

Interim Report

for the half year ended 31 December 2024

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COMMUNITIES

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Directors' Report

For the half year ended 31 December 2024

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 2024 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	1HFY25	2HFY24	1HFY24	2HFY23	1HFY23
New home settlements	Homes	137	187	124	215	141
Net new home sales	Homes	41	178	197	229	214
Established home resales	Homes	58	76	75	90	88
Total settled homes (end of period)	Homes	3,997	3,860	3,673	3,549	3,334
Portfolio + pipeline (end of period)	Homes	6,558	6,563	6,382	5,912	5,599
Annuity revenue (rent + DMF)	\$m	27.7	27.8	26.9	23.9	23.2
Operating Profit after tax	\$m	22.7	32.1	20.8	45.9	25.2
Operating EPS	cps	18.7	28.2	19.9	43.9	24.1
Total assets	\$m	1,578.1	1,511.6	1,440.7	1,191.4	1,084.3
Weighted average cap rate	%	5.21%	5.21%	5.15%	5.14%	5.18%
Average DMF valuation	\$'000perhome	64	64	58	58	54
Half year dividend	cps	–	5.0	5.5	6.0	5.5
Net debt	\$m	355.5	319.9	490.2	369.8	350.0
Net debt to assets less unsettled land	%	24.6%	23.1%	39.8%	33.5%	35.1%

The broader business environment and property market in Victoria remained subdued during the period, with lower levels of activity in most segments of the residential property market. Against this backdrop, we are pleased to report a reasonable set of results for the first half of FY25, with new home settlements and operating profit after tax both showing improvement relative to the prior corresponding period (1HFY24). However, low consumer confidence, inflation, and higher interest rates persisted which resulted in continued deteriorating conditions in the Victorian property market. These cyclical headwinds slowed new home sales.

1. Operating and Financial Review

In the first half of FY25 we continued to work on being the most customer centric and innovative provider of high-quality affordable housing for those looking to downsize in Victoria. We are proud to have over 5,600 Victorians calling Lifestyle Communities® home.

Despite the cyclical downturn, the financial performance of our operating communities continue to demonstrate the resilience of our business model, delivering consistent annuity income that underpin the group's financial performance.

Our commitment to operational excellence and customer service has resulted in continued high satisfaction levels across our Communities, with our existing operations continuing to perform strongly in recent homeowner surveys.

External Challenges and Response

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 have lodged claims with the Victorian Civil and Administrative Tribunal (VCAT). This has resulted in adverse media coverage which has impacted our brand, reputation and has further exacerbated the challenging sales environment.

While we remain confident in our position ahead of the scheduled VCAT hearing in May 2025, the adverse media coverage impacted our short-term sales rates and directly led to lower sales during the period. This will have a flow-on effect to settlements and development earnings in future periods.

We are encouraged by recent trends, with positive momentum observed in lead indicators during January and February 2025, particularly in the number of face-to-face appointments with our sales team, a near-term indicator of future sales. Our conversion rates from a face-to-face appointment to a sale have remained consistent with levels prior to the media coverage (~22%). This improvement in customer engagement provides early signs of returning confidence and supports our outlook for a gradual recovery in sales activity over time.

Balance Sheet

As a result of the slowdown in the sales environment, inventory levels of completed homes have increased as the build rate exceeded the sales rate. In addition, land purchase contracts entered into during FY23 and FY24 have either settled, or are shortly due to settle, resulting in an oversized land bank whilst we pause new project commencements.

Strategic Response

In response, we are implementing a comprehensive strategy focused on de-levering the balance sheet and optimising our development pipeline:

- Portfolio Optimisation
 - Targeted pricing strategies on selected stock, at selected sites to accelerate inventory reduction
 - Temporary pause on selected early-stage projects to align development timing with market conditions
 - Strategic review of land holdings, with selected sites under consideration for disposal to reduce the land bank and debt levels. We anticipate

exiting up to three sites which is expected to reduce debt by between \$80m and \$100m and reduce our development pipeline from 2,560 homes to 1,950 homes.

- Capital Management
 - In February 2025, we successfully refinanced the group's debt facilities with our banking syndicate, securing more flexible covenant terms over the next 2 years which will allow time for other balance sheet initiatives to take effect and for market conditions and sales rates to improve.
 - Total debt facility right-sized (down) to \$660 million, reflecting reduced near-term development requirements and resulting in reduced commitment fees on undrawn funds
 - Interest Coverage Ratio (ICR) covenant adjusted to 1.75x (down from 2.5x) for the next two years, providing additional operational flexibility. After 2 years the covenant will step 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 remaining \$89 million of the August 2026 tranche will be re-assessed closer to the maturity date and will either be rolled over or allowed to lapse depending on the business needs
 - Decision to pause dividend payments and preserve capital within the business until the sales environment improves
 - Enhanced focus on working capital management and cost control measures

Commercial Model and Pricing Strategy

While we continue to investigate options to enhance customer choice through initiatives such as introducing an upfront DMF payment option, we have adopted a measured approach to any potential changes to our commercial model. We will defer such initiatives until after the resolution of both the VCAT proceedings and the Victorian Government's review of the Residential Tenancies Act.

In the interim, we have implemented targeted adjustments to our upfront purchase prices to ensure we maintain our competitive position in the current market environment.

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.	%
Established communities					
16 fully completed communities	3,063	3,063		3,063	100%
Existing communities — under construction					
Wollert	246	220	10	230	94%
Deanside	266	171	18	189	71%
St Leonards - The Shores	158	17	25	42	27%
Meridian	274	246	4	250	91%
Woodlea	180	51	5	56	31%
Phillip Island	255	42	57	99	39%
Bellarine	161	114	23	137	85%
Riverfield (Clyde)	230	73	65	138	60%
Ridgelea (Pakenham)	174	—	69	69	40%
Projects on development pause					
Ocean Grove II ³	204	—	—	—	—
Yarrowonga ³	110	—	—	—	—
Merrifield ³	195	—	—	—	—
New Communities — awaiting commencement					
Warragul II ⁴	205				
Clifton Springs ⁵	209				
Clyde III ⁵	254				
Inverloch ⁵	204				
Armstrong Creek ^{2,5}	170				
Total¹	6,558	3,997	276	4,273	65%

Notes:

- Lifestyle Communities® will have an economic interest in 6,357 home sites.
- The contract for the land at Armstrong Creek was signed in July 2024. Settlement is expected in February 2025.
- Civil works completed but further development of the project has been paused until such time as market conditions improve.
- Settlement of land remains subject to contractual conditions including receipt of a planning permit satisfactory to Lifestyle Communities. This has not been achieved and we therefore intend to exercise our right to exit this contract.
- Development program paused until we have made visibility on the recovery in sales rates.

An update on each of the communities in planning or development at 31 December 2024 is as follows:

Wollert	Community facilities at Wollert are complete and fully operational. Construction is largely complete except for final housing construction of 8 homes. Construction of these houses is contingent on external works which are outside of our control but not expected to be completed for 2 years.
Deanside	Community facilities at Deanside are complete and fully operational. Construction is largely complete except for final housing. This will be commenced once current housing stock is sold.
St Leonards - The Shores	Lifestyle St Leonards – The Shores welcomed first homeowners in June 24. During the first half of FY25 construction of both new homes and the clubhouse and recreational facilities progressed.
Meridian	Construction of Meridian is complete and the community is fully operational. At 31 December 2024 there were 24 homes remaining to sell.
Bellarine	Construction of the Bellarine clubhouse and community facilities are complete. Club Lifestyle facilities co-located on site are also complete and operational. As at 31 December 2024 one home remained under construction and 24 homes remained to sell.
Ridgelea (Pakenham)	Construction has commenced and the civil program is complete. Housing construction is well underway and the clubhouse precinct works are well progressed. Home settlements are expected to commence in Q4FY25.
Riverfield (Clyde)	We welcomed first homeowners to Lifestyle Riverfield during FY24, with housing construction and home settlements continuing during the first half of FY25. The clubhouse is complete and fully operational after its opening in December 2024.
Woodlea	The civil works program for Lifestyle Woodlea is now complete and the clubhouse and recreational facilities fully operational following their opening in FY24. Housing construction and home settlements continued during the first half of FY25.
Phillip Island	Construction activity at Lifestyle Phillip Island continued to ramp up during the period with the Civil works program nearing completion and the clubhouse works completed. We welcomed first homeowners in May 2024. The clubhouse was opened in January 2025.

Projects on development pause

Merrifield	Lifestyle Merrifield is located within the Merrifield estate, one of Melbourne's flagship master-planned communities. Civil works have been completed but the project has been paused due to market conditions in the surrounding catchment.
Ocean Grove	During the period construction of civil works continued and are nearing completion. Commencement of housing and clubhouse construction is subject to market conditions and pre-sales performance.
Yarrowonga	Construction of civil works are now complete. Commencement of housing and clubhouse construction is subject to market conditions and pre-sales performance.

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.

Looking Ahead

Despite the challenging near-term market conditions, the fundamental drivers of retirement living demand remain strong and underpin our confidence in the long-term outlook for our business.

The scheduled VCAT hearing in May 2025 is expected to provide clarity on the validity of the deferred management fee structure and we remain confident in our position. Management continues to prioritise homeowner engagement and maintaining the high standards of service our homeowners expect.

However, our immediate focus is on executing our inventory and land bank management strategies, and reducing our balance sheet gearing. The revised banking facilities provide additional headroom to navigate the current subdued operating environment while we undertake capital management initiatives.

The actions currently being taken position us to emerge from the current subdued operating environment with a stronger balance sheet and enhanced operational flexibility, ready to capitalise on future growth opportunities as market conditions improve. The recent improvement in lead indicators supports our confidence in the gradual recovery of sales momentum.

2. Dividends

No dividend has been declared for the period ended 31 December 2024 (1HFY25) due to the recent slow sales and the lack of visibility on the forward sales rate and capital recycling.

The Directors intend to preserve capital within the business until the sales cadence 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 February 2025, as part of its continued focus on capital management, the group agreed terms with its lending group to amend to terms of its debt facilities. Material changes are as follows:

- Total debt facility right-sized (down) to \$660 million, reflecting reduced near-term development requirements

- Interest Coverage Ratio (ICR) covenant adjusted to 1.75x (down from 2.5x) for the next two years, providing additional operational flexibility. After 2 years the covenant 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

The revised facility size better reflects the capital needs of the business going forward and will reduce commitment fees on undrawn funds. As part of the refinance, ANZ's \$40 million undrawn commitment will be cancelled.

Following the refinance, the group's debt maturities will be as follows:

- \$89 million – August 2026
- \$150 million – October 2027
- \$245 million – December 2028
- \$176 million – August 2029

The \$89 million tranche due to expire in August 2026 will be re-assessed closer to the maturity date. It will either be rolled over or allowed to lapse depending on the business needs at the time.

There have been no changes to the interest rate swap arrangements described in note 2.5(d) as part of this refinance.

All other material terms and covenants remain unchanged.

New CEO appointment

The Directors are pleased to announce the appointment of Henry Ruiz as Chief Executive Officer commencing on the 5th March.

Mr Ruiz is a seasoned executive with over 25 years' experience in the property, digital media and technology sectors

For the last 15 years Henry has been with REA Group, where he served as CEO of REAx, Chief Strategy and Product Officer, Chief Digital Officer, and CEO of REA Asia

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
David Blight	Executive Chair	June 2018
JoAnne Stephenson	Non-Executive Director	July 2024
Mark Blackburn	Non-Executive Director	December 2019
Claire Hatton	Non-Executive Director	May 2022
James Kelly	Managing Director	September 2007
Company Secretaries		Appointed
Darren Rowland		July 2018
Anita Addorisio		December 2021

Note: Co-Founder and Managing Director James Kelly retired from the Board with effect from 31 December 2024.

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
Executive Chair
24 February 2025



Auditor's Independence Declaration

As lead auditor for the review of Lifestyle Communities Ltd for the half-year ended 31 December 2024, 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; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

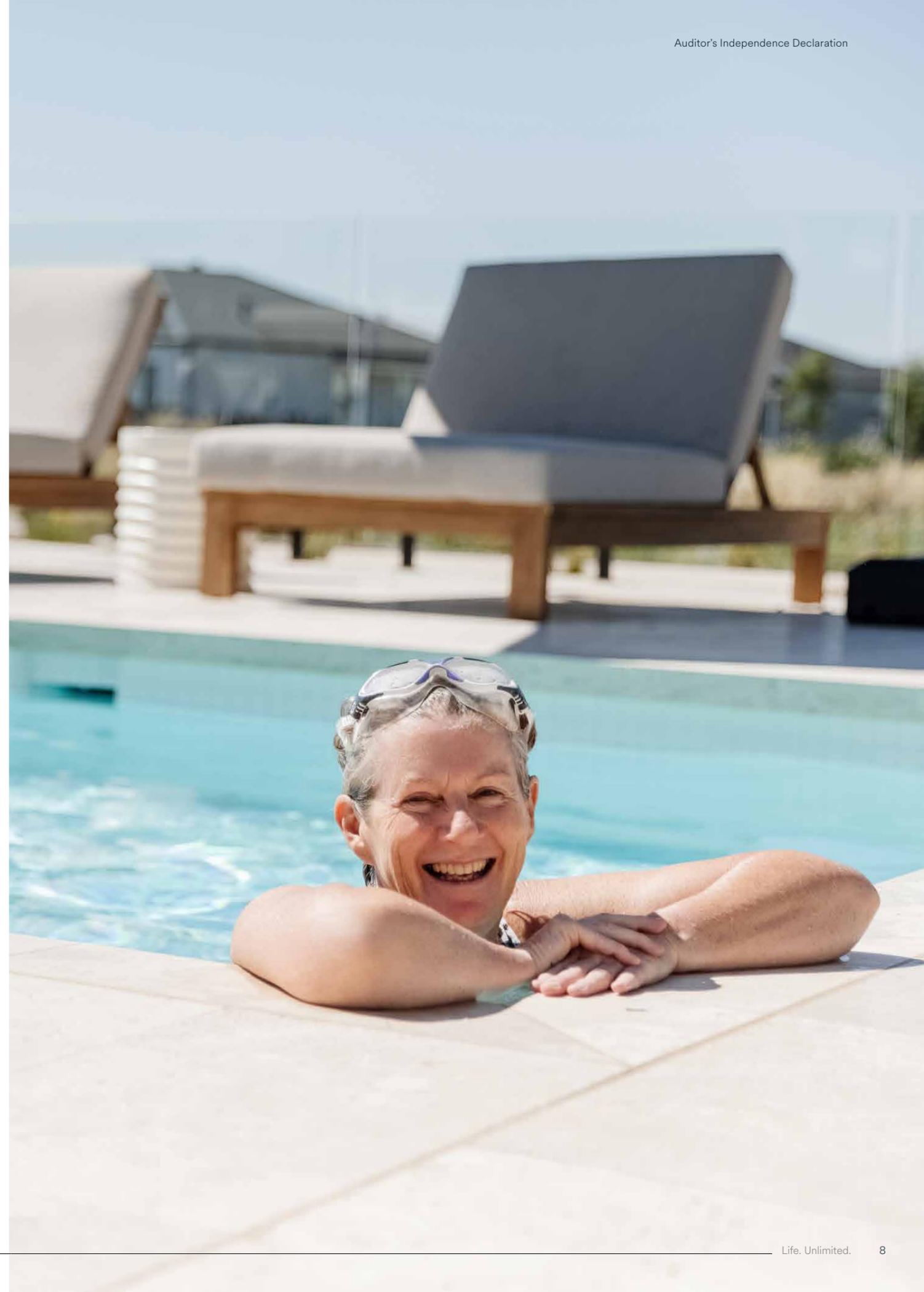
This declaration is in respect of Lifestyle Communities Ltd and the entities it controlled during the period.

Kate L Logan
Partner
PricewaterhouseCoopers

Melbourne
24 February 2025

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2024

\$000's	Note	31 December 2024	31 December 2023
Development revenue			
Home settlement revenue	2.1	84,925	70,314
Cost of sales	2.1	(72,234)	(57,086)
Gross profit from home settlements		12,691	13,228
Management and other revenue			
Rental revenue	2.2	22,597	20,487
Deferred management fees	2.3	5,104	6,436
Utilities revenue	2.4	3,116	2,568
Finance revenue	2.5	167	130
Total management and other revenue		30,984	29,621
Fair value adjustments	3.4	27,049	24,493
Less expenses			
Development expenses (sales, marketing and project management)	2.1	(8,392)	(11,095)
Management rental expenses	2.2	(10,340)	(9,437)
Deferred management fee expenses	2.3	(1,234)	(1,123)
Utilities expenses	2.4	(2,913)	(2,384)
Corporate overheads	2.6	(9,902)	(10,062)
Employee Share Scheme	2.6	(1,413)	(1,029)
Finance costs	2.5	(1,906)	(2,162)
Other costs	2.7	(2,059)	(424)
Profit before income tax		32,565	29,626
Income tax expense		(9,825)	(8,856)
Profit attributable to members of Lifestyle Communities® Limited		22,740	20,770
Earnings per share for profit attributable to the ordinary equity holders of the parent entity:			
Basic earnings per share (cents)		18.68	19.87
Diluted earnings per share (cents)		18.57	19.67

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

There were no changes to underlying assumptions used in the fair value assessment of investment properties during the period and therefore operating profit and statutory profit are the same.

Condensed Consolidated Statement of Financial Position

For the half-year ended 31 December 2024

\$000's	Note	31 December 2024	30 June 2024
ASSETS			
Current assets			
Cash and cash equivalents		1,496	4,095
Trade and other receivables		1,490	1,256
Inventories	3.1	104,940	133,849
Other current assets		4,885	2,489
Current tax receivable		610	7,042
Assets held for sale	3.2	2,481	-
Total current assets		115,902	148,731
Non current assets			
Inventories	3.1	239,102	187,352
Other assets		1,047	1,328
Property, plant and equipment		29,855	28,731
Right-of-use assets		2,379	2,737
Derivative financial instrument		-	1,378
Investment properties	3.5	1,189,765	1,141,373
Total non-current assets		1,462,148	1,362,899
TOTAL ASSETS		1,578,050	1,511,630
LIABILITIES			
Current liabilities			
Trade and other payables	3.3	166,422	158,256
Lease liabilities		1,078	1,037
Provisions		1,577	1,419
Total current liabilities		169,077	160,712
Non current liabilities			
Bank loan - secured		357,000	324,000
Lease liabilities		2,671	3,225
Derivative financial instrument		848	-
Provisions		317	379
Deferred tax liabilities		199,874	191,559
Total non current liabilities		560,710	519,163
TOTAL LIABILITIES		729,787	679,875
NET ASSETS		848,263	831,755
EQUITY			
Contributed equity	3.6	328,148	326,215
Reserves		5,930	8,008
Retained earnings	3.7	514,185	497,532
TOTAL EQUITY		848,263	831,755

At 31 December 2024, the group's current liabilities of \$169.1m exceeded current assets of \$115.9m (net asset deficiency \$53.2m). The current liability balance includes land accruals of \$134.0m, which are intended to be settled by drawing on the group's debt facilities which are classified as a non-current liability at 31 December 2024.

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 2024

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

2023

\$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 half year					20,770	20,770
Employee share scheme expense			1,029			1,029
Hedge reserve				(3,135)		(3,135)
Treasury shares movement		778	(778)			-
Dividends paid	2.8				(6,273)	(6,273)
Balance at 31 December 2023		56,703	7,582	(1,112)	474,075	537,248

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

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2024

\$000's	Note	31 December 2024	31 December 2023
Cash flow from operating activities			
Receipts from customers		125,437	106,702
Payments to suppliers and employees		(125,398)	(187,587)
Income taxes paid		(1,662)	(3,952)
Interest received		167	130
Interest paid		(11,444)	(11,633)
Net cash provided by/(used in) operating activities		(12,900)	(96,340)
Cash flow from investing activities			
Purchase of property, plant and equipment		(2,966)	(7,674)
Purchase of investment properties and capitalised costs		(13,060)	(9,540)
Net cash provided by/(used in) investing activities		(16,026)	(17,214)
Cash flow from financing activities			
Principal elements of lease payments		(586)	(567)
Proceeds from external borrowings		33,000	121,000
Dividends paid		(6,087)	(6,273)
Net cash provided by/(used in) financing activities		26,327	114,160
Net increase/(decrease) in cash and cash equivalents held		(2,599)	606
Cash and cash equivalents at the beginning of the half year		4,095	1,233
Cash and cash equivalents at end of financial year		1,496	1,839

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 1HFY25 payments to suppliers and employees includes \$40.7m of such costs (1HFY24: \$64.4m).

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

Lifestyle Phillip Island



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Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2024

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 24 February 2025.

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 2024 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 2024, 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 Executive Chair 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 2024, the group recognised no impairment loss.

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 3.4.

(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.

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 and also a retail space at Fountain Gate shopping centre.

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.

2. How we have performed this year

The group achieved a net profit after tax of \$22.7 million for the first half of the 2025 financial year, compared to \$20.8 million in the same period last year. The increase in net profit compared to the prior corresponding period is driven by increased sales and more homes under management increasing both rental revenue and fair value adjustments.

2.1 New home settlements

The group develops and sells homes including a share of the community infrastructure. Revenue from home settlement 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 2024	31-Dec 2023
New home settlements	137	124
Home settlement revenue	84,925	70,314
Cost of sales	(72,234)	(57,086)
Gross profit from home settlements	12,691	13,228
Gross margin (%)	14.9%	18.8%
Development expenses (sales, marketing and project management)	(8,392)	(11,095)

Home settlement revenue is higher this year compared to the same period last year due to the increased settlements. The margin % is lower this period due to the product and community mix, with a higher number of newer communities settling in the first half. Lower margins are achieved at the start of the projects and increase towards the end of project. As the newer communities have been settling in the first half the overall margin has been diluted.

2.2 Community Operations

Rental revenue is derived under the Residential Site Agreement granting the homeowners a right to use the Land for their property. The rent is calculated on a weekly basis per tenant as per the contract. Rental revenue is recognised as it is earned. Rental revenue meets the definition of a lease arrangement and falls outside the scope of AASB 15 and is therefore accounted for in accordance with AASB 16 Leases. Management rental expenses include salaries of onsite community managers and all costs necessary to ensure the efficient operation and maintenance of the communities.

\$000's	31-Dec 2024	31-Dec 2023
Number of homes under management	3,997	3,673
Rental revenue	22,597	20,487
Community operating costs	(10,340)	(9,437)
Net community surplus	12,257	11,050
Margin	54.2%	53.9%

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. The 1 July 2024 rental revenue increased by 3.6%.

2.3 Deferred management fee

The deferred management fee is a contribution to the management and maintenance of the community. The deferred management fee 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 set percentage of the resale value. The resale price is set and agreed by the homeowner. These factors result in a high degree of variability in expected consideration, and as such revenue from deferred management fee is recognised at a point in time upon the resale settlement of the home when the vendor transfers control of the home and associated community infrastructure to the incoming homeowner. Revenue for deferred management fees are recognised under AASB 15.

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.

\$000's	31-Dec 2024	31-Dec 2023
Number of resales	58	75
Deferred management fees	5,104	6,436
DMF Sales & Marketing costs	(1,234)	(1,123)

58 resale settlements were achieved during the half (1HFY24: 75). At the end of the half year there were 57 resale homes available for sale and 27 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 and pass on the lowest possible cost of utilities to 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 by homeowners.

\$000's	31-Dec 2024	31-Dec 2023
Utilities revenue	3,116	2,568
Utilities expenses	(2,913)	(2,384)

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 2024	31-Dec 2023
Finance revenue	167	130

Interest income increased during the period due to an increase in interest rates.

(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 2024	31-Dec 2023
Interest on secured loans	1,458	1,895
Amortisation of loan facility fees	448	267
	1,906	2,162

Finance costs includes facility fees and interest on any non-development debt. Interest costs have decreased this period as the debt balance has decreased as a result of the capital raise.

(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 2024	31-Dec 2023
Interest on secured loans	10,072	10,541

(c) Secured loans

As at 31 December, the group had a \$700 million facility secured by a General Security Deed with the Commonwealth Bank of Australia, National Australia Bank, HSBC Bank Australia, Westpac and ANZ. As part of the security arrangements, Lifestyle Communities has granted mortgages over properties within its portfolio, excluding joint venture properties.

At reporting date, the group had drawn \$357 million out of the \$700 million.

The debt maturities are as follows:

- \$265 million – August 2026
- \$150 million – October 2027
- \$285 million – December 2028

The maturity dates are contingent on ongoing compliance with the terms of the Common Terms Deed between the group and its banking syndicate, which include financial covenants as follows:

- An Interest Coverage Ratio (ICR) greater than 2.5x
- Loan-to-Value Ratio (LVR) less than 65%.
- Group Guarantors Undertaking
 - the aggregate Total Assets of the Guarantor Group is not less than 85% of the consolidated Total Assets of the group;
 - EBITDA of the Guarantor Group is not less than 85% of EBITDA of the group;

At 31 December 2024, the group is in compliance with these covenants which supports classification of the secured loans as non-current.

If the group was ever in a scenario where there was a material breach of the terms of its funding facility agreements, immediate repayment could be triggered. This would potentially impact liquidity and the financial stability of the group. Management is attentive to factors that could impact future compliance and has controls and reporting in place to regularly review and monitor compliance with its obligations under its funding agreements.

In February 2025, the group amended its debt facility, refer note 4.1.

(d) Interest rate swap

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

The current hedge covers \$240m of the debt balance and expires on 19th 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 2024	31-Dec 2023
Support Office Costs	9,902	10,062
Employee Share Scheme Costs	1,413	1,029

2.7 Other costs

Other costs include \$1.6m in relation to restructuring costs and \$0.4m in relation to legal costs associated with the VCAT proceedings.

2.8 Dividends

As a general principle, the Directors of Lifestyle Communities® intend to declare dividends out of post-tax, operating cash flow generated from community management.

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 the dividend and retain the capital within the business until such time as the external environment improves and there is greater clarity on the sales rate.

Type	Cents per share	Total (\$000)	Franked %	Payment date
Paid during the year				
2024 interim dividend	5.5	5,750	100%	4-Apr-24
2024 final dividend	5.0	6,087	100%	3-Oct-24
To be paid after end of year				
2025 final dividend	–	–	n/a	n/a

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 2024	30-Jun 2024
Current		
Housing	74,806	95,914
Civils and infrastructure	30,134	37,935
Total current	104,940	133,849
Non-current		
Housing	104,512	81,176
Civils and infrastructure	134,590	106,176
Total non-current	239,102	187,352
Total	344,042	321,201

3.2 Assets held for sale

Assets held for sale relate to 9 (1HY24: 9) residential lots adjacent to our St Leonards community currently being marketed for sale.

\$000's	31-Dec 2024	30-Jun 2024
Assets held for sale	2,481	–

Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell as the 9 residential lots will be recovered principally through a sale transaction, they are available for immediate sale in their present condition and the sale is highly probable within one year.

As at 24 February, 5 of these residential lots have unconditional contracts and are due to settle in May.

3.3 Trade and other payables

\$000's	31-Dec 2024	30-Jun 2024
Current liabilities		
Trade and other payables	166,422	158,256
Total	166,422	158,256

Trade and other payables has increased largely due to the land accruals from \$123m at 30 June 2024 to \$134m at H1FY25.

3.4 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 2024, 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 profit or loss.

(a) Fair value adjustments

\$000's	31-Dec 2024	31-Dec 2023
Fair value adjustments— Investment Properties	27,049	24,493

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. The Directors have considered the appropriateness of these assumptions as at 31 December 2024 and have reviewed an independent valuation 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 2024. 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, deferred management fee annuity value, are derived from independent valuations undertaken at 30 June 2024 and these have not been changed during the period. The Directors have considered the appropriateness of these assumptions at 31 December 2024 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. All management expense relates 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.

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 2024 Adopted	30 June 2024 Per valuation
Weekly rentals (\$)	212.38 - 245.89	208.73 - 241.66
Anticipated % expenses (as a percentage of rental income)	33.0% - 51.7%	33.0% - 51.7%
Rental capitalisation rate (%)	5.0% - 5.5%	5.0% - 5.5%
Rental values per unit (\$)	118,260 - 179,589	116,426 - 176,876
Deferred management fee discount rates (%)	13.00% - 14.00%	13.00% - 14.00%
Deferred management fee values per unit (\$)	44,500 - 98,988	44,500 - 98,988
Valuation of undeveloped land (per hectare) (\$'million)	1.3 - 5.4	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 Site Lease 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

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.

3.5 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-2024				
Recurring Fair Value Measurements				
Derivatives	-	(848)	-	(848)
Investment properties	-	-	1,189,765	1,189,765
Total assets measured at fair value	-	(848)	1,189,765	1,188,917
30-Jun-2024				
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 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 3.4.

(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 3.4.

(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)		Equity Higher/(Lower)	
	31-Dec 2024	31-Dec 2023	31-Dec 2024	31-Dec 2023
Rental expense rate				
+2%	(13,879)	(12,395)	(13,879)	(12,395)
-2%	13,879	12,395	13,879	12,395
Rental capitalisation rate				
+0.50%	(36,805)	(34,508)	(36,805)	(34,508)
-0.50%	44,643	41,945	44,643	41,945
Deferred management fee per unit				
+5%	9,482	7,844	9,482	7,844
-5%	(9,482)	(7,844)	(9,482)	(7,844)
Land prices (undeveloped land)				
+10%	23,375	23,765	23,375	23,765
-10%	(23,375)	(23,765)	(23,375)	(23,765)
Rent revenue				
+1.75%	8,910	8,943	8,910	8,943
-1.75%	(8,910)	(8,943)	(8,910)	(8,943)

3.6 Contributed equity

\$000's	31-Dec 2024	30-Jun 2024
121,740,054 Ordinary shares (30 June 2024: 121,740,054)		
Ordinary Shares	334,136	334,136
399,598 Treasury shares (30 June 2024: 513,566)	(5,988)	(7,921)
Total	328,148	326,215

3.7 Retained earnings

\$000's	31-Dec 2024	30-Jun 2024
Movements in retained earnings were as follows		
Opening balance	497,532	459,578
Profit for the period	22,740	49,979
Dividends paid	(6,087)	(12,025)
Total	514,185	497,532

4. Information not recognised in the financial statements

4.1 Events Occurring After the Reporting Date

In February 2025, as part of its continued focus on capital management, the group agreed terms with its lending group to amend to terms of its debt facilities. Material changes as follows:

- Total debt facility right-sized (down) to \$660 million, reflecting reduced near-term development requirements
- Interest Coverage Ratio (ICR) covenant adjusted to 1.75x (down from 2.5x) for the next two years, providing additional operational flexibility. After 2 years the covenant will step 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 revised facility size better reflects the capital needs of the business going forward and will reduce commitment fees on undrawn funds. As part of this refinance, ANZ's \$40 million undrawn commitment will be cancelled.

Following the refinance, the group's debt maturities will be as follows:

\$89 million – August 2026
 \$150 million – October 2027
 \$245 million – December 2028
 \$176 million – August 2029

The \$89 million tranche due to maturity in August 2026 will be re-assessed closer to the renewal date. It will either be rolled over or allowed to lapse depending on the business needs at the time

There have been no changes to the interest rate swap arrangements described in note 2.5(d) as part of this refinance.

All other material terms and covenants remain unchanged.

New CEO appointment

The Directors are pleased to announce the appointment of Henry Ruiz as Chief Executive Officer commencing on the 5th March.

Mr Ruiz is a seasoned executive with over 25 years experience in the property, digital media and technology sectors.

For the last 15 years Henry has been with REA Group, where he served as CEO of REAx, Chief Strategy and Product Officer, Chief Digital Officer, and CEO of REA Asia.

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 \$208 million.

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.

Our paused projects Merrifield, Yarrawonga and Ocean Grove have \$5.7 million committed spend in the next 12 months to close out their respective civil works programs and reach a natural pause point.



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The 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 2 to 24 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 2024 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
Executive Chair

Melbourne, 24 February 2025



**Independent auditor's review report to the members of
Lifestyle Communities Ltd**
Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Lifestyle Communities Ltd (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 2024, the Condensed consolidated statement of changes in equity, Condensed consolidated statement of cash flows and 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 Ltd 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 2024 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 2024 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

PricewaterhouseCoopers

Kate L Logan

Kate L Logan
Partner

Melbourne
24 February 2025

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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 – Executive Chair JoAnne Stephenson – Non Executive Director Mark Blackburn – Non Executive Director Claire Hatton – Non Executive Director
Company Secretaries	Darren Rowland Anita Addoriso
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



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