Promisia
HEALTH CARE

ANNUAL REPORT 2025

FOR THE YEAR ENDED
31 MARCH 2025

We are a New Zealand-based provider of residential aged care and retirement village living, dedicated to delivering high-quality care and support.

We uphold each person's right to live a fulfilling and meaningful life by delivering care that is of excellent quality. We create a safe and nurturing environment where individuals can thrive – fostering caring, and connected communities.

Contents

Cover photo: Golden View Lifestyle Village.

"We have a clear strategic vision which guides both our daily focus on delivering care that makes a difference for people and our overarching aim for company growth."

Chair's Report – Rhonda Sherriff

Chair Rhonda Sherriff

It is my pleasure to present to our shareholders the chair's report for Promisia Healthcare's 2024-2025 year. This has been a year of meaningful transformation, marked by the acquisition of Golden View Lifestyle Village and Ripponburn Home and Hospital, the strengthening of our financial foundations, and the positioning of Promisia for sustainable growth.

While operational improvements remain a key focus, we are confident that the steps taken this year have set the stage for long-term success and positive outcomes for our residents, staff and shareholders.

Fundamentally, our stable and committed staff, clear goals for delivery of quality care, and an effective quality management system underpinned a solid performance for the company.

Good occupancy, a growing reputation for care delivery and an environment where staff are proud to work and contribute at their best, have been key to Promisia's success. We have a clear strategic vision which guides both our daily focus on delivering care that makes a difference for people and our overarching aim for company growth. That vision is to be a trusted and sustainable provider of quality people-care in the communities we serve.

The addition of the Cromwell facilities and the sale of the Eileen Mary facility in Dannevirke reflected our strategic focus on seeking larger-scale facilities in regions with a growing population. These steps also marked a transformative year as we integrated new teams into Promisia and introduced them to our vision for care delivery.

Our financial position strengthened significantly this year. This achievement was underpinned by the acquisitions in Cromwell, the sale of Eileen Mary, a successful $4.7million capital raise, consolidation of shares and warrants, and refinancing and consolidation of all Promisia debt with Bank of New Zealand. Our improved funding terms provide a solid platform for future growth.

The level of care we pride ourselves on providing is in the hands of our staff and we thank everyone very much for all their hard work. The satisfaction expressed by our residents and their whānau continues to build our reputation, thanks to our focus on recruiting the right people, providing education and training, and creating a positive working environment.

Changes in the management team added to the sense of a year in transition. We are grateful to Francisco Rodriguez Ferrere for his exceptional financial management and celebrated his promotion to Chief Financial Officer earlier this year.

We thank Executive Director Craig Percy for stepping in to lead the operational side of the business. Craig's deep experience in the aged care and retirement villages ensured stability as we integrated the Cromwell facilities into the Promisia family.

Left: Golden View Lifestyle Village; above, Aldwins House.

It's also important to acknowledge the contribution of our support office team in keeping the company moving ahead during the year.

We recently recognised the retirement of Group Operations Manager Virginia Dyall-Kalidas, who was instrumental in ensuring our residents and their whānau received a good standard of care and support at our facilities for more than a decade. We thank her for her significant contribution.

We look forward to welcoming our new Chief Operating Officer Graeme Dodd in May 2025. Graeme brings over 20 years of leadership in aged care and health, including roles at Radius Care, Qestral, and Triton Hearing. His financial, operational and clinical expertise will be critical in aligning and collaborating our teams, bringing our vision to life every day around the country.

The Board has worked on our strategic approach and we share that with you in this annual report. Our focus remains on driving continuous improvement, meeting the challenges of our regulatory environment and the needs of the communities we serve. Our aim is to be a nimble provider with diverse revenue streams, responsive to market changes. Part of this agility includes our plans to adapt facilities to meet evolving needs, such as the targeted conversion of Nelson Street in Feilding to provide more care for people living with dementia.

Promisia has built a strong platform strategically, operationally and financially and is now positioned for sustainable growth. We remain committed to exploring opportunities to expand our footprint with quality assets while navigating a dynamic economic environment.

Looking ahead, we enter FY2026 with confidence.

Our strengthened financial position, the appointment of our Chief Operating Officer, and the strategic initiatives underway across our facilities position Promisia for a year of delivery.

We expect to see benefits flow through in improved occupancy, enhanced care standards and continued financial resilience. On behalf of the Board, I thank you for your support and belief in Promisia's mission.

We look forward to sharing our progress in the year to come.

Strategic Approach

Aspiration

Connected communities where people feel cared for, included and valued

Vision

A trusted and sustainable provider of quality people-care in the communities we serve

Drivers

PEOPLE	DELIVERY	OCCUPANCY	DIVERSIFICATION	GROWTH
Expert governance; accessible leadership; skilled, experienced and engaged team members	An integrated network meeting the expectations of residents and their families with safe, personalised and individualised care	Provider of choice delivering a minimum 95% occupancy rate across all facilities	Develop new revenue streams from independent living options, extending the range of services and investing in additional higher care beds	Focus on acquiring, developing and integrating medium-large sized care facilities in areas offering value-enhancement opportunities

Enablers

Employment brand of choice

Disciplined use of shareholder funds

Active reputation and brand management

Efficiently run and profitable business operation

Quality Care for People in our Communities

Promisia is a New Zealand-based aged care and retirement living provider, with a focus on delivering care that makes a difference.

Strategically located in well established communities, our retirement villages and aged care facilities offer residents a place they can call home.

Our commitment is to high-quality personalised support, tailored to the unique needs of each individual. We provide a diverse range of living options, including retirement villas, care suites, rest home, and hospital care. Additionally, our specialised services encompass dementia care, palliative care, respite care and support for young disabled individuals, offering invaluable assistance to families and communities alike.

Trust forms the cornerstone of our approach.

We build strong, transparent relationships with our residents and their families, foster open communication and offer peace of mind. Integrity guides our actions as we uphold the trust placed in us by those under our care.

Our vision is to provide care that makes a difference to our residents.

This guides our decision making as an organisation, from our Board and management through to our nurses, caregivers and support staff.

We are committed to:

- Delivering excellent skilled care regardless of a person's financial circumstances
- Respecting each resident's rights to be supported to live a good life
- Providing a safe environment for people to thrive in
- Communicating with good intent
- Acting with integrity in all we do

Aldwins House.

Our commitment is to high-quality personalised support, tailored to the unique needs of each individual.

This Year's Highlights in Numbers

208
Incredible Caregivers

58
Trusted Registered Nurses

152
Invaluable Support and Administrative Staff

5
Communities

403
Care Beds

156
Village Units

610
Residents

100% ▲
Occupation Rate (Villas)

87% ▲
Occupation Rate (Care Beds)

Net Tangible Assets per share
79c ▲

$4.2 million ▲
Underlying EBITDAF

$31.08 million ▲
Revenue

42.9% ▼
Loan-to-value ratio

The $33-million purchase of two villages and facilities adjacent to each other in Cromwell expands our footprint and provides exposure to the growing population in the region.

Our Strategy in Action

Growth

The highlight of the year was the introduction of our two retirement and aged care facilities in the vibrant heart of Central Otago into Promisia.

Set in the picturesque town of Cromwell, framed by mountains and surrounded by the waters of Lake Dunstan, the Kawerau River and the Clutha River, these two complexes are nestled underneath wide-open skies and within a landscape that vividly expresses all the seasons.

In the second half of FY25 we focused on integrating the Golden View Lifestyle Village and Ripponburn Home and Hospital into the group after the acquisition in August 2024.

The occupancy levels at these two villages are high, which is no surprise considering the outstanding setting, the variety of available activities in the area, and the food and wine specialities to hand.

The deal added around $10.5 million of gross annualised operating revenue and significant operational efficiencies will be realised using Promisia's scale and established platform.

The $33-million purchase of two villages and facilities adjacent to each other in Cromwell expands our footprint and provides exposure to the ageing population in the region. For example, around 20% of Cromwell's population is aged over 65.

This opportunity presented an attractively priced entry into this highly sought-after location. Promisia also benefits from the purchases being completed through two transactions over four years.

Golden View comprises 60 beds split between a 48 dual-care bed facility, a 12-bed dementia level care wing (unique in Cromwell), 19 serviced apartments and 102 independent living villas with one, two or three bedrooms, plus community and recreational facilities.

Ripponburn has 46 dual-care beds and 16 villas with two bedrooms and a garage. There is significant development potential on the 2.8-hectare Ripponburn site.

Promisia's key point of difference is our focus on larger-sized aged care facilities, often located in regional New Zealand and focused on quality and value-add opportunities.

We are focused on embedding the Cromwell acquisition and leveraging Promisia's scale and platform to improve operational performance and care outcomes across the site.

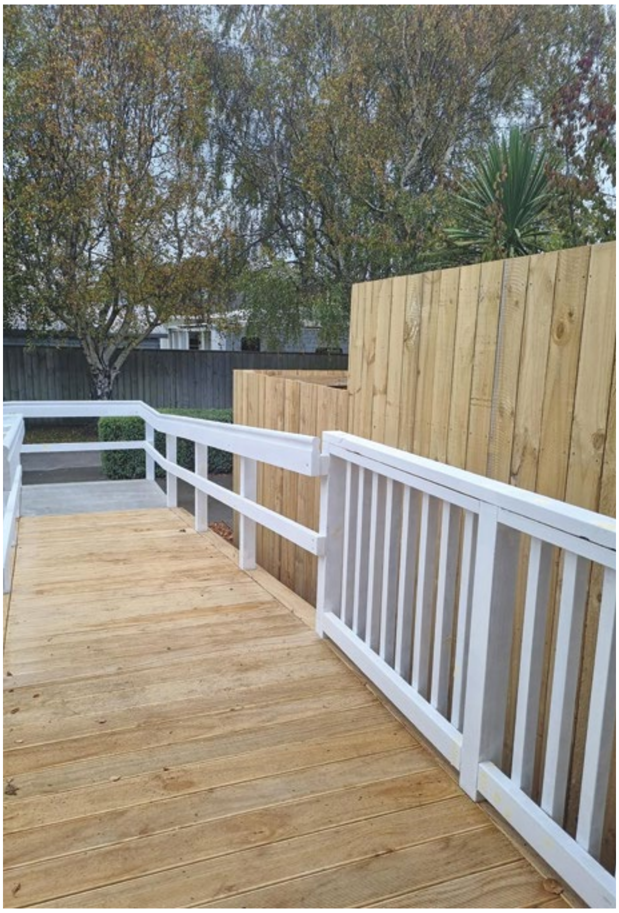
Left and above: Golden View Lifestyle Village.

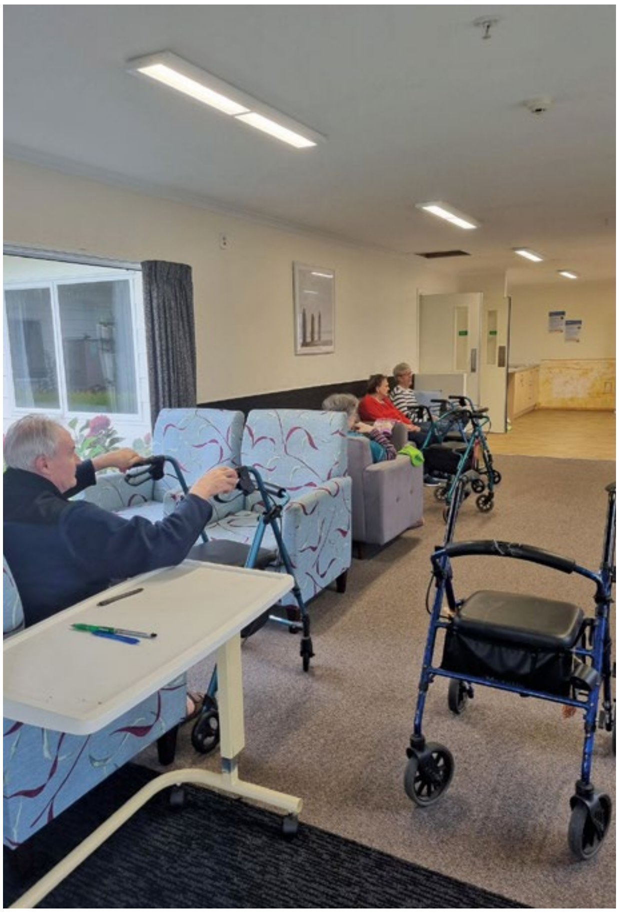
Our Strategy in Action

Diversification to a broader revenue stream

- More people are choosing to live in our villages, and villa occupancy across the group was 100% as at March 31, 2025.
- Consequently, we recorded excellent growth in deferred management fees from the sales of villas, care suites and apartments.
- Approval was secured from Health New Zealand for a 20-bed dementia wing at Nelson Street in Feilding and construction was completed early in FY26.
- Aldwins House occupancy grew with the addition of care for up to 40 young people with lifelong disabilities who require support with self-care, mobility and/or communication. They enjoy a tailored programme of activities.

Left: Golden View Lifestyle Village; this page, the newly configured 20-bed dementia wing at Nelson Street in Feilding opened in June 2025.





More people are choosing to live in our villages, and villa occupancy across the group was 100% as at March 31, 2025.

Occupancy

	Care Beds	Villas	Care Suites / Apartments
 Ranfurly Manor [1]	97.3%	100.0%	50.9%
 Golden View Lifestyle Village [2]	92.9%	100.0%	100.0%
 Ripponburn Home and Hospital [3]	95.6%	100.0%	
 Aldwins House [4]	84.8%		
 Nelson Street [5]	58.0%		

[1] Ranfurly Manor care suite sales will benefit from an updated sales and marketing plan in FY26.

[2] 18 of the apartments at Golden View Lifestyle Village were occupied, with the remaining one under contract and settled/occupied in early April.

[3] At Ripponburn Home & Hospital, 12 of the 16 villas are occupied, with the remaining four under contract and expected to settle in the near term (3 in April, 1 in June).

[4] Aldwins House occupancy increased materially from around 70% to 85% over the past year, reflecting significant operational improvement. We expect this upward trend to continue as we strengthen leadership, staffing and care delivery foundations.

[5] Nelson Street's temporary decline in occupancy is in line with our planned construction work and will rebound once the new dementia care wing is operational.

Financial Highlights

FY25 was a transformational year for Promisia.

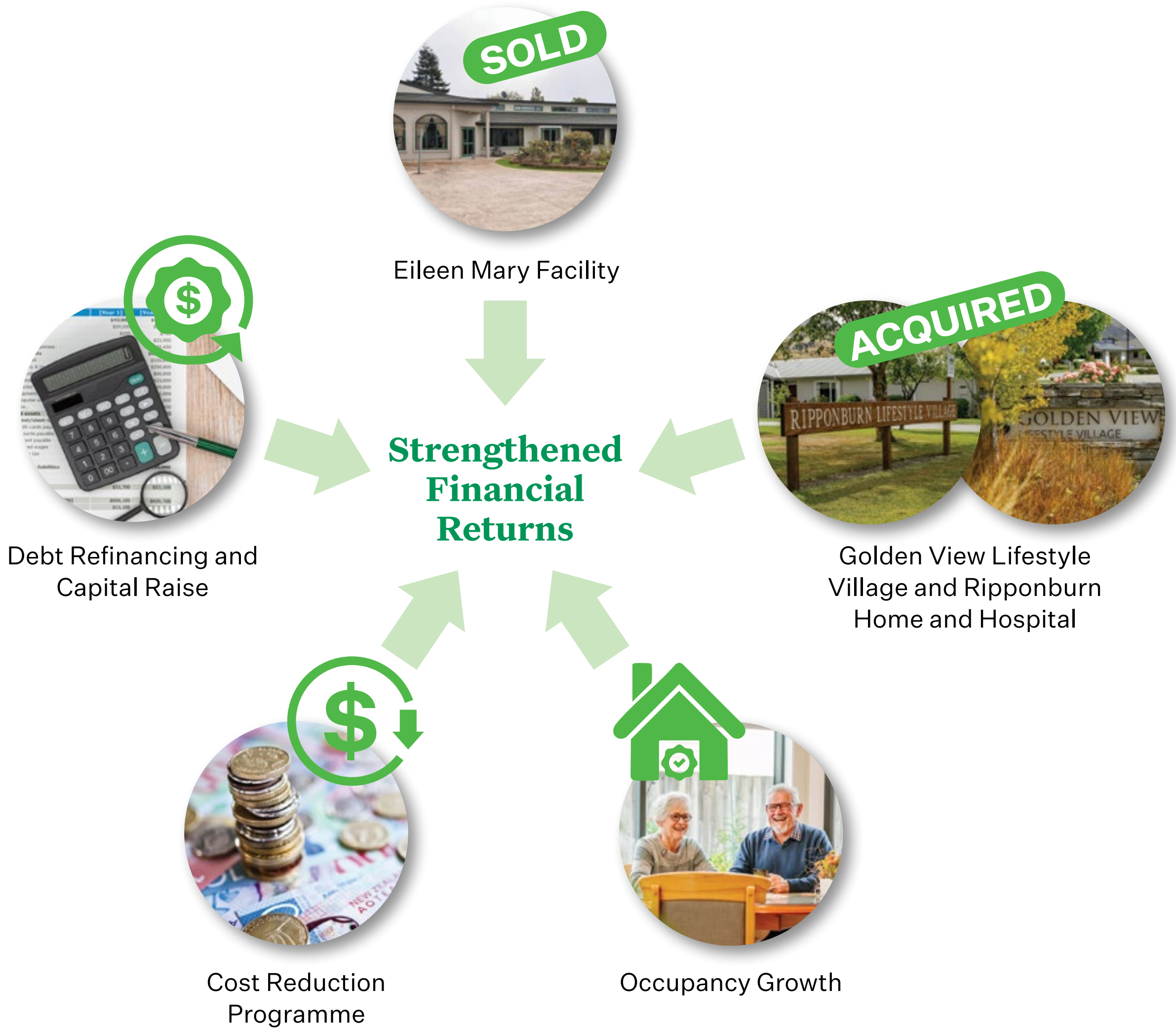
It was marked by structural change, disciplined execution and strong delivery across all key financial measures. During the year, we acquired two villages in Cromwell, completed the sale of the Eileen Mary facility, executed a successful $4.7 million capital raise and share/warrant consolidation and undertook a full debt restructure that consolidated all interest-bearing bank debt under Bank of New Zealand (BNZ).

Alongside these initiatives, we maintained cost control and improved earnings despite inflationary pressure across the sector. These actions have materially reshaped our capital structure, expanded our operating footprint and positioned the company for sustainable, scalable growth.

Chief Financial Officer
Francisco Rodriguez Ferrere

Revenue for the year increased 37% to $31.08 million, driven by the inclusion of the Cromwell acquisitions, increased occupancy across several key facilities and growth in deferred management fees from villa and care apartment sales. Notably, occupancy at Aldwins House improved from approximately 70% to 85% by year-end, while Ranfurly Manor's care facility increased from 85% to 97%.

The enlarged scale of the business following the Cromwell acquisitions and associated implementation costs led to an increase in operating expenses to $23.9 million. While



administration expenses also grew, we maintained discipline across central overheads and discretionary spending, resulting in a slower rate of increase relative to revenue.

Underlying EBITDAF rose 11.5% to $4.2 million in line with our market guidance. Net profit increased materially, reflecting both the improvement in operational earnings and recognition of a $6.6 million purchase gain from the Golden View and Ripponburn acquisitions. The gain reflects the group's ability to execute transactions which enhance value through acquiring assets below fair value and structuring deals in a way that delivers meaningful shareholder benefit. In the case of Golden View, this included a combination of a freehold and leasehold interest, supported by a long-dated, interest-free deferred vendor loan and convertible notes issued in lieu of an upfront cash settlement.

Valuations across our care facilities and villages increased by a combined $3.7 million at Aldwins House, Nelson Street and Ranfurly Manor. These uplifts reflect improved EBITDA performance across the sites. The October 2024 CBRE valuations for Golden View and Ripponburn reaffirmed the quality and strategic fit of the Cromwell acquisitions.

The company's capital and debt activity during FY25 was extensive. Over $35 million in financing activity was completed. This included refinancing existing facilities at Ranfurly Manor and Nelson Street, introducing new BNZ facilities to fund the Cromwell acquisitions and full repayment of higher-cost second-tier debt, including the $6.5 million Senior Trust loan previously secured over Ranfurly Manor. In January, Promisia also settled the early repayment of the $3.82 million Teltower loan secured over Aldwins House for $3.0 million, refinancing the facility with BNZ and delivering a $820,000 debt reduction.

By year-end, the group had successfully consolidated all interest-bearing bank debt with BNZ, reduced its weighted average interest rate from 9.0% to 7.1%, and improved its loan-to-value ratio from 48.8% to 42.9% despite a higher overall debt balance following the Cromwell acquisition.

The July 2024 capital raise added $4.725 million in new equity to the business, widened our shareholder base and introduced a strategic investor aligned with our long-term growth aspirations – Asset Management Limited. A 500:1 consolidation of shares and warrants followed and simplified Promisia's capital structure.

EBITDA Reconciliation

	FY25	FY24
EBITDA	**11,412**	**7,280**
Fair value movement in property	-173	-3,641
Bargain purchase on business acquisitions	-6,609	-
EBITDAF [1]	**4,630**	**3,639**
Debt reduction income	-799	-
Discretionary Executive Director payment	244	120
Non-recurring management share incentives	117	-
Underlying EBITDAF [2]	**4,192**	**3,759**

1 EBITDAF is operating earnings before interest, tax, depreciation, amortisation and fair value adjustments and is a non-GAAP number.

2 Underlying EBITDAF is EBITDAF excluding transactions considered to be non-trading in nature or size. Excluding these transactions from normalised earnings can assist users in forming a view of the underlying performance of the Group.

Net tangible assets per share increased 25% year-on-year to 79 cents and was up 10% since September 2024. This reflected the cumulative impact of asset revaluations, purchase gains from the Cromwell deal, debt reduction, strong operational performance and the capital raise. Taken together, these outcomes demonstrate Promisia's disciplined execution, strategic agility and ability to unlock value through active portfolio management.

We conclude FY25 with a scalable financial platform, a strengthened balance sheet and renewed momentum across our operations and capital base.

Our focus for FY26 is to embed recent acquisitions, improve operational margins and continue to strengthen shareholder value through efficient execution, operational focus and continued use of our enabling platform for growth.

Promisia's key point of difference is our focus on larger-sized aged care facilities, often located in regional New Zealand and focused on quality and value-add opportunities.

Looking Ahead

There are exciting times ahead for Promisia as we continue our transformation and respond to growth opportunities from a platform of financial stability. We are constantly seeking opportunities to expand our footprint with quality assets, particularly larger-sized aged care facilities in regional New Zealand.

Part of our strategic plan is the conversion of facilities to meet the evolving needs of current and future residents. In Cromwell, we see opportunities to increase the capacity of the care facility at Golden View, positioning it as a cornerstone of high-quality care delivery in Central Otago. At Nelson Street, we aim to build on the successful launch of our dementia care wing and ensure it reaches full utilisation.

Improving our occupancy rates remains our key focus. For example, at Ranfurly Manor, the emphasis will be on fostering increased sales of the vacant care suites through an integrated marketing approach. At Aldwins House, we are continuing to build momentum by steadily increasing occupancy levels as we strengthen foundations across staffing, leadership and care delivery.

Operational cohesion and integration of the Cromwell facilities into the business will be top priorities for our new Chief Operating Officer Graeme Dodd, who joined us in May. He has been tasked with connecting our teams into an aligned, collaborative group and bringing our vision of excellence to life every day.

As we concentrate on enhancing our operations and service offering for residents, we expect the upward trajectory of our profit to continue, with underlying EBITDAF anticipated to grow in excess of 25% in FY26.

Left: Aldwins House; above, Ranfurly Manor.

"Fundamentally, our stable and committed staff, clear goals for delivery of quality care, and an effective quality management system underpinned a solid performance for the company."

Chair Rhonda Sherriff

Promisia Healthcare Limited

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Consolidated Statement Of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE	2025 $ '000	2024 (Re-presented)* $ '000
Revenue			
Care and village fees	5	29,690	21,081
Deferred management fees (DMF)	17	1,277	850
Gain on signing new occupancy right agreements	13	113	775
		31,080	**22,706**
Other income			
Fair value gain on investment property	13	173	3,641
Bargain purchase on business acquisitions	28	6,609	-
Debt reduction income	19	799	-
		7,581	3,641
Total revenue and other income		**38,661**	**26,347**
Less: expenses			
Operating expenses	6	(23,870)	(16,505)
Administration expenses	6	(4,306)	(3,524)
Depreciation expense	12	(409)	(777)
Impairment losses	6	(491)	(194)
Finance costs			
– Borrowing costs		(2,448)	(2,405)
– Vendor loan imputed interest expense		(456)	-
		(31,980)	**(23,405)**
Profit before income tax expense		6,681	2,942
Income tax expense	7	(107)	(1,955)
Net profit from continuing operations		6,574	987
Net profit from discontinued operations	29	262	648
Profit for the year		**6,836**	**1,635**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property, net of tax	23	1,432	3,116
Total comprehensive income attributable to shareholders of the Company		**8,268**	**4,751**
Earnings per share (cents per share)			
Basic earnings per share from continuing operations	22	13.4145	2.3044
Diluted earnings per share from continuing operations	22	11.7235	2.3044
Basic earnings per share from discontinued operations	22	0.5346	1.5129
Diluted earnings per share from discontinued operations	22	0.4672	1.5129
Basic earnings per share	22	13.9491	3.8173
Diluted earnings per share	22	12.1908	3.8173

**Comparative information has been re presented due to a discontinued operation and the separate presentation of 'Care and village fees' and 'Deferred management fees (DMF)', and earnings per share has been restated due to a share consolidation of 500 to 1.*

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement Of Financial Position

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE	2025 $ '000	2024 $ '000
Assets			
Cash and cash equivalents	8	132	118
Receivables	10	1,317	1,341
Non-current assets held for sale	14	1,601	-
Current tax assets		-	6
Other assets	11	488	549
Property, plant and equipment	12	23,763	21,319
Investment properties	13	144,785	61,012
Total assets		**172,086**	**84,345**
Liabilities			
Payables	16	4,273	3,759
Current tax liabilities		376	-
Revenue received in advance	17	4,056	2,288
Convertible notes	20	4,465	-
Occupancy right agreements	18	75,058	22,012
Borrowings	19	42,222	29,155
Deferred tax liabilities	7	2,364	2,251
Total liabilities		**132,814**	**59,465**
Net assets		**39,272**	**24,880**
Equity			
Share capital	21	82,056	77,467
Reserves	23	4,498	3,066
Accumulated losses		(48,817)	(55,653)
Convertible notes reserve	20	1,535	-
Total equity		**39,272**	**24,880**
Net tangible asset per share (dollars)		0.792	0.630*

**Comparative information has been restated due to a share consolidation of 500 to 1.*

Signed on behalf of the Board of Directors, dated 25 June 2025.

Thomas Brankin
Director

Rhonda Sherriff
Director

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement Of Changes in Equity
FOR THE YEAR ENDED 31 MARCH 2025

	NOTE	CONTRIBUTED EQUITY $ '000	RESERVES $ '000	ACCUMULATED LOSSES $ '000	CONVERTIBLE NOTES RESERVE $ '000	TOTAL EQUITY $ '000
Consolidated						
Balance as at 1 April 2023		77,426	(50)	(57,288)	-	20,088
Profit for the year		-	-	1,635	-	1,635
Other comprehensive income for the year		-	3,116	-	-	3,116
Total comprehensive income for the year		**-**	**3,116**	**1,635**	**-**	**4,751**
Transactions with owners in their capacity as owners:						
Contributions	21	41	-	-	-	41
Total transactions with owners in their capacity as owners		41	**-**	**-**	**-**	**41**
Balance as at 31 March 2024		**77,467**	**3,066**	**(55,653)**	**-**	**24,880**
Balance as at 1 April 2024		77,467	3,066	(55,653)	-	24,880
Profit for the year		-	-	6,836	-	6,836
Other comprehensive income for the year		-	1,432	-	-	1,432
Total comprehensive income for the year		**-**	**1,432**	**6,836**	**-**	**8,268**
Transactions with owners in their capacity as owners:						
Contributions	21	4,589	-	-	-	4,589
Issue of convertible notes	20	-	-	-	1,535	1,535
Total transactions with owners in their capacity as owners		**4,589**	**-**	**-**	**1,535**	**6,124**
Balance as at 31 March 2025		**82,056**	**4,498**	**(48,817)**	**1,535**	**39,272**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement Of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE	2025 $ '000	2024 $ '000
Cash flow from operating activities			
Receipts from residents for care fees and services		32,570	24,371
Receipts of residents' loans from new sales		8,370	10,475
Payments to suppliers and employees		(30,467)	(22,985)
Repayments of residents' loans		(4,414)	(1,798)
Interest paid		(2,655)	(2,573)
Net cash provided by operating activities	9	**3,404**	**7,490**
Cash flow from investing activities			
Payment for property, plant and equipment		(285)	(325)
Purchase of investment property		(2,026)	(7,276)
Payment for business combinations, net of cash acquired		(13,905)	-
Disposal of discontinued operation, net of cash disposed of		5,660	-
Net cash used in investing activities		**(10,556)**	**(7,601)**
Cash flow from financing activities			
Proceeds from share issue, net of transaction costs		4,589	-
Net proceeds from / (repayment of) borrowings		2,577	(1,830)
Net cash provided by / (used in) financing activities		**7,166**	**(1,830)**
Reconciliation of cash and cash equivalents			
Cash at beginning of the financial year		118	2,059
Net decrease in cash held		14	(1,941)
Cash at end of financial year	8	**132**	**118**

The accompanying notes form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements cover Promisia Healthcare Limited and its consolidated entities (the "Group"). Promisia Healthcare Limited is a company limited by shares, incorporated and domiciled in New Zealand. Promisia Healthcare Limited is a for profit entity for the purpose of preparing the consolidated financial statements. Promisia Healthcare Limited's principal activities are the ownership and operation of retirement villages and rest homes for the elderly within New Zealand.

Promisia Healthcare Limited is a Financial Markets Conduct Act reporting entity under the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

Material accounting policies which are relevant to understanding the consolidated financial statements are disclosed in each of the applicable notes. They have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the consolidated financial statements

Compliance with IFRS

These consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). These consolidated financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

Historical Cost Convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by revaluations to fair value for investment properties and certain classes of property, plant and equipment.

Significant accounting estimates and judgements

The preparation of the consolidated financial statements requires the use of certain estimates and judgements in applying the Group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the consolidated financial statements.

(b) Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors are satisfied that based on the historic performance, detailed cash flow projections, and the support provided by Directors, the Group will be able to meet its cash flow requirements as they fall due. The Group has reported a net profit before tax of $6.681m (2024: $2.942m).

It is the continuing opinion of the Board of Directors that there are reasonable grounds to believe that its operational and financial plans in place are achievable, and accordingly the Group is able to continue as a going concern and meet its debts as and when they fall due. Accordingly, use of the going concern assumption remains appropriate in these circumstances.

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Functional and presentation currency

The consolidated financial statements are presented in New Zealand dollars which is the Group's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

(d) Climate change risk

The Group recognises that climate change may present physical and transitional risks to its operations, assets, and financial performance. The Group owns and operates residential aged care and retirement village facilities across New Zealand, and acknowledges that extreme weather events, including storms and flooding, could impact the condition or accessibility of its properties.

All Group facilities are insured for material damage and business interruption. The Group continues to monitor emerging climate risks and their potential impacts on operations, asset values, supply chains, and regulatory obligations. Climate-related developments may influence future decisions around facility upgrades, location planning, and construction design.

While no material financial impacts have been identified to date, the Group will continue to assess the relevance of climate-related risks to its operations and financial statements, including potential implications for property valuations, capital investment planning, and ongoing operational resilience.

(e) Change in accounting policy

Classification of liabilities as current or non-current liabilities with covenants

The Group has adopted Classification of Liabilities as Current or Non-current (Amendments to NZ IAS 1) and Non-current Liabilities with Covenants (Amendments to NZ IAS 1) from 1 April 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period.

The Group's liabilities were not impacted by the amendments for current and non-current classification. Additional disclosures have been made for non-current liabilities subject to covenants in the current year.

Despite the change in policy, there is no retrospective impact on the comparative statement of financial position.

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Accounting standards issued but not yet effective

A number of new accounting standards are effective for annual reporting periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements

(a) NZ IFRS 18 Presentation and Disclosure in Financial Statements

NZ IFRS 18, effective for annual periods beginning on or after 1 January 2027, will replace NZ IAS 1. It introduces a revised structure for the statement of profit or loss, including new categories and a defined operating profit subtotal, and requires disclosure of management defined performance measures (MPMs) in a single note. The operating profit subtotal will also serve as the starting point for the indirect method in the statement of cash flows. The Group is assessing the impact of these changes on its financial statement presentation and disclosures.

(b) Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements:

- Lack of Exchangeability (Amendments to NZ IAS 21).
- Classification and Measurement of Financial Instruments (Amendments to NZ IFRS 9 and NZ IFRS 7).

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Income tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(b) Management fee revenue recognition

Management fees are recognised as revenue on a straight-line basis. This requires management to estimate the period of occupancy for units.

If actual occupancy periods differ significantly from the estimates, village contributions and exit fees shown in the financial statements will be affected accordingly. However, this is unlikely to cause a material adjustment.

(c) Fair value of investment property

The fair value of investment properties is determined at each reporting date based on the most recent independent valuations or, where applicable, an internally developed discounted cash flow (DCF) model using industry-standard valuation assumptions.

The Group's retirement villages and aged-care facilities are primarily valued by independent registered valuers, with changes in fair value recognised in the statement of comprehensive income. The valuation methodology incorporates:

- Discounted cash flow (DCF) models based on expected future cash flows from Occupation Right Agreements (ORAs).
- Capitalisation rates and discount rates derived from industry benchmarks.
- Market sales comparisons where applicable.

The Golden View Lifestyle Village leasehold interest is classified as investment property. Although it is legally structured as a lease, the Group is entitled to a share of ORA proceeds and assumes the majority of risks and rewards associated with the asset. Therefore, it is accounted for as an Investment Property, applying a substance over form approach. Its fair value has been determined internally using a DCF model, applying assumptions consistent with industry practice.

Key assumptions in the valuation process include growth rates, occupancy levels, and discount rates. These estimates involve significant judgment and changes in market conditions may materially impact fair value.

Further details on investment property valuations are provided in Notes 13 and 15.

(d) Fair value less costs to sell of non-current asset held for sale

The fair value less cost to sell of non-current asset held for sale is determined on the basis of significant unobservable inputs. Further details on fair value measurement related to non-current asset held for sale is provided in Note 14 and 15.

NOTE 3: FINANCIAL RISK MANAGEMENT

The Group is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting period:

(a) Interest rate risk

(b) Credit risk

(c) Liquidity risk

The Board of Directors have overall responsibility for identifying and managing operational and financial risks.

The Group holds the following financial instruments:

	2025 $ '000	2024 $ '000
Financial assets		
– Cash and cash equivalents	132	118
– Receivables	1,317	1,341
– Other assets	20	20
	1,469	**1,479**
Financial liabilities		
– Payables	4,273	3,759
– Borrowings	42,222	29,155
– Convertible notes	4,465	-
– Occupancy right agreements	75,058	22,012
	126,018	**54,926**

(a) Interest rate risk

The Group is exposed to interest rate risk in relation to its borrowings. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group manages its interest rate risk by maintaining a mix of variable rate and fixed rate borrowings.

The rates applicable to the bank loans are a mixture of fixed and variable rates which are reviewed at the maturity of each loan. There is $10.270m (2024: $9.835m) of bank debt that has a floating interest rate. A 1% increase in interest rates would cost the Group an additional $0.103m (2024: $0.098m) in interest expenses annually.

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Interest rate risk (continued)

Sensitivity

The Group is primarily exposed to interest rate risk.

If interest rates were to increase/decrease by 50 basis points from the rates prevailing at the reporting date, assuming all other variables remain constant, then the impact of profit for the year and equity would be as follows:

+ / 50 basis points	2025 $ '000	2024 $ '000
Impact on profit after tax	233	146
Impact on equity	-	-

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in consolidated statement of financial position and notes to the consolidated financial statements.

The Group does not have any material credit risk exposure to any single counterparty or group of counterparties under financial instruments entered into by the Group.

There is no significant concentration of credit risk as trade debtors are either individual residents or government agencies.

(i) Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with major New Zealand banks.

(ii) Trade receivables

Credit risk for receivables from contracts with customers is managed by transacting with a large number of customers, undertaking credit checks for all new customers and setting credit limits for all customers commensurate with their assessed credit risk. Outstanding receivables are regularly monitored for payment in accordance with credit terms.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk on occupancy advances through the contractual requirements in the occupancy right agreements. Following a termination of the agreement, the occupancy advance is repaid on receipt of the new occupancy advance from the incoming resident.

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Ultimate responsibility for liquidity risk management rests with the Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, and by regularly monitoring forecast and actual cash flows and maturity profiles of financial assets and liabilities.

The following table outlines the Group's remaining contractual maturities for non-derivative financial instruments. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the Group can be required to pay.

Year ended 31 March 2025	< 1 YEAR $'000	1-2 YEARS $'000	2-4 YEARS $'000	5+ YEARS $'000	TOTAL CONTRACTUAL CASHFLOWS $'000	CARRYING AMOUNT $'000
Payables	4,273	-	-	-	4,273	4,273
Borrowings	5,561	31,531	10,752	-	47,843	42,222
Convertible notes	-	-	6,000	-	6,000	4,465
Occupancy right agreements	10,610	10,610	21,220	32,618	75,058	75,058
	20,444	**42,140**	**37,971**	**32,618**	**133,174**	**126,018**

Year ended 31 March 2024	< 1 YEAR $'000	1-2 YEARS $'000	2-4 YEARS $'000	5+ YEARS $'000	TOTAL CONTRACTUAL CASHFLOWS $'000	Carrying AMOUNT $'000
Payables	3,759	-	-	-	3,759	3,759
Borrowings	25,873	3,367	2,060	-	31,300	29,155
Occupancy right agreements	4,094	4,094	7,862	5,962	22,012	22,012
	33,726	**7,461**	**9,922**	**5,962**	**57,071**	**54,926**

Occupancy right agreements figures above have been calculated based on average occupancy years formulated by the valuer in determining investment property fair values at 31 March 2025.

The Group renews its facilities annually to ensure an appropriate portion matures on a regular basis.

NOTE 4: OPERATING SEGMENTS

The Group operates a number of rest homes and retirement villages. These facilities all provide a similar product to a similar customer in the same regulatory environment.

The Group operates in one operating segment being the provision of aged-care in New Zealand. 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. Therefore, it is appropriate to report solely on the Group performance.

	2025 $ '000	2024 (RE-PRESENTED) $ '000
NOTE 5: REVENUE FROM CONTRACTS WITH CUSTOMERS		
Rest home, hospital & dementia fees	28,736	20,531
Village service fees	844	330
Other revenue	110	220
Care and village fees	**29,690**	**21,081**
Deferred management fees (DMF)	**1,277**	**850**

Revenue recognition

Revenue is recognised in accordance with NZ IFRS 15. Deferred management fees and rental income are considered leases under NZ IFRS 16, and therefore excluded from the scope of NZ IFRS 15. None of the Group's revenue, as defined by NZ IFRS 15, contains significant financing components.

A contract for care fees is in place with all care residents by means of an admission agreement. The resident receives the benefit as the care is administered and each resident incurs a contracted daily care fee set each year by the Government. Rest home and hospital service fees are recognised at the point in time the services are received.

Deferred management fees are for the right to occupation and share in the use of community facilities and are payable by residents of the Group's units and apartments under the terms of their ORA. The deferred management fee is calculated as a percentage of the occupational right agreement amount and payable on termination of the agreement. The timing of the recognition of deferred management fees is a critical accounting estimate and judgment. The deferred management fees are recognised on a straight line basis over the average expected occupancy of the relevant accommodation being:

Internal Apartments	4.0 – 6.2 Years (2024: 3.7 – 4.0 Years)
External Villas	7.0 – 8.1 Years (2024: 6.8 – 7.0 Years)

NOTE 5: REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Revenue recognition (continued)

Estimates of expected occupancy are reviewed periodically. Where a change is made, it is the Group's policy to recognise the aggregate impact of this change in the period in which the change in estimate occurs.

The Group has a contractual right to management fees in the first two years of occupancy. The timing difference in the contractual right to receive the management fees and the accounting recognition of the revenue over the estimated expected occupancy gives rise to a liability for revenue in advance. As at 31 March 2025, revenue received in advance of $4.056m (2024: $2.288m) was recorded, not yet released to the profit or loss, refer Note 17.

Village service fees are charged to residents to recover a portion of the village operating cost associated with services provided including staff wages, rates, and electricity. Village services fees are recognised as services are rendered.

Other revenue

Other income includes other services to residents, training income for students, other rent received and administration income on the settlement of ORAs. This revenue is recognised as services are provided.

	2025 $ '000	2024 (RE-PRESENTED) $ '000
NOTE 6: OPERATING, ADMINISTRATION AND IMPAIRMENT EXPENSES		
Profit before income tax has been determined after:		
Administration expenses		
– Legal expenses	238	212
– NZX listing and regulatory expenses	88	36
– Insurance	699	403
– Other administration costs	3,196	2,860
– Net loss on disposal of property, plant and equipment	85	13
	4,306	**3,524**

Other administration costs include utility costs, advertising, directors' fees, consulting, audit fees and accounting fees.

	2025 $ '000	2024 (RE-PRESENTED) $ '000
NOTE 6: OPERATING, ADMINISTRATION AND IMPAIRMENT EXPENSES (CONTINUED)		
Operating expenses		
– Employee benefits and other staff costs	19,456	12,881
– Equity-settled share-based payments	89	41
– Property-related expenses	449	339
– Other operating costs	3,876	3,244
	23,870	**16,505**

Property related expenses and other operating costs relate to costs associated with running a retirement village and aged residential care such as consumables, electricity, insurance, rates, and repairs and maintenance. These expenses are recognised as they occur.

Impairment losses	491	194

The impairment loss for the current year relates to divestment of non-core property assets (refer to Note 14), and the write-off of work in progress associated with consulting and legal fees previously capitalised for potential acquisition and development projects. (2024: work in progress written off in relation to consulting and legal fees previously capitalised for potential acquisition and development projects that were presented as work in progress under other current assets in the prior years).

Remuneration of auditors for:		
William Buck Audit (NZ) Limited		
Audit and assurance services		
– Audit of financial report	98	82
– Other services	-	-
	98	**82**

NOTE 7: INCOME TAX

(a) Components of tax expense

Current tax	381	-
Deferred tax	(129)	1,963
Income tax expense	**252**	**1,963**
Income tax expense is attributable to:		
Income tax expense on continuing operation	107	1,955
Income tax expense on discontinued operation	145	8
	252	**1,963**

	2025 $ '000	2024 $ '000
NOTE 7: INCOME TAX (CONTINUED)		
(b) Income tax reconciliation		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before income tax at 28.0% (2024: 28.0%)	1,985	1,007
Add/less tax effect of:		
– Derecognition of tax cost base for buildings	-	2,539
– Non-deductible expenses	345	80
– Prior period adjustments	17	16
– Fair value gain on investment property	(48)	(1,237)
– Other non-assessable income	(38)	(20)
– Utilisation of past tax losses	(198)	(422)
– Gain on business acquisition	(1,811)	-
Income tax expense attributable to profit	**252**	**1,963**
(c) Deferred tax		
Deferred tax relates to the following:		
Deferred tax assets		
– Deferred management fees	1,136	641
– Holiday pay	536	411
– Prepaid loan fees	(33)	(44)
– Tax losses	-	433
– Accrued ACC	6	-
	1,645	**1,441**
Deferred tax liabilities		
– Depreciation	351	276
– Commercial depreciation*	2,539	2,539
– Fair value gain on property	1,120	877
	4,010	3,692
Net deferred tax liabilities	**2,365**	**2,251**

NOTE 7: INCOME TAX (CONTINUED)

(c) Deferred tax (Continued)

**Deferred Tax Impact on changes to commercial building depreciation rates*

In prior year a deferred tax liability of $2,538,570 was recognised, this was relating to a change in commercial building tax depreciation rates in the 2024 year. The Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Act 2024 included the removal of commercial building depreciation from the 2024-25 income year onwards. The removal of depreciation on buildings has resulted in the tax base of those buildings reducing to zero under NZ IAS 12, while the accounting base remains at its previous value. A deferred tax liability arises on the tax effect of this amount. The deferred tax liability and deferred tax expense was recognised in the year ended 31 March 2024 as the law change was enacted on 28 March 2024, even though the law change was not effective until 1 April 2024.

The deferred tax liability will not impact future cash outflows, and will only affect deferred tax expense when the deferred tax liability is derecognised in the future periods.

Deferred tax on investment property

Deferred tax on investment property is assessed on the basis that the asset value will be realised through use ("Held for Use").

The Group's ORAs compromise two distinct cash flows, being an ORA deposit upon entering the unit and the refund of this deposit, less deferred management fee, on exit. The Group considers it appropriate to recognise and measure the tax base and associated deferred tax based on the contractual entitlements over the ORA periods as this best represents the Groups liabilities to residents as at the reporting date.

	2025 $ '000	2024 $ '000
(d) Deferred income tax related to items charged or credited directly to equity		
Decrease in deferred tax assets	242	783

NOTE 8: CASH AND CASH EQUIVALENTS

	2025 $ '000	2024 $ '000
Cash at bank	28	38
Funds held on behalf of residents	104	80
	132	**118**

	2025 $ '000	2024 $ '000
NOTE 9: CASH FLOW INFORMATION		
(a) Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	6,836	1,635
Adjustments and non-cash items		
Depreciation	409	802
Net loss on disposal of property, plant and equipment	85	13
Impairment losses	491	194
Gain on signing new occupancy right agreements	(113)	(775)
Fair value adjustment to investment property	(173)	(3,641)
Deferred tax	(133)	1,963
Debt reduction income	(799)	-
Bargain purchase	(6,609)	-
Loss on discontinued operations	253	-
Vendor loan imputed interest expense	456	-
Changes in operating assets and liabilities		
Increase / (decrease) in receivables, prepayments and other assets	520	(1,240)
Decrease in occupancy advances	2,366	8,677
Decrease / (increase) in payables	(185)	(138)
Cash flows from operating activities	**3,404**	**7,490**
NOTE 10: RECEIVABLES		
Trade receivables	1,317	1,340
Staff loans	-	1
	1,317	**1,341**

Trade and other receivables

Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are measured at amortised cost less an allowance for expected credit losses. Loss allowances relate solely to expected credit losses arising from contracts with customers. The amount of credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. An expected credit loss is determined based in historic credit loss rates, adjusted for other current observable data that may materially impact the Group's future credit risk, including customer specific factors, current conditions and forecast of future economic conditions. There was no expected credit loss recognised for the current or prior financial year, as all receivables are considered recoverable.

Trade and other receivables arise from the Group's transactions with its customers. The amounts are unsecured and are normally settled within 30 days. Debtors are non-interest bearing, although the Group has the right to change interest on overdue settlements of occupancy advances or overdue care fees. Trade receivables principally compromise amounts due for care fees.

Notes to the Consolidated Financial Statements cont'd

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE	2025 $ '000	2024 $ '000
NOTE 11: OTHER ASSETS			
Prepayments		432	368
Work in progress		36	161
NZX deposit		20	20
		488	**549**

	NOTE	2025 $ '000	2024 $ '000
NOTE 12: PROPERTY, PLANT AND EQUIPMENT			
Land and buildings at fair value		22,885	21,185
Accumulated depreciation		(1,135)	(1,135)
		21,750	20,050
Plant and equipment at cost		3,266	2,013
Accumulated depreciation		(1,253)	(744)
		2,013	1,269
Total property, plant and equipment		**23,763**	**21,319**

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

Land and buildings at fair value

		2025 $ '000	2024 $ '000
Opening carrying amount		20,050	16,547
Additions		26	25
Net amount of revaluation increments less decrements		1,674	3,899
Depreciation expense		-	(421)
Closing carrying amount		**21,750**	**20,050**

Plant and equipment at cost

		2025 $ '000	2024 $ '000
Opening carrying amount		1,269	1,363
Additions		259	300
Disposals		(85)	(13)
Additions through business combinations		979	-
Depreciation expense		(409)	(381)
Closing carrying amount		**2,013**	**1,269**

NOTE 12: PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)

Property

Freehold land and buildings are measured at revalued amounts, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and any accumulated impairment losses. The carrying amount at which both freehold land and buildings would have been carried had the assets been measured under historical costs is $15.319m (2024: $15.293m).

The carrying value of freehold land and buildings is the fair value as determined by an independent valuation report prepared by a registered valuer (CBRE) as at 31 March 2025 using a combination of the capitalisation of proforma net cash flow profit/EBITDAR; and the direct comparison approach based on value per bed.

The major assumptions used are capitalisation rates of 12.50% to 13.00% (2024: 12.50% to 13.25%) and average occupancy of 90.70% to 95.30% (2024: 90.00% to 95.60%).

Sensitivity

A 0.5 percent decrease in the capitalisation rate would result in a $0.925m higher fair value measurement (2024: $0.825m). Conversely, a 0.5 percent increase in the capitalisation rate would result in a $0.850m lower fair value measurement (2024: $0.750m).

Plant and equipment

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses.

Class of fixed asset	*Useful lives*	*Depreciation basis*
Buildings	2%	Diminishing value
Plant and equipment	8-80%	Diminishing value

	2025 **$ '000**	**2024** **$ '000**
NOTE 13: INVESTMENT PROPERTIES		
Investment property at fair value		
Opening carrying amount	61,012	49,320
Additions	2,026	7,276
Acquisitions from business combinations	92,271	-
Disposals	(9,250)	-
Investment properties reclassified as held for sale	(2,175)	-
Gain on signing new occupancy right agreements	113	775
Fair value gain on investment property	173	3,641
Fair value uplift on investment property with corresponding increase in occupancy right agreements	667	-
Impairment loss	(52)	-
Closing carrying amount	**144,785**	**61,012**

NOTE 13: INVESTMENT PROPERTIES (CONTINUED)

Recognition and measurement

Investment properties include retirement villages, development land, and the leased Golden View Lifestyle Village.

Investment properties are measured at fair value, with changes in fair value recognised in profit or loss in the period they arise.

The fair value of investment properties has been determined by a combination of independent external valuations and internal discounted cash flow (DCF) models.

Valuation of Investment Property

The fair value of the Group's investment properties is determined primarily by independent valuations performed by CBRE Ltd, a registered valuer. These valuations reflect market conditions as at their respective valuation dates.

The Golden View Lifestyle Village lease has been internally valued using a discounted cash flow (DCF) model, applying industry standard valuation assumptions commonly used for similar investment properties.

Investment Property	Valuation Basis	Valuation Date
Ranfurly Manor	Independent Valuation	31 March 2025
Ripponburn Lifestyle Village	Independent Valuation	16 October 2024
Golden View Care	Independent Valuation	16 October 2024
Golden View Lifestyle Village (lease)	Internal DCF Valuation	31 March 2025

For properties last valued on 16 October 2024, management assessed fair value as at 31 March 2025 by reference to those valuations, noting that the underlying assumptions remain consistent at balance date.

Key valuation assumptions

The fair values were based on a discounted cash flow model applied to expected future cash flows generated by the investment properties and by a direct comparison approach based on value per bed. The major assumptions used are as follows:

Assumption	Range (2025)	Range (2024)
Growth Rate	3.17% – 4.65%	2.73% – 3.86%
Target Internal Rate of Return (IRR)	14.00% –20.00%	16.00% – 18.00%
Average Occupancy	75.70% – 96.60%	75.70% – 86.40%
Discounted Cash Flow Period	20 years	20 years
Capitalisation Rates	12.00% – 16.50%	12.00% – 13.50%

Sensitivity

A 0.5 percent decrease in the discount rate would result in a $0.660m higher fair value measurement (2024: $0.480m). Conversely, a 0.5 percent increase in the discount rate would result in a $0.620m lower fair value measurement (2024: $0.450m).

NOTE 13: INVESTMENT PROPERTIES (CONTINUED)

Sensitivity (Continued)

Other inputs used in the fair value measurement of the Group's investment property portfolio include the average age of residents and the occupancy period. A significant increase in the average age of entry of residents or the long-term nominal house-price inflation rate would result in a significantly higher fair value measurement. Conversely, a significant decrease in the average age of entry of residents or the long-term nominal house-price inflation rate would result in a significantly lower fair value measurement.

Fair value measurement of Golden View Lifestyle Village Lease

The Group holds a leasehold interest in Golden View Lifestyle Village under a long-term arrangement with Rivercrest Cromwell Limited, the vendor of the asset and ongoing lessor. In lieu of fixed lease payments, the Group pays Rivercrest 40% of net proceeds from ORA resales. As the Group bears the risks and rewards associated with the asset, the arrangement is accounted for as investment property under NZ IAS 40, applying a substance over form approach.

The fair value of this lease was determined using an internal discounted cash flow (DCF) model, incorporating:

- Projected future ORA cash flows.
- Market-based discount rates (consistent with industry standard assumptions).
- Terminal capitalisation rate reflecting long term property trends.

Security & Occupation Right Agreements

Residents make interest free advances (occupancy advances) to the retirement villages in exchange for the right to occupy units under an ORA. These advances are recognised as a liability (refer to Note 18).

A first mortgage security over individual village titles is held by the statutory supervisor to protect resident interests.

	2025 $ '000	2024 $ '000
A reconciliation summary between the valuation amounts and the amount recognised on the statement of financial position as investment property is as follows:		
Operator's interest at fair value	36,532	12,708
Unsold stock at fair value	1,255	2,555
Development land at fair value	590	2,687
Occupancy right agreements	75,058	22,012
Care business freehold going concern	31,350	21,050
Total investment property at fair value	**144,785**	**61,012**

	2025 $ '000	2024 $ '000
NOTE 14: NON-CURRENT ASSETS HELD FOR SALE		
Divestment of non-core property assets and impairment		
Non-current assets held for sale	**1,601**	**-**

During the year ended 31 March 2025, the Group resolved to divest two non-core properties held by its subsidiary Aldwins Retirement Village Limited: 74–76 Aldwins Road (bare land) and 60 Aldwins Road (land with residential dwellings). These properties have been classified as non-current assets held for sale. They are presented separately as non-current assets held for sale in the statement of financial position. The assets were approved for sale in late 2024 and have been actively marketed since early 2025, with disposal expected within 12 months.

The properties were remeasured to the lower of their carrying amount and fair value less costs to sell. This resulted in a combined impairment loss of $574,000. This amount has been included within impairment expenses in the statement of comprehensive income.

A third property, 56 McPhee Street, was approved for sale by the Board during the reporting period. As the sale of this property was not considered highly probable at balance date, it did not meet the classification criteria for held for sale and remains recorded as Investment Property. An impairment loss of $51,611 was recognised during the year. The impairment was determined based on management's estimate of the recoverable amount, taking into account market conditions and indicative sale interest for the property. This is also included within impairment expenses in the statement of comprehensive income.

The fair value was determined based on market conditions and indicative sale interest for the properties.

None of these properties constitute discontinued operations, as they do not represent a separate major line of business or geographical area.

NOTE 15: FAIR VALUE MEASUREMENT

(a) Fair Value Hierarchy

The Group classifies assets and liabilities measured at fair value in accordance with NZ IFRS 13 – Fair Value Measurement into the following three levels of the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Inputs that are not based on observable market data and require significant management judgment.

NOTE 15: FAIR VALUE MEASUREMENT (CONTINUED)

(a) Fair Value Hierarchy (continued)

The following table provides the classification of those assets measured at fair value on a recurring basis:

2025	LEVEL 1 $ '000	LEVEL 2 $ '000	LEVEL 3 $ '000	TOTAL $ '000
Recurring fair value measurements				
Non-financial assets				
Land and buildings at fair value	-	-	21,750	21,750
Investment property	-	-	144,785	144,785
Total recurring non-financial assets	**-**	**-**	**166,535**	**166,535**
Non-recurring fair value measurements				
Non-current asset held for sale	-	1,601	-	1,601
Total non-recurring non-financial assets	**-**	**1,601**	**-**	**1,601**

2024	LEVEL 1 $ '000	LEVEL 2 $ '000	LEVEL 3 $ '000	TOTAL $ '000
Recurring fair value measurements				
Non-financial assets				
Land and buildings at fair value	-	-	20,050	20,050
Investment property	-	-	61,012	61,012
Total recurring non-financial assets	**-**	**-**	**81,062**	**81,062**

(b) Basis of Valuation for non-financial assets fair value measurements

Investment properties and revalued land and buildings are measured at fair value at each reporting date in accordance with NZ IAS 16, NZ IAS 40, NZ IFRS 5, and NZ IFRS 13. These valuations are based either on independent external appraisals or internally developed discounted cash flow (DCF) models using inputs not observable in the market. As such, they are classified within Level 3 of the fair value hierarchy.

Key valuation assumptions and methodology are disclosed in Note 13.

Held for sale assets are measured at lower of carrying amounts and fair value less cost of sale which is based on market conditions and indicative sale interest for the properties (refer to Note 14).

NOTE 15: FAIR VALUE MEASUREMENT (CONTINUED)

(c) Level 3 non-recurring financial fair value measurements

As part of the Golden View acquisition (refer Note 28), the Group issued:

- A vendor loan with a nominal value of $13.350m
- Convertible notes with a nominal value of $6.000m

Both instruments were initially recognised at fair value at acquisition date, in accordance with NZ IFRS 3, for the purpose of calculating the purchase consideration. These initial fair values were determined using a discounted cash flow model under NZ IFRS 13.

Subsequent to acquisition, both the vendor loan and the convertible notes are measured at amortised cost under NZ IFRS 9. The difference between each instrument's nominal value and its initial fair value is recognised as imputed interest expense over the term of the instrument.

	NOTE	2025 $ '000	2024 $ '000
NOTE 16: PAYABLES			
Trade payables		1,842	1,497
Employee entitlements		2,223	1,743
Accommodation rebate payable		208	344
Related party payables	26	-	175
		4,273	**3,759**

Employee entitlements include provision in relation to terminated employees, of which a process is underway to contact these individuals for payment.

	NOTE	2025 $ '000	2024 $ '000
NOTE 17: REVENUE RECEIVED IN ADVANCE			
Revenue received in advance		**4,056**	**2,288**
Movements in revenue received in advance			
Opening balance		2,288	1,472
Amounts recognised		(1,277)	(1,048)
Transferred out due to discontinued operation		(61)	-
Amounts received during the year	18	3,106	1,864
Closing balance		**4,056**	**2,288**

NOTE 17: REVENUE RECEIVED IN ADVANCE (CONTINUED)

Revenue received in advance represents the contractual deferred management fees received not yet released to the profit or loss on the accounting basis of estimated expected occupancy periods of between 4.0 and 8.1 years (2024: 3.7 and 7.0 years).

NOTE 18: OCCUPANCY RIGHT AGREEMENTS

	2025 $ '000	2024 $ '000
Opening	22,012	15,459
Received on issue of new ORAs	8,370	10,215
Acquired upon business combinations	54,529	-
Increase due to fair value uplift of investment properties	667	-
Transferred out due to discontinued operations	(3,000)	-
Repaid on termination of ORAs	(4,414)	(1,798)
Deferred management fees (per contract)	(3,106)	(1,864)
	75,058	**22,012**

Occupancy right agreements confer on residents the right of occupancy of the retirement village for life, or until the resident terminates the agreement. These are considered as leases under NZ IFRS 16.

Occupancy advances are amounts paid to the Group by a resident on being issued the right to occupy one of the Group's units or services apartments under an ORA. The ORA confers a right of occupancy until such time is terminated.

Upon signing of an ORA the resident has a cooling off period. Revenue and the corresponding receivable is not recognised until the end of the cooling off period.

Occupancy advances are non-interest bearing and are repayable to the exiting resident, net of any amount owing to the Group, whereby a new ORA for the unit or services apartment may then be issued to an incoming resident.

NOTE 19: BORROWINGS

	2025 $ '000	2024 $ '000
Current		
BNZ loans	1,017	17,360
Other loan	1,595	6,613
	2,612	**23,973**
Non-current		
BNZ loans	31,070	1,182
Other loans	8,540	4,000
	39,610	5,182
	42,222	**29,155**

NOTE 19: BORROWINGS (CONTINUED)

Borrowing Costs

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

BNZ Loans

Term loans are secured by first mortgage security over the aged care facilities, security over the Group's care centre freehold land and buildings, and rank second behind the statutory supervisors when the land and buildings are classified as investment properties. BNZ loans consist of the following facilities:

MATURITY DATE	INTEREST RATE	FACILITY $ '000	DRAWN $ '000	UNDRAWN $ '000
As at 31 March 2025				
30 October 2025	2.29%	417	417	-
9 March 2026	7.06%	700	600	100
14 August 2026	6.91%	7,500	7,500	-
14 August 2026	6.66%	1,170	1,170	-
20 August 2026	7.59%	11,900	11,900	-
30 March 2027	6.66%	7,500	7,500	-
14 January 2028	6.80%	3,000	3,000	-
		32,187	**32,087**	**100**

MATURITY DATE	INTEREST RATE	FACILITY $ '000	DRAWN $ '000	UNDRAWN $ '000
As at 31 March 2024				
18 October 2024	9.77%	9,500	9,135	365
31 March 2025	9.25%	7,500	7,500	-
30 October 2025	2.29%	1,207	1,207	-
9 March 2026	9.17%	700	700	-
		18,907	**18,542**	**365**

As of 31 March 2025, the Group classified its secured Bank of New Zealand facilities of $31.070m (2024: $1.182m) as non-current liabilities. This borrowing is subject to financial covenants under the Group's financing arrangements with Bank of New Zealand, which are tested and reported quarterly. The covenants require the Group to maintain a Loan to Value Ratio and a minimum amount of EBITDA (earnings before interest, tax expense, depreciation and amortisation of intangibles) less vendor loan payments. The Group complied with all covenant requirements during the reporting period and as of 31 March 2025. Based on management's forecast and assessment, continued compliance is expected for at least the next 12 months, and there is no material risk that the non-current borrowings will become repayable within that period.

NOTE 19: BORROWINGS (CONTINUED)

BNZ Loans (Continued)

There is an all obligations unlimited interlocking company guarantee between the following entities in the Group; Promisia Healthcare Limited, Aged Care Holdings Limited, Ranfurly Manor Limited, Nelson Street Resthome Limited, Aldwins House Limited and Aldwins Retirement Village Limited, Golden View Care Limited and Thyme Care Limited.

During prior year on 16 November 2023, the Group advised that there was a breach of the EBITDA/Interest banking covenant for the quarter ended 30 September 2023. This was resolved with the Group satisfying all covenant requirements for the quarter ended 31 December and subsequently, BNZ agreed to a variation to covenants on improved terms.

Other Loans consists of:

Insurance premium funding

The Group entered into a short-term funding arrangement with Hunter Premium Funding for the payment of insurance premiums. Under this arrangement, Hunter Premium Funding paid the insurance provider directly, and the Group repays Hunter Premium Funding in monthly instalments over the policy term.

The arrangement is classified as a borrowing rather than a trade payable and is presented as part of other loans on the statement of financial position. It is not part of a broader supplier finance or reverse factoring programme. The arrangement does not materially impact the Group's working capital position.

The carrying amount of liabilities under supplier finance arrangement is $0.135m, of which the supplier has received $0.135m from the finance provider.

All liabilities under this arrangement are current.

Vendor Loan – Rivercrest Cromwell Limited

As part of the Golden View Lifestyle Village acquisition (refer to Note 28), the Group entered into a vendor loan agreement with Rivercrest Cromwell Limited with a nominal value of $13.350m.

The loan is interest-free and repayable in August 2028. It is structured as follows:

- A non-refundable deposit of $8.64m, payable in 48 equal monthly instalments of $180,000, commencing August 2024.
- A final payment of $4.710m due in August 2028.

Initial recognition

The vendor loan was initially recognised at fair value at acquisition date to determine the purchase consideration. The fair value was determined using a discounted cash flow model under NZ IFRS 13, reflecting the time value of money.

NOTE 19: BORROWINGS (CONTINUED)

Vendor Loan – Rivercrest Cromwell Limited (Continued)

Subsequent measurement

Following acquisition, the loan is measured at amortised cost. The difference between its fair value and nominal amount is recognised as imputed interest expense over the loan term. No further fair value adjustments are made post-acquisition.

Carrying value reconciliation at 31 March 2025:

	2025 NOMINAL VALUE $ '000	2024 NOMINAL VALUE $ '000	2025 NOMINAL VALUE $ '000	2024 NOMINAL VALUE $ '000
Vendor loan – current portion	2,160	-	1,460	-
Vendor loan – non-current portion	9,750	-	8,540	-
Total	**11,910**	**-**	**10,000**	**-**

The carrying value reflects the amortised cost of the loan at balance date.

Senior Trust Retirement Village Income Generator Limited

A term loan of $6.5m was held with Senior Trust Retirement Village Income Generator Limited which held second mortgage security over the aged care facilities. The loan was interest only with a fixed interest rate of 10.75% (2024: 10.75% p.a.). The loan was repaid in full during the year.

Teltower Limited

The loan was refinanced during the year. The loan of $4.0m was held with Teltower Limited and had an interest rate of 6.00% p.a. (2024: 6.00% p.a). Principal repayments were effective from 1 April 2024 at $20,000 per month, with full repayment of the residual balance on 1 April 2027. The loan was secured by the properties at 56 McPhee Street, Dannevirke and 62 Aldwins Road, Phillipstown.

In January 2025, the Teltower Limited Loan was reduced from $3.82 million to $3.00 million following an agreed early settlement. This resulted in a $0.82 million reduction in principal. After deducting associated transaction costs, the Group recognised $0.799 million of debt reduction income in profit or loss. The remaining $3.0 million balance was refinanced with a new loan from BNZ.

NOTE 20: CONVERTIBLE NOTES

As part of the Golden View acquisition (refer to Note 28), the Group issued 6.0m unquoted convertible notes to Rivercrest Cromwell Limited, the vendor of the Golden View Lifestyle Village. The convertible notes were issued as part of the deferred consideration under the Sale and Purchase Agreement.

Key Terms of the Convertible Notes

- The notes are interest-free and mature on 28 August 2028.
- The notes may be converted into ordinary shares at the discretion of the noteholder prior to maturity.
- The initial conversion price was $0.001 per share, adjusted to $0.50 per share following the 500:1 share consolidation.
- Any notes not converted will be redeemed at face value in cash at maturity.
- Shares issued upon conversion will rank equally with all other ordinary shares in Promisia Healthcare Limited.

Convertible notes on issue:

	NUMBER ON ISSUE 000's	NOMINAL VALUE $ '000
Tranche 1	2,500	2,500
Tranche 2	3,500	3,500
Total	**6,000**	**6,000**

Conversion terms:

Terms	Exercise period	Maturity Date
Tranche 1	Any time before the one-year anniversary date of the Grant Date	28 August 2025
Tranche 2	Any time before the four-year anniversary of the Grant Date	28 August 2028

Recognition and Measurement

The convertible notes are compound financial instruments, as they can be converted by the holder at any time until maturity to a fixed number of ordinary shares.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost under the effective interest method. The equity component of a compound financial instrument is not remeasured.

NOTE 20: CONVERTIBLE NOTES (CONTINUED)

Recognition and Measurement (Continued)

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

The Group assessed the classification of the convertible notes as current or non-current liabilities. As the conversion option is equity-classified (fixed-for-fixed), and the Group has no contractual obligation to settle the liability within 12 months, the entire liability component of the convertible notes is classified as a non-current liability.

Carrying Value Reconciliation at 31 March 2025:

	NOMINAL VALUE $ '000	CARRYING VALUE $ '000
Convertible notes (liability)	6,000	4,465
Value of conversion rights on convertible notes (equity)	-	1,535
Total	**6,000**	**6,000**

Further details on the initial recognition and acquisition accounting are provided in Note 28.

NOTE 21: SHARE CAPITAL

		2025 $ '000	2024 $ '000
Issued capital (000's)			
52,604 (2024: 21,475,642) Ordinary shares	(a)	82,056	77,467

	2025		2024	
	NUMBER '000	$ '000	NUMBER '000	$ '000
(a) Ordinary shares				
The parent entity				
Opening balance	21,475,642	77,467	21,434,975	77,426
Capital raise	4,725,000	4,725	-	-
Transaction costs relating to capital raise	-	(225)	-	-
Share based payments	71,227	89	40,667	41
Total shares issued and paid	4,796,227	4,589	40,667	41
Share consolidation of 500:1	(26,219,265)	-	-	-
At reporting date	**52,604**	**82,056**	**21,475,642**	**77,467**

Capital raise

In July 2024, the parent entity undertook a capital raise to raise funds to finance the acquisition of Golden View Lifestyle Village and Ripponburn Home and Hospital. The capital raise consisted of a combination of placements and a share purchase plan to all existing shareholders at an offer price of $0.001 per share in Promisia Healthcare Limited, raising a total of $4.725m. For every one share allotted under the capital raise one Warrant was allotted for no additional consideration.

NOTE 21: SHARE CAPITAL (CONTINUED)

Capital raise (Continued)

During the year, the Group incurred share issue costs of $0.225m. The cost has been capitalised as part of the share capital of the Group.

Share based payments

During the year ended 31 March 2025, Promisia Healthcare Limited issued ordinary shares in settlement of Restricted Share Units (RSUs) granted under the 2023 Senior Executive Restricted Share Plan Rules. These were satisfied through non-cash consideration for services rendered by senior executives and recognised as employee benefit expense in profit or loss.

Prior to the 500:1 share consolidation on 26 September 2024, the following RSU conversions occurred at $0.001 per share:

- On 17 January 2024, 40.667m shares were issued, totalling $0.041m.
- On 9 April 2024, 40.667m shares were issued, totalling $0.041m.
- On 15 August 2024, 30.500m shares were issued, totalling $0.031m.

Subsequent to the share consolidation, on 14 November 2024, a further RSU conversion occurred with 0.060m shares being issued at $0.283 per share, totalling $0.017m.

Share consolidation

During the period the board resolved to consolidate Promisia Healthcare Limited's shares and warrants on 26 September 2024. Under the consolidation every 500 shares became 1 share.

Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital management

The Group's capital includes share capital, reserves and retained earnings. The objective of the Group's capital management is to ensure a strong credit rating to support business growth and maximise shareholder value. The Group's capital is managed at parent company level. The Group is subject to capital requirements imposed by its lenders through covenants agreed as part of the lending facility arrangements. The Group has met all externally imposed capital requirements for the year ending 31 March 2025 (2024: The Group met all externally imposed capital requirements for the year ending 31 March 2024 with the exception of 30th September 2023 when the Group advised that they breached the EBITDA/Interest banking covenant for the quarter (refer to Note 19)).

	2025 $ '000	2024 (Re-presented)* $ '000
NOTE 22: EARNINGS PER SHARE		
Reconciliation of earnings used in calculating earnings per unit		
Profit from continuing operations	6,574	987
Profit from discontinued operations	262	648
Total profit attributable to ordinary shareholders	6,836	1,635
Cents per share		
Basic earnings per share		
Basic earnings per share from continuing operations	13.4145	2.3044
Basic earnings per share from discontinued operations	0.5346	1.5129
Basic earnings per share from total comprehensive income	13.9491	3.8173
Diluted earnings per share		
Diluted earnings per share from continuing operations	11.7235	2.3044
Diluted earnings per share from discontinued operations	0.4672	1.5129
Diluted earnings per share from total comprehensive income	12.1908	3.8173
Weighted average number of ordinary shares on issue for EPS		
Basic	49,007	42,830
Effect of conversion of convertible notes	7,068	-
Diluted	**56,075**	**42,830**

The calculation of basic earnings per share is based on the gain/(loss) from continuing/discontinued operations attributable to ordinary shareholders and the weighted average of total ordinary shares on issue during the period. The calculation of diluted earnings per share has been based on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

At 31 March 2025, all warrants were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive. The average market value of the Group's shares for the purpose of calculating the dilutive effect of warrants was based on quoted market prices for the period during which the warrants were outstanding.

**Comparative information has been re-presented due to a discontinued operation and the earnings per share has been restated due to a share consolidation of 500 to 1.*

	NOTE	2025 $ '000	2024 $ '000
NOTE 23: RESERVES			
Asset revaluation reserve	(a)	5,215	3,783
Pooling of interest reserve	(b)	(717)	(717)
		4,498	**3,066**

(a) Asset revaluation reserve

	2025 $ '000	2024 $ '000
Movements in reserve		
Opening balance	3,783	667
Revaluation of property, plant and equipment, net of tax	1,432	3,116
Closing balance	**5,215**	**3,783**

This reserve records the cumulative net changes in the fair value of freehold land and buildings that are measured using the revaluation model in accordance with NZ IAS 16. Revaluation gains are recognised in other comprehensive income and accumulated in this reserve, unless they reverse a revaluation decrease previously recognised in profit or loss.

(b) Pooling of interest reserve

	2025 $ '000	2024 $ '000
Movements in reserve		
Opening balance	(717)	(717)
Closing balance	**(717)**	**(717)**

This reserve arose on acquisition of aged care facilities from a related party in 2020. The transaction was accounted for using the pooling of interest method, under which the acquired assets and liabilities were recorded at their historical carrying values. The reserve reflects the accounting treatment required for this type of common control transaction.

NOTE 24: WARRANTS

	NUMBER ON ISSUE 000's	NUMBER CONVERTED TO ORDINARY SHARES
Opening balance at 1 April 2024	-	-
5 August 2024 allotment	4,000,000	-
30 August 2024 allotment	725,000	-
26 September 2024 allotment	9,450,000	-
27 September 2024 consolidation 500:1	(14,146,650)	-
Closing balance at 31 March 2025	**28,350**	**-**

Warrants were issued during the year ended 31 March 2025 (31 March 2024: nil).

In July 2024, the Group undertook a capital raise to raise funds to finance the acquisition of Golden View Lifestyle Village and Ripponburn Home and Hospital. The capital raise consisted of a combination of placements and a share purchase plan to all existing shareholders at an offer price of $0.001 per share in Promisia, raising a total of $4.725m. For every one share allotted under the capital raise one warrant was allotted for no additional consideration.

The warrants are classified as equity instruments, as they meet the "fixed-for-fixed" criterion (fixed number of shares for a fixed price). As such, they were recorded in equity at fair value on initial recognition with no subsequent re-measurement. The fair value of the warrants was assessed as immaterial, given that the exercise price aligned with the share price, resulting in limited intrinsic value at issuance.

Warrant consolidation

During the year the Board resolved to consolidate Promisia Healthcare Limited's shares and warrants on 26 September 2024. Under the consolidation every 500 warrants became 1 warrant.

Exercise of warrants

The warrants are transferable, with each warrant giving the warrant holder the right, but not the obligation, to subscribe for one additional share at any time before the expiry date of 24 March 2027 for an exercise price of $0.50 post consolidation ($0.001 pre consolidation).

Dilutive impact on net tangible assets

As at 31 March 2025, the Group's net tangible assets per share were $0.792. If all 28.35 million outstanding warrants are exercised at the strike price of $0.50 per share, the Group would receive approximately $14.2 million of new capital. The dilution impact of this would result in a net tangible assets per share of approximately $0.689. This illustrates the potential positive impact of warrant conversion while still maintaining a diluted NTA per share above the warrant strike price.

NOTE 25: INTERESTS IN SUBSIDIARIES

SUBSIDIARIES OF PROMISIA HEALTHCARE LIMITED:	PRINCIPAL ACTIVITIES	2025	2024
		%	%
Thyme Care Limited	Rest home operation	100	-
Thyme Care Properties Limited	Village ownership	100	-
Ranfurly Manor Limited	Rest home operation	100	100
Ranfurly Manor No:1 Limited	Village ownership	100	100
Nelson Street Rest Home Limited	Rest home operation	100	100
Golden View Care Limited	Rest home operation	100	-
Aldwins House Limited	Rest home operation	100	100
Aldwins Retirement Village Limited	Investment property	100	100
EMAC Holdings Limited	Investment property	100	100
Aged Care Holdings Limited	Holding Company	100	100
Promisia Limited	Active Company	100	100
Benefit Arthritis Limited	Inactive	100	100
Promisia Trustee Limited	Trustee	100	100
Promisia (USA) LLC	Inactive	100	100
Eileen Mary Age Care Property (renamed EMAC 2 Limited on 13 May 2025)	Village ownership	100	100
Eileen Mary Age Care Limited (renamed EMAC 1 Limited on 13 May 2025)	Rest home operation	100	100

Golden View Care Limited was incorporated on 22 April 2024.

On 29 August 2024 the Group acquired Thyme Care Properties Limited and Thyme Care Limited.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

The country of incorporation for the subsidiaries is New Zealand apart from Promisia (USA) LLC, which was incorporated in the United States of America.

NOTE 26: RELATED PARTY TRANSACTIONS

Related Party	Relationship
Brankin Family Interest Trust	Related to a shareholder and a Director of the Group
Renouf Corporation Limited	Related by common directors in 2023, ceased in 2024
Design Care Group Limited	Related by common directors
Colspec Construction Limited	An associated person holds 5% of the shares in the Group
Crafted Solutions Limited	Related by common directors

The Ranfurly Development is a related party transaction approved by shareholders in 2020. The Ranfurly Development is being financed and constructed by Design Care Group Limited (Design Care), a private New Zealand company associated with Promisia Healthcare Limited director, Mr. Thomas Brankin. Design Care engaged Colspec Construction Limited (Colspec), a New Zealand construction company, to construct the development. An associated person of Colspec holds just over 5% of the shares in Promisia Healthcare Limited. Since that time, Colspec has taken an assignment of the development agreement from Design Care and is now financing and constructing the development. The agreement was initially for a period 7 years, this was amended by a contract deed of variation on 6th December 2022, to a period of two years. Payments are agreed and paid when the ORA is settled (refer to Note 30).

(a) Transactions with related parties

	2025 $ '000	2024 $ '000
Directors fees	187	161
Consultancy fees paid to Crafted Solutions Limited	124	-
Consultancy fees paid to Design Care Group limited	296	120
Payment for refurbishment of internal unit to Colspec Construction Ltd	-	184
Payment for repairs and maintenance to Colspec Construction Ltd	-	43
	607	**508**

Tony Mortensen was initially appointed to the Board as an Independent Director. On 6 November 2024, Tony was employed by Asset Management Limited, a substantial shareholder in Promisia Healthcare Limited. As such, the Board considered Tony to be a non-independent director from 6 November 2024.

NOTE 27: KEY MANAGEMENT PERSONNEL COMPENSATION

	2025 $ '000	2024 (RE-PRESENTED) $ '000
Key management personnel of the Group are the directors and executives.		
Compensation received by key management personnel of the Group		
– short-term employee benefits	669	691
– equity-settled share based payments	48	41
	717	**732**

NOTE 28: BUSINESS COMBINATIONS

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is measured at its acquisition date fair value.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in profit or loss.

Acquisition related costs are expensed as incurred.

Acquisition of Golden View Lifestyle Village and Golden View Care

On 28 August 2024, the Group acquired the assets and assumed the liabilities of Golden View Lifestyle Village and Golden View Care, comprising a leasehold interest in the village and a freehold interest in the care facility.

This acquisition aligns with the Group's strategy to expand its aged-care and retirement village operations by increasing its footprint in the Central Otago region.

The transaction involved:

- A leasehold interest in Golden View Lifestyle Village, classified as investment property
- A freehold interest in Golden View Care, classified as investment property
- Deferred consideration totalling $19.35m, comprising:
  - A $13.35m vendor loan (interest-free, repayable August 2028).
  - A $6.00m convertible note (convertible into ordinary shares or redeemable in August 2028).

The leasehold interest is held under a long-term arrangement with Rivercrest Cromwell Limited, the vendor of the assets and ongoing lessor. In lieu of fixed lease payments, the Group pays Rivercrest 40% of net proceeds from ORA resales. As the Group bears the risks and rewards associated with the asset, the lease is accounted for as investment property.

Legal ownership of the village is expected to transfer on August 2028, upon full repayment of the vendor loan and completion of either the conversion or redemption of the convertible notes.

NOTE 28: BUSINESS COMBINATIONS (CONTINUED)

Acquisition of Golden View Lifestyle Village and Golden View Care (continued)

Purchase Consideration

The nominal purchase consideration agreed for the acquisition was $29.35m, comprising:

	NOTE	NOMINAL VALUE $ '000	FAIR VALUE AT ACQUISITION $ '000
Cash consideration paid		10,000	10,000
Vendor loan	19	13,350	10,984
Convertible notes	20	6,000	6,000
Total purchase consideration		**29,350**	**26,984**

The vendor loan and convertible notes were initially recognised at fair value at acquisition date to determine purchase consideration.

The vendor loan is measured at amortised cost, with the difference between fair value and nominal value recognised as imputed interest expense over the loan term (refer to Note 19).

The convertible notes were recognised as a compound financial instrument, with $4.465m recognised in liabilities and $1.535m recognised in equity as "Value of conversion rights on convertible notes" (refer to Note 20). The liability component is measured at amortised cost under NZ IFRS 9, with the difference between its initial fair value and nominal value recognised as imputed interest expense over the life of the instrument.

Fair value of net assets acquired

Assets and liabilities as a result of the business combination were:

	RECOGNISED ON ACQUISITION AT FAIR VALUE $ '000
Assets and liabilities held at acquisition date:	
– Investment property – Golden View Lifestyle Village (Leasehold)	61,294
– Investment properties – Golden View Care (Freehold)	20,527
– Property, plant and equipment	825
– Occupation right agreements	(49,370)
Net identifiable assets acquired	**33,276**

NOTE 28: BUSINESS COMBINATIONS (CONTINUED)

Acquisition of Golden View Lifestyle Village and Golden View Care (continued)

Bargain purchase gain

As the fair value of net assets acquired exceeded the total purchase consideration, the Group has recognised a bargain purchase gain.

	AMOUNT $ '000
Total fair value of consideration transferred	(26,984)
Acquisition related costs	(868)
Total fair value purchase consideration	(27,852)
Less: fair value of net assets acquired	33,276
Bargain purchase gain	**5,424**

Impact on financial statements

- A bargain purchase gain has been recognised in profit or loss.
- The convertible note equity component was recognised in equity as a convertible notes reserve and forms part of equity until conversion or expiry.
- The vendor loan and the liability component of the convertible notes are both carried at amortised cost, with the difference between initial fair value and nominal value recognised as imputed interest expense over time.

Contribution since acquisition

Since acquisition date, Golden View Care and Golden View Lifestyle Village have contributed revenue of $1.561m and operating loss before tax of $0.255m to the consolidated results for the year ended 31 March 2025.

Had the acquisition occurred on 1 April 2024, the Group estimates that these entities would have contributed revenue of $6.109m and operating profit before tax of $0.215m to the consolidated results for the year ended 31 March 2025.

Notes to the Consolidated Financial Statements cont'd

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 28: BUSINESS COMBINATIONS (CONTINUED)

Acquisition of Ripponburn Home and Hospital

On 28 August 2024, the Group acquired 100% of the share capital of Thyme Care Limited, trading as Ripponburn Home and Hospital, together trading as Ripponburn Home and Hospital, a provider of aged residential care in Cromwell. The acquisition included 46 care beds (including a specialist dementia unit) and 16 independent villas.

This acquisition aligns with the Group's strategy to expand its aged care network and deepen its presence in the Central Otago region, complementing the adjacent Golden View facilities.

Purchase consideration:

The nominal purchase consideration agreed for the acquisition was $4.00m, comprising:

	$ '000
Cash paid	3,947
Total consideration	**3,947**

Fair value of net assets acquired

Assets and liabilities acquired as a result of the business combination were:

	RECOGNISED ON ACQUISITION AT FAIR VALUE $ '000
Assets and liabilities held at acquisition date:	
– Cash & cash equivalents	42
– Accounts receivable	299
– Property, plant and equipment	154
– Investment properties	10,450
– Deferred tax liability	(4)
– Accounts payable	(178)
– Provisions	(221)
– Occupation right agreements	(5,159)
– Deferred management fee	(251)
Net identifiable assets acquired	**5,132**

NOTE 28: BUSINESS COMBINATIONS (CONTINUED)

Acquisition of Ripponburn Home and Hospital (continued)

Bargain Purchase Gain

As the fair value of net assets acquired exceeded the total consideration transferred, the Group has recognised a bargain purchase.

	AMOUNT $ '000
Total consideration transferred	(3,947)
Less: fair value of net assets acquired	5,132
Bargain purchase gain	**1,185**

Contribution since acquisition

Since acquisition date, Thyme Care Limited and Thyme Care Properties Limited have contributed revenue of $0.177m and operating loss before tax of $0.394m to the consolidated results for the year ended 31 March 2025.

Had the acquisition occurred on 1 April 2024, the Group estimates that Ripponburn would have contributed revenue of $4.169m and operating profit before tax of $0.561m to the consolidated results for the year ended 31 March 2025.

Total bargain purchase on business acquisitions

	AMOUNT $ '000
Bargain purchase gain on acquisition of Golden View Lifestyle Village and Golden View Care	5,424
Bargain purchase gain on acquisition of Ripponburn Home and Hospital	1,185
Total bargain purchase gain	**6,609**

NOTE 29: DISCONTINUED OPERATION

A discontinued operation is a component of the Group that has been disposed of in the current, or prior, reporting period or is classified as held for sale at the reporting date, and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are disclosed separately in the consolidated statement of comprehensive income.

On 13 September 2024, Promisia Healthcare Limited entered into a conditional sales and purchase agreement to sell its Eileen Mary care facility and village in Dannevirke, for a purchase price of $6.100m. The sale and purchase agreement was conditional on regulatory approval and consent to transfer a material contract. The sale and purchase was completed on 12 November 2024. Eileen Mary care facility and village has been classified as a discontinued operation in these financial statements.

Notes to the Consolidated Financial Statements cont'd

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 29: DISCONTINUED OPERATIONS (CONTINUED)

The Eileen Mary care facility and village was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of comprehensive income has been represented to show the discontinued operation separately from continuing operations.

The results of the discontinued operation for the period are:

	2025 $ '000	2024 $ '000
(a) Financial performance information		
Revenue	2,701	3,776
Expenses	2,041	3,120
Results from operating activities	660	656
Income tax expense on operating expenses	216	8
Results from operating activities, net of tax	444	648
Loss on sale of discontinued operation before income tax	(253)	-
Income tax benefits on loss on sale of discontinued operation	(71)	-
Loss on sale of discontinued operation after income tax	(182)	-
Profit from discontinued operations	**262**	**648**
(b) Cash flow information		
Net cash provided by operating activities	314	517
Net cash provided by / (used in) investing activities	5,660	(947)
Net cash provided used in financing activities	(5,983)	(110)
Net cash flow	**(9)**	**(540)**

	AMOUNT $ '000
(c) Details of sale consideration	
Cash received	5,660
Total disposal consideration	5,660
Carrying amount of net assets sold	5,810
Capitalised acquisition costs	(103)
Loss on sale	(253)
The carrying amounts of assets and liabilities as at the date of sale (12 November 2024) were:	
Investment property	9,250
Total assets	9,250
Employee leave provision	(269)
Occupation rights agreements	(3,171)
Total liabilities	(3,440)
Net Assets	**5,810**

NOTE 30: CAPITAL AND LEASING COMMITMENTS

The Group has a fixed price agreement for the development of ten premium care suites which consists of eight 1-bedroom and two 2-bedroom apartments,which were completed at a fixed price of $1.900m to be paid from ORA sale proceeds from the individual units. The commitment as at 31 March 2025 is $0.760m (31 March 2024: $2.200m).

As at 31 March 2025, all premium apartment units had been completed. Six of the premium apartments have been sold, with the four remaining sold post period end.

	2025 $ '000	2024 $ '000
(a) Lease commitments		
Non-cancelable operating leases contracted for but not capitalised in the financial statements:		
Payable		
– not later than one year	21	42
– later than one year and not later than five years	38	14
	59	56

NOTE 31: CONTINGENT LIABILITIES

There are no contingent liabilities at reporting date (2024: nil).

NOTE 32: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matters or circumstances, which have arisen since 31 March 2025 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 March 2025, of the Group, or

(b) the results of those operations, or

(c) the state of affairs, in financial years subsequent to 31 March 2025, of the Group.

Independent auditor's report to the shareholders of Promisia Healthcare Limited

Report on the audit of the consolidated financial statements

Our opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements of Promisia Healthcare Limited (the Company) and its subsidiaries (the Group), present fairly, in all material respects:

— the consolidated financial position of the Group as at 31 March 2025, and

— its consolidated financial performance and its consolidated 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 (IFRS).

What was audited?

We have audited the consolidated financial statements of the Group, which comprise:

— the consolidated statement of financial position as at 31 March 2025,

— the consolidated statement of comprehensive income for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended, and

— notes to the consolidated financial statements, including material accounting policy information.

Basis for opinion

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

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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company or any of its subsidiaries.

Auckland | Level 4, 21 Queen Street, Auckland 1010, New Zealand
Tauranga| 145 Seventeenth Ave, Tauranga 3112, New Zealand

+64 9 366 5000
+64 7 927 1234

info@williambuck.co.nz
williambuck.com

William Buck
ACCOUNTANTS & ADVISORS

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Area of focus	How our audit addressed it
Investment Property *(Refer also to Note 13)* The Group owns significant Investment Property which has been recorded at fair value at 31 March 2025 of $144.8m. The net revaluation gain recognised in the consolidated statement of comprehensive income is $0.2m. The valuation of the Group's retirement village portfolio is inherently subjective and is based on unobservable inputs. Property valuations were performed by an independent third party and registered valuer, CBRE Limited, as well as management using a discounted cash flow (DCF) model, applying industry-standard valuation assumptions. The independent valuer is reputable, with extensive experience in the sector in which the Group operates. Management's DCF model applied the same assumptions as the independent valuer. A small variation of certain assumptions could result in a material adjustment to the carrying values which is why we have given specific audit focus and attention to this area.	Our audit procedures included: • We reviewed the independent valuer's reports and tested their calculations to ensure that the valuation methodology was in compliance with relevant accounting standards • We held separate discussions with management to gain an understanding of the assumptions applied and estimates used • We completed a benchmark analysis on other valuations reported in the sector the Group operates • We assessed the valuer's qualifications, expertise and their objectivity, and we found no evidence to suggest that was impaired • We examined the disclosures made in the notes in accordance with the requirements of NZ IAS 40 and NZ IFRS 13.

Area of focus	How our audit addressed it
Property, Plant and Equipment – Land and Buildings at fair value *(Refer also to Note 12)* The Group owns significant Land and Building which is recorded at fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. The net book value of the Land and Buildings as reflected in note 12 is $21.8m. The revaluation gain recognised in the consolidated statement of comprehensive income is $1.4m. The valuation of the Group's Land and Buildings is inherently subjective and is based on unobservable inputs. The property valuations were performed by an independent third party and registered valuer, CBRE Limited. The valuer is reputable, with extensive experience in the sector in which the Group operates. A small variation of certain assumptions could result in a material adjustment to the carrying values which is why we have given specific audit focus and attention to this area.	Our audit procedures included: • We reviewed the independent valuer's reports and tested their calculations to ensure that the valuation methodology was in compliance with relevant accounting standards • We held separate discussions with management to gain an understanding of the assumptions applied and estimates used • We completed a benchmark analysis on other valuations reported in the sector the Group operates • We assessed the valuer's qualifications, expertise and their objectivity, and we found no evidence to suggest that was impaired • We examined the disclosures made in the notes in accordance with the requirements of NZ IAS 16 and NZ IFRS 13.

Area of focus	How our audit addressed it
Business Combinations *(Refer also to Note 28)* On 28 August 2024, the Group acquired the assets and assumed the liabilities of Golden View Lifestyle Village and Golden View Care, comprising a leasehold interest in the village and a freehold interest in the care facility. Total fair value purchase consideration was $27.9m. On the same date, the Group acquired 100% of the share capital of Thyme Care Limited, trading as Ripponburn Home and Hospital, together trading as Ripponburn Home and Hospital Total purchase consideration was $3.9m. The business combinations are accounted for according to NZ IFRS 3. The assets, liabilities and contingent liabilities acquired were stated at their fair values. This results in net assets measured at fair value on acquisition of $33.3m for Golden View and $5.1m for Ripponburn. The purchase price allocations performed and calculation of fair value of deferred consideration require the group to make discretionary decisions, estimates and assumptions. Changes in these assumptions may have a material impact on the fair values. Due to the matter described, we considered the business combination and in particular the determination of fair values of assets and liabilities acquired to be a key audit matter.	Our audit procedures included: • We verified, based on the sale and purchase agreements as well as the criteria defined in NZ IFRS 10, the assessment made by the Group with regard to the control taken over the respective entities and net assets • We assessed the methodical approach in identifying the assets acquired and liabilities assumed at the acquisition date • We verified the measurement methods applied and examined the determination of the identifiable assets acquired as well as of the liabilities and contingent liabilities assumed • We examined the disclosures of the acquisition made in the notes in accordance with the requirements of NZ IFRS 3.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report on pages 2 to 20 and pages 69 to 90, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Directors' responsibilities for the consolidated financial statements

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

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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) 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website:
https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/
This description forms part of our auditor's report.

Restriction on distribution and use

This independent auditor's report is made solely to the shareholders, as a body. Our audit work has been undertaken so that we might state to the shareholders those matters which we are required to state to them in the independent 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 shareholders, as a body, for our audit work, this independent auditor's report, or for the opinions we have formed.

William Buck

William Buck Audit (NZ) Limited
Tauranga, 25 June 2025

Corporate Governance

Statement of compliance

This corporate governance statement provides an overview of Promisia's governance framework and discloses Promisia's practices in relation to the recommendations contained in the NZX Corporate Governance Code (31 January 2025) (NZX Code). The information contained in this corporate governance statement has been prepared in accordance with NZX Listing Rule 3.8.1(a).

The Board considers that for the 12 months ended 31 March 2025 (FY25), Promisia's corporate governance practices and policies have been appropriately aligned with the NZX Code. Any exceptions are identified at the end of this governance report.

Key governance policies including the Promisia Group Corporate Governance Code, committee charters and the Code of Conduct are provided on the company website: ***www.promisia.co.nz/investor-centre/#governance-&-policies***.

PRINCIPLE 1: ETHICAL STANDARDS

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

1.1 Code of Conduct

Promisia maintains high standards of ethical behaviour by which the Directors, employees, contractors for personal services and advisers of Promisia are expected to conduct themselves. These standards are described in Promisia's Code of Conduct.

At this point in time, Promisia does not have a formal training schedule. New and existing employees are encouraged to read and review the policies outlined in the Code of Conduct which is available on the Company website.

General principles within the Code of Conduct and Group Corporate Governance Code include (but are not limited to) requiring all directors and employees to:

- act honestly and with personal integrity in all actions;
- in the case of Directors, give proper attention to the matters before them and exercise their powers and duties with a due degree of care and diligence;
- not make improper use of information acquired as a Director or employee, or of assets or resources of Promisia; and
- comply with Promisia's internal policies at all times.

Whistleblower Policy

Promisia encourages employees to speak out if they have concerns that Promisia's policies have been breached, including any breach of ethics. The avenues for doing so are detailed in the Protected Disclosures (Whistleblowers) Policy available on the Company website.

1.2 Securities Trading Policy

All directors and employees including secondees, contractors and consultants of Promisia and its subsidiaries are subject to Promisia's Securities Trading Policy, which outlines the prohibition on dealing in Promisia securities while holding inside information. Promisia's Directors and employees must abide by this policy whenever they deal directly or indirectly in Promisia securities.

In particular the policy provides:

- Directors and employees are prohibited from trading in Promisia securities during "blackout periods" unless an exemption is provided by the Board. These blackout periods run from 1 October until the date

Promisia's half-year results are announced and from 1 April until the date Promisia's full-year results are announced. Additional blackout periods may be implemented at the Board's discretion.

- Directors and employees may trade in Promisia securities outside of a blackout period so long as they are not in possession of material information.
- Restricted Persons (being Directors and certain employees) may trade in Promisia securities only after notifying the Chair of the Board of their intention to trade in Promisia securities, confirming they are not in possession of material information and that there is no known reason to prohibit trading.

There have been no dealings in Promisia's securities other than as disclosed in Notes 21 and 24.

Details of matters entered into the Interests Register by individual Directors during FY25 are outlined on pages 84 and 85 of this report.

PRINCIPLE 2: BOARD COMPOSITION & PERFORMANCE

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

2.1 Board Roles and Responsibilities

Promisia's Corporate Governance Code sets out the roles and responsibilities of the Board and the Board's relationship with management. The main functions of the Board, committees of the Board, and senior management positions in the direction and management of Promisia are described in Promisia's Group Corporate Governance Code, and details the roles and responsibilities of the Board, such as:

- reviewing and approving Promisia's strategic, business and financial plans and monitoring and overseeing Promisia's performance and results against these plans to evaluate management's effectiveness;
- ensuring Promisia has adequate management to achieve its objectives, including through selecting, supporting, setting delegated authorities for and, if necessary, replacing senior management;
- reviewing and approving material transactions, investment and divestment decisions and capital expenditure decisions that the Board has determined require Board approval prior to implementation;
- ensuring ethical behaviour of Promisia, the Board, management and employees including compliance with Promisia's constitution, NZX Listing Rules and regulations and relevant laws, auditing and accounting principles;
- fostering an appropriate corporate culture, including by acting in such a way that Board meetings and discussions promote focused debate in a supportive team atmosphere; and
- overseeing the financial and operational controls of the business including risk management policies and strategies.

2.2 Nomination and appointment process

The nomination process for new Director appointments is the responsibility of the Remuneration Committee and the Board as a whole. The Board may engage consultants to assist in the identification, recruitment, and appointment of suitable candidates.

The Board asks for Director nominations each year prior to the Annual Shareholders' Meeting in accordance with the constitution of Promisia and the NZX Listing Rules. In accordance with the NZX Listing Rules, Directors will retire and may stand for re-election by shareholders at least every three years. A Director appointed since the previous Annual Meeting holds office only until the next Annual Shareholders' Meeting but is eligible for re-election at that meeting.

Directors' selection is based on the value they bring to the Board table including their skills, commercial experience, strategic thinking and general business acumen. The composition of the Board is reviewed regularly to ensure the Board maintains an appropriate balance of skills, experience and expertise. The Board has developed a skills matrix and takes into account a number of factors including qualifications, experience and skills.

In 2022, the Board engaged external advice to identify the optimum mix of skills, experience and independence required for executing the Company's growth strategy and operating in the New Zealand aged care sector.

The review identified a need to strengthen governance in respect of Te Tiriti o Waitangi to ensure that Promisia's delivery of care for Māori residents can achieve optimal health outcomes, cultural safety and Māori health equity. To help address this each Director has completed Te Tiriti o Waitangi training, Te Tiriti is a standing Board agenda item and Promisia has adopted a Strategic Approach for Māori Health which is being implemented across all Promisia aged care facilities.

The Board believes the current Directors offer valuable skill sets and experience to Promisia and that each Director has the necessary time available to devote to the position. The Board composition has been dynamic during FY25. The Board will look to develop a new skills matrix in early 2026 once the board has settled and been in operation for a year. Once a skills matrix has been developed, the Board will self-evaluate against that matrix and provide a report in its FY26 Annual Report.

2.3 Letters of Appointment

All Directors have entered into a written agreements with Promisia establishing the terms of their appointment including:

- a description of their role as Director;
- the expected time commitment to their role;
- remuneration and other entitlements; and
- indemnity and insurance arrangements.

Newly elected Directors are expected to familiarise themselves with their obligations under the constitution, Board Charter and the NZX Listing Rules.

2.4 Director Details

As at 31 March 2025, the Board comprised of five Directors:

Rhonda Sherriff	Independent Board Chair	Appointed 13 July 2023
Thomas Brankin	Non-independent Executive Director	Appointed 7 May 2013
Craig Percy	Non-independent Executive Director	Appointed 19 August 2022
Jill Hatchwell	Independent Director	Appointed 28 August 2023 Re-Appointed 6 November 2024[1]
Tony Mortensen	Non-independent Director	Appointed 2 September 2024

[1] Jill Hatchwell was initially appointed to the Board as an independent Director on 28 August 2023. Jill retired from the Board at Promisia's 2024 annual shareholders' meeting on 25 September 2024. Upon Tony's change of independent status on 6 November 2024 (as noted below), Jill was re-appointed to the Board as an independent Director in the interim while Promisia re-evaluates its Board composition.

The details of each Director along with their experience, length of service, independence and ownership interests and attendance at Board meetings are included in this Annual Report. Director profiles are also available to view on Promisia's website at ***https://www.promisia.co.nz/investor-centre/#governance-&-policies***. The Board has regard to the NZX Listing Rules in any determination of Director independence.

In determining the independent status of Rhonda Sherriff and Jill Hatchwell, the Board assessed whether the Directors had any disqualifying relationship or interests, including relationships or interests of the kind listed in Table 2.4 of the NZX Code and whether any of the Directors held executive role in Promisia within the last three years of their appointment.

The Board has determined that Thomas Brankin, Craig Percy and Tony Mortensen are non-independent Directors.

Thomas Brankin has an interest in approximately 53% of the shares in Promisia Healthcare Limited. He also holds an Executive role within the Company, which is described further under Principle 5 (Remuneration).

Craig Percy was initially appointed to the Board as an independent Director in August 2022. On 20 September 2024, Craig entered into an executive arrangement with Promisia and as such, the Board re-evaluated Craig's directorship status as a non-independent executive Director.

Tony Mortensen was initially appointed to the Board as an Independent Director. On 6 November 2024, Tony was employed by Asset Management Limited, a substantial product holder in Promisia Healthcare Limited. As such, the Board considered Tony to be a non-independent Director from 6 November 2024.

Interests Register

Directors are required to notify Promisia of any interests they have that could impact an assessment of their independence or their ability to act in the best interests of Promisia. Promisia has processes in place to manage any conflicts of interest with Directors who are interested in a matter. These are detailed in Promisia's Corporate Governance Code.

2.5 Diversity

Promisia is committed to diversity in its employment practices and across all aspects of the business. For Promisia, diversity includes but is not limited to characteristics such as cultural background and ethnicity, gender identity, sexual orientation, age, differences in physical abilities, languages and education.

Promisia's approach to diversity is outlined in the Diversity and Inclusion Policy publicly available on its website, which sets out how Promisia will meet its commitment to creating a diverse workforce and inclusive workplace environment.

For the 12 months ended 31 March 2025, the Board is comfortable that Promisia's employment practices and HR processes and practices were in line with the intent of its Diversity and Inclusion Policy.

As at 31 March 2025, females represented 33% of Directors and senior managers of Promisia. This is a 17% decrease on the percentage of female Directors and senior managers of Promisia in the last reporting period (FY24: 50%). The decrease is due to an increase in the overall size of the Board following the appointment of an additional male director, rather than a reduction in female representation. Promisia has 418 employees of which 18% are male and 82% are female. The following table outlines the gender composition of Directors and senior managers as at 31 March 2025:

As at 31 March	FY25 Male	FY25 Female	FY24 Male	FY24 Female
Directors	3	2	2	2
Senior managers	1	0	1	1
Total	**4**	**2**	**3**	**3**

2.6 Director Training and Performance

Promisia encourages all Directors to undertake appropriate training and education so that they may best perform their duties. This includes attending presentations on changes in governance, legal and regulatory frameworks, attending technical and professional development courses and attending presentations from industry experts and key advisers. The Board also meets at each of Promisia's facilities each year, meets with senior management and engages with Promisia's external advisers to ensure Directors are involved in and understand the needs of Promisia's business.

Promisia continues to invest in ensuring its Board has the optimum mix of skills, experience and independence required for executing Promisia's growth strategy.

2.7 Board evaluation

The Chair of the Board regularly engages with individual Directors to evaluate and discuss their performance and professional development. The most recent external evaluation of Board performance and governance was carried out in 2023. Recommendations have been actioned to further improve Promisia's board performance.

2.8 and 2.9 Director Independence

Due to changes within the Board and senior management this year, the majority of Promisia's Directors are not independent. As at 31 March 2025, the Board comprised of two Independent Directors, one non-independent Director, and two non-independent executive Directors. Promisia will aim to having a majority of independent Directors on its Board by the end of FY26

Promisia's Chair, Rhonda Sherriff, is an Independent Director.

2.10 Separation of Chair and Senior Management

The Board supports a separation of the roles of Chair from senior management.

PRINCIPLE 3: BOARD COMMITTEES

"The Board should use Committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility."

The Board has two standing committees, being the Risk Audit and Assurance Committee and the Remuneration Committee. Each committee operates under a charter addressing purpose, constitution and membership, authority, reporting procedures and evaluation of the committee. The committees enhance the effectiveness of the Board through closer examination of issues and more efficient decision making, however, the Board retains ultimate responsibility for the functions of its committees, its members and the chair, and determines their responsibilities. The committee chair has the responsibility of reporting committee recommendations to the Board.

The Board regularly reviews the charters of each Board committee, the committees' performance against those charters and membership of each committee.

The Board believes that committee charters, committee membership and roles of committee members comply with the recommendations in the NZX Code.

The Board meets as often as it deems appropriate including sessions to consider the strategic approach of Promisia and forward-looking business plans. Video and/or phone conferences are also used as required.

The table below sets out Director attendance at Board and Committee meetings during FY25.

	Board Meetings	Risk Audit and Assurance Committee	Remuneration Committee[1]
Total number of meetings held	**10**	**2**	**0**
Rhonda Sherriff	10	2	0
Jill Hatchwell[2]	8	2	0
Craig Percy	10	0	0
Tom Brankin	10	0	0
Tony Mortensen[3]	6	2	0

[1] During FY25, remuneration matters—including the appointment of the new senior leadership team—were considered and resolved within full Board meetings. As such, the Remuneration Committee did not meet separately during the reporting period.

[2] Jill Hatchwell retired from the Board on 25 September 2024 and was re-appointed to the Board on 6 November 2024.

[3] Tony Mortensen was appointed to the Board on 2 September 2024 and has attended all Board meetings since that date.

3.1 Risk Audit and Assurance Committee

The Board has established a Risk, Audit and Assurance Committee to act as a delegate of the Board on financial reporting, internal control and risk management issues. The Audit and Risk Management Committee is responsible for:

- assisting the Board in carrying out its responsibilities concerning accounting practices, policies and controls relative to the Company's financial position.
- making appropriate enquiries into any audit of Promisia's financial statements, including providing the Board with additional assurance about the quality and reliability of any financial information issued publicly by Promisia from time to time;
- reviewing the operation and effectiveness of Promisia's internal controls and risk management practices in consultation with senior management (see Principle 6 (Risk Management) below);
- providing an avenue of communication between auditors and Directors, particularly in relation to financial reporting and risk management matters; and
- otherwise maintaining Promisia's relationship with external auditors (see Principle 7 (Auditors) below.

The Committee operates under the Audit and Risk Committee Charter, which is published on the Company's website, and comprises non-executive Directors, being Tony Mortensen (Chair), Jill Hatchwell and Rhonda Sherriff.

The Board has appointed the members of the Audit Committee due to their accounting, financial and industry sector knowledge. Tony Mortensen (Chair) has a finance background with leadership and governance experience across a wide range of sectors, but most recently within the building and construction industry. Jill Hatchwell is an independent Director and has extensive financial and governance experience in both public and private companies and is, or has been, a member of audit and risk subcommittees for numerous entities. Rhonda Sherriff has worked in the aged care sector for over 30 years in governance, senior leadership, clinical, quality and operational management roles with acute knowledge of the risks associated with operating in the aged care sector.

During FY25, the Board underwent multiple structural changes. Due to Tony's appointment as CEO of Asset Management Limited (a substantial product holder of the Company's shares) in November 2024, the Board considered Tony Mortensen to be a non-executive, non-independent Director. The Board has evaluated Tony's position and experience and considers that his role with Asset Management Limited (an external company) does not conflict with his role as the Chair of Promisia's Audit and Risk Committee. In addition, Tony meets the "independence test" for the purposes of recommendation 3.1 of the NZX Corporate Governance Code as there has been a period of more than three years of Tony being employed by an external audit firm and him serving as Chair of the Audit and Risk Committee, and the majority of the committee members are independent Directors. The Board will reassess the position of Chair of the Audit and Risk Committee in the next financial year.

3.2 Meeting attendance by non-committee members

Directors who are not members of the Audit and Risk Committee are able to attend Audit and Risk Committee meetings as they wish. Employees may only attend those meetings at the invitation of the Audit and Risk Committee.

Directors who are not members of the Remuneration Committee are able to attend Remuneration Committee meetings as they wish. However, an executive director may not attend or participate in deliberations relating to their own remuneration. Management can only attend Remuneration Committee meetings at the invitation of the Committee.

3.3 Remuneration Committee

The Remuneration Committee was established in FY24 to assist the Board in evaluating the performance of the senior executives of the Company, setting the remuneration packages for senior executives, and recommending to the Board the remuneration of the senior executives and executive Directors.

The Committee also assists the Board with governance matters, including ensuring appropriate Board performance and composition and in appointing Directors.

The Committee operates under the Remuneration Committee Charter, which is published on the Company's website, and comprises of non-executive Director, being Rhonda Sherriff (Chair), Tony Mortensen and Jill Hatchwell.

3.4 Nomination Committee

Due to the Company's size, Promisia does not have a standalone nomination committee, however as advised under Principle 2.2 above, the nomination process for new Director appointments is the responsibility of the Board as a whole. The Directors' selection is based on the value they bring to the Board table including their skills, knowledge and experience to contribute to effective direction of Promisia, whether they can exercise an informed judgement on matters which come to the Board and whether they are free of any business or other relationship that may interfere with the exercise of that judgement. The composition of the Board is reviewed regularly to ensure the Board maintains an appropriate balance of skills, experience and expertise.

The Board evaluates all nominations of Directors, and consider whether they would be independent, and may recommend candidates to Shareholders.

3.5 Other Committees

The Board may establish other committees as required.

3.6 Takeover Protocols

In the case of a control transaction, Promisia will form an Independent control transaction Committee to oversee a response to the offer, manage communication between the Board and Promisia's senior management, and engage expert legal and financial advisors to provide advice and ensure compliance with the Takeovers Code.

Promisia will ensure that members of the Independent Control Transaction Committee are not involved with the bidder and will be able to bring an independent view to decisions in relation to the control transaction.

PRINCIPLE 4: REPORTING & DISCLOSURE

"The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

4.1 Continuous Disclosure

The Board focuses on providing accurate, adequate and timely information both to its shareholders and to the market generally. This enables all investors to make informed decisions about Promisia. All significant announcements made to NZX, and reports issued, are posted on Promisia's website.

Promisia has procedures in place to ensure that it complies with its continuous disclosure requirements under the NZX Listing Rules so that:

- All investors have equal and timely access to material information concerning Promisia, including its financial situation, performance, ownership and governance.
- Company announcements are factual and presented in a clear and balanced form.
- Accountability for compliance with disclosure obligations is with the Chair, Senior Management and the Company Secretary.
- Significant market announcements, including the preliminary announcement of the half year and full year results, the accounts for those periods and any advice of a change in earnings forecast are approved by the Board.

Promisia's Continuous Disclosure Policy governs the responsibilities and procedures for releasing material information to the market. Then Board receives regular Continuous Disclosure reports and disclosure is specifically considered at each Board meeting.

4.2 Key governance documents

Copies of the key governance documents, including the Continuous Disclosure Policy, Code of Conduct, Securities Trading Policy and Board and Committee Charters are available on Promisia's website at ***https://www.promisia.co.nz/investor-centre/#governance-&-policies***.

4.3 Financial Reporting

The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of Promisia and have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements, estimates and for ensuring all relevant financial reporting and accounting standards have been followed.

The Audit and Risk Management Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews Promisia's full and half year financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit.

All matters required to be addressed, and for which the Committee has responsibility, were addressed during the reporting period.

For the 12 months ended 31 March 2025, the Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Promisia and facilitate compliance with the Companies Act 1993, the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. Promisia's full and half year financial statements are available on Promisia's website.

4.4 Non-financial Reporting

Promisia is committed to using its resources responsibly and will look for opportunities to reduce any negative environmental risk or impact from business operations, products and services. The Board encourages diversity and will not knowingly participate in business situations where Promisia could be complicit in human rights and labour standard abuses.

Promisia discusses its non-financial objectives and its progress against these objectives in the Chair and senior management's commentary in shareholder reports, and at other investor events during the year including investor presentations and the Annual Shareholders' Meeting.

Given Promisia's size, the Board has elected not to adopt a formal environmental, social and governance framework. As the business continues to mature, Promisia will seek to develop ESG opportunities. One aspect Promisia is investigating is the installation of renewable energy at its facilities.

The Company remains aware of changes to non-financial reporting standards, particularly changes to climate-related disclosures. Promisia is not required to report against the CRD regime.

PRINCIPLE 5: REMUNERATION

"The remuneration of directors and executives should be transparent, fair and reasonable."

5.1 Remuneration of Directors

Shareholders fix the total remuneration available for Directors. Approval is sought for any increase in the pool available to pay Directors' fees, and any recommendations to shareholders regarding Director remuneration are provided for approval in a transparent manner. The current Director fee pool of $200,000 per annum was approved by shareholders in June 2020. The Board obtained legal advice in FY23 to ensure Director remuneration was benchmarked appropriately against Directors fees for comparable listed companies and companies operating in similar sectors to Promisia.

The Directors fees were reallocated between the Directors upon completion of the review, effective on and from 1 October 2022. Promisia believe the fees are set at a fair market rate as a result.

The amount payable currently to each non-executive Director is $45,000 per annum (other than the Chair). The Chair is paid $75,000 per annum. Additional fees may be paid to Directors for work undertaken outside their Director's duties, as approved by the Board.

Directors are entitled to be reimbursed for cost directly associated with carrying out their duties, including travel costs. Board policy is that no sum is paid to a Director upon retirement or cessation of office.

Details of Director remuneration in FY25 is detailed below.

	Director Fees	Committee Fees	Fees for Additional Services	FY25 Total
Rhonda Sherriff	$75,000	-	-	$75,000
Jill Hatchwell[1]	$39,914	-	-	$39,914
Thomas Brankin[2]	-	-	$296,000	$296,000
Craig Percy	$45,000	-	$123,990	$168,990
Tony Mortensen[3]	$26,620	-	-	$26,620
Total Fees	**$186,534**	**-**	**$419,990**	**$606,524**

[1] Jill Hatchwell resigned from the Board on 25 September 2024 and was re-appointed to the Board on 6 November 2024.

[2] Thomas Brankin does not receive Directors fees and is instead remunerated for executive services. See commentary below.

[3] Tony Mortensen was appointed to the Board on 2 September 2024.

Fees for Additional Services

Promisia and Thomas Brankin entered into an Agreement to Provide Services on 1 April 2023. Under this Agreement, Thomas Brankin was paid $296,000 for his executive services to Promisia during FY25. These services included various due diligence investigations on potential acquisitions, work on negotiating and documenting the acquisition of Golden View Lifestyle Village and Ripponburn Lifestyle Village and investigating other development initiatives at Promisia's existing facilities.

Craig Percy was paid a total of $168,990 during FY25 under the Agreement to Provide Services described below.

Promisia believes the fees paid as above reflect a fair market rate for the services provided to Promisia. No Agreements to provide Services confer any benefit or payment by Promisia upon termination of the contracts due to a merger or takeover.

Disclosure under Rule 5.2.2(e)

In FY24, Promisia entered into an agreement to provide services with Design Care Group Limited under which Thomas Brankin is to provide executive and strategic services to Promisia in order to grow its operations and property holdings in the aged care sector. The Agreement commenced on 1 April 2023 and continues until terminated by either party on one month prior notice. Under the Services Agreement:

- Thomas Brankin is paid a monthly fee of $10,000 plus GST. This payment replaced Directors fees previously paid to Thomas Brankin.
- A transaction fee is to be paid upon Promisia acquiring or disposing of any aged care business or real property as a result of Mr Brankin's services. The transaction fee will be the lesser of $75,000 plus GST and 1% of the aggregate purchase price paid or payable (or in the case of a disposal, received or to be received) by Promisia in respect of the transaction (plus GST).

The independent directors are in the process of reviewing Thomas Brankin's Services Agreement and the market will be updated with any changes accordingly.

On 17 September 2024, Promisia Limited (a wholly owned subsidiary of Promisia) entered into an agreement to provide services with Crafted Solutions Limited under which Craig Percy was procured to act as a general manager of operations on a month-by-month basis, with a particular focus on managing the facilities located in Cromwell until Promisia appoints a new Chief Operating Officer. Under the Services Agreement, Craig Percy provides the contracted services over 27 hours a week on an hourly fee of $120 plus GST per hour, paid on a monthly basis. For clarity, this payment is in addition to his Director fees for acting as a Director of Promisia.

Promisia relied on the exception under Rule 5.2.2(e) of the NZX Listing Rules to enter into the Agreements above.

5.2 Remuneration of Executives

Executive remuneration consists of a salary (including KiwiSaver contributions from Promisia) with the ability to participate in Promisia's key personnel restricted share unit scheme (**RSU Scheme**).

The Promisia Corporate Governance Code includes a remuneration policy outlining the processes and framework for remuneration of senior management and directors of Promisia, including remuneration components and decision factors .

The review and approval of Executive remuneration is the responsibility of the Board. The Board believes that Executive remuneration is currently fair to Promisia, its shareholders, and reflects the performance requirements and expectations of the role.

RSU Scheme

In August 2023, Promisia implemented the RSU Scheme that replaced Promisia's previous unpaid share scheme from 26 April 2022. The RSU Scheme is a long term incentive scheme established with a core purpose of retaining senior management.

The restricted share units (**RSU**s) offers under the RSU Scheme are a separate class of equity securities to ordinary shares and are not quoted on the NZX Main Board until the RSUs vest and convert into ordinary shares in Promisia. The shares issued upon conversion of the RSUs are issued on the same terms and rank equally in all respects with Promisia's shares quoted on the NZX. Vesting period are typically up to three years in length in total.

The RSUs are issued directly to the senior executives under terms and conditions outlined in the RSU Scheme rules and an individualised letter of invitation. The RSUs will vest according to an individualised vesting timetable. If the senior executive ceases to be employed by Promisia, any unvested RSUs automatically lapse and are cancelled from the date the senior executive ceases employment.

5.3 Remuneration of the CEO

		Remuneration	Benefits and Incentives	Total Remuneration
FY25	Karen Lake[1]	108,654	$30,500 in ordinary shares through the RSU Scheme.	$139,154
FY25	Craig Percy[2]	$123,990	Nil	$123,990
FY25	Francisco Rodriguez Ferrere[3]	$235,385	$16,980 in ordinary shares through the RSU Scheme.	$252,365

[1] Karen Lake resigned as Group General Manager on Friday, 15 January 2025.

[2] Craig Percy was procured to act as general manager of operations on 17 September 2024.

[3] Francisco Rodriguez Ferrere was promoted to Chief Financial Officer on 3 March 2025.

In FY24, the Board disestablished the Chief Executive Officer (CEO) role and introduced a Group General Manager position with a focus on operational oversight and care delivery across the business. Karen Lake held this role until her resignation in January 2025.

Following this, Promisia transitioned to a dual leadership model. Francisco Rodriguez Ferrere, originally appointed as General Manager – Finance in October 2023, was promoted to Chief Financial Officer (CFO) in March 2025. Post-period end, Graeme Dodd was appointed Chief Operating Officer (COO) in April 2025. The CFO and COO now serve as executive peers, jointly covering the responsibilities previously held by the CEO.

Both roles are eligible to participate in Promisia's RSU Scheme described above in section 5.2. During FY25, Karen Lake and Francisco Rodriguez Ferrere received RSU allocations under this scheme, subject to vesting conditions.

PRINCIPLE 6: RISK MANAGEMENT

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

6.1 Risk Management Framework

Promisia is committed to managing risks proactively. The Audit and Risk Management Committee assists the Board in carrying out its risk management responsibilities by providing additional oversight regarding Promisia's risk management framework and monitoring compliance with that framework.

The Board delegates day to day management of the risk management framework to senior management. The executive team and senior management are required to regularly identify the major risks affecting the business and develop structures, practices, and processes to manage and monitor these risks. Individual risks are discussed with the Board in detail as required.

Key financial risks are set out on pages 30 to 32 of the financial statements.

Non-financial risks have been summarised as:

Compliance with Ministry of Health certifications	Promisia is subject to audits from the Ministry of Health. Promisia has a duty to provide a high standard of care at its facilities to ensure that it upholds and is in compliance with, Ministry of Health certifications.
Changes to legislation	Aged care providers need to meet standards set by the Health and Disability Services Standards and all facilities that offer occupation right agreements need to comply with the Retirement Villages Act 2003. Significant changes to certification standards and requirements of retirement village operators may create additional obligations and costs on aged care operators. Any such additional obligations and cost may have a material adverse effect on financial performance.
Labour availability, cost and turnover	Aged care facilities rely on the staffing of care and non-care positions. These positions are paid at the lower end of pay scales, primarily due to underfunding by Te Whatu Ora. Labour availability and cost makes attracting staff to the aged care sector difficult.
Infection control	Processes and procedures to manage the risks of viruses such as norovirus and Covid-19 to both staff and residents have been developed and implemented successfully. The company will use its proven infection control policies and practices, amended as required, to manage any new viral outbreaks.
Occupancy	To generate revenue and cover its costs, Promisia must maintain certain levels of occupancy at its facilities. Any significant drop in occupancy will have a financial impact on Promisia's earnings.
Property Market	A downturn in the national or regional property market could impact the demand for and Promisia's ability to sell or re-sell units and, to a lesser extent, care suites, as well as the value that can be achieved on the sale or resale of a unit or care suite and the timeframe to complete such sales. As Promisia's village units and care suite portfolio increases in size, a sustained downturn in the national or regional property market could have a material adverse effect on financial performance.

Property Development	Promisia's aged care facilities have opportunities to expand and/or be altered to offer the type of accommodation or care that meets the demands of each facility's local market. In addition Promisia is routinely investigating potential acquisitions and is attracted to acquisitions that present development opportunities. Promisia must manage the risks associated with undertaking such developments (such as construction and financing risks) when instigating and implementing these development opportunities.
Government funding	The facilities receive residential care subsidy funding from Te Whatu Ora which may be subject to change. Any loss in aged care facility funding will have a material adverse effect on financial performance.

Material Assurances

Promisia has in place 2 key internal assurance teams that have direct access to the Board.

1. **Māori Healthcare** – The Board receives a Te Tiriti o Waitangi report every meeting updating the Board on Māori engagement, training opportunities, Māori health plans and policies.
2. **Care Standards**– Promisia's Clinical & Quality Manager provides a monthly report to the Board on any incidents, falls, infections and medication errors at the facilities during the month and ensures right processes are undertaken and appropriate remedies are presented to the Board and actioned. The Clinical & Quality Manager collects data to provide the Board with trends to indicate any improvements in care or areas that require further attention.

The Board is satisfied that Promisia has in place a risk management process to identify, manage effectively and monitor Promisia's principal risks. Promisia maintains insurance policies that it considers adequate to meet its insurable risks.

6.2 Health and Safety

The Board recognises that effective management of health and safety is essential for the operation of a successful business, and its intent is to prevent harm and promote wellbeing for employees, contractors, and customers. Promisia's health & safety risks are monitored on a daily basis and any issue that is deemed a moderate or high risk is documented and provided to the Board on a monthly basis. The Board is responsible for ensuring that the systems used to identify and manage health and safety risks are fit for purpose, being implemented effectively, reviewed regularly, and improved continuously.

Health and Safety reports, including incident reports, for all business units are included in the compliance section of Board papers. There were no incidents during FY25 that were notifiable to WorkSafe.

PRINCIPLE 7: AUDITORS

"The Board should ensure the quality and independence of the external audit process."

7.1 External Auditors

The Audit and Risk Committee Charter governs the Board's relationship with its external auditors. Promisia's compliance with the Audit and Risk Committee Charter ensures that:

- audit independence is maintained, both in fact and appearance, such that Promisia's external financial reporting is viewed as being reliable and credible.
- free and open communication between the Directors and external auditors is maintained.
- In relation to Promisia's relationship with external auditors, the Audit and Risk Committee is responsible for: Reviewing and enquiring into Promisia's financial statements, including providing the Board with additional assurance about the quality and reliability of any financial information issued publicly by the Company from time to time.

- Approving the auditor's engagement letter and setting audit fees.
- Pre and post audit meetings, including any meetings with auditors or senior management as required.
- Reviewing the Company's annual audit plan and audit timetable.
- Reviewing the management letter, auditor performance and ensuring rotation of the audit partner.
- Approving any non-audit engagements performed by the audit firm.

For FY25, William Buck New Zealand was the external auditor for Promisia Healthcare Limited. William Buck was first appointed as auditor on 31 May 2019. Rotation of the audit partner occurs every five years.

All audit work at Promisia is separated from non-audit services, to ensure that appropriate independence is maintained. William Buck has only provided audit work in FY25. The amount of fees paid to William Buck during FY25 is identified on page 35.

William Buck has provided the Audit and Risk Management Committee with written confirmation that, in its view, it was able to operate independently during the year.

7.2 Auditor attendance at the Annual General Meeting

William Buck is available to attend each Annual Meeting of the Company (either virtually or in person), and the Audit Director is available to answer questions from shareholders at that Meeting.

7.3 Internal Audit

Promisia does not have a dedicated Internal Auditor role. Promisia has several internal controls overseen by the Audit and Risk Management Committee, including controls for computerised information system, security, business continuity management, insurance, health and safety, conflicts of interest, and prevention and identification of fraud.

PRINCIPLE 8: SHAREHOLDER RIGHTS & RELATIONS

"The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

8.1 Access to information

Promisia is committed to ensuring that its shareholders are kept up to date with key activities and are provided with relevant information about the Company and its performance. The Company communicates with shareholders during the financial year through annual and half year reports and at the Annual Shareholders Meeting.

Promisia maintains an investor relations section on the company's website available to access at ***https://www.promisia.co.nz/investor-centre/***. This provides access to key corporate governance documents, copies of all major announcements, company reports and presentations.

8.2 Investor communication

Written communications and reports are available on the Company's website, as well as emailed to shareholders that elect to be emailed. All shareholders are given the option to elect to receive electronic communications from the Company.

NZX announcements are also available on the NZX website ***www.nzx.com/companies/PHL/announcements***.

In addition to shareholders, Promisia has a wide range of stakeholders and maintains open channels of communication for all audiences, including the investing community, Promisia's staff and residents and parties involved in the aged care industry.

8.3 Voting on major decisions

In accordance with the NZX Listing Rules, shareholders have the right to vote on major decisions which may change the nature of the Company. Each shareholder has one vote per share and voting is conducted by polls.

On 31 July 2024, shareholders were asked to vote on three resolutions pursuant to NZX Listing Rules 5.1.1(b) and 4.2. The voting outcomes were released to shareholders under NZX Listing Rule 3.19.1(a) and were as follows[1]:

Resolution	For	Against	Abstain
That, under NZX Listing Rule 5.1.1(b), Promisia undertaking the acquisition of Golden View and Ripponburn together with all related transactions as described in the notice of meeting, are approved.	23,775,924	23,618	1,503
That, under NZX Listing Rule 4.2.1, the issue of 6 million Convertible Notes under the Convertible Note Agreement and the issue of up to 12 million Shares issued on conversion of the Convertible Notes, on the terms as described in the notice of meeting, is approved.	23,772,911	23,626	4,509
That, under NZX Listing Rule 4.2.1, the issue of up to 8 million warrants under the terms of Promisia's capital raising and on the warrant terms of issue set out in the notice of meeting, is approved.	23,687,107	109,430	4,509

[1] All figures have been converted to reflect the 500:1 share consolidation.

On 25 September 2024, shareholders were asked to vote on three key resolutions pursuant to NZX Listing Rules 6.7.1 and 4.5.1. The voting outcomes were released to shareholders under NZX Listing Rule 3.19.1(a) and were as follows[1]:

Resolution	For	Against	Abstain
To approve a variation to the exercise price of Warrants from $1.00 per Warrant to $0.50 per Warrant on the basis described in the notice of meeting.	32,051,531	100,308	0
To issue a further 18.9 million Warrants to all investors of the Capital Raise so that each Investor will have received a total of three Warrants for every one share subscribed for and on the basis described in the notice of meeting.	30,449,608	105,229	500,000
To ratify 8,261,725 Shares and 1,450,000 Warrants[1] issued under NZX Listing Rule 4.5.1 on the basis described in the notice of meeting.	25,776,853	100,308	2,421

[1] All figures have been converted to reflect the 500:1 share consolidation.

Further information on the resolutions above can be found on the NZX website ***www.nzx.com/companies/PHL/announcements***.

8.4 Additional equity offers

On 2 July 2024, Promisia announced a $4 million capital raise (with the ability to accept over subscriptions) comprising of private placements (**Placement**) and a share purchase plan (**SPP**) (together, the **Capital Raise**). Promisia raised a total of $4.725 million through the Placement and SPP to fund the Golden View and Ripponburn acquisitions.

For every share subscribed under the Capital Raise, one warrant in Promisia was allocated to the participant for no additional consideration. On 29 September 2024, shareholders approved the issue of additional Warrants to the effect that a further two warrants per share subscribed under the Capital Raise were allocated to the Capital Raise participants for no additional consideration.

Promisia elected to undertake these offer structures having regard to the agreement between Promisia and Asset Management Limited (as announced to the market on 30 July 2024), the costs associated with the structures and the market conditions preceding the offers.

Should Promisia consider raising additional capital, Promisia will structure the offer having regard to likely levels of shareholder participation and optimising and enhancing the ability to maximise the level of capital raised. The Board will look to give all shareholders an opportunity to participate in any capital raising.

8.5 Notice of meetings

Promisia aims to provide at least 20 working days' notice of the shareholders meetings, which are posted on Promisia's website, announced on the NZX and sent to shareholders prior to the meetings. Due to regulatory reviews and discussions underway at the time, fifteen working days' notice of the special shareholders meeting was provided to Shareholders in July 2024, and ten working days' notice of the annual shareholders meeting was provided in September 2024. Both notices of meeting were within the statutory timeframes.

Variance to NZX Corporate Governance Code in FY25

The following variances to the NZX Corporate Governance Code have occurred in FY25 and been approved by the Board.

NZX Code Principle	NZX Code Recommendation	Key Difference	Status
Code of Ethics	1.1 Training should be provided regularly.	PHL does not have a formal training schedule. New employees are encouraged to read the Code and it can be easily found on the company website.	A more formal training schedule will be reviewed.
Diversity Policy	2.5 An issuer's Diversity Policy should include measurable objectives.	PHL does not have measurable objectives in place.	Management encourages a culture of diversity and inclusiveness at PHL and provide regular reporting and monitoring on diversity to the Board.
Board Composition	2.8 A majority of the Board should be independent directors.	Three out of five Directors are non-independent.	Promisia will aim to having a majority of independent directors on its Board by the end of FY26.
Audit Committee	3.1 the chair of the audit committee should be an independent director and not the chair of the Board.	The Audit and Risk Committee Chair is a non-independent, non-executive director of Promisia.	The Board has evaluated Tony's position and experience and considers that his role with Asset Management Limited (an external company) does not conflict with his role as the Chair of Promisia's Audit and Risk Committee. The Board will reassess the position of Chair of the Audit and Risk Committee in the next financial year.

Board Committees	3.4 An issuer should have a Nomination Committee.	PHL does not have a Nomination Committee.	Nomination of directors is a matter for the whole of the Board.
Reporting and Disclosure	4.3 Non-financial disclosures including environmental, economic and social sustainability risks.	PHL does not have a formal sustainability programme.	Promisia is committed to using its resources responsibly.
Shareholder Rights & Relations	8.5 20 working days' notice of shareholder meeting.	15 working days' notice was provided in July 2024 and 10 working days was provided in September 2024.	Promisia aims to provide 20 working days' notice.

Additional Statutory Information

Employee Remuneration

The number of employees of the Company (not being directors of the Company) who received remuneration and other benefits in their capacity as employees during the year ended 31 March 2025 that in value was or exceeded $100,000 per annum is set out in the table below. The remuneration amounts include all monetary amounts and benefits actually paid during the year:

Remuneration	No. of Employees
$100,001 – $130,000	12
$130,001 – $150,000	2
$200,001 – $210,000	1
$240,001 – $260,000	2

DISCLOSURES

Disclosure of Interests by Directors

In accordance with Section 140(2) of the Companies Act 1993, the Company maintains an interests register in which Directors interests are recorded. The following are particulars of general disclosures of interest by Directors holding office at 31 March 2025. Particulars of entries made during the year to 31 March 2025 are noted in brackets, for the purposes of section 211(1)(e) of the Companies Act 1993.

Director	Name of Business or Entity	Nature and Extent of Interest
Rhonda Sherriff	Chatswood Lifecare Limited	Director and Shareholder
	Chatswood Retirement Limited	Director and Shareholder
	New Zealand Aged Care Association	Board member
	Sherraine Holdings Limited	Director and Shareholder
	Sherraine Holsteins Limited	Director and Shareholder
Jill Hatchwell	Air Ops NZ Limited	Director
	Aorere Resources Limited	Director and Shareholder
	Chatham Rock Phosphate Limited (and subsidiaries)	Director

Jill Hatchwell	Chatham Rock Phosphate Limited (Canadian Company)	Director and Shareholder
	Civil Aviation Authority	Board Member
	Mineral Investments Limited	Director
	Nevay Holdings Limited	Director and Shareholder
	Ringa Hora Services Workforce Development Council	Board Member
	Wellington Regional Economic Development Agency Limited	Director
Craig Percy	Crafted Solutions Limited	Director and Shareholder
	The Orchards Limited Partnership	Director and Limited Partner
	(Mapua Lifestyle Properties Limited)	(Director and Shareholder)
Thomas Brankin	Brankin Family Interest Trust	Settlor, Trustee and Beneficiary
	Design Care Group Limited	Director and Shareholder
	i.Agri Limited	Director and Shareholder
	OTB Property Limited	Director and Shareholder
	Zany Zeus 2020 Limited	Shareholder
Tony Mortensen	(Mortensen Holdings Limited)	(Shareholder)
	(The Terrace at the Ridge Limited)	(Director and Shareholder)
	(The G&T Family Trust)	(Settlor, Trustee and Beneficiary)
	(Asset Management Limited)	(CEO)
	(AIS Tourism Limited)	(Director)
	(Matrix Security Group Limited)	(Director)
	(Save a Watt Limited)	(Director)

Directors' Share Dealings

In accordance with the Companies Act 1993 between 1 April 2024 and 31 March 2025 the Board received the following disclosures from Directors of acquisitions and dispositions of relevant interests in financial products issued by the Company and details of such dealings were entered in the Company's interests register.

Director	Transaction	Number of Securities	Price per Security	Date
Craig Percy	Subscription for 200,000,000 ordinary shares on 5 August 2024 at $0.001 per share subscribed for under Promisia's capital raising announced to market on 2 July 2024	400,000* ordinary shares	• $0.001 per share*	5 August 2024
Craig Percy	1 warrant in Promisia issued for every share under subscribed for Promisia's capital raise offer announced to the market on 2 July 2024.	400,000 warrants*	• Nil	5 August 2024

Craig Percy	Allotment of 2 additional warrants for every share under Promisia's capital raise as approved by shareholders on 25 September 2024.	800,000* warrants	• Nil	26 September 2024

*Number of securities issued reflect the 500:1 consolidation on 27 September 2024.

Directors' Shareholdings Interests

As at 31 March 2025 the Directors of the Company had the following relevant interests in the Company's financial products.

Director	Legal ownership or other nature of the interest	Financial Products
Thomas Brankin	A relevant interest in the shares held by Thomas David Brankin and Michael John Kirwin Lay as trustees of the Brankin Family Interest Trust.	22,535,796 ordinary shares
Craig Percy	Registered Holder	400,000 ordinary shares
Craig Percy	Registered Holder	1,200,000 warrants

USE OF COMPANY INFORMATION

There were no notices from Directors of the Company pursuant to section 145 of the Companies Act 1993.

SUBSIDIARY COMPANY DIRECTORS

The following persons held office as Directors of subsidiary companies as at 31 March 2025.

Company	Directors
Ranfurly Manor Limited	Rhonda Sherriff Thomas Brankin
Ranfurly Manor No:1 Limited	Rhonda Sherriff Thomas Brankin
Nelson Street Rest Home Limited	Rhonda Sherriff Thomas Brankin
Aldwins House Limited	Rhonda Sherriff Thomas Brankin
Aged Care Holdings Limited	Rhonda Sherriff Thomas Brankin
Promisia Limited	Rhonda Sherriff Thomas Brankin
Benefit Arthritis Limited	Thomas Brankin
Promisia Trustee Limited	Rhonda Sherriff Thomas Brankin
Aldwins Retirement Village Limited	Rhonda Sherriff Thomas Brankin

EMAC Holdings Limited	Thomas Brankin
EMAC 1 Limited	Rhonda Sherriff Thomas Brankin
EMAC 2 Limited	Rhonda Sherriff Thomas Brankin
Thyme Care Properties Limited	Rhonda Sherriff Thomas Brankin
Golden View Village Limited	Rhonda Sherriff Thomas Brankin
Golden View Care Limited	Rhonda Sherriff Thomas Brankin
Thyme Care Limited	Rhonda Sherriff Thomas Brankin

SPREAD OF SECURITY HOLDERS

As at 31 March 2025:

Size of Shareholding	Number of Holders	Total Shares Held	% of Shares
1-1,000	94	55,677	0.11%
1,001-5,000	278	746,090	1.42%
5,001-10,000	82	635,879	1.21%
10,001-50,000	108	2,637,916	5.01%
50,001-100,000	23	1,564,361	2.97%
100,001 or more	43	46,963,694	89.28%
Total	**628**	**52,603,617**	**100.00%**

TOP 20 SHAREHOLDERS

The names and holdings of the twenty largest registered shareholders in the Company as at 31 March 2025 were:

	Total Shares Held	% of Shares
Thomas David Brankin & Michael John Kirwin Lay	22,535,796	42.84%
Asset Management Limited	5,000,000	9.51%
Jillian Mary O'Brien & Hamish William O'Brien & Michael James Creed	2,178,658	4.14%
Andrew Raymond Mitchell	2,044,205	3.89%
Donald Hamish Mackintosh	1,787,578	3.40%
Public Trust Limited	1,270,000	2.41%
Christchurch Treeman Limited	1,000,000	1.90%
Derek Montgomery Daniel & Aka Trustees Limited	1,000,000	1.90%

Jarden Custodians Limited	1,000,000	1.90%
Stephen Underwood	531,204	1.01%
Aeneas Edward O'Sullivan	530,000	1.01%
Withlaro Holdings Limited	500,000	0.95%
Algidus Investments Limited	500,000	0.95%
Douglas John Braithwaite	458,000	0.87%
3 J'S Limited	449,392	0.85%
George Craig Royal	427,018	0.81%
Ian David Penny & Alexander James Mcphail & David Kenneth Brown	400,000	0.76%
Craig Barry Percy	400,000	0.76%
Paul Ainsworth	388,778	0.74%
JBWERE (NZ) Nominees Limited	349,627	0.66%

SUBSTANTIAL PRODUCT HOLDERS

Pursuant to section 293 of the Financial Markets Conduct Act 2013, details of the substantial product holders in the Company as at 31 March 2025 are:

Substantial Product Holder	Number of Shares
Thomas David Brankin & Michael John Kirwin Lay	22,535,796
Asset Management Limited	5,000,000

Substantial Product Holder	Number of Warrants
Asset Management Limited	15,000,000
Withlaro Holdings Limited	1,500,000
Algidus Investments Limited	1,500,000

OTHER INFORMATION

Auditor's Fees

For FY25, William Buck New Zealand was the external auditor for the Company.

During the year ended 31 March 2025, the amount payable by the Company to William Buck as audit and review fees was $98,000. The amount of fees payable to William Buck for non-audit work during the year ended 31 March 2025 was nil. This is detailed in Note 6 of the Financial Statements.

Donations

The Company made no donations during the period 1 April 2024 to 31 March 2025.

NZX Waivers

There were no waivers granted by NZX or relied on by the Company in the 12 months preceding 31 March 2025.

Right: Aldwins House.

"The level of care we pride ourselves on providing is in the hands of our staff and we thank everyone very much for all their hard work."

Chair Rhonda Sherriff

Directory

Registered office

Duncan Cotterill
Level 2, 50 Customhouse Quay
Wellington, 6011

Directors

Thomas Brankin
Craig Percy
Rhonda Sherriff
Tony Mortensen (appointed 2 September 2024)
Jill Hatchwell (ceased 25 September 2024, reappointed 06 November 2024)

Auditor

William Buck Audit (NZ) Limited

Bank

Bank of New Zealand
Kiwibank

Solicitors

Duncan Cotterill
Wellington

Promisia

HEALTH CARE

www.promisia.co.nz