Bupa Care Services NZ Limited

Annual Report

For the year ended 31 December 2025

Approval by directors

The directors are pleased to present the approved annual report which includes the consolidated financial statements for Bupa Care Services NZ Limited and other information required by the Companies Act 1993 for the year ended 31 December 2025.

Director
Pedro Sanchez Soro



Director
Timothy Griffiths



For and on behalf of the Board of Directors

18 March 2026

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	Note	Consolidated 31 Dec 2025 $'000	Consolidated 31 Dec 2024 $'000
Revenue	4	**366,283**	345,817
Change in fair value of investment properties	5	**52,120**	57,186
Other income		**791**	546
Operating expenses	6	**(333,329)**	(330,087)
Revaluation gain / (loss) of property, plant and equipment	12	**11,412**	(3,582)
Depreciation	12,18	**(18,869)**	(17,741)
Amortisation of intangible assets	11	**(1,639)**	(1,225)
Operating Profit		**76,769**	50,914
Finance income	7	**2,221**	4,538
Finance expense	7	**(15,934)**	(22,970)
Net finance expense		**(13,713)**	(18,432)
Profit before income tax expense		**63,056**	32,482
Income tax expense	10	**(2,074)**	(18,203)
Profit for the year attributable to the owner of the Group		**60,982**	14,279
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Revaluation of property, plant and equipment	20 (b)	**57,476**	974
Deferred tax on revaluation of property, plant and equipment	20 (b)	**(9,402)**	—
		48,074	974
Other comprehensive income for the year, net of tax		**48,074**	974
Total comprehensive income for the year attributable to the owner of the Group		**109,056**	15,253

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

	Note	Consolidated 31 Dec 2025 $'000	Consolidated 31 Dec 2024 $'000
Assets			
Cash and cash equivalents	21	**48,286**	77,665
Trade and other receivables	8	**24,185**	21,044
Assets held for sale	9	**13,017**	—
Current tax asset		**792**	1,446
Right of use assets	18	**9,495**	10,771
Intangible assets	11	**5,128**	4,804
Property, plant and equipment	12	**478,827**	413,764
Unit titles		**993**	1,055
Investment property	13	**1,665,252**	1,537,446
Total assets		**2,245,975**	2,067,995
Liabilities			
Trade and other payables	14	**38,018**	36,972
Obligations to residents	15	**825,175**	779,319
Employee entitlements	16	**39,907**	39,180
Other liabilities	17	**62,200**	55,358
Liabilities held for sale	9	**4,087**	—
Lease liabilities	18	**11,793**	13,053
Net deferred tax liabilities	10 (d)	**29,583**	18,154
Interest bearing liabilities to related parties	19	**280,554**	280,357
Total liabilities		**1,291,317**	1,222,393
Net assets		**954,658**	845,602
Equity			
Share capital	20	**588,340**	588,340
Reserves	20	**111,405**	63,331
Retained earnings		**254,913**	193,931
Total equity		**954,658**	845,602

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

	Note	Share capital	Reserves	Retained earnings	Total equity
		$'000	$'000	$'000	$'000
Balance at 1 January 2025		**588,340**	**63,331**	**193,931**	**845,602**
Total comprehensive income for the year					
Profit for the year		**—**	**—**	**60,982**	**60,982**
Revaluation of property, plant and equipment	20 (b)	**—**	**57,476**	**—**	**57,476**
Deferred tax on revaluation of property, plant and equipment	20 (b)		**(9,402)**		**(9,402)**
Total comprehensive income for the year		**—**	**48,074**	**60,982**	**109,056**
Balance at 31 December 2025		**588,340**	**111,405**	**254,913**	**954,658**
Balance at 1 January 2024		588,340	79,090	162,919	830,349
Total comprehensive income for the year					
Profit for the year		—	—	14,279	14,279
Total other comprehensive income	20 (b)	—	974	—	974
Total comprehensive income for the year		—	974	14,279	15,253
Transactions with owner of the Company recognised directly in equity					
Disposal of assets	20 (b)	—	(16,733)	16,733	—
Balance at 31 December 2024		588,340	63,331	193,931	845,602

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Note	Consolidated 31 Dec 2025 $'000	Consolidated 31 Dec 2024 $'000
Cash flows from operating activities			
Revenue receipts		**343,536**	333,068
Payments to suppliers, employees and related entities**		**(334,859)**	(328,028)
Goods and Services Tax (Net)**		**1,767**	165
Receipt of occupation right agreement capital sums from incoming residents		**164,658**	177,232
Payment of occupation right agreement capital sums to outgoing residents		**(86,199)**	(81,830)
Income tax received / (paid)		**607**	(875)
Interest received		**2,177**	4,473
Interest paid		**(15,716)**	(23,179)
Net cash from operating activities	21	**75,971**	81,026
Cash flows (used in) investing activities			
Development expenditure on investment properties	13	**(80,095)**	(60,293)
Purchases of intangible assets	11	**(1,963)**	(2,933)
Purchases of property, plant and equipment	12	**(23,648)**	(20,531)
Proceeds from disposal of property, plant and equipment and investment property		**1,897**	41,512
Net cash (used in) investing activities		**(103,809)**	(42,245)
Cash flows (used in) financing activities			
Repayments of loans from related entities		**(279,660)**	(25,000)
Loans from related entities		**279,660**	—
Proceeds from issue of share capital		**—**	—
Payment of principal portion of lease liabilities		**(1,541)**	(1,533)
Net cash (used in) financing activities		**(1,541)**	(26,533)
Net (decrease)/increase in cash and cash equivalents		**(29,379)**	12,248
Cash and cash equivalents at beginning of the year		**77,665**	65,417
Cash and cash equivalents at end of the year		**48,286**	77,665

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

*** Comparative figures have been restated to separately present Goods and Services Tax (net).*

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1 Corporate information

The Group consists of Bupa Care Services NZ Limited and its subsidiary, Bupa Retirement Villages Limited ("the Group"). The parent entity and subsidiary are for-profit limited liability companies registered in New Zealand under the *Companies Act 1993*. The Group owns and operates care home and retirement village businesses within New Zealand.

Bupa Care Services NZ Limited, incorporated and domiciled in New Zealand (registered offices Level 2, 109 Carlton Gore Road, Newmarket, Auckland) is a wholly owned subsidiary of Bupa Aged Care Holdings Pty Limited, which is domiciled in Australia. The ultimate parent company is The British United Provident Association Limited, which is domiciled in the United Kingdom.

The financial report was authorised for issue by the directors on 18 March 2026. The Group has the power to amend and reissue the financial report.

2 Basis of preparation

These consolidated financial statements:

- Have been prepared in accordance with the New Zealand *Companies Act 1993*, the *Financial Reporting Act 2013* and New Zealand Generally Accepted Accounting Principles ("NZ GAAP")
- Comply with the New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZ IFRS RDR") and other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS RDR. The Group is eligible and has elected to report in accordance with NZ IFRS RDR on the basis that the Group has no public accountability and is not a large for-profit public sector entity. In applying NZ IFRS RDR, the Group has applied a number of disclosure concessions
- Have been prepared on a going concern basis:
    - The Group has Occupation Right Agreement ("ORA") liabilities due to retirement village and care suite residents. These liabilities do not present a threat to the Group's ability to continue to operate as a going concern, as they are owed to a large number of residents with no single amount to a resident being material. Furthermore, it has been the Group's historical experience, and is its ongoing expectation, that when an ORA liability is settled, an inflow in respect of a new ORA is soon received from a new incoming resident
- Have been prepared on the historical cost basis, except for the following:
    - Land and buildings, measured at fair value
    - Investment properties and unit titles, measured at fair value
    - Assets held for sale, measured at the lower of carrying amount or fair value, less cost to sell
- Are presented in New Zealand dollars, which is the Group's functional and presentation currency.
- Have been rounded off to the nearest thousand dollars, unless otherwise stated.
- Have consistently applied the accounting policies set out in the notes below to all periods presented.
- The balance sheet for the Group is presented on a liquidity basis where the assets and liabilities are presented in the order of their liquidity.

Reclassification of comparative amounts

Compared to the published financial statements for the year ended 31 December 2024, the Goods and Services Tax (Net) has been separately presented in the consolidated statement of cash flows. The reclassification has no effect on the previously reported cash flows for the year.

3 Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the relevant accounting policies. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the following notes:

- 12 Property, plant and equipment - land and buildings revaluation
- 13 Investment property
- 17 Other liabilities and 4 Revenue - amenities fees tenure assumption

4 Revenue

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Revenue from accommodation and care services		
Aged care resident fees	**303,009**	286,904
Village and care suite amenities fees	**41,928**	39,277
Village service fees	**17,306**	16,379
Other operating revenue	**4,040**	3,257
Total revenue	**366,283**	345,817

Revenue accounting policy

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

4 (a) Aged care revenue

The primary performance obligation under the resident arrangement is the provision of care and accommodation services.

These services to the resident may be funded through government subsidies for care and accommodation.

Revenue is recognised over time as the services are provided to the resident. Cash received in advance for services not yet provided is recognised as a contract liability and is presented with other liabilities in the consolidated statement of financial position. The transaction price of the services provided or yet to be provided is based on the contracted daily accommodation payment and/or the regulated care fees.

4 (b) Retirement villages and care suite revenue

Amenities fees

The Group provides accommodation services to retirement village and care suite residents. Amenities fees are charged to residents for these services. Amenities Fee (also known as deferred management fee) revenue is recognised over the estimated occupancy period, which is based on past experience.

Estimated occupancy periods:
Villas: 6.6 years (2024: 6.3 years)
Apartments 5.1 years (2024: 5.0 years)
Care suites: 2.0 years (2024: 2.0 years)

Amenities fee receivable is recognised over the contractual period of entitlement and is recorded as an offset against the Occupation Right Agreement capital sum paid by the resident. On termination of a resident's Occupation Right Agreement, the Group has a contractual right to deduct the accrued amenities fees from the capital sum refunded to the resident.

Amenities fees are not in scope of NZ IFRS 15 *Revenue* from Contracts with Customers as fees derived from rental income are recognised in accordance with NZ IFRS 16 *Leases*.

Revenue is recognised as the services are provided to the resident. Cash received in advance for services not yet provided is recognised as a contract liability and is presented with other liabilities in the consolidated statement of financial position.

Village service fees

Village service fees are charged to the retirement village residents to cover the operational costs of the retirement village. Revenue is recognised over time in line with the provision of services.

5 Change in fair value of investment properties

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Investment properties	52,183	57,280
Unit titles	(63)	(94)
Total change in fair value of investment properties	52,120	57,186

6 Operating expenses

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Personnel expenses	234,972	229,038
Resident and medical expense	30,913	30,892
Utilities, rates and insurance expenses	20,432	18,785
Marketing	4,561	4,832
Repairs and maintenance	19,003	21,133
Professional fees, travel and communication	4,876	5,829
Other expenses	18,572	19,578
Total operating expenses	333,329	330,087

The above includes direct retirement village operating expenses of $45.4m (2024: $46.1m).

PricewaterhouseCoopers (PwC) is the auditor of the Group, which has audit fees of $350,000 included in other expenses (2024: $346,000). PwC provided no other services to the Group during 2025 (2024: nil).

7 Finance income and finance expense

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Interest income	2,221	4,538
Total finance income	2,221	4,538
Interest expense	15,934	22,970
Total finance expense	15,934	22,970
Net finance (expense)	(13,713)	(18,432)

(i) Interest expense relating to the related company loan is $15.1m (2024: $22.1m). Refer Note 19 for details on terms of this loan facility. Interest expense on lease liabilities is $0.8m (2024: $0.9m).

Finance income and finance expenses accounting policy
Finance income comprises interest earned on cash held at bank. Interest income is recognised as it accrues in profit or loss using the effective interest method.

Finance expenses comprise interest expense on loans and borrowings from related entities and are recognised in profit or loss using the effective interest method.

8 Trade and other receivables

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Trade receivables	21,281	18,384
Provision for expected credit losses	(1,853)	(1,747)
	19,428	16,637
Prepayments	4,757	4,407
Trade and other receivables - current	24,185	21,044

Trade and other receivables accounting policy
Trade and other receivables are recognised initially at fair value, subsequently measured at amortised cost and are disclosed net of any expected credit loss. The balance is not discounted because the amounts are expected to be recovered in the next 12 months. Prepayments within trade and other receivables are not financial assets at amortised cost.

Expected credit losses on trade and other receivables accounting policy
The Group applies the simplified approach to providing for expected credit losses prescribed by NZ IFRS 9 *Financial Instruments*, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. An allowance matrix is applied, based on the Group's historical experience and incorporating forward looking information.

9 Assets and liabilities held for sale

Assets and liabilities are classified as held for sale where the assets are actively marketed and/or there is an agreement to sell.

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Assets		
Property, plant and equipment	6,295	—
Investment property	6,722	—
Total assets held for sale	13,017	—
Liabilities		
Employee entitlements	291	—
Obligations to residents	3,796	—
Total liabilities held for sale	4,087	—

At 31 December 2025, property, plant and equipment of one care home, and investment property of one retirement village were classified as held for sale.

Revaluation gains and losses
At the time the assets noted above were classified as held for sale, revaluation gains recognised through reserves relating to the held for sale care home were $1.3m. Revaluation reserves of $2.5m will be transferred to retained earnings upon sale of the property.

Non-current assets and liabilities held for sale accounting policy
Non-current assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale, rather than through continuing use within 12 months from the reporting date.

Such assets and liabilities are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale, and subsequent gains and losses and remeasurement, are recognised in profit or loss, except to the extent it reverses a credit recognised in reserves.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

10 Income taxes

		Consolidated	
		31 Dec 2025 $'000	31 Dec 2024 $'000
10 (a)	**Amounts recognised in profit or loss**		
	Current tax expense		
	Current year	**—**	—
	Adjustment for prior years	**47**	49
		47	49
	Deferred tax expense		
	Origination and reversal of temporary differences	**2,032**	17,843
	Adjustment for prior years	**(5)**	311
		2,027	18,154
	Total tax expense	**2,074**	18,203
10 (b)	**Deferred tax recognised in other comprehensive income**		
	Deferred tax on revaluation of property, plant and equipment	**9,402**	—
		9,402	—
10 (c)	**Reconciliation of effective tax rate**		
	Profit before tax	**63,056**	32,482
	Tax expense using the New Zealand corporate tax rate of 28%	**17,656**	9,095
	Tax effect of non-temporary differences:		
	Investment property fair value	**(14,594)**	(16,012)
	Non-deductible expenses	**441**	955
	Derecognition of tax cost base on aged care building assets[1]	**—**	46,536
	Deferred tax asset recognised for prior year tax losses[1]	**—**	(23,521)
	Adjustment for prior years	**42**	360
	Other items	**(1,471)**	790
	Total tax expense	**2,074**	18,203

[1] Tax legislation which removed tax depreciation deductions for non-residential buildings received royal assent on 28 March 2024. This change reduced the tax base of non-residential buildings and in 2024, resulted in an increase of $46.5m in the deferred tax liability relating to Property, plant and equipment with a corresponding increase of $46.5m in deferred tax expense which was partially offset by the recognition of $23.5m of deferred tax assets for prior year tax losses previously not recognised with a corresponding decrease of $23.5m in deferred tax expense.

		Consolidated	
		31 Dec 2025	31 Dec 2024
10 (d)	**Deferred tax assets and liabilities**	**$'000**	**$'000**
	Deferred tax assets		
	Employee benefits	**8,047**	7,882
	Other provisions and accruals	**2,526**	2,560
	Other liabilities	**17,466**	15,513
	Lease liabilities	**3,302**	3,655
	Tax losses	**24,150**	25,754
	Total deferred tax assets	**55,491**	55,364
	Deferred tax assets offset against deferred tax liabilities pursuant to offset provisions	**(55,491)**	(55,364)
	Net deferred tax assets	**—**	—
	Deferred tax liabilities		
	Property, plant and equipment	**(67,634)**	(56,956)
	Investment property	**(14,762)**	(13,527)
	Right-of-use assets	**(2,659)**	(3,016)
	Other provisions and accruals	**(19)**	(19)
	Total deferred tax liabilities	**(85,074)**	(73,518)
	Offset of deferred tax assets pursuant to offset provisions	**55,491**	55,364
	Net deferred tax liabilities	**(29,583)**	(18,154)
10 (e)	**Movement in net deferred tax assets (liabilities)**		
	Opening balance	**(18,154)**	—
	Recognised in profit or loss	**(2,032)**	(17,843)
	Recognised in other comprehensive income	**(9,402)**	—
	Adjustment for prior years	**5**	(311)
	Closing balance	**(29,583)**	(18,154)

See note 10(b) for further information on the movements recognised in other comprehensive income for the deferred tax assets and liabilities as shown in note 10(e).

Income tax accounting policy
Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax
Current tax is the expected tax payable or receivable for the year, calculated using tax rates and laws enacted or substantively enacted at the reporting date, and any adjustment in respect of previous years.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is not recognised for the following temporary differences:
- The initial recognition of assets or liabilities in a transaction that is not a business combination, that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- Investments in subsidiaries, associates and jointly controlled entities where the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; or
- The initial recognition of goodwill.

Deferred tax is measured at the tax rates which are expected to apply when the asset is realised or the liability is settled, based upon the tax rates and laws enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset and they relate to taxes levied by the same tax authority on the same taxable entity or group and the group intends to settle on a net basis or realise the assets and settle the liabilities simultaneously.

Key judgement
The Group considers the impact of uncertain tax positions and whether additional taxes may be due when determining current and deferred tax balances. This relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities and such changes to tax liabilities will impact tax expense in the period that such a determination is made.

OECD Pillar Two Model Rules
New Zealand's Pillar Two legislation came into effect from 1 January 2025 and seeks to establish a 15% global minimum tax rate for multinational enterprises. The Group has applied the NZ IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and instead accounts for it as a current tax when it is incurred. The Group has assessed that the New Zealand Pillar Two rules should have no impact for the Group and no top-up tax in New Zealand is required to be paid for the year ended 31 December 2025.

11 Intangible assets

The movement in the carrying amount of intangible assets is as follows:

	Software	
	Consolidated	
	31 Dec 2025	**31 Dec 2024**
	$'000	$'000
Balance at 1 January	**4,804**	3,223
Additions	**1,963**	2,933
Disposals	**—**	(127)
Amortisation	**(1,639)**	(1,225)
Balance at 31 December	**5,128**	4,804
Cost	**10,825**	8,864
Accumulated amortisation	**(5,697)**	(4,060)
Net book amount	**5,128**	4,804

Refer to Note 26 (c) for detail on impairment of non-financial assets.

12 Property, plant and equipment

The movement in the carrying amount of property, plant and equipment is as follows:

	Land	Buildings	Leasehold improvements	Furniture and Chattels	Technology Hardware	Motor Vehicles	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2025	**87,276**	**288,368**	**4,068**	**17,912**	**4,360**	**2,860**	**8,920**	**413,764**
Additions	**—**	**—**	**—**	**(136)**	**—**	**—**	**23,784**	**23,648**
Disposals	**—**	**(146)**	**(34)**	**—**	**(55)**	**(32)**	**—**	**(267)**
Revaluation	**26,115**	**42,773**	**—**	**—**	**—**	**—**	**—**	**68,888**
Transfer from work in progress	**—**	**9,767**	**862**	**3,859**	**1,255**	**97**	**(15,840)**	**—**
Reclassified (to)/ from investment property	**—**	**(79)**	**—**	**—**	**—**	**—**	**(3,523)**	**(3,602)**
Depreciation	**—**	**(10,319)**	**(444)**	**(4,746)**	**(1,348)**	**(453)**	**—**	**(17,310)**
Transferred to assets held for sale	**(696)**	**(5,363)**	**—**	**(234)**	**(1)**	**—**	**—**	**(6,294)**
Balance at 31 December 2025	**112,695**	**325,001**	**4,452**	**16,655**	**4,211**	**2,472**	**13,341**	**478,827**
2025								
Cost or fair value	**112,695**	**356,108**	**7,250**	**48,837**	**15,833**	**5,966**	**13,341**	**560,030**
Accumulated depreciation	**—**	**(31,107)**	**(2,798)**	**(32,182)**	**(11,622)**	**(3,494)**	**—**	**(81,203)**
Net book amount	**112,695**	**325,001**	**4,452**	**16,655**	**4,211**	**2,472**	**13,341**	**478,827**
2024								
Cost or fair value	87,276	315,375	7,572	46,091	16,684	6,185	8,920	488,103
Accumulated depreciation	—	(27,007)	(3,504)	(28,179)	(12,324)	(3,325)	—	(74,339)
Net book amount	87,276	288,368	4,068	17,912	4,360	2,860	8,920	413,764

Property, plant and equipment accounting policy

Recognition and measurement

Land and building assets are initially recognised at cost and are subsequently measured at fair value less accumulated depreciation and impairment losses.

Any revaluation increase arising from the revaluation of a land or building asset is recognised in an asset revaluation reserve within equity, except to the extent that it reverses a revaluation decrease for the same asset previously expensed in profit or loss, in which case the increase is recognised in profit or loss.

Any revaluation decrease arising from the revaluation of a land or building asset is recognised in profit or loss, except to the extent that it reverses a revaluation increase for the same asset previously recognised in an asset revaluation reserve, in which case the decrease is recognised against the asset revaluation reserve.

All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Work in progress
Costs relating to the construction, alteration or addition to care homes buildings are classified as work in progress at cost. These costs include materials and labour required to complete the care homes buildings for its intended use. Upon completion, the cost is transferred to buildings.

Subsequent costs
Subsequent expenditure is capitalised only when it is probable that the future economic benefit associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

Depreciation
Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets and is recognised in profit or loss. Leasehold improvement assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated

The estimated useful lives for the current and comparative periods are as follows:

- Buildings (including shell, fitout and landscaping): 4-50 years
- Leasehold improvements: lower of remaining lease term or asset life
- Furniture and chattels: 4-10 years
- Computer and other equipment: 4-8 years
- Motor vehicles: 8-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Refer to Note 26 (c) for detail on impairment of non-financial assets.

Land and buildings revaluations
Land and buildings were revalued during 2025. The fair value recognised was determined through an independent valuation exercise performed by registered valuers, Jones Lang LaSalle ("JLL") as at 30 September 2025. Refer below for valuation methodology. The revaluation results are as follows:

	Consolidated	
	31 Dec 2025	**31 Dec 2024**
	$'000	$'000
Net revaluation of property, plant and equipment recognised	**68,888**	(2,608)
less recognised in asset revaluation reserves	**(57,476)**	(974)
Recognised in the profit or loss account	**11,412**	(3,582)

Key judgement
The fair values of land and buildings are based on periodic valuations performed by external independent valuers. In between external valuations, internal valuations are performed with sufficient regularity to ensure that the carrying values do not differ significantly from their fair values at reporting date. Valuations of land are on a market value basis. The fair value of facilities (which include land, buildings, plant and equipment and work in progress held at cost) is estimated using the capitalisation of earnings approach. The capitalisation of earnings approach considers actual and projected financial performance for each property with reference to benchmark performance indicators and assumed normal prudent management.

In assessing the fair value of property, plant & equipment, the Group has determined that the highest and best use of the majority of its property, plant & equipment assets is to use them as part of an operating aged care business. Value is allocated to each asset within the facility on a fair value basis, except buildings which are valued on a residual value basis. Net book value is used as a proxy for the fair value of plant and equipment and work in progress in this allocation methodology.

Refer to Note 26 (e) for detail on fair value measurement.

Significant observable inputs
The fair value measurement for land and buildings has been categorised as Level 3 fair value based on the inputs to valuation approach. The measurement of land and buildings are subject to estimation uncertainty. Significant unobservable inputs adopted in the valuation include the capitalisation rate and occupancy rate.

13 Investment property

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Balance at 1 January	**1,537,446**	1,418,450
Transferred to assets held for sale	**(6,722)**	—
Development expenditure	**80,095**	60,293
Net gains from revaluation recognised in profit or loss (i)	**52,167**	57,427
Reclassified from property, plant and equipment	**3,602**	1,276
Disposals	**(1,336)**	—
Balance at 31 December	**1,665,252**	1,537,446
(i) Reconciliation to change in fair value of investment properties		
Net revaluation not included within this line item	**16**	(147)
	52,183	57,280

The Group's investment property is mainly held under freehold interest. These are subject to ORAs which confer the right to occupancy of the unit, until such time as the resident's occupancy terminates and the occupancy rights are transferred to another resident. On termination, the agreement holders are entitled to repayment under the ORA less contractually agreed deductions when the unit is sold.

There is a registered first mortgage over the land owned by a subsidiary of the Group, Bupa Retirement Villages Limited, in favour of the Statutory Supervisor to secure the Group's obligations to residents.

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Valuation of owner's net interest and work-in-progress	**856,643**	766,833
Obligations to residents[1]	**808,609**	770,613
Total investment properties	**1,665,252**	1,537,446

[1] *Excludes loans to village residents, care suite ORAs, garage licences and properties held for sale.*

Investment property accounting policy
Investment property relates to retirement village units (both operating and under development) that are held for long term income yields. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Investment property is revalued on an annual basis with any gains or losses on revaluation taken to profit or loss.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the asset revaluation reserve in equity. Any loss is recognised in profit or loss.

Investment property work in progress is measured at fair value if the fair value can be reliably measured, the variability in the range of reasonable fair value measurements is not significant and the probability for the various estimates within ranges can be reasonably assessed.

Where an investment property is disposed of, the difference between the net sale price and the carrying value of the property is recognised in profit or loss as gain or loss on disposal of investment property.

Key judgement
The fair value of an investment property is a Level 3 fair value classification and is based on the discounted cash flow approach. Under this approach, a property's fair value is estimated using explicit assumptions about the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This involves the projection of a series of cash flows which are discounted using an appropriate, market-derived discount rate to establish their present value. Work in progress reflects the fair value at completion less costs to complete.

The fair value recognised is in line with the range determined through an independent valuation exercise performed by registered valuers, Jones Lang LaSalle (JLL), at 31 December 2025. JLL's assessment, also based on a discounted cash flow model, was in line with management's valuation.

Refer to Note 26 (e) for detail on fair value measurement.

14 Trade and other payables

	Consolidated	
	31 Dec 2025	**31 Dec 2024**
	$'000	**$'000**
Trade payables	**5,394**	5,559
GST payable	**6,997**	5,230
Other payables	**4,025**	4,750
PAYE payable	**2,372**	2,188
Withholding tax payable	**104**	82
Accrued expenses	**16,631**	17,039
Other payables - related entities	**2,495**	2,124
Total trade and other payables	**38,018**	36,972

Trade and other payables accounting policy
Trade payables and other payables are recognised when the Group becomes obligated to make future payments resulting from the purchase of goods and services. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost. Trade and other payables are non-interest bearing.

15 Obligations to residents

	Consolidated	
	31 Dec 2025	**31 Dec 2024**
	$'000	**$'000**
Occupation Right Agreement capital sums	**1,052,943**	979,278
Provision for ORA capital gains	**2,029**	2,435
Occupation Right Agreement garages	**2,348**	2,662
Less:		
Retirement village amenities fees	**(228,164)**	(202,845)
Loans to village residents	**(3,981)**	(2,211)
	825,175	779,319

The Group has a legal right to set-off any amounts owing to the Group by a resident against that resident's ORA capital sum including amenities fees and loans outstanding.

Occupation Right Agreements ("ORAs") accounting policy
ORAs represent the amount payable to a resident on termination of the resident's occupation rights to an independent living unit in a retirement village or care suite. These liabilities vary according to the agreement with the resident and are considered leases under NZ IFRS 16 *Leases*.

An ORA capital sum is paid by the holder at the commencement of the agreement. On termination the holder is entitled to repayment of the ORA capital sum plus any capital gain share less amenities fees. Residents have the right to cancel their residency agreement with the Group at any time. As such, the liability is not discounted (based on the expected date of settlement) but is recognised as a current liability in the statement of financial position.

ORAs are stated net of amenities fees receivable and resident's share of capital gains.

16 Employee entitlements

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Current	38,248	37,541
Non-current	1,659	1,639
	39,907	39,180

Included in employee benefits is annual leave, long service leave, time in lieu and remediation provisions which represents the Group's best estimate of the expenditure required to settle the legal and/or constructive obligation identified as part of its proactive comprehensive pay review.

17 Other liabilities

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Current	33,889	28,711
Non-current	28,311	26,647
Total other liabilities	62,200	55,358

Other liabilities represent the difference between the amenities fees revenue recognised for accounting purposes and the revenue contractually earned in terms of the ORA. Refer to Note *4 (b) Retirement villages and care suite revenue* for more details.

18 Leases

The Group's leases primarily relate to properties. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Property leases will often include extension options, open market rent reviews, indexation uplifts or fixed uplifts.

The carrying amount of right-of-use assets recognised and the movements during the period are summarised below:

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Balance at 1 January	10,771	12,604
Additions	294	—
Depreciation	(1,559)	(1,719)
Remeasurement	(11)	(114)
Balance at 31 December	9,495	10,771

Below are the carrying amounts of lease liabilities and the movements during the period:

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Balance at 1 January	13,053	14,720
Additions	294	—
Remeasurement	(11)	(133)
Interest on lease liabilities	797	886
Repayments	(2,340)	(2,420)
Balance at 31 December	11,793	13,053
Current	1,185	1,633
Non-current	10,608	11,420
	11,793	13,053

The following are the amounts recognised in profit or loss:

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Expense relating to short-term leases	33	45
Total amount recognised in profit or loss	33	45

The Group had total cash outflows for leases of $2.3m in 2025 (2024: $2.4m).

Leases accounting policy

The Group assesses at contract inception whether a contract is, or contains, a lease by determining whether the contract:

- Involves the use of an identified asset; and
- Conveys the right to direct the use of the asset.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the individual lessee company's incremental borrowing rate taking into account the duration of the lease. The lease liability is subsequently measured at amortised cost using the effective interest method, with the finance expense charged to profit or loss as finance expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. It is remeasured when there is a change in future lease payments arising from a change in index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option. The lease liability is recalculated using a revised discount rate if the lease term changes as a result of a modification or re-assessment of an extension or termination option.

Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore properties to their original condition, less any lease incentives received. The right-of-use asset, excluding restoration costs, is typically depreciated on a straight-line basis over the lease term. In addition, the right-of-use asset may be adjusted for certain remeasurements of the lease liability, such as indexation and market rent review uplifts. Restoration costs included in the right-of-use asset are amortised over the same term as the corresponding provision, which may be longer than the contractual lease term.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for:

- Short-term leases that have a term of 12 months; or
- Leases that are of "low-value", where the underlying asset is less than $9,000.

Lease payments associated with these leases are expensed on a straight-line basis over the lease term.

Key judgement

Extension options

Some of the Group's property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. At lease commencement an assessment is performed of whether the Group is reasonably certain to exercise the extension options, taking into account factors such as the future timing of options, economic incentives for the lessee to exercise the option or past practice. The Group reassesses whether it is reasonably certain to exercise the extension option if there is a significant event or change in circumstances within its control.

Below are the discounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Extension options that were not included in the measurement of lease liabilities	5,978	9,303

19 Interest bearing liabilities to related parties

	Note	Consolidated 31 Dec 2025 $'000	Consolidated 31 Dec 2024 $'000
Current			
Loan payable - related entity	22 (b)	—	280,357
Non-current			
Loan payable - related entity	22 (b)	**280,554**	—
Total interest bearing liabilities to related parties		**280,554**	280,357

The loan payable to a related entity is a $350m facility held with Bupa ANZ Healthcare Holdings Pty Limited entered into on 27 November 2025. The loan has an expiry date of 31 March 2031. To 31 December 2025, $279.7m has been drawn (2024: $279.7m). The interest is charged at a floating interest rate on the outstanding principal amount $279.7m and is payable quarterly. Interest of $0.9m was accrued to 31 December 2025 (2024: $0.7m).

Interest bearing liabilities accounting policy
Interest bearing liabilities are financial liabilities with fixed or determinable payments that are not quoted in an active market. Such liabilities are recognised initially at fair value plus any directly attributable costs. Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost using the effective interest rate method.

20 Share capital and reserves

20 (a) Share capital

	Number of shares 31 Dec 2025	Number of shares 31 Dec 2024	Carrying value 31 Dec 2025	Carrying value 31 Dec 2024
Ordinary shares on issue at 1 January	**646,997,856**	646,997,856	**588,340**	588,340
Ordinary shares on issue at 31 December	**646,997,856**	646,997,856	**588,340**	588,340

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

20 (b) Reserves

Asset revaluation reserve

	Consolidated 31 Dec 2025 $'000	Consolidated 31 Dec 2024 $'000
Balance at 1 January	**63,331**	79,090
Disposal of assets	**—**	(16,733)
Deferred tax on revaluation of property, plant and equipment	**(9,402)**	—
Revaluation of property, plant and equipment	**57,476**	974
Movement in reserves, net of tax	**48,074**	(15,759)
Balance at 31 December	**111,405**	63,331

Asset revaluation reserve
The asset revaluation reserve relates to the revaluation of property, plant and equipment, net of tax.

Ordinary shares accounting policy
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Dividends on ordinary shares are recognised as a liability when declared.

21 Cash flow information

Reconciliation of profit after income tax to net cash flow from operating activities

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Cash flows from operating activities		
Profit for the year	**60,982**	14,279
Adjustments for:		
Depreciation on property, plant and equipment	**17,310**	16,022
Depreciation on right-of-use asset	**1,559**	1,719
Amortisation of intangible assets	**1,639**	1,225
Deferred tax on revaluation of property, plant & equipment	**(9,402)**	—
Revaluation of property, plant and equipment	**(11,412)**	3,582
Losses on disposal	**(38)**	670
Investment properties fair value revaluation	**(52,183)**	(57,280)
Unit titles fair value revaluation	**63**	94
Change in operating assets and liabilities:		
(Increase) / Decrease in trade and other receivables	**(3,141)**	3,895
Increase / (Decrease) in amounts due to related entities	**197**	(224)
Increase / (Decrease) in trade and other payables	**789**	4,173
Increase / (Decrease) in other liabilities	**6,841**	11,307
Increase / (Decrease) in net deferred tax	**11,429**	18,154
Increase / (Decrease) in employee entitlements	**1,016**	(1,048)
Increase / (Decrease) in obligation to residents	**49,652**	65,431
Decrease / (Increase) in income tax receivables	**654**	(826)
Increase / (Decrease) in investment property associated with capital gain	**16**	(147)
Net cash from operating activities	**75,971**	81,026

Cash and cash equivalents		
Cash at bank and on hand	**48,286**	77,665
Total cash and cash equivalents	**48,286**	77,665

Cash and cash equivalents accounting policy

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other financial institutions and other short-term highly liquid investments. For the purpose of the statement of cash flows, cash includes cash on hand and in banks and term deposits readily convertible to cash within two working days. Cash and cash equivalents are measured at fair value.

22 Related parties

22 (a) Key management personnel remuneration

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The composition of key management personnel include the Directors and the Executive Leadership Team of the Group.

Key management personnel compensation during the year was as follows:

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Total benefits	**5,752**	4,372

Amounts disclosed reflect total payments and accruals made during the reporting period 1 January to 31 December 2025.

There were no loans to, or other transactions with, key management personnel during the financial year.

22 (b) Other related party transactions

Related entities transactions recognised in the consolidated statement of comprehensive income

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Interest expense on loans and borrowings	**(15,137)**	(22,075)
Management fees and professional expenses	**(3,638)**	(3,538)
	(18,775)	(25,613)
Outstanding balances		
Intercompany balances with:		
Bupa HI Pty Ltd	**151**	352
The British United Provident Association Limited	**1,739**	1,677
Bupa Investments Overseas Limited	**605**	95
Net intercompany payable	**2,495**	2,124
Loan from Bupa ANZ Healthcare Holdings Pty Ltd	**280,554**	280,357
	283,049	282,481

23 Commitments

Commitments for future capital expenditure resulting from contracts entered into for:

	Consolidated	
	31 Dec 2025	31 Dec 2024
	$'000	$'000
Capital expenditure contracted for aged care facilities	**2,775**	**234**
Construction and development of investment properties	**40,813**	**39,630**
	43,588	**39,864**
Less than one year	**43,588**	**37,614**
Between one and five years	**—**	**2,250**
	43,588	**39,864**

24 Contingent liabilities

The Group has contingent liabilities arising in the ordinary course of business, including losses which might arise from litigation, disputes, regulatory compliance and interpretation of law. It is not considered that the ultimate outcome of any contingent liabilities will have a significant adverse impact on the financial condition of the Group.

25 Subsequent events

There were no events subsequent to 31 December 2025 which would materially affect the consolidated financial statements.

26 Other accounting policies

26 (a) Capital management

The Group is a member of the Bupa Australia and New Zealand Market Unit group of companies ("Bupa ANZ Group"). Capital management decisions are made by the Bupa ANZ Group with consideration given to the financial position and funding requirements of each of its subsidiaries. The Group's capital management objective is to maintain capital sufficient to protect the interests of its residents, maintain creditor and market confidence and sustain future development of the business.

26 (b) Basis of consolidation

The Group has a 100% ownership interest in Bupa Retirement Villages Limited which is incorporated in New Zealand.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

26 (c) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Key judgement

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Further disclosures relating to impairment of non financial assets are provided in the following notes:

Intangible assets	Note 11
Property, plant and equipment	Note 12
Leases	Note 18

26 (d) Financial assets and liabilities

Financial assets comprise cash and cash equivalents and trade and other receivables.

The Group initially recognises receivables on the date that they originate. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to

receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial liabilities comprise trade and other payables, ORA liabilities and interest bearing liabilities. The Group initially recognises financial liabilities on the trade date, which is the date that it becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

26 (e) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values. Fair value related disclosures are summarised in the following notes:

- Note 12 - Property, plant and equipment
- Note 13 - Investment property

Fair value measurement may be subjective and requires judgement. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
There were no transfers between levels in the period.

26 (f) Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of Goods and Services Tax (**GST**), except where GST is not recoverable.

Receivables and payables are stated inclusive of GST. The GST recoverable from, or payable to the taxation authority is included in receivables or payables. Cash flows are presented in the statement of cash flows excluding any applicable GST.

26 (g) Foreign currency

Transactions in foreign currencies are translated to the respective functional currency of Group entities at exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

Independent auditor's report

To the shareholder of Bupa Care Services NZ Limited

Our opinion

In our opinion, the accompanying consolidated financial statements (the financial statements) of Bupa Care Services NZ Limited (the Company), including its subsidiary (the Group), present fairly, in all material respects, the financial position of the Group as at 31 December 2025, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

What we have audited

The Group's financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

Independence

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Other information

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

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

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

Responsibilities of the Directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-7-1/

This description forms part of our auditor's report.

Who we report to

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

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

For an on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers Wellington
18 March 2026

Companies Act 1993 disclosures

In accordance with S.211(3) of the Companies Act 1993 the shareholder has agreed that the annual report need not comply with disclosures required by S.211(1), however the Group has elected to disclose Auditors Fees.

Auditors Fees

The Group's external auditor is PricewaterhouseCoopers. The total fees payable to PricewaterhouseCoopers are disclosed in Note 6 operating expenses of the Consolidated Financial Statements.