Dividend

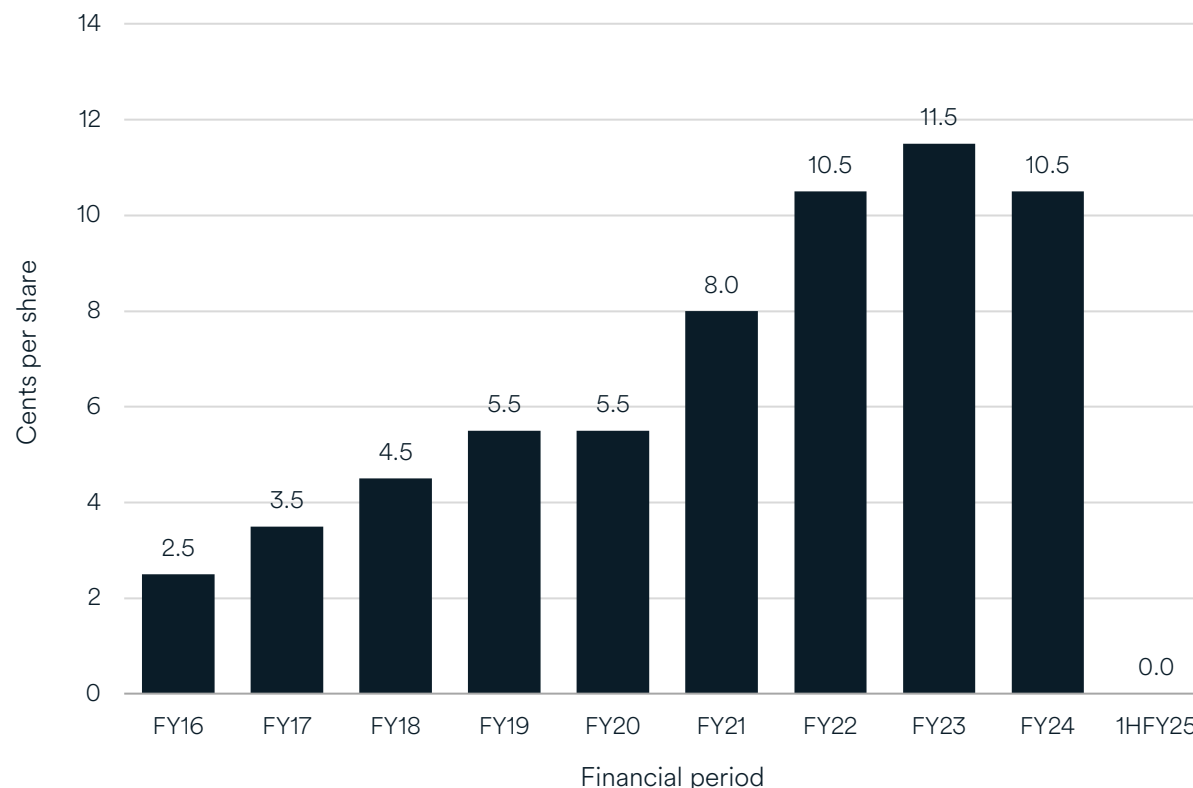
No dividend has been declared for the period ended 31 December 2024 (1HFY25) due to the recent slow sales rate and the lack of visibility on the forward sales rate and capital recycling.

The Directors intend to preserve capital within the business until the sales cadence and outlook improves.

Surplus franking credits

As at 31 December 2024 the franking account balance was \$39.7 million (after allowing for tax payable for 1HFY25).

Dividends declared over time



A.6 Sales and settlements

	New home settlements		Net sales commitments		Resale home settlements	
	1HFY25	1HFY24	1HFY25	1HFY24	1HFY25	1HFY24
Existing Communities - Sold out					57	66
Existing Communities - Under Construction						
Wollert North	11	29	2	19		
Deanside	5	19	3	13		
St Leonards - The Waves	1	2	–	–		
St Leonards - The Shores	11	–	1	7		8
Clyde North (Meridian)	12	35	5	25		1
Ridgelea (Pakenham East)	–	–	8	29		
Clyde (Riverfield)	22	8	12	55	1	
Woodlea	21	8	(1)	7		
Phillip Island	28	–	2	13		
Bellarine (Leopold)	26	23	9	28		
Total	137	124	41	196	58	75

A.7 Cash flow analysis 1HFY25

	Completed Communities ³	Wollert	St Leonards - The Shores	Deanside	Pakenham East	Meridian	Clyde Riverfield	Woodlea	Phillip Island	Bellarine	Merrifield	Ocean Grove 2.0	Yarrawonga	Communities in planning ⁴	Total
Community operations cash flows															
Site rentals	19.3	1.2	1.1	-	-	1.5	-	0.3	-	0.7	-	-	-	-	24.1
Deferred Management Fees received ¹	5.0	0.1	-	-	-	-	-	-	-	-	-	-	-	-	5.1
Community operating costs	(9.9)	(0.3)	(0.4)	-	-	(0.4)	(0.1)	(0.3)	(0.1)	(0.4)	-	-	-	-	(11.9)
Deferred management expenses paid	(1.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.2)
Net utilities	0.2	0.1	-	-	-	-	-	-	-	(0.1)	-	-	-	-	0.2
Net annuity cash flows	13.4	1.1	0.7	-	-	1.1	(0.1)	-	(0.1)	0.2	-	-	-	-	16.3
Development cash flows															
New home settlements	-	6.8	3.1	8.1	-	7.4	14.4	14.1	19.1	23.2	-	-	-	-	96.2
Development expenditure	-	(0.8)	(1.4)	(16.5)	(19.2)	(1.2)	(15.6)	(6.7)	(21.7)	(2.9)	(2.7)	(6.7)	(4.6)	(0.6)	(100.6)
Interest on development debt	-	-	-	(1.2)	(1.0)	(0.4)	(1.6)	(1.7)	(2.3)	(1.3)	-	(0.3)	(0.3)	-	(10.1)
Net development cash flows	-	6.0	1.7	(9.6)	(20.2)	5.8	(2.8)	5.7	(4.9)	19.0	(2.7)	(7.0)	(4.9)	(0.6)	(14.5)
Support Office costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11.7)
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2
Interest and fees on non-development debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.4)
Tax paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.7)
Net operating cash flows	-	6.0	1.7	(9.6)	(20.2)	5.8	(2.8)	5.7	(4.9)	19.0	(2.7)	(7.0)	(4.9)	(0.6)	(12.8)
Reconciliation to statutory cash flows															
Land (investing cash flow)	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.1)	(13.1)
PPE and lease payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.6)
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33.0
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.1)
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flows²	-	6.0	1.7	(9.6)	(20.2)	5.8	(2.8)	5.7	(4.9)	19.0	(2.7)	(7.0)	(4.9)	(0.6)	(2.6)

Note:

1. Deferred management fees received are inclusive of selling and administration fees as well as wages and marketing costs

2. 50% of cash flows for joint ventures are reflected above

3. Lifestyle Brookfield in Melton, Lifestyle Seasons in Tarneit, Lifestyle Warragul, Lifestyle Casey Fields in Cranbourne, Lifestyle Chelsea Heights, Lifestyle Hastings, Lifestyle Lyndarrum in Wollert, Lifestyle Geelong, Lifestyle Officer, Lifestyle Shepparton, Lifestyle Berwick Waters, Lifestyle Bittern, Lifestyle Ocean Grove, Lifestyle Mount Duneed, Lifestyle Kaduna Park and Lifestyle St Leonards - The Waves are fully settled

4. Lifestyle Warragul II, Lifestyle Clifton Springs, Lifestyle Clyde III, Lifestyle Inverloch and Lifestyle Armstrong Creek are in planning

A.8 Cash flow analysis 1HFY24

	Completed Communities ³	Wollert North	Deanside	St Leonards	Pakenham East	Meridian	Clyde Riverfield	Woodlea	Phillip Island	Bellarine	Merrifield	Ocean Grove 2.0	Yarrawonga	Communities in planning ⁴	Total
Community operations cash flows															
Site rentals	16.1	1.0	0.9	1.2	-	1.1	-	-	-	0.2	-	-	-	-	20.5
Deferred management fees received ¹	6.1	-	-	0.3	-	-	-	-	-	-	-	-	-	-	6.4
Community operating costs	(8.0)	(0.4)	(0.3)	(0.3)	-	(0.2)	-	-	-	(0.2)	-	-	-	-	(9.4)
Deferred management expenses paid	(1.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.1)
Net utilities	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3
Net annuity cash flows	13.4	0.6	0.6	1.2	-	0.9	-	-	-	-	-	-	-	-	16.7
Development cash flows															
New home settlements	-	14.8	9.4	0.9	-	20.4	4.5	4.6	-	15.7	-	-	-	-	70.3
Development expenditure	-	(3.3)	(5.9)	(8.3)	(4.5)	(30.9)	(21.9)	(21.1)	(19.3)	(32.9)	(7.2)	-	-	(0.9)	(156.2)
Interest on development debt	-	(0.8)	(1.4)	(0.6)	(0.5)	(1.0)	(1.3)	(1.4)	(1.3)	(1.5)	(0.1)	-	-	-	(9.9)
Net development cash flows	-	10.7	2.1	(8.0)	(5.0)	(11.5)	(18.7)	(17.9)	(20.6)	(18.7)	(7.3)	-	-	(0.9)	(95.8)
Support Office costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11.6)
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fees on non-development debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.7)
Tax paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.0)
Net operating cash flows	-	10.7	2.1	(8.0)	(5.0)	(11.5)	(18.7)	(17.9)	(20.6)	(18.7)	(7.3)	-	-	(0.9)	(17.3)
Reconciliation to statutory cash flows															
Land (investing)	-	-	-	-	-	-	-	-	-	-	-	-	-	(9.5)	(9.5)
PPE and lease payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.2)
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	121.0
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.3)
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flows²	-	10.7	2.1	(8.0)	(5.0)	(11.5)	(18.7)	(17.9)	(20.6)	(18.7)	(7.3)	-	-	(0.9)	0.6

Notes:

- Deferred management fees received are inclusive of selling and administration fees as well as wages and marketing costs
- 50% of cash flows for joint ventures are reflected above
- Lifestyle Brookfield in Melton, Lifestyle Seasons in Tarneit, Lifestyle Warragul, Lifestyle Casey Fields in Cranbourne, Lifestyle Chelsea Heights, Lifestyle Hastings, Lifestyle Lyndarrum in Wollert, Lifestyle Geelong, Lifestyle Officer, Lifestyle Shepparton, Lifestyle Berwick Waters, Lifestyle Bittern, Lifestyle Ocean Grove, Lifestyle Mount Duneed and Lifestyle Kaduna Park
- Lifestyle Warragul II, Lifestyle Clifton Springs, Lifestyle Clyde III and Lifestyle Inverloch are in planning

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