Half Year Report

2025

Summerset

Cover: Summerset at Wigram residents Gill Milne (swing) and Jean Queen enjoying a day out at Flaxmere Garden in Hawarden – one of many trips organised by our village Activities Co-ordinators.

Inside front cover: Summerset Boulcott (Lower Hutt) offers premium retirement living with stunning views of the surrounding valley and lush greens of Boulcott's Farm Heritage Golf Course.

OUR RESIDENTS

Bringing the best of life to our residents every day – resulting in high levels of resident satisfaction

OUR ENVIRONMENT

Every day we focus on:

Minimising waste

Increasing energy efficiency

Being more sustainable

OUR PEOPLE

People are the heart of Summerset. Our values are:

Strong enough to care

One team

Strive to be the best

Contents

Glossary of terms

Term	Definition
Broadacre site	A broadacre site refers to a large area of land which can be used for large scale projects. In Summerset's case, we typically select sites of 8-10 hectares where we can build 220-250 villas as well as a village centre building with care centre
Care bed	A bed/room at Summerset that allows a resident to have rest home, hospital or dementia level care
Care EBITDA	Care fees from providing care (e.g. rest home and hospital care), deferred management fees from care units and realised resale gain from care units less costs of operating the care centres. This excludes any allocation of head office cost
Care suite	Rest home, hospital or dementia level care rooms/apartments that are subject to an ORA with a DMF. Care suites are typically larger than a standard care room
Care centre	The area in a Summerset village where Summerset provides care to residents with a team of 24/7 registered nurses and caregivers. Rest home, hospital and dementia level care or other specialist care is provided in the care centre (subject to availability)
Completed village	Villages where all units, the care centre and common facilities have been completed and delivered
Continuum of care	The ongoing levels/progression of care offered by Summerset to our residents. Summerset's model is to provide options for our residents should their health needs change. This means residents can move from an independent home or apartment into care within the same village (subject to availability and eligibility criteria)
Core debt	Core debt refers to any accumulated debt from the construction of villages once they are complete and all units are sold, plus any ongoing debt accumulated from operating retirement villages and care centres once delivered
Deferred management fee (DMF)	This is the fee charged by Summerset to residents in our villages under their ORA (the standard rate is 25% of the ORA price, which accumulates over a five-year period). The calculated DMF which is applicable in each case is deducted from the amount repaid to the outgoing resident upon resale of the unit. The fee is in consideration for the right to accommodation and the use of communal facilities over the entire length of a resident's stay
Developing village	These are Summerset villages that have commenced construction or are still in the construction phase. Some developing villages may be open to residents
Development debt	Debt relating to the construction of our villages, care centres and recreation spaces within our villages as they are built and sold
Development margin	This is calculated using the first ORA sales receipt for the applicable unit, less the cost for developing the applicable unit sold under ORA. Costs incorporate the land cost, share of infrastructure costs, direct costs, share of other costs (e.g. landscaping), management fees and interest costs. The development margin excludes recreation and administration facility costs and care centre costs (for non-ORA units)
FY	Refers to Summerset's financial year (1 January - 31 December)
HY	Refers to Summerset's financial half year (1 January - 30 June)
Hospital-level care	This refers to a higher level of care offered to residents in our care centres that provide nursing care 24 hours a day to assist residents who require fulltime assistance
Independent resident	Residents who live in a Summerset village with minimal or no care or assistance required. Some independent residents may have a services agreement, which provides additional support such as personal services, meals, housekeeping or laundry, in addition to their ORA depending on their individual circumstances
Land bank	This refers to land purchased by Summerset that it has available to build on and grow future or ongoing developments

Term	Definition
Memory care	This refers to an increased level of care for residents with dementia who choose Summerset as their home. Memory care has been developed to enable people living with dementia to continue to lead active lives in a safe and homely environment. Some villages have secure memory care centres for residents who require this level of care
New village	A new village registered or being commissioned by Summerset. Often, a new village will still be under construction, where brand new homes are being sold to new residents
Occupation right agreement (ORA)	This is the principal agreement that Summerset has with the majority of residents that occupy a home in our villages. An occupation right agreement within the meaning of the Retirement Villages Act 2023 (for villages in New Zealand) or a residence contract within the meaning of the Retirement Villages Act 1986 (Vic) (for villages in Australia): gives residents the right to live in a home at their Summerset village, and outlines the terms and conditions of their residency
Proposed village	A planned Summerset village where resource consent has not yet been granted and construction has not yet started
Resale village	A completed Summerset village where all homes have been sold. A resale village typically would be reselling homes on ORA as residents leave
Resident	Any person who lives at a Summerset village independently, in a serviced apartment or care room under a contract with Summerset
Rest home-level care	An increased level of care offered to our residents with care provided to residents by our caregivers with oversight of registered nurses. Depending on a resident's needs this can include daily personal care and meals
Uncontracted stock	Summerset retirement village homes that are for sale and not currently under a contract for occupation or sale
Underlying profit	Non-GAAP financial measure used by Summerset to monitor financial performance and determine dividend distributions. Calculated by making the following adjustments to reported net profit after tax: Removing the change in fair value in investment properties, removing any impairment, removing non-operating one-off items, adding back realised gains from resales, adding back realised development margin from new sales, removing the deferred taxation component of taxation expense so only the current tax expense is reflected
Village centre	This is sometimes referred to as the "main building", and generally is the communal two- to three-storey building in the village which can include the care centre, serviced apartments, staff offices and resident amenities such as the libary, cafe, theatre and pool
Weekly fees	Fees residents pay towards the costs of running the village, such as staffing, insurance, applicable council rates, maintenance, landscaping and rubbish removal at the respective Summerset village where they are a resident

Chair and CEO's report

Mark Verbiest
Chair

Scott Scoullar
Chief Executive Officer

Welcome to Summerset's half year report for the six months ended 30 June 2025.

Our business has delivered another credible performance underpinned by a sustainable growth strategy. We continue to be disciplined on where and when we buy new land and build vibrant villages that appeal to current and future residents while seeking to prudently manage our operational costs.

The last few years have been some of the most difficult trading conditions our business has seen and yet we've continued to meet our build targets, acquire land that meets our development hurdles, grow our resident experience and satisfaction, maintained excellent staff engagement, hit record sales numbers and deliver for shareholders.

The economic environment in 2025 has remained challenging, but we are starting to see what we hope are the first signs of improvement and optimism.

We are pleased to have recorded a $127.2 million IFRS net profit after tax for the first half of 2025 – up 26% on the first six months of 2024, driven by continual growth in our operations. Our underlying profit for the first half of the year was $106.6m, up 19%, reflecting our strong sales performance over the half.

We continue to focus on our key metrics and maintaining prudent balance sheet settings. Our business has no core debt and is forecast to generate over $295m in project cash profits out of our current developments.

During this half our operating cash flows have increased 19% on the same time last year to $228.7m. Gearing remains well within our targeted 30-40% band at 36.7%, and is forecast to track down from the second half of this year. Our total assets have increased again too up 18% on the first half of 2024 to $8.7b.

We recorded 692 sales of occupation rights comprising 354 new sales and 338 resales in the six months to 30 June 2025. Total sales for the first half of the year were the highest first half the company has recorded, up 18% on first half of 2024.

Moving a number of our care rooms to Occupational Rights Agreements (ORAs) has helped us to improve our cost recovery for care and boosted our growth in operations. During the first half of this year more than 200 care units were sold under ORA or are under contract, and we identified 767 care units we can move to ORAs over time.

Care ORAs provide greater financial certainty for both residents and Summerset, rather than having to use their fixed income to fund daily care charges residents can use the equity from their home to purchase a care ORA. For Summerset, sales of care ORAs has helped us to increase our care EBITDA considerably which hit $5.3m for the first half of the year, up 96% on the 12 months to 31 December 2024.

Our geographically diverse portfolio continues to be an asset, with our highest performing new sales villages in the first half being Pāpāmoa, St Johns, Bell Block (New Plymouth) and Boulcott (Lower Hutt).

Our St Johns village has approximately 50% of the apartments, and almost 60% of the memory care apartments and care suites delivered to date either under contract or sold. We are looking forward to delivering more units as the second stage nears completion for delivery later this year.

Sales at our Boulcott village are progressing steadily with 43% of the available independent homes (villas and apartments), 44% of serviced apartments and 84% of memory care and care suites sold. During the half we delivered the care centre and 62 independent living apartments at the village and we're particularly pleased with how the sale of Boulcott's care suites is proceeding.

The unique nature of our metro St Johns and Boulcott villages, deliberate exceptions to our broadacre build strategy where we have larger numbers of apartment blocks, meant we've delivered larger than usual volumes of stock at one time. We remain focused on managing our stock levels. During the half year we have reduced uncontracted new sale stock across our portfolio by 7% while increasing contracted new sale stock by over 50%. Excluding St Johns and Boulcott, 39% of new sale stock is now contracted, up from 21% for 2024.

We delivered 334 total units across Australia and New Zealand in the first half, of which 326 will be sold under Occupation Rights Agreements (ORA), and we remain on track to deliver between 650-730 units in NZ and 50-80 units in Australia for the full year 2025. This range provides flexibility for us to actively and prudently manage deliveries in the context of property market conditions.

The Board of Directors (the Board) has declared an interim dividend of 11.3 cents per share for the first half.

Village operations

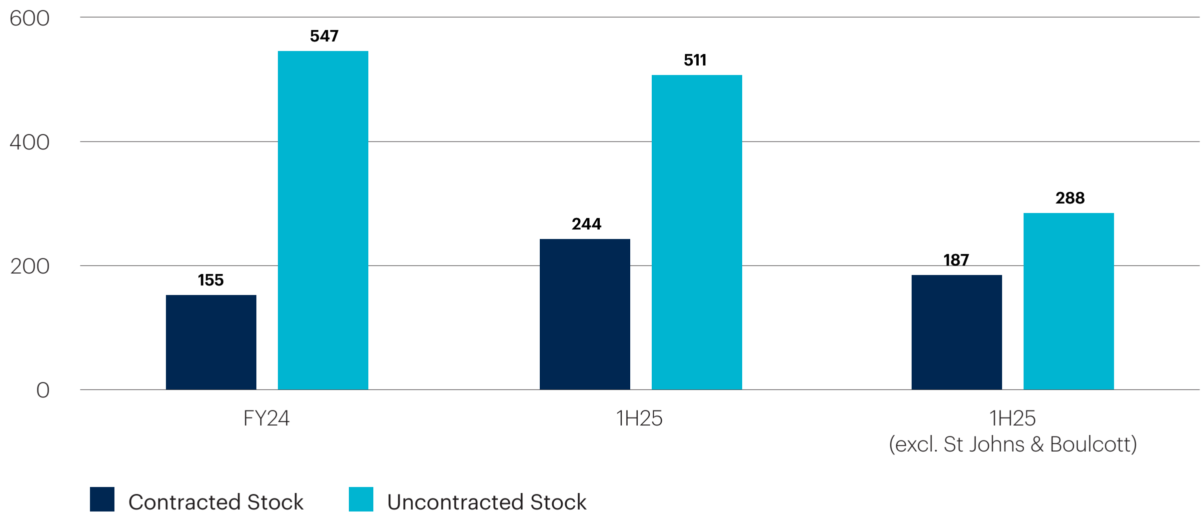
It is very important to us that while we continue to invest for growth, we continue to focus on providing an excellent resident experience. This includes the activities and experiences we offer, the maintenance and appearance of our village, food services, aged care services and more.

Our regular resident surveys show us where we're doing well and what we can improve at each village. In March we were proud to achieve our highest ever satisfaction and net promoter scores from our residents. We were delighted that 97% of village and care residents tell us that they are either very satisfied (a rating of 5), satisfied (4), or neutral (3) with their experience with us, using the traditional reporting method tallying the 3-5 rating scores.

More importantly, and in line with our 'striving to be the best' Summerset value, we assess how well we're doing using the total of the 4-5 ratings (satisfied or very satisfied) scores. On this reporting method, which we will in future report as our main satisfaction score metric, we achieved a rating of 93% (up 3% on the prior year) for village resident respondents and 90% (up 7%) for care.

We also use a Net Promoter Score (NPS), which is a measure used to gauge customer loyalty, satisfaction

New sales contracted and uncontracted stock comparison



Summerset Mt Denby residents participating in the launch event of the ANZ Premiership Summerset Supershot
Photo credit: Michael Bradley Photography

and enthusiasm with a company, where an NPS over 20 is deemed favourable, and above 50, excellent. Our NPS for village residents was 55 (up 9 on the previous year) while our care NPS was high too with a score of 46 (up from 38 in the previous survey).

This year in addition to engaging residents with our Summerset Sessions programmes and events such as cooking classes, concerts, interviews and competitions, we introduced a new programme, Summerset Creates. Providing an opportunity for our artistic residents to show off their talents, the first two events in the series - Summerset Writes and Summerset Through the Lens (photography) – ignited our residents' creativity, resulted in hundreds of entries.

We've also continued to expand our Holiday Homes programme. Residents are now able to book accommodation at eight villages throughout New Zealand with apartments at St Johns and Warkworth recently added, providing a cost-effective accommodation alternative in safe, quality and familiar surroundings.

We have invested in our food services offering, refreshing the branding of our busy village cafes and rolling out fast-ovens to quickly cook food in minutes reducing wait times for residents. In our care centres we've extended the menu options for meals to provide residents with greater variety and choice.

Care improvements

We are committed to continuing to provide high quality care for our residents and continue to invest in care to enhance their experience.

We reopened our fully refurbished care centres at Summerset in the Vines (Havelock North) and Summerset by the Course (Trentham, Upper Hutt) earlier this year. Offering spacious, modern and future-ready facilities that are also more energy-efficient with a lower carbon footprint, the larger rooms with ensuites and kitchenettes reflect our commitment to provide care centre residents with privacy, dignity and keeping their wellbeing top of mind.

The refurbishment of the care centre at Summerset by the Ranges (Levin) is also currently underway and will be completed early 2026.

Last year we commenced a pilot with six villages where we created a remote National Clinical Support (NCS) Service to make our care centres more efficient and allow us to provide better person-centred care to our residents. The NCS is a 24/7 team of Summerset Registered Nurses who support those village teams online or by phone.

The safe staffing ratios in our care centres (the number of registered nurses and caregivers to residents) remain the same, meaning that our care centre teams had an extra layer of support when caring for residents. This has also allowed us to share the expertise of highly qualified Registered Nurses among a number of villages.

Following the successful pilot, the service has now been extended to support a further six village care centres and will also be ready to support five new care centres opening through 2026.

Aged care sector

We continue to monitor and engage on aged care funding.

Summerset has considered if we would need to stop taking referrals from the public health system and keep our care centre beds solely for our village residents. Our move to more care ORAs has meant we do not need to take this step currently, but it is something we'll continue to monitor.

Summerset at Pohutukawa Place village read messages of grattitude from residents and their families on Frontliners Day

Also, we have been pleased to have greatly improved engagement with both Health NZ and Ministers as they work through the next long-term plan for aged care funding.

Technology

We believe that technology has a major role to play in making our residents lives easier and it is a large part of our 10-year strategy. We are investing in technology to boost operational efficiency, release time for our frontline teams to spend with residents and deliver a great experience for our residents who interact with technology.

Lumin, our resident communication and entertainment system is now installed at 18 villages. Residents can easily access their favourite Summerset entertainment programmes, receive newsletters and activity schedules, book into village events, order services and message the village team or other residents. Building on that capability, this year we ran a successful pilot of the resident call-bell feature on the Lumin platform and will commence rolling this out to other villages later this year.

Our residents and their visitors often comment on our beautifully maintained village surroundings. Our property and housekeeping teams have received some added assistance this year as we piloted, and are now rolling out, robotic lawn mowers and in our village centres, robotic vacuum cleaners.

Embracing this technology will take some repetitive physical work off our people, enable them to focus on other tasks and provide greater benefits to our residents.

Our Operations and Group Technology teams have also been exploring several tech and AI opportunities to support our frontline people by reducing administration.

Engaging our people

Summerset is a people centred business employing more than 3,100 staff across New Zealand and Australia. Without great people in our business and supporting our residents we wouldn't be able to achieve our purpose of bringing the best of life.

This year we launched our Employee Value Proposition (EVP), considered as a staff 'promise' of what our people can expect to get from us, and what they give to each other to have a great workplace and career. Our EVP will help us differentiate Summerset as an employer of choice so we can continue to attract and retain the right people in our business with our four 'promises' – Belong, Impact, Inclusion and Growth, being delivered consistently across our many workplaces as together we bring villages to life.

We regularly run staff engagement surveys with our people and are pleased to have seen increased participation rates. Our engagement score for this half was 8.2 out of 10 which once again puts us in the top 25 percent of New Zealand healthcare providers using the same engagement survey. We also measure our Employee Net Promoter Score (eNPS), a measurement of if our staff would recommend us as an employer, scoring 51 and placing us in the top 5% of healthcare providers using our survey. This is a testament to the environment we foster at our offices, villages and construction sites.

In March, we celebrated our annual Frontliner Day. It's a day dedicated to thanking and celebrating all our hardworking frontline staff – nurses, therapists, office staff, property and gardening teams, food services teams, kaitiaki, housekeepers, laundry staff, caregivers, activities coordinators and people leaders who make our villages flourish.

Villages celebrated their teams in their own ways, and members of our Executive and Senior Leadership Team spent the day being frontline helpers in our villages, taking on roles ranging from caregiving to being a property assistant or kaitiaki, to assist our village teams and allow them to truly enjoy the day.

In May, we had the opportunity to celebrate our people at our annual Applause Awards, Summerset's staff recognition event. We had a record 3,000 nominations across 30 award categories, and finalists were hosted at a gala event that was also live-streamed to our villages and on Facebook for residents, friends, family and colleagues to share in the occasion.

Growth, development and construction

Our design and consenting programme remains very well positioned in both New Zealand and Australia and we maintain very strong levels of product and geographic differentiation, building in 18 locations across both countries.

As a largely broadacre developer, building our villages in stages means we have the ability to respond quickly to any change in demand and/or market pressures, including making decisions around timing to start building new villages and main buildings. It also allows us to recycle capital quickly to continue investing in our growth. This strategy continues to serve us well.

New Zealand

Following several land acquisitions in 2024, we continue to have the largest and most diverse landbank in the New Zealand industry. These purchases mean we don't need to rush further purchases and can be particularly selective on any further acquisitions in the near term. We have reviewed several potential opportunities so far this year but we have not purchased any new land in New Zealand.

Preparing and consenting our landbank continues to be a focus - we have settled our Devonport Peninsula (Belmont, Auckland) land purchase announced at the end of 2024, with part payment through an innovative share issuance.

We are pleased to have received resource consent (fast track) for our Rotorua village and successfully rezoned our site in Mosgiel to residential zoning and have lodged resource consent applications there. With strong interest in our Waikanae village, we applied for and received resource consent for a new village extension stage on land that we had previously earmarked for divestment.

We have prudently managed our build rates to align with market demand and economic conditions. During the first half of 2025, we delivered 313 new homes in New Zealand along with eight care beds and have made significant progress with construction underway at a total of 15 villages across ten regions.

In the first half our Rangiora village had its first homes delivered, and we look forward to welcoming new residents from September.

We celebrated a significant milestone for our Summerset Boulcott village with the delivery of 123 units, including care and external amenities this half. We also have six village centre buildings under construction and on track for delivery over the next 12 months (Whangarei, Milldale, Cambridge, Waikanae, Blenheim and Prebbleton) which in addition to providing our superb range of recreational amenities for the village's residents to enjoy, include Serviced Apartments and Care centres.

We will be completing our Te Awa Village with the final residential deliveries now in the final stages for handover in the third quarter

Summerset in the Vines celebrated the opening of their refurbished Care Centre as well as the village's 25 year anniversary of this year. The first stage of our Half Moon Bay (Auckland) village is progressing, and civil works are nearing completion at our Kelvin Grove (Palmerston North) site where first deliveries are expected late 2026. We are expecting to commence civil works on our Cashmere Oaks (Masterton) village at the start of 2026.

We were delighted our flagship St Johns village in Auckland received an Excellence award at the New Zealand Property Council awards in the Retirement Living and Aged Care category.

With strong cost management in place it was pleasing to see our procurement team win the Best Procurement Transformation and Change Programme category at the Chartered Institute of Procurement & Supply Australasia Awards. Judges noted how Summerset implemented a clear, end-to-end approach that brought in best practice and industry-level improvement, demonstrating impressive savings and achievements, including waste reduction.

Australia

Our Australian portfolio is building momentum with a total of 55 homes now delivered at our Cranbourne North village and sales progressing. We are also making excellent progress on delivering our first village centre at the end of this year. The new building will open in 2026 and be the first time we offer aged care in Australia. The village centre includes all the community amenities including a wellness hub, cafe, lounge, library, theatre and with our first residential aged care home and assisted living apartments.

Our team are focused on operational readiness with preparations well underway to ensure we are able to provide prospective residents and their families with the confidence that we have the facilities, people and established reputation in New Zealand to draw on to provide quality care to them and their loved ones.

At our Chirnside Park village, construction is progressing well with the first homes to be delivered later this year, and the village on track to open and welcome new residents in 2026.

Civil works are continuing at our Torquay village and construction will commence at our fourth village, Oakleigh South in Q4 2025. Our Mernda site rezoning has been formally adopted by Council and is now with Victorian Minister Planning for final approval and Gazettal. As these sites scale up, we believe it is reasonable to expect an Australian build rate circa 300 units in two- to three-years' time.

We have learned from our successful New Zealand model that there are benefits and efficiencies to be gained for our Australia business to move to self-management of procurement and construction.

We will implement this model with a staged approach, starting with our residential developments to project manage subcontractors and monitor for consistent quality across sites. The complex commercial builds of our village centres will still be managed by partners at this stage as we grow our capability.

We continue to look for the right opportunities to add to our Australian land bank, applying a prudent and disciplined approach around what we buy to ensure that it meets our strict financial and non-financial investment hurdles.

Our place in the community

Promoting and furthering our brand presence, as well as supporting organisations and activities important to our residents means we continue to support hundreds of community groups,


Summerset Cranbourne North village centre building will open in 2026

clubs and associations as well as our important national sponsorships.

In December 2024, Summerset purchased our new Devonport Peninsula village site in Belmont from local iwi, Ngāti Whātua Ōrākei. This uniquely structured partnership included part payment through issuance of shares in Summerset Group Holdings and we welcome Ngāti Whātua Ōrākei as a shareholder. The partnership also provided a $10,000 per annum three-year scholarship, called the Taku Oranga scholarship, to support a Ngāti Whātua Ōrākei student's studies in health science, medicine, or nursing. The scholarship is an investment that will have a lasting impact long into the future and we wish the proud recipient of the Taku Oranga scholarship, Atamai Harriman, all the best with her studies.

Through our sponsorship of Netball NZ we took the opportunity to add our name to the Summerset Supershot, an exciting addition to the ANZ Premiership.

We're excited to have established a new sponsorship arrangement with the Pickleball New Zealand Association this year as sponsor of their 2025 NZ Open event to be held in September. We're well aware of the increasing popularity of the sport amongst our target audience and we will be adding pickeball courts to new villages, and some of our village extensions, in the coming years.

Over the last seven consecutive years, we've consistently been recognised as a Highly Commended Trusted Brand in the Aged Care and Retirement Villages category by Reader's Digest. This continued recognition comes on the back of consecutive wins of the top prize for Reader's Digest 2025 Quality Service Awards in the retirement villages category.

In Australia, as we continue to grow our brand presence there, we will look to replicate our New Zealand model and grow our community, state and national partnerships with organisations that align with our residents and their families there.

Our commitment to sustainability

Our sustainability initiatives have again seen us recognised for our leadership and setting benchmarks in the retirement sector, having won the Corporate ESG (Environment, Social and Governance) category at the Institute of Financial Professionals New Zealand (INFINZ) 2025 Awards.

Our team successfully demonstrated how our industry-leading ESG initiatives drive real-world sustainability outcomes through innovation, best practice, and collaboration. From low carbon construction, to embedding wellbeing and sustainability into workplace culture, to leveraging financial mechanisms (our sustainability linked lending) to accelerate ESG progress.

Looking ahead

We are happy with our progress so far this year, our pipeline of sales moving into the second half of the year is well positioned. We are optimistic we can continue the momentum we've seen so far in 2025 while keeping a wary eye on economic conditions.

While we've continued to grow steadily, we have ensured that has not been at the expense of resident experience and satisfaction.

We'll continue to focus on providing a leading retirement village offering while delivering results for shareholders.

We remain on track to deliver the 700-780 new homes combined across New Zealand and Australia in 2025, with significant deliveries in the second half of the year including our Cambridge village centre building in New Zealand, our Cranbourne North village centre in Australia and the first homes at our Chirnside Park village.

On behalf of the Board and Executive we would like to thank our residents, their families, and our hard-working staff for everything they do in making Summerset a wonderful place to live and work.

Mark Verbiest
Chair

Scott Scoullar
Chief Executive Officer

28 August 2025

Our village surroundings are beautifully designed to be accessible and inviting for residents to enjoy

Snapshot

Our people

9,100+
Residents

3,100+
Staff members

Our care

1,391
Care units
(which includes beds)
in portfolio

1,301
Care units
(which includes beds)
in land bank in
New Zealand and Australia

Our portfolio

6,913
Retirement units

$8.7b
Total assets

5,823
Retirement
units
in land bank in
New Zealand
and Australia

43
Villages completed or
under development

692
Sales of
Occupation Rights

11
Greenfield sites

Our performance

$127.2m
Net profit after tax

$106.6m
Underlying profit

$228.7m
Operating cash flow

St Johns village amenities including the recreational bowling green and outdoor entertainment spaces

Half Year Financial Highlights

	1H2025	1H2024	% Change	FY2024
Net profit before tax (NZ IFRS) ($000)	109,778	119,190	-7.9%	355,762
Net profit after tax (NZ IFRS) ($000)	127,177	100,590	26.4%	339,838
Underlying profit ($000)[1]	106,608	89,925	18.6%	206,350
Total assets ($000)	8,679,300	7,361,139	17.9%	8,066,006
Net tangible assets (cents per share)	1,318.44	1,141.02	15.5%	1,253.07
Net operating cash flow ($000)	228,695	191,619	19.3%	443,172

1 Underlying profit differs from NZ IFRS profit for the period

	1H2025	1H2024	% Change	FY2024
New sales of Occupation Rights	354	290	22.1%	588
Resales of Occupation Rights	338	298	13.4%	650
Realised development margin ($000)	72,886	51,716	40.9%	118,448
Realised gains on resales ($000)	49,139	45,694	7.5%	95,880
New Occupation Right units delivered	334	331	0.9%	708

Non-GAAP Underlying Profit

$000	1H2025	1H2024	% Change	FY2024
Profit for the period[1]	127,177	100,590	26.4%	339,838
Less fair value movement of investment property and other assets[1]	(123,320)	(126,818)	-2.8%	(372,572)
(Less)/add (impairment reversal)/impairment of assets and other non-cash items[1]	(1,875)	143	-1413.1%	8,832
Add realised gain on resales	49,139	45,694	7.5%	95,880
Add realised development margin	72,886	51,716	40.9%	118,448
(Less)/add deferred tax (credit)/expense[1]	(17,399)	18,600	-193.5%	15,924
Underlying profit	**106,608**	**89,925**	**18.6%**	**206,350**

1 Figure has been extracted from the financial statements

Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Refer to Note 2 of the financial statements for definitions of the components of underlying profit.

Financial statements

Consolidated Income Statement

For the six months ended 30 June 2025

	NOTE	6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED RESTATED[1] $000	12 MONTHS DEC 2024 AUDITED $000
Care fees and village services		106,357	93,100	197,165
Deferred management fees		66,168	57,954	121,446
Other income		503	592	1,292
Total revenue		**173,028**	**151,646**	**319,903**
Reversal of impairment	5	1,875	-	-
Fair value movement of investment property and other assets	6	123,320	126,818	372,572
Total income		**298,223**	**278,464**	**692,475**
Operating expenses	3	(159,206)	(137,334)	(284,149)
Depreciation and amortisation	5	(12,422)	(9,183)	(19,099)
Impairment loss	5, 6	-	-	(7,112)
Total expenses		**(171,628)**	**(146,517)**	**(310,360)**
Operating profit before financing costs		**126,595**	**131,947**	**382,115**
Finance costs		(16,817)	(12,757)	(26,353)
Profit before income tax		**109,778**	**119,190**	**355,762**
Income tax credit/(expense)	4	17,399	(18,600)	(15,924)
Profit for the period		**127,177**	**100,590**	**339,838**
Basic earnings per share (cents)	10	53.16	42.87	144.65
Diluted earnings per share (cents)	10	53.04	42.80	144.21

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

The accompanying notes form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	NOTE	6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED RESTATED[1] $000	12 MONTHS DEC 2024 AUDITED $000
Profit for the period		**127,177**	**100,590**	**339,838**
Fair value movement of interest rate swaps		(6,917)	8,621	(12,916)
Tax on items of other comprehensive income	4	2,074	(2,482)	3,689
Gain/(loss) on translation of foreign currency operations		1,519	(1,980)	(2,103)
Other comprehensive income that will be reclassified subsequently to profit or loss for the period net of tax		**(3,324)**	**4,159**	**(11,330)**
Net revaluation of property, plant and equipment	5	85,890	-	94,372
Tax on items of other comprehensive income	4	(24,049)	-	(26,424)
Other comprehensive income that will not be reclassified subsequently to profit or loss for the period net of tax		**61,841**	**-**	**67,948**
Total comprehensive income for the period		**185,694**	**104,749**	**396,456**

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	SHARE CAPITAL	HEDGING RESERVE	REVALUATION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
	$000	$000	$000	$000	$000	$000
As at 1 January 2024 (restated)[1]	**366,912**	**1,304**	**95,805**	**(266)**	**2,138,535**	**2,602,290**
Profit for the period (restated)[1]	-	-	-	-	100,590	100,590
Other comprehensive income for the period	-	6,139	-	(1,980)	-	4,159
Total comprehensive income for the period (restated)[1]	**-**	**6,139**	**-**	**(1,980)**	**100,590**	**104,749**
Dividends paid	-	-	-	-	(30,926)	(30,926)
Shares issued	13,834	-	-	-	-	13,834
Employee share plan option cost	1,929	-	-	-	-	1,929
As at 30 June 2024 (unaudited) (restated)[1]	**382,675**	**7,443**	**95,805**	**(2,246)**	**2,208,199**	**2,691,876**
Profit for the period	-	-	-	-	239,248	239,248
Other comprehensive income for the period	-	(15,366)	67,948	(123)	-	52,459
Total comprehensive income for the period	**-**	**(15,366)**	**67,948**	**(123)**	**239,248**	**291,707**
Dividends paid	-	-	-	-	(26,630)	(26,630)
Shares issued	10,988	-	-	-	-	10,988
Employee share plan option cost	1,526	-	-	-	-	1,526
As at 31 December 2024 (audited)	**395,189**	**(7,923)**	**163,753**	**(2,369)**	**2,420,817**	**2,969,467**
Profit for the period	-	-	-	-	127,177	127,177
Other comprehensive income for the period	-	(4,843)	61,841	1,519	-	58,517
Total comprehensive income for the period	**-**	**(4,843)**	**61,841**	**1,519**	**127,177**	**185,694**
Dividends paid	-	-	-	-	(31,632)	(31,632)
Shares issued	48,078	-	-	-	-	48,078
Employee share plan option cost	1,863	-	-	-	-	1,863
As at 30 June 2025 (unaudited)	**445,130**	**(12,766)**	**225,594**	**(850)**	**2,516,362**	**3,173,470**

1 *The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.*

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2025

	NOTE	6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED RESTATED[1] $000	12 MONTHS DEC 2024 AUDITED $000
Assets				
Cash and cash equivalents		17,660	20,979	11,705
Trade and other receivables		48,311	46,276	58,600
Interest rate swaps		17,519	18,137	20,849
Other assets		27,500	43,500	31,000
Property, plant and equipment	5	762,200	455,327	602,813
Intangible assets		3,801	8,105	8,476
Investment property	6	7,797,502	6,765,572	7,328,744
Investments		4,807	3,243	3,819
Total assets		**8,679,300**	**7,361,139**	**8,066,006**
Liabilities				
Trade and other payables		219,413	166,829	166,983
Employee benefits		32,660	30,803	33,876
Revenue received in advance		228,619	197,911	212,356
Interest rate swaps		21,670	9,562	18,603
Residents' loans	7	3,064,199	2,671,467	2,881,103
Interest-bearing loans and borrowings	8	1,866,800	1,539,416	1,714,340
Lease liability		10,367	13,060	11,878
Deferred tax liability	4	62,102	40,215	57,400
Total liabilities		**5,505,830**	**4,669,263**	**5,096,539**
Net assets		**3,173,470**	**2,691,876**	**2,969,467**
Equity				
Share capital		445,130	382,675	395,189
Reserves		211,978	101,002	153,461
Retained earnings		2,516,362	2,208,199	2,420,817
Total equity attributable to shareholders		**3,173,470**	**2,691,876**	**2,969,467**

1 *The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.*

The accompanying notes form part of these financial statements.

Authorised for issue on 27 August 2025 on behalf of the Board

Mark Verbiest
Director and Chair of the Board

Fiona Oliver
Director and Chair of the Audit and Risk Committee

Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED RESTATED[1] $000	12 MONTHS DEC 2024 AUDITED RESTATED[1] $000
Cash flows from operating activities			
Receipts from residents:			
- care fees and village services	105,853	89,921	194,724
- residents' loans - new occupation right agreements	213,060	168,777	388,013
- residents' loans - resale receipts of occupation right agreements	193,130	175,960	358,581
Residents' loans - repayments of occupation right agreements	(129,555)	(110,265)	(220,414)
Interest received	562	450	1,122
Payments to suppliers and employees	(154,355)	(133,224)	(278,854)
Net cash flow from operating activities	**228,695**	**191,619**	**443,172**
Cash flows to investing activities			
Sale of investment property	-	507	1,178
Payments for investment property:			
- land	(17,587)	(1,746)	(20,920)
- construction of retirement units and village facilities	(206,142)	(215,015)	(482,312)
- refurbishment of retirement units and village facilities	(13,426)	(9,900)	(24,841)
Payments for property, plant and equipment:			
- construction of care centres[2]	(67,619)	(19,241)	(68,852)
- refurbishment of care centres	(48)	(296)	(400)
- other	(6,784)	(8,667)	(14,063)
Payments for intangible assets	(342)	(690)	(1,520)
Capitalised interest paid	(34,317)	(37,129)	(69,225)
Acquisition of long-term investments	(1,102)	(1,614)	(2,159)
Net cash flow to investing activities	**(347,367)**	**(293,791)**	**(683,114)**

1 We have restated to separately disclose the gross receipts and repayments for resales of occupation right agreements. Previously these were disclosed net.

2 Included in the construction of care centres is $8.3 million relating to care centre upgrades. (Jun 2024: $3.2 million, Dec 2024: $18.4 million).

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2025

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED RESTATED[1]	12 MONTHS DEC 2024 AUDITED RESTATED[1]
	$000	$000	$000
Cash flows from financing activities			
Net proceeds from borrowings	10,625	18,058	174,870
Proceeds from issue of retail bonds	150,000	125,000	125,000
Interest paid on borrowings	(16,150)	(13,703)	(26,093)
Payments in relation to lease liabilities	(1,445)	(1,500)	(3,021)
Dividends paid	(18,546)	(17,424)	(33,542)
Net cash flow from financing activities	**124,484**	**110,431**	**237,214**
Net increase/(decrease) in cash and cash equivalents	5,812	8,259	(2,728)
Cash and cash equivalents at beginning of period	11,705	12,648	12,648
Effects of exchange rate changes on cash and cash equivalents	143	72	1,785
Cash and cash equivalents at end of period	**17,660**	**20,979**	**11,705**

1 We have restated to separately disclose the gross receipts and repayments for resales of occupation right agreements. Previously these were disclosed net.

The accompanying notes form part of these financial statements.

Consolidated Reconciliation of Operating Results and Operating Cash Flows

For the six months ended 30 June 2025

	6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED RESTATED[1] $000	12 MONTHS DEC 2024 AUDITED $000
Profit for the period	**127,177**	**100,590**	**339,838**
Adjustments for:			
Depreciation and amortisation	12,422	9,183	19,099
(Reversal of impairment)/impairment loss	(1,875)	-	7,112
Fair value movement of investment property and other assets	(123,320)	(126,818)	(372,572)
Finance costs paid	16,817	12,757	26,353
Income tax expense	(17,399)	18,600	15,924
Deferred management fees amortisation	(66,168)	(57,954)	(121,446)
Employee share plan option cost	2,011	2,334	3,944
Other non-cash items	133	147	2,395
	(177,379)	**(141,751)**	**(419,191)**
Movements in working capital			
Decrease/(increase) in trade and other receivables	10,761	(2,337)	(7,510)
(Decrease)/increase in employee benefits	(1,305)	483	3,541
Increase/(decrease) in trade and other payables	3,002	(720)	2,958
Increase in residents' loans net of non-cash amortisation	266,439	235,354	523,536
	278,897	**232,780**	**522,525**
Net cash flow from operating activities	**228,695**	**191,619**	**443,172**

1 *The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.*

The accompanying notes form part of these financial statements.

Consolidated notes to the financial statements

For the six months ended 30 June 2025

1. General information

The consolidated interim financial statements presented for the six months ended 30 June 2025 are for Summerset Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"). The Group develops, owns and operates integrated retirement villages.

Summerset Group Holdings Limited is registered in New Zealand under the Companies Act 1993 and is an FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013. The Company is listed on the New Zealand Stock Exchange (NZX), being the Company's primary exchange, and is listed on the Australian Securities Exchange (ASX) as a foreign exempt listing.

The consolidated interim financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP), except for Note 2: Non-GAAP underlying profit, which is presented in addition to NZ GAAP compliant information. The statements comply with NZ IAS 34 – *Interim Financial Reporting* and IAS 34 – *Interim Financial Reporting*, and are prepared in accordance with the Financial Markets Conduct Act 2013.

The consolidated interim financial statements for the six months ended 30 June 2025 are unaudited and have been the subject of review by the auditor, pursuant to NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity*, issued by the External Reporting Board. They are presented in New Zealand dollars, which is the Company's and its New Zealand subsidiaries' functional currency. The functional currency of the Company's Australian subsidiaries is Australian dollars. All financial information has been rounded to the nearest thousand, unless otherwise stated. Certain comparative information has been updated to conform with the current year's presentation.

These consolidated interim financial statements have been prepared on a going concern basis, which requires the Board to have reasonable grounds to believe that the Group will be able to pay its debts as and when they become due.

Subsidiaries are fully consolidated at the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group transactions and balances arising within the Group are eliminated in full. All subsidiary companies are 100% owned and incorporated in New Zealand or Australia with a balance date of 31 December.

The International Accounting Standards Board has issued amendments to NZ IFRS 9 *Financial Instruments* and NZ IFRS 7 *Financial Instruments: Disclosures* effective 1 January 2026. These cover the classification and disclosure of financial instruments with features linked to environmental, social and corporate governance targets. These amendments have not been early adopted in preparing these financial statements.

These consolidated interim financial statements have been prepared using the same accounting policies, significant judgements and estimates as, and should be read in conjunction with, the Group's financial statements for the year ended 31 December 2024.

Segment reporting

The Group operates in one industry, being the provision of integrated retirement villages. The services provided across all of the Group's villages are similar, as are the type of customer and the regulatory environment. The chief operating decision makers, the Chief Executive Officer and the Board, regularly review the operating results of the Group as a whole for the purpose of

Consolidated notes to the financial statements (continued)

assessing performance and allocating resources. On this basis, the Group has one reportable segment. The chief operating decision makers assess the Group's performance using the consolidated income statement, consolidated statement of financial position and underlying profit. A reconciliation between non-GAAP underlying profit and NZ IFRS profit is provided in Note 2. Segment revenue, expenses, assets, and liabilities are measured using the same accounting policies as those applied in the Group's consolidated financial statements.

The Group continues to proceed with its expansion into Australia with seven sites purchased to date. These sites are either currently being, or will be, developed into retirement villages.

Health New Zealand - Te Whatu Ora is a major source of revenue for the Group, as the Group derives care fee revenue in respect of eligible government subsidised aged care residents. Fees earned from Health New Zealand - Te Whatu Ora for the period ended 30 June 2025 amounted to $28.7 million (Jun 2024: $24.7 million, Dec 2024: $53.0 million). No other customers individually contribute a significant proportion of the Group revenue.

Comparative information

a) The Group has updated comparative information to reflect the restatement of fair value movements related to care centre development, previously included in investment property. As a result, the comparative information has been restated to remove the portion of the fair value movement relating to care centres. The care centres were not valued at 30 June 2024 and therefore this movement is not reflected in property, plant and equipment.

	6 MONTHS JUN 2024 UNAUDITED				6 MONTHS JUN 2024 UNAUDITED
	REPORTED	OPENING BALANCE AMENDMENT[1]	OPENING BALANCE RECLASS[1]	AMENDMENT	RESTATED
	$000	$000	$000	$000	$000
Income Statement					
Fair value movement of investment property and other assets	128,388	-	-	(1,570)	126,818
Profit for the period	102,160	-	-	(1,570)	100,590
Net transfer to shareholders equity	**102,160**	**-**	**-**	**(1,570)**	**100,590**
Statement of Financial Position					
Property, plant and equipment	428,918	10,992	2,041	12,617	454,568
Investment property	6,793,551	(10,992)	(2,041)	(14,187)	6,766,331
Net change to total assets	**7,362,709**	**-**	**-**	**(1,570)**	**7,361,139**
Deferred tax liability	37,137	3,078	-	-	40,215
Net change to total liabilities	**4,666,185**	**3,078**	**-**	**-**	**4,669,263**
Revaluation reserve	87,891	7,914	-	-	95,805
Retained earnings	2,220,761	(10,992)	-	(1,570)	2,208,199
Net change to total equity attributable to shareholders	**2,696,524**	**(3,078)**	**-**	**(1,570)**	**2,691,876**
Basic earnings per share (cents)	43.54	-	-	(0.67)	42.87
Diluted earnings per share (cents)	43.47	-	-	(0.67)	42.80

1 There were adjustments made to the 31 December 2023 comparatives in the 31 December 2024 financial statements. This has a flow on effect to the 1 January 2024 opening balances for the 30 June 2024 period.

b) Comparative information has also been updated to reflect the reclassification of work in progress for care centres under development from investment property to property, plant and equipment.

	6 MONTHS JUN 2024 UNAUDITED RESTATED $000	RECLASS $000	6 MONTHS JUN 2024 UNAUDITED RECLASSIFIED $000
Statement of Financial Position			
Property, plant and equipment	454,568	759	455,327
Investment property	6,766,331	(759)	6,765,572
Statement of Cash Flows			
Payments for investment property:			
- construction of retirement units and village facilities	(215,774)	759	(215,015)
Payments for property, plant and equipment:			
- construction of care centres	(18,482)	(759)	(19,241)

2. Non-GAAP underlying profit

	Ref	6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED RESTATED[1] $000	12 MONTHS DEC 2024 AUDITED $000
Profit for the period		127,177	100,590	339,838
Less fair value movement of investment property and other assets	a)	(123,320)	(126,818)	(372,572)
(Less)/add (impairment reversal)/impairment of assets and other non-cash items	b)	(1,875)	143	8,832
Add realised gain on resales	c)	49,139	45,694	95,880
Add realised development margin	d)	72,886	51,716	118,448
(Less)/add deferred tax (credit)/expense	e)	(17,399)	18,600	15,924
Underlying profit		**106,608**	**89,925**	**206,350**

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The Directors have provided an underlying profit measure in addition to IFRS profit to assist readers in determining the impact of fair value movements, realised gains associated with development and resales activity, impairment and tax expense in the Group's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions. Underlying profit is a measure that the Group uses consistently across reporting periods. Underlying profit is used to determine the dividend pay-out to shareholders.

This statement presented is for the Group, prepared in accordance with the Basis of preparation: underlying profit described below.

Consolidated notes to the financial statements (continued)

Basis of preparation: underlying profit

Underlying profit is determined by taking profit for the period determined under NZ IFRS, adjusted for the impact of the following:

a) Less fair value movement of investment property and other assets: reversal of investment property valuation changes recorded in NZ IFRS profit for the period, which comprise both realised and non-realised valuation movements. This is reversed and replaced with realised development margin and realised resale gains during the period, effectively removing the unrealised component of the fair value movement of investment property.

b) (Less)/add (impairment reversal)/impairment of assets and other non-cash items: remove the impact of non-operating one-off items and non-cash care centre valuation changes recorded in NZ IFRS profit for the period. Care centres are valued semi-annually (Jun 2024 and Dec 2024: annually), with fair value gains flowing through to the revaluation reserve unless the gain offsets a previous impairment to fair value that was recorded in NZ IFRS profit. Where there is any impairment of a care centre, or reversal of a previous impairment that impacts NZ IFRS profit for the period, this is eliminated for the purposes of determining underlying profit.

c) Add realised gain on resales: add the realised gains across all resales of occupation rights during the period. The realised gain for each resale is determined to be the difference between the licence price for the previous occupation right for a unit and the occupation right resold for that same unit during the period, with recognition point being the settlement of the resold unit. Realised resale gains exclude deferred management fees and refurbishment costs.

d) Add realised development margin: add realised development margin across all new sales of occupation rights during the period, with the recognition point being the cash settlement. Realised development margin is the margin earned on the first time sale of an occupation right following the development of a unit. The margin for each new sale is determined to be the licence price for the occupation right, less the cost of developing that unit.

   Components of the cost of developing units include directly attributable construction costs and a proportionate share of the following costs:

   - Infrastructure costs
   - Land cost on the basis of the purchase price of the land
   - Interest during the build period
   - Head office costs directly related to the construction of units

   All costs above include non-recoverable GST

   Development margin excludes the costs of developing common areas within the retirement village (including a share of the proportionate costs listed above). This is because these areas are assets that support the sale of occupation rights for not just the new sale, but for all subsequent resales. It also excludes the costs of developing care centres.

   Where costs are apportioned across more than one asset, the apportionment methodology is determined by considering the nature of the cost.

   Where a unit not previously sold under occupation right agreement is converted to a unit sold under occupation right agreement, realised development margin recognised on the new sale of these units includes the following costs:

   - Conversion costs
   - A fair value apportionment reflecting the value of the property immediately prior to conversion

e) (Less)/add deferred tax (credit)/expense: reversal of the impact of deferred taxation.

Underlying profit does not include any adjustments for abnormal items or fair value movements on financial instruments that are included in NZ IFRS profit for the period.

3. Operating expenses

	6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED $000	12 MONTHS DEC 2024 AUDITED $000
Employee expenses	99,509	89,965	182,915
Property-related expenses	16,957	14,408	30,602
Repairs and maintenance expenses	5,990	4,933	11,383
Other operating expenses	36,750	28,028	59,249
Total operating expenses	**159,206**	**137,334**	**284,149**

4. Income tax

Tax expense comprises current and deferred tax, calculated using the tax rate enacted or substantively enacted at balance date and any adjustment to tax payable in respect of prior years. Tax expense is recognised in the income statement, except when it relates to items recognised directly in the statement of comprehensive income, in which case the tax expense is recognised in the statement of comprehensive income.

Deferred tax expense is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable it will be utilised. Temporary differences for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, unless they arise from business combination, are not provided for.

NZ IAS 12, *Income Taxes* provides that there is a rebuttable presumption that investment property measured at fair value under NZ IAS 40, *Investment Properties* is recovered through sale. This presumption is rebutted if:

- The investment property is depreciable (e.g. buildings and land under a lease); and
- The investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The Group considers that the recovery through sale presumption for the manner of recovery of investment property is appropriate, consistent with its business model objective to ensure any portfolio decisions are accretive to the overall value of the business, either through use or sale.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

a) Income tax recognised in the income statement

	6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED $000	12 MONTHS DEC 2024 AUDITED $000
Tax expense comprises:			
Deferred tax relating to the origination and reversal of temporary differences	(17,399)	18,600	15,924
Total tax (credit)/expense reported in income statement	**(17,399)**	**18,600**	**15,924**

Consolidated notes to the financial statements (continued)

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	6 MONTHS JUN 2025 UNAUDITED		6 MONTHS JUN 2024 UNAUDITED RESTATED[1]		12 MONTHS DEC 2024 AUDITED	
	$000	%	$000	%	$000	%
Profit before income tax	**109,778**		**119,190**		**355,762**	
Income tax using the corporate tax rate	30,738	28.0%	33,373	28.0%	99,613	28.0%
Capitalised interest	(9,901)	(9.0%)	(9,552)	(8.0%)	(20,331)	(5.7%)
Other non-deductible expenses	3,111	2.8%	4,002	3.4%	9,096	2.6%
Non-assessable investment property revaluations	(38,283)	(34.9%)	(39,011)	(32.7%)	(108,730)	(30.6%)
Removal of tax depreciation on non-residential buildings	-	0.0%	28,894	24.2%	28,894	8.1%
Other	(3,064)	(2.8%)	894	0.8%	7,851	2.2%
Prior period adjustments	-	0.0%	-	0.0%	(469)	(0.1%)
Total income tax (credit)/expense	**(17,399)**	**(15.9%)**	**18,600**	**15.7%**	**15,924**	**4.5%**

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

The Group tax losses are as follows:

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED	12 MONTHS DEC 2024 AUDITED
	$000	$000	$000
Tax losses available	858,454	674,903	757,405
Tax effected	241,268	189,618	212,891
Unrecognised tax losses	15,079	10,081	11,734

(b) Amounts charged or credited to other comprehensive income

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED	12 MONTHS DEC 2024 AUDITED
	$000	$000	$000
Tax expense comprises:			
Net gain on revaluation of property, plant and equipment	24,049	-	26,424
Fair value movement of interest rate swaps	(2,074)	2,482	(3,689)
Total tax expense reported in statement of comprehensive income	**21,975**	**2,482**	**22,735**

(c) Amounts charged or credited directly to equity

	6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED $000	12 MONTHS DEC 2024 AUDITED $000
Tax expense comprises:			
Deferred tax relating to employee share option plans	126	72	(320)
Total tax expense/(credit) reported directly in equity	**126**	**72**	**(320)**

(d) Imputation credit account

There were no imputation credits received or paid during the half year and the balance at 30 June 2025 is nil (Jun 2024 and Dec 2024: nil).

(e) Deferred tax

Movement in the deferred tax balance comprises:

	BALANCE 1 JAN 2025 $000	RECOGNISED IN INCOME $000	RECOGNISED DIRECTLY IN EQUITY $000	RECOGNISED IN OCI* $000	BALANCE 30 JUN 2025 UNAUDITED $000
Property, plant and equipment	97,725	(9,255)	-	24,049	112,519
Investment property	65,151	4,078	-	-	69,229
Revenue in advance	104,010	11,288	-	-	115,298
Interest rate swaps	(3,054)	-	-	(2,074)	(5,128)
Income tax losses not yet utilised	(201,157)	(25,032)	-	-	(226,189)
Right of use asset	3,206	(460)	-	-	2,746
Lease liability	(3,758)	488	-	-	(3,270)
Other items	(4,723)	1,494	126	-	(3,103)
Net deferred tax liability	**57,400**	**(17,399)**	**126**	**21,975**	**62,102**

Consolidated notes to the financial statements (continued)

	BALANCE 1 JAN 2024 RESTATED[1]	RECOGNISED IN INCOME	RECOGNISED DIRECTLY IN EQUITY	RECOGNISED IN OCI*	BALANCE 30 JUN 2024 UNAUDITED RESTATED[1]
	$000	$000	$000	$000	$000
Property, plant and equipment	40,835	26,781	-	-	67,616
Investment property	58,595	153	-	-	58,748
Revenue in advance	84,597	10,207	-	-	94,804
Interest rate swaps	635	-	-	2,482	3,117
Income tax losses not yet utilised	(161,099)	(18,438)	-	-	(179,537)
Right of use asset	3,989	(393)	-	-	3,596
Lease liability	(4,525)	362	-	-	(4,163)
Other items	(3,966)	(72)	72	-	(3,966)
Net deferred tax liability	**19,061**	**18,600**	**72**	**2,482**	**40,215**

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

** Other comprehensive income*

	BALANCE 1 JAN 2024	RECOGNISED IN INCOME	RECOGNISED DIRECTLY IN EQUITY	RECOGNISED IN OCI*	BALANCE 31 DEC 2024 AUDITED
	$000	$000	$000	$000	$000
Property, plant and equipment	40,835	30,466	-	26,424	97,725
Investment property	58,595	6,556	-	-	65,151
Revenue in advance	84,597	19,413	-	-	104,010
Interest rate swaps	635	-	-	(3,689)	(3,054)
Income tax losses not yet utilised	(161,099)	(40,058)	-	-	(201,157)
Right of use asset	3,989	(783)	-	-	3,206
Lease liability	(4,525)	767	-	-	(3,758)
Other items	(3,966)	(437)	(320)	-	(4,723)
Net deferred tax liability	**19,061**	**15,924**	**(320)**	**22,735**	**57,400**

** Other comprehensive income*

(f) Income tax legislation amendments

The Taxation (Annual Rates for 2023-24, Multinational Tax and Remedial Matters) Act received royal assent on 28 March 2024, with effect from 1 January 2024. This Act removed the ability to claim tax depreciation on non-residential buildings, resulting in the removal of the tax base on certain buildings for deferred tax. The removal of the tax base has resulted in a $28.9 million increase to income tax expense and a corresponding increase to the deferred tax liability in respect of property, plant and equipment during the June 2024 and December 2024 periods.

5. Property, plant and equipment

Property, plant and equipment includes care centres (including memory care apartments and care suites), both complete and under development, and corporate assets held.

All property, plant and equipment is initially recorded at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed care centres includes directly attributable construction costs and other costs necessary to bring the care centres to working condition for their intended use. These other costs include professional fees and consents, interest during the build period and head office costs directly related to the construction of the care centres. Where costs are apportioned across more than one asset, the apportionment methodology is determined by considering the nature of the cost.

Subsequent to initial recognition, care centres are carried at fair value. Fair value measurement on care centres under construction is only applied if the fair value is reliably measurable. Where the fair value of care centres under construction cannot be reliably determined these are held at the cost of work undertaken.

Fair value measurement on completed care centres is carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses, if any, since the assets were last revalued. Other corporate assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Where an item of plant and equipment is disposed of, the gain or loss recognised in the income statement is calculated as the difference between the net sales price and the carrying amount of the asset.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is recognised in other comprehensive income unless it reverses a revaluation decrease of the same asset previously recognised in the income statement. Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus in the same asset in other comprehensive income. Any accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

Depreciation is charged to the income statement on a straight-line (SL) basis over the estimated useful life of each item of property, plant and equipment, with the exception of land, which is not depreciated. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Major depreciation rates are as follows:

- Buildings and land (2% to 14% SL)
- Motor vehicles (8% to 10% SL)
- Furniture and fittings (7% to 20% SL)
- Plant and equipment (7% to 50% SL)

Also included in the buildings and land category is building fit-out.

Right of use assets are depreciated on an SL basis over the term of their lease.

Consolidated notes to the financial statements (continued)

	BUILDINGS AND LAND $000	MOTOR VEHICLES $000	PLANT AND EQUIPMENT $000	FURNITURE AND FITTINGS $000	RIGHT OF USE ASSETS $000	TOTAL $000
Cost						
Balance at 1 January 2024 (restated)[1]	372,277	6,857	42,048	11,403	18,342	450,927
Additions	21,894	1,692	4,611	1,032	-	29,229
Disposals	(15)	(64)	(5)	-	-	(84)
Transfer	18,306	-	-	-	-	18,306
Remeasurements	-	-	-	-	154	154
Balance at 30 June 2024 (unaudited) (restated)[1]	**412,462**	**8,485**	**46,654**	**12,435**	**18,496**	**498,532**
Additions	58,249	2,232	3,388	778	-	64,647
Disposals	(2,161)	(200)	(1,315)	(1,078)	-	(4,754)
Transfer	2,093	-	-	-	-	2,093
Remeasurements	-	-	-	-	89	89
Impairment through profit or loss	(1,875)	-	-	-	-	(1,875)
Net revaluations through other comprehensive income	84,326	-	-	-	-	84,326
Balance at 31 December 2024 (audited)	**553,094**	**10,517**	**48,727**	**12,135**	**18,585**	**643,058**
Additions	71,347	1,309	5,972	809	-	79,437
Disposals	-	(142)	-	-	(1,131)	(1,273)
Transfer	4,359	-	318	-	(318)	4,359
Reversal of impairment through profit or loss	1,875	-	-	-	-	1,875
Net revaluations through other comprehensive income	78,862	-	-	-	-	78,862
Balance at 30 June 2025 (unaudited)	**709,537**	**11,684**	**55,017**	**12,944**	**17,136**	**806,318**

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

	BUILDINGS AND LAND $000	MOTOR VEHICLES $000	PLANT AND EQUIPMENT $000	FURNITURE AND FITTINGS $000	RIGHT OF USE ASSETS $000	TOTAL $000
Accumulated depreciation						
Balance at 1 January 2024	-	1,955	18,128	7,949	6,614	34,646
Depreciation charge for the year	4,823	224	1,939	478	1,147	8,611
Disposals	-	(52)	-	-	-	(52)
Balance at 30 June 2024 (unaudited)	**4,823**	**2,127**	**20,067**	**8,427**	**7,761**	**43,205**
Depreciation charge for the year	5,273	400	1,981	527	1,147	9,328
Disposals	(50)	(58)	(1,158)	(976)	-	(2,242)
Net revaluations through other comprehensive income	(10,046)	-	-	-	-	(10,046)
Balance at 31 December 2024 (audited)	**-**	**2,469**	**20,890**	**7,978**	**8,908**	**40,245**
Depreciation charge for the year	7,028	406	2,756	584	1,037	11,811
Disposals	-	(109)	-	-	(801)	(910)
Transfer	-	-	221	-	(221)	-
Reversal of impairment through profit or loss	-	-	-	-	-	-
Net revaluations through other comprehensive income	(7,028)	-	-	-	-	(7,028)
Balance at 30 June 2025 (unaudited)	**-**	**2,766**	**23,867**	**8,562**	**8,923**	**44,118**
Carrying amounts						
As at 30 June 2024 (unaudited) (restated)[1]	407,639	6,358	26,587	4,008	10,735	455,327
As at 31 December 2024 (audited)	553,094	8,048	27,837	4,157	9,677	602,813
As at 30 June 2025 (unaudited)	**709,537**	**8,918**	**31,150**	**4,382**	**8,213**	**762,200**

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

Buildings and land include $128.4 million of care centres under development carried at cost, due to the stage and nature of the development fair value is unable to be reliably determined (Jun 2024: $38.9 million, Dec 2024: $78.9 million).

Right of use assets relate to the Group's leased office premises, car park spaces and plant and equipment.

Classification between investment property and property, plant and equipment

On initial recognition, the Group performs an assessment to determine whether a unit type should be classified as investment property or property, plant and equipment. The assessment is based on the significance of ancillary services provided to residents who occupy accommodation under an occupation right agreement. For the purposes of this assessment, the Group considers that portion of weekly fees that gives rise to a separate performance obligation for the Group, as ancillary services. In addition to a quantitative assessment, the business model (being the provision of accommodation) is considered when determining the

Consolidated notes to the financial statements (continued)

classification of the property as either investment property or property, plant and equipment. Subsequent reclassification of unit types between investment property or property, plant and equipment, occur only when there has been a change in use.

Revaluations

An independent valuation to determine the fair value of all assets related to care centres was carried out as at 30 June 2025 by independent registered valuers CBRE Limited ("CBRE NZ") and Jones Lang LaSalle Limited ("JLL NZ"). Valuations were moved to six monthly as at 30 June 2025 to align with valuations for investment property and given the growth in the care centre portfolio.

The Group is unable to reliably determine the fair value of care centres under development and therefore these are carried at cost.

CBRE NZ and JLL NZ determine the fair value of care centres (excluding units under occupation right agreement) using an earnings-based multiple approach and the amount apportioned to goodwill is not recognised. Significant assumptions used in the most recent valuation are included in the table below:

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED	12 MONTHS DEC 2024 AUDITED
Market value per care bed	\$58,000 - \$154,000	N/A	\$64,000 - \$194,000
Individual unit earning capitalisation rate	11.0% - 15.0%	N/A	11.0% - 15.8%

Revaluation of units under occupation right agreement held as property, plant and equipment

To assess the market value of the Group's interest in the units under occupation right agreement held as property, plant and equipment, CBRE NZ undertook a discounted cash flow analysis to derive a present value. Significant assumptions used by CBRE NZ are included in the table below:

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED	12 MONTHS DEC 2024 AUDITED
Discount rate	13.5% - 15.5%	N/A	14.5% - 15.5%
Growth rate	0.5% - 3.5%	N/A	0.5% - 3.0%
Average entry age of residents	79 years - 96 years	N/A	79 years - 90 years
Stabilised departing occupancy periods of units	2.9 - 3.2 years	N/A	2.9 years - 3.1 years

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy

As the fair value of care centres is determined using inputs that are unobservable, the Group has categorised property, plant and equipment as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 – *Fair Value Measurement*.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the entity's portfolio of care centres (excluding units under occupation right agreement) are the capitalisation rates applied to individual unit earnings and the market value per care bed. A significant decrease (increase) in the capitalisation rate would result in a significantly higher (lower) fair value measurement, and a significant increase (decrease) in the market value per care bed would result in a significantly higher (lower) fair value measurement.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the entity's portfolio of units under occupation right agreement, held as property, plant and equipment, are the discount rates and growth rates. A significant decrease (increase) in the discount rate would result in a significantly higher (lower) fair value measurement, and a significant increase (decrease) in the growth would result in a significantly higher (lower) fair value measurement. Other key components in determining the fair value of units under occupation right held as property, plant and equipment are the average entry age of residents and the average occupancy of units. A significant decrease (increase) in the occupancy period of units would result in a significantly higher (lower) fair value measurement, and a significant increase (decrease) in the average entry age of residents would result in a significantly higher (lower) fair value measurement.

Cost model

If buildings and land were measured using the cost model, the carrying amounts would be as follows:

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED	12 MONTHS DEC 2024 AUDITED
	BUILDINGS AND LAND $000	BUILDINGS AND LAND $000	BUILDINGS AND LAND $000
Cost	449,665	315,778	373,959
Accumulated depreciation and impairment losses	(57,073)	(47,027)	(50,045)
Net carrying amount	**392,592**	**268,751**	**323,914**

Security

At 30 June 2025, all care centres held by retirement villages registered under the Retirement Villages Act 2003 are subject to a registered first mortgage in favour of the Statutory Supervisor.

6. Investment property

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED	12 MONTHS DEC 2024 AUDITED
		RESTATED[1]	
	$000	$000	$000
Balance at beginning of period	7,328,744	6,394,117	6,394,117
Additions	340,306	264,621	579,633
Transfer to property, plant and equipment	(4,359)	(18,306)	(20,399)
Disposals	-	(650)	(1,385)
Fair value movement	126,820	129,812	388,066
Impairment through profit or loss	-	-	(5,237)
Foreign exchange movement	5,991	(4,022)	(6,050)
Total investment property	**7,797,502**	**6,765,572**	**7,328,744**

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

Consolidated notes to the financial statements (continued)

	6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED RESTATED[1] $000	12 MONTHS DEC 2024 AUDITED $000
Development land measured at fair value	588,156	548,539	538,172
Retirement villages measured at fair value[2]	6,604,492	5,654,834	6,221,325
Retirement villages under development measured at cost	604,854	562,199	569,247
Total investment property	**7,797,502**	**6,765,572**	**7,328,744**

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

2 Included in retirement villages measured at fair value is $202.5 million relating to a village under development measured at fair value (Jun 2024: $219.3 million, Dec 2024: $190.1 million).

	6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED RESTATED[1] $000	12 MONTHS DEC 2024 AUDITED $000
Manager's net interest	4,585,154	3,945,831	4,301,339
Plus: revenue received in advance relating to investment property	223,174	194,616	208,159
Plus: liability for residents' loans relating to investment property	2,989,174	2,625,125	2,819,246
Total investment property	**7,797,502**	**6,765,572**	**7,328,744**

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

The Group is unable to reliably determine the fair value of the non-land portion of retirement villages under development at 30 June 2025 and therefore these are carried at cost, with the exception of St Johns due to its advanced stage of construction. This equates to $604.9 million of investment property (Jun 2024: $562.2 million, Dec 2024: $569.2 million).

The fair value of investment property, including land, as at 30 June 2025 was determined by independent registered valuers CBRE NZ, JLL NZ, CBRE Valuations Pty Limited ("CBRE AU") and Jones Lang LaSalle Australia Pty Limited ("JLL AU"). The fair value of the Group's investment property is determined on a semi-annual basis, based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

As required by NZ IAS 40 - *Investment Property*, the fair value as determined by the independent registered valuer is adjusted for assets and liabilities already recognised on the balance sheet which are also reflected in the discounted cash flow analysis.

To assess the fair value of the Group's interest in each New Zealand and Australia villages, CBRE NZ, JLL NZ and JLL AU have undertaken a discounted cash flow analysis to derive a present value. The Group's development land has been valued by CBRE NZ, JLL NZ, CBRE AU and JLL AU using the direct comparison approach.

Near completed stages of St Johns have been valued using the residual approach where a number of blocks were valued as work in progress together with residual land. The value of the work in progress was calculated as the market value of completed stock less selling expenses, and an allowance for profit and risk, holding costs, and costs to complete including a contingent sum.

The global economic outlook has become increasingly uncertain, driven by the tariffs announced by the United States in April 2025 and the ongoing conflicts in the Middle East. Whilst global interest rates had been falling, the longer-term outlook is uncertain. These developments pose downside risks to the outlook for local economic activity and growth. With these factors in mind, the valuers reiterate that their conclusions are based on data and market sentiment as at the date of the valuation and that a degree of caution should be exercised when relying upon the valuation.

Significant assumptions used by the valuers in relation to the New Zealand and Australian investment property are included in the table below:

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED	12 MONTHS DEC 2024 AUDITED
Discount rate	13.5% - 16.8%	13.5% - 16.5%	13.5% - 16.5%
Growth rate	0.0% - 3.5%	0.5% - 3.6%	0.5% - 3.5%
Average entry age of residents	73 years - 90 years	72 years - 89 years	73 years - 91 years
Stabilised departing occupancy periods of units	4.0 years - 8.8 years	3.8 years - 13.0 years	3.9 years - 9.0 years

As the fair value of investment property is determined using inputs that are significant and unobservable, the Group has categorised investment property as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 – *Fair Value Measurement*.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy

To assess the market value of the Group's interest in a retirement village, CBRE NZ, JLL NZ and JLL AU have undertaken a discounted cash flow analysis to derive a present value.

The sensitivities of the significant assumptions are shown in the table below:

	Adopted value[1]	Discount rate +50 bp	Discount rate -50 bp	Growth rates +50bp	Growth rates -50bp
30 June 2025					
Valuation ($000)	2,462,352				
Difference ($000)		(95,645)	103,545	156,439	(142,825)
Difference (%)		(3.9%)	4.2%	6.4%	(5.8%)
30 June 2024					
Valuation ($000)	2,101,321				
Difference ($000)		(78,094)	84,142	134,278	(122,821)
Difference (%)		(3.7%)	4.0%	6.4%	(5.8%)
31 December 2024					
Valuation ($000)	2,336,484				
Difference ($000)		(88,466)	95,396	149,462	(136,527)
Difference (%)		(3.8%)	4.1%	6.4%	(5.8%)

1 *Adopted value differs to figures in other notes. It is the value of completed units, net of related resident liability. The amount does not include unsold stock, work in progress or development land.*

Other key components in determining the fair value of investment property are the average entry age of residents and the average occupancy of units. A significant decrease (increase) in the occupancy period of units would result in a significantly higher (lower) fair value measurement, and a significant increase (decrease) in the average entry age of residents would result in a significantly higher (lower) fair value measurement.

Security

At 30 June 2025, all investment property relating to registered retirement villages under the Retirement Villages Act 2003 are subject to a registered first mortgage in favour of the Statutory Supervisor to secure the Group's obligations to the occupation right agreement holders.

Consolidated notes to the financial statements (continued)

7. Residents' loans

	6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED $000	12 MONTHS DEC 2024 AUDITED $000
Balance at beginning of period	3,618,804	3,121,400	3,121,400
Net receipts for residents' loans - resales of occupation right agreements	14,742	38,613	88,051
Receipts for residents' loans - new occupation right agreements	246,704	182,442	409,353
Total gross residents' loans	**3,880,250**	**3,342,455**	**3,618,804**
Deferred management fees and other receivables	(816,051)	(670,988)	(737,701)
Total residents' loans	**3,064,199**	**2,671,467**	**2,881,103**

8. Interest-bearing loans and borrowings

		6 MONTHS JUN 2025 UNAUDITED $000	6 MONTHS JUN 2024 UNAUDITED $000	12 MONTHS DEC 2024 AUDITED $000
Repayable within 12 months				
Retail bond - SUM020	4.20%	125,000	-	125,000
Repayable after 12 months				
Secured bank loans	Floating	1,136,475	973,279	1,133,920
Retail bond - SUM020	4.20%	-	125,000	-
Retail bond - SUM030	2.30%	150,000	150,000	150,000
Retail bond - SUM040	6.59%	175,000	175,000	175,000
Retail bond - SUM050	6.43%	125,000	125,000	125,000
Retail bond - SUM060	5.70%	150,000	-	-
Total loans and borrowings at face value		**1,861,475**	**1,548,279**	**1,708,920**
Transaction costs for loans and borrowings capitalised:				
Opening balance		(7,780)	(6,182)	(6,182)
Capitalised during the period		(1,775)	(1,662)	(3,644)
Amortised during the period		1,138	985	2,046
Closing balance		(8,417)	(6,859)	(7,780)
Total loans and borrowings at amortised cost		**1,853,058**	**1,541,420**	**1,701,140**
Fair value adjustment on hedged borrowings		13,742	(2,004)	13,200
Carrying value of interest-bearing loans and borrowings		**1,866,800**	**1,539,416**	**1,714,340**

Further interest rate and loan disclosures below:

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED	12 MONTHS DEC 2024 AUDITED
Weighted average interest rate[1]	5.6%	6.2%	6.1%
Percentage of interest-bearing loans and borrowings at fixed interest rates	63.3%	52.2%	50.6%

1 *Weighted average interest rate includes margin, line fees and interest rate swaps.*

The secured bank loan facility at 30 June 2025 has a limit of approximately $1,901.5 million (Jun 2024: $1,524.6 million, Dec 2024: $1,918.9 million). This includes lending of the following:

Currency	Lending limit	Expiration
AUD	$163 million	September 2027
NZD	$450 million	November 2027
AUD	$42 million	November 2027
NZD	$100 million	September 2028
AUD	$43 million	September 2028
NZD	$365 million	November 2028
AUD	$315 million	November 2028
NZD	$335 million	November 2029
AUD	$43 million	November 2029

The Group has five retail bonds listed on the NZDX:

ID	Amount	Maturity
SUM020	$125 million	24 September 2025
SUM030	$150 million	21 September 2027
SUM040	$175 million	9 March 2029
SUM050	$125 million	8 March 2030
SUM060	$150 million	23 May 2031

Security

The banks loans and retail bonds rank equally with the Group's other unsubordinated obligations and are secured by the following securities held by a security trustee:

- a first-ranking registered mortgage over all land and permanent buildings owned (or leased under a registered lease) by each New Zealand-incorporated guaranteeing Group member that is not a registered retirement village under the Retirement Villages Act 2003;
- a second-ranking registered mortgage over the land and permanent buildings owned (or leased under a registered lease) by each New Zealand-incorporated guaranteeing Group member that is a registered retirement village under the Retirement Villages Act 2003 (behind a first-ranking registered mortgage in favour of the Statutory Supervisor);
- a first-ranking registered mortgage over all land and permanent buildings owned (or leased under a registered lease) by each Australian-incorporated guaranteeing Group member;
- a General Security Deed, which secures all assets of the New Zealand- incorporated guaranteeing Group members, but in respect of which the Statutory Supervisor has first rights to the proceeds of security enforcement against all assets of the registered retirement villages to which the security trustee is entitled;
- a General Security Deed, which secures all assets of the Australian-incorporated guaranteeing Group members; and
- a Specific Security Deed in respect of each marketable security of Summerset Holdings (Australia) Pty Limited, held by Summerset Holdings Limited.

Consolidated notes to the financial statements (continued)

9. Financial Instruments

Exposure to credit, market and liquidity risk arises in the normal course of the Group's business. The Board adopts policies for managing each of these risks and there has been no material change to the policies presented in the Group's financial statements for the six months ended 30 June 2025.

Fair values

The carrying amounts shown in the balance sheet approximate the fair value of the financial instruments, with the exception of retail bonds. The fair value of retail bonds is based on the price traded at on the NZX market as at balance date. The fair value of the retail bonds is categorised as Level 1 under the fair value hierarchy in accordance with NZ IFRS 13 – *Fair Value Measurement*. Four of the five retail bonds SUM020, SUM040, SUM050 and SUM060 are designated in fair value hedge relationships, which means that any change in market interest rates results in a change in the fair value adjustment of that debt. The fair value of interest rate swaps is determined using inputs from third parties that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Based on this, the Company and Group have categorised these financial instruments as Level 2 under the fair value hierarchy in accordance with NZ IFRS 13 – *Fair Value Measurement*.

10. Earnings per share and net tangible assets

Basic earnings per share

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED RESTATED[1]	12 MONTHS DEC 2024 AUDITED
Earnings ($000)	127,177	100,590	339,838
Weighted average number of ordinary shares for the purpose of earnings per share (in thousands)	239,247	234,616	234,938
Basic earnings per share (cents per share)	**53.16**	**42.87**	**144.65**

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

Diluted earnings per share

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED RESTATED[1]	12 MONTHS DEC 2024 AUDITED
Earnings ($000)	127,177	100,590	339,838
Weighted average number of ordinary shares for the purpose of diluted earnings per share (in thousands)	239,771	235,024	235,660
Diluted earnings per share (cents per share)	**53.04**	**42.80**	**144.21**

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

Number of shares (in thousands)

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED	12 MONTHS DEC 2024 AUDITED
Weighted average number of ordinary shares for the purpose of basic earnings per share	239,247	234,616	234,938
Weighted average number of ordinary shares issued under employee share plans	524	408	722
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**239,771**	**235,024**	**235,660**

At 30 June 2025, there were a total of 520,938 shares issued under employee share plans held by Summerset LTI Trustee Limited (Jun 2024: 406,227, Dec 2024: 526,729 shares).

Net tangible assets per share

	6 MONTHS JUN 2025 UNAUDITED	6 MONTHS JUN 2024 UNAUDITED RESTATED[1]	12 MONTHS DEC 2024 AUDITED
Net tangible assets ($000)	3,169,669	2,683,771	2,960,991
Shares on issue at end of period (basic and in thousands)	240,410	235,208	236,299
Net tangible assets per share (cents per share)	**1,318.44**	**1,141.02**	**1,253.07**

1 The fair values of investment property and property, plant and equipment have been restated as detailed in Note 1 comparative information.

Net tangible assets are calculated as the total assets of the Group less intangible assets and less total liabilities. This non-GAAP measure is provided as it is commonly used for comparison between entities.

11. Dividends

On 27 March 2025 a dividend of 13.2 cents per ordinary share was paid to shareholders (2024: on 22 March 2024 a dividend of 13.2 cents per ordinary share was paid to shareholders and on 20 September 2024 a dividend of 11.3 cents per ordinary share was paid to shareholders).

A dividend reinvestment plan applied to the dividend paid on 27 March 2025 and 1,169,966 ordinary shares were issued in relation to the plan (2024: 1,258,320 ordinary shares were issued in relation to the plan for the 22 March 2024 dividend and 915,372 ordinary shares were issued in relation to the plan for the 20 September 2024 dividend).

12. Commitments and contingencies

Capital commitments

At 30 June 2025, the Group had $101.9 million of capital commitments in relation to land and construction contracts (Jun 2024: $83.0 million, Dec 2024: $81.2 million).

Contingent liabilities

There were no known material contingent liabilities at 30 June 2025 (Jun 2024 and Dec 2024: nil).

13. Subsequent events

On 27 August 2025, the Directors approved an interim dividend of $27.2 million, being 11.3 cents per share. The dividend record date is 11 September 2025 with a payment date of 24 September 2025.

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

Independent Auditor's review report

To the Shareholders of Summerset Group Holdings Limited

Report on the consolidated interim financial statements

Our conclusion

We have reviewed the consolidated interim financial statements of Summerset Group Holdings Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended on that date, and selected explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 June 2025, and its financial performance and cash flows for the six months then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the consolidated interim financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carries out other services for the Group in the areas of interim review of the consolidated statement of underlying profit, provision of training materials and access to an online resource platform covering generic technical content, a report summarising the results of a survey of New Zealand executive rewards and a mandatory shareholding policy review. The provision of these other services has not impaired our independence. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interest in, the Group.

Responsibilities of Directors for the consolidated interim financial statements

The Directors of the Group are responsible on behalf of the Company for the preparation and fair presentation of these consolidated interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

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Auditor’s responsibilities for the review of the consolidated interim financial statements

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of consolidated interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Who we report to

This report is made solely to the Company’s shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s shareholders, as a body, for our review procedures, for this report or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor’s review report is Richard Day.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers
27 August 2025

Wellington

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Summerset Mernda[1]
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Summerset Drysdale[1]
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Phone (1800) 321 700

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PwC

Solicitor
Russell McVeagh

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Australia and New Zealand Banking Group Limited
Bank of China (New Zealand) Limited
Bank of New Zealand
China Construction Bank (New Zealand Limited)
Commonwealth Bank of Australia
Industrial and Commercial Bank of China Limited
Metrics Credit Partners Diversified Australian Senior Loan Fund
National Australia Bank Limited
Westpac New Zealand Limited
Westpac Banking Corporation

Statutory Supervisor
Public Trust

Bond Supervisor
The New Zealand Guardian Trust Company Limited

Share Registrar
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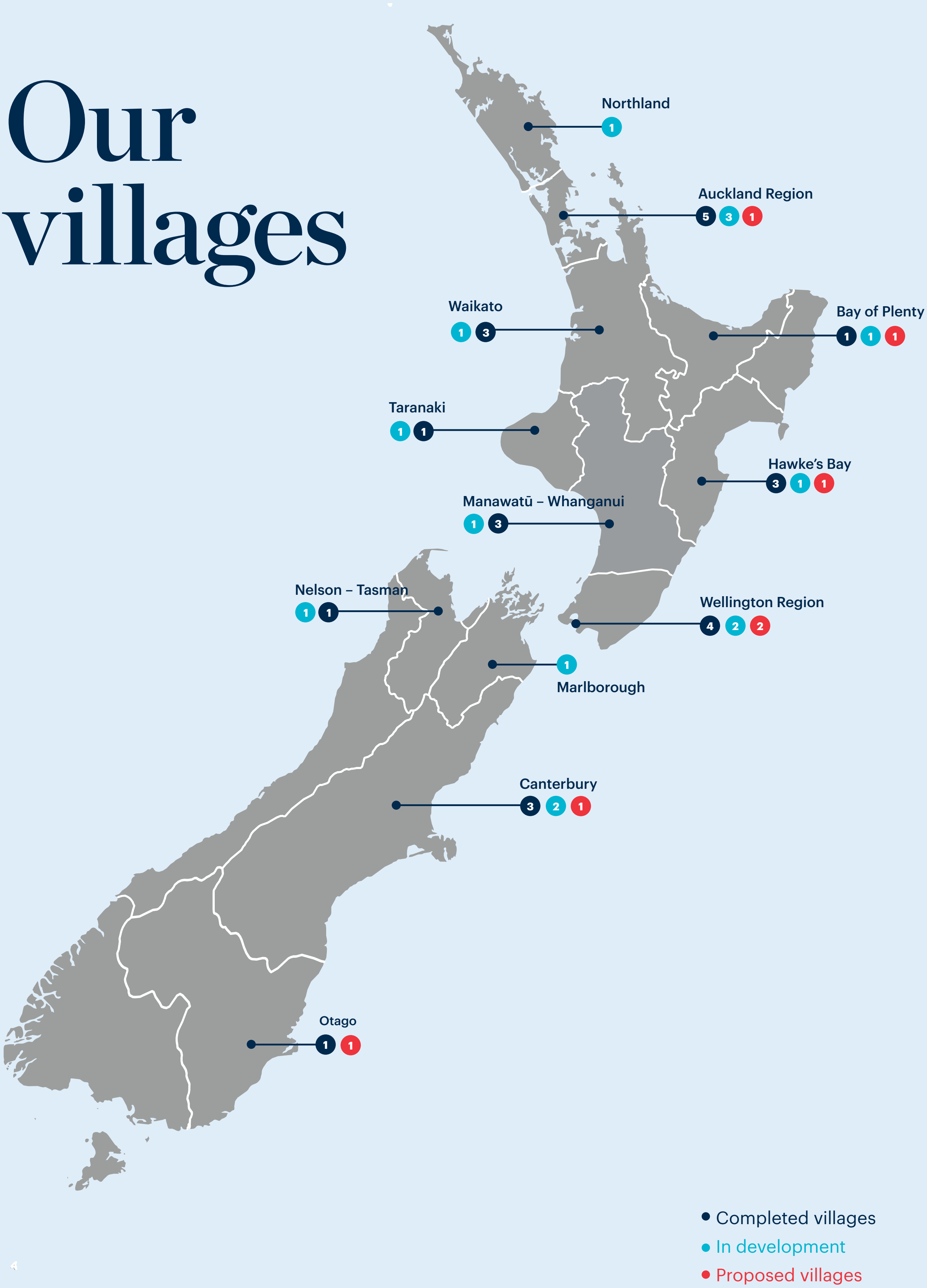
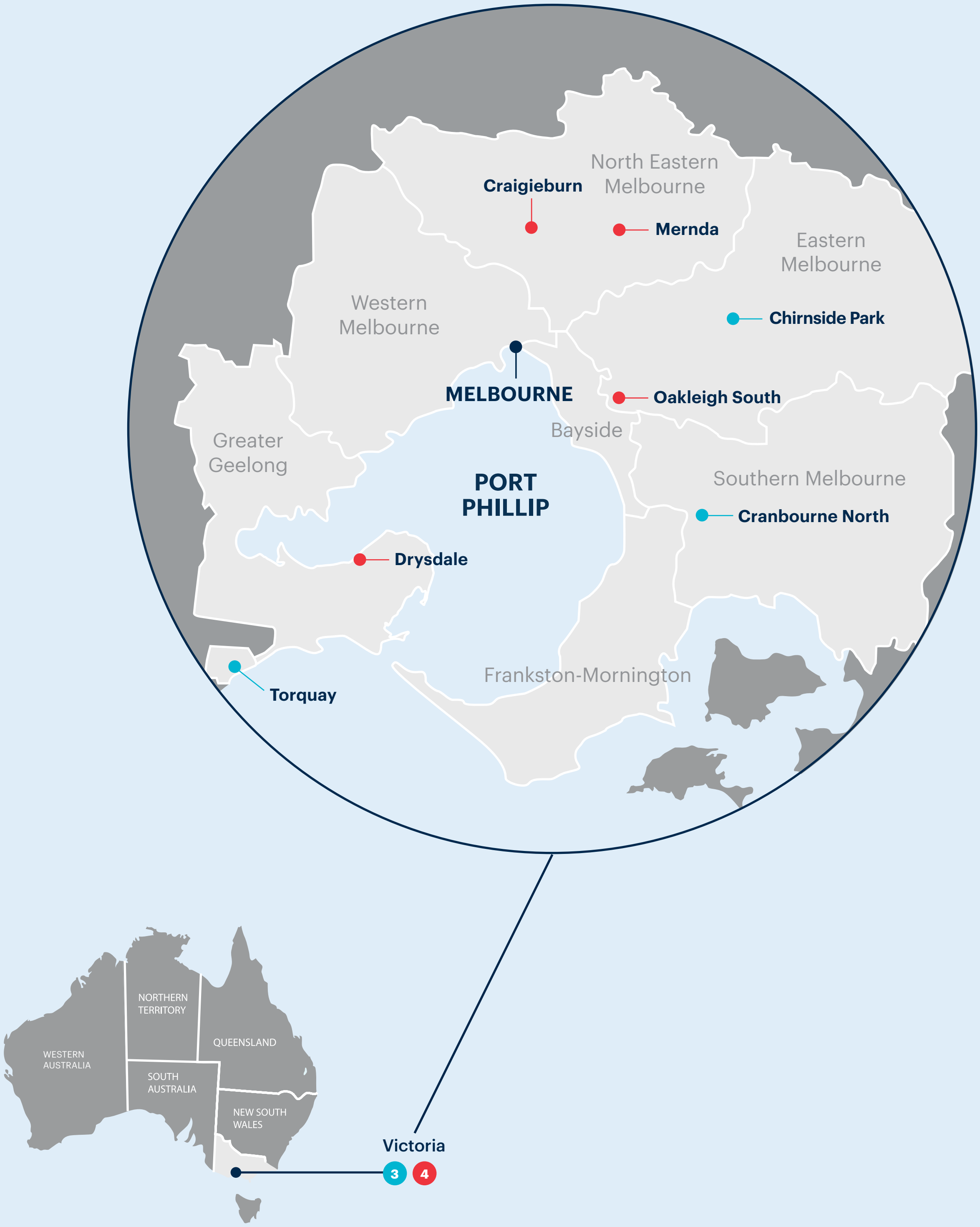
Dr Marie Bismark
Stephen Bull
Venasio-Lorenzo Crawley
Fiona Oliver
Gráinne Troute
Dr Andrew Wong

Company Secretary
Robyn Heyman

Our villages

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QUEENSLAND
WESTERN AUSTRALIA
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NEW SOUTH WALES
Victoria
3
4

Inside back cover: Summerset's professional and dedicated staff provide a welcoming and supportive environment to all village residents

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