

Annual Report 2025

metlifecare



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About this report

Welcome to Metlifecare's 2025 Annual Report. This report comprehensively reviews the financial and operational performance of Metlifecare Limited and its subsidiaries for the year ended 30 June 2025.

Our aim is to provide a clear and focused overview of the areas that matter most to our stakeholders and our business. We highlight how we are sustainably delivering on our strategic priorities of:

- maintaining a strong landbank to support a consistent development pipeline
- investing in our villages and designing for today's lifestyles
- growing our family of villages across New Zealand, and
- expanding our high-quality aged care offering.

This report includes our audited financial statements, prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other guidance as issued by the External Reporting Board (XRB), as appropriate to for-profit entities, and with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

Metlifecare's climate-related disclosures are provided in a separate report, prepared in accordance with the Aotearoa New Zealand Climate Standards (NZ CS). This report is available at our Investor Centre on the link below.

Signed for and on behalf of Metlifecare by:

Paul McClintock AO
CHAIR

28 August 2025

Ken Lotu-liga
DIRECTOR

28 August 2025

To read the online version of this report, please visit:
www.metlifecare.co.nz/investor-centre

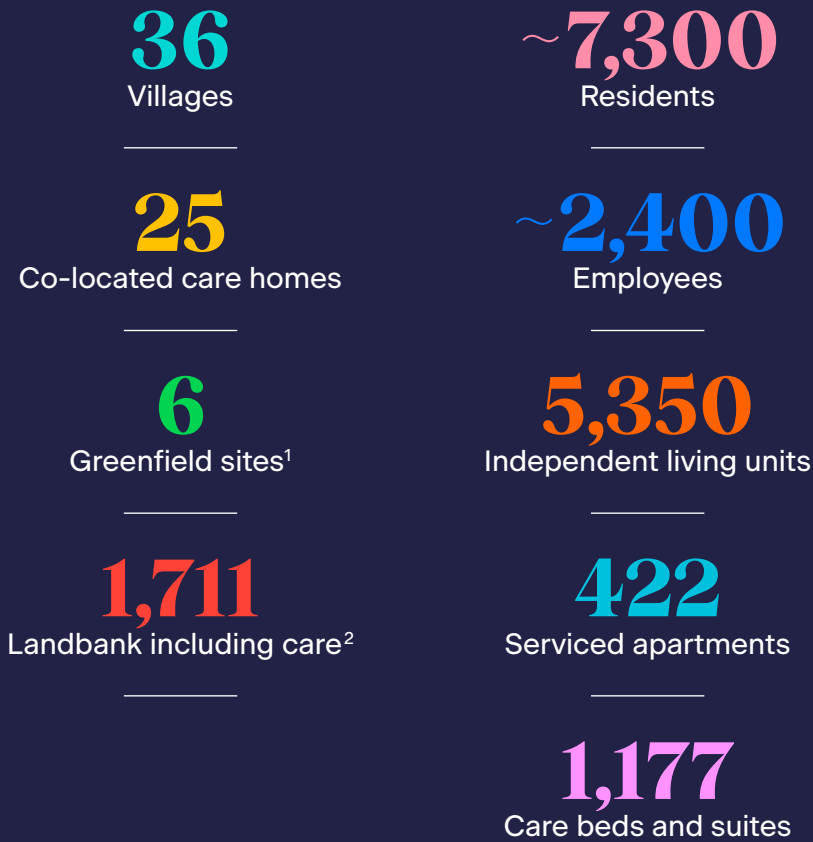


Creating extraordinary living experiences

Parkside Village, Left to right (Back row): Leo Holani - Resident Services Rep, Mark Anderson - Maintenance Manager, Vitto Monasterio - Sous Chef, Jane Marcellus - Village Manager, Alisi Manupule - Domestic Aid, Nipuna Kahanda Gamage - Food Services Manager. (Middle left): Margaret Stonehouse - Social Coordinator, Nita Patel - Café Assistant, Donna Johnson - Receptionist. (Front row): Jotika Patel - Village Administrator, Veena Lata - Domestic Aid, Angeline Prasad - Café Supervisor, Marie Kake - Sales Executive, Chunfang Peng, Café Assistant, Zabeen Azim - Assistant Village Manager, Bharat Parbhu - Maintenance Person.

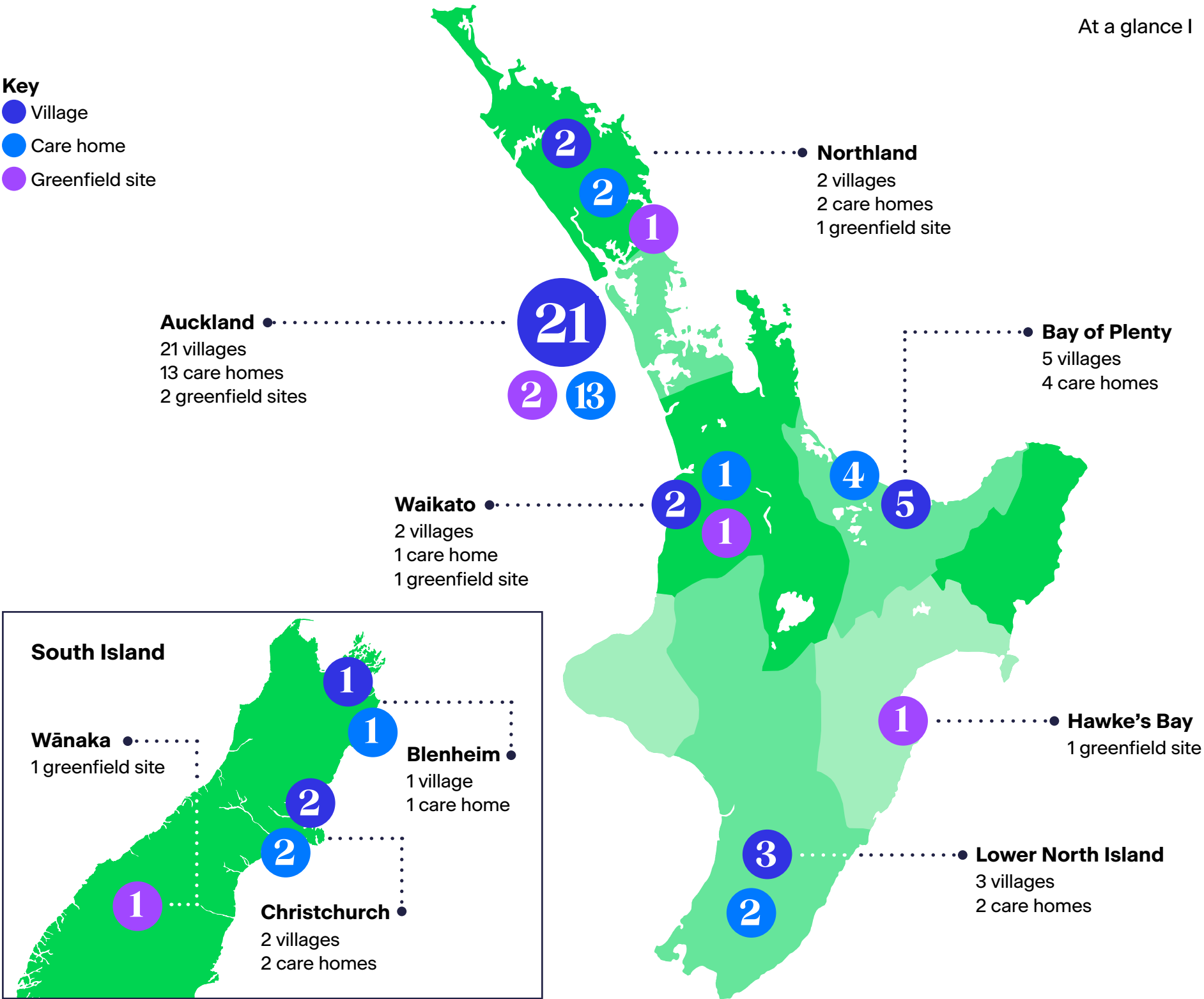
At a glance

Metlifecare provides retirement living and aged care communities in New Zealand, comprised of a diverse portfolio of villages and a significant landbank in prime locations. Since 1984, we have been a leader in developing and managing vibrant villages that put care, comfort, happiness, and the wellbeing of people at the heart of what we do.



Note: Our portfolio as at June 2025. All figures exclude the single 50% joint venture, Palmerston North Village. **1.** Greenfield site: undeveloped sites/bare land, acquired for future development potential. **2.** Landbank: total number of units and care suites planned for development across greenfield, regeneration and existing villages.

- Key**
- Village
 - Care home
 - Greenfield site



Highlights FY25

July 2024



- Completion of Stage 2 villas at Palmerston North Village, co-owned by Metlifecare and the Palmerston Māori Reserve Trust.

August 2024



- Launched new health and safety reporting system, 'MetSafe.'
- Published the inaugural Metlifecare Climate Statement.

September 2024



- Accolades at the NZ Aged Care Association awards, Mary Stewart – Legendary Service Award to Industry, Weiti Care – Innovation and Sustainable Design Finalist.
- Longford Park amenities modernisation completed.

October 2024



- Mangawhai site blessing and civil works commenced.
- First residents move into Pōhutukawa Landing Care Home.

November 2024



- Filmed new Metlifecare TV Commercial 'Never stop' at Orion Point Village.

December 2024



- Stage 1 civil works commenced at Wānaka, one of 12 concurrent projects underway.
- Refinanced bank facilities with additional capacity to fund continued growth.
- Pinesong amenities modernisation completed.

January 2025



- 20th Anniversary celebrations at Pāpāmoa Beach Village.
- Iwi blessing of our Pukekohe and Rototuna greenfield sites.

February 2025



- Hosted NZ Health Minister Hon. Simeon Brown at the Highlands village.
- Civil works commenced at Rototuna.

March 2025



- Final development stage completed at Greenwich Gardens.
- Metlifecare record number of resales applications in the month.

April 2025



- Quarterly awards of our new Employee Reward and Recognition Programme 'The Extraordinaries.'
- NZ Green Building Council champions our 6 x 6 Green Star 'Design' and 3 'As Built' ratings.

May 2025



- 30th Anniversary celebrations and community centre modernisation completed at Kāpiti Village.

June 2025



- Winner of the Operator-led category in the Retirement Villages Association Sustainability Awards.
- Ōtau Ridge Care Home construction completed.



Paul McClintock
CHAIR



Earl Gasparich
CHIEF EXECUTIVE OFFICER

Chair & Chief Executive Officer Report

Welcome to Metlifecare's Annual Report for the year ended 30 June 2025, where we provide a comprehensive overview of our growth over the year, our commitment to high-quality living experiences for our residents, operational excellence and advancements in sustainability.

Since launching our Full Potential Plan (FPP) in 2021, we have been on a path of total business transformation. Over the past year we have continued to invest substantially in our portfolio and our people - further strengthening our foundations and enhancing our capability to drive operational excellence and long-term value creation. We are now primed for our next phase of growth.

In the four years since the FPP began, our village portfolio has grown by 50%, significantly expanding our geographical reach across New Zealand. We have more than doubled the number of villages offering co-located aged care, introduced a premium care suite offering and modernised the majority of our established villages. Our in-house development team now consistently delivers 300+ retirement village units and aged care suites every year.

This progress is thanks to the commitment and energy of our Metlifecare team, who bring our values to life each day by delivering

extraordinary living experiences and high-quality aged care to more than 7,300 residents on a daily basis. Their efforts have been central to the strength and resilience demonstrated in our FY25 performance, despite economic headwinds and a soft housing market.

Financial performance

Metlifecare reported a strong financial result for FY25, while maintaining excellent strategic momentum under its Full Potential Plan (FPP). This performance was delivered in the context of ongoing economic volatility and subdued housing market activity, highlighting the strength and resilience of Metlifecare's core foundations and robust business model.

The Company delivered NPAT of \$66.4 million (FY24: \$53.1 million), which included a fair value gain on investment property of \$135.4 million (FY24: \$135.0 million), supported by the completion of a new record of 332 independent living units and care suites, alongside price and volume growth in sales.

This gain was partially offset by continued capital investment across the Company's existing village portfolio, as well as investment in people, digital infrastructure, sustainability initiatives, and brand - all aligned to the FPP. These investments position Metlifecare for long-term growth and value creation, underpinned by New Zealand's ageing population and increasing demand for high-quality retirement living and care options.

Total sales of occupation right agreements for FY25 increased by 17.6% to \$546.4 million, demonstrating the sustained demand for our villages, the unlocking of considerable embedded value in our resale portfolio and the growing contribution from development sales as we increase our annual build rate.

Operating revenue rose 9.5% to \$243.0 million, driven by higher deferred management fees, strong growth in care and village fees, and a full-year revenue contribution from Springlands Lifestyle Village, acquired in late 2023.

Metlifecare's total assets increased by \$588.4 million to \$6.96 billion at 30 June 2025, reflecting elevated development activity, the fair value gain on investment property, and revaluation gains associated with the Company's premium aged care strategy. Net debt increased by \$56.2 million over FY25 to \$1.52 billion, but the balance sheet remains robust, with net tangible assets rising to \$2.44 billion at 30 June 2025 (FY24: \$2.22 billion) and a reduced net gearing ratio of 38.5%, reflecting prudent capital management.

In December 2024, we refinanced \$1.15 billion of our Sustainability-Linked Loan (SLL) facilities, securing an increase in total facility size, improved pricing, and extended tenor, with the refinancing strongly supported by our banking syndicate.

Sustainability-Linked Loan (SLL) performance targets

Our SLL is an effective way of linking our capital structure with our

sustainability performance. With FY25 marking four years into the five-year timeframe of the original SLL, we reviewed and updated our key performance indicators (KPIs) for FY26 onwards and extended the timeframe of the loan targets.

The revised KPIs for 2026-2029, developed from stakeholder feedback and our materiality assessment, are:

1. **Construction waste diversion from landfill:** addressing the increased volumes of construction waste in New Zealand.
2. **WELL Equity:** ensuring our employee wellbeing is supported.
3. **Emissions reduction:** continuing to minimise our carbon footprint with science-based targets, measured against the 2023 baseline year.

We remain committed to achieving our original SLL goals of building six 6 Green Star care homes and expanding dementia care capacity by more than 100 beds, albeit over a slightly longer timeframe.

Growth strategy

The FPP set a clear direction for growth and has delivered a wide-ranging business transformation. With the foundational work complete, we are now shifting our focus to our next phase of growth. As the market continues to rapidly evolve, our mission is to proactively adapt and innovate so we maintain our competitive edge and achieve our ambitious growth goals, while still staying true to our values.

This next phase of our strategy will be built on our foundational FPP, and will be a robust, actionable plan that positions us strongly for



Paul McClintock engaging with residents and staff from Ōtau Ridge

sustained success. It will reflect our intention to remain bold and agile, investing in the systems, technology, leadership and high-performing teams needed to continue creating extraordinary living experiences for residents and enhancing value for shareholders.

Portfolio growth

With significant development activity across New Zealand in FY25, new units and care suites were completed in ten different villages. We are also on track to open three new villages in FY26 in the highly desirable locations of Mangawhai (north of Auckland), Rototuna (Waikato) and Wānaka (Central Otago).

Village investment

Over the past four years, we have made a significant investment in major regeneration initiatives, large-scale modernisation projects,

village infrastructure upgrades, new digital platforms and significant weathertightness and seismic remediation efforts across our existing villages. We have also added aged residential care to existing villages through the conversion of serviced apartments to care suites and the construction of entirely new care homes on existing sites, enabling a continuum of care to be available to residents, in some locations for the first time. This level of investment is unmatched by others in our sector and has resulted in significantly enhanced living environments and amenities for our residents as well as additional long-term value for our village portfolio. We have effectively repositioned our entire existing portfolio, some of which is over 30 years old but in excellent locations with high demand for retirement village living, setting these villages up for sustained growth and high demand into the future.

Full Potential Plan – Key achievements since 2021

- **More villages:** 50% increase to 36 villages, home to over 7,300 residents
- **Care expansion:** Co-located care in 69% of villages, up from 40% in FY21, together with the roll-out of our care suite offering
- **Development activity:**
 - 15 greenfield sites purchased
 - 8 villages acquired
 - 4 premium new villages opened
 - Internal development capability scaled to support delivery growth from 32 units in FY21 to 330+ in FY25
- **Geographic reach:** Expanded across the motu from Northland to Wānaka
- **Village enhancement:**
 - Extensive regeneration and weathertightness remediation across portfolio
 - Modernised amenities and village infrastructure
- **Digital transformation:** Core digital platforms embedded and delivering efficiencies across the business
- **Sustainability milestones:**
 - Science-Based Targets validated by SBTi
 - Completed organisation-wide climate transition planning
 - Won the 2025 RVA Operator-led Sustainability Award for our six Green Star care homes
- **People and culture:**
 - Ranked top 25% globally in healthcare eNPS
 - eNPS of +42 in FY25 (up from +14 in FY21)



Hosting the Minister of Health, Hon. Simeon Brown at Highlands

Sustainability

Metlifecare's commitment to sustainability is reflected in our ambitious targets, our investment in key initiatives, and the company-wide ownership and efforts to achieve our sustainability goals.

The creation of a climate transition plan was a major milestone this year. This plan outlines our path to a low-carbon future and consolidates our emissions reduction goals into five operational workstreams. These workstreams are being embedded across our business, guiding the design of new developments, village upgrades, decarbonisation initiatives and operating processes.

Resident engagement continues to be strong, with 28 village-based Enviro Groups now active and supported by our Sustainability Team.

We have also completed our second year of mandatory climate-related disclosures under the Aotearoa New Zealand Climate Standards,

reinforcing our commitment to transparency and climate leadership.

People

Our people plan is integral to employee engagement and performance, and one of our key enablers of strategic growth. This year we strengthened our focus on digital enablement, effective village leadership, building high-performing teams and inclusion. These efforts are driving record employee engagement, lower turnover and are empowering the delivery of an enhanced resident experience.

Our overall employee Net Promoter Score (eNPS) remains in the top quartile for global healthcare providers, while voluntary turnover has more than halved since 2022.

Progress on our Diversity, Equity and Inclusion (DEI) strategy has opened leadership pathways and further enhanced our cultural strength, highlighting

the value we place on diverse backgrounds and lived experiences. Our leadership development programmes 'Elevate' and 'Leadership Boost' continue to be a strong enablers of high performance, supporting both growth of our village leadership team and their operational success.

Three key digital platforms introduced over the past year have significantly accelerated progress in our people plan and improved employee digital capability, with further information provided in our People section (p 22).

Governance

The Board continues to provide strong governance and oversight, working closely with management to support strategic execution and ensure prudent risk management. Directors participated in health and safety walks through existing and development villages, where they observed the health and safety culture on site and engaged in discussions with contractors. Robust land acquisition workshops were also held during FY25, with management and the Board considering the site selection process, master planning and project governance initiatives. Artificial Intelligence (AI) was also a key area of focus for the Board during FY25. Board subcommittees have played a vital role in overseeing strategic initiatives across audit and risk, development, clinical services, and people and culture.

Looking ahead

As we move into our next phase of growth, we remain confident that sustained demand for retirement village living – alongside our presence in some of New Zealand's fastest-growing regions – will continue to drive increased profitability and value of our business.

We will pursue our future growth boldly, through targeted land purchases and the increased use of technology to enhance both resident experience and organisational efficiency. In August 2025, we expanded our landbank with the acquisition of a prime 6-hectare greenfield site in Napier. We are also exploring innovative approaches to healthcare delivery, including the use of AI in several areas, including care homes and support functions.

In FY26 we will further increase our annual build rate, complete our village modernisation programme, expand our premium care offering, and further embed operational efficiencies through new technologies. We will also keep investing in our people – building high-performing teams, developing strong leadership, and nurturing an inclusive, values-based culture.

Sustainability will remain central to our strategy, with focused initiatives aligned to our climate transition plan and long-term sustainability priorities.

With the population aged 75+ set to double over the next two decades, Metlifecare is exceptionally well positioned in New Zealand's retirement living and aged care sector. Backed by over 40 years of experience, we are primed to capitalise on this demographic shift and corresponding market expansion with confidence.

As a premium, growth-focused provider with proven strategic execution, financial strength and operational excellence, we are excited about the future. Our bold strategy and strong momentum will see us continue to expand, develop, and operate nationwide, providing outstanding lifestyle accommodation and care options for older New Zealanders.

Metlifecare Board



Note: Board members' profiles match their placement in the photo (left to right).

Murray Jordan

DIRECTOR

Murray Jordan is currently a director of Metcash, Levande, Southern Cross Healthcare and the Stevenson Group. Previously he was the Managing Director of Foodstuffs North Island. Prior to his role as Managing Director of Foodstuffs North Island, Murray was GM of Sales and Performance and GM of Property Strategy for Foodstuffs, and formerly was GM of AMP's New Zealand unlisted property portfolio.

Dr Jonathan Coleman

DIRECTOR

Dr Jonathan Coleman is a qualified medical practitioner and company director. He was a Member of the New Zealand Parliament for 12 years, serving as a cabinet minister in the John Key/Bill English Government for nine of those years. He held a number of senior portfolios in Government including Health. He has worked as CEO of a large private healthcare provider and has been a director on the boards of Evolution Healthcare (formerly Acurity Health Group), and North Harbour Rugby. He is currently on the NZ Olympic Committee Board.

Paul McClintock AO

CHAIR

Paul McClintock AO brings a distinguished record of leadership as Chair across a diverse portfolio of sectors. He is currently the Chair of Icon Group, a global integrated healthcare provider. Paul has also chaired a number of healthcare-related companies, including I-MED Radiology, Medibank, Symbion Health, Affinity Health, Sydney Health Partners, Woolcock Institute for Respiratory Medicine, St Vincent's Health and has been a Director of Central Sydney Area Health.

Maggie Owens

DIRECTOR

Maggie Owens is a Chartered Member of the Institute of Directors and was most recently an Operational Director for Bupa New Zealand, one of the country's largest operators of retirement living and aged care services. Maggie held a variety of roles during her 11-year tenure at Bupa, including Director of Independent Living and Acting Chief Operating Officer for 14 months. Maggie is past President of the Retirement Villages Association and began her career as a Registered Nurse.

Sam Franklin

DIRECTOR

Sam Franklin is a Managing Director at EQT Group. Sam has extensive experience in private equity and infrastructure investing across Australia, New Zealand and European markets. He has a BCom from the University of Auckland.

Ken Lotu-iga

DIRECTOR

Ken Lotu-iga is currently General Manager Property at Todd Property. He has significant experience in the New Zealand building, construction and development sectors, including Programme Director at the Government's housing agency Kāinga Ora and 25 years at Fletcher Building and its predecessor companies, culminating as GM of Fletcher Residential, New Zealand's largest developer of residential housing. Ken is also on the Board of Trustees for the Auckland Northland Cancer Society.

Executive Team



Earl Gasparich
CHIEF EXECUTIVE OFFICER

Earl has a long history of executive leadership in the retirement village and aged care sector, including seven years as CEO of Oceania Healthcare. Earl volunteers on the Boards of a number of charities and public sector entities.



Hannah Walton
CHIEF OPERATING & STRATEGY OFFICER

Hannah joined Metlifecare in 2019, becoming GM Business Transformation in 2020 and Chief Operating and Strategy Officer in 2025. She previously held executive roles at Spark, leading product, transformation, and investment initiatives.



Anna Lissaman
GENERAL MANAGER PEOPLE

Anna offers significant people and culture leadership expertise, having led organisational cultural transformation and growth across a range of industries. Prior to joining Metlifecare, Anna worked in executive roles at House of Travel and TVNZ.



Dr Helen Kenealy
GENERAL MANAGER CLINICAL & RISK

Helen is a dual-trained Geriatrician and General Physician with over 20 years of experience in both public and private sectors. As a Quality Improvement Advisor and former InterRAI Governance Board member, she leads our clinical team.



Jonathan Wilde
CHIEF FINANCIAL OFFICER

Jonathan brings strong strategic, commercial and financial expertise from more than 15 years' experience in corporate finance and investment banking, including at PwC, Macquarie and, most recently, Craigs Investment Partners.



Tim Aynsley
CHIEF INFORMATION OFFICER

Tim joined Metlifecare in August 2024, bringing over 20 years of experience in senior technology roles, with expertise in transformation leadership, most recently as Head of Technology at Mercury. Tim was a finalist in the NZ CIO of the year 2024.



David Martin
GENERAL MANAGER SALES AND MARKETING

David brings strong brand, marketing and sales leadership expertise from more than 20 years in the property and retirement sectors, including roles at Harcourts International and Todd Property Group.

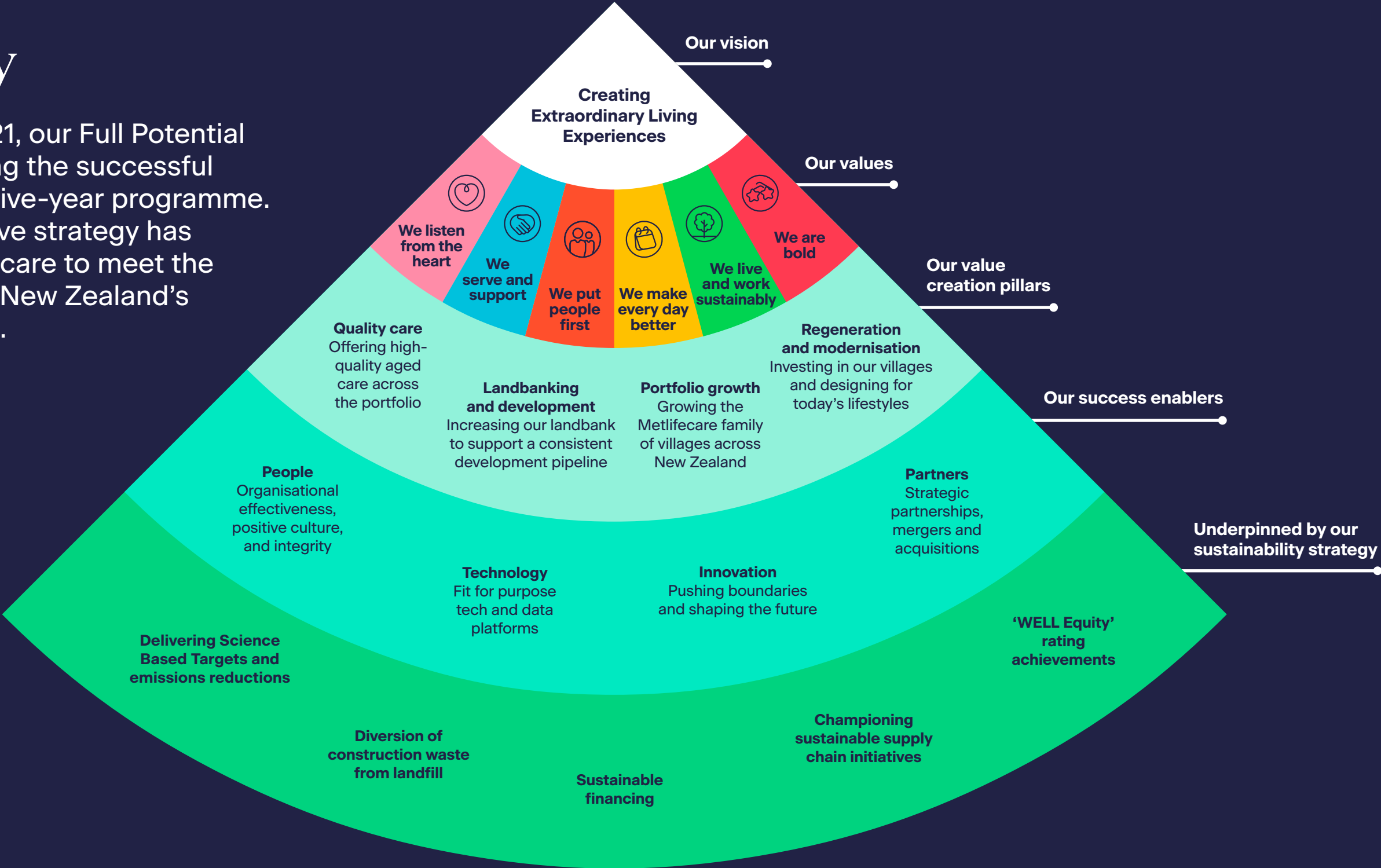


Mark Stockton
GENERAL MANAGER PROPERTY

Mark was appointed as General Manager Property in October 2021. He brings close to 40 years of construction, project and development management experience, and has been involved in the aged care sector since 2005.

Strategy

Established in 2021, our Full Potential Plan is approaching the successful completion of its five-year programme. This comprehensive strategy has positioned Metlifecare to meet the evolving needs of New Zealand’s ageing population.

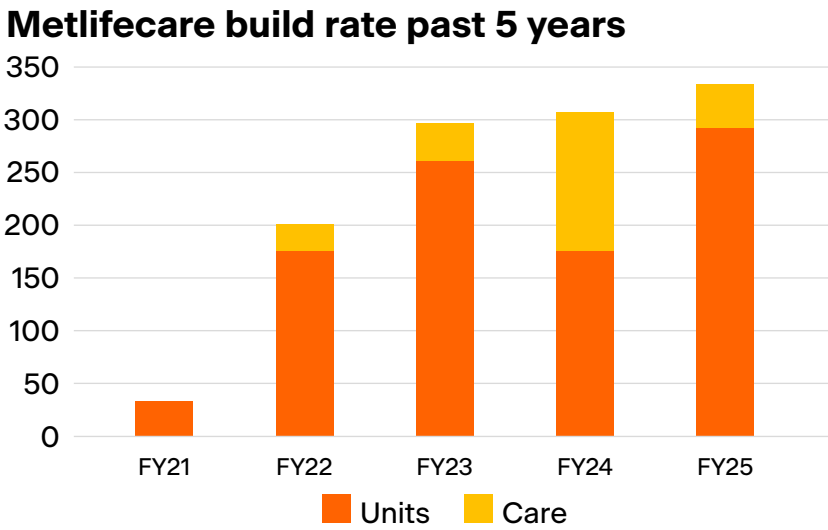


Consistent delivery

In FY25, we completed 332 new residential units and care suites across 10 villages – another year-on-year increase, highlighting Metlifecare’s ability to consistently deliver 300+ units and care suites per annum.

This consistent delivery is being achieved efficiently through better master planning, village design, and effective project management. We have also successfully leveraged a more competitive construction market through smarter procurement and tighter design specifications.

Sustainability is now embedded into our design programme and is a feature of all new Metlifecare villages, ensuring that we provide the best living environments for our residents. Our Development Team prides itself on consistently delivering projects on time and on budget – an uncompromised target.



Completed in FY25:

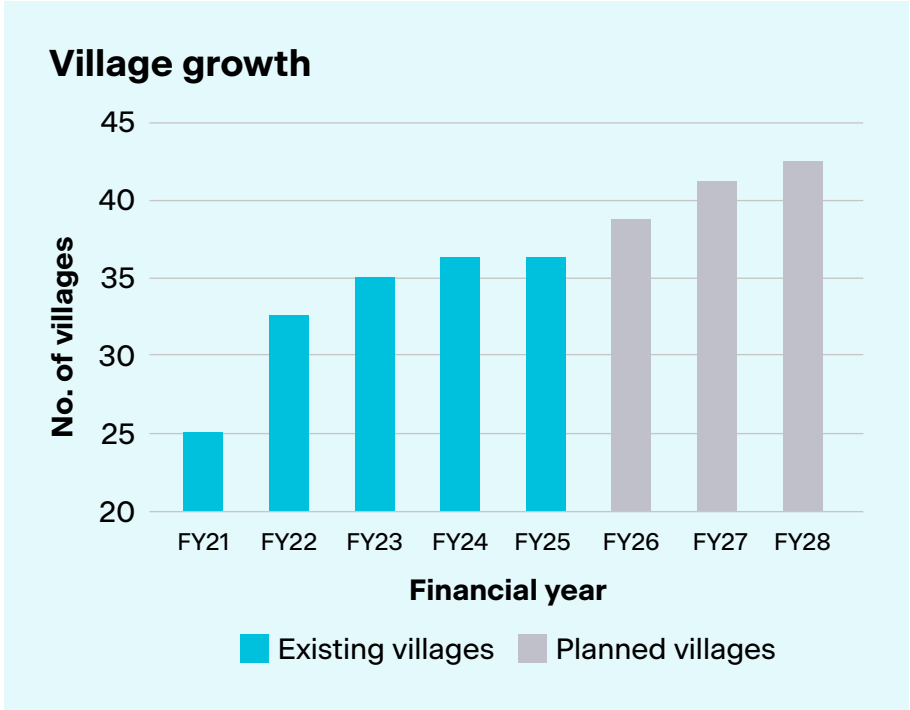
Bay Sands Village (Mt Maunganui, Bay of Plenty)	30	Independent living apartments
Fairway Gardens (Pakuranga, Auckland)	26	Independent living apartments
Greenwich Gardens (Unsworth Heights, Auckland)	51	Independent living apartments
Gulf Rise (Red Beach, Auckland)	61	Independent living apartments
Merivale (Merivale, Christchurch)	18	Independent living villas
Oakridge Villas (Kerikeri, Northland)	14	Independent living villas
Ōtau Ridge (Clevedon, East Auckland)	38 41	Independent living villas Care suites
Pōhutukawa Landing (Beachlands, East Auckland)	25	Independent living villas
Springlands Lifestyle Village (Blenheim, Marlborough)	16	Independent living villas
Whangārei Park (Whangārei)	12	Independent living villas

High-quality pipeline

Our data-led approach to land acquisition includes analysis of future demographic trends, the local housing market and detailed customer research.

This disciplined approach has enabled Metlifecare to build a high-quality landbank, with 20 sites capable of delivering 1,711 independent living units and care suites in future years. We continue to target well-located greenfield sites across New Zealand to further expand our development pipeline.

Our build rate will continue to increase throughout FY26, with new villas, apartments, and care suites scheduled across 12 villages. This includes the opening of three new villages in the highly desirable locations of Mangawhai, Rototuna and Wānaka.



Consent activity

In FY25, the following development projects progressed through the planning and consenting process:

- 7 Saint Vincent (redevelopment)
- Fairway Gardens (extension)
- Havelock North (new village)
- Hillsborough Heights Village (redevelopment)
- Papakura Oaks (extension)
- Whenuapai (new village)

Construction continues into FY26 at the following villages:

- Bay Sands
- Fairway Gardens
- Gulf Rise
- Merivale
- Orion Point
- Ōtau Ridge
- Parkside
- Pōhutukawa Landing
- Whangārei Park

Construction continues in FY26 at the following greenfield sites:

- Mangawhai
- Rototuna
- Wānaka



Mangawhai (blessing)



Whenuapai



Rototuna



Sustainable retirement living

As New Zealand’s first registered Green Star Community¹ retirement village, Ōtau Ridge in Clevedon is leading the way in sustainable retirement living.

A Green Star Community means residents can enjoy living in an environment that promotes energy and water efficiency, waste minimisation and thermal comfort as well as integrating seamlessly into its surrounding environment and community.

Opened in December 2024, Ōtau Ridge’s residents enjoy single-level villas featuring solar panels, double glazing and underfloor heating. The village’s emphasis on sustainable

design is reflected in the native landscaping, energy-efficient infrastructure and stormwater systems. Walking trails, pocket parks, and cycling facilities promote active, healthy living.

The development of Ōtau Ridge involved active engagement with local iwi, Ngāi Tai ki Tāmaki, and honours the region’s cultural heritage and support for ecological restoration along the Wairoa River. This approach benefits both our residents and the broader Clevedon community.

By late 2025 further villas and amenities will be added and the village’s 41-bed care home will begin accepting residents, providing comprehensive care and additional lifestyle options.

In 2021, Metlifecare aspired to deliver six care homes to the globally recognised 6 Green Star rating, as certified by the New Zealand Green Building Council (NZGBC). Ōtau Ridge is one of our 6 Green Star care homes, exemplifying the highest possible sustainable design and build rating and providing residents and staff with a comfortable environment and ambience. For more information on 6 Green Star design elements and benefits see p 29.

Winner, NZ RVA Operator-Led Sustainability Award 2025

In June, we were proud to win the 2025 New Zealand RVA Operator-Led Sustainability Award, recognising the substantial team effort involved in designing these six individual 6 Green Star care homes: Gulf Rise, Pōhutukawa, Oakridge Villas, Ōtau Ridge, Fairway Gardens and Orion Point.



Retirement Villages Association (RVA) Sustainability Awards

¹ A Green Star Community is a large-scale development that meets sustainability benchmarks across governance, liveability, economic prosperity, environment, and innovation.

Substantial investment in our villages

We continue to invest significantly to ensure our existing villages provide residents with quality homes and amenities to support their lifestyles and needs. The specific conversion of serviced apartments to fully certified aged residential care suites has added the provision of aged care to six of Metlifecare’s existing villages since 2021. This enables residents to ‘age in place’ through a continuum of care.

Modernisation

This commitment to enhancing our existing sites is reflected in our extensive village modernisation programme across 10 villages and has been ongoing for the past four years.

Recent amenity upgrades at Pinesong (Titirangi, Auckland) have introduced a new bar, billiards room, hair salon, wellness space, and arts and crafts centre – refreshing environments for residents to enjoy. At Longford Park (Takanini, Auckland), a full modernisation has delivered new social and fitness amenities, including a bar, pool room, and gym, enriching the village’s shared community environment. Further modernisation programmes have been undertaken at Kāpiti, The Poynton, Greenwood Park and Palmerston North villages.

Regeneration

More substantial rebuilding of existing sites to improve resident offerings and valuation has also been a feature of Metlifecare’s development programme over the past four years.

Our regeneration of Somervale village reached a significant milestone in FY25 with the completion of Stage 1, comprising a new resident amenity building and 30 independent living apartments. The village, now renamed ‘Bay Sands’ to reflect its premium offering located

within reach of the beautiful Mount Maunganui Beach and Bayfair Shopping Centre, is taking on a new shape with the next stage of independent living villas commencing in early FY26.

At Hillsborough Heights village in Auckland – one of the first retirement villages ever to be built in New Zealand – we are undertaking an

ambitious rebuild of resident amenity areas, village infrastructure as well as being in the planning process for a new care home at the site. This will involve a new build with premium level care suites, offering both rest home and hospital level care.

At 7 Saint Vincent village in Remuera, Auckland, we have resource consent for the rebuilding of the

main resident amenity building and will add 21 new premium independent living apartments to this area of the site. We are also well progressed with the conversion of a separate serviced apartment building into a fully certified residential care home, which, once complete, will offer 14 premium rest home and hospital-level care suites.



Longford Park modernised amenities





Greenwich Gardens care suite

Serviced apartment conversion programme

One of the key pillars of our original Full Potential Plan was the provision of a premium aged care offering throughout as much of Metlifecare’s portfolio as feasible, in addition to building care homes at every new village development.

Over the past four years we have converted existing serviced apartments to fully certified residential aged care suites at six sites – The

Poynton, Bayswater, Pinesong, Greenwich Gardens, Bay Sands, and Palmerston North. Through these conversions, several sites were able to provide residents with the choice of aged care for the very first time, representing a considerable enhancement of our service offering and providing peace of mind for existing residents with increasing care needs.

We are now nearing the end of our serviced apartment conversion programme and in FY26 will complete the final conversions at 7 Saint Vincent.



Pinesong’s Seabreeze Building

Building maintenance and remediation

Following a comprehensive asset condition review in FY23, our weathertightness remediation programme is progressing steadily, with 60% of required works complete or underway. All works are professionally managed by a dedicated team, with a focus on minimising resident disruption.

Last year, we completed seismic assessments across our portfolio. Only three

buildings throughout the entire Metlifecare group required seismic strengthening with one of these already nearing completion. The remaining two will be addressed as part of our village regeneration projects.

Our investment in other substantial capital projects, including essential village infrastructure and preventative maintenance, continues to deliver improved maintenance efficiencies, extended asset life, and reduces the risk of disruption for residents.

Operational Excellence – in action

We believe that consistently delivering exceptional service to our residents requires empowered village leadership, a strong team culture, efficient processes and an understanding that each village has its own unique needs. Our goal is to be the best operator of retirement villages through delivering our services to a consistently excellent standard, every day. The image below summarises our key improvements during FY25.





Ongoing aged care expansion

Metlifecare’s solid growth in aged care continued through FY25, with 69% of Metlifecare villages now offering residential aged care, up from 40% in FY21.

Strong demand for our premium aged care offering has driven high occupancy levels and a resilient revenue stream. We will continue to expand our care offering with future plans to develop appropriately-sized care homes that meet the evolving needs of our residents.

New care homes

Ōtau Ridge in Clevedon is our latest new-build care home, with 41 premium care suites offering rest home and hospital levels of care. During FY25 we also obtained certifications for newly built care homes at Oakridge Villas and Pōhutukawa Landing, allowing occupation of the 130 care suites across these two sites, including dementia level care.

New care homes at Parkside, Fairway Gardens, and Orion Point remain under construction, with targeted completion dates in 2026 and 2027. The latter two care homes are being developed to achieve a ‘built as’ 6 Green Star certification—the highest standard for sustainable building design.

Care suite model

The care suite model underpins our premium aged care strategy. Introduced in 2022, care

suites provide residents with a high-quality living environment and allow for a seamless transition between rest home and hospital-level care within the one room. For couples, double care suites offer the potential for cohabitation. Financial certainty and peace of mind for residents are assured with costs defined and agreed upfront in the Occupation Right Agreement.

The strength of demand for care suites is reflected in high levels of occupancy, with care suites now comprising more than one-third of Metlifecare’s aged care offering.

Consistent clinical excellence

Care home audit results in FY25 reinforced Metlifecare’s commitment to achieving the highest quality clinical standards, with strong MOH certification results across our portfolio.

All our established care homes audited have achieved three or four-year MOH certifications. This year, Powley, Crestwood, and Highlands were each awarded the ‘gold standard’ highest possible certification period of four years. All our newly-completed care homes underwent successful provisional audits. Additionally, nine unannounced care home surveillance audits resulted in excellent outcomes.

25

villages (69%) offering care (40% in FY21)

Care suites comprise more than

1/3

of our care portfolio

1

new care home completed

3

new care homes under construction

3

villages achieve ‘gold standard’ 4-year MOH audit

1,177

care suites and beds



Enhanced care resident experiences

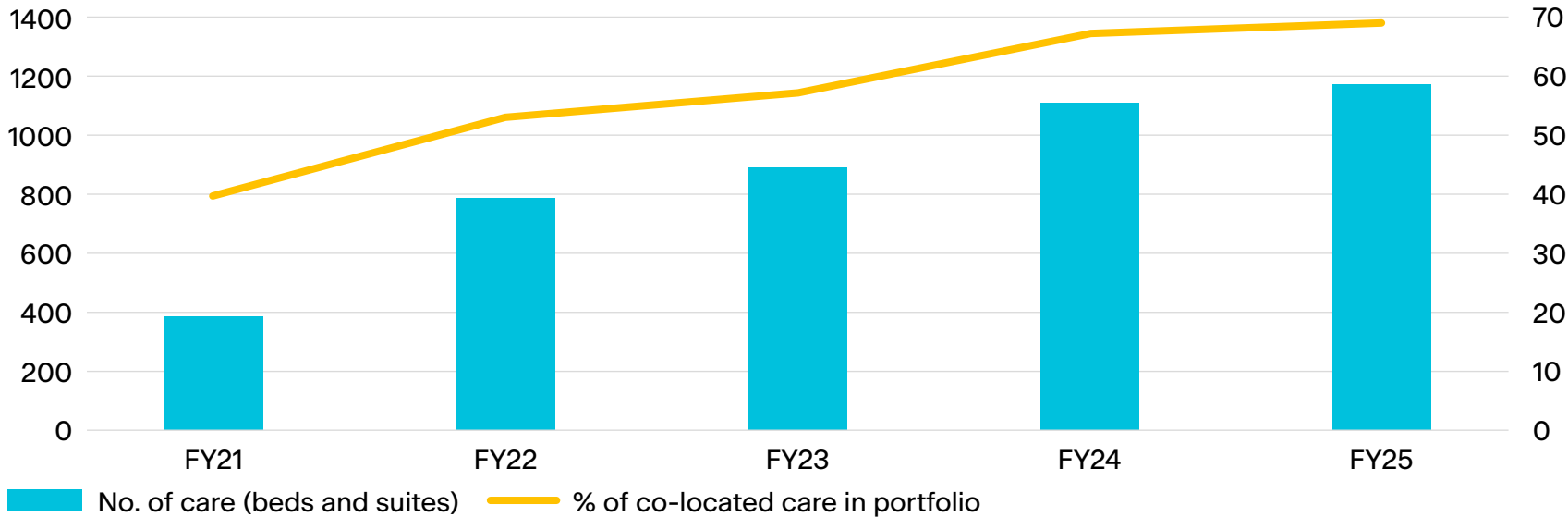
A focus on enhancing the food and dining experience of our care residents has significantly improved resident satisfaction results. Spearheaded by the ‘Your Choice’ model and supported by improved procurement processes, the overall care resident satisfaction with food and dining has increased over the past year.

Increased use of ‘MetFlex’ (Metlifecare’s internal casual workforce) in staff rostering has enabled more consistent quality and continuity of care for residents. With MetFlex’s caregivers, nurses and other casual staff being fully conversant with Metlifecare’s care standards and practices, the resident experience remains positive and consistent.

Dementia care

New secure dementia communities opened in FY25 at Oakridge Villas in Northland and Pōhutukawa Landing in East Auckland. The facilities have added much-needed dementia care capacity in both regions, significantly enhancing access for both our existing residents and the surrounding community.

Growth of care in portfolio



An outstanding contribution

In October 2024, Metlifecare celebrated Mary Stewart, recipient of the 2024 NZ Aged Care Association’s Legendary Service Award. This recognition reflects Mary’s extraordinary contribution to the sector.

With over 40 years of dedication to nursing and aged care, Mary’s transformational leadership has profoundly impacted residents, families, and colleagues. She led and established Metlifecare’s first dementia care home and has continued to implement initiatives to enhance resident care and empower staff. As a leader, Mary creates environments where nurses and caregivers thrive in their roles, and as a mentor, she has shaped and encouraged the careers of many staff members. She continues to tirelessly advocate for residents and excellence in aged care.



“It’s been a privilege to care for our residents with compassion and dignity. I’ve always believed that quality care is about heart as much as skill – and I’m humbled to be recognised for doing what I love.”

Mary Stewart
Regional Clinical Manager

Advancing digital transformation

Metlifecare is building a future-ready digital ecosystem that enhances resident experiences, empowers our workforce, and positions us for sustainable growth in New Zealand’s evolving retirement living sector.

Having established robust foundations with new core platforms over the past three years, FY25 focused on embedding and optimising these systems to unlock measurable value and improve experiences.

Key achievements included:

- **Advanced Scheduling (Meteor HR platform):** Our automated rostering module is streamlining workforce management through efficient rostering, greater staff flexibility, and reduced operational costs.
- **Peak Academy:** This learning management system was successfully embedded, enabling self-paced staff development. 78% of employees now actively engage with online development tools. See p 22 for further information.
- **Development and finance integration:** We implemented integrated workflows between Property Development (Procore) and Finance systems, to drive operational efficiencies and enhance financial transparency across our development portfolio.
- **Connected village infrastructure:** Strengthened digital foundations across our villages is enabling better resident connectivity and laying the groundwork for enhanced digital services launching in FY26.

- **Cybersecurity:** Guided by the NIST framework, we continued to invest and maintain our robust security posture, affirming Metlifecare’s strong risk management practices.

Platforms driving efficiency and accessibility

In early FY25, we launched MetSafe, our new Health and Safety platform, supported by comprehensive user training, significantly

enhancing health and safety monitoring and compliance.

In FY26, we are advancing two strategic platforms that will transform how we serve residents and manage operations. A centralised asset management system will be piloted in early FY26, followed by village rollout over the year. This platform will centralise property data, automate maintenance requests, enhance compliance and reporting, and support faster, smarter decision-making about Metlifecare’s asset portfolio whilst being scalable to accommodate further growth.

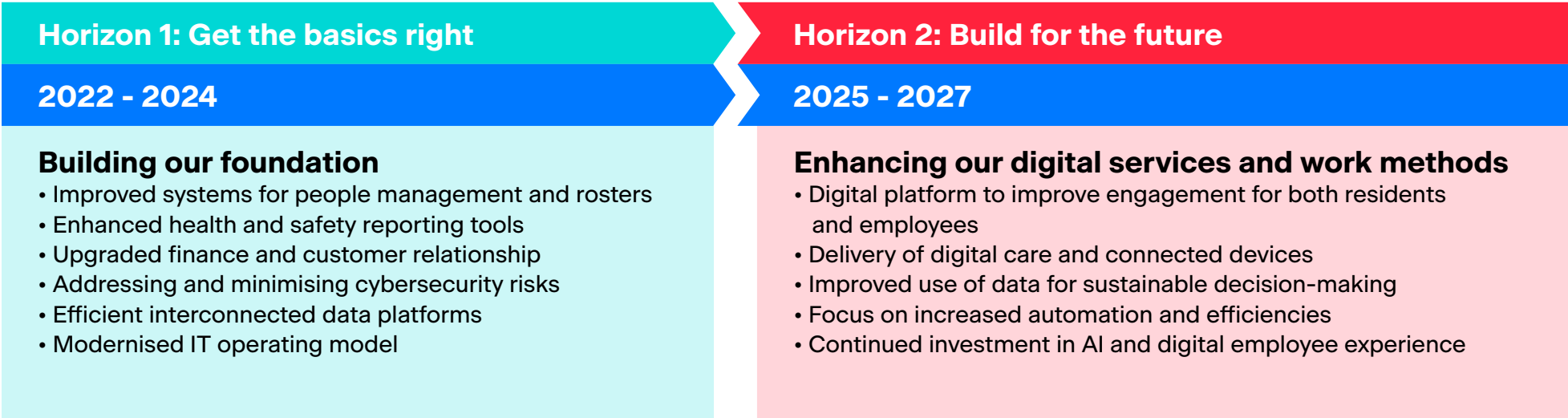
A new digital resident portal will be piloted in mid-FY26 before wider portfolio adoption. This platform will enrich the experience of our residents and families by providing seamless access to village services, activities and information, whilst creating enhanced communications channels and feedback mechanisms.

Building for the future

As we transition to the next phase of our digital transformation, our focus is on expanding the digital value proposition. The key focus areas beyond FY26 are shown in the technology roadmap below.

We have established foundational artificial intelligence (AI) governance and developed a four-pillar AI transformation approach. This encompasses data foundations enabling predictive insights, AI assistants accelerating operational efficiency, clinical AI enhancing personalised resident care, and business function modernisation delivering enterprise-wide productivity. This measured approach ensures we deliver tangible value whilst maintaining data privacy and security, positioning Metlifecare as a digitally mature operator ready to capitalise on opportunities in New Zealand’s retirement living market.

Technology roadmap



Team Metlifecare

The achievement of Metlifecare’s vision – to consistently create extraordinary living experiences for our residents – is driven by the passion, capability and diversity of our people.

Our people strategy

Our people strategy is built on four key pillars: Attract & Onboard, Enable & Support, Develop Capability, and Enhance the Experience. These foundations help cultivate a high-performance, authentic, and connected culture.

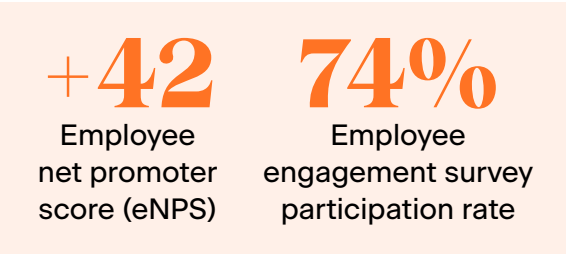
In FY25, we sharpened our focus on digital enablement, leadership development, and inclusion – driving higher engagement, lower turnover, and a more empowered workforce.

Employee engagement

A thriving culture begins with listening. Our MetPulse surveys offer real-time insights into how our people feel about their work, their leaders and their future at Metlifecare.

Our most recent May 2025 pulse survey saw 74% participation and an eNPS of +42, placing us firmly in the top quartile of global healthcare benchmarks.

Employees highlighted ‘meaningful work’ as a defining factor, reinforcing their connection to our purpose. We



believe this, combined with a positive employment experience, has helped to further lower employee voluntary turnover from 25% (FY22) to 12% – a strong indicator of progress.

Attracting and welcoming talent

Throughout FY25, we redesigned our onboarding and attraction process to ensure candidates and new starters feel valued and connected from the outset. Clear, modernised communications reach new hires via personalised welcome packs, videos, virtual sessions, and streamlined information accessed through our intranet. These tools ensure employees are informed and supported from day one of their role at Metlifecare.



Greenwood Park Village. Left to right: Tomas Rodriguez – Kitchen Manager, Christine Chapman – Home Support Worker, Jamie Sparrow – Sales Executive, Judith Carter - Bus Driver, Charlie Vague – Village Manager, Heather Seddon – Receptionist, Tracy Tucker - Maintenance Person, Steve Blackmore - Maintenance Manager.



The Extraordinaries – celebrating people who make a difference

In FY25, we launched The Extraordinaries, a recognition programme celebrating employees who embody Metlifecare's values in their daily work.

Structured monthly, quarterly, and annually, these awards highlight individuals, teams and leaders whose contributions bring our vision to life and build a culture of appropriate acknowledgement and inspiration. In this inaugural year, we had a fantastic response from our people, in both the volume of nominations and in attendance at the awards events to celebrate their peers.

Digital enablement

FY25 saw the successful rollout of PEAK Academy - a fully integrated platform for learning, performance management, and talent development. PEAK Academy comprises three core modules, designed to strengthen organisational capability and empower leaders and employees alike:

- **PEAK Learning** - a learning management system (LMS) with an expanded content library, featuring over 5,000 online learning experiences. To date more than 1,000 modules have been voluntarily completed by employees, 90% of whom were village-based;
- **PEAK Performance** - provides employees with clear, trackable objectives while equipping managers with tools for structured performance reviews and ongoing coaching and development conversations with their teams;
- **PEAK Talent** - enables leaders to identify and develop high-potential talent and develop robust succession planning for key roles.

Other key digital platforms launched or embedded over the past 12 months (Advanced Scheduling, MetSafe) have further added to an overall positive employee experience as well as operational efficiencies. See p 20 and p 23 for more information.

Diversity, equity and inclusion

At Metlifecare, we believe inclusion is essential to high-performing teams. In FY25, we advanced a Diversity, Equity and Inclusion (DEI) strategy that values lived experience, builds cultural confidence and opens up leadership pathways. Highlights include:

- Continued strong female leadership

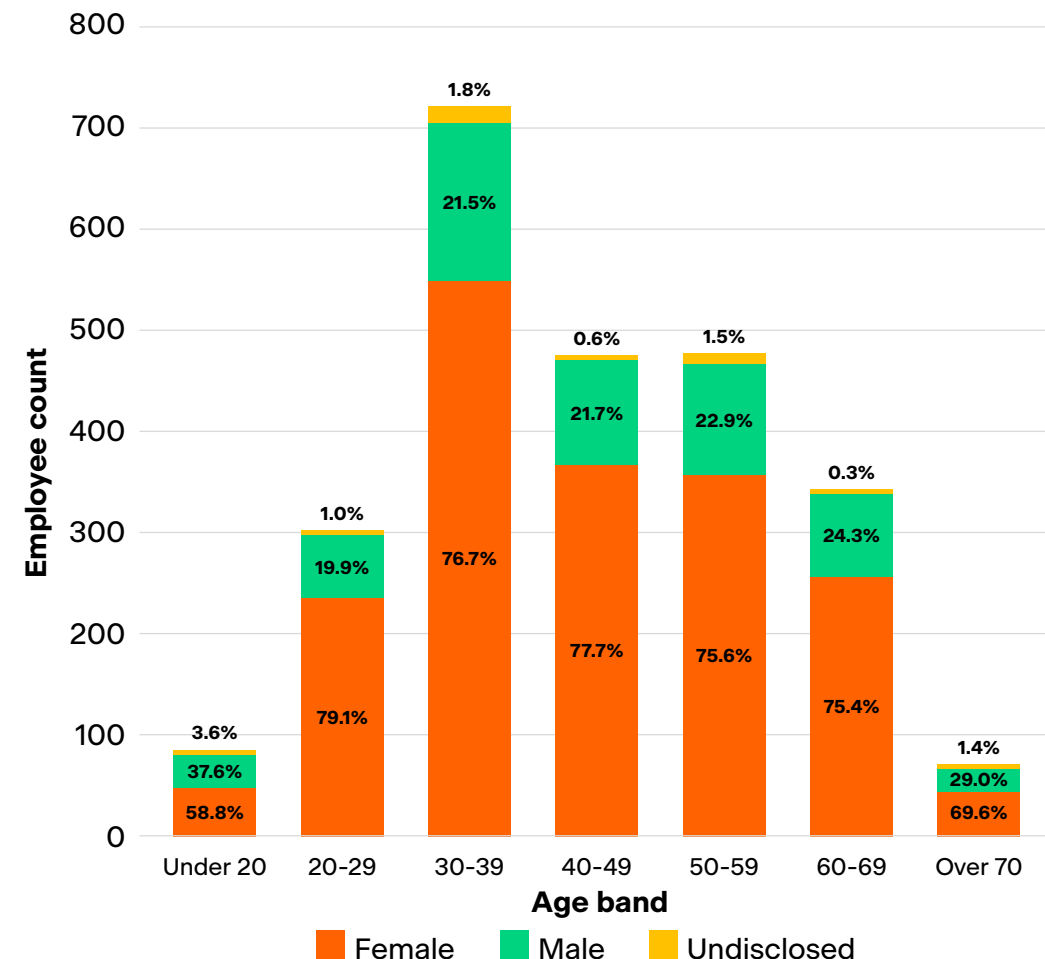
representation, with women comprising 42.9% of executive leadership (excluding CEO role) and 54.5% of Executive Team direct reports.

- A thriving leadership pipeline with 70% of graduates from our Elevate and Leadership Boost programmes identifying as female.
- The launch of Inclusion Squads - employee-led meetings and engagement with like-minded peers, providing enhanced connection

opportunities. Our Pasifika Squad led a successful recognition of Samoan Language Week, sharing vibrant storytelling and language across our villages.

- Deepening our Māori strategy with workshops for 23 leaders on te ao Māori principles and the launch of the Metlifecare karakia, contributing to alignment of our organisational values with tikanga Māori.

Workforce by age and gender



Commonly identified ethnicities

NZ European: **28.6%**
Indian: **21.4%**
Filipino: **15.8%**
Undisclosed: **12.9%**
Fijian: **5.1%**
Other Asian: **3.5%**
Māori: **3.5%**
British and Irish: **3.2%**
Samoan: **3.1%**
Chinese: **2.9%**

Leaders by gender

Executive Team
(excluding the CEO)
Female: **42.9%**
Male: **57.1%**

Non-Executive Leaders
Female: **54.5%**
Male: **45.5%**

Note: All data as of 30 June 2025.

MetFlex – empowering flexibility, enhancing the resident experience

MetFlex, our internal casual workforce bureau, has transformed how we resource unfilled shifts across our villages. The success of our custom-designed system stems from its inherent flexibility and broad talent pool, covering clinical, hospitality, maintenance and administration roles. Residents benefit from service continuity and quality from well-inducted casual employees, while employees enjoy flexibility, varied experiences and career-building opportunities. FY25 highlights include:

- Filling 92% of shifts requested by villages with MetFlex employees
- Enabling Metlifecare to make meaningful savings in wage costs through reduced reliance on external bureaus
- Sourcing more than 20% of Metlifecare’s permanent hires from MetFlex – reinforcing this powerful pathway to long-term career opportunities.

Developing capability and careers

Leadership development remained a focal point throughout the year. At year-end, 62% of Village Managers had graduated from Elevate, with many citing improved effectiveness, confidence and influence. At Support Office, the Leadership Boost programme offering was well attended and delivered 26 leaders the opportunity to build their capability and coach their teams to achieve high-performance. PEAK Learning, in its first full year of operation, produced some additional standout results:

- A redesigned clinical training framework that replaced 10,000 hours of mandatory training with more effective options, allowing nurses more time to focus on resident care and development.
- NZQA-recognised qualifications completed by 61 caregivers and diversional therapists.
- 142 employees currently enrolled in career-advancing training.

Health, safety and wellbeing

A health and safety highlight this period has been the launch and adoption of MetSafe, our dynamic new digital platform for reporting, managing and monitoring safety across our villages and offices. This initiative reinforces our complete commitment to safety and wellbeing at work.

Designed for simplicity and accessibility, MetSafe features a mobile app and QR code functionality, providing easy access for users. It also delivers simple, intuitive workflows for all staff and village-specific dashboards with real-time visibility of safety key performance indicators.

The positive impact of MetSafe is evidenced through:

- Significant reductions in Lost Time Injury Frequency Rate (LTIFR) and Total Recordable

Injury Frequency Rate (TRIFR), reflecting both fewer incidents and lower severity

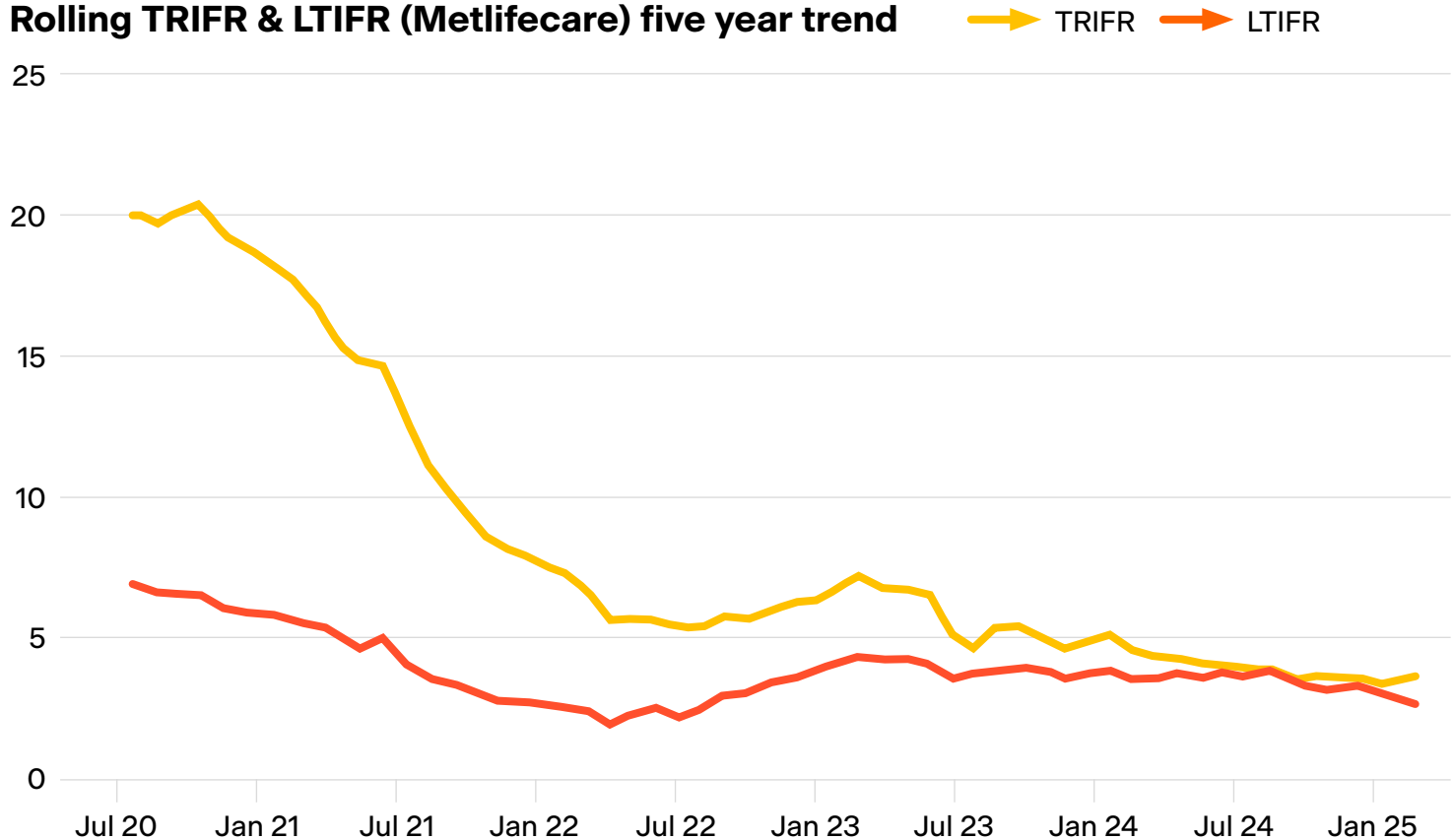
- A 73.5% lift in safety reporting, well surpassing our 20% target
- 2,307 safety observations completed – supporting risk prevention
- Board and Executive Safety Walks, demonstrating visible due diligence from Board and Executive members who record their participation in the MetSafe portal.

Support of wellbeing initiatives continues to grow, with our people accessing 112 support programmes via EAP (Employee Assistance Programme) over the year (up from 83 in FY24), with improved

Designed for simplicity and accessibility, MetSafe features a mobile app and QR code functionality, providing easy access for users.

satisfaction outcomes. There was also a strong uptake of paid wellbeing and birthday leave with 4,838 days taken across Metlifecare, giving staff meaningful ways to recharge.

Rolling TRIFR & LTIFR (Metlifecare) five year trend



A photograph of two women working in a garden bed. The woman on the left is wearing a red jacket and glasses, and the woman on the right is wearing a blue jacket and glasses. They are both smiling and looking at the plants. In the background, there is a large greenhouse with a black frame and glass panels. The garden bed is filled with various plants, including purple flowers and green leafy plants. The entire image is framed by a thick green border.

Sustainability

Every two years, we undertake a comprehensive stakeholder engagement process to identify the sustainability issues most material to both Metlifecare and our stakeholders. This ensures our strategy remains focused and relevant. Our next materiality assessment is scheduled for FY26, reaffirming our commitment to addressing the topics that matter most.

Environmental

- Climate change
- Environmental impacts
- Future building design

Social

- Access and affordability
- Employment practices
- Quality of care
- Resident satisfaction
- Social engagement

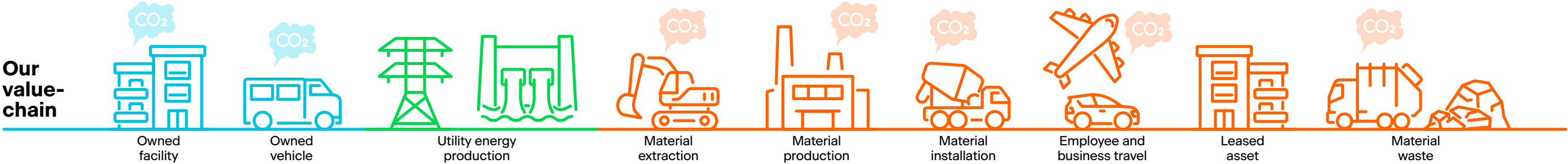
Governance

- Communication
- Governance
- Supply chain management






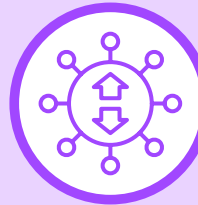


FY25 progress and achievements

Across Metlifecare we have continued to make solid progress towards our sustainability goals. As shown in the table below, the wide-ranging initiatives and practices delivered in FY25 clearly highlight Metlifecare’s strong commitment to sustainability.

Environmental	Social	Governance
<div>Climate action<ul style="list-style-type: none">• Completion of organisation-wide climate transition planning</div> <div>Emissions reduction<ul style="list-style-type: none">• Scope 1 & 2 - market-based emissions 44% lower than FY23 baseline• Scope 3 intensity 23% lower than FY23 baseline</div> <div>Green buildings and community<ul style="list-style-type: none">• Winner 2025 RVA Operator-led Sustainability Award for Green Star care homes• Opening of Ōtau Ridge – New Zealand’s first registered Green Star Community</div> <div>Energy, waste and water<ul style="list-style-type: none">• Energy and water reviews completed in all villages• Six gas-switching projects completed• Investment in water leak detection and management• 58% of operational waste diverted from landfill• 84 tonnes of product from refurbishment activities redirected to homes and community spaces</div>	<div>Aged care<ul style="list-style-type: none">• Welcomed residents into new care homes (130 new care suites)• One new care home completed (41 care suites)• All established care homes have a three or four-year Ministry of Health certification</div> <div>Inclusive dementia communities<ul style="list-style-type: none">• Dementia Friendly national accreditation maintained after a self-assessment review• New secure dementia communities opened in Northland and East Auckland</div> <div>Our people<ul style="list-style-type: none">• eNPS score of +42, top quartile of global healthcare companies• Increased investment in leadership, inclusion and digital enablement• The Extraordinaries recognition programme launched</div> <div>Our communities<ul style="list-style-type: none">• Enviro Groups at 28 villages• 82% of independent residents surveyed believe we deliver on ‘We live and work sustainably’ – one of our Metlifecare values</div> <div>Sustainable supply chain<ul style="list-style-type: none">• Supplier Code of Conduct in all supplier contracts</div>	<div>Sustainable financing<ul style="list-style-type: none">• Sustainability-Linked Loan (SLL) extended to 2029• Refreshed SLL targets, effective FY26</div> <div>Climate governance<ul style="list-style-type: none">• Second NZ CS climate disclosures published</div> <div>Cybersecurity and data protection<ul style="list-style-type: none">• Robust security posture maintained using the NIST framework</div> <div>Health and safety<ul style="list-style-type: none">• Significant improvement across all health and safety KPIs• Investment in new digital platform</div> <div>Assurance<ul style="list-style-type: none">• Independent audits completed on FY25 financial accounts, Greenhouse Gas (GHG) emissions and SLL targets</div> <div>Compliance training<ul style="list-style-type: none">• Delivery and completion of over 7,000 compliance modules, including ethics and anticorruption, privacy principles, and cybersecurity</div>



Climate action summary

Emission sources and targets	Scope 1	Scope 2	Scope 3
	Fuels and refrigerant gases  42% Reduction in Scope 1 & 2 absolute GHG emissions by 2030	Electricity  100% Renewable electricity sourced annually by 2030	Upstream and downstream emissions Purchased goods and services, capital goods, fuel & energy-related activities, business and employee travel, leased assets and waste  51.6% Reduction in Scope 3 GHG intensity by 2030
Emissions reduction initiatives	<ul style="list-style-type: none">• Gas to electricity conversion• Energy efficiency and audits• EV fleet & travel optimisation• Refrigerant gas leak prevention• Fossil fuel-free acquisitions	<ul style="list-style-type: none">• LED Lights• Energy efficiency and audits• Solar Photovoltaics (PV) and solar heating• Climate-positive electricity supplier• Renewable energy certificates	<ul style="list-style-type: none">• Procurement of less carbon-intensive goods and services• Embodied carbon reduction in new construction projects• Optimisation of business travel and employee commuting• Waste reduction, especially organic matter going to landfills and water/wastewater reduction• Resident engagement in waste, water and energy efficiency
Transition plan workstreams	<div> Climate resilient acquisitions, designs & builds</div> <div> Maintain & operate</div> <div> Early & proactive preparation</div> <div> Emissions reduction plan</div> <div> Brand partnerships</div>		

Emissions reduction initiatives for Scopes 1, 2, and 3, aligned with science-based targets and underpinned by Transition Plan workstreams.

Driving carbon reduction

FY25 saw the completion of our organisation-wide climate transition planning, continued reduction of Scope 1 and 2 emissions, and increased energy efficiency across our growing village portfolio.

Transition planning

Developing Metlifecare’s climate transition plan was a key priority in FY25. The company-wide process followed External Reporting Board (XRB) guidance and included a series of in-person workshops and planning sessions that brought together the executive leadership team, subject matter experts, and business unit representatives. This collaborative approach enabled us to define our climate-related vision, test key assumptions, and establish five core workstreams (p 26) to guide our transition to a low-carbon future. Each workstream has clear ownership and is supported by cross-functional teams to drive progress. Monitoring and tracking systems are being developed to support delivery and continuous improvement. The resulting plan is summarised in Metlifecare’s FY25 Climate Statement.

FY25 emissions performance summary

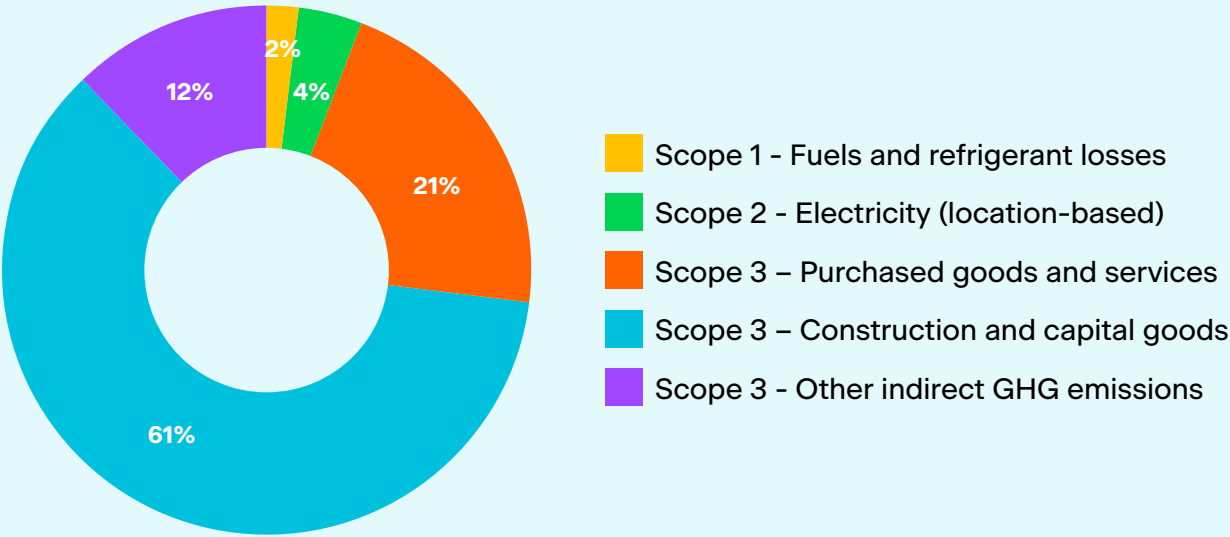
Metlifecare’s Scope 1 and 2 emissions continue to be driven by electricity and natural gas, with additional contributions from LPG, diesel, petrol, and refrigerant gas leaks. In FY25, Metlifecare’s market-based Scope 1 and 2 emissions declined significantly, driven by the continued transition from gas to electricity, with six additional conversion projects completed.

Lower natural gas use and the sale of the Wilson Carlile village further reduced emissions, although these were partly offset by increased energy use in some areas from new and expanded villages. Location-based Scope 2 emissions rose, due to a 38.7% increase in the Ministry for the Environment’s electricity emissions factor reflecting a higher fossil fuel share in the national grid. Electricity use also increased, driven by gas-to-electricity switching projects at villages and a growing resident population. While Scope 3 emissions intensity for FY25 was higher than last year, it still represents a major reduction against the FY23 baseline and remains in line with our SBTi straight-line target for FY25. Four new steel/concrete building projects were delivered compared to two in FY24, alongside more timber villas completions and civil works. Capital goods remained the largest contributor, followed by purchased goods and services. Fuel and energy-related Scope 3 emissions declined with lower gas use but increased for grid electricity. Resident electricity emissions increased due to an increase in residents and the grid emissions factor, while other Scope 3 emissions remained stable.

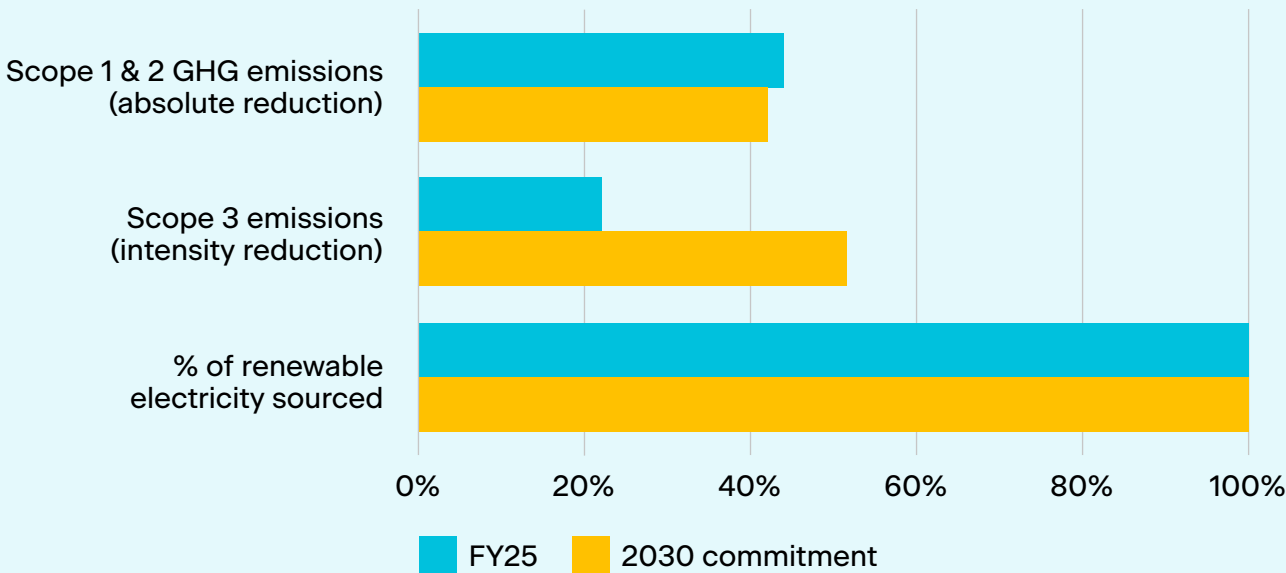
Energy and water efficiency

In FY25, Metlifecare completed energy and water reviews across all villages to identify

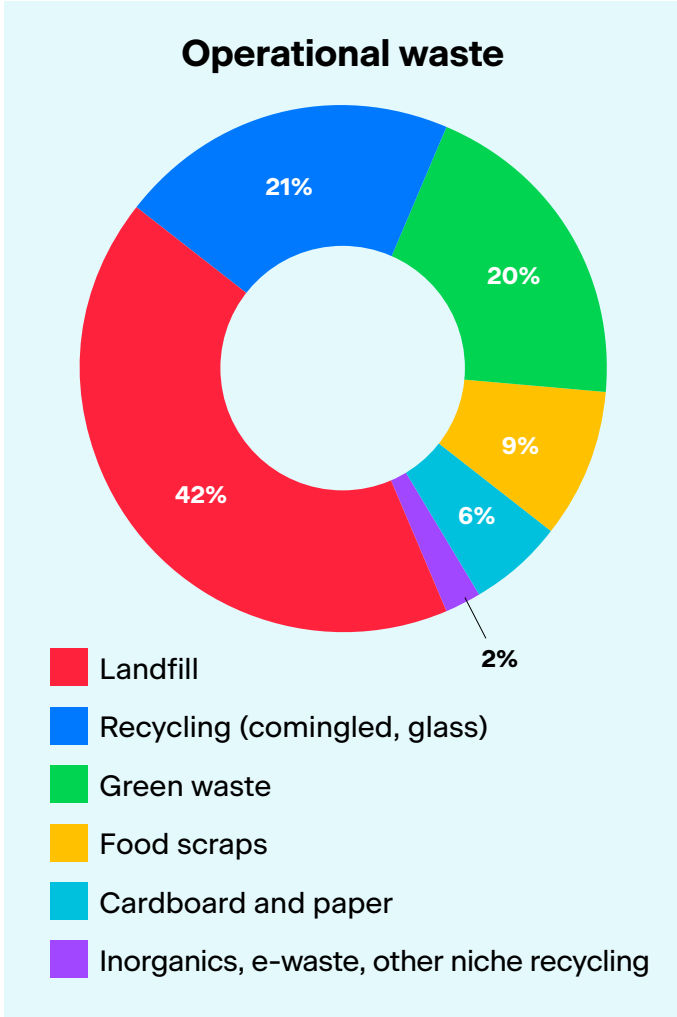
FY25 emissions breakdown



Progress towards the Science-Based Targets Initiative (SBTi) validated 2030 targets



opportunities for improvements and support benchmarking. Six gas-to-electricity conversion projects were completed with electric dryers and heat pumps installed for heating and hot water, supporting long-term emissions reduction. More than 20 villages now use LED lighting exclusively, and all new builds or refurbishments include Metlifecare Sustainable Home Features. The first four 6 Green Star care homes are now complete,



with the remaining two on track for delivery in 2026 and 2027.

Water efficiency remains a priority, with low-flow fixtures standard in new developments. However, ageing infrastructure in some of our older villages continues to cause leakage issues. In response, we are investing in leak detection systems, isolation valves, and water network mapping to support future upgrades.

Reducing waste

In FY25, Metlifecare increased its landfill diversion rate, successfully composting or recycling 58% of waste (FY24: 57%). Our villages diverted 344 tonnes of food scraps via composting, anaerobic digestion, and worm farming.

Despite this progress, organic materials still made up 27% of landfill waste, highlighting the need for continued education of our residents and staff. We held 20 waste awareness sessions across villages in FY25, helping residents to improve recycling habits.

As resident numbers grow, our focus remains on achieving optimal waste separation which enables us to improve overall landfill diversion. 24 villages organised e-waste and inorganic collections to support responsible disposal practices. Two Metlifecare villages are also contributing to a University of Otago study aimed at reducing food waste in aged care, helping to drive sector-wide improvements.

Broadening village engagement

With Resident-led Enviro Groups now widely established, Metlifecare invested in a pilot programme to help individual groups strengthen engagement with other residents and build



Enviro Groups at Metlifecare

In FY25:

- ✓ Seven new Enviro Groups established, totalling 28 groups with around 200 engaged members
- ✓ \$50,000 was allocated to fund Enviro Groups in advancing their projects
- ✓ Independent resident satisfaction survey results on delivering one of our values, ‘We live and work sustainably’ saw an increase to 82% in FY25
- ✓ Pāpāmoa Beach Village was a finalist in the Retirement Village Association Sustainability Awards
- ✓ Nine multi-village Enviro Group events were held, fostering collaboration and collective problem-solving
- ✓ Enviro Group representation at Metlifecare’s quarterly cross-functional sustainability team meeting
- ✓ New initiatives included water tanks, recycling, virtual reality sessions, Village Op Shops, gardening and planting projects.

momentum within their villages. Members from seven West Auckland villages worked closely with a specialist community engagement agency in a series of workshops designed to address common participation barriers.

The sessions helped participants clarify the role of Enviro Groups and provided practical tools

to transform their ideas into actionable projects. Members gained confidence and built strong peer connections. The programme will now be expanded, using insights gained to improve the capability of sustainability leaders and Enviro Groups across Metlifecare villages.

Sustainable design and procurement

Building future-ready communities

Our Metlifecare Sustainable Home Features integrate smart sustainability designs into our developments by incorporating appropriate elements from Green Star and Homestar certification programmes.

For new residential units, Homestar-aligned features include low-flow fixtures, low energy-rated appliances, LED lighting, high-grade insulation, heat pumps, and double-glazed windows to enhance thermal comfort and reduce emissions. Ventilation systems and the absence of gas appliances also support healthier indoor environments.

Green Star-adopted elements in residential and amenity buildings include centralised heat pump hot water systems, rainwater harvesting, electric-only equipment, continuous mechanical ventilation systems, Low Global-Warming Potential refrigerants and photovoltaic capability assessments. External and internal lighting operate by daylight sensors and motion controls. Electric vehicle chargers have been installed in selected villages to support EV use.

In building design, we use Life Cycle Assessments (LCAs) on various apartment, villa

and care home typologies to identify carbon reduction opportunities. Low-carbon options now in use include hybrid cross-laminated timber and steel structures, reduced-carbon concrete, and minimised steel usage. We also reduce construction waste through Site Waste Management Plans and ensure adequate recycling facilities for residents.

We publish a 'Home User Guide' for residents to read and appreciate the variety of sustainable design features employed in their unit at that village.

Evidence is already showing the positive impact of our design choices on the enhanced environmental performance of our villages.

Responsible supply chain

We continued to strengthen our supply chain in FY25 by deepening partnerships and embedding sustainable procurement principles into all purchasing decisions.

Our Supplier Code of Conduct – alongside our Terms of Purchase and Health & Safety commitments – defines clear expectations around ethics, human rights, environmental care and safety. These standards are now part of all supplier renewals and contracts, guiding business conduct and aligning with our sustainability goals.



Ōtau Ridge ultra-premium villa

Sustainable procurement remains a core strategy, balancing commercial outcomes with ESG impact. We assess suppliers based on their ability to help Metlifecare achieve its SBTi targets, product quality, longevity, and local responsiveness. This has led to a preference for New Zealand-based suppliers who offer transparency in sourcing and

emissions data – supporting our compliance with New Zealand's Climate Standards.

In FY25, we signed agreements that will further accelerate progress toward our environmental and ethical ambitions, reinforcing Metlifecare's position as a responsible, future-focused organisation.

Supporting our communities

Our employees, villages and residents play an active role in supporting local causes and making a positive impact.

‘Refurb Reuse’

Over the past year, we strengthened our commitment to reducing waste when we refurbish homes and amenities in our villages. The Refurb Reuse programme aims to redirect items that are no longer needed – such as kitchens, carpets, curtains and other items – to communities. By tailoring our approach to different regions, we have successfully redirected around 84 tonnes of refurbishment ‘waste’ to furnish homes and community spaces.



Our partnership with All Heart New Zealand is now into its second year, with 24 tonnes of materials repurposed across many communities and generating an estimated \$60,000 in community value this year.

We are refining our systems to effectively track and analyse the diversion of refurbishment waste, to ensure continuous improvement and long-term impact.

Love Food Hate Waste

In 2024, Metlifecare partnered with Love Food Hate Waste (LFHW), a government-backed initiative to promote food waste reduction in New Zealand households. LFHW encourages Kiwis to waste less food through meal planning, proper food storage, using leftovers, and freezing surplus.

In collaboration with LFHW, we have been promoting impactful changes in daily habits to our residents and employees. Through our internal communication channels, Villager magazine and



social media channels, we share tips on smarter shopping, meal planning, and creative use of leftovers, as well as providing low-waste recipe ideas.

The impact of LFHW is potentially significant – by adopting good habits, Kiwi families are saving an average of NZ\$1,510¹ per household annually, reducing methane emissions from landfills, and supporting New Zealand’s climate goals.



BLAKE partnership

Following the successful delivery of a series of virtual reality (VR) presentations to residents at Metlifecare villages, we have become a partnership sponsor of BLAKE (Sir Peter Blake Trust). BLAKE is the legacy foundation of the great New Zealand sailor and environmentalist Sir Peter Blake.

Through the partnership, Metlifecare is now a category sponsor of the Poutoko Hapori/Community award category at the annual BLAKE Awards. These long running awards focus on leadership in the environmental and sustainability fields, recognising New Zealanders who are making a significant contribution to Aotearoa.

¹ Rabobank – KiwiHarvest New Zealand Food Waste Survey – 2023 Results.

Metlifecare Limited Group Financial Statements

For the year ended 30 June 2025

Consolidated Statement of Comprehensive Income

Group Financial Statements I

For the year ended 30 June 2025

\$000	Note	30 June 2025	30 June 2024
Income			
Operating revenue	2.1	243,007	221,980
Other income	2.1.1	1,200	-
Interest income		1,918	2,664
Total income		246,125	224,644
Other gains/(losses)			
Other gain in fair value of investment properties	3.2	135,424	135,045
Share of profit/(loss) arising from joint venture, net of tax		933	(985)
Total income and other gains		382,482	358,704
Expenses			
Employee expenses		(148,041)	(145,549)
Property expenses	2.2	(48,412)	(44,333)
Other expenses	2.2	(53,220)	(63,075)
Change in fair value of residents' share of capital gains		(279)	(3,356)
Reversal of impairment/(impairment)	2.2	544	(3,439)
Depreciation	3.4	(17,988)	(11,400)
Amortisation		(105)	(247)
Interest expenses	4.4.5	(47,734)	(36,260)
Total expenses		(315,235)	(307,659)
Profit before income tax		67,247	51,045
Income tax (expense)/benefit	5.1	(853)	2,074
Profit for the year		66,394	53,119

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income (continued)

Group Financial Statements I

For the year ended 30 June 2025

\$000	Note	30 June 2025	30 June 2024
Profit for the year		66,394	53,119
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Loss on cash flow hedges, net of tax	6.1	(18,295)	(5,831)
Items that will not be reclassified to profit or loss:			
Share of other comprehensive income arising from joint venture, net of tax		85	465
Gain on revaluation of care homes, net of tax	4.3.1	41,800	47,360
Other comprehensive income, net of tax		23,590	41,994
Total comprehensive income		89,984	95,113
Profit attributable to shareholders of the parent company		66,394	53,119
Total comprehensive income attributable to shareholders of the parent company		89,984	95,113
Profit per share for profit attributable to the equity holders of the parent company during the year			
Basic/Diluted (cents)	4.2	15.8	14.7

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

Group Financial Statements I

For the year ended 30 June 2025

\$000	Note	Contributed equity	Retained earnings	Hedging reserve	Revaluation reserve	Total equity
Balance at 1 July 2023		457,532	1,646,760	8,534	24,128	2,136,954
Comprehensive income/(loss)						
Profit for the year		-	53,119	-	-	53,119
Other comprehensive income/(loss)		-	-	(5,831)	47,825	41,994
Total comprehensive income/(loss)		-	53,119	(5,831)	47,825	95,113
Balance at 30 June 2024		457,532	1,699,879	2,703	71,953	2,232,067
Balance at 1 July 2024		457,532	1,699,879	2,703	71,953	2,232,067
Comprehensive income/(loss)						
Profit for the year		-	66,394	-	-	66,394
Other comprehensive income/(loss)		-	-	(18,295)	41,885	23,590
Total comprehensive income/(loss)		-	66,394	(18,295)	41,885	89,984
Transactions with owners in their capacity as owners						
Contributions of equity net of transaction costs	1.7, 4.1	107,722	-	-	-	107,722
Dividends declared	1.7	-	(5,951)	-	-	(5,951)
Total transactions with owners in their capacity as owners		107,722	(5,951)	-	-	101,771
Balance at 30 June 2025		565,254	1,760,322	(15,592)	113,838	2,423,822

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 30 June 2025

\$000	Note	30 June 2025	30 June 2024
Assets			
Cash and cash equivalents		7,108	8,227
Trade and other receivables	5.3	147,527	110,452
Derivative financial instruments	6.1	330	10,202
Property, plant and equipment	3.4	568,983	452,048
Investment properties	3.2	6,184,476	5,733,687
Investment in joint venture	1.6, 8.3	19,728	19,510
Intangible assets		5,993	6,492
Goodwill	3.5	830	1,375
		6,934,975	6,341,993
Assets classified as held for sale	3.6	24,700	29,283
Total assets		6,959,675	6,371,276
Liabilities			
Trade and other payables	5.4	88,383	95,381
Derivative financial instruments	6.1	21,985	6,448
Interest bearing liabilities	4.4	1,529,060	1,473,986
Deferred management fees		216,330	191,780
Refundable occupation right agreements	3.3	2,680,095	2,371,614
Deferred tax liability	5.2	-	-
Total liabilities		4,535,853	4,139,209
Net assets		2,423,822	2,232,067
Equity			
Contributed equity	4.1	565,254	457,532
Reserves		98,246	74,656
Retained earnings		1,760,322	1,699,879
Total equity		2,423,822	2,232,067

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

The Group Financial Statements presented are signed for and on behalf of Metlifecare Limited and were authorised by the Board for issue on 28 August 2025.



Paul McClintock AO
Chair of the Board
28 August 2025



Ken Lotu-liga
Director
28 August 2025

Consolidated Cash Flow Statement

Group Financial Statements I

For the year ended 30 June 2025

\$000	Note	30 June 2025	30 June 2024
Cash flows from operating activities			
Receipts from residents for management fees, village, care, and service fees		214,557	200,613
Receipts from residents for new refundable occupation right agreements		546,428	464,615
Receipts from liquidated damages		1,200	-
Payments to residents for outgoing refundable occupation right agreements		(229,130)	(201,340)
Payments to residents via buyback of refundable occupation right agreements for regeneration and remediation		(10,472)	(9,028)
Payments to suppliers and employees		(246,572)	(245,356)
Payments for expenses related to business acquisitions		-	(730)
Payments for expenses related to divestments		-	(275)
Net interest received		93	962
Net GST received/(paid)		860	(753)
Net cash inflow from operating activities		276,964	208,708
Cash flows from investing activities			
Payment for acquisition of businesses	7	-	(35,890)
Net advances from/(to) joint venture		9,691	(3,426)
Dividends received from joint venture		800	600
Payments for property, plant and equipment and intangible assets		(63,739)	(124,688)
Payments for investment properties		(278,712)	(285,731)
Deposits paid for land acquisitions		-	(1,007)
Capitalised interest paid	4.4.5	(52,172)	(56,275)
Proceeds from sale of other investments		-	600
Proceeds from divestment of held for sale assets		-	4,085
Net cash outflow from investing activities		(384,132)	(501,732)

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement (continued)

Group Financial Statements I

For the year ended 30 June 2025

\$000	Note	30 June 2025	30 June 2024
Cash flows from financing activities			
Proceeds from issuing shares		107,722	-
Dividends paid		(5,951)	-
Net advances to related parties	1.7, 8.2	(2,864)	-
Proceeds from borrowings for the acquisition of businesses	7	-	35,890
Proceeds from borrowings		487,556	592,487
Repayment of borrowings		(432,055)	(312,761)
Interest paid on borrowings		(43,117)	(25,443)
Payment of debt refinancing costs		(2,715)	(120)
Principal payments of lease liabilities		(2,527)	(2,170)
Net cash inflow from financing activities		106,049	287,883
Net decrease in cash and cash equivalents		(1,119)	(5,141)
Cash and cash equivalents at the beginning of the financial year		8,227	13,368
Cash and cash equivalents at the end of the financial year		7,108	8,227

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement (continued)

Group Financial Statements I

For the year ended 30 June 2025

Reconciliation of profit after tax with net cash inflow from operating activities

\$000	Note	30 June 2025	30 June 2024
Profit after tax		66,394	53,119
Adjusted for:			
Change in fair value of investment properties	3.2	(135,424)	(135,045)
Change in the fair value of residents' share of capital gains		279	3,356
(Reversal of impairment)/impairment	2.2	(544)	3,439
Depreciation	3.4	17,988	11,400
Amortisation		105	247
Income tax expense/(benefit)	5.1	853	(2,074)
Gain on disposal of assets	2.2	(461)	(77)
Share of (profit)/loss arising from joint venture, net of tax		(933)	985
Loss on divestment of Village		-	221
Prior year dividend income adjustment		-	1,300
Interest income		(1,353)	(1,321)
Interest expenses		47,261	35,989
Allowance for doubtful receivables		187	74
Changes in working capital relating to operating activities:			
Trade and other receivables		(27,854)	30,790
Trade and other payables		4,616	4,605
Deferred management fees		24,550	15,950
Refundable occupation right agreements		281,300	185,750
Net cash inflow from operating activities		276,964	208,708

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

1. GENERAL INFORMATION

This section outlines the basis upon which the Group Financial Statements are prepared.

1.1 Reporting entity

The Group Financial Statements are for Metlifecare Limited (the Company) and its subsidiaries (together the Group).

The Company is incorporated and domiciled in New Zealand. The address of its registered office is Level 4, 110 Carlton Gore Road, Newmarket, Auckland 1023.

The immediate parent of the Group is Asia Pacific Village Group Limited (APVG), a limited liability company incorporated in New Zealand. The ultimate parent is EQT Infrastructure Holdings, a Swedish entity.

The Company is registered under the Companies Act 1993 and is a FMC reporting entity, and a climate reporting entity, under the Financial Markets Conduct Act 2013 (FMCA). The Company has a fixed-rate Sustainability Bond listed on the NZX Debt Market.

The Group is primarily in the business of owning, operating, and developing retirement villages and care homes for the elderly in New Zealand.

1.2 Basis of preparation

The Group Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (GAAP) and the FMCA. They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other guidance as issued by the External Reporting Board (XRB), as appropriate to for-profit entities, and with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

The Group is a Tier 1 for-profit entity in accordance with XRB A1 – Application of the Accounting Standards Framework.

The Group Financial Statements have been prepared on the basis the Group is a going concern.

The Consolidated Balance Sheet is presented on the liquidity basis where the assets and liabilities are presented in the order of their liquidity.

The Group Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, care homes (care beds and care suites), derivative financial instruments, other investments and assets held for sale.

The functional currency of each entity and the presentation currency of the Group is New Zealand dollars. Unless otherwise stated, the Group Financial Statements are presented in round thousands of dollars. The use of \$m signifies millions of dollars.

Comparative information may have been restated to ensure continuity of information.

1.3 Key judgements and estimates

The preparation of the Group Financial Statements in accordance with GAAP requires the use of certain key accounting estimates and judgements. It also requires Management and the Directors to exercise judgement based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances when applying the Group’s accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group Financial Statements are as follows:

Reference to Note	Key estimates and judgements
Note 2.1	Revenue recognition – Management fees
Note 3.2 and 3.4	Fair value of investment properties and care homes
Note 5.2	Recognition of historical tax losses in deferred tax

Climate related risk

The Company acknowledges that climate-related risk presents a significant long-term threat to the Group’s current operations, and the Audit & Risk Committee monitors climate change risks quarterly as part of its Enterprise Risk Management. Of particular concern to the Company are physical climate risks, such as extreme weather events, flooding, and heatwaves, which can pose substantial risks to people, operations, and assets. Additionally, the Company manages transition risks, including policy and regulatory changes, the cost and availability of insurance, and supply chain vulnerabilities.

We consider climate-related risks when designing and building new developments, as well as when regenerating and refurbishing existing retirement villages. Severe weather events are increasingly common and intense. With resident satisfaction as our top priority, we aim to create a living environment that addresses long-term climate changes and ensures that our residents are safe and comfortable. Additionally, while climate change currently has a small impact on the Group’s property values, this could change in the future.

During the year ended 30 June 2025, we advanced our climate-related work program with a particular focus on a desktop physical risk assessment for all our sites, including development land, and started our climate transition planning. The objective of transition planning was to identify a set of strategic actions and targets to ensure the Group’s business contributes to a low-carbon, resilient economy. All mandatory requirements of the Aotearoa New Zealand Climate Standards will be disclosed in the Group’s 2025 Climate Statement.

1.4 Material accounting policies

Material accounting policies that summarise the measurement basis used are provided throughout the Notes to the Group Financial Statements. Other relevant policies are provided as follows:

(i) New accounting standards

From 1 July 2024 the Group has adopted the amendments to NZ IAS 1 Presentation of Financial Statements and FRS-44 New Zealand Additional Disclosures.

Standards issued but not yet effective

NZ IFRS 18 Presentation and Disclosure in Financial Statements effective from 1 January 2027 has not been early adopted in preparing these financial statements.

There are no new accounting standards or standards issued but not yet effective which have, or are expected to have, a material effect on the Group Financial Statements.

(ii) Measurement of fair value

The Group measures investment properties, care homes, derivative financial instruments, other investments, and assets held for sale at fair value. The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a Level 3 measurement.

(iii) Goods and Services Tax (GST)

The Consolidated Statement of Comprehensive Income and Consolidated Cash Flow Statement have been prepared so that all components are stated exclusive of any GST that can be claimed, with the net amount of GST payments/receipts being shown in the Consolidated Cash Flow Statement under operating and financing activities. Where an amount of GST is not recoverable, this is recognised as part of the cost of the assets or as an expense, as applicable. All other items in the Consolidated Balance Sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

(iv) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities at balance date are recognised in the Consolidated Statement of Comprehensive Income.

(v) Classification of Group property

The Group operates retirement villages and care homes. As outlined in section 3, retirement villages are typically investment property and care homes are typically property, plant and equipment.

The Group applies the following principles when ascertaining the appropriate accounting treatment to be applied:

Unit	Scenario	Consideration of significant cash flows	Classification
Independent living unit (villa or apartment)	Additional services are optional ¹ (whether or not the unit is certified for Aged Related Residential Care)	The business model is the provision of retirement accommodation	Investment property
Serviced apartment	Services are compulsory but an insignificant portion of total revenue from the unit (whether or not the unit is certified for Aged Related Residential Care)	1. Where a guideline of under 20% of total revenue is adopted; and 2. The business model is the provision of retirement accommodation	Investment property
Care suite	Full Aged Related Residential Care services are compulsory, and a significant portion of the total revenue derived from the unit	The business model is the provision of care	Property, plant and equipment
Traditional care bed	Full Aged Related Residential Care services are compulsory for that bed	The business model is the provision of care. The price of the accommodation does not change the overall purpose of the accommodation	Property, plant and equipment

¹Excludes Assisted Lifestyle Services included in certain Occupation Rights Agreements (ORA) generally in respect of new development retirement villages.

Notes to the Group Financial Statements (continued)

1.5 Segment information

The Group operates in one operating segment, being the provision of retirement villages and care homes. The chief operating decision maker, the Board of Directors, reviews the operating results on a regular basis and makes decisions on resource allocation based on the review of Group results and cash flows as a whole. The nature of the products and services provided, and the type and class of customers, have similar characteristics within the operating segment.

All revenue is earned, and all assets are held, in New Zealand.

1.6 Group structure

(i) Wholly owned subsidiaries

The Company has one wholly owned subsidiary and village operator company, being Metlifecare Retirement Villages Limited (MRVL).

(ii) Joint venture

The Group has a 50% (2024: 50%) interest in a joint venture company, Metlifecare Palmerston North Limited (MPNL). MPNL is incorporated in New Zealand and has a balance date of 30 June. Its principal activity is the ownership and management of the Metlifecare Palmerston North Village.

(iii) Principles of consolidation

• Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to 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. In assessing control, potential voting rights that are substantive are taken into account. The financial results of subsidiaries are included in the Group Financial Statements from the date on which control commences until the date that control ceases.

Intercompany transactions, balances, and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

• Joint venture entities

Joint venture entities are accounted for using the equity method. Interests in joint venture entities are initially recognised at cost and adjusted thereafter to recognise the Group's

share of the post-acquisition profits or losses and movements in other comprehensive income. Unrealised gains on transactions between the Group and its joint venture entities are eliminated to the extent of the Group's interest in the joint venture entities. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.7 Significant events and transactions

The following events and transactions occurred during the year:

(i) Development land acquisitions

On 12 August 2024 and 15 November 2024, the Group settled on the land purchases for Rototuna and Kapiti respectively. The total settlement value was \$18.9m.

(ii) Sustainability-Linked Loan refinancing

On 20 December 2024, the Company completed the partial refinancing of the Sustainability-Linked Loan (SLL) Facilities. The most significant changes were the increase of the overall facility by \$100m from \$1.55 billion to \$1.65 billion, and the extension of maturities that were due to expire in December 2025 and December 2026. The SLL Facilities comprise core and development facilities, with different maturity dates as outlined in Note 4.2 – Interest bearing liabilities.

In March 2025, the key performance indicators (KPIs) under the SLL, which link interest rates under the SLL to the Group achieving certain sustainability performance targets, were both updated and extended to 2029 (from the original maturity date of 2026). The new KPIs focus on the diversion of construction waste from landfill and employee wellbeing while the original KPI relating to emissions reduction has been reset and targets updated to continue minimising the Group's carbon footprint. The new KPIs and targets apply for periods commencing 1 July 2025.

(iii) Bank guarantee

During the year the Company entered into a Bank Guarantee with ASB in respect of its obligations under the Construction Contracts Act 2002.

(iv) Equity contribution

On 13 December 2024, APVG, the immediate parent of the Company, subscribed to shares in the Company amounting to \$107.7m.

Notes to the Group Financial Statements (continued)

(v) Related party transactions

On 15 May 2025, the Company declared and paid a dividend to its immediate parent, APVG of \$5,950,693 (being \$0.01643 per share on each ordinary share in the Company). APVG used part of the proceeds from the dividend to repay an intercompany loan provided by the Company to APVG in December 2024 as well as to discharge certain costs on-charged by the Company during the period.

On 30 May 2025, the Company entered into the following related party loan agreements:

- The Company advanced \$1,850,000 to APVG Holdings Pte. Ltd. The Company is a wholly owned indirect subsidiary of APVG Holdings Pte. Ltd, through a chain of three intermediate subsidiaries. The loan is for a term of 5 years and will incur interest at an aggregate of BKBM bill rate and a margin of 1.75%.
- The Company advanced \$1,000,000 to Asia Pacific Village Trustee Limited. Asia Pacific Village Trustee Limited is a subsidiary of APVG TopCo Pte. Ltd, which itself is a subsidiary of APVG Holdings Pte. Ltd. The loan is for a term of 5 years and will incur interest at the prescribed non-concessionary rate of interest for fringe benefit tax as set by New Zealand Inland Revenue.

2. OPERATING PERFORMANCE

This section provides information that the Directors consider most relevant in the context of the operating performance of the Group including revenue, property, and other expenses.

2.1 Operating revenue

\$000	30 June 2025	30 June 2024
Management fees	97,049	85,696
Rest home, hospital and service fees	103,752	96,940
Village fees	38,172	36,865
Other revenue	4,034	2,479
Total operating revenue	243,007	221,980

Management fees

Management fees are a key component of the Group's revenue model and represents the fee charged to residents, under Occupation Right Agreements (ORAs) for the right to share in the use of common areas. The management fee is generally calculated as a percentage of the original lump sum capital contribution, accrued over a defined period, and is recognised as revenue over the expected duration of the resident's occupancy.

Recognition and measurement

The ORAs conferring the right to occupancy are considered leases under NZ IFRS 16 – Leases.

The current ORA for independent living units/apartments and serviced apartments, commercially earns management fees receivable at the rate of 10% per annum of the ORA purchase price for a maximum of three years. ORAs that were acquired from The Selwyn Foundation (Selwyn) during the year ended 30 June 2022 accrue management fees receivable at a rate of 25% - 28% in total for a maximum of 4-5 years. ORAs for care suites accrue the management fees receivable at the rate of 30% over 3 years.

The management fee is payable in cash by the resident at the time of repayment (to the resident) of the refundable ORA amount due. The Group has the right of set-off of the refundable ORA amount and the management fee receivable. At year end, the management fee receivable that has yet to be recognised in the Consolidated Statement of Comprehensive Income as management fee revenue, is recognised as deferred management fees on the Consolidated Balance Sheet.

Consequently, management fee revenue is treated as lease income and is payable by the residents of the Group's independent living units/apartments, serviced apartments and care suites for the right to share in the use and enjoyment of common facilities. The management fee is recognised on a straight-line basis in the Consolidated Statement of Comprehensive Income over the average expected length of stay of residents.

Key estimates and judgements

The timing of the recognition of management fees is a critical accounting estimate and judgement. Historical experience across all villages is used in determining expected average length of stay. The current assessments are as follows:

Expected average length of stay	30 June 2025	30 June 2024
Independent living units and apartments	8 years	8 years
Serviced apartments	4 years	4 years
Care suites	3 years	3 years

Notes to the Group Financial Statements (continued)

Other items of Operating revenue

► Recognition and measurement

Revenue is recognised in accordance with NZ IFRS 15 – Revenue from Contract with Customers.

(i) Rest home, hospital and service fees

Rest home, hospital and service fee charges are governed by the individual contracted care and service agreements held with each resident. Revenue for rest home and hospital services is recognised based on the daily fees charged. Revenue from other services provided to residents is recognised on a monthly basis.

(ii) Village fees

Village fees are detailed within each resident's ORA and relate to the operating costs of the village. Revenue is recognised based on the weekly fees charged.

(iii) Other revenue

Other revenue includes resident refurbishment recoveries and administration fees collected on ORA contracts issued prior to 2006. Revenue is recognised at the point in time the services are provided and agreed to by the resident.

Information about major customers

Revenue from the Group's largest customer, the New Zealand Government, is included in total operating revenue. This includes care fee revenue from eligible Government subsidised aged care residents who receive rest home or hospital level care. Revenue from the New Zealand Government, received via Health New Zealand – Te Whatu Ora, included in rest home, hospital and service fees, amounted to \$39.9m (2024: \$38.6m).

2.1.1 Other income

On 3 October 2024, MRVL reached a commercial settlement in respect of a dispute in relation to a construction contract at one of the new development villages. The settlement, by way of cash damages, is included in Other income in the Consolidated Statement of Comprehensive Income for the year ended 30 June 2025.

2.2 Expenses

The profit before income tax includes the following expenses:

\$000	Note	30 June 2025	30 June 2024
Utilities and other property expenses		30,523	26,621
Repairs and maintenance of investment properties		14,148	15,164
Repairs and maintenance of property, plant, and equipment		3,741	2,548
Total property expenses		48,412	44,333
Resident expenses		12,778	12,561
Marketing and promotion		13,098	13,795
Other employment expenses (e.g., staff training and recruitment)		2,899	3,311
IT and communication expenses		13,824	16,692
Legal and consultant expenses		2,571	7,460
Gain on disposal of assets		(461)	(77)
Loss on disposal of held for sale assets		-	221
Other village operating expenses		5,345	6,193
Director fees		740	654
Other operating expenses		1,809	1,621
Auditor's remuneration – PricewaterhouseCoopers		617	644
Total other expenses		53,220	63,075
(Reversal of impairment)/impairment of care homes	3.4	(6,569)	2,307
Impairment of goodwill		544	224
Impairment of assets held for sale		4,378	908
Impairment of intangible assets		1,103	-
Total (reversal of impairment)/impairment		(544)	3,439
\$000		30 June 2025	30 June 2024
Audit and review of financial statements		563	595
Audit or review related services			
• Assurance engagement relating to debenture deposit register compliance		5	5
• Other non-assurance engagements relating to trustee reporting		10	5
Other assurance services			
• Assurance engagement over sustainability performance targets		39	39
Total auditor's remuneration – PricewaterhouseCoopers		617	644

3. INVESTMENT PROPERTIES, REFUNDABLE OCCUPATION RIGHT AGREEMENTS AND RELATED PROPERTY ASSETS

This section shows the retirement village assets (investment properties), related liabilities for resident ORAs, other property assets including care homes (property, plant and equipment) and goodwill which are considered to be the most relevant to the operations of the Group.

What is an Investment property?

Investment properties are properties held to earn rental income and/or for capital appreciation. In the context of retirement villages, this typically includes independent living units/apartments and serviced apartments that are licensed under an ORA. These properties are held to generate returns through management fees, village fees and capital appreciation. Refer to Note 1.4 (v) for classification of the Group's property.

What is a Refundable ORA?

ORAs represent the contractual arrangements under which residents are granted the right to occupy an independent living unit/apartment, serviced apartment, or care suite. These agreements do not confer ownership of the underlying property but provide a licence to occupy for the duration of the resident's tenure.

Under an ORA, the resident typically pays a lump sum capital contribution upon entry. Upon termination of the agreement, a portion of this contribution is refunded to the resident or their estate, less any deductions such as a management fee.

What is Property, plant and equipment?

Property, plant and equipment comprises land, buildings, and other tangible assets that are held for use in the provision of aged care services or for future development into care homes. These assets are not held for capital appreciation or rental income, but rather to support the Group's operational objectives.

In addition to core care-related assets, property, plant, and equipment also includes administrative and operational equipment such as office furniture, computer hardware, vehicles, and other fixtures and fittings that are essential to the day-to-day management of the Group's activities.

3.1 Market conditions

The property portfolio, comprising investment property (Note 3.2 – Investment properties) and certain property, plant and equipment (Note 3.4 – Property, plant and equipment) has been valued by CBRE Limited (CBRE) and Jones Lang Lasalle (JLL) (collectively referred to as the valuers), as at 30 June 2025 and 30 June 2024. At 30 June 2024, where two valuations were obtained for the same asset, a midpoint of the two valuations was applied, however for 30 June 2025 the valuers are each responsible for valuing the assets at each village allocated to them.

The valuations represent a 'point in time valuation'.

With inflation back within the Reserve Bank of New Zealand target band, monetary policy easing and interest rates declining, transaction volumes in both commercial and residential property markets have shown some improvement in 2025, following historical lows throughout 2024. However, the valuers have noted increased uncertainty in the global economic outlook, amid global tariff and trade policy tensions stemming from the United States, as well as the escalation in conflicts across the Middle East, that poses risks for local economic activity and growth.

The valuers' recommendation is that, as consumer and investor behaviour can change rapidly during periods of volatility and economic uncertainty, valuations should continue to be reviewed periodically.

3.2 Investment properties

Investment properties include completed freehold land and buildings, freehold development land and buildings under development comprising independent living units and apartments, serviced apartments, car parks, and common facilities, provided for use by residents under the terms of an ORA. Investment properties are held for long-term yields.

The Group's investment properties, and movements for the year, are set out in the following table:

\$000	Note	30 June 2025	30 June 2024
Opening balance		5,733,687	5,200,069
Acquisition of businesses	7	-	64,348
Additions		335,968	376,653
Transfer to assets classified as held for sale	3.6	(2,425)	(1,210)
Transfer to property, plant and equipment	3.4	(14,159)	(33,868)
Disposals		(4,019)	(7,350)
Change in fair value		135,424	135,045
Closing balance		6,184,476	5,733,687

Notes to the Group Financial Statements (continued)

Investment properties are categorised as follows:

\$000	30 June 2025	30 June 2024
Development land	232,336	259,402
Retirement villages under development	197,360	245,959
Retirement villages		
Valuation	2,953,127	2,727,879
Net liabilities to residents	2,801,653	2,500,447
Total investment properties	6,184,476	5,733,687

► Recognition and measurement

Investment property is initially recognised at cost and subsequently measured at fair value, except for retirement village units under development, which are measured at cost until fair value can be reliably determined. As the fair value is determined using inputs that are significant and unobservable, the Group has categorised all investment properties as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 – Fair Value Measurement.

Valuation process and key inputs

During the year, a valuation policy was introduced in relation to the adoption of a dual valuer model, in respect of the Group's measurement of its investment properties. The dual valuer model involves two registered valuers undertaking a valuation of a proportion of the portfolio of investment property on a systematic, rotational basis. It is not intended that there will be more than one valuation obtained for the same asset, but where this occurs, a midpoint of the two valuations will be used in determining the fair value of that asset. All investment properties are valued twice per annum.

The valuers undertook the valuation of investment properties in accordance with professional valuation standards for all the reporting periods presented. The valuers are registered valuers and industry specialists in valuing the retirement village and aged care sector.

The fair value for investment properties, as determined by the valuers, is adjusted for the net liabilities to residents made up of the below items recognised on the Consolidated Balance Sheet.

Net liabilities to residents related to investment properties

The differences between the balances in the table below, and the balances found in Note 3.3 - Refundable occupation right agreements, or (in the case of deferred management fees) on the Consolidated Balance Sheet, relate primarily to care suites, which are recognised as property, plant, and equipment.

\$000	30 June 2025	30 June 2024
Refundable occupation licence payment	3,363,083	3,020,775
Residents' share of capital gains	26,004	32,977
Management fee receivable	(747,584)	(685,259)
Deferred management fee	212,901	190,230
Loans and deferrals to residents	(52,751)	(58,277)
Total net liabilities to residents	2,801,653	2,500,446

Investment properties which are substantially complete at balance date are valued by the valuers as if they were complete. The fair value of these properties is reduced for their estimated cost to complete of \$10.4m (2024: \$8.3m).

In prior periods, the Group has taken the view that the purchase price for the acquisition of the retirement villages and care homes at the Merivale Retirement Village, as well as at certain Selwyn Villages, better reflected the fair value of those assets. The portfolio premium was in recognition of the impact to the overall portfolio from the acquisitions, as well as embedded development potential. As at 30 June 2025 a premium no longer exists for either the Merivale Retirement Village or the Selwyn Villages (2024: \$1.3m and \$3.4m respectively) based on the fair value per the external valuation received.

Development land

Development land comprises a standalone title and/or part of the principal site. Where the development land is a standalone title, the respective valuer has ascribed a value which can be captured independently, if desired, from the overall village. Where the development land is part of the principal site, the valuers have identified if there is potential, be it planning or economic, to expand the village and have assessed a value accordingly. This latter value, whilst identified as surplus land value, cannot be independently captured.

Development land is valued based on recent comparable transactions. The Group's land values range as follows:

Land value	30 June 2025	30 June 2024
Per sqm	\$83 - \$2,593	\$81 - \$2,578

Notes to the Group Financial Statements (continued)

An increase/(decrease) in the per sqm rate would result in a higher/(lower) fair value of development land, respectively. As a general rule, the respective valuer has treated units in the early stages of construction, land with approvals and other vacant land clearly identified for future development, as land for development in its highest and best use.

Retirement villages under development

Where the staged development still requires substantial work, such that practical completion will not be achieved at or close to balance date, or the fair value of investment properties under development cannot be reliably determined at this point in time, the carrying amount of cost less any impairment is considered to be the fair value, with the exception of the underlying development land which is recognised at fair value per the Directors' valuation. The cost approach is deemed to be the more robust approach as it relies on inputs that can be accurately determined and is not subject to any variable inputs. Impairment is determined by considering the value of work in progress and the Directors' estimate of the asset value on completion.

Retirement villages

To assess the market value of the Group's interest in a retirement village, the valuers have undertaken a cash flow analysis to derive a net present value.

Any developed but not yet sold stock (unsold stock) is valued based on recent comparable transactions, adjusted for disposal costs, holding costs and an allowance for profit and risk. This represents the fair value of the Group's interest in unsold stock at 30 June.

There are various car parks within the Group's portfolio including car parks under the same roof (ORA inclusive of a car park) as well as standalone car parks (whereby there is a separate ORA for the car park).

The valuers have undertaken a proxy to a detailed cash flow-based forecasting by applying a percentage to the gross realisation of all car park values of 15% or 20% to car parks under a standalone ORA. This is an implicit approach applied on the basis that on completion, all car parks will be fully sold down and attract a similar resident demographic. For vacant standalone car parks, the respective valuer has applied a block discount that represents the fair value of the Group's unsold car parks at 30 June 2025.

Key estimates and judgements

The significant unobservable inputs used in the fair value measurement of the Group's portfolio of retirement villages are the property price growth rate and the discount rate. The following assumptions have been used to determine fair value:

Unobservable input	30 June 2025	30 June 2024
Nominal growth rate – anticipated annual property price growth over the cash flow period 0 – 5 years	1.0% - 3.5%	0.5% - 3.5%
Nominal compound growth rate – anticipated annual property price growth over the cash flow period > 5 years	2.8% - 3.4%	3.0% - 3.5%
Pre-tax discount rate	12.5% - 17.5%	12.5% - 18.0%

The sensitivity of the fair value of investment properties and care suites (which are classified as property, plant and equipment) to changes in significant assumptions is set out in the table below.

30 June 2025	Adopted value*	Discount rate + 50 bp	Discount rate – 50 bp	Growth rates + 50 bp	Growth rates – 50 bp
Valuation (\$000)	2,645,760				
Difference (\$000)		(106,710)	115,640	168,073	(152,779)
Difference (%)		(4.0)	4.4	6.4	(5.8)
30 June 2024	Adopted value*	Discount rate + 50 bp	Discount rate – 50 bp	Growth rates + 50 bp	Growth rates – 50 bp
Valuation (\$000)	2,400,630				
Difference (\$000)		(92,510)	99,573	156,855	(142,215)
Difference (%)		(3.9)	4.1	6.5	(5.9)

* Adopted value excludes unsold stock. Retirement villages measured at fair value includes unsold stock.

Notes to the Group Financial Statements (continued)

The occupancy period is a significant component of the valuation.

For the CBRE valuation, this is driven from a Monte Carlo simulation. The simulations are dependent on the demographic profile of the village (age and gender of residents) and the reason for departing a unit. The resulting stabilised departing occupancy period is an estimate of the long run occupancy term for residents.

The JLL valuation incorporates actuarial tables and probability analysis along with observed trends within a village such as average age of entry and length of stay, to estimate when each existing resident is most likely to terminate their ORA. The resulting stabilised departing occupancy period is an estimate of the long run occupancy for residents, reflecting the current and forecast trends.

An increase in the stabilised departing occupancy period will have a negative impact on the valuation and a decrease in the stabilised departing occupancy will have a positive impact on the valuation. The valuations calculate the expected cash flows for a 20-25 year period (2024: 20-25 year period) with stabilised departing occupancy assumptions set out below.

Stabilised departing occupancy - years	30 June 2025	30 June 2024
Independent living units and apartments*	4.7 – 8.8	4.5 – 9.0
Serviced apartments	3.9 – 5.1	3.9 – 5.0

* At Merivale, residents in certain independent living apartments are able to acquire a service package making these more akin to a serviced apartment impacting on stabilised departing occupancy.

The valuations also include within the forecast cash flows the Group's expected costs relating to any known or anticipated remediation works. The estimate of the gross cash flows included for remediation works is \$46.8m (2024: \$59.6m). The decrease in the estimated remediation work costs reflects continued progress on the Group's remediation strategy, where more than half of the units initially identified as requiring weathertightness works have either been completed or are in progress.

The valuers have also included within the forecast cash flows the Group's expected costs associated with seismic strengthening works of \$3.5m (2024: \$3.5m). In the year ended 30 June 2024, a comprehensive and proactive programme of work was undertaken to assess the seismic strength rating of buildings on properties owned by Metlifecare. The forecast cash flows include costs for seismic works underway at Pinesong Village, and estimated costs for two other villages which will be addressed as part of the Group's regeneration strategy, well in advance of the statutory timeframe for completing seismic strengthening works.

The estimates for both the weathertightness remediation programme and the work identified as a result of the seismic review are based on currently available information for both cost and timing of the work to be completed.

3.3 Refundable occupation right agreements

The refundable occupation right agreements balance for investment properties and care suites is outlined below:

\$000	30 June 2025	30 June 2024
Refundable occupation right agreements	3,478,196	3,078,756
Residents' share of capital gains	26,004	32,977
Management fees receivable	(764,950)	(690,497)
Loans and deferrals to residents	(59,155)	(49,622)
Total refundable occupation right agreements	2,680,095	2,371,614

➤ Recognition and measurement

ORAs conferring the right to occupancy are considered leases under NZ IFRS 16 – Leases. A new resident is charged a refundable security deposit on being issued the right to occupy which is refunded to the resident on termination. The Group has a legal right to set off any amounts owing to the Group by a resident against that resident's security deposit, including management fees, loans receivable, service fees and village fees. As the refundable occupation right is repayable to the resident upon vacation, the fair value is equal to the face value, being the amount that can be refunded.

The right of residents to occupy the investment properties of the Group is protected by the Statutory Supervisor, restricting the ability of the Group to fully control these assets without undergoing a consultation process with all affected parties.

Certain older ORAs include the right to a proportion of the capital gain arising on resale. The amount of the capital gain relating to these agreements is recognised by way of a liability on the Consolidated Balance Sheet.

Notes to the Group Financial Statements (continued)

3.4 Property, plant and equipment

Property, plant and equipment comprises owner-occupied freehold land and buildings, plant and equipment operated by the Group for the provision of care services, and land and buildings that are to be developed into care homes in the future.

\$000	Freehold land and buildings	Construction work in progress	Plant, furniture, equipment and motor vehicles	Right-of-use assets	Total
At 30 June 2023					
Cost or valuation	182,040	29,076	68,380	9,562	289,058
Accumulated depreciation/impairment losses	-	-	(38,470)	(3,495)	(41,965)
Closing net book value	182,040	29,076	29,910	6,067	247,093
Year ended 30 June 2024					
Opening net book value	182,040	29,076	29,910	6,067	247,093
Revaluation of care homes	50,371	-	-	-	50,371
Transfer from investment properties	17,071	16,797	-	-	33,868
Acquisition of businesses	5,694	-	510	-	6,204
Additions/transfers	96,622	9,150	20,545	2,149	128,466
Disposals	-	-	(10)	-	(10)
Impairment	(2,307)	-	-	-	(2,307)
Disposal of held for sale	-	-	(237)	-	(237)
Depreciation	(3,459)	-	(6,937)	(1,004)	(11,400)
Closing net book value	346,032	55,023	43,781	7,212	452,048
At 30 June 2024					
Cost or valuation	346,032	55,023	89,188	11,711	501,954
Accumulated depreciation/impairment losses	-	-	(45,407)	(4,499)	(49,906)
Closing net book value	346,032	55,023	43,781	7,212	452,048

Notes to the Group Financial Statements (continued)

Group Financial Statements I

\$000	Note	Freehold land and buildings	Construction work in progress	Plant, furniture, equipment and motor vehicles	Right-of-use assets	Total
Year ended 30 June 2025						
Opening net book value		346,032	55,023	43,781	7,212	452,048
Change in fair value recognised in other comprehensive income		47,155	907	-	-	48,062
Transfer from Investment properties	3.2	14,159	-	-	-	14,159
Additions/transfers		44,498	9,419	18,014	2,244	74,175
Disposals		(6,691)	-	(248)	-	(6,939)
Reversal of impairment/(impairment)		10,987	(4,418)	(1,103)	-	5,466
Depreciation		(8,863)	-	(7,781)	(1,344)	(17,988)
Closing net book value		447,277	60,931	52,663	8,112	568,983
At 30 June 2025						
Cost or valuation		447,277	60,931	105,851	13,955	628,014
Accumulated depreciation/impairment losses		-	-	(53,188)	(5,843)	(59,031)
Closing net book value		447,277	60,931	52,663	8,112	568,983

► Recognition and measurement

All property, plant and equipment is initially recognised at cost. For transfers from investment properties following a change in classification from investment properties to property, plant and equipment, the carrying value at the time of change is deemed to be the cost. Initial cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes material and direct labour, and any other costs directly attributable to bringing the asset to its working condition for its intended use. Property, plant and equipment is subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Subsequent to initial recognition, freehold land and buildings for care homes are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses, if any, since the assets were last revalued. As the fair value of freehold land and buildings is determined using inputs that are unobservable, the Group has categorised property, plant and equipment as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 - Fair Value Measurement. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the date of valuation. Refer to Note 3.1 - Market conditions for further information.

During the year, a valuation policy was introduced in relation to the adoption of a dual valuer model in respect of the Group’s measurement of its care homes. The dual valuer model involves two registered valuers (CBRE and JLL) undertaking a valuation of a proportion of the portfolio of care homes on a systematic, rotational basis. It is not intended that there will be more than one valuation obtained for the same asset, but where this occurs, a midpoint of the two valuations will be used in determining the fair value of that asset.

Any revaluation surplus is recognised in other comprehensive income unless it reverses a revaluation decrease of the same asset previously recognised in profit or loss. Any revaluation deficit is recognised in the profit or loss unless it directly offsets a previous surplus in the same asset in other comprehensive income. Any accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Independent valuations are performed every six months.

Subsequent to initial recognition, plant, furniture, equipment and motor vehicles, are recognised at cost less accumulated depreciation.

Right-of-use assets relating to leases of office premises and vehicles are capitalised and recognised within property, plant and equipment at the commencement date of the lease, and comprise the initial lease liability, plus any initial indirect costs incurred and restoration costs, less any lease incentives received. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Land and buildings under development

Subsequent to initial recognition, fair value measurement on construction work in progress is only applied if the fair value is reliably measurable.

Where the fair value of property under construction cannot be reliably determined (i.e., practical completion has not been achieved) the value is the fair value of the development land (which is classified under construction work in progress) plus the cost of work in progress.

At 30 June 2025, \$61m (2024: \$55m) has been recognised in relation to these development sites.

For the sites where there is a split of development classified by nature as investment properties and another portion as property, plant and equipment, the fair value of the land and the cost of work in progress is apportioned between investment properties and property, plant and equipment, by applying an estimated gross floor area for the respective areas of development based on information from the planning and design stages.

Care beds

The valuers determined the fair value of care beds’ assets using an earnings-based multiple approach where the normalised earnings before interest, tax, depreciation, amortisation and rent is capitalised at rates of between 11.3% to 13.5% (2024: 11.0% to 14.5%). The valuation prepared has been split between land, improvements, chattels and goodwill to determine the fair value of the relevant assets. The revaluation, net of applicable deferred income tax, is recognised in other comprehensive income and is shown in the revaluation reserve in shareholders’ equity.

The significant unobservable inputs used in the fair value measurement of the Group’s portfolio of land and buildings, are the capitalisation rates applied to individual unit earnings. A significant decrease/(increase) in the capitalisation rate would result in a significantly higher/(lower) fair value measurement.

Care suites

The Group recognises care suites as property, plant and equipment when there is evidence of change in use of the property, being the conversion from serviced apartments to care suites or care beds to care suites. In determining the fair value of care suites, the valuers have used both the retirement village methodology in relation to the management fees revenue, and the care beds methodology in relation to the residential care fees income derived via the care home. Refer to key assumptions disclosed in Note 3.2 - Investment properties and above.

If freehold land and buildings were stated on a historical cost basis, the amounts would be as follows:

\$000	30 June 2025	30 June 2024
Net book value	358,057	239,987

In determining the fair value of the Group’s property, plant and equipment (in respect of care suites), the valuers estimate the stabilised departing occupancy period, as set out below.

Stabilised departing occupancy – years	30 June 2025	30 June 2024
Care suites	2.7 – 3.0	2.7 – 3.4

Depreciation

► Recognition and measurement

Depreciation is provided on a straight-line basis on property, plant and equipment, other than freehold land, at rates calculated to allocate the assets' cost or valuation, less estimated residual value, over their estimated useful lives, commencing from the time the assets are held ready for use, as follows:

Asset category	Useful lives
Freehold buildings	25 - 50 years
Plant, furniture and equipment	3 - 10 years
Motor vehicles	5 - 7 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Consolidated Statement of Comprehensive Income.

Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, after reducing the carrying amount by any amount that the asset has been revalued. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

In the year ended 30 June 2025, a reversal of impairment of \$6.6m was recognised in the Consolidated Statement of Comprehensive Income to reflect the valuation of the care homes (2024: impairment of \$2.3m). Refer to Note 2.2 – Expenses.

3.5 Goodwill

► Recognition and measurement

Goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or business at the date of acquisition. Goodwill is allocated to the cash generating unit (CGU) that is expected to benefit from the business combination in which the goodwill arose.

Goodwill is not amortised. Instead, goodwill is tested every six months for impairment and carried at cost less accumulated impairment losses. Impairments are recognised in the

Consolidated Statement of Comprehensive Income. Gains and losses on the disposal of a CGU include the carrying amount of goodwill relating to the entity or CGU sold.

Impairment of goodwill

The carrying value of goodwill has been assessed on a village-by-village basis taking into account the villages as a whole. An impairment is recognised when the carrying value of goodwill is greater than the valuation. The carrying amount of goodwill at each village is not material to the financial statements. Goodwill of \$0.8m (2024: \$1.4m) is allocated to care homes.

► Key estimates and judgements

The recoverable amount of the individual site has been determined based on an external valuation of fair value less costs to sell. The fair value less costs to sell is considered Level 3 under the fair value hierarchy. This has been used for comparison to current carrying value. The assumptions used in determining the fair value are disclosed in Note 3.4 – Property, plant and equipment.

3.6 Assets held for sale

► Recognition and measurement

The Group classifies assets as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell. Costs to sell are the costs directly attributable to the disposal of an asset.

The criteria for held for sale classification are met when the sale is highly probable and the asset is available for immediate sale in its present condition. Assets and liabilities classified as held for sale are separately presented in the Consolidated Balance Sheet.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

As at 30 June 2025, investment properties that are subject to an unconditional agreement for sale or are being actively marketed with a sale expected to be completed within 12 months meet the definition of held for sale. These are held on the Consolidated Balance Sheet at fair value less costs to sell. For those investment properties newly classified as held for sale in the year that were previously classified as Investment properties where this is less than the carrying amount, an impairment loss has been recognised for the difference. Refer to Note 2.2 – Expenses.

Notes to the Group Financial Statements (continued)

4. SHAREHOLDERS' EQUITY AND FUNDING

This section includes disclosures related to the Group's capital structure and external funding arrangements.

4.1 Contributed equity

The following table provides details of movements in the Group's issued shares:

	Note	30 June 2025 No. of shares	30 June 2024 No. of shares	30 June 2025 \$000	30 June 2024 \$000
Opening balance		362,096,318	362,096,318	457,532	457,532
Shares issued net of transaction costs	7	107,721,781	-	107,722	-
Closing balance		469,818,099	362,096,318	565,254	457,532

During the year the Company issued 107.7m shares to APVG at \$1.00 per share.

All ordinary shares are authorised and rank equally with one vote attached to each fully paid ordinary share. The shares have no par value.

Ordinary shares are classified as equity and are recognised net of costs directly attributable to the issue of new shares.

4.2 Earnings per share

	30 June 2025	30 June 2024
Profit attributable to equity holders (\$000)	66,394	53,119
Weighted average number of ordinary shares on issue for basic/diluted EPS (No. 000s)	419,351	362,096
Basic/Diluted earnings per share (cents)	15.8	14.7

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares excluding treasury shares on issue during the year. As there are no treasury stocks on issue, diluted earnings per share is the same as basic earnings per share.

4.3 Reserves

4.3.1 Revaluation reserve

The revaluation reserve records changes in the revaluation of property, plant and equipment.

\$000	30 June 2025	30 June 2024
Opening balance	71,953	24,128
Share of gain on revaluation of care facility (from joint venture, net of tax)	85	465
Gain on revaluation of care homes	48,062	50,371
Tax on revaluation of care homes	(6,262)	(3,011)
Closing balance	113,838	71,953

Notes to the Group Financial Statements (continued)

4.3.2 Hedging reserve

The hedging reserve records the effective portion of accumulated changes in the fair value of interest rate swaps used in cash flow hedges. This is recognised in the profit or loss when the hedged item affects the profit or loss (refer to Note 6 - Financial risk management).

4.4 Interest-bearing liabilities

The following table sets out the Group's interest bearing liabilities:

\$000	30 June 2025	30 June 2024
Sustainability-Linked Loan	1,419,999	1,364,500
Sustainability Bond	100,000	100,000
Capitalised debt costs	(4,475)	(3,392)
	1,515,524	1,461,108
Lease liabilities	13,536	12,878
Total interest bearing liabilities	1,529,060	1,473,986
Net gearing ratio*	38.5%	39.6%

* Calculated as a ratio of net interest bearing debt to net interest bearing debt plus the book value of total equity.

► Recognition and measurement

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

Lease liabilities

The Group has the following lease liabilities:

\$000	30 June 2025	30 June 2024
Current liabilities	1,713	1,440
Non-current liabilities	11,823	11,438
Total liabilities	13,536	12,878

Lease liabilities relating to leases of office premises and vehicles are measured based on the present value of the fixed and variable lease payments, less any cash lease incentives receivable. Each lease payment is allocated between the liability and finance expense. The finance expense is charged to profit or loss over the lease period so as to produce a constant rate of interest on the remaining balance of the liability for each period. Lease payments associated with low-value assets, and for lease terms of 12 months or less, are recognised on a straight-line basis as an expense in profit or loss.

The weighted average incremental borrowing rate used to measure lease liabilities is 7.0% (2024: 7.5%). In considering the lease term, the Group applies judgement in determining whether it is reasonably certain that an extension or termination option will be exercised. The current lease arrangement for the office premises provides a right to renew of six years by written notice twelve months prior to current lease expiry date. As at 30 June 2025, potential future cash outflows of \$12.5m (undiscounted) (2024: \$12.5m) have not been included in the lease liability because it is not reasonably certain that the lease will be extended.

4.4.1 Sustainability-Linked Loan

As outlined in Note 1.7 - Significant events and transactions, the SLL Facilities were increased by \$100m and \$1.15 billion was refinanced during the year ended 30 June 2025. In addition to the SLL Facilities, the Company has an overdraft facility that was entered into on 14 October 2015 and has been amended from time to time.

The SLL Facilities set annual performance targets for three sustainability KPIs, which are independently verified each year. The Company will pay a lower fixed rate on the loan for achieving its targets but will pay a higher fixed rate if it falls short of satisfying the KPIs. The three KPIs are as follows:

- Joining the Science Based Targets Initiative to establish a decarbonisation target in line with the goal of limiting global warming to 1.5 degree Celsius and annual reductions in greenhouse gas emissions to achieve that target.
- Building six new aged care homes which achieve a 6 Green Star rating from the New Zealand Green Building Council (which is the highest level of green building rating achievable in New Zealand) within five years.
- Increasing the number of dementia care beds in the Company's portfolio six-fold within five years and making all of the Company's fully operating villages dementia friendly as accredited by Alzheimers New Zealand.

Notes to the Group Financial Statements (continued)

In March 2025, the KPIs under the SLL were both updated and extended to 2029 (from the original maturity date of 2026). The new KPIs focus on the diversion of construction waste from landfill and employee wellbeing while the original KPI relating to emissions reduction has been reset and targets updated to continue minimising the Group's carbon footprint. The new KPIs and targets apply for periods commencing 1 July 2025.

Facility limits and drawn debt

\$000	30 June 2025 Facility limit	30 June 2025 Drawn	30 June 2024 Facility limit	30 June 2024 Drawn
Core facility	741,891	623,241	741,891	663,091
Development facility	908,109	796,758	808,109	701,409
Working capital facility	10,000	-	10,000	-
Total	1,660,000	1,419,999	1,560,000	1,364,500

Maturities

\$000	30 June 2025	30 June 2024
On demand	-	-
Less than one year	-	-
Between one and two years	258,391	600,000
Between two and three years	650,000	633,850
Three or more years	511,608	130,650
Total	1,419,999	1,364,500

4.4.2 Sustainability Bond

On 30 September 2019, the Group issued \$100m of guaranteed, secured, unsubordinated fixed-rate bonds with a coupon rate of 3.00% per annum, maturing on 30 September 2026. This was designated as a Sustainability Bond on 26 October 2021.

The bond is secured on an equal ranking basis with certain other secured creditors including the Company's bank lenders. As of 30 June 2025, the Sustainability Bond had a fair value of \$96.8m (2024: \$91.3m).

4.4.3 Security for Sustainability-Linked Loan and Sustainability Bond

The Company has granted a first-ranking general security interest over its assets and a first-ranking mortgage over its land in favour of the Security Trustee (New Zealand Permanent Trustees Limited).

MRVL has granted a first-ranking general security interest over its assets (other than land) and a second-ranking mortgage over its land in favour of the Security Trustee.

The Security Trustee holds the security for the benefit of the Company's bondholders, bank lenders and hedge providers pursuant to a Security Trust Deed.

The Company and MRVL have also each provided a guarantee in favour of the beneficiaries under the Security Trust Deed in relation to the obligations of the other party.

Registered mortgages or an encumbrance in favour of the Statutory Supervisor of MRVL are recognised as first charges over the freehold land and buildings of MRVL to protect the interests of the residents in the event of failure by MRVL (as operator of the villages) and to observe obligations under the Deed of Supervision and ORAs.

Financial covenants

The Group must comply with certain financial covenants under the SLL Facilities on a quarterly basis. The financial covenants that the Group must comply with include:

- A maximum Loan-to-Valuation ratio (<50%).
- A minimum interest cover ratio (which is broadly the ratio of cash flow available for debt servicing, excluding cash flows associated with the current remediation programme, to interest costs in respect of the previous 12 months) of two times.

In addition, under the terms of the Sustainability Bond, the Group must also comply with a Loan-to-Valuation ratio (<50%). For the year ended 30 June 2025, the Group was compliant with its financial covenants (2024: compliant). There has been no change to the financial covenants during the year ended 30 June 2025.

Notes to the Group Financial Statements (continued)

4.4.4 Net interest bearing debt reconciliation

\$000	30 June 2025	30 June 2024
Cash and cash equivalents	7,108	8,227
Interest bearing liabilities (excluding lease liabilities)	(1,515,524)	(1,461,108)
Lease liabilities	(13,536)	(12,878)
Net interest bearing debt	(1,521,952)	(1,465,759)

Liabilities from Financing Activities

\$000	Cash	Lease liabilities	Interest-bearing liabilities (excluding lease liabilities)	Total
Net debt as at 30 June 2023	13,368	(11,935)	(1,141,814)	(1,140,381)
Cash flows	(5,141)	2,169	(315,496)	(318,468)
Non-cash movements	-	(3,112)	(3,798)	(6,910)
Net debt as at 30 June 2024	8,227	(12,878)	(1,461,108)	(1,465,759)
Cash flows	(1,119)	2,527	(52,786)	(51,378)
Non-cash movements	-	(3,185)	(1,630)	(4,815)
Net debt as at 30 June 2025	7,108	(13,536)	(1,515,524)	(1,521,952)

4.4.5 Interest expenses

\$000	30 June 2025	30 June 2024
Interest expenses	87,299	88,911
Less: Interest from derivatives movements	(552)	(9,361)
Facility expenses	12,216	12,046
Less: Interest and facility expenses capitalised	(52,172)	(56,275)
Interest expenses on lease liabilities	943	939
Total interest expenses	47,734	36,260

► Recognition and measurement

Interest on SLL Facilities is charged using the BKBM Bill Rate, plus a margin and line fee. A fixed coupon rate of 3.00% is incurred on the Sustainability Bond. Weighted average interest rates charged during the year ended 30 June 2025 ranged from 5.8% to 6.8% per annum (2024: 6.7% to 6.9% per annum). Derivative financial instruments used to manage interest rate risk are set out in Note 6 - Financial risk management.

Interest and facility expenses of \$52.2m (2024: \$56.3m), arising from the debt for development land, and the construction of investment properties and care homes were capitalised during the year. Average capitalisation rates of 3.7% per annum (2024: 4.1% per annum) were used, representing the borrowing costs used to finance these development projects.

Notes to the Group Financial Statements (continued)

5. OTHER ASSETS AND LIABILITIES

This section includes details of the operating assets, liabilities and provisional income tax of the Group.

5.1 Income tax

5.1.1 Income tax expense/(benefit)

\$000	30 June 2025	30 June 2024
Current tax	-	-
Deferred tax	853	(2,074)
Income tax expense/(benefit)	853	(2,074)

5.1.2 Numerical reconciliation of income tax expense/(benefit) to prima facie tax

\$000	30 June 2025	30 June 2024
Profit before income tax	67,247	51,045
Tax at the New Zealand tax rate of 28%	18,829	14,293
Tax effect of amounts which are (non-taxable)/not deductible in calculating taxable income:		
(Non-taxable income)/non-deductible expenditure	(168)	2,103
Capitalised interest	(14,608)	(15,757)
Non-taxable impact of investment properties revaluation	(37,919)	(37,813)
Adjustment for timing difference of investment properties and property, plant and equipment	(11,646)	(46,514)
Adjustment for timing difference of provisions and accruals	(1,069)	1,311
Impact of building depreciation removal	-	87,066
Movement in recognised tax losses	46,390	(4,417)
Deferred management fees adjustment and other prior period adjustments	1,044	(2,346)
Income tax expense/(benefit)	853	(2,074)

5.1.3 Other tax matters

\$000	30 June 2025	30 June 2024
Income tax paid during the financial year	-	-
Unrecognised tax losses for which no deferred tax asset has been recognised	446,362	280,684
Imputation credits available	-	-

► Recognition and measurement

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate, adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Group Financial Statements.

Notes to the Group Financial Statements (continued)

5.2 Deferred tax

What is Deferred tax?

Deferred tax arises as a result of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for unless they arise on a business combination.

\$000	Balance 1 July 2024	Recognised in income	Recognised in reserves	Acquisition of businesses	Balance 30 June 2025
Property, plant and equipment	(27,248)	3,174	(6,262)	-	(30,336)
Investment properties	(36,784)	7,793	-	-	(28,991)
Deferred management fees	(137,701)	(13,640)	-	-	(151,341)
Recognised tax losses	200,355	940	-	-	201,295
Other items	1,378	880	7,115	-	9,373
Net deferred tax liability	-	(853)	853	-	-

\$000	Balance 1 July 2023	Recognised in income	Recognised in reserves	Acquisition of businesses	Balance 30 June 2024
Property, plant and equipment	4,719	(28,400)	(3,011)	(556)	(27,248)
Investment properties	(18,738)	(17,271)	-	(775)	(36,784)
Deferred management fees	(125,527)	(12,174)	-	-	(137,701)
Recognised tax losses	139,080	61,275	-	-	200,355
Other items	466	(1,356)	2,268	-	1,378
Net deferred tax liability	-	2,074	(743)	(1,331)	-

► Recognition and measurement

The measurement of the deferred tax impact of deferred management fees uses the taxable cashflow receivable at the end of the ORA. The Group considers this appropriate given it is the contractual entitlement.

► Key estimates and judgements

NZ IAS 12 - Income Taxes provides that there is a rebuttable presumption that investment property measured at fair value under NZ IAS 40 - Investment Property and NZ IFRS 13 - Fair Value Measurement is recovered entirely through sale (excluding freehold land). This presumption is rebutted if:

- the investment property is depreciable; and
- the investment property is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale.

The Group considers the held for use methodology more appropriately represents the Group's business model, as a long-term owner and operator of integrated retirement village and aged care homes.

NZ IAS 12 - Income Taxes provides that the recognition of a deferred tax asset for unused tax losses requires robust evidence that it is probable future taxable profits will be available against which the losses can be utilised. Given the nature of the business, and the tax treatment of deferred management fees with the consequential increase in unused tax loss balance year on year, management has determined that this threshold is not currently met.

Deferred tax on non-residential buildings

On 28 March 2024 the Taxation (Annual Rates for 2023–24, Multinational Tax, and Remedial Matters) Act removed tax depreciation deductions from non-residential buildings. The outcome of this legislative change reinstated the depreciation position to 0% in line with the position prior to 2020. The change in the depreciation rate took effect from 1 July 2024. In the Group Financial Statements for the year ended 30 June 2024 the impact of the change, being a deferred tax liability of \$87m from investment properties and property, plant and equipment was offset by the recognition of previously unrecognised tax losses.

The carrying value of the Group's investment properties is determined on a discounted cash flow basis and includes cash flows that are both taxable and non-taxable in the future. The Group has recognised deferred tax in relation to the present value of cash flows with a future tax consequence as provided by the valuers. The Group considers it appropriate to recognise and measure deferred tax based on the deferred management fees under ORA being receivable at the end of the ORA period, as that best represents the Group's contractual entitlement and is consistent with the valuers' cash flow models used in the valuation of investment properties.

Notes to the Group Financial Statements (continued)

Tax losses

Tax losses are subject to the Business Continuity Test. This allows entities to carry forward tax losses that may previously have been forfeited due to shareholder continuity breaches, provided there is no major change in the Company's business activities within five years (or less if losses are used earlier) of the change in ownership.

At 30 June 2025, the Company assessed itself as having met the Business Continuity Test criteria and holds \$1,165.3m of gross tax losses (2024: \$996.2m).

A reconciliation of the Group's gross tax losses is set out as follows:

\$000	30 June 2025	30 June 2024
Opening balance	996,238	793,197
Deferred management fees adjustment and other prior period adjustments	(3,728)	-
Tax losses during the year	172,763	203,041
Closing balance	1,165,273	996,238

5.3 Trade and other receivables

\$000	Note	30 June 2025	30 June 2024
Trade receivables		8,515	10,381
Allowance for doubtful receivables		(802)	(649)
		7,713	9,732
Occupation right agreement receivables		117,377	60,083
Prepayments		2,464	1,224
Amount due from joint venture	8.3	10,323	19,840
Amounts due from other related parties	8.2	2,864	-
Deposits paid for land acquisition		-	1,007
GST receivable		4,481	7,345
Retentions and other receivables		2,305	11,221
Total trade and other receivables		147,527	110,452

All trade and other receivables are expected to be recovered within 12 months of balance date, except for prepayments. Included in retentions and other receivables is \$2.1m relating to the sale of Wilson Carlile Village that is receivable on 31 May 2026 (being two years after the settlement of the transaction).

► Recognition and measurement

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less any allowance for doubtful receivables. In determining the allowance for doubtful receivables, the Group applies the simplified approach to measuring expected credit losses as prescribed by NZ IFRS 9 - Financial Instruments, which permits the use of lifetime expected credit losses. To measure the expected credit losses, the Group considers historic, current and forward-looking information to the type of debtor and the days since resident departure. There are no overdue debtors considered impaired that have not been provided for.

5.4 Trade and other payables

\$000	30 June 2025	30 June 2024
Trade creditors	10,823	13,098
Sundry creditors and accruals	60,416	68,493
Revenue in advance	-	-
Employee entitlements	17,144	13,790
Total trade and other payables	88,383	95,381

All trade and other payables are expected to settle within 12 months of balance date.

► Recognition and measurement

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision will be recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that a future outflow of cash or other benefit will be required, and a reliable estimate can be made of the amount of the obligation.

Notes to the Group Financial Statements (continued)

This section includes additional information that is considered less significant in understanding the financial performance and position of the Group but must be disclosed to comply with New Zealand equivalents to International Financial Reporting Standards.

6. FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks; market risk (including interest rate risk), credit risk, liquidity risk, and capital risk. The Group considers the volatility of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out under policies approved by the Board covering overall risk management and treasury and financial markets risks.

The Group uses different methods to measure different types of risk to which it is exposed, including sensitivity analysis in the case of interest rates to determine market risk and ageing analysis for credit risk. The Group uses derivative financial instruments, such as interest rate swap contracts, to manage certain interest rate risk exposures. Derivatives are exclusively used for economic hedging purposes and not as trading or other speculative instruments.

6.1 Market risk (cashflow and fair value interest rate risk)

Nature of risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

Risk management

The cash flow and interest rate risks are monitored by the Board on a monthly basis. Management monitors the existing interest rate profile and, as appropriate, presents interest rate hedging analysis and strategies to the Board for consideration and approval prior to entering into any interest rate swaps. The position is managed depending on the timeframe, underlying interest rate exposure and the economic conditions.

(i) Derivative financial instruments

The Group has the following derivative financial instruments:

\$000	30 June 2025	30 June 2024
Expected to be settled within 12 months	-	294
Expected to be settled after 12 months	330	9,908
Total assets	330	10,202
Expected to be settled within 12 months	(1,226)	-
Expected to be settled after 12 months	(20,759)	(6,448)
Total liabilities	(21,985)	(6,448)

What is an Interest rate swap?

Interest rate swaps are derivative financial instruments used by the Group to manage exposure to fluctuations in interest rates, particularly in relation to floating-rate borrowings. Under an interest rate swap, the Group agrees to exchange variable interest rate payments for fixed interest rate payments over the life of the contract, effectively converting floating-rate debt into fixed-rate debt.

The Group's policy is to manage interest rate risk through the use of interest rate swaps to reduce the impact of changes in interest rates on its floating rate long term SLL Facilities. The objective of the interest rate swaps is to protect the Group from the short to medium term impact to cash flows which arises from variability in floating interest rates.

In the year ended 30 June 2025, the Company continued to be a party to both sustainability-linked interest rate swaps with the same sustainability-linked targets as the SLL Facilities, as well as interest rate swaps that do not contain sustainability-linked targets. The sustainability-linked interest rate swaps result in the Company paying a lower fixed rate for achieving its sustainability-linked targets or, conversely, paying a higher fixed rate if the targets are not met. Whilst the sustainability-linked targets are the same across both the SLL Facilities and the sustainability-linked interest rate swaps, the discount/premium percentages are different.

Interest rate swaps and sustainability-linked interest rate swaps are recognised at fair value on the date a contract is entered into and are subsequently measured at fair value at each reporting date. The fair value of interest rate swaps and sustainability-linked interest rate swaps is calculated as the present value of the estimated future cash flows discounted using market rates at balance date. The Group has categorised interest rate swaps and sustainability-linked interest rate swaps as Level 2 under the fair value hierarchy.

Notes to the Group Financial Statements (continued)

(ii) Cash flow hedges

Interest rate swaps are designated in cash flow hedging relationships. When an interest rate swap meets the criteria for hedge accounting, the effective portion of changes in the fair value of the interest rate swap is recognised in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the interest rate swap is recognised in profit or loss. Ineffectiveness may arise due to changes in the counterparty and the Company's own credit risk on the fair value of the derivatives, as well as differences in critical terms between the swaps and the SLL Facilities. The amount accumulated in equity is expected to be reclassified to interest expenses at the same time as interest payments for long-term borrowings are made.

The following table sets out key metrics in relation to the Group's interest rate swaps at balance date:

\$000	30 June 2025	30 June 2024
Notional values of interest rate swap agreements	970,000	940,000
Outstanding SLL Facilities principal covered by interest rate swap agreements	68.5%	69.1%
Average contracted fixed interest rate	4.4%	4.4%

Derivatives in hedging relationships are designated based on a hedge ratio of 1:1. The hedge ratio is based on the interest rate swap notional amount to hedge the same notional amount of SLL Facilities. The notional values of the interest rate swaps outstanding at balance date and their maturities are:

\$000	30 June 2025	30 June 2024
Less than one year	165,000	70,000
Between one and two years	400,000	165,000
Between two and seven years	405,000	705,000
Total interest rate swaps	970,000	940,000

Net fair value loss of \$18.3m relating to the effective portion of cash flow hedges was recognised in other comprehensive income in the Consolidated Statement of Comprehensive Income (2024: net fair value loss of \$5.8m), with the corresponding net liability of \$21.7m recognised in the Consolidated Balance Sheet as at 30 June 2025 (2024: net asset of \$3.7m).

(iii) Interest rate sensitivity

At 30 June 2025, it is estimated that a general increase/decrease of half a percentage point in interest rates would reduce/increase the Group's profits after tax (before any capitalisation) and equity by approximately \$5.4m (2024: \$4.7m).

6.2 Credit risk

Nature of risk

Credit rate risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments, other investments and deposits with banks and financial institutions, as well as credit exposure from trade receivables.

Risk management

Cash and cash equivalents - The Group's cash and cash equivalents are deposited with one of New Zealand's major trading banks, holding a Standard & Poor's AA- credit rating.

Derivative financial instruments - The Group enters into financial instruments with various counterparties in accordance with established limits as to credit rating and dollar amounts.

Trade receivables - The Group's policy requires a security deposit from new residents before they are granted the right to occupy. Assessment of any provision required for the impairment of trade receivables is detailed in Note 5.4 - Trade and other receivables.

Concentrations of credit risk

The Group's trade receivables represent distinct trading relationships with each individual resident and Health New Zealand - Te Whatu Ora. The implied concentration of risk with the latter is mitigated due to Health New Zealand - Te Whatu Ora being a New Zealand Government entity.

6.3 Liquidity risk

Nature of risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Risk management

Cash flow forecasting is regularly performed by the Group. The Group monitors rolling forecasts of liquidity requirements to ensure sufficient cash to meet operational needs, while maintaining headroom on undrawn committed borrowing facilities at all times so that borrowing limits and covenants are not breached.

Notes to the Group Financial Statements (continued)

Maturity profile of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the earliest possible maturity date at balance date. The amounts are contractual undiscounted cash flows, which include interest through to maturity and assume all other variables remain constant. Refundable ORAs are classified as being repayable on demand and are therefore fully repayable within 12 months.

		Contracted cashflows (principal and interest)		
\$000	Consolidated Balance Sheet value	Less than 1 year	Later than 1 year	Total
30 June 2025				
Derivative financial instruments	21,985	7,701	12,545	20,246
Lease liabilities	13,536	2,591	14,544	17,135
Trade and other payables	71,239	71,239	-	71,239
Sustainability Bond	100,000	3,000	100,750	103,750
Sustainability-Linked Loan	1,415,524	80,457	1,817,325	1,897,782
Refundable occupation right agreements	2,700,191	2,700,191	-	2,700,191
Total	4,322,475	2,865,179	1,945,164	4,810,343

		Contracted cashflows (principal and interest)		
\$000	Consolidated Balance Sheet value	Less than 1 year	Later than 1 year	Total
30 June 2024				
Derivative financial instruments	6,448	2,590	7,157	9,747
Lease liabilities	12,878	2,339	13,104	15,443
Trade and other payables	81,591	81,591	-	81,591
Sustainability Bond	100,000	3,000	103,750	106,750
Sustainability-Linked Loan	1,361,107	104,660	1,524,589	1,629,249
Refundable occupation right agreements	2,371,614	2,371,614	-	2,371,614
Total	3,933,638	2,565,794	1,648,600	4,214,394

6.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

6.5 Financial instruments

NZ IFRS 9 - Financial Instruments established three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. The Group holds the following categories of financial instruments:

- Financial assets at amortised cost - financial assets comprising cash and cash equivalents, and trade and other receivables (excluding prepayments and GST receivable).
- Financial assets at fair value through profit or loss - financial assets comprising derivative financial instruments and other investments.
- Financial liabilities at amortised cost - financial liabilities comprising trade and other payables (excluding employee entitlements), interest bearing liabilities and refundable ORAs (to the extent of associated future cashflows).
- Financial liabilities at fair value through profit or loss - financial liabilities comprising derivative financial instruments.

7. BUSINESS COMBINATIONS

There were no acquisitions during the year ended 30 June 2025.

Acquisition of businesses from Springlands Lifestyle Village Limited and Springlands Senior Living Limited.

On 30 November 2023, the Group acquired the retirement village, accompanying assets and aged care home from Springlands Lifestyle Village Limited and Springlands Senior Living Limited.

In line with the Group's growth strategy, the acquisition significantly expanded the geographical diversification of the village portfolio with the acquisition seeing the Group's operations increasing in the South Island as well as increasing the weighting of aged care offering in the Group's portfolio.

Purchase consideration and fair value of net assets acquired

The Company fully debt-funded the \$35.9m acquisition under the SLL Facilities. The assets and liabilities recognised as a result of the acquisition are as follows:

\$000	Fair value on acquisition
Property, plant and equipment	6,204
Trade and other receivables	513
Investment properties	64,348
Trade and other payables	(230)
Deferred tax liability	(1,331)
Deferred management fees	(2,985)
Refundable occupation right agreements	(30,629)
Fair value of net assets acquired (purchase consideration)	35,890

Revenue and profit contribution

The acquired business contributed revenue of \$4.1m and net profit after tax of \$0.6m to the Group for the seven months ended 30 June 2024.

If the acquisition had occurred on 1 July 2023, the total operating revenue and net profit after tax for the period ended 30 June 2024 would have been \$8.4m and \$1.7m respectively.

Contingent liabilities

No material contingent liabilities were noted during the due diligence process or since acquisition. Should any future contingent liabilities arise, they will be disclosed in future Group Financial Statements.

Acquisition-related expenses

Acquisition-related expenses of \$0.7m are included in other operating expenses in the Consolidated Statement of Comprehensive Income for the year ended 30 June 2024 and in operating cash flows in the Consolidated Cash Flow Statement for the year ended 30 June 2024.

8. RELATED PARTIES

8.1 Key management personnel compensation

Key management personnel are all executives with the authority for the strategic direction and management of the Group. Their compensation paid or payable is set out below.

\$000	30 June 2025	30 June 2024
Salaries and other short-term employee benefits	6,161	5,176
Employer contributions to post-employment benefits	132	169
Termination Benefits	-	368
Total	6,293	5,713

Directors are remunerated through Directors' fees and reimbursement of expenses. Refer to Note 2.2 - Expenses.

The Management Participant Plan and Board Participation Plan (the Plans) were established in 2022 when participants purchased shares at their fair value in Asia Pacific Village Holdings Limited, the ultimate New Zealand holding company. In the year ended 30 June 2025, one participant exited the Plan (30 June 2024: three participants) and was repaid through Asia Pacific Village Holdings Limited the initial subscription value in accordance with the Plan's rules. No further participants have joined the Plans in the year ended 30 June 2025 (2024: nil).

The total value of the shares purchased under the Plans is \$10.5m as at 30 June 2025 (2024: \$10.5m).

As at 30 June 2025, there is no financial impact to the Group Financial Statements as the purchase price paid by the selected Management personnel and the Directors is equal to the grant date fair value of the Plans (2024: nil impact). The accounting treatment of the Plans was based on NZ IFRS 2 - Share-based Payments.

8.2 Related party transactions

On 15 May 2025, the Company declared and paid a dividend to its immediate parent, APVG, of \$5,950,693.

On 30 May 2025, the Company entered into the following related party loan agreements:

- The Company advanced \$1,850,000 to APVG Holdings Pte. Ltd.
- The Company advanced \$1,000,000 to Asia Pacific Village Trustee Limited.

Refer to Note 1.7 (v) for further details.

Notes to the Group Financial Statements (continued)

8.3 Joint venture transactions and balances

The Company and the joint venture company, MPNL undertook the following transactions and had the following closing balances:

\$000	30 June 2025	30 June 2024
Transactions		
Development Facility (advances to and repayments from)	(9,699)	4,421
Interest income on Development Facility	928	1,099
Interest income on Shareholder Loans	260	269
Current account (advances to and repayments from)	(1,006)	815
Management fees	465	593
Director fees	132	129
Dividend declared	800	-
Dividend received	800	600
Balances		
Development Facility due from	5,840	14,611
Shareholder Loans due from	4,326	4,066
Advances due from	157	1,163

The Development Facility Agreement was entered into on 20 October 2021 with an effective date of 1 July 2022. The Development Facility is repaid using the sales proceeds of the developed ORA and the final repayment is 48 months from the effective date. The Development Facility attracts interest at the Company's cost of funds, plus a margin. The average interest rate charged for the year ended 30 June 2025 is 6.8% (2024: 7.3%).

The Shareholder Loans were entered into on 20 October 2021. The Shareholder Loans will only be repaid following the full and final repayment of all amounts outstanding under the Development Facility Agreement. The Shareholder Loans attract interest at the Company's cost of funds, plus a margin. The average interest rate charged for year ended 30 June 2025 is 6.2% (2024: 6.8%).

Advances due from MPNL are interest-free and secured by way of a General Security Agreement and are repayable with a minimum of 12 months' notice. At balance date, there is no outstanding balance, with all advances paid periodically throughout the year ended 30 June 2025. No notice had been given in relation to the advances paid.

Management fees charged by the Company to MPNL are agreed in advance under the terms of the Management Agreement at a fixed level that can be amended from time to time with consent of the joint venture partners.

The significant balances held by MPNL for the year ended 30 June 2025 are investment properties of \$93.5m (2024: \$88.8m), property, plant and equipment of \$13.9m (2024: \$14.2m), amounts due to related parties of \$14.6m (2024: \$23.9m) and refundable ORAs of \$48.7m (2024: \$37.9m).

9. COMMITMENTS

\$000	30 June 2025	30 June 2024
Capital commitments		
Estimated commitments to develop and construct certain sites	188,351	263,520
Unconditional land acquisition transactions	-	17,640
Total commitments	188,351	281,160

10. CONTINGENT LIABILITIES AND ASSETS

At 30 June 2025, the Group had no material contingent liabilities or assets (2024: nil).

11. SUBSEQUENT EVENTS

During the year ended 30 June 2025, the Group entered into an agreement to purchase land in Napier on which the Group plans to invest approximately \$140m to construct a retirement village. The agreement became unconditional on 26 August 2025, and the transaction is expected to complete no later than March 2027.

There have been no other events subsequent to 30 June 2025 that have a material impact on the results reported.

Independent auditor's report

To the shareholder of Metlifecare Limited

Our opinion

In our opinion, the accompanying consolidated financial statements (the financial statements) of Metlifecare Limited (the Company), including its subsidiary (the Group), present fairly, in all material respects, the financial position of the Group as at 30 June 2025, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's financial statements comprise:

- the consolidated balance sheet as at 30 June 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers
PwC Tower, 15 Customs Street West, Private Bag 92162, Auckland 1142, New Zealand
T: +64 9 355 8000

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our capacity as auditor and assurance practitioner, our firm also provides review services, other assurance services and other services relating to reporting to the Group’s trustees. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Description of the key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment properties and care homes</p> <p>The Group’s retirement village portfolio, as disclosed in notes 3.2 and 3.4 of the financial statements, includes investment properties valued at \$6.2 billion and care homes (encompassing freehold land and buildings and construction work in progress) valued at \$508.2 million and represents the majority of the assets held by the Group as at 30 June 2025.</p> <p>Investment properties and care homes are carried at fair value. Construction work in progress in relation to investment properties under development that are not substantially progressed to enable fair value to be reliably determined, is carried at cost less any impairment.</p> <p>The valuation of the Group’s retirement village portfolio is inherently subjective due to, amongst other factors, inputs into the valuations that are unobservable through available market information and also the location of each village, its resident profile and the expected future cash flows for that particular village.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <p>We held discussions with management to understand the movements in the Group’s investment properties and care homes portfolios, changes in the condition of properties, and the controls in place over the valuation process.</p> <p>In assessing the investment properties and care homes valuations, we read the valuation reports and held separate discussions with the Valuers in order to gain an understanding of the assumptions and estimates used and the valuation methodology applied, as well as the impact of climate-related risks on the investment property portfolio. We also sought to understand and consider restrictions imposed on the valuation process (if any) and the market conditions at the balance date.</p> <p>We assessed the Valuers’ qualifications, expertise and their objectivity and independence.</p> <p>We carried out procedures, on a sample basis, to test whether specific information supplied to the Valuers by the Group reflected the underlying records held by the Group.</p>

Description of the key audit matter

The valuations are determined by the Directors based on valuations performed by independent, registered valuers, CBRE Limited, and Jones Lang LaSalle (JLL) (collectively referred to as “the Valuers”).

In preparing their valuations, the Valuers took into account property specific information. For investment properties and care suites (as defined in note 1.4 of the financial statements), this included prices, anticipated price growth rates and discount rates, and for other care homes this included capitalisation rates and normalised earnings. The Valuers also considered the qualities of the property as a whole, including estimates for forecast remediation works.

The Valuers then applied these assumptions in conjunction with available market data and transactions, to arrive at a range of valuation outcomes, from which a point estimate was derived.

The existence of significant estimation uncertainty, coupled with the fact that only a small percentage difference in individual property valuation assumptions, when aggregated, could result in a material misstatement, is why we have given specific audit focus and attention to this area.

How our audit addressed the key audit matter

We engaged our own in-house valuation expert to critique and independently assess the work performed and key assumptions used by the Valuers. In particular, we compared the key assumptions used by the Valuers to our in-house valuation expert’s knowledge gained from reviewing valuations in the industry, known transactions and market data.

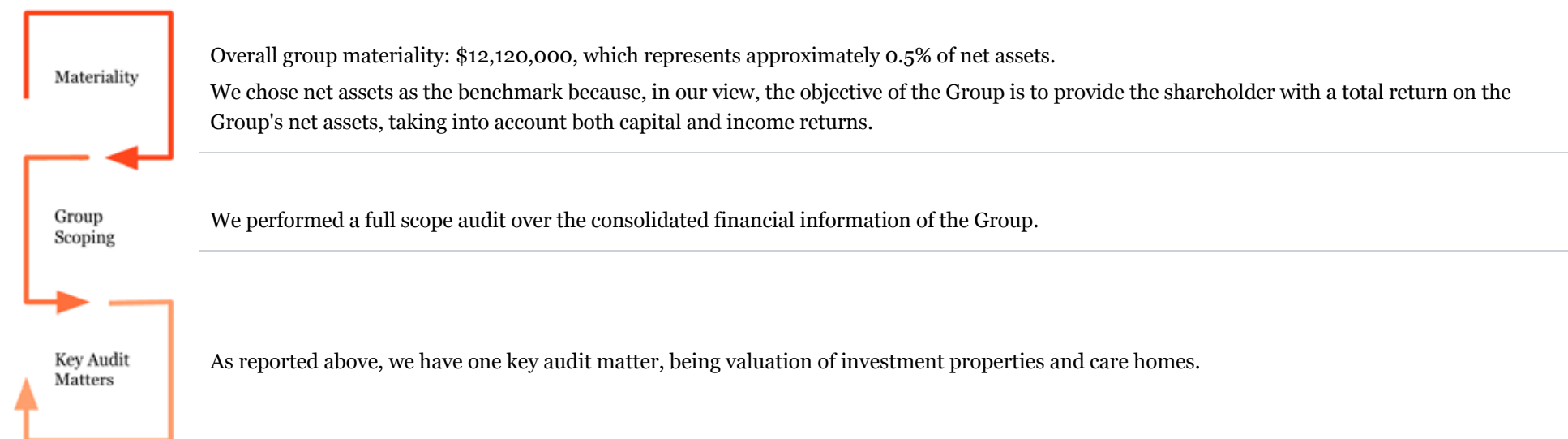
We considered the estimated cost of remediation works as well as changes in forecast remediation costs to previous estimates. Where material, we agreed the forecast remediation costs to third party assessments commissioned by management and also assessed the completeness of forecast remediation costs.

We also considered whether or not there was a bias in determining significant assumptions in the valuations.

We considered the sensitivity of the valuations to changes in key assumptions and the overall appropriateness of disclosures made in the financial statements.

Our audit approach

Overview



As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures, and to evaluate the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report (including the Climate Statement), but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholder. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Jonathan Kirby.

For and on behalf of

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers
28 August 2025

Auckland



Our governance approach

Metlifecare's Board believes that strong principles of corporate governance will protect and enhance the assets of the company for the benefit of all stakeholders.

The application of a best practice governance framework will support the Board in delivering on its primary role, which is to create long-term value for its shareholder by providing

strategic guidance for Metlifecare and its related companies and effective oversight of the Chief Executive Officer (CEO) and Executive Team. The Board is accountable to its ultimate shareholder,

funds managed by leading global investment organisation EQT, for the company's performance.

The Board has in place the following charters and policies which guide the company's behaviour and decision making.

CHARTERS

- Audit & Risk Committee Charter
- Board Charter
- Clinical Committee Charter
- Development Committee Charter
- People & Culture Committee Charter

POLICIES

- Code of Ethics
- Conflicts of Interest Policy
- Diversity, Equity and Inclusion Policy
- Market Disclosure Policy
- Recruitment Policy
- Remuneration Policy
- Residents' Policy
- Risk Management Policy
- Trading Policy
- Whistleblowing Policy

Ethical behaviour

Metlifecare is committed to maintaining high ethical standards through ongoing attention to values and behaviours, particularly in respect of its responsibilities to those who reside in its retirement villages and care homes.

The Board has adopted a formal Code of Ethics, Whistleblowing Policy, Board Charter and Conflicts of Interest Policy to assist directors, staff and contractors to act and make decisions in an ethical and responsible manner. The Board policies are supported by a set of company operating procedures and standards that address issues such as privacy, delegated authority mandates, gifts and other similar matters.

Board composition and performance

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

BOARD CHARTER

The Board has adopted a formal Board Charter which distinguishes and discloses the respective roles and responsibilities of the Board and management.

BOARD OPERATIONS

A minimum of six meetings of the Board are scheduled each year. An annual work plan, described in the Board Charter, and a standing agenda, together with written reports and presentations from the CEO, senior management and external parties when required, address and update directors on strategy and operational matters.

SKILLS OF THE BOARD

In order to operate effectively and to meet its responsibilities, the Board has determined that it requires competencies in disciplines including executive leadership and strategy, governance, people and performance, aged care, retirement villages, property and development, finance and capital markets, risk management, legal, climate risk, digital and technology, sales and marketing and customer experience. The current mix of skills and experience is considered appropriate for the responsibilities and requirements of governing the company. The Directors' Skills Matrix is set out at right.

The Board looks to strengthen its oversight of issues in all disciplines, as required, via expert advice.

INDEPENDENT DIRECTORS

The Board had six non-executive directors as at 30 June 2025.

The roles of Chair, Chair of the Audit & Risk Committee and CEO are not held by the same person.

The Board does not have a tenure policy, however the current directors have served periods of time which are considered appropriate.

Paul McClintock has been Chair of the Board since 3 November 2020. Mr McClintock has extensive healthcare governance experience in Australia.

Earl Gasparich is the CEO and is not a member of the Board.

DIRECTOR DEVELOPMENT

Directors are encouraged to visit villages during each year, as well as undertaking continuing education and development of further skills to remain current on how best to perform their duties.

DIVERSITY, EQUITY AND INCLUSION

The Board has a Diversity, Equity and Inclusion Policy which aims to ensure an authentic focus

and approach to developing a diverse, equitable and inclusive workplace. This recognises that having a diverse and inclusive work force in an environment that focuses on ensuring equity and belonging (including at Board and management levels) is key to enhancing overall business performance and innovation.

The CEO and GM People have responsibility for reviewing the Diversity, Equity and Inclusion Policy, developing objectives and assessing Metlifecare's performance against the objectives on an annual basis.

Metlifecare's diversity objectives are aligned to those of its owner EQT and include a representation target of 60% maximum of either

gender in the layer under the Executive Team and village manager roles. Further information about Metlifecare's diversity, equity and inclusion programme, and the gender breakdown of executive and management roles is provided on p 22 of this report.

PERFORMANCE OF THE BOARD AND SENIOR MANAGEMENT

The Board, led by the Chair, reviews its performance and the performance of individual directors and its Committees. A review of the effectiveness of a Board meeting is the final agenda item at every meeting, except for extraordinary meetings.

DIRECTORS SKILLS MATRIX	Technical						Governance					Industry Knowledge			
	Risk Management	Finance & Accounting	Capital Markets / M&A	Legal	Digital & Technology	Sales & Marketing	Governance	Executive Leadership	Strategy	People & Performance	Climate Risks	Aged Care Ngā Paerewa	Retirement Villages	Property & Development	Customer Experience
Paul McClintock	✓	✓	✓	✓			✓		✓	✓	✓		✓		✓
Dr Jonathan Coleman	✓	✓					✓	✓	✓	✓		✓			
Sam Franklin	✓	✓	✓		✓		✓		✓	✓	✓				
Ken Lotu-liga	✓	✓		✓		✓	✓	✓	✓	✓	✓			✓	✓
Maggie Owens	✓				✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Murray Jordan	✓		✓					✓	✓	✓	✓		✓	✓	✓

The CEO's performance is reviewed by the Chair. The CEO reviews the performance of Executive Team members informally during the year, and formally annually, by way of one-on-one interviews. The People & Culture Committee considers the CEO's evaluations.

Board committees

The Board uses committees to enhance its effectiveness in key areas, while still retaining Board responsibility.

COMMITTEE TERMS OF REFERENCE

The Board has four committees which operate under their respective Charters approved by the Board.

These committees are the Audit & Risk Committee; Clinical Committee; Development Committee; and People & Culture Committee.

Annually, each committee agrees a programme of matters to be addressed over the following 12-month period. Proceedings of all committee meetings are reported to the Board and minutes of committee meetings are available to all directors. Each committee's workplan includes an annual self-review initiated by its chair and is reported back to the Board.

All directors are welcome to, and non-member Directors frequently do, attend committee meetings for which they are not a member.

Reporting

The Annual Report is an important channel for reporting and providing updates on Metlifecare's progress on non-financial performance, including strategy and operations. Commentary on key non-financial matters is

available in the other sections of this report.

Metlifecare strives to be a responsible corporate citizen, respecting the rights of all stakeholders including residents, staff, suppliers and the wider communities in which its villages are located. The company has identified its material Environmental, Social and Governance (ESG) sustainability factors considered essential to keeping its business on a sustainable footing and their relative impact on its business and stakeholders. These are set out in the Sustainability section of this report.

RISK MANAGEMENT FRAMEWORK

Metlifecare has a robust risk management framework in place for identifying, overseeing and managing key business risks. The identification and effective management of risks are a priority of the Board and the Audit & Risk Committee.

The Board is ultimately responsible for the company's risk management and internal control. It has delegated responsibility for risk oversight to the Audit & Risk Committee. The committee's responsibilities are documented in the Audit & Risk Committee Charter and in the Risk Management Policy.

The Risk Management Policy requires the maintenance of a risk register that identifies Metlifecare's priority enterprise risks and initiatives to manage and mitigate those risks. Risk is discussed at each Audit & Risk Committee meeting, including a review of the current trending of each risk and a deep dive on a specific risk area. The risk register is reviewed in full twice a year and considers the top risks for Metlifecare based on the likelihood, impact and appetite for each

risk. Tools for managing the risks include Audit & Risk Committee reviews and recommendations, financial and compliance reporting procedures, outsourcing of functions to external providers, changes to operational processes where required and ensuring that Metlifecare has insurance policies in place with reputable insurers.

HEALTH AND SAFETY

Metlifecare considers health and safety to be a material risk and takes its responsibility for the health and safety of residents and employees very seriously. The Board recognises that consistent high-quality service delivery and safe and healthy environments for residents, employees, visitors and contractors is critical, and prioritises oversight accordingly through its committees. Key health and safety risks and outcomes are included and highlighted in monthly Board reports and are a priority agenda item at all Board meetings.

Metlifecare undertakes regular external health and safety audits on its construction sites and has a programme of continuous improvement in place which is aligned with the Health and Safety at Work Act 2015. It focuses on critical risk areas as well as the maintenance of a strong health and safety culture at Metlifecare's villages and construction sites. Metlifecare is a member of the ACC Accredited Employer Programme (AEP). This enables Metlifecare to manage workplace injuries and reduce costs associated with work-related claims.

External auditor

The Board is committed to ensuring the quality and independence of the external financial audit process.

Metlifecare, under its Audit & Risk Committee Charter, has established policies relating to the appointment and independence of the external auditor. Responsibility is delegated to the Audit & Risk Committee for ensuring the independence of the external auditor, for obtaining a confirmation of this from the external auditor and for monitoring the five-yearly rotation of the lead audit partner. Metlifecare's external auditor for the year ended 30 June 2025 was PwC.

The external auditor does not provide any other services unless specifically approved by the Audit & Risk Committee in accordance with the Audit & Risk Committee Charter.

The external auditor is regularly invited to meet with the Audit & Risk Committee including without Management present.

Stakeholder relations

The Board understands the importance of engaging with Metlifecare's stakeholders and is committed to fostering constructive relationships with them. Through all aspects of its business, Metlifecare considers stakeholder impacts and develops and implements engagement plans to maintain strong stakeholder relationships.

Metlifecare regularly surveys and monitors the perceptions of its key stakeholders towards the company and in particular the issues that are the most important to them. This includes regular employee surveys, annual resident and family surveys, and a comprehensive stakeholder engagement programme to update the company's material matters.

Statutory information

NZX waivers and powers

No waivers were granted by the NZX in favour of the Company, or relied on, in the year ended 30 June 2025.

There has been no public exercise of NZX's powers set out in NZX Listing Rule 9.9.3.

Reporting concessions

The shareholder of the Company has agreed to apply the reporting concessions available under section 211(3) of the Companies Act 1993. Accordingly, there is no information required to be included in the Annual Report under the Companies Act 1993 other than the financial statements for the year ended 30 June 2025 and the Independent Auditor's Report on those financial statements, which are enclosed.

Place of incorporation

The Company is incorporated in New Zealand with a Certificate of Incorporation number 237544.

Credit rating

The Company has no credit rating.

Directors' Bond dealings

No directors had relevant interests in the bonds issued by the Company as at 30 June 2025.

To view our online version of this report please visit [metlifecare.co.nz/investor-centre](https://www.metlifecare.co.nz/investor-centre)

BONDHOLDER INFORMATION

Twenty Largest Bondholders (as at 30 June 2025)

REGISTERED BONDHOLDER		Number of Bonds	% Bonds
1	TEA Custodians Limited Client Property Trust Account - NZCSD	29,626,000	29.63
2	Custodial Services Limited	21,234,000	21.23
3	Forsyth Barr Custodians Limited	19,499,000	19.50
4	FNZ Custodians Limited	9,180,000	9.18
5	Forsyth Barr Custodians Limited	2,764,000	2.76
6	Citibank Nominees (New Zealand) Limited	1,995,000	2.00
7	Investment Custodial Services Limited	1,618,000	1.62
8	Forsyth Barr Custodians Limited	1,157,000	1.16
9	FNZ Custodians Limited	604,000	0.60
10	FNZ Custodians Limited	565,000	0.57
11	Dunedin Diocesan Trust Board	550,000	0.55
12	M3 Capital Limited	443,000	0.44
13	Kevin Garry Walker & Karaka & Puriri Trustee Limited	411,000	0.41
14	JB Were (NZ) Nominees Limited	392,000	0.39
15	Bank of New Zealand – Treasury Support	333,000	0.33
16	Carlton Cornwall Bowls Incorporated	320,000	0.32
17	Custodial Services Limited	241,000	0.24
17	Westpac Banking Corporate NZ Financial Markets Group	241,000	0.24
19	BNP Paribas Nominees (NZ) Limited	240,000	0.24
20	Clara Ogden	210,000	0.21
TOTAL		91,623,000	91.62

SPREAD OF BONDHOLDERS (as at 30 June 2025)

Size of holdings	Number of bondholders	%	Number of bonds held	%
1 – 5,000*	26	8.39	130,000	0.13
5,001 – 10,000	65	20.97	626,000	0.63
10,001 – 100,000	191	61.61	6,380,000	6.38
100,001 and over	28	9.03	92,864,000	92.86
TOTAL	310	100	100,000,000	100

* Note there is a minimum purchase threshold of 5,000

Registered Office (New Zealand)

Level 4, 110 Carlton Gore Road, Newmarket, Auckland 1023

Postal Address: PO Box 37463, Parnell, Auckland 1151

Telephone: 09 539 8000

www.metlifecare.co.nz

Bond Registrar New Zealand

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road, Takapuna, Auckland 0622

Postal Address: Private Bag 92119,

Victoria Street West, Auckland 1142

Investor Enquiries: +64 9 488 8700

enquiry@computershare.co.nz

www.investorcentre.com/nz

Lawyers

Bell Gully

Level 5, Deloitte Centre, 1 Queen Street, Auckland

Postal Address: PO Box 4199, Auckland 1140

Auditor

PricewaterhouseCoopers

Level 27 PwC Tower,

15 Customs Street West, Auckland 1010

Bankers

ANZ Bank New Zealand Limited

ASB Bank Limited

Bank of China Limited, Auckland Branch

Bank of New Zealand

China Construction Bank Corporation,

New Zealand Branch

Industrial and Commercial Bank of China Limited,

Auckland Branch

Metrics Credit Partners Diversified Australian Senior Loan Fund

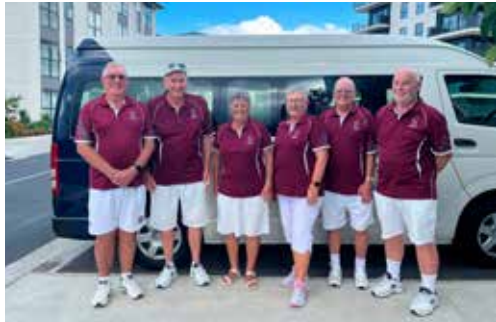
Westpac New Zealand Limited

Stock Exchange Listings

NZX Debt Market

Celebrating community and connection

At the heart of our villages is a deep commitment to cultivating joyful, connected communities - where residents thrive in a vibrant atmosphere full of friendship, shared moments, and the freedom to live life to the fullest.



Metlifecare villages

7 SAINT VINCENT

7 Saint Vincent Avenue,
Remuera, Auckland 1050
Ph: 09 524 1420

BAY SANDS VILLAGE

33 Gloucester Road, Mount
Maunganui 3116
Ph: 07 572 9107

BAYSWATER

60 Maranui Street,
Mount Maunganui 3116
Ph: 07 547 4047

COASTAL VILLAS

Spencer Russell Drive,
Paraparaumu 5032
Ph: 04 296 6333

CRESTWOOD

38 Golf Road, New Lynn,
Auckland 0600
Ph: 09 826 2000

DANNEMORA GARDENS

30 Matarangi Road, Botany
Downs, Auckland 2013
Ph: 09 272 2467

EDGEWATER VILLAGE

14 Edgewater Drive,
Pakuranga, Auckland 2010
Ph: 09 577 1600

FAIRWAY GARDENS

197 Botany Road,
Golflands, Auckland 2013
Ph: 09 890 9518

FOREST LAKE GARDENS

2 Minogue Drive,
Te Rapa, Hamilton 3200
Ph: 07 849 8243

GREENWICH GARDENS

5 Greenwich Way, Unsworth
Heights, Auckland 0632
Ph: 09 440 6790

GREENWOOD PARK

10 Welcome Bay Road,
Tauranga 3112
Ph: 07 544 7500

GULF RISE

89 Symes Drive, Red
Beach, Auckland 0932
Ph: 09 553 6103

HIBISCUS COAST VILLAGE

101 Red Beach Road,
Red Beach, Auckland 0932
Ph: 09 421 9718

HIGHLANDS

49 Aberfeldy Avenue,
Highland Park, Auckland 2010
Ph: 09 533 0600

HILLSBOROUGH HEIGHTS

1381 Dominion Road Extension,
Mt Roskill, Auckland 1041
Ph: 09 626 8060

KĀPITI VILLAGE

1 Henley Way,
Paraparaumu 5032
Ph: 04 296 1790

KARORI VILLAGE

29 Messines Road, Karori,
Wellington 6012
Ph: 04 476 8759

LONGFORD PARK VILLAGE

1 Longford Park Drive,
Takanini, Auckland 2112
Ph: 09 295 0040

MERIVALE RETIREMENT VILLAGE

27 Somme Street, St Albans,
Christchurch 8014
Ph: 03 375 4117

METLIFECARE ST ANDREW'S

41 Bryce Street,
Cambridge 3434
Ph: 07 974 1641

OAKRIDGE VILLAS

35 Cobham Road, Kerikeri 0230
Ph: 09 407 8549

ORION POINT

62 Tahingamanu Road,
Hobsonville, Auckland 0616
Ph: 027 291 4819

ŌTAU RIDGE

1 Ōkauanga Road, Clevedon,
Auckland 2585
Ph: 027 220 5672

PALMERSTON NORTH VILLAGE¹

7 Fitchett Street, Central
Palmerston North 4410
Ph: 06 350 6400

PAPAKURA OAKS

21 Youngs Road,
Papakura, Auckland 2110
Ph: 09 297 2079

PĀPĀMOA BEACH VILLAGE

2 Te Okuroa Drive, Pāpāmoa
Beach, Pāpāmoa 3118
Ph: 07 542 1933

PARKSIDE VILLAGE

42 Herd Road,
Hillsborough, Auckland 1042
Ph: 09 815 3992

PINESONG

66 Avonleigh Road, Green Bay,
Auckland 0604
Ph: 09 817 1800

PŌHUTUKAWA LANDING

3 Seventh View Ave,
Beachlands, Auckland 2018
Ph: 09 553 5266

POWLEY

135 Connell Street, Blockhouse
Bay, Auckland 0600
Ph: 09 627 0700

SPRINGLANDS LIFESTYLE VILLAGE

5 Battys Road, Springlands,
Blenheim 7201
Ph: 03 577 5208

THE AVENUES

10 Tenth Avenue, Tauranga 3110
Ph: 07 571 0400

THE ORCHARDS

123 Stanley Road, Glenfield,
Auckland 0629
Ph: 09 444 4010

THE POYNTON

142 Shakespeare Road,
Takapuna, Auckland 0622
Ph: 09 488 5700

THE VILLAGE PALMS

27-31 Shirley Road, Shirley,
Christchurch 8013
Ph: 03 595 5203

WAITĀKERE GARDENS

15 Sel Peacock Drive,
Henderson, Auckland 0610
Ph: 09 837 0512

WHANGĀREI PARK VILLAGE

15 Sutton Close, Maunu,
Whangārei 0110
Ph: 09 438 1099

¹ Owned in joint venture with the Palmerston North Māori Reserve Trust.



Evening view, Ōtau Ridge Village, Clevedon