

28 August 2025

Immediate release to the ASX

Full Year FY25 Results – Signs of recovery against a challenging FY25 backdrop

Lifestyle Communities Limited (ASX: LIC) today releases its reporting suite for FY25.

Statutory profit after tax declined from a \$50.0m profit in FY24 to a loss of \$195.3m in FY25 due to a \$54.5m after tax provision for repayment of DMF collected from previous homeowners and a \$135.5m after tax write down in the carrying value of investment properties following the recent VCAT decision. FY25 Operating profit after tax was \$45.2m (FY24: \$52.9m).

Lifestyle Communities intends to appeal the VCAT decision, and a material portion of these adjustments will be reversed if the appeal is successful.

Key Highlights

- **Settlement volume impacted by broader market softness** – The pace of settlements was impacted by market softness, lower transaction volumes, and lower clearance rates in the broader Victorian property market for our new homeowners (FY25: 268 v FY24: 311).
- **Recovery in sales cadence** – A “tale of two halves”, with encouraging momentum in the second half following early challenges in FY25. First half realised 41 new home sales, and the second half resulted in 98 sales. Progress was also made on our plans to reduce the amount of inventory of unsold homes with a 25%% reduction in total inventory levels achieved over the 6-month period from December 2024 (359) to June 2025 (269). This represents a 40% reduction in the amount of excess inventory held above optimal levels. Further reduction is planned in the first half of FY26.
- **Balance sheet de-leveraging** – Capital management initiatives have progressed well. De-leveraging commenced in H2 of FY25 with further improvement expected over the next six months. Executed contracts to sell four parcels of land to right size the development pipeline, circa \$114.1m in capital will be recouped over the next 6-12 months.
- **Positive operating cash flow** – \$119.8m change in net operating cash flow from negative \$(115.2m) in FY24 to positive \$4.6m in FY25
- **Refreshed strategy with a clear market orientation** – Sharpened focus on the needs of Australian downsizers with a clear plan for provision of high-quality affordable housing.
 - Be the go-to choice for downsizers in Australia.
 - Be renowned for our homeowner experience.
 - Power our growth engine to deliver sustainable returns.
- **Providing homeowners choice & certainty** – We are prioritising our homeowners and are not waiting for the outcome of the VCAT appeal process. Our refreshed

strategy has been informed by homeowner feedback and will be delivered through a clearer execution focus.

Lifestyle Communities CEO, Mr Henry Ruiz, commented *“FY25 was impacted by a challenging external environment, including subdued consumer confidence and softness in the Victorian property market. We have taken meaningful steps to stabilise and transition the business; underpinned by a clear strategy that prioritises our homeowners and can drive improved shareholder outcomes”.*

“During the year the VCAT case impacted buyer confidence, and we now have a path forward which will offer both new and existing homeowners certainty and choice. The second half of the year brought a welcome recovery in sentiment, with improved engagement from prospective homeowners and an 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 homeowners across our communities.”

“Throughout the year, we continued to strengthen the underlying resilience of the business by 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.”

Priorities for FY26 will be:

- Further de-leveraging the balance sheet.
- Deliver positive operating cash flow underpinned by further inventory reduction and a cash recovery development cycle at projects in progress.
- Re-contracting with existing customers whose preference is to move onto the revised DMF contract structure.
- Finalising and embedding our refreshed and revised strategy.

Mr Ruiz continued *“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 and early FY27 as the property market conditions improve.*

“Macro themes remain supportive with the number of people over 55 in Victoria forecast to increase by 61.5% over the next 20 years. With strong foundations, a sharpened strategic focus, and a maturing operating model, Lifestyle Communities is well-positioned to realise its long-term potential.”

Investor Conference Call

Henry Ruiz (CEO) and Darren Rowland (CFO) will be available for a teleconference call at 9.30am (AEDT) on 28 August 2025 following the results release.

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

https://vistra.zoom.us/webinar/register/WN_zanCRKhFSYC4RLkD-NoTEA

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

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

Authorised for release by the Board

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About Lifestyle Communities®

Based in Melbourne, Victoria, Lifestyle Communities® develops, owns and manages affordable independent living residential land lease communities. Lifestyle Communities® has twenty-nine residential land lease communities under contract, in planning, in development, or under management. Over 5,800 Victorians call Lifestyle Communities their home.