Annual Report 2026

metlifecare

Contents

Cover photo: Wānaka Peaks.

About this report

We are pleased to present Metlifecare's 2026 Annual Report. This report reviews the financial and operational performance of Metlifecare Limited and its subsidiaries for the year ended 30 June 2026.

Our goal is to provide a clear, focused account of what matters most to our stakeholders and our business. We introduce our new five-year strategy, which builds on the strong foundations laid by the delivery of our Full Potential Plan since 2021. This strategy, the Full Potential Plan Forward, will guide our ongoing, sustainable growth through disciplined delivery, operational excellence, and extraordinary experiences for our residents.

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

Signed for and on behalf of Metlifecare by:

Murray Jordan
CHAIR

27 August 2026

Laurissa Cooney
DIRECTOR

27 August 2026

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

Creating extraordinary living experiences

Bay Sands Team | Top row (left to right): Manjeet Singh – Kitchen Manager, Tupu Hall – Caregiver, Moira Christenhusz – Metflex, Megma Rana – Metflex, Tracy Murray – Chef, Athira Sasi – Registered Nurse, Lais Zacarelli – Caregiver, Kate Degroote – Domestic Aid. Bottom row (left to right): Stephen Oosthuizen Pine – Clinical Manager, Geoff Rickard – Maintenance Manager, Desiree Lenton – Social Coordinator, Shannon Urquhart – Receptionist, Ashlee Hoyte – Kitchen Hand, Jaskiran Sidhu – Caregiver, Sabneez Bi – Senior Registered Nurse, Veena O'Connor – Administrative Assistant, Polly Delfim – Village and Care Manager.

At a glance

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

38
Villages

~7,600
Residents

26
Co-located care homes

~2,500
Employees

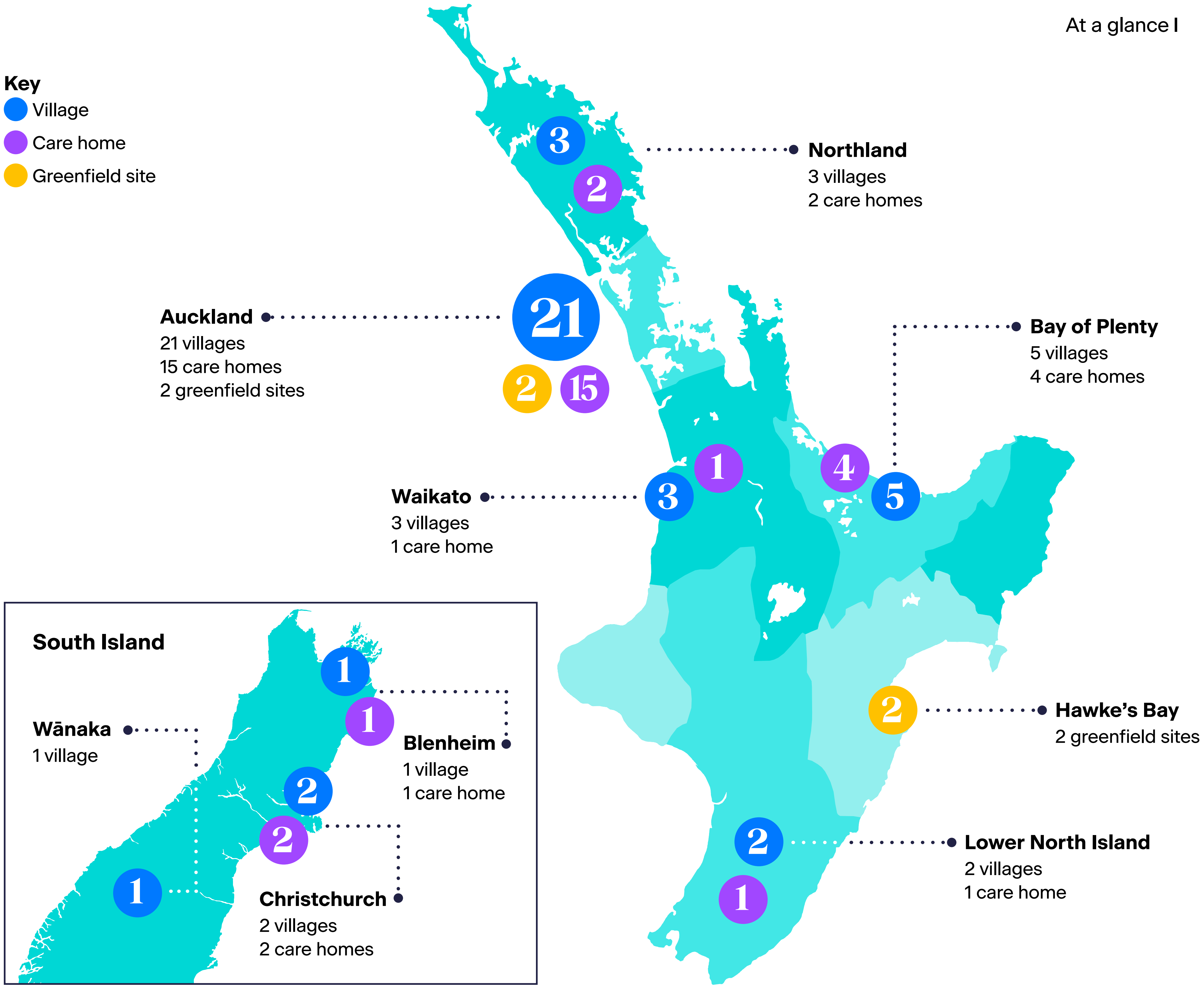
4
Greenfield sites[1]

5,606
Independent living units

1,534
Landbank including care[2]

347
Serviced apartments

1,199
Care beds and suites



Note: Our portfolio as at June 2026. All figures exclude the single 50% joint venture, Palmerston North Village. **1.** Greenfield site: undeveloped site/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.

Highlights FY26

- Secured Greenmeadows, a 6-hectare site in Napier, under a Development Agreement with Mana Ahuriri Hāpai.
- Gulf Rise development is fully completed.

- Opened three new villages: Wānaka Peaks (Wānaka), The Tides (Mangawhai) and North Ridge (Rototuna).
- Achieved Scope 1 & 2 emissions targets ahead of the 2030 timeframe.

- Three care homes added to our portfolio: Fairway Gardens (Golflands), Parkside (Hillsborough) and 7 Saint Vincent (Remuera).
- Refinanced $1.05bn of bank facilities - adding $175m of new funding capacity.

- Oakridge Care Home in Kerikeri received a gold award at the NZ Commercial Project Awards.
- Refreshed our strategy, called the Full Potential Plan Forward (FPPF).

- Ōtau Ridge received internationally recognised accreditation as a Green Star Community.
- Won FinanceAsia's Best Syndicated Loan Deal in New Zealand for our Sustainability-Linked Loan.

- Pāpāmoa Beach won the Gilmours Excellence in Food Service Award at the NZ Aged Care Association Awards.
- Piloted digital clinical tools: Deterioration Early Warning System (DEWS) and Heidi AI scribe at Parkside Care Home.

- Held our first annual 'Extraordinaries' Employee Recognition Awards.
- Introduced our Māori Strategy and Implementation Plan.
- Strengthened commercial capability. More consistent sales, pricing and forecasting processes from data and performance insights.

- Launched 'At Our Best', a company-wide behavioural framework.
- Increased our employee engagement score to 77%, placing us in the top quartile of surveyed NZ businesses.

- Deployed MetHub, a digital app to enhance resident engagement in six villages.
- Embedded SeeStuff, an all-village asset management system.

- 30, 40, and 50-year anniversaries for Palmerston North, Greenwood Park and Metlifecare St Andrew's villages.
- Earthworks started at our Pukekohe site.

- Engaged directly with Government ministers and MPs through village visits, advocating for the sector and the needs of older New Zealanders.
- Increased overall satisfaction among independent residents to 89%.

- MoU signed with Parininihi Ki Waitōtara Incorporation marking our shared intent to work together and develop a new retirement village in New Plymouth.
- Landmark development programme with 300+ units and care suites, delivered on budget and ahead of time.

Chair & Chief Executive Officer Report

Welcome to Metlifecare's Annual Report for the year ended 30 June 2026 – a year in which we proved the strength of our platform, continued to grow with discipline, and enhanced the experience of our residents.

Murray Jordan
CHAIR

FY26 marked an important strategic milestone for Metlifecare. During the year, we completed five years of transformation under our Full Potential Plan (FPP) and launched its successor, the Full Potential Plan Forward (FPPF), an enhanced five-year strategy designed to build on our strong foundations and drive our next stage of growth and value realisation.

This progress highlights the commitment and professionalism of the whole Metlifecare team, who continue to bring our vision and values to life every day in the way they support and care for more than 7,600 residents across our 38 villages nationwide.

Financial performance

Metlifecare reported continued growth in sales and operating revenue for FY26, together with increased total comprehensive income and a stable gearing position.

Total occupation right agreement sales increased by 1.5% to $554.4 million, reflecting higher overall volumes and growth in resale prices and demonstrating sustained demand for Metlifecare's villages against a backdrop of continued economic volatility and a subdued residential housing market.

Operating revenue increased by 11.4% to $270.7 million, with growth in deferred management fee and village fee revenue from increased sales and higher occupancy across the portfolio. Aged care revenue also increased as Metlifecare continued to execute its premium aged care strategy.

Net profit after tax (NPAT) was $43.7 million, compared with $66.4 million in FY25. The result included a $121.1 million gain in the fair value of investment properties, compared with $135.4 million in FY25, supported by retirement village unit price growth and new unit delivery.

Total comprehensive income increased by 30.7% to $117.6 million from $90.0 million in FY25. This was predominantly driven by a $68.0 million net gain on the revaluation of care homes, compared with $41.8 million in FY25, reflecting the ongoing rollout of care suites across the portfolio.

Metlifecare's total assets increased to $7.41 billion at 30 June 2026, from $6.96 billion at 30 June 2025, reflecting revaluation gains, development activity and increased unit delivery.

Net debt increased to $1.63 billion from $1.52 billion at 30 June 2025, while net tangible assets increased to $2.56 billion from $2.42 billion. Net gearing was 38.8%, broadly consistent with 38.5% at the prior year end.

During the year, the Company completed a partial refinancing of its Sustainability-Linked Loan facilities. It extended maturities for $1.05 billion of facilities and increased total bank facilities by $100 million in November 2025 and a further $75 million in June 2026, taking total bank facilities to $1.84 billion.

Full Potential Plan Forward

The FPPF is Metlifecare's strategy for the next five years, developed with support from our owner EQT and building on our foundational FPP, which was the most significant multi-year transformation in our 42-year history. The FPPF comprises more than 40 strategic initiatives across seven workstreams, which will sharpen how we execute and strengthen our long-term performance. See page 11 for a summary of the FPPF framework.

Growth and capital allocation

Our development platform is now delivering disciplined, sustained growth through increased in-house capability and effective capital recycling.

Earl Gasparich
CHIEF EXECUTIVE OFFICER

In FY26 we secured a new greenfield site in Napier under a development agreement, opened three villages in Wānaka, Rototuna and Mangawhai, and completed the final building stage of Gulf Rise. We also successfully divested Karori village in May 2026. A solid five-year development pipeline, backed by a substantially consented landbank, underpins our confidence in future growth, and we continue to explore co-investment and partnership opportunities to support our ongoing expansion.

Key achievements since 2021:

- **Portfolio expansion:** from 25 to 38 villages, home to more than 7,600 residents
- **Premium aged care offering:** co-located care homes now in 68% of villages (up from 40% in FY21) with care suites now comprising around 60% of our care portfolio
- **Development:** 18 greenfield sites purchased; 7 new premium villages opened; consistent delivery track record
- **Geographic reach:** expanded across the motu, including into the South Island
- **Investment in existing portfolio:** more than $500m of non-development investment across village capex, remediation, modernisation and conversions
- **Sustainability:** science-based targets validated and on track for 2030; consistent achievement of SLL KPIs; NZ Green Building Council awarded our new care homes with 6 Green Star ratings (six 'designed' and four 'built')
- **People and culture:** employee engagement in top quartile of New Zealand businesses
- **Resident experience:** marked improvement in independent living resident satisfaction results (up 12 points since FY21)

Sales and marketing investment

A key FPPF workstream already well underway is the transformation of our sales and marketing function. During the year, we strengthened commercial capability with new sales leadership and more consistent, data-led approaches to lead management, pricing, forecasting and performance management.

Enhanced sales performance tools now provide greater visibility across the sales funnel, enabling more targeted support and intervention. A more structured approach to pricing is improving consistency across the portfolio, with available stock regularly assessed against market conditions. These changes are supported by improved customer relationship management, forecasting and reporting tools, providing visibility from enquiry through to settlement.

Marketing is becoming increasingly targeted and performance-led, connecting prospective residents with the villages and homes that best meet their needs. Richer customer and market insights are strengthening Sales Team knowledge, while closer collaboration with the Development Team ensures earlier input into decisions on product, pricing and future development.

Aged care

We are proud of the successful delivery of our premium aged care strategy, including the maturation and expansion of our care suite programme to give more residents more choice as their care needs change.

Our reshaped care offering has significantly increased access to aged residential care across our portfolio, opening new care homes at Fairway Gardens and Parkside in the past year, as well as the conversion of serviced apartments to care suites at 7 Saint Vincent. This is underpinned by continued outstanding clinical excellence, with four care homes achieving or retaining the top-rated four-year Ministry of Health certification.

Our care suite conversion programme is continuing to progress, having delivered more than 400 conversions of serviced apartments and care beds to care suites since 2022. The conversion of serviced apartments to care suites has increased availability of co-located care across our villages, providing a high-quality living environment and seamless transition for residents between independent living and aged care.

Village enhancement

In addition to new development, our regeneration and modernisation programmes continue to lift the quality and value of our existing villages. During the year we completed major modernisation projects at Greenwood Park and Kāpiti and advanced regeneration at Bay Sands, Merivale and Parkside.

This investment, together with ongoing refurbishment and weathertightness remediation, is extending the life of our assets, unlocking long-term value in areas of strong customer demand, and ultimately enhancing the resident experience.

Sustainability

Following our biennial materiality assessment, we have updated our sustainability strategy to reflect what matters most to our residents, people and communities. Our focus and efforts continue across the key areas of climate action, social impact, nature and resource efficiency, and maintaining strong governance.

This year's work has kept us on track to achieve our sustainability goals. The benefits of this investment are showing across our village network, both in performance metrics and the strong positive feedback from our village communities and our people.

Sustainability-Linked Loan performance

FY26 was the first full year under our revised Sustainability-Linked Loan (SLL) targets for 2026–2029, covering emissions reduction, employee wellbeing (measured through WELL Equity, an evidence-based rating system from the International WELL Building Institute) and construction waste diversion from landfill. We are pleased to report Metlifecare has achieved each of these three measures, reflecting the discipline and accountability brought about by linking our capital structure with sustainability performance.

Operational excellence

Alongside our growth plans, we have further improved how we run our villages day-to-day. Under FPPF, we have streamlined our operational settings, with smarter procurement across food, trade services and cleaning, plus the introduction of Consumer Price Index (CPI)-aligned village fees. These practical initiatives are supporting consistency of delivery, enhancing village team and resident experiences and improving profitability. Together, these have contributed to increased independent living resident satisfaction results.

We are also building our digital capability in a deliberate, responsible way - using technology and artificial intelligence (AI) tools to lift productivity and support better care, with resident outcomes remaining a key measure of success.

Our people

Our People Plan, refreshed in FY26, is built on developing commercially minded, outcome-driven leaders and a high-performance culture, with teams collaborating at pace and staying continuously focused on resident experience.

The plan is underpinned by 'At Our Best', a company-wide behavioural framework built around three pillars - Ownership, Working as One, and Outcomes and Impact - which connect every role to resident outcomes and sustainable performance.

This year, we also saw a significant improvement in our safety culture and performance; the launch of our multi-year Māori strategy and implementation plan; and reported strong employee engagement results which places Metlifecare in the top quartile of surveyed New Zealand businesses.

Governance

The Board continues to provide strong governance and oversight, supporting the Executive Team on strategic execution and prudent risk management. In FY26, Board focus encompassed FPPF commencement, development delivery and mitigating enterprise risk. Directors also visited a number of villages, engaging directly with village managers and their teams and observing health and safety practices in action.

Land acquisition and development remained a Board priority, with site selection, master planning and project governance considered for new developments. Board subcommittees continued to oversee strategic initiatives across audit and risk, development, clinical services and people and culture, alongside oversight of the responsible and optimised use of AI across the business.

In February 2026, Paul McClintock notified the Board of his decision to step down as Chair, effective 1 May 2026. Murray Jordan - a Director and Chair of the Development Committee since 2020 - succeeded Paul as

Murray and Earl interacting with Greenwood Park residents

Chair. The Board was pleased to welcome Laurissa Cooney as a new Director from February 2026. Laurissa brings extensive governance and finance experience and is Chair of Metlifecare's Audit & Risk Committee.

On behalf of Metlifecare, we thank Paul McClintock for his outstanding stewardship as Chair since November 2020. Under his leadership, Metlifecare strengthened its portfolio, expanded its aged care footprint and delivered the Full Potential Plan, laying a strong foundation for the next phase of growth.

We are deeply grateful for his dedication and wisdom and wish him every future success.

Looking ahead

Having improved the strength of our platform, the focus is now on generating sustainable cash flow and reinvesting with discipline to lift profitability year on year. Metlifecare is well placed to perform through the market cycle, underpinned by our operating model, capital base and development delivery capability.

New Zealand's 75+ population is forecast to double over the next two decades. These strong demographic tailwinds are expected to create a significant nationwide shortfall of retirement village units. With our scaled village footprint located in high-growth areas like Auckland, Waikato and Bay of Plenty, Metlifecare is in a favourable position to capture this demand.

In FY27, our ambition is to grow market share, lift sales velocity and operating cash flow, and deliver enhanced development outcomes. This will be supported by our 'At Our Best' behavioural framework and improving our execution across sales, development and operations.

None of this is possible without our people. Every day, they choose to put residents first; this is shown through how they care, how they connect, and how they show up for the communities they serve. That commitment to our values and creating extraordinary experiences will carry Metlifecare through its next phase of growth, and is what residents, their families, and our future residents can rely on. We are excited about the journey ahead.

Metlifecare Board

Sam Franklin | Jonathan Coleman | Maggie Owens | Murray Jordan | Laurissa Cooney | Ken Lotu-liga

Sam Franklin DIRECTOR
Sam is a Managing Director at EQT. Sam has extensive experience in private equity and infrastructure investing across Australian, New Zealand and European markets.

Jonathan Coleman DIRECTOR
Jonathan was a Member of the New Zealand Parliament for 12 years, serving as cabinet minister for nine of those years. Jonathan held a number of senior portfolios in Government including Minister of Health. He has worked as CEO of a large private healthcare provider and has been a director on the boards of Evolution Healthcare and North Harbour Rugby. He is currently a director of the New Zealand Olympic Committee Board.

Maggie Owens DIRECTOR
Maggie was most recently an Operational Director for Bupa New Zealand, one of New Zealand's largest operators of retirement village 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. She is a Chartered Member of the Institute of Directors.

Murray Jordan CHAIR
Murray is currently a director of Stevenson Group and Property for Industry. Previously Murray was Managing Director of Foodstuffs North Island, following his roles as GM of Sales and Performance and GM of Property Strategy for Foodstuffs, and GM of AMP's New Zealand unlisted property portfolio.

Laurissa Cooney DIRECTOR
Laurissa is currently a director of Air New Zealand, Goodman Property Ltd and Rabobank New Zealand Limited. Laurissa is also a Committee Member of the Chapter Zero New Zealand Steering Group. She has previously held senior manager, auditing and consulting roles with Deloitte in New Zealand and Deloitte Touche in London and was the Chief Financial Officer for Te Whare Wānanga o Awanuiārangi. She is a Fellow of the New Zealand Institute of Chartered Accountants, and a Chartered Member of the Institute of Directors in New Zealand.

Ken Lotu-liga DIRECTOR
Ken 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, 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.

Paul McClintock AO retired as Chair in May 2026, after more than five years guiding Metlifecare through a period of significant growth and transformation. The Board thanks Paul for his dedicated stewardship.

Executive Team

Tim Aynsley

CHIEF INFORMATION OFFICER

Tim joined Metlifecare in August 2024 and brings strong digital and technology transformation leadership expertise to the team with over 20 years of experience in senior technology roles, most recently as Head of Technology at Mercury. He was NZ Chief Information Officer of the year finalist in 2024.

Anna Lissaman

CHIEF PEOPLE OFFICER

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

CHIEF CLINICAL & RISK OFFICER

Helen is a dual-trained Geriatrician and General Physician with over 20 years' experience across the public and private sectors. As a Quality Improvement Advisor and former InterRAI Governance Board New Zealand member, she leads the clinical team in helping ensure residents receive the best possible care across our motu.

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.

Jonathan Wilde

CHIEF FINANCIAL & INVESTMENT 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.

Hannah Walton

CHIEF OPERATING & STRATEGY OFFICER

Hannah joined Metlifecare in 2019 as Head of Digital, before transitioning to the role of General Manager Business Transformation in 2020. In early 2022, she was appointed General Manager Operations, and in 2025, this role was further expanded to Chief Operating and Strategy Officer. Prior to joining Metlifecare, Hannah held executive roles at Spark, where she led key initiatives across product development, transformation, and investment strategy.

Mark Stockton

CHIEF PROPERTY OFFICER

Mark was appointed as General Manager of 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.

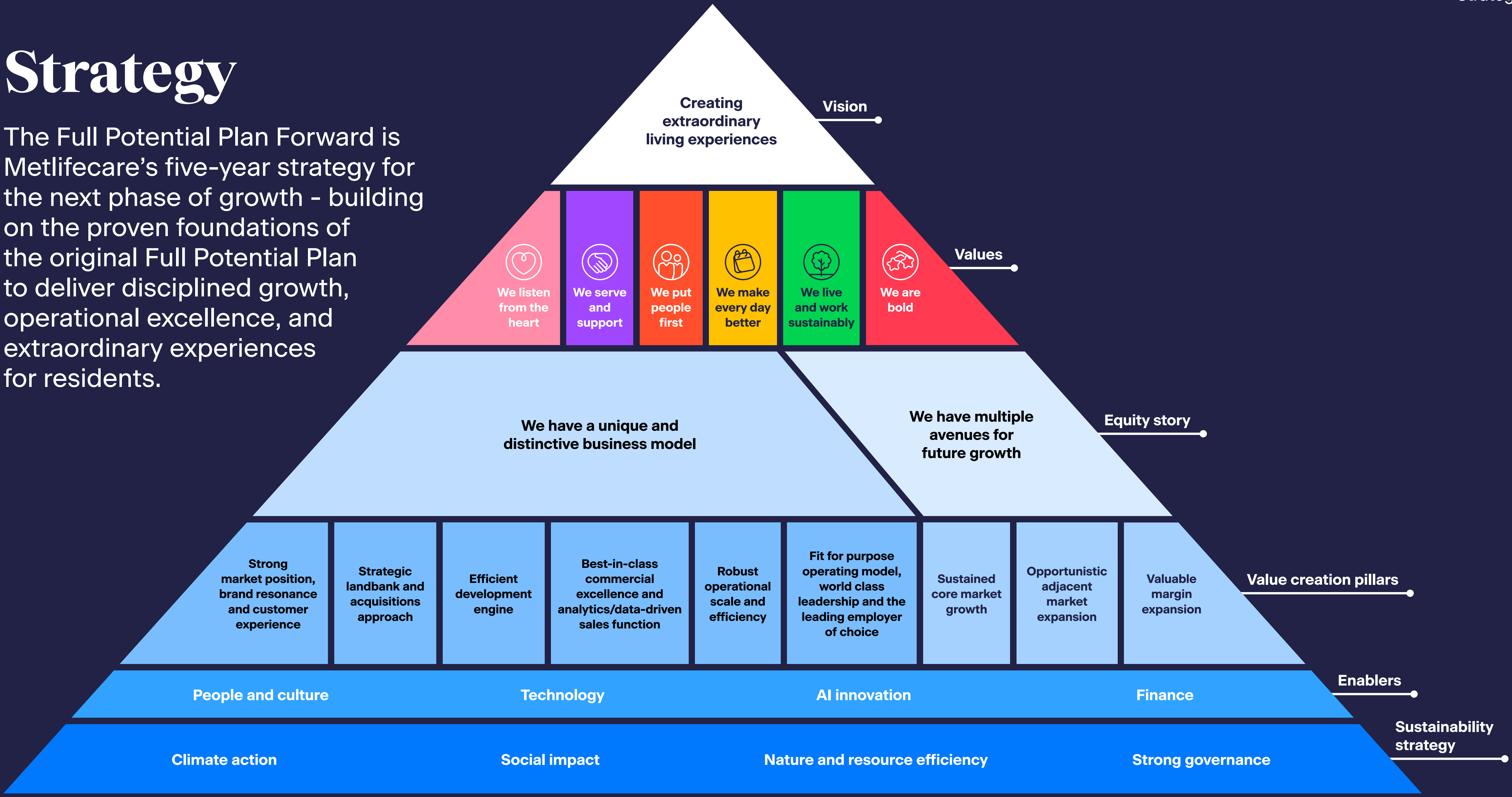
Jemima Briggs

CHIEF SALES & MARKETING OFFICER

Jemima is a senior commercial leader with extensive experience across sales, marketing and business transformation. She has a strong track record of driving growth, leading high-performing teams and delivering customer-led outcomes. Jemima also volunteers across several charitable trusts, contributing governance, strategy and community leadership experience.

Strategy

The Full Potential Plan Forward is Metlifecare's five-year strategy for the next phase of growth - building on the proven foundations of the original Full Potential Plan to deliver disciplined growth, operational excellence, and extraordinary experiences for residents.



Disciplined delivery

In FY26, Metlifecare's development strategy continued to deliver - we opened three new villages, completed 300+ new residential units and care suites across ten villages, acquired a new village site, and further streamlined our delivery model.

Together, these achievements reflect a proven, well-embedded development platform that supports consistent, disciplined growth. Our approach is focused on targeted capital deployment in attractive markets, standardised product design aligned to local demand, and efficient delivery across new and existing villages – supporting capital recycling and long-term net tangible assets growth.

Sustainability is firmly embedded in how we develop. Across new villages and major upgrades, our design, procurement and construction methods demonstrate best practice environmental performance, resident comfort and long-term operational efficiency – balanced with commercial discipline and build quality. We are proud that Ōtau Ridge was this year accredited as a New Zealand Green Star Community, reflecting these sustainable values.

FY26's results reflect a development capability that has been truly established. Since 2021, our in-house team has been significantly strengthened, 12 sites have been developed or acquired, and the annual build rate has risen to more than 300 units and suites. Delivery is consistently on time and on budget, and a quality landbank supports more than five years of future development at the current build rate.


Ōtau Ridge

Streamlining delivery

We continue to streamline our delivery model and strengthen our established frameworks, with ongoing, incremental improvements. In FY26, we advanced the standardisation of designs and specifications to better align products and finishes with each market. This has enabled smarter procurement, improved cost-effectiveness and supported delivery timeframes. We also tightened the coordination between development and sales, enhancing the saleability of new stock and supporting timely resident move-ins.

Completed in FY26

Bay Sands Mt Maunganui, Bay of Plenty	20	Independent living villas
Fairway Gardens Golflands, Auckland	48	Care suites
	14	Specialised dementia suites
Gulf Rise Red Beach, Auckland	36	Independent living apartments
The Tides Mangawhai, Auckland	26	Independent living villas
North Ridge Rototuna, Hamilton	29	Independent living villas
Ōtau Ridge Clevedon, East Auckland	14	Independent living villas
Parkside Hillsborough, Auckland	17	Independent living apartments
	59	Care suites
Pōhutukawa Landing Beachlands, East Auckland	4	Independent living apartments
	3	Independent living villas
Wānaka Peaks Wānaka, Otago	28	Independent living villas
Whangārei Park Maunu, Whangārei	3	Independent living villas

Strong development pipeline

Our development pipeline has scale, optionality and geographic diversification — and we continue to target high-growth regions where future demand supports long-term value creation.

With the number of New Zealanders aged over 75 forecast to double over the next two decades, there is already a well-recognised shortfall in retirement village units – underpinning the case for continued disciplined investment to meet future housing needs in our market.

Our data-led acquisition strategy draws on demographic analysis, local housing market conditions and customer insights to ensure new villages are positioned where long-term demand is most compelling.

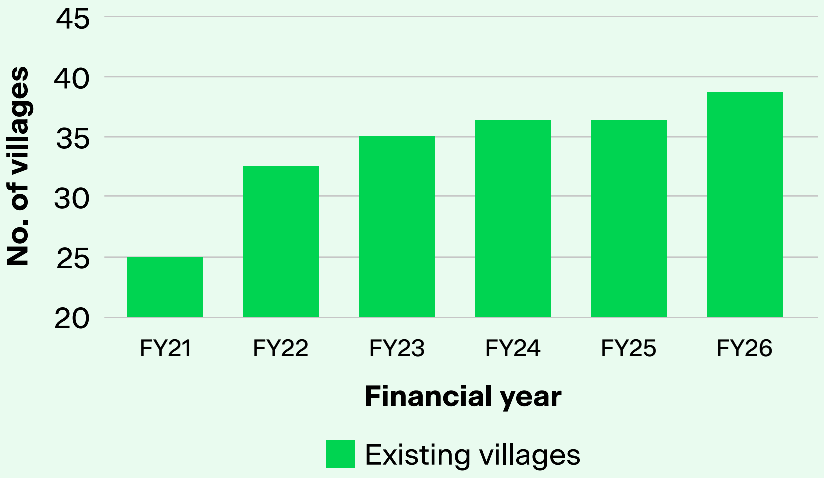
Consent activity

In FY26, the following development projects progressed through the planning and consenting process, with construction continuing into FY27 or FY28. Overall, 81% of Metlifecare's pipeline is now consented.

- **Villages:** Parkside, Bay Sands, Orion Point, Ōtau Ridge, North Ridge, Wānaka Peaks, The Tides, 7 Saint Vincent and Fairway Gardens.
- **Greenfield sites:** Greenmeadows, Pukekohe and Havelock North.

Greenmeadows site

Village growth



Greenmeadows village artist impression

New Greenmeadows village site

In August 2025, we secured a premium 6-hectare site in the Napier suburb of Greenmeadows (Te Roropipi precinct) under a development agreement with Mana Ahuriri Hāpai Limited Partnership — a collaboration between Mana Ahuriri Trust and the iwi-owned national property fund Hāpai. We will develop this site in partnership with Mana Ahuriri, guided by shared values of manaakitanga (care and respect), kaitiakitanga (guardianship) and a commitment to sustainability.

When complete, the village will offer around 150 single-level villas, a premium care home and resident amenities including a pool, gym, café/bar, library and landscaped outdoor spaces.

New villages from north to south

We opened three new villages in FY26 – in Mangawhai, Rototuna and Wānaka – bringing Metlifecare's national footprint to 38 villages.

Investment in our existing portfolio is increasingly informed by customer demand and saleability, helping us prioritise improvements that enhance the resident proposition and support the ongoing attractiveness of our villages and homes. Each village also makes a meaningful local contribution, supporting jobs during construction and creating permanent positions once operational, across clinical, care, hospitality, maintenance and management roles.

The Tides, Mangawhai

Set between the estuary, beaches and golf course, The Tides brings modern villas and resort-style amenities to Mangawhai. The village will offer a mix of independent living units and care suites, with Stage 1 delivering the first release of villas.

North Ridge, Rototuna

A low-rise village in the heart of Rototuna, designed for connection, comfort and easy living. On completion, the village will provide a range of independent living villas alongside care suites, with the first stage of villas now complete.

Wānaka Peaks, Wānaka

An architecturally designed village in the heart of Wānaka, set against stunning mountain views. Once complete, the village will comprise a substantial mix of independent living units and care suites, with Stage 1 introducing the first stage of villas.

Ongoing village investment

Alongside new development, we have continued to invest in the existing portfolio through modernisation, regeneration, care suite conversions, refurbishments and building remediation – improving the resident experience, extending asset life and enhancing long-term value.

Modernisation

In FY26, we completed a comprehensive modernisation of the Greenwood Park community facility, including refurbishment of the reception, café, lounge, dining areas and resident bar, supported by a contemporary interior redesign and new furniture, fittings and equipment throughout. We also completed the final stage of a major transformation project at Kāpiti, with residents now enjoying a modern enhanced communal area and café.

These two projects conclude the modernisation programme started in 2021 as part of the original Full Potential Plan. They also form part of Metlifecare's $500 million investment in its existing villages since Metlifecare was acquired by EQT.

Regeneration

Our regeneration programme continues to advance at pace. At Parkside, we marked an important milestone with the completion of the new care home and apartments in June, and consent was secured for a further 68 apartments on the site of the existing care home. At Bay Sands (formerly Somervale), we completed Stage 2 of the regeneration programme, delivering 20 premium villas. Regeneration works at Merivale were also completed during the year, introducing a new communal amenity facility with a lounge, games room, gym and indoor pool.

Serviced apartment conversion

This financial year, we introduced premium care suites at 7 Saint Vincent through the conversion of 14 serviced apartments, enabling residents to access rest home and hospital-level care on this attractive site for the first time. At Merivale, a further 22 serviced apartments were converted into premium care suites, extending the village's existing care offering.

These conversion projects bring to a close the dedicated four-year programme of converting serviced apartments to fully certified aged residential care suites. Since 2022, Metlifecare has invested significantly in converting more than 120 serviced apartments into premium care suites across eight villages. This has expanded access to care across our network, with over two-thirds of our villages now offering care on site and many others supported by nearby Metlifecare villages with care facilities.

Refurbishments and remediation

Our approach to refurbishment has evolved to incorporate customer preferences, saleability and commercial outcomes.

The asset management programme is now well embedded, improving maintenance efficiency, extending asset life and reducing the risk of disruption for residents. With around 450 independent living units being refurbished each year, improved procurement and delivery processes have significantly reduced the time taken per project compared to five years ago.

Greenwood Park community facility

7 Saint Vincent care suite

Quality care

Metlifecare's aged care offering has grown into a scaled, high-performing business built for sustainable growth.

Two new care homes were completed this year at Fairway Gardens and Parkside, delivering 121 new care suites and expanding access to co-located care at both sites. By converting existing serviced apartments into certified residential aged care suites, we introduced care for the first time at 7 Saint Vincent with 14 premium care suites, as well as adding a further 22 care suites to Merivale.

The continued expansion of our aged care offering has enabled the development of more robust systems and deeper clinical governance capability. With 68% of Metlifecare's villages now offering residential aged care, care is firmly embedded as a core value driver and generator of sustainable cash returns.

Care suite offering

Care suites now represent around 60% of Metlifecare's total care portfolio. Our care suites can support both rest home and hospital-level care, allowing residents to transition between those levels of care while residing in the same room. Care suites are provided to residents under the Occupation Right Agreement (ORA) model, delivering financial certainty to residents and their families from the outset. The model also has flexibility to accommodate couples.

Care room conversions ongoing

A number of care rooms were upgraded to care suites during the year, with approximately 300 having been converted since the programme began in 2022. The conversion of care rooms to care suites enables the first-time sale of the room and return of capital, as well as maintaining the revenue through the net management fee.

Looking ahead, there are approximately a further 150 care rooms that have been identified for conversion to care suites across the Metlifecare portfolio in the coming years.

Consistent clinical excellence

Our FY26 audit results demonstrate the strength of Metlifecare's clinical standards. Twenty-one Ministry of Health (MOH) audits were conducted during the year, spanning new facility provisioning, established care home certifications and five unannounced surveillance audits.

All established care homes maintain three or four-year certifications. This year, a further four care homes achieved the gold-standard four-year certification – cementing our trajectory from last year's result. Most notably, all five unannounced surveillance audits returned nil findings, reflecting consistent clinical expertise and the dedication of our teams.

26
villages (68%) offering care (40% in FY21)

Care suites comprise around
60%
of our care portfolio

3
care homes added to our portfolio

1
new care home under construction

4
more care homes achieve 'top-rated' 4-year MOH certification

1,199
care suites and beds

Enhanced care experience

MANAAKI NGĀTAHI – CARE TOGETHER

During the year, Metlifecare introduced its new Model of Care, Manaaki Ngātahi – Care Together. This refreshed model reflects new industry standards and is summarised below.

INNOVATION OUTCOMES

AI clinical scribe Heidi was successfully piloted at Parkside Care Home during FY26. By automating documentation and producing real-time records, Heidi redistributes nurse time to spend directly with residents. The Heidi pilot has since been expanded to three further care homes.

Our Model of Care

Care Together
Manaaki Ngātahi

Manaaki Ngātahi – Care Together is Metlifecare's refreshed Model of Care for its care home residents, aligning with the Ngā Paerewa standards.

Grounded in the three pillars of Partnership, Relationship and Personalisation, it places residents at the centre of every care decision. Care teams work closely with residents and their whānau to understand their life experiences and incorporate individual preferences into daily routines.

The model follows a holistic view of wellbeing, recognising physical, emotional, mental, cultural and spiritual needs, while ensuring the resident remains central as their care needs evolve. It also reflects Metlifecare's commitment to te ao Māori values and equity of care.

To ensure alignment between our practices and the model, internal audits are regularly conducted across all care homes.

IMPROVING SATISFACTION

We regularly monitor the satisfaction levels of residents and their families, using the feedback for village-specific improvement plans. In FY26 we saw positive gains and high scores in 'caring, friendly and attentive staff' as well as the quality of our food and dining, which has been driven by the 'Your Choice' model introduced last year.

We were particularly proud of Pāpāmoa Beach winning the Gilmours Excellence in Food Service Award at the 2025 New Zealand Aged Care Association Awards.

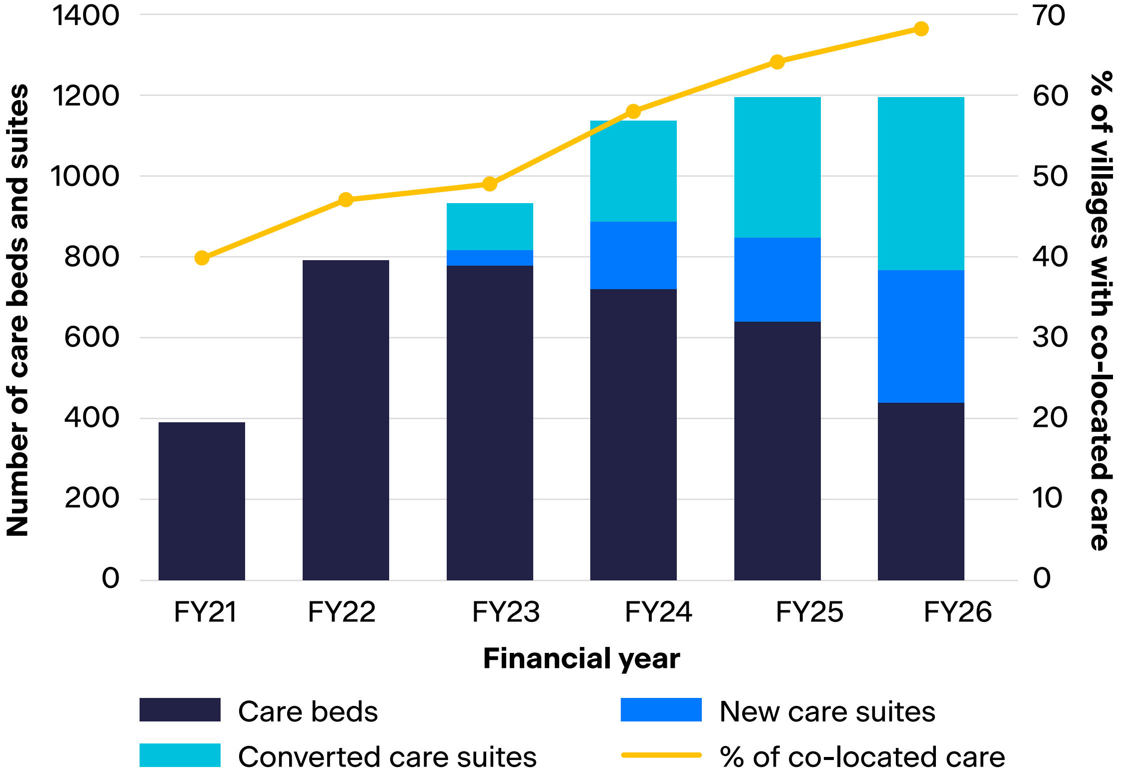
DEMENTIA CARE

A new secure dementia community was opened in FY26 at Fairway Gardens, meaning seven Metlifecare villages now offer specialist dementia care. These facilities have added much-needed capacity in their respective regions, enhancing access for existing retirement village residents and the surrounding communities.

In FY26 we saw positive gains and high scores in 'caring, friendly and attentive staff' as well as the quality of our food and dining.

Pāpāmoa Beach kitchen team

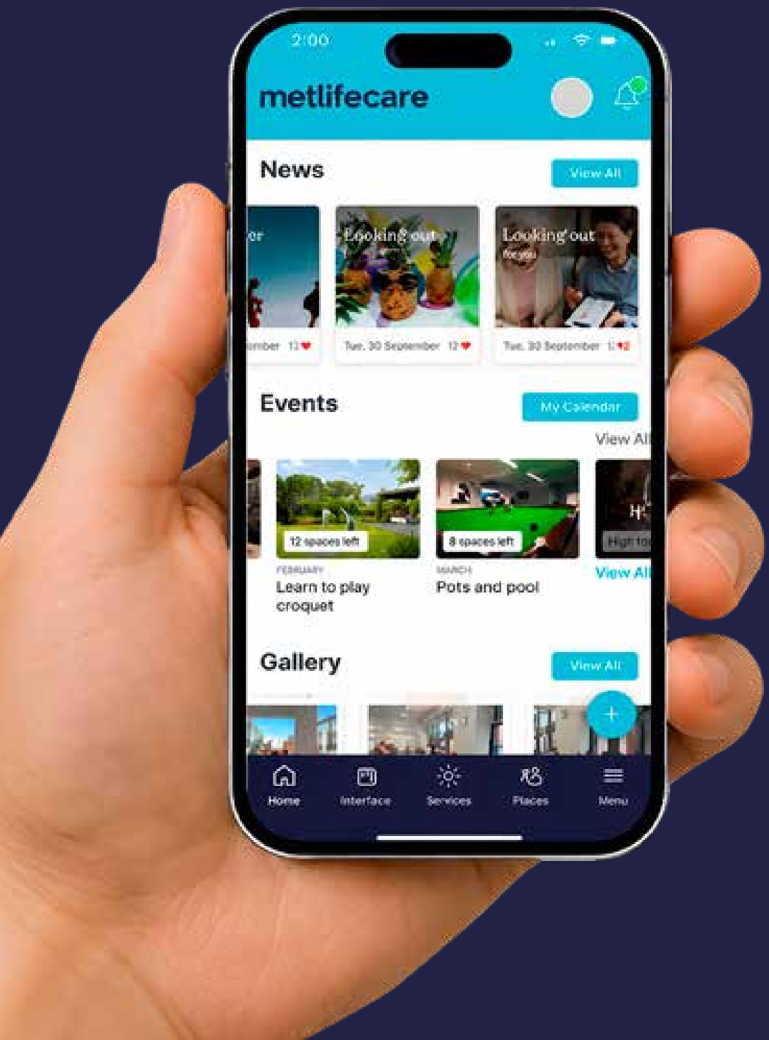
Growth of care in portfolio



Digital performance and growth

Metlifecare's digital agenda in FY26 was defined by disciplined execution — turning prior investment into measurable value, and embedding digital capability into how we work, how we serve our residents, and how we manage our business.

With strong foundations in place, FY26 was the year to demonstrate performance. Key achievements included the completion and embedding of our asset management platform (SeeStuff), the rollout of our resident engagement app MetHub, meaningful progress advancing our AI strategy, continued investment in data intelligence, and a real-world demonstration of our cyber resilience.



Platforms delivering real value outcomes

The full implementation of SeeStuff across Metlifecare's portfolio was a significant milestone. Wrapping around our full asset base, the platform now supports asset management, maintenance scheduling and compliance across our villages – enabling smarter, faster decision-making.

MetHub, our resident engagement app, is live across six villages and creating tangible community impact. By putting village activities, services and communications directly in residents' hands, it is strengthening connections and bringing new energy to village life.

A smart, structured approach to AI

We are embracing artificial intelligence and focusing on practical applications that lift productivity and support better resident experiences.

Our four-pillar AI framework guides this work: building data intelligence and predictive capability; deploying AI assistants that help staff work smarter; exploring clinical AI tools such as Heidi to free care teams for more quality resident time and laying the groundwork for AI to reshape workflows and ways of working across the organisation. Governance is embedded throughout, with executive oversight and regular board reporting reinforcing a measured approach.

Better data, better decisions

Improved commercial analytics are creating more consistent sources of information for forecasting, pricing and sales performance, helping teams identify opportunities and focus support where it can have the greatest impact.

Cyber resilience and continuity

Cybersecurity remains a critical focus as the threat landscape evolves – particularly as AI introduces new risks alongside its opportunities. We continue to invest in our controls, undertake independent external assurance assessments, and expand our defences as the external environment changes.

When a significant third-party platform outage in early 2026 disrupted medication management services across the sector, we were pleased to see our business continuity arrangements respond effectively – our teams moved swiftly to manual processes and maintained uninterrupted care and clinical services for residents throughout. This was a real-world test of our preparedness, and reassuring confirmation that our resilience planning works when it matters most.

The launch of MetHub at Fairway Gardens

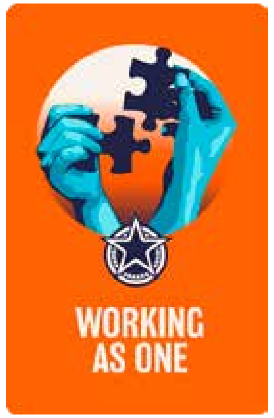
Looking ahead

Together, these achievements reflect a business that is digitally mature, operationally resilient, and well positioned for its next phase of growth – using technology not for transformation's sake, but to create better experiences for residents, support our people, and build long-term value.

"MetHub has been a real gamechanger at Edgewater. The village team and residents have everything at their fingertips, so it's easy to get involved. The sense of connection across our community has grown which is wonderful to see."

Kaileigh Rhodes – Village Manager, Edgewater

Team Metlifecare



Our FY26 people plan was built on two enduring pillars: Outstanding Leadership - developing leaders with a commercial, outcome-driven owner's mindset; and a High-Performance Growth Culture - with teams aligned to collaborate at pace with an 'always on' focus on occupancy and resident experience.

At Our Best

We launched a company-wide behavioural framework, which connects every role to resident outcomes through shared behaviours, language and expectations.

At Our Best was distilled from analysis of our highest-performing people and teams. It is designed to strengthen how we operate as one connected team, with consistent language and clear expectations that help every employee understand how they contribute to extraordinary resident outcomes and sustainable commercial performance.

The framework is built around three 'capability' pillars - Ownership; Working as One; and Outcomes and Impact - which set the standard underpinning everything we do. It is now being embedded across the business, integrated with all people touchpoints including leadership development initiatives and the Extraordinaries, our employee recognition programme.

Merivale Team

Strong people performance, positive resident outcomes

The connection between a capable, stable, and engaged workforce and the experience of our residents is clear. Our 'people' results in FY26 have created the conditions that make delivering our vision of 'extraordinary living experiences' possible, consistently and at scale.

The evidence base for this connection is:

- **Resident satisfaction:** overall satisfaction of independent living residents improved by over 4 percentage points to 89% in FY26.
- **Manaaki Ngātahi:** our refreshed model of care, embedded through e-learning and leadership, lifts the consistency of resident experiences across our care homes.
- **Clinical capability:** the material lift in training participation and completion strengthens nursing and care skills.
- **Stable clinical workforce:** voluntary turnover remains stable at ~13%, supporting employee-resident relationships tenure that drives wellbeing in aged care.
- **Employee engagement as a lead indicator:** our engagement result (77% engaged) is a meaningful signal of how our people feel about coming to work, which in turn impacts how residents feel about living with us.

Highly engaged workforce

Our organisation-wide employee engagement survey platform was replaced during the year, enabling enhanced engagement benchmarking against New Zealand industry norms.

Strong results from our October 2025 annual MetPulse survey and May 2026 pulse check reflect the cumulative effect of consistent leadership focus, understanding of our People strategy, investment in clinical learning and career pathways, and ongoing attention to the conditions that enable people to produce their best work.

Voluntary turnover remains stable at approximately 13% - a strong indicator of workforce stability which ensures high-quality care is provided to our residents.

77%
Engagement

85%
Survey participation rate (all-time record)

86%
Recommend Metlifecare as a great place to work (up 3 points on FY25)

Building clinical excellence

A standout measure that highlights our Learning and Development achievements is mandatory clinical training completion rates, which this year topped 97%. A more streamlined clinical training framework has significantly reduced the compliance burden for our clinical employees, while maintaining full regulatory alignment.

This has in turn freed up employees to pursue other quality professional development opportunities, with more than 770 registrations for optional learning - expert webinars, practice forums, clinical power hours and learning labs covering dementia, wound care, palliative care, medication management and more. All content is developed in-house, ensuring direct alignment with Metlifecare's policies, procedures, and the realities of our care environments.

A major milestone was the launch of the Manaaki Ngātahi e-learning module to support our refreshed Model of Care - with a 65% completion by care home staff as at year end.

97%
Overall mandatory training completion

95%
Nurse completion

91%
Caregiver completion

Creating career pathways

A six-month pilot of the Nursing Certifications programme conducted across four sites produced strong results and a subsequent organisation-wide rollout. The programme's four certification levels support the Nursing Council CPD requirements and provide recognition of continuing professional development.

In other qualification pathways, an average of 145 employees were active at any point during the year, with 65 Careerforce qualifications completed. Approximately 30% of active learners identify as Māori or Pasifika - reflecting our care workforce's demographic makeup and our commitment to equitable access to career progression.

Parkside Care Team

Diversity, Equity & Inclusion – sustained outcomes

Our DEI strategy continues to deliver strong outcomes in gender representation and pay equity, while the year's most significant development – launching the Metlifecare Māori Strategy – marks the beginning of a new phase of meaningful cultural progress.

GENDER BALANCE AND PAY EQUITY

In a workforce where women make up 77% of our people, equity means equal work earning equal pay, and representation carrying through to leadership.

Women hold 74% of village manager roles, 59% of direct reports to the executive, 56% of leadership roles and 50% of executive roles – and we remain focused on strengthening representation at the most senior levels. Our gender pay gap of 1.4% sits well ahead of the national median of 5.2%[1].

Employee inclusion scores in our employee engagement survey remain high and above the industry benchmark, with 85% of our people agreeing that 'people from all backgrounds have equal opportunities to succeed at Metlifecare' and 82% agreeing that 'I can be my authentic self at Metlifecare'.

50% Females at executive level – parity achieved

56% Females in leadership roles

74% Village managers are female

1.4% Gender pay gap (NZ median: 5.2%)

Māori strategy: commitment into action

Launched in March 2026, Metlifecare's Māori strategy and implementation plan was developed over two years in partnership with Maurea Consulting, informed by cultural capability development with senior leaders, clinical policy review and stakeholder consultation.

The eight-to-ten-year plan is designed to ensure progress is authentic, sustainable and sequenced pragmatically alongside other strategic priorities.

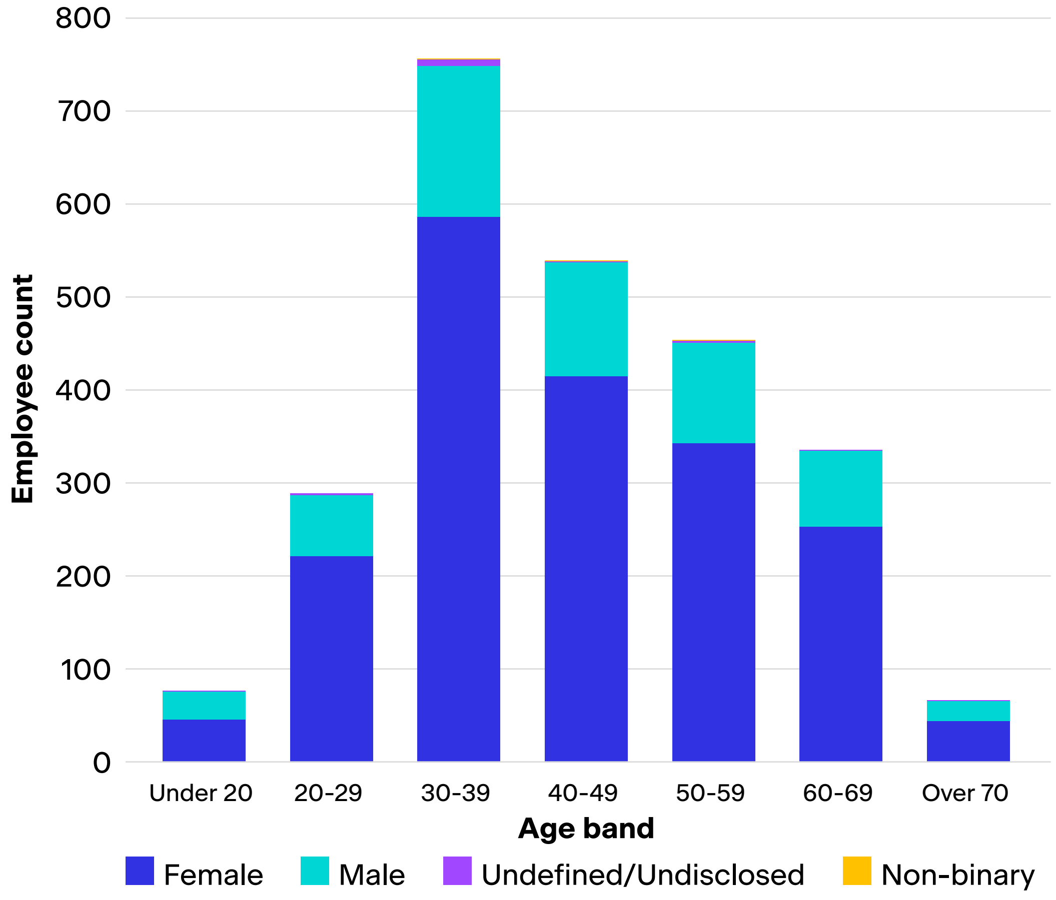
The strategy is underpinned by four outcomes: acknowledging and respecting Te Tiriti o Waitangi; enabling Māori outcomes; valuing te ao Māori; and meeting statutory obligations.

The eight-to-ten-year plan is designed to ensure progress is authentic, sustainable and sequenced pragmatically alongside other strategic priorities.

FY26 highlights include:

- **Manaaki Ngātahi:** our refreshed model of care which integrates te ao Māori principles into care delivery. The name was developed in partnership with Maurea Consulting.
- **Cultural capability:** a new e-learning module for care home employees integrating Te Whare Tapa Whā, tikanga, and Manaaki Ngātahi - alongside a new cultural safety toolkit aligned to updated Nursing Council guidance.
- **Te reo Māori in practice:** clinical 'Know Me' booklets translated into te reo Māori; continued organisation-wide recognition of Matariki and Te Wiki o te Reo Māori.
- **Māori partnerships:** MoU with Mana Ahuriri Trust (Napier/Greenmeadows), Parininihi Ki Waitōtara Incorporation (Taranaki) and the long-standing partnership with Palmerston North Māori Reserve Trust.
- **Design standards:** co-design underway to integrate Te Aranga design principles into our built environment standards.

Workforce by age and gender



Commonly identified ethnicities

New Zealand European: **27.8%**
Indian: **24.3%**
Filipino: **16.3%**
Not disclosed: **10.0%**
Other Asian: **4.8%**
Fijian: **4.5%**
Māori: **3.8%**
British and Irish: **3.2%**
Chinese: **2.9%**
Sri Lankan: **2.4%**

Leaders by gender

Executive Team
Female: **50%**
Male: **50%**

Non-Executive Leaders
Female: **59.3%**
Male: **40.7%**

[1] Source: Statistics New Zealand, 2025.

A stronger safety culture

Health and safety performance strengthened materially in FY26 – not just in outcomes, but in the culture behind them. Our focus shifted decisively to lead indicators and preventative measures, in other words, what our people choose to report before things go wrong.

SAFETY OBSERVATIONS 235% IMPROVEMENT

In September 2025, we launched 'Step Into Safety', a campaign to make safety leadership more purposeful and visible in our villages and work sites. We set a 50% improvement target for safety observations, and at year-end had achieved 235% improvement. Our hazard reporting is also up 56.5%.

Behind these numbers is genuine cultural progress: people feel supported and confident enough to raise risks and near-misses before they cause harm. MetSafe, our health and safety platform, has played a pivotal role, achieving strong engagement and delivering richer, more actionable data for targeted interventions.

SUSTAINED INJURY REDUCTION

Over the last five years, we have seen reductions in the number of accepted ACC workplace injuries and associated claim costs. Our Total Recordable Injury Frequency Rate (TRIFR) has declined significantly over the same period, and our Lost Time Injury Frequency Rate (LTIFR) has also decreased and remains low, sitting at 2.78.

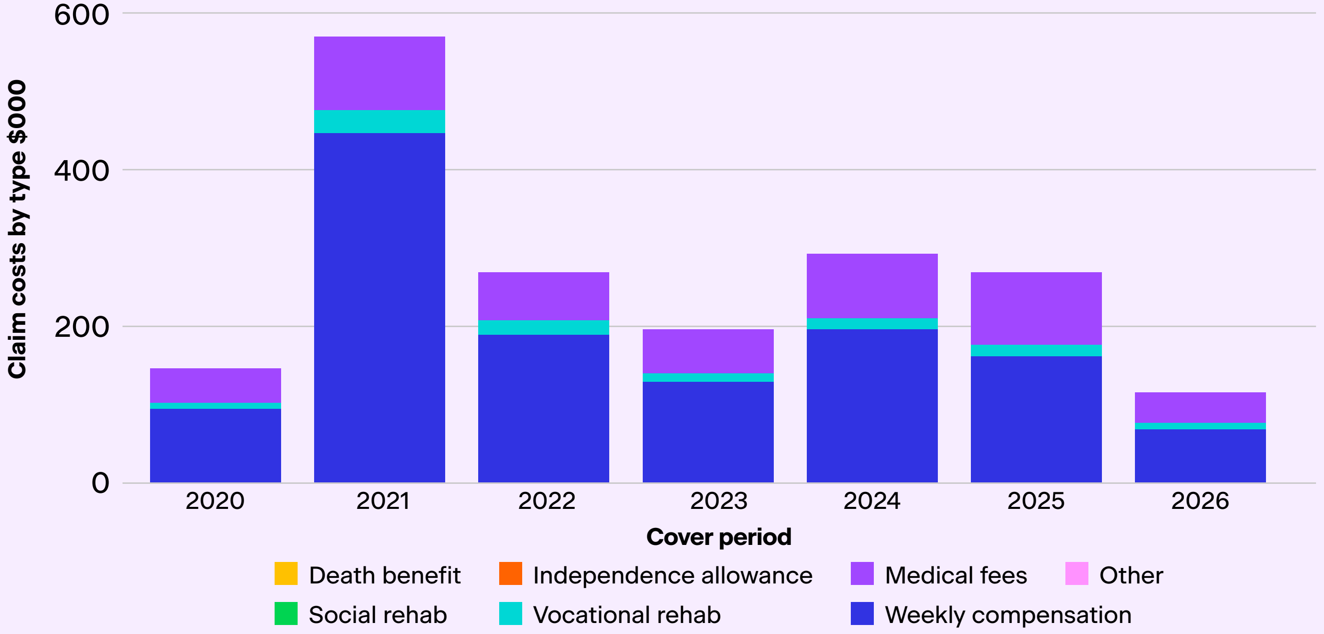
Wellbeing – support for growing demand

Providing accessible mental health and wellbeing support remains a priority. We saw the voluntary use of our Employee Assistance Programme (EAP) increase from 115 to 140 - a 22% lift, reflecting a growing awareness of the service provided.

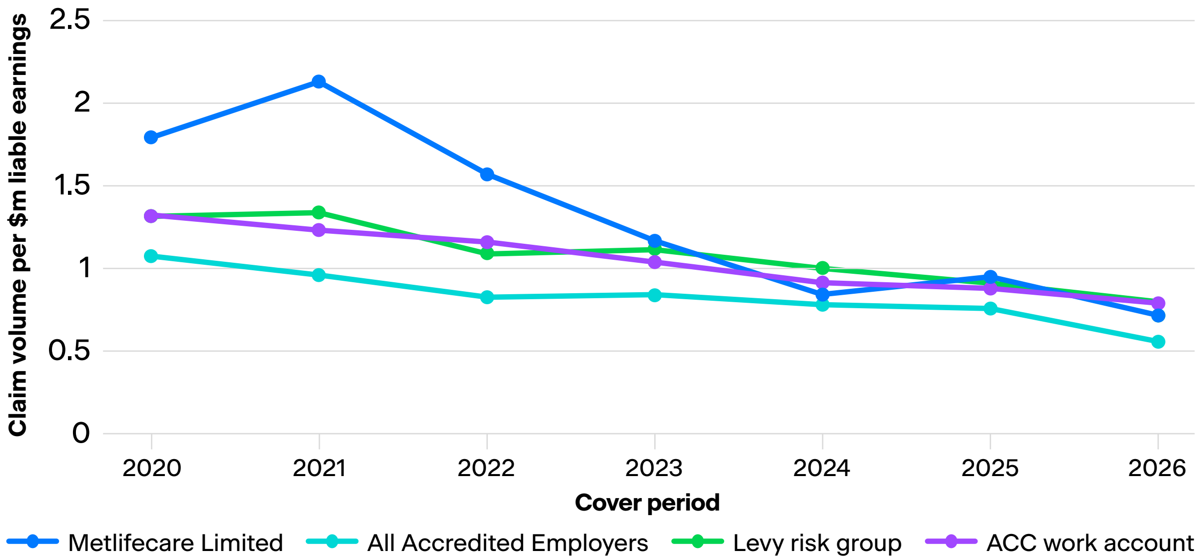
WELL Equity – solid progress

Metlifecare's people policies and initiatives play an important role in ensuring the equity, inclusion and safety of our employees. The introduction of the WELL Equity ratings programme of work provides a global framework for advancing employee health and wellbeing and an opportunity for us to benchmark how we perform. Key areas such as our enhanced leave policies, workforce wellbeing initiatives, promotion of health benefits and use of the employee engagement survey are already well aligned with the WELL Equity rating criteria, and we will continue to ensure ongoing alignment as we deliver these and other people initiatives.

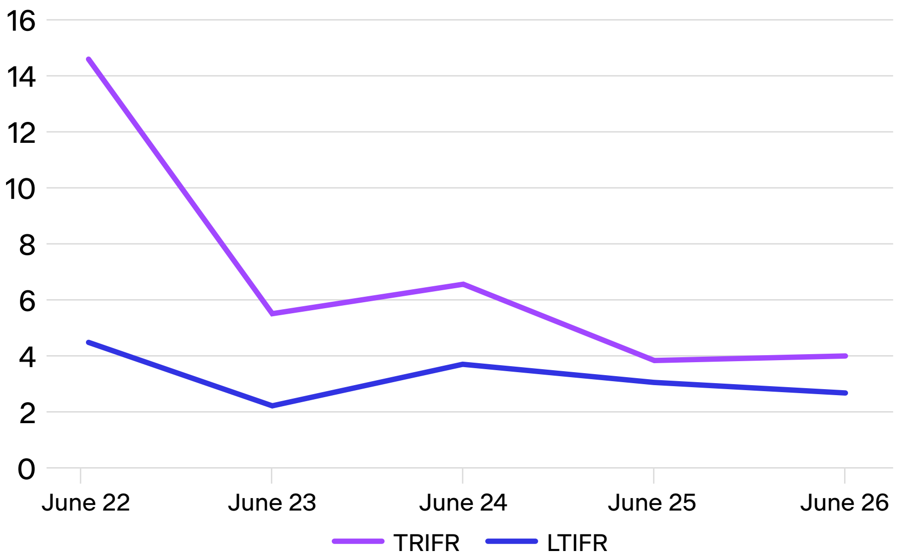
Claim costs by type – by cover period



Accepted claim volume per $m liable earnings



Rolling TRIFR & LTIFR (Metlifecare) five-year trend



Sustainability

Our sustainability strategy is purpose-led and grounded in what matters most - people, care and long-term value.

This year we completed a new materiality assessment to ensure our strategy reflects what matters most to our stakeholders. As a result, we have refreshed our sustainability strategy and reaffirmed the foundations that underpin it.

What matters most

The following topics are identified as those most important to our stakeholders:

Strategic impact priorities – we are acting on these important focus areas:
- Leadership and innovation (including AI)
- Our people
- Quality of care
- Resident engagement and voice
- Social impact

Rising priorities – we are also acting on these increasingly important areas:
- Climate action and resilience
- Transparency and communications

Ongoing improvement – we continue to monitor and don't lose sight of these areas:
- Our buildings and infrastructure
- Governance and accountability
- Nature and resource efficiency
- Supply chain management
- Access and affordability

Our sustainability strategy

FY26 progress and achievements

Across Metlifecare we have continued to make solid progress against our sustainability goals. The panels below summarise our key achievements during FY26.

Climate action

Emissions reduction (vs FY23 baseline):
- Scope 1 & 2 emissions – 50.3% reduction – achieved our 2030 SBTi-validated target
- Scope 3 emissions – improved by 33.7% intensity against baseline year, in line with SBTi straight-line target

Energy efficiency:
- Gas-to-electricity projects completed in two villages (36 villages since FY23)
- LED lighting upgrades completed in eight villages
- New builds and refurbishments meet Metlifecare Sustainable Home Standards

Transition plan:
- Continued implementation of climate transition plan
- Ongoing monitoring of heat-related incidents, weather impacts; resident safety and appropriate interventions e.g. additional heat pumps installed

Nature & resource efficiency

General waste:
- 61% general waste diversion from landfill
- Percentage of organic materials in landfill waste similar to FY25

Construction waste diversion:
- Projects in four villages tied to SLL targets resulted in 88% diversion from landfill in Auckland villages and 69% in regional villages

Water:
- 13% water intensity savings from FY26 water efficiency initiatives (litres per resident per day)
- Continued investment in smart meters and low flow equipment

Sustainable design:
- Ōtau Ridge Care Home received its 6 Green Star ‘built’ rating. We have six ‘designed’ and four ‘built’ 6 Green Star certifications
- Carbon reduction embedded into building design

Social impact

Resident focus:
- 30+ resident-led Enviro Groups active across the village network
- 80% of residents agree with our ‘we live and work sustainably’ value
- Environmental awareness workshops delivered across multiple villages

Employee engagement:
- 86% of employees would recommend Metlifecare as a great place to work

WELL Equity:
- Two team members became WELL Accredited Professionals to support WELL Equity rating plans

Community engagement & partnerships:
- Continued partnerships with Trees That Count, Love Food Hate Waste and All Heart NZ
- More than $100,000 invested across 38 local clubs, events and communities in our village network

Strong governance

Sustainability-Linked Loan:
- Achieved FY26 sustainability performance targets (SPTs) across emissions, wellbeing and construction waste

Responsible supply chain:
- Supplier Code of Conduct reviewed
- Piloted a supplier questionnaire with five key suppliers

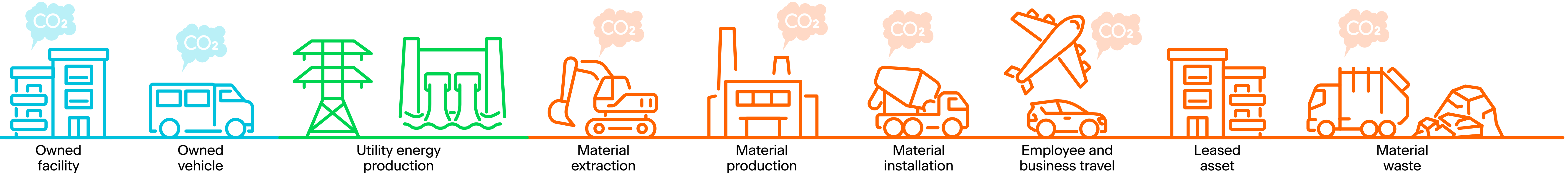
Modern slavery:
- Desktop modern slavery assessment of 25 key suppliers using an industry platform

Policies, systems and reporting maturity:
- AI governance embedded across Metlifecare
- Real-world test of business continuity achieved uninterrupted care and clinical services
- Significant improvement across all health and safety metrics

Climate action

The table below captures the key elements of Metlifecare's climate action plan, which is underpinned by our transition plan and aligns with our science-based emissions reduction targets.

Our value-chain



	Scope 1	Scope 2	Scope 3
Emission sources and targets	**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	• Gas to electricity conversion • Energy efficiency and audits • EV fleet & travel optimisation • Refrigerant gas leak prevention • Fossil fuel-free acquisitions	• LED lights • Energy efficiency and audits • Solar photovoltaics (PV) and solar heating • Climate-positive electricity supplier • Renewable energy certificates	• 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

- **Climate resilient acquisitions, designs & builds**
- **Maintain & operate**
- **Early & proactive preparation**
- **Emissions reduction plan**
- **Brand partnerships**

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

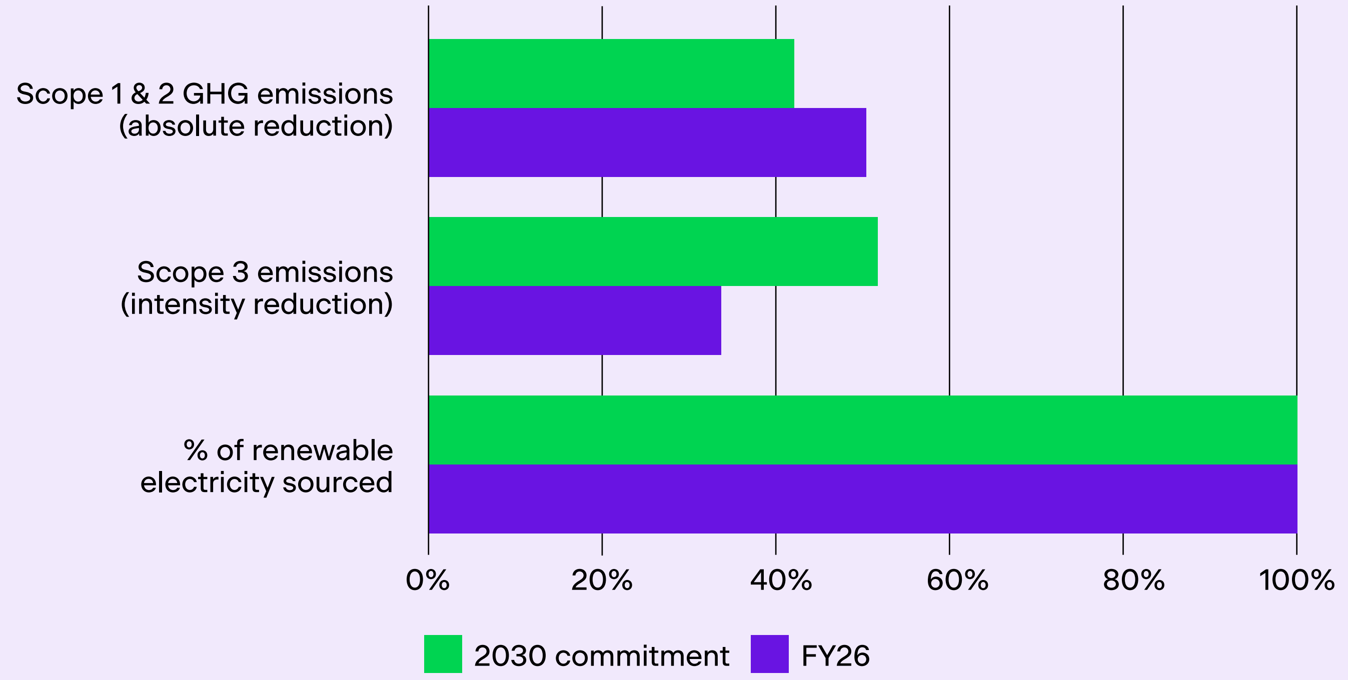
Our approach to climate reporting

Following the Government's 2025 decision to narrow New Zealand's climate-related disclosures regime, and the Financial Markets Authority's interim no action relief, Metlifecare is not required to provide a Climate-related Disclosures (CRD) Report under Part 7A of the Financial Markets Conduct Act 2013 this year. However, we will continue to disclose selected climate-related information voluntarily, maintaining visibility of our performance. This section outlines our progress toward a low-carbon future, including our climate transition plan and performance against SBTi-validated emissions reduction targets. Our FY25 CRD disclosures on Governance, Strategy, and Climate Risks and Opportunities remain largely unchanged.

Transition plan progress

In FY26, we continued our climate transition with new measures spanning resilience, design, and energy efficiency. We have improved our monitoring and response to climate-related events, including heat-related incidents, adverse weather impacts and weather-driven resident safety issues. Climate risks are considered in acquisitions and climate-resilient design is implemented in new builds.

Progress towards SBTi validated 2030 targets



Metlifecare's GHG emissions intensity performance

Emissions intensity (location-based) ($tCO_2e/000m^2$)	FY26	FY25	FY23 (base year)
Scope 1 & 2 Intensity	3.57	4.27	4.75
Scope 3 Intensity	51.55	59.59	76.48
Total intensity	**55.11**	**63.86**	**81.23**
Emissions intensity (market-based) ($tCO_2e/000m^2$)	**FY26**	**FY25**	**FY23 (base year)**
Scope 1 & 2 Intensity	1.35	1.59	3.24
Scope 3 Intensity	50.70	59.19	76.48
Total intensity	**52.05**	**60.78**	**79.73**

Overhangs and louvres reduce heat gain and improve comfort

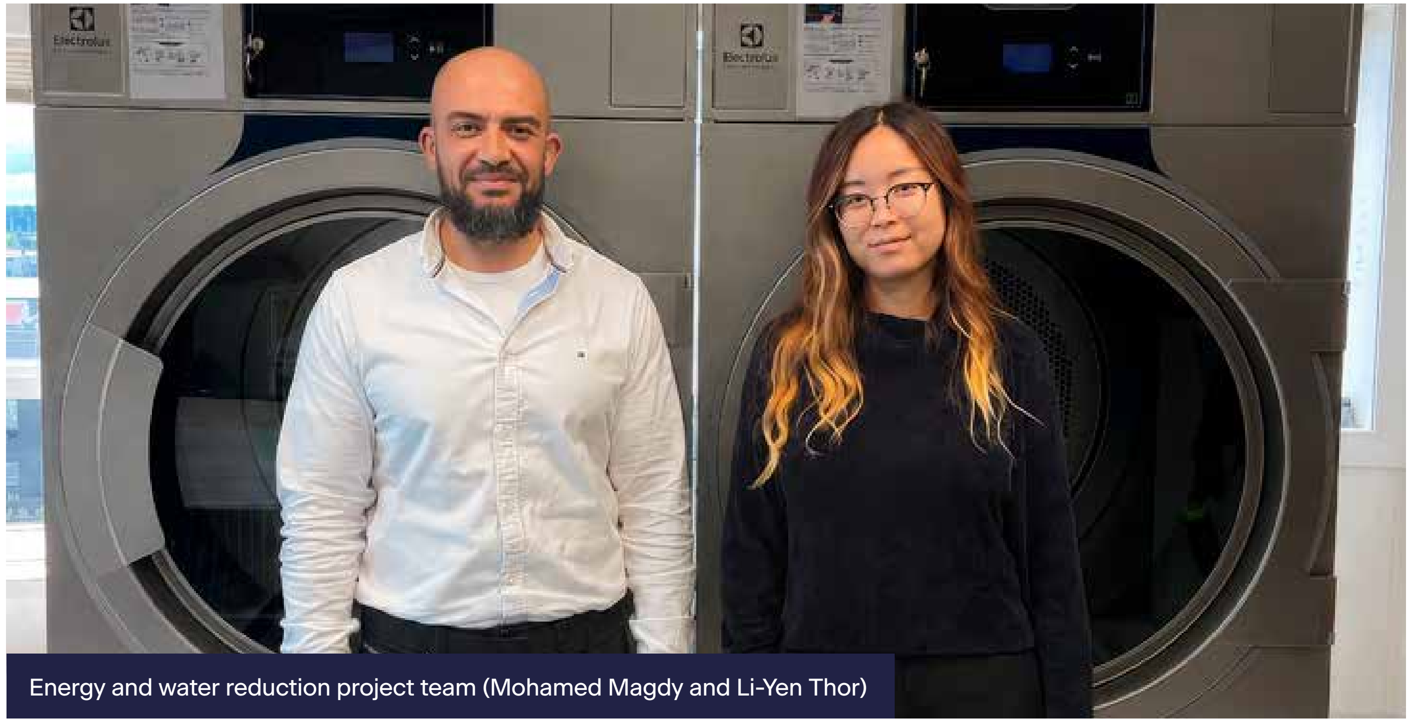
Emission reductions

Metlifecare's market-based Scope 1 and 2 emissions declined by 50.3% against the FY23 baseline year, supported by continued gas-to-electricity conversion projects and reduced vehicle fuel usage. This was partly offset by increased refrigerant use and higher electricity consumption from growing villages, including three new villages added in FY26: The Tides (Mangawhai), North Ridge (Rototuna) and Wānaka Peaks.

Scope 3 emissions intensity improved by 33.7% against the FY23 baseline year, remaining in line with our SBTi straight-line target despite continued growth. Capital goods remain the largest contributor to Scope 3 emissions, though emissions from this category decreased due to the build programme in FY26.

Energy

Reducing energy consumption and transitioning away from fossil fuels remains a key priority. In FY26, we completed two further gas-switching projects – at Kāpiti and Whangārei Park – alongside energy efficiency upgrades at Greenwich Gardens. A further eight villages were upgraded to LED lighting in FY26, bringing the total to 17 villages and completing our LED light switching upgrades. This programme has been well received by residents and employees alike. Electricity consumption increased due to village growth and gas-to-electricity switching projects; however, electricity-related emissions declined overall as a result of a lower New Zealand electricity grid emissions factor.



Energy and water reduction project team (Mohamed Magdy and Li-Yen Thor)

GHG emissions

Metlifecare's GHG emissions (tCO_2e)

	FY26	FY25	FY23 (base year)
Diesel	95	96	115
LPG	22	24	88
Natural Gas	708	847	1,623
Petrol	21	30	46
Refrigerants	183	168	74
Total Scope 1	**1,028**	**1,164**	**1,946**
Electricity (location-based)	1,693	1,966	1,098
Total Scope 2 (location-based)	**1,693**	**1,966**	**1,098**
Category 1: Purchased goods and services	12,052	9,817	11,610
Category 2: Capital goods	21,958	28,453	32,176
Category 3: Fuel and energy related activities	885	873	929
Category 5: Waste generated in operations	961	785	633
Category 6: Business travel	207	225	273
Category 7: Employee commuting	1,414	1,097	1,877
Category 13: Downstream leased assets (location-based)	1,871	2,452	1,536
Total Scope 3 (location-based)	**39,348**	**43,702**	**49,034**
Total GHG emissions (location-based)	**42,070**	**46,833**	**52,077**
Electricity (market-based)	5	-	135
Total Scope 2 (market-based)	**5**	**-**	**135**
Category 13: Downstream leased assets (market-based)	1,218	2,158	1,536
Total Scope 3 (market-based)	**38,696**	**43,408**	**49,034**
Total GHG emissions (market-based)	**39,730**	**44,572**	**51,114**

Nature & resource efficiency

Operational waste

Building on last year's progress, our focus for FY26 remained on reducing waste, improving waste separation and landfill diversion as our resident population grows.

Organic materials (food, green, paper towel waste) represent 27% of the portion of waste going to landfill (39% of overall waste). This is similar to last year and reinforces the need for continued attention and action. In addition to waste awareness workshops held regularly across the village network, information is provided for employees and residents via online channels and printed material.

A University of Otago study on food waste reduction in aged care was completed this year, producing a toolkit for public use. With two of our villages having participated in the study, the research and its outcomes are well-aligned with our food waste programme and circular economy principles. We are now implementing feasible recommendations from the toolkit across the business.

Construction waste

Construction waste's inclusion as a KPI for our Sustainability-Linked Loan has elevated the need to divert on-site waste in Metlifecare's building projects. In partnership with local waste management companies, we implemented waste diversion programmes at four construction sites during FY26. This included, in multi-storey developments, dedicated chutes for segregated recycling streams where each chute is clearly labelled to enable workers to correctly separate recyclable materials at the point of generation.

This approach has improved recycling outcomes, reduced contamination, and supported increased diversion of construction waste from landfill. As a result, the Auckland sites achieved 88% diversion - exceeding the target of 81% - while the regional sites achieved 69%, exceeding their target of 50% diversion. We continue to track waste diversion on construction projects in FY27, with Sustainability-Linked Loan (SLL) commitments focused on increasing waste diversion rates year on year and improving overall resource recovery outcomes.

Gulf Rise residents recycling

Water

Water efficiency remains a key priority across our villages. During the year, water intensity (litres per resident per day) decreased by 13% compared with the previous year. This improvement was driven by ongoing investment in smart water metering, leak detection systems and infrastructure repairs, the installation of WELS-rated water-efficient appliances, and complimentary water leak maintenance services for residents.

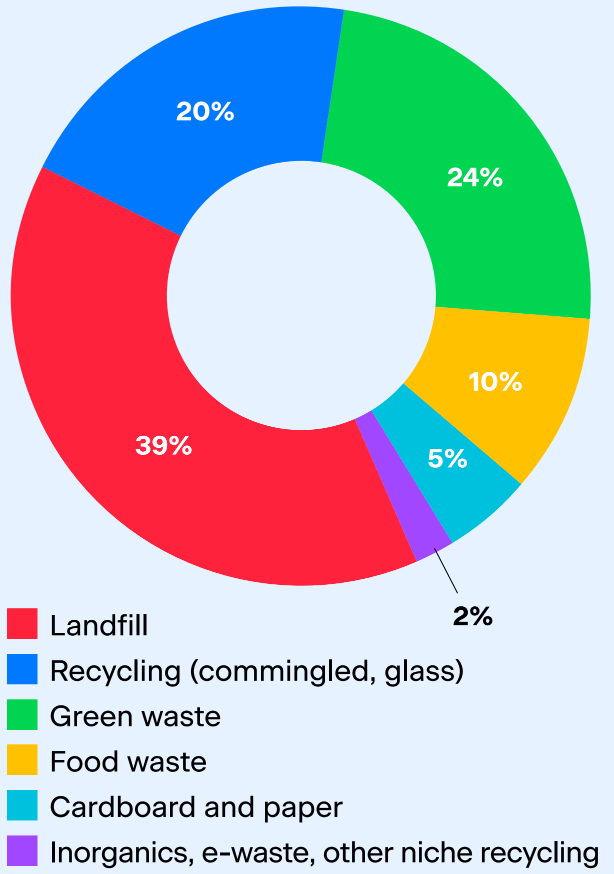
Sustainable design

We design our villages to support environmental performance. Metlifecare Sustainable Home Features include Green Star and Homestar-aligned elements such as low-flow fixtures, high-grade insulation, heat pumps and double glazing in new units, along with centralised heat pump hot water, rainwater harvesting and solar PV assessments in amenity buildings.

In building design, we use Life Cycle Assessments to guide carbon reduction choices, including hybrid cross-laminated timber and steel structures, reduced-carbon concrete and low carbon reinforcing steel.

Climate-resilient design ensures site planning for flood levels, stormwater drainage, orientation, shading and glazing is suited to each site's microclimate, and durable, low-maintenance materials are used. Buildings and landscaping are designed for accessibility and inclusivity, with regionally appropriate planting supporting biodiversity and resident wellbeing.

Operational waste



Community support

Metlifecare has continued to build meaningful partnerships with charitable organisations whose missions and outcomes resonate with our residents and employees. These partnerships include All Heart NZ, Love Food Hate Waste, Trees That Count and Harris List.

Enviro Groups

In line with our Partnership for the Planet framework, 30-plus resident-led Enviro Groups continue to drive sustainability activity across our village network, encompassing op shops and swap days, recycling schemes, hosting sustainability workshops and events, and establishing community gardens.

Resident-led sustainability activities continue to deliver measurable environmental outcomes. At several villages, residents support less mobile neighbours with food waste and recycling collections, helping to increase participation.

Waste audits demonstrate the impact of these initiatives, with examples such as Coastal Villas reducing recyclable materials in landfill bins by 50% over one year, and Crestwood Village reducing rates of food waste going to landfill to around half of what is typically observed.

The Poynton Resident Enviro Group

Collecting recyclables at Coastal Villas

Our commitment to WELL Equity

The WELL Equity Rating is derived from strategies in the WELL Building Standard, a global framework for advancing health and wellbeing in buildings and organisations.

While the broader standard addresses a wide range of health factors, the WELL Equity Rating focuses specifically on equity, inclusion and accessibility - guiding how our spaces, policies and practices support people of all backgrounds and abilities, through inclusive design, equitable access to services, fair workplace practices and meaningful community engagement.

The WELL Equity programme is a genuinely collaborative initiative, delivered across our Sustainability, People, Health & Safety, Design, IT and Procurement teams. It also forms part of our Sustainability-Linked Loan targets, reinforcing its role in delivering measurable sustainability outcomes for Metlifecare.

In FY26 we made steady progress, with two employees becoming WELL Accredited Professionals (WELL APs) – which strengthens our ability to embed health, wellbeing and equity principles across our villages.

Looking ahead, we plan to pursue the WELL Equity Rating for our Support Office in FY27, with a longer-term goal of also achieving this rating in eight villages by 2029.

Our newest WELL Accredited Professionals

Village and resident engagement

In FY26, Metlifecare delivered environmental awareness workshops across multiple villages covering energy efficiency, food waste reduction and recycling best practice. Recycling week in September was promoted with activities across all villages.

Alongside this, we have agreed performance indicators with our suppliers Green by Nature and Bark that support maintaining sustainable landscapes at our villages and resident engagement and learning. These include regular Q&A sessions, village walkarounds, seasonal workshops and educational opportunities.

All Heart NZ

In our third year partnering with All Heart NZ (AHNZ) to repurpose materials from our Auckland refurbishment activities, 38.75 tonnes of materials were repurposed across communities, generating an estimated $89,678 in community value. AHNZ have found reuse opportunities for kitchens and appliances, bathroom fixtures, light fittings, carpets and more. Outside of Auckland, our building contractors are encouraged to find reuse options, to sell items, or recycle materials from refurbishment activities and report that an estimated 75% of materials are diverted from landfill.

Love Food Hate Waste

Love Food Hate Waste (LFHW) is a government-backed initiative to promote food waste reduction in New Zealand households through meal planning, proper food storage, using leftovers and freezing the surplus. Kiwi families choosing to adopt these habits are saving around $1,500 per household per year, as well as reducing methane emissions from landfills.

Metlifecare has partnered with LFHW since 2024, promoting impactful changes in daily food use habits to our residents and employees. This year, our Support Office and nine villages took part in the Love Food Hate Waste 'Leftover Legends' campaign, placing fifth on the nationwide workplace leaderboard.

Supporting local organisations

In FY26, we supported 38 local clubs, events and community organisations through donations and sponsorships totalling more than $100,000. Villages choose causes that matter to residents and employees, with local sport and recreation receiving the largest share of support. Many Metlifecare residents also choose to volunteer and fundraise for their local communities, supported by their village teams.

The Harris List

As a nationally accredited dementia-friendly organisation, Metlifecare has been proud to support the Harris List, a website founded by Aucklander Leslie Harris that helps New Zealanders navigate general dementia information and support services. This online resource is accessed by over 25,000 people each year and acts as a trusted source for families seeking information and appropriate support.

Trees That Count

Every time a new resident moves into a Metlifecare village, the company donates a New Zealand native tree on their behalf to the Trees That Count programme. The trees are distributed across 1,500 different restoration projects across the country, aimed at tackling climate change, restoring biodiversity, improving water quality, protecting land from erosion, and creating shared green spaces. To date, we have donated over 1,370 native trees to this charity.

All Heart NZ Truck

Parkside residents supporting Hato Hone St John

Villages choose causes that matter to residents and employees, with local sport and recreation receiving the largest share of support.

Sustainable governance

Responsible supply chain

During the year, we reviewed our Supplier Code of Conduct and updated our supply chain framework to reinforce our ongoing commitment to ethical and responsible sourcing across our operations.

We engage with our suppliers to understand how they are advancing their own sustainability commitments and practices. In FY26, our focus centred on grounds maintenance, food supply, steel, concrete and solar PV, and covered topics such as carbon emissions, waste, packaging, chemicals and labour practices.

We have also introduced a supplier survey to monitor compliance against our Supplier Code of Conduct. Five suppliers participated in the pilot, with plans to extend the process to additional suppliers in FY27.

Modern slavery

Metlifecare's Supplier Code of Conduct currently sets out its modern slavery expectations in its 'Human Rights & Care for People' section, with plans to expand this further to meet WELL Equity and any future legislative requirements.

We assessed 25 suppliers using a supply chain risk intelligence platform, which supports automated classification and industry benchmarking. We will continue to assess our suppliers and engage with them when higher risk ratings are observed.


Fairway Gardens Care Home

Policies, systems and reporting maturity

Our investment in key risk areas - including cybersecurity and data protection, health, safety and wellbeing, and compliance training - is strengthening performance, improving policy awareness and adherence, and increasing employee participation in training and adoption of digital tools.

We engage with our suppliers to understand how they are advancing their own sustainability commitments and practices.

Sustainability-Linked Loan

Metlifecare's Sustainability-Linked Loan provides a tangible incentive to achieve our environmental and social goals, directly linking our loan interest rates to performance against sustainability KPIs.

Our KPIs for 2026–2029 cover:

- emissions reduction - SBTi-validated targets (see page 26),
- employee wellbeing - WELL Equity targets (see page 29) and
- construction waste diversion (see page 28)

Celebrating connection

At the heart of our 38 unique village communities are opportunities and social events for residents to connect, celebrate and build lasting friendships. From shared laughter to meaningful moments, we're committed to creating vibrant communities where everyone feels a true sense of belonging and is supported to live their best life.

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 EQT Infrastructure (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
- 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 below.

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

INDEPENDENT DIRECTORS

During the year, Paul McClintock resigned as a director and Chair of Metlifecare. Murray Jordan was appointed Chair of the Board with effect from 1 May 2026. Mr Jordan has extensive governance experience in New Zealand.

The Board had six non-executive directors as at 30 June 2026, of which five are independent directors: Murray Jordan, Jonathan Coleman, Ken Lotu-Iiga, Laurissa Cooney and Maggie Owens. These five directors have independent status as they are not executive officers of Metlifecare or officers of EQT.

Sam Franklin is a non-independent director as an officer of EQT, Metlifecare's owner.

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.

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

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
Murray Jordan	✓		✓				✓	✓	✓	✓	✓		✓	✓	✓
Dr Jonathan Coleman	✓	✓					✓	✓	✓	✓		✓			
Ken Lotu-Iiga	✓	✓		✓		✓	✓	✓	✓	✓	✓			✓	✓
Laurissa Cooney	✓	✓					✓	✓	✓	✓	✓			✓	✓
Maggie Owens	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sam Franklin	✓	✓	✓		✓		✓		✓	✓	✓				

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 workforce 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 Chief People Officer 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 page 21 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 the Board meeting is the final agenda item at every meeting, except for extraordinary meetings.

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 operates 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 updating on progress with Metlifecare's 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. The Audit & Risk Committee maintains ongoing oversight of Metlifecare's risk profile through regular reporting, an annual review of the enterprise risk register and an annual deep dive into a key risk area. Management regularly reviews the risk register and the Audit & Risk Committee's annual review 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 the criticality of consistent, high-quality service delivery and safe and healthy environments for residents, employees, visitors and contractors, 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 2026 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.

Metlifecare Limited Group Financial Statements

For the year ended 30 June 2026

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2026

$000	Note	30 June 2026	30 June 2025
Income			
Operating revenue	2.1	270,744	243,007
Other income		1,451	1,200
Interest income		1,143	1,918
Total income		**273,338**	**246,125**
Other gains			
Other gain in fair value of investment properties	3.2	121,096	135,424
Share of profit arising from joint venture, net of tax		1,878	933
Total income and other gains		**396,312**	**382,482**
Expenses			
Employee expenses		(155,253)	(148,041)
Property expenses	2.2	(51,301)	(48,412)
Other expenses	2.2	(72,228)	(53,220)
Change in fair value of residents' share of capital gains		(2,998)	(279)
(Impairment)/reversal of impairment	2.2	(12,995)	544
Depreciation	3.4	(18,284)	(17,988)
Amortisation		(41)	(105)
Interest expenses	4.4.5	(51,521)	(47,734)
Total expenses		**(364,621)**	**(315,235)**
Profit before income tax		**31,691**	**67,247**
Income tax benefit/(expense)	5.1	11,965	(853)
Profit for the year		**43,656**	**66,394**

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

Consolidated Statement of Comprehensive Income (continued)

For the year ended 30 June 2026

$000	Note	30 June 2026	30 June 2025
Profit for the year		**43,656**	**66,394**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Gain/(loss) on cash flow hedges, net of tax	6.1	5,650	(18,295)
Items that will not be reclassified to profit or loss:			
Share of other comprehensive income arising from joint venture, net of tax		317	85
Gain on revaluation of care homes, net of tax	4.3.1	68,013	41,800
Other comprehensive income, net of tax		**73,980**	**23,590**
Total comprehensive income		**117,636**	**89,984**
Profit attributable to shareholders of the parent company		**43,656**	**66,394**
Total comprehensive income attributable to shareholders of the parent company		**117,636**	**89,984**
Profit per share for profit attributable to the equity holders of the parent company during the year			
Basic/Diluted (cents)	4.2	9.3	15.8

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

$000	Note	Contributed equity	Retained earnings	Hedging reserve	Revaluation reserve	Total equity
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	4.1	107,722	-	-	-	**107,722**
Dividends declared		-	(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**
Balance at 1 July 2025		**565,254**	**1,760,322**	**(15,592)**	**113,838**	**2,423,822**
Comprehensive income						
Profit for the year		-	43,656	-	-	43,656
Other comprehensive income		-	-	5,650	68,330	73,980
Total comprehensive income		**-**	**43,656**	**5,650**	**68,330**	**117,636**
Transactions with owners in their capacity as owners						
Contributions of equity net of transaction costs	4.1	24,688	-	-	-	24,688
Total transactions with owners in their capacity as owners		**24,688**	**-**	**-**	**-**	**24,688**
Balance at 30 June 2026		**589,942**	**1,803,978**	**(9,942)**	**182,168**	**2,566,146**

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

Consolidated Balance Sheet

As at 30 June 2026

$000	Note	30 June 2026	30 June 2025
Assets			
Cash and cash equivalents		14,874	7,108
Trade and other receivables	5.3	97,833	147,527
Derivative financial instruments	6.1	37	330
Property, plant and equipment	3.4	726,931	568,983
Investment properties	3.2	6,492,687	6,184,476
Investment in joint venture	1.6, 7.3	21,923	19,728
Intangible assets		5,952	5,993
Goodwill		230	830
		7,360,467	**6,934,975**
Assets classified as held for sale	3.5	49,157	24,700
Total assets		**7,409,624**	**6,959,675**
Liabilities			
Trade and other payables	5.4	87,718	88,383
Derivative financial instruments	6.1	13,846	21,985
Interest-bearing liabilities	4.4	1,640,677	1,529,060
Deferred management fees	2.1	243,966	216,330
Refundable occupation right agreements	3.3	2,830,806	2,680,095
Deferred tax liability	5.2	-	-
		4,817,013	**4,535,853**
Liabilities classified as held for sale	3.5	26,465	-
Total liabilities		**4,843,478**	**4,535,853**
Net assets		**2,566,146**	**2,423,822**
Equity			
Contributed equity	4.1	589,942	565,254
Reserves		172,226	98,246
Retained earnings		1,803,978	1,760,322
Total equity		**2,566,146**	**2,423,822**

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 27 August 2026.

Murray Jordan
Chair of the Board
27 August 2026

Laurissa Cooney
Director
27 August 2026

Consolidated Cash Flow Statement

For the year ended 30 June 2026

$000	Note	30 June 2026	30 June 2025
Cash flows from operating activities			
Receipts from residents for village, care and service fees		159,395	146,985
Receipts from residents for new refundable occupation right agreements		554,425	546,428
Receipts from other income		1,451	1,200
Payments to residents for outgoing refundable occupation right agreements		(166,957)	(154,037)
Payments to residents via buyback of refundable occupation right agreements for regeneration and remediation		(10,763)	(8,101)
Payments to suppliers and employees	2.2	(282,319)	(257,349)
Net interest (paid)/received		(578)	93
Net GST received		987	860
Net cash inflow from operating activities		**255,641**	**276,079**
Cash flows from investing activities			
Repayments from joint venture		8,093	9,691
Dividends received from joint venture		-	800
Advance paid under Development Agreement	1.7, 5.3	(13,550)	-
Payments for property, plant and equipment and intangible assets		(87,400)	(63,739)
Payments for investment properties		(235,810)	(277,827)
Capitalised interest paid	4.4.5	(40,416)	(52,172)
Proceeds from divestment of businesses	1.7	14,770	-
Proceeds from sale of property, plant and equipment		1,908	-
Proceeds from sale of assets held for sale	1.7	25,147	-
Net cash outflow from investing activities		**(327,258)**	**(383,247)**

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

Consolidated Cash Flow Statement (continued)

For the year ended 30 June 2026

$000	Note	30 June 2026	30 June 2025
Cash flows from financing activities			
Proceeds from issuing shares		24,688	107,722
Dividends paid		-	(5,951)
Advances to related parties	1.7, 7.2	(5,256)	(2,864)
Proceeds from borrowings		409,228	487,556
Repayment of borrowings		(296,699)	(432,055)
Interest paid on borrowings		(46,461)	(43,117)
Payment of debt refinancing costs		(3,265)	(2,715)
Principal payments of lease liabilities		(2,852)	(2,527)
Net cash inflow from financing activities		**79,383**	**106,049**
Net increase/(decrease) in cash and cash equivalents		**7,766**	**(1,119)**
Cash and cash equivalents at the beginning of the financial year		7,108	8,227
Cash and cash equivalents at the end of the financial year		**14,874**	**7,108**

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

Consolidated Cash Flow Statement (continued)

For the year ended 30 June 2026

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

$000	Note	30 June 2026	30 June 2025
Profit for the year		**43,656**	**66,394**
Adjusted for:			
Other gain in fair value of investment properties	3.2	(121,096)	(135,424)
Change in the fair value of residents' share of capital gains		2,998	279
Impairment/(reversal of impairment)	2.2	12,995	(544)
Depreciation	3.4	18,284	17,988
Amortisation		41	105
Income tax (benefit)/expense	5.1	(11,965)	853
Loss/(gain) on disposal of assets	2.2	1,371	(461)
Share of profit arising from joint venture, net of tax		(1,878)	(933)
Interest income		(795)	(1,353)
Interest expenses		50,595	47,261
Allowance for doubtful receivables		22	187
Changes in working capital relating to operating activities:			
Trade and other receivables		57,205	(27,854)
Trade and other payables		49	1,366
Refundable occupation right agreements		204,159	308,215
Net cash inflow from operating activities		**255,641**	**276,079**

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

Notes to the Group Financial Statements

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 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 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 align with the current period presentation.

In addition, during the year, the Group revised the classification of certain operating cash flow categories to separately identify cash flows arising from residents' ongoing occupancy of villages and care homes and cash flows relating to Occupation Right Agreements (ORAs). This change aligns the Group's cash flow disclosures with industry practice. Comparative amounts have been restated to align with the current year's presentation.

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 as part of its Enterprise Risk Management. Of particular concern to the Group are physical climate risks, such as extreme weather events, flooding, and heatwaves, which can pose substantial risks to people, operations, and assets. Additionally, the Group manages transition risks, including policy and regulatory changes, the cost and availability of insurance, and supply chain vulnerabilities.

The Group considers 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, the Group aims to create a living environment that addresses long-term climate changes and ensures that our residents are safe and comfortable. Additionally, the valuers incorporate ESG factors into their valuations in determining key assumptions and inputs.

During the year ended 30 June 2026, the Group continued to implement its climate action programme, including transition planning.

Notes to the Group Financial Statements (continued)

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

There are no new accounting standards which have or are expected to have a material effect on the Group Financial Statements.

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. The Group is currently assessing the impact of adopting NZ IFRS 18.

(ii) Measurement of fair value

The Group measures investment properties, care homes, land included in retirement villages and care homes under development, derivative financial instruments 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.

There have been no transfers between levels of the fair value hierarchy for assets and liabilities measured at fair value during the year ended 30 June 2026 (2025: nil).

(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, where relevant. 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 Note 3 – Investment properties, refundable occupation right agreements and related property assets, 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

[1] Excludes Additional Lifestyle Services included in certain Occupation Right Agreements 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, solely 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 Company has a 50% (2025: 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

- Settled transactions

  In the year ended 30 June 2026, the Group has not settled on any land purchases.

- Unconditional contracts

  On 26 August 2025, the Group entered an unconditional contract ('Development Agreement') to purchase land in Napier, on which the Group plans to invest approximately $140.0m to construct a retirement village. On 31 October 2025, 20 May 2026 and 17 June 2026, advances of $12.5m, $0.3m and $0.7m, respectively, were made to Mana Ahuriri Hāpai Limited Partnership in accordance with the Development Agreement. Refer to Note 5.3 – Trade and other receivables.

(ii) Disposal of assets

- Albany land

  At 30 June 2025, land held in Albany was classified as an asset held for sale. Settlement of this transaction occurred on 31 October 2025 at the purchase price of $25.4m.

- Karori Village

  During the year ended 30 June 2026, MRVL disposed of Karori Village to Radius Residential Care. Settlement of this transaction occurred on 26 May 2026 at the purchase price of $13.6m.

(iii) Sustainability-Linked Loan refinancing

On 27 November 2025 and 29 June 2026, the Company completed the partial refinancing of the Sustainability-Linked Loan (SLL) Facilities. The most significant changes were the increase of the overall facilities by $100m and $75m in November and June respectively, from $1.65 billion to $1.83 billion, the extension of maturities that were due to expire on or before 31 January 2028, totalling $1.05 billion, and changes to financial covenants. The SLL Facilities comprise core and development facilities, with different maturity dates as outlined in Note 4.4 – Interest-bearing liabilities.

Notes to the Group Financial Statements (continued)

(iv) Related party transactions

On 28 November 2025, the Company advanced $3.5m to Asia Pacific Village Trustee Limited (APVT). APVT is a subsidiary of APVG TopCo Pte. Ltd, which itself is a subsidiary of EQT Infrastructure Holdings. Refer to Note 7.2 – Related party transactions.

On 1 May 2026 and 22 June 2026, the Company advanced $0.1m and $1.4m to APVG Holdings Pte. Ltd, respectively. The Company is a wholly owned subsidiary of APVG Holdings Pte. Ltd, through a chain of three intermediate subsidiaries. Refer to Note 7.2 – Related party transactions.

(v) Equity contribution

On 30 June 2026, APVG, the immediate parent of the Company, subscribed to shares in the Company amounting to $24.7m. Refer to Note 4.1 – Contributed equity.

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 expenses, other expenses and impairment.

2.1 Operating revenue

$000	30 June 2026	30 June 2025
Management fees	110,266	97,049
Rest home, hospital and service fees	115,378	103,752
Village fees	40,647	38,172
Other revenue	4,453	4,034
Total operating revenue	**270,744**	**243,007**

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 (ORA) 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 and is accrued over a defined period.

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 at the rate of 10% per annum of the capital contribution for a maximum of 3 years. ORAs that were acquired from The Selwyn Foundation (Selwyn) during the year ended 30 June 2022 commercially earn management fees at a rate of 25% - 28% in total for a maximum of 4-5 years. ORAs for care suites commercially earn the management fees 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. 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 2026	30 June 2025
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 $44.9m (2025: $39.9m).

2.2 Expenses

The profit before income tax includes the following expenses:

$000	Note	30 June 2026	30 June 2025
Utilities and other property expenses		32,275	30,523
Repairs and maintenance of investment properties		15,905	14,148
Repairs and maintenance of property, plant and equipment		3,121	3,741
Total property expenses		**51,301**	**48,412**
Resident expenses		13,709	12,778
Marketing and promotion		14,534	13,098
Other employment expenses (e.g., staff training and recruitment)		3,343	2,899
IT and communication expenses		13,448	13,824
Legal and consultant expenses		14,589	2,571
Loss/(gain) on disposal of assets		1,371	(461)
Other village operating expenses		5,394	5,345
Director fees		906	740
Other operating expenses		2,414	1,809
Auditor's remuneration (for audit and other services) – PwC		2,520	617
Total other expenses		**72,228**	**53,220**
Reversal of impairment of care homes	3.4	(1,595)	(6,569)
Impairment of investment properties	3.2	13,956	-
Impairment of goodwill		600	544
Impairment of assets held for sale		34	4,378
Impairment of intangible assets		-	1,103
Total impairment/(reversal of impairment)		**12,995**	**(544)**

Notes to the Group Financial Statements (continued)

$000	30 June 2026	30 June 2025
Audit and review of financial statements	718	563
Audit or review related services		
• Assurance engagement relating to debenture deposit register compliance	6	5
• Other non-assurance engagements relating to trustee reporting	6	10
Other assurance services		
• Assurance engagements over sustainability related information	68	39
• Capital market assurance engagement	1,694	-
Other services		
• Due diligence related to re-financing	26	-
• Subscription services to access online training material	2	-
Total auditor's remuneration (for audit and other services) – PwC	**2,520**	**617**

Significant items

Legal and consultant expenses and auditor's remuneration within other expenses include costs incurred in relation to capital raising transactions explored, but not pursued, by the Company. To the extent paid during the year ended 30 June 2026, these costs are included in Payments to suppliers and employees within the Consolidated Cash Flow Statement.

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 and other property assets including care homes (property, plant and equipment), 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, 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 operational activities.

Notes to the Group Financial Statements (continued)

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 2026 and 30 June 2025.

The valuations represent a 'point in time valuation'.

Market conditions remain uncertain due to global geopolitical tensions, driven primarily by ongoing tensions in the Middle East, inflationary pressures and a rising interest rate environment. While lower interest rates earlier in the year supported improved housing market activity and consumer confidence, residential property market conditions remain subdued, with modest price growth and a gradual recovery in sales activity. These factors continue to influence retirement village demand, resale activity and valuation assumptions.

The valuers' recommendation is that, as consumer and investor behaviour can change rapidly in this environment, 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.

Investment properties are categorised as follows:

$000	30 June 2026	30 June 2025
Development land	179,354	232,336
Retirement villages under development	150,472	197,360
Retirement villages		
Valuation	3,225,456	2,953,127
Net liabilities to residents	2,937,405	2,801,653
Total investment properties	**6,492,687**	**6,184,476**

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

$000	Note	30 June 2026	30 June 2025
Retirement villages			
Opening balance		5,754,780	5,228,327
Additions		334,524	379,022
Transfer to assets classified as held for sale	3.5	(40,658)	-
Transfer to property, plant and equipment	3.4	(13,847)	(14,165)
Disposals		(39)	(4,019)
Change in fair value		128,101	165,615
		6,162,861	**5,754,780**
Retirement villages under development including land			
Opening balance		429,696	505,360
Additions		270,378	335,968
Transfer to completed retirement villages		(334,524)	(379,022)
Transfer to assets classified as held for sale	3.5	(370)	(2,425)
Transfer from property, plant and equipment	3.4	364	6
Disposals	1.7	(14,757)	-
Impairment		(13,956)	-
Change in fair value		(7,005)	(30,191)
		329,826	**429,696**
Closing balance		**6,492,687**	**6,184,476**

Recognition and measurement

Investment property is initially recognised at cost and subsequently measured at fair value, except for retirement villages 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.

Notes to the Group Financial Statements (continued)

Valuation process

The fair value of investment property is based on the valuation conducted by independent registered valuers, adjusted for the costs to complete assets which are substantially complete at balance date and valued by the valuers as if they were complete, and adjusted for the net liabilities to residents made up of the below items recognised on the Consolidated Balance Sheet.

The Group uses a dual valuer model in respect of the Group's measurement of its investment properties, this 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.

Net liabilities to residents related to investment properties

$000	30 June 2026	30 June 2025
Refundable occupation right agreements	3,558,241	3,355,189
Residents' share of capital gains	20,307	26,004
Management fee receivable	(825,081)	(748,894)
Deferred management fee	239,335	212,901
Loans and deferrals to residents	(60,015)	(53,816)
Adjustment for resident obligations not in the valuation	4,618	10,269
Total net liabilities to residents	**2,937,405**	**2,801,653**

The above disclosure has been expanded to enable users to reconcile the figures shown to the disclosure in Note 3.3 – Refundable occupation right agreements.

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 respective valuer has identified if there is potential, whether planning or economic, to expand the village and has 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 2026	30 June 2025
Per sqm	$84 - $2,857	$83 - $2,593

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, these assets are measured at cost less any impairment, 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.

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 $5.6m (2025: $10.4m).

Notes to the Group Financial Statements (continued)

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 2026.

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 2026.

Valuation inputs and relationships to fair value

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 2026	30 June 2025
Nominal growth rate – anticipated annual property price growth over the cash flow period 0 – 5 years	0.0% - 3.5%	1.0% - 3.5%
Nominal compound growth rate – anticipated annual property price growth over the cash flow period > 5 years	3.0% - 3.4%	2.8% - 3.4%
Pre-tax discount rate	12.5% - 16.5%	12.5% - 17.5%

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 2026	Adopted value*	Discount rate + 50 bp	Discount rate – 50 bp	Growth rates + 50 bp	Growth rates – 50 bp
Valuation ($000)	2,949,625				
Difference ($000)		(119,225)	129,725	186,083	(168,689)
Difference (%)		(4.0)	4.4	6.3	(5.7)

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)

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

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.

Notes to the Group Financial Statements (continued)

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 (2025: 20-25 year period) with stabilised departing occupancy assumptions set out below.

Stabilised departing occupancy – years	30 June 2026	30 June 2025
Independent living units and apartments*	4.7 – 8.8	4.7 – 8.8
Serviced apartments	3.9 – 4.9	3.9 – 5.1

* At Merivale Retirement Village, 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 $42.2m (2025: $48.2m). The decrease in estimated remediation work costs reflects the significant progress made under the Group's remediation strategy, with a substantial proportion of identified units now either completed or progressing through remediation works.

The valuers have also included within the forecast cash flows the Group's expected costs associated with seismic strengthening works of $2.0m (2025: $2.1m). 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 the Group. With works completed at one village, the forecast cash flows include estimated costs for seismic works underway for two further 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.

The expected cash flows for remediation and seismic strengthening reported for the year ended 30 June 2025 have been restated, increasing and decreasing by $1.4m respectively. The total expected cash flows for remediation and seismic strengthening as at 30 June 2025 remain unchanged.

3.3 Refundable occupation right agreements

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

$000	Note	30 June 2026	30 June 2025
Investment properties			
Refundable occupation right agreements		3,558,241	3,355,189
Residents' share of capital gains		20,307	26,004
Management fees receivable		(825,081)	(748,894)
Loans and deferrals to residents		(60,015)	(53,816)
	3.2	**2,693,452**	**2,578,483**
Property, plant and equipment			
Refundable occupation right agreements		174,841	123,007
Management fees receivable		(26,973)	(16,057)
Loans and deferrals to residents		(10,514)	(5,338)
		137,354	**101,612**
Total refundable occupation right agreements		**2,830,806**	**2,680,095**

The above note has been split out between refundable occupation right agreements related to Investment properties and Property, plant and equipment, to enable users to reconcile the information provided above with the disclosure in Net liabilities to residents related to investment properties in Note 3.2 – Investment properties.

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 and deferrals receivable, service fees, village fees and other recoveries. As the refundable occupation right is repayable to the resident upon relicense, the face value of the amount that is repayable is recognised as a liability.

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	Note	Freehold land and buildings	Construction work in progress	Plant, furniture, equipment and motor vehicles	Right-of-use assets	Total
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**
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		18,730	-	-	-	**18,730**
Impairment		(7,743)	(4,418)	(1,103)	-	**(13,264)**
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**

Notes to the Group Financial Statements (continued)

$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 2026						
Opening net book value		447,277	60,931	52,663	8,112	**568,983**
Change in fair value recognised in other comprehensive income		77,025	756	-	-	**77,781**
Transfer from investment properties	3.2	13,483	-	-	-	**13,483**
Additions/transfers		95,993	(21,332)	16,643	2,848	**94,152**
Disposals		(1,744)	-	(677)	(287)	**(2,708)**
Transfer to assets classified as held for sale	3.5	(7,000)	-	(1,056)	(15)	**(8,071)**
Reversal of impairment		9,025	-	-	-	**9,025**
Impairment		(7,237)	(193)	-	-	**(7,430)**
Depreciation		(11,503)	-	(5,207)	(1,574)	**(18,284)**
Closing net book value		**615,319**	**40,162**	**62,366**	**9,084**	**726,931**
At 30 June 2026						
Cost or valuation		615,319	40,162	120,761	16,501	**792,743**
Accumulated depreciation/impairment losses		-	-	(58,395)	(7,417)	**(65,812)**
Closing net book value		**615,319**	**40,162**	**62,366**	**9,084**	**726,931**

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 these assets 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.

The fair value of freehold land and buildings and development land is based on the valuation conducted by independent registered valuers, adjusted for the costs to complete assets which are substantially complete at balance date and valued by the valuers as if they were complete.

The Group uses a dual valuer model in respect of the Group's measurement of its care homes, the 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.

Notes to the Group Financial Statements (continued)

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 twice per annum.

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, other business 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.

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

$000	30 June 2026	30 June 2025
Net book value	444,435	358,057

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, less any impairment. Impairment is determined by considering the value of work in progress and the Directors' estimate of asset value on completion.

At 30 June 2026, $40.2m (2025: $60.9m) has been recognised in relation to these development sites. Of this balance, $7.1m is development land measured at fair value (2025: $11.8m) and $33.1m is the cost of work in progress less impairment (2025: $49.1m).

For the sites where there is a split of development classified by nature between investment properties and another portion as property, plant and equipment, based on information from the planning and design stages, the fair value of the land and cost of work in progress is apportioned between investment properties and property, plant and equipment. The fair value of land is apportioned by proportional share of the development site and the cost of work in progress is apportioned by applying an estimated gross floor area for the respective areas of development, where the apportionment is not otherwise defined by contractual or project specific allocation methodologies.

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 13.3% (2025: 11.3% to 13.5%). The valuation prepared has been split between land, improvements, chattels and goodwill to determine the fair value of the relevant assets. Internally generated goodwill is not recognised in the Group Financial Statements. 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. The sensitivity of the fair value of land and buildings to changes in the capitalisation rate is set out in the table below.

30 June 2026	Fair value	Capitalisation rate + 50 bp	Capitalisation rate – 50 bp
Valuation ($000)	155,125		
Difference ($000)		(6,525)	6,875
Difference (%)		(4.2)	4.4

30 June 2025	Fair value	Capitalisation rate + 50 bp	Capitalisation rate – 50 bp
Valuation ($000)	136,915		
Difference ($000)		(5,710)	6,010
Difference (%)		(4.2)	4.4

Notes to the Group Financial Statements (continued)

Care suites

The Group recognises care suites as property, plant and equipment on development or 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. The valuers have apportioned the total gross value, before deducting resident liabilities, to asset categories including internally generated goodwill which is not recognised in the Group Financial Statements. Refer to key assumptions disclosed in Note 3.2 – Investment properties and above.

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 2026	30 June 2025
Care suites	2.7 – 3.1	2.7 – 3.0

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 - 12 years
Motor vehicles	5 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date. In the year ended 30 June 2026, the Group reassessed the useful lives of property, plant and equipment, resulting in an extension of useful lives for asset categories within plant, furniture and equipment.

In accordance with NZ IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, this change in accounting estimate has been applied prospectively from 1 July 2025. This resulted in a reduction in depreciation expenses of $3.3m 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 2026, a reversal of impairment of $1.6m was recognised in the Consolidated Statement of Comprehensive Income to reflect the valuation of the care homes (2025: reversal of impairment of $6.6m). Refer to Note 2.2 – Expenses.

3.5 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.

Assets 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. As at 30 June 2026, there are $49.2m of assets and $26.5m liabilities that meet the definition of held for sale (2025: $24.7m of assets). These are held on the Consolidated Balance Sheet at the lower of carrying value or fair value less costs to sell. For those assets newly classified as held for sale in the year that were previously classified as investment properties, where this is less than the carrying amount, where appropriate, a fair value loss has been recognised for the difference in the Consolidated Statement of Comprehensive Income. For those assets newly classified as held for sale in the year that were previously classified as property, plant and equipment, 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 2026 No. of shares	30 June 2025 No. of shares	30 June 2026 $000	30 June 2025 $000
Opening balance		469,818,099	362,096,318	565,254	457,532
Shares issued net of transaction costs	1.7	24,687,500	107,721,781	24,688	107,722
Closing balance		**494,505,599**	**469,818,099**	**589,942**	**565,254**

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 2026	30 June 2025
Profit attributable to equity holders ($000)	43,656	66,394
Weighted average number of ordinary shares on issue for basic/diluted EPS (No. '000s)	469,886	419,351
Basic/Diluted earnings per share (cents)	**9.3**	**15.8**

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 2026	30 June 2025
Opening balance	113,838	71,953
Share of gain on revaluation of care facility (from joint venture, net of tax)	317	85
Gain on revaluation of care homes	77,781	48,062
Tax on revaluation of care homes	(9,768)	(6,262)
Closing balance	**182,168**	**113,838**

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 2026	30 June 2025
Sustainability-Linked Loan	1,532,600	1,419,999
Sustainability Bond	100,000	100,000
Capitalised debt costs	(6,215)	(4,475)
	1,626,385	**1,515,524**
Lease liabilities	14,292	13,536
Total interest-bearing liabilities	**1,640,677**	**1,529,060**
Net gearing ratio*	38.8%	38.5%

* 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 2026	30 June 2025
Current liabilities	2,049	1,713
Non-current liabilities	12,243	11,823
Total liabilities	**14,292**	**13,536**

Lease liabilities relating to leases of office premises, other business 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 6.8% (2025: 7.0%). 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 12 months prior to current lease expiry date. As at 30 June 2026, potential future cash outflows of $12.1m (undiscounted) (2025: $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 $175m and $1.05 billion was refinanced during the year ended 30 June 2026. 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 focus on the diversion of construction waste from landfill, employee wellbeing, and emissions reduction, with targets designed to further minimise the Group's carbon footprint.

Notes to the Group Financial Statements (continued)

Facility limits and drawn debt

$000	30 June 2026 Facility limit	30 June 2026 Drawn	30 June 2025 Facility limit	30 June 2025 Drawn
Core facility	966,896	674,496	741,891	623,241
Development facility	858,104	858,104	908,109	796,758
Working capital facility	10,000	-	10,000	-
Total	**1,835,000**	**1,532,600**	**1,660,000**	**1,419,999**

Maturities

$000	30 June 2026	30 June 2025
On demand	-	-
Less than one year	-	-
Between one and two years	-	258,391
Between two and three years	407,600	650,000
Three or more years	1,125,000	511,608
Total	**1,532,600**	**1,419,999**

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 2026, the Sustainability Bond had a fair value of $99.7m (2025: $96.8m).

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 development, to interest costs in respect of the previous 12 months) of 1.75 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 2026, the Group was compliant with its financial covenants (2025: compliant).

On 29 June 2026, the minimum interest cover ratio was decreased from 2 times to 1.75 times, until 31 December 2027, at which time it will increase to 2 times again.

Notes to the Group Financial Statements (continued)

4.4.4 Net interest-bearing debt reconciliation

$000	30 June 2026	30 June 2025
Cash and cash equivalents	14,874	7,108
Interest-bearing liabilities (excluding lease liabilities)	(1,626,385)	(1,515,524)
Lease liabilities	(14,292)	(13,536)
Net interest-bearing debt	**(1,625,803)**	**(1,521,952)**

Liabilities from Financing Activities

$000	Cash	Lease liabilities	Interest-bearing liabilities (excluding lease liabilities)	Total
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)**
Cash flows	7,766	2,852	(109,264)	**(98,646)**
Non-cash movements	-	(3,608)	(1,597)	**(5,205)**
Net debt as at 30 June 2026	**14,874**	**(14,292)**	**(1,626,385)**	**(1,625,803)**

4.4.5 Interest expenses

$000	30 June 2026	30 June 2025
Interest expenses	65,560	87,299
Adjusted for: Interest from derivatives movements	13,017	(552)
SLL Facility expenses	12,382	12,216
Less: Interest and facility expenses capitalised	(40,416)	(52,172)
Interest expenses on lease liabilities	978	943
Total interest expenses	**51,521**	**47,734**

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 2026 ranged from 5.3% to 6.0% per annum (2025: 5.8% to 6.8% 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 $40.4m (2025: $52.2m), 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 2.6% per annum (2025: 3.7% 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 (benefit)/expense

$000	30 June 2026	30 June 2025
Current tax	-	-
Deferred tax	(11,965)	853
Income tax (benefit)/expense	**(11,965)**	**853**

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

$000	30 June 2026	30 June 2025
Profit before income tax	31,691	67,247
Tax at the New Zealand tax rate of 28%	8,873	18,829
Tax effect of amounts which are (non-taxable)/not deductible in calculating taxable income:		
Non-deductible expenditure/(non-taxable income)	6,246	(168)
Capitalised interest	(11,316)	(14,608)
Non-taxable impact of investment properties revaluation	(33,907)	(37,919)
Adjustment for timing difference of investment properties and property, plant and equipment	13,839	(11,646)
Adjustment for timing difference of provisions and accruals	120	(1,069)
Movement in recognised tax losses	4,698	46,390
Deferred management fees adjustment and other prior period adjustments	(518)	1,044
Income tax (benefit)/expense	**(11,965)**	**853**

5.1.3 Other tax matters

$000	30 June 2026	30 June 2025
Income tax paid during the financial year	-	-
Unrecognised tax losses for which no deferred tax asset has been recognised	463,142	446,362
Imputation credits available	-	-

Recognition and measurement

The income tax (benefit)/expense for the year is the tax (recoverable)/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 2025	Recognised in income	Recognised in reserves	Acquisition of businesses	Balance 30 June 2026
Property, plant and equipment	(30,336)	(11,065)	(9,768)	-	**(51,169)**
Investment properties	(28,991)	(11,290)	-	-	**(40,281)**
Deferred management fees	(151,341)	(17,287)	-	-	**(168,628)**
Recognised tax losses	201,295	51,817	-	-	**253,112**
Other items	9,373	(210)	(2,197)	-	**6,966**
Net deferred tax liability	**-**	**11,965**	**(11,965)**	**-**	**-**

$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**	**-**	**-**

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
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 2026, the Company assessed itself as having met the Business Continuity Test criteria and holds $1,367.1m of gross tax losses (2025: $1,165.3m).

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

$000	30 June 2026	30 June 2025
Opening balance	1,165,273	996,238
Deferred management fees adjustment and other prior period adjustments	1,856	(3,728)
Tax losses during the year	199,986	172,763
Closing balance	**1,367,115**	**1,165,273**

5.3 Trade and other receivables

$000	Note	30 June 2026	30 June 2025
Trade receivables		8,267	8,515
Allowance for doubtful receivables		(859)	(802)
		7,408	**7,713**
Occupation right agreement receivables		60,162	117,377
Prepayments		2,886	2,464
Amount due from joint venture	7.3	2,735	10,323
Amounts due from other related parties	7.2	8,120	2,864
GST receivable		2,793	4,481
Other receivables		13,729	2,305
Total trade and other receivables		**97,833**	**147,527**

All trade and other receivables are expected to be recovered within 12 months of balance date, except for prepayments and amounts due from other related parties. Included in Other receivables is $13.5m in relation to the Development Agreement with Mana Ahuriri Hāpai Limited Partnership, refer to Note 1.7 (i) for further details.

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 2026	30 June 2025
Trade creditors	9,989	10,823
Sundry creditors and accruals	61,583	60,416
Employee entitlements	16,146	17,144
Total trade and other payables	**87,718**	**88,383**

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 2026	30 June 2025
Expected to be settled within 12 months	-	-
Expected to be settled after 12 months	37	330
Total assets	**37**	**330**
Expected to be settled within 12 months	(1,497)	(1,226)
Expected to be settled after 12 months	(12,349)	(20,759)
Total liabilities	**(13,846)**	**(21,985)**

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 2026, 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 2026	30 June 2025
Notional values of interest rate swap agreements	975,000	970,000
Outstanding SLL Facilities principal covered by interest rate swap agreements	63.9%	68.5%
Average contracted fixed interest rate	4.2%	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 2026	30 June 2025
Less than one year	400,000	165,000
Between one and two years	180,000	400,000
Between two and seven years	395,000	405,000
Total interest rate swaps	**975,000**	**970,000**

Net fair value gain of $5.7m relating to the effective portion of cash flow hedges was recognised in other comprehensive income in the Consolidated Statement of Comprehensive Income (2025: net fair value loss of $18.3m), with the corresponding net liability of $13.8m recognised in the Consolidated Balance Sheet as at 30 June 2026 (2025: net liability of $21.7m).

(iii) Interest rate sensitivity

At 30 June 2026, 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 $5.8m (2025: $5.4m).

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 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 5.3 – 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.

$000	Consolidated Balance Sheet value	Contracted cashflows (principal and interest) Less than 1 year	Later than 1 year	Total
30 June 2026				
Derivative financial instruments	13,846	7,091	8,250	**15,341**
Lease liabilities	14,292	2,949	14,871	**17,820**
Trade and other payables	71,572	71,572	-	**71,572**
Sustainability Bond	100,000	100,750	-	**100,750**
Sustainability-Linked Loan	1,526,385	80,173	2,017,474	**2,097,647**
Refundable occupation right agreements	2,830,806	2,852,381	-	**2,852,381**
Total	**4,556,901**	**3,114,916**	**2,040,595**	**5,155,511**

$000	Consolidated Balance Sheet value	Contracted cashflows (principal and interest) 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	2,680,095	2,700,191	-	**2,700,191**
Total	**4,302,379**	**2,865,179**	**1,945,164**	**4,810,343**

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.
- 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.

Notes to the Group Financial Statements (continued)

7. RELATED PARTIES

7.1 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 2026	30 June 2025
Salaries and other short-term employee benefits	5,824	6,161
Employer contributions to post-employment benefits	143	132
Termination Benefits	1,019	-
Total	**6,986**	**6,293**

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 2026 three participants exited the Plan (2025: one participant) and were repaid, through Asia Pacific Village Holdings Limited, the initial subscription value in accordance with the Plan's rules. One further participant has joined in the year ended 30 June 2026 (2025: nil).

The total value of the shares purchased under the Plans is $11.1m as at 30 June 2026 (2025: $10.0m).

As at 30 June 2026 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 (2025: nil impact). The accounting treatment of the Plans is based on NZ IFRS 2 – Share-based Payments.

7.2 Related party transactions

The Company undertook the following transactions and had the following closing balances, in relation to related party entities:

$000	Note	30 June 2026	30 June 2025
Transactions			
Advances to APVG Holdings Pte. Ltd	1.7	1,485	1,850
Advances to APVT	1.7	3,500	1,000
Dividend paid to APVG		-	5,951
Balances			
Advances due from APVG Holdings Pte. Ltd		3,427	1,858
Advances due from APVT		4,693	1,006

Each of the advances to APVT have a term of five years and incur interest at the prescribed non-concessionary rate of interest for fringe benefit tax as set by the New Zealand Inland Revenue.

Each of the advances to APVG Holdings Pte. Ltd have a term of five years and incur interest at an aggregate of BKBM bill rate and a margin of 1.75%.

On 15 May 2025, the Company declared and paid a dividend to APVG of $6.0m (being $0.01643 per share on each ordinary share in the Company).

Notes to the Group Financial Statements (continued)

7.3 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 2026	30 June 2025
Transactions		
Development Facility (repayments from)	(6,135)	(9,699)
Interest income on Development Facility	295	928
Shareholder Loan (repayments from)	(2,000)	-
Interest income on Shareholder Loan	227	260
Current account (advances to and repayments from)	25	(1,006)
Management fees	395	465
Director fees	129	132
Dividend declared	-	800
Dividend received	-	800
Balances		
Development Facility due from	-	5,840
Shareholder Loans due from	2,553	4,326
Advances due from	182	157

The Development Facility Agreement was entered into on 20 October 2021 with an effective date of 1 July 2022. The Development Facility was fully paid during the year ended 30 June 2026, using the sales proceeds of the developed ORAs. The average interest rate charged for the year ended 30 June 2026 is 6.4% (2025: 6.8%).

The Shareholder Loans were entered into on 20 October 2021. As the Development Facility has been fully repaid, the Shareholder Loans are now repayable on demand. The Shareholder Loans attract interest at the Company's cost of funds, plus a margin. The average interest rate charged for the year ended 30 June 2026 is 5.5% (2025: 6.2%).

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. No notice had been given in relation to the unpaid advances as at 30 June 2026.

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 are set out below.

$000	30 June 2026	30 June 2025
Investment properties	97,655	93,485
Property, plant and equipment	14,618	13,884
Amounts due to related parties	(5,287)	(14,649)
Refundable occupation right agreements	(57,345)	(48,699)

8. COMMITMENTS

$000	30 June 2026	30 June 2025
Capital commitments		
Estimated commitments to develop and construct certain sites	83,614	188,351
Total commitments	**83,614**	**188,351**

9. CONTINGENT LIABILITIES AND ASSETS

At 30 June 2026, the Group had no material contingent liabilities or assets (2025: nil).

10. SUBSEQUENT EVENTS

There have been no material subsequent events requiring disclosure.

Independent auditor's report

To the shareholder of Metlifecare Limited

Our opinion

In our opinion, the accompanying consolidated group 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 2026, 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 2026;
- 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.

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)* issued by the New Zealand Auditing and Assurance Standards Board (PES 1) and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1 and the IESBA Code.

In our capacity as auditor and assurance practitioner, our firm provides review, other assurance and other services relating to reporting to the Group's trustees. Our firm also carries out due diligence services related to re-financing and provides subscription services to access online training material. 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.

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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

Valuation of investment properties and care homes

The Group's retirement village portfolio, as disclosed in notes 3.2 and 3.4 of the financial statements, includes investment properties ($6.5 billion) and care homes ($655.5 million) encompassing freehold land and buildings of $615.3m and construction work in progress of $40.2m. Together, these balances represented the majority of the Group's assets as at 30 June 2026.

Retirement villages (within investment properties) and care homes are carried at fair value. Development land and the land component of construction work in progress is carried at fair value, while other construction work in progress relating to properties under development is carried at cost less any impairment until it is substantially progressed to enable fair value to be reliably determined.

The valuation of the Group's investment properties and care homes is inherently subjective due to the judgement involved in selecting and applying the valuation methodologies and assumptions, including inputs that are not directly observable from available market information.

The fair values are determined based on valuations performed by independent registered valuers (the Valuers).

In preparing their valuations, the Valuers took into account property specific information in their methodologies and assumptions. The Valuers applied their methodologies and assumptions, in conjunction with available market data and transactions, to arrive at a range of valuation outcomes, from which a point estimate was derived. In determining the fair value of individual care home assets, the Valuers apportioned the fair value between land and buildings, chattels, and internally generated goodwill. Other property specific information includes assumptions for forecast remediation works.

We considered this a key audit matter due to the significant estimation uncertainty and the sensitivity of the valuations to relatively small changes in significant assumptions.

How our audit addressed the key audit matter

Our approach to addressing the matter was to test how the valuation estimates were made, which included the following procedures:

We obtained an understanding of management's valuation process and the relevant controls, movements in the Group's investment properties and care homes portfolios, and changes in the properties.

In assessing the valuations, we evaluated the Valuers' qualifications, expertise, and their objectivity and independence. We read the valuation reports and held discussions with the Valuers where we challenged the appropriateness of their application of valuation and value-apportionment methodologies and the basis for significant assumptions.

Our valuation expert assisted us in evaluating the appropriateness of the valuation methodologies and selected significant assumptions by reference to relevant market data, transactions, and valuations.

We evaluated other significant assumptions by considering supporting evidence and assessed the sensitivity of the valuations to changes in significant assumptions.

On a sample basis we agreed key data used in the valuations to supporting evidence.

We compared the estimated cost of remediation works to previous estimates and evaluated the appropriateness of any significant changes.

We assessed the adequacy of disclosures in the financial statements.

Our audit approach

Overview

Materiality	Overall group materiality: $12,000,000, which represents approximately 0.5% of net assets. We chose net assets as the benchmark because, in our view, the objective of the Group is to provide the shareholder with a total return on the Group's net assets, taking into account both capital and income returns.
Group Scoping	We performed a full scope audit over the consolidated financial information of the Group.
Key Audit Matters	As reported above, we have one key audit matter, being valuation of investment properties and care homes.

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, 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:

PricewaterhouseCoopers

PricewaterhouseCoopers Auckland
27 August 2026

Statutory information

NZX Waivers and Powers

No waivers were granted by the NZX in favour of the Company, or relied on, in the 12-month period to 30 June 2026.

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 2026 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 2026.

To view our online version of this report please visit **metlifecare.co.nz/investor-centre**

BONDHOLDER INFORMATION

Twenty Largest Bondholders (as at 30 June 2026)

REGISTERED BONDHOLDER		Number of Bonds	% Bonds
1	Apex Custodian Nominees (NZ) Limited	29,526,000	29.53
2	Custodial Services Limited	18,892,000	18.89
3	Forsyth Barr Custodians Limited	16,626,000	16.63
4	Citibank Nominees (New Zealand) Limited	8,325,000	8.33
5	FNZ Custodians Limited	7,945,000	7.95
6	Forsyth Barr Custodians Limited	2,216,000	2.22
7	Investment Custodial Services Limited	1,625,000	1.63
8	Forsyth Barr Custodians Limited	1,472,000	1.47
9	Generate Kiwisaver Public Trust Nominees Limited	708,000	0.71
10	FNZ Custodians Limited	564,000	0.56
11	Dunedin Diocesan Trust Board	550,000	0.55
11	FNZ Custodians Limited	550,000	0.55
13	JBWere (NZ) Nominees Limited	445,000	0.45
14	M3 Capital Limited	443,000	0.44
15	Kevin Garry Walker & Karaka & Puriri Trustee Limited	411,000	0.41
16	Westpac Banking Corporate NZ Financial Markets Group	324,000	0.32
17	Carlton Cornwall Bowls Incorporated	320,000	0.32
18	Custodial Services Limited	247,000	0.25
19	BNP Paribas Nominees (NZ) Limited	240,000	0.24
20	Clara Ogden	210,000	0.21
TOTAL		**91,639,000**	**91.66**

SPREAD OF BONDHOLDERS (as at 30 June 2026)

Size of holdings	Number of bondholders	%	Number of bonds held	%
1 – 5,000*	25	8.45	125,000	0.12
5,001 – 10,000	62	20.95	591,000	0.59
10,001 - 100,000	178	60.13	6,066,000	6.07
100,001 and over	31	10.47	93,218,000	93.22
TOTAL	**296**	**100**	**100,000,000**	**100**

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

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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

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

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

NORTH RIDGE VILLAGE
52 North Ridge Drive,
Rototuna, Hamilton 3210
Ph: 07 222 3634

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 VILLAGE [1]
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 TIDES
15 Sailrock Drive,
Mangawhai, Auckland 0505
Ph: 09 222 1348

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

WĀNAKA PEAKS
65 Sir Cliff Skeggs Drive,
Wānaka, Queenstown 9305
Ph: 03 222 8001

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.

Residents enjoying a game of bowls at Longford Park