

A Business for Purpose



Lifestyle
COMMUNITIES

Annual General Meeting
18 November 2020

Section 1
Introduction from
Chair - Philippa Kelly



Artist impression - Lifestyle Plumpton

Overview

- Challenges of 2020 have reinforced the sound fundamentals of Lifestyle's business
- Increasing demand for affordable housing options by active retirees and downsizers
- Lifestyle is a people based business - focus on health and wellbeing of homeowners and our team
- Conservative balance sheet strengthened with increased debt facilities to fund new development and acquisition opportunities
- Land acquisition focus remains in Victoria due to low saturation of land lease communities, limited competitors, and supportive planning legislation
- Valuation of the property portfolio increased - supported by the resilience of annuity cash flows
- Land Lease industry continues to mature
- A long-term business focused on the balance between a sustainable lifestyle for our homeowners and a growing return for our shareholders

Conservative settings provided resilience during Covid-19

Section 2
Presentation from Managing
Director - James Kelly

FY20 review

- Acquired four new sites in St Leonards, Pakenham East, Clyde North, and Clyde
- First homeowners moved in to Mount Duneed in December 2019 and Kaduna Park in May 2020
- 280 new home sales and 253 new home settlements – impacted by Covid-19 from March 2020
- 102 resale settlements of which 80 settlements attracted a deferred management fee
- Recurring revenue from site fees and deferred management fees increased by 25% to \$28.1 million
- Profit after tax attributable to shareholders decreased from \$55.1m to \$42.8m driven by lower settlement numbers and lower investment property revaluation gains
- Portfolio of 4,494 home sites of which 2,537 home sites are occupied by 3,681 homeowners
- New home sales from March to June impacted by the pandemic and associated restrictions. This will impact settlements in FY21



**A thoughtful business model
structured for sustainable growth**

Our approach to COVID-19

Our Homeowners

- Facilities closed in accordance with Government advice
- Implemented a virtual wellness program
- Surprise and delight initiatives
- Virtual Community Meetings

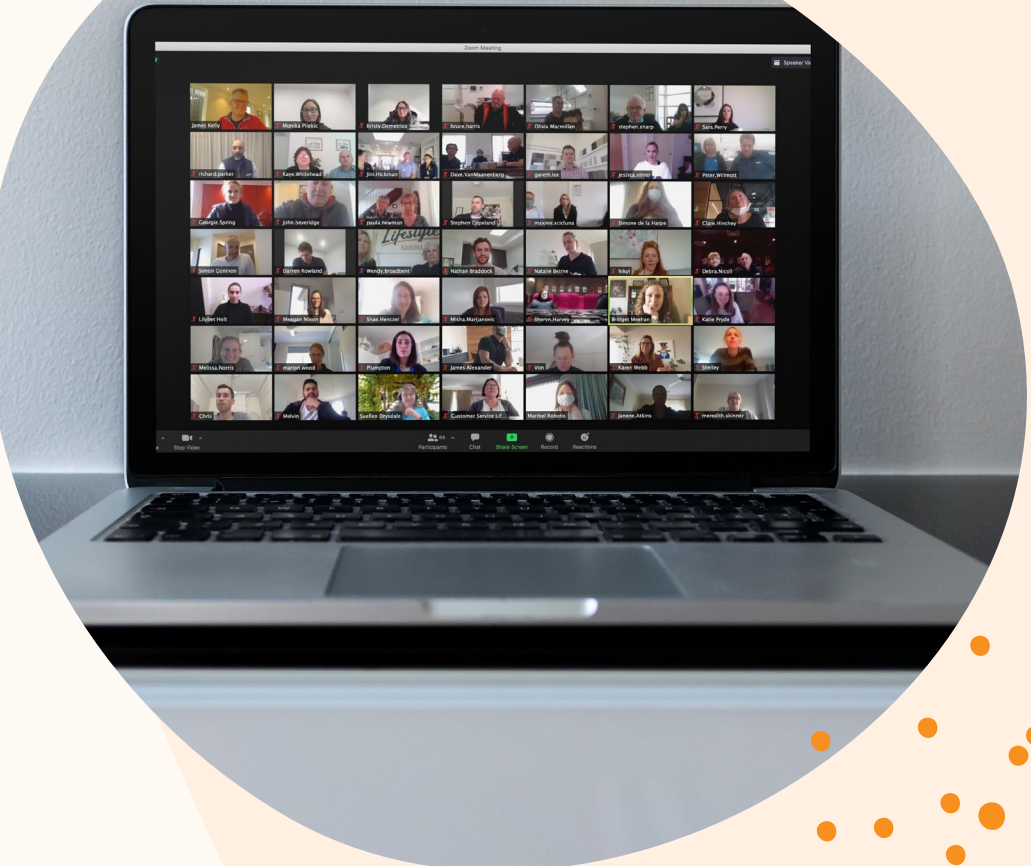
Our Team

- Retained all our team and redeployed team members with additional capacity due to reduced activity levels
- Employee Wellness program delivered virtually
- Established a “virtual office” for those team members working from home to maintain cross-functional engagement
- Employee engagement score increased from 8.5 pre-Covid to 9.0 in October 2020

Our Business

- Project Bulletproof – stress testing and scenario planning
- Implemented a virtual sales capability
- Increased debt facility by \$50 million to \$275 million – Allows acquisition cycle to continue even if capital recycling slows for a period due to lower settlements
- Opportunistic land purchase – Two of the four sites acquired on long settlement terms giving certainty to the future development pipeline
- Increased marketing spend to build brand presence during lockdown – Build your own roadmap

Lifestyle Communities is committed to taking an informed approach that is sensible, balanced and kind, having regard to the expert medical advice of Australian authorities



Our 'All Lifestyle' virtual meeting

FY21 update

- Sales have been impacted by the shutdown of Victoria's real estate industry – This will impact settlements through FY21
- Construction has continued with civil programs and housing on track. Some minimal slippage to clubhouse timeframes due to Covid restrictions
- 44 new home sales, 60 new home settlements, and 21 resale settlements attracting a DMF (up to 15 November 2020)
- Debt has increased by circa \$20 million, as planned, to fund the settlement of the St Leonards land and ongoing development commitments
- Whilst restrictions have now eased, there remains ongoing uncertainty in relation to the speed at which the Victorian property market will recover
- Enquiry for new developments remains in line with expectations prior to lockdowns
- With the current pipeline of projects, we have capacity for settlements to be in the range of 900 to 1,100 over the next 3 years (subject to fluctuations due to any ongoing restrictions or lockdowns)

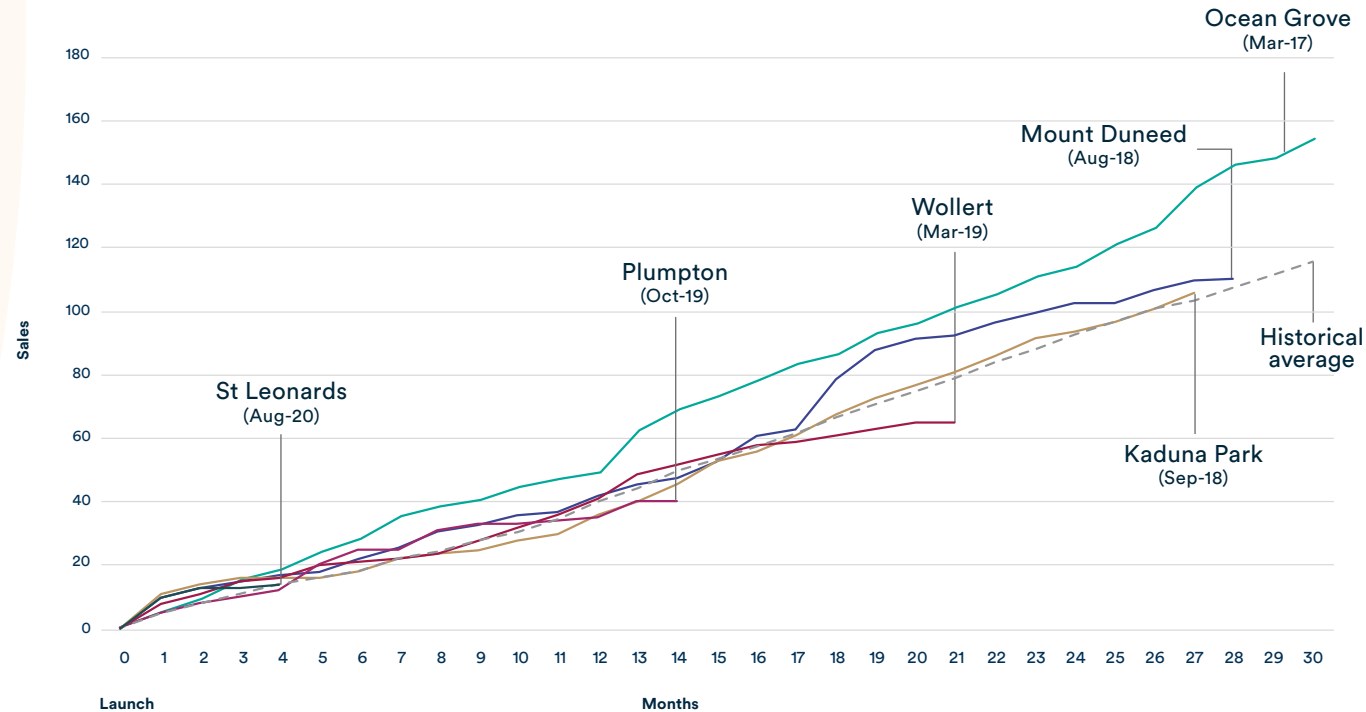


A display home at Lifestyle Kaduna Park

- Established a virtual sales capability as covid restrictions increased - limited success with virtual sales as potential homeowners understandably want to inspect before purchase
- Shifted the focus of the sales team during lockdown from making sale to providing information to ensure homeowners are well informed prior to physical inspections
- Utilisation of video and digital content building greater connection and trust in the brand
- Information building campaign has translated into bookings for physical inspections
- Slower sales due to translate into slower settlements in the short term but long term demand remains robust

Sales rates

Sales profile from date of first sale



The higher the sales rate, the faster capital is recycled to undertake more communities

Land acquisitions and development update



- First homeowners settled in December 2019
- Access road now complete
- Clubhouse and facilities completed in October 2020 (1 month delay due to Covid-19)



- First frames went up in October 2020
- First settlements expected in May 2021
- Clubhouse due for completion in July 2021



- Land settlement expected to occur in the middle of 2021
- First customer home settlements expected in the second half of FY22



- First homeowners settled in May 2020
- Over 50% sold
- Construction of clubhouse facilities in progress – due for completion in February 2021



- Land contracts conditional on receiving a planning permit
- Planning application rejected by council
- Appeal to the Victorian Civil Administrative Tribunal scheduled for May 2021



- Land settlement contract subject to receipt of a planning permit
- Land settlement expected to occur during the second half of FY22
- First customer home settlements expected in FY23



- Construction commenced in October 2019
- Construction of clubhouse and facilities in progress – due for completion in June 2021
- First home settlements expected in November 2020



- Land settled in July 2020
- Sales and Construction commenced in August 2020
- Onsite sales lounge completed and opened in October 2020



- Land settlement expected to occur in the middle of 2023
- First customer home settlements expected in the second half of FY24

Developments in progress

6 Communities in development phase



Construction fully complete
and final homes settling



First homeowners settled in May 2020
and clubhouse under construction



Clubhouse completed in October 2020



Civil works in full swing and
clubhouse under construction



First frames underway and
clubhouse under construction



Lifesyle Lounge opened in
October 2020

Portfolio overview and land acquisition strategy

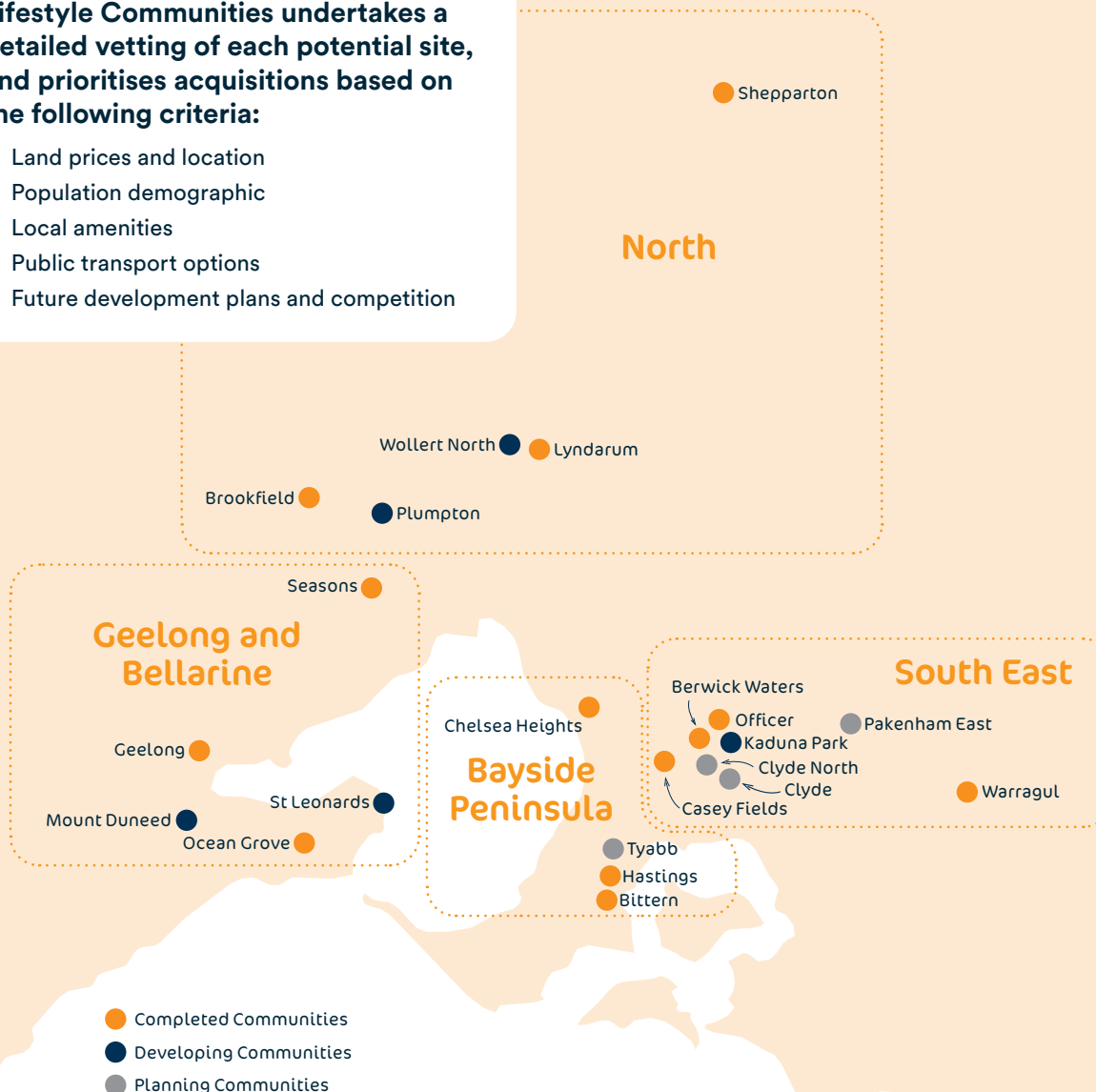
22 Communities in planning, development or under management

Lifestyle Communities undertakes a detailed vetting of each potential site, and prioritises acquisitions based on the following criteria:

- Land prices and location
- Population demographic
- Local amenities
- Public transport options
- Future development plans and competition

Focus remains on Melbourne and Geelong's growth corridors:

- Melbourne has the strategic benefit of flat topography which increases site choice
- Multiple communities can be built in each growth corridor
- Forward planning has created large areas of serviced zoned land in each catchment
- Under its 'just in time' model, Lifestyle Communities starts the development as soon as possible after acquisition of the site



Greatest growth opportunity remains in Victoria with low saturation and accessible flat land

Summary

- The Company adapted quickly and implemented a number of new practices to adjust to Covid normal
- Additional marketing campaigns during lockdown means we are well prepared to re-engage with customers as restrictions continue to ease
- A number of key milestones due to be completed this year including:
 - Final settlements at Ocean Grove and Shepparton
 - Mount Duneed clubhouse opening
 - Kaduna Park clubhouse opening
 - First homeowners at Plumpton
 - First homeowners at Wollert
- The balance sheet and debt position is robust
 - access to \$110 million in cash and undrawn facilities, and the next refinancing is not due until March 2024
- Four new site acquisitions in FY20 provides a strong development pipeline over the medium term

Prepared and ready to re-engage with customers as restrictions continue to ease



Our Clubhouse at Lifestyle Mount Duneed



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