

24 February 2025

Immediate release to the ASX

1HFY25 Results and new CEO Appointment

Lifestyle Communities Limited (ASX: LIC) today releases its results for the first half of FY25.

Key Highlights:

- Operating profit after tax increased 9.5% from \$20.8 million in the first half of FY24 to \$22.8 million in the first half of FY25, underpinned by higher new home settlements over the period compared to 1HFY24 and continued strong performance from our operating business.
- Debt facility restructured to provide improved covenant headroom, increased tenor, and a reduction in the overall facility size to reduce commitment fees and better reflect capital requirements.
- The broader business environment and property market in Victoria remains subdued, with lower levels of activity in most segments of the residential property market.
- Sales cadence remains slow but improvements in lead indicators in January and February show positive momentum.
- The Board has resolved to pause the dividend for this period and retain capital in the business until market conditions improve and the sales cadence shows sustained improvement.
- The Victorian Civil and Administrative Tribunal (VCAT) hearing is scheduled for May 2025. The company remains confident in its position.
- Mr Henry Ruiz appointed as Chief Executive Officer effective 5 March 2025.

Executive Chair Mr David Blight said “After a challenging period following adverse media coverage in July and a continuing soft residential market in Victoria, we are pleased with the progress made by the team to position the business to navigate a period of lower sales in the near term. We remain disciplined in our approach and will continue to make changes as appropriate to navigate these headwinds and position the business for when the cycle turns.”

Update on key areas of focus in FY25:

- Balance Sheet – Debt facility restructure completed providing improved covenant headroom, increased tenor, and a \$40 million reduction in unused headroom.
- Balance Sheet – Strategic review of our land holdings, with selected sites identified for potential disposal to adjust the land bank with the potential to reduce debt by circa \$80 - \$100 million.
- Cash Flow – Development expenditure reduced by \$100 million. Currently focusing on selling through existing projects until market conditions improve.
- Cost Reduction – Substantial changes in cost structure realised.
- VCAT – Hearing has been scheduled to commence on 1 May 2025.

The status of the sales pipeline for the current financial year to 23 February 2025 is as follows:

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

Mr Blight continued “While near-term market conditions present challenges, the fundamental drivers of retirement living demand remain strong and underpin our confidence in the long-term outlook for the business. The immediate focus is on driving sales from executing the inventory management strategy and strengthening the balance sheet. The revised banking facilities provide additional headroom to navigate the relatively subdued operating environment while we undertake management initiatives to reposition the business to capitalise on future growth opportunities”.

Lifestyle Communities is delighted to announce the appointment of Mr Henry Ruiz as Chief Executive Officer effective 5 March 2025.

Mr Ruiz is a seasoned executive with over 25 years’ experience in the property, digital media and technology sectors. For the last 15 years, Henry has been with REA Group, where he served as CEO of REAx, Chief Strategy and Product Officer, Chief Digital Officer and CEO of REA Asia. He has served in every commercial role reporting to the Group CEO and was a key executive during an extended period of significant revenue and shareholder value growth at REA.

Executive Chair, Mr David Blight commented “After an extensive and rigorous search, we are delighted to announce Henry’s appointment to lead Lifestyle Communities in its next chapter. Henry has extensive global experience having worked in Australia, US, Europe and Asia successfully leading large and diverse teams. He has an outstanding record of commercial and operational discipline, strong strategic acumen and a track record of empowering high performing teams. We are thrilled to have someone with his level of expertise and passion to lead the team to new heights and to drive shareholder value. We look forward to his commencement in early March”.

Mr Ruiz commented “It’s very motivating to join such a purpose driven company – creating a homeowner lifestyle that helps over 50s thrive in their best years of life. I feel very honoured to have the opportunity to work alongside such an incredibly dedicated & talented team and contribute to innovative thinking that sustainably enhances the lives of downsizers; fosters greater human connection and practically works to address housing affordability.”

A summary of the material terms and conditions of Mr Ruiz’s employment agreement are attached as **Appendix A**.

Investor Conference Call Details

David Blight (Executive Chair) and Darren Rowland (CFO) will host a teleconference call at 9.00am (AEDT) on 25 February 2025.

To listen to the presentation, participants must pre-register using the pre-registration link below:

https://vistra.zoom.us/webinar/register/WN_YuCqh8lwSrmApzjzicjA

Once pre-registered, participants will receive an email with a calendar invite that contains a unique link and dial-in number, Webinar ID, and passcode. To join the conference call, participants can either use the unique link or the dial-in details provided in the email. They will then be connected directly.

Participants will have the opportunity to ask written or verbal questions during the conference call. Written questions can be asked through the 'Q&A' function. Verbal questions can be asked through the 'Raise Hand' function available on the conference platform.

Authorised for release by the Board. For further information please contact:

Darren Rowland
Chief Financial Officer
Ph: (03) 9682 2249
Email: investor.relations@lifestylecommunities.com.au

About Lifestyle Communities®

Based in Melbourne, Victoria, Lifestyle Communities® develops, owns and manages affordable independent living residential land lease communities. Lifestyle Communities® has thirty-three residential land lease communities under contract, in planning, in development, or under management. Over 5,500 Victorians call Lifestyle Communities their home.

Appendix A

Summary of the material terms and conditions of the employment agreement of Mr Henry Ruiz, CEO of Lifestyle Communities

| | |
|--------------------------------|---|
| Appointment | Mr Ruiz has been appointed to the position of Chief Executive Officer, commencing 5 March 2025. |
| Term | The appointment is ongoing with no fixed term. |
| Total Fixed Remuneration (TFR) | \$1,050,000 per annum (including superannuation) which will be reviewed annually. |
| Short Term Incentive (STI) | Eligible to participate in the STI plan with a maximum opportunity of 50% of TFR, other than in relation to FY25. |
| | Eligibility for an FY25 STI will be on a pro-rated basis in line with Mr Ruiz's commencement date |
| Long-Term Incentive (LTI) | Eligible to participate in the LTI plan each year with a maximum opportunity of 80% of TFR (including in respect of FY25). |
| Termination Provisions | Mr Ruiz may resign at any time by providing 6 months' notice to the Company. |
| | The Company may terminate Mr Ruiz's employment by providing 6 months' notice to Mr Ruiz. |
| | The Company may elect to pay Mr Ruiz in lieu of part or all of the notice period. |
| | The Company may terminate Mr Ruiz's employment immediately if Mr Ruiz commits an act of serious or wilful misconduct. In that circumstance, Mr Ruiz will not be entitled to notice or payment in lieu of notice. |
| | In the event that there is a significant reduction in Mr Ruiz's role, seniority, responsibility or status in his employment without his consent and which can reasonably be considered disadvantageous to Mr Ruiz, Mr Ruiz may, within one month of that event occurring, give one month's written notice of termination to the Company in which case he will be entitled to a termination payment equal to 12 months of his TFR. In addition, the Company will nominate the date on which Mr Ruiz's employment will terminate (which must be no later than one month after receiving the notice from Mr Ruiz), and subject to certain provisions in his employment contract, Mr Ruiz's resignation will not constitute a Bad Leaver Reason for the purposes of the Company's Share Plan Rules. |

| | |
|---|---|
| <p>Compliance with Australian law and ASX Listing Rules</p> | <p>The Company will not be required to pay or provide Mr Ruiz with any payment or benefit which would require shareholder approval under any provisions of the <i>Corporations Act 2001</i> (Cth) or the ASX Listing Rules or any other legislation. Unless the Company elects to seek shareholder approval, any such payments or benefits will be reduced to the maximum value which would not require the Company to seek or obtain shareholder approval.</p> |
| | <p>The Company is also not required to make any payments to Mr Ruiz that are not permitted by law or the ASX Listing Rules to be made.</p> |
| <p>Post Employment Restraints</p> | <p>Mr Ruiz is subject to an Australia-wide 12 month non-compete and non-solicitation restraint with effect from the date of termination of his employment.</p> |
| <p>Other Provisions</p> | <p>The employment agreement also contains customary provisions in relation to various general matters, including confidentiality, leave entitlements and return of company property on cessation of employment.</p> |