

Downsize to a bigger life
Lifestyle
COMMUNITIES

A Business for Purpose

Results Presentation
for the half year ended 31 December 2022

Lifestyle St Leonards indoor pool

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Artist's impression of Lifestyle Bellarine Clubhouse

A business for purpose

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

An empowering and engaging customer service offering that **reimagines traditional retirement.**

An affordable housing option for Australians aged over 50.

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

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

Lifestyle St Leonards



SECTION 1

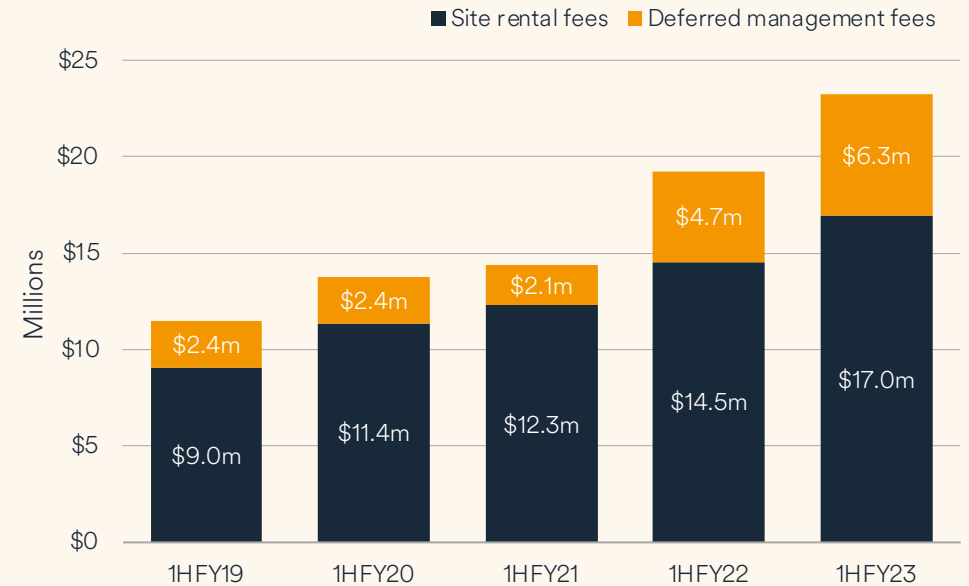
Overview

1HFY23 results snapshot

Financial summary

(\$m)	1HFY23	1HFY22
Net profit after tax attributable to shareholders	25.2	27.5
Total assets	1,084.3	925.9
Equity	474.3	400.3
Dividend (cents per share)	5.5	4.5
Net debt	350	273.5
Net debt to net debt plus equity	42.5%	40.6%

Growing annuity income streams



Total number of homes settled ¹	2,133	2,393	2,625	2,958	3,334
Number of resales attracting a DMF	30	37	32	68	72

Notes:

1. Cumulative, represents gross numbers not adjusted for joint venture interests

1HFY23 highlights

Artist's impression of Lifestyle Woodlea Clubhouse

OVERVIEW

- Four new projects launched – Woodlea, Bellarine, Phillip Island, St Leonards – The Shores
- Lifestyle Mount Duneed and Lifestyle Kaduna Park completed final settlements
- 214 new sales and 141 new home settlements
- New home settlements will be second half weighted due to project timing
- 72 Established home resales attracted a deferred management fee
- Existing debt facility increased by \$150m to a total of \$525m
- Signed contract to purchase a new site in Warragul
- Profit after tax decreased from \$27.5m in 1HFY22 to \$25.2m in 1HFY23 driven by project timing resulting in lower new home settlements in the period
- Portfolio of 5,599 home sites of which 3,334 home sites are occupied by 4,773 homeowners

*A thoughtful business model
structured for sustainable growth*



Portfolio overview and land acquisition strategy

28 Communities in planning, development or under management

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

Focus remains on Melbourne and Geelong's growth corridors:

- Melbourne has the strategic benefit of flat topography which increases site choice
- Multiple communities can be built in each growth corridor
- Forward planning has created large areas of serviced zoned land in each catchment
- Under its 'just in time' model, Lifestyle Communities starts the development as soon as possible after acquisition of the site
- Success of St Leonards provides confidence in "destinational" communities



Greatest growth opportunity remains in Victoria with low saturation and accessible flat land

Portfolio overview 1HFY23

Communities	Total homes in communities	Homes sold and occupied	Homes sold and awaiting settlement	Homes occupied or sold and awaiting settlement	
				No.	%
Existing Communities - Sold out					
Brookfield at Melton	228	228		228	100%
Seasons at Tarneit	136	136		136	100%
Warragul	182	182		182	100%
Casey Fields at Cranbourne ¹	217	217		217	100%
Shepparton	300	300		300	100%
Chelsea Heights ¹	186	186		186	100%
Hastings	141	141		141	100%
Lyndarum at Wollert	154	154		154	100%
Geelong	164	164		164	100%
Officer	151	151		151	100%
Berwick Waters	216	216		216	100%
Bittern	209	209		209	100%
Ocean Grove	220	220		220	100%
Mount Duneed	191	191		191	100%
Kaduna Park at Officer South	169	169		169	100%
Existing Communities - Under Construction					
Wollert North	246	129	44	173	70%
Deanside	266	104	35	139	52%
St Leonards – The Waves	199	164	33	197	99%
St Leonards – The Shores	159		15	15	9%
Meridian	274	69	95	164	60%
Woodlea	180		16	16	9%
Phillip Island	260		47	47	18%
Bellarine	164	4	51	55	34%
New Communities - Awaiting Commencement					
Pakenham	175				
Riverfield	230				
Merrifield	187				
Ocean Grove II ²	190				
Warragul II ³	205				
Total⁴	5,599	3,334	336	3,670	66%

Notes:

1. Represents 100% of the development of which Lifestyle Communities shares 50%
2. Commencement of construction subject to planning approval
3. Commencement of construction subject to planning approval and contracts becoming unconditional
4. Lifestyle Communities will have an economic interest in 5,398 home sites



SECTION 2

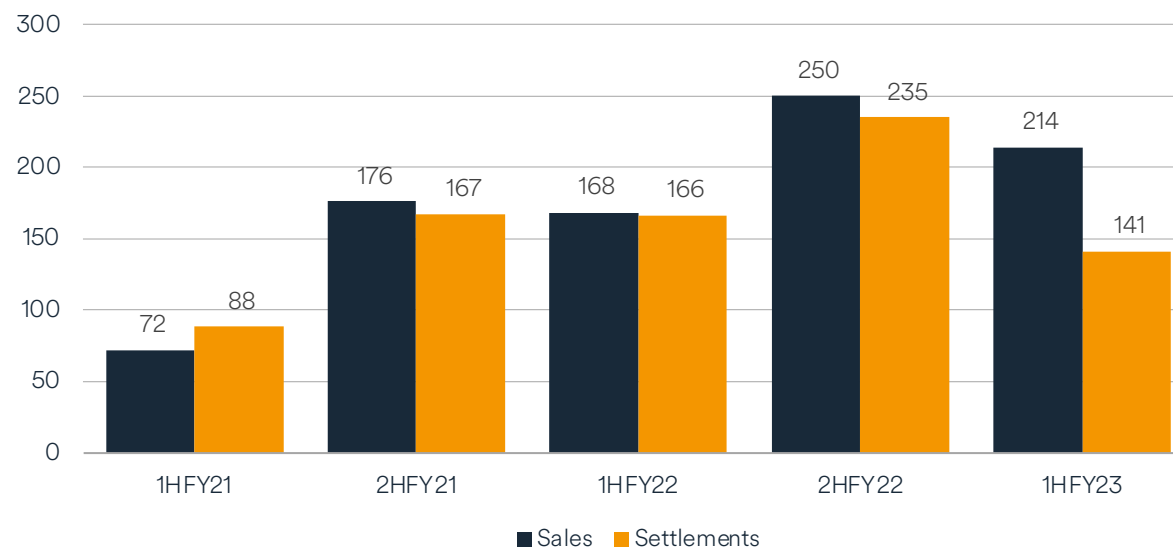
**Operations
update**

Sales and settlements

- 214 new home sales
- Launched new sites for sale as follows:
 - Woodlea: September 22
 - Bellarine: September 22
 - St Leonards – The Shores: November 22
 - Phillip Island: December 22
- Riverfield, Merrifield and Pakenham East scheduled to launch in the second half
- 72 Established home resales attracted a deferred management fee

Community	No. of homes	Sold	% sold	Settled	% settled
Wollert North	246	173	70%	129	52%
Deanside	266	139	52%	104	39%
St Leonards – The Waves	199	197	99%	164	82%
St Leonards – The Shores	159	15	9%	0	0%
Meridian	274	164	60%	69	25%
Woodlea	180	16	9%	0	0%
Phillip Island	260	47	18%	0	0%
Bellarine	164	52	32%	4	2%

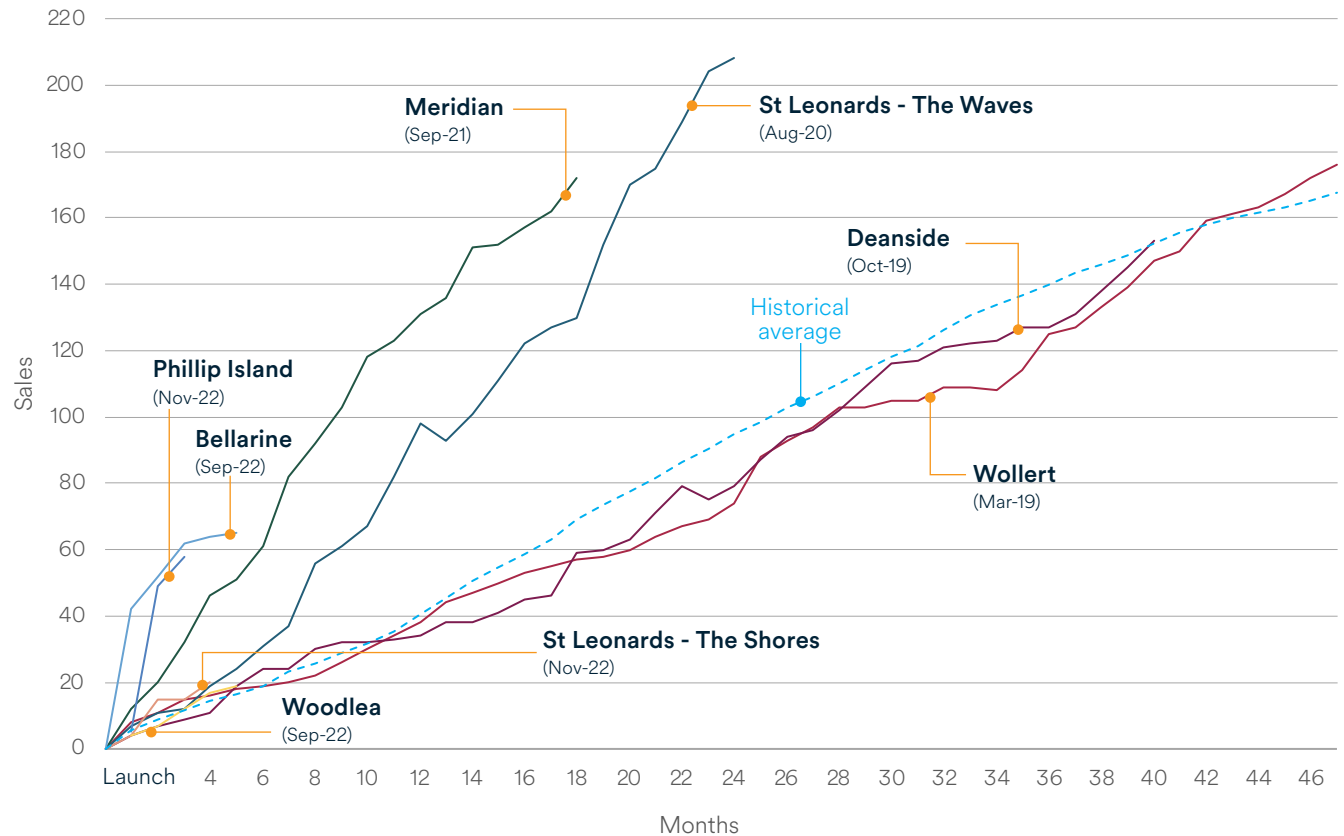
Homes



Sales rates

- Timing of projects affected aggregate sales in the period
- Existing projects at Kaduna Park, Mount Duneed and St Leonards are all sold out
- New projects at Woodlea, Bellarine, St Leonards – The Shores, and Phillip Island launched progressively during the period
- Wollert and Deanside performing consistently in recent months
- Meridian continues to exceed expectations

Sales profile from date of first sale



The higher the sales rate, the faster capital is recycled to undertake more communities

Spotlight on MERIDIAN

One of Lifestyle Communities smartest communities yet that redefines the downsizing lifestyle for our homeowners.

It's the culmination of 20 years of experience and intimate knowledge, coupled with an unwavering focus to deliver beautifully designed, low-maintenance homes with best in class amenities.



LIFESTYLE MERIDIAN

60% Sold **25%** Settled



SOLAR-POWERED COMMUNITY MICRO-GRID

The first community to include a solar-powered community micro-grid with centralised battery storage.

Will deliver significant reductions in the cost of electricity and allow energy sharing within the community.

146 HOMES UNDER CONSTRUCTION



69 HOMES SETTLED

CLUB HOUSE OPENING **28 APRIL**



Scan here to find out more about the Meridian team.

New Land Acquisition - Warragul II

- Located approximately 4.3km from our existing Warragul community
- Adjacent to future neighbourhood shopping centre
- 8ha site with capacity for approximately 205 homes
- Serviced superlot – vendor to build all roads / services to site boundary prior to settlement
- Opportunity to leverage our brand and track record from Warragul and the broader south-east catchment
- Expect to commence construction in 24 months
- Strong median house price growth – current median of \$665k (12.5% average annual growth in last 5 years)
- Acquisition will be funded using our existing debt facility

Lifestyle
COMMUNITIES

**Established
Community**

Lifestyle
COMMUNITIES
**Future
Community**



Introducing Club Lifestyle

Club Lifestyle unlocks a world of exclusive benefits, adventures and unique experiences that only come with being a homeowner at Lifestyle Communities.

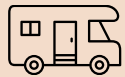
We're helping our homeowners to live 'Even Bigger' lives and creating a differentiated value proposition that will drive referrals and ensure that Lifestyle Communities continues to be the first choice for downsizers.

Unique adventures and experiences¹ *Free!*

Take a holiday on us with luxurious villas, fully powered van sites and facilities or hit the open road and create your own adventure with our furnished motorhomes. Coming soon to Lifestyle Bellarine with new locations already in the pipeline.



Luxurious, self-contained villas



Furnished motorhomes



Serviced van sites



Stylish facilities

1. Terms and conditions apply



Watch our Club Lifestyle video here



Artist's impression of Lifestyle Bellarine Clubhouse indoor pool area



SECTION 3

Financial results

Financial results

There are two components to the annuity stream:

1. Site Rental Fee

- \$199 per single and \$230 per couple, per week, per home
- Indexed at greater of CPI or 3.5% p.a.
- Gross rental income for 1HFY23 was \$17 million

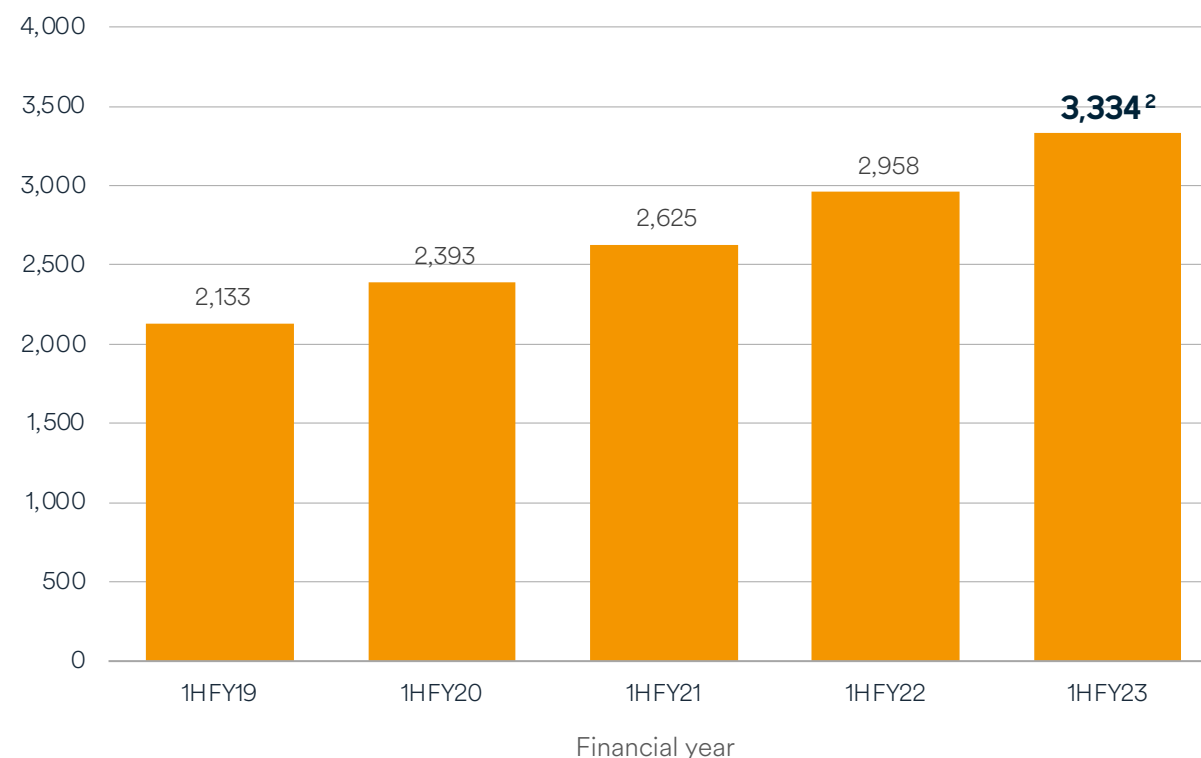
2. Deferred Management Fee (DMF)

- Increases at 4% per year capped at 20% of the resale price
- 72 resale settlements provided DMF income of \$6.3m¹.
- Average tenure was 6.2 years and average capital growth was 9.8% p.a.

Notes:

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

Home sites under management



Annuity income will continue to increase through new home settlements, rental increases and resales of existing homes

Income statement

- New home settlements were 141 (1HFY22: 166)
- Project phasing impacted settlements:
 - Projects Completed: Mount Duneed, Kaduna Park
 - Projects Launched: Woodlea, Bellarine, St Leonards – The Shores, Phillip Island
- Revenue from site rentals increased due to an increased number of homes under management. Community operating expenses also increased in line with the increased number of homes
- Established home resale settlements attracting a DMF were 72 (1HFY22: 68)
- DMF revenue increased due to a higher number of established home resales and higher resale prices achieved
- Development expenses increased as a result of bringing new projects to market
- Corporate costs increased due to support the increased activity levels

Four new projects launched for sale. Settlements will be weighted to the second half

Income statement	1HFY23 (\$000)	1HFY22 (\$000)	Movement (%)
Home settlement revenue	67,219	72,491	(7.3%)
Cost of sales ¹	(52,948)	(56,490)	(6.3%)
Gross profit	14,271	16,001	(10.8%)
Home settlement margin	21.2%	22.1%	(4.1%)
Management and other revenue			
Site rental	16,961	14,547	16.6%
Deferred management fees	6,255	4,689	33.4%
Other revenue	2,416	2,143	12.7%
Total management and other revenue	25,632	21,379	19.9%
Fair value adjustments	24,886	26,192	(5.0%)
Development expenses	(5,960)	(4,196)	42.0%
Community Operating Expenses	(7,206)	(6,635)	8.6%
DMF expenses	(1,188)	(1,059)	12.2%
Corporate overheads	(8,731)	(6,624)	31.8%
Employee Share Scheme	(1,869)	(1,451)	28.8%
Finance costs	(1,367)	(686)	99.3%
Other expenses	(2,365)	(3,634)	(34.9%)
Net profit before tax	36,103	39,287	(8.1%)
Net profit after tax	25,240	27,515	(8.3%)

Note:

1. Cost of sales includes \$22.5m for the share of community infrastructure sold to each homeowner and expensed upon settlement (1HFY22: \$19.8m)

Balance sheet

- The inventory balance includes:
 - \$78.8m for display homes and houses in progress
 - \$72.3m for Civil and Infrastructure works on developments in progress
- Trade payables includes accruals for future land settlements at Merrifield, Ocean Grove, and Warragul
- Borrowings have increased due to:
 - increased construction activity to facilitate future growth
 - the ramp-up in construction activities at Woodlea, St Leonards, and Meridian
 - Housing construction costs to support pre-sales
 - settlement of land at St Leonards – The Shores, Bellarine, Riverfield, and Pakenham
 - deposits on new acquisition at Warragul
- Borrowings are project linked – cost of debt recovered through new home sales

Balance sheet highlights	1HFY23 (\$000)	1HFY22 (\$000)	Movement (%)
Cash and cash on deposit	1,050	519	102.3%
Inventories	151,150	146,739	3.0%
Investment properties	904,754	757,787	19.4%
Other assets	27,327	20,887	30.8%
Total assets	1,084,281	925,932	17.1%
Trade and other payables	103,959	125,254	(17.0)%
Interest-bearing loans and borrowings	351,000	274,000	28.1%
Deferred tax liabilities	153,597	124,228	23.6%
Other liabilities	1,429	2,177	(34.4)%
Total liabilities	609,985	525,659	16.0%
Net assets	474,296	400,273	18.5%
Gearing¹	42.5%	40.6%	4.7%

Note:

1. Calculated as a ratio of net debt to net debt plus equity (net debt includes cash)

Lifestyle Communities operates within a highly disciplined capital management framework with a focus on recycling capital and organic growth

Cash flow

- Receipts from customers decreased due to lower settlements but was partly offset by higher sales prices and increased annuity revenue and deferred management fees
- The \$27.8m outflow from operations includes:
 - \$57.2m for housing under construction
 - \$28.5m for infrastructure, civil works and other development costs
- Purchase of investment properties includes settlement of land at St Leonards – The Shores, Bellarine, Riverfield and Pakenham
- Interest payments have increased due to higher interest rates, increased debt draw, and larger facility size
- The interest rate on the majority of the debt has been fixed to provide certainty in our sales pricing models
- For a detailed breakdown of cash flows please refer to Appendix A.8

	1HFY23 (\$'000)	1HFY22 (\$'000)
Cash flow highlights		
Receipts from customers	99,769	101,478
Payments to suppliers and employees	(116,445)	(110,478)
Income taxes paid	(5,076)	(5,109)
Net interest payments	(6,007)	(2,604)
Cash flow from operations	(27,759)	(16,713)
Purchase of PP&E	(4,155)	(1,606)
Purchase of investment properties	(68,519)	(60,561)
Cash flow from investing activities	(72,674)	(62,167)
Principle elements of lease payments	(136)	(134)
Net movement in borrowings	106,000	84,000
Purchase of treasury shares	–	(1,537)
Dividends paid	(6,273)	(5,230)
Cash flow from financing activities	99,591	77,099
Net cash flows	(842)	(1,781)
Cash at the beginning of the year	1,892	2,300
Cash at the end of the year	1,050	519

Note:

1. Due to Lifestyle Communities' accounting policies and legal structure, payments to suppliers and employees includes all gross costs of infrastructure construction (i.e. civil works, clubhouse and other facilities). Under some other structures these costs may be classified as investing cash flows. Therefore, cash flows from operations will be negatively impacted when Lifestyle Communities is in the cash-intensive development phase of a community. To assist with further understanding of cash flows, please refer to Appendix 7 and 8 for a detailed breakdown of development and management cash flows per community for FY23 and FY22.
2. Included in payments to suppliers and employees is \$28.5 million for community infrastructure which will be proportionately sold with each home (1HFY22 \$30.6 million)





SECTION 4

Outlook

Outlook

- Lifestyle Communities has a focused strategy to service a niche – providing high quality affordable housing to the over 50s
- Currently funded and resourced to acquire up to three new sites per year, subject to identification of appropriate sites
- Focused on Melbourne’s growth corridors as well as key Victorian regional centres
- The Company enters the second half with 336 new homes sold and awaiting settlement
- With the current pipeline of projects, we remain on track to deliver settlements in the range of 1,400 to 1,700³ over the 3 years to FY25
- Resale settlements attracting a DMF are anticipated to be in the range of 550 to 750 over the 3 years to FY25
- The balance sheet and debt position is robust - access to \$175m in cash and undrawn facilities, and the next refinancing is not due until June 2025
- Operating cash flow is underpinned by the ongoing rental annuities from its 3,334 homes under management

Funded and resourced to acquire up to three new communities every 12 months

Settlement Profile of Communities in Development

Community	FY23				FY24				FY25			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mount Duneed	●											
Kaduna Park	●											
Wollert	●	●	●	●	●	●	●	●	●			
Deanside	●	●	●	●	●	●	●	●	●			
St Leonards - The Waves	●	●	●	●	●							
St Leonards - The Shores								●	●	●	●	●
Meridian	●	●	●	●	●	●	●	●	●	●	●	●
Woodlea				●	●	●	●	●	●	●	●	●
Bellarine				●	●	●	●	●	●	●	●	●
Pakenham							●	●	●	●	●	●
Riverfield							●	●	●	●	●	●
Phillip Island							●	●	●	●	●	●
Merrifield								●	●	●	●	●
Ocean Grove											●	●
Warragul												●

● Represents typical settlement rate ● Represents tail of development which is often a slower settlement rate

Still image from our latest TV commercial



Appendix

A.1 Our story and purpose

We're champions for facilitating a bigger life for our homeowners. A cohort of like-minded retired, semi-retired and working downsizers who belong to a generation that's seen more change than any before; and possibly any to come.



We build communities because our homeowners have worked hard for what they have, and they deserve beautifully designed and low maintenance homes in concert with best-in-class amenities. We create communities because our homeowners haven't given up on returning to a time when they built strong communities around their own homes. We nurture the homeowners within our communities because they seek a space that's truly their own, that strikes the perfect balance between connection and privacy, independence, and activity.

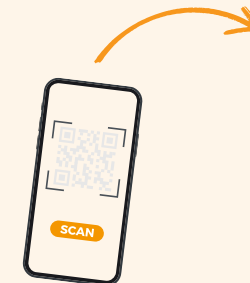
Like us, our homeowners rail against an earnestly bland existence or disappearing into a sea of sameness; the one-size-fits all approach that places limitations on what's possible. Which is why we actively listen to them; to their hopes for now and their dreams for the future, so the next time they ask, "what's next?" we've already been busy reimagining.

But, most of all, we champion bigger, more enhanced lives for our homeowners because we know that reducing their property footprint takes a giant leap of faith. This is why we believe it's a privilege to walk alongside them as they elevate the next phase of their lives.

Like us, we believe they're just getting started.

After all, they're the generation of change. And they're not done yet.

Scan the QR code to view our 'Lifestyle Story'



A.2 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.



Homes typically priced at 75-80% of the median house price in the target catchment



90 Year Lease

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



On average, release of approximately \$240,000¹ 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. 20-25% of the Aged Pension after receipt of the Commonwealth Rental Assistance.²

Notes

1. Calculated as the difference between the homeowners house sale price and the homeowners Lifestyle house purchase price
2. 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.3 Macro themes providing resilience through the cycle

Baby Boomers and First Home Buyers driven to action regardless of the cycle

Lifestyle Communities provides a credible option even in falling market

- Downsizing releases equity to improve living standards in retirement
- Design evolution delivers aspirational product – attracting more customers from above the median house price (including self-funded retirees)
- Transparent financial model provides certainty to homeowners regarding future costs
- Cash cost recovery pricing model did not chase the market during the upswing – Leaves room to absorb inflation and interest rate rises
- Pandemic continues to inspire a “seize the day” mentality



Ageing Population

- Shortage of Affordable Housing Options
- Pensioners, Part Pensioners and self funded retirees impacted by inflation
- Stage of life drives action regardless of the cycle – Seize the Day!
- Low levels of superannuation - benefit from equity free-up
- Desire for ownership, control, safety, security and social interaction
- Typically sell to first home buyers

Economic Environment

- Superannuation balances impacted by equity market
- Increased cost of living affects the asset rich/cash poor cohort
- Creates necessity to downsize
- Increases the addressable market
- Doing nothing is less attractive

First Home Buyers

- Typically buy the homes Lifestyle customers are selling
- Stage of life drives action regardless of the cycle
- See an opportunity to enter the market
- Priced out of the new home market
- Supported by low unemployment
- Supported by Government incentives at both a state and federal level

Property Market – outer suburbs

- Affordable suburbs less sensitive to price movements
- Sales volumes reduce in down cycles – Upgraders and Investors drop out
- First home buyers underpin the remaining volume
- Correlation to unemployment
- Supported by immigration

A.4 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.

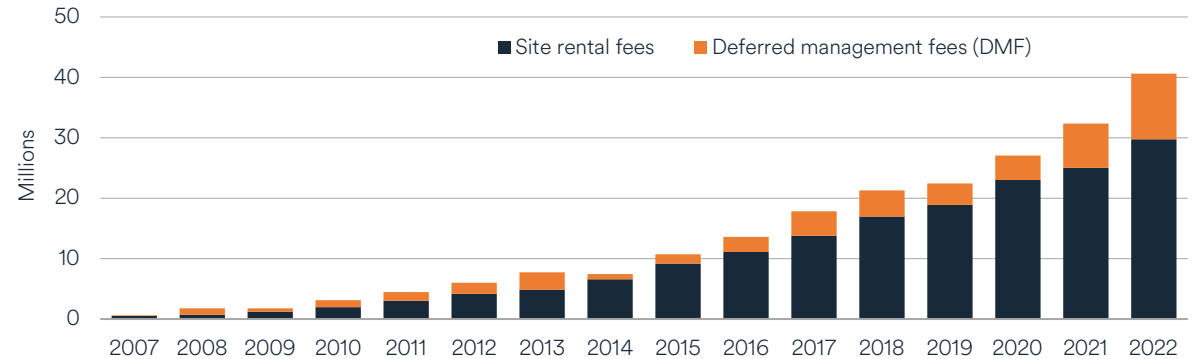


Current speed of capital recycling allowing the acquisition of at least two new sites every year.

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.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total number of homes settled (Cumulative)	100	138	202	305	412	546	695	906	1,146	1,348	1,626	1,947	2,284	2,537	2,792	3,193
Number of resales attracting a DMF	-	-	4	11	8	11	10	23	34	52	73	59	53	80	105	143

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

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.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%)
- Facility fees and interest on any non-development debt
- Tax attributed to the above

Dividend

An interim fully franked dividend of 5.5 cents per share has been declared in respect of FY23 (the dividend has a record date of 6 March 2023 and a payment date of 5 April 2023).

Surplus franking credits

As at 31 December 2022 the franking account balance was \$32.1 million (after allowing for the interim dividend and tax payable for 1HFY23).

The growing level of free cash flow from the annuities provides the basis for increasing dividends over time

Artist's impression of Lifestyle Woodlea Clubhouse

A.6 Sales and settlements

	New home settlements		Net sales commitments		Resale home settlements	
	1HFY23	1HFY22	1HFY23	1HFY22	1HFY23	1HFY22
Existing Communities - Sold out						
Brookfield					13	8
Seasons					2	10
Warragul					3	2
Casey Fields ¹					5	10
Shepparton					7	7
Chelsea Heights ¹					5	4
Hastings					5	5
Lyndarum					7	2
Geelong					0	3
Officer					6	2
Berwick Waters					4	2
Bittern					6	7
Ocean Grove		1			7	6
Mount Duneed	7	27		28	1	
Kaduna Park	2	42		15	1	
Existing Communities - Under Construction						
Wollert North	24	24	26	5		
Deanside	16	29	17	24		
St Leonards – The Waves	48	43		45		
St Leonards – The Shores			15			
Meridian	40		41	51		
Woodlea			16			
Phillip Island			47			
Bellarine	4		52			
New Communities - Awaiting Commencement						
Pakenham						
Riverfiled						
Merrifield						
Ocean Grove II ²						
Warragul II ³						
Total	141	166	214	168	72	68

Notes:

1. Represents gross numbers not adjusted for joint venture interests
2. Commencement of construction subject to planning approval
3. Commencement of construction subject to planning approval and contracts becoming unconditional

A.7 Deferred management fees

	Brookfield	Seasons	Warragul	Casey Fields	Shepparton	Chelsea Heights	Hastings	Lyndarum	Officer	Geelong	Berwick Waters	Bittern	Ocean Grove	Mount Duneed	Kaduna Park	Total
Historical resales	181	52	81	84	62	65	58	28	30	21	22	33	22	1	2	742
Average tenure (years)	7.6	7.0	5.3	5.5	4.7	4.5	4.2	4.3	3.6	2.7	3.1	2.6	2.3	3.0	1.7	5.3
Average price growth p.a	5.0%	2.8%	4.0%	5.5%	5.2%	14.8%	10.6%	7.0%	9.4%	9.3%	9.5%	20.7%	18.9%	14.7%	8.2%	7.7%
Average purchase price (move in)	196,726	245,653	246,769	298,207	242,503	348,328	316,290	343,208	320,104	313,975	392,799	402,397	421,007	487,271	513,595	280,248
Average sales price (move out)	262,914	294,788	296,704	385,429	293,073	547,600	434,819	434,732	418,433	420,262	505,000	608,152	592,955	700,000	585,000	374,602
Average DMF	43,435	54,234	49,239	66,191	49,894	91,892	66,519	70,884	64,194	66,948	65,820	72,194	62,073	84,000	46,800	59,090
Average DMF rate	16.5%	18.4%	16.5%	16.9%	17.2%	16.4%	15.0%	16.4%	15.1%	16.0%	12.7%	11.6%	10.4%	12.0%	8.0%	16.0%
Total DMF received	7,861,712	2,820,180	3,988,387	5,560,080	3,093,420	5,972,999	3,858,080	1,984,740	1,925,820	1,405,900	1,448,040	2,382,400	1,365,600	84,000	93,600	43,844,958
1HFY23 resales	13	2	3	5	7	5	5	7	6	-	4	6	7	1	1	72
Average tenure (years)	10.8	12.1	7.1	7.8	5.3	6.0	5.2	5.5	5.0		4.4	3.4	2.7	3.0	1.5	6.2
Average price growth p.a	3.7%	3.7%	6.5%	5.9%	10.3%	8.4%	12.1%	5.1%	8.1%		9.9%	23.2%	19.5%	14.7%	9.5%	9.8%
Average purchase price (move in)	213,952	258,063	280,435	316,905	216,975	427,455	375,078	341,281	305,535		414,475	413,601	442,163	487,271	500,000	329,152
Average sales price (move out)	301,308	372,500	388,333	455,000	319,643	625,000	562,000	439,000	426,667		594,000	721,000	668,571	700,000	570,000	479,993
Average DMF	52,342	74,500	65,783	79,120	62,340	115,320	83,880	82,680	76,933		107,250	105,493	81,029	84,000	45,600	78,526
Average DMF rate	17.6%	20.0%	17.0%	17.6%	19.4%	18.4%	15.2%	18.9%	18.0%		18.0%	14.7%	12.0%	12.0%	8.0%	16.9%
Total DMF received	680,450	149,000	197,350	395,600	436,380	576,600	419,400	578,760	461,600		429,000	632,960	567,200	84,000	45,600	5,653,900
1HFY22 resales	8	10	2	10	7	4	5	2	2	3	2	7	6	-	-	68
Average tenure (years)	8.7	8.3	11.7	7.9	5.9	7.6	7.2	5.5	4.9	4.8	2.4	2.2	2.2			6.3
Average price growth p.a	2.5%	1.8%	3.8%	4.7%	5.6%	10.7%	9.2%	2.2%	8.8%	10.0%	6.9%	28.4%	15.8%			8.5%
Average purchase price (move in)	230,463	262,394	221,275	296,919	235,274	310,330	301,105	382,335	292,848	302,593	440,202	423,224	380,788			303,809
Average sales price (move out)	279,938	304,250	321,000	406,250	296,143	559,750	499,800	420,000	417,500	442,000	511,500	637,429	498,333			415,787
Average DMF	47,049	60,600	55,200	81,250	50,794	111,950	99,960	54,420	83,500	82,507	51,420	61,223	50,100			67,115
Average DMF rate	16.8%	20.2%	17.5%	20.0%	17.1%	20.0%	20.0%	14.0%	20.0%	18.7%	10.0%	9.7%	10.0%			16.8%
Total DMF received	376,390	606,000	110,400	812,500	355,560	447,800	499,800	108,840	167,000	247,520	102,840	428,560	300,600			4,563,810

Notes:

1. Only includes resales that attracted a DMF
2. Excludes selling and administration fees

A.8 Cash flow analysis 1HFY23

Supplementary cash flow analysis	Fully settled communities	Mount Duneed	Kaduna Park	Wollert North	Deanside	St Leonards	Meridian	Riverfield	Woodlea	Phillip Island	Bellarine	Future Communities	Total
Total number of homes	2,504	191	169	246	266	358	274	230	180	260	164	757	5,599
Settled 1HFY23		7	2	24	16	48	40				4		141
Remaining homes and lots available to be settled				117	162	194	205	230	180	260	160	757	2,265
Capital cash flows (\$million)													
Land						(14.33)		(20.70)			(19.14)	(14.35)	(68.52)
Development expenditure (development and sales)	(0.00)	(0.43)	(0.27)	(3.27)	(3.20)	(2.84)	(7.97)	(4.28)	(5.81)	(1.51)	(2.72)	(0.14)	(32.42)
Home construction		(0.08)	(0.03)	(10.25)	(12.63)	(9.31)	(17.40)	(0.45)	(0.76)		(6.26)	(0.00)	(57.17)
Home settlements		3.36	1.02	11.65	8.00	23.46	19.27				0.46		67.22
Net development cash flows	(0.00)	2.86	0.72	(1.87)	(7.82)	(3.02)	(6.11)	(25.43)	(6.57)	(1.51)	(27.66)	(14.49)	(90.89)
Annuity cash flows (\$million)													
Site rentals (incl. management fees)	12.97	1.05	0.96	0.66	0.53	0.79							16.96
Deferred Management Fees Received (net) ¹	4.82	0.07	0.12	0.01	0.01	0.04	(0.00)						5.07
Community operating costs ²	(4.77)	(0.30)	(0.27)	(0.20)	(0.24)	(0.24)	(0.10)						(6.12)
Net result from utilities	0.07	0.04	(0.02)	(0.02)	(0.03)	(0.04)							0.00
Operations management overheads	0												(1.09)
Net annuity cash flows	13.09	0.86	0.78	0.45	0.27	0.55	(0.10)						14.82
Support Office costs													(7.43)
Net operating cash flows													(83.51)
Reconciliation to statutory cash flows													
Less - Interest													(6.01)
Less - Income taxes paid													(5.08)
Add - Land (investing cash flow)													68.52
Add - Movement in working capital													(1.70)
Statutory cash flows from operations (\$m)													(27.77)

Notes:

- Deferred management fees received are inclusive of selling and administration fees as well as wages and marketing costs
- Lifestyle Communities record 100% rental income and pay out 50% (after management fees) to non-controlling interests

A.9 Cash flow analysis 1HFY22

Supplementary cash flow analysis	Completed Communities	Ocean Grove	Mount Duneed	Kaduna Park	Wollert North	Deanside	St Leonards	Meridian	Communities in planning	Total
Total number of homes	2,284	220	191	169	246	266	358	274	1,222	5,230
Settled 1HFY22		1	27	42	24	29	43			166
Remaining homes and lots available to be settled	–	–	52	17	186	213	309	274	1,222	2,273
Capital cash flows (\$million)										
Land	0.37				(5.04)			(20.93)	(34.96)	(60.56)
Development expenditure (development and sales)	(0.13)	(0.11)	(0.93)	(1.06)	(5.05)	(8.70)	(6.36)	(15.08)	(0.31)	(37.73)
Home construction	–	(0.06)	(3.84)	(3.08)	(12.78)	(10.42)	(13.60)	(2.11)		(45.88)
Home settlements	–	0.53	12.19	19.11	10.42	13.07	17.18			72.49
Net development cash flows	0.25	0.36	7.42	14.97	(12.45)	(6.06)	(2.78)	(38.12)	(35.27)	(71.68)
Annuity cash flows (\$million)										
Site rentals (incl. management fees)	11.46	1.20	0.67	0.73	0.27	0.22				14.55
Deferred Management Fees Received (net) ¹	3.39	0.33	(0.03)	(0.02)	(0.01)	(0.01)	(0.01)			3.63
Community operating costs ²	(4.24)	(0.46)	(0.25)	(0.36)	(0.18)	(0.17)	(0.13)			(5.80)
Net result from utilities	0.19	0.03	0.01	0.01	(0.02)	(0.02)	(0.00)			0.19
Operations management overheads										(0.85)
Net annuity cash flows	10.79	1.09	0.39	0.36	0.06	0.01	(0.13)		–	11.73
Support Office costs										(8.82)
Net operating cash flows										(68.77)
Reconciliation to statutory cash flows										
Less - Interest										(2.60)
Less - Income taxes paid										(5.11)
Add - Land (investing cash flow)										60.56
Add - Movement in working capital										(0.79)
Statutory cash flows from operations (\$m)										(16.71)

Notes:

- Deferred management fees received are inclusive of selling and administration fees as well as wages and marketing costs
- Lifestyle Communities record 100% rental income and pay out 50% (after management fees) to non-controlling interests

Important notice and disclaimer

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