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NZX & ASX RELEASE

28 February 2025

SUMMERSET POSTS $206.4M FULL YEAR UNDERLYING PROFIT

- Underlying profit for FY24 of NZ$206.4m, up 8% on FY23
- Total revenue of NZ$319.9m up 18% on FY23
- Total assets of NZ$8.1b, up 16% on FY23
- Three new sites and two land extensions acquired this year in New Zealand
- 1,238 total sales of occupation rights, up 12% on FY23
- 708 new homes under occupation right agreement (ORA) delivered (676 in New Zealand and 32 in Australia)
- Land bank total of 6,147 retirement homes and 1,396 care homes across NZ and Australia
- Gearing ratio at 36.4%
- Development margin of 28.9%
- Final dividend of NZ13.2 cents per share
- Village and care resident satisfaction 97%
- Staff retention 81% up 4% on FY23

Retirement village operator Summerset Group Holdings Limited today announced a record full year underlying profit for the year ending 31 December 2024 of NZ$206.4 million, up 8% on FY23. IFRS net profit after tax was down to $339.8 million with the change largely reflective of the fair value movement of investment properties recognised in 2024, relative to 2023.

Summerset Board Chair Mark Verbiest said Summerset was pleased with the business' underlying operating performance in light of 2024's tough macroeconomic environment.

"We have continued to deliver value for our residents and shareholders during a year which has been one of the most challenging we've seen as a company. Like most other businesses in 2024 we had to work within an environment where higher costs, inflation and the subdued residential property market all made our work harder. Despite these challenges, we have continued to grow," Mr Verbiest said.

Summerset delivered its highest ever sales with 1,238 ORA homes contracted for 2024, up 12% on FY23.

Summerset CEO Scott Scoullar said the company's broadacre build strategy was a continued strength.

"We continue to see the benefits of our regionally diverse portfolio with eight regions seeing over 30 sales settlements across 2024, highlighting the broad appeal and strength of our villages nationwide. When we exclude the three new village centre buildings we opened this year our

uncontracted stock is down between 20-50% year-on-year across our home types, a very pleasing result in a tough market," Mr Scoullar said.

Mr Scoullar said Summerset had continued to live the company's purpose and 'bring the best of life' to its residents with continued high satisfaction scores and external acknowledgement of their work.

"Our resident satisfaction scores have remained extremely high for both village and care reflecting the work our team have put in to provide the best retirement living experience we can.

"We've also won a number of awards this year including Gold for the Reader's Digest 2025 Quality Service Award in the Retirement Villages category, the second year in a row we've won this award."

Construction

Summerset again met its forecast build target, delivering 676 homes under ORA in New Zealand and 32 in Australia, up 10 percent on FY23. The company's New Zealand deliveries was consistent with guidance provided at the Half Year result where Summerset indicated it would deliver at the lower end of the 675-725 forecast range.

The company was building on 20 sites across New Zealand and Australia in 2024 and delivered some significant projects including the main buildings at its Boulcott (Lower Hutt) and St Johns (Auckland) villages.

Mr Scoullar said Summerset reported a development margin of 28.9% down from 31.6% in FY23, driven by a change in the company's sales mix with a higher proportion of care and memory care suites sold than previous years.

St Johns village opened on time and on budget

Summerset's flagship village, St Johns, was delivered on time and on budget in October 2024 and opened officially by New Zealand Prime Minister, Rt. Hon. Christopher Luxon in December. This complex build on the 2.6ha site, in the heart of Auckland, features six multi-storey buildings with excellent views of Auckland city and Rangitoto.

Mr Scoullar said St Johns was a unique opening for the company, delivering a large percentage of the village's homes in the first stage, along with facilities such as the indoor pool, café and library.

"We typically develop broadacre villages where we deliver homes in a staggered process across multiple years. However, the nature of St Johns has meant we have delivered 60% of its homes on day one. Having care available immediately, along with its facilities increases the appeal to our prospective residents, however it does mean we have higher levels of uncontracted stock than normal.

"So far we have approximately 30% of St Johns' available homes under contract, a figure we're pleased with, and which compares very favourably with similar retirement villages in the area which have been open much longer."

Continued progress in Australia

Mr Scoullar said the company's Australian development continues to progress, with another

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milestone achieved in 2024, the first Australian residents moving into its Cranbourne North village in March.

“Our Cranbourne North village is on track and we’ve commenced construction on the village’s main building which will be home to our first Australian care residents when complete. We’ve also started construction at our second village in Chirnside Park and we have been granted planning permits for our Torquay and Oakleigh South villages.

“We continue to take a measured and cautious approach to our Australian development as we build our knowledge of that market.”

New land in New Zealand
Summerset announced the purchase of three new village sites and two extensions to existing villages in 2024.

The three proposed village sites at Belmont (Auckland), Otaihanga (Kāpiti Coast) and Mission Hills (Napier) are in high demand areas, while the two village extensions at Boulcott (Lower Hutt) and Blenheim will allow Summerset to add profitable new homes to villages where the upfront cost of the village infrastructure has been paid.

“While 2024 has presented business challenges, the softer property market has provided us with opportunities for well-priced acquisitions. We are pleased to have added more than 1,100 new homes to our very strong land bank,” says Mr Scoullar.

Aged care funding

Mr Scoullar said that Summerset was considering changes to its care model due to the state of aged care underfunding in New Zealand.

“While we’ve created greater financial certainty for ourselves, and our residents, by moving to care ORAs at many of our villages there is still a major gap between our aged care funding and the costs of running our care centres.

“We are currently reviewing our policies and where this funding gap is leaving us. We will have to consider making our care centres available to our village residents only and no longer accepting referrals from the public health system.

“It’s not a step we want to take but we need to focus our limited funding and staffing resources on our village residents and their needs. We don’t want to end up overstretching our staff. We know this will mean a bigger burden will be placed on the public health system, but we can’t keep taking the strain.”

Looking forward
“During 2024 we showed the strength of Summerset’s balance sheet despite trading in conditions labelled by some commentators as worse than the Global Financial Crisis. We have worked hard to control our costs, our cash flow is improving, our asset base is strong and our balance sheet is well positioned

“We will continue to grow and bring more New Zealanders and Australians into our retirement villages.”

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The Board has declared a final dividend of NZ13.2 cents per share, bringing the total dividend payable for FY24 to NZ24.5 cents per share.

ENDS

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ABOUT SUMMERSET

- Summerset is one of the leading operators and developers of retirement villages in New Zealand, with 40 villages completed or in development nationwide
- In addition, Summerset has seven proposed sites at Belmont (Auckland), Rotorua (Bay of Plenty), Mission Hills (Napier), Masterton (Wairarapa), Otaihanga (Kāpiti Coast), Rolleston (Canterbury) and Mosgiel (Dunedin)
- Summerset also has three villages in development (Cranbourne North, Chirnside Park and Torquay) and four other properties in Victoria, Australia (Craigieburn, Drysdale, Mernda, and Oakleigh South)
- Summerset provides a range of living options and care services to more than 8,700 residents

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Annual Report

2024

Summerset



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ABOUT THIS REPORT

This Annual Report of Summerset Group Holdings Limited (Summerset) is prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), the NZX Listing Rules and Corporate Governance Code, the ASX Listing Rules (as relevant for foreign exempt listings) and the Companies Act 1993.

It covers all our business operations for the year ended 31 December 2024 and was released on 28 February 2025. We are aligning our reporting to the International Integrated Reporting Framework to improve the way we communicate and improve transparency.

We will continue to build on this approach.



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Cover: Our Summerset on the Landing residents enjoy sharing good food and company at the village's Divine Café

Inside cover: Summerset St Johns, Auckland

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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









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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 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)
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 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
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
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

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Term	Definition
	(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 unit 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, council rates, maintenance, landscaping and rubbish removal at the respective Summerset village where they are a resident

Sustainability

Term	Definition
Embodied carbon	The total greenhouse gas emissions associated with the production of a building's materials, from extraction through manufacturing, transportation, construction and deconstruction
Greenhouse gases (GHG)	Gases that trap heat energy from the Earth's surface and radiate it back, contributing to the greenhouse effect
Science-based target	A target to reduce greenhouse gas emissions in line with climate science which has been reviewed and validated by the Science Based Target Initiative (SBTi)
Scope 1 emissions	Emissions that are directly produced by an organisation through its day-to-day operations (e.g. fuel used to run vehicles)
Scope 2 emissions	Indirect GHG emissions from purchased electricity, steam, heating and cooling (e.g. electricity used to run village centres or offices)
Scope 3 emissions	GHG emissions that occur indirectly from a business's activities, but are not directly caused by the business (e.g. emissions associated with business travel)
Total emissions	The sum of direct and indirect GHG emissions, defined by three different scopes
Value chain	The various business activities and processes involved in creating a product or performing a service with each stage adding value
Waste hierarchy	Framework for managing waste that prioritises waste prevention and reduction, often represented as a pyramid, with the best options to reduce waste at the top and the least favourable at the bottom

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Chair and CEO's report



Mark Verbiest
Chair



Scott Scoullar
Chief Executive Officer

Welcome to Summerset's annual report for the 12 months ended 31 December 2024. We have been managing one of the most challenging business environments we've seen as a company, and in the circumstances we believe Summerset has shown considerable resilience and has delivered value for residents and investors.

Through much of 2024, inflation, weak consumer confidence, a softer than anticipated property market and rising costs all combined to make trading conditions extremely challenging.

Despite these challenges we saw 1,238 sales of ORAs, our highest year. We were pleased to see the strength of our diversified portfolio in 2024 also, with eight different regions seeing 30 or more sales.

We have continued to see strong demand across the country and have again seen high levels of enquiry from prospective residents. Our customers are highly motivated, however the property market, which was undoubtedly subdued throughout 2024, restricted some of our residents from selling their home as quickly as they would like, slowing some moves to our villages.

Even during an economic downturn, we have highly motivated customers, and it is clear a move to our villages is, ultimately, not solely dependent upon the property market. Our prospective residents' motivations to join our village communities remain, including security, community, health concerns and much more.

The past year has also shown us the benefits of our broadacre build strategy. We are able to recycle cash effectively across our ongoing developments and with the benefit of in-house construction in New Zealand we have flexed our build programme to reduce construction where demand has been lighter and focus our work in other areas.

With demand continuing to appear robust, we have further strengthened our development pipeline in New Zealand with the purchase of three new parcels of land to build future villages, and two land purchases to expand existing villages. While 2024 has presented business challenges, the softer property market has provided us with opportunities for well-priced acquisitions.

Our Australian development also continues to progress with another milestone achieved this year: our first residents moving into our Cranbourne North village. Our Cranbourne village is on track and we've begun construction on the village's main building which will be home to our first Australian care residents when complete. We continue to take a measured and cautious approach to our Australian development as we build our knowledge of that market.

Our hard work has been recognised externally with Summerset receiving a number of awards this year from industry bodies, consumers

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Boulcott opened its village centre building during the year

and financial bodies including winning Gold for the Reader's Digest 2025 Quality Service Award in the Retirement Villages category for the second year in a row, and an Ethical and Sustainable Business Award.

Business performance

Underlying profit for 2024 is $206.4 million, an increase of 8% on 2023. Our IFRS net profit after tax is $339.8 million, down 20% on 2023, this change is largely reflective of the fair value movement of investment properties recognised in 2024, relative to 2023.

Operating cash flows of $443.2 million have increased 11% from last year. The value of our investment property is now $7.3 billion, up 14% on 2023, largely as a result of additions to our retirement unit portfolio across New Zealand and Australia and favourable fair value movements.

We believe that we've managed the business effectively through very challenging market conditions.

Levels of uncontracted stock have increased on FY23 by 40% but this is unsurprising as we opened our flagship St Johns village in Auckland, the village centre building at our Pāpāmoa village and our new Boulcott village in Lower Hutt in 2024. All three villages have strong demand but it takes time to sell down three large scale initiatives like these.

At a typical village we open a number of stages of villas before building the village centre, which is home to a large number of homes, in addition to the village amenity such as the pool, café and theatre. At our St Johns and Boulcott sites we've opened the village centres in the early stages of the villages' lives as planned.

Having care available immediately, along with the communal facilities, increases the village's appeal to our prospective residents, but it means we have higher levels of uncontracted stock than normal due to the village centres being home to a large number of apartments and care suites. When we exclude the new village centre building homes our uncontracted stock is down between 20-50% across all unit types year-on-year, a very pleasing result in a tough market.

The Board is pleased to declare a final dividend of 13.2 cents per share, payable on 27 March 2025. Combined with our interim dividend of 11.3 cents per share, shareholders have received 24.5 cents per share for the 2024 financial year, consistent with 2023.

Costs

With market conditions constrained we have worked hard to reduce our costs. In the first half of the year a full review of operating expenses was undertaken to assist in managing our balance sheet through the tougher economic conditions.

Construction costs are an ongoing focus for us and we are benefitting from the subcontract tender market reductions in line with reduced sector activity. Our Procurement team, which won the prestigious Transformation of the Year award at the annual New Zealand Procurement Excellence Forum (NZPEF) Awards in 2024, has worked hard to secure value-for-money long-term contracts through strong relationships with our key suppliers.

Our hard work has seen us deliver a healthy development margin through 2024 of 28.9%, well above the 20–25% guidance we gave last year.

We have long felt our weekly fees policy is an appropriate and sustainable model. Costs such as rates and insurance at our villages increased markedly in 2024 which

we were able to offset somewhat with our flexible weekly fees.

Our New Zealand weekly fees are linked to Superannuation and any increase does not exceed the percentage increase to NZ Superannuation. This year, while NZ Superannuation increased by 4.65%, our weekly fees increased by 3.75%. We made the decision to keep our 2024 weekly fee increase below the percentage increase of NZ Super to try and balance the ongoing cost-of-living crisis that was impacting our residents, while looking to offset the increasing operating costs of our villages.

In Australia our fees are linked to the Consumer Price Index (CPI) and do not exceed the percentage increase of CPI to provide Australian residents with the same peace of mind when budgeting for their retirement.

New Zealand land acquisitions and development

Our New Zealand land bank is well-diversified with proposed village sites from Auckland to Dunedin. To enable growth, approximately 80% of our land bank has been consented (excluding sites acquired in 2024). The diversity of our land bank gives us flexibility in the rate and location of development, so we can respond to localised demand and supply, and the changing economic conditions.

This year our proposed village at Masterton received consent, and our proposed Mosgiel village is on the list of projects in the Government's Fast-track Approvals Act.

While we have experienced a market downturn in 2024, by exercising careful due diligence we continue to find well-priced land in high-demand areas.

During the year we acquired three new sites for proposed villages and two extensions to existing villages. These opportunities have strengthened our development pipeline and have increased our land bank by more than 1,100 new units.

The new land for proposed villages is:

- Mission Hills in Napier - in August we announced the purchase of our site in the Mission Hills subdivision. The new subdivision will offer excellent facilities and amenitites for residents including parks, shopping and dining, and the village will be a short drive from central Napier.
- Otaihanga on the Kāpiti Coast – this new 12.6-hectare site is in a very popular area for retirees and will complement our existing Paraparaumu and Waikanae villages.
- Belmont in Auckland - just minutes north of Devonport, an extremely desirable location for our prospective residents. The 5.7-hectare block has great views of the city, and the proposed village will predominantly feature low-rise homes which will help it stand out in an area where apartment-heavy retirement villages are the norm.

Our two village extensions are at our Boulcott (Lower Hutt) and Blenheim sites where we've acquired land adjacent to the village to develop more homes. Village extensions are very profitable and allow Summerset to add high-value homes, in high-demand villages where we already have capacity in the supporting village infrastructure.

As we have a reasonably sized land bank for future development, we regularly review the portfolio to ensure the economics of development continue to meet, or better, the original assumptions relied on at purchase. We will remain disciplined to ensure the appropriate allocation of capital, and on the odd occasion may sell parcels purchased.

New Zealand construction

During 2024 we have been very deliberate about how we manage our portfolio. This past year has been an excellent example of the flexibility we can bring to our build programme - we slowed down some of our work where demand was lighter and concentrated our efforts elsewhere.

As we signalled in our Half Year Report we have deliberately delivered at the lower end of our 675–725 build guidance, delivering 676 homes under ORA and 21 care beds in New Zealand. This reflects growth of around 2% in construction numbers.

Our Construction team worked across 18 New Zealand sites this year, including delivering our two new village centre buildings at Boulcott and St Johns and upgrades to modernise the care offering for residents at three of our oldest villages – Levin, Havelock North and Trentham.

We also commenced construction at our Kelvin Grove (Palmerston North) village and the extension at our Cambridge village.

We delivered our flagship Summerset St Johns village on time and on budget in Q3. This complex build on the 2.6 hectare site, in the heart of Auckland, features six multi-storey buildings with excellent views of Auckland city and Rangitoto. The village was officially opened by New Zealand Prime Minister the Rt. Hon. Christopher Luxon in December.

We continue to believe our broadacre construction strategy is the best short- and medium-term option for us, which is why we plan to only run one or two metropolitan builds like St Johns at a time so we can prudently manage our debt.

The other major metropolitan build we now have underway is our Half Moon Bay site in Auckland where construction began in Q3.

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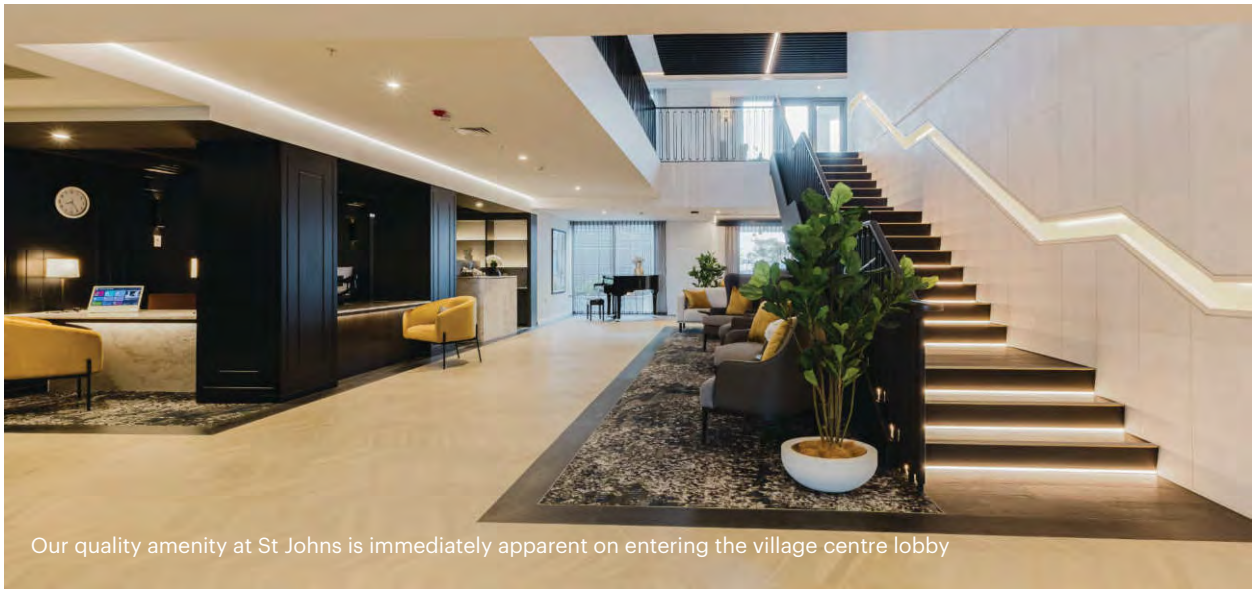

Our quality amenity at St Johns is immediately apparent on entering the village centre lobby

Our advanced build programme means that we can flex our construction as we need to and we expect to build 600-650 homes in FY25. We are taking a prudent approach to the current economic situation but will monitor this throughout 2025.

Australia

Our development and expansion in Australia is continuing as we continue to look to prudently expand our footprint and consent our land bank to grow and allow us to meet the forecast demand in this market. In FY25 we expect to deliver between 50-80 homes to be sold under ORA including the village centre at Cranbourne North (which will be delivered late in FY25 and open to residents in FY26).

In addition to the major milestone of welcoming our first Australian residents at Cranbourne North and commencing construction on the village centre building, the second stage of the village was handed over in December and we delivered a public park as part of our development in October.

Construction also started in FY24 on our second Australian village, Chirnside Park, which is scheduled to deliver its first homes at the end of 2025, and in late 2024 we started enabling works on our Torquay village on the Surf Coast.

We continue to see Australia as a huge growth opportunity for Summerset, and we are investigating land opportunities in Victoria and Queensland.

Our people

Throughout FY24 we've invested in our people to give them opportunities, provide a better workplace and to give them tools and services that help them professionally and personally.

To thank our people for their hard work over the year, every permanent Summerset staff member was gifted an additional day of paid leave to take some extra time for themselves over the Christmas and New Year period.

We are pleased to report that 728 permanent staff received free Summerset shares this year as part of the vesting of our annual staff share scheme, and 2,060 eligible staff received $1,000 of Summerset shares which vest in September 2027.

In Q1 we changed our employee assistance partner to TELUS Health which provides our staff with free and confidential counselling, coaching and support as well as a wellbeing platform and app with numerous resources, courses and health assessments for mental, physical and financial health. These services have been made available to our staff's families as well.

The health and safety of everyone at Summerset, is of course, a top priority for the business. In FY24, we entered the second year of our Safe People, Safe Process, Safe Places strategy, achieving significant progress in key areas of health and safety. A major milestone was the successful implementation of a new health and safety reporting, recording and assurance system – HSI Donesafe. Donesafe allows us to get even better at recording and analysing any incidents, issues or near misses, and continously improve how we keep our people safe.

Care and funding

Summerset is committed to investing in, and providing, high-quality care. We have invested, and will continue to invest, in the care that our residents expect.

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However, we are acutely aware that care is underfunded in New Zealand. Health New Zealand – Te Whatu Ora increased aged care funding by 3.2% in 2024. This is far below the New Zealand Aged Care Association's (NZACA) estimate that an 11% increase was required for providers to cover escalating costs over the year.

This funding gap has prompted us to make some changes to how we sell care, and the size of our future care centres.

Our newest care centres, and our future builds, are smaller with fewer beds available. They typically house 30 residents compared to the approximately 50 in our older care centres. These care centres are focused on meeting the needs of our village residents and providing them with a continuum of care if their care requirements change. We will accept far fewer care residents from the public health system, or from outside the village, than we did before because the aged care funding gap means that we cannot continue to incur losses by accepting non-village residents into care.

Also, to protect ourselves financially we are increasing the number of care suites we sell under ORA, rather than offering only a daily premium charge model. This gives both Summerset and our residents greater financial certainty while recognising what is necessary for economic viability. Our residents have supported the move and we've seen the number of care suites selling under ORAs increase steadily year-on-year.

While these changes have helped to make our model more sustainable long-term, we are considering other changes. Currently we take a large number of care resident referrals from public health, but the funding we receive is far less than is required to provide quality aged care services.

We are currently reviewing our policies and where this funding gap is leaving us, we feel we need to focus the limited funding we have and our staff resources on our village residents and their needs only. This review could result in us no longer accepting referrals from the public health system.

It's not a step we want to take but we can't create a system where we overstretch our staff. We know this will mean a bigger burden will be placed on the public health system, but we can't keep taking the strain.

We will continue to strongly support the NZACA's work to highlight the underfunding of aged care in New Zealand and the consequences for us all if a growing elderly population does not have access to quality care. Summerset is now represented on the NZACA board, a first for Summerset, by CEO Scott Scoullar.

While we are not yet offering care in Australia, we plan to from 2026, and we note the funding environment is less challenging for providers, with federal law makers approving a significant boost in aged care funding during 2024.

Regulation

Both the Australian and New Zealand governments have been considering changes to legislation relevant to Summerset's operations. From what we understand of the proposed legislative changes currently articulated, our practices already align with the proposed changes and we don't anticipate any material changes to our operations in either country.

In New Zealand the government has indicated that they would like to consider greater transparency for a Retirement Villages' Code of Practice, increase protections for residents such as restrictions on passing on insurance excesses, and that they will take advice on three key areas: passing on the cost of maintaining operator-owned chattels, the management of complaints and disputes, and incentivising earlier capital repayments when residents leave the village.

Summerset supports practicable measures that require operators to lift standards. We have worked hard to provide plain English documentation, we cap insurance excesses at $250, we don't charge for the maintenance or repairs of chattels in our village that we own, and we pay interest to a resident, or their estate, if their home hasn't sold after six months of leaving the village.

We also support a fair and transparent disputes resolution option if we can't agree with a resident or their family on an issue.

In Australia a new Aged Care Act has been passed by Parliament and will commence from 1 July 2025. The reforms will increase accountability for operators through strengthened standards and include the introduction of user pays provisions for funding models.

It is our view that Summerset is well placed to benefit from the reforms when our care operations commence.

Resident initiatives and events

We have continued to evolve our offering to our residents to provide them a unique retirement living offering and to shape what we do in our villages to meet the changing needs and expectations of our residents.

Our work has been recognised by our residents, with our satisfaction score hitting an all-time high in 2024, at 97% for both village and care.

We have continued to build on our "Summerset sessions", a range of in-person and online events and experiences to engage residents and we introduced new resident

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Winner of Summerset's Money Can't Buy Silver Ferns experience, Jan Hefford

events such as the Summerset Games and the Summerset's Best Garden competition.

We have continued to expand our Holiday Homes programme, which offers residents and their families a fully furnished apartment in one of our villages to rent. Six villages from Auckland to Christchurch now offer a holiday home.

In care we know that our menus and food offering are a crucial part of our residents' experience. We have significantly changed our menus for our care and serviced apartment residents following residents' feedback to ensure we provide more choice.

We also piloted a remote nursing service at a number of our villages throughout the year to assist our care centre staff. The 24/7 team of Summerset registered nurses support village teams online or by phone. Our safe staffing ratios in our care centres (our registered nurses and caregivers to resident ratios), remain the same and the remote nurses provide an extra layer of support when caring for residents. It also allows us to share the expertise of highly qualified registered nurses among a number of villages.

Design and technology

The design and features of our village have evolved further over the last year as we change our offering to meet resident expectations and to provide more points of interest and difference that increase the vibrancy of our villages.

Throughout the country we've investigated how we can add new features for residents to enjoy, and in 2024 we installed or piloted features such as golf simulators, dog washes, shuffle boards, pétanque pistes and more green spaces.

We've also further developed our technology to make residents' lives easier. Our Lumin technology is now installed at 17 villages. Lumin allows residents to communicate with each other, book activities, access entertainment, receive messages from their Village Manager and much more, all on a specially designed system for elderly users. We are currently piloting the use of Lumin for emergency call bells at our Paraparaumu village too.

We've installed technology to allow our staff to spend more time with their residents. We've rolled out the app version of our resident care system – VCare – which means our staff can update records in a resident's room and input any necessary information without having to return to the nurses' station.

Sustainability

We are proud of our industry-leading approach to sustainability and we made further improvements during FY24 in how we measure, reduce and report on our impacts.

We're committed to fully meeting our reporting requirements on sustainability and we've released our second Sustainability Review and Climate-related Disclosures document alongside this Annual Report.

Two of our major achievements this year are our work to move our emissions target to a science based target and our work around embodied carbon.

Embodied carbon is a recent focus for the business. We have calculated the embodied carbon for two of our standard build typologies, establishing baseline measurements for both. Already we've seen significant reductions in embodied carbon in the design of our new three-bedroom townhouses against this baseline.

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To align with current best practice we underwent the rigorous process of having our emissions target upgraded and validated by the Science Based Targets Initiative (SBTi). This validation ensures our target is grounded in the latest climate science, utilising standardised methodologies and independent verification.

Other major initiatives and milestones this year to reduce our carbon footprint and improve our resilience include:

- Installing more than 1,000 solar panels
- Reducing the upfront embodied carbon of our townhouse homes by 28%
- Planted 80,000 native plants
- Meeting all three of our sustainability linked lending performance targets
- Continuing to focus on waste diversion, we diverted than 4,400 tonnes of construction waste this year

Our sustainability work has been recognised again with our construction waste avoidance initiative and our Richmond Ranges village solar panels installation both being named finalists for the Retirement Village Association's Sustainability Awards. We were named a Sustainability Leader in the Property & Construction category by the *Australian Financial Review,* and an Ethical and Sustainable Business Award from Money Matters and Catalyst Leadership.

Outside of awards, we were pleased to be recognised by Forsyth Barr again in their third Carbon and ESG Ratings for NZX listed companies. They have rated us in the top 10 of NZX-listed companies based on their criteria.

Further information is available in the Sustainability section of this report (page 47) and in our Sustainability Review and Climate-related Disclosures FY24 report on the Summerset website at www.summerset.co.nz/investorcentre/esg-reporting/.

Executive changes

The importance of technology in Summerset's success going forward led us to elevate the Head of Group Technology role to report to the CEO directly, creating a Chief Digital Officer role. Robyn Gillespie joined Summerset in October to take on this new role.

Robyn has over 30 years in senior tech roles and joined us from WSP where she was Chief Information and Operating Officer for nine years. Prior to that, Robyn spent four years as General Manager Information Technology at Downer.

We also appointed Margaret Warrington as our new CFO following Will Wright's departure to rejoin Fletcher Building as their Group CFO. Will grew a highly capable and valued team in his time at Summerset and fostered great relationships with our investors and other stakeholders.

Margaret has many years' experience in CFO roles across the public and private sectors and joins Summerset from NZX-listed company EROAD. Margaret was formerly Summerset's Head of Finance and brings a strong knowledge of the sector to her new role – she rejoins Summerset in February 2025.

Looking forward

While the short-term economic outlook remains uncertain, we are optimistic for the coming year. We have come through one of the most challenging years in Summerset's history with solid demand, high sales numbers, and have significantly bolstered our land bank.

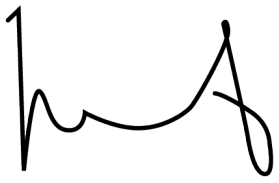
In addition, we have met our targeted build rate, welcomed our first Australian residents, and continued to invest in our people and in our residents' experience.

During 2024 we showed the strength of Summerset's position and balance sheet despite trading in conditions labelled by some commentators as worse than the Global Financial Crisis. Our total assets have grown 16% in the last year to $8b, total equity has grown 14% to $3b and net tangible assets per share are now $12.53, up 13%.

We will continue to take a prudent approach to our balance sheet management in FY25. While economic conditions remain restrictive we will manage our New Zealand build rate and adjust where we need to, while still growing in Australia.

Subject to economic conditions, which at this point we do think could linger through the first half of 2025, we look forward to continued strong performance in the year ahead.

Finally, on behalf of the Summerset Board and management, we'd like to thank our investors, residents and partners for your commitment to, and belief in, Summerset's goals and future. We'd also like to thank our Summerset team and their families for another successful year.



Mark Verbiest
Chair



Scott Scoullar
Chief Executive Officer



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St Johns

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Summerset St Johns is our flagship village which was delivered on time and on budget in October FY24.

This complex build on a 2.6ha site in the heart of Auckland features six multi-storey buildings with excellent views of Auckland city and Rangitoto.

We purchased the 127-year lease on our St Johns site in 2015 and after a lengthy consenting process we began the build in 2020. Despite multiple Covid lockdowns and supply chain obstacles our design and construction teams have delivered a breathtaking village.



Summerset St Johns was officially opened by the Prime Minister, Rt. Hon. Christopher Luxon, on 6 December 2024.

The first stage of the village, which welcomed its first residents in October 2024, contains 60% of the homes. The village features a mix of one-, two- and three-bedroom apartments and includes several penthouses with views across the city. The penthouses, valued up to $6m, are some of the most valuable retirement village homes sold in the country to date.

This stage also included all of the village amenity, which means residents can use their facilities such as the pool, library, café and theatre from the moment they move in. This is a feature unique to Summerset St Johns as typically, with our broadacre offering, the village centre building isn't opened until a number of stages are complete.

The second and third stages are underway with stage two to be completed in 2025 and stage three to follow, which will include a number of high-value villas. When complete the village will be home to approximately 450 residents.

In recognition of the needs and demands of our target audience for this village we've added unique features including the café, which will turn into a bistro for evening dining, our chauffeur-driven Summerset St Johns vehicle for residents to book, and roles unique to the villages including an executive chef and resident experience manager to provide an enhanced experience.

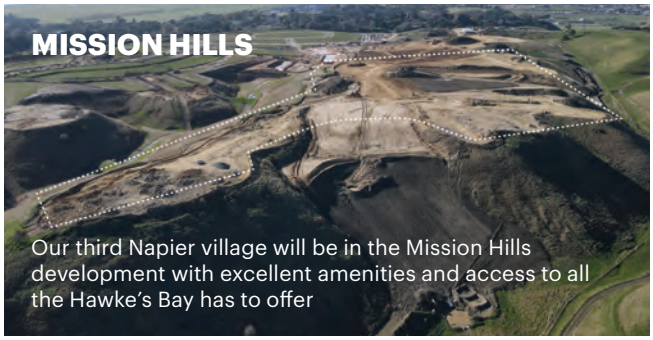
The village also includes care suites, care apartments and memory care centre providing continuum of care options for our residents if their needs change.

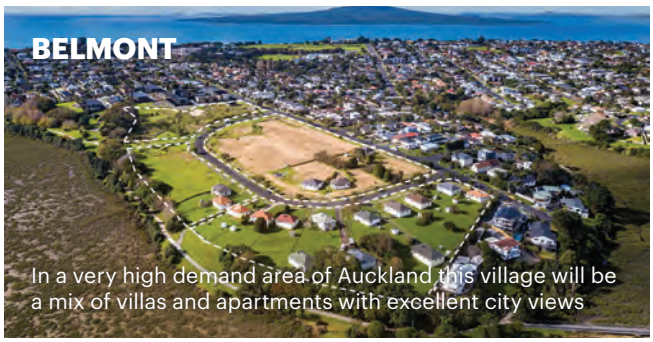
FY24 Land Acquisitions

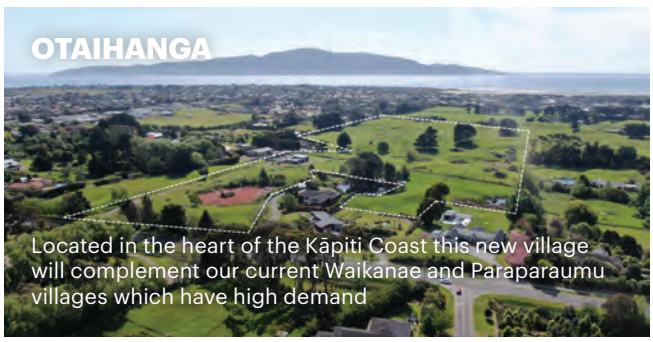
We have added some excellent property to our New Zealand land bank in FY24 with the acquisition of three new sites and two village land extensions.

See below for aerial shots of the our new land and for more information on these excellent sites see page 39.

NEW SITES







VILLAGE EXTENSIONS

We've been able to secure great land next to existing villages to add homes at high-demand sites





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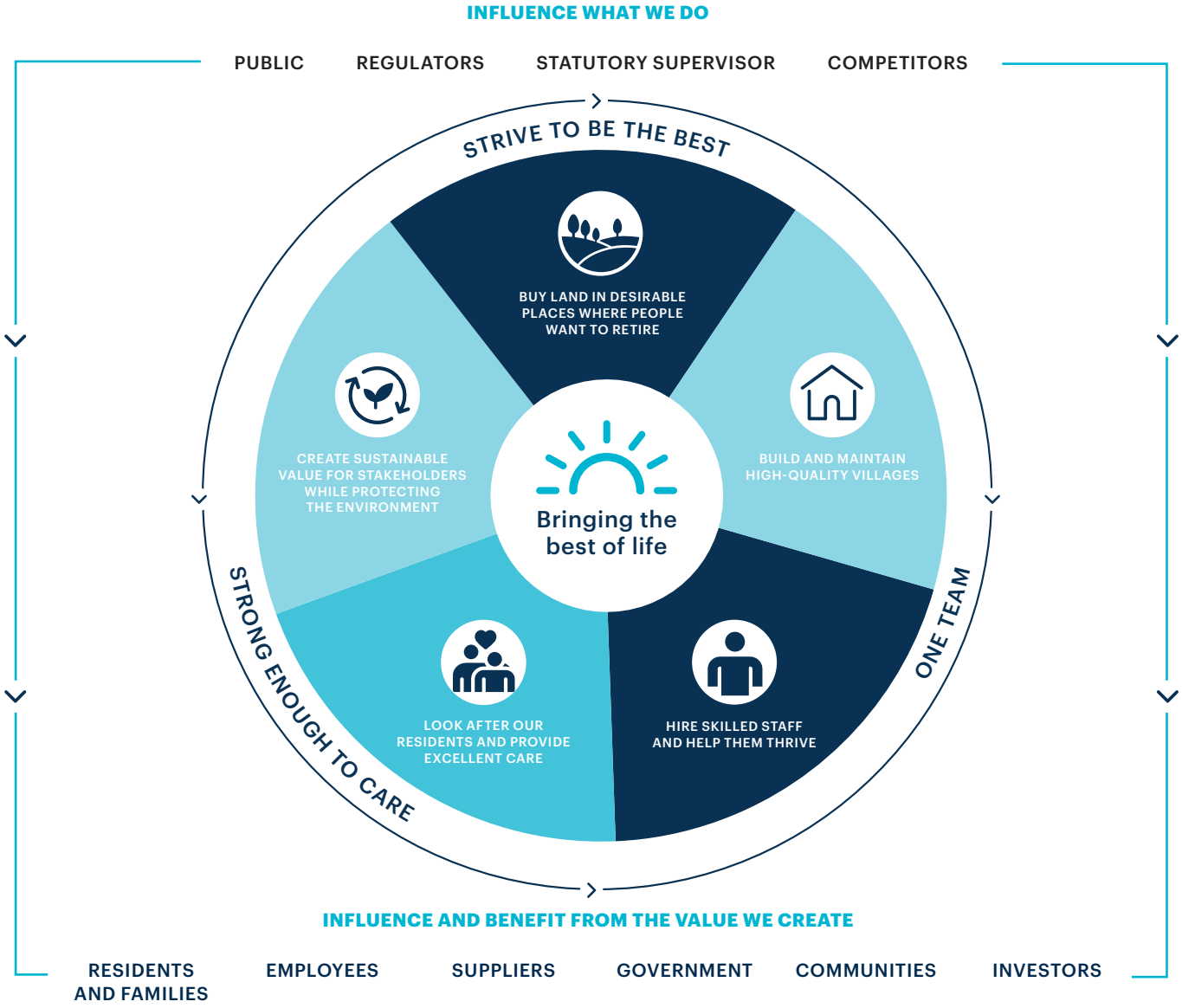
DELIVERING VALUE TO OUR STAKEHOLDERS



DIVERSIFIED PORTFOLIO

We benefit from a geographically diverse portfolio that gives us the flexibility to adapt our build rate depending on local market conditions.

BUILD HIGH-QUALITY ASSETS

We pride ourselves on building and maintaining villages that are well designed, well located, and that enable our residents to interact with the community. Our expanding geographical presence is based on being in growing regions with strong potential for investment gains.

HIRE SKILLED STAFF AND HELP THEM THRIVE

We recognise our people as our most important asset. They underpin our ability to deliver the best of life to our residents. We celebrate their diversity and are committed to ensuring all our staff are well remunerated, motivated and safe.

LOOK AFTER OUR RESIDENTS

We want our residents to feel secure and respected, and our consistently high satisfaction rates reflect that. We are also committed to our continuum of care model and providing residents high-quality assistance if their needs change as they age.

PROTECT THE ENVIRONMENT

We have near, medium and longer term sustainability plans in place to reduce our carbon emissions intensity over time and to monitor our progress and performance. We significantly overachieved our first short-term goal by reducing our emissions intensity by 16% from 2018-2022.

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SUMMERSET STRATEGY

Summerset's strategy was set in 2023 and has short and long-term goals for the next 10 years. It help us prioritise our work to ensure we stay on the path that points toward our purpose: to bring the best of life.

Three principles guide us in the strategy:

- Our people lead the change
- Provide our residents with the best life
- Deliver appropriate returns to the shareholders who help fund our business

We have six strategic pillars, each with a number of initiatives under them, that we'll pursue over the next 10 years to grow and continue delivering great experiences for our residents.

Our pillars are: Invest in our People, Deliver New Zealand's best retirement villages, Grow in Australia, Be a good corporate citizen, Create attractive new products and services and Be a more efficient and effective business.

Progress against our strategy



DELIVER NEW ZEALAND'S BEST RETIREMENT VILLAGES

We create vibrant, connected communities with skilled, caring and dedicated people right across New Zealand. We want to grow the reach of our villages by making them available to more retirees in more locations throughout New Zealand.

FY24 progress

- Delivered our flagship village, St Johns, on time and on budget with first residents moving in during October 2024
- Announced as winner of the Reader's Digest 2025 Quality Service Award for the second year running
- Named as finalist in the 'Best Provider Nationwide' category of the Aged Advisor annual People's Choice Awards
- Announced acquisition of three new sites. and two extensions, along with delivering three new care centres in FY24
- Successfully launched new brand campaign emphasising the benefits of life in our villages, named as finalist in the 2024 NZ Marketing Awards

INVEST IN OUR PEOPLE

Summerset's people are vital to its success. We are committed to providing sustainable, meaningful career pathways and opportunities. We are focused on the health, safety and the wellbeing of our employees to ensure they can be at their best at work, and at home.

FY24 progress

- Maintained our high engagement scores - Summerset is in the top quartile for New Zealand healthcare providers
- Gifted staff an additional day of leave as a thank you for all their hard work undertaken across 2024
- Provided a wide range of employee benefits including free healthcare and $1,000 in shares annually for all permanent staff
- Introduced health and safety platform HSI Donesafe as part of our three year health and safety strategy
- Became a member of Pride Pledge, publicly committing to a workplace where LGBTTQIA+ are safe, included and visible
- Commenced new partnership with TELUS Health, providing staff a with a broader range of wellbeing tools

CREATE ATTRACTIVE NEW PRODUCTS AND SERVICES

To match our customers' expectations we strive to create new products, amenities and services with a continuum of care at the heart of our offering. Our products are tailored to the needs of individual communities, but will always look to exceed the demands of customers who may want more.

FY24 progress

- Completed our villa refresh design project and second generation of award winning village centre design
- Completed our new single storey village centre design for regional areas, that will reduce capital outlay without impacting on the resident experience
- Neared completion of the first tranche of care centre upgrades at Havelock North and Trentham, both will reopen in 1H25
- Incorporated additional amenities into future masterplans including golf simulators, pickleball courts, dog washes, wine cellars, more green spaces and outdoor BBQ areas
- Recorded 94% occupancy for our retirement villages and care centres

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GROW IN AUSTRALIA

Summerset is ambitious about its future in Australia. We are excited to be taking our established brand of retirement village living into the Australian market – we plan to deliver thriving communities, grow our team, and expertise as we open villages in Victoria.

FY24 progress

- Welcomed first residents into Cranbourne North in March
- Commenced construction of the Cranbourne North village centre, with delivery expected late in 2025 for residents to move into early in 2026
- Commenced construction at Chirnside Park village, with first units due in late 2025
- Received approval for planning permit at Oakleigh South, and the development plan for Torquay also granted
- Held a sod turning ceremony at Torquay in November
- Continued to look for new sites in Victoria and Queensland to complement our existing pipeline of over 2,100 units

BE A GOOD CORPORATE CITIZEN

We are proud of our industry leading approach to sustainability, making significant improvements in this space over the last five years. This is the start of our journey – we will continue to focus on finding new opportunities to better ourselves, utilise sustainable lending and meet our growing disclosure obligation.

FY24 progress

- Won the 2024 Ethical and Sustainable Business Awards
- Named a Sustainability leader in the 2024 *Australian Financial Review* Property and Construction category
- Diverted 4,409 tonnes of construction waste from landfill
- Sponsored over 200 local clubs that align with our residents' interests and Summersets' brand and values
- Achieved all three of our sustainability linked lending performance targets
- Added over 1,000 solar panels to main buildings and over 80 charging bays for electric vehicles

BE A MORE EFFICIENT AND EFFECTIVE BUSINESS

Technology will provide significant opportunities to make us more effective and efficient in how we deliver services to residents, without losing the human touch and care that we're known for. It will be used to make the lives of our residents simpler, giving them more time to enjoy retirement.

FY24 progress

- Won the Transformation of the Year award at the NZ Procurement Excellence Forum
- Continued the installation of our resident platform, Lumin, now in 17 villages allowing residents to communicate with each other, book activities, access entertainment, receive messages and book services on a specially designed sytem for elderly users
- Rolled out the app based version of our resident care system VCare, keeping staff on the floor spending more time with residents
- Piloted a remote nursing service called the National Clinical Support Service to provide an extra layer of support for staff when caring for residents

Snapshot

Our people

8,700+
Residents

3,000+
Staff members

97%
Village resident satisfaction

Our care

97%
Care resident satisfaction

1,299
Care units (which includes beds) in portfolio

1,396
Care units (which includes beds) in land bank in New Zealand and Australia

Our portfolio

6,671
Retirement units

$8.1b
Total assets
FY23 $6.9b

6,147
Retirement units in land bank in New Zealand and Australia

43
Villages completed or under development

1,238
Sales of Occupation Rights

11
Greenfield sites

Our performance

$339.8m
Net profit after tax
FY23 $425.3m

$206.4m
Underlying profit
FY23 $190.3m

$443.2m
Operating cash flow
FY23 $398.2m

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2024 Highlights







JANUARY

Launched our new health and safety system HSI Donesafe

We welcomed our first residents to our Milldale village

FEBRUARY

We opened our new main building at Summerset by the Dunes (Pāpāmoa)

MARCH

We celebrated Frontliner Day – Summerset recognises the hard work and dedication of our frontline workforce in our villages with gifts and kind messages from residents and their families

Our first Australian residents moved into our Cranbourne North village





APRIL

Summerset signed up to the Pride Pledge which means we publicly commit to creating a workplace where LGBTTQIA+ people are safe, included, and visible

MAY

We celebrated our people with our annual Applause Awards in Christchurch

Launched our new wellbeing platform and app provided by our employee assistance partner, TELUS Health

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JUNE

Broke ground on our second Australian village, Chirnside Park

Summerset Boulcott's (Lower Hutt) main building handed over with indoor pool, café, bar and more

JULY

Launched our virtual RN team supporting our nurses on the ground in six pilot sites

Named a Sustainability Leader by the Australian Financial Review

AUGUST

Summerset on the Landing (Kenepuru) received a Certificate of Merit at the Property Council New Zealand Property Industry Awards

Announced the purchase of our new Mission Hills site in Napier





SEPTEMBER

Launch of our retirement preparedness planning programme Retire Ready

Launch of our Holiday Homes at six villages allowing residents to stay at other village locations on holiday, or to provide accommodation for friends and family when visiting at their own village

OCTOBER

Summerset St Johns opens and welcomes its first residents

Robyn Gillespie joins Summerset in new Chief Digital Officer role







NOVEMBER

Winners of the Reader's Digest 2025 Quality Service Award for the second year running

Sod turning event held at our Torquay village site in Australia

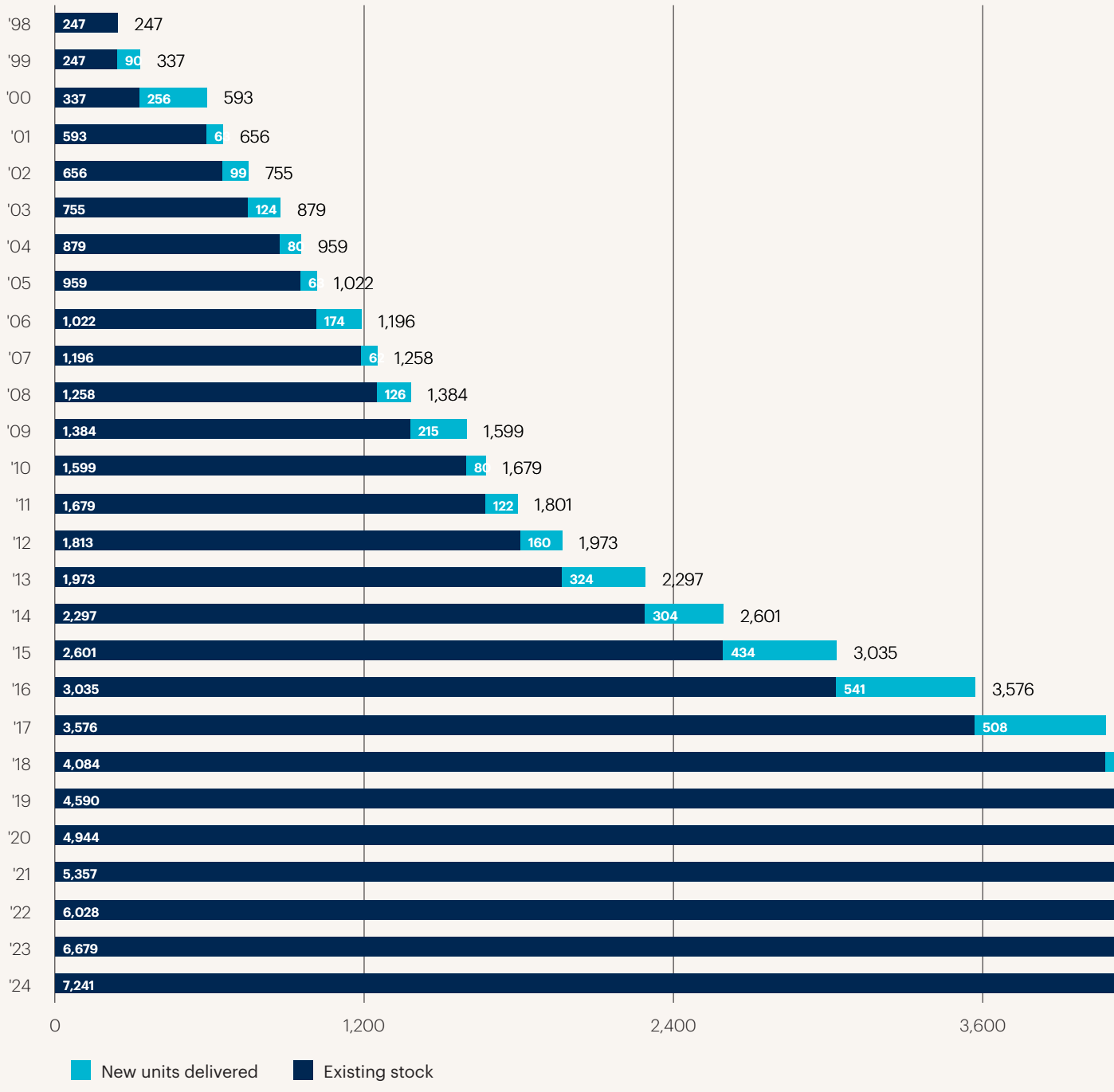
DECEMBER

Announced our acquisition of four pieces of land – two proposed villages at Belmont and Otaihanga, and village extensions at Boulcott and Blenheim

Prime Minister Rt. Hon. Christopher Luxon officially opens St Johns village

Portfolio growth

27 years of consistent growth and delivery (total units[1] in portfolio)



1 *Units include all retirement units and care units (including care beds). NB. In 2024 existing stock levels decreased to reflect stock decomissioned during care centre upgrades at three villages (1*

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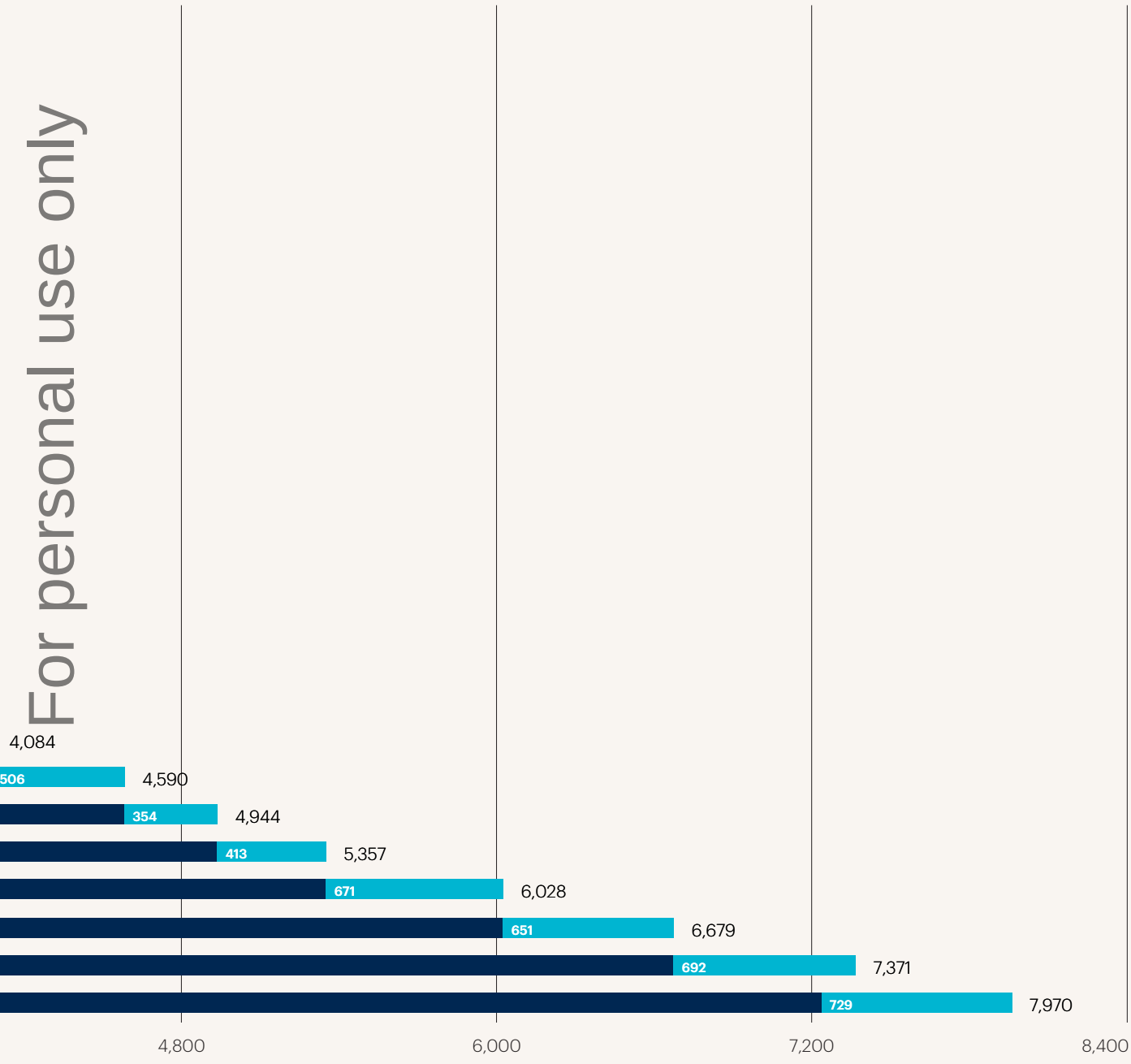

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30 units)



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Our people and community

We're proud to be home to more than 8,700 retirement village residents throughout New Zealand and in Victoria, Australia. Our vibrant and diverse communities are built, run and supported by more than 3,000 staff.

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Bringing the best of life is Summerset's purpose, and we value and recognise our people who are at the heart of delivering this to our residents. Our business functions across Australasia are multi-faceted, employing a diverse range of roles to design beautiful villages, construct high-quality homes and buildings, give our residents amazing experiences and care, and bring new residents to live in our villages every week.

Summerset is dedicated to creating retirement villages that go beyond providing homes and evolve into thriving communities underpinned by our strong customer service philosophy.

An outstanding achievement for us this year was again winning the coveted Reader's Digest 2025 Quality Service Award in the Retirement Villages category. To find those companies that provide the highest level of customer service and that truly understand and value consumer needs, Reader's Digest approaches everyday consumers to ask them to assess companies across five pillars of customer service. These prestigious awards have been running for 11 years, and taking top spot two years in a row is a testament to our team's commitment to continue bringing the best of life.

We were also delighted to again see a number of our villages recognised in the Aged Advisor's "People's Choice Awards" for 2024.

Summerset on Cavendish won the Best Large Retirement/Lifestyle Village in the South Island, with Summerset in the River City (Whanganui) being a North Island finalist. Summerset Prebbleton was a finalist in the Best Small Retirement/Lifestyle Village category, and Summerset Group was a finalist in the Best Provider Nationwide category.

This recognition is based purely on nearly 4,000 independent reviews and ratings of retirement villages and aged care facilities from residents and their families throughout New Zealand and underscores the genuine affection our residents have for the lifestyle we offer.

Engaging residents

We pride ourselves on the opportunities socially, physically and mentally that we provide our residents to enhance their retirement experiences, and our annual resident engagement scores are an indicator of how well we're getting those experiences right.

This year, 97% of village residents tell us that they are very satisfied, satisfied or neutral with their experience, which is an improvement over 2023. Valuing our safe and secure community environment, friendly and caring residents and staff, always having a great range of activities and events to take part in, and lovely grounds, amenities and homes are what our residents most liked about living in a Summerset village. For our

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care residents, 97% are also very satisfied, satisfied or neutral, with many praising the professionalism and care they receive from our staff.

Traditionally Summerset has used the Retirement Villages Association measure of customer satisfaction, using ratings 3-5, to align with the retirement and aged care sector. In line with our 'striving to be the best' Summerset value, internally we assess how well we're doing using only 4-5 ratings (satisfied or very satisfied) which was 90% for village resident respondents and 82% for care.

Additionally, we use a Net Promoter Score (NPS), which is a measure used to gauge customer loyalty, satisfaction and enthusiasm with a company, where an NPS over 20 is deemed favourable, and above 50, excellent. Our NPS for village residents was 46, indicating most residents are rating the question of whether they would recommend us to their friends and family (on a scale of 0-10), with a 9 or 10. Similarly our care NPS was high with a score of 38.

We also survey our residents regularly throughout the year on various aspects of village life to understand what is and isn't working for them. This gives us insight into what we're doing well across the country and also allows our village managers to understand and change things at their village to better reflect the needs and wants of their residents.

Events and experiences

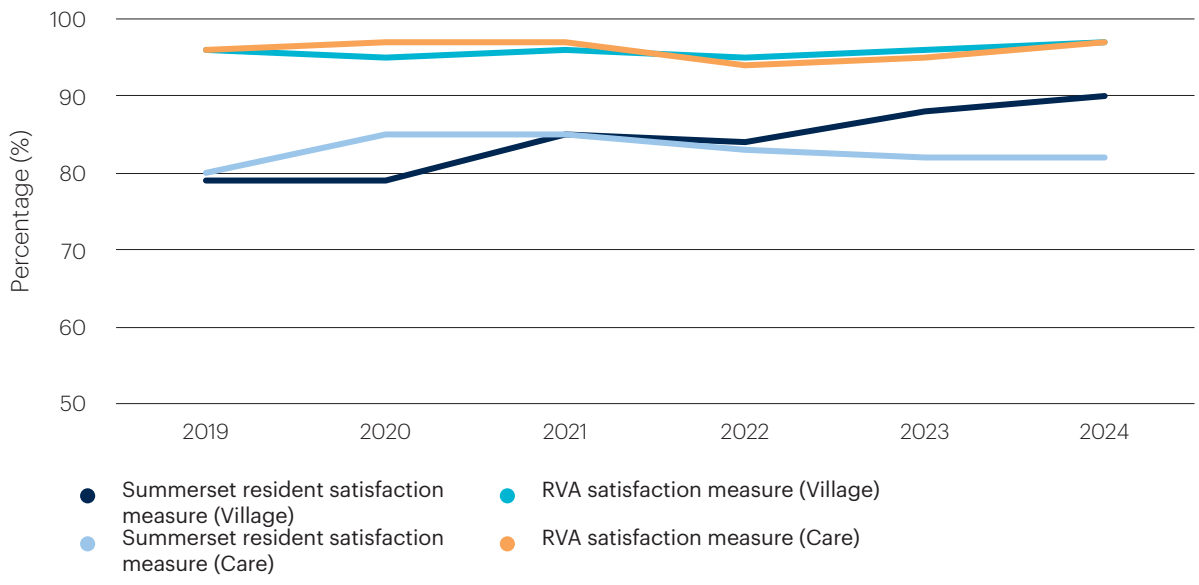
Our "Summerset Sessions" deliver a varied programme of events and entertainment that residents can enjoy in person or online. This much enjoyed programme includes events, concerts, cooking lessons (with former MasterChef winner Brett McGregor) and interviews with well-known Kiwis. Various Summerset Sessions were held at villages around the country and were filmed at the same time so they could be enjoyed on-demand.

We also held regional events, bringing multiple villages' residents together for a showcase event such as the Summerset Sings Christmas concert in Wellington with Will Martin and the New Zealand Symphony Orchestra.

To highlight the vibrancy and variety of village life, and to introduce the wonderful residents who call it their home, we created our "A Summerset World" video series, which is available on our website. Every episode profiles a different village, giving a glimpse into what makes each village fun, unique and an interesting place to live, while getting to meet some of the talented and interesting residents living there. This year we featured Summerset on the Landing (Kenepuru), Summerset at Pohutukawa Place (Bell Block), and Summerset Mountain View (New Plymouth).

Retire Ready is a free financial wellbeing series designed for those planning or already at retirement age, which we launched in 2024. Partnering with financial planning expert Liz Koh, the series was developed in response to research and feedback from people aged 40 and over wanting to feel confident and certain about their financial position and needs as they age. The programme has received excellent

Resident satisfaction - Village and Care



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Summerset on Cavendish in Christchurch enthusiastically kicked off their Summerset Games with an opening ceremony and march past

feedback on its usefulness from residents and staff.

Many of our residents continue to be highly competitive, and our Summerset Games, held in August, provided an array of sports events and activities that also saw some villages holding inter-village events to up the stakes. Villages held Games opening ceremonies and concluded with medal and closing ceremonies. With fun, participation and enjoyment at the heart of the Games, there were still plenty of serious competitors.

"Summerset's Best Garden Competition" provided an outlet for our green-fingered residents. The seasonally run competitions showcase how talented our residents are at tending to their gardens, plants and veggies. Judged by top New Zealand landscape designer and well-known TV and radio host, Tony Murrell, it continues to be very successful. We're working on further competitions for our residents to display their skills, with writing and craft options being developed to explore with our residents and to offer new and fun experiences.

A home-away-from-home experience designed to bring loved ones closer together was behind our "Holiday Homes" initiative. This programme offers short-term accommodation exclusively for Summerset residents, and their families and friends, in villages around New Zealand. Following a successful trial in 2023 at three villages, a further three villages were added in 2024.

Offering on-site convenience and best value for money for residents and their families in a fully furnished, comfortable, self-contained apartment it allows residents to travel and stay in familiar surroundings and the opportunity to host their family in their village. We now have holiday homes in Hawke's Bay, Auckland, Wellington, Christchurch and Tasman available for our residents to book.

We continue to invest in technology that enhances the lives and experiences of our residents. Lumin, our resident communication and entertainment system is now installed at 17 villages. Lumin gives residents the ability to message and call each other, receive village notices and newsletters and is a booking platform for meals, events, and other village services.

Enhancing our care services

Our care offering, and our continuum of care model, is a very important part of why our residents choose us and we want to continually evolve our offering and introduce new initiatives that will bring the best of life to our residents.

We focus on providing high-quality aged care for our residents already living in our care facilities and offering an ongoing continuum of care with priority placement for our village residents. Our care business saw occupancy rates this year at 94% in our developed villages.

During 2024 we opened three village centre buildings in our Pāpāmoa, Boulcott and St Johns villages, which, in addition to a range of beautiful village amenities, also contain our serviced

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apartments and state-of-the-art care centres and memory care centres specially designed for those living with dementia.

Dementia is a growing concern in New Zealand, and we know that some residents living with dementia can continue to live independently with the right support and community in place. In May we held focus groups with some of our independent residents and also with some families of residents living with dementia, to understand their specific needs and explore ongoing support including raising community awareness, tackling stigma, supporting inclusion and providing education on resources and care pathways.

As we evolve, we look at what changes we may need to make to ensure we continue to provide the care our residents need and expect. In addition to investing in new care facilities in new villages, we are committed to progressively upgrading our older care centres.

The care centre refurbishment programme at our Levin, Trentham and Havelock North villages has progressed well with planning now underway for Trentham and Havelock North to reopen with their new centres in 2025.

We have invested in equipment and technology to make our care residents more comfortable and to maximise the effectiveness of their care.

Early in the year we commenced a pilot with six villages where we have created a remote nursing service we've called the National Clinical Support Service. This is a 24/7 team of Summerset registered nurses who support the pilot village teams online or by phone.

Our safe staffing ratios in our care centres (our registered nurses and caregivers to resident ratios), remain the same, meaning that our care centre teams have an extra layer of support when caring for residents, and it allows us to share the expertise of highly qualified registered nurses among a number of villages. The pilot progressed well throughout the year and we added a further three villages towards the end of 2024. We will assess the pilot in 2025 to look at whether it's something we want to do across all our care centres.

We have continued with the roll out of installing ceiling hoists at all our care centres to aid residents with mobility difficulties. We now have ceiling hoists in 19 villages with the remainder to be completed in 2025. The ceiling hoists are far more comfortable, and residents tell us they feel safer than the manual hoists. They're also easier to operate for our staff and reduce the risk of strains when assisting a resident to move.

Following a successful pilot we have rolled out the app of our resident and care management software (VCare) in 2024. The app allows staff to enter resident care information at the time the care is delivered, with the benefit of saving staff valuable time to spend with residents directly, and also ensuring that the resident information is shared efficiently and effectively among care team members.

We believe in providing excellence in our clinical care from skilled staff. Summerset remains the only aged care organisation in New Zealand to employ a Clinical Pharmacist, recognising the importance of enhancing medication management practice and safety in our villages, including the safe and appropriate use of high-risk medications. This role works with prescribers to ensure medications are being used appropriately and only when required, supporting our continuous improvement work of optimisation and appropriateness of medications such as the use of psychotropic medications for residents living with dementia.

We've seen improvements across our care centres through boosting Vitamin D prescriptions, a required medicine for many older people living in aged care, and also reducing the number of residents prescribed a high number of medicines. Sometimes people are on medications that they no longer need or are no longer the best option for them.

Lifting our profile

In order to attract new residents, we need to have a strong and distinctive brand presence that positions who Summerset is and the fresh and vibrant life we enable.

New Zealand's retirement village sector is a highly competitive environment for advertising. In 2024 we launched a new advertising campaign "Dear Diary", which aims to differentiate Summerset in the market and bring our stories to life through the diary entries of a charismatic resident. Independent research shows the campaign is resonating well with our target audience. Across those in the sector, our research shows, we have the highest percentage that correctly attribute the adverts to Summerset, and messaging and out-takes are being correctly received.

The series of advertisements put a spotlight on features of Summerset village living such as finding community and companionship, security and fun, the liberation and freedom that comes from the village environment, and above all else, the choice for residents to live life on their terms.

Our ability to reflect vitality and freedom of ageing and retirement in our communications, saw continued high demand for our offering with our cost-per-enquiry metric decreasing showing improved efficiencies in our lead generation.

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Summerset's new Dear Diary advertising campaign launched in 2024

Our long-term success in building and maintaining our brand in a highly competitive market was also rewarded with Summerset being announced as a finalist in the 2024 New Zealand Marketing Awards.

With our first village now open in Australia, and two others underway at Chirnside Park and Torquay, we are also growing our brand profile and presence in Victoria. Through increased local and specialised media placements, and community engagement activity we are telling our local target audience about who we are, our depth of experience and what we have to offer as we build our name in the Australian market.

We have an ongoing desire and commitment to support sponsorships and partnerships that that align with our brand and values.

We deliberately choose national partnerships with organisations that resonate with our residents and their families, and we're proud to have continued to support the following organisations in New Zealand during 2024:

- Netball New Zealand
- Bowls New Zealand
- Dementia New Zealand
- Alzheimers New Zealand
- GT NZ Championship
- Hato Hone St Johns
- New Zealand Symphony Orchestra.

We regularly review our partnership portfolio and their arrangements to ensure they align with our business priorities.

In local communities where our villages are across Australasia, and will be in the future, we have worked with approximately 218 local community clubs and organisations, including bowls, golf, bridge and croquet clubs, Age Concern, Lions, Rotary, RSAs and more. These partnerships help us to invest in, and support, organisations that are important to our current and future residents in our wider village communities.

We continue to look for other opportunities to give back to the community as they arise. In 2024 this included donating materials from our Trentham care centre to the local Scouts. The Scouts were given their choice of items that were being removed as part of the care centre's upgrade. We also donated a fully refurbished van from our Wigram village to the Wellington City Mission to help them in transporting their clients to various programmes in the city.

Engaging our people

Our people are exceptional and valued - without them we couldn't deliver a quality retirement living experience to the more than 8,700 residents who have made Summerset their home.

We strive to ensure we create a great place for them to work and thrive, and we are committed to the protection and promotion of their health and wellbeing so they can be at their best both at home and at work.

Our wellbeing programme provides an intranet hub with support tools that sit alongside a calendar of regular communications on

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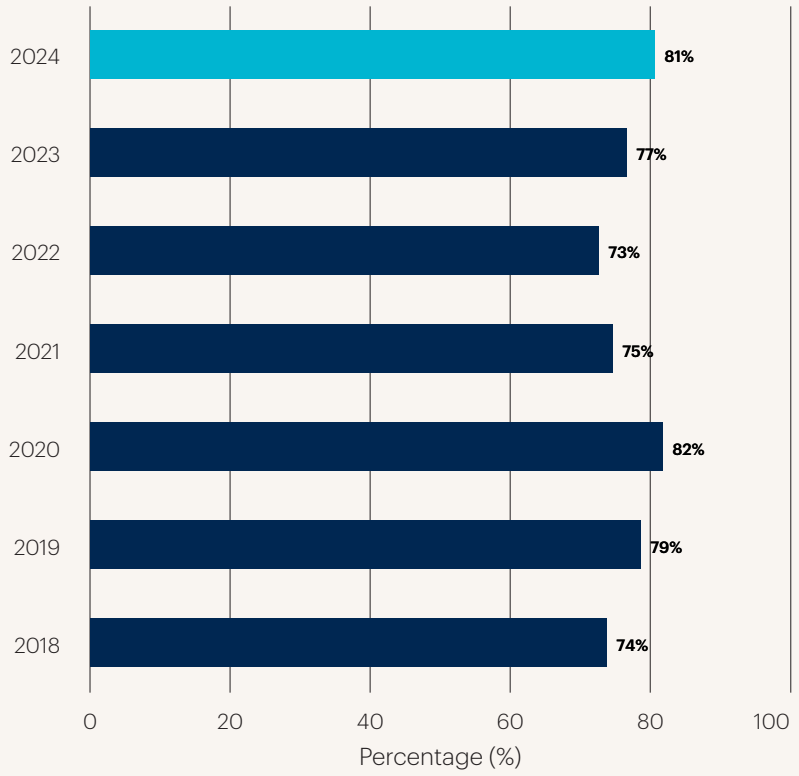
Staff engagement[1]



1 Peakon was provided with the 2019 raw data to ensure year-on-year consistency, noting different scoring scales (67% = 7.7)

Employee retention



wellbeing initiatives, spanning physical, mental and financial health. We commenced a new partnership with TELUS Health this year, offering our people, and their families, access to free and confidential counselling, coaching and support for their personal or work-related wellbeing.

Our construction business continued their wellbeing focus with MATES in construction too. Construction is an industry where we recognise that poor mental health outcomes are unfortunately quite common. MATES engage with workers through onsite training and provides those identified as at risk with case management support that connects them to suitable professional support.

We also recognise that our people's wellbeing is enhanced by ensuring they have the training, resources and support to do their roles effectively. We're committed to providing what our people need to be more efficient and effective in their roles from providing leadership and promotion pathways to investing further in technology, such as our health and safety system Donesafe and the app version of our resident management software VCare.

Recognising and celebrating the dedication, commitment and successes of our people demonstrates how we, and our residents, value them.

We gifted every permanent Summerset staff member an additional day of paid leave at the end of 2024 to thank them for their hard work. We encouraged our people to take a longer break to rest and recharge after a challenging year.

Earlier in the year we celebrated Frontliner Day, a day dedicated to thanking all our hardworking frontline staff – nurses, therapists, office staff, property and gardening teams, food services teams, kaitiaki, housekeepers, laundry staff,

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caregivers, activities coordinators and people leaders working in our villages.

Village staff received gifts and we created "gratitude walls" displayed in each village for frontliners' colleagues, residents and residents' families to express their appreciation with handwritten notes. For those unable to make it into a village, a digital gratitude wall was created with hundreds of messages from around New Zealand and the world. We publicly thanked our people too with full page ads in a number of newspapers and digital advertising.

We also had the opportunity to celebrate our people at our annual Applause Awards, Summerset's staff recognition event. We had a record 2,200 nominations across the 37 award categories, and finalists were hosted at a gala event in Christchurch that was also live-streamed for staff, residents, friends, families and colleagues to share in the occasion.

To provide an opportunity for staff to be recognised more regularly we continued our Surprise and Delight programme, a monthly staff recognition initiative.

We were pleased to have seen engagement of our people continue to strengthen. This was reflected in our latest employee survey which returned an engagement score of 8.1 out of 10, putting us in the top quartile of New Zealand healthcare providers using the same engagement survey. This is a testament to the environment we foster at our offices, villages and construction sites.

Attracting and retaining talent

Differentiating Summerset as an employer of choice led to the development this year of our Employee Value Proposition (EVP). Our EVP can be considered as a staff 'promise' – what they can expect to get from their company and what they give to each other to have a great workplace and career.

We intend to use our EVP to better advertise our difference in the market and to ensure our 'promise' stays consistent across our many workplaces. We will roll out the EVP and what it means to our people during FY25.

Employee benefits provide an opportunity for us to differentiate ourselves as an employer of choice in a competitive environment. We offer a wide range of benefits while also continuing to enhance our rewards offering, and look to improve our engagement with our people through benefits that matter to them. For example, all permanent Summerset staff are offered free health insurance and can receive an annual $1,000 in Summerset shares – two benefits which our people value highly.

Providing leadership and development pathways is important to us in both attracting and retaining our people too.

Our Construction Management Cadet programme offers a pathway for motivated people to get hands-on, practical experience across a range of construction disciplines. After a minimum two years of work our successful management cadets graduate to be fully trained site supervisors or junior quantity surveyors. This year we saw three of our cohort successfully graduate from the programme. These are important roles for Summerset to create a talent pathway and to give talented and enthusiastic construction workers opportunities to progress their careers in a market-leading organisation.

In our villages we work with Careerforce to provide learning modules that upskill our frontline staff.

In our food services area, to enable an excellent team culture, high-performing kitchens and retain great people, this year all our Chef Managers undertook leadership training and development. The programme supports them with understanding their communication style, delegating, coaching their teams, and how in-turn to support their staff on their career pathways.

While we know there is more to do we are pleased to see our retention figures increased 4% against 2023 to 81%, with staff turnover reducing significantly over the past 12 months across all roles.

Safe people, safe process, safe places

Safeguarding the health, safety, and wellbeing of everyone who works with us, visits us, or lives with us remains a top priority, and this commitment is central to our three-year Health and Safety Strategy.

Our 'Safe People, Safe Process, Safe Places' strategy continues to progress, underpinned by a strong focus on managing critical risks. This year, we conducted comprehensive reviews of our top four critical risks: Working at Height, Temporary Works, Infectious Disease Control and Fire and Natural Disasters. These reviews provided valuable insights into risk controls and ensured we have the appropriate measures in place to prevent significant injury, harm or loss of life.

In alignment with the New Zealand Business Leaders Health and Safety Forum, we've shifted our focus from lagging injury metrics, such



Cards of grattitude for Summerset Richmond Ranges village staff displayed to celebrate Frontliners Day

as injury frequency rates, to leading indicators that drive proactive safety management. Key metrics now include:

- The number of events with high potential for Serious Injury or Fatality (SIF), which are investigated as thoroughly as if an injury had occurred
- Reporting timeframes for incidents as percentage reported within 48-hours
- Timeframes to complete investigations and close out any correct actions
- Audit outcomes and the timely close-out of corrective actions

These measures enable us to assess whether critical safety tasks are being effectively completed. Our highest critical risk exposure is working at heights. We are committed to continuous improvement, and we established a working group to review the events that had been occurring and developed interventions to reduce the risk and future number of these events occurring. This work will continue into 2025.

With the completion of our first year of reporting, we've established a baseline against these metrics which allows us to now report on the number of potential SIF events by critical risk. The baseline provides a foundation for future comparisons and sustained improvement for working at height and our overall health and safety performance.

By building on these insights, we remain focused on creating safer environments and driving continuous improvement in health, safety and wellbeing across our business.

Our commitment to diversity and inclusion

At Summerset we are committed to developing an inclusive workplace where all our people can feel a sense of equity, inclusion and belonging.

We also believe that diversity across our workforce makes us stronger and better able to connect with, and bring the best of life to, our residents on a day-to-day basis. With a variety of thinking styles, backgrounds, experiences, perspectives and abilities we are more able to understand our residents' needs and to respond effectively to them.

Throughout the year our employee representative groups have had some significant achievements. Our Summerset Pride Network is a group of allies and LGBTTQIA+ community members who are committed to bringing the best of life by supporting, educating, and empowering staff and residents, making Summerset inclusive for all.

In March, led by our Pride Network, we became a member of Pride Pledge, committing to create a workplace where LGBTTQIA+ people are safe, included, and visible, and using our voice to actively support and celebrate rainbow communities. The Pride Pledge resources, including rainbow awareness online training tools, will help us on our journey.

Summerset's Women in Construction Forum co-chair, Amanda Robinson, achieved recognition at the National Association of Women in Construction (NAWIC) Awards, as 'Highly Commended' for the Outstanding Leader of the Year – Site Based award. The award celebrates women who have made a significant leadership contribution, and who use their influence and position to inspire, motivate, and make a positive difference to their peers.

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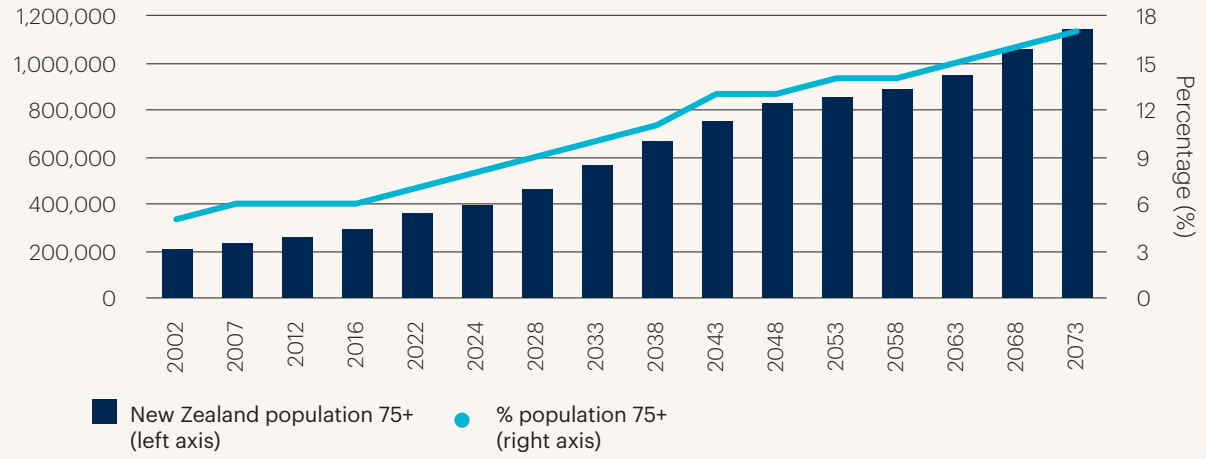
Strong wave of growth

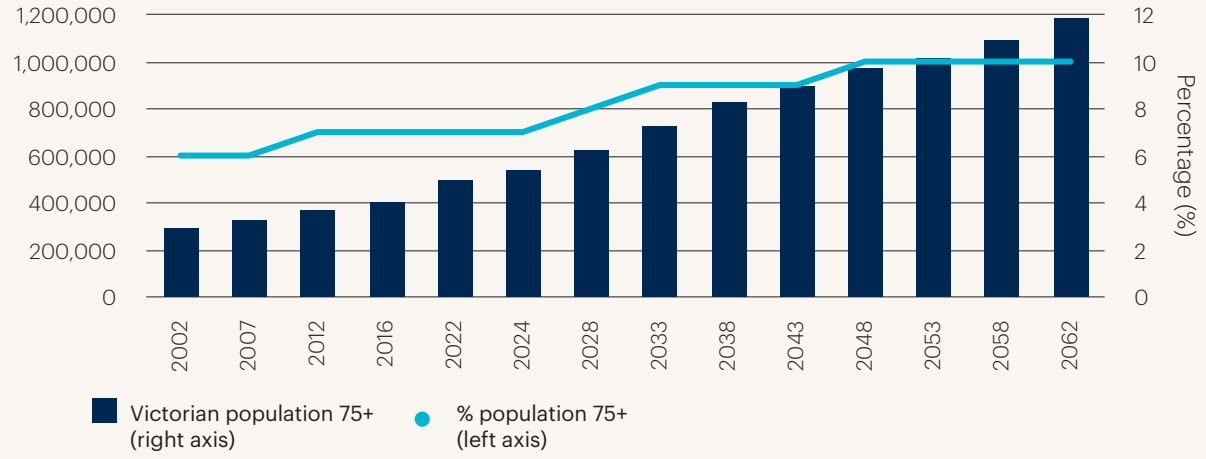
The New Zealand and Victorian populations aged 75 and over are forecast to grow considerably in the next 40–50 years.

New Zealand population 75+



Source: Statistics New Zealand – National Population Projections

Victorian (Australia) population 75+



Source: Australian Bureau of Statistics

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Our villages

Despite a challenging year with a slow property market, inflationary pressures and weak consumer confidence, we continue to have strong sales and demand for our desirable retirement living offering.

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In 2024 our build programme has continued to perform, and we've delivered new homes across 13 villages throughout New Zealand and added more Australian homes at our first village there. Even in a very challenging economic environment we saw continued demand and interest, because our residents are motivated by many factors when deciding to live in a retirement village – a desire for more community, security, health changes, lifestyle and much more.

Record levels of interest

We experienced strong levels of demand in our villages with record sales settlements and good numbers of presales in our developing villages. Our development pipeline remains strong to meet the growth of demand for our retirement living offering around the country.

It was a very busy year for our sales teams with four new villages welcoming their first residents in 2024 – Milldale (Auckland) and Blenheim in January, St Johns (Auckland) in October, and in Australia our Cranbourne North village had their first residents move in March.

With the completion of village centre buildings at our Pāpāmoa, Boulcott and St Johns villages, we were also able to meet strong interest and welcome residents into serviced apartments, care centres and memory care centres in those villages.

Since introducing care suites sold under ORA, an alternative to charging a daily premium rate, the greater financial certainty of an ORA which allows residents to use the equity they have already rather than having to pay daily charges has been well received by residents, with sales exceeding our forecasts.

Demand across both our new and resale villages continues to be strong and we've seen robust waitlists across New Zealand and Australia.

While demand has been high and sales strong, in a highly competitive market with tough market conditions, the slowdown in the residential property market has delayed settlement times and move-in dates for some prospective residents. In response, we were able to activate tactical sales levers, where needed, to help our residents to make a move to a Summerset village. Our use of sales incentives has not dramatically increased, staying in line with previous years.

Our popular moving service continues to grow and we are proud to be the only retirement village provider offering dedicated in-house moving services to incoming residents at selected villages in Auckland, Waikato, Bay of Plenty, Wellington and the South Island. This service allows residents to draw on the expertise of an experienced Moving Specialist, who provides support and assistance throughout the moving journey process. The service receives overwhelmingly positive feedback from residents.

To support prospective residents to prepare for their next step towards retirement village living, and care, we have delivered highly successful seminars in local communities including downsizing and decluttering, real estate seminars in which we partner with local agencies to provide their expertise and insights. We also ran three 'Living with Dementia' events with local Alzheimer's New

Zealand branches in Pāpāmoa, Bell Block (New Plymouth), and Te Awa (Napier). These events have been very well attended and highly valued.

Flexibility in our building programme

We have prudently managed our build rates to align with market demand and economic conditions. We have invested approximately $600 million into our build programme this year, and we remain the largest constructor in the New Zealand retirement village sector.

During the year we delivered 676 new homes under ORA in New Zealand, and have made significant progress with construction underway at a total of 18 villages across ten regions, including three care centre refurbishments (Havelock North, Levin and Trentham), and three villages in their pre-construction civil works phase.

Our ability to deliver year-on-year ensures we are well positioned to meet continued increases in sector demand and we expect to deliver 600–650 homes in New Zealand in FY25.

Construction commenced at our Rangiora site, and work is progressing well on our two lightweight (timber) regional village centre buildings at our Cambridge and Whangārei villages.

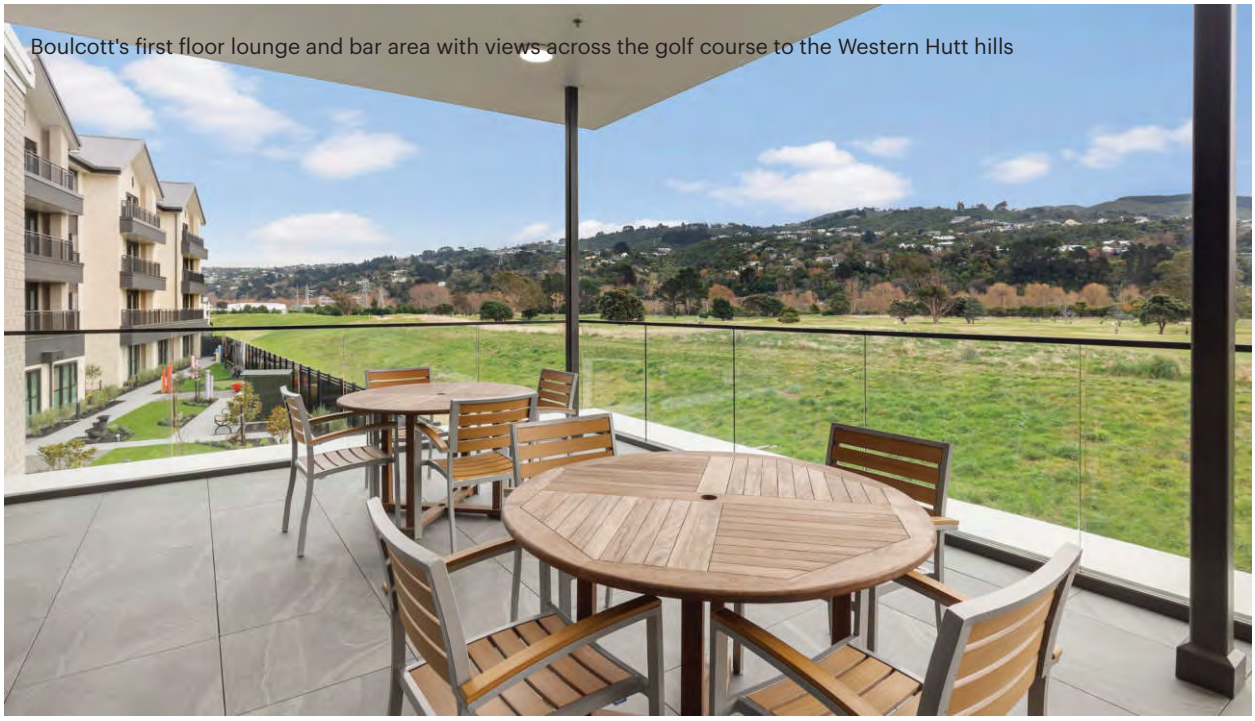
In Wellington, our Waikanae village construction team handed over the 'Rimu Range' of townhouses, the second iteration of our very popular three-bedroom townhouse design.

The townhouses, now built with a lightweight construction method, support our commitment to building with more environmentally sustainable materials. At Boulcott, in Lower Hutt, we delivered the village centre's administration, recreational and dining spaces along with the memory care centre and serviced apartments at the end of May. These facilities are further enhanced by the stunning outlook they have over the neighbouring golf course towards the Hutt River.

In Auckland, our Half Moon Bay village is tracking well against its build programme with foundation work starting. Our St Johns village welcomed its first resident in October, and was officially opened by the Prime Minister of New Zealand, the Rt. Hon. Christopher Luxon in December.

We have now fully completed our Summerset on Cavendish village at Casebrook in Christchurch and opened the village centre at Summerset by the Dunes in Pāpāmoa. The new village centre, which in addition to providing our superb range of recreational amenities for the village's residents to enjoy, includes serviced apartments, care and memory care centres.

We were pleased that our work to deliver Summerset on the Landing in Kenepuru was this year awarded Gold at the Master Builders Commercial Project Awards. This prestigious awards programme celebrates collaboration and innovation across the building industry, and what sets them apart is that they focus on recognising the contribution of the



Boulcott's first floor lounge and bar area with views across the golf course to the Western Hutt hills

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whole project team, the people who brought the project to life, rather than just the building itself.

All our villages under construction met their year-end delivery targets. There are a number of reasons for this achievement, including excellent project management teams, robust procurement, planning and consenting processes, and designing most of the villages in-house. We also have long-standing and reliable supply agreements that have enabled us to secure materials well in advance.

We have a very mature procurement programme and function with good tender processes returning better feasibility on build costs and seeing us through difficult and uncertain times. We were proud to celebrate the achievements of our Procurement team who won the New Zealand Procurement Excellence Forum's prestigious Transformation of the Year Award in 2024.

Summerset works hard to build and maintain strong relationships with our building partners. Our trusted contractors and potential new partners were invited to attend our construction Partner Events, a strategic initiative to strengthen these relationships and also position Summerset as the premier client 'to work with and for'. This year we held events in Auckland, Wellington and Christchurch with over 250 partner attendees.

Vibrancy and innovation by design

Bringing the best of life to our residents requires us to build vibrant villages with superior amenities that meet the expectations of our current residents and consider the future needs of our prospective residents. It also allows us to differentiate ourselves from competitors.

Each of our villages contains landscaped gardens, carefully planned and designed with a respectful consideration of its unique surroundings. They also contain a range of indoor and outdoor spaces for our residents, their families and friends to enjoy.

We're looking at how we can incorporate additional amenities of interest to our residents such as pickleball and croquet courts and outdoor barbecue areas, and this year we have installed our first indoor golf simulator at our Summerset Down the Lane village in Hamilton.

Some of our building designs have also had a refresh. Our villa portfolio is being given a more contemporary update which we will look to incorporate in future village plans, starting with our proposed villages at Rolleston and Mosgiel.

Our village centre buildings, which contain resident amenities, care and administration, have received both new and refreshed design allowing us the option to right-size amenities that are suitable to the local environment and the needs of residents in that area.

One of the new design formats will begin construction next year at our Blenheim village. This single-storey building will be in keeping with the local area but continue to have the high specifications and amenities our residents expect. Being single storey means it is faster to build but also allows us to create a space that is very light and airy with exposed wood and enhanced features.

We've also gone further with the refreshed design of our current format of three-storey village centre buildings with a two-storey design.

Sector leading land bank

While it has been a challenging market there have been some opportunities for us to find quality sites with competitive pricing which will enable us to grow our business and introduce more New Zealanders to our retirement village lifestyle.

In New Zealand we were pleased to have announced five site acquisitions this year in locations of high demand and forecast population growth for those aged 75 years and older.

Mission Hills in Napier was the first new village site to be announced. Complementing our two existing Napier villages it will be our fifth village in the Hawke's Bay region. Located within the high-quality master-planned Mission Hills subdivision, the elevated site offers expansive views of the coast and surrounding rural landscape.

In December we announced a further two new sites: Belmont, on Auckland's North Shore, and Otaihanga on the Kāpiti Coast north of Wellington. The 5.7ha Belmont site will be highly attractive to future residents being just minutes from the vibrant areas of Takapuna and Devonport with diverse shopping and dining options and an extensive choice of recreational facilities. The proposed coastal village will be generally north-facing and have some stunning views of the city.

The land was purchased from Ngāti Whātua Ōrākei and the agreement includes education and employment opportunities for hapū, facilitating the start of a long-term partnership.

The Otaihanga site of 12.6 hectares will be our third village in the area, with an existing Paraparaumu village and our newer developing village in Waikanae which are both in high demand. The site is handily located between Paraparaumu Beach and the Coastlands Mall with a wide



Artist impression of the new village centre building design to be unveilled at our Blenheim village

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variety of shops and amenities including major retailers, cafés, restaurants and boutique shops.

Purchasing land adjacent to our existing villages is a continued focus of our development. These opportunities allow us to meet demand, and increase the cost-effectiveness of our villages, as we add high-margin independent units to a village that already has supporting infrastructure.

This year we purchased a 1.23ha site for an extension to our Boulcott (Lower Hutt) village, and a 4ha site to extend our Blenheim village. The Boulcott extension is on the eastern edge of Boulcott's Farm Heritage Golf Club. We plan to provide additional independent living villas and townhouses units as well as additional village amenities such as pickleball and another resident clubhouse.

The Blenheim extension will allow us to offer up to 100 additional homes to Marlborough retirees, and add extra amenities such as croquet and an outdoor barbecue area to ensure there is an even wider range of activities for residents to enjoy.

These major acquisitions have added more than 1,100 units to our land bank.

Our pipeline was additionally bolstered with resource consents received for Kelvin Grove (Palmerston North) and Cashmere Oaks (Masterton) villages, and we expect to receive fast track approval for our Rotorua village in Q1 2025.

Our Mosgiel village has also been included on the Fast-Track Approvals Act (Schedule 2) as we continue to have the largest, most diverse and consented (shovel ready) land bank in the sector.

Australia progress

We are carefully building momentum with our Australian portfolio, and 2024 saw us achieve some important milestones in Victoria. These included further progress at our first village in Cranbourne North, construction civils commencing at our second village of Chirnside Park, holding a sod turning event before commencing enabling works at Torquay, and securing approval for plans at our Oakleigh South village.

Construction at our Cranbourne North village is progressing well, having completed the second stage of homes with the delivery of 12 villas in December. We also commenced the third stage of new homes, and construction on the village centre building. When complete this will be our first village to offer aged care in Australia, another major milestone we look forward to achieving in our growth across the ditch.

In October, we held the opening of the Cranbourne North Hilltop Reserve extension - a new park for the local community that was designed and constructed by Summerset as part of our village development. We are committed to supporting the growth and wellbeing of the local communities in which we develop our retirement



The sod turning event at our Torquay land in November marked a major milestone for us in Australia

villages, and through local amenity improvement projects like the handover of the Hilltop Reserve extension, we can invest in the social fabric of the neighbourhoods we operate in.

We commenced construction civils at our second village site, Chirnside Park, in Melbourne's northeast. First villa builds are underway with delivery at the end of 2025 and first residents are expected to move in Q1 2026. The village is located within the Chirnside Park town centre precinct with panoramic views to the Yarra Valley.

Having gained approval of the development plan for our coastal Torquay village early in 2024, we have now received Council approval of a planning permit for up to 290 independent and assisted retirement units and 80 residential aged care beds. A smoking ceremony and sod turning event was held in November and enabling works commenced in January 2025. Our Torquay development will also see the creation of a large new public park as well as providing long awaited upgrades to surrounding streets.

Earlier in 2024 we received unanimous approval from City of Monash Council for our plans for a new village at Oakleigh South in Melbourne's inner east. The village location is surrounded by two outstanding recreation facilities, the Metropolitan and Huntingdale Golf Clubs.

We are building our Australian capability and resourcing for operational readiness in a timely way, including looking forward to welcoming our first aged care residents in 2026.

Australia still offers growth opportunities for us and we're pleased with the progress we have made there.

We are focused on finding the right opportunities to add to our land bank in Australia. However, we naturally need to be prudent and disciplined around what we buy and ensure that it meets our strict financial and non-financial investment hurdles.

We haven't found the right land for us in Victoria or Queensland in 2024 but we are confident there are many great opportunities for us in the coming years and we have an existing pipeline of projects in progress.

We expect to deliver between 50-80 homes to be sold under ORA in Australia during FY25, including the village centre at our Cranbourne North village (which will be delivered late in FY25 and open to residents in FY26).

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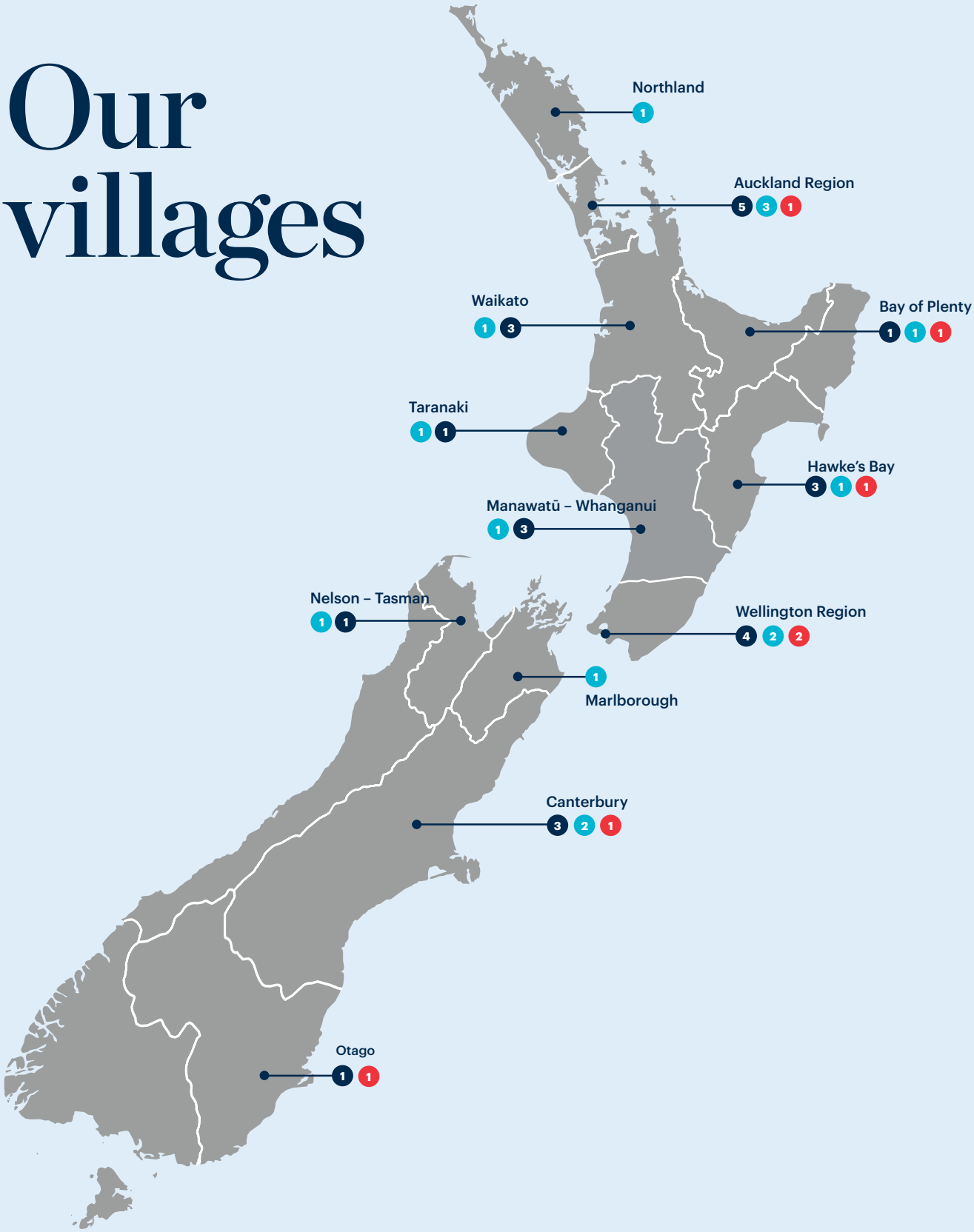
Our villages



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Our pipeline



NEW ZEALAND LAND BANK	DESIGN	CONSENTING	CONSTRUCTION	VILLAGE OPEN	FINAL STAGES
Bell Block, New Plymouth	●	●	●	●	●
Pāpāmoa Beach, Tauranga	●	●	●	●	●
Richmond, Tasman	●	●	●	●	●
Te Awa, Napier	●	●	●	●	●
Blenheim, Marlborough	●	●	●	●	
Cambridge, Waikato	●	●	●	●	
Lower Hutt, Wellington	●	●	●	●	
Milldale, Auckland	●	●	●	●	
Prebbleton, Canterbury	●	●	●	●	
St Johns, Auckland	●	●	●	●	
Waikanae, Kāpiti	●	●	●	●	
Whangārei, Northland	●	●	●	●	
Half Moon Bay, Auckland	●	●	●		
Kelvin Grove, Palmerston North	●	●	●		
Rangiora, Canterbury	●	●	●		
Fairy Springs, Rotorua	●	●			
Lansdowne, Masterton	●	●			
Mosgiel, Dunedin	●				
Rolleston, Canterbury	●				
Belmont, Auckland*	●				
Mission Hills, Napier*	●				
Otaihanga, Kāpiti*	●				

* New sites purchased

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AUSTRALIAN LAND BANK	DESIGN	CONSENTING	CONSTRUCTION	VILLAGE OPEN	FINAL STAGES
Cranbourne North, Melbourne	● →	● →	● →	●	○
Chirnside Park, Melbourne	● →	● →	●	○	○
Torquay, Victoria	● →	● →	●	○	○
Craigieburn, Melbourne	● →	●	○	○	○
Oakleigh South, Melbourne	● →	●	○	○	○
Mernda, Melbourne	● →	●	○	○	○
Drysdale, Victoria	● →	●	○	○	○



Progress continues at Summerset Cranbourne North village



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Our commitment to sustainability

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We are committed to making sustainability a part of all of our work across our villages, construction sites and offices in New Zealand and Australia.

Sustainability is built into Summerset's ten-year strategy, and during FY24 we continued to reduce our emissions and implement good environmental, social and governance (ESG) initiatives.

In February we delivered our second Sustainability Review which, for the first time, included our climate-related disclosures, a requirement for us under New Zealand law now. Summerset is a climate reporting entity under the Financial Markets Conduct Act 2013. Our latest Sustainability Review and Climate-related Disclosures FY24 report is now available on the Summerset website at www.summerset.co.nz/investor-centre/esg-reporting.

This report details the work we've undertaken across our ESG initiatives during 2024 as well as the risks and opportunities that climate change poses for us as a company.

Below is a high-level update on some key sustainability activities during 2024. Please see our Sustainability Review for more information.

During 2024 our sustainability work was recognised by the Retirement Villages Association (RVA) with our construction waste avoidance initiative and our Richmond Ranges village solar panels installation both being named finalists for the RVA Sustainability Awards. We were named a Sustainability Leader in the Property & Construction category by the *Australian Financial Review* and we were one of three New Zealand companies to be awarded an Ethical and Sustainable Business Award by Money Matters and Catalyst.

Our emissions profile

Summerset's total emissions in 2024 were 72,925 tCO_2e, an increase of 64,118 tCO_2e compared to our 2022 base year. This rise is primarily driven by the reporting requirements of Scope 3 value chain emissions, which now form the largest part of our carbon footprint. Key contributors within Scope 3 are category 1 capital goods and 2 purchased goods and services, together accounting for over three-quarters of our total emissions, largely due to our expanding construction activities.

Electricity and gas are the main sources of Summerset's Scope 1 and 2 emissions, essential for delivering high-quality care through heating, cooking, and laundry services. While overall emissions in these categories are expected to rise as we grow and welcome more residents, emissions per square metre of developed land have steadily decreased since 2017.

This progress reflects improvements in construction, design, operational efficiencies, and the adoption of decarbonisation initiatives, including sourcing renewable energy certificates.

With most of our greenhouse gas emissions now in our value chain, we started work on establishing our procurement sustainability programme to work with our suppliers to drive down our Scope 3 emissions and innovate lower carbon products and services.

We have commenced our supplier engagement programme through national and regional supplier forums focused on both material and product suppliers as well as service providers. We work hard to build strong relationships with our suppliers and through this approach we will successfully encourage

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our supply chain to continually improve in line with Summerset's sustainability strategy ambitions.

Our new science-based target

Climate science is rapidly developing and maturing and we have worked hard to stay current. We have continually challenged ourselves to be better and to find the best ways to hold ourselves accountable internally and externally.

Since we began measuring and reporting emissions in 2018, the landscape has evolved significantly. In 2018 we initially set an emissions reduction target to reduce emissions intensity per $ million revenue by 5% in five years. We significantly exceeded that target, achieving a 16% reduction.

In 2022, Summerset committed to a near-term, five-year science-aligned target to reduce our emissions intensity by 34% by 2027 for Scopes 1 and 2 and we have been tracking well against this.

This year, following best practice, we underwent the rigorous process of having this target upgraded and validated by the Science Based Targets Initiative (SBTi). This validation ensures our emissions reduction targets are grounded in the latest climate science, utilising standardised methodologies and independent verification.

Establishing a science-based target allows us to clearly understand how much, and how quickly, we need to reduce our greenhouse gas emissions to mitigate the worst effects of climate change.

Our new target is to reduce Scope 1 and 2 GHG emissions by 49% per square metre by 2028 from our 2022 base year. We've also committed to engaging our supply chain in emissions reduction. By 2028, our aim is for more than 70% of our suppliers, covering purchased goods, capital goods, fuel, energy, travel and other key activities, to set science-based targets.

We are proud to have the latest science and information driving us and holding us accountable. We are confident Summerset can meet these targets and continue to improve our emissions reduction efforts.

Measurement and certification

In addition to our science-based target we take a number of other steps to hold ourselves externally accountable.

Measurement

Our Greenhouse gas emissions (GHG) have been calculated in accordance with the Greenhouse Gas Protocol standards. Further information on how we measure our GHG emissions is available in the Metrics and targets section of our Climate-related Disclosures.

Certification

Along with our science-based target we are proud to be a Toitū net carbonzero certified organisation in line with ISO 14064-1. This means we've measured and offset emissions from our operations, including emissions from business travel, electricity, vehicles and offices. Further information on our Toitū net carbonzero certification is available on the Toitū website.

We recognise that we can't reach our sustainability goals alone. Collaboration is key, so we work alongside several organisations that are helping advance sustainable practice in New Zealand and worldwide, including Waste Management, the Climate Leaders Coalition, Lifemark and others.

Solar power and electric vehicles

Throughout 2024, we advanced our commitment to renewable energy production by completing the installation of solar panels on the main buildings of our Richmond, Rototuna, Pāpāmoa and Boulcott villages.

This initiative involved installing 1,000+ solar panels across these sites, generating over 300 MWh of power.

Our solar transition not only enhances our resilience and reduces our reliance on grid electricity but also significantly contributes to the electricity needs of the common areas in our main buildings, which house our care facilities.

Additionally, in 2024 we introduced solar-powered streetlights at our Havelock North, Paraparaumu, and Palmerston North villages.

We have made significant strides in promoting sustainable transportation options for our residents through the rollout of electric vehicle (EV) charging stations and our village EV car sharing initiative. Over the past year, we have increased the percentage of EVs in our own fleet to 12%, up from 5% in 2023.

To support our electric fleet and enhance the national charging network, we have been retrofitting EV charging stations at our villages and we're ensuring that all new developments include charging infrastructure. Residents are excited about the opportunity to book village EV cars when they need them, allowing them to enjoy the convenience of electric transportation.

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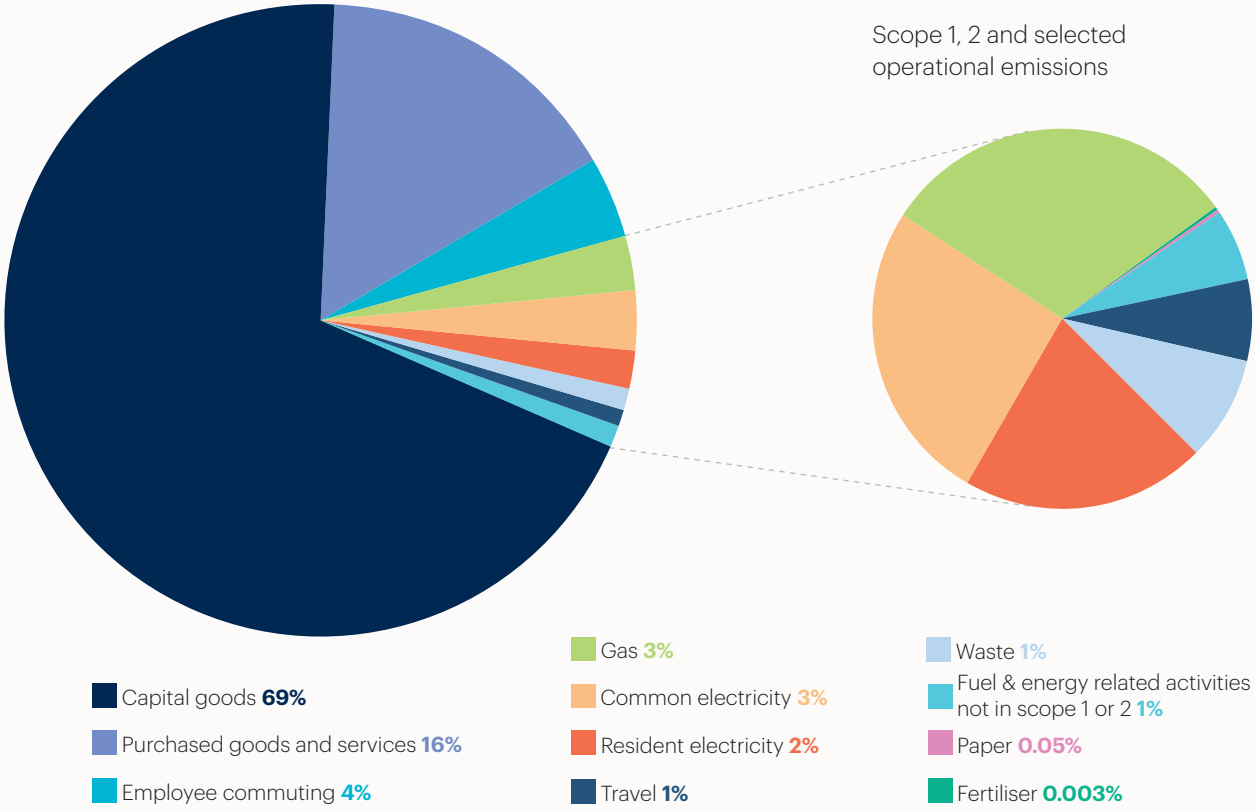
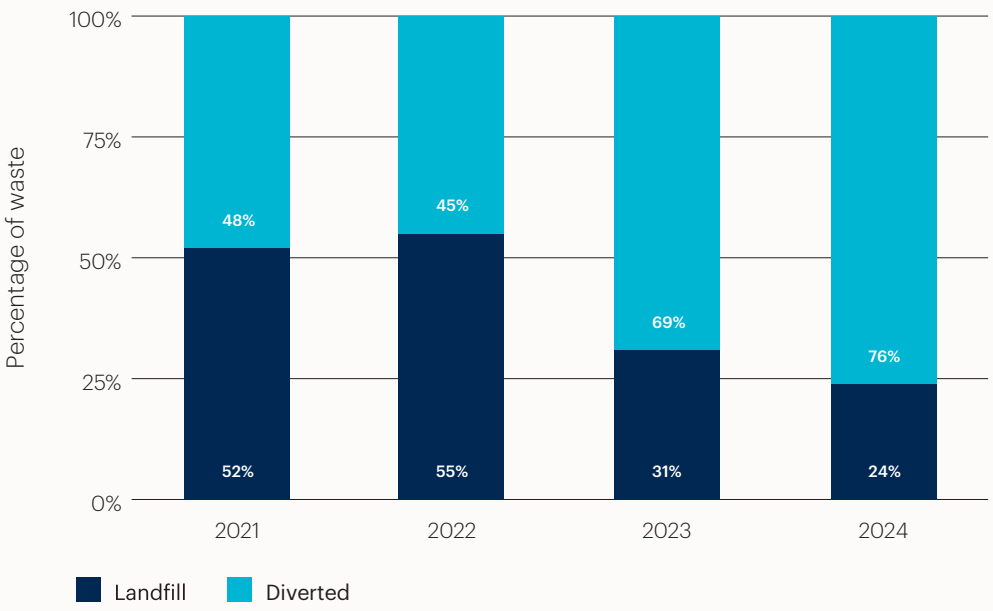
Emissions by source

Full value chain emissions by source



Construction waste diversion progress



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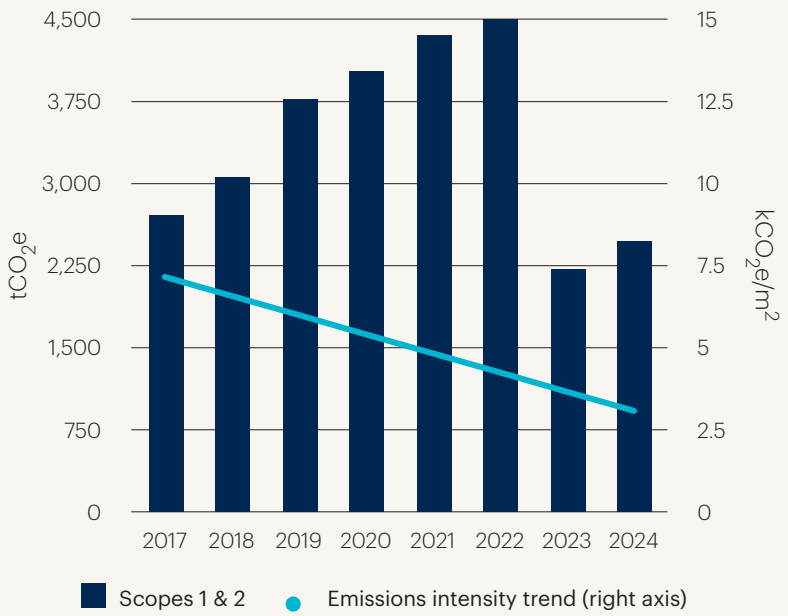
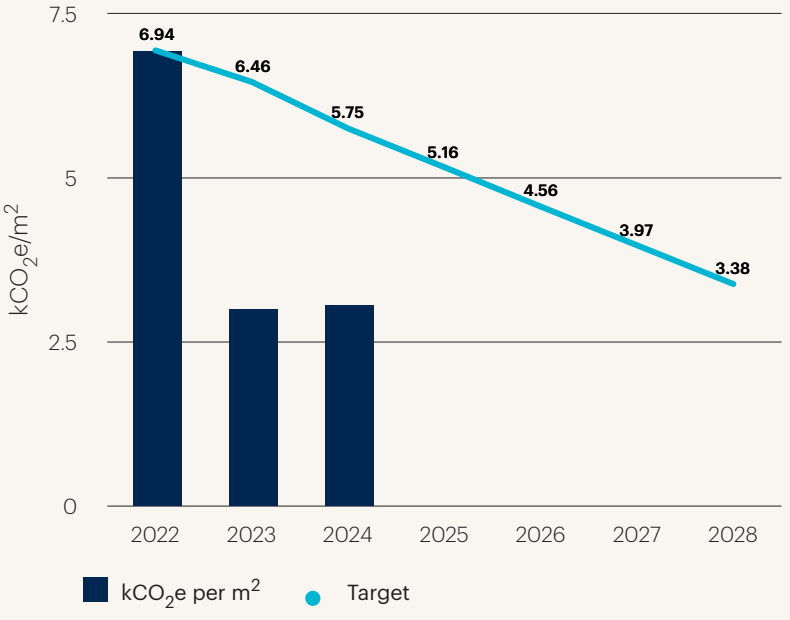
Scope 1 & 2 emissions profile



Short-term science-aligned target trajectory



Note: Market-based reporting of Scope 2 emissions from FY23 onwards applies to intensity targets

Embodied carbon

As one of New Zealand's largest residential builders, and with a growing Australian land bank, understanding and reducing our embodied carbon emissions has been a focus for us in the last two years.

Understanding and minimising embodied carbon is crucial in our efforts to combat climate change and build more sustainable communities.

To date we have successfully calculated the upfront embodied carbon for two of our standard build typologies, our three-bedroom townhouse and our standard two-bedroom villa. With this information we're able to identify opportunities to reduce embodied carbon and work towards providing low-carbon homes.

Since we took this baseline measure, we have built our second generation of the three-bedroom townhouses and seen significant reductions in embodied carbon. Between design iterations we have reduced our upfront carbon emissions by 24%. This is a great first result and equally we're pleased that while we've created far more sustainable homes, we have been able to do so without compromising the quality of construction.

Waste reduction

At Summerset, we are committed to waste minimisation as a crucial component of advancing our circular economy work.

During 2024, we were building on 18 sites in New Zealand (including three villages undergoing care centre upgrades), and two in Australia, and reducing our construction waste is an ongoing focus for the business. Our hard work resulted in 76% of our construction waste being diverted from landfill.

Working with our partners we are a construction industry leader

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in waste reduction. Our waste minimisation programme operates at various levels of the waste hierarchy, emphasising recycling, reuse, and diversion, alongside safe landfill disposal.

Additionally, we ensure the responsible handling and disposal of any hazardous materials in strict compliance with national and local regulations, as outlined in our individual site waste management plans.

Our focus in 2024 has been to strategically choose sustainable (or the most sustainable) materials and optimising their use, collaborating closely with our suppliers to reduce waste, increase recycling, improve efficiency, and invest in low-carbon technologies while accessing emissions data.

In our villages, we continually monitor the effectiveness of our waste minimisation plans and seek new opportunities for improvement. This year, our focus has expanded to include food waste, identifying waste or opportunities to improve waste minimisation during our food service process.

Two of our villages are participating in The Food Waste Reduction Project in Aged Care, conducted by Otago University, and funded by the Ministry for the Environment, which will give us more information and the tools to help us reduce our food waste.

During the year we've investigated the opportunity to further direct plastic, electronic and hygiene product waste, and have continued collaborating with our suppliers on alternative solutions for hazardous items, such as batteries.

We're very pleased with the work we've done to date, and we remain committed to leading positive change within our industry.

Sustainability-linked lending

We got our first sustainability-linked loan in 2021, and since then all our lending has been sustainability linked. Having these conditions is a great way to hold ourselves accountable while at the same time incentivising and providing tangible benefits for the work we're doing. When we achieve the sustainability performance targets we agreed with our lenders we access more favourable lending conditions.

During 2024, we achieved all of our sustainability-linked lending performance targets, resulting in significant savings on interest costs.

These targets include emissions intensity reductions, reducing construction waste, and enhancing wellbeing.

More information

As a business we'll continue our regular reporting and improving the activities and initiatives we're already undertaking. We are dedicated to the ongoing investigation and experimentation with new methods and technologies that will help us in achieving our sustainability goals and ensure we continue to advance our corporate citizenship in both New Zealand and Australia.

For further information on all our ESG activities please see our Sustainability Review and Climate-related Disclosures FY24 report on the Summerset website at www.summerset.co.nz/investorcentre/esg-reporting/.

Our performance

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Artist impression of Summerset Cranbourne North

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Summerset has delivered another year of strong underlying profit performance and maintained balance sheet resilience despite a challenging operating environment.

Financial performance overview

Underlying profit for the year ended 31 December 2024 increased by 8% on the prior year to $206.4 million (2023: $190.3 million), driven primarily by record new sales and resales in the year and the continual growth in our portfolio which has increased our DMFs. New sales increased by 28 units on the prior year (+5%) while resales increased by 107 (+20%), with five villages having 30+ resales for the year. We saw resales across 31 different villages and maintained a strong geographical spread across the country with only 47% of resales coming from the Auckland, Wellington and Christchurch regions.

We increased our delivery of units compared to 2023 with total deliveries for the group of 708, an increase of 10% (643 in 2023) with 32 Australian units and 676 NZ units delivered in 2024. Revenue for the year grew 18% to $319.9 million (2023: $272.2 million), reflecting village revenue growth from deliveries within our developing villages and continued high rates of care occupancy in existing villages.

Profits from operations have held relatively stable, a strong result given we opened two new care centres which incur large, fixed start-up costs while occupancy builds up. We continue to see wages and costs increasing at a rate higher than the increases to public funding, in particular nurses' wages, council rates, insurance and power.

Long-term growth

A key component of underlying profit is the realised development margin on new sales, which was $118.4 million in 2024 (2023: $121.2 million). Although we settled more new sale units in 2024 (+28 units), our overall development margin was 28.9%, slightly down on prior year (31.6%) due to a shift in mix in new sale settlements where we saw more needs-based products settled as well as higher average costs to build in 2024. We expect that development margins will be maintained within the 20–25% range over the medium term.

Good margins reflect the advantage of having strong in-house capabilities for each stage of village development including land acquisition, planning, consenting, design, procurement and construction management. We continue to work to manage cost inflation across our build pipeline through leveraging from scale, standardisation and mature procurement planning.

Summary of sales and developments

Summerset had another record sales year, with 1,238 unit sales of occupation rights (2023: 1,103), 588 of them new unit sales (10 in Australia) and 650 sales of existing units. Average gross proceeds per new sale settlement of $696,000 was slightly up from $686,000 in 2023 due to higher sales prices across all product types. Realised resale gain increased by 9% to $95.9 million in 2024. Average gross proceeds per resale settlement were $581,000, similar to 2023 of $587,000. Key development milestones included the first deliveries of units at St Johns (Auckland) which also included the main building. We also delivered the main building at Pāpāmoa (Tauranga) and our memory care centre at Boulcott (Lower Hutt). In Australia, we delivered a further 32 units at Cranbourne North and saw our first residents move in.

Net profit after tax

Summerset recorded a net profit after tax of $339.8 million for the year ended 31 December 2024, down from $425.3 million in 2023. This year-on-year change is largely reflective of the fair value movement of investment properties recognised in 2024, relative to 2023. The fair value movement in 2024 of $372.6 million included $111.8 million from new units delivered and $131.7 million from uplifts to retirement unit pricing across the year. Early signs of optimism in the wider property market gave us confidence to modestly increase portfolio pricing as the year progressed and this was also seen by our external valuers who lifted unit pricing growth rates to match expectations of improving house prices as we move into 2025 and beyond.

Business growth and expenses

Summerset derives its revenue from selling units (DMFs) and providing village and care services. Summerset's revenue increased as a result of higher volumes, reflective of the continuing growth and scale of our operations. DMFs on Summerset's units sold under ORA were $121.4 million in 2024 (2023: $104.6 million). The gains reflect the increase in the number, occupancy and value of Summerset's portfolio of units. Underlying profit is a non-GAAP measure. A detailed explanation is included in Note 2 to the Financial Statements (see page 68). In general terms, underlying profit removes the fair value movement of investment property and reinstates the realised gains associated with our resales and the development margin associated with our new sales.

Summerset's total unit portfolio reached 7,970 (2023: 7,371), and at year end there were 547 new units and 208 resale units available for sale which represents 9.5% of

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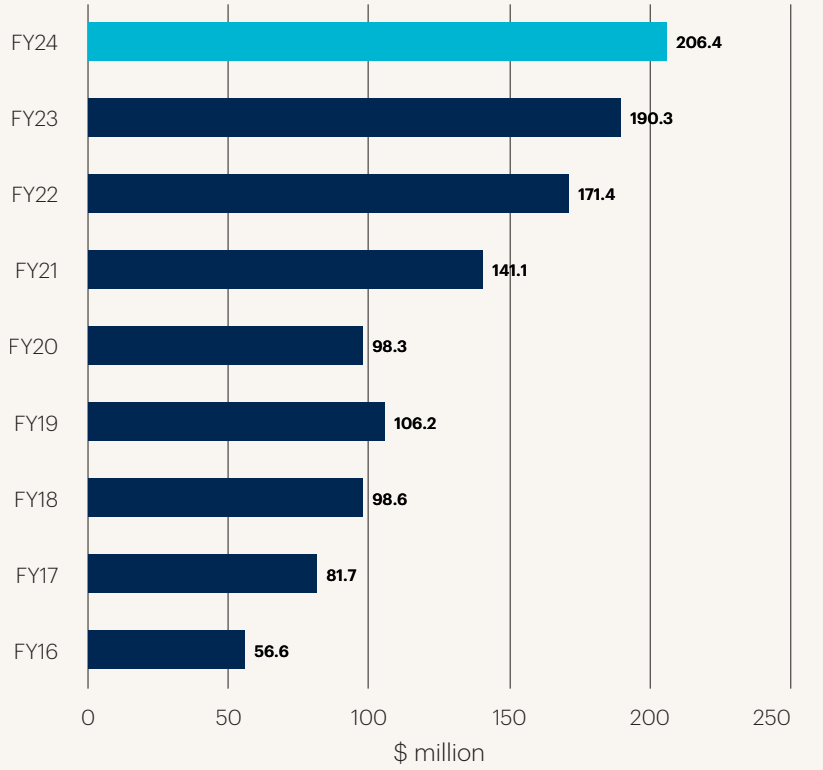
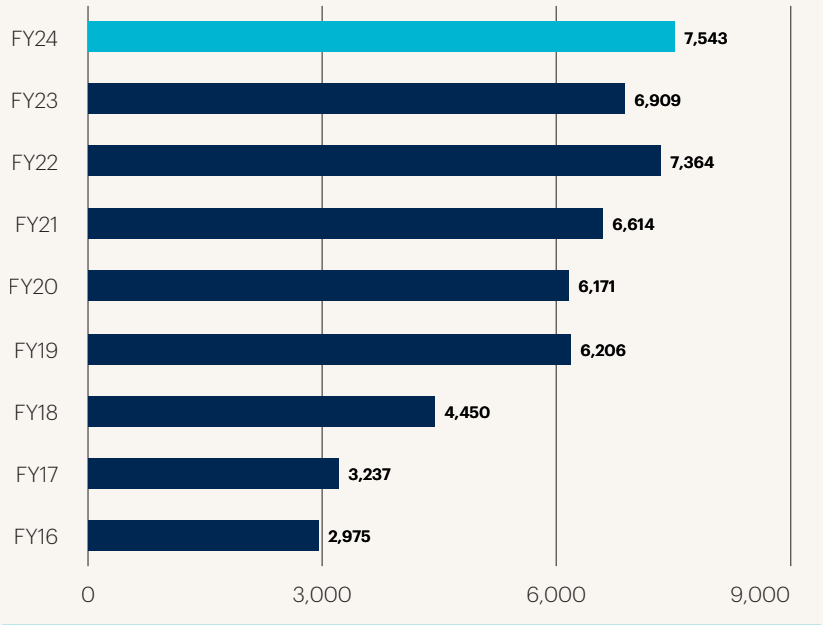
Underlying profit



Land bank over time (units)



our total portfolio (2023: 7.7%), the increase largely due to the high number of deliveries in Q4 2024. Occupancy in our mature care centres was 94% (2023: 93%), which is above the industry average of 90%. Total operating expenses were managed well, increasing by 15% to $284.1 million in 2024 (2023: $248.0 million). This increase was mainly due to the startup costs and growth in headcount of developing villages (including opening two main buildings and one memory care centre) of approximately $28 million. Inflationary cost pressures were also a key driver of the overall increase, accounting for over $8 million of the increase, due to higher wage costs (including increased care wage costs at a rate above the level of public funding increases), general cost growth across head office functions and higher rates, utilities and insurance across our properties.

Net cash from operating activities

Summerset's net cash from operating activities was $443.2 million for the year, up 11% from 2023 (2023: $398.2 million). This was principally driven by increased receipts from residents but reduced by increased costs of providing care and village operations as our resident numbers grow. Summerset is a growth company and reinvests operating cash flows back into the business to finance future growth. In 2024 Summerset invested $683.1 million, primarily in relation to new and existing retirement villages and care centres (2023: $668.5 million).

Assets rose to $8.1 billion

Total assets rose 16% to $8.1 billion at 31 December 2024 (2023: $6.9 billion), mainly due to growth in the size and value of Summerset's investment property, which reached $7.3 billion (2023: $6.4 billion). At balance date, Summerset also had property, plant and equipment

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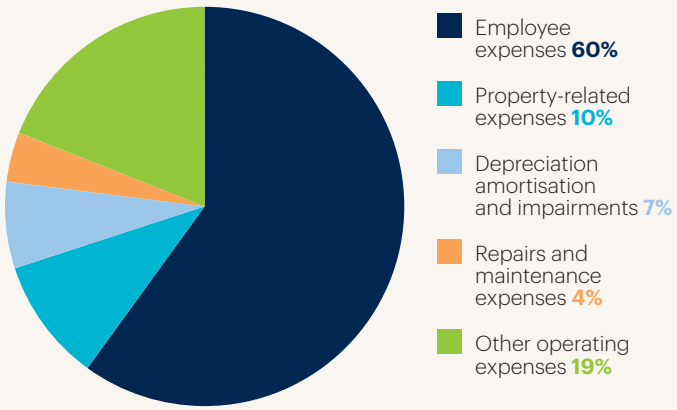
valued at $602.8 million (2023: $416.3 million), most of this being care centres (these are operated to provide services and are therefore not included as investment property). An increased embedded value of $1.7 billion (2023: $1.6 billion) demonstrates future cash that can be generated when units are resold. Interest-bearing debt of $1,714.3 million was 21% of total assets at year end (2023: $1,393.5 million). The year-end debt at face value is made up of $1,134.0 million of bank borrowings and $575.0 million of retail bonds. Summerset also has residents' loans of $2.9 billion (2023: $2.5 billion). This is in the form of licences paid by residents under ORAs. These are repayable when residents vacate units and the associated occupation rights are resold.

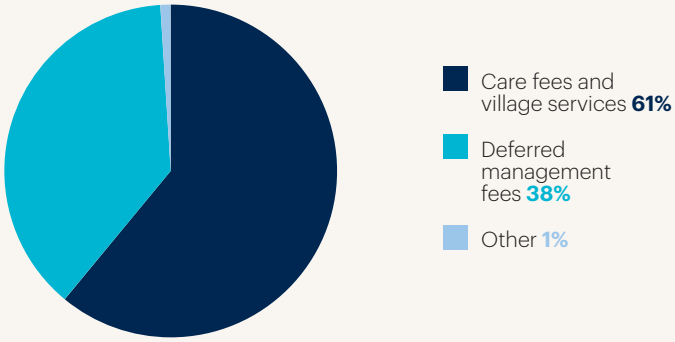
2024 dividends

Summerset will pay a final dividend of 13.2 cents per share (cps) on 27 March 2025, making a full payout for the 2024 year of 24.5 cps (2023: 24.5 cps). Board policy for shareholder distributions continues to maintain a payout range of 20–50% of each year's underlying profit. The 2024 distribution of $58.3 million represents 28.2% of underlying profit ($206.4 million). Summerset continues to offer shareholders a dividend reinvestment option, including a 2% discount to market share price.

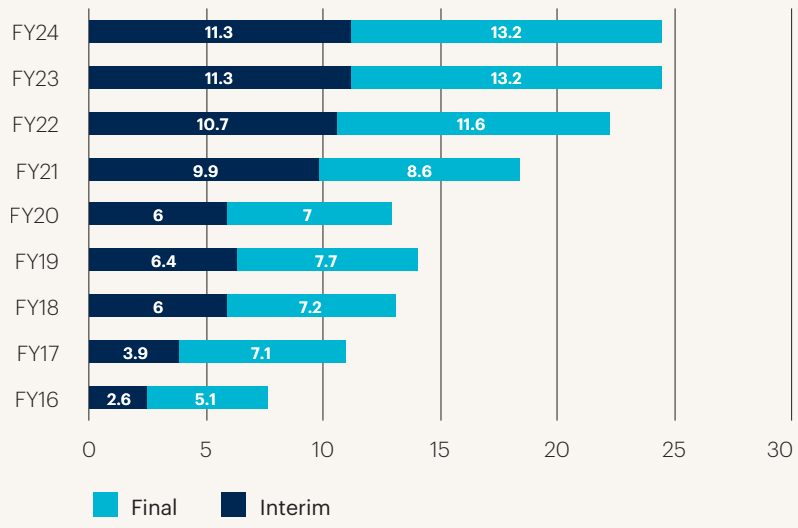
Expense breakdown



Revenue breakdown



Dividends (cents per share)



Five-year summary

Key operational and financial statistics for the five-year period up to and including FY24 are shown below.

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Results highlights – operational

	Unit	FY24	FY23	FY22	FY21	FY20	FY23 to FY24 % Change
New sales of Occupation Rights	No.	588	560	537	540	404	5%
Resales of Occupation Rights	No.	650	543	470	438	381	20%
Total sales of Occupation Rights	No.	1,238	1,103	1,007	978	785	12%
Development margin	%	28.9%	31.6%	29.7%	23.1%	19.6%	-9%
New Occupation Right units delivered	No.	708	643	625	619	356	10%
Retirement units in portfolio	No.	6,671	6,087	5,518	4,930	4,385	10%
Care units in portfolio	No.	1,299	1,284	1,161	1,098	972	1%

Results highlights – financial

	Unit	FY24	FY23 Restated	FY22	FY21	FY20	FY23 to FY24 % Change
Net operating cash flow	$m	443.2	398.2	369.2	383.4	266.8	11%
Total assets	$m	8,066.0	6,941.7	5,840.3	4,923.7	3,893.2	16%
Net assets	$m	2,969.5	2,602.3	2,193.0	1,924.5	1,354.8	14%
Underlying profit	$m	206.4	190.3	171.4	141.1	98.3	8%
Profit before income tax (IFRS)	$m	355.8	411.5	265.1	543.6	221.7	-14%
Profit for the period (IFRS)	$m	339.8	425.3	269.1	543.7	230.8	-20%
Dividend per share	cents	24.5	24.5	22.3	18.5	13.0	0%
Basic earnings per share	cents	144.6	182.7	116.7	238.2	102.3	-21%

Financial statements

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Income Statement

For the year ended 31 December 2024

	NOTE	2024 $000	2023 Restated[1] $000
Care fees and village services	4	197,165	165,945
Deferred management fees	4	121,446	104,557
Other income	4	1,292	1,701
Total revenue		**319,903**	**272,203**
Fair value movement of investment property	11	372,572	430,561
Total income		**692,475**	**702,764**
Operating expenses	5	(284,149)	(247,983)
Depreciation and amortisation	9, 10	(19,099)	(15,797)
Impairment loss	9, 11	(7,112)	-
Total expenses		**(310,360)**	**(263,780)**
Operating profit before financing costs		**382,115**	**438,984**
Finance costs	6	(26,353)	(27,496)
Profit before income tax		**355,762**	**411,488**
Income tax (expense)/credit	7	(15,924)	13,839
Profit for the period		**339,838**	**425,327**
Basic earnings per share (cents)	20	144.65	182.71
Diluted earnings per share (cents)	20	144.21	182.38

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.

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Statement of Comprehensive Income

For the year ended 31 December 2024

	NOTE	2024 $000	2023 Restated[1] $000
Profit for the period		**339,838**	**425,327**
Fair value loss on interest rate swaps	14	(12,916)	(24,627)
Tax on items of other comprehensive income	7	3,689	7,082
Loss on translation of foreign currency operations		(2,103)	(200)
Other comprehensive income that will be reclassified subsequently to profit or loss for the period net of tax		**(11,330)**	**(17,745)**
Net revaluation of property, plant and equipment	9	94,372	44,785
Tax on items of other comprehensive income	7	(26,424)	(12,540)
Other comprehensive income which will not be reclassified subsequently to profit or loss for the period net of tax		**67,948**	**32,245**
Total comprehensive income for the period		**396,456**	**439,827**

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.

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Statement of Changes in Equity

For the year ended 31 December 2024

	SHARE CAPITAL $000	HEDGING RESERVE $000	REVALUATION RESERVE $000	FOREIGN CURRENCY TRANSLATION RESERVE $000	RETAINED EARNINGS $000	TOTAL EQUITY $000
As at 1 January 2023	**344,212**	**18,849**	**63,560**	**(66)**	**1,766,468**	**2,193,023**
Profit for the period (restated)[1]	-	-	-	-	425,327	425,327
Other comprehensive income for the period (restated)[1]	-	(17,545)	32,245	(200)	-	14,500
Total comprehensive income for the period (restated)[1]	**-**	**(17,545)**	**32,245**	**(200)**	**425,327**	**439,827**
Dividends paid	-	-	-	-	(53,260)	(53,260)
Shares issued	19,501	-	-	-	-	19,501
Employee share plan option cost	3,199	-	-	-	-	3,199
As at 31 December 2023 (restated)[1]	**366,912**	**1,304**	**95,805**	**(266)**	**2,138,535**	**2,602,290**
As at 1 January 2024 (restated)[1]	**366,912**	**1,304**	**95,805**	**(266)**	**2,138,535**	**2,602,290**
Profit for the period	-	-	-	-	339,838	339,838
Other comprehensive income for the period	-	(9,227)	67,948	(2,103)	-	56,618
Total comprehensive income for the period	**-**	**(9,227)**	**67,948**	**(2,103)**	**339,838**	**396,456**
Dividends paid	-	-	-	-	(57,556)	(57,556)
Shares issued	24,822	-	-	-	-	24,822
Employee share plan option cost	3,455	-	-	-	-	3,455
As at 31 December 2024	**395,189**	**(7,923)**	**163,753**	**(2,369)**	**2,420,817**	**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.

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Statement of Financial Position

As at 31 December 2024

	NOTE	2024 $000	2023 Restated[1] $000
Assets			
Cash and cash equivalents		11,705	12,648
Trade and other receivables	8	58,600	44,330
Interest rate swaps	14	20,849	19,308
Other assets		31,000	45,000
Property, plant and equipment	9	602,813	416,281
Intangible assets	10	8,476	8,421
Investment property	11	7,328,744	6,394,117
Investments		3,819	1,576
Total assets		**8,066,006**	**6,941,681**
Liabilities			
Trade and other payables	12	166,983	172,670
Employee benefits	13	33,876	30,753
Revenue received in advance	4	212,356	185,514
Interest rate swaps	14	18,603	16,628
Residents' loans	15	2,881,103	2,507,112
Interest-bearing loans and borrowings	17	1,714,340	1,393,523
Lease liability	16	11,878	14,130
Deferred tax liability	7	57,400	19,061
Total liabilities		**5,096,539**	**4,339,391**
Net assets		**2,969,467**	**2,602,290**
Equity			
Share capital	19	395,189	366,912
Reserves	19	153,461	96,843
Retained earnings		2,420,817	2,138,535
Total equity attributable to shareholders		**2,969,467**	**2,602,290**

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 February 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

Statement of Cash Flows

For the year ended 31 December 2024

	2024 $000	2023 $000
Cash flows from operating activities		
Receipts from residents:		
- care fees and village services	194,724	165,341
- residents' loans - new occupation right agreements	388,013	362,713
- residents' loans - resales of occupation right agreements (net)	138,167	104,576
Interest received	1,122	1,701
Payments to suppliers and employees	(278,854)	(236,156)
Net cash flow from operating activities	**443,172**	**398,175**
Cash flows to investing activities		
Sale of investment property	1,178	-
Payments for investment property:		
- land	(20,920)	(56,489)
- construction of retirement units and village facilities	(482,312)	(477,768)
- refurbishment of retirement units and village facilities	(24,841)	(19,391)
Payments for property, plant and equipment:		
- construction of care centres[1]	(68,852)	(47,271)
- refurbishment of care centres	(400)	(128)
- other	(14,063)	(10,760)
Payments for intangible assets	(1,520)	(2,281)
Capitalised interest paid	(69,225)	(52,794)
Acquisition of long-term investments	(2,159)	(1,587)
Net cash flow to investing activities	**(683,114)**	**(668,469)**
Cash flows from financing activities		
Net proceeds from bank borrowings	174,870	247,928
Proceeds from issue of retail bonds	125,000	175,000
Repayment of retail bonds	-	(100,000)
Interest paid on borrowings	(26,093)	(28,374)
Payments in relation to lease liabilities	(3,021)	(2,614)
Dividends paid	(33,542)	(34,288)
Net cash flow from financing activities	**237,214**	**257,652**

1 Included in the construction of care centres is $18.4 million relating to care centre upgrades (2023: $1.7 million).

The accompanying notes form part of these financial statements.

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Statement of Cash Flows (continued)

For the year ended 31 December 2024

	2024 $000	2023 $000
Net decrease in cash and cash equivalents	(2,728)	(12,642)
Cash and cash equivalents at beginning of period	12,648	25,347
Foreign currency translation adjustment	1,785	(57)
Cash and cash equivalents at end of period	**11,705**	**12,648**

Reconciliation of Operating Results and Operating Cash Flows

For the year ended 31 December 2024

	2024 $000	2023 Restated[1] $000
Profit for the period	**339,838**	**425,327**
Adjustments for:		
Depreciation and amortisation	19,099	15,797
Impairment loss	7,112	-
Fair value movement of investment property	(372,572)	(430,561)
Finance costs paid	26,353	27,496
Income tax expense/(credit)	15,924	(13,839)
Deferred management fees amortisation	(121,446)	(104,557)
Employee share plan option cost	3,944	3,764
Other non-cash items	2,395	26
	(419,191)	**(501,874)**
Movements in working capital		
Increase in trade and other receivables	(7,510)	(7,596)
Increase in employee benefits	3,541	3,614
Increase in trade and other payables	2,958	7,369
Increase in residents' loans net of non-cash amortisation	523,536	471,335
	522,525	**474,722**
Net cash flow from operating activities	**443,172**	**398,175**

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.

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Notes to the financial statements

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For the year ended 31 December 2024

1. General information

Reporting entity

The consolidated financial statements presented for the year ended 31 December 2024 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 a 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.

Basis of preparation

These consolidated 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. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for profit-oriented entities. These financial statements also comply with International Financial Reporting Standards and the requirements of the Financial Markets Conduct Act 2013.

These financial statements are expressed in New Zealand dollars, which is the Company's and 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.

All amounts are shown exclusive of goods and services tax (GST), except for trade receivables and trade payables, and except where the amount of GST incurred is not recoverable. When this occurs, GST is recognised as part of the cost of the asset or as an expense as applicable.

The measurement basis adopted in the preparation of these financial statements is historical cost, with the exception of the items noted below.

- Buildings – Note 9
- Investment property – Note 11
- Investments
- Interest rate swaps – Note 14
- Retail bonds – Note 17

Basis of consolidation

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 New Zealand subsidiaries are:

Summer Land Developments Limited
Summerset Care Limited
Summerset Holdings Limited
Summerset LTI Trustee Limited
Summerset Management Group Limited
Summerset Properties Limited
Summerset Retention Trustee Limited
Summerset Villages (Aotea) Limited
Summerset Villages (Avonhead) Limited
Summerset Villages (Bell Block) Limited
Summerset Villages (Blenheim) Limited
Summerset Villages (Cambridge) Limited
Summerset Villages (Casebrook) Limited
Summerset Villages (Cashmere Oaks) Limited
Summerset Villages (Dunedin) Limited
Summerset Villages (Ellerslie) Limited
Summerset Villages (Half Moon Bay) Limited
Summerset Villages (Hamilton) Limited
Summerset Villages (Hastings) Limited
Summerset Villages (Havelock North) Limited
Summerset Villages (Hobsonville) Limited
Summerset Villages (Karaka) Limited
Summerset Villages (Katikati) Limited
Summerset Villages (Kelvin Grove) Limited
Summerset Villages (Kenepuru) Limited
Summerset Villages (Levin) Limited
Summerset Villages (Lower Hutt) Limited
Summerset Villages (Manukau) Limited
Summerset Villages (Milldale) Limited
Summerset Villages (Mosgiel) Limited
Summerset Villages (Napier) Limited
Summerset Villages (Nelson) Limited
Summerset Villages (New Plymouth) Limited
Summerset Villages (Number 42) Limited
Summerset Villages (Number 47) Limited
Summerset Villages (Number 48) Limited
Summerset Villages (Number 49) Limited
Summerset Villages (Number 50) Limited
Summerset Villages (Number 51) Limited
Summerset Villages (Number 52) Limited
Summerset Villages (Number 53) Limited
Summerset Villages (Number 54) Limited
Summerset Villages (Number 55) Limited
Summerset Villages (Palmerston North) Limited
Summerset Villages (Papamoa) Limited
Summerset Villages (Paraparaumu) Limited
Summerset Villages (Parnell) Limited
Summerset Villages (Prebbleton) Limited
Summerset Villages (Rangiora) Limited
Summerset Villages (Richmond) Limited
Summerset Villages (Rotorua) Limited
Summerset Villages (Rototuna) Limited
Summerset Villages (St Johns) Limited
Summerset Villages (Taupo) Limited
Summerset Villages (Te Awa) Limited
Summerset Villages (Trentham) Limited
Summerset Villages (Waikanae) Limited
Summerset Villages (Wanganui) Limited
Summerset Villages (Warkworth) Limited
Summerset Villages (Whangarei) Limited
Summerset Villages (Wigram) Limited
Welhom Developments Limited

The Australian subsidiaries are:

Summerset Care (Australia) Pty Limited
Summerset Holdings (Australia) Pty Limited
Summerset Management Group (Australia) Pty Limited
Summerset Villages (Chirnside Park) Pty Limited
Summerset Villages (Craigieburn) Pty Limited
Summerset Villages (Cranbourne North) Pty Limited
Summerset Villages (Drysdale) Pty Limited
Summerset Villages (Mernda) Pty Limited
Summerset Villages (Number 4) Pty Limited
Summerset Villages (Number 8) Pty Limited
Summerset Villages (Number 9) Pty Limited
Summerset Villages (Number 10) Pty Limited
Summerset Villages (Number 11) Pty Limited
Summerset Villages (Number 12) Pty Limited
Summerset Villages (Number 13) Pty Limited
Summerset Villages (Number 14) Pty Limited
Summerset Villages (Number 15) Pty Limited
Summerset Villages (Number 16) Pty Limited
Summerset Villages (Number 17) Pty Limited
Summerset Villages (Number 18) Pty Limited
Summerset Villages (Number 19) Pty Limited
Summerset Villages (Number 20) Pty Limited
Summerset Villages (Number 21) Pty Limited
Summerset Villages (Oakleigh South) Pty Limited
Summerset Villages (Torquay) Pty Limited

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Notes to the financial statements (continued)

Accounting policies

Accounting policies that summarise the measurement basis used and that are relevant to the understanding of the financial statements are provided throughout the accompanying notes.

The accounting policies adopted have been applied consistently throughout the periods presented in these financial statements.

The Group adopted all mandatory new and amended NZ IFRS Standards and Interpretations and there has been no material impact on the Group's financial statements.

In April 2024, the International Accounting Standards Board issued IFRS 18 *Presentation and Disclosure in Financial Statements* that is effective for the accounting period that begins on or after 1 January 2027. This standard has not been early adopted in preparing these financial statements.

There are no other new standards, amendments or interpretations that have been issued and are not yet effective, that are expected to have a significant impact on the Group.

During the period, the Group reviewed its cash flows from operating activities disclosure. The Statement of Cash Flows presentation has been amended to remove the separate disclosure of cash receipts from residents relating to expected deferred management fees. These are now included in the receipts from residents' loans categories.

Critical accounting estimates and judgements

In preparing the financial statements, management has made estimates and assumptions about the future that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from those estimates.

Estimates and assumptions are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The principal areas of judgement in preparing these financial statements are described in the following notes:

- Deferred management fees – Note 4
- Deferred taxation – Note 7
- Interest rate swaps – Note 14
- Leases – Note 16
- Revenue in advance – Note 4
- Valuation of investment property – Note 11
- Valuation of buildings – Note 9
- Valuation of retail bonds – Note 17

Comparative information

a) The Statement of Cash Flows presentation has been amended to remove the separate disclosure of cash receipts from residents relating to deferred management fees. This amendment has been applied retrospectively and the impact on the comparative periods is shown below:

	2023 Reported $000	Reclass $000	2023 Reclassified $000
Statement of Cash Flows			
Receipts from residents:			
- residents' loans - new occupation right agreements	266,703	96,010	362,713
- residents' loans - resales of occupation right agreements (net)	44,784	59,792	104,576
- deferred management fees	155,802	(155,802)	-

b) 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 financial information has been restated to correct the classification of these assets and reallocate fair value movements from the Income Statement to Statement of Comprehensive Income. This restatement had no impact on Underlying Profit.

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	2023 Reported $000	Amendment $000	2023 Restated $000
Income Statement			
Fair value movement of investment property	441,553	(10,992)	430,561
Profit for the period	436,319	(10,992)	425,327
Statement of Comprehensive Income			
Net revaluation of property, plant and equipment	33,793	10,992	44,785
Tax on items of other comprehensive income	(9,462)	(3,078)	(12,540)
Other comprehensive income	24,331	7,914	32,245
Net transfer to shareholders equity	**442,905**	**(3,078)**	**439,827**
Statement of Financial Position			
Property, plant and equipment	403,248	10,992	414,240
Investment property	6,407,150	(10,992)	6,396,158
Net change to total assets	**6,941,681**	**-**	**6,941,681**
Deferred tax liability	15,983	3,078	19,061
Net change to total liabilties	**4,336,313**	**3,078**	**4,339,391**
Revaluation reserve	87,891	7,914	95,805
Retained earnings	2,149,527	(10,992)	2,138,535
Net change to total equity attributable to shareholders	**2,605,368**	**(3,078)**	**2,602,290**
Basic earnings per share (cents)	187.43	(4.72)	182.71
Diluted earnings per share (cents)	187.09	(4.71)	182.38

c) 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.

	2023 Reported (including amendment) $000	Reclass $000	2023 Reclassified $000
Statement of Financial Position			
Property, plant and equipment	414,240	2,041	416,281
Investment property	6,396,158	(2,041)	6,394,117
Statement of Cash Flows			
Payments for investment property:			
- construction of retirement units and village facilities	(479,809)	2,041	(477,768)
Payments for property, plant and equipment:			
- construction of care centres	(45,230)	(2,041)	(47,271)

Notes to the financial statements (continued)

2. Non-GAAP underlying profit

	Ref	2024 $000	2023 Restated[1] $000
Profit for the period		339,838	425,327
Less fair value movement of investment property	a)	(372,572)	(430,561)
Add impairment of assets and other non-cash items	b)	8,832	-
Add realised gain on resales	c)	95,880	88,131
Add realised development margin	d)	118,448	121,231
Add/(less) deferred tax expense/(credit)	e)	15,924	(13,839)
Underlying profit		**206,350**	**190,289**

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 realised and unrealised components of fair value movement of investment property, 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.

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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: 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) Add 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 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. Realised resale gains are a measure of the cash generated from increases in selling prices of occupation rights to incoming residents, less cash amounts repaid to vacated residents for the repayment of the price of their refundable occupation right purchased in an earlier period, with the recognition point being the cash settlement. 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) Add/(less) deferred tax expense/(credit): 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. 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, review the operating results of the Group as a whole on a regular basis. On this basis, the Group has one reportable segment, and the Group results are the same as the results of the reportable segment. All resource allocation decisions across the Group are made to optimise the consolidated Group's result.

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

Health New Zealand - Te Whatu Ora is a significant customer of 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 year ended 31 December 2024 amounted to $53.0 million (2023: $44.3 million). No other customers individually contribute a significant proportion of the Group revenue.

4. Revenue

Care fees and village services income are charged to residents on a monthly basis, as agreed, and are recognised over time. A portion of village services is considered lease income based on the nature of the services provided.

Deferred management fees, which entitle residents to accommodation and the use of the community facilities within the village, are recognised over the period of service, being the greater of the expected period of tenure or the contractual right to revenue. The expected periods of tenure, being based on historical Group averages, are estimated to be seven to eight years for villas, five years for apartments, three years for serviced apartments and memory care apartments, and two years for care suites. The estimated expected periods of tenure are unchanged from prior year. Where the deferred management fees over the contractual period exceed the amortisation of the deferred management fee based on estimated tenure, the amount is recorded as a liability (revenue in advance). At balance date, the majority of the revenue in advance balance is non-current. Deferred management fees are recognised on a gross basis in the receipts from residents' loans section of the statement of cash flows.

Other income comprises:

	2024 $000	2023 $000
Interest received	1,292	1,701
Total other income	**1,292**	**1,701**

Interest income is recognised in the income statement as it accrues, using the effective interest method. Other income is recognised in the income statement in the period in which the performance obligations have been satisfied.

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Notes to the financial statements (continued)

5. Operating expenses

	2024 $000	2023 $000
Employee expenses	182,915	153,478
Property-related expenses	30,602	26,643
Repairs and maintenance expenses	11,383	10,041
Other operating expenses	59,249	57,821
Total operating expenses	**284,149**	**247,983**

Employee expenses include post-employment benefits (KiwiSaver/Superannuation) of $5.8 million (2023: $5.3 million).

Other operating expenses include donations of $13,092 (2023: $8,823) and fees paid to the audit firm as follows:

	2024 $000	2023 $000
Audit and review of financial statements	486	330
Total	**486**	**330**
Audit or review related services		
Reporting to Statutory Supervisor	5	5
Reporting to Bond Supervisor	5	5
Total	**10**	**10**
Other assurance services and other agreed-upon procedures engagements		
Sustainability linked lending assurance (assurance engagement)	32	52
Greenhouse gas inventory assurance (assurance engagement)	48	-
LTI vesting targets assurance (assurance engagement)	5	5
Total	**85**	**57**
Other services		
Remuneration advisory services	6	6
Training	-	5
Total	**6**	**11**
Total fees incurred for services provided by the audit firm	**587**	**408**

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6. Finance costs

	2024 $000	2023 $000
Interest on bank loans, retail bonds and related fees	102,125	81,145
Interest on interest rate swaps	(4,238)	(3,584)
Interest on lease liability	517	520
Capitalised finance costs	(72,440)	(50,974)
Fair value movement of interest rate swaps through profit or loss	(12,452)	(10,394)
Fair value movement of retail bonds designated in a fair value hedge relationship	12,452	10,394
Other	389	389
Finance costs	**26,353**	**27,496**

Interest expense comprises interest payable on borrowings and is calculated using the effective interest rate method.

Borrowing costs are capitalised for property, plant and equipment (Note 9), and investment property (Note 11), if they are directly attributable to the construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset commence and expenditure and borrowing costs are incurred. Capitalisation of borrowing costs continues until the assets are substantially ready for their intended use.

Borrowing costs of $72.4 million (2023: $51.0 million) have been capitalised during the period of construction in the current year. The weighted average capitalisation rate on funds borrowed representing the borrowing costs of the loans used to finance projects is 5.37% per annum (2023: 5.09% per annum).

Three of the Group's retail bonds are designated in a fair value hedging relationship. Details of fair value hedging are included in Note 14.

7. 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.

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

	2024 $000	2023 $000
Tax expense comprises:		
Deferred tax relating to the origination and reversal of temporary differences	15,924	(13,839)
Total tax expense/(credit) reported in income statement	**15,924**	**(13,839)**

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:

	2024		2023 Restated[1]	
	$000	%	$000	%
Profit before income tax	**355,762**		**411,488**	
Income tax using the corporate tax rate	99,613	28.0%	115,216	28.0%
Capitalised interest	(20,331)	(5.7%)	(14,267)	(3.4%)
Other non-deductible expenses	9,096	2.6%	686	0.2%
Non-assessable investment property revaluations	(108,730)	(30.6%)	(123,461)	(30.0%)
Removal of tax depreciation on non-residential buildings	28,894	8.1%	-	0.0%
Other	7,851	2.2%	6,881	1.6%
Prior period adjustments	(469)	(0.1%)	1,106	0.3%
Total income tax expense/(credit)	**15,924**	**4.5%**	**(13,839)**	**(3.4%)**

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:

	2024 $000	2023 $000
Tax losses available	757,405	601,269
Tax effected	212,891	169,017
Unrecognised tax losses	11,734	7,918

(b) Amounts charged or credited to other comprehensive income

	2024 $000	2023 Restated[1] $000
Tax expense comprises:		
Net gain on revaluation of property, plant and equipment	26,424	12,540
Fair value movement of interest rate swaps	(3,689)	(7,082)
Total tax expense reported in statement of comprehensive income	**22,735**	**5,458**

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

(c) Amounts charged or credited directly to equity

	2024 $000	2023 $000
Tax expense comprises:		
Deferred tax relating to employee share option plans	(320)	(52)
Total tax credit reported directly in equity	**(320)**	**(52)**

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(d) Imputation credit account

There were no imputation credits received or paid during the year and the balance at 31 December 2024 is nil (2023: nil).

(e) Deferred tax

Movement in the deferred tax balance comprises:

	BALANCE 1 JAN 2024 RESTATED $000	RECOGNISED IN INCOME $000	RECOGNISED DIRECTLY IN EQUITY $000	RECOGNISED IN OCI* $000	BALANCE 31 DEC 2024 $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**

	BALANCE 1 JAN 2023 $000	RECOGNISED IN INCOME $000	RECOGNISED DIRECTLY IN EQUITY $000	RECOGNISED IN OCI* RESTATED[1] $000	BALANCE 31 DEC 2023 RESTATED[1] $000
Property, plant and equipment	30,321	(2,026)	-	12,540	40,835
Investment property	54,435	4,160	-	-	58,595
Revenue in advance	66,159	18,438	-	-	84,597
Interest rate swaps	7,717	-	-	(7,082)	635
Income tax losses not yet utilised	(126,662)	(34,437)	-	-	(161,099)
Right of use asset	4,699	(710)	-	-	3,989
Lease liability	(5,271)	746	-	-	(4,525)
Other items	(3,904)	(10)	(52)	-	(3,966)
Net deferred tax liability	**27,494**	**(13,839)**	**(52)**	**5,458**	**19,061**

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

(f) Income tax legislation amendments during the period

During the period, 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.

8. Trade and other receivables

Trade and other receivables are stated at amortised cost less impairment losses. Trade receivables are not significant on an individual basis and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate, less an allowance for doubtful debts.

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Notes to the financial statements (continued)

The allowance for doubtful debts is made up of expected credit losses based on assessment of trade receivables debt at the individual level for impairment, plus an additional allowance on the remaining balance for potential credit losses not yet identified. The expected credit losses allowance requirement on the remaining balance has been set at 2%.

	2024 $000	2023 $000
Trade receivables	7,624	5,392
Allowance for doubtful debts	(320)	(246)
Net trade receivables	**7,304**	**5,146**
Prepayments	24,968	18,528
Accrued income	1,518	2,643
Sundry debtors	24,810	18,013
Total trade and other receivables	**58,600**	**44,330**

9. 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, including those under development, 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 the fair value is 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.

Note 6 provides details on capitalised borrowing costs.

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 (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 category is building fit-out.

Right of use assets are depreciated on an SL basis over the term of their lease. Refer to Note 16.

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	BUILDINGS $000	MOTOR VEHICLES $000	PLANT AND EQUIPMENT $000	FURNITURE AND FITTINGS $000	RIGHT OF USE ASSETS $000	TOTAL $000
Cost						
Balance at 1 January 2023	287,635	5,160	32,792	10,667	18,103	354,357
Additions (restated)	48,234	1,725	9,263	736	930	60,888
Disposals	-	(28)	(7)	-	-	(35)
Remeasurements	-	-	-	-	(691)	(691)
Net revaluations through other comprehensive income (restated)	36,408	-	-	-	-	36,408
Balance at 31 December 2023 (restated)[1]	**372,277**	**6,857**	**42,048**	**11,403**	**18,342**	**450,927**
Additions	80,143	3,924	7,999	1,810	-	93,876
Disposals	(2,176)	(264)	(1,320)	(1,078)	-	(4,838)
Transfer from investment property	20,399	-	-	-	-	20,399
Remeasurements	-	-	-	-	243	243
Impairment through profit or loss	(1,875)	-	-	-	-	(1,875)
Net revaluations through other comprehensive income	84,326	-	-	-	-	84,326
Balance at 31 December 2024	**553,094**	**10,517**	**48,727**	**12,135**	**18,585**	**643,058**
Accumulated depreciation						
Balance at 1 January 2023	-	1,608	14,909	7,144	4,646	28,307
Depreciation charge for the year	8,377	375	3,224	805	1,968	14,749
Disposals	-	(28)	(5)	-	-	(33)
Net revaluations through other comprehensive income	(8,377)	-	-	-	-	(8,377)
Balance at 31 December 2023	**-**	**1,955**	**18,128**	**7,949**	**6,614**	**34,646**
Depreciation charge for the year	10,096	624	3,920	1,005	2,294	17,939
Disposals	(50)	(110)	(1,158)	(976)	-	(2,294)
Net revaluations through other comprehensive income	(10,046)	-	-	-	-	(10,046)
Balance at 31 December 2024	**-**	**2,469**	**20,890**	**7,978**	**8,908**	**40,245**
Carrying amounts						
As at 31 December 2023 (restated)[1]	372,277	4,902	23,920	3,454	11,728	416,281
As at 31 December 2024	**553,094**	**8,048**	**27,837**	**4,157**	**9,677**	**602,813**

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

Notes to the financial statements (continued)

Buildings include $78.9 million of care centres under development carried at fair value, which reflects cost due to the proximity of completion to 31 December 2024 (2023: $38.2 million).

Right of use assets relate to the Group's leased office premises, car park spaces and plant and equipment; refer to Note 16 for further information.

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 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 building assets related to care centres was carried out as at 31 December 2024 by CBRE Limited ("CBRE NZ"), an independent registered valuer. Valuations are carried out annually.

The Group is unable to reliably determine the fair value of care centres under development at 31 December 2024 and therefore these are carried at cost.

At 31 December 2023, the Group was able to reliably measure St Johns due to its advanced stage of construction. CBRE valued this one site using the residual approach where one block was 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. This equated to a fair value of $25.9 million at 31 December 2023.

CBRE NZ determines 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:

	2024	2023
Market value per care bed	$64,000 - $194,000	$69,000 - $222,000
Individual unit earning capitalisation rate	11.0% - 15.8%	12.5% - 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:

	2024	2023
Discount rate	14.5% - 15.5%	14.5% - 15.5%
Growth rate	0.5% - 3.0%	0.5% - 3.0%
Average entry age of residents	79 years - 90 years	80 years - 89 years
Stabilised departing occupancy periods of units	2.9 years - 3.1 years	3.0 years - 3.1 years

	2024 $000	2023 $000
Manager's net interest	242,939	91,612
Plus: revenue received in advance relating to property, plant and equipment	4,197	2,821
Plus: liability for residents' loans relating to property, plant and equipment	61,857	39,861
Total property, plant and equipment - units under occupation right agreement	**308,993**	**134,294**

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

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

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 were measured using the cost model, the carrying amounts would be as follows:

	2024 BUILDINGS $000	2023 RESTATED[1] BUILDINGS $000
Cost	373,959	275,593
Accumulated depreciation and impairment losses	(50,045)	(39,999)
Net carrying amount	**323,914**	**235,594**

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

Security

At 31 December 2024, 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.

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Notes to the financial statements (continued)

10. Intangible assets

Intangible assets acquired by the Group are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the income statement on an SL basis over the estimated useful lives of intangible assets from the date that they are available for use. The intangible assets are software and the amortisation rates at 31 December 2024 are between 10% and 20% SL basis.

	2024 $000	2023 $000
Cost		
Opening balance	16,032	13,814
Additions	1,215	2,218
Closing balance	**17,247**	**16,032**
Accumulated amortisation		
Opening balance	7,611	6,563
Amortisation	1,160	1,048
Closing balance	**8,771**	**7,611**
Carrying amount	**8,476**	**8,421**

11. Investment property

Investment property is held to earn current and future rental income and capital appreciation. It comprises land and buildings, and associated equipment and furnishings, relating to retirement units and common facilities in the retirement village. Investment property includes buildings under development, excluding care centres under development which are included in property, plant and equipment. Initial recognition of investment property is at cost and it is subsequently measured at fair value, with any change in fair value recognised in the income statement.

The cost of retirement units includes directly attributable construction costs and other costs necessary to bring the retirement units 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 retirement units. Where costs are apportioned across more than one asset, the apportionment methodology is determined by considering the nature of the cost.

Land acquired with the intention of constructing investment property on it is classified as investment property from the date of acquisition.

Depreciation is not charged on investment property.

Note 6 provides details on capitalised borrowing costs.

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	2024 $000	2023 Restated[1] $000
Balance at beginning of period	6,394,117	5,417,719
Additions	579,633	588,766
Transfer to other assets	-	(45,000)
Transfer to property, plant and equipment	(20,399)	-
Disposals	(1,385)	-
Fair value movement	388,066	430,561
Impairment through profit or loss	(5,237)	-
Foreign exchange movement	(6,050)	2,071
Total investment property	**7,328,744**	**6,394,117**

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

	2024 $000	2023 Restated[1] $000
Development land measured at fair value[2]	538,172	578,266
Retirement villages measured at fair value[3]	6,221,325	5,291,578
Retirement villages under development measured at cost	569,247	524,273
Total investment property	**7,328,744**	**6,394,117**

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 development land are pieces of land that were acquired close to balance date. These pieces of land have been accounted for at fair value, which has been determined to be cost due to the proximity of the transaction to balance date. At 31 December 2024 the land at cost was nil (2023: $35.7 million).

3 Included in retirement villages measured at fair value is nil related to completed retirement units at cost, which reflects fair value due to the proximity of completion to balance date (2023: $5.4 million). Included in retirement villages measured at fair value is $190.1 million relating to a village under development measured at fair value (2023: $190.4 million).

	2024 $000	2023 Restated[1] $000
Manager's net interest	4,301,339	3,744,174
Plus: revenue received in advance relating to investment property	208,159	182,693
Plus: liability for residents' loans relating to investment property	2,819,246	2,467,250
Total investment property	**7,328,744**	**6,394,117**

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 31 December 2024 and therefore these are carried at cost, with the exception of one site due to its advanced stage of construction. This equates to $569.2 million of investment property (2023: $524.3 million).

The fair value of investment property, including land, as at 31 December 2024 was determined by independent registered valuers CBRE NZ, Jones Lang LaSalle Limited ("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.

Notes to the financial statements (continued)

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 valuers' view is that central banks around the world have reduced interest rates, after holding rates at elevated levels to combat inflation. The main concerns now are slowing economic conditions in both China and the US as well as geopolitical instability in certain regions, particularly the prospect of a wider conflict in the Middle East and the ongoing war in Ukraine. 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:

	2024	2023
Discount rate	13.5% - 16.5%	13.5% - 16.5%
Growth rate	0.5% - 3.5%	0.5% - 3.5%
Average entry age of residents	73 years - 91 years	73 years - 91 years
Stabilised departing occupancy periods of units	3.9 years - 9.0 years	3.8 years - 8.7 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*.

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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
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%)
31 December 2023					
Valuation ($000)	2,017,910				
Difference ($000)		(74,725)	80,050	126,025	(115,665)
Difference (%)		(3.7%)	4.0%	6.2%	(5.7%)

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.

Operating expenses

Direct operating expenses arising from investment property during the period amounted to $78.6 million (2023: $66.5 million).

Security

At 31 December 2024, 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.

12. Trade and other payables

Trade and other payables are carried at amortised cost. Due to their short-term nature they are not discounted.

	2024 $000	2023 $000
Trade payables	4,646	6,923
Accruals - development of retirement units and care centres	110,107	125,937
Accruals - other	26,961	23,985
Sundry payables	25,269	15,825
Total trade and other payables	**166,983**	**172,670**

13. Employee benefits

A provision is made for benefits accruing to employees in respect of wages, salaries, annual leave and short-term incentives when it is probable that settlement will be required and the amount can be estimated reliably.

	2024 $000	2023 $000
Leave liabilities	16,394	14,195
Other employee benefits	17,482	16,558
Total employee benefits	**33,876**	**30,753**

14. Interest rate swaps

The Group uses interest rate swaps to manage its risk associated with interest rate fluctuations. Interest rate swaps are initially recognised at fair value on the date a contract is entered into and are subsequently measured at fair value on each reporting date. The fair values of the interest rate swaps are determined based on cash flows discounted to present value using current market interest rates. The non-current portion of interest rate swaps comprised of $20.5 million in assets (2023: $18.0 million) and $17.2 million in liabilities (2023: $16.6 million). 51% (2023: 59%) of the Group's interest-bearing loans and borrowings are covered by fixed interest rate swap agreements.

Cash flow hedges

The Group has entered into interest rate swaps to manage its interest rate risk in relation to its floating rate debt. These interest rate swaps qualify for cash flow hedge accounting. When interest rate swaps meet the criteria for cash flow hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised in the income statement. Amounts taken to reserves are transferred out of reserves and included in the measurement of the hedged transaction when the forecast transaction occurs. When interest rate swaps do not meet the criteria for cash flow hedge accounting, all movements in fair value of the hedging instrument are recognised in the income statement.

Under the interest rate swap agreements that qualify for cash flow hedge accounting, the Group has a right to receive interest at variable rates and to pay interest at fixed rates ("payer interest rate swap agreements"). These agreements effectively change the Group's interest exposure on the principal covered by the interest rate swaps from a floating rate to fixed rates, which range between 0.56% and 4.93% (2023: 0.56% and 4.93%).

At 31 December 2024, the Group had payer interest rate swap agreements in place with a total notional principal amount of approximately $1,094.1 million, made up of $642.0 million denominated in NZD and $410.0 million in AUD (2023: $874.2 million, made up of $497.0 million denominated in NZD and $350.0 million in AUD). Of the swaps in place, at 31 December 2024, $715.2 million were active (2023: $673.4 million).

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Notes to the financial statements (continued)

The fair value of these agreements at 31 December 2024 is a $11.0 million liability, comprised of $17.5 million of swap liabilities and $6.5 million of swap assets (2023: asset of $1.9 million, comprised of $11.9 million of swap liabilities and $13.8 million of swap assets). The agreements cover notional amounts for terms of up to six years.

The notional principal amounts and the period of expiry of the cash flow hedge interest rate swap contracts are as follows:

	2024 $000	2023 $000
Less than 1 year	77,565	60,000
Between 1 and 2 years	85,078	76,944
Between 2 and 3 years	232,312	84,333
Between 3 and 4 years	212,695	179,331
Between 4 and 5 years	253,721	190,832
Between 5 and 6 years	232,695	128,888
Between 6 and 7 years	-	153,888
Total	**1,094,066**	**874,216**
Active	715,215	673,384
Forward starting	378,851	200,832
Total	**1,094,066**	**874,216**

Fair value hedges

The Group has entered into interest rate swaps to manage its interest rate risk in relation to its fixed rate debt arising from the retail bonds. The hedge is for the future fair value movements in the retail bonds as a result of market interest rate movements. The Group has designated $425.0 million of its retail bonds in fair value hedge relationships.

Both the hedging instrument (interest rate swap) and the hedged risk are recognised at fair value. The change in the fair value of both items offset in the statement of comprehensive income to the extent the hedging relationship is effective. The increase in fair value of the interest rate swaps of $12.5 million (2023: increase of $10.4 million) has been recognised in finance costs and has been offset with a similar fair value gain on the retail bonds to leave an ineffective amount in finance costs of nil (2023: nil).

Under the interest rate swap agreements that qualify for fair value hedge accounting, the Group has a right to receive interest at fixed rates and to pay interest at floating rates ("receiver interest rate swap agreements"). At 31 December 2024, the Group had receiver interest rate swap agreements in place with a total notional principal amount of $425.0 million (2023: $300.0 million). The receiver interest rate swap agreements in place at 31 December 2024 are being used to manage the fixed interest rate risk on the SUM020, SUM040 and SUM050 retail bonds.

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The notional principal amounts and the period of expiry of the fair value hedge interest rate swap contracts are as follows:

	2024 $000	2023 $000
Less than 1 year	125,000	-
Between 1 and 2 years	-	125,000
Between 4 and 5 years	175,000	-
Between 5 and 6 years	125,000	175,000
Total	**425,000**	**300,000**
Active	425,000	300,000
Total	**425,000**	**300,000**

15. Residents' loans

Residents' loans are amounts payable under occupation right agreements. An occupation right agreement confers a right of occupancy to a villa, apartment, serviced apartment, memory care apartment or care suite. The consideration received on the grant of an occupation right agreement is allocated to the resident's loan in full. These loans are non-interest bearing and are payable when both an occupation right agreement is terminated and there has been settlement of a new occupation right agreement for the same unit and the proceeds from the new settlement have been received by the Group. Residents' loans are initially recognised at fair value and subsequently measured at amortised cost.

The Group holds a contractual right to set-off the deferred management fee receivable on termination of an agreement against the resident's loan to be repaid. Residents' loans are therefore recognised net of the deferred management fee receivable on the balance sheet. Deferred management fees are payable by residents in consideration for the supply of accommodation and the right to share in the use of community facilities. Deferred management fees are paid in arrears, with the amount payable calculated as a percentage of the resident's loan amount as per the resident's occupation right agreement. Deferred management fee receivable is calculated and recorded based on the current tenure of the resident and the contractual right to deferred management fee earned at balance date. Refer to Note 4 for further detail on recognition of deferred management fee revenue.

	2024 $000	2023 $000
Balance at beginning of period	3,121,400	2,681,837
Net receipts for residents' loans - resales of occupation right agreements	88,051	55,521
Receipts for residents' loans - new occupation right agreements	409,353	384,042
Total gross residents' loans	**3,618,804**	**3,121,400**
Deferred management fees and other receivables	(737,701)	(614,288)
Total residents' loans	**2,881,103**	**2,507,112**

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Notes to the financial statements (continued)

16. Leases

The leases to which NZ IFRS 16 applies are the leases of plant and equipment and office premises and car parks occupied by the Group in New Zealand and Australia. In respect of these leases, a right of use asset is disclosed along with a corresponding lease liability. The right of use assets are depreciated on an SL basis, while the lease liability is measured at the present value of the lease payments that are not yet paid, discounted using the Group's incremental borrowing rate.

The Group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and certain leases of low-value assets. The Group recognises the lease payments associated with these leases as incurred as a rental expense over the lease term.

Right of use assets primarily relate to the Group's leased office premises and are classified as property, plant and equipment, and lease liabilities are disclosed as such in the Group's statement of financial position.

When the Group has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances, including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help determine the lease term. Other assumptions and judgements used by management include calculating the appropriate discount rate.

As a lessee

Right of use assets disclosed:

	2024 $000	2023 $000
Balance at beginning of period	11,728	13,457
Additions	-	930
Remeasurements	243	(691)
Depreciation charge for the year	(2,294)	(1,968)
Balance at end of period	**9,677**	**11,728**

Lease liabilities disclosed:

	2024 $000	2023 $000
Less than 1 year	2,377	2,475
Between 1 and 5 years	6,951	7,786
More than 5 years	2,550	3,869
Total lease liabilities at end of period	**11,878**	**14,130**

Amounts recognised in the profit and loss:

	2024 $000	2023 $000
Interest on lease liabilities	517	587
Expenses relating to short-term and low-value asset leases	544	491
Depreciation on right of use assets	2,294	1,968
Total amounts recognised in profit or loss	**3,355**	**3,046**

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Amounts recognised in statement of cash flows:

	2024 $000	2023 $000
Total cash outflows for leases	**3,881**	**3,313**

As a lessor

The Group acts as a lessor under occupation right agreements with village residents, along with a small number of residential rental properties. The assets leased by the group as a lessor are disclosed as investment property and lease income on occupation right agreements is generated in the form of deferred management fees and a portion of care fees and village services. The lease term is determined to be the greater of the expected period of tenure or the contractual right to revenue. The Group allocates individual leases of units to village residents to different portfolios depending on the type of unit. The Group does not have any subleases.

17. Interest-bearing loans and borrowings

Interest-bearing loans and borrowings include secured bank loans and unsubordinated fixed-rate retail bonds.

Interest-bearing loans and borrowings are recognised initially at fair value net of directly attributable transaction costs. Subsequent to initial recognition, the borrowings are measured at amortised cost, with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the borrowing using the effective interest rate. Three of the four retail bonds, SUM020, SUM040 and SUM050, 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. SUM030 is not hedged. Transaction costs incurred in arranging financing are capitalised and amortised over the term of the relevant debt instrument.

	Coupon	2024 $000	2023 $000
Repayable within 12 months			
Retail bond - SUM020	4.20%	125,000	-
Repayable after 12 months			
Secured bank loans	Floating	1,133,920	948,957
Retail bond - SUM020	4.20%	-	125,000
Retail bond - SUM030	2.30%	150,000	150,000
Retail bond - SUM040	6.59%	175,000	175,000
Retail bond - SUM050	6.43%	125,000	-
Total loans and borrowings at face value		**1,708,920**	**1,398,957**
Transaction costs for loans and borrowings capitalised:			
Opening balance		(6,182)	(4,260)
Capitalised during the period		(3,644)	(3,678)
Amortised during the period		2,046	1,756
Closing balance		(7,780)	(6,182)
Total loans and borrowings at amortised cost		**1,701,140**	**1,392,775**
Fair value adjustment on hedged borrowings		13,200	748
Carrying value of interest-bearing loans and borrowings		**1,714,340**	**1,393,523**

The non-cash movements included in the table above are the transaction costs for loans and borrowings amortised during the period and the fair value adjustment on hedged borrowings. The closing balance of transaction costs for loans and borrowings capitalised includes a non-current portion of $7.6 million (2023: $6.2 million).

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Notes to the financial statements (continued)

A summary of the changes in the Group's borrowings is provided below:

	2024 $000	2023 $000
Borrowings at the start of the year	1,393,523	1,060,494
Net cash borrowed	309,963	324,557
Cash change in deferred financing costs	(3,644)	(3,678)
Non-cash change in deferred financing costs	2,046	1,756
Non-cash change in fair value adjustment	12,452	10,394
Borrowings at the end of the year	**1,714,340**	**1,393,523**

The weighted average interest rate for the year to 31 December 2024 was 5.37% (2023: 5.09%). This includes the impact of interest rate swaps (see Note 14).

Effective 31 October 2024, the Group refinanced and extended maturity dates for certain NZD and AUD tranches of the syndicated facility and obtained additional new NZD and AUD tranches. The secured bank loan facility at 31 December 2024 has a limit of approximately $1,918.9 million (2023: $1,513.3 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	$100 million	September 2028
NZD	$300 million	November 2028
AUD	$315 million	November 2028
NZD	$275 million	November 2029
AUD	$100 million	November 2029

The Group has four 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

Security

The bank 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;

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- 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.

Covenants

The financial covenants in the Group's debt facilities, with which the Group must comply include:

a) Interest Cover Ratio – the ratio of Adjusted EBITDA to Interest Expense of not less than 1.75x calculated on a 12-month rolling basis. Adjusted EBITDA is EBITDA less fair value movement of investment property and deferred management fee income (as calculated under NZ GAAP) plus net cash from resales and development margin, less/plus other one-off adjustments. Interest Expense is the total interest and line fee costs (prior to capitalisation) excluding any interest and line fees incurred in relation to development tranches of bank debt facilities.

b) Loan to Value Ratio – the ratio of total loans and borrowings shall not exceed 50% of the total property value, where total loans and borrowings is gross borrowings at face value and total property value is the valuation amount of all properties that have been externally valued net of resident's loans plus the cost of all properties not externally valued plus 50% of the costs incurred to date on developments not complete.

The covenants are tested quarterly at 31 March, 30 June, 30 September and 31 December and the Group has complied with all covenants during the period.

18. 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 as summarised below.

Categories of financial instruments

Financial assets

All financial assets of the Group are classified at amortised cost except for interest rate swaps and investments, which are classified as fair value through profit and loss, and those assets that are designated in a hedge relationship.

Financial liabilities

All financial liabilities except interest rate swaps and retail bonds are classified as liabilities at amortised cost. Refer to Note 17 for detail on the retail bonds.

Credit risk

Credit risk is the risk of financial loss to the Group if a resident or counterparty to a financial instrument fails to meet their contractual obligations. The Group's exposure to credit risk relates to receivables from residents and bank balances. The Group manages its exposure to credit risk. The Group's cash is held with its principal banker, with the level of exposure to credit risk considered minimal, with low levels of cash generally held. Receivables balances are monitored on an ongoing basis and funds are placed with high-credit-quality financial institutions. The level of risk associated with sundry debtors is considered minimal due to the recoverability of this balance being assessed as high. The Group does not require collateral from its debtors and the Directors consider the Group's exposure to any concentration of credit risk to be minimal.

The carrying amount of financial assets represents the Group's maximum credit exposure. The status of trade receivables is as follows:

	2024		2023	
	GROSS RECEIVABLE $000	IMPAIRMENT $000	GROSS RECEIVABLE $000	IMPAIRMENT $000
Not past due	6,615	(76)	4,631	(61)
Past due 31 to 60 days	376	(26)	344	(24)
Past due 61 to 90 days	206	(36)	174	(19)
Past due more than 90 days	427	(182)	243	(142)
Total	**7,624**	**(320)**	**5,392**	**(246)**

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Notes to the financial statements (continued)

In summary, trade receivables are determined to be impaired as follows:

	2024 $000	2023 $000
Gross trade receivables	7,624	5,392
Impairment	(320)	(246)
Net trade receivables	**7,304**	**5,146**

Market risk

Market risk is the risk that changes in market prices such as interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to interest rate risk is managed by seeking to obtain the most competitive rate of interest at all times. The Group has entered into interest rate swap agreements in order to provide an effective cash flow hedge against the variability in floating interest rates. The Group has also entered into other interest swap agreements to reduce interest rate repricing risk in relation to retail bonds. See Note 14 for details of interest rate swap agreements.

To comply with the Group's risk management policy, the hedge ratio is based on the interest rate swap notional amount to hedge the same notional amount of bank loans or retail bonds. This results in a hedge ratio of 1:1. This is the same as used for actual risk management purposes, and such a ratio is appropriate for the purposes of hedge accounting as it does not result in an imbalance that would create hedge ineffectiveness.

In these hedge relationships the main sources of ineffectiveness are:

- a significant change in the credit risk of either party to the hedging relationship;
- where the hedge instrument has been transacted on a date different to the rate set date of the bank loan or retail bonds, interest rates could differ; and
- differences in repricing dates between the swaps and the borrowings.

Other than these sources, due to the alignment of the hedged risk in the hedged item and hedged instrument, hedge ineffectiveness is not expected to arise.

At 31 December 2024 it is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit by approximately $11.2 million (2023: decrease by $9.4 million) and increase total comprehensive income by approximately $19.2 million (2023: increase by $16.7 million).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity by maintaining adequate reserves and undrawn banking facilities, by continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities. The Group manages liquidity risk on residents' loans and related sundry debtors through the contractual requirements of occupation right agreements, whereby a resident's loan is repaid only on receipt of the loan monies from the incoming resident.

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The following table sets out the contractual cash flows for all financial liabilities for the Group (including contractual interest obligations on bank loans and retail bonds):

	2024		2023	
	LESS THAN 1 YEAR $000	GREATER THAN 1 YEAR $000	LESS THAN 1 YEAR $000	GREATER THAN 1 YEAR $000
Financial liabilities				
Trade and other payables	166,983	-	172,670	-
Residents' loans	2,881,103	-	2,507,112	-
Interest-bearing loans and borrowings	215,594	1,830,509	78,116	1,598,523
Interest rate swaps	(1,019)	3,065	(6,455)	(14,149)
Lease liability	2,792	10,605	2,475	11,655
Total	**3,265,453**	**1,844,179**	**2,753,918**	**1,596,029**

Residents' loans are non-interest bearing and are not required to be repaid following termination of an occupation right agreement until receipt of cash for the new resident loan from the incoming resident. Residents' loans are classified as being repayable on demand, and therefore fully repayable within 12 months, because the Group does not have a right to defer repayment of residents' loans for at least 12 months after balance date. Based on historical information including estimated periods of tenure as disclosed in Note 4, it is estimated that $251.7 million (2023: $191.2 million) is expected to become payable in the 12 months following balance date. To date, cash for new residents' loans received has exceeded cash to repay residents' loans, net of deferred management fees.

Foreign currency risk

Foreign currency risk is the risk that the value of the Group's assets, liabilities and financial performance will fluctuate due to changes in foreign currency rates.

The Group is primarily exposed to currency risk through its subsidiaries in Australia.

The risk to the Group is that the value of the overseas subsidiaries' financial position and financial performance will fluctuate in economic terms and as recorded in the Group financial statements due to changes in foreign exchange rates. Due to limited activity in the Australian subsidiaries in 2024, the Group did not have a material exposure to foreign exchange risk.

Fair values

The carrying amounts shown in the balance sheet approximate the fair value of the financial instruments, with the exception of retail bonds, shown below:

	2024		2023	
	CARRYING AMOUNT $000	FAIR VALUE $000	CARRYING AMOUNT $000	FAIR VALUE $000
Retail bonds	(584,330)	(583,124)	(447,407)	(431,414)
Total	**(584,330)**	**(583,124)**	**(447,407)**	**(431,414)**

The fair value of retail bonds is based on the price traded at on the NZX market as at 31 December 2024. 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*.

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*.

The fair value of investments is categorised as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 – *Fair Value Measurement* and its fair value is measured using valuation techniques based on discounted future cash flow forecasts and various unobservable inputs.

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Notes to the financial statements (continued)

Capital management

The Group's capital includes share capital, reserves and retained earnings. The objective of the Group's capital management is to ensure a strong credit position to support business growth and maximise shareholder value. The Group is subject to capital requirements imposed by the bank lenders (through covenants in the Syndicated Facility Agreement) and bondholders (through covenants in the Master Trust Deed). The Group has met all of these externally imposed capital requirements for the year ended 31 December 2024 (2023: all requirements met). The Group capital structure is managed, and adjustments are made, with Board approval. There were no material changes to objectives, policies or processes during the year ended 31 December 2024 (2023: none).

19. Share capital and reserves

At 31 December 2024, there were 236,825,424 ordinary shares on issue (2023: 234,281,382). All ordinary shares are fully paid and have no par value. All shares carry one vote per share and carry the right to dividends.

	2024 $000	2023 $000
Share capital		
On issue at beginning of year	366,912	344,212
Shares issued under the dividend reinvestment plan	24,014	18,968
Shares paid under employee share plans	808	527
Other	-	6
Employee share plan option cost	3,455	3,199
On issue at end of year	**395,189**	**366,912**

	2024	2023
Share capital (in thousands of shares)		
On issue at beginning of year	233,872	231,560
Shares issued under the dividend reinvestment plan	2,174	2,093
Shares issued under employee share plans	253	219
On issue at end of year	**236,299**	**233,872**

The total shares on issue at 31 December 2024 of 236,825,424 for the Company differs from the share capital for the Group due to shares held in 100% owned subsidiary, Summerset LTI Trustee Limited. As at 31 December 2024, 526,729 shares are held by Summerset LTI Trustee Limited for employee share plans, which are eliminated on consolidation. Refer to Note 21 for further details on employee share plans.

Revaluation reserve

The revaluation reserve is used to record the revaluation of care centre buildings.

Hedging reserve

The hedging reserve is used to record gains or losses on instruments used as cash flow hedges.

Foreign currency translation reserve

The foreign currency translation reserve is used to record the gain on translation of foreign currency subsidiaries to the Group's reporting currency.

Dividends

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 (2023: on 23 March 2023 a dividend of 11.6 cents per ordinary share was paid to shareholders and on 19 September 2023 a dividend of 11.3 cents per ordinary share was paid to shareholders).

A dividend reinvestment plan applied to the dividends paid. 1,258,320 ordinary shares were issued in relation to the plan for the March 2024 dividend and 915,372 ordinary shares were issued in relation to the plan for the September 2024 dividend (2023: 1,077,198 ordinary shares were issued in March 2023 and 1,016,720 ordinary shares were issued in September 2023).

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20. Earnings per share and net tangible assets

Basic earnings per share

	2024	2023 Restated[1]
Earnings ($000)	339,838	425,327
Weighted average number of ordinary shares for the purpose of basic earnings per share (in thousands)	234,938	232,786
Basic earnings per share (cents per share)	**144.65**	**182.71**

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

	2024	2023 Restated[1]
Earnings ($000)	339,838	425,327
Weighted average number of ordinary shares for the purpose of diluted earnings per share (in thousands)	235,660	233,211
Diluted earnings per share (cents per share)	**144.21**	**182.38**

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)

	2024	2023
Weighted average number of ordinary shares for the purpose of basic earnings per share	234,938	232,786
Weighted average number of ordinary shares issued under employee share plans	722	425
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**235,660**	**233,211**

At 31 December 2024, there were a total of 526,729 shares issued under employee share plans held by Summerset LTI Trustee Limited (2023: 409,248 shares).

Net tangible assets per share

	2024	2023 Restated[1]
Net tangible assets ($000)	2,960,991	2,593,869
Shares on issue at end of period (basic and in thousands)	236,299	233,872
Net tangible assets per share (cents per share)	**1,253.07**	**1,109.10**

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.

Notes to the financial statements (continued)

21. Employee share plans

Senior employee share plan - share option scheme

The number of options granted to each participant equals the incentive remuneration value divided by the volume weighted average price on the NZX during the 10 trading day period. Where applicable, the exercise price of the granted share options is determined from the volume weighted average price on the NZX during the 10 trading day period determined by the Board prior to the grant. Effective from the 2021 annual option grant, the option exercise price is set at nil and therefore no option valuation is required.

	2024		2023	
	NUMBER OF OPTIONS 000's	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS 000's	WEIGHTED AVERAGE EXERCISE PRICE
Balance at beginning of period	1,457	$6.57	1,627	$6.57
Granted during the year	475	-	380	-
Exercised during the year	(605)	$8.22	(475)	$6.82
Forfeited during the year	(139)	$1.41	(75)	$8.08
Balance at end of period	**1,188**	**$1.43**	**1,457**	**$6.57**
Exercisable at end of period	312	$5.44	756	$8.31

Options outstanding as at 31 December 2024 have a weighted average remaining life of 2.74 years (2023: 2.46 years).

For the 2024 annual option grant, the following performance hurdles apply to all participants:

- 75% of each Tranche will vest based on absolute total shareholder return performance
- 25% of each Tranche will vest based on relative total shareholder return performance

For annual option grants made between 2018 and 2020, while there is a requirement to remain employed by Summerset up to vesting date, there are no performance hurdles for vesting of share options to senior management team members, other than the members of the Executive Leadership Team.

For certain one-off option grants outside of the annual option grant process, performance hurdles are set relating to specific performance milestones for the relevant Participant.

The maximum terms for options granted range between three and six years.

The share option scheme is an equity-settled scheme and measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate that the share options will vest. Where applicable, these options were valued using the Black-Scholes valuation model, and the option cost for the year ending 31 December 2024 of $2,978,009 has been recognised in the income statement of the Company and the Group for that period (2023: $2,782,606). The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

All-staff employee share plan

The Group operates an all-staff employee share plan. A total of 2,060 employees participated in the share issue under the plan for the year ended 31 December 2024 (2023: 1,944 employees). In 2024, the Group contributed $1,000 per participating employee (being the total value of the shares issued). A total of 179,220 Company shares were issued under the scheme at $11.44 per share (2023: 188,568 shares at $10.27 per share). The shares are held by Summerset LTI Trustee Limited and vest to participating employees after a three-year period.

The cost for the year ending 31 December 2024 of $966,000 has been recognised in the income statement of the Company and the Group for that period (2023: $891,000).

22. Related party transactions

Refer to Note 21 for employee share plan details.

Transactions with companies associated with Directors

The Group also enters into transactions with other entities that some of the Directors may sit on the board of. These transactions are entered into in the normal course of business. For a full list of all material director interests, please refer to the Disclosures section on page 124 of this report.

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23. Key management personnel compensation

The compensation of the key management personnel of the Group is set out below:

	2024 $000	2023 $000
Directors' fees	963	895
Short-term employee benefits	5,860	5,238
Share-based payments	1,102	1,374
Termination payments	-	311
Total	**7,925**	**7,818**

Refer to Note 21 for employee share plan details for key management personnel.

24. Commitments and contingencies

Guarantees

As at 31 December 2024, the Group had the following guarantees in place:

- NZX Limited holds a guarantee in respect of the Group, as required by the NZX Listing Rules, for $75,000 (2023: $75,000).
- Summerset Retention Trustee Limited holds guarantees in relation to retentions on construction contracts on behalf of the Group. As at 31 December 2024, $21.0 million was held for the benefit of the retentions beneficiaries (2023: $23.0 million).
- Auckland Transport holds a performance guarantee for $65,000 (2023: $65,000).
- Quattro RE Limited holds a demand guarantee in relation to the lease of the office premises for $120,819 (2023: $120,819).
- Beca Projects Limited holds a demand guarantee as independent certifier for retentions for $20,000 (2023: nil).
- Department of Transport (Melbourne) holds guarantees for $74,425 (2023: $72,749).
- South East Water holds guarantees for $14,003 (2023: $13,688).
- Casey City Council holds guarantees for $292,762 (2023: $229,162).
- Yarra Ranges Shire Council holds guarantees for $404,405 (2023: nil).

Capital commitments

At 31 December 2024, the Group had $81.2 million of capital commitments in relation to construction contracts (2023: $70.8 million).

Contingent liabilities

There were no known material contingent liabilities at 31 December 2024 (2023: nil).

25. Subsequent events

On 27 February 2025, the Directors approved a final dividend of $31.6 million, being 13.2 cents per share. The dividend record date is 14 March 2025 with a payment date of 27 March 2025.

There have been no other events subsequent to 31 December 2024 that materially impact on the results reported.

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Independent Auditor's Report to the Shareholders of Summerset Group Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Summerset Group Holdings Limited ("the Company") and its subsidiaries (together "the Group") on pages 58 to 93 which comprise the statement of financial position of the Group as at 31 December 2024, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 58 to 93 present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

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

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Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

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

Ernst & Young provides other assurance and remuneration advisory services to the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation and classification of investment property and freehold land and buildings

Why significant

As disclosed in notes 9 and 11 of the consolidated financial statements:

- the Group's investment property portfolio was valued at $7,329 million at 31 December 2024 and included completed investment property and investment property under development.
- the Group's care centre buildings were valued at $553 million at 31 December 2024. This included completed care centre buildings operated by the Group for the provision of care services and care centres under development.

Independent valuations of all investment property and completed care centre buildings were carried out by third party valuers (the Valuers). The valuation of investment property and care centre buildings is inherently subjective given that there are alternative assumptions and valuation methods that may result in a range of values.

Properties which are externally valued are recorded in the consolidated financial statements based on the value determined by the Valuers.

Investment property and care centre buildings under development that are not, in the Group's view, sufficiently progressed to enable fair value to be reliably determined are carried at cost less any impairment.

Summerset derives revenue from properties it holds in the form of both deferred management fees and the provision of services to residents. NZ IAS 40 requires properties to be classified as an investment property where the revenue from the supply of ancillary services is insignificant to the arrangement as a whole. Judgement is required to assess the significance of ancillary services in this context and so whether each property is recorded as investment properties or property, plant and equipment.

How our audit addressed the key audit matter

To address the key audit matter, we:

External valuations

- read the valuation reports and discussed them with the Valuers. We assessed the valuation approach and confirmed that this was in accordance with the relevant accounting standards;
- tested, on a sample basis, whether property specific information supplied to the Valuers by the Group reflected the underlying property records of the Group; and
- assessed the competence, capabilities and objectivity of the valuers.

Assumptions and estimates

- held discussions with the Valuers to gain an understanding of the assumptions and estimates used and the valuation methodology applied. We also sought to understand and consider whether any restrictions had been imposed on the valuation process;
- considered whether the valuation incorporated appropriate assumptions for a sample of individual properties to reflect their characteristics, overall quality, geographic location and desirability as a whole; and
- engaged our in-house Real estate valuation experts to challenge the work performed by the Valuers and assess the reasonableness of the assumptions used based on their knowledge gained from reviewing valuations of similar properties, known transactions and available market data.

Our work over the assumptions focused on the largest properties within the portfolio and those properties where the assumptions used and/or year-on-year fair value movement suggested a possible outlier compared to the rest of the portfolio and the market data for the sector.

Estimated valuation range

As a result of the judgement involved in determining valuations for individual properties and the existence of alternative assumptions and valuation methods, there is a range of values which can be considered reasonable when evaluating the independent property valuations used by the Group. If we identified an error in a property valuation or determined that the valuation was outside of a reasonable range, we evaluated the error or difference to determine if there was a material misstatement in the consolidated financial statements.

Classification and measurement

We considered management's assessment of the classification of each type of property as either investment property or care centre buildings. This included assessment against the requirements of the accounting standards, and where relevant considering the significance of ancillary services.

We also considered management's assessment of whether the fair value of investment property under development could not be reliably determined.

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Why significant	How our audit addressed the key audit matter
	Disclosures We considered the adequacy of the disclosures in notes 9 and 11 to the financial statements. These notes explain the key judgements made in relation to the classification and valuation of investment property and freehold land and buildings and the estimation uncertainty involved in this process.

Information other than the financial statements and auditor's report

The Directors of the Company are responsible for the Annual Report, which includes information other than the consolidated financial statements and auditor's report.

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

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

If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial statements

The Directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Ernst + Young

Chartered Accountants
Wellington
27 February 2025

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Governance

Summerset has adopted the principles below as an appropriate way to demonstrate its commitment to best practice governance and to provide transparency in the Company's approach to corporate governance for the benefit of its shareholders and other stakeholders. These principles are from the NZX Corporate Governance Code issued in January 2025. Each principle of the NZX Code is set out below with an explanation on how Summerset meets it.

As at 31 December 2024, Summerset considers that it was in full compliance with NZX Listing Rules and the NZX Code.

The Code of Ethics Policy, Diversity and Inclusion Policy, Securities Trading Policy and Guidelines, Whistle Blowing Policy, Supplier Code of Conduct, Modern Slavery Policy and Anti-Bribery and Corruption Policy can be found on the Company's website and internal intranet alongside other governance documents.

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Principle 1: Ethical standards

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

Ethical standards

The Board maintains high standards of ethical conduct and expects the Company's employees to act legally and with integrity in a manner consistent with the policies, guiding principles and values that are in place. These include the following:

- **Code of Ethics** – This sets out the basic principles of legal and ethical conduct expected of all employees and Directors. The Company encourages open and honest communication by staff about any current or potential problem, complaint, suggestion, concern or question.
- **Diversity and Inclusion Policy** – This policy outlines the Company's guiding principles for diversity and inclusion. Refer to Principle 2 for further details.
- **Securities Trading Policy** – In accordance with the Company's Securities Trading Policy, the NZX Listing Rules and the Financial Markets Conduct Act 2013, Directors and employees of the Company are subject to limitations on their ability to buy or sell Company shares.
- **Whistle Blowing Policy** –This policy encourages employees to come forward if they have concerns regarding serious wrongdoing, and ensures that employees have access to a confidential process in which they can report any issues in relation to serious wrongdoing without fear of reprisal or victimisation.
- **Supplier Code of Conduct and Modern Slavery Policy** – These documents set out the minimum standards expected of Summerset's suppliers and support Summerset's commitment to sustainable, ethical and inclusive procurement.
- **Anti-Bribery and Corruption Policy** – This policy sets out Summerset's zero-tolerance approach to bribery and corruption. It also makes clear that donations to political parties are not permitted.
- **Code of Conduct** – This policy sets out the expected behaviours while in employment with the Company. Company employees are expected to act honestly, conscientiously, reasonably and in good faith, while at all times having regard to their responsibilities, the interests of Summerset, and the welfare of our residents and staff.
- **Gift Policy** – This policy governs the acceptance and reporting of benefits given to staff by third parties.
- **Conflicts of Interest** – Summerset's Code of Ethics outlines the standards of integrity, professionalism and confidentiality to which all employees and Directors of the Company must adhere with respect to their work and behaviour. To maintain integrity in decision-making, each Director must advise the Board of any potential conflict of interest if such arises. If a conflict of interest exists, the Director concerned will have no involvement in the decision-making process relating to the matter.
- **Interests Register** – In accordance with the Companies Act 1993 and the Financial Markets Conduct Act 2013, the Company maintains an Interests Register in which all relevant transactions and matters involving the Directors are recorded.

Principle 2: Board composition and performance

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

Role of the Board of Directors

The Board of Directors is elected by shareholders and has responsibility for taking appropriate steps to protect and enhance the value of the assets of the Company in the best interests of its shareholders. The Board has adopted a formal Board Charter detailing its authority, responsibilities, membership and operation. The key responsibilities of the Board include setting the overall direction and strategy of the Company, establishing appropriate policies and monitoring performance of management. The Board appoints the CEO and delegates the day-to-day operating of the business to them. The CEO implements policies and strategies set by the Board and is accountable to it. The Board also has responsibility for ensuring the Company's financial position is sound, and financial statements comply with generally accepted accounting practice, and that the Company adheres to high standards of ethical and corporate behaviour.

A summary of the Board protocols is as follows:

- A majority of the Board should be Independent Directors as defined in the NZX Listing Rules
- The Chair of the Board should be independent
- The Chair and the CEO should be different people
- Directors should possess a broad range of skills, qualifications and experience, and remain current on how best to perform their duties as Directors
- Information of sufficient content, quality and timeliness, as the Board considers necessary, will be provided by management to allow the Board to discharge its duties effectively, and
- The effectiveness and performance of the Board and its individual members should be re-evaluated on an annual basis.

Directors receive an induction upon appointment to the Board to ensure their full knowledge of the Company and the industry in which it operates. The Directors are expected to keep abreast of changes and trends in the business and to keep up to date to ensure they best perform their duties as Directors of the Company.

All Directors have been issued letters setting out the terms and conditions of their appointment.

Delegation of authority

The Board delegates to the CEO responsibility for implementing the Board's strategy and for managing the Company's operations. The CEO and management have Board-approved levels of authority and, in turn, sub-delegate authority in some cases to direct reports. This is documented in the Delegated Authority Policy.

Retirement and re-election

In accordance with the Company's Constitution and the NZX Listing Rules, Directors are required to retire three years after their appointment or at the third Annual Shareholder Meeting following their appointment (whichever is later). Directors who have been appointed by the Board must also retire at the next Annual Shareholder Meeting following their appointment.

The Board Charter states that it is not generally expected that a non-executive Director would hold office for more than ten years or be nominated for more than three consecutive terms. The Board Charter also provides that Directors may accept other board appointments only where that does not detrimentally affect their performance as a Director of Summerset. In making this assessment, the number and nature of a Director's other governance roles may be relevant.

Directors may offer themselves for re-election by shareholders each year at the Annual Shareholder Meeting. Procedures for the appointment and removal of Directors are also governed by the Constitution.

The People and Culture Committee identifies and nominates candidates to fill Director vacancies for Board approval. Information about candidates for election or re-election is included in the Notice of Meeting to assist shareholders in deciding whether or not to elect or re-elect the candidate.

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Board composition

The Company's Constitution prescribes that the Board must comprise a minimum of three Directors, with at least two Directors ordinarily resident in New Zealand. As at 31 December 2024, the Board comprised seven non-executive Independent Directors. In determining whether a Director is Independent, the Board has regard to the NZX Listing Rules and factors described in the NZX Code.

The Company's Directors derive a portion of their annual revenue from the Company, including via director fees and distributions. Having regard to the professional nature of their role, the likely opportunity to seek replacement roles, and the financial position of the Directors, the Board on balance does not consider that the receipt of director fees and distributions is sufficiently material to outweigh collectively the other factors relevant to the assessment of independence under the NZX Code.

The Board considers all current Directors to be Independent in that they are not executives of the Company and do not have a direct or indirect interest or relationship that could reasonably influence (or be perceived to influence), in a material way, their decisions in relation to the Company.

As at 31 December 2024, the non-executive Independent Directors were Mark Verbiest (Chair), Dr Andrew Wong, Gráinne Troute, Fiona Oliver, Dr Marie Bismark, Stephen Bull and Venasio-Lorenzo Crawley.

Andrea Scown is a Future Director under the Institute of Directors' Future Directors programme, which aims to develop New Zealand's next generation of directors and provide experience in large companies around the country. Andrea joined the Board as a Future Director in November 2022. Future Directors fully participate in all Board matters but do not have voting or decision rights.

The Board comprises Directors who have a mix of skills, knowledge, experience and diversity to adequately meet and discharge its responsibilities and to add value to the Company through efficient and effective governance leadership. The current Directors have a varied and balanced mix of skills relevant to the Group's operations. A summary of the key skills and experience held across the Board as at 31 December 2024, is set out in the table on the following pages.

More information on the Directors, including their interests, qualifications and security holdings, is provided on our website and in the Disclosures sections of this report. As a term of their appointment, Directors are required to acquire and hold shares in the Company to the value of one year's worth of Director fees, though the Board has the ability to waive this requirement and would do so in the appropriate circumstances. They have two years in which to acquire the shares. Once this requirement has been achieved, it is deemed satisfied and is not affected by future fluctuations in share price. This shareholding requirement may be satisfied by a Director holding shares through an associated person or entity.

The Board holds regular scheduled meetings. The Directors generally receive material for Board meetings five working days in advance, except in the case of special meetings, for which the time period may be shorter owing to the urgency of the matter to be considered.

The Company Secretary attends all Board meetings, and in this capacity is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

All Directors have access to the Executive Leadership Team to discuss issues or obtain information on specific areas in relation to items to be considered at Board meetings or other areas as considered appropriate. Key executives and managers are invited to attend and participate in appropriate sessions at Board meetings. Directors have unrestricted access to Company records and information.

Directors are entitled to obtain independent professional advice relating to the affairs of the Company or other responsibilities. Prior approval of the Chair is required before seeking such advice and Directors are expected to ensure that the cost of such advice is reasonable.

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Directors Skills Matrix

KEY ● Highly competent ● Competent ● Aware

	Mark Verbiest	Dr Andrew Wong	Fiona Oliver	Gráinne Troute	Dr Marie Bismark	Stephen Bull	Venasio-Lorenzo Crawley
Governance Experience in and commitment to the highest standards of corporate governance, including as a non-executive director of a listed company or other large or complex organisation	●	●	●	●	●	●	●
Leadership Experience in senior leadership or executive positions in an organisation of significant size or complexity	●	●	●	●	●	●	●
Financial acumen Proficiency and understanding of financial statements and reporting, key financial and performance drivers and internal controls	●	●	●	●	●	●	●
Capital funding and investment Experience and understanding of capital structuring, capital markets and investment (including investment into assets, M&A, joint ventures and strategic partnerships)	●	●	●	●	●	●	●
Customer and operations Deep understanding of business operations and sales, marketing and brand strategies	●	●	●	●	●	●	●
Health and clinical Experience and understanding of the health or aged care sectors (in New Zealand and/or Australia) with a particular emphasis on delivery of safe, inclusive and quality care and services	●	●	●	●	●	●	●
Property and construction Property, construction and development experience	●	●	●	●	●	●	●
Health and safety Experience and understanding of health and safety and wellbeing requirements	●	●	●	●	●	●	●
People and culture Experience in overseeing workplace culture, people management, development, and succession planning, setting remuneration frameworks and promoting diversity and inclusion	●	●	●	●	●	●	●

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KEY ● Highly competent ● Competent ● Aware

	Mark Verbiest	Dr Andrew Wong	Fiona Oliver	Gráinne Troute	Dr Marie Bismark	Stephen Bull	Venasio-Lorenzo Crawley
Digital and technology Experience in technology, use of data and analytics, digital transformation and innovation and their impacts on business operations and customers including cybersecurity	●	●	●	●	●	●	●
Strategy Experience in the development and execution of growth strategies, and the ability to assess strategic options and business plans	●	●	●	●	●	●	●
Australian experience Australian property and business experience	●	●	●	●	●	●	●
Risk management Experience in identifying, assessing, monitoring, and managing systemic, existing, and emerging material financial and non-financial risks	●	●	●	●	●	●	●
Environmental and social Understanding and experience in sustainable practices to manage the impact of Summerset on the environment and community as well as the impact of climate change on business operations	●	●	●	●	●	●	●
Government and regulatory Understanding of the legal, policy and regulatory environment relevant to Summerset and an ability to engage and collaborate with Government and regulatory stakeholders regarding key issues	●	●	●	●	●	●	●

● Highly competent = *Extensive experience, including serving as a key resource and advising others*

● Competent = *Complete understanding and experience in practical application*

● Aware = *Fundamental understanding and knowledge*

Skills ratings are based on each director's self-assessment of their skills as peer reviewed by the Board

Diversity and inclusion

The Company and its Board are committed to a workplace culture that promotes and values diversity and inclusiveness. This is outlined in the Company's Diversity and Inclusion Policy, which is available on the Company's website.

Diversity is defined as the characteristics that make one individual different from another. Diversity encompasses gender, race, ethnicity, disability, age, sexual orientation, physical capability, family responsibilities, education, cultural background and more.

Inclusion is defined as a sense of belonging, respecting and valuing all individuals, providing fair access to opportunity, and removing discrimination and other barriers to involvement. The Board recognises that inclusion leads to a better experience of work for Summerset's employees, makes teams stronger, leads to greater creativity and performance, contributes to a more meaningful relationship with residents, their families and stakeholders, and ultimately increases value to shareholders.

The Board believes that diversity across the workforce makes Summerset stronger and better able to connect with, and bring the best of life to, residents on a day-to-day basis. When there is a variety of thinking styles, backgrounds, experiences, perspectives and abilities, employees are more able to understand residents' needs and to respond effectively to them.

The Diversity and Inclusion Policy states that its is to: leverage diversity as a competitive advantage, develop inclusiveness as a core capability for our leaders and people and continually recognise the individual and team contribution made towards creating a diverse and inclusive work environment.

To help Summerset's leaders lead their increasingly diverse and multi-cultural teams and support diversity and inclusion the Company offers a Creating an Inclusive Workplace training programme for all managers. The programme helps leaders to deepen their understanding of others and create an inclusive team environment where all team members feel valued, appreciated, and can contribute to bringing the best of life for residents.

Summerset also supported the establishment of employee representative groups including the Summerset Pride Network, and continued work of the Women in Construction Forum. Both groups aim to seek equity and inclusion through building awareness of the challenges, celebrating the successes, and supporting the ideas of these groups.

Each year the Board reviews and assesses performance against the financial year objectives. The Board considers that for the year ended 31 December 2024, the objectives for achieving diversity have been met.

As at 31 December 2024 (and 31 December 2023 for the prior comparative period), the mix of gender of those employed by the Company is set out in the table below. The Executive Leadership Team comprises the CEO, the CFO and all other Executives who report to the CEO. These figures include permanent full-time, permanent part-time, fixed-term and casual employees, but not independent contractors.

	GENDER	2024	2023
Directors	Male	4	4
	Female	3	3
Total		**7**	**7**
Executive Leadership Team	Male	4	5
	Female	6	4
Total		**10**	**9**
All staff	Male	765	715
	Female	2,264	2,075
	Gender diverse[1]	8	6
	Prefer not to say	8	3
	Not provided	11	-
Total staff		**3,066**	**2,799**

1 Self-identified

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Board performance

The Board is committed to evaluating its performance on a regular basis, generally with a formal, external review biennally and an internal self-review each intervening year. The process, including evaluation criteria, is considered by the People and Culture Committee and approved by the Board.

Executive Leadership Team performance

The Board evaluates the performance of the CEO annually. The CEO reviews the performance of direct reports, and reports to the Board on those reviews. The evaluation is based on criteria that include the performance of the business and the accomplishment of longer-term strategic objectives. It may include quantitative and qualitative measures. During FY24 performance evaluations were conducted in accordance with this process.

Principle 3: Board committees

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

Board committees

The Board has four standing committees: Audit and Risk Committee, People and Culture Committee, Clinical Governance Committee, and Development and Construction Committee. Each committee operates under a charter approved by the Board, and any recommendations they make are to the Board. The charter for each committee is reviewed annually. All Directors are entitled to attend committee meetings.

Audit and Risk Committee

While the ultimate responsibility for ensuring the integrity of the Company's financial reporting rests with the Board, the Company has in place processes to ensure the accurate presentation of its financial position. These include:

- An appropriately resourced Audit and Risk Committee operating under a written charter, with specific responsibilities for financial reporting and risk management;
- Review and consideration by the Audit and Risk Committee of the financial information and preliminary releases of results to the market, before making recommendations to the Board;
- A process to ensure the independence and competence of the Company's external auditors and a process to ensure their compliance with the Company's External Audit Independence Policy (available on the Company's website);
- Responsibility for appointment of the external auditors residing with the Audit and Risk Committee;
- Monitoring by the Audit and Risk Committee of the strength of the internal control environment by considering the effectiveness and adequacy of Summerset's internal controls, reviewing the findings of the external auditor's review of internal control over financial reporting, and being involved in setting the scope for the internal audit programme;
- Ensuring that management has established a risk management framework and monitoring the Company's risk profile and reporting of risk, including new and emerging sources of risk (including climate risk).

One of the main purposes of the Audit and Risk Committee is to ensure the quality and independence of the external audit process. The Committee makes enquiries of management and the external auditors so that it is satisfied as to the validity and accuracy of all aspects of the Company's financial reporting. All aspects of the external audit are reported back to the Audit and Risk Committee and the external auditors are given the opportunity at Committee meetings to meet with Directors.

The Audit and Risk Committee must comprise a minimum of three Directors, the majority of whom must be Independent. The Committee is chaired by an Independent Director who is not the Chair of the Board. The Committee currently comprises Fiona Oliver (Chair), Mark Verbiest, Gráinne Troute, Stephen Bull and Venasio-Lorenzo Crawley.

The Audit and Risk Committee generally invites the CEO, CFO, GM Finance, internal auditors and external auditors to attend meetings. The Committee also meets and receives regular reports from the external auditors without management present, concerning any matters that arise in connection with the performance of their role.

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People and Culture Committee

The role of the People and Culture Committee is to assist the Board in establishing and reviewing remuneration policies and practices, culture, leadership and capability, succession, employee development, inclusion, diversity and engagement for the Company and in reviewing Board composition. Specific objectives include:

- Supporting the Board in ensuring the Company's vision and commitment to its people strategy aligns with, and enables, the Company's business strategy;
- Assisting the Board in planning the Board's composition;
- Evaluating the competencies required of prospective Directors (both non-executive and executive);
- Identifying those prospective Directors and establishing their degree of independence;
- Developing the succession plans for the Board, and making recommendations to the Board accordingly;
- Overseeing the process of the Board's annual performance self-assessment and the performance of the Directors;
- Assisting the Board in establishing remuneration policies and practices, and setting and reviewing the remuneration of the Company's CEO, Executive Leadership Team and Directors; and
- Monitoring remuneration policy and practice and making recommendations to the Board in relation to any substantive changes.

The People and Culture Committee must comprise a minimum of three Directors, the majority of whom must be Independent. The Committee currently comprises Gráinne Troute (Chair), Mark Verbiest, Dr Marie Bismark and Venasio-Lorenzo Crawley. The Board's policy is that the Board needs to have an appropriate mix of skills, experience and diversity to ensure that it is well equipped. The Board reviews and evaluates on a regular basis the skill mix required, and identifies any existing gaps.

Clinical Governance Committee

The role of the Clinical Governance Committee is to assist the Board in ensuring a systematic approach to maintaining and improving the quality of care provided by the Company. Specific objectives include:

- Providing oversight that appropriate clinical governance mechanisms are in place and are effective throughout the organisation;
- Supporting the leadership role of the Chief Executive Officer in relation to issues of quality, safety and clinical risk;
- Working with management to identify priorities for improvement;
- Ensuring that the principles and standards of clinical governance are applied to the health improvement and health protection activities of the Board;
- Ensuring that appropriate mechanisms are in place for the effective engagement of representatives of residents and clinical staff.

The Clinical Governance Committee must comprise a minimum of three Directors. The Committee currently comprises Dr Marie Bismark (Chair), Gráinne Troute, Venasio-Lorenzo Crawley and Dr Andrew Wong.

Development and Construction Committee

The role of the Development and Construction Committee is to assist the Board in:

- Supporting management to establish and achieve development and construction objectives within the Company's long-term plan;
- Supporting management to develop and implement strategies to achieve the Company's development and construction objectives in line with best practice;
- Helping the Company maintain appropriate risk management strategies to identify, mitigate and manage development and construction risks;
- Maintaining a good understanding of, and confidence in, the Company's frameworks, systems, processes and personnel required to manage the Company's development and construction activities effectively, including the assessment and realisation of opportunities and the application of appropriate risk management;
- Working with management to identify areas for improvement and innovation in construction and development practices.

The Development and Construction Committee must comprise a minimum of three Directors. The Committee currently comprises Stephen Bull (Chair), Mark Verbiest, Fiona Oliver, Venasio-Lorenzo Crawley and Dr Andrew Wong.

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Attendance at Board and committee meetings

A total of seven Board meetings, seven Audit and Risk Committee meetings, five People and Culture Committee meetings, three Clinical Governance Committee meetings and three Development and Construction Committee meetings were held in 2024. Director attendance at Board meetings and committee member attendance at committee meetings is shown in the following table.

	Board	Audit and Risk Committee	People and Culture Committee	Clinical Governance Committee	Development and Construction Committee
Total number of meetings held	**7**	**7**	**5**	**3**	**3**
Mark Verbiest	7	7	5	2[1]	3
Fiona Oliver	7	7	5[1]	1[1]	2
Dr Andrew Wong	7	6[1]	4[1]	3	3
Gráinne Troute	7	7	5	2	2[1]
Dr Marie Bismark	7	7[1]	5	3	3[1]
Stephen Bull	7	7	4[1]	2[1]	3
Venasio-Lorenzo Crawley	7	7	5	3	3

1 Not a member of this committee

Principle 4: Reporting and disclosure

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

Making timely and balanced disclosures

The Company is committed to promoting shareholder confidence through open, timely and accurate market communication. The Company has in place procedures designed to ensure compliance with its disclosure obligations under the NZX and ASX Listing Rules. The Company's Market Disclosure and Communications Policy sets out the responsibilities of the Board and management in disclosure and communication, and procedures for managing this obligation.

Copies of key governance documents, including the Code of Ethics, Securities Trading Policy and Guidelines, Board and Committee Charters, Diversity and Inclusion Policy, Board and Executive Remuneration Policy, and Market Disclosure and Communications Policy are all available on the Company's website at www.summerset.co.nz/investor-centre/governance-documents.

Non-financial disclosures, such as the Company's approach to health and safety, our people, the community and the environment are included within this Annual Report and in our separate Sustainability Review and Climate-Related Disclosures FY24 document available at www.summerset.co.nz/investor-centre/esg-reporting/.

Principle 5: Remuneration

'The remuneration of Directors and executives should be transparent, fair and reasonable.'

Remuneration of Directors and the Executive Leadership Team is reviewed by the Board's People and Culture Committee. Its membership and role are set out under Principle 3. The Committee makes recommendations to the Board on remuneration packages, keeping in mind the requirements of the Board and Executive Remuneration Policy. The level of remuneration paid to the Directors and the Executive Leadership Team will be determined by the Board. However, Directors' fees must be within the limits approved by the shareholders of the Company.

Further details on remuneration are provided in the Remuneration section of this Annual Report (page 114).

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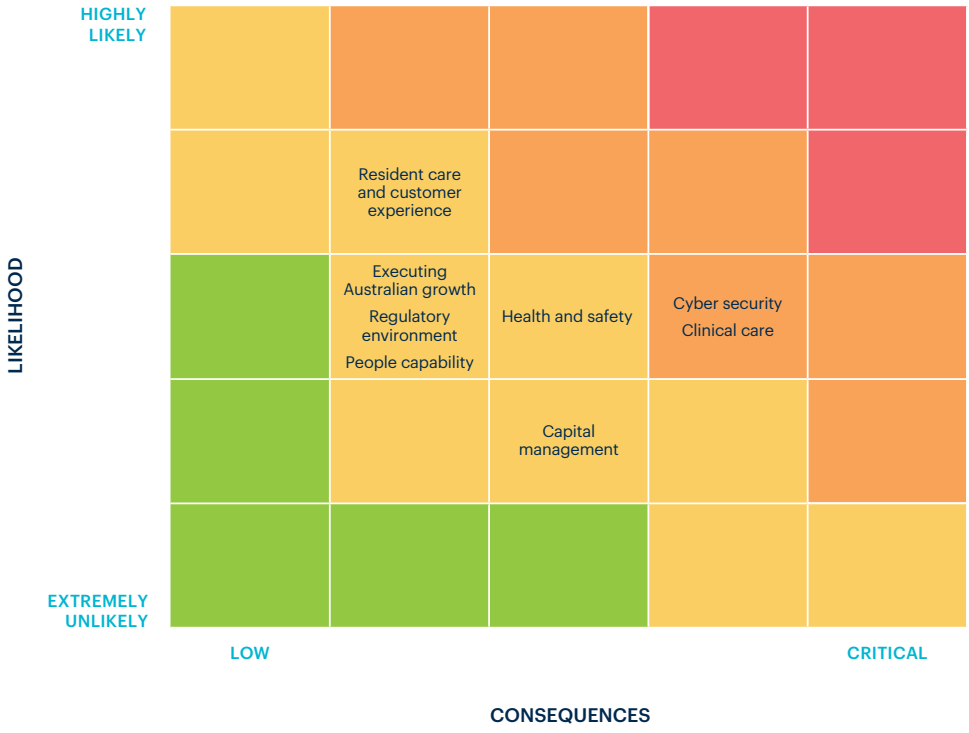
Principle 6: Risk management

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

Summerset's current key strategic residual risks



The Board is responsible for overseeing the management of risks across Summerset's business. Summerset has robust risk management and reporting frameworks in place, whereby material business risks are regularly identified, monitored and managed. The Audit and Risk Committee is responsible for overseeing the Company's risk management framework and compliance with that framework. Key risks are regularly reported to the Board, together with Summerset's approach to risk management. Summerset's Risk Management Policy and Enterprise Risk Framework are consistent with best practice principles set out in ISO 31000:2018 Risk Management Standard.

The members of Summerset's Executive Leadership Team are required to regularly identify the major risks affecting the business, record them in the Risk Register (which identifies the likelihood and consequence of each risk to Summerset's business), and develop structures, practices and processes to manage and monitor these risks.

Summerset has a co-sourced model for internal audit and an in-house Risk and External Reporting Manager. As part of the co-sourced model, Summerset has engaged KPMG as its partner to assist with carrying out internal audit work on various parts of the Group's operations, and all major risk and internal control issues are reported on at each Board meeting.

Health and safety (including in relation to risks, performance and management) is discussed regularly at Board meetings, and specific reviews are sought as required. Monthly reporting is prepared and used to assist in risk management, covering areas such as health and safety incidents, injury and near-miss frequency rates, and actions undertaken. Further information is covered in the health and safety section of this Annual Report on page 33.

Summerset has a Tax Governance Policy in place, which sets out its tax risk management objectives, tax reporting requirements to the Audit and Risk Committee, and policies and processes to manage tax risk. This Tax Governance Policy is reviewed by the Board every two years. The Board is satisfied that Summerset has effective policies and

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processes in place to ensure the Company is meeting its obligations. Summerset adopts a risk-averse stance in relation to tax issues and, where possible, seeks certainty on tax positions through proactive engagement with tax authorities.

Summerset's key strategic risks reported to the board are captured below:

- **Cybersecurity** – A cyber-attack may lead to data privacy breaches, loss of integrity/availability of information or of a control system and business disruption potentially resulting in financial loss or reputational damage or regulatory action. Summerset actively monitors and manages these risks through its risk management and reporting frameworks.
- **Clinical care** – This is a high-risk area for Summerset, which requires constant monitoring, management and policy review. Good training and professional development, retention of staff, and investment in health and safety all help mitigate risk in this area. The increasing level of investment required in this area is likely to affect care profitability.
- **Health and safety** – The health, safety and wellbeing of its people and residents remain a top priority of the Company and require systematic approach and strategic focus to ensure continued compliance with relevant legislation.
- **Capital management** – Summerset must manage capital adequately considering local and global macroeconomic drivers (such as housing market delivery, equity markets, inflation and supply chain) to minimise any potential negative impact to Summerset or our capacity to operate and provide appropriate returns for shareholders.
- **Resident care and customer experience** – Providing top-level resident and customer experience at all times is a challenge due to the nature of the organisation. Summerset has various methods in which it manages and monitors these issues closely, including move-in surveys, ongoing resident feedback surveys, close one-on-one feedback sessions, and close contact with residents, families, next of kin and prospective residents.
- **Executing Australian growth** – Scaling and managing the ongoing growth of the Australian business and associated business risks. Summerset is mitigating risks through having established a local team, entering a well-researched market, and developing product and service offerings, procedures and processes tailored for the new market. Progress in Australia is under close management oversight and has tracked well to date.
- **Regulatory environment** – Summerset operates within multiple regulatory environments and additionally as a listed company has additional societal and investor expectations in relation to corporate governance and ESG impact of the organisation. Both regulatory change and failure to comply can potentially have negative impact on Summerset (including financial, reputationally, and operationally). Summerset proactively engages in regulatory change processes and takes steps to ensure compliance with existing legislation and future amendments once confirmed.
- **People capability** – For Summerset to successfully deliver on our strategy and continue bringing the best of life to our residents, Summerset must ensure that our people capability continues to meet the required needs of the organisation but is also able to change and adapt in the future as required. Key areas monitored include nursing teams and construction.

Other key areas of risk include but are not limited to:

- **Diversity and inclusion** – While the Diversity and Inclusion Strategy and annual plans fulfil all of Summerset's obligations in this area and the Company continues to improve its culture, there is always some level of risk, particularly in a tight labour market. This will continue to be monitored regularly through staff surveys and employees being actively engaged in this area. Page 102 provides more information on the Company's Diversity and Inclusion Strategy.
- **Climate change** – Summerset expects to operate in a climate that will progressively experience more acute challenges and risks arising from increasing climate variability. This is likely to have various impacts on the longer-term plans and operation of the Group – specifically in relation to the design, build and construction of villages, as well as in the provision of care services to frail residents and the overall lifestyle satisfaction enjoyed in Summerset's villages. For more information on how Summerset is managing climate change risks and opportunities please review our Sustainability Review and Climate-related Disclosures FY24 found at www.summerset.co.nz/investor-centre/esg-reporting/
- **Strategy and innovation** – There is a moderate risk with regard to Summerset's strategic direction and ability to continue to innovate. Summerset's intention is to stay at the forefront in all areas of its business, including technology, design, development and care. Summerset fosters a culture of continuous improvement and invests in innovation through a programme that enables the Company to anticipate and respond to changes.

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- **Construction and development** – Summerset faces construction and property development risks when developing new villages. These risks include project delays, default risk, governance and design risk, and potential labour and materials shortages.
- **Reputation** – Summerset operates in a sensitive market involving care of vulnerable members of society. Summerset's performance and reputation could be adversely impacted if it suffers adverse publicity, particularly in respect of care or health and safety issues.

Principle 7: Auditors

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

The Board's relationship with its auditors, both external and internal, is governed by the Audit and Risk Committee Charter, External Audit Independence Policy and the Internal Audit Charter. These charters and policies set out the types of engagements that can be performed by the external and internal auditors. The Audit and Risk Committee actively monitors the amount of any non-audit work completed by the external auditor to ensure that independence is maintained.

The external auditor attends the Company's Annual Shareholder Meeting and is available to answer questions from shareholders in relation to the external audit.

Ernst & Young was first appointed as external auditor of Summerset in 2004 and is Summerset's external auditor for FY24. In 2017, a full tender for the external audit services was completed and Ernst & Young was reappointed through this process. The lead audit partner changed in 2023, with the appointment of Sam Nicolle. Due to the length of Ernst & Young's tenure, Summerset conducted a tender process for its external audit services over the course of 2024. As a result of this process, PwC has been appointed as external auditor for financial years from 2025 onwards.

KPMG was appointed in the role of internal auditor of the Company in December 2016. With the establishment of a co-source model approach to internal audit in 2020, it currently remains the Company's co-source partner. The internal audit role is governed by the Internal Audit Charter, which states the objectives and scope of internal audit activities. The primary objective of internal audit is to increase the strength of the Company's control environment. This is guided by a philosophy of adding value to improve the operations of the Company. The internal audit assists the Company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of its governance, risk management and internal controls. The Internal Audit Programme is set annually by the Audit and Risk Committee.

The Internal Audit Charter sets out the scope of internal audit activities and this encompasses, but is not limited to, objective examinations of evidence to provide independent assessments on the adequacy and effectiveness of operations, governance, risk management and control processes for Summerset. This includes evaluating whether:

- The actions of Summerset's officers, directors, staff, and contractors comply with Summerset's policies, procedures and applicable laws, regulations and governance standards;
- The results of operations or programmes are consistent with established goals and objectives;
- Operations or programmes are being carried out effectively and efficiently, with adequate internal controls;
- Established processes and systems enable compliance with the policies, procedures, laws and regulations that could significantly impact Summerset;
- Information and the means used to identify, measure, analyse, classify and report such information arereliable and have integrity; and
- Resources and assets are acquired economically, used efficiently and protected adequately.

Principle 8: Shareholder rights and relations

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

Respecting the rights of Shareholders

The Company seeks to ensure that its shareholders understand its activities by communicating effectively with them and giving them ready access to clear and balanced information about the Company.

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To assist with this, the Company's website is maintained with relevant information, including copies of presentations and reports. The Company's key corporate governance policies are also included on the website.

The Company's major communications with shareholders during the financial year include its Annual and Half Year Reports and the Annual Shareholder Meeting. The reports are available in electronic and hardcopy format.

Communicating with Shareholders

The Company welcomes communication and feedback from shareholders. The Company's investor centre (on its website) provides a Company phone number and email address for communications from shareholders and investor relations enquiries. All shareholder communications are responded to within a reasonable timeframe.

The Company provides options for shareholders to receive and send communications electronically, to and from both the Company and its share and bond registrar. The Company's investor centre includes contact details for MUFG Pension & Market Services, through which all Company shares and bonds are managed.

Shareholder voting rights

Shareholders have the right to vote on major decisions as required by the NZX Listing Rules. Further information on shareholder voting rights is set out in the Company's Constitution.

Notice of Annual and Special Shareholder Meetings

Notice of Annual and Special Shareholder Meetings are sent to shareholders and published on the Company's website at least 20 working days before the relevant meeting.

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Board of Directors

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ANDREA SCOWN
Future Director

VENASIO-LORENZO CRAWLEY
Independent

GRÁINNE TROUTE
Independent

MARK VERBIEST
Chair, Independent

VIEW DIRECTOR BIOGRAPHIES AT:
www.summerset.co.nz/investor-centre/board-of-directors/

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FIONA OLIVER
Independent

STEPHEN BULL
Independent

DR ANDREW WONG
Independent

DR MARIE BISMARK
Independent

Executive Leadership Team



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STEWART SCOTT
Chief Operating Officer
Australia

DEAN TALLENTIRE
Chief Construction Officer
New Zealand

ROB GILLESPIE
Chief Digital Officer

SCOTT SCOULLAR
Chief Executive Officer

ELEANOR YOUNG
Chief Operating Officer
New Zealand

VIEW EXECUTIVE LEADERSHIP BIOGRAPHIES AT:
www.summerset.co.nz/investor-centre/our-leadership-team/

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KAY BRODIE
Chief Marketing Officer

CHRIS LOKUM
Chief People Officer

SARAH THEODORE
Acting Chief Financial Officer*

AARON SMAIL
Chief Development Officer New Zealand

FAY FRENCH
Chief Sales Officer

** From 1 October 2024, preceded by Will Wright. Margaret Warrington to commence as CFO 24 February 2025.*

Remuneration

Remuneration overview

Report from the Chair

Dear shareholders

As Chair of the Board's People and Culture Committee I am pleased to present Summerset's 2024 Remuneration report.

Remuneration objectives

Summerset's purpose is to "Bring the Best of Life" to our residents, and the Board is aware that in order to achieve this we need motivated employees performing at a consistently high level. Our objective is that reward outcomes for executive and senior leaders are aligned with outcomes experienced by shareholders, and a competitive and affordable remuneration structure that is equitable and attractive is an important contributory factor for maintaining this high level of employee engagement. Shareholders will note that these remuneration objectives are consistent with those detailed in last year's report.

We recognise that how we manage and reward our employees is a reflection of our broader goals for creating an inclusive workplace and diverse workforce. In light of this, we have commenced reporting our gender pay gap (GPG) this year and the Board is committed to better understanding the drivers of this pay gap and closing it for both gender and ethnic pay over time.

Summerset's executive remuneration is set in accordance with the principles laid out in the People and Culture Committee Charter (available at: https://www.summerset.co.nz/investor-centre/governance-documents/). We continue to independently benchmark fixed annual remuneration for the Executive Leadership Team (ELT) to a peer group of companies of similar size, scale and complexity, while also being cognisant of factors such as incumbent experience, capability and performance. Our aim is to create a balance between competitiveness (which supports our ability to attract and retain talent) and affordability for the business.

CEO remuneration

Although not evident in this FY24 report, we advise that the Board has made a further adjustment to Scott Scoullar's remuneration to take effect 1 January 2025.

Summerset's consolidated position within the NZX20, market capitalisation, maturity as a business and growth in Australia (alongside Scott's tenure and performance) resulted in the need to align our CEO pay more closely with that of New Zealand's top 20 listed companies.

The Board also referenced comprehensive executive remuneration survey data provided by independent external consultants, benchmarking Summerset's remuneration against New Zealand private sector companies, including those in the NZX20, as well as relevant companies within the aged care, property management, development, and construction sectors.

Incentive schemes

Over the course of 2021–2023, Summerset made a number of changes to both our STI and LTI programmes to better align our Executive and senior leaders to shareholder interests.

Through 2024, we continued to make minor refinements to our incentive plans to better align the STIs for employees below Executive level to company performance. We have also reviewed the eligibility of our schemes to deliver market alignment and improve equitable outcomes for our employees in line with our diversity, equity and inclusion goals.

The design of these schemes remains market-aligned, and the focus for 2025 will be to further embed employee understanding of these schemes to ensure their priorities and performance align to those of the Company.

In addition, for 2025 we will align the Chief Executive's STI to be solely based on the performance scorecard for the Company, removing individual performance from any STI earned on the basis that CEO performance outputs intrinsically align with and drive Summerset's performance outcomes.

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Consistent with market practice, we have also aligned our vesting cycle for LTIs for all employees to a one-time three-year vest. Previously, each LTI plan vested at 50% after three and four years.

In parallel with this change, we plan to encourage a minimum shareholding requirement for our Executive team during the course of 2025. Our Chief Executive already has a minimum shareholding requirement in place and given his tenure, has exceeded this requirement.

Executive KPIs

The 2024 shared key performance indicators (KPIs) took a balanced scorecard approach with financial, customer and staff related KPIs. The performance outcomes have been strong with our financial performance exceeding target.

These KPIs were all stretch targets, and it's a testament to the strength of the Executive Leadership Team, and their people, that they have continued to achieve so highly in a challenging macroeconomic environment. The Executives' achievements against their individual, role-specific KPIs were also very strong.

Board fees

Following external benchmarking data, obtained by PwC and following Shareholder approval at the April 2024 Annual Meeting (Resolution 3), we also increased the total Directors fee pool to $1,010,000 and made adjustments to the standard fees as set out in that resolution. No futher changes will be made to the fee pool for 2025.



Gráinne Troute
Chair People and Culture Committee

Remuneration governance

The Board is assisted in delivering its responsibilities and objectives for Executive remuneration by the People and Culture Committee. The role and membership of this committee is set out in the Governance section of this report.

The People and Culture Committee reviews the annual performance and remuneration outcomes for all Executive Leadership Team members, including the CEO. The review takes into account external benchmarking to ensure competitiveness with comparable market peers, along with consideration of each individual's performance, skills, expertise and experience.

The Committee operates under a written Charter, which outlines its responsibilities and processes as outlined in the charter.

The charters and guidelines can be found in the Governance documents section of the Summerset website at https://www.summerset.co.nz/investor-centre/governance-documents/

- People and Culture Committee Charter
  The Remuneration Policy is the internal governance policy that provides context for the Executive members' remuneration outcomes
- Board and Executive Remuneration Policy
  The Board approves the Executive Team annual performance objectives, company financial performance targets and outcomes on an annual basis.
- Securities Trading Policy and Guidelines
  Summerset's Securities Trading Policy ensures that Summerset and its subsidiaries' Directors, senior managers, employees, contractors and secondees comply with the law prohibiting insider trading and that all dealings in Summerset securities and other financial products are beyond reproach.

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Executive Remuneration Policy

The remuneration of members of the ELT (CEO and direct reports) is designed to promote a high-performance culture and to align executive reward to the development and achievement of strategies and business objectives that create sustainable value for shareholders. Total remuneration is made up of three components: fixed remuneration, STI and LTI.

The People and Culture Committee considers external and independent remuneration market information provided by expert consultants, such as EY and PwC, in order to gauge actual and forecast movements within the market, and to assess the levels of fixed and target total remuneration to pay its Chief Executive and Executive Team to support talent attraction and retention.

Fixed remuneration

Fixed remuneration consists of a base salary and benefits including a company contribution of 3% for Kiwisaver. Other benefits are elective and the value of each is deducted from fixed annual remuneration.

Short-term incentives

STIs are at-risk payments designed to motivate and reward performance, typically in that financial year. The Chief Executive, Executive Team, and certain other senior members of staff may participate in the STI scheme. The STI opportunity within total remuneration reflects the complexity and level of the roles. In FY24 the Chief Executive had a target STI opportunity of 45% of fixed annual remuneration, and the other Executives had a target STI opportunity of 30%.

A proportion of the STI (80% for CEO and 70% for the other Executive Leadership Team members) was related to achievement of annual business performance metrics, which aim to align executives to a shared set of KPIs based on business priorities for the annual performance period. Target areas for the shared KPIs for 2024 are outlined below:

FY24 KPI	Weighting	Hurdle	Minimum performance threshold	Payment at minimum performance	On-target performance[1]	Maximum performance	Payment at maximum performance
Underlying EBITDA	55%	90% of EBITDA	90%	75%	100% of budget	125% of budget	200%
Development numbers	15%	80% of EBITDA	90%	90%	100% of budget	100% of budget	100%
Customer satisfaction	15%		Target scores achieved	100%	Target scores achieved	Target scores achieved	100%
Staff – HR	15%		Target scores achieved	100%	Target scores achieved	Target scores achieved	100%
Total payout range				**84.75%**	**100%**		**155%**

1 On-target performance results in a payment of 100% of the target bonus opportunity for this performance hurdle.

The Board can reduce or cancel STI payments if there are concerns around health and safety or clinical performance.

There are three performance levels within each target area along with a performance hurdle or gate opener which needs to be met before any payment under the STI scheme can be made – minimum performance threshold, on-target and maximum performance. 100% of the amount allocated to that target area is payable when the on-target level is achieved. Performance against both financial and non-financial measures is assessed and approved by the Board each year.

If the hurdle or gate opener for underlying EBITDA performance against budget is not achieved, no STI payment will be made. The gate opener for the financial KPI is based on achieving 90% of underlying EBITDA performance target and for the three remaining KPIs (each of which is only payable if the target score is also achieved) the gate opener is 80% of EBITDA.

Provided the gate opener is met for each KPI, minimum performance achievement across all KPIs would return an STI payment of 84.75% of the available target opportunity.

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A 100% pay-out is based on achieving 100% of the financial targets and meeting all the other KPI target criteria. The maximum performance levels allow employees to be rewarded for performance that exceed on-target levels, up to a specified maximum.

The maximum amount of payment for an Executive Leadership Team member under the company component of the STI scheme is 155% of the on-target amount and is based on significant overachievement being 125% or more of the financial targets and meeting all the other KPI target criteria.

The balance of the STI for the Executive team not weighted to business performance is related to the achievement of individual performance measures, which is also assessed by the Board. For the CEO in FY24, the weighting of individual achievement was 20% of the available STI opportunity and for the remaining Executive team members this weighting was 30%. The maximum payable under the individual portion of the STI scheme was 100% for stretch individual performance.

Long-term incentives

The Chief Executive, Executive Team and a small number of senior leaders have the opportunity to participate in an LTI plan, which is typically offered annually at the discretion of the Board. The purpose of this plan is to align senior management with shareholders' interests and optimise long-term shareholder returns.

For the FY25 LTI plan, the opportunity is 50% of fixed annual remuneration for the Chief Executive, 20-40% of fixed annual remuneration for the Executive Team and 15–25% of salary for eligible senior leaders. Vesting of the LTI plan is contingent on meeting absolute and relative total shareholder return (TSR) performance hurdles at the conclusion of a three-year period. In addition, the participant needs to be employed by Summerset during the vesting period.

Under the plan, participants are granted zero-priced share options. Each zero-priced option entitles the holder to one ordinary share in the company on vesting.

LTI performance plans

As at 31 December 2024, there are three LTI plans that are yet to vest. These plans have performance periods which end as follows:

Name of LTI plan	Vesting date – Tranche 1	Vesting date – Tranche 2
FY22 LTI plan	31 December 2024	31 December 2025
FY23 LTI plan	31 December 2025	31 December 2026
FY24 LTI plan	31 December 2026	31 December 2027

These plans have slightly different performance hurdles and comparator groups, as Summerset has taken a number of steps over several years to modify the plans to more closely align with market practice.

FY21 transitional grant

In FY21 a transitional LTI grant was awarded to participants. This was a time-based grant, with no performance hurdles attached and was awarded to offset the change in LTI vesting cycles that occurred in 2021 (from two and three years, to three and four years).

FY22 LTI plan performance hurdles

The FY22 plan that vested in December 2024 has 50% of the zero-priced options not subject to performance conditions, with the remaining 50% being subject to performance conditions. Of the options subject to performance conditions, 70% are based on financial performance (absolute earnings and relative earnings) and the remaining 30% are based on conditions relating to clinical, staff and customer satisfaction.

50%	Absolute earnings (cumulative actual underlying net profit after tax for the Group against budget)
20%	Relative earnings (earnings per share growth of the Group compared to a defined peer group)
10%	Clinical strategy delivery
10%	People (5% staff engagement, 5% staff turnover)
10%	Customer satisfaction (5% village residents, 5% care centre residents)

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When all performance hurdles for a tranche meet minimum performance requirements, and including that tranche's tenure-based options, a total of 55.6% of that tranche's options vest.

On-target performance of all performance hurdles for a tranche, including that tranche's tenure-based portion, results in a total of 74.1% of that tranche's options vesting. 100% of the options for each tranche vest when the absolute and relative earnings (financial performance) hurdles achieve or exceed 125% of the on-target performance requirement, and all other performance hurdles meet their on-target performance criteria. This includes the tranche's tenure-based options.

FY23 and FY24 LTI plan performance hurdles
The FY23 and FY24 LTI plans were further adjusted to remove non-financial performance hurdles. The FY23 and FY24 LTI plans have the same performance hurdles however, the peer group against which relative TSR performance was measured for the FY24 plan was broadened to ensure continued appropriateness and reduce potential volatility:

- Absolute Shareholder Return (aTSR) – 75%
- Relative Shareholder Return (rTSR) – 25%

The number of aTSR share options that vest is determined by the TSR generated against Summerset's cost of equity (plus a margin). The maximum that can be earned under this component is 100% of the target option grant.

The number of rTSR share options that vest is determined by the company's TSR over the performance period relative to the peer group which includes the NZX 50, excluding banking institutions. If Summerset's TSR performance is below 100% of the weighted average for the peer group, then no share options will vest. If Summerset's TSR performance is above 125% of the weighted average for the peer group then 100% of the share options will vest. Payouts are a straight-line interpolation between 0 and 100% for both aTSR and rTSR.

Share options will lapse if the vesting conditions are not satisfied. Share options also lapse if the holder ceases to be employed by Summerset during the vesting period, unless otherwise determined by the Board for exceptional circumstances.

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Key performance summary

STI Company performance 2024

FY 2024 KPI	Weighting	FY2024 KPI performance hurdle	Assessment	% STI payable
Underlying EBITDA	55%	100% of budget	On-target performance exceeded	155%
Development numbers	15%	100% of budget	On-target performance exceeded	100%
Customer satisfaction	15%	>80% Customer satisfaction	On-target performance exceeded	100%
People and culture	15%	Improvement in employee engagement score	On-target performance partially met	75%
Total payable	**100%**			**126.7%**

The Board chose to apply discretion relating to the people and culture performance assessment as the employee engagement score remained flat year-on-year but our net promoter score was in the top 5% of our benchmark group, which is a notable achievement in a year of change for our company.

LTI performance for vested options 31 December 2024

FY22 – tranche 1 vesting assessment summary

December 2020 – tranche 2 vesting assessment summary	Weighting	Maximum	Assessment	Total
Time-based only	50%	50%	N/A	50%
Absolute earnings	25%	50%	On-target performance exceeded	44.9%

December 2020 – tranche 2 vesting assessment summary	Weighting	Maximum	Assessment	Total
Relative earnings	10%	20%	On-target performance exceeded	20%
Customer satisfaction – village residents	2.5%	2.5%	On-target performance met	2.5%
Customer satisfaction – care residents	2.5%	2.5%	On-target performance met	2.5%
Employee engagement	2.5%	2.5%	On-target performance met	2.5%
Staff turnover	2.5%	2.5%	On-target performance met	2.5%
Clinical strategy delivery	5%	5%	On-target performance met	5%
Total score	**100%**	**135%**		**129.9%**

The LTI performance assessment is a direct result of performance against plan for each of the performance hurdles. There was no Board discretion applied.

LTI transitional grant 2021 - Tranche 2

In addition to the above, there was also a special transition grant which was a time-based grant of zero-priced options. Thus, there were no performance hurdles associated with this specific grant.

Chief Executive Officer remuneration arrangements and outcomes

The following table details the nature and amount of remuneration paid to Scott Scoullar for his time as CEO over the past four years.

	Fixed remuneration			Pay for performance remuneration			
Financial year	**Salary paid $**	**Benefits[1] $**	**Subtotal $**	**Cash STI $**	**Equity LTI $**	**Subtotal $**	**Total remuneration $[2]**
FY24	$819,534	$30,466	$850,000	$448,902[3]	$226,050[4]	$674,952	$1,524,952
FY23	$683,612	$26,388	$710,000	$321,346	$80,739	$402,085	$1,112,085
FY22	$649,631	$25,365	$674,996	$211,432	$51,000	$262,432	$937,428
FY21	$607,155	$24,095	$631,250	$206,071	$750,547	$956,618	1,587,868

1 Benefits include 3% Kiwisaver contribution and a car park. For FY24, the company's Kiwsaver contribution for Scott Scoullar was $27,879.05 including ESCT.

2 Total remuneration paid includes salary, benefits, cash STI, and value of LTI equity (paid in shares).

3 Cash STI for FY24 is 82% of maximum potential, paid in FY25 (February 2025). The payment is based on achievement of shared KPI targets as per table above (80%) and individual targets (20%).

4 Equity LTI is based on value of 2021 LTI plan awards that vested on 31 December 2024 as described in the LTI plan vesting assessment summary above.

The following table summarises the performance assessment as a percentage of plan over the past four years for both STIs and LTIs.

Financial year	Total remuneration paid	Percentage cash STI awarded against target	Percentage cash STI awarded against maximum	Percentage vested equity LTI against maximum	Span of equity LTI performance period
FY24	$1,524,952	117%	82%	96%	2022-2024
				100%	2022-2024
FY23	$1,112,085	113%	79%	100%	2022–2023
				95%	2021–2023
FY22	$937,428	104%	70%	95%	2021–2022
				90%	2020–2022
FY21	$1,587,868	109%	97%	95%	2020–2021

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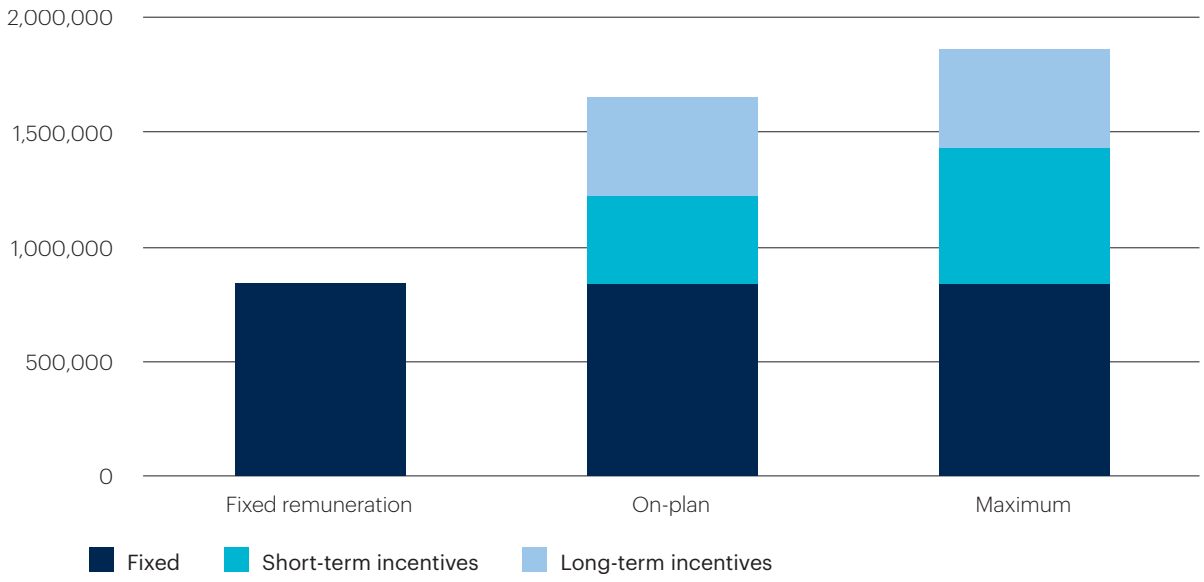
Financial year	Total remuneration paid	Percentage cash STI awarded against target	Percentage cash STI awarded against maximum	Percentage vested equity LTI against maximum	Span of equity LTI performance period
				95%	2019–2021

Note: The current CEO assumed his position in 2021

Scenario chart

The scenario chart below demonstrates the elements of CEO Scott Scoullar's remuneration structure for FY24.

Components of CEO FY24 annualised remuneration



The CEO's fixed remuneration comprising annual salary and taxable benefits was $850,000 per annum, with effect from 26 February 2024. The STI and LTI (based on the value granted in the FY24), is 45% and 50% respectively of fixed remuneration. STI had maximum available payment of 155% of the on-target as noted above. The LTI grant for 2024 will vest based on performance to 31 December 2027 (tranche 1) and 31 December 2028 (tranche 2), subject to retention and performance criteria being met. Further details are included in the LTI Plan entitlements section.

ESG disclosures

CEO/worker ratio

The pay gap represents the number of times greater the CEO remuneration is to the remuneration of an employee paid at the median of all Summerset employees. For the purposes of determining the median paid to all Summerset employees, all permanent full-time, permanent part-time and fixed-term employees are included, with part-time employees, remuneration adjusted to a full-time equivalent amount.

At 31 December 2024, the CEO's salary of $819,534 was 13.2 times (2023: 10.97 times) that of the median employee salary at $62,296 per annum. The CEO's total remuneration, including STIs and LTIs, of $1,524,952, was 23.0 times (2023: 20.24 times) the total remuneration of the median employee at $66,282 per annum.

Gender pay gap

Summerset is committed to cultivating a workplace that embraces diversity and inclusivity and acknowledges the significance of addressing gender pay equity within the unique context of New Zealand and Australia. We continue to examine the factors contributing to our gender pay gap, which is 17% as at 31 December 2024. The gender pay gap is 11.8% for our senior leadership cohort[1] which is split 55% male and 45% female. The gender pay gap is largely driven by a wider gap in our Development & Construction business areas (23.7%) due to a relative lack of female representation within these areas. Our gender pay gap for staff who work in our village and care centre operations is 4.4%.

1 *We have defined our senior leadership as those employees placed within the top three pay bands in our organisation*

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We have planned a number of actions to address our overall gender pay gap that span three key areas: 1) creating inclusive environments, 2) increasing diversity in our hiring pipelines without compromising talent quality, and 3) reducing potential for bias in our pay decisions.

We aim to foster an environment that values all employees, and we recognise the importance of fair compensation and equal opportunities for everyone on our team. Summerset affirms its commitment to advancing discussions and initiatives that contribute to a workplace where every individual is accorded respect and opportunities.

Remuneration bands

The number of employees or former employees (including employees holding office as Directors of subsidiaries), who received remuneration and other benefits valued at or exceeding $100,000 during the financial year ended 31 December 2024 is specified in the following table.

The remuneration figures shown in the Remuneration column include all monetary payments actually paid during FY24. The table also includes the value of options granted to individual employees under Summerset's LTI plan during the same period. The table does not include amounts paid after 31 December 2024 that relate to the year ended 31 December 2024. The method of calculating remuneration is consistent with the method applied for the previous year.

Remuneration	Number of employees	Remuneration	Number of employees
$100,000 to $109,999	101	$340,000 to $349,999	2
$110,000 to $119,999	119	$350,000 to $359,999	2
$120,000 to $129,999	90	$360,000 to $369,999	1
$130,000 to $139,999	73	$380,000 to $389,999	3
$140,000 to $149,999	62	$390,000 to $399,999	4
$150,000 to $159,999	43	$400,000 to $409,999	1
$160,000 to $169,999	35	$430,000 to $439,999	1
$170,000 to $179,999	18	$440,000 to $449,999	1
$180,000 to $189,999	15	$460,000 to $469,999	1
$190,000 to $199,999	17	$480,000 to $489,999	1
$200,000 to $209,999	16	$500,000 to $509,999	1
$210,000 to $219,999	9	$510,000 to $519,999	1
$220,000 to $229,999	6	$530,000 to $539,999	1
$230,000 to $239,999	9	$540,000 to $549,999	1
$240,000 to $249,999	8	$570,000 to $579,999	1
$250,000 to $259,999	5	$660,000 to $669,999	1
$260,000 to $269,999	6	$750,000 to $759,999	1
$270,000 to $279,999	4	$760,000 to $769,999	1
$280,000 to $289,999	1	$820,000 to $829,999	1
$290,000 to $299,999	3	$840,000 to $849,999	1
$300,000 to $309,999	4	$930,000 to $939,000	1
$310,000 to $319,999	2	$1,460,000 to $1,469,999	1
$330,000 to $339,999	1		

Director remuneration

The Board of Directors fees were increased by shareholder resolution with effect from 1 May 2024. The resolution increased the pool of funds approved by shareholders for payment of Directors' fees.

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As at 31 December 2024, the maximum aggregate amount of remuneration payable by Summerset to Directors (in their capacity as Directors) was $1,010,000 per annum for the non-executive Directors (prior to 1 May 2024: $904,450) and annualised standard Directors' fees were $960,000, inclusive of additional remuneration for committee Chairs and comittee members (prior to 1 May 2024: $845,000 noting this figure does not include any Committeee member fee, new from 1 May 2024)). In respect of Australian based Directors, the Board has decided to pay those Directors in Australian Dollars at the same face value the New Zealand Directors are paid. This results in those Directors receiving slightly higher fees (as recorded in the table below). As at 31 December 2024, the only Director who received payment in Australian dollars was Stephen Bull.

As at 31 December 2024, the standard Director fees per annum are as follows:

Fee schedule

Governance body	Position	Fees for reporting period
Board of Directors	Chair	$220,000
	Director	$100,000
Audit and Risk Committee	Chair	$20,000
Clinical Governance Committee	Chair	$20,000
People and Culture Committee	Chair	$20,000
Development and Construction Committee	Chair	$20,000
Committee member	Member	$10,000

The Committee member fee is payable to Directors (other than the Chair) who are a member of a standing Committee. The fee is payable once per Director (i.e. if a Director is a member of two Committees, they will receive a single fee of $10,000).

In addition to standard Directors' fees, in 2024 $10,000 was also paid for additional responsibilities above and beyond the normal duties of the Board or any standard Committee. These fees related to due diligence work for the issue of retail bonds in March 2024.

Directors' fees exclude GST, where appropriate. Directors are entitled to be reimbursed for costs directly associated with carrying out their duties, including travel costs.

Directors and Officers also have the benefit of Directors' and Officers' liability insurance. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for Summerset. There are some exclusions within the policy. The insurance cover is supplemented by the provision of Director and Officer indemnities from the Company, but this does not extend to criminal acts.

The Company distinguishes the structure of non-executive Directors' remuneration from that of executive Directors.

The total amount of remuneration and other benefits received by each Director during the year ended 31 December 2024 is provided below. These amounts reflect actual payments to directors during the year, and consequently, depending on each Director's quarterly billing cycle, payroll periods and the actual payment date, the amounts stated may vary between directors and may not be representative of the directors' fees earned for the year ended 31 December 2024.

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Actual fees paid in FY24

Director	Board fees	Audit and Risk Committee	People and Culture Committee	Clinical Governance Committee	Development and Construction Committee	Other Board Committees[1]	Total
Mark Verbiest	$266,667[2]						$266,667
Dr Andrew Wong	$105,192						$105,192
Gráinne Troute	$104,792		$17,917[2]				$122,709
Fiona Oliver	$105,833	$20,000[2]				$5,000	$130,833
Dr Marie Bismark	$105,192			$18,077[2]			$123,269
Stephen Bull	$114,918				$19,925[2]	$5,323	$140,166
Venasio-Lorenzo Crawley	$105,192						$105,192
Total	**$907,786**	**$20,000**	**$17,917**	**$18,077**	**$19,925**	**$10,323**	**$994,028**

1 A Due Diligence Committee was established in FY24 to oversee Summerset's 2024 bond issue

2 Chair

Note: All Director fees reported above are in $NZ

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Disclosures

Director changes during the year ended 31 December 2024

There have been no changes.

Directors' interests

The following is an excerpt from the Company's Interests Register, showing the material interests of Directors as at 31 December 2024, together with any entries in the Interests Register made during the year for the purposes of section 211(1)(e) of the Companies Act 1993. Interests no longer held as at 31 December 2024 are disclosed in *italics*.

Director	Entity	Position
Mark Verbiest	Meridian Energy Limited	Chair
	Willis Bond	Consultant
	Fonterra Independent Assessment Panel (appointed June 2024)	Member
	Chapter Zero (appointed August 2024)	Steering Committee Member
	WorkSafe (retired August 2024)	*Crown Monitor*
Dr Marie Bismark	GMHBA Health Insurance	Director
	Royal Australian and New Zealand College of Psychiatrists	Fellow
	Veteran's Health Advisory Panel	Member
	Specialist in Public Health Medicine and Psychiatry registered with New Zealand Medical Council	N/A
	Royal Women's Hospital, Melbourne	Director
	University of Melbourne	Professor
	Victorian Department of Health's Voluntary Assisted Dying 5 Year Review Governance Committee	Member
	Australian Institute of Company Directors (Victoria)	Council Member
	New Zealand Medical Council (appointed July 2024)	Council Member
	Corporate Governance & Risk Committee of the Royal Australian & NZ College of Psychiatry (appointed June 2024)	Member
	Locum Psychiatrist and Doctor at various organisations throughout Australia & NZ (disclosed June 2024)	N/A
	Te Whatu Ora - Capital & Coast (retired June 2024)	*Consultant Psychiatrist*
Gráinne Troute	Tourism Holdings Limited	Director
	Investore Property Limited	Director
	Duncan Cotterill	Board Member
	NZX Corporate Governance Institute (appointed February 2024)	Member
	Montana Group Limited (retired September 2024)	*Chair*
Dr Andrew Wong	HealthCare Holdings Limited	Managing Director
	QCS (Quipt Clinical Supplies) Limited	Director
	Health Tick Limited	Director
	The Drug Detection Agency Group Limited	Director
	Kakariki Hospital Limited	Director
	Ascot Hospitals and Clinics Limited	Managing Director
	New Zealand Radiology Group Limited	Director
	MercyAscot Properties Limited	Director
	Endoscopy Auckland Limited	Chair
	Auckland Radiation Oncology Limited	Chair
	Kensington Hospital Limited	Director
	MercyAscot Orthopaedics Limited	Chair
	Auckland University of Technology	Adjunct Professor
	Forte Health Limited	Director
	Careway Ltd	Chair
	Mountain Road Properties Ltd	Director

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Director	Entity	Position
	My Accelerated Care Limited (appointed January 2024)	Chair
	Endoscopy Governance Group New Zealand (retired November 2024)	*Member*
Venasio-Lorenzo Crawley	AUT Business School	Chair
	Added Value Limited	Director and Shareholder
	IOD Pacific Governance Advisory Board	Member
	Orian Group Limited (appointed February 2024)	Director
	Variety Children's Charity (appointed April 2024)	Director
	Te Whatu Ora - People, Culture, Development and Change Committee (retired August 2024)	*Independent Board Member*
Stephen Bull	Bridge Housing Limited	Chair
	ACT Government City Renewal Authority (appointed July 2024)	Board Member
	MaxCap Group Equity Investment Committee (appointed November 2024)	Independent Member
	Capital Prudential Diversified Development Fund (CPDDF) Pty Ltd ATF CPDDF (appointed November 2024)	Chair
	MaxCap Industrial Opportunites Fund Investment Committee (ceased December 2024)	*Independent Member*
	NSW Government Transport Asset Holding Entity Investment Committee (ceased December 2024)	*Independent Member*
Fiona Oliver	Freightways Limited	Director
	Gentrack Group Limited	Director
	Clarus Group (previously called First Gas Group) comprising First Gas Limited, First Gas Services Limited and First Sunrise Limited and subsidiaries	Director
	Kingfish Limited	Director
	Barramundi Limited	Director
	Marlin Global Limited	Director
	New Zealand Waterpolo	Director
	Grasmere Family Trust	Trustee
	Bella Vista Trust	Trustee
	Wilson Partners (Oliver) Trustees Limited	Director
	Wynyard Group Limited (in liquidation)	Director
	Guardians of the New Zealand Superannuation Fund	Board Member

Information used by Directors

There were no notices from Directors of the Company requesting to disclose or use Company information received in their capacity as Directors that would not otherwise have been available to them.

Directors' security holdings

Securities in the Company in which each Director has a relevant interest as at 31 December 2024 are specified in the table below:

Director	Ordinary shares	SUM020 retail bonds	SUM030 retail bonds	SUM040 retail bonds	SUM050 retail bonds
Mark Verbiest	11,500*	–	–	–	–
Dr Marie Bismark	25,439	–	–	–	–
Gráinne Troute	26,228	–	–	–	–
Dr Andrew Wong	10,500	–	–	–	–
Venasio-Lorenzo Crawley	4,382	–	–	–	–
Stephen Bull	6,700	–	–	–	–
Fiona Oliver	10,890	–	–	–	–
Total	**95,639**	**0**	**0**	**0**	**0**

**Mr Verbiest's wife has a legal and beneficial interest in 11,500 SUM ordinary shares.*

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Securities dealings of Directors

During the year, Directors disclosed the following transactions in respect of Section 148(2) of the Companies Act 1993. These transactions took place in accordance with the Company's Securities Trading Policy.

Director	Nature of relevant interest	Date of transaction	Number of securities acquired/ (disposed)	Consideration
Venasio-Lorenzo Crawley	Legal and beneficial interest	22 March 2024	36	Issue of shares under dividend reinvestment plan at $10.7298 per share
	Legal and beneficial interest	20 September 2024	28	Issue of shares under dividend reinvestment plan at $11.4848 per share
Dr Marie Bismark	Legal and beneficial interest	22 March 2024	261	Issue of shares under dividend reinvestment plan at $10.7298 per share
	Legal and beneficial interest	20 September 2024	211	Issue of shares under dividend reinvestment plan at $11.4848 per share
Gráinne Troute	Legal and beneficial interest	22 March 2024	213	Issue of shares under dividend reinvestment plan at $10.7298 per share
	Legal and beneficial interest	20 September 2024	172	Issue of shares under dividend reinvestment plan at $11.4848 per share
Fiona Oliver	Beneficial interest in and/or the power to acquire or dispose of, or to control the acquisition or disposal of, ordinary shares	20 September 2024	71	Issue of shares under dividend reinvestment plan at $11.4848 per share

Director appointment dates

The date of each Director's first appointment to the position of Director is provided below. Since the date of appointment, Directors have been reappointed at Annual Meetings when retiring by rotation as required.

Director	Appointment date
Mark Verbiest	1 July 2021
Dr Marie Bismark	1 September 2013
Gráinne Troute	1 September 2016
Dr Andrew Wong	1 March 2017
Venasio-Lorenzo Crawley	1 February 2020
Stephen Bull	1 March 2022
Fiona Oliver	1 March 2023

Indemnity and insurance

In accordance with Section 162 of the Companies Act 1993 and the constitution of the Company, the Company has arranged insurance for, and indemnities to, Directors and Officers of the Company, including Directors of

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subsidiary companies, for losses from actions undertaken in the course of their legitimate duties or costs incurred in any proceeding.

Directors of subsidiary companies

The remuneration of employees acting as Directors of subsidiaries is disclosed in the relevant banding of remuneration set out under the heading Employee remuneration in the Remuneration section of this Annual Report. Employees did not receive additional remuneration or benefits for acting as Directors during the year.

Scott Scoullar, Aaron Smail, Dean Tallentire, Sarah Theodore and Robyn Heyman were Directors of all the Company's New Zealand incorporated subsidiaries as at 31 December 2024, with the exception of Summerset LTI Trustee Limited (the Directors of which are Mark Verbiest and Dr Marie Bismark). Scott Scoullar, Stewart Scott, Sarah Theodore and Robyn Heyman were Directors of all the Company's Australian incorporated subsidiaries as at 31 December 2024, with the exception of Summerset Care (Australia) Pty Limited (the Directors of which are Scott Scoullar, Stewart Scott and Robyn Heyman). No extra remuneration is payable to any Director of the Company for any Directorship of a subsidiary.

Top 20 shareholders as at 31 December 2024

Rank	Registered shareholder	Number of shares	% of shares
1	Custodial Services Limited	24,675,020	10.42%
2	HSBC Nominees (New Zealand) Limited*	20,707,696	8.74%
3	Tea Custodians Limited*	20,292,916	8.57%
4	BNP Paribas Nominees NZ Limited (BPSS40)*	19,699,086	8.32%
5	Citibank Nominees (NZ) Ltd*	17,755,037	7.50%
6	New Zealand Superannuation Fund Nominees Limited*	12,476,328	5.27%
7	JPMORGAN Chase Bank*	9,154,822	3.87%
8	Forsyth Barr Custodians Limited	7,827,401	3.31%
9	FNZ Custodians Limited	7,100,353	3.00%
10	Accident Compensation Corporation*	7,023,205	2.97%
11	New Zealand Depository Nominee	4,749,448	2.01%
12	JBWERE (NZ) Nominees Limited	4,591,685	1.94%
13	New Zealand Permanent Trustees Limited*	4,293,882	1.81%
14	HSBC Nominees (New Zealand) Limited*	3,654,611	1.54%
15	Premier Nominees Limited*	3,495,027	1.48%
16	Public Trust*	2,495,854	1.05%
17	Pt Booster Investments Nominees Limited	2,440,047	1.03%
18	BNP Paribas Nominees (NZ) Limited*	2,393,130	1.01%
19	JP Morgan Nominees Australia Pty Limited	1,937,631	0.82%
20	NZ Permanent Trustees Ltd – Grp Invstmnt Fund No 20*	1,776,226	0.75%
	Total	**178,539,405**	**75.41%**

** Shares held through the New Zealand Central Securities Depository Limited*

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Spread of shareholders as at 31 December 2024

Size of shareholding	Shareholders number	Shareholders %	Shares number	Shares %
1 to 1,000	3,880	41.84%	1,571,587	0.66%
1,001 to 5,000	3,682	39.71%	9,055,861	3.82%
5,001 to 10,000	968	10.44%	6,989,539	2.95%
10,001 to 50,000	647	6.98%	12,188,327	5.15%
50,001 to 100,000	45	0.49%	3,052,731	1.29%
100,001 and over	50	0.54%	203,967,379	86.13%
Total	**9,272**	**100.00%**	**236,825,424**	**100.00%**

Substantial product holder notices received as at 31 December 2024

According to the records kept by the Company and notices given under the Financial Market Conducts Act 2013, the following were substantial holders in the Company as at 31 December 2024. The total number of voting products on issue at 31 December 2024 was 236,825,424 ordinary shares.

Shareholder	Relevant interest	% held at date of notice	Date of notice
FirstCape Group Limited[1]	22,798,589	9.68%	1 May 2024
Harbour Asset Management Limited	15,353,117	6.516%	7 June 2024

1 Jarden Partners Limited (Jarden) and National Australia Bank Limited (NAB), and their respective related companies, agreed to combine their New Zealand wealth advisory and asset management businesses into a newly formed entity, with related companies of NAB and Jarden, respectively, and funds managed or advised by Pacific Equity Partners (PEP) as the shareholders of that new entity (the Transaction). FirstCape Group Limited was established in connection with the Transaction. At completion on 30 April 2024, FirstCape Group Limited acquired, directly or indirectly, all of the shares in certain companies including: Jarden Wealth Limited, Harbour Asset Management Limited, BNZ Investment Services Limited and JBWere (NZ) Pty Limited. As a result, it acquired a relevant interest in shares that those entities had a relevant interest in.

Top 20 bondholders as at 31 December 2024

SUM020

Rank	Registered bondholder	Number of bonds	% of bonds
1	Forsyth Barr Custodians Limited	28,767,000	23.01%
2	Custodial Services Limited	28,347,000	22.68%
3	FNZ Custodians Limited	19,888,000	15.91%
4	PT (Booster Investments) Nominees Limited – Retail*	4,724,000	3.78%
5	ANZ National Bank Limited*	3,308,000	2.65%
6	Westpac Banking Corporation*	2,820,000	2.26%
7	Tea Custodians Limited*	2,069,000	1.66%
8	Forsyth Barr Custodians Limited	2,053,000	1.64%
9	FNZ Custodians Limited	1,660,000	1.33%
10	Forsyth Barr Custodians Limited	1,559,000	1.25%
11	Citibank Nominees (NZ) Ltd*	1,506,000	1.20%
12	Best Farm Limited	1,500,000	1.20%

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Rank	Registered bondholder	Number of bonds	% of bonds
13	Bank of New Zealand – Wellington Treasury Operations*	1,314,000	1.05%
14	FNZ Custodians Limited	1,223,000	0.98%
15	Investment Custodial Services Limited	1,112,000	0.89%
16	Private Nominees Limited*	815,000	0.65%
17	NZ Permanent Trustees Ltd – Grp Investment Fund No 20*	791,000	0.63%
18	JBWERE (NZ) Nominees Limited	752,000	0.60%
19	Custodial Services Limited	611,000	0.49%
20	Forsyth Barr Custodians Limited	539,000	0.43%
	Total	**105,358,000**	**84.29%**

** Bonds held through the New Zealand Central Securities Depository Limited*

SUM030

Rank	Registered bondholder	Number of bonds	% of bonds
1	Custodial Services Limited	44,142,000	29.43%
2	Tea Custodians Limited*	28,557,000	19.04%
3	Forsyth Barr Custodians Limited	20,097,000	13.40%
4	FNZ Custodians Limited	14,759,000	9.84%
5	PT (Booster Investments) Nominees Limited – Retail*	7,892,000	5.26%
6	Forsyth Barr Custodians Limited	2,401,000	1.60%
7	JBWERE (NZ) Nominees Limited	1,630,000	1.09%
8	FNZ Custodians Limited	1,360,000	0.91%
9	Investment Custodial Services Limited	1,286,000	0.86%
10	Private Nominees Limited*	1,215,000	0.81%
11	Forsyth Barr Custodians Limited	1,200,000	0.80%
12	NZX WT Nominees Limited	946,000	0.63%
13	FNZ Custodians Limited	766,000	0.51%
14	Leveraged Equities Finance Limited	760,000	0.51%
15	JML Capital Limited	700,000	0.47%
16	Forsyth Barr Custodians Limited	643,000	0.43%
17	NZ Permanent Trustees Ltd – Grp Invstment Fund No 20*	590,000	0.39%
18	Custodial Services Limited	530,000	0.35%
19=	David James Foster & Linda Joyce Foster	300,000	0.20%
19=	Hugh McCracken Ensor	300,000	0.20%
19=	JBWERE (NZ) Nominees Limited	300,000	0.20%
20=	Dunedin Diocesan Trust Board	250,000	0.17%
20=	Julia Margaret O'Connor	250,000	0.17%
20=	JBWERE (NZ) Nominees Limited	250,000	0.17%
	Total	**131,124,000**	**87.44%**

** Bonds held through the New Zealand Central Securities Depository Limited*

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SUM040

Rank	Registered bondholder	Number of bonds	% of bonds
1	Custodial Services Limited	52,683,000	30.10%
2	Forsyth Barr Custodians Limited	30,982,000	17.70%
3	FNZ Custodians Limited	9,787,000	5.59%
4	JBWERE (NZ) Nominees Limited	8,809,000	5.03%
5	HSBC Nominees (New Zealand) Limited*	7,000,000	4.00%
6	Tea Custodians Limited*	5,690,000	3.25%
7	Forsyth Barr Custodians Limited	4,344,000	2.48%
8	New Zealand Permanent Trustees Limited*	3,255,000	1.86%
9	Investment Custodial Services Limited	2,908,000	1.66%
10	Private Nominees Limited*	1,685,000	0.96%
11	Pt (Booster Investments) Nominees Limited*	1,280,000	0.73%
12	JBWERE (NZ) Nominees Limited	1,000,000	0.57%
13	NZX WT Nominees Limited	971,000	0.55%
14	Phazma Holdings Limited	935,000	0.53%
15	Yingxian Shi	900,000	0.51%
16	Forsyth Barr Custodians Limited	896,000	0.51%
17	Custodial Services Limited	782,000	0.45%
18	JBWERE (NZ) Nominees Limited	750,000	0.43%
19	David James Foster & Linda Joyce Foster	600,000	0.34%
20	Wellspring Television Limited	509,000	0.29%
	Total	**135,766,000**	**77.54%**

** Bonds held through the New Zealand Central Securities Depository Limited*

SUM050

Rank	Registered Bondholder	Number of bonds	% of bonds
1	Custodial Services Limited	38,575,000	30.86%
2	Tea Custodians Limited*	33,500,000	26.80%
3	New Zealand Permanent Trustees Limited*	7,464,000	5.97%
4	JBWERE (NZ) Nominees Limited	6,161,000	4.93%
5	HSBC Nominees (New Zealand) Limited*	6,100,000	4.88%
6	Citibank Nominees (NZ) Ltd*	6,000,000	4.80%
7	Forsyth Barr Custodians Limited	2,920,000	2.34%
8	FNZ Custodians Limited	2,139,000	1.71%
9	CML Shares Limited	1,595,000	1.28%
10	NZ Permanent Trustees Ltd - Grp Investment Fund No 20*	932,000	0.75%
11	Renzhong Gong	605,000	0.48%
12	Custodial Services Limited	578,000	0.46%
13	Private Nominees Limited*	560,000	0.45%

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Rank	Registered Bondholder	Number of bonds	% of bonds
14	Forsyth Barr Custodians Limited	497,000	0.40%
15	Zhiling Wang	430,000	0.34%
16	Forsyth Barr Custodians Limited	375,000	0.30%
17	Sirius Capital Limited	276,000	0.22%
18	Public Trust RIF Nominees Limited*	250,000	0.20%
19	James Stuart Gordon & Sandra Louise Gordon	231,000	0.18%
20	Forsyth Barr Custodians Limited	221,000	0.18%
	Total	**109,409,000**	**87.53%**

** Bonds held through the New Zealand Central Securities Depository Limited*

Spread of bondholders as at 31 December 2024

SUM020

Size of bondholding	Bondholders number	Bondholders %	Bonds number	Bonds %
1 to 1,000	-	-	-	-
1,001 to 5,000	40	6.56%	200,000	0.16%
5,001 to 10,000	125	20.49%	1,199,000	0.96%
10,001 to 50,000	381	62.46%	10,117,000	8.09%
50,001 to 100,000	31	5.08%	2,788,000	2.23%
100,001 and over	33	5.41%	110,696,000	88.56%
Total	**610**	**100.00%**	**125,000,000**	**100.00%**

SUM030

Size of bondholding	Bondholders number	Bondholders %	Bonds number	Bonds %
1 to 1,000	-	-	-	-
1,001 to 5,000	44	6.62%	220,000	0.15%
5,001 to 10,000	148	22.25%	1,431,000	0.95%
10,001 to 50,000	391	58.80%	10,560,000	7.04%
50,001 to 100,000	43	6.47%	3,517,000	2.35%
100,001 and over	39	5.86%	134,272,000	89.51%
Total	**665**	**100.00%**	**150,000,000**	**100.00%**

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SUM040

Size of bondholding	Bondholders number	Bondholders %	Bonds number	Bonds %
1 to 1,000	-	-	-	-
1,001 to 5,000	68	6.69%	339,000	0.19%
5,001 to 10,000	175	17.21%	1,669,000	0.96%
10,001 to 50,000	597	58.70%	16,663,000	9.52%
50,001 to 100,000	103	10.13%	8,298,000	4.74%
100,001 and over	74	7.27%	148,031,000	84.59%
Total	**1,017**	**100.00%**	**175,000,000**	**100.00%**

SUM050

Size of bondholding	Bondholders number	Bondholders %	Bonds number	Bonds %
1 to 1,000	-	-	-	-
1,001 to 5,000	39	7.66%	195,000	0.16%
5,001 to 10,000	121	23.78%	1,157,000	0.93%
10,001 to 50,000	271	53.24%	7,605,000	6.08%
50,001 to 100,000	47	9.23%	3,653,000	2.92%
100,001 and over	31	6.09%	112,390,000	89.91%
Total	**509**	**100.00%**	**125,000,000**	**100.00%**

Waivers from the NZX Listing Rules

No waivers from the application of NZX Listing Rules have been utilised by the Company during the year ended 31 December 2024.

Credit rating

The Company has no credit rating.

Auditor fees

Ernst & Young Wellington has continued to act as auditors of the Company. The amount payable by Summerset and its subsidiaries to Ernst & Young Wellington in respect of FY24 audit fees was $501,000 (noting that this fee includes assurance services in relation to Summerset's long-term incentive plan). In addition, Ernst & Young Wellington undertook assurance services in relation to Summerset's sustainability linked lending arrangements and greenhouse gas inventory during the year; the fees for this engagement was $80,000. Ernst & Young also performed non-audit work in relation to remuneration advisory services, the fees for this engagement was $6,000.

Donations

In accordance with section 211(1)(h) of the Companies Act 1993, Summerset records that it donated $13,092 during the year ended 31 December 2024.

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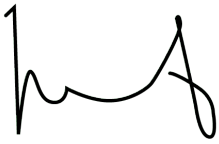
Dividend reinvestment plan

The last date of receipt for a participation election from a shareholder who wishes to participate in the dividend reinvestment plan is 17 March 2024.

This Annual Report is authorised for and on behalf of the Board by:





Mark Verbiest
Director and
Chair of the Board

Fiona Oliver
Director and
Chair of the Audit and
Risk Committee

27 February 2025

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Directory

New Zealand

Northland

Summerset Mount Denby
7 Par Lane, Tikipunga,
Whangārei 0112
Phone (09) 470 0280

Auckland

Summerset Falls
31 Mansel Drive,
Warkworth 0910
Phone (09) 425 1200

Summerset Milldale
Argent Lane, Milldale,
Wainui 0992
Phone (09) 304 1630

Summerset at Monterey Park
1 Squadron Drive, Hobsonville,
Auckland 0618
Phone (09) 951 8920

Summerset at Heritage Park
8 Harrison Road, Ellerslie,
Auckland 1060
Phone (09) 950 7960

Summerset by the Park
7 Flat Bush School Road,
Flat Bush 2019
Phone (09) 272 3950

Summerset at Karaka
49 Pararekau Road,
Karaka 2580
Phone (09) 951 8900

Summerset Half Moon Bay[1]
25 Thurston Place,
Half Moon Bay,
Auckland 2012
Phone (09) 306 1420

Summerset St Johns
188 St Johns Road, St Johns,
Auckland 1072
Phone (09) 950 7980

Summerset Belmont[1]
65 Hillary Crescent, Belmont,
Auckland 0622
Phone (09) 486 9140

Waikato – Taupō

Summerset down the Lane
206 Dixon Road,
Hamilton 3206
Phone (07) 843 0157

Summerset Rototuna
39 Kimbrae Drive,
Rototuna North 3210
Phone (07) 981 7820

Summerset by the Lake
2 Wharewaka Road, Wharewaka,
Taupō 3330
Phone (07) 376 9470

Summerset Cambridge
1 Mary Ann Drive,
Cambridge 3493
Phone (07) 839 9480

Bay of Plenty

Summerset by the Sea
181 Park Road,
Katikati 3129
Phone (07) 985 6890

Summerset by the Dunes
35 Manawa Road,
Pāpāmoa Beach, Tauranga 3118
Phone (07) 542 9080

Summerset Rotorua[1]
171–193 Fairy Springs Road,
Rotorua 3010
Phone (07) 343 5130

Hawke's Bay

Summerset in the Bay
79 Merlot Drive, Greenmeadows,
Napier 4112
Phone (06) 845 2840

Summerset in the Orchard
1228 Ada Street, Parkvale,
Hastings 4122
Phone (06) 974 1310

Summerset Palms
136 Eriksen Road,
Te Awa, Napier 4110
Phone: (06) 833 5850

Summerset in the Vines
249 Te Mata Road,
Havelock North 4130
Phone (06) 877 1185

Summerset Mission Hills[1]
Puketitiri Road,
Napier 4182
Phone (06) 835 2580

Taranaki

Summerset Mountain View
35 Fernbrook Drive, Vogeltown,
New Plymouth 4310
Phone (06) 824 8900

Summerset at Pohutukawa Place
70 Pohutukawa Place, Bell Block,
New Plymouth 4312
Phone (06) 824 8530

1 *Proposed villages*

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Manawatū – Whanganui

Summerset in the River City
40 Burton Avenue, Whanganui East,
Whanganui 4500
Phone (06) 343 3133

Summerset on Summerhill
180 Ruapehu Drive, Fitzherbert,
Palmerston North 4410
Phone (06) 354 4964

Summerset Kelvin Grove
Stony Creek, Kelvin Grove,
Palmerston North 4470
Phone (06) 825 6530

Summerset by the Ranges
104 Liverpool Street,
Levin 5510
Phone (06) 367 0337

Wellington

Summerset Waikanae
28 Park Avenue,
Waikanae 5036
Phone (04) 293 0000

Summerset on the Coast
104 Realm Drive,
Paraparaumu 5032
Phone (04) 298 3540

Summerset on the Landing
1-3 Bluff Road, Kenepuru,
Porirua 5022
Phone (04) 230 6720

Summerset at Aotea
15 Aotea Drive, Aotea,
Porirua 5024
Phone (04) 235 0011

Summerset at the Course
20 Racecourse Road, Trentham,
Upper Hutt 5018
Phone (04) 527 2980

Summerset Lower Hutt
1 Boulcott Street,
Lower Hutt 5010
Phone (04) 568 1440

Summerset Cashmere Oaks[1]
Lansdowne,
Masterton 5871
Phone (06) 370 1790

Summerset Otaihanga[1]
73 Ratanui Road,
Paraparaumu 5032
Phone (04) 296 4300

Nelson – Tasman

Summerset in the Sun
16 Sargeson Street, Stoke,
Nelson 7011
Phone (03) 538 0000

Summerset Richmond Ranges
1 Hill Street North, Richmond,
Tasman 7020
Phone (03) 744 3430

Marlborough

Summerset Blenheim
183 Old Renwick Road, Springlands,
Blenheim 7272
Phone (03) 520 6040

Canterbury

Summerset Rangiora
141 South Belt, Waimakariri,
Rangiora 7400
Phone (03) 353 6310

Summerset at Wigram
135 Awatea Road, Wigram,
Christchurch 8025
Phone (03) 741 0870

Summerset at Avonhead
120 Hawthornden Road, Avonhead,
Christchurch 8042
Phone (03) 357 3200

Summerset on Cavendish
147 Cavendish Road, Casebrook,
Christchurch 8051
Phone (03) 741 2330

Summerset Prebbleton
578 Springs Road,
Prebbleton 7604
Phone (03) 353 6310

Summerset Rolleston[1]
153 Lincoln Rolleston Road
Rolleston 7678
Phone (03) 353 6980

Otago

Summerset at Bishopscourt
36 Shetland Street, Wakari,
Dunedin 9010
Phone (03) 950 3100

Summerset Mosgiel[1]
51 Wingatui Road,
Mosgiel 0616
Phone (03) 474 3930

1 *Proposed villages*

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Australia

Victoria

Summerset Cranbourne North
98 Mannavue Boulevard,
Cranbourne North VIC 3977
Phone (1800) 321 700

Summerset Chirnside Park
266-268 Maroondah Hwy,
Chirnside Park VIC 3116
Phone (1800) 321 700

Summerset Torquay[1]
Grossmans Road and Briody Drive,
Torquay VIC 3228
Phone (1800) 321 700

Summerset Cragieburn[1]
1480 Mickleham Road,
Craigieburn VIC 3064
Phone (1800) 321 700

Summerset Oakleigh South[1]
52 Golf Road,
Oakleigh South VIC 3167
Phone (1800) 321 700

Summerset Mernda[1]
305 Bridge Inn Road,
Mernda VIC 3116
Phone (1800) 321 700

Summerset Drysdale[1]
145 Central Road,
Drysdale VIC 3167
Phone (1800) 321 700

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1 *Proposed villages*

Company information

Registered offices

New Zealand
Level 27, Majestic Centre,
100 Willis Street
Wellington 6011

PO Box 5187,
Wellington 6140

Phone: +64 4 894 7320
Email: reception@summerset.co.nz
www.summerset.co.nz

Australia
Deutsche Bank Place,
Level 4, 126 Phillip Street,
Sydney, NSW 2000

Auditor
Ernst & Young

Solicitor
Russell McVeagh

Bankers
ANZ Bank New Zealand Limited

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 Banking Corporation

Westpac New Zealand Limited

Statutory Supervisor
Public Trust

Bond Supervisor
The New Zealand Guardian Trust Company Limited

Share Registrar
MUFG Pension & Market Services,
PO Box 91976, Auckland 1142,
New Zealand

Phone: +64 9 375 5998
Email: enquiries.nz@cm.mpms.mufg.com

Directors
Mark Verbiest

Dr Marie Bismark

Stephen Bull

Venasio-Lorenzo Crawley

Fiona Oliver

Gráinne Troute

Dr Andrew Wong

Company Secretary
Robyn Heyman

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Summerset at Cavendish, Casebrook, Christchurch



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CLIMATE LEADERS COALITION

TOITŪ NET CARBON ZERO ISO 14064-1 ORGANISATION

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Summerset

Results presentation

For the year ended 31 December 2024

Summerset Group Holdings Ltd

Agenda

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02 Trading update

03 Our highlights

04 Our environment

05 New Zealand development

06 Australia development

07 Financial performance

08 Business performance

09 Questions

10 Appendix

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Trading update

Market conditions are stable with some early signs of improvement. We are seeing steady settlements to start FY25 with contract levels lifting

- Summerset achieved a 12% increase in settlement volumes year on year despite a challenging operating environment across FY24
- We expect Q1 2025 settlements to be in line with Q1 2024 and have not seen any drop off relative to the prior year
- We remain cautious given we are only eight weeks into the year, however, sales contract rates appear to be improving across the portfolio - up circa 30% year to date. We now have 430 units under contract across our new sales and resales stock
- Closing balance of repurchased units in line with FY23 at $17.8m, proportionally lower relative to our closing portfolio size
- Summerset's level of incentive usage on a per settlement basis over the last six months is lower than what we have historically seen on average over the last seven years
- Independent market reporting from Neilson Ad Intel on media spend across the RV sector shows aggregate sector spend remains at consistent levels over the last 12 months
- New St Johns sales contracts tracking at around two per week to start FY25
  - 67 of 196 units delivered either under contract or settled, including over 50% of care suites in the care centre
  - Full calendar of events in place and almost 30 new enquiry per week seen across January and February 2025
- We continue to have a strong brand, high customer satisfaction, the lowest deferred management fee in the market and a clear proposition on weekly fees that is well understood by prospective residents
- As closing new sale stock reduces to levels seen at FY20 and FY21 we expect to release around $200m in additional new sales receipts
- FY25 build rate guidance of 600 to 650 units to be sold under Occupation Right in New Zealand and 50 to 80 in Australia, a similar rate to FY24 and we will assess this in line with market conditions throughout the year

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01
About Summerset

Full Year Report 2024

Summerset

Who we are

About Summerset

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Summerset **builds, owns and operates integrated retirement villages**, creating vibrant, happy **communities for residents** and our people

What we do

- Summerset is the **second largest and fastest growing** retirement village operator in New Zealand with a portfolio of **6,600+ retirement units and 1,200+ care units**, including our first 42 in Australia
- We are **vertically integrated** – this means we are responsible for land acquisition, construction and procurement through to asset management and operations
- We have villages in New Zealand and Australia and make money through three core areas – **village development**, **operating the retirement villages** we've built and finally from **our care centres**

The sector and our residents

- The RV sector in both New Zealand and Australia benefits from **compelling demographics**, driven by an ageing population, increasing market penetration and a contraction of new units being delivered
- A **typical resident** joins one of our villages in their 80s. The decision is driven by life events (e.g. changes in health or the family home being too large) – these factors don't change
- Residents choose Summerset for the **community, security, support** and **availability of care** when they need it
- The demographic tailwinds create a **real opportunity** for well established operators, like Summerset, to **continue to grow**
- We are well positioned to **execute on this growth**, having New Zealand's **largest retirement village land bank** and a **successful track record** of delivering new units

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Who we are

About Summerset

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Summerset **builds, owns and operates integrated retirement villages**, creating vibrant, happy **communities for residents** and our people

What makes us different

- We have a **diversified land bank** – this means we are less exposed to changes in individual property markets and can quickly adapt to changes in market conditions
- We have a **well established internal development and construction model**. Summerset is the leader in this field in New Zealand
- We **focus on broad acre development** – by primarily selecting sites that are 8ha to 10ha in size and include 220 to 250 villas and a main building with a small care centre that has enough care for village residents
  - This approach ensures **peak working capital is minimised** and revenue can be earned early in the development lifecycle as units are delivered in stages
- We have **no core debt** – we focus on **capital recycling** which means we fully pay for the costs of developing a village through the first sell down, leaving us with a **free asset*** and the **ongoing future cash flows** from that village
- We have a **strong balance sheet** with quality assets, a prudent approach to capital management and positive capital recycling
- Offering a **continuum of care is vital** to the customer value proposition and we will continue to ensure there is care available for our residents when then need it. This is a **key differentiator** as we grow our footprint **in Australia**
- **Australia is a substantial opportunity** to replicate the growth and success in New Zealand – we already have capacity to build over 2,100 units across seven villages. **Queensland identified** as the next logical step for expansion

** A village that has repaid all costs associated with development upon first sell down of units, noting we have a resident obligation to repay when they leave*

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Portfolio composition

Diversified portfolio throughout New Zealand and Australia

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Summerset **builds, owns and operates integrated retirement villages**, creating vibrant, happy **communities for residents** and our people

Portfolio composition

6,671
Retirement units in portfolio

1,299
Care units in portfolio

8,700+
Residents

$8.1b
Total assets

6,147
Retirement units in land bank

1,396
Care units in land bank

3,000+
Staff members

$12.53
NTA per share

94%
Retirement village occupancy

94%
Care centre occupancy

54
Villages in portfolio



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Summerset St Johns (Auckland, New Zealand)

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02
Our highlights

Full Year Report 2024

Summerset

Our highlights

Record underlying profit of $206.4m, up 8% on FY23 with record total settlements of 1,238, up 12% on FY23

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$206.4m
Underlying profit
FY23 $190.3m

$339.8m
Net profit after tax
FY23 $425.3m

$443.2m
Operating cash flows
FY23 $398.2m

28.9%
Development margin
FY23 31.6%

34.6%
Resales cash margin
FY23 36.5%

$1.7b
Embedded value
FY23 $1.6b

676
NZ units delivered to be sold under Occupation Right
FY23 633

1,238
Sales of Occupation Rights
FY23 1,103

7,543
New Zealand and Australia land bank (including care)
FY23 6,909

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FY24 year in review

Record total settlements of 1,238, up 12% on FY23, supported by strong cost and balance sheet management

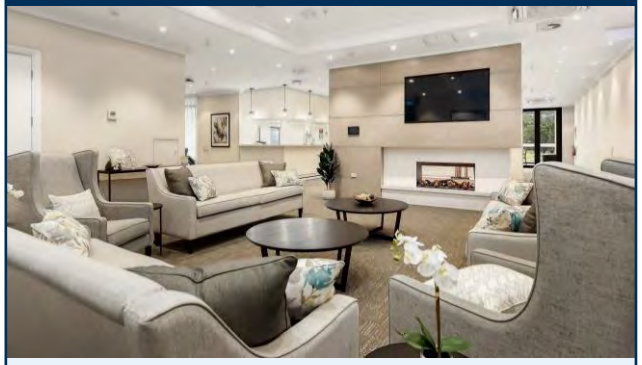
Financial performance



Record underlying profit

- Underlying profit of $206.4m, up 8%
- Net profit after tax of $339.8m, with total revenue of $319.9m, up 18% on FY23
- Record net operating cash flow of $443.2m, up 11%, including record resales cash flow of $138.2m
- Achieved realised development margin of $118.4m, with a margin of 29% per unit
- The Board has declared an unimputed final dividend of 13.2cps

Balance sheet and cost control



Robust balance sheet management

- Total assets now $8.1b, up 16% with total equity of $3.0b, up 14%
- Gearing ratio of 36.4% and interest cover ratio of 3.98x (vs covenant of 1.75x)
- The business has no core debt with surplus cash above asset backing of $317.8m
- Undrawn debt capacity of $784.9m
- Embedded value within portfolio of $1.7b, up 7% on FY23

Sales results and St Johns update



Strong sales across FY24

- Record 1,238 total settlements, up 12%, comprising 588 new sales and 650 resales
- Resales cash margin of 34.6%
- Committed sales pipeline of 355 units at FY24, increasing to 430 in February 2025, up 21%
- FY24 gross proceeds from St Johns of $35.2m, with gross proceeds per apartment of $2.6m
- 22 units settled at St Johns with a further 35 units contracted at FY24

FY24 year in review

Excellent resident satisfaction of 97% with high occupancy achieved across both village and care

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Bringing the best of life



Continue to prioritise resident experience

- Excellent resident satisfaction of 97% achieved in 2024
- Strong occupancy of 94% for both retirement villages and care centres
- inner of the eader's igest Qualit Service Award
- Named as finalist for Best Provider Nationwide in the ged dvisor eople's hoice wards
- High staff engagement, scoring of 8.1 out of 10
- Supported over 200 community groups that align with our residents' values

Development and land bank



Sector leading development

- Delivered 676 units in New Zealand to be sold under Occupation Right Agreement along with 21 care beds
- Five new sites acquired, comprising three new villages and two extensions
- Portfolio of 7,928 units and a land bank of 5,377 units across New Zealand
- 15 villages in construction with almost 80% of New Zealand land bank consented*
- Achieved an FY24 development margin of 29%, above target range of 20% to 25%

Excludes sites acquired in FY24

Australia update



First village opens in FY24

- First Australian residents moved into our Cranbourne North village in March
- Delivered 32 villas at Cranbourne North bringing our Australian portfolio to 42 units
- Australian land bank of 2,166 units, with development plan approved for Torquay along with the planning permit for Oakleigh South
- Country and smoking ceremony held at Torquay prior to construction starting
- Main building well advanced at Cranbourne North and construction underway at Chirnside Park

Acquisitions – three new sites and two extensions announced

Over 1,150 total units added to the land bank in 2024, across four separate regions in New Zealand

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Belmont, Auckland

Approximately 330 independent homes | Rest home and hospital-level care | 35 bed care centre



Mission Hills, Hawkes Bay

Approximately 270 independent homes | Rest home and hospital-level care | 35 bed care centre



Otaihanga, Kāpiti Coast

Approximately 320 independent homes | Rest home and hospital-level care | 35 bed care centre



Extension - Boulcott, Lower Hutt

Approximately 48 independent homes | Additional amenities: pickleball, croquet, pétanque and clubhouse



Extension - Blenheim, Marlborough

Approximately 100 independent homes | Additional amenities: pickleball, croquet, pétanque and clubhouse

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Progress against our strategy

Summerset builds, owns and operates integrated retirement villages, creating vibrant, happy communities for residents and our people that delivers on our purpose – bringing the best of life

Our strategic goals are underpinned by our desire to bring increased **wellbeing** to our customers and our people by harnessing the power of **innovation** and weaving **sustainability** into our work



DELIVER NEW ZEALAND'S BEST RETIREMENT VILLAGES

We create **vibrant**, connected **communities** with skilled, caring and dedicated people right across New Zealand. We want to **grow the reach** of our villages by making them available to more retirees in more locations throughout New Zealand

FY24 progress

- Delivered our flagship village, St Johns, on time and on budget with first residents moving in during October 2024
- inner of the eader's igest Qualit Service ward for the second year running
- Finalist in the ' est rovider ationwide' categor of the ged dvisor annual eople's hoice wards
- Three new sites and two extensions announced along with three new care centres delivered in FY24
- Successfully launched new brand campaign emphasising the benefits of life in our villages, named as finalist in the 2024 NZ Marketing awards
- Achieved record resident satisfaction of 97% (village & care)



INVEST IN OUR PEOPLE

Summerset's people are vital to its success. We are **committed** to providing sustainable, meaningful career pathways and opportunities. We are **focused on the health, safety** and the **wellbeing of our employees** to ensure they can be at their **best** at work, and at home

FY24 progress

- Maintained our high staff engagement scores - Summerset is in the top quartile for New Zealand healthcare providers
- Gifted staff an additional day of leave as a thank you for their hard work undertaken across 2024
- Provider of wide range of employee benefits including free healthcare and $1,000 in shares annually for permanent staff
- Introduced health and safety platform HIS Donesafe as part of our three year health and safety strategy
- Member of Pride Pledge, publicly committing to a workplace where LGBTTQIA+ people are safe, included and visible
- Commenced new partnership with TELUS Health, providing staff and their families with a broad range of wellbeing tools



CREATE ATTRACTIVE NEW PRODUCTS AND SERVICES

To match our **customers' expectations** we strive to create new products, amenities and services with a **continuum of care** at the heart of our offering. Our products are **tailored** to the needs of individual communities, but will always look to **exceed the demands** of customers who may want more

FY24 progress

- Villa refresh design project and second generation of award winning main building design both now complete
- New single storey main building design for regional areas also complete, reduces capital outlay without impacting on the resident experience
- First tranche of care centre upgrades near completion at Havelock North and Trentham, both will reopen in 1H25
- Additional amenities incorporated into future masterplans including golf simulators, pickleball courts, dog washes, wine cellars, more green spaces and outdoor BBQ areas
- Popularity of our villages remains high with 94% occupancy for both our retirement villages and care centres

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Progress against our strategy

Summerset builds, owns and operates integrated retirement villages, creating vibrant, happy communities for residents and our people that delivers on our purpose – bringing the best of life

Our strategic goals are underpinned by our desire to bring increased **wellbeing** to our customers and our people by harnessing the power of **innovation** and weaving **sustainability** into our work



GROW IN AUSTRALIA

Summerset is **ambitious** about its **future** in Australia. We are excited to be taking our **established brand** of retirement village living into the Australian market - we plan to **deliver thriving communities**, grow our team, and expertise as we open villages in Victoria

FY24 progress

- Welcomed first residents into Cranbourne North in March
- Cranbourne North main building under construction with delivery expected late in 2025 and residents to move in early 2026
- Chirnside Park under construction, first units due in late 2025
- Oakleigh South planning permit approved and the development plan for Torquay also now granted
- Torquay sod turning ceremony held in November
- Continue to see Australia as a significant growth opportunity and are actively investigating new sites in Victoria and Queensland to complement our existing pipeline of over 2,100 units



BE A GOOD CORPORATE CITIZEN

We are proud of our **industry leading** approach to sustainability, making significant improvements in this space over the last five years. This is the start of our journey - we will **continue to focus** on finding new opportunities to better ourselves, utilise sustainable lending and meet our growing disclosure obligation

FY24 progress

- Winner of the 2024 Ethical and Sustainable Business Awards for ethical and sustainable practices in wealth and wellbeing creation
- Named a Sustainability Leader in the 2024 *Australian Financial Review* Property and Construction category
- Diverted 4,409 tonnes of construction waste from landfill
- Sponsor over 200 local clubs that align with our residents' interests and Summersets' brand and values
- Achieved all three of our sustainability linked lending performance targets
- Added over 1,000 solar panels to main buildings and over 80 charging bays for electric vehicles



BE A MORE EFFICIENT AND EFFECTIVE BUSINESS

Technology will provide **significant opportunities** to make us more effective and efficient in how we deliver services to residents, without losing the **human touch and care** that we're nown for. t will be used to ma e the **lives of our residents** simpler, giving them more time to enjoy retirement

FY24 progress

- Winner of the Transformation of the Year award at the NZ Procurement Excellence Forum
- Resident platform, Lumin, now in 17 villages allowing residents to communicate with each other, book activities, access entertainment, receive messages and book services on specially designed system for elderly users
- Rolled out the app based version of our resident care system VCare, keeping staff on the floor spending more time with residents
- Piloted a remote nursing service called the National Clinical Support Service to provide an extra layer of support for staff when caring for residents

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03
Our environment

Full Year Report 2024

Summerset

Sustainability snapshot

Further details available in our 2024 Sustainability Review report (www.summerset.co.nz/investor-centre)

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72,925 tCO_2e

total greenhouse gas emissions from 1 January to 31 December 2024



100%

Achieved all three of our sustainability linked lending performance targets, attracting an interest margin discount



30% reduction

Transitioned to using low carbon concrete as the standard for all new build concrete applications



1,000+

Solar panels installed on the main buildings of our Boulcott, p moa Beach, Richmond and Rototuna villages



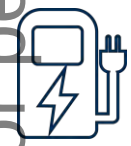
28% reduction

in the upfront embodied carbon of our townhouse typology



Carbon offsets

Invested in voluntary carbon offsetting and renewable energy certificates to support emissions reduction and demonstrate our commitment to 100% renewable electricity



80+ charging bays

Expanded our network of electric vehicles nationwide providing convenient access for residents, staff and visitors



Took our first step

in utilising biomass fuel installing a wood pellet boiler at our St Johns village



80,000+ natives

planted at our Waikanae village to enhance biodiversity and restore natural habitats



4,409 tonnes

of waste diverted from landfill, exceeding both metro and regional diversion targets through our construction waste avoidance programme



400+ attendees

at a series of partner and supplier forums to strengthen relationships and drive progress towards our supplier engagement target



Electric vehicles

15 villages now have an electric vehicle available for residents to use

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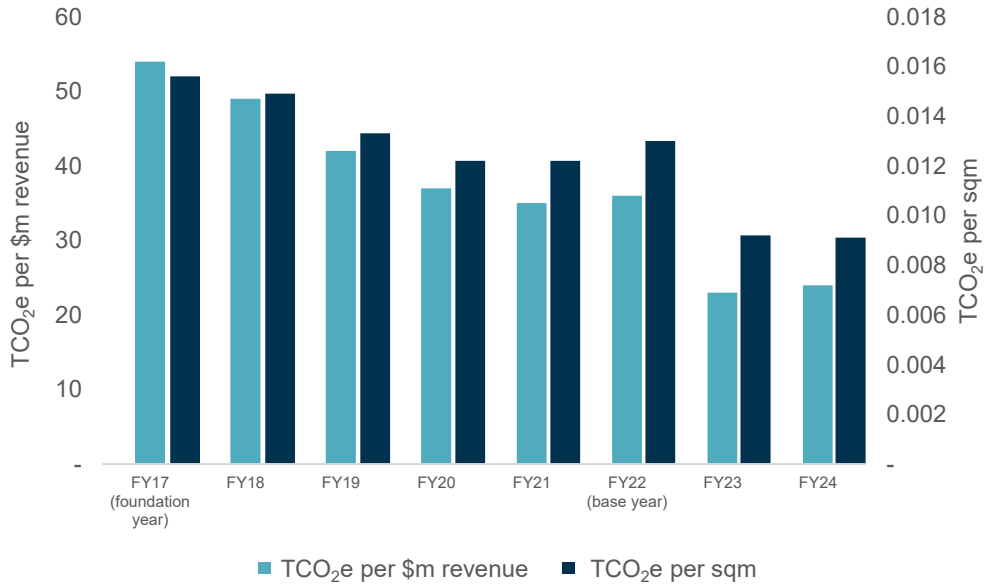
Key metrics

Environmental performance and sustainability

- Summerset strives to develop, build and operate more sustainable retirement villages in New Zealand and Australia
- We have been successfully measuring, managing and reporting on our carbon footprint since 2017 (our foundation year)
- Consistently recognised as a sustainability leader, including by the Australian Financial Review, the Retirement Villages Association of New Zealand, Money Matters and Catalyst Leadership
- Our near-term emissions reduction target is validated by the Science-Based Targets initiative, ensuring a science-backed approach to achieving emission reductions
- We are on track to achieve our targets and to implement our decarbonisation pathway
  - Key areas of focus are expanding solar adoption, enhancing energy efficiency, increasing EV infrastructure and embedding sustainability into our supply chain
- Our Sustainability Review report and climate related disclosures are available on our website (www.summerset.co.nz)

tCO_2e emissions reduction



2017 - 2022 Original short-term target	2023 – 2028* Near-term target	2017 – 2032* Longer-term target
5% Reduction in emissions intensity per $1m of revenue by 2022 (2017 base year)	**49%** Reduction in emissions intensity per square metre by 2028 (2022 base year)	**62%** Reduction in emissions intensity per square metre by 2032 (2017 base year)
16% Reduction achieved	**20%** Reduction to date	**22%** Reduction to date

** Science-based targets*

Our sustainability framework and targets

Our vision is to develop villages responsibly, creating a sustainable future for all

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STRATEGIC GOALS	Reduce our impact on the planet through efficiency and innovation	Contribute to the economic prosperity of New Zealand and Australia	Create caring communities for our residents and employees
OUR FOCUS AREAS	• Reduce carbon footprint • Reduce landfill waste • Energy efficiency • Measure water take • Sustainable design and construction practices • Embrace technology including solar	• Adapt to economic conditions • Fulfil sustainability-linked lending criteria • Provide a secure and sustainable business for shareholders • Fulfil governance and compliance obligations	• Act ethically and responsibly • Support local communities • Provide a safe workplace • Staff wellbeing • Diversity and inclusion • Grow stakeholder understanding of sustainability
OUR TARGETS	**5 year – Short term carbon target:** Reduce Scope 1 and 2 emissions intensity by 49% per sqm by 2028 from an FY22 baseline **10+ year – Long term carbon target:** Reduce emissions intensity per sqm by 62% by 2032 **15+ year –** Carbon net zero by 2050	**Sustainability Linked Loans:** 1. Ongoing dementia certification and increase dementia beds 2. 5% year on year reduction in carbon intensity per sqm scopes 1, 2, 3 net full value chain 3. Diversion of construction waste from landfill (selected scopes)	**Scope 3 target:** 70% of Summerset's suppliers, b emissions, will have science-based targets by 2028
SUSTAINABLE DEVELOPMENT GOALS	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND	8 DECENT WORK AND ECONOMIC GROWTH; 17 PARTNERSHIPS FOR THE GOALS	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 11 SUSTAINABLE CITIES AND COMMUNITIES

Our affiliates

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CLIMATE LEADERS COALITION
ON A MISSION TO REDUCE EMISSIONS IN NEW ZEALAND

ACCESSIBILITY APPROVED Lifemark SUMMERSET VILLAGE

Our climate action plan

Our climate action plan summarises how we are tackling the challenge of decarbonisation and transition

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OUR PRIORITIES	DESIGN & CONSTRUCTION	DECARBONISATION OF VILLAGES	MANAGING OPERATIONAL EFFICIENCIES



OUR INITIATIVES

Design and Construction
- e're ta ing a holistic, sustainable design approach where designing for operational needs is considered up-front, and where we actively look to utilise low carbon construction processes, materials and products

Smart Water Management
- Adopting smart water management practices across our villages' entire lifec cle

Solar Generation
- Installation of solar panels on new and existing villages reduces our emissions and reliance on the national grid

Gas Transition
- Staged transition of existing villages off gas to a more sustainable alternative

Embodied Carbon
- We are calculating the embodied carbon of standard typologies within our built environment to assist in identifying opportunities and ways where we can reduce our impact

Electrification of Fleet
- Transitioning our fleet vehicles away from fossil fuels to electric vehicles and hybrid alternatives

Minimising Waste
- Continued focus on waste minimisation through recovery and diversion and advancing a circular economy mindset

Energy Efficiency
- Optimisation and fine tuning of our building management systems coupled with energy efficient technology to reduce overall energy use



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04
New Zealand development

Full Year Report 2024

Summerset



Summerset Half Moon Bay (Auckland)



Summerset St Johns (Auckland)

Development activity

New Zealand summary

- Delivered 676 units to be sold under Occupation Right and 21 care beds across 13 sites
- Strong cost management in place - Procurement team named as winners of the Transformation of the Year award at the NZ Procurement Excellence Forum
- Significant milestone at St Johns with 196 units delivered, including main building and penthouses
- Currently have 15 villages in construction across ten regions in New Zealand, with a further three care centre upgrades underway at Havelock North, Levin and Trentham
- Half Moon Bay civils and stage one progressing well and civils now underway at Kelvin Grove
- Five main buildings under construction and on track for delivery across 2025 and 2026 - at Blenheim, Cambridge, Milldale, Waikanae and Warkworth
- Almost 80% of the NZ land bank is consented* setting the business up to continue to deliver in 2025
- First deliveries expected at Rangiora in 2H25

** Excludes sites acquired in FY24*

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Summerset Mt Denby (Whangārei)



Summerset Milldale (Auckland)



Summerset at Pōhutukawa Place (New Plymouth)



Summerset by the Dunes (Pāpāmoa Beach, Tauranga)

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Summerset Cambridge (Waipā District)



Site progress – December 2024

80 independent villas delivered

Main building with the village recreation amenity, 60 serviced apartments, 20 memory care apartments and 36 care units on track to be delivered in 2H25

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Summerset Palms (Te Awa, Napier)



Summerset Kelvin Grove (Palmerston North)



Summerset Waikanae (Kāpiti Coast)



Summerset Boulcott (Lower Hutt)

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Summerset on Cavendish (Casebrook, Christchurch)



Village completed in 2024

- 270 independent villas delivered
- Main building with 56 serviced apartments, 20 memory care apartments and 43 care beds delivered
- Project cash profit of $34.7m and cash margin of 18.0% returned to the business

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Summerset Richmond Ranges (Tasman District)



Summerset Blenheim (Marlborough District)



Summerset Rangiora (Waimakariri District)



Summerset Prebbleton (Selwyn District)

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New Zealand development pipeline

Diversified development pipeline of 22 sites*



** Excludes care centre upgrades at three sites (Havelock North, Levin and Trentham)*
*** New site purchased*

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Project cash profits

- Summerset developments produce positive net cash flows (net cash position) upon completion, this means they carry no debt after first sell down
- All feasibility expense and revenue inputs are updated regularly as part of our internal development management processes
- New Zealand villages currently under development are expected to return over $280m in positive net cash profits on completion
- Villages in early-stage development are likely to experience at least one residential property cycle during construction, improving the net cash position significantly over the life of the project
- v erall, the four villages in the ‘last stage’ of development are forecast to return between $30m and $50m per project – in line with Casebrook that completed in FY24, achieving a project cash profit of $34.7m

Project cash profit:

The final cash return from developing a village. Incorporates the land cost, independent living unit (ILU) costs, recreation and administration facility costs, care centre costs, management fees (incl. a share of corporate overheads), interest costs and the first-time sales proceeds for all units sold under Occupation Right

$280m+

Projected net cash position

14.6%

Cash margin on recently completed villages

Development stage	Village	Forecast capital investment	Forecast net cash position
Last stages	Bell Block p moa e ach Richmond Te Awa	$150m - $250m	$30m - $50m
Last stage villages		**$0.7b+**	**$150m+**
Mid stages	Cambridge Boulcott Prebbleton St Johns Whangarei	$200m - $500m	($15m) - $100m
Mid stage villages		**$1.5b+**	**$125m+**
Early stages	Blenheim Half Moon Bay Kelvin Grove Milldale Rangiora Waikanae	$200m - $500m	($25m) - $30m
Early stage villages		**$1.6b+**	**$5m+**
Total New Zealand		**$3.9b+**	**$280m+**

Completed villages	Year complete	ORA units	Non-ORA units	Project cash profit	Cash margin
Previously completed	2018 to 2023	2,154	324	$195.2m	14.1%
Casebrook	2024	346	43	$34.7m	18.0%
Total		**2,500**	**367**	**$229.9m**	**14.6%**

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05
Australia development

Full Year Report 2024

Summerset

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Development Australia

Australia summary

- Summerset continues to make good progress at our first Australian village, Cranbourne North, in 2024
  - Welcomed our first residents in March
  - Delivered 32 villas, bringing the Australian portfolio to 42 villas
  - Main building construction progressing well, with delivery expected late in 2025 with care centre operations to commence in 2026
  - Hilltop Reserve, adjacent to the village, gifted to local community in November
- At our second site, Chirnside Park, civil construction well progressed and construction of stage one villas to begin in 1H25, first deliveries expected in Q4 2025
- Sod turning ceremony held at Torquay in November with enabling works now underway
- Project cash profit from our first three sites, all in early-stage construction, currently forecast to return a combined forecast net cash position of over $3m
- Almost 50% of the Australian land bank is now consented with capacity to build over 2,100 units (including over 450 beds)

$3.0m+
Projected net cash position

Three
Villages under construction

Development stage	Village	Forecast capital investment	Forecast net cash position
Early stages	Chirnside Park Cranbourne North Torquay	$200m - $350m	($15m) - $20m
Total Australia		**$800m+**	**$3m+**



Main building - Summerset Cranbourne North (Melbourne) – due Q4 2025

Summerset Cranbourne North, Melbourne



Acquisition – September 2019 6.8 hectare site announced to market



Site progress – December 2022 Civils and earthworks near completion, first villa foundations underway



Site progress – December 2023 10 independent villas delivered



Site progress – December 2024 42 independent villas delivered, main building under construction

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Summerset Chirnside Park, Melbourne



Site progress – December 2024

- Civil construction underway, villa construction to start in 1H25
- Village will have 185 villas, 28 assisted living apartments and a 72 bed care centre on completion
- Rest home and hospital level care will be available

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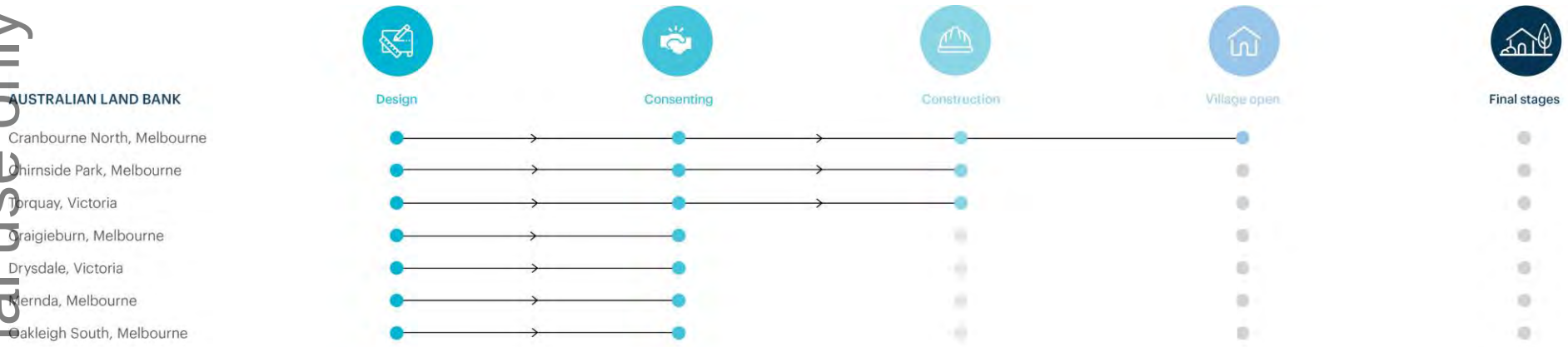
Australia development pipeline

Seven villages in planning and development across Victoria



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06
Financial performance

Full Year Report 2024

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Reported profit (IFRS)

- Net profit after tax of $339.8m with total revenue of $319.9m (up 18% on FY23) reflecting strong occupancy in both village and care
- Fair value movement of investment property of $372.6m. Key movements:
  - New units delivered of $111.8m compared to $159.1m in FY23. The decrease includes fewer new units valued relative to FY23
  - Uplift in retirement unit pricing of $131.7m
- Total expenses of $310.4m, up from $263.8m in FY23. The main drivers were:
  - an increase of approximately $24.9m relating to new villages and growth
  - $8.4m on inflationary cost pressures (e.g. wages, insurance, rates, etc)
  - $7.1m impairment loss on assets
- Tax expense of $15.9m, up from $13.8m tax credit in FY23, due to a change in New Zealand tax rules removing depreciation for 'non-residential' buildings in New Zealand

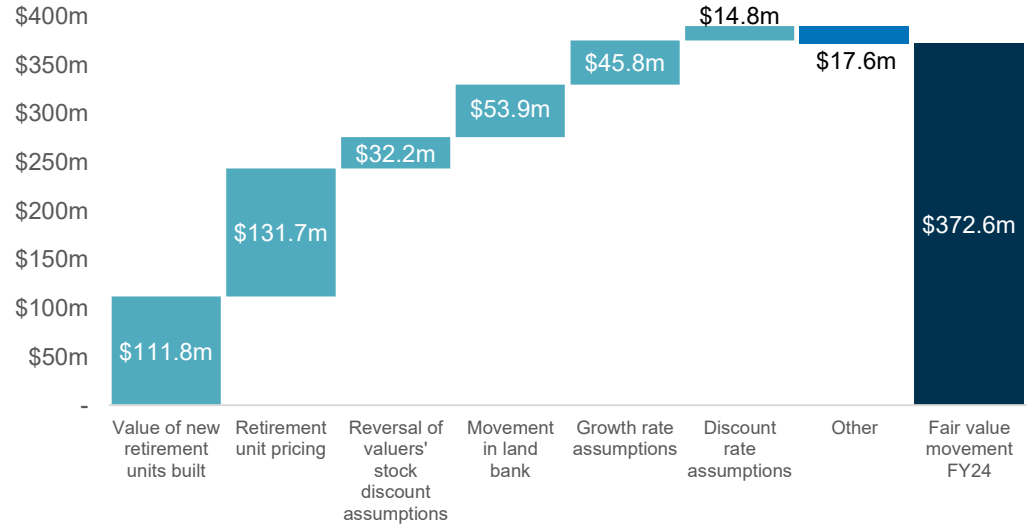
$319.9m
Total revenue ▲ 18%

$339.8m
Net profit after tax ▼ 20%

NZ$m	FY24	FY23*	Variance	FY22
Total revenue	319.9	272.2	*18%*	238.7
Fair value movement of investment property	372.6	430.6	*(13%)*	268.8
Total income	**692.5**	**702.8**	***(1%)***	**507.5**
Total expenses	310.4	263.8	*18%*	225.4
Net finance costs	26.4	27.5	*(4%)*	17.0
Net profit before tax	**355.8**	**411.5**	***(14%)***	**265.1**
Tax expense / (credit)	15.9	(13.8)	*(215%)*	(4.0)
Net profit after tax	**339.8**	**425.3**	***(20%)***	**269.1**

** Fair value movement of Investment property has been restated for FY23. Refer to appendix (slide 67) for further details*

Fair value movement of investment property



Underlying profit

- Record underlying profit of $206.4m, up 8% on FY23 with improved performance in both care and village operations
- Care EBITDA of $2.7m, with more units sold under Occupation Right Agreement as our portfolio transitions away from traditional care beds
- Village EBITDA of $193.2m, up 11% on FY23 with strong growth in village services, deferred management fees and realised gain on resales
- Head office expenditure of $68.1m, broadly in line with FY23 - our review of operating expenses undertaken in 1H24 resulted in savings of approximately $4.7m within corporate overheads (out of total savings of approximately $10.0m)
- Realised development margin of $118.4m, slightly down from the $121.2m achieved in FY23, due to unit mix of settlements having a higher weighting towards care units

$206.4m
Underlying profit ▲ 8%

$133.4m
Annuity EBITDA ▲ 19%

NZ$m	FY24	FY23	Variance	FY22
Care fees	131.4	109.6	*20%*	96.2
Deferred management fees	7.2	4.7	*52%*	3.3
Realised gain on resales	0.4	0.2	*63%*	0.6
Care operating expenses	(136.3)	(115.2)	*18%*	(100.5)
Care EBITDA	**2.7**	**(0.6)**	***560%***	**(0.4)**
Village services	61.5	52.8	*17%*	45.7
Deferred management fees	114.2	99.8	*14%*	89.0
Realised gain on resales	95.5	87.9	*9%*	69.6
Village operating expenses	(78.0)	(66.7)	*17%*	(57.9)
Village EBITDA	**193.2**	**173.8**	***11%***	**146.4**
Interest and other revenue	5.5	5.4	*3%*	4.8
Head office expenditure (post capitalisation)	(68.1)	(66.1)	*3%*	(53.7)
Annuity EBITDA	**133.4**	**112.5**	***19%***	**97.1**
Realised development margin	118.4	121.2	*(2%)*	104.9
Underlying EBITDA	**251.8**	**233.7**	***8%***	**202.0**
Depreciation and amortisation	(19.1)	(15.8)	*21%*	(13.6)
Finance costs	(26.4)	(27.5)	*(4%)*	(17.0)
Underlying profit	**206.4**	**190.3**	***8%***	**171.4**
Refurbishment costs	(16.9)	(11.6)	*45%*	(4.6)
Profit after refurbishment costs	**189.5**	**178.8**	***6%***	**166.8**

Definition:

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 realised and unrealised components of fair value movement of investment property, impairment and tax expense in the r oup's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions and has been audited by Ernst & Young. Underlying profit is a measure which the Group uses consistently across reporting periods. Underlying profit is used to determine the dividend payout to shareholders.

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Segment earnings

- Two core segments of earnings - being retirement village operations and construction activity
- For FY24 retirement village operations contributed $130.2m to underlying profit. These are the ongoing earnings derived from operating villages and care centres and were up 16% from FY23
- Underlying profit from construction activity of $76.2m, in line with FY23, with development margin impacted by sales mix as units in the five main buildings delivered across the last 18 months settled

$130.2m

Retirement village operations ▲16%

$76.2m

Construction activity ▼2%

NZ$m	Retirement village operations	Construction activity	FY24
Care fees	131.4	-	131.4
Deferred management fees	7.2	-	7.2
Realised gain on resales	0.4	-	0.4
Care operating expenses	(136.3)	-	(136.3)
Care EBITDA	**2.7**	**-**	**2.7**
Village services	61.5	-	61.5
Deferred management fees	114.2	-	114.2
Realised gain on resales	95.5	-	95.5
Village operating expenses	(78.0)	-	(78.0)
Village EBITDA	**193.2**	**-**	**193.2**
Interest and other revenue	5.5	-	5.5
Head office expenditure (post capitalisation)	(52.2)	(15.9)	(68.1)
Annuity EBITDA	**149.3**	**(15.9)**	**133.4**
Realised development margin	-	118.4	118.4
Underlying EBITDA	**149.3**	**102.6**	**251.8**
Depreciation and amortisation	(19.1)	-	(19.1)
Finance costs	-	(26.4)	(26.4)
Underlying profit	**130.2**	**76.2**	**206.4**
Refurbishment costs	(16.9)	-	(16.9)
Profit after refurbishment costs	**113.3**	**76.2**	**189.5**

Definition:

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 realised and unrealised components of fair value movement of investment property, impairment and tax expense in the r oup's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions and has been audited by Ernst & Young. Underlying profit is a measure which the Group uses consistently across reporting periods. Underlying profit is used to determine the dividend payout to shareholders.

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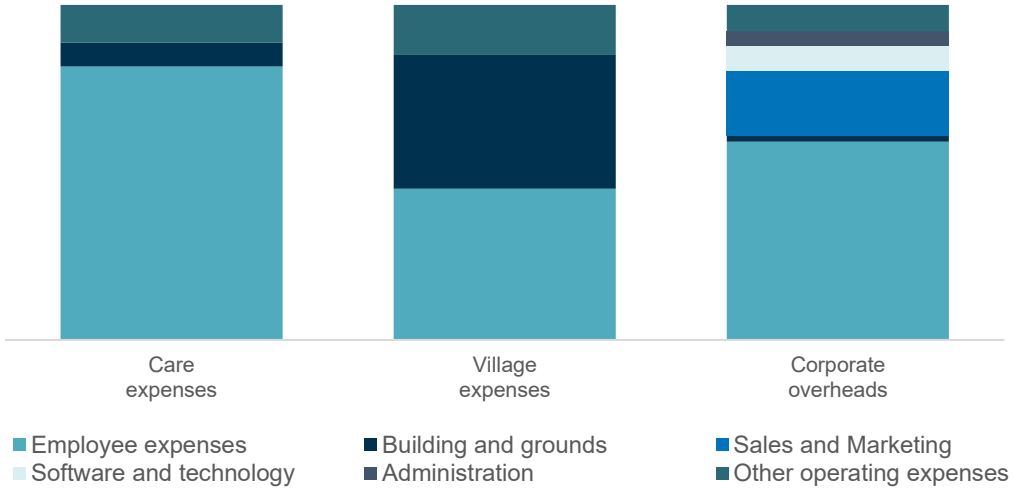
Operating expenses

- Gross operating expenses grew 12% to $342.8m, lower than total revenue growth of 18%
- Care expenses of $136.3m, included the opening of three new care centres in the year and increasing occupancy rates at recently delivered care centres
- Corporate overheads were broadly flat relative to FY23, reflecting the strong cost management initiatives undertaken throughout 2024
- Gross employee expenses, the largest operating cost for the business, were $222.6m, up 18% on FY23
- Of the uplift in employee expenses - 76% was for new roles directly related to growing the business and 24% was for increases for existing staff

NZ$m	FY24	FY23	Variance	FY22
Employee expenses	222.6	188.3	*18%*	158.4
Building and grounds	43.0	37.4	*15%*	31.4
Sales and marketing	25.1	27.0	*(7%)*	21.6
Software and technology	9.6	7.5	*28%*	5.9
Administration	5.5	9.1	*(39%)*	6.1
Other operating expenses	37.1	36.9	*1%*	35.2
Gross operating expenses	**342.8**	**306.2**	***12%***	**258.7**
Capitalised to projects	(60.4)	(58.2)	*4%*	(46.9)
Reported operating expenses	**282.4**	**248.0**	***14%***	**211.8**
Care expenses	136.3	115.2	*18%*	100.5
Village expenses	78.0	66.7	*17%*	57.9
Corporate overheads	68.1	66.1	*3%*	53.3
Reported operating expenses	**282.4**	**248.0**	***14%***	**211.8**

Loss on disposal of assets, included in IFRS operating expenses but excluded from underlying profit

FY24 Gross operating expenses



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Cash flows

- Record operating cash flows of $443.2m, up 11% on FY23
- Operating cash flow growth driven by increases from ongoing operations, being care and village services (up 18% on FY23) and net receipts for residents' loans – resales, up $33.6m on FY23 (or 32%)
- Investing cash outflows of $683.1m, up 2% on FY23, compared to 11% growth in operating cash flows
- Construction of new investment property (IP) & care facilities includes good progress on main buildings at Cambridge, Milldale, Waikanae and hang rei alongside construction spend at St Johns and Boulcott
- Capitalised interest has increased in line with construction, and land consented over the period

$443.2m
Operating cash flows ▲ 11%

$138.2m
Net resales receipts ▲ 32%

NZ$m	FY24	FY23	Variance	FY22
Receipts from residents:				
Care fees and village services	194.7	165.3	*18%*	142.5
Receipts for residents' loans - new sales	388.0	362.7	*7%*	347.3
Net receipts for residents' loans - resales	138.2	104.6	*32%*	85.9
Interest received	1.1	1.7	*(34%)*	0.4
Payments to suppliers and employees	(278.9)	(236.2)	*18%*	(206.9)
Operating cash flows	**443.2**	**398.2**	***11%***	**369.2**
Sale / (purchase) of land	(19.7)	(56.5)	*(65%)*	(179.1)
Construction of new IP & care facilities	(532.8)	(523.3)	*2%*	(427.9)
Refurb of existing IP & care facilities	(25.2)	(19.5)	*29%*	(11.0)
Care centre upgrades	(18.4)	(1.7)	*980%*	-
Other investing cash flows	(17.7)	(14.6)	*21%*	(9.5)
Capitalised interest paid	(69.2)	(52.8)	*31%*	(24.2)
Investing cash flows	**(683.1)**	**(668.5)**	***2%***	**(651.7)**
Net proceeds from borrowings	299.9	322.9	*(7%)*	342.2
Net dividends paid	(33.5)	(34.3)	*(2%)*	(28.2)
Other financing cash flows	(29.1)	(31.0)	*(6%)*	(14.5)
Financing cash flows	**237.2**	**257.7**	***(8%)***	**299.5**

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Balance sheet

- Management continues to emphasise a prudent approach to balance sheet management
- With economic conditions remaining restrictive, we will continue to manage stock levels, while still growing in Australia
- Total assets now $8.1b, up 16% on FY23, driven by portfolio growth and the underlying value in our existing villages
- Net tangible assets per share now $12.53, up 13%

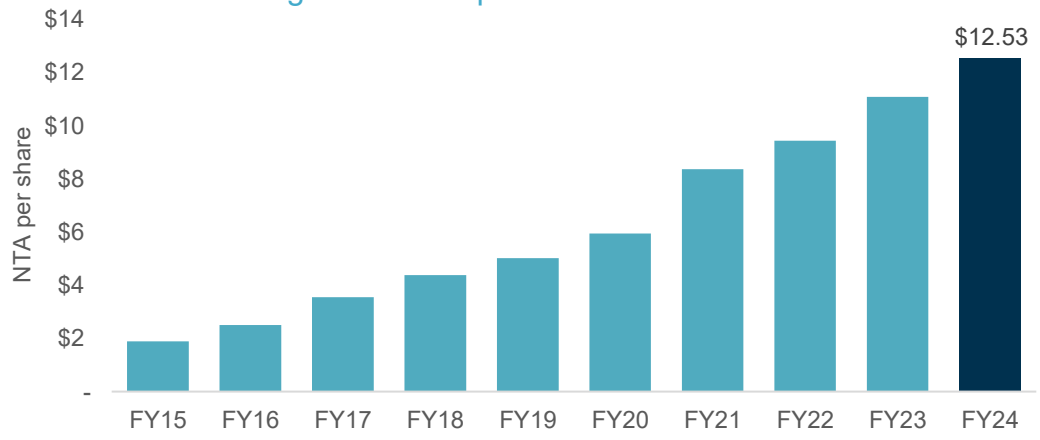
$8.1b
Total assets ▲ 16%

$2.4b
Retained earnings ▲ 13%

NZ$m	FY24	FY23*	Variance	FY22
Investment property	7,329	6,394	*15%*	5,418
Other assets	737.3	547.6	*35%*	422.6
Total assets	**8,066**	**6,942**	***16%***	**5,840**
Resident's loans	2,881	2,507	*15%*	2,165
Face value of bank loads & bonds	1,709	1,399	*22%*	1,074
Other liabilities	506.5	433.3	*17%*	407.5
Total liabilities	**5,097**	**4,339**	***17%***	**3,647**
Net assets	**2,969**	**2,602**	***14%***	**2,193**
Embedded value	**1,739**	**1,620**	***7%***	**1,488**
NTA (cents per share)	**1,253**	**1,109**	***13%***	**943.9**
Retained earnings	**2,421**	**2,139**	***13%***	**1,766**

** Investment property and other assets have been restated for FY23. Refer to appendix (slide 67) for further details*

Summerset net tangible assets per share



Definitions:
Face value of bank loans and retail bonds - excludes capitalised and amortised transaction costs for loans and borrowing, and fair value movement on hedged borrowings
Net assets includes share capital, reserves, and retained earnings

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Capital management framework

Guiding principles to sustainably grow the business over the short to medium term

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Guiding principles	FY24 in review
• Grow the business by **delivering sustainable expansion opportunities in New Zealand and Australia**, that produce **competitive returns** for shareholders • Retain **flexibility in our growth plans** – ensure we can **adapt our growth objectives** as conditions allow	
Investment decisions • Summerset developments deliver positive net cash flows (net cash position) on completion • Focus on diversification of location and broad acre investment, ensuring the business carries no core debt • New investments must meet all internal hurdle rates (including development margin, net funding position, IRR, population and penetration thresholds) on an individual and portfolio basis • Disciplined approach to maintaining and improving existing asset base, ensuring its attractiveness to future residents	• NZ villages in construction forecast to be over $280m in positive net cash profits on completion and first sell down • Land bank appropriately spread across 12 NZ regions, plus Australia • New refurbishment standards in place, care centre upgrades well advanced • Customer satisfaction of 97% and occupancy of 94% for care and village
Balance sheet management • Prudent approach to balance sheet management, retain gearing ratio within a target operating range of 30% to 40% • Actively manage our stock levels, while still growing in Australia and moderating build rates as appropriate • Expect a maximum debt band of $2.0b to $2.5b over the short to medium term	• Net debt of $1,697m with a gearing ratio of 36.4% • Total debt facilities of $2.5b with undrawn capacity of $784.9m • Development assets exceed the value of net debt by $317.8m, or 19%
Distributions • Ordinary dividend payout range to 20% to 50% of underlying profit • Used to deliver long-term financial health, while giving its investors an appropriate return on their investment	• Final dividend of 13.2 cents per share • This represents a payout for FY24 of approximately $58.3m (before DRP), being 28.2% of underlying profit

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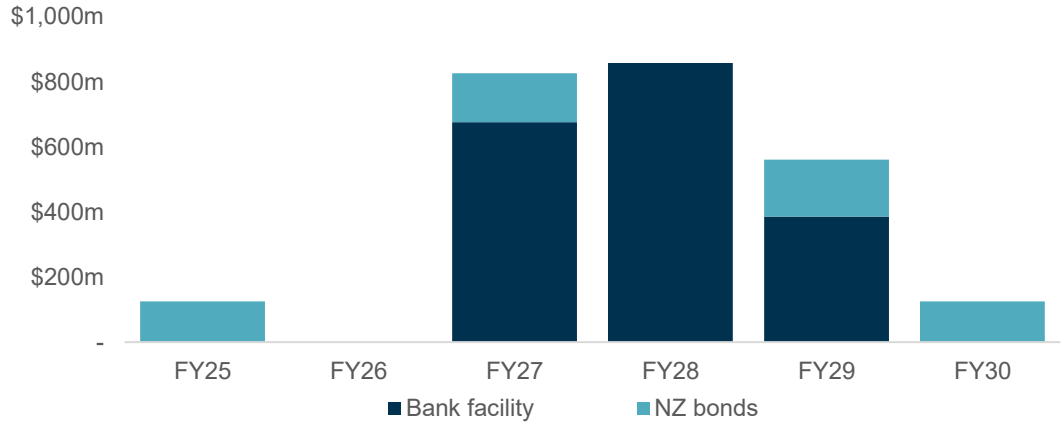
Funding

- Total debt facilities of $2.5b, including $0.6b of retail bonds on issue
  - Total facility (incl. bonds) has an average tenor of 3.6 years
- Bank facility has undrawn capacity of $784.9m with a gearing ratio of 36.4% (near the midpoint of our target band of 30% to 40%)
- Summerset proactively manages hedging levels - as at 31 December 2024, 51% of total debt was hedged at fixed interest rates
  - The weighted average interest rate for FY24 was 5.4%

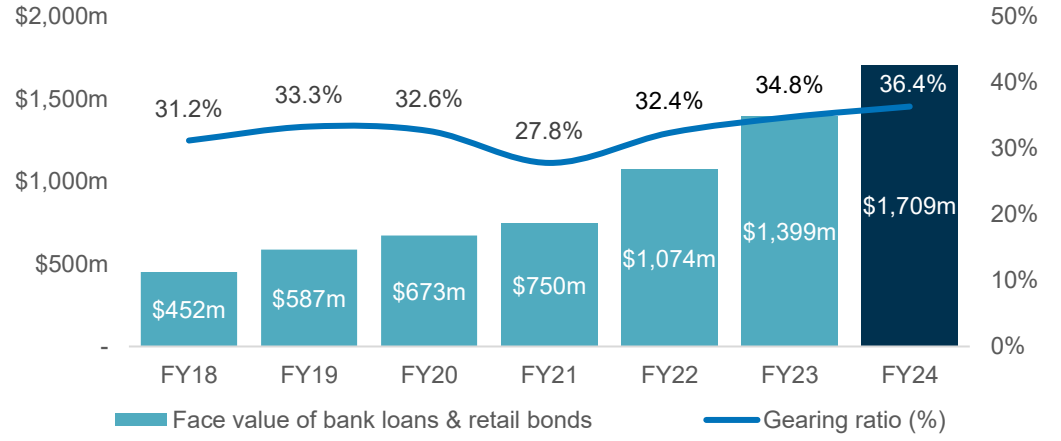
$784.9m
Undrawn capacity

36.4%
Gearing ratio

Funding maturity profile



Gross borrowings and gearing



Definitions:

Face value of bank loans and retail bonds - excludes capitalised and amortised transaction costs for loans and borrowing, and fair value movement on hedged borrowings

Gearing ratio calculation (net debt / net debt plus book equity) differs from the Summerset roup's bank and bond LVR covenant (total debt of the Summerset Group / property value of the Summerset Group)

Covenants

- Strong financial discipline has ensured Summerset is compliant with all lending covenants and obligations
- Loan to value ratio of 38.0%, relative to a 50% limit
- Interest cover ratio of 3.98x, more than twice the covenant limit

38.0%
Bank & bond LvR

3.98x
Interest coverage ratio

Covenants	FY24	FY23	Variance
Gross debt at face value ($m)	1,709	1,399	*22%*
Property value ($m)	4,496	3,844	*17%*
Loan to value ratio	**38.0%**	**36.4%**	***4%***
Covenant limit	50.0%	50.0%	

Interest coverage ratio	FY24	FY23	Variance
Adjusted EBITDA ($m)	182.6	170.6	*7%*
Interest expense ($m)	45.9	48.5	*(6%)*
Interest coverage ratio	**3.98x**	**3.51x**	***13%***
Covenant limit	1.75x	1.75x	

Definitions:

Property value is calculated as the valuation amount of all properties that have been externally valued, plus the cost of all properties not externally valued, plus 50% of the costs incurred to date on developments that are not complete, net of residents' loans

Loan to value ratio is the gross borrowings at face value divided by property value

Adjusted EBIT is EBIT less fair value movement of investment property, less deferred management fees (calculated under NZ GAAP), plus net cash from resales, plus development margin, less/plus other one off adjustments

Adjusted EBITDA is Adjusted EBIT plus amortisation and depreciation

Interest expense is the total interest and line fee costs prior to capitalisation of any interest and line fees, excluding any interest and line fees incurred in relation to development tranches of bank debt facilities

Interest cover ratio is Adjusted EBITDA divided by interest expense, calculated on a 12-month rolling basis

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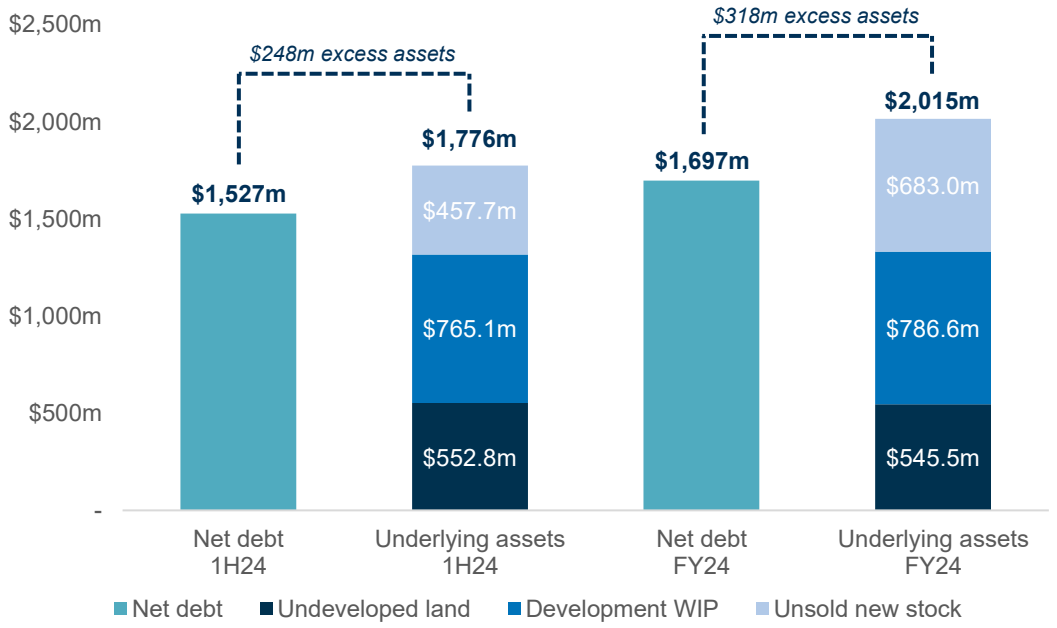
Development assets

- Summerset has no core debt – this means that the value of our land bank, development WIP and units that have been delivered but not settled significantly exceeds the debt we have used to hold them (e.g. land), or turn into village assets
- At 31 December 2024, net debt was $1,697m and the value of development assets exceeded the value of net debt by $317.8m, or 19%
- Development assets comprise:
  - $545.5m relating to undeveloped land, being the fair value of our Australia and New Zealand land bank
  - $786.6m for development WIP at cost (villages under construction), and
  - $683.0m from unsold new sale stock, which is all delivered new sale stock that is yet to settle
    - $157.4m of delivered stock was contracted and awaiting settlement at 31 December 2024
- Excess assets of $317.8m is also conservative as it excludes any margin on development WIP or undeveloped land, which is realised on delivery

$2.0b
Underlying development assets

$317.8m
Excess assets

Net debt to underlying assets



Definitions:

Net debt is the face value of drawn bank loans and retail bonds less cash and cash equivalents. Excludes capitalised and amortised transaction costs for loans and borrowing, and fair value movement on hedged borrowings

Gearing ratio calculation (net debt / net debt plus book equity) differs from the Summerset roup's bank and bond LVR covenant (total debt of the Summerset Group / property value of the Summerset Group)

Final dividend

Declared FY24 final dividend of 13.2 cents per share

- The Board has declared an unimputed final dividend of 13.2 cents per share
- This represents a payout for FY24 of approximately $58.3m, being 28.2% of underlying profit
- The dividend reinvestment plan (DRP) will apply to this dividend enabling shareholders to take shares in lieu of the cash dividend
- A discount of 2% will be applied when determining the price per share of shares issued under the DRP
- The final dividend will be paid on Thursday 27 March 2025. The record date for final determination of entitlements to the dividend is Friday 14 March 2025

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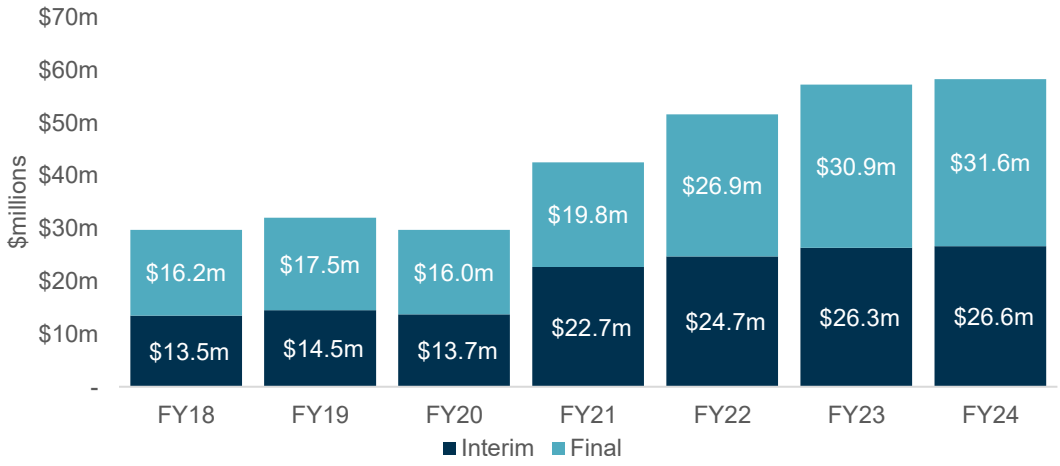
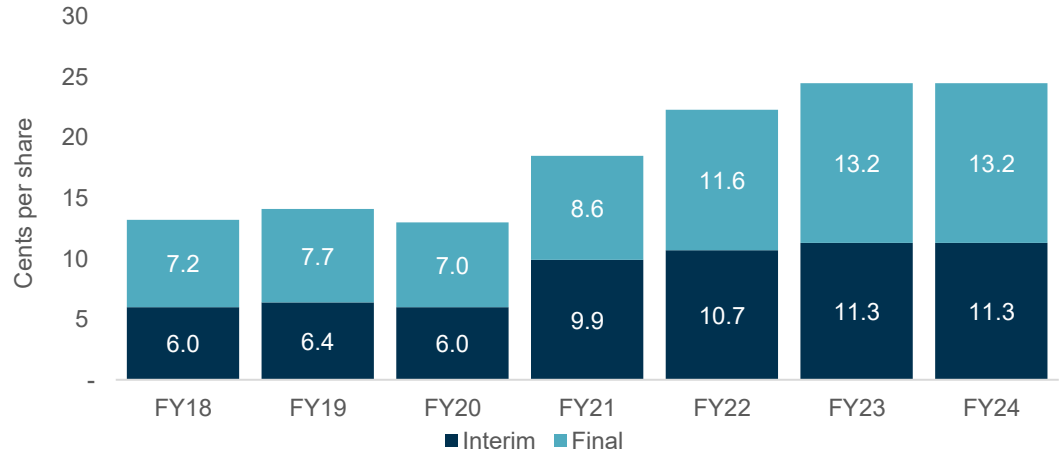
Gross dividend payout per year



Dividend per share



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07
Business performance

Full Year Report 2024

Summerset

Retirement unit delivery

FY24 deliveries managed to market conditions

- 676 units to be sold under Occupation Right Agreement delivered in New Zealand along with 21 care beds, across 13 villages and ten regions
- Delivered 196 units at St Johns, including the main building and penthouse apartments
- 32 villas delivered in Australia at Cranbourne North, bringing the total Australian portfolio to 42 villas
- Main building at Cambridge is progressing well with delivery expected in 2H25
- Expect a New Zealand build rate of approximately 600 to 650 units to be sold under Occupation Right Agreement in FY25
- For Australia we expect a FY25 build rate of 50 to 80 units to be sold under Occupation Right Agreement - including the main building at Cranbourne North (that will deliver late in FY25 but not open to residents until FY26)

FY24 unit delivery	Retirement units			Care units			Total units
	Villas	Apartments	Serviced apartments	Memory care apartments	Care suites	Care beds	
Bell Block	43	-	-	-	-	-	43
Blenheim	48	-	-	-	-	-	48
Boulcott	5	-	35	15	-	-	55
Cambridge	35	-	-	-	-	-	35
Casebrook	6	-	-	-	-	-	6
Milldale	33	-	-	-	-	-	33
p moa e ach	33	-	56	20	19	21	149
Prebbleton	30	-	-	-	-	-	30
Richmond	11	-	-	-	-	-	11
St Johns	-	92	36	19	49	-	196
Te Awa	38	-	-	-	-	-	38
Waikanae	26	-	-	-	-	-	26
hang rei	27	-	-	-	-	-	27
Total NZ	**335**	**92**	**127**	**54**	**68**	**21**	**697**
Cranbourne North	32	-	-	-	-	-	32
Total Australia	**32**	**-**	**-**	**-**	**-**	**-**	**32**
Total Group	**367**	**92**	**127**	**54**	**68**	**21**	**729**

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Development margin

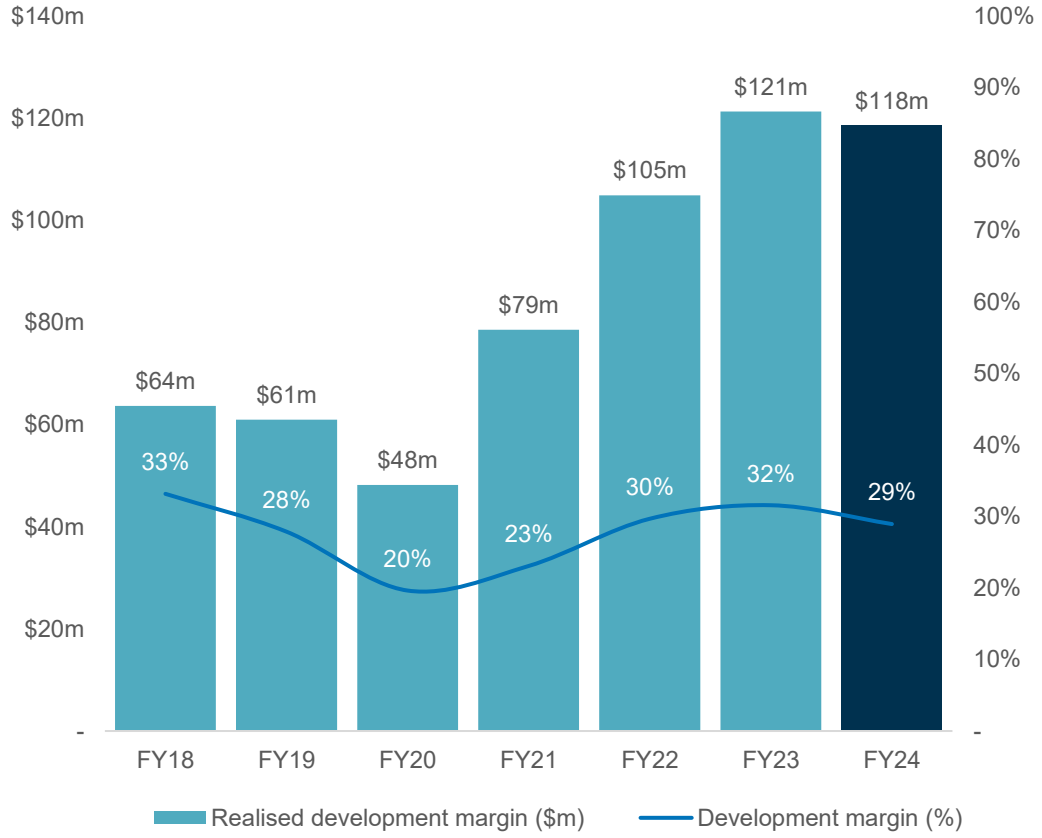
Development margin reflective of changes in sales mix

- Realised development margin of $118.4m, down 2% from a record of $121.2m in FY23
- Development margin of 29%, down from 32% in FY23, with lower margin care suites comprising 16% of new sales, up from 9% in FY23
  - Villa margins of 36%, in line with the 38% achieved in FY23
  - Apartment margins of 29%, up on the 22% achieved in FY23
  - Average margin of 9% on serviced apartments, memory care apartments and care suites
- Unit margins continue to track above medium term guidance of 20% to 25%
- Average development margin on retirement units was $314k per unit

28.9%
Development margin

$118.4m
Realised margin ▼2%

Realised development margin



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New sales

Growth in gross proceeds of 7% with 588 new sales achieved in FY24

- A record 588 new sales of Occupation Rights, up 5% on the 560 settled in FY23
- Record gross proceeds of $409.4m, up 7% on FY23, with an average gross proceed per new sale of $696k
- St Johns, which opened in October, achieved 22 new sales and gross proceeds of $35.2m
- New sales growth driven by care suites (+90%)
- Best performing villages were Te Awa (109 new sales), p moa e ach (85 new sales) and e ll Block (69 new sales)
- Eight regions secured over 30 settlements each, highlighting the benefits of regional diversification
- Sales contract rates have lifted in Q1 2025. Our contracted new sale pipeline increasing over 30% since 31 December 2024 – these contracts will benefit settlements from Q2 2025 onwards

588

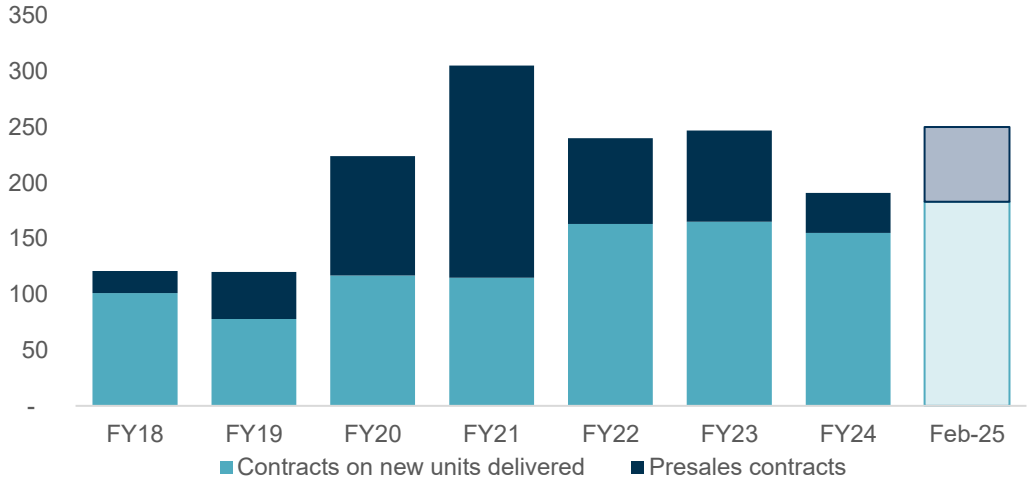
New sales of Occupation Rights

$696k

Average gross proceeds ▲ 2%

New sales	FY24	FY23	Variance	FY22
Gross proceeds ($m)	**409.4**	**384.0**	***7%***	**353.4**
Villas	315	329	*(4%)*	350
Apartments	31	20	*55%*	46
Serviced apartments	114	132	*(14%)*	87
Memory care apartments	33	29	*14%*	37
Care suites	95	50	*90%*	17
Total occupation rights	**588**	**560**	***5%***	**537**

Committed new sales pipeline



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New sales stock

Increase in stock driven by St Johns with 196 units delivered in Q4

- Good progress made on selling down new sale stock across 2H24
- Closing stock impacted by Q4 deliveries which included 196 units at St Johns and 97 villas
  - Excluding these, closing stock reduced by between 20% and 50% across all unit types
- Now have $157.4m of new sale stock under contract, up from $123.3m at FY23

155
Delivered units under contract

196
Units delivered at St Johns

New Zealand new sales stock	FY24	FY23
Contracted	146	163
Uncontracted	526	372
Total new sales stock	**672**	**535**
Contracted	78	111
Uncontracted	270	209
Villas	**348**	**320**
Contracted	24	9
Uncontracted	72	25
Apartments	**96**	**34**
Contracted	26	35
Uncontracted	105	85
Serviced apartments	**131**	**120**
Contracted	8	2
Uncontracted	37	35
Memory care apartments	**45**	**37**
Contracted	10	6
Uncontracted	42	18
Care suites	**52**	**24**

Australia new sales stock	FY24	FY23
Contracted	9	2
Uncontracted	21	8
Total new sales stock	**30**	**10**

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Resales

Record gross proceeds of $377.7m achieved in FY24

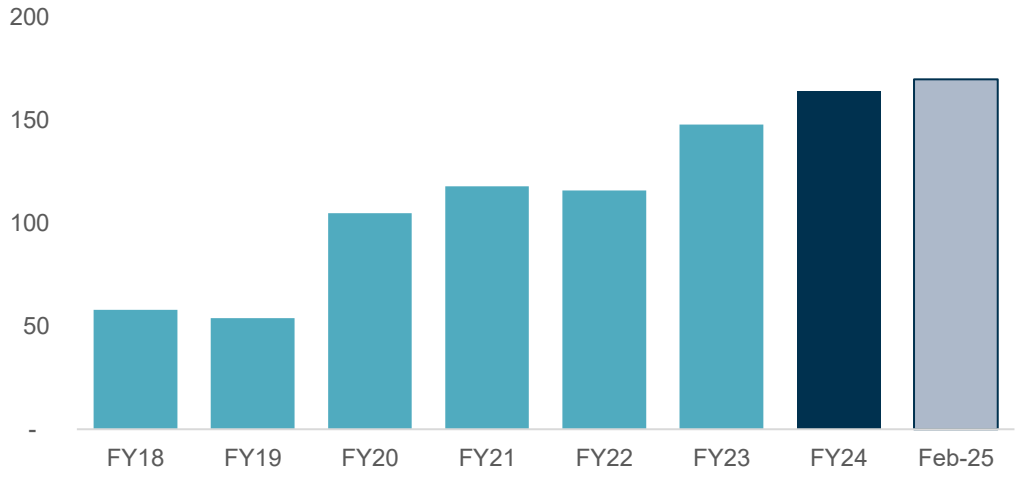
- Record 650 resales settled in FY24, up 20% from 543 in FY23
- Realised resale gain of $95.9m, up 9% from FY23
- Realised DMF of $52.3m, up 26% on FY23, with villas contributing $29.6m
- Average gross proceeds per resale of $581k, in line with the $587k achieved in FY23
  - Average villa resale price of $767k, up from $757k at FY23
- 75% of regions in New Zealand had over 30 resales each
- Unit pricing continues to be reviewed on a monthly basis, ensuring we remain appropriately aligned to the market

650
Resales of Occupation Rights

$95.9m
Realised resale ▲9% gains

Resales	FY24	FY23	*Variance*	FY22
Gross proceeds ($m)	**377.7**	**318.6**	***19%***	**263.6**
Realised resale gains ($m)	95.9	88.1	*9%*	70.2
Realised resale gains (%)	25%	28%	*(8%)*	27%
DMF realisation ($m)	52.3	41.5	*26%*	34.5
Villas	288	238	*21%*	201
Apartments	55	55	-	51
Serviced apartments	229	208	*10%*	185
Memory care apartments	36	29	*24%*	26
Care suites	42	13	*223%*	7
Total Occupation Rights	**650**	**543**	***20%***	**470**

Committed resales pipeline



Resales cash margin

Cash margin on resales of 35% with $128.9m realised in FY24

- Resales cash margin of 35% per unit with an average margin of $201k, down from $214k per unit, driven by a change in mix that included a higher proportion of care units
- Average refurbishment costs of $23k per unit, up from $20k in FY23, due to a higher number of full refurbishments on stock with long tenures
- Sales and marketing costs reflect costs associated with commissions, sales manager salaries and direct marketing costs (e.g. local radio and print, billboards, event open days) for our resale villages

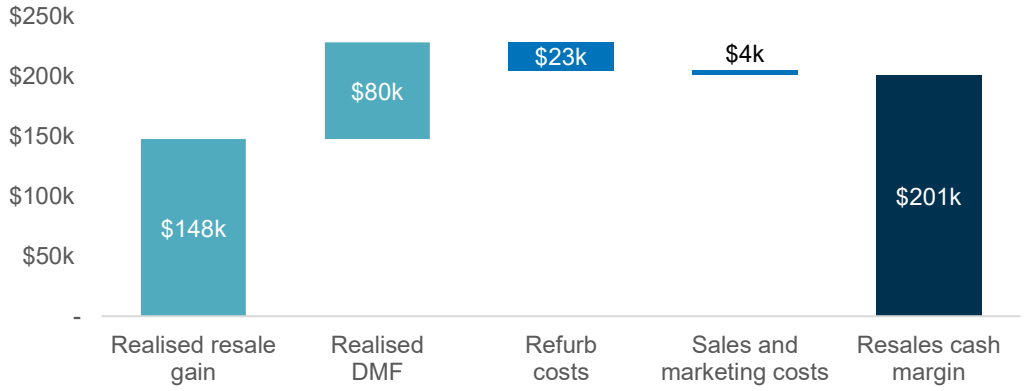
$128.9m
Cash margin on resales

$201k
Realised resale cash margin per unit

Resales cash margin	FY24	FY23	*Variance*	FY22
Gross proceeds ($m)	**377.7**	**318.6**	***19%***	**263.6**
Realised resale gains ($m)	95.9	88.1	*9%*	70.2
DMF realisation ($m)	52.3	41.5	*26%*	34.5
Refurb of existing IP* ($m)	(16.9)	(11.6)	*45%*	(4.6)
Sales and marketing costs ($m)	(2.4)	(2.3)	*4%*	(2.1)
Cash margin on resale ($m)	**128.9**	**115.7**	***11%***	**98.0**
Gross proceeds per unit ($000)	581.1	586.8	*(1%)*	560.8
Net cash per unit ($000)	228.0	238.8	*(5%)*	222.7
Average refurb cost per rollover ($000)	(23.5)	(20.1)	*17%*	(8.1)
Sales and marketing costs per unit ($000)	(3.7)	(4.3)	*(15%)*	(4.4)
Cash margin on resale per unit ($000)	**200.9**	**214.4**	***(6%)***	**210.2**
Cash margin (%)	**35%**	**37%**	***(5%)***	**37%**

** Excludes refurbishment costs relating to common areas*

Resales cash margin per unit



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Embedded value

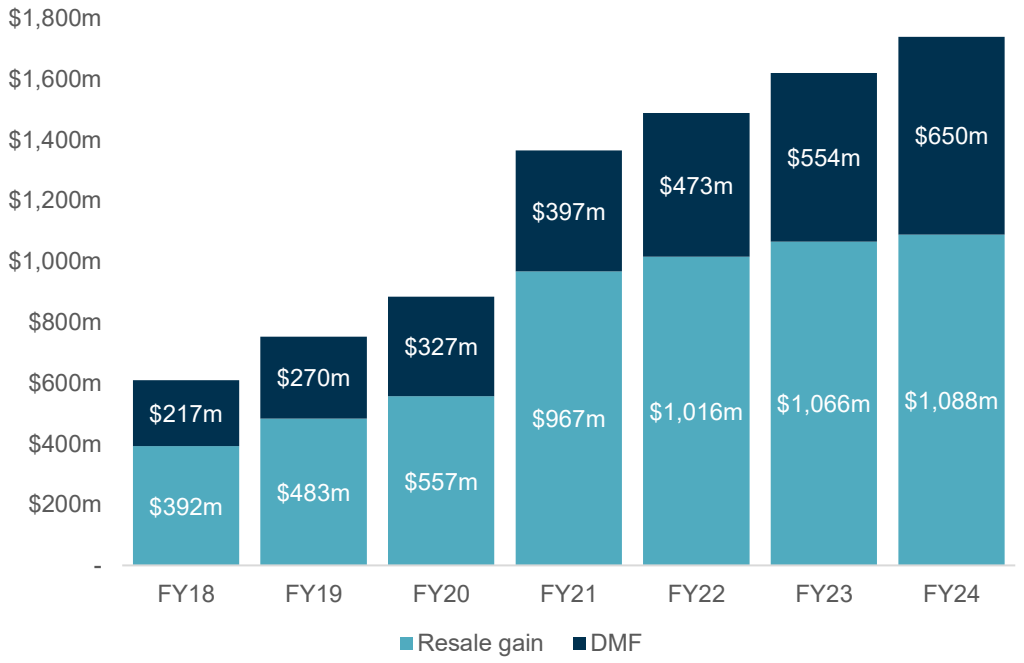
Embedded value now $1.7b, up 7% on FY23

- Total embedded value now $1.7b, up 7% from $1.6b at FY23
- Embedded value comprised of:
  - $1.09b resale gains
  - $0.65b deferred management fees
- Embedded value of per unit $244k, including villas at $300k per unit
- Record $148.2m of embedded value realised during FY24, up 14% from $128.7m in FY23
- Unrealised gain per unit of $153k, in line with the $148k achieved on the 650 resales in FY24
- Embedded value continues to increase with portfolio growth, providing a platform for strong future resale cash flows

$1.7b
Embedded value ▲ 7%

$650.4m
Embedded DMF

Embedded value



Embedded value	FY24	FY23	Variance	FY22
DMF ($m)	$650.4	$554.3	*17%*	$472.7
Resales gain ($m)	$1,088	$1,066	*2%*	$1,016
Embedded value ($m)	**$1,739**	**$1,620**	***7%***	**$1,488**

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Resale stock

Record number of resale units under contract at FY24

- Total resale stock of 372 units, up from 292 units
- Increase was driven by a record 720 units vacated in FY24, up 24% on FY23
- Contracted resale stock now at 164 units, up from 148 at FY23, providing the basis for strong resale cash flows in FY25
- Uncontracted stock at 3.0% of portfolio
- Almost 70% of uncontracted stock is less than six months old
- Demand remains strong for our villages, with almost 1,500 on our waitlists across the country

164
Contracted resale stock

3.0%
Percentage of uncontracted stock

Resales stock	FY24	FY23
Contracted	164	148
Uncontracted	208	144
Total resales stock	**372**	**292**
Contracted	104	92
Uncontracted	117	83
Villas	**221**	**175**
Contracted	14	17
Uncontracted	20	15
Apartments	**34**	**32**
Contracted	38	36
Uncontracted	56	34
Serviced apartments	**94**	**70**
Contracted	5	2
Uncontracted	10	6
Memory care apartments	**15**	**8**
Contracted	3	1
Uncontracted	5	6
Care suites	**8**	**7**

Percentage of uncontracted stock calculated off all units sold under Occupation Right Agreement



Summerset St Johns (Auckland, New Zealand)

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08 Questions

Full Year Report 2024

Summerset

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- This presentation may contain projections or forward looking statements regarding a variety of items. Such forward looking statements are based upon current expectations and involve risks and uncertainties
- Actual results may differ materially from those stated in any forward looking statement based on a number of important factors and risks
- Although management may indicate and believe the assumptions underlying the forward looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward looking statements will be realised
- Furthermore, while all reasonable care has been taken in compiling this presentation, Summerset accepts no responsibility for any errors or omissions
- This presentation does not constitute investment advice

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09 Appendix

Full Year Report 2024

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05 Historical trends

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09 Summerset growth and demographics

10 Customer profile and occupancy

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Key terms

Summerset key terms

Underlying profit	Non-GAAP financial measure used by Summerset to monitor financial performance and determine dividend distributions. Calculated by making the following adjustments to IFRS net profit after tax: remove fair value movement on investment property, remove impairment expense and other one-off costs, add realised gain on resales, add realised development margin, remove deferred tax
Annuity EBITDA	EBITDA from care and village operations with adjustments for interest income, other revenue and head office expenditure. It excludes any earnings from development
Development margin	The first time ORA sales receipt less the cost for developing each unit sold under ORA. Costs incorporate the land cost, share of infrastructure costs (e.g. roading, civils), direct independent living unit (ILU) costs, share of other costs (e.g. landscaping, FF&E), management fees (incl. a share of corporate overheads) and interest costs. Development margin excludes recreation and administration facility costs and care centre costs (for non-ORA units)
Project cash profit	The final cash return from developing a village. This incorporates the land cost, independent living unit (ILU) costs, recreation and administration facility costs, care centre costs, management fees (incl. a share of corporate overheads), interest costs and the first-time sales proceeds for all units sold under Occupation Right
Cash margin from village development	The project cash profit from a village development divided by gross new sales receipt from first sell down
Retirement village operations	Earnings from operating villages and care centres. This incorporates care and village EBITDA, head office support (e.g. management time, IT, sales and marketing costs, administration), other revenue, refurbishment costs, depreciation and amortisation
Construction activity	Earnings from the construction and first-time sale of ORA units. This incorporates realised development margin, direct head office expenditure (sales and marketing costs for first time sell down) and expensed finance costs
Completed villages	Villages where all units, the care centre and common facilities have been completed and delivered
Realised resale gain	The difference in resale unit sales price between the incoming resident and the previous resident. This excludes DMF (shown separately) and forms part of underlying profit and annuity EBITDA
Resale cash margin	The realised cash margin on resale of a unit – includes realised resale gain, realised deferred management fee, refurbishment costs and sales and marketing expenditure relating to the resale of the unit

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Key terms

Summerset key terms

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
Village EBITDA	Village services revenue (e.g. weekly fees), deferred management fees from retirement units and realised resale gain from retirement units less costs of operating retirement villages. This excludes any allocation of head office cost
Head office costs	Head office functions that support the business in effectively operating our retirement villages and care centres. These include employee expenses (e.g. management), sales and marketing costs for the villages, software and technology costs, travel costs, directors' fees, consultancy costs and compliance costs
Employee expenses	Staff wages for villages, care and head office, excludes sales team salaries included below under sales and marketing costs
Building and grounds expenses	Insurance costs, council rates, utilities and repairs and maintenance costs
Sales and marketing costs	Local and national advertising costs, sales commissions, sales incentives and wages for sales staff and sales management
Software and technology costs	General IT operating expenditure including investment in software costs, hardware costs and licence fees
Other operating costs	All other operating costs which includes food costs, medical costs, legal fees, consultancy, travel costs and directors' fees
Deferred management fees	Resident fee charged under ORA (the standard rate is 25% of the ORA price) which 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
Embedded value	Non-GAAP measure that reflects the balance of DMF accrued by the resident and the resale gain (being the difference between the price paid by the last resident and the price that would be paid by an incoming resident across the portfolio) at reporting date
ORA unit	Any retirement or care unit sold under an Occupation Right. This includes villas, apartments, serviced apartments, memory care apartments and care suites
Retirement unit	Villa, apartment or serviced apartment sold under ORA
Care unit	Memory care apartment, care suite or care bed either sold under ORA or available on a daily charge

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Key terms

Summerset key terms

Face value of bank loans and retail bonds	Face value of bank debt and retail bonds excludes capitalised and amortised transaction costs for loans and borrowing, and fair value movement on hedged borrowings
Gearing ratio	Gearing ratio is calculated as net debt divided by net debt plus book equity
Property value	Property value is calculated as the valuation amount of all properties that have been externally valued, plus the cost of all properties not externally valued, plus 50% of the costs incurred to date on developments that are not complete, net of residents' loans
Loan to value ratio	Loan to value ratio is the gross borrowings at face value divided by property value
Adjusted EBIT	Adjusted EBIT is EBIT less fair value movement of investment property, less deferred management fees (calculated under NZ GAAP), plus net cash from resales, plus development margin, less/plus other one off adjustments
Adjusted EBITDA	Adjusted EBITDA is Adjusted EBIT plus amortisation and depreciation
Interest expense	Interest expense is the total interest and line fee costs prior to capitalisation of any interest and line fees, excluding any interest and line fees incurred in relation to development tranches of bank debt facilities
Interest cover ratio	Interest cover ratio is Adjusted EBITDA divided by interest expense, calculated on a 12-month rolling basis

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Portfolio as at 31 December 2024

7,970 total units including 6,671 retirement units and 1,299 care units

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Village	Existing portfolio - as at 31 December 2024						
	Retirement units			Care units			Total units
	Villas	Apartments	Serviced apartments	Memory care apartments	Care suites	Care beds	
hang rei	145	-	-	-	-	-	145
Northland	**145**	**-**	**-**	**-**	**-**	**-**	**145**
Ellerslie	38	218	57	-	-	58	371
Hobsonville	163	73	52	-	-	52	340
Karaka	182	-	59	-	-	50	291
Manukau	89	67	27	-	-	54	237
Milldale	52	-	-	-	-	-	52
St Johns	-	92	36	19	49	-	196
Warkworth	202	2	44	-	-	41	289
Auckland	**726**	**452**	**275**	**19**	**49**	**255**	**1,776**
Cambridge	80	-	-	-	-	-	80
Hamilton	183	-	50	-	-	49	282
Rototuna	188	-	56	20	7	36	307
aup	94	34	18	-	-	-	146
Waikato	**545**	**34**	**124**	**20**	**7**	**85**	**815**
Katikati	156	-	30	-	-	27	213
p moa eac h	185	-	56	20	19	21	301
Bay of Plenty	**341**	**-**	**86**	**20**	**19**	**48**	**514**
Hastings	146	5	-	-	-	-	151
Havelock North*	94	28	-	-	-	-	122
Napier	94	26	20	-	-	48	188
Te Awa	219	-	56	20	15	28	338
Hawke's Bay	**553**	**59**	**76**	**20**	**15**	**76**	**799**
Bell Block	187	-	56	20	19	21	303
New Plymouth	108	-	40	-	-	52	200
Taranaki	**295**	**-**	**96**	**20**	**19**	**73**	**503**
Levin*	64	22	-	10	-	-	96
Palmerston North	90	12	-	-	-	44	146
Whanganui	70	18	12	-	-	37	137
Manawatū-Whanganui	**224**	**52**	**12**	**10**	**-**	**81**	**379**

**Care centre upgrade in progress*

Portfolio as at 31 December 2024

7,970 total units including 6,671 retirement units and 1,299 care units

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Existing portfolio - as at 31 December 2024							
	Retirement units			Care units			
Village	Villas	Apartments	Serviced apartments	Memory care apartments	Care suites	Care beds	Total units
Aotea	96	33	38	-	-	-	167
Boulcott	14	20	35	15	-	-	84
Kenepuru	112	48	84	20	19	26	309
Paraparaumu	92	22	-	-	-	44	158
Trentham*	231	12	40	-	-	-	283
Waikanae	53	-	-	-	-	-	53
Wellington-Kāpiti-Wairarapa	**598**	**135**	**197**	**35**	**19**	**70**	**1,054**
Nelson	214	-	55	-	-	59	328
Richmond	225	-	56	20	17	26	344
Nelson-Tasman	**439**	**-**	**111**	**20**	**17**	**85**	**672**
Blenheim	63	-	-	-	-	-	63
Marlborough	**63**	**-**	**-**	**-**	**-**	**-**	**63**
Avonhead	165	-	79	20	17	26	307
Casebrook	270	-	56	20	-	43	389
Prebbleton	108	-	-	-	-	-	108
Wigram	159	-	53	-	-	49	261
Canterbury	**702**	**-**	**188**	**40**	**17**	**118**	**1,065**
Dunedin	61	20	20	-	-	42	143
Otago	**61**	**20**	**20**	**-**	**-**	**42**	**143**
Total NZ	**4,692**	**752**	**1,185**	**204**	**162**	**933**	**7,928**
Cranbourne North	42	-	-	-	-	-	42
Total Australia	**42**	**-**	**-**	**-**	**-**	**-**	**42**
Total NZ and Australia	**4,734**	**752**	**1,185**	**204**	**162**	**933**	**7,970**

**Care centre upgrade in progress*

Future development

Largest New Zealand land bank for a retirement village operator of 5,377 units

Land bank – as at 31 December 2024							
	Retirement units			Care units			
Village	Villas	Apartments	Serviced apartments	Memory care apartments	Care suites	Care beds	Total units
hang rei	73	-	60	20	15	21	189
Northland	**73**	**-**	**60**	**20**	**15**	**21**	**189**
Belmont	170	90	50	20	30	5	365
Half Moon Bay	-	227	17	20	26	-	290
Milldale	81	36	60	20	15	21	233
St Johns	11	132	-	-	-	-	143
Auckland	**262**	**485**	**127**	**60**	**71**	**26**	**1,031**
Cambridge	180	-	60	20	15	21	296
Waikato	**180**	**-**	**60**	**20**	**15**	**21**	**296**
p moa e ach	26	-	-	-	-	-	26
Rotorua	260	-	20	20	10	20	330
Bay of Plenty	**286**	**-**	**20**	**20**	**10**	**20**	**356**
Havelock North	-	-	-	-	26	8	34
Mission Hills	270	-	-	-	35	-	305
Te Awa	22	-	-	-	-	-	22
Hawke's Bay	**292**	**-**	**-**	**-**	**61**	**8**	**361**
Bell Block	35	-	-	-	-	-	35
Taranaki	**35**	**-**	**-**	**-**	**-**	**-**	**35**
Kelvin Grove	253	-	20	-	10	20	303
Manawatū-Whanganui	**253**	**-**	**20**	**-**	**10**	**20**	**303**
Boulcott	85	89	22	-	24	-	220
Levin	7	-	-	-	15	5	27
Masterton	236	-	20	20	10	20	306
Otaihanga	260	-	40	20	20	10	350
Trentham	-	-	-	-	26	8	34
Waikanae	204	-	60	20	15	21	320
Wellington-Kāpiti-Wairarapa	**792**	**89**	**142**	**60**	**110**	**64**	**1,257**
Richmond	33	-	-	-	-	-	33
Nelson-Tasman	**33**	**-**	**-**	**-**	**-**	**-**	**33**

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Future development

Largest New Zealand land bank for a retirement village operator of 5,377 units

Land bank – as at 31 December 2024							
	Retirement units			Care units			
Village	Villas	Apartments	Serviced apartments	Memory care apartments	Care suites	Care beds	Total units
Blenheim	174	-	30	20	10	10	244
Marlborough	**174**	**-**	**30**	**20**	**10**	**10**	**244**
Prebbleton	113	-	60	20	15	21	229
Rangiora	260	-	40	20	23	7	350
Rolleston	267	-	20	20	10	20	337
Canterbury	**640**	**-**	**120**	**60**	**48**	**48**	**916**
Mosgiel	286	-	20	20	10	20	356
Otago	**286**	**-**	**20**	**20**	**10**	**20**	**356**
Total NZ	**3,306**	**574**	**599**	**280**	**360**	**258**	**5,377**
Chirnside Park	185	-	28	-	-	72	285
Craigieburn	267	-	34	-	-	72	373
Cranbourne North	119	-	34	-	-	72	225
Drysdale	300	-	34	-	-	72	406
Mernda	284	-	20	-	-	72	376
Oakleigh South	50	44	-	-	-	66	160
Torquay	209	30	30	-	-	72	341
Total Australia	**1,414**	**74**	**180**	**-**	**-**	**498**	**2,166**
Total NZ and Australia	**4,720**	**648**	**779**	**280**	**360**	**756**	**7,543**

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FY24 underlying profit reconciliation

Reconciliation of underlying profit to reported net profit after tax

NZ$m	FY24	FY23	Variance	FY22
Net profit after tax (IFRS)*	**339.8**	**425.3**	***(20%)***	**269.1**
Less fair value movement of investment property*	(372.6)	(430.6)	*(13%)*	(268.8)
Add impairment of assets and other one-off costs	8.8	-	-	-
Add realised gains on resales	95.9	88.1	*9%*	70.2
Add realised development margin	118.4	121.2	*(2%)*	104.9
Add/(less) deferred tax expense/(credit)	15.9	(13.8)	*(215%)*	(4.0)
Underlying profit	**206.4**	**190.3**	***8%***	**171.4**

Fair value movement of Investment property and Net profit after tax have been restated for FY23. Refer to appendix (slide 67) for further details

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Definition:

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 realised and unrealised components of fair value movement of investment property, impairment and tax expense in the roup's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions and has been audited by Ernst & Young. Underlying profit is a measure which the Group uses consistently across reporting periods. Underlying profit is used to determine the dividend payout to shareholders.

FY23 Restated comparative information

Reclassification of fair value movements in investment property and property, plant and equipment

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Summerset has restated its financial information for FY23 to reflect a reclassification of $11.0m in fair value relating to care centre developments which were previously included in investment property

This has resulted in a reallocation of fair value movements from the income statement to the statement of comprehensive income

The restatement has no impact on underlying profit, total assets or cash flows. Shareholders' equity has decreased slightly by $3.1m

Comparative information has also been updated with $2.0m of work in progress for care centres under development reclassified from investment property to property, plant & equipment, to reflect their intended use

NZ$m	FY23 reported	Amendment	FY23 restated
Income Statement			
Fair value movement of investment property	441.6	(11.0)	430.6
Profit for the period	436.3	(11.0)	425.3
Statement of Comprehensive Income			
Net revaluation of property, plant and equipment	33.8	11.0	44.8
Tax on items of other comprehensive income	(9.5)	(3.1)	(12.5)
Other comprehensive income	24.3	7.9	32.2
Net transfer to shareholders equity	**442.9**	**(3.1)**	**439.8**
Statement of Financial Position			
Property, plant and equipment	403.2	11.0	414.2
Investment property	6,407	(11.0)	6,396
Net change to total assets	**6,942**	**-**	**6,942**
Deferred tax liability	16.0	3.1	19.1
Net change to total liabilities	**4,336**	**3.1**	**4,339**
Retained earnings	2,150	(11.0)	2,139
Revaluation reserve	87.9	7.9	95.8
Net change to total equity	**2,605**	**(3.1)**	**2,602**

NZ$m	FY23 reported (inc. amendment)	Reclass	FY23 reclassified
Statement of Financial Position			
Property, plant and equipment	414.2	2.0	416.3
Investment property	6,396.2	(2.0)	6,394.1
Statement of Cash Flows			
Payments for investment property:			
Construction of new IP	(479.8)	2.0	(477.8)
Payments for property, plant and equipment:			
Construction of care centres	(45.2)	(2.0)	(47.3)

Historical trends

Historical trends across operational and financial metrics

	Full year results	FY24	FY23	FY22	FY21	FY20	FY19	FY18
Operational	New sales of Occupation Rights	588	560	537	540	404	329	339
	Resales of Occupation Rights	650	543	470	438	381	323	301
	Total sales	**1,238**	**1,103**	**1,007**	**978**	**785**	**652**	**640**
	New units delivered	729	692	651	671	413	354	506
	Retirement units in portfolio	6,671	6,087	5,518	4,930	4,385	4,076	3,722
	Care units in portfolio	1,299	1,284	1,161	1,098	972	868	868
Financial (NZ$m)	Care fees	131.4	109.6	96.2	84.8	75.1	68.3	61.2
	Deferred management fees	7.2	4.7	3.3	1.2	-	-	-
	Realised gain on resales	0.4	0.2	0.6	0.2	0.2	-	0.1
	Care operating expenses	(136.3)	(115.2)	(100.5)	(82.9)	(68.4)	(57.0)	(51.5)
	Care EBITDA	**2.7**	**(0.6)**	**(0.4)**	**3.4**	**7.0**	**11.3**	**9.8**
	Village services	61.5	52.8	45.7	39.3	33.9	30.6	26.9
	Deferred management fees	114.2	99.8	89.0	74.0	60.8	52.5	45.6
	Realised gain on resales	95.5	87.9	69.6	59.7	45.8	36.9	28.6
	Village operating expenses	(78.0)	(66.7)	(57.9)	(46.6)	(41.3)	(34.3)	(29.3)
	Village EBITDA	**193.2**	**173.8**	**146.4**	**126.4**	**99.2**	**85.7**	**71.7**
	Interest and other revenue	5.5	5.4	4.8	6.0	2.7	2.6	3.3
	Head office expenditure (post capitalisation)	(68.1)	(66.1)	(53.7)	(49.5)	(37.2)	(31.2)	(31.6)
	Annuity EBITDA	**133.4**	**112.5**	**97.1**	**86.2**	**71.67**	**68.4**	**53.2**
	Realised development margin	118.4	121.2	104.9	78.5	48.2	61.0	63.7
	Underlying EBITDA	**251.8**	**233.7**	**202.0**	**164.7**	**119.9**	**129.4**	**116.9**
	Depreciation and amortisation	(19.1)	(15.8)	(13.6)	(11.6)	(8.1)	(7.8)	(6.7)
	Finance costs	(26.4)	(27.5)	(17.0)	(12.0)	(13.5)	(15.4)	(11.6)
	Underlying profit	**206.4**	**190.3**	**171.4**	**141.1**	**98.3**	**106.2**	**98.6**
	Refurbishment costs	(16.9)	(11.6)	(7.5)	(5.5)	(5.5)	(3.9)	(2.9)
	Profit after refurbishment costs	**189.5**	**178.8**	**163.9**	**135.6**	**92.8**	**102.2**	**95.6**
	Operating cash flow	443.2	398.2	369.2	383.4	266.8	237.9	217.8
	Total assets	8,066	6,942	5,840	4,924	3,893	3,338	2,766
	Total equity	2,969	2,602	2,193	1,925	1,355	1,132	979
	EPS (cents) (IFRS profit)	144.7	182.7	116.7	238.2	102.3	78.6	97.1
	NTA (cents)	1,253	1,109	944	836	594	502	438

Definitions:

- New units delivered includes all retirement units and care units
- Retirement units include villas, apartments and serviced apartments
- Care units include memory care apartments, care suites and care beds
- Underlying profit differs from NZ IFRS reported profit after tax. The measure has been audited by Ernst & Young. Refer to slide 66 for a reconciliation between the two measures, and note 2 of the financial statements for detail on the components of underlying profit

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Investment property valuations

Investment property valuations – key assumptions

Fair value movement of investment property		Valuation	Gain/(loss)		Key valuation assumptions				
Village	Location	NZ$m	NZ$m	Discount rate	Growth rate Yr 1	Growth rate Yr 2	Growth rate Yr 3	Growth rate Yr 4	Growth rate Yr 5+
Summerset by the Park	Manukau	185.0	6.4	13.50%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset by the Lake	aup	107.9	5.8	14.50%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset in the Bay	Napier	112.4	8.9	13.75%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset in the Orchard	Hastings	116.3	4.0	14.50%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset in the Vines	Havelock North	93.1	1.0	14.25%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset in the River City	Whanganui	51.5	2.4	14.88%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset on Summerhill	Palmerston North	74.1	3.9	14.50%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset by the Ranges	Levin	45.7	2.3	14.75%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset on the Coast	Paraparaumu	92.2	3.6	14.25%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset at Aotea	Aotea	141.7	4.7	14.00%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset in the Sun	Nelson	199.0	9.9	13.50%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset at Bishopscourt	Dunedin	73.6	5.2	14.25%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset down the Lane	Hamilton	158.2	(4.0)	14.00%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset Mountain View	New Plymouth	104.3	7.0	14.50%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset Falls	Warkworth	236.9	2.0	14.00%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset at Heritage Park	Ellerslie	397.9	23.1	14.00%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset at Karaka	Karaka	232.1	7.9	13.75%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset at Wigram	Wigram	162.6	11.1	13.75%	2.00%	2.50%	3.00%	3.25%	3.50%
Summerset at the Course	Trentham	223.4	5.5	14.00%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset by the Sea	Katikati	143.3	4.4	14.50%	1.50%	2.50%	3.00%	3.25%	3.50%
Summerset Rototuna	Rototuna	212.8	7.7	13.75%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset at Avonhead	Avonhead	211.4	7.6	13.75%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset at Monterey Park	Hobsonville	368.6	3.4	13.50%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset on the Landing	Kenepuru	249.3	10.6	13.75%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset on Cavendish	Casebrook	272.8	15.4	13.75%	1.50%	2.00%	2.50%	3.00%	3.50%
Total for completed villages		**4,266**	**160.0**						

Note: Value of non-land capital work in progress not represented in the above table

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Investment property valuations

Investment property valuations – key assumptions

Fair value movement of investment property		Valuation	Gain/(loss)		Key valuation assumptions				
Village	Location	NZ$m	NZ$m	Discount rate	Growth rate Yr 1	Growth rate Yr 2	Growth rate Yr 3	Growth rate Yr 4	Growth rate Yr 5+
Summerset Richmond Ranges	Richmond	236.1	9.6	14.25%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset Palms	Te Awa	256.6	37.1	14.25%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset by the Dunes	p moa e ach	219.7	33.9	14.25%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset at Pohutukawa Place	Bell Block	214.3	32.9	14.25%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset Mount Denby	hang rei	134.6	5.4	15.00%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset Cambridge	Cambridge	93.5	7.5	16.25%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset Prebbleton	Prebbleton	101.9	12.6	16.00%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset Blenheim	Blenheim	54.8	6.9	16.50%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset Milldale	Milldale	83.2	6.6	16.00%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset Boulcott	Boulcott	105.4	21.5	15.25%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset Waikanae	Waikanae	73.5	13.4	16.50%	1.50%	2.00%	2.50%	3.00%	3.50%
Summerset St Johns	St Johns	458.7	55.4	15.50%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset Rangiora	Rangiora	13.7	2.2	n/a	n/a	n/a	n/a	n/a	n/a
Summerset Half Moon Bay	Half Moon Bay	35.4	(2.1)	n/a	n/a	n/a	n/a	n/a	n/a
Summerset Cranbourne North	Melbourne - Cranbourne North	58.7	(2.1)	n/a	n/a	n/a	n/a	n/a	n/a
Summerset Chirnside Park	Melbourne - Chirnside Park	50.9	(2.7)	n/a	n/a	n/a	n/a	n/a	n/a
Total for villages in development		**2,191**	**238.3**						
Total for proposed villages		**333.3**	**(25.8)**						
Total for all villages		**6,790**	**372.6**						

Note: Value of non-land capital work in progress not represented in the above table

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Care centre valuations

Care centre valuations – key assumptions

Value of care facilities		Total care units	Valuation*	Gain/(loss)	Non-ORA	Key ORA valuation assumptions					
Village	Location		NZ$m	NZ$m	Capitalisation rate	Discount rate	Growth rate Yr 1	Growth rate Yr 2	Growth rate Yr 3	Growth rate Yr 4	Growth rate Yr 5+
Summerset by the Park	Manukau	54	15.1	5.1	12.75%	15.50%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset in the Bay	Napier	48	6.7	(0.0)	13.50%	n/a	n/a	n/a	n/a	n/a	n/a
Summerset in the River City	Whanganui	37	2.5	(0.1)	15.75%	n/a	n/a	n/a	n/a	n/a	n/a
Summerset on Summerhill	Palmerston North	44	3.9	(0.3)	15.00%	n/a	n/a	n/a	n/a	n/a	n/a
Summerset by the Ranges*	Levin	10	7.1	1.4	13.75%	15.50%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset on the Coast	Paraparaumu	44	4.2	0.3	14.50%	n/a	n/a	n/a	n/a	n/a	n/a
Summerset in the Sun	Nelson	59	9.9	0.4	13.25%	n/a	n/a	n/a	n/a	n/a	n/a
Summerset at Bishopscourt	Dunedin	42	6.2	0.4	13.50%	n/a	n/a	n/a	n/a	n/a	n/a
Summerset down the Lane	Hamilton	49	7.5	0.5	13.00%	n/a	n/a	n/a	n/a	n/a	n/a
Summerset Mountain View	New Plymouth	52	7.8	0.5	13.50%	n/a	n/a	n/a	n/a	n/a	n/a
Summerset Falls	Warkworth	41	6.6	0.3	13.50%	n/a	n/a	n/a	n/a	n/a	n/a
Summerset at Karaka	Karaka	50	15.6	5.7	12.75%	15.50%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset at Wigram	Wigram	49	8.3	0.0	13.00%	n/a	n/a	n/a	n/a	n/a	n/a
Summerset by the Sea	Katikati	27	4.4	0.3	14.25%	n/a	n/a	n/a	n/a	n/a	n/a
Summerset at Heritage Park	Ellerslie	58	17.6	6.3	13.00%	15.50%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset at Monterey Park	Hobsonville	52	15.5	5.9	12.50%	15.50%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset Rototuna	Rototuna	63	31.5	7.5	12.75%	14.50%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset on Cavendish	Casebrook	63	26.5	6.0	12.75%	14.75%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset Richmond Ranges	Richmond	63	29.0	2.7	12.75%	14.75%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset at Avonhead	Avonhead	63	30.0	5.7	12.75%	14.75%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset Palms	Te Awa	63	35.0	8.7	12.75%	14.75%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset Pohutukawa Place	Bell Block	60	33.8	3.2	13.00%	14.75%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset on the Landing	Kenepuru	65	38.0	5.3	12.50%	14.75%	0.50%	1.00%	1.50%	2.50%	3.00%
Total for existing care facilities		**1,156**	**362.8**	**65.9**							

** Includes memory care only, remaining care centre under upgrade*

Note: value of non-land capital work in progress not represented in the above table

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Care centre valuations

Care centre valuations – key assumptions

Value of care facilities					Non-ORA		Key ORA valuation assumptions				
Village	Location	Total care units	Valuation* NZ$m	Gain/(loss) NZ$m	Capitalisation rate	Discount rate	Growth rate Yr 1	Growth rate Yr 2	Growth rate Yr 3	Growth rate Yr 4	Growth rate Yr 5+
Summerset by the Dunes	p moa eac h	60	33.8	12.0	12.75%	15.00%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset Boulcott	Boulcott	15	12.3	7.2	13.00%	15.25%	0.50%	1.00%	1.50%	2.50%	3.00%
Summerset St Johns	St Johns	68	65.7	16.8	11.00%	15.00%	0.50%	1.00%	1.50%	2.50%	3.00%
Total for new care facilities* **		**143**	**111.8**	**36.0**							
Total for all care facilities		**1,299**	**474.7**	**101.9**							

*** Built subsequent to the last care centre valuation as at 31 December 2023*

Note: value of non-land capital work in progress not represented in the above table

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Sales price relativity

Continue to watch the residential market closely, remain comfortable with where pricing sits

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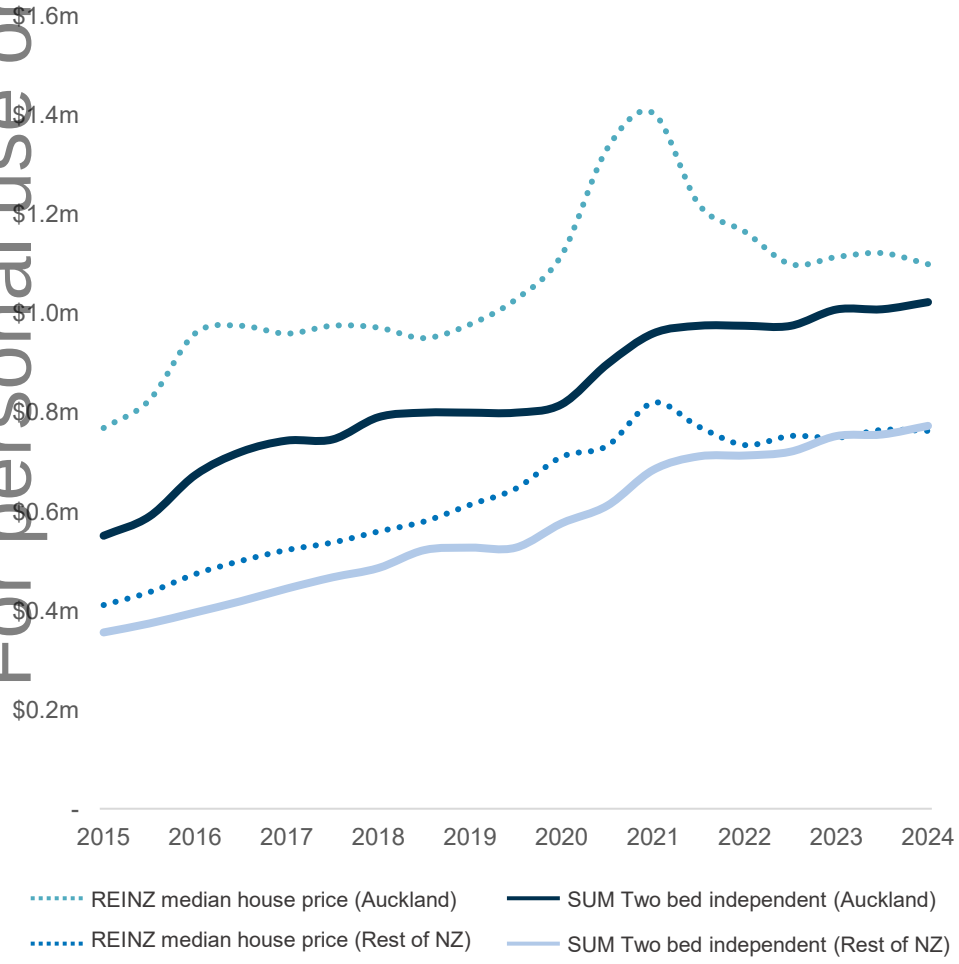
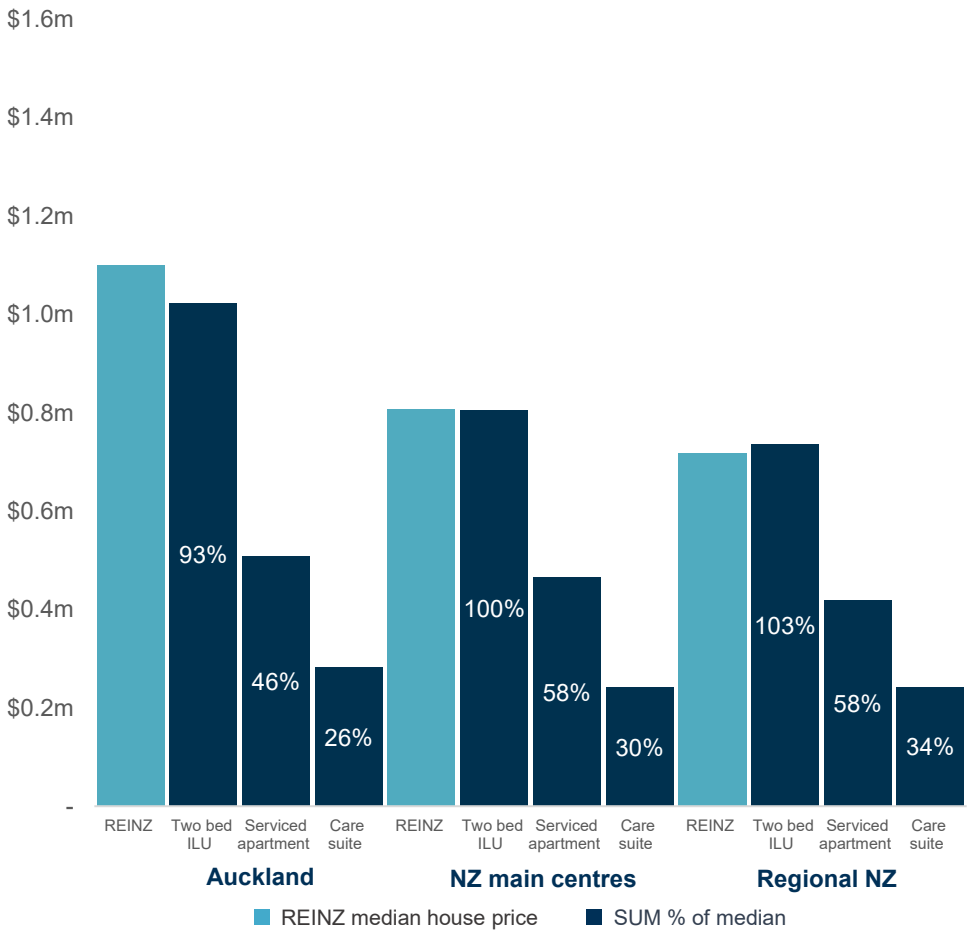
Long term sales price relativity



Sales price relativity vs median house price



Source: REINZ, December 2024, based on Summerset catchments

Summerset growth and key demographics

26 years of consistent delivery and growth

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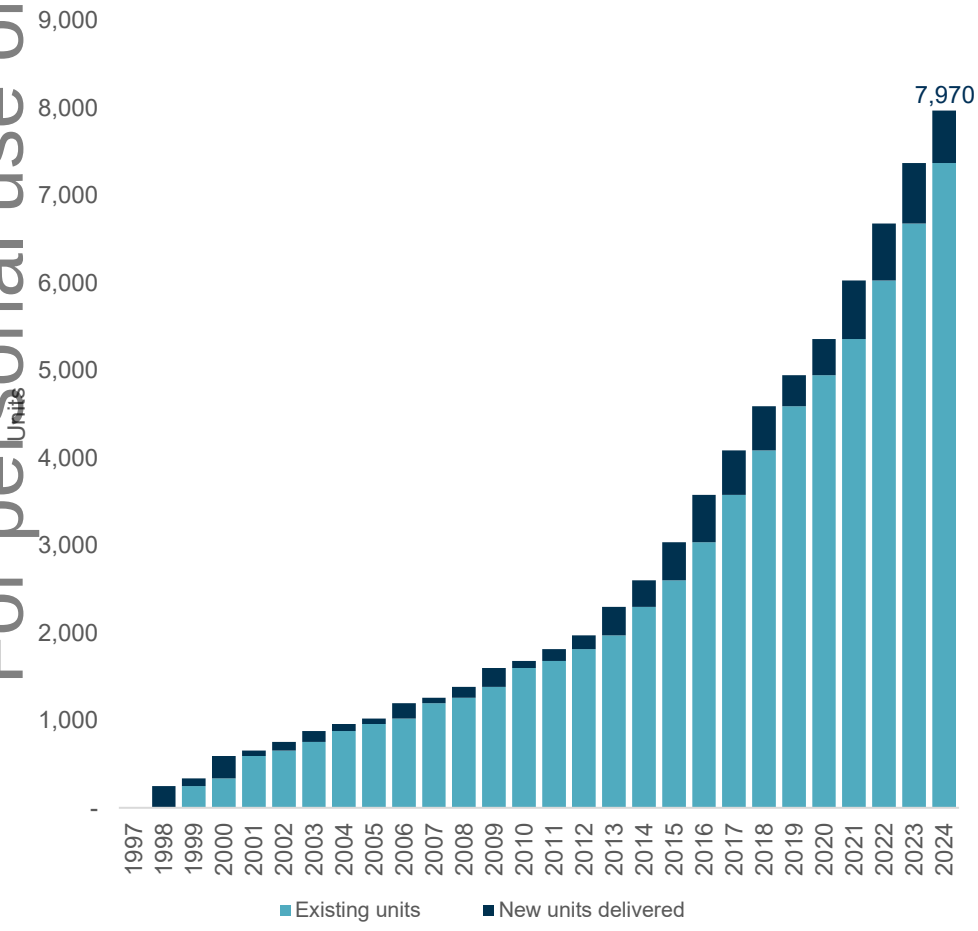
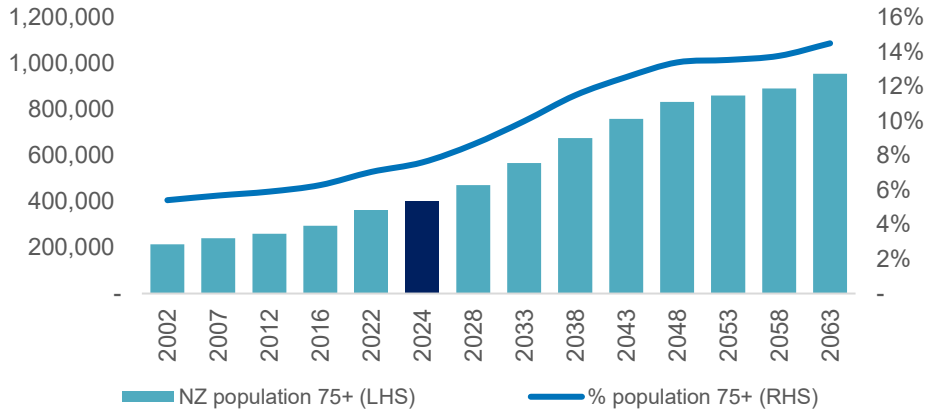
Summerset build rate

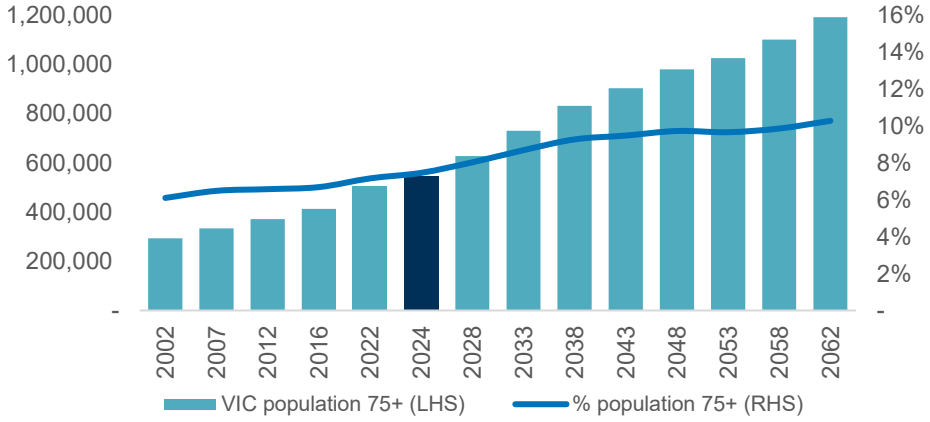


New units delivered includes retirement units, memory care apartments, care suites and care beds

New Zealand population growth 75 years and over



Victoria population growth 75 years and over



Source: Australian Bureau of Statistics and Statistics New Zealand

Customer profile & occupancy

Occupancy, tenure and resident demographic statistics

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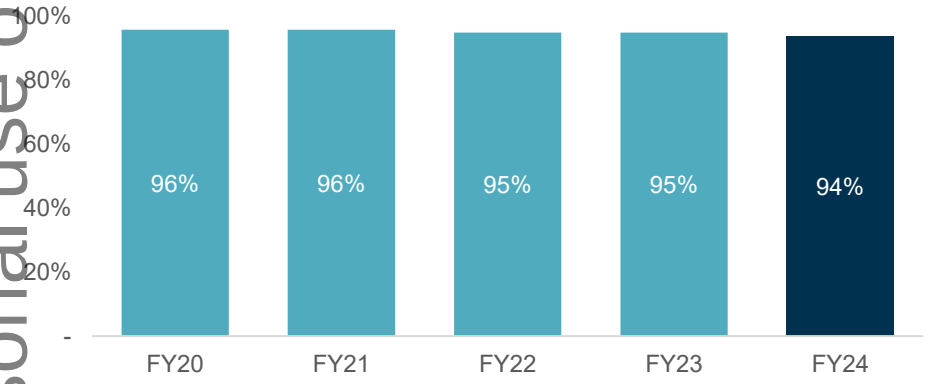
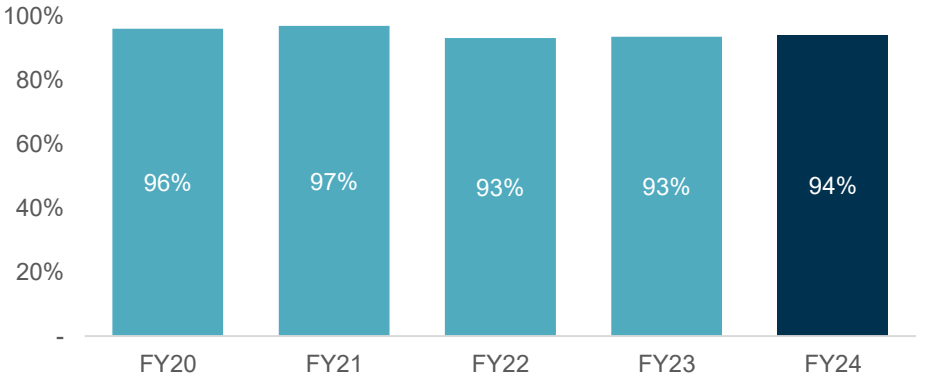
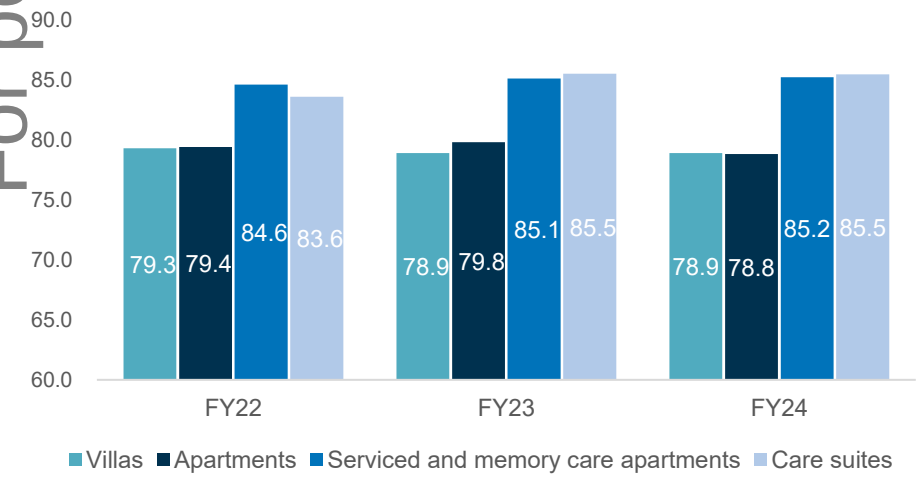
Occupancy – retirement villages



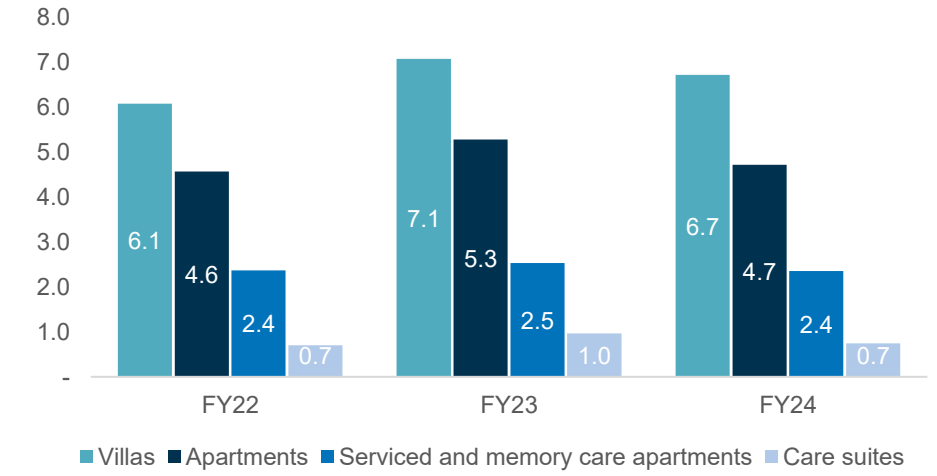
Occupancy – established care centres



Average entry age of residents (years)



Average tenure (years)





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Ngā mihi

For more information:

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Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

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Results for announcement to the market		
Name of issuer	Summerset Group Holdings Limited	
Reporting Period	12 months to 31 December 2024	
Previous Reporting Period	12 months to 31 December 2023	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$319,903	17.5%
Total Revenue	$319,903	17.5%
Net profit/(loss) from continuing operations	$339,838	(20.1%)
Total net profit/(loss) after tax	$339,838	(20.1%)
Underlying profit *	$206,350	8.4%
Interim/Final Dividend		
Amount per Quoted Equity Security	$0.132 per Ordinary Share	
Imputed amount per Quoted Equity Security	Not imputed	
Record Date	14 March 2025	
Dividend Payment Date	27 March 2025	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	$12.53	$11.09
A brief explanation of any of the figures above necessary to enable the figures to be understood	See also other attached documents (annual report, media release, results presentation and distribution notice). * 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 realised and unrealised components of fair value movement of investment property, 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 which the Group uses consistently across reporting periods. Underlying profit is used to determine the dividend pay-out to shareholders.	

Authority for this announcement	
Name of person authorised to make this announcement	Robyn Heyman
Contact person for this announcement	Robyn Heyman
Contact phone number	027 506 5562
Contact email address	Robyn.heyman@summerset.co.nz
Date of release through MAP	28 February 2025

Audited financial statements accompany this announcement.

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NZX
NEW ZEALAND'S EXCHANGE

Distribution Notice

Please note: all cash amounts in this form should be provided to 8 decimal places

Section 1: Issuer information				
Name of issuer	Summerset Group Holdings Limited			
Financial product name/description	Ordinary Shares			
NZX ticker code	SUM			
ISIN (If unknown, check on NZX website)	NZSUME0001S0			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year	X	Quarterly	
	Half Year		Special	
	DRP applies	X		
Record date	14/03/2025			
Ex-Date (one business day before the Record Date)	13/03/2025			
Payment date (and allotment date for DRP)	27/03/2025			
Total monies associated with the distribution[1]	$31,634,896.12800000			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution[2]	$0.13200000			
Total cash distribution[3]	$0.13200000			
Excluded amount (applicable to listed PIEs)	$0.00000000			
Supplementary distribution amount	$0.00000000			
Section 3: Imputation credits and Resident Withholding Tax[4]				
Is the distribution imputed	No imputation			
If fully or partially imputed, please state imputation rate as % applied	N/A			
Imputation tax credits per financial product	N/A			
Resident Withholding Tax per financial product	$0.04356000			

[1] Continuous issuers should indicate that this is based on the number of units on issue at the date of the form
[2] "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (**RWT**).
[3] "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should *include* any excluded amounts, where applicable to listed PIEs.
[4] The imputation credits plus the RWT amount is 33% of the gross distribution for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross distribution with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

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Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)	2%	
Start date and end date for determining market price for DRP	17/03/2025	21/03/2025
Date strike price to be announced (if not available at this time)	24/03/2025	
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)	New issue	
DRP strike price per financial product	TBA	
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	17/03/2025	
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Robyn Heyman	
Contact person for this announcement	Robyn Heyman	
Contact phone number	+64 27 506 5562	
Contact email address	robyn.heyman@summerset.co.nz	
Date of release through MAP	28/02/2025	

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