21 August 2026

Immediate release to the ASX

FY26 Results: LIC advances turnaround with sales momentum

Lifestyle Communities Limited (ASX: LIC) today releases its results for the financial year ended 30 June 2026, reflecting significant progress in rebuilding sales momentum, strengthening the balance sheet and positioning the business for future growth.

Key Highlights

- Net new home sales increased **55.4% from FY25** to **216 homes** despite ongoing softness across the Victorian property market
- Unsold inventory reduced from June 2025 by **55.0%**, from 269 homes to 121 homes
- Homes under management increased to **4,368** across **25 communities**
- Rental income increased **12.4%** from the prior comparative period to **$51.4 million**[1], supported by growth in homes under management and annual rent increases
- Net debt reduced from June 2025 by **$186.8 million** to **$273.7 million**
- Net assets increased to $680.8m / $5.59 per share
- Customer satisfaction increased from the prior survey to **78.9** – the highest result since measurement commenced[2]
- Net new home **settlements of 240**, down from 268 in FY25
- Statutory profit after tax of **$46.9 million**
- Operating profit after tax of **$25.4 million**

FY26 Performance Overview

For the financial year ended 30 June 2026, the Group delivered statutory profit after tax of $46.9 million (FY25: $195.3 million loss) and operating profit after tax of $25.4 million (FY25: $45.2 million). Earnings were impacted by lower new home settlements, reduced Deferred Management Fee (DMF) revenue following the VCAT decision, and a greater proportion of interest costs being expensed relating to non-active land bank. While targeted pricing initiatives moderated development margins, they contributed to improved sales velocity, enhanced balance sheet strength, and positioned the business for improved through-the-cycle returns.

Sales Momentum and Brand Performance

Key for FY26 was a recovery in sales activity, with net new home sales increasing 55.4% to 216 homes (FY25: 139). The increase was supported by LIC's Way to Live brand campaign, targeted pricing initiatives and improved sales conversion disciplines. Brand awareness increased by 23% during the year, while appointment-to-sale conversion rates improved from approximately 22% to 25%.

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[1] Prior to straight-line rental adjustments.
[2] Based on March 2026 survey. Participation totalled 2,576 responses, representing 42% of homeowners.

Recurring Rental Income and Portfolio Growth

Rental income continued to provide a resilient and growing earnings stream. Rental income increased 12.4% to $51.4 million (FY25: $45.7 million), supported by growth in homes under management, which increased to 4,368 homes across 25 communities. The portfolio now comprises 5,750 homes across operating communities and future development opportunities. The annual rental increase for FY27 is 4.6%, which became effective from 1 July 2026.

Operating Discipline and Capital Management

Lifestyle Communities also continued to improve operating discipline across the business during FY26. Unsold inventory was reduced by 55%, from 269 homes at 30 June 2025 to 121 homes at 30 June 2026, and build rates continued to be aligned more closely with sales rates. These initiatives generated operating cash flows of $94.9 million and together with planned land sales, contributed to a $186.8 million reduction in net debt from 30 June 2025. The loan-to-value ratio improved to 28.7%, down from 47.8% at 30 June 2025.

Appeal decision to be delivered today (Friday 21 August 2026)

As we announced on 18 August 2026, the Court of Appeal has advised that it will deliver its judgement today in relation to our appeal of the orders made by President Woodward in VCAT in July 2025 (VCAT Decision). We will provide an update on the outcome of the appeal as soon as possible after the judgement is delivered. If our appeal is unsuccessful, we have an existing provision in place for the repayment of DMFs collected from previous homeowners impacted by the VCAT Decision. If our appeal is successful, then the provision is expected to be reversed. At the time of this announcement and the release of our results, the outcome of the appeal (and its impact, if any) is unknown.

Customer Choice and Management Fee Model

In response to the VCAT Decision, we introduced a new DMF model based on the purchase price of the home. We also broadened customer choice through the introduction of an Upfront Management Fee option, allowing homeowners to choose between paying a management fee upfront or on exit. Since its launch, the upfront option has gained strong traction, with 28% of new customers choosing this model[3].

Outlook

Chief Executive Officer, Henry Ruiz, said, "FY26 was a year of rebuilding the brand and sales momentum, strengthening our foundations and positioning Lifestyle Communities for future growth. We delivered a material improvement in net new home sales, significantly reduced inventory levels, strengthened the balance sheet via the pay down of debt and continued to grow our recurring rental income stream despite challenging property market conditions."

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[3] 28% of net sales from 23 January 2026.

"The structural opportunity for Lifestyle Communities remains compelling. Victoria's ageing population, growing downsizer market and the affordability advantages of our land lease model continue to support long-term demand.

Lifestyle Communities enters FY27 with a strengthened operating platform, a growing annuity income stream, improved balance sheet flexibility and multiple development opportunities across its existing land bank. The business continues to execute its transformation plan with a focus on sales growth, operational discipline and long-term shareholder value creation."

Settlement volumes are expected to reflect the timing lag inherent in the sales cycle. Consistent with commentary from banks and property market experts, sales conditions in FY27 have become more measured following the significant recovery achieved in FY26. With inventory levels now within target ranges across most communities, the business remains focused on disciplined growth and is actively planning the commencement of a new community, subject to market conditions.

Mr Ruiz continued, "There has never been a more important time for land lease communities to help more Australians downsize with confidence. When people can move into the next chapter of their lives with certainty, homeowners, families and communities all benefit."

Investor Conference Call Details

Henry Ruiz (CEO) and Angela Farbridge-Currie (CFO) will host a teleconference call at 9.00am (AEST) on Friday, 21 August 2026.

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

https://vistra.zoom.us/webinar/register/WN_76_T2XyVQwCDWRKqbDaPwQ

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

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

Authorised for release by the Board.

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About Lifestyle Communities®
Based in Melbourne, Victoria, Lifestyle Communities® develops, owns and manages affordable independent living residential land lease communities. Lifestyle Communities® has twenty-nine residential land lease communities under contract, in planning, in development, or under management. Over 6,100 Victorians call Lifestyle Communities their home.