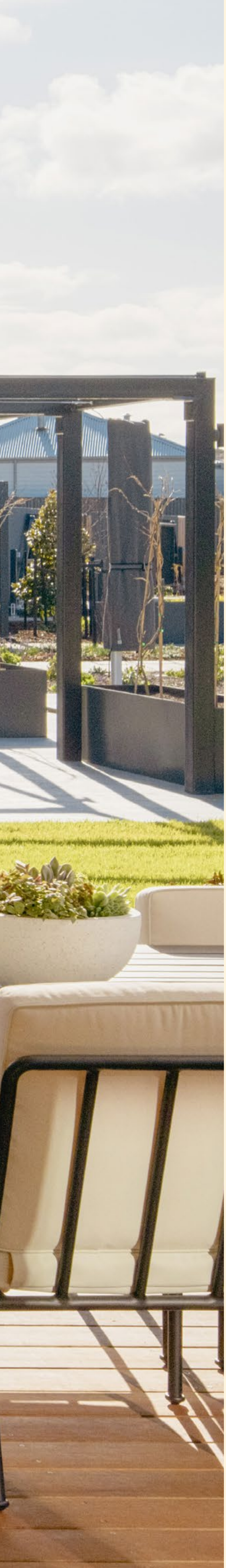
Lifestyle Communities®

Interim Report

for the half year ended 31 December 2025


Ridgelea



Contents

Directors' Report

For the half year ended 31 December 2025

The Directors are pleased to present their report together with the condensed financial report of the consolidated entity consisting of Lifestyle Communities Limited and its controlled entities (the group), for the half-year ended 31 December 2025 and the independent auditor's review report thereon. This financial report has been prepared in accordance with AASB 134 Interim Financial Reporting.

Key metrics

	Measure	1HFY24	2HFY24	1HFY25	2HFY25	1HFY26
New home settlements	Homes	124	187	137	131	**128**
Net new home sales	Homes	197	178	41	98	**110**
Established home settlements	Homes	75	76	58	57	**83**
Total settled homes (end of period)	Homes	3,673	3,860	3,997	4,128	**4,256**
Portfolio + pipeline (end of period)	Homes	6,382	6,563	6,558	5,750	**5,750**
Annuity revenue – Rent	$m	20.5	20.9	22.6	23.1	**25.3**
Annuity revenue – DMF	$m	6.4	6.8	5.1	5.4	**1.4**
Total annuity revenue (rent + DMF)	$m	26.9	27.7	27.7	28.5	**26.7**
DMF repayment provision	$m	–	–	–	(77.8)	**–**
Operating Profit after tax [1]	$m	20.8	32.1	22.7	22.4	**16.1**
Operating EPS	cps	19.9	28.2	18.7	18.4	**13.2**
Total assets	$m	1,440.7	1,511.6	1,578.1	1,315.2	**1,220.2**
Net assets	$m	537.2	831.8	848.3	629.4	**648.1**
Net assets excluding DTL	$m	718.7	1,023.3	1,048.1	736.0	**753.3**
Weighted average cap rate	%	5.15%	5.21%	5.21%	5.24%	**5.24%**
Average DMF valuation	$'000 per home	58	64	64	17	**18**
Half year dividend	cps	5.5	5.0	–	–	**–**
Net debt	$m	490.2	319.9	355.5	460.5	**323.6**
Net debt to assets less unsettled land	%	39.8%	23.1%	24.6%	35.1%	**27.2%**

Notes:
1. Included in the table above are non IFRS measures including operating profit and operating earnings per share. Operating profit removes non-recurring items and movements in property valuations related to changes to valuation assumptions.

1. Operating and Financial Review

Financial Review

Lower sales rates in prior periods caused by cyclical headwinds have impacted the 1HFY26 result, with the number of new home settlements down from 137 at 1HFY25 to 128 at 1HFY26. Against this back-drop, and following the July 2025 VCAT decision which has impacted Deferred Management Fee (DMF) revenue from existing homeowners, we report an operating profit after tax of $16.1m.

The financial performance of our operating communities continues to demonstrate the resilience of the annuity stream underpinning the group's financial performance, delivering 11.9% period on period growth in rental income.

While targeted price adjustments have impacted 1HFY26 development margins (which are down from 1HFY25 (14.9% v 11.0%) but in line with 2HFY25), the adjustments have had a positive impact on sales rates and the reduction of built stock towards more optimal levels. This, combined with disciplined ordering of new homes commensurate with sales rates, has driven a reduction in unsold inventory from 269 at 30 June 2025 to 189 at 31 December 2025.

In 1HFY26 we achieved net new home sales of 110, a 168% increase from 1HFY25 and a 12% increase from 2HFY25. Pleasingly, our conversion rates from a face-to-face appointment to a sale have remained improved from historical averages, improving from ~22% to ~26% in 1HFY26.

While the Victorian property market continued to show signs of improvement during the period, it still lags national trends and has shown recent signs of slowdown. In December the value of dwellings in Melbourne increased 0.8% over the quarter and 4.8% over the 12-month period, placing it at the lower end of capital-city growth.

Operating Review

In the first half of FY26 we continued to execute our renewed company strategy 'Reimagining the way to live for independent downsizers' which is centred around four key operating pillars:

Way to live

As part of our homeowner centred operating philosophy, we continue to work in close partnership with our homeowners. Our homeowner survey is now embedded as a primary insight tool, with data driven insights used to assist in prioritisation, community action plans and decision-making. Since commencement of our new engagement model with homeowners, our customer satisfaction (CSAT) scores have improved from 76.7 at March 2025 to 78.0 at September 2025.

Way to grow

During the period we announced that we will offer all existing homeowners the choice to move to a DMF calculated on the original purchase price (New DMF Model) once the appeal of the VCAT decision has been determined irrespective of the outcome, allowing homeowners to make a fully informed decision. We anticipate this offer will generate substantial goodwill and sentiment amongst homeowners and strengthen the brand and reputation of LIC whilst reducing potential litigation and regulatory risk that may be associated with offering the New DMF Model prior to the outcome of the appeal.

We have also enhanced customer choice for new homeowners by introducing an upfront Management Fee option, providing new homeowners control and flexibility as to how they pay their Management Fee –10% upfront or up to 20% when they sell.

Way to build

In 1HFY26, we completed the divestment of 4 previously announced land parcels in line with our strategy to right-size the land bank and carry 4-5 years of supply. With a total portfolio and pipeline of 5,750 homes (of which 4,256 are occupied) and the fundamental drivers of demand remaining strong for the sector, we continue to ready the business to capitalise on future growth opportunities as market conditions improve.

Way to operate

We remain focused on disciplined capital management in the current environment, while preserving flexibility to support future growth. In December 2025 we successfully executed documentation to restructure and right size our existing debt facilities from $571m to $375m effective January 2026.

The transaction simplifies our financing structure while providing longer tenor with no Interest Cover Ratio covenant until the 30 June 2028 reporting period, providing flexibility as we navigate the recovery of the Victorian property market.

Looking Ahead

The fundamental drivers of independent downsizer living demand remain strong and underpin our confidence in the long-term outlook for our business.

Looking ahead, we continue to execute against a clear plan with the right team in place. We are focused on execution and positioning the business for the next development cycle.

Our priority remains on selling through built stock and pacing development spend to sales rates. The revised banking facilities provide flexibility to navigate the recovery of the Victorian property market.

Update on communities

Community	Total homes in communities	Homes sold and occupied	Homes sold and awaiting settlement	Homes occupied or sold and awaiting settlement No.	Homes occupied or sold and awaiting settlement %
Established communities					
16 fully completed communities	3,063	3,063	–	3,063	100%
Developing communities					
Wollert	246	232	4	236	96%
Deanside	266	196	17	213	80%
St Leonards - The Shores	158	44	24	68	43%
Meridian	274	267	7	274	100%
Woodlea	180	70	7	77	43%
Phillip Island	255	74	50	124	49%
Bellarine	166	134	18	152	92%
Riverfield (Clyde)	230	119	47	166	72%
Ridgelea (Pakenham)	174	57	46	103	59%
Future communities					
Yarrawonga [1]	110	–	–	–	–
Clyde III [2]	254	–	–	–	–
Inverloch [2]	204	–	–	–	–
Armstrong Creek [2]	170	–	–	–	–
Total [3]	**5,750**	**4,256**	**220**	**4,476**	**78%**

Notes:
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 31 December 2025 is as follows:

Wollert	Our Wollert community is at the end of its development cycle. Housing construction and civil works are complete, with the exception of 8 homes that are dependent on the completion of external authority works, currently expected to be finalised by mid-late 2026. Construction of these homes can commence once we are ready, enabling the full completion of the community.
Deanside	Community facilities at Deanside are complete and fully operational. 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, enabling the full completion of the community.
St Leonards - The Shores	Community facilities at St Leonards are complete and fully operational, highlighted by the successful opening of the Clubhouse in October 2025. Home construction is progressing in line with sales to ensure alignment with demand. All underground and major civil works have also been completed.
Meridian	Construction of Meridian is complete, and the community is fully operational. At 31 December 2025, all homes have been sold.
Bellarine	Construction of the Bellarine Clubhouse is complete and fully operational, with the separate Wellness Hub scheduled for completion by the end of FY26. The final two homes in the community are scheduled to commence construction in February, with full community completion expected by the end of 2026.
Ridgelea (Pakenham)	Community facilities at Ridgelea are complete and fully operational, highlighted by the successful opening of the Clubhouse in October 2025. Home construction is progressing in line with sales to ensure alignment with demand. All underground and major civil works have also been completed.
Riverfield (Clyde)	Clubhouse construction at Riverfield is fully complete and operational, with a Wellness Hub to be delivered in February 2026 and a workshop as the final communal amenity in mid-2026. 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	Community facilities at Woodlea are complete and fully operational. Underground civil works are finished, and housing construction has been paused to manage the volume of unsold stock.
Phillip Island	Community facilities at Phillip Island are complete and fully operational. Underground civil works are finished, and housing construction has been paused to manage the volume of unsold stock.
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.

2. Dividends

No dividend has been declared for the period ended 31 December 2025 (1HFY26). Due to the slowdown in sales over the last 18 months, 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.

3. Significant changes in the state of affairs

Refer to the Operating and Financial Review for the significant changes in the state of the affairs of the group.

4. Events occurring after the reporting date

Debt facility refinance

In January 2026 the group completed the restructuring and right-sizing of its existing debt facilities. The new facilities were used to refinance the group's existing debt and provide ongoing funding flexibility for the group's operations.

The new facilities comprise:

- $300.0m Note Purchase and Private Shelf facility with an initial draw down of $250.0m and weighted average tenor of 6.75 years
- $125.0m revolving bank facility with a tenor of 3 years

The transaction simplifies Lifestyle Communities' financing structure while providing longer tenor with no Interest Cover Ratio covenant until the 30 June 2028 reporting period.

Material amendments to the group's existing Common Terms Deed are as follows:

- ICR reduced from 1.75x to Nil for reporting periods up to and including 31 December 2027
- ICR steps up to 1.75x from the 30 June 2028 reporting period for the remainder of the term

Loan to value ratio (LVR) covenant modified as follows:

- Reduced from ≤ 65% to ≤ 55% for reporting periods up to and including 31 December 2027
- Stepping up to ≤ 65% from the 30 June 2028 reporting period for the remainder of the term

For the period that the ICR ratio has been reduced to Nil, a review event will occur if Lifestyle Communities' number of new home settlements for FY26 is less than 185 and less than 175 for the 12 months ending 31 December 2026, 30 June 2027 and 31 December 2027.

5. Directors

The names of the Directors in office at any time during, or since the end of, the half year are:

Directors	Position	Commencement date	Resignation date
David Blight	Non-Executive Chair	June 2018	n/a
JoAnne Stephenson	Non-Executive Director	July 2024	n/a
Mark Blackburn	Non-Executive Director	December 2019	n/a
Claire Hatton	Non-Executive Director	May 2022	n/a

Company Secretaries	Appointed	
Darren Rowland	July 2018	30 January 2026
Anita Addorisio	December 2021	n/a

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001 is provided with this report for the half-year.

Signed in accordance with a resolution of the Board of Directors:

David Blight
Non-Executive Chair
19 February 2026


Riverfield

Auditor's Independence Declaration

As lead auditor of Lifestyle Communities Limited's financial report for the half-year ended 31 December 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 review of the financial report; and

b) no contraventions of any applicable code of professional conduct in relation to the review of the financial report.

M. Laithwaite

Marcus Laithwaite
Partner
PricewaterhouseCoopers

Melbourne
19 February 2026

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

Ridgelea

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2025

$000's	Note	31 December 2025	31 December 2024
Development revenue			
Home settlement revenue	2.1	**75,476**	84,925
Cost of sales	2.1	**(67,186)**	(72,234)
Gross profit from home settlements		**8,290**	**12,691**
Management and other revenue			
Rental revenue	2.2	**25,281**	22,597
Deferred management fees	2.3	**1,404**	5,104
Utilities revenue	2.4	**3,722**	3,116
Finance revenue	2.5	**538**	167
Total management and other revenue		**30,945**	**30,984**
Fair value adjustments	3.5	**22,625**	**27,049**
Less expenses			
Development expenses (sales, marketing and project management)	2.1	**(8,330)**	(8,392)
Management rental expenses	2.2	**(11,406)**	(10,340)
Deferred management fee expenses	2.3	**(1,341)**	(1,234)
Utilities expenses	2.4	**(3,725)**	(2,913)
Corporate overheads	2.6	**(10,147)**	(9,902)
Employee Incentive Scheme	2.6	**(1,767)**	(1,413)
Finance costs	2.5	**(9,416)**	(1,906)
Other costs	2.7	**(2,243)**	(2,059)
Profit before income tax		**13,485**	**32,565**
Income tax benefit/(expense)		**2,294**	(9,825)
Profit attributable to members of Lifestyle Communities Limited		**15,779**	**22,740**
Earnings per share for profit attributable to the ordinary equity holders of the parent entity:			
Basic earnings per share (cents)		**12.96**	18.68
Diluted earnings per share (cents)		**12.82**	18.57

The accompanying notes form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

For the half-year ended 31 December 2025

$000's	Note	31 December 2025	30 June 2025
ASSETS			
Current assets			
Cash and cash equivalents		**29,410**	2,473
Cash and cash equivalents– Quarantined DMF		**3,571**	–
Trade and other receivables	3.2	**1,722**	28,620
Inventories	3.1	**101,135**	104,704
Other current assets		**12,705**	8,330
Current tax receivable		**2,473**	1,944
Assets held for sale	3.3	**–**	32,242
Total current assets		**151,016**	**178,313**
Non current assets			
Inventories	3.1	**138,343**	189,291
Other assets		**1,053**	950
Property, plant and equipment		**30,299**	29,929
Right-of-use assets		**1,369**	1,622
Investment properties	3.5	**898,087**	915,062
Total non-current assets		**1,069,151**	**1,136,854**
TOTAL ASSETS		**1,220,167**	**1,315,167**
LIABILITIES			
Current liabilities			
Trade and other payables	3.4	**31,147**	30,509
DMF repayment provision	1.8	**77,788**	77,788
Lease liabilities		**969**	937
Provisions		**1,756**	1,630
Total current liabilities		**111,660**	**110,864**
Non current liabilities			
Bank loan – secured		**353,000**	463,000
Lease liabilities		**1,473**	1,913
Hedge payable		**306**	2,985
Provisions		**408**	371
Deferred tax liabilities		**105,179**	106,618
Total non-current liabilities		**460,366**	**574,887**
TOTAL LIABILITIES		**572,026**	**685,751**
NET ASSETS		**648,141**	**629,416**
EQUITY			
Contributed equity	3.7	**329,257**	329,099
Reserves		**6,931**	4,143
Retained earnings	3.8	**311,953**	296,174
TOTAL EQUITY		**648,141**	**629,416**

The accompanying notes form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2025

2025

$000's	Note	Contributed equity	Reserves	Hedging Reserve	Retained earnings	Total equity
Balance at 1 July 2025		329,099	6,228	(2,085)	296,174	629,416
Profit for the half year		–	–	–	15,779	15,779
Employee share scheme expense		–	1,071	–	–	1,071
Hedge reserve		–	–	1,875	–	1,875
Treasury shares movement		158	(158)	–	–	–
Balance at 31 December 2025		**329,257**	**7,141**	**(210)**	**311,953**	**648,141**

2024

$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
Profit for the half year		–	–	–	22,740	22,740
Employee share scheme expense		–	1,413	–	–	1,413
Hedge reserve		–	–	(1,558)	–	(1,558)
Treasury shares movement		1,933	(1,933)	–	–	–
Dividends paid	2.8	–	–	–	(6,087)	(6,087)
Balance at 31 December 2024		**328,148**	**6,519**	**(589)**	**514,185**	**848,263**

The accompanying notes form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2025

$000's	Note	31 December 2025	31 December 2024
Cash flow from operating activities			
Receipts from customers		**123,750**	125,437
Payments to suppliers and employees		**(70,103)**	(125,398)
Income taxes paid		**(478)**	(1,662)
Interest received		**493**	167
Interest paid		**(12,476)**	(11,444)
Net cash provided by/(used in) operating activities		**41,186**	**(12,900)**
Cash flow from investing activities			
Purchase of property, plant and equipment		**(2,178)**	(2,966)
Proceeds from/(purchase of) investment properties and capitalised costs		**102,037**	(13,060)
Net cash provided by/(used in) investing activities		**99,859**	**(16,026)**
Cash flow from financing activities			
Principal elements of lease payments		**(537)**	(586)
(Repayment of)/proceeds from external borrowings		**(110,000)**	33,000
Dividends paid		–	(6,087)
Net cash provided by/(used in) financing activities		**(110,537)**	**26,327**
Net increase/(decrease) in cash and cash equivalents held		**30,508**	(2,599)
Cash and cash equivalents at the beginning of the half year		**2,473**	4,095
Cash and cash equivalents at end of half year		**32,981**	**1,496**

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 1HFY26 payments to suppliers and employees includes $8.1m of such costs (1HFY25: $40.7m).

The accompanying notes form part of these condensed consolidated financial statements.

St Leonards - The Shores VIP Clubhouse Launch, 17 September 2025

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2025

1. How we have prepared this report

1.1 Introduction

The condensed consolidated half-year financial report covers Lifestyle Communities Limited and its controlled entities ('the group'). Lifestyle Communities Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors on 19 February 2026.

Comparatives are consistent with prior years, unless otherwise stated.

1.2 Basis of preparation

This condensed consolidated half-year financial report for the reporting period ending 31 December 2025 has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The half-year financial report is intended to provide users with an update on the latest annual financial statements of Lifestyle Communities Limited and controlled entities (the group). As such it does not contain information that represents relatively insignificant changes occurring during the half year within the group. This condensed consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the group for the year ended 30 June 2025, together with any public announcements made during the year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements unless otherwise stated.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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 development and management industry. As a result, disclosures in the Consolidated Financial Statements and notes are representative of this segment.

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 or million.

1.3 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.

Non-controlling interests in the results of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and other Comprehensive Income and Consolidated Statement of Financial Position respectively.

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

1.4 Significant accounting estimates and judgements

The preparation of the Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts in the Consolidated 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 assumptions 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.

(ii) Inventories

In accordance with AASB 102, the impairment testing of inventory requires significant judgment and estimation. The group evaluates inventory at each reporting date to determine if its carrying amount exceeds net realisable value, which is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

For the half-year ended 31 December 2025, the group recognised an impairment loss of $0.6m (31 December 2024: $nil).

Key assumptions applied in the impairment assessment include:

- Estimated selling prices, which are determined based on prevailing market conditions
- Projected costs necessary to complete and sell the inventories, including civil and infrastructure costs
- Timing of sales and settlements which impact project costs and interest

Adjustments to these assumptions could significantly affect the financial statements. Management regularly reviews these assumptions, updating them as necessary to reflect current market conditions.

(b) Significant accounting estimates and assumptions

(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 Note 3.5.

(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. 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.

(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*
The group has recognised a provision for Deferred Management Fee (DMF) repayment following the VCAT decision in July 2025.

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.

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 as a consequence of the VCAT ruling, should LIC be unsuccessful in its appeal.

1.5 Joint operations
Under AASB 11 Joint Arrangements, 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.

1.6 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 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.

1.7 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:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- 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 land and 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.

1.8 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
The group has recognised a provision for Deferred Management Fee repayment following the VCAT decision in July 2025.

The amount 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 as a consequence 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.

2. How we have performed this half year

The group achieved a net profit after tax of $15.8 million for the first half of the 2026 financial year, compared to $22.7 million in the same period last year. The decrease in net profit compared to the prior corresponding period is driven by lower new home settlements, lower DMF revenue following the VCAT decision and a greater portion of interest costs expensed relating to the land bank.

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.

2.1 New home settlements

The group develops and sells homes including a share of the community infrastructure. Revenue from home settlements is recognised at a point in time with each home purchase agreement treated as a single performance obligation to transfer control of the home and community infrastructure to the homeowner. Revenue is recognised for the amount specified in the home purchase agreement upon receipt of final settlement. The owner has legal title, physical control of the asset and exposure to the majority of the risk and rewards of ownership. Deposits received in advance from customers are recognised as a contract liability until the performance obligation has been met. The construction cost of the homes and infrastructure is capitalised to inventory during development and then classified as costs of goods sold upon settlement.

Development revenue

$000's	31-Dec 2025	31-Dec 2024
Number of settlements	**128**	137
Home settlement revenue	**75,476**	84,925
Cost of sales	**(67,186)**	(72,234)
Gross profit from home settlements	**8,290**	**12,691**
Gross margin (%)	**11.0**	14.9
Development expenses (sales, marketing and project management)	**(8,330)**	(8,392)

Home settlement revenue is down this period compared to the same period last year due to both volume (128 settlements in 1HFY26 compared to 137 in 1HFY25) and lower selling prices (average selling prices including GST were $649k in 1HFY26 compared to $682k in 1HFY25). The gross margin % has decreased this period compared to the same period last year driven by lower sales prices.

2.2 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 site 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	31-Dec 2025	31-Dec 2024
Number of homes under management	**4,256**	3,997
Rental revenue	**25,281**	22,597
Community operating costs	**(11,406)**	(10,340)
Net community surplus	**13,875**	**12,257**
Margin	**54.9%**	54.2%

Rental revenue and community operating expenses both increased during the period due to an increased number of homes under management as new communities commence operation and homes progressively settle. Rental revenue is contractually fixed to increase by the greater of CPI or 3.5% annually. From 1 July 2025 rental revenue increased by 3.5%.

2.3 Deferred management fee

The DMF, when calculated as a percentage of the resales price, is considered highly susceptible to factors outside the group's influence until realised. This includes the timing and the amount of consideration received, which, for contracts entered into prior to 1 July 2025, 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 calculated as a percentage of the resales value 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 and up to 30 June 2025, the fee payable is based on a pro-rata basis, starting at 4% per year and capped at 20% of the resale value up to 5 years.

$000's	31-Dec 2025	31-Dec 2024
Deferred management fees	**1,404**	5,104
DMF Sales & Marketing costs	**(1,341)**	(1,234)

83 resale settlements were achieved during the half (1HFY25: 58). At the end of the half year there were 50 resale homes available for sale and 53 resale homes sold and awaiting settlement across the communities.

Deferred management fee expenses are expenses incurred to assist with sales and marketing of resale homes.

2.4 Utilities revenue

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. The group does not seek to make a profit from utilities, however in any given period there will be small profits or losses driven by variations in usage.

$000's	31-Dec 2025	31-Dec 2024
Utilities revenue	**3,722**	3,116
Utilities expenses	**(3,725)**	(2,913)

2.5 Finance revenue and costs

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

$000's	31-Dec 2025	31-Dec 2024
Finance revenue	**538**	167

Interest income increased during the period due to an increase in interest rates and higher cash balances held.

(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. Establishment fees are amortised over the life of the facility.

$000's	31-Dec 2025	31-Dec 2024
Interest on secured loans	**7,919**	1,458
Amortisation of loan facility fees	**1,497**	448
	9,416	**1,906**

Finance costs includes facility fees and interest on any non-development debt and paused projects. Interest costs have increased this period due to the expensing of interest relating to land banked projects.

(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:

$000's	31-Dec 2025	31-Dec 2024
Interest on secured loans	**4,189**	10,072

On a total basis (Interest Expensed and Interest Capitalised) are broadly in-line year on year.

(c) Secured loans

During H1FY26 the group executed documentation to restructure and right-size it's existing facilities from $571m to $375m. Documentation was executed on 23 December 2025 and financial close was subject to certain conditions precedent which were satisfied in January 2026.

The new facilities were effective from mid-January 2026 and comprise:

- a $300.0m Note Purchase and Private Shelf Facility with an initial issuance of $250.0m and weighted average tenor of 6.75 years
- a $125.0m Revolving Bank Debt Facility with a tenor of 3 years

Further details are disclosed in the subsequent events note 4.1.

Prior to the refinance, the group's facilities and debt maturities were as follows:

- October 2027: $150.0m
- December 2028: $245.0m
- August 2029: $176.0m

(d) Interest rate swap

In December 2022, the group entered into an interest rate swap with the National Australia Bank.

The hedge covers $240.0m of the debt balance and expires on 19 December 2026.

2.6 Corporate overheads

Corporate overheads include the group's support functions such as the Executive Team, People Experience, Finance, Information Technology, Legal, Insurance and Investor Relations. It also includes regulatory and other compliance costs, the cost of the employee equity incentive plan, and the support office located in South Melbourne.

$000's	31-Dec 2025	31-Dec 2024
Support Office Costs	**10,147**	9,902
Employee Share Scheme Costs	**1,767**	1,413

2.7 Other costs

Other costs include $0.3m in relation to restructuring costs and $1.0m in relation to legal costs associated with the VCAT proceedings.

2.8 Dividends

Due to the slowdown in sales over the last 18 months 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.

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.

3. Our business assets and equity

3.1 Inventories

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

$000's	31-Dec 2025	30-Jun 2025
Current		
Housing	**63,398**	67,874
Infrastructure and interest	**37,737**	36,830
Total current	**101,135**	**104,704**
Non-current		
Housing	**35,268**	62,612
Infrastructure and interest	**103,075**	126,679
Total non-current	**138,343**	**189,291**
Total	**239,478**	**293,995**

3.2 Trade and other receivables

$000's	31-Dec 2025	30-Jun 2025
Other receivables	**1,722**	1,284
Land receivable	–	16,336
Loan receivable	–	11,000
Total	**1,722**	**28,620**

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.

At 30 June 2025, receivables included the balance of payments to be returned following the Warragul contract termination ($11.0m) and the sale of the Drysdale land ($15.8m), both of which were received in 1HFY26.

3.3 Assets held for sale

$000's	31-Dec 2025	30-Jun 2025
St Leonards residential lots	–	5,206
Merrifield	–	27,036
Total	**–**	**32,242**

At 30 June 2025 assets held for sale included 21 residential lots established through the subdivision of surplus land acquired as part of the St Leonards land acquisition. These lots were actively marketed for sale at 30 June 2025 and sold in 1HFY26.

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. Settlement of the land took place on 5 September 2025.

3.4 Trade and other payables

$000's	31-Dec 2025	30-Jun 2025
Current liabilities		
Trade and other payables	**31,147**	30,509
Total	**31,147**	**30,509**

Trade and other payables includes accruals, GST payable, DMF held in quarantine until an outcome of the appeal is known, and accrued future project accruals.

3.5 Investment properties

The group's investment properties comprise both the capitalisation of the rental revenue and deferred management fee annuity stream together with the fair value of the undeveloped land. The undeveloped land is converted to a capitalised annuity stream upon settlement of each home.

At 31 December 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 gain arising from the change in the fair value of investment properties has been recognised in the Consolidated Statement of Profit or Loss.

(a) Fair value adjustments

$000's	31-Dec 2025	31-Dec 2024
Fair value adjustments—Investment Properties	**22,625**	27,049

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 rental revenue and deferred management fee.

Rental revenue is valued using the rent capitalisation approach
Rental capitalisation rates are derived from a combination of independent and Directors' valuations. To determine the appropriate rental capitalisation rates at 31 December 2025, the Directors have considered the appropriateness of the valuation assumptions as at 30 June 2025 in addition to reviewing any independent valuations undertaken during the period, and market based transactional evidence of similar properties, to assist in forming their opinion. Discussions have also been held with independent valuation experts. The Directors have not adjusted the rental capitalisation rates from those that were used at 30 June 2025. Weekly rental rates were adjusted to take into account the proportionate effect of the contracted 3.5% rental increase.

Deferred management fee revenue is valued using the discounted cash flow approach
Inputs, including discount rates and deferred management fee annuity value, are derived from independent valuations undertaken at 30 June 2025. The Directors have considered the appropriateness of these assumptions at 31 December 2025 and have reviewed an independent valuation undertaken during the period, market based transactional evidence of similar properties, and year to date trading and costs, to assist in forming their opinion. Discussions were also held with independent valuation experts.

All rental income and deferred management fee income disclosed in the Statement of Profit or Loss was generated from investment properties.

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.

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.

	Dec 2025 Adopted	30 June 2025 Per valuation
Weekly rentals ($)	**239-63 – 253.59**	235.51 - 250.92
Anticipated % expenses (as a percentage of rental income)	**33.0% – 57.0%**	33.0% – 57.0%
Rental capitalisation rate (%)	**5.0% – 5.75%**	5.0% – 5.75%
Rental values per unit ($)	**102,060 – 176,473**	100,306 – 173,247
Deferred management fee discount rates (%)	**13.50% – 14.50%**	13.50% – 14.50%
Deferred management fee sale price per unit ($)	**382,333 – 808,673**	382,333 – 808,673
Deferred management fee values per unit ($)	**7,635 – 35,456**	7,635 – 29,564
Deferred management fee growth rate on sales price (%)	**2.11% – 3.48%**	2.11% – 3.48%
Deferred management fee average length of stay (years)	**9.0 – 15.6**	9.0 – 15.6
Valuation of undeveloped land (per hectare) ($'m)	**1.3 – 4.2**	1.3 – 5.4

Capitalisation rate
Capitalisation rate refers to the rate at which the annual free cash flow from weekly rental, 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:

- 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

At 31 December 2025, Directors' valuations were performed for all investment property assets, in line with the group's valuation policy apart from Ridgelea whereby we sourced an external valuation subsequent to the land settlement.

The discount rate is determined using a number of comparable transactions and risk-based assumptions to reflect the risk profile of deferred management fee income stream.

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.

3.6 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
31-Dec-2025				
Recurring Fair Value Measurements				
Derivatives	–	(306)	–	(306)
Investment properties	–	–	898,087	898,087
Total assets / (liabilities) measured at fair value	**–**	**(306)**	**898,087**	**897,781**
30-Jun-2025				
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**

(b) Valuation techniques and inputs used in Level 3 fair value measurements

(i) Investment properties

Investment properties have been classified as level 3 as it is an internally generated calculation that contains some non-observable market inputs. The group does not adjust the major inputs obtained from the independent valuations such as discount rates, capitalisation 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

The group uses rental capitalisation rates, deferred management fee annuities, rental annuities and undeveloped land measured at fair value as its significant unobservable inputs utilised across the portfolio, refer to Note 3.5.

(d) Valuation processes used for Level 3 fair value measurements

(i) Investment properties

The group obtains independent valuations of each community at least every two years, refer to Note 3.5.

(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 assessed below.

$000's	Post Tax Profit Higher/(Lower) 31-Dec 2025	30-Jun 2025	Equity Higher/(Lower) 31-Dec 2025	30-Jun 2025
Rental expense rate				
+2%	**(14,991)**	(14,338)	**(14,991)**	(14,338)
–2%	**14,991**	13,879	**14,991**	14,338
Rental capitalisation rate				
+0.50%	**(39,173)**	(37,338)	**(39,173)**	(37,338)
–0.50%	**47,479**	45,247	**47,479**	45,247
Deferred management fee per unit				
+5%	**2,913**	2,593	**2,913**	2,593
–5%	**(2,913)**	(2,593)	**(2,913)**	(2,593)
Land prices (undeveloped land)				
+10%	**12,615**	16,461	**12,615**	16,461
–10%	**(12,615)**	(16,461)	**(12,615)**	(16,461)

3.7 Contributed equity

$000's	31-Dec 2025	30-Jun 2025
121,740,054 Ordinary shares (30 June 2025: 121,740,054)		
Ordinary Shares	**334,136**	334,136
325,776 Treasury shares (30 June 2025: 336,458)	**(4,879)**	(5,037)
Total	**329,257**	**329,099**

3.8 Retained earnings

$000's	31-Dec 2025	30-Jun 2025
Movements in retained earnings were as follows		
Opening balance	**296,174**	497,532
Profit for the period	**15,779**	(195,271)
Dividends paid	**–**	(6,087)
Total	**311,953**	**296,174**

4. Information not recognised in the financial statements

4.1 Events Occurring After the Reporting Date

In January 2026 the group completed the restructuring and right-sizing of its existing debt facilities. The new facilities were used to refinance the group's existing debt and provide ongoing funding flexibility for the group's operations.

The new facilities comprise:

- $300.0m Note Purchase and Private Shelf facility with an initial draw down of $250.0m and weighted average tenor of 6.75 years
- $125.0m revolving bank facility with a tenor of 3 years

The transaction simplifies Lifestyle Communities' financing structure while providing longer tenor with no Interest Cover Ratio covenant until the 30 June 2028 reporting period.

Material amendments to the group's existing Common Terms Deed are as follows:

Interest Cover ratio (ICR) modified as follows:

- ICR reduced from 1.75x to Nil for reporting periods up to and including 31 December 2027
- ICR steps up to 1.75x from the 30 June 2028 reporting period for the remainder of the term

Loan to value ratio (LVR) covenant modified as follows:

- Reduced from ≤ 65% to ≤ 55% for reporting periods up to and including 31 December 2027
- Stepping up to ≤ 65% from the 30 June 2028 reporting period for the remainder of the term

For the period that the ICR ratio has been reduced to Nil, a review event will occur if Lifestyle Communities' number of new home settlements for FY2026 is less than 185 and less than 175 for the 12 months ending 31 December 2026, 30 June 2027 and 31 December 2027.

4.2 Commitments

Commitments for future development costs not recognised in the financial statements at balance date, which have received Board approval to commence construction is $168m.

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, Meridian, Bellarine, Woodlea, Riverfield, Phillip Island and Ridgelea.

Woodlea

Directors' Declaration

The Directors of the group declare that:

1. In the Directors' opinion, the financial statements and notes thereto, as set out on pages 11 to 27 are in accordance with the Corporations Act 2001, including:

    a. complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
    b. giving a true and fair view of the consolidated group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date.

2. In the Directors' opinion, there are reasonable grounds at the date of this declaration, to believe that Lifestyle Communities Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

David Blight
Non-Executive Chair

Melbourne, 19 February 2026

Independent auditor's review report to the members of Lifestyle Communities Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Lifestyle Communities Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed consolidated statement of financial position as at 31 December 2025, the Condensed consolidated statement of changes in equity, Condensed consolidated statement of cash flows, Condensed consolidated statement of profit or loss and other comprehensive income, for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Lifestyle Communities Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410). Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report.

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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

Marcus Laithwaite
Partner

Melbourne
19 February 2026

Corporate Information

Lifestyle Communities Limited	**ABN 11 078 675 153**
Registered Office	Level 5, 101 Moray Street South Melbourne VIC 3205 1300 50-55-60 Australia Telephone 61 3 9682 2249
Directors	David Blight – Non-Executive Chair JoAnne Stephenson – Non Executive Director Mark Blackburn – Non Executive Director Claire Hatton – Non Executive Director
Company Secretary	Anita Addorisio
Principal Place of Business	Level 5, 101 Moray Street South Melbourne VIC 3205 1300 50-55-60 Australia
Share Registry	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street, Abbotsford VIC 3067 Telephone 61 3 9415 5000 Fax 61 3 9473 2500 Investor queries (within Australia) 1300 850 505
Solicitors	Thomson Geer Level 39, 525 Collins Street Melbourne VIC 3000 Australia
Auditors	PricewaterhouseCoopers 2 Riverside Quay Southbank VIC 3006 Australia

Level 5, 101 Moray Street
South Melbourne VIC 3205
1300 50-55-60

lifestylecommunities.com.au

1300 50 55 60

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