

Equity Raising Presentation

22 February 2024

A business for purpose

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COMMUNITIES

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- eligible institutional shareholders of Lifestyle Communities (“Institutional Entitlement Offer”); and
- eligible retail shareholders of Lifestyle Communities (“Retail Entitlement Offer”),

under sections 708AA and 708A(12A) of the Corporations Act 2001 (Cth) (“Corporations Act”) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (together, the “Entitlement Offer”). The proceeds from the Entitlement Offer will be used to provide balance sheet flexibility to fund strategic growth initiatives, including 5 identified land acquisition opportunities, which if executed are expected to underpin LIC’s future earnings growth. See slide 15 for further details on the identified land acquisition opportunities, including the status of those opportunities. There is no guarantee those opportunities will result in acquisitions.

SUMMARY INFORMATION

The material in this Presentation is for information purposes only and is current as at 22 February 2024. It is information of a general nature given in summary form and does not purport to be complete. It does not purport to contain all of the information that an investor should consider when making a decision on whether to participate in the Entitlement Offer nor does it contain all the information which would be required in a product disclosure statement, prospectus or other offering document under Australian law or under the laws of any other jurisdiction. It should be read in conjunction with Lifestyle Communities’ periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (“ASX”), which are available at www.asx.com.au. No member of Lifestyle Communities gives any representations or warranties in relation to the statements or information in this Presentation.

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Investors acknowledge and agree that the eligibility of investors for the purposes of the Institutional Entitlement Offer or the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Lifestyle Communities and/or the underwriter. Each of Lifestyle Communities, the underwriter and each of their respective Extended Parties disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. The underwriter may rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Entitlement Offer without having independently verified that information and the underwriter does not assume responsibility for the currency, accuracy, reliability or completeness of that information.

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Executive Summary

| | |
|--------------------------------------|--|
| <p>Business Update</p> | <ul style="list-style-type: none"> • Lifestyle Communities (LIC) now has a portfolio of 22 communities in operation with over 5,300 homeowners • LIC has 10 projects in active development⁽¹⁾ and two scheduled for launch in FY24, which are expected to underpin increased settlements over the next 3-years • 1H FY24 new home sales were strong at 197, and LIC currently has over 420 new homes sold and awaiting settlement worth ~\$287 million • LIC acquired four new sites during 1H FY24, increasing LIC’s development pipeline by an estimated 776 homes |
| <p>Market Conditions</p> | <ul style="list-style-type: none"> • Market conditions have led to the pushing out of settlement timeframes, and LIC expects this trend to continue into 2H FY24 and persist until market conditions improve and homebuyers’ confidence returns • As a result of the market conditions, the number of englobo land parcels available for sale has also increased, which presents LIC with a number of attractive opportunities to potentially acquire new high-quality land sites |
| <p>Positioning for Growth</p> | <ul style="list-style-type: none"> • LIC’s first capital raise since 2012 is driven by the desire to capitalise on the opportunity to buy further attractive land sites made available by the prevailing market conditions • Expanding LIC’s development pipeline is expected to support the next phase of LIC’s growth, with potential to increase the number of settlements over the next 5-years, which is expected to deliver further earnings growth • Delivering on-strategy acquisitions is expected to help LIC grow its recurring rental base and further increase LIC’s business reach/scale • With investments into the business over the last 5 years, LIC has the platform, systems and infrastructure in place to scale up and deliver more projects |
| <p>Equity Raising</p> | <ul style="list-style-type: none"> • 1-for-6.08 Accelerated Non-renounceable Entitlement Offer to raise approximately \$275 million at an issue price of \$16.00 per share (“Equity Raising”) • Proceeds will provide balance sheet flexibility to fund strategic growth initiatives, including 5 identified land acquisition opportunities, which if executed are expected to underpin LIC’s future earnings growth⁽²⁾ |
| <p>Looking Ahead</p> | <ul style="list-style-type: none"> • No change to LIC’s existing strategy, with commitment to maintain acquisition and capital management discipline post Equity Raising, and an ongoing focus on recycling capital to pursue self-funding organic growth |

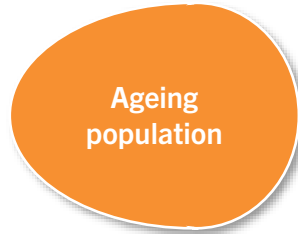
(1) Includes 7 communities in operation (i.e. with homes occupied) but still under construction. (2) See slide 15 for further details on the identified land acquisition opportunities, including the status of those opportunities. There is no guarantee those opportunities will result in acquisitions.



SECTION 1

Market Backdrop

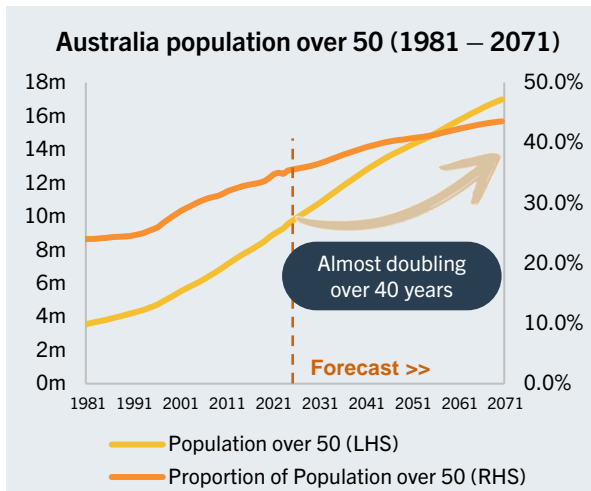
Macro themes underpinning our strategy



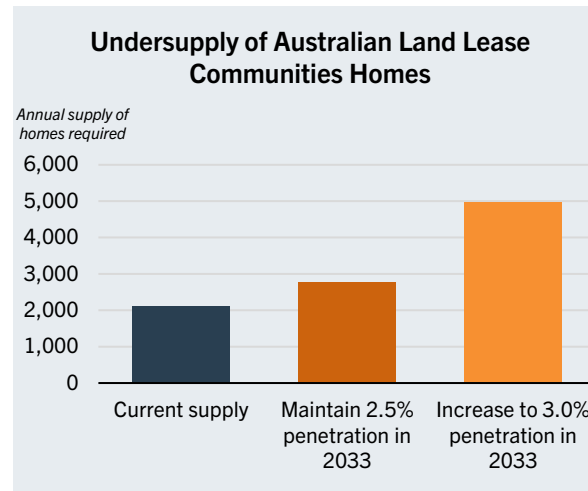
- **Today:** ~9.3m of the Australian population >50 years old **Forecast:** ~16.1 million by 2063
- **Non-cyclical growth:** stage of life drives action regardless of the macroeconomic cycle

- **Increasing need** for affordable housing options
- **Low market penetration in land lease sector:** only ~2% penetration compared to ~6% in retirement villages sector
- **Land lease communities in early stages** with customer awareness building

- **Insufficient savings:** a significant number of retirement aged Australians have insufficient superannuation for the ASFA's "comfortable" retirement standard
- **Helps fund retirement:** new residents benefit from equity release on average of approximately \$259,000 upon sale of previous home
- **Meets customer preferences:** LIC provides desired ownership, control, safety, security and social interaction



Source: ABS



Source: ABS, LIC estimates

On average, equity release of approximately \$259,000 upon sale of previous home

Source: LIC proprietary data

Land Market Dynamics

Challenging conditions...

Unfavourable house and land market:

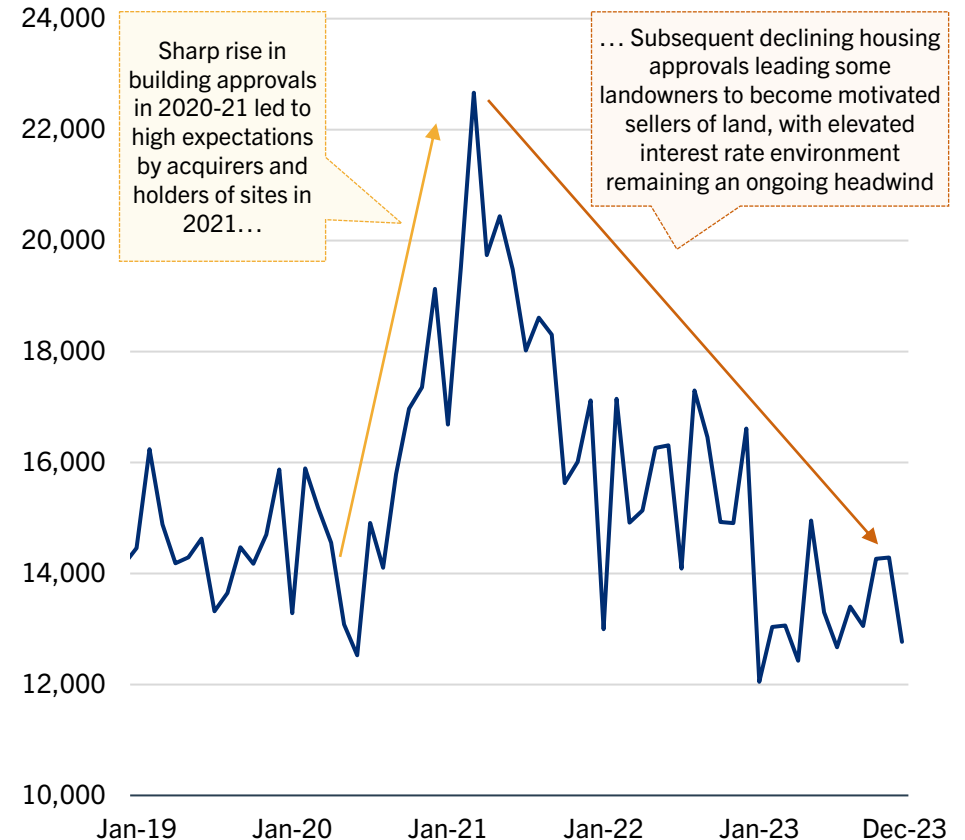
- **Affordability headwind:** 13 consecutive interest rate rises are increasing servicing payments for debt
- **Low consumer confidence:** unstable construction sector and homebuilder insolvencies leading to individuals and developers delaying acquisitions and construction
- **Activity decline:** significant declines in various indicators, including housing construction activity, new home sales, house & land markets

... creating opportunity

Opportune time for LIC to re-stock and expand its development pipeline with high quality locations

- **Motivated sellers:** holders of land looking to sell as the housing market takes time to recover...
- ... **Providing access to sites:** weak market conditions opening up opportunities to acquire high quality sites on improved terms

Australian Private Residential Building Approvals (since 2019)



Source: ABS



SECTION 2

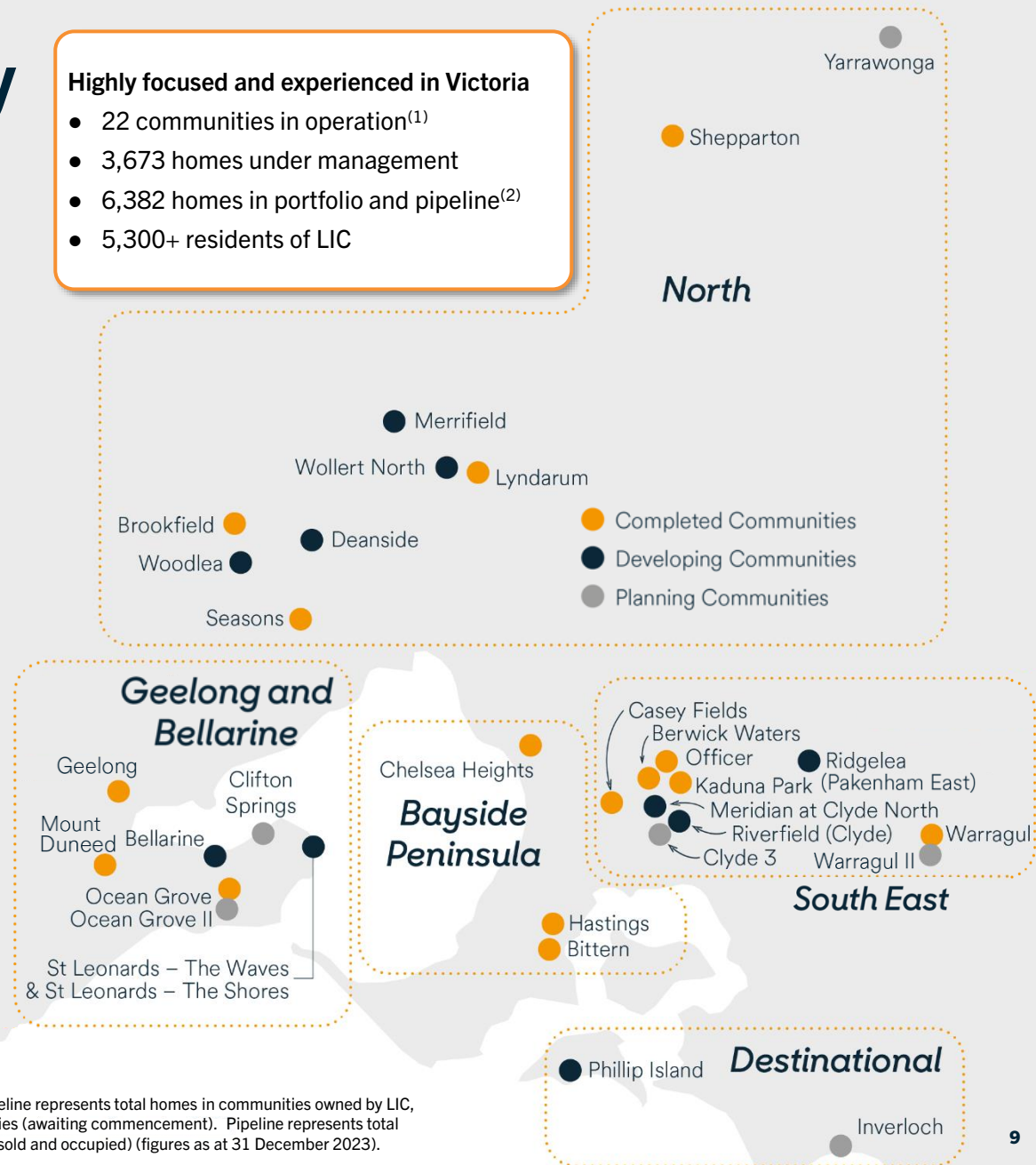
Positioning for Growth

Market leadership and focused strategy

- LIC was **founded in 2003, and now has 21 years of experience** in developing land lease communities
- LIC remains **the only ASX-listed pure play land lease communities business**
- **A market leader operating solely in Victoria**, having welcomed over 5,300 residents and settled over 3,600 homes
- **A customer and homeowner centric business** that has resulted in up to **50% of sales coming from referrals in some communities**
- **Focused strategy** to provide high quality, affordable housing to the downsizer market in Melbourne's growth corridors as well as key Victorian regional centres
- **Strategically developing in select clusters** around Victoria, which drives referral and brand awareness, as well as delivering network scale benefits
- **Visibility of growth pipeline** with LIC currently having 10 projects in active development, with 2 more scheduled for launch in FY24, and another 4 parcels of land in planning

Highly focused and experienced in Victoria

- 22 communities in operation⁽¹⁾
- 3,673 homes under management
- 6,382 homes in portfolio and pipeline⁽²⁾
- 5,300+ residents of LIC

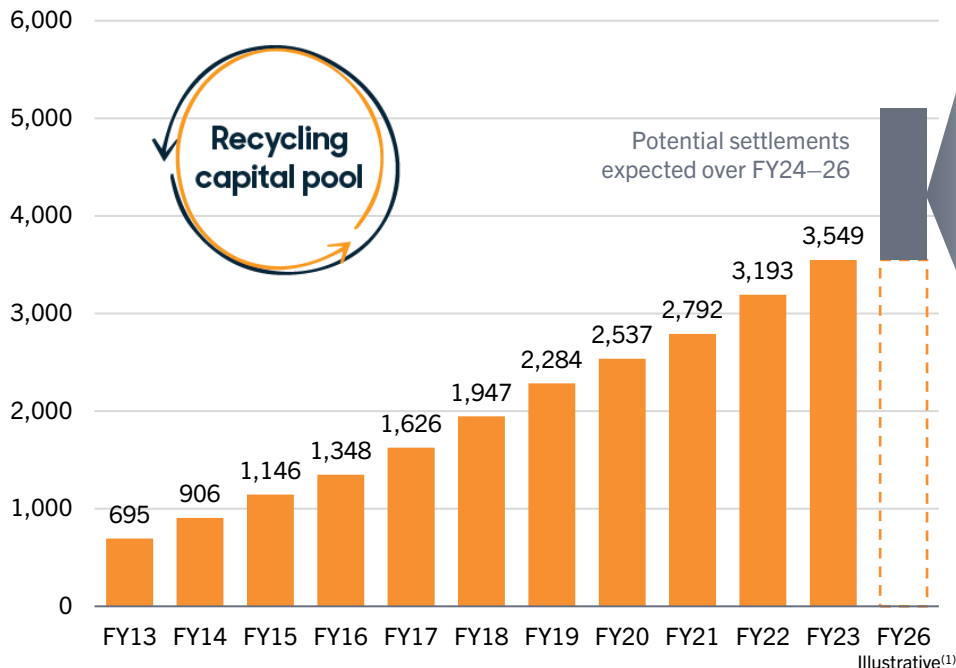


(1) Includes 7 operational communities that are still under construction. (2) Portfolio and pipeline represents total homes in communities owned by LIC, including fully completed communities, communities under construction, and new communities (awaiting commencement). Pipeline represents total homes in communities (6,382) less portfolio of 3,673 homes under management (i.e. homes sold and occupied) (figures as at 31 December 2023).

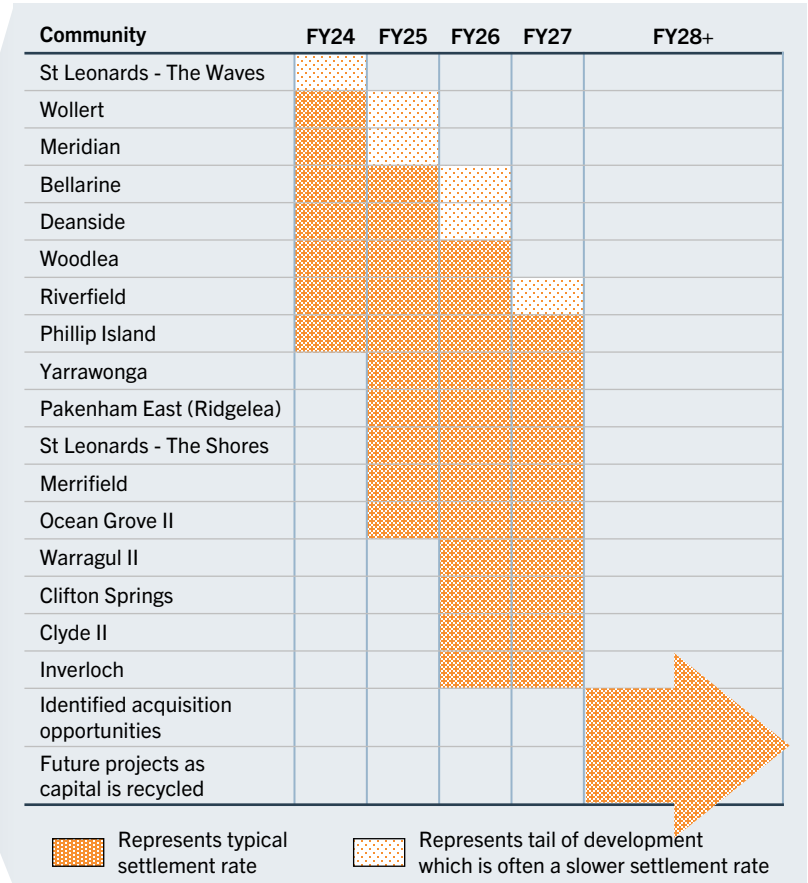
Positioning for the next phase of growth

- Existing portfolio has a **concentration of projects settling over FY25-26** (with release of capital for re-investment post settlement)
- Current **market conditions give opportunity to buy additional land sites** (in addition to the 4 already purchased in FY24)
- New land acquisitions are expected to provide the platform for LIC to **accelerate into its next phase of growth beyond the FY24-26 period**

Home Settlements



Settlement Profile of Communities in Development



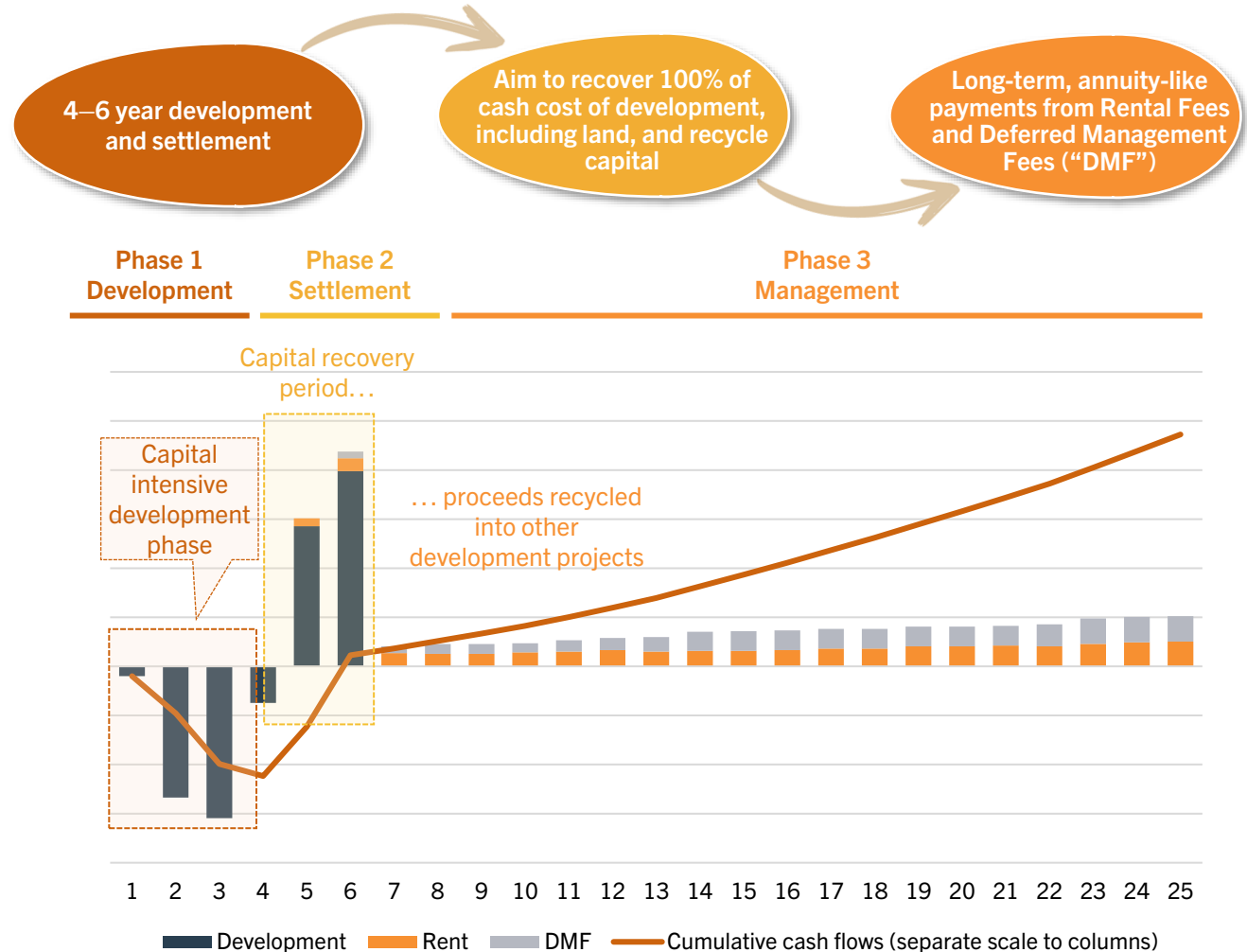
Majority of existing projects' expected settlements concentrated in FY25-26, enabling recycling of capital into more projects

(1) Assuming the mid-point of the FY24-26 settlement guidance range (of 1,400 – 1,700 as disclosed in the 1H FY24 results presentation) is achieved. There is no guarantee that the settlements guidance will be achieved. Please refer to the "Key Risks" section and the "Forward Looking Statements" section of the Important Notice and Disclaimer for further information.

Upfront Investment Delivers Long-term Annuity-like Cash Flows

- **Need for capital early in life of project** for land acquisition and development
- **Capital recovery** from c. years 4-6 for greenfield developments
 - Homes are priced with the aim of recovering 100% of development costs⁽¹⁾
 - On average, homes typically priced at 75-80% of the median house price in the target catchment
- **Released capital is then recycled** into future projects
- **Completed communities generate recurring income streams**, which continue to grow as newly developed communities are added to LIC's portfolio

Illustrative example of unlevered Greenfield development cash flow profile (years)⁽²⁾

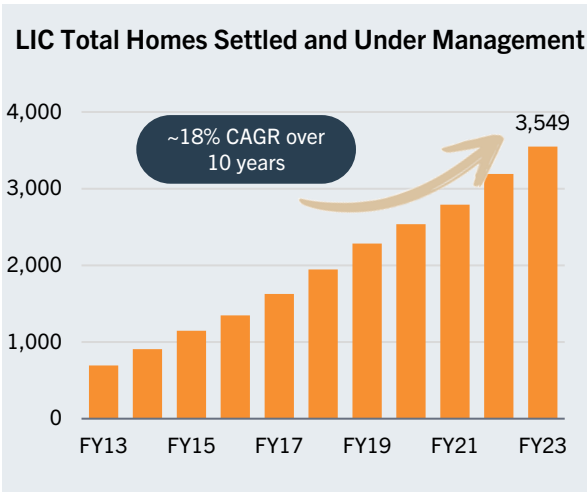


(1) Includes land, sales and marketing, holding costs and a share of corporate overheads. (2) This is an example only. The actual cash flow profile for a specific development will depend on a range of factors (many of which are outside LIC's control) and may not reflect this example. Please also refer to "Development Risk" in the Key Risks section.

LIC has a proven track record of delivering growth

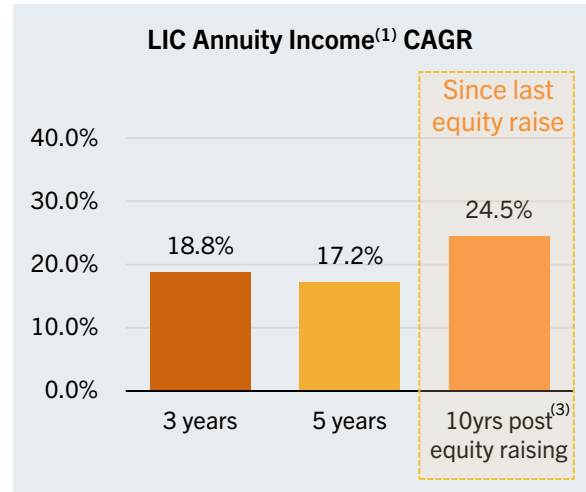
Consistent execution of strategy

- **Sustained, long-term growth** in homes under management
- **LIC has proven development and management capabilities**, through the ongoing delivery of strong operational performance and customer satisfaction, and successfully scaling operations to deliver more developments over time



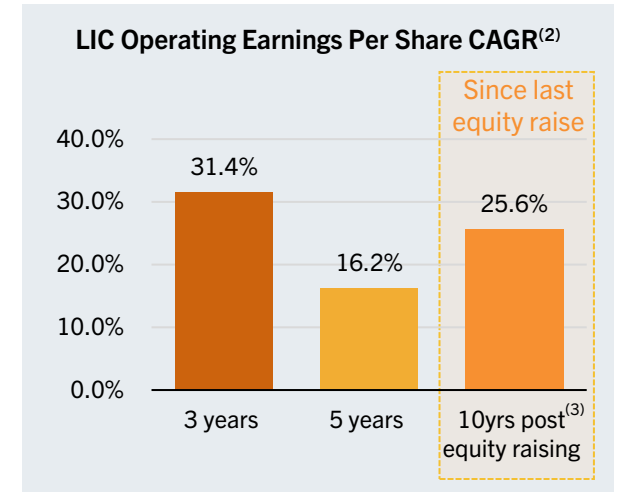
Long-term growth in annuity-like income

- **LIC has a track record of delivering strong growth in annuity-like income** over the long-term
- **Recurring revenue streams from Rental payments, and also DMF payments** which has future upside potential as portfolio matures



Driving value for shareholders and for the community

- LIC has demonstrated a consistent track record in delivering **OEPS growth, at a CAGR of ~26% over 10 years** since the last equity raising (from FY13-23)



(1) Includes site rental fees and deferred management fees ("DMF"). (2) EPS for FY13 is based on restated operating profit after tax for the period and the 99,970,131 shares on issue post the equity raise conducted in 2013. (3) Represents FY13-23 (raising date Nov-2012).



SECTION 3

Offer Details

Overview of the Equity Raising

| | |
|----------------------------------|---|
| Offer structure and price | <ul style="list-style-type: none"> Fully underwritten 1-for-6.08 Accelerated Non-renounceable Entitlement Offer to raise approximately \$275 million (“Entitlement Offer”) <ul style="list-style-type: none"> The Entitlement Offer represents approximately 17.2 million New Shares, or approximately 16.4% of total shares currently on issue |
| Issue price | <ul style="list-style-type: none"> The offer price per New Share has been set at \$16.00, which represents a: <ul style="list-style-type: none"> 7.4% discount to the dividend-adjusted last close price of \$17.275 per share on 21 February 2024⁽¹⁾ 12.1% discount to the dividend-adjusted 10-day VWAP of \$18.197 per share up to and including 21 February 2024⁽²⁾ 6.4% discount to the dividend-adjusted TERP of \$17.095⁽³⁾ |
| Use of proceeds | <ul style="list-style-type: none"> The Entitlement Offer will provide funding for strategic growth initiatives (identified land acquisitions pipeline, development capex) Proceeds will initially be used to repay debt to provide additional headroom until utilised to fund growth initiatives |
| Underwriting | <ul style="list-style-type: none"> The Entitlement Offer is fully underwritten by Citigroup Global Markets Australia Pty Limited |
| Ranking | <ul style="list-style-type: none"> New Shares will be traded on the ASX under a separate code until the ex-date for LIC’s 1H FY24 dividend (being 12 March 2024), as the New Shares will not be entitled to that dividend of 5.5 cents per share The New Shares will rank pari passu with existing shares from the ex- date for the 1H FY24 dividend |
| Other | <ul style="list-style-type: none"> LIC’s Managing Director, James Kelly, has a relevant interest in approximately 6.8% of LIC’s existing shares on issue and has committed to participate in the Entitlement Offer to the value of \$10 million Entities associated with AustralianSuper hold approximately 12.0% of LIC’s existing shares on issue, and have committed to take up their full entitlement and sub-underwrite the Retail Entitlement Offer for up to \$40 million Collectively, these commitments represent approximately \$83 million, accounting for approximately 30% of the Entitlement Offer⁽⁴⁾ |

(1) Representing the closing price of LIC shares on 21 February of \$17.33, adjusted for the 1H24 dividend of 5.5 cents per share. (2) Adjusted for the 1H24 dividend of 5.5 cents per share. (3) Dividend-adjusted theoretical ex-rights price (“TERP”) based on the dividend-adjusted last closing price of \$17.275. TERP is a theoretical calculation only and the actual price at which LIC shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may be different from TERP. (4) Assuming AustralianSuper’s retail sub-underwriting commitment is fully utilised.

Sources and Uses

Sources and Uses of Funds

| Source | (\$ million) |
|----------------------------|--------------|
| Entitlement Offer Proceeds | 275 |
| Total Sources | 275 |

| Uses | (\$ million) |
|---|--------------|
| Provide balance sheet flexibility to fund: | |
| - Identified acquisition opportunities ⁽¹⁾ | |
| - Pre-revenue funding requirements on identified acquisition opportunities that proceed | 267 |
| - Repayment of debt in the short-term until new projects are acquired and commenced | |
| Equity raising costs | 8 |
| Total Uses | 275 |

Identified Acquisition Opportunities⁽¹⁾

- LIC's acquisition opportunities pipeline currently includes:
 - Two sites under offer, subject to funding and due diligence
 - One site commercially agreed with landowner, subject to due diligence, funding, and the execution of appropriate legal documentation
 - Two sites under active negotiation with landowners

Use of Proceeds

- The Entitlement Offer provides LIC with funding capacity to support an expansion of its greenfield development strategy (acquire land, develop site, recycle capital)
 - Potential to increase on previous target of acquiring up to three new sites per year (restricted by size of balance sheet)
 - Strengthened balance sheet expected to allow increase in velocity of developments which is expected to underpin an acceleration in LIC's future earnings growth
- The proceeds will be used to provide balance sheet flexibility to fund:
 - A strong pipeline of identified land acquisition opportunities⁽¹⁾
 - In the short-term, the funds will be used to repay debt, and provide LIC with a strengthened liquidity position to act quickly on value accretive land acquisition opportunities which may arise
- The Entitlement Offer proceeds and LIC's debt capacity are expected to be sufficient to fully fund the pre-revenue funding requirements associated with the identified acquisition opportunities (including stamp duty)

(1) As outlined above, opportunities subject to completion of due diligence, negotiation, Board approvals and exchange of contracts. There is no guarantee the opportunities will result in acquisitions or that the costs of or homes resulting from the acquisitions will reflect the estimates shown. Please also refer to "Development Risk" in the Key Risks section.

Strengthening Balance Sheet

- Pro-forma balance sheet shown assumes Entitlement Offer net proceeds of \$267 million are initially applied to repay debt
- Post the Entitlement Offer, pro-forma net debt to assets less unsettled land as at 31 December 2023 will reduce from 39.8% to 18.1%
- Reduced net debt to assets less unsettled land strengthens LIC's balance sheet and provides increased investment capacity and liquidity for LIC to make land acquisitions and to fund its existing and future pipeline of developments
- Post the Entitlement Offer, LIC will continue to operate within a highly disciplined capital management framework with a focus on recycling capital and organic growth

| \$ million | Dec-23 reported | Impact of Offer ⁽²⁾ | Pro forma Dec-23 Post-Offer ⁽³⁾ |
|---|-----------------|--------------------------------|--|
| Cash and cash equivalents | 2 | | 2 |
| Investment properties | 1,109 | | 1,109 |
| Other assets | 330 | | 330 |
| Total assets | 1,441 | | 1,441 |
| Interest bearing liabilities | 492 | (267) | 225 |
| Other liabilities | 411 | | 411 |
| Total liabilities | 903 | (267) | 636 |
| Net assets | 537 | 267 | 804 |
| Net debt | 490 | (267) | 223 |
| Net debt to assets less unsettled land⁽¹⁾ | 39.8% | | 18.1% |

(1) Net debt includes cash. Assets includes \$209m for land commitments not yet settled and \$2m of cash and cash equivalents. (2) The impact of the offer of \$275 million reflects the Entitlement Offer Proceeds less estimated equity raising costs of \$8m. (3) Does not include the potential impact from completion of the 5 identified acquisition opportunities. The pro forma balance sheet does not reflect payment of the dividend for 1H FY24.

Indicative Timetable

| Key Event | Date⁽¹⁾ |
|--|----------------------------|
| Trading halt and announcement of Entitlement Offer, Institutional Entitlement Offer opens | Thursday, 22 February 2024 |
| Institutional Entitlement Offer closes (1.00am AEDT) | Friday, 23 February 2024 |
| Announce results of Institutional Entitlement Offer | Friday, 23 February 2024 |
| Trading halt lifted and Lifestyle Communities shares recommence trading on an "ex-entitlement" basis | Friday, 23 February 2024 |
| Record date for the Entitlement Offer (7.00pm AEDT) | Monday, 26 February 2024 |
| Retail Entitlement Offer opens (9.00am AEDT) | Thursday, 29 February 2024 |
| Settlement of new shares issued under the Institutional Entitlement Offer | Friday, 1 March 2024 |
| Allotment of new shares issued under the Institutional Entitlement Offer | Monday, 4 March 2024 |
| Retail Entitlement Offer closes (5.00pm AEDT) | Thursday, 14 March 2024 |
| Announce results of Retail Entitlement Offer | Tuesday, 19 March 2024 |
| Settlement of the new shares issued under the Retail Entitlement Offer | Wednesday, 20 March 2024 |
| Allotment of the new shares issued under the Retail Entitlement Offer | Thursday, 21 March 2024 |

(1) All dates and times are indicative only and subject to change. Subject to the requirements of the Corporations Act, the ASX listing rules and any other applicable laws, LIC, in consultation with the underwriter, reserves the right to amend this timetable at any time.



Appendix

Key Risks

Key risks and uncertainties associated with the business

This section discusses some of the key risks and uncertainties associated with an investment in Lifestyle Communities. A number of risks and uncertainties may adversely affect the business, operations, results of operations, reputation, prospects, liquidity, capital resources, financial performance and financial position of Lifestyle Communities (together, "**Lifestyle Communities' Position**") and in turn affect the value of Lifestyle Communities shares. These include specific risks associated with an investment in Lifestyle Communities and general risks associated with any investment in listed shares. The risks and uncertainties described below are not the only ones that Lifestyle Communities may face. Additional risks and uncertainties that Lifestyle Communities is unaware of, or that Lifestyle Communities currently deems to be immaterial, may also become important factors that affect it. Potential investors should carefully consider whether the New Shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risks set out below. If required, potential investors should seek to obtain independent advice from their financial or other professional adviser.

Business strategy risk

Lifestyle Communities' business strategy is focused on building, owning and operating land lease communities for people seeking to downsize in Victoria. A key element of its strategy and earnings is attributable to development and sale of new homes in its communities. Lifestyle Communities' future growth is dependent on the successful execution of this strategy. Any change or impediment to implementing this strategy may adversely impact on Lifestyle Communities' Position.

Development risk

Lifestyle Communities has a land and property development pipeline. Such projects have a number of risks including (but not limited to):

- (i) delays or issues around planning, application and regulatory approvals;
- (ii) development costs overruns;
- (iii) environmental costs;
- (iv) project delays;
- (v) issues with building and supply contracts; and
- (vi) expected sales prices or timing of expected sales or settlements not being achieved.

A sustained downturn in the residential property markets due to deterioration in the economic climate could result in reduced development profits through lower selling prices, higher costs or delays in timing of settlements.

Increased competition

Lifestyle Communities operates in the niche of providing high quality affordable housing to the downsizer market, with a focus on Melbourne's growth corridors as well as key Victorian regional centres. Future developments that directly or indirectly compete with Lifestyle Communities' existing portfolio could impact Lifestyle Communities' current business and financial performance.

Rental income

While homeowners at Lifestyle Communities own their own home, they lease the land upon which their homes are located, via a weekly site fee and a deferred management fee. The Social Security Act 1991 (Cth) can provide rental assistance in respect of these leases, where homeowners are eligible to receive it. Any change to

this legislation could result in a reduction in resident demand to enter into leases in the communities and therefore impact Lifestyle Communities' business. Land leases are subject to relevant State-related regulations and legislation, including the Residential Tenancies Act 1997 (Vic). Legislative changes, either temporary or permanent, may increase the protections for tenants, resulting in a loss of rent or increased rental arrears.

Income and expense growth rates

Higher than expected inflation rates could lead to greater development and/or operating costs. While existing leases are subject to rental rate increases, the ability to raise future rents and maintain or grow occupancy may be impacted by resident pension and rental assistance growth. Lifestyle Communities' Position could be impacted where the inflation in operating and development costs exceeds the growth in rental income.

Tax implications

Lifestyle Communities' future tax liabilities may be impacted by changes to Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia. This in turn could impact the value of trading prices of Lifestyle Communities shares, the taxation treatment of an investment in Lifestyle Communities or the holding costs or disposal of its shares.

Litigation

Lifestyle Communities may, in the ordinary course of business, be involved in possible litigation, regulatory actions, legal or arbitration proceedings and other dispute processes that may adversely affect Lifestyle Communities' Position.

Joint venture arrangement

Lifestyle Communities has a joint venture arrangement to manage the communities at Chelsea Heights and Casey Fields. The agreements related to the joint venture arrangement require unanimous consent from all parties for all relevant activities. The ongoing success and viability of the joint venture arrangement could be impacted if the parties cannot agree unanimously on relevant activities.

Dividends

Future dividends paid on Lifestyle Communities shares will be determined by the Directors having regard to the operating results, future capital requirements, bank debt covenants and Lifestyle Communities' Position. There can be no guarantee that Lifestyle Communities will continue to pay dividends at the current level or at all.

Investment property valuation risk

Lifestyle Communities' investment properties are externally valued at least every two years, with changes in their fair market value reflected in its balance sheet. Adverse changes in the fair market value may arise due to changes in valuation assumptions used by independent valuers and the directors, which may include external market factors outside of Lifestyle Communities' control such as rent capitalisation rates, external market price growth assumptions and other available market data.

Key Risks (cont'd)

Funding, sales and settlement risk

Due to the capital recycling nature of its business model, Lifestyle Communities is reliant on continuing sales and settlements to fund its development pipeline and remain compliant with the financial covenants in its funding agreements. In particular, Lifestyle Communities' financial model relies on the rate of sales of new and existing homes, the sales price of new homes (and to a lesser extent the sales price of existing homes) and the timing of settlements of new homes (revenue is only recorded when a sale of a home is settled). There is a risk that these metrics may vary from those achieved previously and that the financial model may be adversely affected as a result.

If there was a sustained slowdown in sales and settlements, Lifestyle Communities may need to slow down its speed of development or undertake other capital management activities.

Any breach of its covenants could result in the early enforced repayment of debt. Such repayment could incur capital losses if assets need to be sold in a short period or shareholders may be diluted if equity needs to be raised at large discounts.

Lifestyle Communities currently has a weighted average debt maturity of 3.8 years. At the maturity of these loans, there is no certainty they will be refinanced on the same terms as are currently in place. Lifestyle Communities is exposed to fluctuating interest rates.

Personnel risk

The ability of Lifestyle Communities to successfully deliver on its business strategy is dependent on retaining key employees of Lifestyle Communities. The loss of senior management or other key personnel could adversely impact on Lifestyle Communities' Position.

Reliance on key contractors / counterparty risks

Lifestyle Communities engages third party contractors and counterparties to carry out development and construction activities on its sites, including one building company that carries out all of its housing construction.

If any of these contractors or counterparties are unable or unwilling to perform the obligations owed to Lifestyle Communities or there is industrial action taken by the employees of those third party contractors and counterparties, Lifestyle Communities may need to seek a replacement contractor or counterparty through commercial tender. The disruption caused to Lifestyle Communities as a result of being required to do that will likely vary depending on the work the relevant contractor or counterparty is engaged to undertake. For example, the disruption caused to Lifestyle Communities as a result of it being required to replace the building company that carries out its housing construction is likely to be material. Any disruptions to Lifestyle Communities' development and construction activities, disruptions to its operations or inadequately performed services could result in delays to projects, degradation in the quality and state of repair of communities, dissatisfaction of homeowners, reduced revenue and breaches of financing arrangements.

Any of these factors could result in a material increase in Lifestyle Communities' costs and/or an interruption to its development and construction activities, or its other operations, particularly in the event that Lifestyle Communities needs to replace a service provider and incur legal liabilities in connection with any associated dispute. The occurrence of any of these risks, as well as the early termination of a development or construction agreement, could materially adversely affect Lifestyle Communities' Position.

Accounting standards

Changes to accounting standards may affect the reported earnings of Lifestyle Communities from time to time, and Lifestyle Communities' Position.

Land acquisition risks

There is a risk that the timing, consideration paid and investment return on any land acquisitions made may vary from the existing portfolio. There is no guarantee that the potential acquisitions described in this presentation will be available, successful or generate the anticipated returns and benefits that Lifestyle Communities expects. The acquisitions and the acquisition site metrics described in this presentation may not eventuate.

Lifestyle Communities may incur substantial costs, delays or other operational or financial difficulties in acquiring, integrating, developing and/or managing new investments, and any such investments may divert management's attention from Lifestyle Communities' existing business. Lifestyle Communities may also encounter unanticipated events, circumstances or legal liabilities in connection with any investment.

The occurrence of any of these risks relating to such an acquisition or investment may materially adversely affect Lifestyle Communities' Position.

Operational risk

There is a risk of loss and/or non-compliance with laws resulting from inadequate or failed internal processes, people and/or systems, or from external events (e.g. fraud, systems failures, cyber risk, damage to physical assets, data management failures, employment and workplace safety practices), which may adversely affect Lifestyle Communities' Position. This includes legal risk, and the risk of reputational loss or damage arising from such inadequate or failed internal processes, people and/or systems.

Lifestyle Communities may also incur reputational damage where one of its practices fails to meet community expectations which are continually changing and evolving, which may affect Lifestyle Communities' Position.

Environmental, social and governance risks, including climate risk

Lifestyle Communities' sites and its homeowners are exposed to environmental, social and governance risks, including climate-related risks (including physical risks such as drought, riverine/rainfall flood, storms and large hail, extreme heat, bushfires and coastal inundation, and transition risks such as market, policy and legal, reputation and technology risks associated with the transition to a low-carbon economy), as well as risks related to modern slavery and land rights. The impact of these events can be widespread and may adversely affect Lifestyle Communities' Position.

Key Risks (cont'd)

Pandemic

Lifestyle Communities' Position, and those of its suppliers and contractors, as well as its homeowners, may be adversely affected by a future pandemic.

As evidenced through the COVID-19 pandemic, a future pandemic may result in federal, state and local governments in Australia implementing a number of measures and recommendations, including significant restrictions on movement and activity to slow or stop the spread of the pandemic. Those measures and recommendations, along with potential changes in the way Lifestyle Communities' employees and homeowners behave may adversely affect Lifestyle Communities' business, operations, financial position and/or performance.

In addition, a future pandemic may require many of Lifestyle Communities' employees to work from home, which may necessitate a reassessment of some work flows and procedures. Addressing the disruptions a pandemic may cause may also require Lifestyle Communities' senior management team and staff to devote time and resources to address the impact of the pandemic on Lifestyle Communities' business, which may negatively impact their ability to implement Lifestyle Communities' business plans and respond to other issues and opportunities.

Government measures or actions could also negatively impact Lifestyle Communities' contractors' ability to perform their contracts with Lifestyle Communities, including Lifestyle Communities' construction contractors, which could have a material adverse effect on Lifestyle Communities' business, operations, financial position and/or performance.

The extent to which a future pandemic will impact Lifestyle Communities will depend on the nature of the pandemic, which cannot be predicted, including the geographic spread, severity and duration of the pandemic; the actions taken by federal and state or local governmental authorities in response to the pandemic; the impact of the pandemic on contracts and agreements to which Lifestyle Communities is a party; and the impact of the pandemic on the economy generally.

Uncertainty about the effects of any future pandemic may also result in significant disruption to credit and capital markets, which may affect Lifestyle Communities' ability to raise new financing and refinance its existing and future indebtedness.

Market price of ordinary shares will fluctuate

There are risks associated with Lifestyle Communities shares that are relevant to any share market investment, including that the demand for Lifestyle Communities shares may increase or decrease and Lifestyle Communities shares may trade above or below the Offer Price on the ASX. The market price of Lifestyle Communities' ordinary shares on the ASX may fluctuate due to various factors, including:

- i. Australian and international general economic conditions (including inflation rates, the level of economic activity, interest rates and currency exchange rates), changes in government, fiscal, monetary and regulatory policies (such as interest rates, inflation, changes or disruptions to political or legal conditions, and geopolitical factors), the expressed views of regulators, investor sentiment and general market movements, which may or may not have an impact on Lifestyle Communities' Position;
- ii. operating results that vary from expectations of securities analysts and investors;
- iii. changes in expectations as to the Lifestyle Communities' future financial performance, including financial estimates by securities analysts and investors;
- iv. changes in market valuations of Lifestyle Communities' competitors;
- v. changes in dividends paid to shareholders, Lifestyle Communities' dividend payout policy or Lifestyle Communities' ability to frank dividends;

- vi. the announcement of acquisitions, strategic partnerships, joint ventures or capital commitments by Lifestyle Communities or its competitors;
- vii. international and local share market conditions, including changes in the market price of ordinary shares and/or other capital securities or other equity securities issued by Lifestyle Communities or by other issuers, or changes in the supply of equity securities or capital securities issued by Lifestyle Communities or by other issuers;
- viii. changes in laws, regulations and regulatory policy;
- ix. Lifestyle Communities' failure to comply with law, regulations or regulatory policy, which may result in regulatory investigations, inquiries, litigation, fines, penalties, infringement notices, revocation, suspension or variation of conditions of relevant regulatory licences or other enforcement or administrative action or agreements (such as enforceable undertakings);
- x. other major Australian and international events such as hostilities and tensions, and acts of terrorism; and
- xi. other events set out in the "Key risks and uncertainties associated with the business".

It is possible that the price of Lifestyle Communities' ordinary shares will trade at a market price below the Entitlement Offer price as a result of these and other factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable.

Liquidity

The liquidity in Lifestyle Communities' shares can be limited and it may be difficult for investors to buy or sell large amounts of shares at market prices. In response to market conditions or for other reasons, the ASX may amend temporarily or permanently, rules relating to the issue or trading of shares, which may affect the liquidity of such shares.

Dilution

If eligible shareholders do not participate in the Entitlement Offer, then their percentage shareholding in Lifestyle Communities will be diluted and they will not be exposed to future increases or decreases in Lifestyle Communities' share price in respect of those New Shares that would have been issued to them had they participated in the Entitlement Offer.

Future issues of debt or other securities by Lifestyle Communities

Lifestyle Communities may, at its absolute discretion, issue additional securities in the future that may rank ahead of, equally with or behind ordinary shares, whether or not secured. Additionally, convertible securities which may be issued by Lifestyle Communities or a member of its group in the future may be converted from debt to equity securities. Any issue or conversion of other securities may dilute the relative value of existing ordinary shares and affect your ability to recover any value in a winding up. An investment in ordinary shares confers no right to restrict Lifestyle Communities from raising more debt or issuing other securities (subject to restrictions imposed under the ASX Listing Rules), to require Lifestyle Communities to refrain from certain business changes, or to require Lifestyle Communities to operate within potential certain ratio limits. An investment in ordinary shares carries no right to participate in any future issue of securities (whether equity, hybrid, debt or otherwise) by any member of the Lifestyle Communities group, other than future pro rata issues in Lifestyle Communities if the shareholder is eligible to participate in the pro rata issue under relevant laws. No prediction can be made as to the effect, if any, such future issues of debt or other issues of securities by an entity in the Lifestyle Communities group may have on the market price or liquidity of ordinary shares.

Key Risks (cont'd)

Underwriting risk

Lifestyle Communities has entered into an underwriting agreement under which the underwriter has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreement between the parties.

The underwriter's obligation to underwrite the Entitlement Offer is conditional on certain customary matters, including Lifestyle Communities delivering certain certificates, sign-offs and opinions to the underwriter. Further, if certain events occur, the underwriter may terminate the underwriting agreement. Termination of the underwriting agreement would have an adverse impact on the proceeds raised under the Entitlement Offer, and Lifestyle Communities would need to find alternative ways to help fund any identified land acquisition opportunities, which could negatively impact its ability to pursue all or some of those opportunities. Termination of the underwriting agreement could materially adversely affect Lifestyle Communities' Position.

The underwriter's obligations to underwrite the Entitlement Offer is conditional on certain matters, including that the ASX does not indicate that it will not grant permission for the official quotation of the New Shares. The events which may trigger termination of the underwriting agreement include where:

- the offer materials are misleading or deceptive or likely to mislead or deceive, or omit any information they are required to contain, or their issue or distribution or the conduct of the Entitlement Offer is misleading or deceptive or likely to mislead or deceive;
- in the reasonable opinion of the underwriter, Lifestyle Communities is obliged to give ASX a correcting notice under sections 708AA(10) or 708AA(12) of the Corporations Act;
- Lifestyle Communities amends the offer materials in a material respect, without the consent of the underwriter;
- a government agency commences, or notifies an intention to commence, an action in relation to Lifestyle Communities, the Entitlement Offer or the offer materials or prosecutes or commences proceedings against, or notifies an intention to prosecute or commence proceedings against, Lifestyle Communities;
- the S&P/ASX 200 Index is, at any time, at a level that is 10% or more below its level at market close on 21 February 2024;
- ASX announces that Lifestyle Communities will be removed from the official list or that any Lifestyle Communities shares will be delisted or suspended from quotation by ASX (other than in connection with the Entitlement Offer);
- approval (subject only to customary conditions) is refused or not granted to the official quotation of all New Shares on ASX, or if granted, is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- specified events in the timetable are delayed for one or more business days without the prior approval of the underwriter;
- Lifestyle Communities withdraws the Entitlement Offer, or notifies the underwriter that it does not intend to, or is unable to proceed with, the Entitlement Offer;
- Lifestyle Communities is prevented from allotting and issuing the New Shares under the ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency;
- a certificate required to be furnished by Lifestyle Communities under the underwriting agreement is not furnished when required;
- Lifestyle Communities, or a material subsidiary of Lifestyle Communities, is insolvent or there is an act or omission which may result in Lifestyle Communities becoming insolvent;
- there is an event or occurrence which makes it illegal or commercially impossible for the underwriter to satisfy an obligation under the underwriting agreement, or to market, promote or settle the Entitlement

Offer;

- Lifestyle Communities or any of its directors or specified senior executives engage in fraud or are charged in relation to fraudulent conduct or activity;
- specified senior executives resign or are terminated;
- the directors or specified senior executives are charged with an indictable offence, any government agency commences any public action against Lifestyle Communities or any of its directors, or announces that it intends to take action, or any director is disqualified from managing a corporation under the Corporations Act;
- *a certificate required to be given by Lifestyle Communities under the underwriting agreement is false, misleading, deceptive, untrue or incorrect;
- *a representation, warranty, undertaking or obligation of, or given by, Lifestyle Communities in the underwriting agreement is breached or is or becomes misleading or deceptive or not true;
- *Lifestyle Communities fails to perform or observe its obligations under the underwriting agreement;
- *any information supplied (including any information supplied prior to the date of the underwriting agreement) by or on behalf of Lifestyle Communities to the underwriter for the purposes of due diligence investigations, the offer materials or the Entitlement Offer, is or becomes false, misleading or deceptive or likely to mislead or deceive (including by omission);
- *Lifestyle Communities contravenes any provision of the Corporations Act, its constitution, any of the ASX Listing Rules or any other applicable law;
- *there is any adverse change, or an event likely to result in an adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of Lifestyle Communities from those disclosed to ASX;
- *a new law or regulation is introduced, or publicly proposed to be introduced, into the Parliament of Australia or any State or Territory of Australia, or the Reserve Bank of Australia, or any Commonwealth or State authority (including ASIC), adopts or announces a proposal to adopt a new policy which has a material impact on the Offer;
- *trading on specified stock exchanges is suspended or limited in a material respect for at least a substantial part of one day, a Level 3 "market-wide circuit breaker" is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing price of the S&P500 Index, a general moratorium is declared on commercial banking activities in specified jurisdictions or there is any adverse change or disruption to political, economic or financial conditions in specified jurisdictions; or
- *hostilities not existing at the date of the underwriting agreement commence or a major escalation in existing hostilities occurs involving specified jurisdictions or a major terrorist act is perpetrated in a specified jurisdiction or diplomatic establishment.

The ability of the underwriter to terminate the underwriting agreement in respect of the events above marked with an * will depend on whether the event has or is likely to have a material adverse effect on the success, settlement or marketing of the Entitlement Offer, the price at which the New Shares are likely to trade on ASX or on the ability of the underwriter to market or promote or settle the Entitlement Offer, or the willingness of investors to subscribe for New Shares, or whether it may give rise to a liability of the underwriter or its affiliates or result in a contravention by the underwriter or its affiliates of applicable law.

International Offer Restrictions

This document does not constitute an offer of new ordinary shares (“New Shares”) of Lifestyle Communities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the “Provinces”), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are “accredited investors” within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

Lifestyle Communities as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Lifestyle Communities or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Lifestyle Communities or such persons in Canada or to enforce a judgment obtained in Canadian courts against Lifestyle Communities or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser’s Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.*

Cayman Islands

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.

European Union (excluding Austria)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the “Prospectus Regulation”).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

International Offer Restrictions (cont'd)

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”).

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Lifestyle Communities with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to “professional clients” (as defined in the Norwegian Securities Trading Act).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This document has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (“FINMA”).

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United Arab Emirates

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