# Annual Report

for the year ended 30 June 2025

Lifestyle® COMMUNITIES

# Our purpose

## We reimagine a Way To Live for independent downsizers.

We develop and manage architecturally designed, low maintenance homes together with resort-style communities, that allow downsizers to free up equity from their previous home, and live the life they want.

Our approach revives the spirit of strong, neighbourly connections while providing spaces that balance safety and privacy with community engagement.

We nurture these environments, with dedicated Lifestyle Managers that live onsite allowing homeowners to enjoy independence alongside an active lifestyle.

Now that's a **Way To Live.**

# Our story

## Lifestyle Communities was born with a purpose to be socially responsible in creating affordable, homeowner-centric communities for downsizing Australians.

Our product and operating model has been deliberately designed to address inequality in housing options for Australia's ageing population. For those members of society with limited superannuation and savings, creating a high quality, yet affordable housing option allows our homeowners to free up some of the equity in their home and help fund an improved standard of living. As the newly appointed CEO at the beginning of March, I am honoured to stand on the shoulders of founders of the business, James Kelly, Dael Perlov, and Bruce Carter, together with every single person who has been part of the Lifestyle Communities story to this point.

During FY25, with a fresh perspective; we did a detailed look back at the key drivers of success for the business over the last 20+ years; and equally — where we could learn from some of the choices that did not play out as envisioned. This work has resulted in a refreshed strategy for the company; including an evolution to the purpose of the business which is **"We re-imagine the Way to Live for independent downsizers".**

This evolution of our purpose and strategy has re-affirmed our commitment to affordable housing and amplifying the positive social impact we can have on the lives of our homeowners through our Lifestyle Communities offering. The way we create and operate our communities has wider impacts on the well-being of our homeowners, including a sense of belonging and access to social connection; a sense of safety and security, and a contribution to a refreshed sense of empowerment. It is motivating to be part of a business that provides an experience where homeowners are overheard saying, "I should have done this 10 years ago," and "This has completely changed my life".

Our purpose will guide our business activities and is the core driver of how we create value for all our stakeholders.

**Henry Ruiz**
Chief Executive Officer
28 August 2025


HAPPY HOUR

# Contents

# Chair letter

## For the 2025 Financial Year

Dear fellow Shareholders,

I write this letter at a time of significant transition and renewal. FY25 was a challenging year—marked by leadership change, market headwinds, internal transformation, and a legal challenge regarding the interpretation of one of the three core fee streams that underpin our commercial model. While the operating environment was difficult, we made meaningful progress in resetting the business and laying the foundations for future performance.

**Leadership transitions**

The 2025 financial year marked the end of an era as we farewelled Co-founder and Managing Director, Mr James Kelly, and our former Chair, Mrs Philippa Kelly. On behalf of the Board and all shareholders, I extend our sincere thanks to both James and Philippa for their vision, integrity, and enduring contributions to Lifestyle Communities over many years.

James' passion for innovation and his unwavering focus on the customer experience have shaped the DNA of this company. Under his leadership, Lifestyle Communities evolved from a bold idea into one of Australia's leading land lease developers and operators. While the business now enters a new phase—focused on operational discipline and execution—James' legacy is evident in the strength of our team, the trust of our homeowners, and the reputation of our brand.

In March 2025, we welcomed Mr Henry Ruiz as our new Chief Executive Officer. Henry brings more than 25 years of enterprise leadership experience across strategy, digital transformation, and property. He is already bringing focus and stability to a period of significant change—strengthening the core of the business, deepening our connection with homeowners, and driving more disciplined execution. The Board has full confidence in Henry and the executive team as they guide the business through its next chapter.

We also welcomed Ms JoAnne Stephenson to the Board during the year. JoAnne brings deep experience in governance, finance, and strategic transformation, including across regulated and customer-facing sectors. Her expertise will be invaluable as we navigate this next phase of consolidation, reset and market responsiveness. We are pleased to have her join the Board and look forward to her ongoing contribution.

**Business performance and strategy**

The first half of the year was particularly challenging, marked by negative media coverage that caused reputational damage and added to the already difficult property market. Encouragingly, the second half showed signs of recovery in sentiment and sales momentum, reflecting the resilience of our team and communities. Despite the headwinds, Lifestyle Communities delivered a reasonable operating result in what was, by any measure, a very difficult year.

The refreshed strategy is built around three core priorities in seeking to become the go-to-choice for downsizers: elevating the homeowner experience, power our growth engine through increased discipline in our operational execution and creating long-term sustainable value for shareholders.

On behalf of the Board, I would like to acknowledge Henry and the Executive Team for the pace and professionalism with which they have approached the strategic refresh. In a short time, they have established a clear plan, realigned the organisation around a refreshed vision, and brought new energy and accountability to execution. Their ability to move quickly and thoughtfully has been critical during this period of transition.

**Strengthening the platform**

A new long-term plan is now in place to guide our next phase of growth. It focuses on disciplined capital management, aligning development activity with sales velocity, optimising the platform, and pacing growth to reflect market conditions. As we enter FY26, the business is prioritising sales of existing inventory, carefully managing margin pressures, and continuing to adapt to a shifting regulatory landscape.

Our customer proposition remains compelling: secure, community-oriented home ownership with transparent costs and on-the-ground engagement. We remain focused on enriching the lives of our homeowners—an enduring purpose that continues to guide our decision-making.

**Looking ahead**

Lifestyle Communities enters FY26 with a clear plan and the right team in place. We are focused on execution and positioning the business for the next development cycle, which we expect to emerge in late FY26 / early FY27 as property market conditions improve. With a more disciplined operating model, a clearer strategy, and a committed leadership team, the Board is confident we are well placed to deliver value over the medium to long term.

In closing, I would like to thank my fellow Board members for their stewardship, our shareholders for their continued support, and our team for their commitment and professionalism during a year of profound change. I look forward to engaging with you further at our Annual General Meeting in November.

Sincerely,

**David Blight**
Chair, Lifestyle Communities Ltd.
28 August 2025

# CEO commentary

## For the 2025 Financial Year

Dear fellow Shareholders,

It is a privilege to present the 2025 Annual Report as the newly appointed CEO of Lifestyle Communities, having joined the business on 5 March 2025. My first few months have been both immersive and pivotal—leading a strategic review, engaging with homeowners across our communities, navigating a significant VCAT case with sector-wide implications, and building strong relationships across the land lease market.

Lifestyle Communities is underpinned by strong fundamentals. As one of Victoria's most established operators in the land lease sector, we benefit from a recognised brand and a robust housing pipeline that supports medium-term growth. At the same time, there is a clear opportunity to evolve our operations, shift to a more market-led strategy, and position the business for long-term success as the Victorian property cycle recovers.

Our immediate focus has been on enhancing our operating efficiency and strengthening the balance sheet. We are setting market-oriented financial targets and ensuring our team has alignment on both strategy and execution. A major milestone this year was confirmation from VCAT that the Deferred Management Fee (DMF) is a permissible fee under the Residential Tenancies Act. Our pricing model—offering homes at lower upfront prices with a DMF payable upon exit—enables more Australians to access the lifestyle they want sooner. It also allows homeowners to release equity for their retirement and, in many cases, cover the DMF through capital gains accrued over their typical 8–10 year stay.

However, the VCAT case also resulted in an unexpected finding that the calculation methodology for the DMF in our standard contracts is void. Specifically, the ruling challenges the long-standing practice of using sale price upon exit as the basis and instead requires a precise dollar figure to be included at contract signing. While we intend to appeal the decision, we have implemented interim contract changes to remain compliant in the meantime. These adjustments preserve affordability for incoming homeowners and still allow them to benefit from future capital growth.

FY25 was shaped by a challenging external environment. Consumer confidence remained subdued, and residential markets—particularly in Victoria—experienced softness. Many of our prospective buyers faced longer sales cycles and discounted sale prices for their existing homes. In addition, we navigated atypical media coverage that briefly impacted buyer confidence.

Despite these headwinds, we remained focused on delivering value to our customers and building momentum across the business. The second half of the year brought a welcome recovery in sentiment, with improved engagement from prospective homeowners and increasing confidence in our offering. Our team's belief in the strength of our value proposition remains high, as does our commitment to delivering an exceptional experience for residents across our communities.

Throughout the year, we continued to strengthen the underlying resilience of the business—meeting the market on sales pricing, refining our marketing strategy, and improving service delivery consistency. These initiatives are designed to ensure Lifestyle

Communities is well-positioned for future growth and can adapt effectively to shifting market dynamics. Our long-term strategy remains anchored by a growing annuity base, a differentiated customer offering, and a disciplined approach to capital allocation.

Our growing base of 4,100+ managed homes continues to generate recurring income, which we reinvest into community improvements and to further strengthen the balance sheet. As part of this, we have substantially progressed the divestment of surplus land holdings in Ocean Grove, Drysdale, Merrifield, and Warragul. These sales are expected to realise approximately $114 million in proceeds and significantly reduce balance sheet leverage over the coming months. While we considered further divestments, we have chosen to pause land sales and focus instead on operational maturity and readiness for the next phase of growth.

We remain optimistic about the long-term opportunity for the land lease sector. It is increasingly recognised as a desirable alternative for downsizers, and new entrants reflect growing national interest. While our product remains distinct, we see value in cross-sector collaboration to raise industry standards. With land lease communities representing just 1% of Australia's housing market—and over 20% of Australians projected to be over 65 by 2030—the potential is immense. By enabling equity release for retirees, we also unlock opportunities for first-home buyers and young families to access established housing stock.

Today, more than 5,800 Victorians call Lifestyle Communities home. We've reimagined our approach to customer engagement to ensure more consistent, timely, and high-quality service. Our Lifestyle Managers have become key touchpoints in each community. We capture both biannual and real-time feedback, supported by monthly homeowners' committee meetings, to continually improve our offering. Our March 2025 satisfaction score of 76.7% reflects this commitment.

Our Lifestyle Communities Foundation remains a powerful symbol of community spirit. This year's Tour De Lifestyle—a 400km bike ride through our communities—involved homeowners, staff, and volunteers and raised $252,546 for the Royal Children's Hospital Foundation. This represents a threefold increase over the past two years, and every dollar raised by homeowners was matched by Lifestyle Communities. We are inspired by the generosity of our communities and proud to support causes that matter to them.

We closed the year with 4,128 settled homes across 25 operating communities. Our total portfolio—including completed, in-progress, and undeveloped sites—now stands at 5,750 homes. While we remain mindful of macroeconomic uncertainty, including the potential for interest rate reductions, we are focused on disciplined execution of our refreshed strategy to ensure the business is ready to scale when conditions improve.

**Strategic priorities**
Our strategy is focused on three core pillars:

- **Become the Go-to-Choice for Downsizers**
  We're committed to mastering both sides of the sales process; the enquiry-to-appointment journey and helping our homeowners sell their existing properties —supported by compelling homeowner stories, data insights, and partnerships with leading agents.
- **Renowned for the Homeowner Experience**
  We are investing in high-quality amenities, clear communication, and a consistent experience that empowers residents and strengthens referral advocacy across our communities.
- **Powering Our Growth Engine**
  We're embedding capital discipline, market-led product and pricing strategies, and more efficient project sales models—ensuring agility across cycles and sustainable financial returns.

With strong foundations, a sharpened strategic focus, and a maturing operating model, Lifestyle Communities is well-positioned to realise its long-term potential.

Thank you to our homeowners, partners, and shareholders for your support during FY25—and a heartfelt thank you to the Lifestyle Communities team for their passion and commitment during a critical time of transition where we are Getting Strong to Grow Stronger. While short-term challenges remain, the work we are doing now will ensure we are stronger, more resilient, and ready for the next stage of growth.

Sincerely,

**Henry Ruiz**
Chief Executive Officer
28 August 2025

# Directors' report

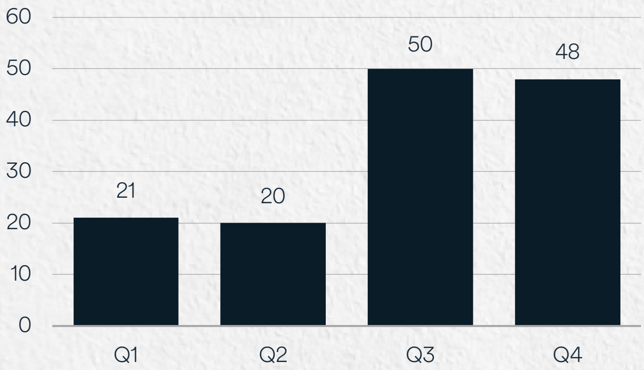
The Directors are pleased to present their report together with the financial report of the consolidated entity consisting of Lifestyle Communities Limited and the entities it controlled (the Group), for the year ended 30 June 2025 and the auditor's report thereon. There were no significant changes in the nature of the Group's principal activities during the financial year. The Directors' report covers pages 5 to 73.

## Significant events affecting FY25

In July 2024, a small number of homeowners at our Wollert Community led a campaign disputing the validity of the Deferred Management Fee structure. As a result of this campaign, circa 80 homeowners lodged claims with the Victorian Civil and Administrative Tribunal (VCAT). This resulted in adverse media coverage which impacted our brand, reputation and has further exacerbated the challenging sales environment.

The adverse media coverage impacted demand for new home sales, particularly in the first half of FY25 but we were encouraged by the recovery in sales in the second half.

**Net sales**




Whilst the recovery in sales was encouraging, it remained materially below historical levels and resulted in a number of capital management initiatives aimed at strengthening the balance sheet and adjusting to the new demand environment:

**Inventory reduction initiatives**

- Continued focus on strategic initiatives to reduce excess inventory levels in line with optimal targets of 15-20 per site including:
  - Targeted pricing strategies on select sites
  - Focused selling towards completed homes
  - Build rates reduced to minimise further inventory build up
- At 31 December 2024, we had 359 unsold homes: 269 completed, 90 under construction
- At 30 June 2025, unsold inventory levels reduced to 269: 257 completed and 12 under construction.

**Sale of excess land**

- Lifestyle has always aimed to operate a just-in-time development model
- Current sales rates do not support recommencement of paused projects or starting new projects, resulting in a larger bank of unproductive land
  - Following the drop in demand, we were carrying 8 sites representing 7+ years land supply — this represented circa $273 million of committed capital
  - Our strategy is to carry 4–5 years of land supply. Consequently, we undertook a sales program of several excess sites.

**Dividend pause**

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

**Debt facility changes during the year**

- Total debt facility right-sized (down) to $571 million, reflecting reduced near-term development requirements
- Interest Coverage Ratio (ICR) covenant negotiated to 1.75x (down from 2.5x) until the June 2027 test after which it will step up to 2.0x
- Extended tenor on $176 million of the $265 million tranche which was due to expire in August 2026 until August 2029.

**VCAT proceedings update:**

In July 2025, His Honour, Justice Woodward delivered his decision in the VCAT case which provided:

- That the Residential Tenancies Act 1997 (Vic) does not prohibit a deferred management fee (DMF);
- That because the DMF in Lifestyle Communities' standard Residential Site Agreement (RSA) is unable to be calculated as a precise amount at the time of entering into the RSA, the DMF clause in the RSA is void and unenforceable.

Lifestyle Communities intends to appeal the VCAT decision. Key next steps include:

| Item | Expected timing |
|---|---|
| VCAT Orders issued (at VCAT President's discretion) | 25 July (complete) |
| Appeal documentation due to be lodged (we have 42 Days from 25 July) | 5 September |
| Court of Appeal (Supreme Court) anticipated timeframe | 9–12 months (TBC) |

- From 7 July 2025 until the appeal is resolved, we are proceeding as follows:
  - **For deposit holders and future homeowners:** The DMF calculation methodology will be based on the homeowner's purchase price and pro-rated over a 5-year period to a maximum of 20% of this price (consistent with Justice Woodward's findings)
  - **For existing homeowners selling and leaving Lifestyle Communities:** The DMF clause will be subject to the outcome of the appeal
  - **Deceased estates:** Lifestyle Communities will no longer charge weekly site fees for services provided to deceased estates

## DMF – impacts on the FY25 financial statements

Despite Lifestyle Communities intention to appeal the VCAT decision, accounting standards require that the accounts be prepared on the basis that the VCAT decision stands. This is because the VCAT decision reflects the most recent legal interpretation of the DMF within Lifestyle Communities contracts at the time of preparing the financial statements.

Below is a summary of the changes made to the financial statements at 30 June 2025 as a result of the VCAT decision.

### Profit and Loss Statement impacts

*Provision for DMF Repayment*

- The $77.8m provision for repayment of DMF represents a fulsome estimate of the potential repayment to past homeowners
- If the appeal is unsuccessful Lifestyle Communities will commence a process to repay affected homeowners
- If the appeal is successful, the provision will be reversed to the P&L

*Changes to the carrying value of Investment Properties due to the outcome of VCAT*

- The $193.5 million reduction in the carrying value of investment properties assumes existing DMF clauses in our standard contracts are void and each site rolls onto the new contract structure at the next turnover (DMF calculated on entry price)

### Profit & Loss Statement impacts

| Adjustment required | Pre-tax $m | Post-tax $m |
|---|---|---|
| Provision for repayment of DMF to previous homeowners | (77.8) | (54.5) |
| Reduction in the carrying value of investment properties | (193.5) | (135.5) |
| **Total P&L impact** | **(271.3)** | **(190.0)** |

### Balance sheet impacts

| Adjustment required | $m |
|---|---|
| **Assets** | |
| Reduction in carrying value of investment properties | (193.5) |
| **Liabilities** | |
| Provision for repayment of DMF to previous homeowners | (77.8) |
| Reduction in deferred tax liability | 81.3 |
| **Total net assets impact** | **(190.0)** |
| **Total net assets reduction – $ per share** | **$(1.56)** |
| **Net assets per share (excluding DTL) post VCAT adjustments** | **$6.05** |

# FY25 Operating and financial review

## Overview

The challenging conditions in the Victorian Property market continued into FY25 and were exacerbated by the VCAT case brought by a small number of homeowners and the negative media coverage that followed. Operating profit decreased by 15% primarily driven by lower new and established home settlements. Further details on the operating and financial performance of the business are outlined below.

## Financial and Operating Highlights [1]

Accounting Standards require the FY25 accounts be prepared with regard to the most recent legal interpretation of the DMF provisions, regardless of the stay or the intention to appeal that decision. If the appeal is successful, the majority of these changes will be reversed.

| | | FY25 | FY24 | Change | Change (%) |
|---|---|---|---|---|---|
| **Key financial data** | | | | | |
| Revenue [2] | A$ millions | 226.4 | 243.2 | (16.8) | (6.9)% |
| Operating profit after tax | A$ millions | 45.2 | 52.9 | (7.7) | (14.6)% |
| Statutory profit after tax | A$ millions | (195.3) | 50.0 | (245.3) | (490.6)% |
| Cash Flow from Community Operations [3] | A$ millions | 32.6 | 33.4 | (0.8) | (2.4)% |
| Cash Flow from Development Activities | A$ millions | (7.1) | (118.0) | 110.9 | (94.0)% |
| Operating Earnings per share | A$ cents | 37.1 | 48.1 | (11.0) | (22.9)% |
| Statutory Earnings per share | A$ cents | (160.4) | 45.5 | (205.9) | (452.5)% |
| **Full year dividend declared** | **cps** | **0.0** | **10.5** | | |
| | | | | | |
| Homes settled | No. of homes | 268 | 311 | (43) | (13.8)% |
| Homes sold [4] | No. of homes | 139 | 375 | (236) | (62.9)% |
| Average sales price new homes (GST incl) | A$'000 | 679 | 686 | (7) | (1.0)% |
| Total number of homes (gross) | No. of homes | 4,128 | 3,860 | 268 | 6.9% |
| Total number of homes (after NCI) [5] | No. of homes | 3,927 | 3,659 | 268 | 7.3% |
| Total number of homeowners | No. of homeowners | 5,838 | 5,505 | 333 | 6.0% |
| Average age of homeowners | Years | 76 | 74 | 2 | 2.7% |
| Number of resales settled | No. of homes | 115 | 151 | (36) | (23.8)% |
| Average realised sales price resales (GST incl) | A$'000 | 531 | 519 | 12 | 2.3% |

Notes:

1. Included in the table above are several non IFRS measures including operating profit, cash flow from community operations, cash flow from development activities, and operating earnings per share. These figures have not been subject to audit but have been provided to give a better understanding of the performance of the Company during the 2025 financial year.
2. Revenue excludes the deferred management fee repayment provision of $77.8 million.
3. Cash flow from community operations comprises cash flows received from homeowner rentals and deferred management fees less community operating costs and the net surplus/deficit from providing utilities.
4. Net sales represent deposits on new homes less cancellations and excludes net sales from Ocean Grove II as the land was contracted for sale in August 2025.
5. Gross number of homes adjusted for share of communities owned by non controlling interests (NCI).

**Fair value adjustments**

At Lifestyle Communities our homeowners purchase a proportionate share of the clubhouse, recreational facilities, and all associated infrastructure when they purchase their home. This helps us build a sense of community, shared ownership, and pride in where our homeowners live. Due to this operating model, the cost of this infrastructure is capitalised to inventory during development and then classified as costs of goods sold upon settlement. The cost of the underlying land is capitalised to the balance sheet and is classified as an investment property.

The Group's Investment Property Valuation Policy requires that each asset in the portfolio must be externally valued at least every two years by an independent external valuer who is considered an industry specialist in valuing these types of investment properties. The independent valuer can only value an investment property on three consecutive occasions.

For FY25, fourteen of twenty-five communities and four land sites have been externally valued by independent valuers CBRE, Cushman & Wakefield and Valued Care. For the remaining communities, the Directors have estimated the fair value internally utilising inputs from the independent valuations and assessing against current year independent valuation assumptions and market evidence. Further, due to the material changes regarding the DMF as a result of the VCAT proceedings, an independent expert was engaged (on a limited desktop basis) to assess the reasonableness of the valuation assumptions used in the DMF Director valuations at 30 June 2025.

The fair value adjustment typically comprises three components:

1. The value uplift created when a customer settles on their home and acquires their share of the infrastructure, which in turn delivers an ongoing annuity income stream in the form of the land rental and deferred management fee;
2. The uplift created as a result of the contractual rent increase applied to settled homes each year;
3. Changes in fair market values due to changes in valuation assumptions used by independent valuers and Directors. These typically include external market factors outside of Lifestyle Communities' control such as rent capitalisation rates, external market price growth assumptions and other available market data.

In FY25 we also had changes to carrying values as a result of the VCAT decision (component 4) and market value adjustments as a result of land sales (component 5).

In FY25, the Company recorded a fair value decrease of $184.9 million pre-tax and $129.4 million post tax. The breakdown of the fair value decrease for FY25 into the components above is as follows:

| | | FY25 $ million | FY24 $ million |
|---|---|---|---|
| 1 | Uplift in value arising from settled homes during the year (268 new home settlements FY24: 311) | **34** | **38** |
| 2 | Uplift created as a result of the contractual rent increase | **18** | **18** |
| 3 | Movements as a result of changes to valuation assumptions | **(20)** | **(4)** |
| 4 | Adjustment to investment property carrying values due to VCAT ruling | **(194)** | – |
| 5 | Movements as a result of market-based land sales processes | **(23)** | – |
| | **Total Fair Value Adjustments** | **(185)** | **52** |

New home settlements achieved in FY25 and annual rent increases linked to inflation resulted in fair value increases of $52 million pre-tax. This was offset by a $20m decrease in the carrying value of investment properties due to changes in market value assumptions and a $23m decrease as a result of market based land sales process. In addition, the company recognised a $194 million reduction in the carrying value of investment properties due to the VCAT decision that DMF clauses in standard contracts were void. The Group intends to appeal the VCAT decision and expects a material portion of the reduction to be reversed if the appeal is successful.

The current year fair valuation adjustment, includes $23 million relating to the Drysdale site divestment. The Drysdale site presented unique planning complexities and was encumbered by contractual obligations to deliver infrastructure services to an adjacent parcel of land. These factors limited its marketability and development potential which has resulted in the fair value adjustment against book value.

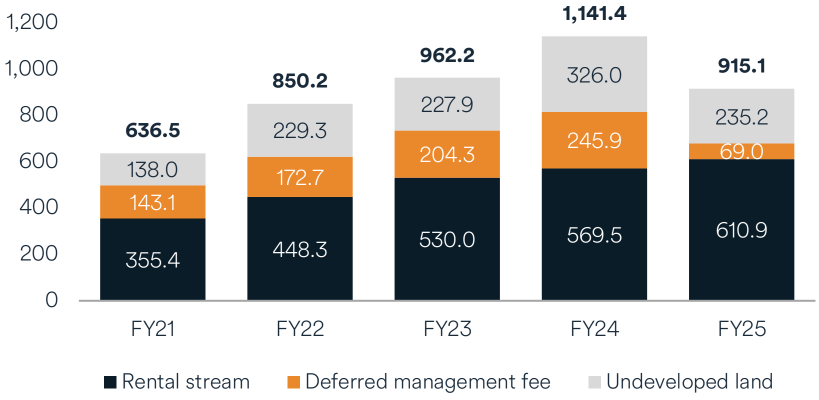
### Land sales summary

| $'m | Book value | Gross proceeds | Amount recognised at 30-Jun-25 |
|---|---|---|---|
| Merrifield [1] | **38.4** | 28.1 | (10.3) |
| Drysdale | **41.9** | 18.6 | (23.3) |
| Warragul II | **19.0** | 19.3 | 0.3 |
| Ocean Grove II [1] | **54.8** | 48.1 | (6.7) |
| **Total land transactions** | **154.1** | **114.1** | **(40.0)** |

Note:
1. Refer note 2.2(b) of the financial statements for further detail.

The chart below shows the different components of the investment property balance over the last 5 years.

### Investment properties breakdown




Note: The FY25 carrying value of the DMF represents the adjusted valuation following the VCAT decision. The company intends to appeal this decision. Prior to the adjustment, the carrying value of the DMF was circa $263 million (unaudited).

The table below shows the average value of settled homes under management compared to the average value of undeveloped land in the development pipeline. As the undeveloped land is developed and a new home is settled, a fair value adjustment will be realised as the undeveloped land valuation is replaced by the value of rental and DMF annuities in the year of settlement.

| | | FY25 | FY24 | FY23 | FY22 | FY21 |
|---|---|---|---|---|---|---|
| Homes under management | No. of homes | **4,128** | 3,860 | 3,549 | 3,193 | 2,792 |
| Carrying value of investment properties related to future rental cash flows | $000 | **610,855** | 569,458 | 529,971 | 448,300 | 355,400 |
| Carrying value per home under management | $000 | **148** | 148 | 149 | 140 | 127 |
| | | | | | | |
| Homes under management | No. of homes | **4,128** | 3,860 | 3,549 | 3,193 | 2,792 |
| Carrying value of investment properties related to future DMF cash flows | $000 | **69,046** | 245,928 | 204,254 | 172,700 | 143,100 |
| Carrying value per home under management | $000 | **17** | 64 | 58 | 54 | 51 |
| | | | | | | |
| Homes in the development pipeline | No. of homes | **1,622** | 2,703 | 2,044 | 2,198 | 2,302 |
| Value of land in the development pipeline [1] | $000 | **192,310** | 325,987 | 227,925 | 229,247 | 137,955 |
| Carrying value per home in the development pipeline | $000 | **119** | 121 | 111 | 104 | 60 |

1. At 30 June 2025, the carrying value of land of $235.2m included Ocean Grove II. Post 30 June, this asset has been contracted for sale and therefore excluded from the development pipeline above. Refer to note 7.4 for further detail.

More information on the valuation of the Company's investment properties is contained in Note 3.1 of the financial statements.

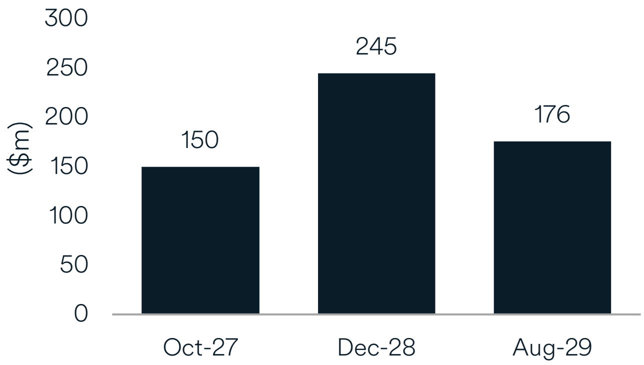
## Capital management

During FY25, as part of its continued focus on capital management, the Group agreed terms with its lending group to amend certain terms of its debt facilities.

Material changes as follows:

- Total debt facility right-sized (down) to $571 million, reflecting reduced near-term development requirements
- Interest Coverage Ratio (ICR) covenant negotiated to 1.75x (down from 2.5x) until the 30 June 2027 test after which the covenant steps up to 2.0x
- Extended the tenor on $176 million of the $265 million tranche which was due to expire in August 2026 until August 2029 (the remainder was surplus to requirements and was cancelled as part of the overall headroom reduction).

### Debt maturities




The revised facility size better reflects the ongoing capital needs of the business and will reduce commitment fees which would otherwise be payable on undrawn funds.

At 30 June 2025, the Group's debt maturities were as follows:

| | |
|---|---|
| October 2027 | $150 million |
| December 2028 | $245 million |
| August 2029 | $176 million |

There have been no changes to the interest rate swap arrangements described in note 1.5 as part of this refinance.

All other material terms and covenants remain unchanged.

### Loan to value ratio calculation:

| $000's | FY25 | FY24 |
|---|---|---|
| Investment property | 915,062 | 1,004,319 |
| Assets held for sale/land receivable | 48,578 | – |
| **Total investment property** | **963,640** | **1,004,319** |
| Net debt | 460,527 | 319,905 |
| LVR | 47.8% | 31.9% |

Note: FY24 Investment Properties excludes land not yet settled.

### Interest cover ratio calculation

| | FY25 |
|---|---|
| Interest paid [1] | 24,861 |
| **Profit / (loss) before tax** | **(278,824)** |
| Add back fair value decrease adjustment | 184,866 |
| Add back Interest and Borrowing Amortisation exp | 4,310 |
| Add back Interest in COGS | 11,950 |
| Add back Depreciation | 3,437 |
| Add back unusual, non-recurring items | 106,193 |
| Add back infrastructure | 41,806 |
| **Adjusted EBITDA** | **73,738** |
| | |
| Interest cover ratio | 3.0 |
| Covenant | >1.75x |

Note:

1. Interest paid for covenant purposes includes interest paid, interest received and the movement in interest accruals year on year.

## Debt covenants and key metrics

Lifestyle has two main financial covenants in addition to a group guarantor undertaking which are regularly stress tested. They are:

**LVR**

FY25: 47.8%

**LVR<65%**

**ICR**

FY25: 3.0x

**ICR>1.75x**

**Group Guarantor Test**

Total Assets and EBITDA FY25: 100%

**>85%**

### Key debt metrics

| | | FY25 | FY24 | Change | Change (%) |
|---|---|---|---|---|---|
| Gross Assets | $ millions | **1,315** | 1,512 | (197) | (13)% |
| Drawn Debt | $ millions | **463** | 324 | 139 | 43% |
| Total debt facilities | $ millions | **571** | 700 | (129) | (18)% |
| Undrawn debt | $ millions | **108** | 376 | (268) | (71)% |
| Net Debt to Assets less Cash and land accruals | % | **35.1%** | 23.1% | 12% | 52% |
| Net debt to Net Debt plus Equity | % | **42.3%** | 27.8% | 15% | 52% |
| Cash Interest Paid on Drawn Debt | $ millions | **24.1** | 25.8 | (2) | (7)% |
| Weighted Average Cost of Debt (based on drawn debt) | % | **6.2%** | 6.1% | 0.1 | 2% |
| Weighted Average Debt Maturity | Years | **3.4** | 3.3 | 0.1 | 3% |
| Annual interest coverage Ratio | Times | **3.0** | 3.2 | (0.2) | (6)% |
| Annual Loan to value ratio | % | **47.8%** | 32.3% | 16% | 48% |
| % of debt fixed | % | **42.0%** | 34.3% | 8% | 22% |
| Debt providers | No. | **4** | 5 | (1) | (20)% |

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

### Dividends

Due to the recent slowdown in sales and the lack of visibility on the forward sales rate and capital recycling, the Directors have made the decision to pause dividends and retain the capital within the business until such time as the external environment improves and there is greater clarity on the sales rate.

## Update on communities

| | Total homes in communities | Homes sold and occupied | Homes sold and awaiting settlement | Homes occupied & Homes sold and awaiting settlement | |
|---|---|---|---|---|---|
| **Established communities** | | | | | |
| 16 fully completed communities | **3,063** | 3,063 | | 3,063 | 100% |
| **Communities in progress** | | | | | |
| Wollert | **246** | 225 | **7** | 232 | 94% |
| Deanside | **266** | 183 | **14** | 197 | 74% |
| St Leonards - The Shores | **158** | 29 | **27** | 56 | 35% |
| Meridian | **274** | 255 | **9** | 264 | 96% |
| Woodlea | **180** | 56 | **7** | 63 | 35% |
| Phillip Island | **255** | 58 | **61** | 119 | 47% |
| Bellarine | **166** | 129 | **17** | 146 | 88% |
| Riverfield (Clyde) | **230** | 96 | **56** | 152 | 66% |
| Ridgelea (Pakenham) | **174** | 34 | **43** | 77 | 44% |
| **Future communities** | | | | | |
| Yarrawonga [1] | **110** | | | | |
| Clyde III [2] | **254** | | | | |
| Inverloch [2] | **204** | | | | |
| Armstrong Creek [2] | **170** | | | | |
| **Total [3]** | **5,750** | **4,128** | **241** | **4,369** | **76%** |

1. Civil works completed but further development of the project has been paused until such time as market conditions improve.
2. Commencement of construction subject to planning approvals.
3. Lifestyle Communities will have an economic interest in 5,549 home sites.

An update on each of the communities in planning or development at 30 June 2025 is as follows:

| | |
|---|---|
| **Wollert** | Community facilities at Wollert are complete and fully operational.<br>Housing construction is also complete, with the exception of eight homes that are dependent on external authority works outside of our control. These works are not expected to be ready for approximately two years. Once they are resolved, construction at the Wollert Community will be fully complete. |
| **Deanside** | Community facilities at Deanside are complete and fully operational.<br>Housing construction is also complete, with the exception of eleven homes that were paused due to an accumulation of stock. These homes will be completed at a later date, which will mark the full completion of construction at the Deanside Community. |
| **St Leonards – The Shores** | St Leonards continues to welcome a steady flow of homeowners into the community.<br>Underground civil works are complete, with the clubhouse scheduled for completion in Q1 FY26. Housing build rates have been adjusted to align with sales performance and to minimise the volume of unsold stock on the ground. |
| **Meridian** | Construction of Meridian is complete, and the community is fully operational.<br>At 30 June 2025 there were 10 homes remaining to sell. |
| **Bellarine** | Construction of the Bellarine clubhouse is complete and fully operational, with a separate Wellness Hub scheduled for construction completion by the end of FY26.<br>The co-located Club Lifestyle facilities are also fully completed. The final two homes in the community are set to commence construction in July, with full community construction expected to be completed by the end of FY26. |
| **Ridgelea (Pakenham)** | Clubhouse construction and communal amenities are now complete at Ridgelea (Pakenham).<br>Underground civil works are complete, and home construction is progressing in line with sales rates to ensure alignment with demand. |
| **Riverfield (Clyde)** | Clubhouse construction at Riverfield is fully complete and operational, with a Wellness Hub to be delivered as the final communal amenity in late 2026.<br>Underground civil works are complete, and housing build rates have been adjusted to align with sales performance and minimise the volume of unsold stock on the ground. |
| **Woodlea** | The civil program for Lifestyle Woodlea is largely completed, with underground civil works complete. The clubhouse and recreational facilities are complete and build rates have been adjusted to align with sales rates to minimise volume of unsold stock on the ground. |
| **Phillip Island** | The clubhouse at Phillip Island is fully complete, with all communal amenities' construction now finished and operational.<br>Underground civil works are complete, and housing build rates have been adjusted to align with sales performance and minimise the volume of unsold stock on the ground. |
| **Yarrawonga** | Civil works have been completed but the project has been paused due to market conditions in the surrounding catchment. The project will be recommenced once conditions improve. |

Each development is reviewed by the executive leadership team at least every three months as part of our Project Control Group (PCG) cycle. Development activities are routinely increased or decreased subject to sales performance at each project and prevailing market conditions.

## Outlook for FY26 and beyond

**Outlook**
As we look to FY26, our refreshed strategy will see us focused on execution and positioning the business for the next development cycle, which we expect to emerge in late FY26, early FY27 as the property market conditions improve.

During FY26, shareholders should expect to see us:

- **Further de-lever the balance sheet**, with net debt expected to reduce to below $360 million by 31 December 2025.
- **Deliver positive operating cash flow**, underpinned by:
  - targeted inventory reduction,
  - communities in progress which are past their peak development spend phase, and
  - Communities in progress contain sufficient supply – no new project launches planned in FY26 (subject to market conditions).
- **Re-contract with our existing customer base**, which offers the potential to increase the carrying value of investment properties subject to customer take-up of the option to sign a new contract.
- **Embed our refreshed strategy** into the operating rhythm of the business, creating consistency and focus across all functions and delivering on our strategic objectives:
- **Be the Go-to-Choice for Downsizers**
  - We're committed to mastering both sides of the sales process; the enquiry-to-appointment journey and helping our homeowners sell their existing properties —supported by compelling homeowner stories, data insights, and partnerships with leading agents.
- **Be Renowned for our Homeowner Experience**
  - We are investing in high-quality amenities, digitally enhanced communication methods, and a consistent experience that empowers residents and strengthens referral advocacy across our communities.
- **Powering our Growth Engine to Deliver Sustainable Returns**
  - We're embedding capital discipline, market-led product and pricing strategies, refinement of our home designs and more efficient project sales models—ensuring agility across cycles and sustainable financial returns.

***Despite the near-term market conditions, the fundamental drivers of retirement living demand remain strong and together with our steps to mature our operating model, Lifestyle Communities is well-positioned to realise its long-term potential.***

### New home settlements pipeline status

As at 22 August 2025 we have:

- Completed 35 new home settlements
- Total contracts on hand of 237

Of the 237 contracts on hand, 162 relate to homes that will be available for settlement in FY26.

Of these 162 contracts available for settlement in FY26:

- 40 customers are booked to settle prior to 30 June 2026 and have unconditional contracts on their current homes
- 60 customers are actively marketing their own homes for sale and have not firmed up a booking date
- 62 customers have placed deposits and are yet to list their homes for sale.

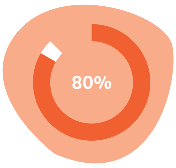
# Model of living

**Way to Move — Over 7,000 wellbeing classes run in FY25**

## 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.

The weekly site fee is approximately 20–25% of the Aged Pension after receipt of the Commonwealth Rental Assistance.[2]




Average homes typically priced at 80% of the median house price in the target catchment.[3]

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

Over the last 12 month period, on average, our home owners have released approximately $218,000 upon sale of previous home[1].

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

Homeowners control price, presentation and sales strategy at exit.

Notes
1. Calculated as the difference between the homeowners previous 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.
3. Under our pricing model it is our intention to recover development costs through our new home sales. Our aim is to sell homes at an average price of 80% of the prevailing median house price for the relevant catchment for each development. Actual prices may vary due to movements in median house prices, increased costs to build, and individual house premiums or discounts.

# Our business and strategy

## Our business aims to provide affordable, contemporary housing for our homeowners in beautiful community settings.

Lifestyle Communities' land lease model allows working, semi-retired, and retired people to downsize from their family home to free up equity in retirement, whilst enjoying resort style living including pools, gyms, clubhouse, cinema, lawn bowls, tennis, and much more.

To maintain this offering we consistently monitor all settings, including local house prices, national economic indicators, demographics, design trends, environmental advances and customer expectations.

**Strategic priorities**
Our strategy is focused on three core pillars:

- Be the Go-to-Choice for Downsizers
- Renowned for the Homeowner Experience
- Powering Our Growth Engine

We're embedding capital discipline, market-led product and pricing strategies, and more efficient project sales models—ensuring agility across cycles and sustainable financial returns.

With strong foundations, a sharpened strategic focus, and a maturing operating model, Lifestyle Communities is well-positioned to realise its long-term potential.

## Strategy review and refresh

### Our renewed company strategy reflects an evolution of purpose– 'Reimagining the way to live for independent downsizers.

**It is brought to life through 3 strategic pillars:**

- Be the Go-to-Choice for Downsizers
  - We're committed to mastering both sides of the sales process; the enquiry-to-appointment journey and helping our homeowners sell their existing properties —supported by compelling homeowner stories, data insights, and partnerships with leading agents.
- Renowned for the Homeowner Experience
  - We are investing in high-quality amenities, digitally enhanced communication methods, and a consistent experience that empowers residents and strengthens referral advocacy across our communities.
- Powering Our Growth Engine
  - We're embedding capital discipline, market-led product and pricing strategies, refinement of our home designs and more efficient project sales models—ensuring agility across cycles and sustainable financial returns.

## Operationalising the strategy

### What's well underway?

- Elevated market orientation:
  - new home sales pricing
  - product design and specification
  - a focus on both sides of the downsizing journey
- Increased focus on the homeowner experience
- Refreshed and simplified brand and go-to-market strategy
- Right sizing of the land bank and planning for sustainable level of future development and growth
- A culture shift to enhance performance and accountability
- Maturing the platform and positioning for the next development cycle

### Work in progress

- Technology review and planning
- Communicating the strategy internally and embedding amongst every team
- Setting performance-based KPIs and aligning the team for accountability
- A review of the capital needs of the business and aligning with future growth aspirations
- Strategic workforce planning, skills enhancement, and development plans
- Risk appetite settings

## FY26 – the reset year of our 5 year growth plan

| FY26 | FY27 | FY28 | FY29 | FY30 |
|---|---|---|---|---|

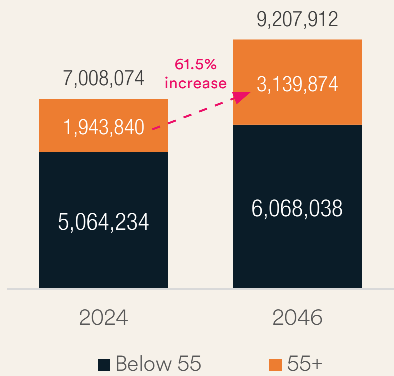
**Get strong**

- Strategic reset
- Market-led sales pricing
- Balance sheet de-leveraging
- Pipeline rationalisation
- Re-engineer feasibilities and designs on future projects (focus on affordable)
- Evolved commercial model
- Brand refresh

**Grow stronger**

- Unlock existing sites within our land bank
- Recommence acquisition cycle – phased appropriately
- Balance sheet back within risk appetite settings
- Return to steady and sustainable growth
- Population growth and ageing population underpin long-run demand
- Other strategic options

**Growth in population of people over 55 in Victoria.** [1]




- Victoria's population of people aged 55+ is anticipated to increase from 1.9 million to 3.1 million by 2046 (an increase of 61.5%)
- Land lease is maturing as an asset class in Australia, and is now widely accepted by consumers
- The VCAT process (and subsequent appeal) will provide much needed certainty for operators, consumers, and regulators

Source: National Forecasting Program, published August 2024. Prepared by .id (informed decisions) www.id.com.au

Note
1. National Forecasting Program, published August 2024. Prepared by .id (informed decisions) www.id.com.au

## The macro themes that have underpinned LIC's success over the last 20 years remain and *are intensifying*

**Demographics**

### Demographics – over 50s middle-market expansion

- By 2030, approximately 19% (5.7m) of Australians are projected to be over the age of 65, based on a forecasted total population of 29.9 million
- Approximately 63% of the population aged 65 and over receive income support payments, predominantly the Age Pension

**National housing crisis**

### National housing crisis and government policy

- Supply and demand across the entire property market will remain in disequilibrium; with the rate of new housing development not keeping pace to address demand. There is a need for downsizer solutions that in turn create options for the next generation

**Rising cost of living**

### Rising cost of living is fuelling the need for affordable housing

- 59% of Aussie over-55s are materially more concerned about the cost of living now than they were in 2021, driving interest in more affordable housing options and other spend categories
- Normalisation of land lease communities and business model as a viable option. 11% of 65+ live in Residential Aged Care or villages with Land Lease at 1% penetration

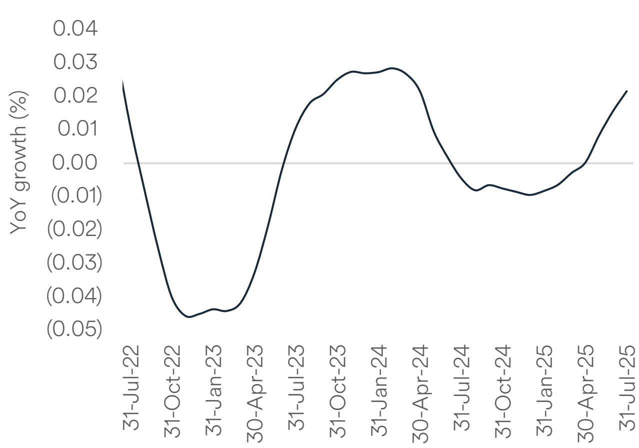
**Ongoing demand for affordable housing**

Source: CBRE Land Lease Communities Report. Australian Senior Living 2025 Edition.
The Retirement Phase of Superannuation, Aussuper, 2024

## Our *evolved* pricing model responds to *market conditions*

- The LIC business model has been built on the premise that an equity release for new homeowners is a key part of the sales proposition
- There is no doubt the property market has been through a difficult cycle impacted by interest rates and other localised factors
- Our target customers are existing homeowners and understand property cycles
- Our commercial model needs to be adaptable to these market forces
- We remain confident that sales prices at or around 80% of the median house price is fundamental to the sales cadence
- Going forward: our pricing strategy will adjust as market conditions change:
  - Challenged Market
    - Sales prices will reduce with the market – Maintain average selling price at ~80% of the median
    - LIC will make lower returns
  - Strong Market
    - Sales prices will rise with the market – Maintain average selling price at 80% of the median
    - LIC will make increased returns
- Our enhanced commercial model will allow us to remain optimised and flexible no matter the underlying market conditions

**Melbourne home price growth (YoY)**

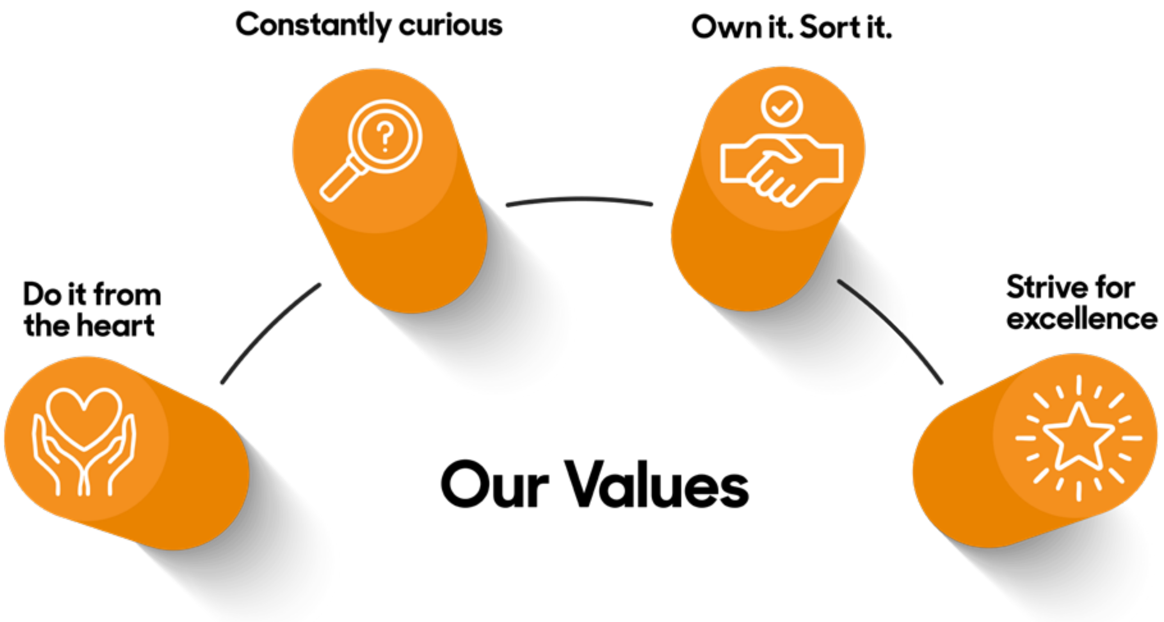



Source: Proptrack

***Cost discipline and innovation in our development design and construction will continue to be a core pillar in keeping houses affordable.***

# Our values

Our purpose is embedded in our values-based culture, which drives and inspires our people to innovate and create memorable customer experiences that drive the best outcomes for our homeowners. Our values are the driving force behind all that we do, reinforcing our culture and ultimately ensuring our continued success.




## Key Community Demographics

**25** — **Communities**
25 in operation

**29** — **Total communities**
9 in development
4 in planning

**5,838+** — **Homeowners**
Living in our communities

**50%+ singles** — **Homeowner mix**
Single women 2,744
Single men 642
Couples 2,452

**63% (F) 37% (M)** — **Our Team gender split**
Women 104
Men 60

**63% (F) 37% (M)** — **Homeowner gender split**
Women 3,678
Men 2,160

**4,128** — **Homes in our portfolio**
Under management

**5,750** — **Total home pipeline**
approximately

# 5-year performance summary

| | Measure[1] | FY25 | FY24 | FY23 | FY22 | FY21 |
|---|---|---|---|---|---|---|
| **Key operational metrics** | | | | | | |
| Total settled homes (end of year) | Homes | **4,128** | 3,860 | 3,549 | 3,193 | 2,792 |
| Portfolio + pipeline (end of year) | Homes | **5,750** | 6,563 | 5,912 | 5,391 | 5,094 |
| New home settlements | Homes | **268** | 311 | 356 | 401 | 255 |
| Resale settlements | Homes | **115** | 151 | 178 | 156 | 121 |
| **Income statement snapshot** | | | | | | |
| Home settlement revenue | $'000 | **163,026** | 182,927 | 180,827 | 180,291 | 102,716 |
| Annuity revenue (Rent + DMF) | $'000 | **56,153** | 54,656 | 47,164 | 40,618 | 32,385 |
| DMF repayment provision | $'000 | **(77,788)** | – | – | – | – |
| Other revenue | $'000 | **7,190** | 5,645 | 4,302 | 3,497 | 3,602 |
| Total revenue | $'000 | **148,581** | 243,228 | 232,293 | 224,406 | 138,703 |
| **Operating profit after tax** | | **45,154** | **52,870** | **71,129** | **61,430** | **36,388** |
| *Reconciliation to statutory profit/(loss)* | | | | | | |
| *Statutory adjustments* | *$'000* | *(240,425)* | *(2,891)* | *10,771* | *27,441* | *54,723* |
| *Statutory net profit/(loss) after tax* | *$'000* | *(195,271)* | *49,979* | *81,900* | *88,871* | *91,111* |
| **Statement of financial position snapshot** | | | | | | |
| Cash | $'000 | **2,473** | 4,095 | 1,233 | 1,893 | 2,300 |
| Inventory/work in progress | $'000 | **293,995** | 321,201 | 193,555 | 135,679 | 125,243 |
| Investment properties | | | | | | |
| Fair value of rental cash flows | $'000 | **610,855** | 569,458 | 529,971 | 448,300 | 355,400 |
| Fair value of deferred management fees[4] | $'000 | **69,046** | 245,928 | 204,254 | 172,700 | 143,100 |
| Undeveloped land | $'000 | **235,161** | 325,987 | 227,925 | 229,247 | 137,955 |
| Other assets | $'000 | **103,637** | 44,961 | 34,502 | 18,392 | 17,278 |
| **Total assets** | **$'000** | **1,315,167** | **1,511,630** | **1,191,440** | **1,006,211** | **781,276** |
| Trade payables | $'000 | **30,509** | 158,256 | 115,849 | 159,904 | 94,023 |
| Borrowings | $'000 | **463,000** | 324,000 | 371,000 | 245,000 | 190,000 |
| Deferred tax | $'000 | **106,618** | 191,559 | 171,954 | 144,770 | 115,365 |
| Other liabilities | $'000 | **85,625** | 6,060 | 7,779 | 3,080 | 3,793 |
| **Total liabilities** | **$'000** | **685,751** | **679,875** | **666,583** | **552,754** | **403,181** |
| **Net assets** | **$'000** | **629,416** | **831,755** | **524,857** | **453,457** | **378,095** |
| **Net assets excl. deferred tax** | **$'000** | **736,034** | **1,023,314** | **696,812** | **598,227** | **493,460** |
| **Share information** | | | | | | |
| Total shares on issue | '000 of shares | **121,740** | 121,740 | 104,545 | 104,545 | 104,545 |
| **Operating earnings per share[2]** | **cents per share** | **37.1** | **48.1** | **68.1** | **58.7** | **34.8** |
| Basic earnings per share (statutory) | cents per share | **(160.4)** | 45.5 | 78.3 | 85.4 | 87.3 |
| Diluted earnings per share (statutory) | cents per share | **(160.4)** | 45.3 | 78.0 | 85.1 | 87.1 |
| **Net assets per share** | **$ per share** | **5.2** | **6.8** | **5.0** | **4.3** | **3.6** |
| Net assets per share excl. Deferred Tax | $ per share | **6.0** | 8.4 | 6.7 | 5.7 | 4.7 |
| **Ratios** | | | | | | |
| Operating profit margin | % | **30.4%** | 21.7% | 30.6% | 27.4% | 26.2% |
| Weighted average rent capitalisation rate | % | **5.2%** | 5.2% | 5.1% | 5.2% | 5.6% |
| Average DMF valuation[4] | $'000 per home | **17** | 64 | 61 | 58 | 56 |
| Return on average shareholders equity | % | **(26.7)%** | 7.8% | 16.9% | 21.9% | 26.5% |
| Net debt to net debt + equity | % | **42.3%** | 27.8% | 41.3% | 34.9% | 33.2% |
| Net debt/assets less cash and land accruals | % | **35.1%** | 23.1% | 33.2% | 27.5% | 26.7% |
| Interest cover[3] | No. of times | **3.0x** | 3.2x | 3.2x | 6.2x | 5.6x |

Note:
1. Included in the table above are non IFRS measures including operating profit and operating earnings per share. These figures have not been subject to audit but have been provided to give a better understanding of the performance of the Group during the 2025 financial year.
2. In February 2024 the company announced a rights issue to raise $275m in new equity. 17.2m new shares were issued as part of the rights issue. The total shares on issue increased from 104.5m to 121.7m. For the FY24 Operating Earnings per share calculation, the weighted average shares on issue during the year of 109.9m was used.
3. In FY24 and FY25 the debt covenants were renegotiated as part of steps to modernise the common terms deed with our lending syndicate. As such, the calculation methodology and covenants for both the interest cover ratio and the loan to value ratio are different in FY24 and FY25 than prior years.
4. DMF valuations have been amended to reflect the VCAT ruling, this has resulted in a $193.5m fair value decrease to the DMF component of investment property valuations at 30 June 2025. Lifestyle Communities intends to appeal this decision in the supreme court. Carrying values will be unaffected if the appeal is unsuccessful but will be restated upwards if the appeal is successful.

# Our approach to Sustainability

## Lifestyle Communities was born with a purpose to be socially responsible in creating affordable, homeowner-centric communities for Australians over 50.

We recognise that the way we create and operate our communities has wider impacts on the well-being of our homeowners. This understanding underpins our approach to sustainability.

We understand that as an organisation, we have a role to play as part of a wider ecosystem. We focus our efforts on areas where we can have the biggest positive impact and provide the most benefit to people.

We recognise that the well-being of people and the health of the planet are connected and continue to progress our efforts on climate change and other areas of environmental sustainability, acknowledging that where we come up against the limits of affordability, we will stay true to our purpose and seek to use innovation and design to find co-benefits for both people and the environment.

## Sustainability governance

**Board and Executive responsibility**
The Board has overall responsibility for sustainability governance but delegates review of sustainability metrics to the Audit & Risk Committee and the People & Culture Committee as appropriate.

Our Chief Executive Officer and Chief Financial Officer oversee the strategic integration of sustainability goals and metrics into the wider business.

The Executive Leadership Team drive the implementation of sustainability initiatives within their teams.

- **Security Holders**
- **Board of Directors and subcommittees** (including People, Culture, ESG, and Risk)
- **Chief Executive Officer**
- **Executive Leadership Team**
- **Our Team**

**Our commitment to continuous improvement and meaningful action**
We are committed to continuous improvement and learning when it comes to our sustainability performance. In an ever-evolving field, we recognise the importance of staying informed and proactive. We actively seek meaningful opportunities to enhance our sustainability practices, identify areas where we can do better, and implement innovative solutions that align with our compelling purpose.

By embracing a culture of learning and adaptation, we strive to implement meaningful and impactful change. We recognise that data and information are key to effective decision making and prioritisation, and as such are working to continuously improve our data collection and reporting practices – especially in the emerging field of social sustainability.

We engage with our stakeholders on a regular basis to ensure that we are receiving feedback on the issues that matter most to them.

***It's not just a nice place to live, it's a better way to live.***

Lifestyle Communities homeowners consistently report feeling better, living better, and experiencing significantly higher life satisfaction compared to national averages for over-55s.

Our Personal Wellbeing Index (PWI) scores continue to surpass both state and national benchmarks, with Lifestyle Communities homeowners rating their life satisfaction an average of 9.7 points higher than Victorians aged 55 and older.

In FY24, we integrated the Personal Wellbeing Index (PWI) into our homeowner survey process to better understand how joining a Lifestyle Community influences personal wellbeing. The PWI is an independently validated survey tool aimed at understanding quality of life. It is an internationally recognised tool that measures satisfaction across seven quality of life domains:

- Overall satisfaction
- Standard of living
- Health
- Achieving in life
- Personal relationships
- Safety
- Community connectedness
- Future security

In FY25, we built on this foundation by launching the Personal Wellbeing Study – an expanded initiative focused on measuring the overall wellbeing of our homeowners and how community living impacts their quality of life. This study tracks key indicators such as health, social connection, a sense of purpose.

The insights we gather will enable us to monitor trends over time and inform future initiatives that drive meaningful, lasting benefits across our communities.

In our FY25 study, across our 25 communities, we had a total of 1,105 homeowners respond. When compared to other Australians and Victorians aged over 55, Lifestyle Communities homeowners report a greater sense of satisfaction in all aspects of their lives.

**Key areas where our homeowners outperformed VIC averages ...**

- Homeowners satisfaction with their future security = 12.6 points higher
- Homeowner satisfaction with feeling a part of community = 11.9 points higher.
- Homeowners satisfaction with what they are achieving in life = 10.2 points higher
- Homeowners satisfaction with their personal relationships = 10.2 points higher

| | **Global life satisfaction** | **Standard of Living** | **Health** | **Achieving in life** | **Personal relationships** | **Personal safety** | **Community connectedness** | **Future security** |
|---|---|---|---|---|---|---|---|---|
| | All things considered, how satisfied are you with your life as a whole? | How satisfied are you with your standard of living? | How satisfied are you with your health? | How satisfied are you with what you are achieving in life? | How satisfied are you with your personal relationships? | How satisfied are you with how safe your feel? | How satisfied are you with feeling part of your community? | How satisfied are you with your future security? |
| Australian Subjective Wellbeing (2024, AUS Online, +55) | 74.0 | 77.5 | 67.9 | 69.9 | 75.7 | 79.7 | 70.8 | 70.2 |
| Australian Subjective Wellbeing (2024, VIC Online, +55) | 72.3 | 76.3 | 66.3 | 67.3 | 74.0 | 77.7 | 67.0 | 68.3 |
| Lifestyle Communities Overall Avg. (Personal Wellbeing Study – 2025) | **81.3** | **83.9** | **72.0** | **77.5** | **84.2** | **87.4** | **78.9** | **80.9** |

Source: Personal Wellbeing Index data 

Our initial focus on deepening impact has been anchored around 3 core drivers:

1. **Doing something for others** – with amplification of Tour De Lifestyle and Lifestyle Foundation support for fundraising activities across all communities.
2. **Being physically healthy and active** – through enhancements to the Wellbeing program, further building engagement in sporting carnivals and introduction of new classes and speakers.
3. **Relationships and social connections** – creating events and opportunities to build, foster and nurture connections within and across communities to suit the needs of individual homeowners.

The next phase of the journey entails:

1. **Further PWI data collection** – to help us understand trends over time and validate the impact of initiatives in our communities.
2. **Validating our impact framework and key indicators** – to support ongoing measurement of output to increase homeowners' wellbeing.
3. **Leveraging learnings and insights** – to further develop our homeowner experience strategy.

We have continued to engage with our stakeholders and listen to their feedback on a regular basis. Further details on our approach to stakeholder engagement, and our progress, can be found throughout the upcoming sections.

This assessment and review conducted in FY23 resulted in an extended program of work to address and uplift our performance over the medium term and retarget some of our efforts in the short term. Our focus on people is reflected within our material topics and priority areas.

## Material topics

Understanding our material topics helps us focus and prioritise our efforts and underpins our commitment to the social aspects of sustainability, a commitment which aligns with our business model and our purpose.

We have continued to engage with our stakeholders and listen to their feedback on a regular basis.

This assessment and review conducted in FY23 resulted in an extended program of work to address and uplift our performance over the medium term and retarget some of our efforts in the short term. Our focus on people is reflected within our material topics and priority areas.

| Material issues | Relevant stakeholder group | Alignment to UN SDGs[1] | Relevant sections in this report |
|---|---|---|---|
| **Housing supply and affordability** | Homeowners<br>Wider Community | 3 Good Health and Well-being<br>10 Reduced Inequalities | Our business and strategy |
| **Team engagement and well-being** | Our Team | 3 Good Health and Well-being<br>8 Decent Work and Economic Growth | Our team |
| **Health and safety** | Our Team<br>Homeowners<br>Our Partners | 3 Good Health and Well-being<br>8 Decent Work and Economic Growth | Our team |
| **Employer of choice** | Our Team | 8 Decent Work and Economic Growth | Our team |
| **Diversity and inclusion** | Our Team | 5 Gender Equality<br>8 Decent Work and Economic Growth | Our team |
| **Homeowner (customer) engagement and satisfaction** | Homeowners | 3 Good Health and Well-being | Our communities<br>Driving connection, purpose and empowerment |
| **Homeowner health, well-being and social connection** | Homeowners | 3 Good Health and Well-being | Our communities<br>Driving connection, purpose and empowerment |
| **Climate action** | Wider Community<br>Homeowners<br>Investment Community | 7 Affordable and Clean Energy<br>11 Sustainable Cities and Communities<br>13 Climate Action | Climate action |
| **Local community impact and partnerships** | Local Communities<br>Our Partners | 8 Decent Work and Economic Growth<br>5 Gender Equality | Our partners and suppliers |
| **Privacy and cyber security** | Homeowners<br>Wider Community | 17 Partnerships for the Goals | The company's key opportunities an risks |
| **Responsible procurement** | Our Partners<br>Wider Community | 17 Partnerships for the Goals | Our partners and suppliers |
| **Governance processes and systems** | Our Team<br>Investment Community | 9 Industry, Innovation and Infrastructure<br>17 Partnerships for the Goals | Our Board and governance |

1. UN SDGs refers to the United Nations Sustainable Development Goals

# Our communities

## Our communities are places where homeowners can truly belong, connect and thrive. We are committed to providing experiences and environments that nurture wellbeing, build relationships and enrich everyday life.

We are proud to operate with a purpose-led culture, with a clear focus on enriching the lives of our homeowners. Today, we manage 25 vibrant, supportive and engaged communities across Victoria.

***Our mission is clear and compelling: to help every homeowner live better, longer, and find a true sense of belonging.***

From creating spaces that encourage connection, to offering services and experiences that enrich daily life, we are committed to engaging, empowering and contributing meaningfully to each homeowner's journey.

### Homeowner journey

Building genuine relationships and personalising each homeowner's experience is at the heart of what we do. From the first enquiry, throughout the sales process, to the excitement of move-in day and well beyond, we strive to support and empower our homeowners at every stage of their journey. We warmly welcomed 383 new households into our communities during FY25.

Our communities are thoughtfully designed to make connection feel seamless, with everyday interactions contributing to a strong sense of belonging. At the same time, we recognise and value each homeowner's independence, creating an environment where they can live life their own way.

Our on-site Lifestyle Managers play a vital role in maintaining this balance. They oversee day-to-day operations, enabling homeowners to focus on what matters most to them. Reflecting our people-first approach, we invest in careful recruitment, training and ongoing development of our Lifestyle Managers to ensure they are equipped to support vibrant, well-connected communities.

### Our community spaces

Our Clubhouses are central to life in our communities – vibrant hubs designed to support an active, social and connected lifestyle. With resort-style facilities located just steps from home, homeowners enjoy convenient access to a wide range of amenities that promote wellbeing and reduce the need for external memberships – particularly valuable in today's rising cost of living environment.

As our communities have expanded, so too has the variety of amenities we offer. New additions such as infrared saunas, virtual golf simulators and pilates studios sit alongside long-standing favourites including bowling greens, pools, spas, cinemas, gyms and creative studios - ensuring there is something for everyone. From thoughtful architectural design to ongoing maintenance and care, we remain committed to ensuring these shared spaces continue to enhance community life, both now and well into the future.
In the FY25 year, we are proud to have launched 2 new Clubhouses (Riverfield and Phillip Island) with St Leonards – The Shores and Ridgelea Clubhouses opening in FY26; invested $2.4m into upgrading established communities and invested $4.9m in maintaining and enhancing our gardens.

# Driving connection, purpose and empowerment

Through shared experiences, purposeful initiatives, ongoing support and collaboration – we are focused on helping every homeowner feel seen, valued and empowered.

## Way to Connect

**Mind, Body, Soul**
Our Wellbeing Program is designed to support homeowners in nurturing their mind, body and soul through a wide range of tailored activities and classes. Whether it's about staying physically active, learning new skills, building social connections or simply enjoying time in their community, 7,000 classes and activities have been delivered across our communities in FY25, offering something for everyone. Our inaugural Makers Market at Lifestyle Kaduna Park brought homeowners from all communities together to showcase their creativity through market stalls, a gallery exhibition and an intercommunity market day.

We regularly engage with homeowners to ensure the programs continue to reflect their interests. This includes monitoring participation, piloting new options and gathering feedback to inform future offerings. The recently introduced Personal Wellbeing Study provides deeper insights into homeowner preferences and allows us to assess the programs broader impact on individual wellbeing

**Inter-community sporting carnivals**
Each year, our homeowners come together for our much-loved Spring and Autumn Carnivals. Participation continues to grow, with many communities now entering multiple teams across the year culminating in 75 days of competition and over 640 matches. During Spring, homeowners compete in Lawn Bowls, Croquet, Pool and Pickleball, while in Autumn, Pickleball makes way for Table Tennis. While the carnivals promote active living, they also play an important role in fostering connection between communities and building a deep sense of pride and belonging for homeowners.

Just one of the many different activities on offer across our communities

## Way to Drive Purpose

**Homeowner initiatives**
Beyond the activities offered through our Wellbeing Program (Mind, Body, Soul), there are a number of homeowner led groups and initiatives that take place across many of our communities. Homeowners have the freedom to run these activities, our on-site Lifestyle Managers provide support where needed, assisting with facility bookings, administrative tasks and communications. For many homeowners, contributing to their community in this way brings a real sense of purpose. Our Personal Wellbeing Study has shown that homeowners who engage in these initiatives often experience a material positive impact on their overall wellbeing.

**Fundraising**
***Honouring a legacy and empowering community values***
Since the passing of one of our founding directors, Dael Perlov, in 2014 at just 46 years of age, Lifestyle Communities has remained committed to honouring his legacy through meaningful action. His memory continues to inspire our work and our focus on making a positive, lasting impact in the lives of others. Each financial year we set aside $50 for every home under management. These funds are used to match the fundraising efforts of our homeowners for cancer-based charities that are meaningful to them. We have proudly upheld this commitment over the last decade (since 2015), which has resulted in a combined total of over $2.35 million being donated towards these important causes.

This collective focus on giving back is a real driver of purpose, both for our homeowners and our team. During FY25, our communities hosted a range of fundraising events and initiatives including Tour de Lifestyle for the Royal Children's Hospital Cancer Centre, Australia's Biggest Morning Tea, World's Greatest Shave and Movember, just to name a few. We are incredibly proud and continuously inspired by the generosity of our homeowners, who raised $270,800 for cancer-related charities in FY25. This was matched dollar-for-dollar by Lifestyle Communities, resulting in a combined contribution of $541,600 for the year.

**Tour de Lifestyle**
What began as a personal fundraising effort by, Paul Walton, a homeowner in our Deanside community in 2023, has grown into a moving and powerful initiative that unites our communities around a shared purpose. Over ten days in May, Paul rode almost 400 kilometres, visiting 24 of our communities and participating in 26 events along the way. This remarkable effort, supported wholeheartedly by our homeowners and team members, resulted in an incredible $252,546 donation to the Royal Children's Hospital Foundation in FY25. These funds will specifically support the CARES (4 Kids) Program, which plays a vital role in supporting children and young people undergoing

**Way to Come Together –Tour de Lifestyle raised $252,546 for the Royal Children's Hospital Cancer Centre**

cancer treatment at the hospital. The program goes beyond medical care, offering a more holistic approach that supports both patients and their families through services such as psychosocial support, mental health care, financial assistance, and access to helpful resources.

This year's tour embodied community spirit in its purest form. To see homeowners and team members rally behind the cause was a highlight of the year. The tour was dedicated in honour of Piper, the daughter of Paul's close friend and colleague, Mitch, who sadly passed away earlier this year at just five weeks of age. We were privileged to welcome Piper's parents, Mitch and Michelle, along with her grandparents Vivienne and Andrew, as they joined us on the tour and bravely shared their story with homeowners across our communities. Piper's story gave this year's tour a profound sense of purpose and touched many of our homeowners whom have had their own personal experiences with their own families and friends and the Royal Children's Hospital. It also highlighted the strength of connection across our communities and the positive ripple effect that can extend well beyond our communities. Since its inception, Tour de Lifestyle has raised over $487,300 for the Royal Children's Hospital Foundation.

## Way to Holiday

**Club Lifestyle** is the ultimate retreat for homeowners seeking an escape in the luxury of beautiful villas and captivating surroundings on the Bellarine Peninsula.

As part of our unique value proposition, homeowners can get away on us all year round for a nominal cleaning fee, making holidays and mini-breaks more accessible for all.

In FY25 we continued to enhance our Club Lifestyle offering with:

- The opening of our new outdoor pool and camp kitchen including a beautiful lounge and dining space equipped with a fireplace, barbeques, and holiday amenities.
- New activations and activities on offer every month. Highlights thus far include acoustic sessions on the lawn, chocolate master-classes and local providore markets.
- More stay options for our homeowners including unlimited stays for caravan enthusiasts for up to 10 nights per stay and an extended stay or extra stay option for all homeowners in our luxury villas.

With over 1,000 holidays booked in FY25; looking ahead, many homeowners across our communities have already planned their next break together. The offering continues to evolve and innovate and is a unique point of differentiation for homeowners joining Lifestyle Communities.

## Way to Empower

### How we collaborate

***Homeowner Committees***

Each Lifestyle Community is supported by its own Homeowner Committee (HOC), made up entirely of elected homeowners. These committees act as a representative voice of the community, engaging directly with Lifestyle Communities to provide feedback and advocate of matters important to homeowners. Participation in the HOC structure is voluntary and at the discretion of each community. We recognise HOCs as a valuable mechanism for structured homeowner empowerment. They facilitate open communication channels, encourage collaboration and foster a shared responsibility for community satisfaction and wellbeing.

***Social Committees***

Along with a Homeowner Committee, each community has a dedicated Social Committee (SOC) that is run by volunteer homeowners. The SOC is responsible for arranging a wide range of activities for fellow homeowners within the community, based on community interests and needs of their community. Social Committees are empowered to run independently, but they work closely with our Lifestyle Managers to collectively work towards increased connection, inclusiveness, and physical and mental well-being outcomes.

### How we understand

Our commitment to delivering an exceptional homeowner experience is underpinned by a strong focus on listening, learning and continuous improvement. This focus is core to our refreshed strategy and is driven by our CEO and ELT, actively seeking to understand the evolving needs of our homeowners and ensure they feel supported and heard. The needs and wants of our homeowners have understandably evolved over the past 22 years. A cornerstone of this approach includes our annual Voice of the Homeowner survey. This anonymous survey captures data driven insights into both individual and community experiences across our communities, enabling us to measure impact, refine our service delivery, and inform strategic decision-making.

**Our CEO and Homeowner Experience team visiting all 25 Communities on a "Listening Tour".**

In FY25, we introduced a key performance indicator within the survey: the Customer Satisfaction Score (CSAT). This metric provides a clear measure of overall homeowner satisfaction and will serve as an important benchmark as we track and enhance our performance year on year. We continue to track our overall net promotor results (NPS), providing a holistic view of homeowner satisfaction and sentiment. We have also launched a dedicated Homeowner Research Panel - an initiative designed to support deeper collaboration, co-design, and real-time idea testing with homeowners. Combined with insights from our ongoing Personal Wellbeing Study, this has strengthened our understanding of what matters most to our communities.

To enhance the value and responsiveness of our insights, we are also leveraging AI technology to analyse homeowner feedback at scale. This capability allows us to identify key themes, uncover emerging trends, and translate data into meaningful actions - driving timely and targeted improvements across the homeowner experience.

***Our latest "Voice of the Homeowner" survey results from March 2025***

- We received 2,236 responses across our communities.
- ***Our average Customer Satisfaction Score (CSAT) was 76.7, a pleasing increase from 75.8 in September 2024***

**How we resolve**

We actively seek honest feedback to ensure concerns of our homeowners are resolved and we look for opportunities to learn and adapt. At any time, the following avenues are available for homeowners to raise issues or complaints:

| | |
|---|---|
| **Lifestyle Managers** | • Available on-site.<br>• The first point of contact for any homeowner issues. |
| **Area Managers** | • Regularly on-site.<br>• Attend homeowner committees quarterly and by invitation.<br>• A first point of escalation for any homeowner issues. |
| **Functional Specialists** | • Provides support to Area Managers on speciality areas. |
| **Executive General Manager Experience** | • Manages community management teams across the portfolio and acts as a further escalation point as required.<br>• Provides strategic direction and support to team members and attends all community meetings on an annual basis. |
| **Chief Executive Officer** | • Sets the business strategy and aligns with the team to resolve escalated homeowner concerns that have already gone through our escalation process. |

The majority of issues raised by homeowners are able to be resolved at a local community level and at the point of first contact with our Lifestyle Managers. "Closing the loop" is a key priority across the team for any issues raised. In addition to structured engagements, the team are available to meet and discuss homeowner issues on an ad-hoc basis as required.

Any complaints are recorded in an escalations register, managed by Area Managers. The register is reviewed at a management level on a monthly basis. The Board receives regular reporting on homeowner concerns including periodic themes and trends, and specific updates on any material matters.

# Our partners and suppliers

## We're proud of the strong, trusted relationships we've built with our partners and suppliers over the past 22 years. We know that how we work with our partners has the power to create positive outcomes not only for them but also for their supply chains and the local economies where they operate.

Our approach to procurement has always been thoughtful and relationship-driven. We focus on working with local partners and suppliers who share our values and our commitment to ethical and responsible business practices. This commitment is guided by eight core principles that shape how we behave, how we expect our partners to operate, and how they engage with their own networks.

We're especially proud of the many small and local businesses we work with — many of whom have grown alongside us on our journey.

**Supporting local economies**
We recognise the important role we play in supporting local economies and creating lasting community value. We achieve this through:

- Recruiting team members from the local areas where our communities are based, across roles in sales, community management and support functions.
- Sourcing goods and services from local businesses for events and day-to-day operations.
- Engaging local small businesses for ongoing services such as maintenance and operational support.

**Our Commitment to Responsible Procurement:**
We're deeply committed to upholding responsible and ethical procurement practices and continue to look for ways to improve and embed these principles into everything we do. Our core principles include:

- Treating people with dignity and respect
- Acting with honesty and integrity, and upholding ethical standards
- Complying with all laws and regulations
- Prioritising safety in all our activities
- Maintaining true, fair and transparent financial dealings
- Undertaking responsible sourcing that minimises social and environmental impacts
- Safeguarding our reputation, property, assets, and information
- Pro-actively managing risk

**Addressing Modern Slavery Risks**
We remain firmly opposed to modern slavery in all its forms. Each year, we publish our Modern Slavery Statement, detailing the steps we've taken to identify and mitigate modern slavery risks across our operations and supply chain.

A cornerstone of our approach is working closely with our partners and suppliers to build knowledge and understanding around these risks. Over the past year, we've collaborated with key partners to support their own modern slavery reporting and to share insights and best practices.

**Policies and Practices Supporting Responsible Procurement**
Our commitment to ethical and responsible business practices is supported by a strong policy framework, including:

- Procurement Policy
- Supplier Code of Conduct
- Employee Code of Conduct
- Modern Slavery Statement
- Whistle-Blower Policy—providing avenues for confidential reporting of concerns through our whistle-blower hotline and other channels

We're proud of the partnerships we've built and remain dedicated to working alongside our suppliers and partners to create shared value and contribute positively to the communities in which we operate.

* Copies of all our policies can be found on our website.

# Climate action

We recognise that climate change impacts the wellbeing of people and planet, and so have committed to a course of action to embed, adapt to and mitigate climate action where possible.

**Climate change risk**
As with all Australian sites, we recognise that our sites and homeowners are vulnerable to the physical impacts of climate change.

Therefore, in FY22, we undertook a high-level climate change risk screening to better understand the current and future exposure of our sites to the physical risks of climate change. This screening assumed the 'worst case scenario' of a mean global temperature rise of 3.7 degrees by 2100. This has allowed us to identify opportunities to mitigate and adapt to long-term risks and impacts through influencing the location, design and management of existing and future communities.

We also recognise that there are a number of transition risks (from a global transition to a low-carbon economy) that may impact our business in the long-term. While we are working to better understand these risks, our initial high-level assessment through the lens of warming kept below 2°C has identified a number of risks which are outlined below:

**How we're working to mitigate and adapt to physical risks**
- Screen potential site acquisitions to avoid sites most at risk
- Direct our maintenance capital spend towards communities most at risk
- Regularly reviewing our emergency management procedures and partnering with specialised agencies such as fire authorities

**How we're working to address transition risks**
We have set out our Net Zero operational emissions target and have been rolling out progressively more sophisticated solar and microgrid technology (on-site renewables) to each new development.

We actively monitor developments in national and international reporting legislation and frameworks, taking the lead from larger organisations who will be at the forefront of legislative changes and are working to continue to enhance our reporting and data management regimes and mechanisms to meet new climate disclosure requirements.

We will continue to monitor developments in these spaces and utilise our dynamic approach to address challenges as they arise.

## A smaller footprint

The size and configuration of our communities, as well as the modular nature of our homes, lends itself to a decreased footprint of both our communities and individual homes.

Our higher density community configurations contribute less to urban sprawl than a typical sub-division.

Average density of a typical subdivision in Victoria = 14 to 16 homes per hectare.

Average density of a Lifestyle Community = 26 homes per hectare.

Compared to the emissions footprint of a typical home in Melbourne's outer suburbs, our homes have a smaller operational emissions footprint.

## Net Zero operational emissions by 2035

**What we mean by 'Net Zero Operational Emissions'**

***Net Zero***
An absolute reduction in greenhouse gas emissions by 90-95% percent, with the remaining 5-10% emissions that are not possible to cut, neutralised through carbon removals. This is aligned to 1.5°C aligned warming pathways.

## Climate change risks

### Physical

**Drought**

**Riverine/rainfall flood**

**Storms and large hail**

**Extreme heat**

**Bushfires**

**Coastal inundation**

### Transition

**Market**

Cost of retrofitting/changing consumer demands

Energy supply risks/Cost of raw materials (low carbon/other)

**Policy and Legal**

Potential policy changes, including land use policy change

Climate policy changes around emissions reductions targets/carbon pricing

Policy changes around reporting/disclosures

Risk of litigation for climate related damages

**Reputation**

Changing consumer and stakeholder preferences around sustainability and climate resilience

**Technology**

Substitution of existing carbon intensive technologies with lower carbon ones

Investing in new technologies

***Operational Emissions***

We remain committed to our target to achieve net zero operational emissions by 2035.

Traditionally this means a reduction in our Scope 1 and 2 emissions.

We believe that through our solar PV and microgrid program of work, we can provide access to renewables for our homeowners, which means that we can directly influence their emissions profile at the source. We can also influence the type of grid electricity being drawn into our communities through our embedded network/microgrid configurations.

Therefore, our target encompasses:

***Scope 1 Direct emissions:*** On-site gas use by LIC for common facilities, fuel used for LIC vehicles

***Scope 2 Purchased electricity:*** Electricity used by LIC managed facilities

***Scope 3 Indirect emissions:*** Energy used by homeowners in LIC Communities

These categories align with the boundaries of what we currently measure in our Greenhouse Gas Inventory (GHG Inventory).

## Our pathway to Zero Operational Emissions by 2035

**Improve efficiency**
Use latest technology to make new communities more efficient, and influence behaviour change where we can. Progressively upgrade equipment at older communities to improve efficiency over time.

**All electric new developments**
New developments are 100% electric. Continued focus on innovation and design changes to improve efficiency.

**Generate where we can***
Optimise on-site solar generation in all communities.

**Buy where we can't generate**
Buy an increasing amount of green power (from renewables) from the grid over time.

**Measure, report and track**
Measure and report on emissions every year, improving as we go along.

* We recognise that we may have left over emissions that are difficult to reduce. We will work to fund high quality offsets for those emissions.

# Greenhouse Gas (GHG) inventory

## Summary of Lifestyle Activities by source

| | 2024 tCO2e/annum | | | 2023 tCO2e/annum | | |
|---|---|---|---|---|---|---|
| Emission source | Scope 1 | Scope 2 | Scope 3 | Scope 1 | Scope 2 | Scope 3 |
| Natural gas | 59 | | 4 | 6 | | 0 |
| LPG | 2 | | 1 | 4 | | 1 |
| Fleet vehicles | 89 | | 22 | 63 | | 16 |
| Refrigerants | 352 | | | 298 | | |
| Electricity | | 4,951 | 579 | | 3,436 | 305 |
| Waste | | | 1,057 | | | 1,674 |
| Water | | | 75 | | | 47 |
| Flights | | | 3 | | | 3 |
| **Total** | **502** | **4,951** | **1,741** | **371** | **3,436** | **2,046** |

## Summary of Homeowner Activities by source

| | 2024 tCO2e/annum | | | 2023 tCO2e/annum | | |
|---|---|---|---|---|---|---|
| Emission source | Scope 1 | Scope 2 | Scope 3 | Scope 1 | Scope 2 | Scope 3 |
| Natural gas | | | 499 | | | 541 |
| Electricity | | | 10,823 | | | 8,902 |
| **Total** | | | **11,322** | | | **9,443** |

Greenhouse Gas Emissions inventory is captured on a calendar year basis with 2024 calendar year data being the most current as at 30 June 2025.

Increases in emissions in 2024 compared to 2023 can be partly attributed to growth in the number of communities, including an increase in the number of operating common facilities and occupied homes.

### A note on challenges affecting data collection and continuous improvement

Our developments in progress involve a mix of construction usage and homeowner usage. As such, we acknowledge that some of the data from our developing sites may not provide an accurate picture of our emissions split between development and operations.

Our reported total emissions are accurate to the best of our knowledge and based on metered data. We continue working on developing more accurate reporting and monitoring systems across our communities and will learn from the challenges of applying our boundaries to developing communities.

# Our team

## We empower our team to embody our purpose and values every day.

The wellbeing, engagement, and development of our team is directly linked to our ability to deliver positive outcomes for our homeowners. Nurturing our team enables them to do what they do best: delivering an amazing experience for our homeowners.

**Evolving our People Strategy**
Our people strategy is a key enabler of our long-term success. In FY25, we continued to invest in our Adap+ framework, which underpins our culture and supports our team to deliver exceptional experiences for our homeowners.

- **People:** Fostering a kind, inclusive, and purpose-driven culture where our team feels supported and empowered.
- **Pathways:** Providing clear opportunities for learning, leadership, and career development.
- **Performance**: Setting up the team to deliver against a refreshed strategy and aligning KPIs and incentives to drive performance.
- **Perks**: Offering meaningful benefits that support wellbeing, flexibility, and recognition.


As part of our Strategy refresh, we have amplified our focus on Performance, to complement our existing focus areas of People, Pathways, and Perks. This reflects our commitment to building a high-performing, values-led organisation that is aligned with our strategic goals. The Performance pillar further strengthens our ability to deliver on our people strategy by aligning individual and team outcomes with business priorities, embedding a focus on accountability and recognition. This reinforces our belief that a great culture drives performance.

## People

Lifestyle Communities is passionate about creating a meaningful employee experience, delivering a work environment that nurtures our team's individual experiences and supports them to contribute positively towards our culture.

**Elevating Engagement**
Our FY25 engagement survey, delivered in partnership with Culture Amp, reaffirmed the strength of our culture and provided valuable insights into what matters most to our team. This partnership has enabled us to gather deeper, more actionable insights through industry benchmarking, advanced analytics, and real-time feedback tools. Culture Amp empowers us to better understand what matters most to our team, track engagement trends over time, and identify targeted opportunities to enhance our workplace experience.

**Key Statistics:**

| | |
|---|---|
| Overall Experience at Lifestyle Communities | 8.2 out of 10 |
| Our team believe we truly improve homeowners lives | 8.8 out of 10 |
| Lifestyle Communities really allows us to make a positive difference | 90% |

- **Strong Company Culture:** Team members consistently praise the positive, supportive, and inclusive work environment.
- **Supportive Leadership:** Leadership is viewed as approachable and invested in team member wellbeing.
- **Valued Benefits:** Comprehensive benefits and a focus on work-life balance are highly appreciated.
- **Professional Development:** Opportunities for growth and learning are recognised and valued.
- **Meaningful Mission:** Team members feel motivated by the company's mission and the positive impact on homeowners.

### Creating Connections

At Lifestyle Communities, our people remain the heart of our success. In FY25, we continued to nurture a culture grounded in kindness, connection, and care - one that empowers our team to thrive, even in times of change.

This year, we focused on strengthening our foundations and investing in the moments that matter. Across the business, our team showed remarkable resilience and unity, reinforcing the strength of our values and the depth of our culture.

Key initiatives in FY25 included:

- Our **Culture Creators** program continued to drive grassroots engagement with wellness challenges, team events and peer-led initiatives that brought our values to life.
- We continued to support our growing community of **working parents and carers** through enhanced access to Circle In, our dedicated support platform. This included new resources, webinars and the return of our Carers Connect events, helping team members feel seen, supported and connected.
- Our **internal digital magazine** became a vibrant platform for storytelling and connection. Each edition celebrated team milestones, welcomed new team members and shared authentic stories, from working parents navigating school drop-offs to neurodivergent families creating inclusive homes.

Despite the challenges FY25 brought, our team continued to demonstrate a deep sense of purpose, pride and connection in the work we do. Whether it was volunteering at Tour de Lifestyle, helping at a clubhouse opening or lending a hand at after-hours events, team members from every part of the business stepped up to support. This spirit of collaboration and care reflects the strength of our culture and remains a key driver of our performance and our ability to deliver meaningful outcomes for our homeowners, our communities and our shareholders.

### Leading with Inclusion

We believe that diversity, equity and inclusion are not only values we uphold, but strategic enablers of our success. As a Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality Citation (EOCGE) holder, we are committed to creating a workplace where all team members feel respected, supported and empowered to thrive.

This commitment is grounded in action, embedded in our policies, leadership practices and culture. As our team continues to grow, we are deepening our understanding of their needs and evolving our practices to drive meaningful outcomes for all.

We maintain a zero-tolerance approach to discrimination, harassment and victimisation. This is supported by regular training; a robust incident reporting system and a publicly available Code of Conduct that outlines the behaviours we expect of all team members. We are committed to providing a safe, respectful and inclusive environment for everyone.

We have adopted a 40:40:20 gender representation target across our Board, Executive Leadership Team and broader team. These targets reflect our ideal balance and align with the demographics of our customer base, where over 63% of homeowners are women.

| Employee group | Target | Actual at 30 June 2025 |
|---|---|---|
| Board | 40% female, 40% male, 20% any gender | 50% female, 50% male |
| Executive Team | 40% female, 40% male, 20% any gender | 29% female, 71% male |
| Entire Workforce | 40% female, 40% male, 20% any gender | 63% female, 37% male |

| Median | 2022–23 | 2023–24 Incl CEO | 2023–24 Excl CEO | 2023–24 Industry mid-point |
|---|---|---|---|---|
| Total remuneration (base salary + super + bonus + allowance) | -5.5% | -2.0% | -2.1% | 30.8% |
| Base salary | -29.6% | -17.9% | -18.5% | 29.8% |

In FY25, we continued to make meaningful progress in closing our gender pay gap. Our median total remuneration gender pay gap was -2.1%, well within our target range of -5% to +5%, and significantly outperforming the construction industry median. This result reflects our strong pay parity in like-for-like roles and our commitment to equitable remuneration practices.

We continue to take deliberate action to address the structural drivers of the gender pay gap, including occupational segregation and role-based disparities. Our use of real-time analytics through Equidi enables us to assess the impact of pay decisions and pro-actively manage equity across the business.

Our approach to inclusion is holistic and people centred. We continue to embed gender-neutral recruitment and promotion practices, invest in leadership development programs that support a diverse pipeline of future leaders, and offer flexible work arrangements that support work-life rhythm through different life stages and responsibilities.

This information can be further explored in our 2023-24 Gender Pay Gap Employer Statement. Also made available via the WGEA Data Explorer.

## Pathways

At Lifestyle Communities, we recognise that every team member brings a unique blend of strengths, experiences and aspirations. Our approach to development is designed to support individuals in their current roles while creating clear and meaningful pathways for future growth. Through immersive leadership programs, hands-on learning and tailored development plans, we're committed to helping our team build the skills and confidence to thrive today and into the future. The development of our team remains a priority to enable delivery of our strategic goals.

### Leadership at the Next Level

The Executive Leadership team commenced a High Performance Culture program with the Culture Institute of Australia (CIOA). The CIOA is an insights, education and consulting firm that helps organisations measure, understand and shape culture for performance and productivity in the post-covid, digital age.

The Aspire Leadership Program remains a central pillar of our leadership development strategy for direct reports of the executive and top talent. This year, we welcomed a new group of emerging leaders into the program, where they participated in targeted learning experiences aimed at enhancing their leadership capabilities and preparing them for future roles. Concurrently, last year's Aspire graduates advanced into the second-year program, Aspire Edge. Supported by ongoing mentoring from our Executive Leadership Team, these leaders undertook advanced training focused on sharpening their strategic thinking and influencing skills. 58% of promotions in FY25 were participants of our Aspire and Aspire Edge Leadership programs.

ASPIRE EDGE LEADERSHIP PROGRAM

### A Culture of Care

We partnered with a trusted provider to deliver Mental Health First Aid (MHFA) training to our leaders and invested in licensing our dedicated training resource as an MHFA Instructor. This has enabled us to expand training across the business and strengthen our support for mental health and wellbeing. This capability is already making a difference with more team members now equipped to recognise and respond to mental health challenges, reinforcing our commitment to creating a safe and supportive environment.

# Our Board and governance

Lifestyle Communities' governance framework plays a critical role in helping the business deliver on its strategy. It provides the structure through which business objectives are set, performance is monitored, and risks are managed. It includes a framework for decision making across the business and provides guidance on the standards of behaviour expected of Lifestyle Communities' people.

The Board is accountable to securityholders and responsible for demonstrating leadership and oversight so that the operations of Lifestyle Communities are managed effectively. The Board's governance objectives are to:

- Uphold and support the culture and values of Lifestyle Communities;
- Positively contribute to the performance of the Company, including the creation of shareholder value; and
- Increase the confidence of all stakeholders including homeowners, securityholders, employees, suppliers, and the broader community.

## **Reporting** suite

Lifestyle Communities' reporting suite for FY25 includes the following documents:

**FY25 Annual Report**
A review of Lifestyle Communities' financial and operational performance for FY25, the Group's remuneration report and its financial statements.

**FY25 Results Presentation**
An overview of Lifestyle Communities' operational and financial performance for the financial year.

**Corporate Governance Statement**
An overview of Lifestyle Communities' governance framework and practices.

**Modern Slavery Statement**
An overview of Lifestyle Communities' approach to Modern Slavery risks in its supply chain.

**Workplace Gender Equality Agency Compliance Report**
A report on Lifestyle Communities gender equality outcomes.

Copies of all of the above reports are available for download at: **lifestylecommunities.com.au**

## Henry Ruiz

Chief Executive Officer
(MAPsych BBehavSc(Hons) MAICD)

**Term of office:** Henry Ruiz was appointed as Chief Executive Officer of Lifestyle Communities Limited in March 2025.

**Independent:** N/A

**Age:** 50

**Experience:** Henry Ruiz was appointed as Chief Executive Officer of Lifestyle Communities Limited in March 2025.

Henry 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.

Henry has gained extensive global leadership experience working with Local Matters in the USA and Asia Pacific, World Directories in Europe across five countries and Sensis in Australia. Henry holds a Master of Applied Psychology from the Royal Melbourne Institute of Technology; a Bachelor of Behavioural Science (Honours) from Latrobe University; a certificate in Strategy, Disruption and Innovation from Harvard University. He is a member of the Australian Institute of Company Directors.

**Committee memberships:** N/A

**Current Directorships/other interests:** Nil.

**Past Directorships of other listed entities within the last 3 years:** Nil.

## David Blight

Non Executive Chair
(BAppSc)

**Term of office:** David Blight was appointed to the Board of Lifestyle Communities Limited as a Non-Executive Director on 15 June 2018. David assumed the role of Chair from the 1st of September 2024.

**Independent:** Yes

**Age:** 63

**Experience:** David Blight was appointed to the Board of Lifestyle Communities Limited as a Non-Executive Director on 15 June 2018.

David has over 40 years of experience in property investment, development and fund management in Australia and globally.

He is currently the Executive Chair of IP Generation, a real estate private equity investment firm. Previously he was the CEO and co-founder of ARA Australia, the Australian business of Singapore based ARA Asset Management, prior to its acquisition by the ESR Group in January 2022. He also held the position of Chief Investment Officer of ARA Private Funds, the private equity real estate business of the ESR Group.

David's previous roles include Vice Chairman of ING Real Estate and Global Chairman and CEO of ING Real Estate Investment Management based in The Netherlands. He has also held senior executive positions with Armstrong Jones, Mirvac Group and APN Property Group.

**Committee memberships:** David is a member of both the Audit and Risk Committee and the People and Culture Committee.

**Current Directorships/other interests:** Nil.

**Past Directorships of other listed entities within the last 3 years:** Japara Healthcare Ltd.

## Claire Hatton

Non-Executive Director
(BSc (BA), MBA, GAICD)

**Term of office:** Claire Hatton was appointed to the Board of Lifestyle Communities Limited as a Non-Executive Director on 1st May 2022, re-election required at the AGM in 2025.

**Independent:** Yes

**Age:** 54

**Experience:** Claire brings over 30 years of international business leadership experience across the technology, digital and travel sectors. Her extensive career spans senior marketing and commercial roles at British Airways, Qantas, Travelport and Google across Australia, New Zealand, multiple countries in Asia and the UK.

With deep experience in scaling go-to-market teams, digital transformation and future of work initiatives, Claire applies valuable perspectives developed during her roles as a technology company executive and a leadership and AI consultant. Her 17 years of governance experience spans ASX-listed companies, private enterprises and international organisations.

**Committee memberships:** Claire is Chair of the People & Culture Committee.

**Current Directorships/other interests:** Claire serves as Chair of the People and Culture Committee for ASX-listed Tyro Payments Ltd (ASX: TYR) and is Co-founder and Director of Full Potential Labs.

**Past Directorships of other listed entities within the last 3 years:** Non-executive Director, Tyro Payments Ltd (ASX: TYR), (since Jan 2022). People & Culture Chair.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## Mark Blackburn

Non-Executive Director
(Dip of Bus (Acc) GAICD)

**Term of office:** Mark was appointed to the Board of Lifestyle Communities Limited as a Non-Executive Director on 1 December 2019.

**Independent:** Yes

**Age:** 68

**Experience:** Mark has 23 years' experience as a CFO in both listed and unlisted companies in the financial services, manufacturing, and mining sectors.

In particular, Mark has expertise in financial management and advice, the management of financial risks, capital management as well as leading key strategic projects including acquisitions and divestures.

Mark retired as Group CFO and Company Secretary of McMillan Shakespeare in December 2020.

**Committee memberships:** Mark is currently Chair of the Audit & Risk Committee.

**Current Directorships/other interests:** Mark is currently a Non-Executive Director of FleetPartners Group Limited and Pro-Pac Packaging Limited where he is also the Chair of the Audit, Business Risk, and Compliance Committee.

**Past Directorships of other listed entities within the last 3 years:** Nil

## JoAnne Stephenson

Non-Executive Director
(BComm and BLLB (Hons))

**Term of office:** JoAnne Stephenson was appointed to the Board of Lifestyle Communities Limited as a Non-Executive Director on 1 July 2024, election required at the AGM in 2024.

**Independent:** Yes

**Age:** 63

**Experience:** JoAnne is an experienced company director in listed, private and government organisations. She is a Chartered Accountant with expertise in financial management, risk management, audit and corporate governance gained through an executive career over 25 years, including senior Partner roles, with KPMG.

**Committee memberships:** JoAnne is a member of the People & Culture Committee and the Audit & Risk Committee.

**Current Directorships/other interests:** JoAnne is currently on the Boards of ASX entities IAG Ltd, Helia Group Ltd and Qualitas Limited.

**Past Directorships of other listed entities within the last 3 years:** Challenger Limited, Myer Holdings Ltd and Japara Healthcare Ltd.

### Non-Executive Directors' Share Holding Policy

Lifestyle Communities introduced the Minimum Non-Executive Director Shareholding Policy in FY20 which requires all Non-Executive Directors to hold a minimum shareholding in Lifestyle Communities equivalent to 100% of their annual base fee.

Non-Executive Directors are required to acquire their target shareholding independently. The shareholding does not comprise part of the remuneration package.

Non-Executive Directors have five years in which to purchase their shareholding requirement. The five-year period will commence from the later of the date the policy is adopted, or the Non-Executive Director takes up their position. Once the equivalent of a Non-Executive Director's annual base fee has been acquired in shares, the Non-Executive Director does not need to adjust shareholdings when there is an adjustment of the share price. On reappointment to the Lifestyle Communities board, each Non-Executive Director must reassess their shareholding and top up to the new base fee.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

# Company Secretaries

## Darren Rowland

Chief Financial Officer
(B Bus (Acc), CA, GAICD)

**Term of office:** Darren was appointed as Company Secretary on 9 July 2018.

**Age:** 45

**Experience:** Darren joined the Lifestyle Communities team as Chief Financial Officer in May 2018. He has over 20 years' experience as a Chartered Accountant and has previously held a number of senior finance and commercial roles with Toll Holdings Limited predominantly in the resources and marine logistics industries. Prior to joining Toll, Darren gained valuable experience in commercial and finance roles based in Dublin and London and professional services in Brisbane.

## Anita Addorisio

Company Secretary
(MAcc, FCPA, FGIA)

**Term of office:** Anita joined the Lifestyle Communities team as Company Secretary in December 2021.

**Age:** 50

**Experience:** Anita is an experienced finance professional with 20 years' experience in senior finance roles within public and private entities across IT technology, mining, industrial and public practice sectors, including 7+ years ASX listed company secretary experience.

Anita specialises in corporate governance, secretarial support and statutory financial reporting. Her expertise also extends to IPO's, capital raisings, acquisitions, takeovers and restructures.

## Meetings of Directors

The number of meetings of Directors (including meetings of committees of the Board) held during the time the Director held office or was a member of the committee during the financial year and the number of meetings attended by each of the Directors are:

| | Director's Meetings | | Audit Committee | | Remuneration and Nomination Committee | |
|---|---|---|---|---|---|---|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| David Blight | 12 | 12 | 3 | 3 | 4 | 4 |
| Mark Blackburn | 12 | 12 | 4 | 4 | – | – |
| Claire Hatton | 12 | 12 | 1 | 1 | 4 | 4 |
| JoAnne Stephenson | 12 | 11 | 4 | 2 | 4 | 4 |
| Philippa Kelly [1] | 2 | 2 | 1 | 1 | – | – |
| James Kelly [2] | 6 | 6 | – | – | – | – |

1. Philippa Kelly resigned on 31st August 2024
2. James Kelly retired on 31st December 2024

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## Our approach to corporate governance and risk

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Lifestyle Communities Ltd support and have adhered to the ASX principles of corporate governance. The Company's Corporate Governance Statement is published on its website at **lifestylecommunities.com.au**.

**Corporate governance framework**
The roles, responsibilities and accountabilities of the Board and Board Committees are articulated in the Board and Board Committee Charters, which are available on the Company's website at **lifestylecommunities.com.au**. The framework is summarised below:

The Board meets as often as necessary to discharge its responsibilities. This requires Board members to attend Board meetings each year, the Annual General Meeting, Committee meetings and unscheduled meetings as required.

Board meetings are typically held in our South Melbourne office but also include scheduled visits to projects under development and established communities. The Board also regularly meets with the Executive Leadership team including functional deep dive presentations and bi-annual strategy sessions.

In addition to these meetings, Directors also attend regular community visits outside of the scheduled Board program. This includes community events, town halls, and charity functions. These visits enable Directors to maintain the required deep understanding of the activities and operations of the Company. These events present further opportunities for engagement with our homeowners and our team.

**Security Holders**

**Board of Directors** (including ESG)

Audit & Risk Committee

People & Culture Committee

Independent Assurance

(external audit, legal and other professional advice)

**Board reserved powers and delegation of authority**

**Chief Executive Officer**

**Executive Leadership Team**

**Our Team**

### Audit & Risk Committee responsibilities

To assist the Board in fulfilling its corporate governance and oversight responsibilities relating to the integrity of Lifestyle Communities' financial reporting, risk management, and external audit functions.

### People & Culture Committee responsibilities

To assist the Board in fulfilling its responsibilities relating to the composition and performance of the Board, Board appointments and succession planning.

To assist the Board in fulfilling its responsibilities in relation to the remuneration of the Chair and other Non-executive Directors, performance and remuneration of, and incentives for, the Chief Executive Officer and Executive Leadership Team, remuneration strategies, practices and disclosures, and management programs to optimise the contributions of Lifestyle Communities' people and to support and further corporate objectives.

## Our approach to risk

At Lifestyle Communities, we recognise we have a duty of care to our homeowners, employees, investors, and the wider community to ensure all risks in our communities and business are appropriately managed. At the forefront of our approach is our culture. As a 'Business for Purpose' we are focused on exceeding expectations and maintaining a level of professional and personal conduct that delights our customers, teammates, investors and the broader community.

Lifestyle Communities recognises that making business decisions which involve calculated risks, and managing these risks within sensible tolerances, is fundamental to creating long term value for shareholders and meeting commitments to Lifestyle Communities' homeowners, employees, business partners and the communities in which it does business. Lifestyle Communities conducts risk assessments at critical decision points during the investment and operational phases of our business to identify, manage and monitor risks in meeting target returns.

We will take commercial risks where we have the capability to manage those risks and we recognise the importance of building and fostering a risk aware culture. Through setting standards, adopting processes and undertaking training, we aim to develop a disciplined and constructive control environment in which all team members understand their roles and obligations and take responsibility for risks and controls in their area of authority.

Lifestyle Communities' risk management framework consists of multiple layers:

1. **Our Culture:** All employees are responsible for managing risk through identification, assessment, and treatment of risks. This includes the implementation, active management and compliance with appropriate processes, procedures, checklists and other controls.

2. **Our Leadership Team:** Responsible for developing the risk management framework and for adapting it to changes in the business and the external environment in which the Group operates (including physical and regulatory changes which might impact our social and environmental performance). Members of the Executive Leadership Team are jointly responsible for building risk management capabilities throughout the business through actively engaging with Employees in risk management processes and supporting training initiatives.

3. **Internal Controls and Reporting:** The Group's internal control processes are in place to ensure that information is reported to the Executive Leadership Team, and the Board of Directors of the Company ("Board") if appropriate, on a regular basis.

4. **The Board and Board Committees:** The Board oversees our risk management framework and delegates particular focus areas to the respective committees.

5. **External Audit:** Our external auditor provides regular and independent assessment on the effectiveness of financial controls and processes in connection with the preparation of Lifestyle Communities' financial statements and governance disclosures. External Audit also provides an opinion on the accuracy, validity and reliability of disclosed data and information.

## Board effectiveness

Lifestyle Communities is committed to having a Board whose members have the capacity to act independently of management and have the collective skills and diversity of experience necessary to optimise the long-term performance of Lifestyle Communities to deliver long term sustainable profitable returns to shareholders. The Board undertakes an annual review of its effectiveness across a range of dimensions to identify strengths and areas for development.
The Board models its activity on the best practice guidance set out in the ASX Principles and Recommendations, as described in the Company's Corporate Governance Statement available on the Company website at **lifestylecommunities.com.au**.

### Board composition

The Board currently comprises four Non-Executive Directors. The membership of the Board is reviewed periodically having regard to the ongoing and evolving needs of Lifestyle Communities. The Board considers a number of factors when filling vacancies including qualifications, skills and experience, independence, tenure and diversity.

### Board skills matrix

The Board has identified a range of core skills and experience that will assist the Board collectively to fulfil its oversight role effectively. The Board believes that it has the right experience and skills currently to oversee the high standard of corporate governance, integrity and accountability required of a professional and ethical organisation as shown in the diagram below:

| Skill area | Description | Skill level |
|---|---|---|
| **Strategy** | Ability to identify strategic opportunities and threats with demonstrated success in developing and implementing strategic priorities and achievement of business objectives. | |
| **Financial Acumen** | Ability to read and comprehend corporate accounts, financial materials and financial reporting requirements | |
| **Governance & Risk Management** | Experience in implementing, managing or overseeing, governance, risk management and compliance frameworks including legal and regulatory compliance. | |
| **Board Experience** | Experience of being a Director, ideally on an ASX listed Board | |
| **People & Culture** | Experience in CEO and/or other senior corporate leadership roles including responsibilities for people management and successful implementation of change. | |
| **Customer Marketing & Sales** | Experience at a senior level with responsibilities for Marketing & Sales preferably in a B2C business | |
| **Operations & Customer Service** | Experience at a senior level with responsibilities for operations and/or customer service-related activities. | |
| **Property Development** | Experience at a senior level with responsibilities for large property development projects | |
| **Technology & Digital** | Experience at a senior level with leveraging technology to drive innovation, enhance operational efficiency, and support strategic decision-making, including knowledge of emerging technologies and digital transformation | |
| **Sustainability** | Expertise in integrating environmental, social, and governance (ESG) principles into business strategy, fostering long-term value creation, and ensuring alignment with stakeholder expectations and regulatory requirements. | |

Highly skilled Skilled Developing

# The Company's key opportunities and risks

Lifestyle Communities has 10 key enterprise risks and opportunities. These are identified through application of our Risk Management Framework and are reviewed and stress tested on a quarterly basis. Each one has a cascade of operational, market based, and financial risks and opportunities which are consolidated into these key themes to allow for a portfolio view to be placed across the business.

Although the risks have been described individually, there is a high level of interdependency between them. This means an increased exposure for one material risk can drive elevated levels of exposure in other areas of our risk profile.

In addition to these material risks, our performance may be impacted by risks that apply generally to Australian businesses and the property development and management industry, as well as by the emergence of new material risks not reported in the following table.

| Why it's important | Commentary |
|---|---|
| **Our Homeowners** | |
| It is important our homeowners have a high level of satisfaction and safety, and our communities are well managed. | Well managed communities provide a safe and connected living environment for our homeowners, generate new sales from homeowner referrals, add to the Lifestyle Communities brand, assist in facilitating resales of existing homes; and improve the profitability of the community management business. We maintain a transparent marketing, sales, and contract process, undertake careful selection of our community management teams, and maintain our community facilities, common areas, and gardens to a high standard. We have a governance process set up at every community to receive regular feedback from our homeowners. |
| **Our Team's Health, Safety and Well-being** | |
| If we expect our team to deliver the highest levels of customer service and experience to our homeowners it is crucial that we retain, reward, and invest in our team and provide them with a workplace that is happy, healthy, and safe. | Lifestyle Communities prioritises and promotes a culture of respect and kindness with clear expectations of appropriate behaviours all team members and leaders must display. Our focus on the health, safety and well-being of our team is evident through all stages of the team member journey from attraction, engagement, onboarding and our working environment. Our team benefits provide extra days off throughout the year and wellness dollars for investment in each team members own wellness journey. Lifestyle Communities supports the importance of psychosocial health and safety in our working environment.<br><br>We regularly engage with our team and provide multiple forums for them to share their feedback including employee engagement surveys and pulse surveys on specific topics. |
| **Our Corporate Culture** | |
| Our unique culture is critical to our success. We must maintain and nurture our culture as we grow. | Lifestyle Communities has built a strong customer centric culture throughout the business. This has been achieved through a clearly defined set of values that we use for recruiting, and for measuring the performance of our team. We are a long-term business, and our team are empowered and encouraged to make decisions and act in the best interests of Lifestyle Communities and our homeowners for the long term. |

| Why it's important | Commentary |
|---|---|
| **Site Selection** | |
| We select the best sites located close to infrastructure and other public amenities. We are patient in waiting for sites that meet our investment criteria. | We maintain a comprehensive land pipeline. Our land acquisition strategy incorporates extensive due diligence on potential new sites which incorporates population demographics, local amenities, public transport and environmental factors. We rely on the significant experience we have gained from acquiring and developing sites during the past 20 years. |
| **Sales and Settlements** | |
| As an affordable housing provider, our 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). | Our approach is to price our homes at an average selling of 80% of the median house price for the catchment and this helps us mitigate risk during property cycles[1]. This pricing strategy is a critical determiner in the site selection process and the acquisition case.<br>Our customer centric focus helps us generate strong referral rates from existing homeowners and this helps drive the speed of sales and settlements. |
| **Community Development** | |
| Our homeowners are trusting us to build them an amazing community and meet the commitments we make to them during the sales process. | Effective management of the construction program and multiple stakeholders is important to ensure our customer promises are kept; high quality product is delivered; cash flow is managed efficiently, and appropriate financial returns are achieved. We manage our projects using a robust governance framework, working with a panel of trusted suppliers, and taking a stage-by-stage approach to construction. This includes close monitoring and management of price and cost pressures (e.g. commodities, labour, energy), the potential for further interest rate rises, and changes in consumer spending and housing choices. |
| **Financing and Capital Management** | |
| Our capital is precious and scarce. We maintain a disciplined approach to capital management and use a mix of debt and our existing equity pool to fund our growth strategy. | We maintain our balance sheet settings with a margin of safety over and above the requirements in our funding documents. Our goal is to maintain debt facilities that have sufficient facility size, headroom and tenure to meet our committed development plans. We closely monitor our cash flow forecasts and tightly manage the commencement and rate of development of new communities to ensure we have sufficient funds to meet our commitments as and when they fall due.<br>Due to the capital recycling nature of our business model, we are reliant on continuing sales and settlements to fund our development pipeline and remain compliant with the financial covenants in our funding agreements. If we experience a sustained slowdown in sales and settlements we may need to slow down our speed of development or undertake other capital management activities. |
| **Regulatory Compliance and Governance** | |
| It's important to us to do the right thing and have transparent and productive relationships in the broader communities where we operate. We pro-actively engage with regulators and other stakeholders to ensure our operating and financial model is sustainable for the long term. | We seek to avoid reputational and compliance incidents by implementing a strong operating and control environment and seeking professional advice in relation to the management of our legal compliance and tax affairs.<br>The Company's operations, business, and financial model are specifically impacted by how the provisions of the Residential Tenancies Act 1997 (Vic), the Social Security Act 1991 (Commonwealth) and a number of other legislative schemes are currently interpreted and administered by the relevant regulatory authorities.<br>The Company takes an active role in engaging with, and providing submissions to, the relevant regulatory bodies through its membership and participation in the Victorian Caravan Parks Association and the Residential Land Lease Alliance. |

Note:
1. Under our pricing model it is our intention to recover development costs thorough our new home sales. Our aim is to sell homes at an average price of 80% of the prevailing median house price for the relevant catchment for each development. Actual prices may vary due to movements in median house prices, increased costs to build, and individual house premiums or discounts.

| Why it's important | Commentary |
|---|---|
| **Cyber Risk, Data Governance, and Business Continuity** | |
| It's important we properly plan for and appropriately respond to events which might disrupt our service to homeowners or our business more broadly. | Our cyber-security framework is aligned to the Australian Essential 8, and also to the internationally recognised National Institute of Standards and Technology (NIST) Cybersecurity Framework. Our cyber security posture and mitigations are regularly reported to and monitored by the Board.<br>We continued to provide mandatory training for all Employees and undertook a series of phishing simulations to educate our team on the important role they play in helping to mitigate cyber risks. We will continue to undertake cyber risk mitigation activities and system improvements on a rolling basis.<br>Our technology systems utilise dual data centres and cloud services to make sure critical business systems have high levels of redundancy with resiliency embedded across our ecosystem. In the event of a disruption, we have information technology recovery plans in place for critical systems. We have also retained industry experts to be on call in the event of a cyber-security incident. |
| **Corporate Sustainability** | |
| We're a business for purpose. It's important we comply with regulatory, societal and investor expectations of corporate and environmental sustainability, such as social responsibility and climate change, to ensure our business is sustainable for the long term. | Our product and operating model have been deliberately designed to address inequality in housing options for Australia's ageing population. For those members of society with limited superannuation and savings, creating a high quality, yet affordable housing option allows our homeowners to free up some of the equity in their home and help fund an improved standard of living in retirement.<br>We are committed to achieving this by integrating sustainability strategies into our business and adopting innovative techniques and new technology where it is commercially feasible to help us meet the expectations of the communities in which we operate and our stakeholders more broadly. |

## Governance policies

- **Code of Conduct** — articulates the behaviour expected of Lifestyle Communities' Directors and employees, who are expected to align their actions with the code and Lifestyle Communities' values whenever they are representing Lifestyle Communities.
- **Communications and Continuous Disclosure Policy** — establishes our procedure for compliance with Lifestyle Communities' continuous disclosure obligations and provides guidance for the identification of material information and timely disclosure of Lifestyle Communities' activities to the market.
- **Diversity Policy** — contains our commitment to creating and maintaining an inclusive workplace that embraces and celebrates diversity and to create positive experiences for all.
- **Securities Trading Policy** — prohibits Lifestyle Communities Directors, employees, contractors and their related parties from dealing in Lifestyle Communities securities if they are in possession of inside information and provides for open periods during which Directors and employees may trade, subject to any required approvals being obtained.
- **Fraud, Corruption and Bribery (Prevention and Awareness) Policy** — contains our commitment to achieving the highest corporate standards and will not tolerate unethical or unprofessional behaviour including fraud, bribery and corruption.
- **Procurement Policy and Supplier Code of Conduct** — defines the standard required from third parties when working with Lifestyle Communities, and confirms Lifestyle Communities' commitment to a sound culture of compliance and ethical behaviour.
- **Enterprise Risk Management Framework** — provides guidance and direction on the management of risk in Lifestyle Communities and states Lifestyle Communities' commitment to the effective management of risk.
- **Tax Governance Framework** — provides guidance and direction on the management of tax governance in Lifestyle Communities and states Lifestyle Communities' commitment to manage its tax affairs in a transparent, equitable and commercially responsible manner, whilst having full regard to all relevant tax laws, regulations and tax governance processes.

- **Whistleblower Policy** — encourages Lifestyle Communities Directors, employees, contractors and suppliers who have witnessed, or know about, any misconduct or suspected misconduct to speak up without fear of intimidation, disadvantage or reprisal.
- **Keeping You Safe at Work Policy** — outlines our approach to creating and nurturing a safe work environment for all team members. The policy includes Psychosocial Hazards and Risk Controls.
- **Respect @ Work Policy** — outlines Lifestyle Communities approach and strategies for promoting respectful behaviours and adhering to Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022 (Cth). Complaint mechanisms for sexual harassment are outlined in the Policy and align with the Concerns and Complaints Resolution Policy.

## Our approach to tax

Lifestyle Communities manages its tax affairs in a transparent, equitable and commercially responsible manner, whilst having full regard to all relevant tax laws, regulations and tax governance processes.

Our Tax Governance Framework sets out the key principles adopted by Lifestyle Communities' which are summarised as follows:

- Maintain compliance with all relevant tax laws, regulations, and tax governance processes, to demonstrate good corporate citizenship;
- A low tax risk appetite that ensures Lifestyle Communities remains a sustainable business and a reputable and attractive investment proposition;
- A commitment to engage and maintain relationships with tax authorities that are open, transparent and co operative; and
- An operating and trading business based in Australia, with no strategic intentions of engaging in any tax planning involving the use of offshore entities or low tax jurisdictions.

### Tax Contribution Summary

In addition to providing affordable housing solutions to Australia's ageing population, Lifestyle Communities contributes to the Australian economy, through various taxes levied at federal, state and local government level. In FY25 these totalled $13.6 million and were either borne by Lifestyle Communities as a cost of our business or collected and remitted as part of our broader contribution to the Australian Taxation System. Detailed below are the taxes paid and/or collected and remitted for the 2025 financial year:

| | FY25 $ million | FY24 $ million |
|---|---|---|
| Income Tax [1] | **(5.0)** | 9.4 |
| Net GST | **(6.8)** | (11.4) |
| PAYG Withholding | **5.8** | 6.3 |
| State Taxes [2] | **17.3** | 5.6 |
| Fringe Benefits Tax | **0.4** | 0.4 |
| Local council rates | **1.9** | 1.5 |
| | **13.6** | **11.8** |

Notes:

1. Income tax includes tax payments of $2.2 million and tax receipts of $7.3 million. The tax receipts were received as a result of a reduction in the instalment rate during the 2025 financial year.
2. State Taxes (including Payroll Tax, Land Tax and Stamp Duty).

## Commitment to shareholders and an informed market

Lifestyle Communities is committed to ensuring that the market as a whole is relevantly and consistently informed by providing securityholders and the market with timely, balanced, direct and equal access to information issued by Lifestyle Communities, to promote investor confidence in the integrity of Lifestyle Communities and in the trading of its securities.

Lifestyle Communities has a Communication and Continuous Disclosure Policy that has adopted practices that reflect the intent of the law, corporate governance best practices, regulatory requirements, and which best serve the interest of its shareholders and other stakeholders.

All external communications that include any price sensitive material are provided to the Board for approval. In accordance with the Communication and Continuous Disclosure Policy, all announcements will:

- Be factual;
- Do not omit material information; and
- Be timely and expressed in a clear and objective manner.

Lifestyle Communities' Communication and Continuous Disclosure Policy is available at **lifestylecommunities.com.au/corporategovernance**.

## Forward-looking statements

This annual report contains forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings, performance and future operational outcomes, are examples of forward-looking statements. Forward-looking statements, including projections or guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

## Proceedings against the Company

A number of applications have been lodged with the Victorian Civil and Administrative Tribunal (VCAT) by homeowners who have raised questions regarding the interpretation of the Residential Tenancies Act. Refer to note 7.4, Events after Reporting Date for further details.

The Directors are not aware of any current or threatened Court proceedings of a material nature in which the Company is directly or indirectly concerned which are likely to have a material adverse effect on the business or financial position of the Company.

## Audit and non-audit services

The Company's auditor, PricewaterhouseCoopers was appointed on the 18th November 2019. Details of auditor remuneration is contained at note 5.4. During FY25, the Company spent an additional $56,775 with PricewaterhouseCoopers on services in relation to the Company's tax affairs, equity incentive scheme, and specialist procedures as part of the Company's capital raise. The Directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature, scope and timing of these non-audit services means that auditor independence was not compromised.

## Indemnification and insurance of directors and officers

During the financial year the Company paid premiums in respect of a Directors' and Officers' insurance policy.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

## Executive confirmations

The Chief Executive Officer and the Chief Financial Officer have provided a written statement to the Board that:

1. In accordance with the Corporations Act 2001 ("the Act") section 295A, we, the undersigned, declare that to the best of our knowledge and belief, and in each of our opinions:

   (a) the financial records of the consolidated entity for the financial year have been properly maintained in accordance with section 286 of the Act;
   (b) the financial statements and associated notes of the consolidated entity for the financials year comply with the accounting standards as required by section 296 of the Act;
   (c) the financial statements and associated notes for the financial year give a true and fair view of the financial position of the consolidated entity as at 30 June 2025 and of its performance for the period as required by section 297 of the Act;
   (d) the consolidated entity disclosure statement required by section 295(3A) of the Act is true and correct.
   (e) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
   (f) any other matters that are prescribed by the regulation for the purposes of this declaration in relation to the financial statements and the associated notes of the consolidated entity for the financial year are also satisfied.

2. Also, in accordance with ASX Corporate Governance Council Best Practice Recommendations 4.2 and 7.2, with regard to the system of risk management and internal compliance and control of the consolidated entity for the year, to the best of our knowledge and belief, and in each of our opinions:

   i. the statements given in paragraph (1) above are founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by the Board of Directors of the Company;
   ii. the risk management and internal compliance and control systems of the consolidated entity are operating effectively, in all material respects; and
   iii. subsequent to 30 June 2025, no changes or other matters have arisen that would have a material effect on the operation of the risk management and internal compliance and control system of the consolidated entity.

**Events after reporting date**
***VCAT Proceedings and Appeal***
On the 25 July 2025, His Honour, Justice Woodward, has issued orders to give effect to his reasons in the VCAT Proceedings and simultaneously issued an interim stay on those orders, effective immediately. In summary, the orders and the reasons together provide:

- That the Residential Tenancies Act 1997 (Vic) does not prohibit a deferred management fee (DMF);
- That because the DMF in Lifestyle Communities' standard Residential Site Agreement (RSA) is unable to be calculated as a precise amount at the time of entering into the RSA, the DMF clause in the RSA is void and unenforceable; and
- Lifestyle Communities will no longer charge site fees for services provided to deceased estates.

Following the release of Justice Woodward's reasons, Lifestyle Communities made the commercial decision to cease charging fees for services provided to deceased estates and submitted that should be reflected in the orders (and not a requirement that the estate should be permitted to have someone live in the home until it is sold). Justice Woodward accepted that submission in his orders. Lifestyle Communities will cease recognising revenue for services provided to deceased estates from the 1 July 2025 but there is no obligation to return any fees charged prior to this date.

Lifestyle Communities intends to appeal the decision with respect to the enforceability of the DMF clause in the RSA. With the orders now issued, Lifestyle Communities has until 5 September 2025 to prepare and lodge its appeal to the supreme court (being 42 days after the orders were issued).

The VCAT hearing regarding the request for a longer-term stay in relation to the orders for the 5 cases determined at VCAT on the 25th of July 2025 was concluded on 27 August 2025. His Honour, Justice Woodard, determined not to approve the longer-term stay. The request for stay related to 5 cases only and does not impact the company's plans to appeal the VCAT decision.

The 30 June 2025 financial statements have been prepared with regard to the most recent legal interpretation of the DMF provisions in the standard contracts, being Justice Woodward's VCAT decision. Lifestyle Communities has:

- Written-down the value of the investment properties to reflect Justice Woodward's decision. This has resulted in a fair value write-down of $193.5m which represents circa 75% of the previous carrying value.
- Created a $77.8 million provision for the repayment of prior DMF collected that may need to be repaid. Refer to Note 2.1.

If the appeal is successful, Lifestyle Communities will amend the carrying value of the DMF component of investment properties reflect the fair value at that time and reverse the provision for repayment. If the appeal is unsuccessful, the carrying value of the investment properties will remain as reported in its FY25 Financial Statements and Lifestyle Communities will commence a process to repay DMF's collected on contracts signed after September 2011 where the DMF clause does not meet the disclosure requirements as outlined by Justice Woodward.

Subsequent to the VCAT decision, a number of existing customers have expressed interest in the DMF calculated on entry price contract structure. Lifestyle Communities has commenced a project to offer existing homeowners that choice. There is no obligation for homeowners to accept this opportunity but if they do, it will provide the opportunity for those homeowners to amend their contracts and include a precise dollar figure for the DMF in accordance with Justice Woodward's determination.

For homeowners that accept the contract variation: Lifestyle Communities will amend the carrying value of the DMF during the period in which the amended contract is signed.

For homeowners that do not accept a contract variation: the DMF component of investment properties will remain in accordance with the FY25 financial statements and will only be amended if Lifestyle Communities is successful in its appeal at which time it will revert to the terms of the existing contracts.

A sensitivity on the estimated value of the DMF component of investment properties valuation based on various take-up rates is included below:

| | FY25 reported fair value (DMF Component of Investment Properties) | Fair value if contract amended (DMF Component of Investment Properties) | Variance |
|---|---|---|---|
| 0% take-up | 69.0 | 69.0 | – |
| 10% take-up | 69.0 | 80.7 | 11.7 |
| 20% take-up | 69.0 | 92.4 | 23.4 |
| 30% take-up | 69.0 | 104.1 | 35.1 |
| 40% take-up | 69.0 | 115.8 | 46.8 |
| 50% take-up | 69.0 | 127.5 | 58.5 |
| 60% take-up | 69.0 | 139.2 | 70.2 |
| 70% take-up | 69.0 | 150.9 | 81.9 |
| 80% take-up | 69.0 | 162.6 | 93.6 |
| 90% take-up | 69.0 | 174.3 | 105.3 |
| 100% take-up | 69.0 | 186.0 | 117.0 |

**Land sales**

On 8 August 2025, the company signed a conditional contract to sell a parcel of land at Ocean Grove for $46.2 million. At 30 June 2025, the asset was classified as Investment Property and Inventory with a total carrying value of $46.2m following a $6.7m write-down of inventory. The contract is subject to a due diligence period of 30 days during which the purchaser has the right to terminate the contract. Subject to successful completion of due diligence, the contract is expected to settle by 31 December 2025.

On 15 August 2025, the company signed an unconditional contract to sell a parcel of land at Merrifield for $27.0 million (net of purchase price adjustments). At 30 June 2025, the asset was classified as an asset held for sale and its carrying value was $27.0 million following a $10.3m write-down of Inventory. The contract is due to settle on 2 September 2025.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 73.

This report is made in accordance with a resolution of Directors.

**David Blight**
Director
28 August 2025

# Remuneration Report

# Remuneration report

Dear fellow Shareholders,

On behalf of the People & Culture Committee, I am pleased to present the 2025 Lifestyle Communities Remuneration Report, which sets out our approach to executive and employee remuneration during a year of significant transition. The Committee remained focused on ensuring our framework supported business continuity, retained critical talent, and aligned rewards with both short-term performance delivery and long-term shareholder value creation.

**A Year of transition and strategic evolution**
FY25 was characterised by substantial change, including the transition from our co-founder and Managing Director, James Kelly, who departed the company on December 31st, 2024. We welcomed Henry Ruiz as our new Chief Executive Officer on March 5th, 2025. Mr. Ruiz brings more than 25 years of enterprise leadership experience, and his compensation package can be found on page 63 of the report which was benchmarked against comparable ASX-listed companies. His appointment has been instrumental in driving the strategic refresh together with the broader executive, and enhancing team and homeowner engagement during a very challenging phase for the business.

**Performance and remuneration outcomes**
With the context above, our team delivered 268 new home settlements, operating profit after tax of $45.2 million, and maintained our focus on customer satisfaction—exceeding our CSAT target of 75%; with an end result of 76.2%, despite the challenging environment.

While we did not achieve our financial performance targets this year, the Committee recognised the leadership demonstrated in the face of significant headwinds and the strategic refresh and foundational work undertaken to position the business for future growth. Short-term incentive outcomes reflected this mixed performance.

The performance period for the FY23 long-term incentive completed in FY25. The performance targets were not met and consequently, the options awarded in relation to this scheme have been cancelled.

**Framework enhancements and strategic alignment**
During FY25, with an eye to driving high performance, we made several remuneration framework enhancements. These changes included:

**Short-term incentive refinements:**
- Introduced individual KPIs representing 30% of STI opportunity, ensuring executives are directly accountable for delivery of specific strategic projects and leadership initiatives, beyond Company metrics
- Adjusted the timing of the grant of the STI options (and the required VWAP calculation) from the beginning of the STI period, to a more market standard approach of granting the options immediately prior to vesting.
- Adjusted the STI delivery structure to 50% deferred equity at vesting and 50% cash, better aligning shareholder equity outcomes and cash flow flexibility for the executive.

**Long-term incentive changes**
The Committee introduced two entirely new LTI metrics designed to strengthen alignment between long-term shareholder value creation and executive rewards:

1. Three-Year Operating Earnings per Share Growth (50%)
2. Three-Year Relative Total Shareholder Return (50%)

**Leadership stability and retention during transition period**

Recognising the importance of leadership continuity during a period of transition, the Committee approved a one-off, targeted retention arrangement for the selected members of the Executive Leadership Team. This considered, non-recurring arrangement was implemented to safeguard shareholder value by:

- Providing stability and mitigating the risk of executive turnover during the founder-to-CEO transition.
- Supporting operational resilience and the ongoing delivery of the Company's strategic priorities

The retention award was delivered as deferred equity (options) calculated as a percentage of eligible Executive team members' total fixed remuneration. Options vest in two tranches: one on 31 October 2025 and the second on 31 October 2026. Awards are subject to the existing employee share plan rules and restrictions. The Board retains discretion to review the one-off retention grants immediately prior to vesting dates to ensure the award quantum aligns with the original spirit and intention of the arrangements.

**Board composition and fees**

During FY25, we welcomed Ms JoAnne Stephenson to the Board. JoAnne brings deep experience in governance, finance, and strategic transformation, including across regulated and customer-facing sectors. Her expertise will be invaluable as we navigate this next phase of operational maturity and market responsiveness.

**Our People and Culture**

This year was a tough year for our team, with several redundancy rounds necessitated by market conditions. Despite these circumstances, our culture showed remarkable resilience with staff engagement dropping only slightly to 8.2 out of 10—a strong result demonstrating the foundational strength of our workplace culture. We also continued to achieve WGEA Employer of Choice status.

**Acknowledgement and Thanks**

The Committee recognises the dedication demonstrated by our executive team and the broader team during this transitional year. Their commitment to our homeowners and shareholders, has been exemplary. As we enter FY26, our framework is well-positioned to support the business through its next phase of growth, with clear accountability for performance delivery and strong alignment between executive rewards and sustainable long-term value creation.

Sincerely,

**Claire Hatton**
Chair, People & Culture Committee
28 August 2025

This report forms part of the Directors' Report and has been audited in accordance with section 308(3C) of the Corporations Act 2001.

## 1. Introduction

### 1.1 About this report

The Remuneration Report forms part of the Directors' Report. It outlines the overall remuneration strategy, framework and practices adopted by Lifestyle Communities Ltd (the Company) and has been prepared in accordance with Section 300A of the Corporations Act 2001 and its regulations. This entire remuneration report is audited.

## 2. People & Culture Committee

### 2.1 Role of the People & Culture Committee

The objective of the Committee is to ensure that remuneration policies and structures are fair, competitive, and aligned with the long-term interests of the Company. A copy of the Committee's charter is available on the Lifestyle Communities website. Remuneration and Nomination are the main responsibilities of the Committee.

The People & Culture Committee's key responsibilities are to make recommendations to the Board on:

- The Company's remuneration framework;
- Formulation and operation of Employee incentive plans;
- Oversight of the selection, appointment and reappointment of Directors to the Board;
- Remuneration levels of the CEO and other KMP; and
- The level of Non Executive Director fees.

### 2.2 Corporate Governance Practices Specifically Related to Remuneration

#### *2.2.1 Securities Trading policy*

Lifestyle Communities has adopted a Securities Dealing Policy that applies to all team members including Non-executive Directors, Executive Key Management Personnel (KMP), the Executive Leadership Team (ELT) and their connected persons, as defined within the policy. This policy sets out the trading policies all team members must comply with, including specific restrictions with which KMP must comply. This includes obtaining approval prior to trading in Lifestyle Communities' securities and not trading within blackout periods, other than with approval in exceptional circumstances as detailed within the policy. The policy aims to protect the reputation of Lifestyle Communities and maintain confidence in trading in its securities. It prohibits specific types of transactions being made which are not in accordance with market expectations or may otherwise give rise to reputational risk.

#### *2.2.2 Minimum Shareholding Policy*

Lifestyle Communities' Minimum Non-Executive Director Shareholding Policy requires all Non-Executive Directors to hold a minimum shareholding in Lifestyle Communities equivalent to 100% of their annual base fee. The shareholding does not comprise part of the remuneration package and Non-Executive Directors are required to acquire their target shareholding independently. Non-Executive Directors have five years in which to purchase their shareholding requirement which commences from the later of the date the policy is adopted, or the Non-Executive Director takes up their position. Once the equivalent of a Non-Executive Director's annual base fee has been acquired in shares, the Non-Executive Director does not need to adjust shareholdings when there is an adjustment of the share price. Once the Minimum Holding is acquired, the Minimum Holding will need to be adjusted to meet changes in a Non-Executive Director's annual base fee within 2 years from the change of annual base fee.

### 2.3 The use of external advisors

Remuneration consultants are engaged from time to time to provide independent information and guidance on remuneration for Directors and the Executive Team. The independent consultants facilitate discussion, conduct external benchmarking, and provide commentary on a number of remuneration issues and structures. Any advice provided by independent consultants is used as a guide and is not a substitute for the considerations and procedures of the Board and the People & Culture Committee.

During FY25, an independent Remuneration Consultant was engaged to conduct a review of the Executive Incentive Plans and provide market insights and trends for consideration by the Board and People & Culture Committee.

## 3. Details of key management personnel

| Directors | Position | Commencement date |
|---|---|---|
| David Blight | Chair of the Board (appointed Chair 1 September 2024)<br>Non-Executive Director<br>Member Audit & Risk Committee<br>Member People & Culture Committee | 15 June 2018 |
| Mark Blackburn | Non-Executive Director<br>Chair Audit & Risk Committee | 1 December 2019 |
| Claire Hatton | Non-Executive Director<br>Chair of People & Culture Committee | 1 May 2022 |
| JoAnne Stephenson | Non-Executive Director<br>Member of Audit & Risk Committee<br>Member of the People & Culture Committee. | 1 July 2024 |
| **Other Executive KMP** | | |
| Henry Ruiz | Chief Executive Officer | 5 March 2025 |
| Darren Rowland | Chief Financial Officer and Company Secretary | 21 May 2018<br>(Full year) |
| **Previous Directors** | | |
| Philippa Kelly | Chair of the Board (appointed Chair 14 August 2019)<br>Non-Executive Director<br>Member Audit & Risk Committee<br>Member People & Culture Committee | 18 September 2013 to 31 August 2024 |
| James Kelly | Managing Director | Retired 31 December 2024 |

Philippa Kelly retired from the Board on 31 August 2024 and was replaced as Chair by David Blight.

James Kelly retired on 31 December 2024 with Henry Ruiz appointed as CEO effective 5 March 2025.

David Blight undertook the role of Executive Chair from 1 January 2025 to 9 April 2025 during the period of transition from James Kelly to Henry Ruiz.

## 4. Capability and performance

The capability and performance of our team is assessed using the internal ROADMAP process. The process includes six-monthly reviews. The team are measured equally on their competency and performance as well as their demonstrated values and behaviours.

The ROADMAP process ensures that performance concerns are identified, addressed, and rectified to ensure optimum capability of all team members driven and managed by our Executive Leadership Team (ELT). This ROADMAP process is used as a behavioural gate for the equity incentive scheme.

## 5. Structure of the Chief Executive Officer and Executive Leadership Team Remuneration

### 5.1 CEO Remuneration Strategy

The Board engaged an Executive Search company to undertake a comprehensive global search to identify the next Chief Executive Officer for Lifestyle Communities. The Company was very pleased to appoint Henry Ruiz as CEO on 5th March 2025.

The Board ensured that the total remuneration package offered to the CEO was competitive within the market and benchmarked against industry peers, to attract and retain the right leadership for the Company.

Henry Ruiz's remuneration structure is detailed on page 63.

### 5.2 Components of Executive Remuneration

Our ELT remuneration is, delivered through a simple, three element structure using both fixed and variable (at risk) components (see diagram on next page).

Lifestyle COMMUNITIES

## Our Mission

At Lifestyle Communities we reimagine a Way to Live for independent downsizers.

## Our Values and Culture

Our mission is embedded in our value-based culture, which drives and inspires our team to lead with heart, take initiative, remain curious and stay committed to excellence to drive the best outcomes for our homeowners.

## Our People

Our team are at the heart of all we do. They are recruited with alignment to our Purpose, Values and Culture and their own individual specialised skills. This creates a collaborative environment for curious conversations and performance delivery.

*Reward, recognition and alignment with our strategic priorities, both short and long term.*

## Principles of Remuneration

Competitive and reasonable, enabling the Company to attract and retain key talent who embody our culture and values, delivering business priorities.

Aligned to the Company's business through the creation of meaningful experiences to our homeowners.

Transparent, straightforward, aligned with shareholder interests.

Optimisation of strategic performance outcomes to maximise key stakeholder value, measured through our internal ROADMAP process, our team are equally assessed on their performance and behaviours.

Variable remuneration for our ELT is paid via a mix of cash and equity (options). Our Management and Employee Schemes are delivered solely in Equity (options) creating strong alignment with our shareholders.

The incentive scheme performance metrics are kept to a minimum so that they are easily understood by the team and easily measured.

Shares to satisfy options exercised under the employee share scheme are purchased on-market to avoid dilution of existing shareholders.

## Remuneration Framework

Our ELT remuneration is delivered through a simple, three element structure using both fixed and variable (at risk) components.

| Fixed elements | Variable elements | |
|---|---|---|
| 1. Total Fixed Remuneration (TFR) | 2. Short-term incentive | 3. Long-term incentive |

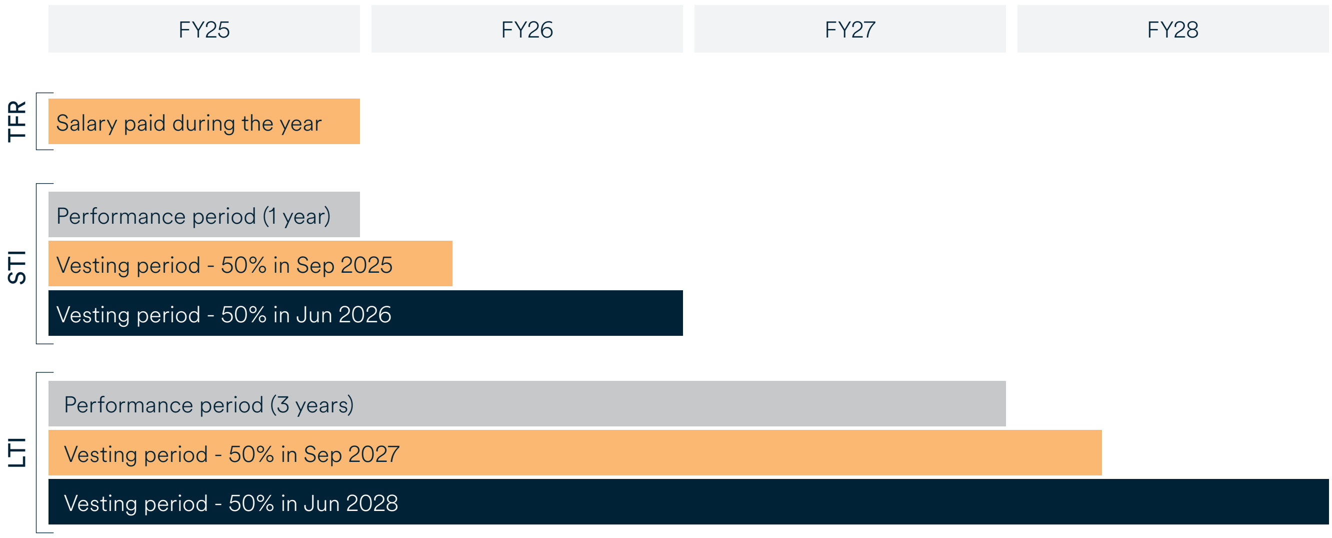
# Components of executive remuneration

| Fixed elements | Variable elements | |
|---|---|---|
| 1. Total Fixed Remuneration (TFR) | 2. Short-term incentive | 3. Long-term incentive |
| **How it is delivered** | | |
| Cash | Cash + zero exercise priced options | Zero exercise price options |
| **How it works** | | |
| • Consists of base salary, statutory superannuation contributions and motor vehicle allowance (when appropriate).<br>• Fixed remuneration is benchmarked against market data from comparable roles, industry peers and similarly sized publicly listed companies. A formal benchmarking exercise is undertaken every second year, or sooner where there is a material role change. The People & Culture Committee approve the comparator group prior to engagement of the external consultant. | • 50% cash.<br>• 50% delivered as options to receive equity in the company after performance and vesting conditions met.<br>• Team members are required to continuously demonstrate values and behaviours throughout the performance and deferred vesting periods.<br>• 40%* of TFR at maximum pro-rated (straight line basis).<br>• Measured against a balanced scorecard outlined below.<br><br>* The CEO received a pro rata component of the STI (50% of TFR) from commencement date. | • Delivered as options to receive equity in the company after performance and vesting conditions met.<br>• Team members are required to continuously demonstrate values and behaviours throughout the performance and deferred vesting periods.<br>• 80% of TFR at maximum pro-rated (straight line basis).<br>• Measured against a balance scorecard outlined below. |
| **Linking Remuneration and Performance** | | |
| • Fixed remuneration is determined by reference to individual capability, experience, role complexity, scope as well as the comparator group average and median levels. | **Financially aligned Measures (54%):**<br>1. New Home Settlements (22%)<br>Continue to represent the primary driver of shareholder value and remain a critical financial performance metric.<br>2. Cashflow from Community Operations (16%)<br>Represents effective management and cash generation from established community operations.<br>3. Operating earnings after tax (16%) represents the underlying performance of the business excluding the impact of market based property valuation adjustments.<br>**Customer Satisfaction (16%):**<br>1. Annual average CSAT result across all communities.<br>A focus on our customer sentiment is a cornerstone of the business and a key priority for the ELT through the entire customer journey.<br>**Individual Performance (30%):**<br>1. Individual performance on strategic outcomes measured through the annual ROADMAP appraisal process. Performance metrics encompass leadership, people and culture, financial performance, and role specific strategic priorities. | **Long-Term Financially Aligned Measures (100%)**<br>1. Three-Year Operating Earnings per Share Growth (50%).<br>Assesses the business's effectiveness in deploying capital to deliver growth in shareholder returns over the long term.<br>2. Three-Year Relative Total Shareholder Return (50%)<br>Aligns executive reward with the company's performance over a three-year period, evaluating Lifestyle's percentile ranking relative to the constituents of the S&P/ASX 200 A-REIT Index.<br>To mitigate the impact of short-term market volatility, Lifestyle's TSR will be calculated using the volume-weighted average closing security price across the 30 trading days immediately preceding the start, and the 30 trading days immediately preceding the end, of the LTI performance period (1 July 2024 to 30 June 2027). Performance will be assessed relative to the TSR of companies within the S&P/ASX 200 A-REIT Index over the same three-year period. |

# Components of executive remuneration

| Fixed elements | Variable elements | |
|---|---|---|
| **1. Total Fixed Remuneration (TFR)** | **2. Short-term incentive** | **3. Long-term incentive** |
| **What it does** | | |
| Fixed remuneration is structured to ensure that high quality talent is attracted and retained, and is suitably motivating to meet Lifestyle Communities strategic, cultural and business objectives. | Incentivises strong individual and company performance, based on strategically aligned deliverables. | Aligns reward with creation of sustainable, long-term shareholder value and future growth. |

**What are the time horizons of the awards?**



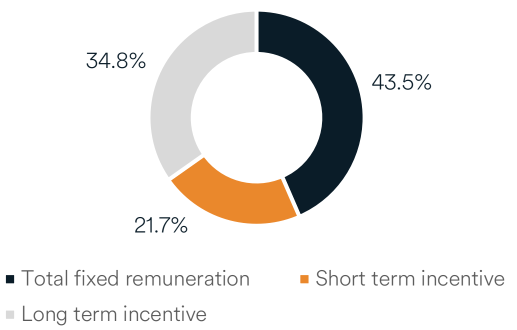

### 5.3 KMP Remuneration Mix

The remuneration mix sets out the proportion of total remuneration attributable to each component of the executive remuneration structure. The charts below illustrate the remuneration mix for the CEO and CFO, reflecting the maximum potential value of each component.

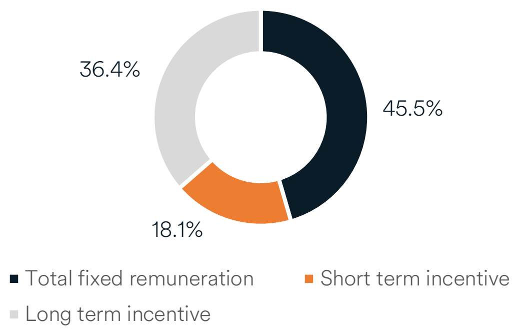
The final remuneration outcomes are determined by actual performance achieved during the relevant financial period. The CEO's remuneration mix shown represents a full financial year entitlement.

The former Managing Director received 100% Total Fixed Remuneration and did not participate in the ELT Share Scheme.

**CEO (at maximum)**




**CFO (at maximum)**



### 5.4 Structure of the Equity Incentive Scheme for the Balance of our Team

In addition to the Executive Incentive Scheme, the Company operates two additional incentive schemes as shown below. The Employee Incentive Scheme and the Management Incentive Scheme are both short term annual incentives. The schemes are designed to focus team members on achieving and exceeding various measures which are critical to the success and growth of Lifestyle Communities.

Each year the Board determines a target range for each of the performance measures and the amount of equity that will be made available:

**Summary of new components for FY25**

*Employee Share Scheme:* (applicable to team members who are employed on a permanent employment basis, whom are not cover by the Management or Executive Share Scheme). To drive optimal performance during a time of challenging market conditions, the scheme was streamlined to focus solely on the single unifying metric of New Home Settlements. The performance hurdle for this scheme was not met in FY25.

*Management Share Scheme:* (applicable to selected senior leaders with direct strategic and critical delivery responsibilities. Participants are nominated by the Executive Leadership Team and approved by the Board).

To strengthen our commitment to overall homeowner satisfaction across our communities, a Customer Satisfaction (CSAT) metric has been introduced as a key priority for the members of the Management Scheme in FY25. Performance was assessed through homeowner surveys, with results measured against the CSAT metric, calculated as an average across all communities through the full financial year.

| Performance metric | Employee Share Scheme (ESS) | Management/ Emerging leader Share Scheme (MSS) | ELT Share Incentive Scheme (ELTSS) - STI |
|---|---|---|---|
| New Home Settlements | 100% | 25% | 22% |
| Cashflow from Community Operations | | 25% | 16% |
| Annual CSAT across communities | | 25% | 16% |
| Individual KPI from ROADMAP | | 25% | 30% |
| Operating earnings after tax | | | 16% |

Both the Employee and Management Share Scheme vest in September 2025 after finalisation of the year end audit and approval by the Board.

### 5.5 Other governance practices that apply to the equity incentive scheme

| | |
|---|---|
| **Issuance to Team Members** | • Equity is issued to qualifying team members in the form of zero-priced conditional rights to receive ordinary shares ("options").<br>• To be eligible to fully participate in the incentive scheme, team members must have been employed by the Company on 1 July of the performance year and remain employed when the options vest.<br>• Options are typically issued in the first quarter of each financial year to existing team members, any team members commencing employment with the Company after 1 July and before 1 April of the performance year are entitled to a pro-rata incentive. ELT members employed after 1 April in a financial year are not eligible for the Executive Incentive Scheme for that particular year. |
| **Values and Behaviours** | The Values and Behaviours gateway as a pre-qualification to the entitlement to participate in the Equity Incentive Scheme (EIS) reinforces the Board and Executive Team's commitment to maintaining our customer centric culture, demonstrating appropriate behaviours, and managing risk, compliance, and reputational matters. |
| **Fair Value** | For accounting purposes, the fair value has been determined at the grant date for Employees employed prior to 1 July and at commencement date of Employees that joined the Company during the year. The expense will be recognised over the vesting periods noted above. |
| **Employee Share Trust** | The company currently has two employee share trusts which are administered by independent third parties:<br>1. FY17 and FY18 Equity Incentive Schemes – Smart Equity Pty Ltd.<br>2. FY19 to FY25 Equity Incentive Schemes – Link Market Services. |
| **Board Discretion** | The Board has absolute discretion to determine how options are awarded. The Board also has absolute discretion as to who will participate, the quantum, the conditions attaching to the award, whether vesting occurs or not (regardless of if and how the performance conditions have been satisfied) and the treatment of the options in specific circumstances over the life of the options. |
| **Amendment** | The Board retains discretion to suspend or terminate the program at any time or amend all or any elements of the program up until the date of payment. |
| **Clawback** | The Board can apply clawback on vested and unvested options or forfeit these awards, this provides a safeguard that allows the Board to reclaim or cancel previously awarded equity-based incentives if certain adverse events occur. |
| **Change of Control** | The Board has the ability to determine, if a Change of Control Event has occurred or is likely to occur, the manner in which a Participant's Awards (whether vested or unvested) will be dealt with. |
| **Dealing in Securities** | A participant may not sell, assign, transfer, grant a security interest over or otherwise deal with options that have been granted to them, unless the Board approves.<br>Participants are also prohibited entering into any derivative or margin lending arrangements over Lifestyle Communities securities at any time. |
| **Vesting** | Following testing and completion of the annual audit, the Board will determine the number of Options to vest, which is expected to occur in late September 2025.<br>Details regarding the vesting of any Options will be included in the FY26 Remuneration Report. Following testing, any Options that do not vest will lapse. |
| **Cessation of Employment** | In the event of resignation all unvested Options will lapse unless the Board determines otherwise. |

### 5.6 The relationship between remuneration and company performance

The remuneration framework has been designed to reward the entire Lifestyle Communities team for their contribution to the collective performance of Lifestyle Communities and to support the alignment between the remuneration of the team and shareholder returns. The following table demonstrates the link between the Company's remuneration framework and its performance over the last 5 years.

| Performance measure | Unit | FY25 | FY24 | FY23 | FY22 | FY21 |
|---|---|---|---|---|---|---|
| Statutory profit / (loss) after tax | $m | **(195.3)** | 50.0 | 81.9 | 88.9 | 91.1 |
| Operating profit after tax | $m | **45.2** | 52.9 | 71.2 | 61.4 | 36.4 |
| Dividends declared and paid | cps | **5.0** | 10.5 | 11.5 | 10.5 | 8 |
| Closing share price (30 June) | $ | **7.0** | 12.4 | 15.7 | 13.6 | 15.6 |
| Share price increase / (decrease) | % | **(43.7)%** | (20.6)% | 15.1% | (13.0)% | 64.2% |
| Employee share scheme expense | $m | **2.1** | 1.7 | 1.4 | 2.9 | 1.4 |
| New home settlements in the year | Homes | **268** | 311 | 356 | 401 | 255 |
| Total homes settled | Homes | **4,128** | 3,860 | 3,549 | 3,193 | 2,792 |
| Total portfolio (settled and unsettled) | Homes | **5,750** | 6,563 | 5,912 | 5,391 | 4,834 |

## 6. KMP Remuneration Details and Contract terms for FY25

### 6.1 Chief Executive Officer (effective 5 March 2025)

The total annual Fixed Remuneration (TFR) package for the Chief Executive Officer (inclusive of superannuation) was $1,050,000.

| | |
|---|---|
| STI | Eligible to participate in the STI plan with a maximum opportunity of 50% of TFR. For FY25 Mr Ruiz has a 25% pro-rata entitlement to his final STI outcome, to reflect his commencement during the FY25 year. |
| LTI | Eligible to participate in the LTI plan with opportunity of 80% of TFR for FY25 and beyond. |

**CEO 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 written 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.

**Post Employment Restraints**

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.

### 6.2 Former Managing Director (period to 31 December 2024)

The total remuneration package for the former Managing Director (inclusive of superannuation) in FY25 was $1,100,000 and included a $20,000 car allowance as compensation for the extensive travel required between the Company's communities. The Managing Director did not participate in any short term or long- term incentive plans.

There were no other material changes to the Managing Director's service agreement during FY25. The Board were provided with three months written notice of Mr Kelly's plan to retire. The Managing Director had a three-month restrictive period post termination.

There was no other termination payments provided for in the Managing Director's contract.

### 6.3 Executive Team (ELT)

Fixed remuneration for the Executive Team is reviewed in the annual ROADMAP process. Increases to fixed remuneration take into account performance and external market and role benchmarking. The Executive Incentive Scheme is a percentage of TFR for each ELT member. This is detailed in section 5.2.

There were no other material changes to ELT service agreements during FY25.

**Significant conditions**

Under the terms of all agreements, the contracts may be terminated by either party giving three months written notice. The Company may terminate the contracts at any time without notice if serious misconduct has occurred.

**FY25 Executive Leadership Team (ELT) Short Term Incentive (STI) Remuneration Outcomes**

Following a market review, the Board enhanced the structure of the ELT STI to ensure the following:

- We can retain our leading talent in a highly competitive environment; and
- Reward for effort and outcomes closely aligned to our business outcomes.

**The Key Changes to the ELT STI were:**

- Introduction of an individual performance metric (30% of STI).
- Introduction of an annualised customer satisfaction measure (16% of STI).
- Change from 100% equity to 50% equity and 50% cash.
- Options in satisfaction of the STI will be granted at the end of the financial year following completion of the audit. The number of options issued will be calculated with reference to the volume weighted average price 30 days prior to issuance.

### The STI had a 1-year performance period and the following performance metrics

| Description | Weighting | Target | Result | Outcome | Weighting achieved |
|---|---|---|---|---|---|
| **New Home Settlements** continues as one of the main operational performance metrics as it is a key driver of earnings growth and shareholder value. | 22% | Achievement of between 300 and 350 new home settlements | 268 Settlements | Not Achieved | 0% |
| **Cashflow from Community Operations (CCO)** is an important operational metric focused on the efficient management of our communities, costs and resales. | 16% | Achievement of between $24.2m and $25.55m | $22.1m | Not Achieved | 0% |
| **Operating earnings after tax** measures the businesses efficiency in deploying its capital to generate returns for shareholders. | 16% | Achievement of between $47.34m and $50.34m | $45.2m | Not Achieved | 0% |
| **CSAT** is used for Customer Satisfaction Score. It's a key performance indicator (KPI) used to gauge how satisfied customers are with a company's products, services, or overall experience. | 16% | Achievement of between 70 and 80 CSAT | 76.25 | Partly Achieved | 10% |
| | 70% | | | | 10% |

| Description | Weighting | Target | Outcome | Weighting achieved |
|---|---|---|---|---|
| Henry Ruiz | 30% | Individual KPI outcomes | Partly Achieved | 19.8% |
| Darren Rowland | 30% | Individual KPI outcomes | Partly Achieved | 19.8% |

| Executive KMP | Actual STI payment | % of maximum STI payable | % of TFR |
|---|---|---|---|
| Henry Ruiz | 22 | 12.5% | 2.1% |
| Darren Rowland | 87 | 41.2% | 16.5% |

The metrics are independent of each other, and failure of one metric does not impact achievement of the others.

The maximum STI available in FY25 was 40% of total fixed remuneration (TFR) for each ELT member excluding the CEO who is entitled to 50%. The actual outcome achieved based on the above performance outcomes is shown in the table above. No Board discretion was applied in calculating the outcomes achieved. The Board carefully considered the performance of the business over the past 12 months and balanced this against overall executive remuneration and shareholder interests.

**Update on ELT Long Term Incentives**

As at the end of FY25, three long term incentive (LTI) plans were in place for the Executive Leadership team. For the FY25 scheme, the Board introduced two entirely new LTI metrics to strengthen alignment between the ELT rewards and long-term shareholder value creation. The LTI is delivered in deferred equity (options) and vests 50% in year 4 and 50% in year 5.

*Key Changes to the ELT LTI:*

Two new measures were incorporated in the FY25 LTI framework:

A) Three-Year Operating Earnings per Share Growth (50%)
Measures the business's ability to deploy capital effectively to drive sustainable growth in shareholder returns over the long term.

B) Three-Year Relative Total Shareholder Return (50%)
Aligns executive remuneration to the Company's performance over a three-year period, assessed by Lifestyle Communities percentile ranking against the constituents of the S&P/ASX 200 A-REIT Index.

An update on each of the respective schemes is shown in the tables below.

## FY23 Scheme

| Metric | Weighting | Target | Result | | | Outcome |
|---|---|---|---|---|---|---|
| | | | FY23 | FY24 | FY25 | |
| **New Home Settlements** remain as one of the key drivers of business performance and shareholder value. Lifestyle Communities provides guidance to the market on a rolling 3-year forward basis | 40% of TFR | 1,400 to 1,700 new home settlements (pro-rata) between FY23 and FY25 | 356 | 311 | 268 | 935 Settlements<br>Not Achieved |
| **Adjusted Return on Equity (ROE)** measures the business's efficiency in deploying capital. Lifestyle Communities uses an adjusted ROE measure to remove the volatility of movements in property valuations driven by external market factors which are outside of management's control. | 40% of TFR | 14% to 18% average ROE (pro-rata) for FY22, FY23, and FY24 | 11.7% | 7.5% | 4.9% | Average = 9.9%<br>Not Achieved |

Note: The Adjusted ROE target is set at the start of each scheme period. As such, the opening equity and property valuation adjustments are different for each scheme.

## FY24 Scheme

| Metric | Weighting | Target | Result | | | Outcome |
|---|---|---|---|---|---|---|
| | | | FY24 | FY25 | FY26 | |
| **New Home Settlements** remain as one of the key drivers of business performance and shareholder value. Lifestyle Communities provides guidance to the market on a rolling 3-year forward basis. | 40% of TFR | 1,400 to 1,700 new home settlements between FY24 and FY26 | 311 | 268 | tbc | In progress - 1 year remaining |
| **Adjusted Return on Equity (ROE)** measures the business's efficiency in deploying capital. Lifestyle Communities uses an adjusted ROE measure to remove the volatility of movements in property valuations driven by external market factors which are outside of management's control. | 40% of TFR | 14% to 18% average ROE (pro-rata) for FY24, FY25, and FY26 | 7.6% | 5.2% | tbc | In progress - 1 year remaining |

Note: The Adjusted ROE target is set at the start of each scheme period. As such, the opening equity and property valuation adjustments are different for each scheme. This is the reason for the variation in outcomes between the FY23 and FY24 schemes.

## FY25 Scheme

| Metric | Weighting | Target | Outcome |
|---|---|---|---|
| **Operating Earnings 'per share' growth** measures the businesses efficiency in deploying its capital to generate returns for shareholders. | 40% of TFR | 6% to 9% OEPS growth for FY25, FY26 and FY27 | In progress - 2 years remaining |
| **Relative Total Shareholder Return (RTSR)** measures the relative TSR percentile performance ranking against the constituents of the S&P/ASX 200 A-REIT Index. | 40% of TFR | 50th percentile to 75th percentile | In progress - 2 year remaining |

The metrics are independent of each other, and failure of one metric does not impact achievement of the other.

The maximum LTI achievable in FY24 equates to 80% of TFR for each ELT member. The outcome of the completed FY23 scheme was 0%.

**ELT Retention Award**
To support the business continuity and leadership stability during a significant period of transition, the Board approved a targeted retention arrangement for selected members of the Executive Leadership Team (ELT).

Significant factors considered by the Board:

1. Stability required to transition the Founder and former Managing Director who retired at the end of 2024 and successful onboarding of the incoming CEO.
2. Maintain operational stability.
3. Ensure continued execution of the company's strategic priorities.

The Retention Award was carefully considered, non-recurring arrangement approved by the Board with the objective of protecting long-term shareholder value by reducing the risk of executive turnover during a critical time.

The Retention Award is delivered as deferred equity (options) calculated as a percentage of the eligible team member's total fixed remuneration and converted to equity using the 30 day volume weighted average share price. Options are issued under the existing employee share plan and are subject to the same plan rules and restrictions as the existing scheme.

The award is delivered in two tranches:

| Executive retention plan | | $000's |
|---|---|---|
| Tranche 1 | Vests 31 October 2025 | 732 |
| Tranche 2 | Vests 31 October 2026 | 581 |

The CEO does not participate in the Retention Award.

## 7. Non Executive Directors' remuneration

All Non-Executive Directors are remunerated through fixed fees for their services to the Company. These fees are set at levels designed to attract and retain Directors of high calibre while remaining appropriate and reasonable in the context of the Company's size and complexity.

The total fees paid to Non-Executive Directors remain within the aggregate limit approved by shareholders at a general meeting. The current maximum aggregate fee pool of $1,000,000 per annum was approved by shareholders at the Annual General Meeting held in November 2007.

In FY25, fees payable to Non-Executive Directors were adjusted in line with the findings of an external benchmarking review completed in February 2024. Adjustments applied to Board Chair and Director base fees, with sub-committee Chair and Member fees remaining unchanged.

**Director and Committee Fees (per annum) are set out below:**

| $000's | FY25 | FY24 |
|---|---|---|
| **Board fees** | | |
| Chair | 250 | 240 |
| Member | 115 | 110 |
| | | |
| **Audit & Risk Committee** | | |
| Chair | 22 | 22 |
| Member | 10 | 10 |
| | | |
| **People & Culture Committee** | | |
| Chair | 22 | 22 |
| Member | 10 | 10 |

Notes:
1. The above amounts are inclusive of superannuation.

The People & Culture committee regularly reviews the level of fees paid to Non-Executive Directors. External benchmarking occurs every two years.

## 8. Remuneration Details of Key Management Personnel

In this Annual report, remuneration outcomes are presented based on the requirements of accounting standards (which has the benefit of being readily comparable with other companies) as well as the actual "take-home" pay received by KMP personnel (being cash, other benefits and the value of options exercised during the relevant financial year).

Differences can arise based on options which carry a deferred vesting and exercise period. Options are expensed over the vesting period based on their fair value when originally granted to the Executive. This may be significantly different to their value, if and when, the incentive vests to that Executive.

The following tables disclose the remuneration of the KMP of the Company for the 2025 financial year and for the previous financial year.

## 2025

| $000's | Salary and fees | Annual and long service leave | Super | Accrued FY25 STI | Equity-based LTI (accrued) | Equity-based retention (accrued) | Total | Performance related | Take home pay | Value of options exercised |
|---|---|---|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | | | | |
| David Blight[1] | 381 | – | – | – | – | – | 381 | – | 381 | – |
| Mark Blackburn | 123 | – | 14 | – | – | – | 137 | – | 137 | – |
| Claire Hatton | 112 | – | 13 | – | – | – | 125 | – | 125 | – |
| JoAnne Stephenson | 121 | – | 14 | – | – | – | 135 | – | 135 | – |
| James Kelly (retired 31 December 2024) | 560 | 115 | 16 | – | – | – | 691 | – | 691 | – |
| Philippa Kelly (resigned 31 August 2024) | 42 | – | – | – | – | – | 42 | – | 42 | – |
| **Consolidated remuneration** | **1,339** | **115** | **57** | **–** | **–** | **–** | **1,511** | **–** | **1,511** | **–** |
| **Key management personnel** | | | | | | | | | | |
| Henry Ruiz (commenced 5 March 2025) | 345 | 30 | 9 | 9 | 30 | – | 423 | 9.2% | 354 | – |
| Darren Rowland | 500 | 13 | 30 | 91 | 42 | 230 | 906 | 14.7% | 530 | 361 |
| **Consolidated remuneration** | **2,184** | **158** | **96** | **100** | **72** | **230** | **2,840** | **6.1%** | **2,395** | **361** |

Notes:
1. David Blight held the position of Executive Chair from 1 January 2025 to 9 April 2025. During that period he was paid $125k in addition to his Directors' fees which is included in the remuneration data above.
2. The FY25 STI will be paid out as 50% cash and 50% options.

## 2024

| $000's | Salary and fees | Annual and long service leave[1] | Super | Equity-based payments | Total | Performance related | Take home pay[2] |
|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | |
| James Kelly[3] | 1,022 | 45 | 28 | – | 1,095 | – | 1050 |
| Philippa Kelly | 247 | – | 13 | – | 260 | – | 260 |
| David Blight | 132 | – | – | – | 132 | – | 132 |
| Nicola Roxon (retired 31 December 2023) | 58 | – | – | – | 58 | – | 58 |
| Mark Blackburn | 119 | – | 13 | – | 132 | – | 132 |
| Claire Hatton | 108 | – | 12 | – | 120 | – | 120 |
| **Consolidated remuneration** | **1,686** | **45** | **66** | **–** | **1,797** | **–** | **1,752** |
| **Key management personnel** | | | | | | | |
| Darren Rowland | 472 | (13) | 28 | 1 | 488 | 0.2% | 500 |
| **Consolidated remuneration** | **2,158** | **32** | **94** | **1** | **2,285** | **0.2%** | **2,252** |

Notes:
1. Annual leave and long service leave represents movements in provisions.
2. Take home pay is a non-IFRS measure which includes salary and fees, super, and the cash value of any options exercised during the year (measured at the closing share price on the day of exercise or the termination date for anyone that departs during the year). These figures have been audited and are provided to give a better understanding of remuneration of Directors and Key Management Personnel.
3. Included in James Kelly's salary and fees is a $20,000 car allowance.

## 9. Shares and options held by key management personnel

### Vested and unvested options yet to be exercised

| | Maximum entitlement | Grant date | Expiry date | Exercise price | Value per option at grant date | Final entitlement | Vested and exercisable | Unvested |
|---|---|---|---|---|---|---|---|---|
| **Henry Ruiz** | | | | | | | | |
| FY25 – 3 Year LTI Tranche 1 – TSR market hurdle | 16,922 | 5/05/25 | 20/12/2024 | $Nil | $1.47 | to be determined | | |
| FY25 – 3 Year LTI Tranche 1 – EPS non-market hurdle | 16,922 | 5/05/25 | 20/12/2024 | $Nil | $7.73 | to be determined | | |
| FY25 – 3 Year LTI Tranche 2 – TSR market hurdle | 16,922 | 5/05/25 | 20/12/2024 | $Nil | $1.37 | to be determined | | |
| FY25 – 3 Year LTI Tranche 2 – EPS non-market hurdle | 16,922 | 5/05/25 | 20/12/2024 | $Nil | $7.70 | to be determined | | |
| **Darren Rowland** | | | | | | | | |
| FY24 – STI Tranche 1 | 6,667 | 3/10/23 | 3/10/33 | $Nil | $15.67 | | 3,145 | |
| FY24 – STI Tranche 2 | 6,667 | 3/10/23 | 3/10/33 | $Nil | $15.67 | | 3,145 | |
| FY24 – 3 Year LTI Tranche 1 | 13,333 | 3/10/23 | 3/10/33 | $Nil | $15.71 | to be determined | | |
| FY24 – 3 Year LTI Tranche 2 | 13,333 | 3/10/23 | 3/10/33 | $Nil | $15.71 | to be determined | | |
| FY25 – Retention 1 | 31,909 | 20/12/24 | 20/12/34 | $Nil | $8.20 | | | 31,909 |
| FY25 – Retention 2 | 13,675 | 20/12/24 | 20/12/34 | $Nil | $8.20 | | | 13,675 |
| FY25 – 3 Year LTI Tranche 1 – TSR market hurdle | 8,542 | 20/12/24 | 20/12/34 | $Nil | $2.15 | to be determined | | |
| FY25 – 3 Year LTI Tranche 1 – EPS non-market hurdle | 8,542 | 20/12/24 | 20/12/34 | $Nil | $8.09 | to be determined | | |
| FY25 – 3 Year LTI Tranche 2 – TSR market hurdle | 8,542 | 20/12/24 | 20/12/34 | $Nil | $2.02 | to be determined | | |
| FY25 – 3 Year LTI Tranche 2 – EPS non-market hurdle | 8,540 | 20/12/24 | 20/12/34 | $Nil | $8.06 | to be determined | | |
| **Total** | | | | | | | **6,290** | **45,584** |

Under the FY25 Long-Term Incentive (LTI) plan, awards are structured with a 50% weighting on market-based performance hurdles and a 50% weighting on non-market-based performance hurdles.

The fair value of LTI options granted to KMP is determined in accordance with AASB 2. As a result, the valuation of options granted to Henry Ruiz and Darren Rowland differs due to the timing of their respective grant dates.

## Movement in vested and exercisable options during the year

| | Balance at 1 July 2024 | Vested | Exercised | Balance at 30 June 2025 | Value at 30 June 2025 |
|---|---|---|---|---|---|
| **Darren Rowland** | 46,726 | 6,294 | (46,730) | 6,290 | $43,024 |

All options have a zero exercise price.

## Shares

| | Shares held at the beginning of the year | Purchased on market | Options exercised | Sold | Shares held at the end of the year |
|---|---|---|---|---|---|
| **Directors** | | | | | |
| David Blight | 12,810 | 37,190 | – | – | 50,000 |
| Claire Hatton | 4,186 | 5,485 | – | – | 9,671 |
| Mark Blackburn | 11,000 | – | – | – | 11,000 |
| JoAnne Stephenson | – | 5,000 | – | – | 5,000 |
| James Kelly [1] | 7,702,001 | – | – | – | 7,702,001 |
| Philippa Kelly [1] | 80,000 | – | – | – | 80,000 |
| **Management** | | | | | |
| Henry Ruiz | – | 6,760 | – | – | 6,760 |
| Darren Rowland | 2,500 | 6,250 | 46,730 | (20,000) | 35,480 |

Note:
1. Holdings for James Kelly and Philippa Kelly are reported as at the date of their resignations.

## 10. Remuneration report voting at Annual General Meeting

Lifestyle Communities Limited received 95.51% of votes in support of its remuneration report at the 2024 Annual General Meeting.

## Additional Remuneration Data

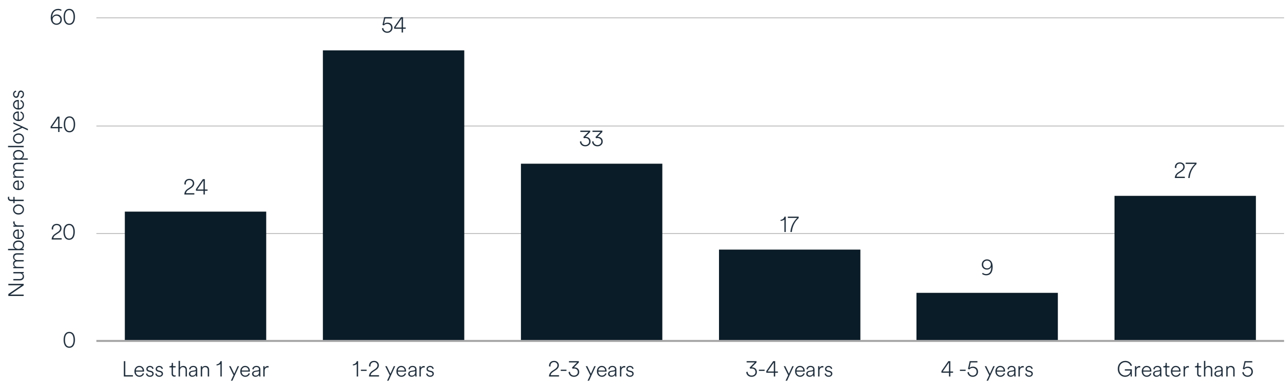
### FY25

| Job classification | Women | Average of TFR | Men | Average of TFR | Total | Average TFR | Women (%) | Men (%) |
|---|---|---|---|---|---|---|---|---|
| Chief Executive Officer | | | 1 | 1,050,000.00 | 1 | | | |
| Key Management Personnel | | | 1 | 530,000.00 | 1 | | | |
| Remaining Executive Leadership Team | 2 | 445,720 | 3 | 453,753.33 | 5 | 450,540 | 40% | 60% |
| Managers | 8 | 231,154 | 6 | 172,815.88 | 14 | 206,152 | 57% | 43% |
| Team / Subject Matter Leader | 4 | 158,798 | 1 | 184,407.96 | 5 | 163,920 | 80% | 20% |
| All other Team Members | 90 | 104,576 | 48 | 116,270.81 | 138 | 108,644 | 65% | 35% |
| **Total** | **104** | | **60** | | **164** | | **63%** | **37%** |

### FY24

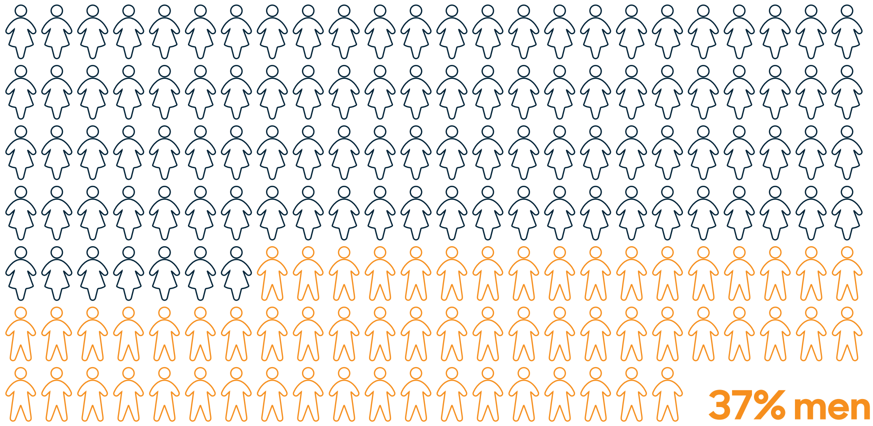
| Job classification | Women | Average of TFR | Men | Average of TFR | Total | Average TFR | Women (%) | Men (%) |
|---|---|---|---|---|---|---|---|---|
| Managing Director | | | 1 | 1,050,000 | 1 | | | |
| Key Management Personnel | | | 1 | 500,000 | 1 | | | |
| Remaining Executive Leadership Team | 4 | 370,000 | 2 | 430,000 | 6 | 390,000 | 67% | 33% |
| Managers | 9 | 184,905 | 5 | 181,890 | 14 | 183,828 | 64% | 36% |
| Team / Subject Matter Leader | 4 | 157,345 | 2 | 172,262 | 6 | 170,762 | 67% | 33% |
| All other Team Members | 108 | 94,870 | 50 | 107,997 | 158 | 99,024 | 68% | 32% |
| **Total** | **125** | | **61** | | **186** | | **67%** | **33%** |

### Employee tenure



# Snapshot of Our Team at 30 June 2025

**164**
Total Employees




## Gender split for emerging leaders

63% Women

37% Men

## Gender split for executive team

29% Women

71% Men

## Gender split for the Board

50% Women

50% Men

## Final Employee engagement score of

**8.2 out of 10**

## Breakdown of employees by age

| | | |
|---|---|---|
| 18–25 | 2 | 1% of the workforce |
| 26–35 | 39 | 24% |
| 36–45 | 46 | 28% |
| 46–55 | 45 | 27% |
| 56–65 | 27 | 17% |
| 66+ | 5 | 3% |

# Auditor's Independence Declaration

As lead auditor for the audit of Lifestyle Communities Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Lifestyle Communities Limited and the entities it controlled during the period.

Kate L Logan

Kate L Logan
Partner
PricewaterhouseCoopers

Melbourne
28 August 2025

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006,
GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au


Champion

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## For the year ended 30 June 2025

| $000's | Note | 2025 | 2024 |
|---|---|---|---|
| **Development revenue** | | | |
| Home settlement revenue | 2.1 | **163,026** | 182,927 |
| Cost of sales | 2.1 | **(141,613)** | (148,310) |
| **Gross profit from home settlements** | | **21,413** | **34,617** |
| **Management and other revenue** | | | |
| Rental revenue | 2.1 | **45,705** | 41,436 |
| Deferred management fees | 2.1 | **(67,340)** | 13,220 |
| Utilities revenue | 2.1 | **5,670** | 4,849 |
| Other income | 2.1 | **1,520** | 796 |
| **Total management and other revenue** | | **(14,445)** | **60,301** |
| **Fair value adjustments** | 2.2 | **(184,866)** | **51,744** |
| **Less expenses** | | | |
| Development expenses (sales and marketing) | 2.1 | **(15,632)** | (22,771) |
| Community operating expenses | 2.1 | **(20,950)** | (18,383) |
| Established homes selling costs | 2.1 | **(2,535)** | (2,387) |
| Utilities expenses | 2.1 | **(5,652)** | (4,803) |
| Corporate overheads | 2.1 | **(20,129)** | (20,375) |
| Employee incentive scheme | 2.1 | **(2,073)** | (1,685) |
| Finance costs | 2.1 | **(5,550)** | (4,278) |
| Write-down on paused projects | 2.2 | **(25,050)** | – |
| Other costs | | **(3,355)** | (482) |
| **Statutory (loss)/profit before income tax** | | **(278,824)** | **71,498** |
| Income tax credit/(expense) | 2.4 | **83,553** | (21,519) |
| **(Loss)/Profit from continuing operations** | | **(195,271)** | **49,979** |
| **Earnings per share for profit attributable to the ordinary equity holders of the parent entity:** | | | |
| Basic earnings per share (cents) | 2.3 | **(160.4)** | 45.5 |
| Diluted earnings per share (cents) | 2.3 | **(160.4)** | 45.3 |

The above statement should be read in conjunction with the accompanying notes.

# Consolidated Statement of Financial Position

## For the year ended 30 June 2025

| $000's | Note | 2025 | 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 4.2 | **2,473** | 4,095 |
| Trade and other receivables | 2.6 | **28,620** | 1,256 |
| Inventories | 3.3 | **104,704** | 133,849 |
| Current tax receivables | 2.4 | **1,944** | 7,042 |
| Assets held for sale | 3.5 | **32,242** | – |
| Other assets | 2.7 | **8,330** | 2,489 |
| **Total current assets** | | **178,313** | **148,731** |
| **Non current assets** | | | |
| Inventories | 3.3 | **189,291** | 187,352 |
| Other assets | 2.7 | **950** | 1,328 |
| Property, plant and equipment | 3.4 | **29,929** | 28,731 |
| Investment properties | 3.1 | **915,062** | 1,141,373 |
| Hedge receivable | 3.6 | **–** | 1,378 |
| Right of use assets | 3.7 | **1,622** | 2,737 |
| **Total non current assets** | | **1,136,854** | **1,362,899** |
| **TOTAL ASSETS** | | **1,315,167** | **1,511,630** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 2.8 | **30,509** | 158,256 |
| DMF repayment provision | 1.7 | **77,788** | – |
| Lease liabilities | 3.7 | **937** | 1,037 |
| Employee Provisions | 5.2 | **1,630** | 1,419 |
| **Total current liabilities** | | **110,864** | **160,712** |
| **Non current liabilities** | | | |
| Interest bearing loans and borrowings | 4.3 | **463,000** | 324,000 |
| Lease liabilities | 3.7 | **1,913** | 3,225 |
| Hedge payable | 3.6 | **2,985** | – |
| Employee Provisions | 5.2 | **371** | 379 |
| Deferred tax liabilities | 2.4 | **106,618** | 191,559 |
| **Total non current liabilities** | | **574,887** | **519,163** |
| **TOTAL LIABILITIES** | | **685,751** | **679,875** |
| **NET ASSETS** | | **629,416** | **831,755** |
| **EQUITY** | | | |
| Contributed equity | 4.4 | **329,099** | 326,215 |
| Reserves | 4.5 | **4,143** | 8,008 |
| Retained earnings | 4.5 | **296,174** | 497,532 |
| **TOTAL EQUITY** | | **629,416** | **831,755** |

The above statement should be read in conjunction with the accompanying notes.

# Consolidated Statement of Changes in Equity

## For the year ended 30 June 2025

### 2025

| $000's | Note | Contributed equity | Reserves | Hedging reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|---|
| Balance at 1 July 2024 | | 326,215 | 7,039 | 969 | 497,532 | 831,755 |
| Loss for the year | | – | – | – | (195,271) | (195,271) |
| **Total comprehensive loss for the year** | | **–** | **–** | **–** | **(195,271)** | **(195,271)** |
| **Transactions with owners in their capacity as owners** | | | | | | |
| Vesting of treasury shares | | 2,884 | (2,884) | | | – |
| Hedge reserve | | | | (3,054) | | (3,054) |
| Employee share scheme expense | | | 2,073 | | | 2,073 |
| Dividends paid or provided for | 4.6 | | | | (6,087) | (6,087) |
| **Balance at 30 June 2025** | | **329,099** | **6,228** | **(2,085)** | **296,174** | **629,416** |

### 2024

| $000's | Note | Contributed equity | Reserves | Hedging reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|---|
| Balance at 1 July 2023 | | 55,925 | 7,331 | 2,023 | 459,578 | 524,857 |
| Profit for the year | | – | – | – | 49,979 | 49,979 |
| **Total comprehensive income for the year** | | **–** | **–** | **–** | **49,979** | **49,979** |
| **Transactions with owners in their capacity as owners** | | | | | | |
| Treasury shares purchased (rights issue) | | (1,300) | | | | (1,300) |
| Capital raise | | 275,118 | | | | 275,118 |
| Costs associated with the capital raise | | (5,505) | | | | (5,505) |
| Vesting of treasury shares | | 1,977 | (1,977) | | | – |
| Hedge reserve | | | | (1,054) | | (1,054) |
| Employee share scheme expense | | | 1,685 | | | 1,685 |
| Dividends paid or provided for | 4.6 | | | | (12,025) | (12,025) |
| **Balance at 30 June 2024** | | **326,215** | **7,039** | **969** | **497,532** | **831,755** |

The above statement should be read in conjunction with the accompanying notes.

# Consolidated Statement of Cash Flows

## For the year ended 30 June 2025

| $000's | Note | 2025 | 2024 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Receipts from customers | | **241,746** | 261,118 |
| Payments to suppliers and Employees [1] | | **(219,293)** | (341,949) |
| Income tax paid | 2.4 | **(2,264)** | (9,386) |
| Income tax refund received | 2.4 | **7,285** | – |
| Interest received | | **1,304** | 796 |
| Interest paid | | **(24,126)** | (25,811) |
| **Net cash provided by/ (used in) operating activities** | **2.5** | **4,652** | **(115,232)** |
| | | | |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment | 3.4 | **(4,802)** | (10,967) |
| Purchase of investment properties | | **(144,595)** | (77,186) |
| Proceeds from the sale of investment properties | | **10,923** | – |
| **Net cash (used in) investing activities** | | **(138,474)** | **(88,153)** |
| | | | |
| **Cash flow from financing activities** | | | |
| Principal elements of lease payments | | **(713)** | (772) |
| Capital raise (net receipts) | | – | 267,344 |
| Purchase of treasury shares for employee share scheme | | – | (1,300) |
| Repayments of external borrowings | | **(105,000)** | (243,000) |
| Proceeds from external borrowings | | **244,000** | 196,000 |
| Dividends paid | | **(6,087)** | (12,025) |
| **Net cash provided by financing activities** | | **132,200** | **206,247** |
| | | | |
| Net (decrease)/increase in cash and cash equivalents held | | **(1,622)** | 2,862 |
| Cash and cash equivalents at the beginning of the financial year | | **4,095** | 1,233 |
| **Cash and cash equivalents at end of financial year** | | **2,473** | **4,095** |

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's construction. In FY25 payments to suppliers and Employees includes $67.4 million of such costs (FY24: $100m).

The above statement should be read in conjunction with the accompanying notes.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 1. How we have prepared this report

### 1.1 Basis of Preparation

This financial report is a general purpose financial report, that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Lifestyle Communities Limited and controlled entities as a consolidated entity. Lifestyle Communities Limited is a company limited by shares, incorporated and domiciled in Australia. Lifestyle Communities Limited is a for-profit entity for the purpose of preparing the Financial Statements.

The financial report was authorised for issue by the Directors as at the date of the Director's report.

Significant accounting policies adopted in the preparation of these financial statements are consistent with prior reporting periods.

**Compliance with IFRS**

The financial report complies with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

**Historical cost convention**

The financial report has been prepared under the historical cost convention, as modified by revaluation to fair value for certain classes of assets as described in the accounting policies.

**Rounding of amounts**

The parent entity and the consolidated entity have applied the relief available under ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the Consolidated Financial Statements and in the Directors' Report have been rounded to the nearest thousand dollars or in certain cases, to the nearest dollar.

**Going Concern**

The Group's financial statements have been prepared on a going concern basis. At 30 June 2025, the group recorded a net loss after tax of $195.3m. The loss after tax was driven by the outcome of the VCAT proceeding, which resulted in a non-cash fair value write down of the DMF component of investment property of $193.5m, and a provision for DMF repayment of $77.8m. The Group intends to appeal the VCAT decision and expects a material portion of these adjustments to be reversed if the appeal is successful. Excluding the adjustments resulting from the VCAT decision, the Group's operating profit after tax was $45.2 million.

At 30 June 2025, the Group had net current assets of $67.4m and total net assets of $629.4m, which included $915.1m of Investment Properties. Further, at 30 June 2025, the group had positive net operating cash flows, was compliant with debt covenants, and expects to receive circa $100.0m in proceeds from land sales by 31 December 2025.

The Directors have carefully considered these factors, as well as the Group's budgets, forecasts and available funding levers. In assessing these forecasts, Directors have considered recent trading performance, the status of planned land sales transactions, the merits of the VCAT appeal process, the obligations of its financing facilities and the availability of further levers including additional land sales and cost management.

Judgement regarding the assessment of the Group's ability to continue as a going concern was required involving future forecast projections relating to:

- New home settlements: The Group's financial forecasts rely on the achievement of the rate of sales of new homes, the sales price of new homes and the timing of settlements of new homes. Current trading performance supports the Group's forecast settlements for FY26.
- Proceeds from land sales: Of the $100.0m forecast

proceeds from land sales transactions, at the date of this report:
  - $53.8m were subject to unconditional contracts with the following expected settlement dates:
    - 1 August 2025: $6.0m (received)
    - 2 September 2025: $27.0m
    - 30 September 2025: $15.8m
    - 1 October 2025: $5.0m
  - $46.2m relates to one contracted sale, which is subject to due diligence and expected to settle by 31 December 2025
- Forecast compliance with financial covenants under the Group's financing arrangements (which are driven by the forecast settlement and land sales noted above) and the ongoing support of its financiers; and
- The timing and quantum of any outflows associated with the VCAT proceeding, should the appeal process be unsuccessful.

Based on this assessment, the directors have concluded that the going concern basis of preparation is appropriate.

### 1.2 Principles of consolidation

The consolidated Financial Statements are those of the consolidated entity, comprising the Financial Statements of the parent entity and of all entities which the parent entity controls. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Financial Statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits and losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established and are de-recognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests.

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

### 1.3 Significant accounting estimates and judgements

The preparation of the Financial Statements requires management to make estimates and judgments that affect the reported amounts in the Financial Statements. Management continually evaluates its estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its estimates on historical experience and on other various factors it believes to be reasonable under the circumstances.

The estimates and judgments based on future events have a significant inherent risk, and where future events are not anticipated there could be a material impact on the carrying amounts of the assets and liabilities in future periods, as discussed below.

**(a) Significant accounting judgments**

*(i) Income tax*

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

**(b) Critical accounting estimates and judgements**

*(i) Valuation of investment properties*

The Group values investment properties at fair value. Fair value is determined by a combination of the discounted annuity streams associated with the completed and settled home units and the fair value of the undeveloped land. Inputs for the fair value of investment properties are derived from independent and Directors' valuations. Refer to further detail at Note 3.1.

*(ii) Share based payment transactions*

The Group measures the cost of equity-settled transactions with Employees by reference to the fair value of the equity instruments at the date at which they are granted. Refer to Note 5.3 for further detail. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

*(iii) Inventories are measured at the lower of cost and net realisable value ("NRV")*

The NRV of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and costs to sell.

The selling price is determined from the most reliable evidence available at the time of reporting. Future costs to complete are estimated based on the latest quarterly forecasts and include the costs expected to be incurred to complete and sell remaining unsold inventories.

*(iv)* ***Future project accruals*** relates to the portion of civils and infrastructure on the homes already settled however not yet paid and partially completed. The accruals are determined based on the latest quarterly forecasts and interest assumptions.

*(v)* ***Deferred Management Fee Repayment Provision*** At 30 June 2025, the Group has recognised a provision for the Deferred Management Fee (DMF) repayment following the VCAT decision. The matter is subject to the outcome of an appeal process which may impact the ultimate provision amount and therefore there is uncertainty regarding the timing and quantum of the DMF repayment provision. If the Group is successful in the appeal process, the provision will be reversed. Further details regarding the VCAT matter are set out in note 7.4.

The amount has been determined by reference to the quantum of DMF paid for contracts executed post 1 September 2011 and other estimated outflows that may arise to satisfy the outcome of the VCAT ruling, should LIC be unsuccessful in its appeal.

**1.4 Joint Arrangement**

Under AASB 11 Joint Arrangement investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 6.2.

**1.5 Derivative financial instruments**

The Group holds an interest rate swap as a derivative instrument.

In order to qualify for hedge accounting, prospective hedge effectiveness testing must meet all of the following criteria:

- An economic relationship exists between the hedged item and hedging instrument;
- The effect of credit risk does not dominate the value changes resulting from the economic relationship; and
- The hedge ratio is the same as that resulting from actual amounts of hedged items and hedging instruments for risk management.

Derivative financial instruments are recognised initially at fair value and remeasured at each balance date.

The valuation of derivatives is an area of accounting estimation and judgement for the Group.

Third party valuations are used to determine fair value and consider inputs such as forward yield curves.

The interest rate swap qualifies for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

**Documentation for hedge accounting**

At the inception of the transaction, the Group designates and documents these derivative instruments into a hedging relationship with the hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives used in hedging transactions have been and will continue to be effective in offsetting the cash flows of hedged items.

**Cash flow hedge**

The cash flow hedge has been adopted to hedge the exposure of variability in cash flows attributable to the interest rate fluctuations.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within finance income or expense.

Amounts in the cash flow hedge reserve are recognised in profit or loss in the periods when the hedged item is recognised in profit or loss.

Hedge accounting is discontinued when the hedging instrument matures or is sold, terminated or exercised, no longer qualifies for hedge accounting, or when the Group revokes designation. Any cumulative gain or loss recognised in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is recognised immediately in profit or loss.

### Reconciliation of cash flow hedge

| $000's | 2025 | 2024 |
|---|---|---|
| Opening cash flow hedge | **1,378** | 2,884 |
| Net change in fair value of cash flow hedges | **(4,363)** | (1,506) |
| **Closing cash flow hedge (payable)/receivable** | **(2,985)** | **1,378** |

The hedge position moved from a receivable at 30 June 2024 to a payable at 30 June 2025 due to changes in market interest rates, which affected the fair value of the interest rate derivative and caused it to move from an asset to a liability.

### 1.6 Leases

The Group leases its support office at 101 Moray St, South Melbourne.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Amounts expected to be payable by the Group under residual value guarantees.
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs, and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

### 1.7 Provisions

***Short-term employee benefit obligations***

Liabilities arising in respect of wages and salaries, annual leave, long service leave and any other employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts based on remuneration rates that are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave and long service leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

***Other long-term employee benefit obligations***

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before 12 months after the end of the reporting period are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected further payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high-quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs. Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

***Deferred Management Fee Repayment Provision***
At 30 June 2025, the Group has recognised a provision for Deferred Management Fee repayment. The provision has been determined by reference to the quantum of DMF paid for contracts executed from 1 September 2011 and other estimated outflows that may arise to satisfy the outcome of the VCAT ruling, should LIC be unsuccessful in its appeal.

The matter is subject to the outcome of an appeal process which may impact the ultimate provision amount and therefore there is uncertainty regarding the timing and quantum of the DMF repayment provision. Further details regarding the VCAT matter are set out in note 7.4.

## 2. How we have performed this year

### 2.1 Profit from continuing operations

Profit from continuing operations before income tax has been determined after the following specific revenues and expenses:

**Revenues**
The Group has three primary fees which correspond to two primary revenue streams:

1. Home Settlement Revenue,
2. Residential Site Agreement revenue which includes Weekly Site Fees and Deferred Management Fees

In addition, there are two ancillary revenue streams, Utilities on-charged to homeowners and interest earned on the Group's bank accounts.

*(i) Home settlement revenue*
The Group develops and sells homes including a share of the community infrastructure. Revenue from home settlement is recognised at a point in time when each home purchase agreement transfers control of the home and community infrastructure to the homeowner. This occurs at settlement when Lifestyle Communities is paid and the homeowner accepts ownership and control of the home. Revenue is recognised for the amount specified in the home purchase agreement upon receipt of final settlement funds and transfer control of the home and the community infrastructure to the homeowner. The owner has legal title, physical control of the asset, exposure to the majority of the risk and rewards of ownership and the Group does not hold any obligation to repurchase on exit. Deposits received in advance from customers are recognised as a contract liability until the ownership transfers to the homeowner. The construction cost of the homes and infrastructure is capitalised to inventory during development and then expensed as costs of goods sold upon settlement and at the same time as revenue recognition.

| $000's | 2025 | 2024 |
|---|---|---|
| Number of settlements | **268** | 311 |
| Home settlement revenue | **163,026** | 182,927 |
| Cost of sales | **(141,613)** | (148,310) |
| Gross profit from home settlements | **21,413** | 34,617 |
| Gross profit margin (%) | **13.13%** | 18.92% |
| Development expenses (sales and marketing) | **(15,632)** | (22,771) |

New home settlements revenue was down year on year due to both volume, (268 settlements in FY25 compared to 311 in FY24) and lower selling prices (average selling prices including GST were $679k in FY25 compared to $686k in FY24). The gross margin % has decreased year on year largely due to the increased interest costs charged to the projects coupled with lower sales prices and the project community mix.

Cost of sales includes $42m for the share of community infrastructure sold to each homeowner and expensed upon settlement (FY24: $44m).

*(ii) Community Operations*
Revenue is derived under the Residential Site Agreement. Residential Site Agreements are governed by the Residential Tenancies Act Victoria and grant the homeowners a right to use the Land for their property for 90 years as well as access to community facilities and other services as outlined in the agreement. The weekly site fee is calculated on a weekly basis per home as per the Residential Site Agreement. Revenue is recognised on a straight line basis as it is earned in accordance with the Residential Site Agreement. Weekly site fee revenue meets the definition of a lease arrangement accounted for in accordance with AASB 16 Leases. Community operating expenses include salaries of onsite community managers and all costs necessary to ensure the efficient operation of the communities and delivery of services outlined in the Residential Site Agreement.

| $000's | 2025 | 2024 |
|---|---|---|
| No. of homes under management at 30 June | **4,128** | 3,860 |
| Rental revenue | **45,705** | 41,436 |
| Deferred Management Fees | **10,448** | 13,220 |
| Community operating costs | **(20,950)** | (18,383) |
| Established homes selling costs | **(2,535)** | (2,387) |
| Net contribution from community operations | **32,668** | 33,886 |
| Community operating margin (%) | **58.2%** | 62.0% |

Weekly site fees and community operating expenses both increased during FY25 due to an increased number of homes under management as new communities commence operation and homes progressively settle. Weekly site fees are contractually fixed to increase by the greater of CPI or 3.5% annually. The gross margin decreased due to the mix of new and established communities in operation as well as a reduction in the number of established home resales in FY25 which attracted a deferred management fee. Lifestyle Communities does not commence charging rent at new communities until the clubhouse opens however costs commence earlier.

***(iii) Deferred management fee***

The DMF ensures Lifestyle Communities and our homeowners interests are aligned in growing the value of homes in our communities. The DMF is considered highly susceptible to factors outside the Group's influence until realised, including the timing and the amount of consideration received, which is based on a percentage of the resale value at the time the home is sold, the value of which is at the homeowners discretion and subject to prevailing market conditions. These factors result in a degree of variability in the timing and quantum of the expected consideration, and as such revenue from DMF is recognised at a point in time upon the resale settlement of the home when the vendor transfers control of the home and community infrastructure to the incoming homeowner.

For all contracts entered into prior to 1 January 2009, the fee payable is 15% on the resale value of the unit and after a period of occupation of a year and one day.

For all contracts entered into post 1 January 2009, the fee payable is up to 20% (the fee accumulates by 4% per year over 5 years up to 20%) on the resale value of the unit.

For all contracts entered into post 1 July 2023, the fee payable is based on a pro-rata basis, starting at 4% per year and capped at 20% up to 5 years.

| $000's | 2025 | 2024 |
|---|---|---|
| Number of resales | **115** | 151 |
| Deferred management fees received | **10,448** | 13,220 |
| Deferred management fee repayment provision | **(77,788)** | – |
| **Total** | **(67,340)** | **13,220** |

Resales volumes were lower in FY25 than in FY24 due to a lower number of homes listed for sale. Listings and selling prices are outside the control of the company. The company focuses on:

1. Selling the listings as quickly as possible; and
2. Maximising the price achieved for the homeowners that are selling.

***DMF repayment provision***

The DMF repayment provision relates to the potential DMF repayment liability following the VCAT Proceedings - refer Note 1.1(v).

| $000's | 2025 | 2024 |
|---|---|---|
| Deferred management fee repayment | **(77,788)** | – |

The amount has been determined by reference to the quantum of DMF received for contracts executed post 1 September 2011 and other estimated outflows that may arise to satisfy the outcome of the VCAT ruling, should LIC be unsuccessful in its appeal process. Refer to note 7.4 for further detail.

***(iv) Utilities revenue and expenses***

Lifestyle Communities operates embedded networks for electricity and water. Gas (where applicable) is provided by third party retailers. Electricity and Water usage is individually metered, billed to homeowners monthly, and recorded as revenue in the respective month. Lifestyle Communities adjusts its rates to homeowners on a regular basis based on usage and the price Lifestyle Communities pays to the relevant wholesalers. It is the Group's intention to utilise its increasing scale to negotiate favourable commercial outcomes for homeowners and pass on the lowest possible cost of utilities to homeowners. The Group does not seek to make a profit from utilities, however, from time to time there are surpluses or deficits caused by timing differences between cost and revenue price adjustments.

| $000's | 2025 | 2024 |
|---|---|---|
| Utilities revenue | **5,670** | 4,849 |
| Utilities expenses | **(5,652)** | (4,803) |

### (v) *Other income*

| $000's | 2025 | 2024 |
|---|---|---|
| Interest income | **1,304** | 796 |
| Other | **216** | – |
| **Total** | **1,520** | **796** |

Interest income is recognised in the income statement as it accrues, using the effective interest method.

### (vi) *Finance costs*

#### *(a) Finance costs expensed*

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset which are capitalised until the asset is ready for its intended use or sale. Lifestyle Communities' developments are classified as qualifying assets. Establishment fees are amortised over the life of the facility. The average interest rate paid in FY25, including commitment fees, was 6.18% up from 6.14% in FY24. The increase in interest expensed is due to increased interest rates and increased drawn facility.

| $000's | 2025 | 2024 |
|---|---|---|
| Interest on secured loans | **4,299** | 3,554 |
| Amortisation of loan facility fees | **1,251** | 724 |

#### *(b) Finance costs capitalised*

Finance costs capitalised refers to interest capitalised at the prevailing facility interest rate as part of inventory during development and then classified as costs of goods sold as a pro-rata amount upon settlement of each home. The decrease is due to decreased draw downs to fund the construction costs for new projects, as home build rates were slowed.

| $000's | 2025 | 2024 |
|---|---|---|
| Interest on secured loans | **20,562** | 22,615 |

### (vii) *Corporate overheads*

Corporate overheads include the Group's support functions such as the Executive Leadership Team, People Experience, Finance, Information Technology and Legal. It also includes regulatory and other compliance costs, the cost of the Employee equity incentive scheme, and the support office located in South Melbourne.

| $000's | 2025 | 2024 |
|---|---|---|
| Corporate overheads | **20,129** | 20,375 |
| Equity incentive scheme | **2,073** | 1,685 |

Corporate overheads remained broadly consistent in FY25 relative to FY24, underpinned by a disciplined and sustained focus on cost management at the support office level.

### (viii) *Depreciation, amortisation and impairment*

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136 Impairment of Assets. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset or cash generating unit exceeds its recoverable amount. The recoverable amount of an asset cash generating unit is defined as the higher of its fair value less costs of disposal and value in use.

## 2.2 Fair Value Adjustments

| $'000's | FY25 | FY24 |
|---|---|---|
| Uplift in value arising from settled homes during the year (268 new home settlements FY24: 311) | **34,439** | 38,223 |
| Uplift created as a result of the contractual rent increase | **17,820** | 17,652 |
| Movements as a result of changes to valuation assumptions | **(20,237)** | (4,131) |
| Movement as a result of VCAT proceedings FY25 | **(193,477)** | – |
| Movements as a result of market based land sales process | **(23,411)** | – |
| **Total Fair Value Adjustments** | **(184,866)** | **51,744** |

### (a) Fair value adjustments—Investment Properties

Fair value adjustment results from valuing communities at their fair value at balance date. This income represents incremental adjustments to the fair value of investment properties upon settlement of units and reflects the discounted value of future rental and deferred management fee revenues net of expenses as well as the fair value of undeveloped land. In the current year, the effect of the VCAT finding regarding the enforceability of the DMF has impacted the valuation of the investment property. More information on fair value adjustments is contained in note 3.1.

### (b) Write-down on paused projects

| $000's | 2025 | 2024 |
|---|---|---|
| Write-down on paused projects | **(25,050)** | – |

In addition to the fair value movement as a result of market based land sales, the Group recorded a write-down on the carrying value of inventory on paused projects totalling $25.0m. Of the write-down, $17.0m relates to the Merrifield and Ocean Grove II projects which have been sold. Refer to note 7.4 for further details. The remaining write-down of $8.0m relates to the Group's Yarrawonga project which is currently on pause. The carrying value of the inventory for these projects included development costs that have been written down to the recoverable value based on the outcome of the sales process and current status of the Yarrawonga project.

### 2.3 Earning per share

The following reflects the income and weighted average number of shares used in the basic and diluted earnings per share computations:

#### (a) Earnings used in calculating earnings per share

| | 2025 | 2024 |
|---|---|---|
| Net (loss)/profit | **(195,271)** | 49,979 |

#### (b) Weighted average number of shares

| | 2025 | 2024 |
|---|---|---|
| Ordinary shares | **121,740** | 109,901 |
| Treasury shares | **(336)** | (513) |
| Weighted average number of ordinary shares for basic earnings per share | **121,404** | **109,388** |
| **Effect of dilution** | | |
| Options | 676 | 366 |
| **Weighted average number of ordinary shares adjusted for dilution** | **122,416** | **110,267** |

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these Financial Statements.

Treasury shares are purchased and held in an employee share trust to satisfy options issued to employees under the employee share scheme. It remains the company's intention to settle all outstanding options with equity purchased on market rather than issue new equity.

### 2.4 Income Tax Expense

Current income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

#### Deferred tax balances

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### Tax consolidation

The parent entity and its wholly owned subsidiaries have implemented tax consolidation and have formed an income tax-consolidated Group from 18 March 2011. This means that: each entity recognises their own current and deferred tax amounts in respect of the transactions, events and balances of the entity; and the parent entity assumes the current tax liabilities and deferred tax assets arising in respect of tax losses, arising in the subsidiary, and recognises a contribution to (or distribution from) the subsidiaries. The tax consolidated Group also has a tax sharing agreement in place to limit the liability of subsidiaries in the tax-consolidated Group, arising under the joint and several liability provisions of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations.

#### (a) Income tax (credit)/expense:

| $000's | 2025 | 2024 |
|---|---|---|
| Current tax | **25** | 1,236 |
| Deferred income tax | **(83,578)** | 20,283 |
| **Tax (credit)/expense** | **(83,553)** | **21,519** |

#### (b) Reconciliation of income tax to accounting profit:

| $000's | 2025 | 2024 |
|---|---|---|
| Accounting (loss)/profit before tax | **(278,824)** | 71,498 |
| Tax | **30%** | 30% |
| | **(83,647)** | **21,449** |
| *Add / (less):* | | |
| *Tax effect of:* | | |
| Entertainment | **94** | 70 |
| **Income tax (credit)/expense** | **(83,553)** | **21,519** |

### (c) Current tax (receivables)/liabilities

Current tax relates to the following:

| $000's | 2025 | 2024 |
|---|---|---|
| Opening balance | **(7,042)** | 1,020 |
| Income tax payable | **25** | 1,236 |
| Tax payments | **(2,264)** | (8,340) |
| Tax receipts | **7,285** | – |
| Over provision in prior years | **52** | (958) |
| **Current tax (receivable)/payable** | **(1,944)** | **(7,042)** |

### (d) Deferred tax

Deferred tax relates to the following:

| $000's | 2025 | 2024 |
|---|---|---|
| **Deferred tax assets** | | |
| **The balance comprises** | | |
| Lease liability | **855** | 1,278 |
| Deferred deductions | **1,634** | 2,153 |
| Provision for employee entitlements | **744** | 539 |
| Accruals and business expenses | **915** | 663 |
| DMF repayment provision | **23,336** | – |
| Write-off of paused projects | **4,833** | – |
| Superannuation | **26** | 28 |
| Hedging reserve | **819** | – |
| | **33,162** | **4,661** |
| **Deferred tax liabilities** | | |
| Interest capitalised | **11,173** | 7,504 |
| Investment property fair value adjustments | **125,828** | 183,970 |
| Employee share scheme | **87** | 709 |
| Hedging reserve | **–** | 413 |
| Fixed assets | **2,205** | 2,803 |
| Right of use asset | **487** | 821 |
| | **139,780** | **196,220** |
| **Net deferred tax liability** | **106,618** | **191,559** |

Deferred tax assets increased due to the recognition of the DMF repayment provision. Deferred tax liabilities decreased in line with the current year fair value adjustments. This tax liability will only be realised should an investment property be disposed of on an individual basis, which the Group views as unlikely.

### (e) Unrecognised capital tax loss

| $000's | 2025 | 2024 |
|---|---|---|
| Capital tax losses | 6,416 | – |

## 2.5 Cash Flow Information

### Reconciliation of result for the year to cashflows from operating activities

| $000's | 2025 | 2024 |
|---|---|---|
| Statutory Operating (loss)/profit | **(195,271)** | 49,979 |
| Cash flows excluded from profit attributable to operating activities | | |
| Non cash flows in profit: | | |
| depreciation | **3,437** | 3,006 |
| amortisation | **1,251** | 1,451 |
| share based payments | **2,073** | 1,685 |
| fair value adjustment | **184,866** | (51,744) |
| Changes in assets and liabilities: | | |
| (increase)/decrease in trade and other receivables | **(28)** | (300) |
| (increase)/decrease in other assets | **(5,463)** | – |
| decrease/(increase) in inventories | **27,205** | (127,645) |
| increase/(decrease) in trade and other payables | **(11,566)** | (19,427) |
| increase/(decrease) in provisions | **77,992** | 96 |
| increase/(decrease) in current tax | **5,098** | 8,062 |
| (decrease)/increase in deferred tax | **(84,942)** | 19,605 |
| **Net cash flow from operating activities** | **4,652** | **(115,232)** |

The movement in other assets includes some immaterial movements in operating and investing activities which have been reconciled to operating activities through trade and other payables.

## 2.6 Trade and other receivables

| $000's | 2025 | 2024 |
|---|---|---|
| Other receivables | **1,284** | 1,256 |
| Land receivable | **16,336** | – |
| Loan receivable | **11,000** | – |
| **Total** | **28,620** | **1,256** |

Other receivables includes unbilled rental revenue which is deducted from final resale settlements together with a revenue accrual booked to account for the timing of utility income.

In addition, other receivables includes the balance of payments to be returned following the Warragul contract termination ($11.0m) and the sale of the Drysdale land ($15.8m).

### (a) Fair value and credit risk

Due to the short term nature of other receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables.

### 2.7 Other assets

| $000's | 2025 | 2024 |
|---|---|---|
| Security deposits | **162** | 222 |
| Other assets | **7,418** | 2,326 |
| Prepayments | **1,700** | 1,269 |
| **Total** | **9,280** | **3,817** |

Other assets includes a $2.9m receivable for Land Tax. Refer note 7.3 for further details.

#### (a) Fair value and credit risk

Due to the short-term nature of other current assets, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of other assets.

### 2.8 Trade and other payables

| $000's | Note | 2025 | 2024 |
|---|---|---|---|
| Trade payables | (a) | **277** | 24 |
| Customer deposits | (b) | **1,487** | 1,805 |
| GST payable | (c) | **2,471** | 473 |
| Other payables and accruals | (d) | **26,274** | 32,685 |
| Contracted land-current | | **–** | 123,269 |
| **Total** | | **30,509** | **158,256** |

#### (a) Trade payables

Trade payables are non-interest bearing and are normally settled on 7 to 30 day terms. Due to the short term nature of trade payables, their carrying amount is assumed to approximate their fair value.

#### (b) Customer deposits

These represent deposits received from customers that are recognised as revenue upon home settlement.

#### (c) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Where applicable receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### (d) Other payables

Other payables includes accruals for works completed or commitments made prior to the end of the year where the invoices will be paid after the end of the year.

### 2.9 Segment Information

Operating segments are reported based on internal reporting provided to the Chief Executive Officer who is the Group's chief operating decision maker.

The consolidated entity operates within one operating segment, being the property management and development industry. As a result, disclosures in the Consolidated Financial Statements and notes are representative of this segment.

## 3. Our business assets

### 3.1 Investment properties

The valuation of the Group's investment properties comprise:

- Capitalisation of the rental revenue
- Capitalisation of the deferred management fees
- Undeveloped land

The undeveloped land is converted to capitalised rental and deferred management fees upon settlement of each home.

At 30 June 2025, the fair value has been determined by a combination of the discounted annuity streams associated with completed home units and the fair value of the undeveloped land. The movement arising from the change in the fair value of investment properties has been recognised in the profit or loss.

#### (a) Reconciliation of carrying amounts at the beginning and end of the period

| $000's | 2025 | 2024 |
|---|---|---|
| Opening balance | **1,141,373** | 962,150 |
| Additions (contracted land and capitalised costs) | **23,828** | 127,479 |
| Net unrealised (loss)/gain from fair value adjustments | **(184,866)** | 51,744 |
| Transfers to Assets held for sale | **(65,273)** | – |
| **Closing balance** | **915,062** | **1,141,373** |

The Group's Investment Property Valuation Policy requires that the program for independent valuations is signed off by the Board and aims to value a minimum of 50% of the portfolio each year. Valuations are to be conducted by independent external valuers who are considered industry specialists in valuing these types of investment properties. The independent valuer can only value an investment property on three separate occasions.

For FY25, fourteen of twenty five operating communities and four land sites have been externally valued by independent valuers CBRE, Cushman & Wakefield and Valued Care. For the remaining communities, the Directors have developed a fair value estimate, in doing so they have cross checked their valuations to the prior year independent valuations, and assessed against current year independent valuation assumptions and market evidence. Further, due to the material changes regarding the DMF as a result of the VCAT proceedings, an independent expert was engaged (on a limited desktop basis) to assess the reasonableness of the valuation assumptions used in the DMF Director valuations at 30 June 2025.

**Fair Value Measurement, Valuation Techniques, and Inputs**

The fair value represents the amount at which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of the valuation, in accordance with Australian Accounting Standards. In determining fair value, the expected net cash flows applicable to each property have been discounted to their present value using a market determined, risk adjusted, discount rate applicable to the respective asset.

The expected net cash flows applicable to each property comprise of weekly site fee revenue and deferred management fee revenue.

**Weekly site fee revenue is valued using the rent capitalisation approach**

Rental capitalisation rates are derived from a combination of independent and Directors' valuations. The rates were derived from independent valuations for the fourteen communities independently valued in the current year. In the remaining communities (independently valued in the prior years[1]) the Directors, where applicable, cross checked to the independent valuation capitalisation rates, but ultimately determine for each community specifically.

Weekly site fee rates were derived from the valuations for the fourteen communities independently valued in the current year using contract weekly rates. In relation to the remaining communities (independently valued in the prior years[1]) the Directors have adjusted the rental rate adopted in the prior year to take into account the 3.5% rental increase that was applied on 1 July 2025. This approach is consistent with the approach adopted by the independent valuers.

**Deferred management fee revenue is valued using the discounted cash flow approach**

Deferred management fee valuations are derived from a combination of independent and Directors' valuations. Assumptions, including discount rates, deferred management fee annuity value, and management expense rates are derived from independent valuations.

Following the VCAT decision, the deferred management fee valuations have been undertaken on the following basis:

- All existing residents: No Deferred Management Fee to be payable on exit
- All new residents (including future residents upon exit of existing resident): Deferred Management Fee based on Entry Price.

For the fourteen communities independently valued in the current year, the valuation per home was obtained directly from the independent valuations, on an as if complete basis, and multiplied by the number of settled homes per community at 30 June 2025. For the remaining communities not independently valued this year, Directors valuations were undertaken. The inputs to the Directors valuations were taken directly from the prior year independent valuations and assessed against current year independent valuation assumptions and other market evidence. Where applicable, the Directors adjusted the discount rates that sat below the bottom end of the FY25 Independent Valuation range to be in line with the low end of the current year range of 13.5%. Further, due to the material changes regarding the DMF as a result of the VCAT proceedings, an independent expert was engaged (on a limited desktop basis) to assess the reasonableness of the valuation assumptions used in the DMF Director valuations at 30 June 2025.

All weekly site fee income and deferred management fee income disclosed in the Statement of Profit or Loss was generated from investment properties. All management operating expenses relate to investment properties that generated rental income.

Investment properties, other than those owned as part of a joint operations, are subject to a first charge, forming in part the security of the Group's loans as disclosed in Note 4.3(c).

The investment properties are at various stages of completion and are subject to further development until fully completed.

The following table shows the valuation assumptions used in measuring the fair value of the investment properties.

1. Except for Pakenham East which was under development at 30 June 2024

## Valuations assumptions

| | FY25 | FY24 | Impact on fair value as at 30-Jun-25 |
|---|---|---|---|
| Weekly site fees ($) | **235.51 – 250.92** | 208.73 – 241.66 | Increase |
| Anticipated % expenses (as a percentage of rental income) | **33.0% – 57.0%** | 33.0% - 51.7% | Decrease |
| Rental capitalisation rate (%) | **5.0% – 5.75%** | 5.0% – 5.5% | Decrease |
| Rental values per unit ($) | **100,306 – 173,247** | 116,426– 176,876 | Decrease |
| Deferred management fee discount rates (%) | **13.50% – 14.50%** | 13.00% – 14.00% | Decrease |
| Deferred management fee sales price per unit ($) | **382,333 – 808,673** | 306,867 -801,738 | Increase |
| Deferred management fee values per unit ($) | **7,635 – 29,564** | 44,500 – 98,988 | Decrease |
| Deferred management fee growth rate on sales price (%) | **2.11% – 3.48%** | 2.66% – 4.38% | Decrease |
| Deferred management fee average length of stay (years) | **9.0 – 15.6** | 9.0 – 15.9 | Increase |
| Valuation of undeveloped land (per hectare) ($'million) | **1.3 – 5.4** | 1.3 – 5.4 | Nil |

## Valuation summary

| | Last independent valuation date | Cap rate (%) | | DMF discount rate (%) | | Net rental per home | | Valuation ($m) | | Land cost ($m) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FY25 | FY24 | FY25 | FY24 | FY25 | FY24 | FY25 | FY24 | |
| Brookfield | Jun-25 | **5.25%** | 5.00% | **14.50%** | 13.75% | **7,796** | 7,353 | **37.2** | 48.5 | 6.8 |
| Seasons | Jun-25 | **5.25%** | 5.00% | **14.50%** | 13.75% | **5,266** | 5,821 | **15.7** | 24.5 | 3.7 |
| Warragul | Jun-25 | **5.25%** | 5.00% | **14.50%** | 13.75% | **7,502** | 6,455 | **29.1** | 36.1 | 2.5 |
| Casey Fields | Jun-24 | **5.25%** | 5.25% | **13.50%** | 13.00% | **7,876** | 7,624 | **25.0** | 29.9 | 3.4 |
| Shepparton | Jun-25 | **5.00%** | 5.25% | **14.00%** | 13.75% | **8,511** | 8,323 | **55.1** | 60.9 | 3.2 |
| Chelsea Heights | Jun-25 | **5.50%** | 5.25% | **13.50%** | 13.75% | **7,772** | 7,727 | **20.4** | 26.9 | 6.2 |
| Hastings | Jun-24 | **5.25%** | 5.00% | **13.75%** | 13.75% | **8,145** | 7,893 | **23.3** | 32.4 | 7.4 |
| Lyndarum | Jun-24 | **5.25%** | 5.00% | **13.75%** | 13.75% | **7,842** | 7,610 | **24.5** | 34.8 | 7.1 |
| Geelong | Jun-24 | **5.25%** | 5.50% | **13.50%** | 13.50% | **7,584** | 7,350 | **26.9** | 33.1 | 5.5 |
| Officer | Jun-24 | **5.25%** | 5.00% | **13.75%** | 13.75% | **7,658** | 7,421 | **23.2** | 32.0 | 7 |
| Berwick Waters | Jun-25 | **5.00%** | 5.25% | **13.50%** | 13.75% | **8,067** | 8,345 | **38.9** | 49.0 | 12.1 |
| Bittern | Jun-25 | **5.00%** | 5.25% | **13.50%** | 13.75% | **8,656** | 8,965 | **41.5** | 51.4 | 7.4 |
| Ocean Grove | Jun-24 | **5.25%** | 5.50% | **13.50%** | 13.50% | **8,382** | 8,181 | **41.6** | 53.4 | 17.6 |
| Mt Duneed | Jun-25 | **5.50%** | 5.25% | **13.50%** | 14.00% | **7,632** | 8,734 | **30.8** | 43.0 | 11.1 |
| Kaduna Park | Jun-25 | **5.25%** | 5.25% | **14.00%** | 13.75% | **6,792** | 7,928 | **23.8** | 37.4 | 14.5 |
| Wollert North | Jun-24 | **5.25%** | 5.25% | **13.50%** | 13.25% | **7,765** | 7,028 | **42.3** | 47.1 | 14.7 |
| Deanside | Jun-24 | **5.25%** | 5.50% | **13.50%** | 13.50% | **5,817** | 5,166 | **41.4** | 43.5 | 25.1 |
| St Leonards – The Waves [1] | Jun-25 | **5.50%** | 5.25% | **13.50%** | 13.75% | **8,367** | 8,442 | **33.0** | 46.4 | 13 |
| St Leonards – The Shores [1] | Jun-25 | **5.75%** | 5.25% | **14.00%** | 13.75% | **8,363** | 8,442 | **15.6** | 18.3 | 16.5 |
| Meridian | Jun-24 | **5.25%** | 5.00% | **13.50%** | 13.50% | **9,095** | 8,844 | **47.9** | 57.9 | 23 |
| Bellarine | Jun-25 | **5.50%** | 5.25% | **13.75%** | 13.00% | **7,489** | 7,807 | **24.7** | 31.5 | 21.0 |
| Woodlea | Jun-25 | **5.00%** | 5.25% | **13.50%** | 13.00% | **8,466** | 7,947 | **22.1** | 20.5 | 16.6 |
| Clyde (Riverfield) | Jun-25 | **5.00%** | 5.25% | **13.50%** | 13.00% | **8,481** | 8,089 | **31.2** | 28.7 | 22.2 |
| Phillip Island | Dec-23 | **5.25%** | 5.25% | **13.50%** | 13.00% | **8,054** | 7,851 | **34.5** | 32.7 | 31.1 |
| Pakenham East (Ridgelea) [2] | – | **5.25%** | | **13.50%** | | **7,767** | | **17.9** | 15.6 | 15.6 |
| Merrifield | Jun-24 | | | | | | | **–** | 21.9 | – |
| Ocean Grove II [3] | Jun-25 | | | | | | | **42.9** | 42.9 | 42.9 |
| Warragul II [3] | – | | | | | | | **–** | 19.7 | – |
| Drysdale | – | | | | | | | **–** | 40.0 | – |
| Yarrawonga | Jun-24 | | | | | | | **6.5** | 6.5 | 6.5 |
| Clyde 3 [3] | Jun-25 | | | | | | | **41.8** | 41.8 | 41.8 |
| Inverloch [3] | Jun-25 | | | | | | | **32.8** | 32.8 | 32.8 |
| Armstrong Creek | Jun-25 | | | | | | | **23.8** | – | 23.8 |

1. At 30 June 2024 St Leonards – The Waves and St Leonards - The Shores were valued as one community. At 30 June 2025, these have been valued as two separate communities
2. This community was under development at 30 June 2024 and therefore was not subject to an independent valuation. At 30 June 2025 title had not yet transferred to the Group, however the Group has security over the property by way of first registered mortgage
3. These communities had not settled as at 30 June 2024. Refer note 4.2 Liquidity Risk

### Capitalisation rate
Capitalisation rate refers to the rate at which the annual free cash flow from weekly site fees, net of costs, is capitalised to ascertain its present value at a given date. The weekly rental is contracted under the Residential Site Agreement. The capitalisation rate reflects the nature, location and tenancy profile of the property together with current market evidence and sale of comparable properties.

Generally, a change in the assumption made for the adopted capitalisation rate is accompanied by a directionally opposite change in the investment property value. The adopted capitalisation rate forms part of the income capitalisation approach.

### Capitalisation approach
When calculating the income capitalisation approach, the weekly rent has a strong interrelationship with the adopted capitalisation rate given the methodology involves assessing the total weekly income receivable from the property and capitalising this in perpetuity to derive a capital value. The below summary shows the impact on valuation of movement in the various key inputs:

| Key input | Impact on valuation | |
|---|---|---|
| Increase in weekly rent | Increase in valuation | ↑ |
| Decrease in weekly rent | Decrease in valuation | ↓ |
| Increase (softening) of the capitalisation rate | Decrease in valuation | ↓ |
| Decrease (tightening) of the capitalisation rate | Increase in valuation | ↑ |

In theory, it is possible for the effects of movements in these key inputs to add to or offset each other depending on which way the assumptions move.

### Deferred Management Fee Discount rate
The discount rate is determined using a number of risk-based assumptions including cash flow variability risk, regulatory risk and market risk to reflect the risk profile of deferred management fee income stream, and is also considered against comparable market transactions.

### Discounted cash flow approach
The discounted cash flow approach involves formulating a projection of the net cash flow from deferred management fees over a specified time horizon and discounting this cash flow at the end of the projection period at an appropriate rate. The present value of this discounted cash flow represents the fair value of the property.

In assessing the value of the discounted cash flow, a forecast model projects the likely cash flows to be derived from the deferred management fees less expenses using probability factors on the homeowners length of time in the community and also the property market growth rates.

When assessing a discounted cash flow valuation, the adopted discount rate has a strong interrelationship in deriving a fair value given the discount rate will determine the rate in which the deferred management fee is discounted to the present value.

## 3.2 Fair value measurements
### (a) Fair value hierarchy
Assets and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.

**Level 2:** Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data.

| $'000's | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **30-Jun-25** | | | | |
| **Recurring Fair Value Measurements** | | | | |
| Assets held for sale | – | 32,242 | – | 32,242 |
| Derivatives | – | (2,985) | – | (2,985) |
| Investment properties | – | – | 915,062 | 915,062 |
| **Total assets/(liabilities) measured at fair value** | **–** | **29,257** | **915,062** | **944,319** |
| **30-Jun-24** | | | | |
| **Recurring Fair Value Measurements** | | | | |
| Derivatives | – | 1,378 | – | 1,378 |
| Investment properties | – | – | 1,141,373 | 1,141,373 |
| **Total assets measured at fair value** | **–** | **1,378** | **1,141,373** | **1,142,751** |

### (b) Valuation techniques and inputs used in level 3 fair value measurements
*(i) Investment properties*

Investment properties have been classified as level 3 as the valuation contains some non-observable market inputs. The Group does not adjust some of the major inputs obtained from the independent valuations such as discount rates, the deferred management fee annuity values, and the management expense rates.

### (c) Significant unobservable inputs used in level 3 fair value measurements

*(i) Investment properties*

Rental capitalisation rates – rates were taken directly from the valuations for the fourteen communities independently valued in the current year. In relation to the remaining eleven operating communities, where applicable, the Directors cross checked to the independent valuation capitalisation rates, but ultimately determine for each community specifically.

Deferred management fee annuity - the valuation for this component is taken directly from independent valuations for the fourteen properties independently valued in the current year. For the remaining eleven communities not independently valued this year, Directors valuations were undertaken. The inputs to the Directors valuations were taken directly from the prior year independent valuations and assessed against current year independent valuation assumptions and other market evidence. Where applicable, the Directors assessed assumptions and made a judgment based on available evidence. Market evidence supported that the key assumptions had not materially changed. Further, due to the material changes regarding the DMF as a result of the VCAT proceedings, an independent expert was engaged (on a limited desktop basis) to assess the reasonableness of the valuation assumptions used in the DMF Director valuations at 30 June 2025.

Rental annuity — for all communities the Directors have increased the rent by 3.5% to reflect the increase that was applied on 1 July 2025. The next rent increase is due on 1 July 2026.

For land not yet settled, the value is accrued if the contract is unconditional. Refer to note 2.8 for more information.

### (d) Valuation processes used for level 3 fair value measurements

*(i) Investment properties*

The Group's Investment Property Valuation Policy requires that the programme for independent valuations is signed off by the Board and aims to value a minimum of 50% of the portfolio each year. Valuations are to be conducted by independent external valuers who are considered industry specialists in valuing these types of investment properties. The independent valuer can only value an investment property on three separate occasions.

### (e) Sensitivity analysis for recurring level 3 fair value measurements

*(i) Investment properties*

The impact of changes to the inputs that affect the valuation of investment properties is as follows:

| | Post Tax Profit Higher/(Lower) | | Equity Higher/(Lower) | |
|---|---|---|---|---|
| **$000's** | **2025** | **2024** | **2025** | **2024** |
| **Rental expense rate** | | | | |
| +2% | **(14,338)** | (13,204) | **(14,338)** | (13,204) |
| –2% | **14,338** | 13,204 | **14,338** | 13,204 |
| **Rental capitalisation rate** | | | | |
| +0.50% | **(37,338)** | (34,965) | **(37,338)** | (34,965) |
| –0.50% | **45,247** | 42,413 | **45,247** | 42,413 |
| **Deferred management fee per unit** | | | | |
| +5% | **2,593** | 9,118 | **2,593** | 9,118 |
| –5% | **(2,593)** | (9,118) | **(2,593)** | (9,118) |
| **Land prices (undeveloped land)** | | | | |
| +10% | **16,461** | 22,819 | **16,461** | 22,819 |
| –10% | **(16,461)** | (22,819) | **(16,461)** | (22,819) |

Refer to note 7.4 for further sensitivities performed in relation to the DMF valuation component of investment properties.

## 3.3 Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories include housing not sold as well as capitalised civils, infrastructure and holding costs. Inventories are classified as either current or non-current assets pursuant to the timing of their anticipated sale.

| $000's | 2025 | 2024 |
|---|---|---|
| **Current** | | |
| Housing | **67,874** | 89,459 |
| Civils, Infrastructure & Interest | **36,830** | 44,390 |
| | **104,704** | **133,849** |
| **Non current** | | |
| Housing | **62,612** | 65,438 |
| Civils, Infrastructure & Interest | **126,679** | 121,914 |
| | **189,291** | **187,352** |
| **Total** | **293,995** | **321,201** |

The housing balance contained above includes:

- 400 completed homes with a carrying value of $121.6m (30 June 2024: 389 homes, $115.6m carrying value). Of the 400 homes, 143 were contracted for sale at 30 June 2025.
- 24 homes under construction with a carrying value of $3.5m (30 June 2024: 166 homes, $32.4m)
- $5.4m of costs relating to homes yet to commence construction (30 June 2024: $6.9m)

### (a) Inventory expense

Inventories recognised as an expense for the year ended 30 June 2025 totalled $141.6 million for the Group (2024: $148.3 million). The expense has been included in the cost of sales line item.

## 3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

| $000's | 2025 | 2024 |
|---|---|---|
| Buildings | 40 years | 40 years |
| Plant and equipment | 4 to 25 years | 4 to 25 years |
| Computer equipment | 2 to 3 years | 2 to 3 years |
| Motor vehicles | 4 to 12 years | 4 to 12 years |

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

| $000's | Buildings | Plant and Equipment | Motor Vehicles | Computer Equipment | Total |
|---|---|---|---|---|---|
| **Year ended 30 June 2025** | | | | | |
| Balance at the beginning of the year | 12,854 | 11,281 | 2,845 | 1,751 | 28,731 |
| Additions | 1,004 | 2,849 | 735 | 214 | 4,802 |
| Disposals | – | – | (167) | – | (167) |
| Depreciation | (385) | (1,932) | (421) | (699) | (3,437) |
| **Balance at the end of the year** | **13,473** | **12,198** | **2,992** | **1,266** | **29,929** |
| | | | | | |
| At 30 June 2025 cost | 15,008 | 19,838 | 5,100 | 4,271 | 44,217 |
| Accumulated depreciation | (1,535) | (7,640) | (2,108) | (3,005) | (14,288) |
| **Net carrying amount** | **13,473** | **12,198** | **2,992** | **1,266** | **29,929** |

| $000's | Buildings | Plant and Equipment | Motor Vehicles | Computer Equipment | Total |
|---|---|---|---|---|---|
| **Year ended 30 June 2024** | | | | | |
| Balance at the beginning of the year | 8,072 | 8,782 | 2,402 | 1,514 | 20,770 |
| Additions | 5,116 | 4,132 | 818 | 901 | 10,967 |
| Depreciation | (334) | (1,633) | (375) | (664) | (3,006) |
| **Balance at the end of the year** | **12,854** | **11,281** | **2,845** | **1,751** | **28,731** |
| | | | | | |
| At 30 June 2024 cost | 14,005 | 16,982 | 4,577 | 4,059 | 39,623 |
| Accumulated depreciation | (1,151) | (5,701) | (1,732) | (2,308) | (10,892) |
| **Net carrying amount** | **12,854** | **11,281** | **2,845** | **1,751** | **28,731** |

### 3.5 Assets held for sale

| $000's | 2025 | 2024 |
|---|---|---|
| St Leonards residential lots | **5,206** | – |
| Merrifield | **27,036** | – |
| **Total** | **32,242** | – |

Assets held for sale include 21 residential lots established through the subdivision of surplus land acquired as part of the St Leonards land acquisition. These lots are being actively marketed for sale. In relation to Merrifield at 30 June 2025, a letter of offer had been received for this site and on 15 August 2025, an unconditional contract was executed. Refer to note 7.4 for further details.

### 3.6 Derivative financial instrument

| $000's | 2025 | 2024 |
|---|---|---|
| Hedge receivable | – | 1,378 |
| Hedge payable | **2,985** | – |

The effective portion of changes in the fair value of the swaps has been recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Amounts deferred in equity are reclassified to profit or loss in the same period the hedged interest expense is recognised. Refer to note 1.5.

### 3.7 Leases

| $000's | 2025 | 2024 |
|---|---|---|
| **Non current assets** | | |
| Right of use assets | **1,622** | 2,737 |
| **Current liabilities** | | |
| Lease liabilities | **937** | 1,037 |
| **Non current liabilities** | | |
| Lease liabilities | **1,913** | 3,225 |

In February 2023 the support office moved to a new premises, 101 Moray St, South Melbourne. The lease term is 5 years with a termination date of 31st March 2028.

During the financial year, the Moray Street lease accounted for $608,000 in amortisation of the Right-of-Use asset, $713,000 in reductions to the lease liability, and $86,000 in interest expense. The remaining movements were due to the wind up of the Fountain Gate lease in June 2025.

## 4. How we fund the business and manage risks

### 4.1 Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity by assessing the cost of equity (share issue), cost of debt (borrowings) or a combination of both.

We maintain our balance sheet settings with a margin of safety over and above the requirements in our funding agreements. Our goal is to maintain debt facilities that have sufficient facility size, headroom, and tenure to meet our committed development plans. We closely monitor our cash flow forecasts and tightly manage the commencement and rate of development of new communities to ensure we have sufficient funds to meet our commitments as and when they fall due.

### Financial risk management objectives and policies

The Group's principal financial instruments comprise bank loans, cash, trade and other receivables and trade payables.

*(i) Classification*

The consolidated entity classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (through profit and loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in the profit or loss.

*(ii) Recognition and derecognition*

The regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

*(iii) Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in profit and loss.

### Non derivative financial instruments

Non-derivative financial instruments consist of trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value, plus directly attributable transactions costs (if any). After initial recognition, non-derivative financial instruments are measured as described below.

### Loans and receivables
Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

### Interest bearing loans and borrowings
Interest bearing loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### Financial liabilities
Financial liabilities include trade payables, other creditors and loans from third parties.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

The Group manages its exposure to key financial risk, including interest rate risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, market risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include market forecasts for interest rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts. These procedures are sufficient to identify when mitigating action might be required. The Board reviews and agrees policies for managing each of these risks as summarised as follows:

### Interest rate risk
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations. The level of debt is disclosed in Note 4.3.

### Long term debt obligations
As at balance date, the Group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk (being the bank bill business rate):

| $000's | 2025 | 2024 |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents | **2,473** | 4,095 |
| **Financial liabilities** | | |
| Secured loans—bank finance | **463,000** | 324,000 |
| **Net exposure** | **(460,527)** | **(319,905)** |

If interest rates had moved and been effective for the period, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

| | Post Tax Loss/Profit Higher/(Lower) | | Equity Higher/(Lower) | |
|---|---|---|---|---|
| $000s | 2025 | 2024 | 2025 | 2024 |
| **Consolidated** | | | | |
| +1% (100 basis points) | **(1,134)** | (1,305) | **(1,134)** | (1,305) |
| –1% (100 basis points) | **1,134** | 1,305 | **1,134** | 1,305 |

When determining the parameters for a possible change in interest rate risk, management has taken into consideration the current economic environment at balance sheet date and historical movements.

A proportion of the impact on post tax profit is deferred due to the capitalisation of interest to inventory which is recognised when units are sold.

### Market risk
At balance date, the Group has no financial instruments exposed to material market risks other than interest rate risk.

### Credit risk
There are no significant concentrations of credit risk within the Group.

Credit risk arises from the financial assets for the Group, which comprise cash and cash equivalents, and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date has been assessed as minimal as the financial assets have been assessed as having a high likelihood of being received.

### Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of a bank facility. The Group ensures that there is sufficient liquidity within the bank facility by maintaining internal credit requirements that are more conservative than the financier.

The Group's debt as at balance date is outlined at note 4.3.

The table below represents the undiscounted contractual settlement terms for financial instruments and management expectation for settlement of undiscounted maturities.

The remaining contractual maturities of the Group's financial liabilities are:

| $000's | 2025 | 2024 |
|---|---|---|
| 6 months or less[1] | **43,362** | 59,466 |
| 6–12 months[2] | **12,862** | 118,762 |
| 1–2 years[3] | **25,789** | 20,041 |
| 3–4 years[4] | **500,551** | 383,448 |
| | **582,564** | **581,717** |

(1) This amount is represented by the following financial liabilities[5]:
- $29 million relates to trade and other payables, refer to Note 2.8 for further detail (2024: $33.1 million);
- $12.5 million relates to expected interest on the secured loan;
- $1.5 million relates to customer deposits which typically convert to settlement within six months or less (2024: $1.8 million); and
- $0.3m relates to lease liabilities at Moray St.
- In FY25 we have no parcels of land accrued (FY24: $14.5m).

(2)
- In FY25 we have no parcels of land accrued ( FY24: $108.5m)
- $12.6 million relates to expected interest on the secured loan; and
- $0.3m relates to lease liabilities at Moray St.

(3)
- $25.1 million relates to expected interest on the secured loan
- $0.7m relates to lease liabilities at Moray St.

(4)
- $37 million relates to expected interest on the secured loan, the balance of $463m relates to future principal repayments
- $0.5m relates to lease liabilities at Moray St.

(5)
- The DMF repayment is not included in the above due to the uncertainty of the timing of repayment, outcome of the appeal process and quantum of the repayment.

The above commitments will be funded using cash received from new home sales and the company's existing debt facilities. The Group has met all required covenants since the arrangements commenced and therefore expects that all current arrangements will continue until the sooner of repayment, refinance, or expiry.

### 4.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, bank overdrafts and short-term deposits with an original maturity of three months or less held at call with financial institutions.

| $000's | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalents | **2,473** | 4,095 |

### 4.3 Interest bearing loans and borrowings

| $000's | 2025 | 2024 |
|---|---|---|
| Secured loans—bank finance | **463,000** | 324,000 |

#### (a) Secured loans bank finance maturity

During FY25, as part of its continued focus on capital management, the Group agreed terms with its lending group to amend certain terms of its debt facilities.

Material changes as follows:

- Total debt facility right-sized (down) to $571 million, reflecting reduced near-term development requirements
- Interest Coverage Ratio (ICR) covenant negotiated to 1.75x (down from 2.5x) until the June 2027 test after which the covenant steps up to 2.0x
- Extended the tenor on $176 million of the $265 million tranche which was due to expire in August 2026 until August 2029 (the remainder was surplus to requirements and was cancelled as part of the overall headroom reduction)

The revised facility size better reflects the ongoing capital needs of the business and will reduce commitment fees which would otherwise be payable on undrawn funds.

At 30 June 2025, the Group's debt maturities were as follows:

| | |
|---|---|
| October 2027 | $150 million |
| December 2028 | $245 million |
| August 2029 | $176 million |

There have been no changes to the interest rate swap arrangements described in note 1.5 as part of this refinance.

All other material terms and covenants remain unchanged.

### Loan to value ratio

| $000's | FY25 | FY24 |
|---|---|---|
| Investment property | 915,062 | 1,004,319 |
| Assets held for sale/land receivable | 48,578 | – |
| **Total investment property** | **963,640** | **1,004,319** |
| **Net debt** | **460,527** | **319,905** |
| **LVR** | **47.8%** | **31.9%** |

### Interest cover ratio calculation

| | FY25 |
|---|---|
| Interest paid [1] | 24,861 |
| **Profit / (loss) before tax** | **(278,824)** |
| Add back fair value decrease adjustment | 184,866 |
| Add back Interest and Borrowing Amortisation exp | 4,310 |
| Add back Interest in COGS | 11,950 |
| Add back Depreciation | 3,437 |
| Add back unusual, non-recurring items | 106,193 |
| Add back infrastructure | 41,806 |
| **Adjusted EBITDA** | **73,738** |
| | |
| Interest cover ratio | 3.0 |
| Covenant | >1.75x |

Note:
1. Interest paid for covenant purposes includes interest paid, interest received and the movement in interest accruals year on year.

There is also a $2 million bank guarantee facility used during developments held with the Commonwealth Bank of Australia. $1.2m remains unused at 30 June 2025.

### (b) Fair values

Unless disclosed below, the carrying amount of the Group's current and non-current borrowings approximate their fair value.

### (c) Assets pledged as security

The $571 million facility is secured by the following:

General Security Deeds between the Commonwealth Bank of Australia, National Australia Bank, HSBC Bank Australia and:

- Lifestyle Communities Limited
- Lifestyle Investments 1 Pty Ltd
- Lifestyle Management 1 Pty Ltd
- Lifestyle Developments 1 Pty Ltd
- Lifestyle Investments 2 Pty Ltd
- Lifestyle Management 2 Pty Ltd
- Lifestyle Developments 2 Pty Ltd
- Lifestyle Communities Investments Cranbourne Pty Ltd
- Brookfield Village Management Pty Ltd; and
- Brookfield Village Development Pty Ltd

Mortgage granted by Lifestyle Investments 1 Pty Ltd over the properties at Melton (Brookfield), Tarneit (Seasons) and Warragul.

Mortgage granted by Lifestyle Investments 2 Pty Ltd over the properties at Shepparton, Hastings, Wollert (Lyndarum), Geelong, Officer, Berwick Waters, Bittern, Ocean Grove, Mount Duneed, Kaduna Park, Wollert North, Deanside, St Leonards, Meridian, Woodlea, Clyde (Riverfield), Bellarine (Leopold), Phillip Island and Yarrawonga.

In July 2025, mortgages were granted by Lifestyle Investments 2 Pty Ltd over land held at Merrifield, Clyde III, Inverloch, Ocean Grove and Armstrong Creek.

### (d) Defaults and breaches

During the current or prior year there have been no defaults or breaches of any banking covenants as set out in the Business Finance Agreements with The Commonwealth Bank of Australia, National Australia Bank, HSBC Bank Australia, Westpac and ANZ.

### (e) Interest rate swap

In December 2022, the Company entered into an interest rate swap with the National Australia Bank with a maturity of December 2026.

The interest rate swap is fixed over the following periods:

- $240m from 19th December 2023 until 19th December 2026.

## 4.4 Contributed equity

| $000's | 2025 | 2024 |
|---|---|---|
| 121,740,054 Ordinary shares (30 June 2024: 121,740,054) | | |
| Ordinary Shares | **334,136** | 334,136 |
| 336,458 Treasury shares (30 June 2024: 513,566) | **(5,037)** | (7,921) |
| **Total** | **329,099** | **326,215** |

### *(i) Reconciliation of Ordinary shares*

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | Number | $'000 | Number | $'000 |
| Opening balance | **121,740,054** | **334,136** | 104,545,131 | 64,523 |
| Capital raise | – | – | 17,194,923 | 269,613 |
| **Closing balance** | **121,740,054** | **334,136** | **121,740,054** | **334,136** |

A capital raise of $275 million was completed in March 2024 and the proceeds from the raise were used to pay down debt and strengthen the balance sheet in the short term but will form part of the capital structure that will support growth longer term.

### (a) Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Treasury shares represent shares purchased by an Employee Share Trust to satisfy obligations under the employee incentive scheme that have not been issued to Employees at balance date pursuant to the Equity Incentive Scheme.

### 4.5 Retained earnings and reserves

#### (a) Movements in retained earnings were as follows

| $000's | 2025 | 2024 |
|---|---|---|
| Opening balance | **497,532** | 459,578 |
| (Loss)/Profit for the year | **(195,271)** | 49,979 |
| Dividends paid | **(6,087)** | (12,025) |
| **Closing balance** | **296,174** | **497,532** |

#### (b) Reserves

| $000's | 2025 | 2024 |
|---|---|---|
| Opening balance | **8,008** | 9,354 |
| Share based payments expense | **2,073** | 1,685 |
| Vesting of employee shares | **(2,884)** | (1,977) |
| Hedge reserve | **(3,054)** | (1,054) |
| **Closing balance** | **4,143** | **8,008** |

### 4.6 Dividends

#### (a) Dividend considerations

Due to the recent slowdown in sales and the lack of visibility on the forward sales rate and capital recycling, the Directors have made the decision to pause dividends and retain the capital within the business until such time as the external environment improves and there is greater clarity on the sales rate.

Considerations in determining the level of free cash flow from which to pay dividends include: operating cash flow generated from community management; the projected tax liability of Lifestyle Communities Limited; the level of corporate overheads attributable to community roll out; the level of interest to be funded from free cash flow; and additional capital needs of the development business.

The Group is not subject to externally imposed capital requirements.

#### (b) Dividends

| Type | Cents per share | Total ($000) | Franked % | Payment date |
|---|---|---|---|---|
| **Paid during the year** | | | | |
| 2024 final dividend | 5.0 | 6,087 | 100% | 3-Oct-24 |
| **Paid in the previous year** | | | | |
| 2023 final dividend | 6.0 | 6,273 | 100% | 6-Oct-23 |
| 2024 interim dividend | 5.5 | 5,750 | 100% | 4-Apr-24 |

#### (c) Franking account balance

| $000's | 2025 | 2024 |
|---|---|---|
| Franking account balance | **27,710** | 40,625 |

Balance of franking account on a tax paid basis at balance date adjusted for franking credits arising from payment of current tax payable and franking debits arising from the payment of dividends declared at balance date.

Franked dividends declared or paid during the year were franked at the tax rate of 30%.

## 5. How we remunerate our Employees and auditors

### 5.1 Employee benefits expense

#### (i) Short term Employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other Employee benefits expected to be settled wholly within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term Employee benefits in the form of compensated absences such as annual leave is recognised in the provision for Employee benefits. All other short-term Employee benefit obligations are presented as payables.

#### (ii) Long term Employee benefit obligations

The provision for Employee benefits in respect of long service leave and annual leave which are not expected to be settled wholly within twelve months of reporting date, are measured at the present value of the estimated future cash outflow to be made in respect of services provided by Employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

#### (iii) Retirement benefit obligations

The consolidated entity makes contributions to defined contribution superannuation plans in respect of Employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the Employee services are received.

### (iv) Share based payments

The consolidated entity operates an equity incentive scheme (EIS). The Equity Incentive Scheme is explained in section 5.4 of the Remuneration Report and additional information is contained in note 5.3 below.

| | 2025 | 2024 |
|---|---|---|
| Employee number | **164** | 186 |
| **$'000** | | |
| Wages and salaries | **20,913** | 23,547 |
| Defined contribution superannuation expense | **2,192** | 2,268 |
| Share based payments expense | **2,073** | 1,685 |
| Movement in employee provisions | **203** | 96 |
| **Total employee benefits** | **25,381** | **27,596** |

## 5.2 Employee provisions

| $000's | 2025 | 2024 |
|---|---|---|
| **Current** | | |
| Annual leave | **1,220** | 1,144 |
| Long service leave | **410** | 275 |
| **Total current employee provisions** | **1,630** | **1,419** |
| **Non current** | | |
| Long service leave | **371** | **379** |
| **Total non-current employee provisions** | **371** | **379** |

## 5.3 Share based payments

### (a) Recognised share based payment expenses

| $000's | 2025 | 2024 |
|---|---|---|
| Expenses arising pursuant to the EIS | **2,073** | 1,685 |

### (b) Equity Incentive Scheme, 'EIS'

The Equity Incentive Scheme is explained in section 5.4 of the Remuneration Report.

### (c) Options granted pursuant to the EIS

The following table outlines options granted pursuant to the EIS:

| | (Maximum potential) | | Forfeited/ lapsed | | | | Vested | | | Balance at 30 June 2025 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Granted as compensation | Value at grant date ($) | No. | % | Final entitlement | Value at grant date (final entitlement) | No. | % | Exercised | Vested & exercisable | Unvested |
| FY19 Options - granted Nov 2019 | 149,000 | 864,200 | – | – | 149,000 | 864,200 | 149,000 | 100% | 145,586 | 3,414 | – |
| FY21 Options – granted Nov 2020 | 166,734 | 1,879,092 | (22,747) | (14)% | 143,987 | 1,622,733 | 143,987 | 86% | 134,024 | 9,963 | – |
| FY22 Options – granted Nov 2021 | 300,481 | 6,558,159 | (73,563) | (24)% | 226,918 | 4,954,503 | 266,918 | 76% | 206,446 | 20,472 | – |
| FY23 Options – granted Nov 2022 | 418,675 | 6,510,396 | (190,076) | (45)% | 57,289 | 890,844 | 55,353 | 13% | 52,090 | 3,263 | – |
| FY24 Options – granted Nov 2023 | 482,925 | 7,654,361 | (308,056) | (64)% | 174,869 | 2,771,674 | | | 41,791 | 95,712 | 111,468 |
| FY25 Options - granted Dec 2024 | 591,766 | 4,852,481 | (159,921) | (27)% | 431,845 | 3,541,129 | – | – | – | – | 431,845 |
| | | | | | | | **615,258** | | **579,937** | **132,824** | **543,313** |

All options issued in relation to the employee incentive scheme for FY20 have lapsed as the performance hurdles were not met.

| | 2025 | 2024 |
|---|---|---|
| Opening balance | **366** | 491 |
| Issued during the year | **592** | 483 |
| Exercised during the year | **(174)** | (103) |
| Forfeited/lapsed during the year | **(108)** | (505) |
| **Closing balance** | **676** | **366** |

Of the 543,313 unvested options:

- 28,479 related to the Management scheme are planned to vest 30 September 2025,
- 89,671 options related to the Executive retention scheme - tranche 1 are planned to vest 31 October 2025,
- 71,437 options related the Executive retention scheme - tranche 2 are planned to vest 31 October 2026,
- 121,129 options related to the Executive LTI tranche 1 are planned to vest 30 September 2027
- 121,129 options related to the Executive LTI tranche 2 are planned to best 30 June 2028
- 111,468 options related to the FY24 Executive LTI scheme.

All unvested options have ongoing service, competency and behavioural requirements and vesting is at the discretion of the Board.

The weighted average exercise price of options is nil. The weighted average share price at the date of exercise for share options exercised during the period was $8.42 and the expiry date for all options outstanding at the end of the year is 10 years from the date of grant.

### 5.4 Auditors remuneration

| $ | 2025 | 2024 |
|---|---|---|
| **Amounts received or due and receivable for current auditors:** | | |
| An audit or review of the financial report of the entity and any other entity in the consolidated group. | **258,869** | 281,287 |
| Other services in relation to the entity and any other entity in the consolidated group – tax compliance, general tax advice, GST advice and other agreed upon procedures. | **41,775** | 35,280 |
| Other services in relation to the capital raise | **15,000** | 110,000 |
| | **315,644** | **426,567** |

The auditor of Lifestyle Communities Limited is PricewaterhouseCoopers who were appointed on the 18 November 2019.

## 6. How we structure the business

### 6.1 Related party disclosures

#### (a) Ultimate parent

Lifestyle Communities Limited is the ultimate Australian parent entity.

#### (b) Subsidiaries

The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

| | | 2025 % | 2024 % | 2025 $ | 2024 $ |
|---|---|---|---|---|---|
| Lifestyle Investments 1 Pty Ltd | Australia | 100 | 100 | 8,751,551 | 8,751,551 |
| Lifestyle Developments 1 Pty Ltd | Australia | 100 | 100 | – | – |
| Lifestyle Management 1 Pty Ltd | Australia | 100 | 100 | – | – |
| Brookfield Management Trust ( Trustee: Brookfield Village Management Pty Ltd) | Australia | 100 | 100 | – | – |
| Brookfield Development Trust ( Trustee: Brookfield Village Development Pty Ltd) | Australia | 100 | 100 | – | – |
| Lifestyle Communities Investments Cranbourne Pty Ltd | Australia | 100 | 100 | – | – |
| Lifestyle Investments 2 Pty Ltd | Australia | 100 | 100 | 2 | 2 |
| Lifestyle Developments 2 Pty Ltd | Australia | 100 | 100 | 2 | 2 |
| Lifestyle Management 2 Pty Ltd | Australia | 100 | 100 | 2 | 2 |
| | | | | **8,751,557** | **8,751,557** |

### (c) Loans from related parties

There are no loans from related parties.

### (d) Transactions with related parties

There were no transactions with related parties in the current or prior years.

Detailed remuneration disclosures are provided in the remuneration report on pages 51 to 72.

## 6.2 Joint Operations

The Group has a 50% interest in the joint arrangement at Chelsea Heights and Casey Fields together with BGDU Pty Ltd. and Tradewynd Pty Ltd respectively to develop and manage the communities.

The principal place of business of the joint operations is in Victoria, Australia.

The agreements related to the joint arrangements require unanimous consent from all parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

## 6.3 Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 dated 17 December 2016, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' reports as they are part of a Closed Group as defined by the Corporations Act 2001:

- Lifestyle Communities Limited
- Lifestyle Investments 2 Pty Ltd
- Lifestyle Developments 2 Pty Ltd
- Lifestyle Management 2 Pty Ltd
- Lifestyle Communities Investments Cranbourne Pty Ltd
- Lifestyle Investments 1 Pty Ltd
- Lifestyle Management 1 Pty Ltd
- Lifestyle Developments 1 Pty Ltd
- Brookfield Village Management Pty Ltd
- Brookfield Village Development Pty Ltd

Pursuant to the above-mentioned legislative instrument, the Company and each of the subsidiaries entered into a Deed of Cross Guarantee on the 19th of June 2015 or have been added as parties to the Deed of Cross Guarantee by way of an Assumption Deed dated the 4th of June 2019. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The Consolidated Statement of Profit and Loss and Other Comprehensive Income and Consolidated Statement of Financial Position for the Closed Group are the same as the financial statements for Lifestyle Communities Limited and its controlled entities.

## 6.4 Parent entity

Required disclosures relating to Lifestyle Communities Limited as a parent entity:

### Statement of Financial Position

| $000's | 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| Current assets | 791,919 | 618,294 |
| Non-current assets | 3,050 | 4,730 |
| **Total Assets** | **794,969** | **623,024** |
| **Liabilities** | | |
| Current liabilities | 12,857 | 50,917 |
| Non-current liabilities | 374,871 | 210,240 |
| **Total Liabilities** | **387,728** | **261,157** |
| **Equity** | | |
| Issued capital | 315,770 | 315,770 |
| Reserves | 8,166 | 9,199 |
| Retained earnings | 83,305 | 36,899 |
| **Total Equity** | **407,241** | **361,868** |
| **Statement of Profit or Loss and Other Comprehensive Income** | | |
| Net profit | 52,493 | 13,791 |
| **Total comprehensive income** | **52,493** | **13,791** |

## 7. Information not recognised in the financial statements

### 7.1 Lessor Commitments

**Operating lease commitments receivable**

The Group has entered into commercial property leases with its residents in relation to its investment property portfolio, consisting of the Group's land. The residential site agreements provide for future lease commitments receivable as disclosed below.

These non-cancellable leases have remaining terms of between 75 and 90 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable agreements as at balance date were as follows:

| $000's | 2025 | 2024 |
|---|---|---|
| No later than 1 year | **37,879** | 36,163 |
| Between 1 year and 5 years | **118,498** | 115,068 |
| Greater than 5 years | **60,359** | 61,048 |
| **Total minimum lease payments** | **216,736** | **212,279** |

Minimum lease payments were determined by measuring the current year's rentals and measuring this over an average 10 year period.

### 7.2 Commitments

Commitments for future development costs not recognised in the financial statements at balance date, which have received Board approval to commence construction is $176 million (commitment period 1–5 years). This is an estimate and Lifestyle Communities retains the right to defer, delay, or bring forward project commitments subject to prevailing market conditions and the sales rate at each project.

Projects included in the above estimate are Wollert, Deanside, St Leonards – The Shores, Meridian, Bellarine, Woodlea, Riverfield, Phillip Island, Ridgelea, Yarrawonga and Ocean Grove.

### 7.3 Contingencies

During FY25, the Group paid land tax assessments to the State Revenue Office of Victoria (SRO), however a proportion of its development sites has raised an objection in relation the assessments including the application of the exemption rules and appropriate apportionment methodology. At 30 June 2025, the Group has recognised a receivable of $2.9m for the amount of land tax paid but objected to. The Group has formed its objection position after taking independent advice from relevant subject matter experts, including Senior Counsel. The Group's sites are exempt from land tax once civil works are complete and caravan park registration is received.

### 7.4 Events after reporting date

***VCAT Proceedings and Appeal***

On the 25 July 2025, His Honour, Justice Woodward, has issued orders to give effect to his reasons in the VCAT Proceedings and simultaneously issued an interim stay on those orders, effective immediately. In summary, the orders and the reasons together provide:

- That the Residential Tenancies Act 1997 (Vic) does not prohibit a deferred management fee (DMF);
- That because the DMF in Lifestyle Communities' standard Residential Site Agreement (RSA) is unable to be calculated as a precise amount at the time of entering into the RSA, the DMF clause in the RSA is void and unenforceable; and
- Lifestyle Communities will no longer charge site fees for services provided to deceased estates.

Following the release of Justice Woodward's reasons, Lifestyle Communities made the commercial decision to cease charging fees for services provided to deceased estates and submitted that should be reflected in the orders (and not a requirement that the estate should be permitted to have someone live in the home until it is sold). Justice Woodward accepted that submission in his orders. Lifestyle Communities will cease recognising revenue for services provided to deceased estates from the 1 July 2025 but there is no obligation to return any fees charged prior to this date.

Lifestyle Communities intends to appeal the decision with respect to the enforceability of the DMF clause in the RSA. With the orders now issued, Lifestyle Communities has until 5 September 2025 to prepare and lodge its appeal to the supreme court (being 42 days after the orders were issued).

The VCAT hearing regarding the request for a longer-term stay in relation to the orders for the 5 cases determined at VCAT on the 25th of July 2025 was concluded on 27th August 2025. His Honour, Justice Woodard, determined not to approve the longer-term stay. The request for stay related to 5 cases only and does not impact the company's plans to appeal the VCAT decision.

The 30 June 2025 financial statements have been prepared with regard to the most recent legal interpretation of the DMF provisions in the standard contracts, being Justice Woodward's VCAT decision.

Lifestyle Communities has:

- Written-down the value of the investment properties to reflect Justice Woodward's decision. This has resulted in a fair value write-down of $193.5m which represents circa 75% of the previous carrying value.
- Created a $77.8 million provision for the repayment of prior DMF collected that may need to be repaid. Refer to Note 2.1.

If the appeal is successful, Lifestyle Communities will amend the carrying value of the DMF component of investment properties reflect the fair value at that time and reverse the provision for repayment. If the appeal is unsuccessful, the carrying value of the investment properties will remain as reported in its FY25 Financial Statements and Lifestyle Communities will commence a process to repay DMF's collected on contracts signed after September 2011 where the DMF clause does not meet the disclosure requirements as outlined by Justice Woodward.

Subsequent to the VCAT decision, a number of existing customers have expressed interest in the DMF calculated on entry price contract structure. Lifestyle Communities has commenced a project to offer existing homeowners that choice. There is no obligation for homeowners to accept this opportunity but if they do, it will provide the opportunity for those homeowners to amend their contracts and include a precise dollar figure for the DMF in accordance with Justice Woodward's determination.

For homeowners that accept the contract variation: Lifestyle Communities will amend the carrying value of the DMF during the period in which the amended contract is signed.

For homeowners that do not accept a contract variation: the DMF carrying value will remain in accordance with the FY25 financial statements and will only be amended if Lifestyle Communities is successful in its appeal at which time it will revert to the terms of the existing contracts.

A sensitivity on the estimated value of the DMF component of investment properties valuation based on various take-up rates of existing homeowners moving to DMF based on entry price is included below:

| | FY25 reported fair value (DMF Component of Investment Properties) | Fair value if contract amended (DMF Component of Investment Properties) | Variance |
|---|---|---|---|
| 0% take-up | 69.0 | 69.0 | – |
| 10% take-up | 69.0 | 80.7 | 11.7 |
| 20% take-up | 69.0 | 92.4 | 23.4 |
| 30% take-up | 69.0 | 104.1 | 35.1 |
| 40% take-up | 69.0 | 115.8 | 46.8 |
| 50% take-up | 69.0 | 127.5 | 58.5 |
| 60% take-up | 69.0 | 139.2 | 70.2 |
| 70% take-up | 69.0 | 150.9 | 81.9 |
| 80% take-up | 69.0 | 162.6 | 93.6 |
| 90% take-up | 69.0 | 174.3 | 105.3 |
| 100% take-up | 69.0 | 186.0 | 117.0 |

The DMF component of investment properties of $69.0m forms part of the total investment properties carrying value of $915.1m at 30 June 2025.

**Land sales**

On 8 August 2025, the company signed a conditional contract to sell a parcel of land at Ocean Grove for $46.2 million. At 30 June 2025, the asset was classified as Investment Property and Inventory with a total carrying value of $46.2m following a $6.7m write-down to inventory. The contract is subject to a due diligence period of 30 days during which the purchaser has the right to terminate the contract. Subject to successful completion of due diligence, the contract is expected to settle by 31 December 2025.

On 15 August 2025, the company signed an unconditional contract to sell a parcel of land at Merrifield for $27.0 million (net of purchase price adjustments). At 30 June 2025, the asset was classified as an asset held for sale and its carrying value was $27.0 million following a $10.3m write-down to inventory. The contract is due to settle on 2 September 2025.

# Consolidated entity disclosure statement

**As at 30 June 2025**

| Name of entity | Type of entity | Trustee, partner or participant in JV | % of share capital | Place of business/ country of incorporation | Australian resident or foreign resident | Foreign jurisdiction(s) of foreign residents |
|---|---|---|---|---|---|---|
| Lifestyle Investments 1 Pty Ltd | Body corporate | | 100 | Australia | Australian | n/a |
| Lifestyle Developments 1 Pty Ltd | Body corporate | | 100 | Australia | Australian | n/a |
| Lifestyle Management 1 Pty Ltd | Body corporate | | 100 | Australia | Australian | n/a |
| Trustee: Brookfield Village Management Pty Ltd | Body corporate | Trustee | 100 | Australia | Australian | n/a |
| Brookfield Management Trust | Trust | | n/a | n/a | n/a | n/a |
| Trustee: Brookfield Village Development Pty Ltd | Body corporate | Trustee | 100 | Australia | Australian | n/a |
| Brookfield Development Trust | Trust | | n/a | n/a | n/a | n/a |
| Lifestyle Communities Investments Cranbourne Pty Ltd | Body corporate | | 100 | Australia | Australian | n/a |
| Lifestyle Investments 2 Pty Ltd | Body corporate | | 100 | Australia | Australian | n/a |
| Lifestyle Developments 2 Pty Ltd | Body corporate | | 100 | Australia | Australian | n/a |
| Lifestyle Management 2 Pty Ltd | Body corporate | | 100 | Australia | Australian | n/a |

# The Director's Declaration

The directors of the Company declare that:

1. The consolidated financial statements and notes for the year ended 30 June 2025 are in accordance with the Corporations Act 2001 and:

    a. Comply with Accounting Standards, which, as stated in basis of preparation Note 1.1 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
    b. Give a true and fair view of the financial position and performance of the consolidated Group;

2. The Managing Director and Chief Finance Officer have given the declarations required by Section 295A that:

    a. The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
    b. The consolidated financial statements and notes for the financial year comply with the Accounting Standards; and
    c. The consolidated financial statements and notes for the financial year give a true and fair view.

3. The consolidated entity disclosure statement on page 124 is true and correct.

4. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Company has entered into a deed of cross guarantee under which the Company and its subsidiaries guarantee the debts of each other, refer to Note 6.3.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

Signed in accordance with a resolution of the Board of Directors.

**David Blight**
Chair

**Henry Ruiz**
Chief Executive Officer

Melbourne, 28 August 2025

# Independent auditor's report

To the members of Lifestyle Communities Limited

## Report on the audit of the financial report

## Our opinion

In our opinion:

The accompanying financial report of Lifestyle Communities Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2025
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006,
GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

## Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

## Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

### Audit Scope

- Our audit focused on where the Company (the Group) made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

| *Key audit matter* | *How our audit addressed the key audit matter* |
|---|---|
| **Fair value of investment properties**<br><br>(Refer to note 3.1)<br><br>The Group's investment properties comprise:<br>• Developed communities<br>• Communities under development<br>• Undeveloped land.<br><br>Investment properties were valued at reporting date using a combination of discounted annuity streams associated with completed home units and the fair value of undeveloped land.<br><br>The following assumptions were key in establishing fair value, amongst others:<br>• capitalisation rates<br>• deferred management fee discount rate<br>• average length of stay<br><br>The Group's Investment Property Valuation Policy aims to value a minimum of 50% of the investment property portfolio through independent external valuations at balance date. In the period between external valuations, the Directors perform internal valuations.<br><br>This was a key audit matter because of the: | Our procedures included the following, amongst others:<br>• developed an understanding of the Group's processes and controls for determining the fair value of investment properties;<br>• assessed the scope, competence and objectivity of the external valuers engaged to provide external valuations at the reporting date;<br>• with the assistance of PwC real estate valuation experts, met with the external valuers to develop an understanding of their methodology and assumptions applied to a selection of valuations, including the DMF revision considered applicable to the Group;<br>• with the assistance of PwC real estate valuation experts, for a selection of Director valued investment properties, assessed the methodology applied, enquired with the external valuation experts to understand the DMF revision in the discounted cash flow and associated assumptions, where relevant;<br>• agreed the rental income used in a sample of investment property valuations to relevant lease agreements and assessed the appropriateness of a sample of income related assumptions; |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| • financial significance of the investment property balance in the consolidated statement of financial position and of the impact of changes in the fair value of investment properties on the Group's profit or loss.<br>• sensitivity of valuations to significant assumptions, specifically capitalisation rates and deferred management fee discount rates and average length of stay.<br>• judgement involved in revising the Deferred Management Fee (DMF) input within the communities' future cash flow model following the VCAT decision. | • agreed the resident data used in a sample of investment property valuations to relevant lease agreements;<br>• agreed the fair value of each investment property to the valuation determined by the external valuers or the Directors, as applicable;<br>• with the assistance of PwC real estate valuation experts, assessed the appropriateness of key assumptions used in the valuations by reference to available market and other evidence, as relevant; and<br>• assessed the reasonableness of related disclosures made in the note against the requirements of Australian Accounting Standards. |
| **Carrying Value of Inventory**<br>(Refer to note 3.3)<br>Inventories include housing not sold, as well as, capitalised civils and infrastructure, labour and holding costs. Housing includes completed homes and homes under construct. Inventories are measured at the lower of cost and net realisable value. Finance costs are capitalised as part of inventory during development.<br>The net realisable value (NRV) of inventory is the estimated selling price in the ordinary course of business less estimated costs of completion and costs to sell. The NRV is impacted by the current economic and operating environment.<br>This was a key audit matter given the relative size of the inventories balance in the consolidated statement of financial position, and judgement involved in estimating net realisable value. | Our procedures included the following, amongst others:<br>• developed an understanding of the Group's processes and controls for determining the NRV of inventory and related forecast margin percentage that informs costs to complete;<br>• compared sales prices of inventory items to underlying contracts of sale, for inventory sold but not yet settled;<br>• agreed a sample of recorded settlements to underlying sales contracts and recalculated the related margin percentage;<br>• agreed a sample of additions included in inventory to relevant supplier invoices to assess the nature and accuracy of amounts capitalised;<br>• evaluated the appropriateness of the methodology used in the Group's assessment of NRV of inventory balances; and assessed the reasonableness of related disclosures made in the note against the requirements of Australian Accounting Standards. |

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

## Report on the remuneration report

### Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2025.

In our opinion, the remuneration report of Lifestyle Communities Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Kate L Logan

Kate L Logan
Partner

Melbourne
28 August 2025

# ASX Additional Information

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 8 August 2025.

## (a) Distribution of equity securities

(i) Ordinary share capital
121,740,054 fully paid ordinary shares are held by 3,911 individual shareholders.

## (b) Substantial shareholders

The number of substantial shareholders and their associates are set about below in accordance with their most recent substantial shareholder notices lodged with the ASX:

| Name | Number | % | Current at (last notification date) |
|---|---|---|---|
| AustralianSuper Pty Ltd | **20,623,438** | **16.94%** | 20-Jan-25 |
| Brahman Capital Management Pty Ltd | **12,169,453** | **10.00%** | 23-Aug-24 |
| HMC Capital Group | **11,390,698** | **9.36%** | 10-Dec-24 |
| State Street Corporation & Subsidiaries | **9,469,643** | **7.78%** | 28-Jul-25 |
| JP Morgan Chase & Co. and its affiliates | **7,880,393** | **6.47%** | 16-Jul-25 |
| Citigroup Global Markets Australia Limited | **7,141,746** | **5.87%** | 08-Jul-25 |
| James Kelly | **7,702,001** | **6.33%** | 21-Mar-24 |

### Voting rights

At meeting of members or classes of members :

(a) each member entitled to vote may vote in person or by proxy, attorney or respective:

(b) on a show of hands, every person present who is a member or proxy, attorney or representative of a member has one vote; and

(c) on a poll, every person present who is a member or a proxy, attorney or representative of a member has:

(i) for each fully paid share held by person, or in respect of which he/she is appointed a proxy, attorney or representative, one vote for the share;

(ii) for each partly paid share, only the fraction of one vote which the amount paid (not credited) on the share bears to the total amounts paid and payable on the share ( excluding amounts credited).

Subject to any rights or restrictions attached to any shares or class of shares.

### On-Market Buyback

There is no current on-market buy-back in relation to the Company's securities.

### Restricted Securities

There is no restricted securities on issue at 8 August 2025.

## (c) The number of shareholders by range of units and unmarketable parcel holders

| | Total holders | Units | % of issued capital |
|---|---|---|---|
| **Holding** | | | |
| 1 – 1,000 | **2,269** | 748,140 | 0.62% |
| 1,001 – 5,000 | **1,125** | 2,742,857 | 2.25% |
| 5,001 – 10,000 | **241** | 1,788,599 | 1.47% |
| 10,001 – 100,000 | **243** | 7,268,304 | 5.97% |
| 100,000 and over | **33** | 109,192,154 | 89.69% |
| **Total** | **3,911** | **121,740,054** | **100.0%** |

At 8 August 2025, the number of security holders holding less than a marketable parcel of 111 Securities ($500) was 737 and they held a total of 35,383 securities.

### (d) Twenty largest holders of quoted equity securities

| | | Shares held | % issued |
|---|---|---|---|
| 1 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 32,398,444 | 26.61% |
| 2 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 20,575,611 | 16.90% |
| 3 | BRAHMAN PURE ALPHA PTE LTD | 11,256,672 | 9.25% |
| 4 | CITICORP NOMINEES PTY LIMITED | 10,979,748 | 9.02% |
| 5 | HMC CAPITAL PARTNERS HOLDINGS PTY LTD <HMC CAP PRTNS HLDS A/C> | 10,870,698 | 8.93% |
| 6 | MASONKELLY PTY LTD | 4,891,265 | 4.02% |
| 7 | DAKEN INVESTMENTS PTY LTD <PERLOV FAMILY A/C> | 3,149,539 | 2.59% |
| 8 | NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C> | 3,122,330 | 2.56% |
| 9 | KELLY SUPERANNUATION FUND PTY LTD | 2,116,801 | 1.74% |
| 10 | ARMADA INVESTMENTS PTY LTD | 1,408,229 | 1.16% |
| 11 | BNP PARIBAS NOMS PTY LTD | 1,299,749 | 1.07% |
| 12 | TRACEY RYAN INVESTMENTS PTY LTD <RYAN INVESTMENT A/C> | 1,183,400 | 0.97% |
| 13 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C> | 844,764 | 0.69% |
| 14 | AUSTRALIAN SHAREHOLDER NOMINEES PTY LTD <LEGAL EAGLE PL COLMANSF A/C> | 689,464 | 0.57% |
| 15 | ELIZABETH KELLY FOUNDATION PTY LTD <BLUE SKY FOUNDATION A/C> | 462,500 | 0.38% |
| 16 | MAXIMA ETHAN PTY LTD <MAXI FOGELGARN S/FUND A/C> | 412,593 | 0.34% |
| 17 | PACIFIC CUSTODIANS PTY LIMITED <LIC EMP SHARE TST A/C> | 334,071 | 0.27% |
| 18 | ACRES HOLDINGS PTY LTD <NOEL EDWARD KAGI FAMILY A/C> | 290,000 | 0.24% |
| 19 | BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C> | 278,145 | 0.23% |
| 20 | COLMAN FOUNDATION PTY LTD <COLMAN FOUNDATION A/C> | 260,000 | 0.21% |
| | **Top 20 holders of ORDINARY FULLY PAID SHARES (Total)** | **106,824,023** | **87.75%** |
| | **Total remaining holders balance** | **14,916,031** | **12.25%** |

### Securities exchange

The Company is listed on the Australian Securities Exchange. ASX ticker code LIC.

### Unquoted Equity Schedule

| | |
|---|---|
| 22 holders of short term unvested options issued as part of the incentive scheme | 543,313 |
| 114 holders of short term vested options issued as part of the incentive scheme | 132,824 |
| | **676,137** |

## Corporate Information

| Lifestyle Communities Limited | ABN 11 078 675 153 |
|---|---|
| **Registered Office** | Level 5, 101 Moray Street<br>South Melbourne VIC 3205<br>Australia<br><br>Telephone 61 3 9682 2249 |
| **Directors** | David Blight – Non Executive Director<br>Mark Blackburn – Non Executive Director<br>Claire Hatton – Non Executive Director<br>JoAnne Stephenson – Non Executive Director |
| **Company Secretaries** | Darren Rowland<br>Anita Addorisio |
| **Principal Place of Business** | Level 5, 101 Moray Street<br>South Melbourne VIC 3205<br>Australia |
| **Share Registry** | Computershare Investor Services Pty Limited<br>Yarra Falls 452 Johnston Street,<br>Abbotsford VIC 3067<br><br>Telephone 61 3 9415 5000<br>Fax 61 3 9473 2500<br>Investor queries (within Australia) 1300 850 505 |
| **Solicitors** | Thomson Geer<br>Level 39, 525 Collins Street<br>Melbourne VIC 3000<br>Australia |
| **Auditors** | PricewaterhouseCoopers<br>2 Riverside Quay Southbank VIC 3006<br>Australia |

Lifestyle Phillip Island clubhouse

Level 5, 101 Moray Street
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