Summerset

Retail Bond Presentation

Summerset Group Holdings Limited

12 May 2025

Joint Lead Managers

ANZ

CommonwealthBank

CRAIGS INVESTMENT PARTNERS

FORSYTH BARR

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Refer to Note 2 of the 2024 Financial Statements for a reconciliation of non-GAAP underlying profit to GAAP net profit after tax.


Summerset Waikanae, Kapiti Coast

Agenda

Offer highlights

Bond offer further diversifies funding sources and provides tenor

- Total bank debt facilities of approximately $1.9b and total retail bonds of $575m before the offer
- Net debt of $1.7b as at 31 December 2024
- The net proceeds of the 2025 bond offer will be used to repay a portion of existing drawn bank debt of the Summerset Group. Summerset then intends to use bank debt to fund the repayment of Summerset's SUM020 bonds maturing in September 2025. This offer will provide diversification of funding sources and tenor for the Summerset Group
- The existing bank debt facilities will remain in place providing funding headroom to continue our strong development growth

Retail bond offer	Details
Issuer	Summerset Group Holdings Limited (listed on the NZX and ASX)
Instrument	Fixed rate, guaranteed, secured, unsubordinated bonds (Bonds)
Guarantee and Security	Provided by the Issuer and each of the other Guarantors Equal ranking with Summerset's bank lenders and existing bondholders
Offer Amount	Up to $100m, with the ability to accept oversubscriptions of up to an additional $50m at the Issuer's discretion
Tenor and Maturity Date	6 year Bonds, maturing Friday 23 May 2031
Credit Rating	The Bonds will not be rated
Quotation	Application to quote the Bonds on the NZX Debt Market (NZDX) has been made
Joint Lead Managers	ANZ, CBA, Craigs Investment Partners, Forsyth Barr


Summerset at Monterey Park (Hobsonville)

Summerset

Business Overview

Investment highlights

1. **Compelling fundamentals** in the retirement village and aged care sector, driven by an ageing population and increasing market penetration

2. **Well positioned for growth** with largest New Zealand land bank for a retirement village operator and a successful track record of delivering new retirement units and care beds

3. **Australia is a substantial opportunity** to replicate the growth and success in New Zealand with capacity to build over 2,100 units across seven Australian villages

4. **Strong corporate governance and experienced management team** with a track record of over 27 years of consistent delivery of operational and development capability

5. **Strong balance sheet** with total assets of $8.1b at FY24

6. **Funding is primarily used as working capital** to fund developments through their lifecycle, with debt recycled out of villages into new developments as they are built and sold down

Summerset snapshot

Diversified portfolio and land bank throughout New Zealand and Australia

Our capital

$2.6b
Market capitalisation[1]

Dual Listed
NZX since 2011 / ASX since 2013

36.4%
Gearing[4]

Our portfolio

6,671
Retirement units in portfolio[2]

6,147
Retirement units in land bank

$8.1b
Total assets

Our care

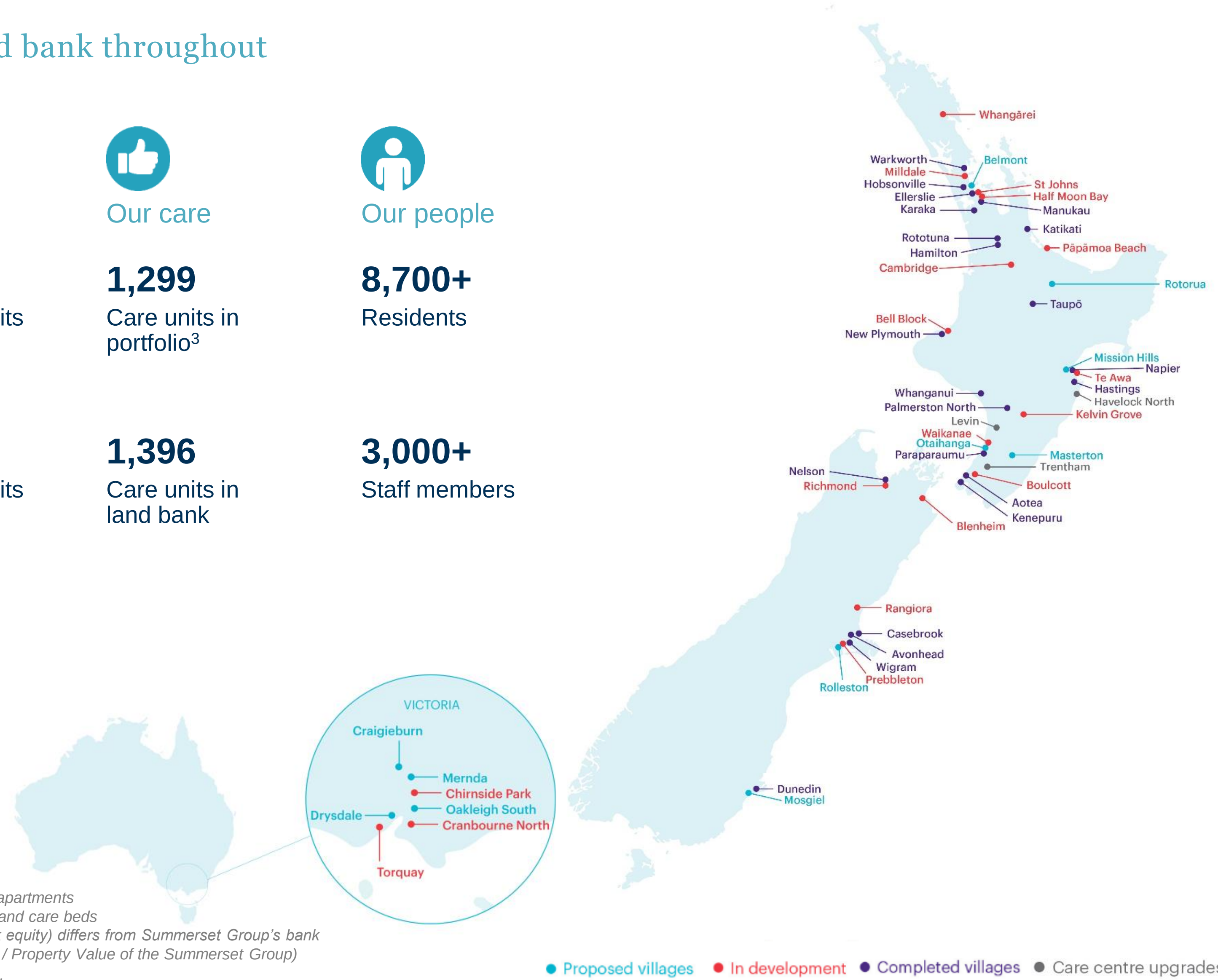
1,299
Care units in portfolio[3]

1,396
Care units in land bank

Our people

8,700+
Residents

3,000+
Staff members



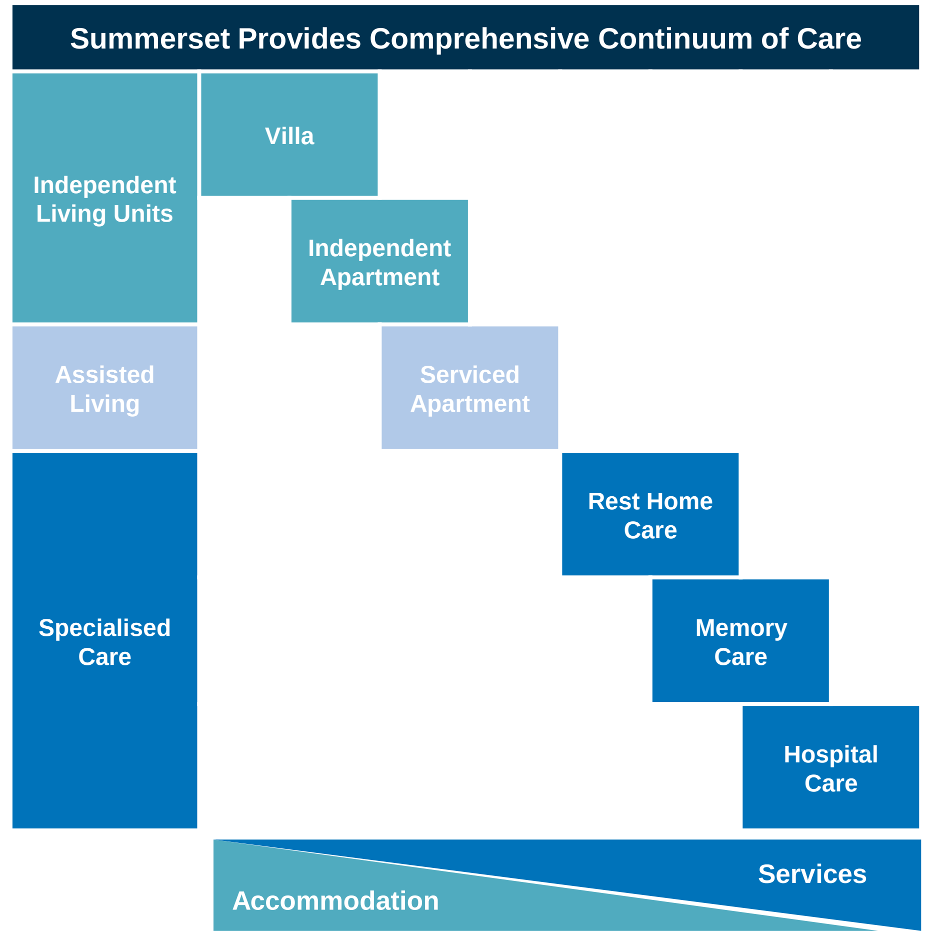
1. Market capitalisation as at 30 April 2025
2. Retirement units includes villas, apartments and serviced apartments
3. Care units includes memory care apartments, care suites and care beds
4. The gearing ratio calculation (net debt / net debt plus book equity) differs from Summerset Group's bank and bond LVR covenant (total debt of the Summerset Group / Property Value of the Summerset Group)

Information as at 31 December 2024 unless otherwise stated

Summerset background

Continuum of care continues to offer a compelling proposition to our residents

- Continuum of care provides peace of mind for our residents as they will be cared for when their health needs change in the future
- Alignment of quality care and facilities across all our villages with a focus on quality not scale
- Memory care centres and support throughout our villages aligned with our dementia strategy
- Offering care attracts older residents to our independent living units, with current average entry age 78.9 years
- In New Zealand, Summerset's aged care offering is focused on providing care for its own retirement village residents to age in one place – and as such has a lower proportion of aged care than its New Zealand peers (who typically also provide aged care to the wider community)
- The continuum of care model is less common in Australia and provides a competitive advantage when entering this market. New residents are conscious of their future care needs and consider this when choosing retirement villages



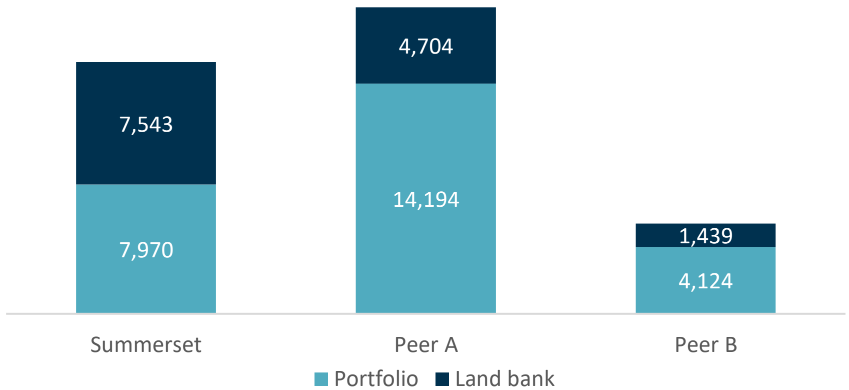
Large and geographically diverse landbank provides flexibility

Summerset is the second largest and fastest growing operator in the New Zealand retirement sector

- Sufficient land bank to build an additional 7,543 new units in New Zealand and Australia, including 6,147 retirement units[1] and 1,396 care units[2], provides capacity for further delivery growth
- A large and geographically diverse land bank allows delivery over a greater number of sites, providing flexibility to capitalise on positive market opportunities
- Diversified New Zealand development portfolio with 15 villages under construction across 10 regions. An additional seven sites have been acquired with construction yet to begin
- Seven sites across Victoria, Australia. Construction underway at Cranbourne North, Chirnside Park and Torquay. Construction yet to begin at Craigieburn, Drysdale, Mernda and Oakleigh South
- Secured “approved provider” status from the Department of Health in Australia to deliver residential aged care and home care services

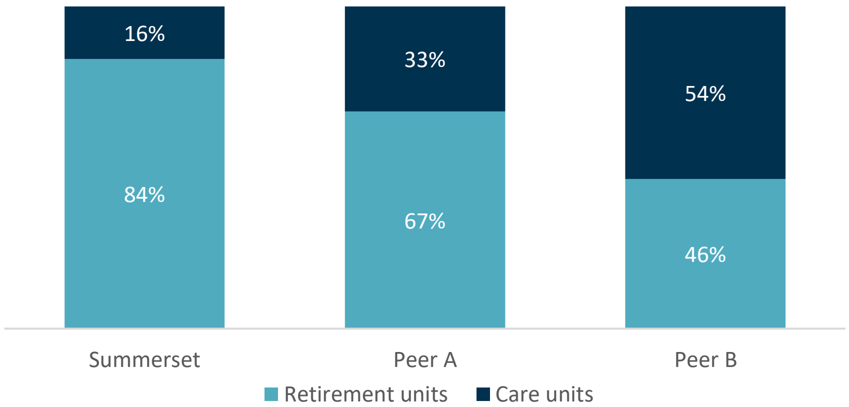
Total portfolio by main operator (units)

Summerset has the second largest existing portfolio and the largest land bank of New Zealand listed peers



Portfolio weighting by main operator

Summerset has the lowest weighting towards aged care of New Zealand listed peers



1. *Retirement units include villas, apartments and serviced apartments*
2. *Care units include memory care apartments, care suites and care beds*

Operational overview

A design, build, own, operate model. Cash flows are generated from three key sources

	Operations	Cash flows
1. Aged care services	**Provision of care in serviced apartments, memory care apartments, rest home and hospital facilities** ▪ Provide a high standard of quality aged care services	▪ Rest home, hospital and memory care fees ▪ Stable cash flows ▪ Includes Government funding for specified contracted services
2. Asset management	**Daily operation of integrated retirement and aged care communities** ▪ Manage a portfolio of retirement village and aged care assets ▪ Manage ongoing sales of Occupation Rights ▪ Refurbish periodically to maintain economic value	▪ Deferred Management Fees (DMF) – primary source of income for established villages ▪ Gains on resale of Occupation Rights ▪ Weekly resident levies and village service fees – stable cash flows, contribute to operational costs
3. Retirement village development	**Design and construction of integrated retirement and aged care communities** ▪ Cost efficient quality construction of villages specifically designed for older residents ▪ Build villages that integrate into the local environment, providing residents with warm, welcome and vibrant communities	▪ Occupation Right sales ▪ Development margin

Our sustainability framework and targets

Our vision is to develop villages responsibly, creating a sustainable future for all

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, by 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

TOITŪ NET CARBON ZERO ISO 14064-1 ORGANISATION

CLIMATE LEADERS COALITION ON A MISSION TO REDUCE EMISSIONS IN NEW ZEALAND

ACCESSIBILITY APPROVED Lifemark SUMMERSET VILLAGE

The framework and targets described above are features of Summerset's bank facilities only – they are not terms of the Bonds

Our product

Summerset Cranbourne North (Melbourne)

Summerset Half Moon Bay (Auckland)

Summerset St Johns (Auckland)

Summerset by the Dunes (Pāpāmoa Beach, Tauranga)

Our product

Summerset Palms (Te Awa, Napier)

Summerset Boulcott (Lower Hutt)

Summerset Richmond Ranges (Tasman District)

Summerset Prebbleton (Selwyn District)

Summerset Cranbourne North (Vic, Australia)

Summerset

Financial Performance

1Q25 sales update

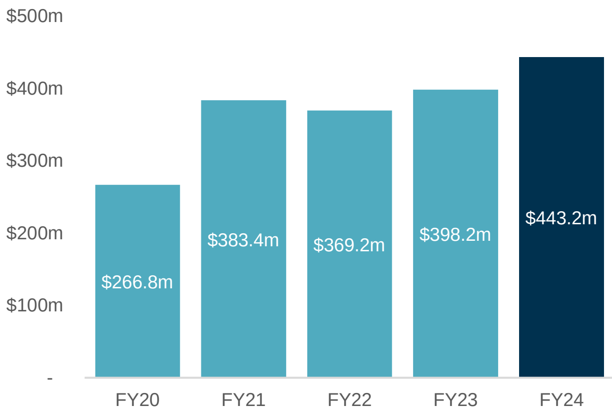
Market conditions stable with some early signs of improvement. Steady settlements across 1Q25

- Summerset achieved a 12% increase in settlement volumes from FY23 to FY24 despite a challenging operating environment across FY24
- Q1 2025 settlements of 290 (132 new sales, 158 resales) were 14% higher than Q1 2024, with resales increasing 31%, while new sales were down slightly year-on-year (-1.5%)
- Good balance of 1Q 2025 sales throughout NZ with 50% of sales coming from outside Auckland, Wellington and Christchurch
- Contracted stock rates are tracking favourably, with contracted new sales stock up 32% on the same time last year
- Summerset's level of incentive usage on a per settlement basis over 2H24 was lower than what we have historically seen on average over the last seven years
- We are seeing signs of more confidence in the market with lower interest rates and reports that property values are starting to rise, and increased ability to sell homes
- 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 Agreements 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

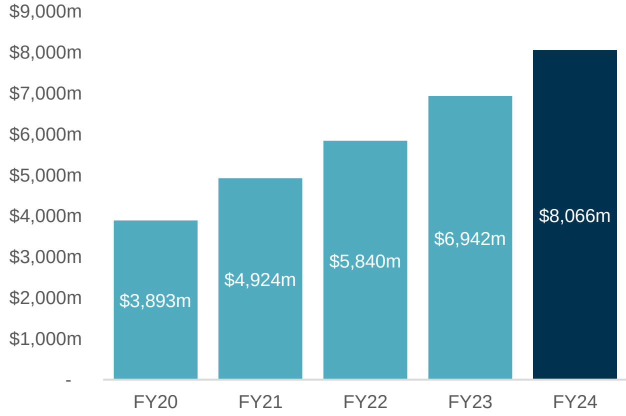
Summary financial metrics

Resilient balance sheet with consistent cash flows and profitability

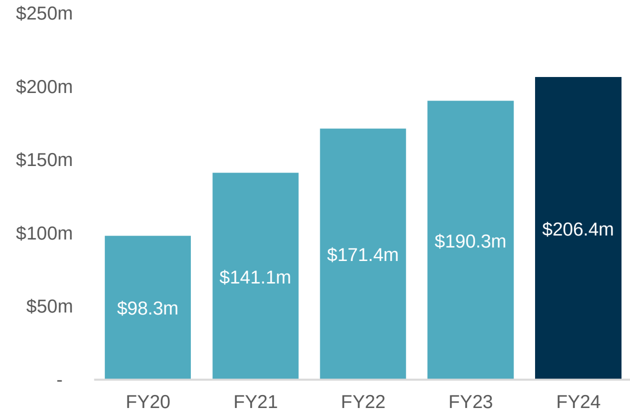
Net operating cash flows



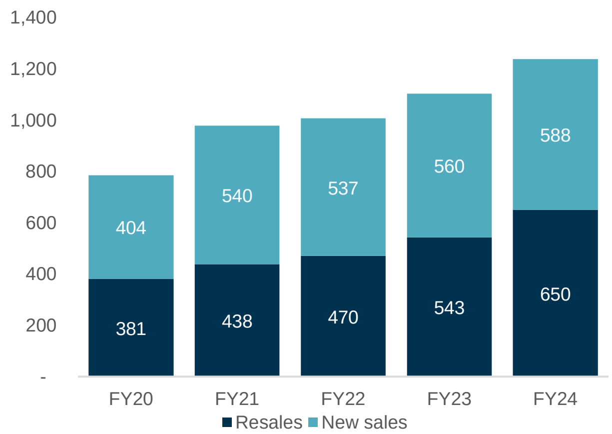
Total assets



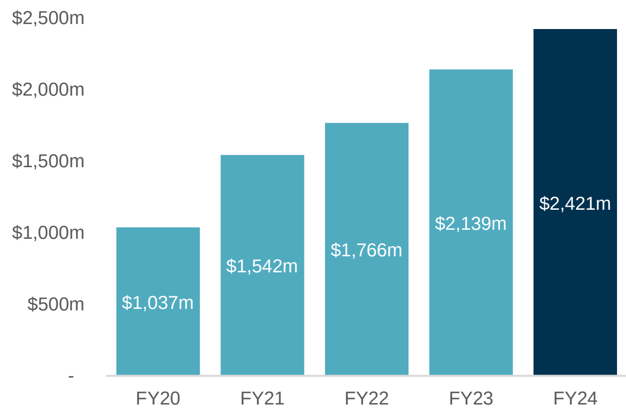
Underlying profit



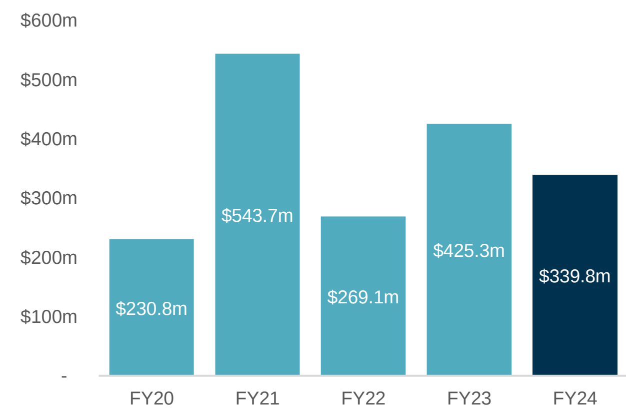
Total settlements of Occupation Rights



Retained earnings



IFRS NPAT



See note 2 of the FY24 annual report for detail on the calculation of underlying profit

FY24 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 Agreements 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**

FY24 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 Whangārei 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**

FY24 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%

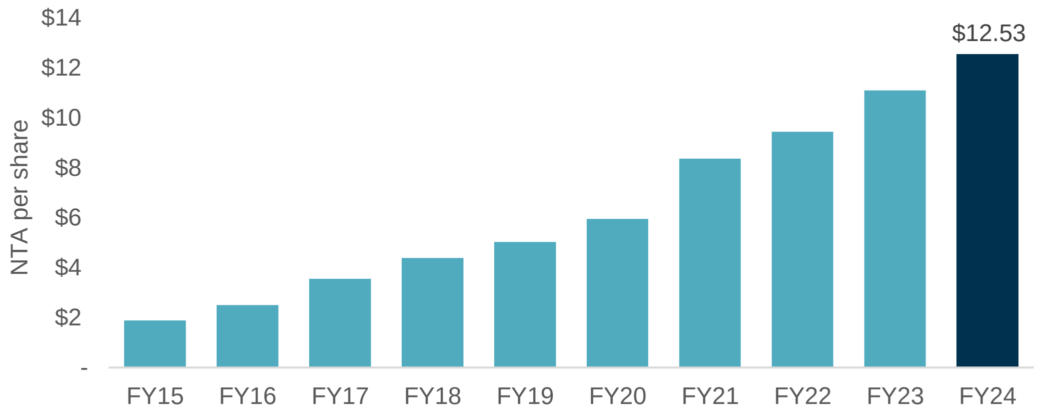
$8.1b
Total assets ▲ 16%

$2.4b
Retained earnings ▲ 13%

NZ$m	FY24	FY23[1]	Variance	FY22
Investment property	7,329	6,394	*15%*	5,418
Other assets	737.3	547.6	*35%*	422.6
Total assets	**8,066**	**6,942**	***16%***	**5,840**
Residents' loans	2,881	2,507	*15%*	2,165
Face value of bank loans and bonds	1,709	1,399	*22%*	1,074
Other liabilities	506.5	433.3	*17%*	407.5
Total liabilities	**5,097**	**4,339**	***17%***	**3,647**
Net assets	**2,969**	**2,602**	***14%***	**2,193**
Embedded value	**1,739**	**1,620**	***7%***	**1,488**
NTA ($ per share)	**12.53**	**11.09**	***13%***	**9.44**
Retained earnings	**2,421**	**2,139**	***13%***	**1,766**

1. Investment property and other assets have been restated for FY23. Refer to note 1 of the FY24 annual report for further details

Summerset net tangible assets per share



Capital management framework

Guiding principles to sustainably grow the business over the short to medium term

Guiding principles

- 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

FY24 in review

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

FY24 in review:

- 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, target gearing ratio within an 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 drawn debt band of $2.0b to $2.5b over the short to medium term

FY24 in review:

- 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

FY24 in review:

- 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

Debt metrics

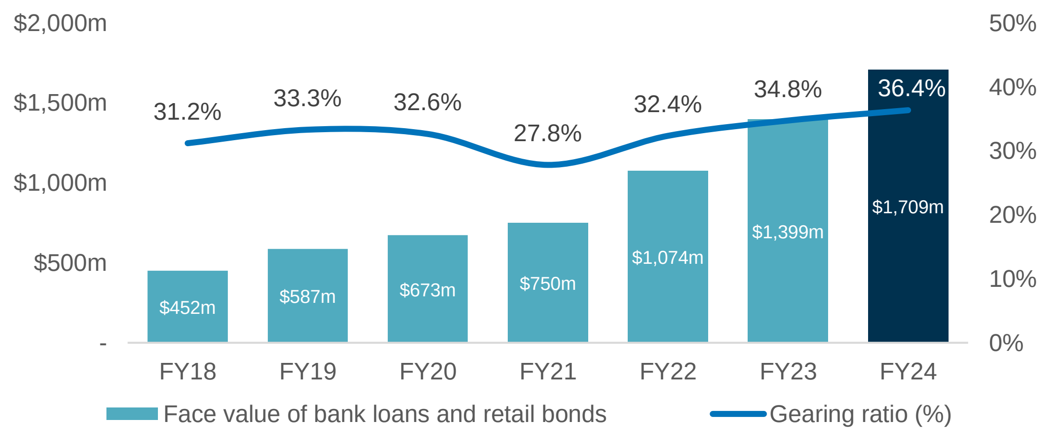
- Strong financial discipline has ensured Summerset is compliant with all lending covenants and obligations
- Gross debt of $1,709m, up from $1,399m at FY23
- The business holds no core debt
- Gearing ratio of 36.4% (near the midpoint of our target band of 30% to 40%)
- Interest cover ratio of 3.98x, more than twice the bank covenant limit
- The interest cover ratio applies to Summerset's bank facilities only – it is not a term of the Bonds

36.4%
Gearing ratio[1]

3.98x
Interest cover ratio[2]

Interest cover ratio	FY24	FY23	Variance
Adjusted EBITDA[3] ($m)	182.6	170.6	*7%*
Interest expense[4] ($m)	45.9	48.5	*(6%)*
Interest cover ratio	**3.98x**	**3.51x**	***13%***
Covenant limit	1.75x	1.75x	

Gross borrowings and gearing



1. The gearing ratio calculation (net debt / net debt plus book equity) differs from Summerset Group's bank and bond LVR covenant (total debt of the Summerset Group / Property Value of the Summerset Group)
2. Interest cover ratio is Adjusted EBITDA divided by interest expense, calculated on a 12-month rolling basis
3. Adjusted EBITDA 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, plus amortisation and depreciation
4. 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

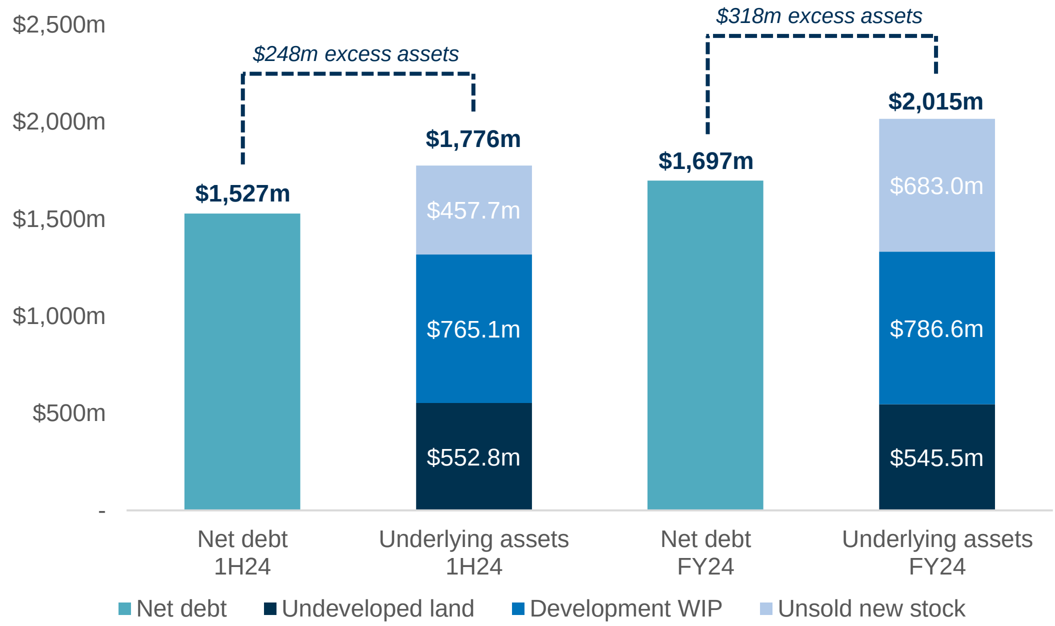
Development assets

- 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%. 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
- 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[1] to underlying assets



1. Face value of drawn bank debt and retail bonds less cash and cash equivalents. Excludes capitalised and amortised transaction costs for loans and borrowings and fair value movement on hedged borrowings

Summerset Casebrook (Christchurch)

Summerset

Funding and Security Structure

Purpose of debt and maturity profiles

Bank facility as at 31 December 2024 approximately $1.9b, plus existing $575m of retail bonds

Summerset uses debt to fund the acquisition of land for future development, and the development of land into villages

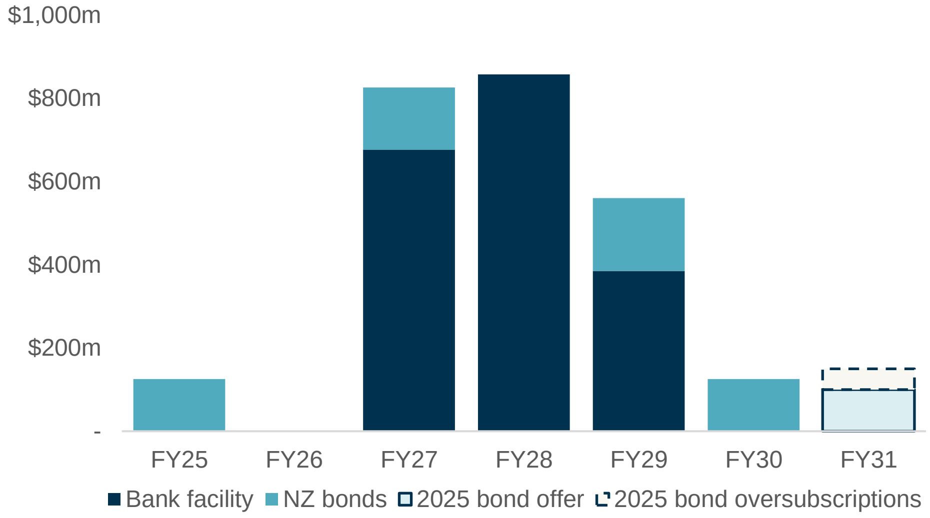
Debt is recycled out of completed village developments, into new developments, as Occupation Right sales occur

The net proceeds of the 2025 bond offer will be used to repay a portion of existing drawn bank debt of the Summerset Group. Summerset then intends to use bank debt to fund the repayment of Summerset's SUM020 bonds maturing in September 2025. This offer will provide diversification of funding sources and tenor for the Summerset Group

Total facility (including bonds) had an average tenor of 3.6 years at 31 December 2024. The issue of the proposed SUM060 bond will increase tenor by approximately 0.2 years

- Summerset has four NZ$ retail bonds on issue totalling $575m, with SUM020 for $125m maturing in September 2025
- NZ bank facility consists of seven tranches totalling $1,125m provided by seven banks
- Australian bank facility consists of six AUD tranches totalling NZ$791m[1] provided by six banks
- Bank facility had undrawn capacity of $785m as at 31 December 2024

Summerset debt maturity profile



Retail bonds outstanding

Code	Issue Date	Maturity	Size
SUM020	Sep-18	Sep-25	NZ$125m
SUM030	Sep-20	Sep-27	NZ$150m
SUM040	Mar-23	Mar-29	NZ$175m
SUM050	Mar-24	Mar-30	NZ$125m

1. Denoted in NZD for the purpose of demonstrating debt maturity profile

Loan to value ratio covenant

Significant headroom on loan to value ratio (LVR) covenant

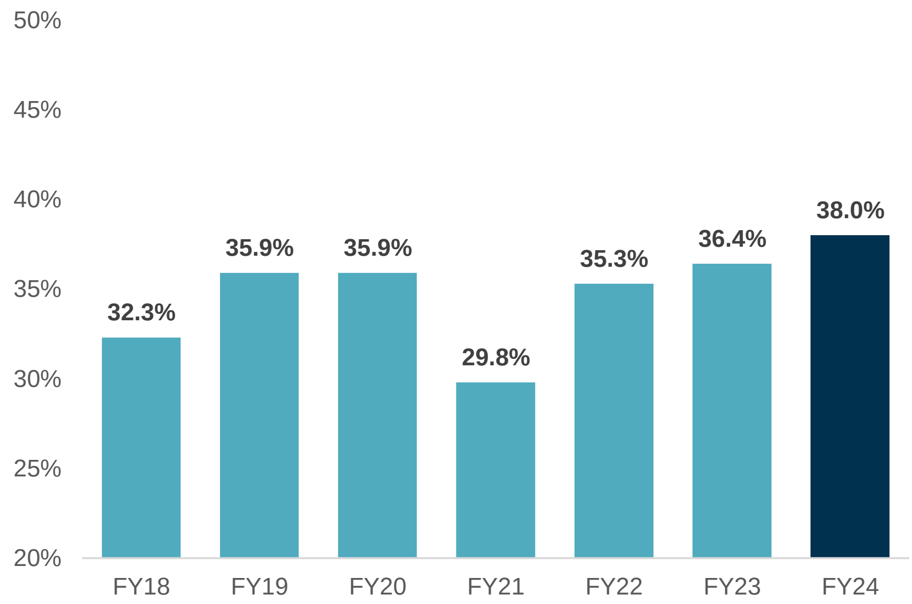
38.0%

Bank & bond LVR

Key terms of bond LVR covenant[1]:

- LVR must not exceed 50%
- Reported breach of LVR on a test date is an Event of Review
- If an Event of Review occurs, Summerset must follow a process specified in the Trust Deed to attempt to remedy the breach. If the breach has not been remedied at the end of this process, an Event of Default occurs
- During any Event of Review or Event of Default, Guarantors are not permitted to make any distributions to non-Guarantors
- Bondholders benefit from cross acceleration provisions
- Management remain comfortable with the current level of headroom to all bank and bond covenant ratios

Loan to value 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%	

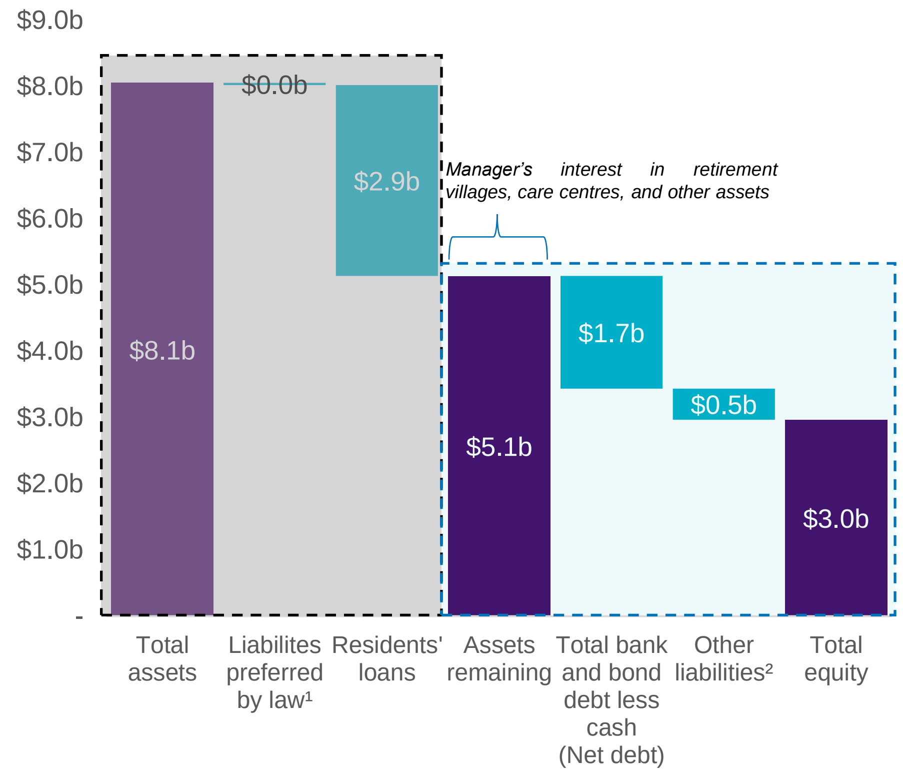
1. LVR covenant (Total Debt/Property Value) is less than or equal to 50%, being the ratio of:
(a) Total Debt (which is effectively principal amounts outstanding under Summerset's bank facilities, bonds and any other secured facilities); to
(b) Property Value of the Guaranteeing Group's land and permanent buildings that have been mortgaged to the Security Trustee
Refer to the glossary for the definition of Property Value

Security

Assets of $5.1b available as security for financiers as at 31 December 2024 excluding residents' loans

- Total assets as at 31 December 2024 of $8.1b, including investment property ($7.3b) and PP&E ($0.6b)
- Liabilities that rank in priority to the bank debt and bonds include liabilities preferred by law[1] and liabilities secured by Statutory Supervisors' First Ranking Mortgages (Residents' loans)
- Assets of $5.1b remaining available after these claims as security for current bank debt and bonds
- Bank debt, bonds and other unsubordinated liabilities that have the benefit of the security rank on an equal ranking security basis total $1.7b as at 31 December 2024
- Bank debt and bonds have the benefit of first ranking mortgages over undeveloped land owned by the group (land owning entities not yet registered as retirement villages)
- ANZ is Security Trustee for both the bonds and the bank debt
- The New Zealand Guardian Trust Company Limited is the Bond Supervisor

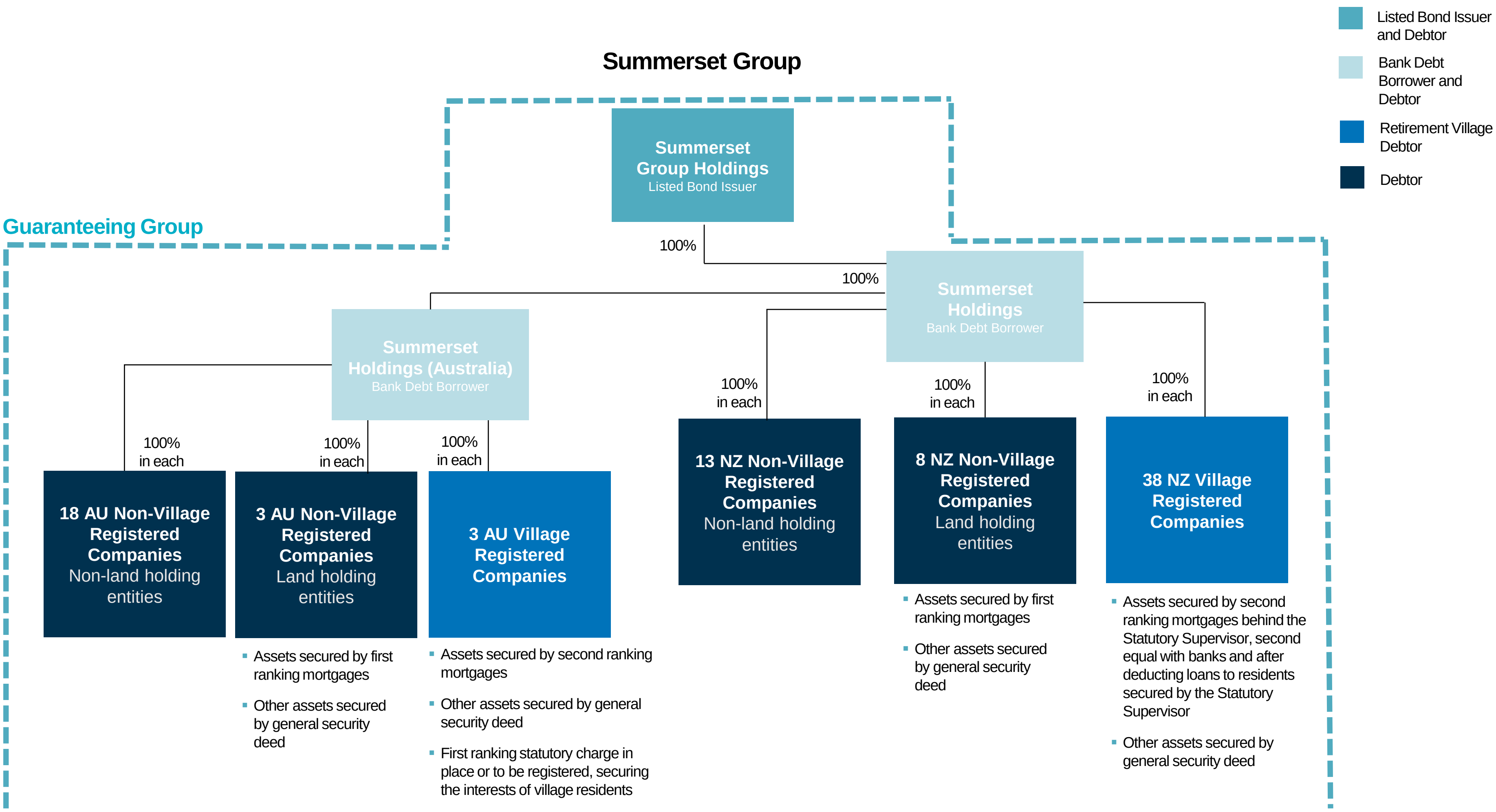
Financial Position as at 31 December 2024



1. Liabilities preferred by law include employee entitlements, tax authorities and rights of creditors preferred by law
2. Other liabilities include items such as trade and other payables, revenue received in advance, deferred tax liabilities and lease liabilities

Security structure

Summerset Group syndicated lending structure simplified - at 31 December 2024



Offer Terms and Timetable

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Key terms of the offer

Summary	Detail
Issuer	Summerset Group Holdings Limited
Instrument	Fixed rate, guaranteed, secured, unsubordinated bonds (Bonds)
Security	Bondholders share the benefit of the same security package as bank lenders. In New Zealand, the Statutory Supervisor has first rights to the proceeds of security enforcement against all assets of the Village Registered Companies in New Zealand, and the bank lenders and bondholders share the remaining proceeds to which the Security Trustee is entitled on a pro rata basis In Australia, a Statutory Charge against the land and permanent buildings of Village Registered Companies secures the rights of village residents and ranks ahead of the Security Trustee's mortgage. The Security Trustee holds first ranking security over all other assets of Village Registered Companies Bank lenders and bondholders have first rights to the proceeds of security enforcement against all assets of Guarantors that are Non-Village Registered Companies, in both Australia and New Zealand. The proceeds of enforcement available to the Security Trustee may be reduced by the claims of certain creditors preferred by law
Guarantee	Guaranteed by the Guaranteeing Group, consistent with bank lenders and existing bonds. Total assets of the Guarantors must be at least 90% of the Summerset Group's assets and EBITDA of the Guarantors must be at least 90% of the EBITDA of the Summerset Group
Tenor and Maturity Date	6 years, maturing 23 May 2031
Offer Amount	Up to $100,000,000, with the ability to accept oversubscriptions of up to an additional $50,000,000 at the discretion of the Issuer
Credit Rating	The Bonds will not be rated
Interest Rate	Sum of the Issue Margin and the Base Rate, but in any case will be no less than the minimum Interest Rate. The Interest Rate will be announced by the Issuer via NZX on or shortly after the Rate Set Date
Interest Payment	Quarterly in arrear in four equal payments
Early Redemption	Neither Holders nor the Issuer are able to redeem the Bonds before the Maturity Date. However, the Issuer may be required to repay the Bonds early if there is an Event of Default
Financial Covenant	The Issuer to ensure the LVR[1] Covenant: Total Debt / Property Value <=50% A reported breach of the LVR Covenant on a test date will be an Event of Review, which if not remedied at the end of the testing process will result in an Event of Default
Distribution Stopper	Guarantors are not permitted to make a distribution to non-Guarantors if an Event of Review or Event of Default is continuing
Brokerage	0.50% of the amount issued plus 0.25% on firm allocations, paid by the Issuer
Issue Price & Applications	Issue price of par $1.00. The minimum application is $5,000 and in multiples of $1,000 thereafter
Quotation	Application has been made to NZX to quote the Bonds on the NZX Debt Market under the ticker code SUM060

1. LVR = Loan to Value Ratio

Key dates of the offer

Retail bond offer	Date
Opening Date	Monday, 12 May 2025
Closing Date	11am, Thursday, 15 May 2025
Closing Date and Rate Set Date	Thursday, 15 May 2025
Issue Date and Allotment Date	Friday, 23 May 2025
Expected Date of Initial Quotation on the NZX Debt Market	Monday, 26 May 2025
Interest Payment Dates	23 February, 23 May, 23 August, 23 November
First Interest Payment Date	23 August 2025
Maturity Date	Friday, 23 May 2031

Summerset Cranbourne North (Vic, Australia)

Summerset

Questions


Summerset Down the Lane (Hamilton)

Appendix

Board of Directors

Mark Verbiest

Chair, Independent
LLB CFInstD

Mark is Chair of the Board. Mark is an experienced professional company director with over a decade of experience. A lawyer by training, he spent many years in private practice as partner of a large national law firm. He subsequently joined the senior executive team at Telecom New Zealand as Group General Counsel, also having executive responsibility for other corporate groups as well as two business units. He is also currently the Chair of listed company Meridian Energy. Mark has previously been Chair of Freightways, Spark, Transpower NZ, Willis Bond Capital and a director of a number of other companies and entities, including ANZ Bank, the inaugural board of the Financial Markets Authority and the advisory board to NZ Treasury. In 2022 Mark was named Chairperson of the Year at the Deloitte Top 200 Awards, and in 2023 was awarded the Beacon Award for Corporate Governance by the NZ Shareholders Association. Mark has been Chair of Summerset since July 2021.

Dr Marie Bismark

Independent
MBChB, LLB, MBHL, MPH, MD, MPsych, FAICD, FAFPHM

Marie is Chair of Summerset's Clinical Governance Committee. She holds degrees in law, medicine, bioethics and public health, and has completed a Harkness Fellowship in Healthcare Policy at Harvard University. Marie works as a Consultant Psychiatrist at Te Whatu Ora, Capital & Coast, and as a Professor at Melbourne University. Her research focuses on patients' rights, quality of care, and medical regulation.
Marie is an experienced company director, serving on the boards of GMHBA Health Insurance, The Royal Women's Hospital in Melbourne, and on the Veterans' Health Advisory Panel. Marie has been a director of Summerset since 2013.

Stephen Bull

Independent
BCom, BPsych (Hons), CA (Australia and NZ), MAICD, MInstD

Stephen is the Chair of Summerset's Development and Construction Committee and a member of the Audit and Risk Committee. He has over 25 years' experience in real estate, community creation and finance roles. He has held executive roles at Westfield, AMP and Stockland. Stephen finished executive work in 2018 and for the last five years of his executive career was a Group Executive at Stockland and CEO of their retirement village business. Prior to his real estate career in Australia, Stephen spent several years working in investment banking in London. Stephen holds a Bachelor of Commerce and a Bachelor of Psychology (Honours) and is a member of Chartered Accountants (Australia and New Zealand). In addition, he is a Member of the Australian Institute of Company Directors (MAICD), and the NZ Institute of Directors (MInstD). He is currently Chair of Bridge Housing Ltd and Capital Prudential Diversified Development Fund Pty Ltd, a Board Member of the ACT Government City Renewal Authority and an Independent Member of the MaxCap Equity Investment Committee. Stephen has been a director of Summerset since 2022.

Venasio-Lorenzo Crawley

Independent
MBA, BA

Venasio-Lorenzo is a member of all the Summerset sub-committees. He has career experience in multiple sectors that include banking & financial services, oil & energy, health, education and retail. He is an independent director at Orion NZ, and Chair of the AUT Business School Industry Advisory Board. He has also completed a term as a Future Director for The Warehouse Group. Venasio-Lorenzo completed his executive career as the Chief Customer Officer at Contact Energy with the successful turnaround of their Retail, LPG, Broadband and Commercial and Industrial businesses. He has international experience working in the United Kingdom, Australia and NZ markets and has diverse skills in profit growth strategy, transformation, technology, digital, data monetisation, operations, logistics, marketing and his passion – customer experience. Venasio-Lorenzo has been a director of Summerset since 2020.

Board of Directors

Gráinne Troute
Independent
BA, Grad DipBusStuds, CMinstD, CFInstD

Gráinne is Chair of Summerset's People and Culture Committee. She is a Chartered Fellow of the Institute of Directors, a director of Tourism Holdings and Investore Property, and a board member of Duncan Cotterill. Gráinne is a professional director with many years' experience in senior executive roles. She was General Manager, Corporate Services at SKYCITY Entertainment Group and Managing Director of McDonald's Restaurants (NZ). She also held senior management roles with Coopers and Lybrand (now PwC) and HR Consultancy Right Management. Gráinne has vast expertise in operating customer-focused businesses in highly competitive sectors. She has also spent many years as a trustee and Chair in the not-for-profit sector, including having been the Chair of Tourism Industry Aotearoa (TIA) and Chair of Ronald McDonald House Charities New Zealand. Gráinne has been a director of Summerset since 2016.

Andrea Scown
Future Director (IoD)
BBUS, ACA, MInstD

Andrea is a future director under the Institute of Directors' (IoD) Future Directors programme which aims to develop New Zealand's next generation of directors and provide experience of governance in large companies around the country. Future Directors fully participate in all Board matters but do not have voting or decision rights. Andrea is CEO of Mitre 10, an enormously successful retail company with renowned customer experience, and has expertise leading significant business units within complex organisations for some of NZ and Australia's most iconic brands in sectors including Home Improvement, Apparel, General Merchandise, Property, Investment and Dairy. Andrea has been a Future Director with Summerset since 2022.

Dr Andrew Wong
Independent
BHB, MBChB, MPH

Dr Andrew Wong is the Managing Director of HealthCare Holdings Ltd, a private healthcare investment company. He qualified as a specialist medical practitioner with a Masters in Public Health, and with a Fellowship of the New Zealand College of Public Health Medicine. He has extensive experience in strategic planning and implementation, business development, leadership and operational management. This has been gained over a 30 year career in public and private health both in New Zealand and overseas. He is a director of a number of companies through his HealthCare Holdings role. These include Auckland Radiation Oncology, MercyAscot hospitals, Kensington Hospital and Mercy Radiology. Other present and past directorships include companies providing services in the areas of interventional cardiology, healthcare property development, medical supplies, day and inpatient surgery and endoscopy, and veterinary medicine. He has held government appointments with Health Workforce New Zealand and the Health Innovation Hub, as well as sitting on the Executive of the New Zealand Private Hospitals Association. Andrew is an Adjunct Professor of AUT. Andrew has been a director of Summerset since 2017.

Fiona Oliver
Independent
LLB.BA, CFInstD

Fiona is the Chair of Summerset's Audit and Risk Committee. Fiona is an experienced professional director with a governance career spanning a variety of sectors, including renewable energy, natural gas, technology, commercial property, financial services, professional services, and sport. These roles ranging from Board Member to Audit & Risk Committee Chair, have been in commercial, public sector and not-for-profit entities including Freightways (NZX), Clarus (formerly First Gas group), Gentrack (NZX/ASX), and Tilt Renewables (NZX/ASX). Fiona has held Executive leadership roles in funds management for Westpac (BT Funds Management) and AMP in New Zealand. She has also held commercial roles in asset management and private equity in Sydney and London. Prior to her management career, Fiona practised as a senior corporate and commercial lawyer in New Zealand and overseas, specialising in mergers and acquisitions. Fiona has been a director of Summerset since 2023.

Management

Scott Scoullar

Chief Executive Officer
CA, FCPA, BCA

Scott has overall responsibility for Summerset and is focused on developing and operating vibrant villages, and ensuring that respect for our customers is always at the core of everything we do.
Prior to becoming Chief Executive Officer in 2021, Scott was Summerset's Chief Financial Officer after joining Summerset in 2014. Before joining Summerset, Scott held CFO roles at Housing New Zealand and Inland Revenue. Scott was named CFO of the Year at the New Zealand CFO Summit Awards in 2019 and was NZICA's Public Sector CFO of the Year in 2011. Scott is also a Fellow of CPA Australia, and a CPA New Zealand Council Board Member.

Margaret Warrington

Chief Financial Officer | CA, BCA, DipTeach

Margaret leads Summerset's Finance and Strategy teams along with Corporate Services including our Property and Legal teams.
Before joining Summerset Margaret was CFO at NZX/ASX listed technology company EROAD, CFO at Statistics New Zealand and was previously Summerset's Head of Finance. Margaret holds a Bachelor of Commerce and Administration and is a member of Chartered Accountants ANZ. She also holds a Diploma of Teaching.

Kay Brodie

Chief Marketing Officer | BCA, BSc

Kay joined Summerset in 2018 and is responsible for leading the marketing and communications team based in the Wellington office. Her marketing and advertising experience has been gained over 25 plus years across a range of industries including retail, loyalty programmes, government and insurance; both within advertising agencies and client organisations.

Chris Lokum

Chief People Officer | GAID, BMS, DipSocSci

Chris leads Summerset's People & Culture team responsible for recruitment, training, Health & Safety, organisational development and more. Joining Summerset in 2023 after roles in the public and private sector in New Zealand, Australia and the UK, including senior positions at BP and Waka Kotahi, Chris brings a breadth of experience across Human Resources with over 25 years delivering organisational efficiency, increasing organisational capability and providing strategic leadership. Chris has qualifications in human resources, economics, management and psychology. She has completed executive programmes at Michigan and Cornell Universities and is a member of the Australian Institute of Company Directors.

Fay French

Chief Sales Officer
RNZcmpN

Fay leads our national sales team and can be found at Summerset's Wellington office or at one of our many New Zealand villages.
Fay has a breadth of experience across sales, hospitality and the health sector. Prior to joining Summerset in 2015, she held a sales leadership role at a leading New Zealand e-commerce platform where she was responsible for leading a team of business development managers. Trained as a registered nurse, Fay has worked in various nursing roles and medical sales for Roche Pharmaceuticals.

Management

Aaron Smail
Chief Development Officer NZ
BE (Civil), BBS

Aaron leads Summerset's development team in New Zealand, covering site acquisitions, project feasibilities, consents, and design for villages. Previous roles in his 25 plus years of property and development experience include senior positions at Todd Property Group and Kiwi Property. Aaron has been with Summerset since 2015.

Dean Tallentire
Chief Construction Officer NZ
BSc (Hons), HND, RICS

Dean leads our procurement, cost management, construction management and administration support teams in the construction team. Dean has extensive construction and development experience and has led teams in the public and private sectors within developer and main contractor environments.
Dean has been with Summerset since 2015.

Eleanor Young
Chief Operating Officer NZ | BSc (Hons)

Eleanor oversees the operational performance across all Summerset villages. Her focus on service experience and delivery ensures Summerset's residents receive the highest quality facilities and care. Before joining Summerset in 2016, Eleanor held senior roles at Inland Revenue. This included four years as the Group Manager of Customer Services, managing over 2,000 staff across New Zealand to deliver services to customers. Eleanor has a background in human resources within both the public and private sector, having worked in managerial roles for the Ministry of Social Development, Mighty River Power and Air New Zealand.

Stewart Scott
Chief Operating Officer Australia | Masters Property (UNSW) BLArch (UNSW)

Stewart leads Summerset's activities in Australia including land acquisition, design, development and construction as well as the retirement and aged care operations. With nearly 30 years' experience, Stewart has previously held senior executive positions across property development, sales and operations within the retirement and aged care sector.

Robyn Gillespie
Chief Digital Officer | BA

Rob leads Summerset's Group technology team with responsibility for technology and digital systems across Australia and New Zealand. Rob has over 30 years in senior tech roles delivering great outcomes for those businesses and their stakeholders.
Prior to joining us Rob was Chief Information and Operating Officer for nine years at WSP Australia and New Zealand and has worked across sectors including Downer, Spark, Dimension Data and Unisys where she started her career as a software developer.
Rob holds a Bachelor of Arts from University of Canterbury and has completed the Institute of Directors programme.

Glossary

Summerset glossary of key definitions

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
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
Care EBITDA	Care fees from providing care (e.g. rest home and hospital care), deferred management fees from care units and realised resale gain from care units less costs of operating the care centres. This excludes any allocation of head office cost
Care unit	Memory care apartment, care suite or care bed either sold under ORA or available on a daily charge
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
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 (including a share of corporate overheads) and interest costs. Development margin excludes recreation and administration facility costs and care centre costs (for non-ORA units)
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
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

Glossary

Summerset glossary of key definitions

Head office expenditure	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
Interest cover ratio	Interest cover ratio is Adjusted EBITDA divided by interest expense, calculated on a 12-month rolling basis
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
Loan to value ratio	Loan to value ratio is the gross borrowings at face value divided by property value
ORA unit	Any retirement or care unit sold under an Occupation Right. This includes villas, apartments, serviced apartments, memory care apartments and care suites
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
Realised gain on resales	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
Retirement unit	Villa, apartment or serviced apartment sold under ORA
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
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

How an Occupation Right Agreement works

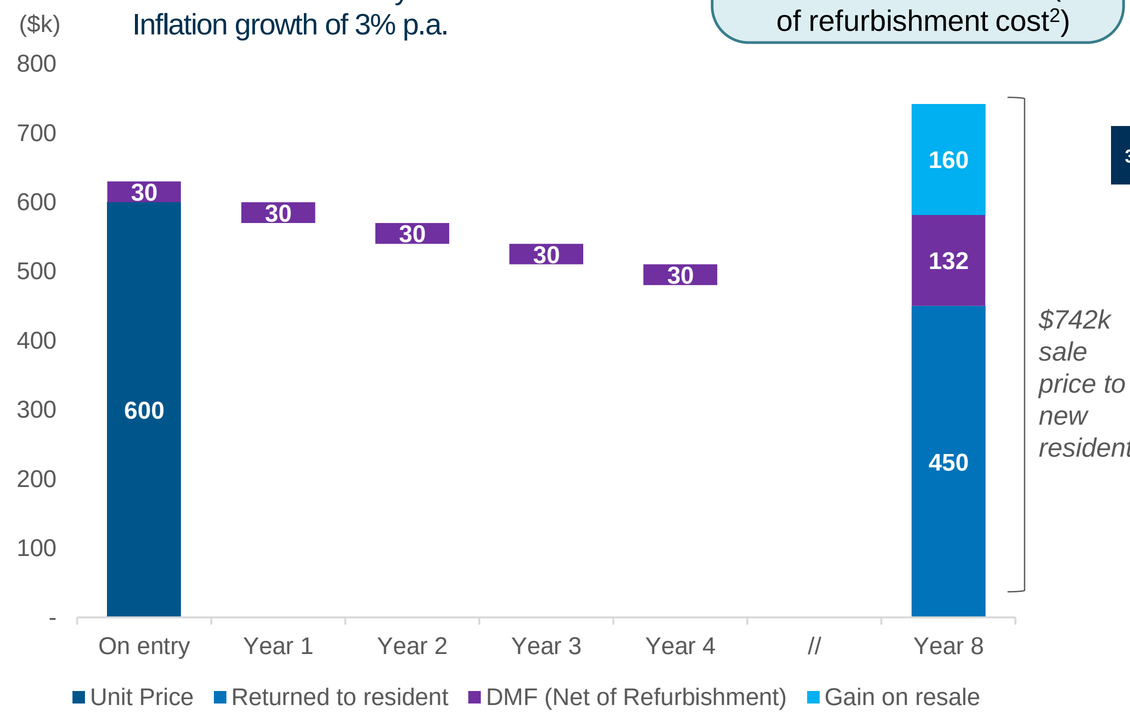
Summerset earns a deferred management fee (percentage of incoming price) and all capital gains on resale of the Occupation Right

- Residents moving into a retirement village in New Zealand enter into an Occupation Right Agreement (ORA) and in Australia enter into a Residence and Management or Services Contract
- Both an ORA and a Residence and Management or Services Contract grant the resident the right to occupy a retirement unit in exchange for a lump sum payment (Purchase Price) to the operator (recorded as residents' loans on the balance sheet). Legal ownership of the retirement unit remains with the retirement village operator
- A deferred management fee (DMF) is accrued over a resident's tenure and realised in cash on the resale of the Occupation Right. For Summerset, this is typically a maximum of 25% of the Purchase Price
- When a resident vacates their unit, they are entitled to be repaid the Purchase Price less the accrued DMF. This payment is required to be paid to the resident:
  - In New Zealand, when Summerset resells the Occupation Right for that unit
  - In Australia, within six months of the resident vacating the unit or when Summerset resells or reoccupies the unit (whichever is earlier)

Illustrative example (independent living unit):

- Summerset operates under a 25% DMF accrued over 4 years[1] – calculated as a % of entry price
- Resident tenure of 8 years and House Price Inflation growth of 3% p.a.

At exit Summerset receives: $292k
- Capital gain $160k
- Accrued DMF $132k (net of refurbishment cost[2])



1. Note that DMF is not always accrued over four years

2. Refurbishment costs have been calculated as 3% of entry price. Accrued DMF is used to cover the cost of refurbishment at exit

Security

Bondholders on an equal ranking security basis with bank lenders

- The bonds share the security provided by the Guaranteeing Group on an equal ranking basis with Summerset's bank lenders as per the Security Trust Deed
- The Statutory Supervisor's mortgage is for the protection of residents' rights and does not give the Statutory Supervisor discretion to demand repayment of residents' loans
- The security ranking of the bonds and bank lenders is outlined in the table below

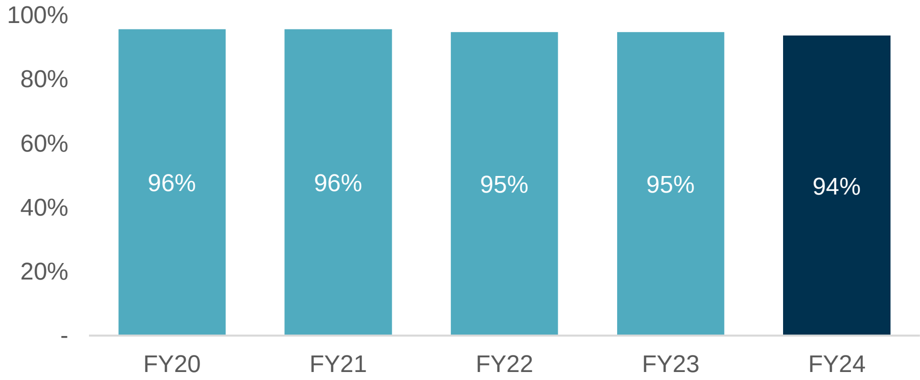
Entity type	Assets	New Zealand security[1]	Australia security[1]
Village Registered Companies	Land and permanent buildings	Second ranking mortgage (behind a first ranking mortgage in favour of the Statutory Supervisor)	Second ranking mortgage (behind a Statutory Charge protecting amounts owing to village residents)
	Other assets	General security deed (Statutory Supervisor has first rights to proceeds of enforcement)	First ranking rights to proceeds of enforcement
Non-Village Registered Companies	All assets (including any land and permanent buildings, and other assets)	First ranking mortgage and general security deed	First ranking mortgage and general security deed

1. Subject to the rights of creditors preferred by law, as detailed on slide 26

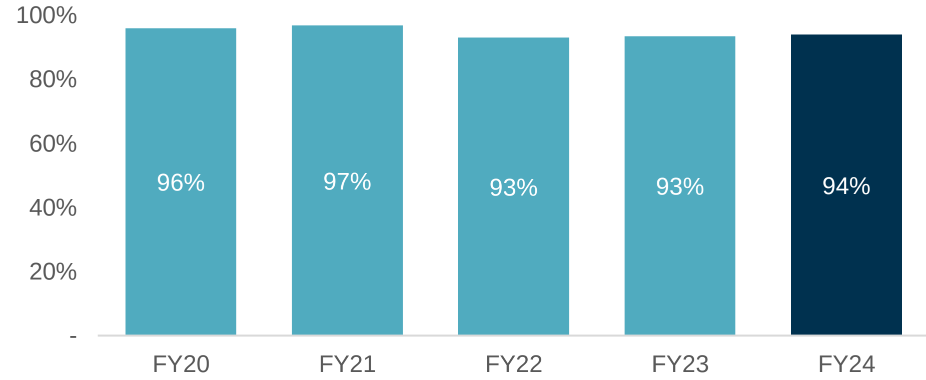
Customer profile and occupancy

Occupancy, tenure and resident demographic statistics

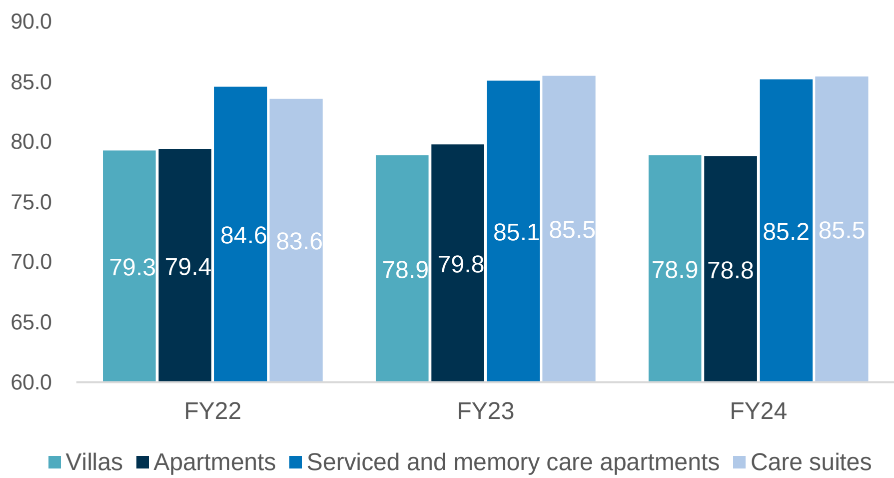
Occupancy – retirement villages



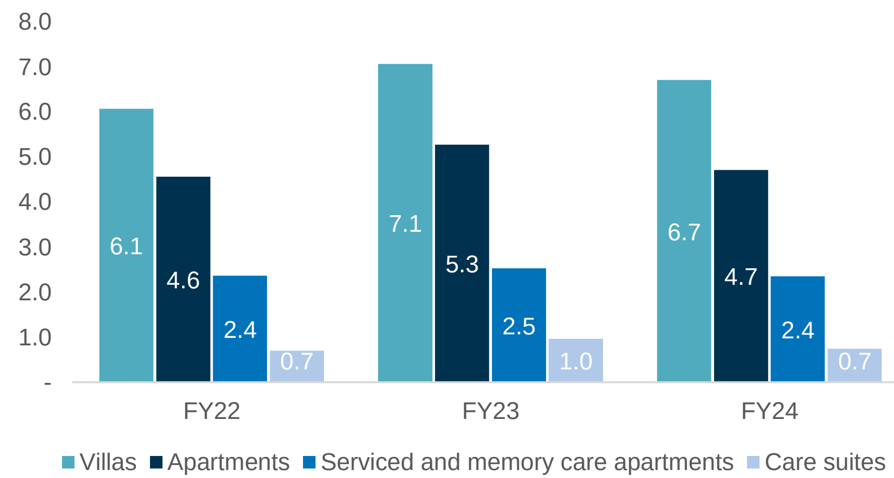
Occupancy – established care centres



Average entry age of residents (years)



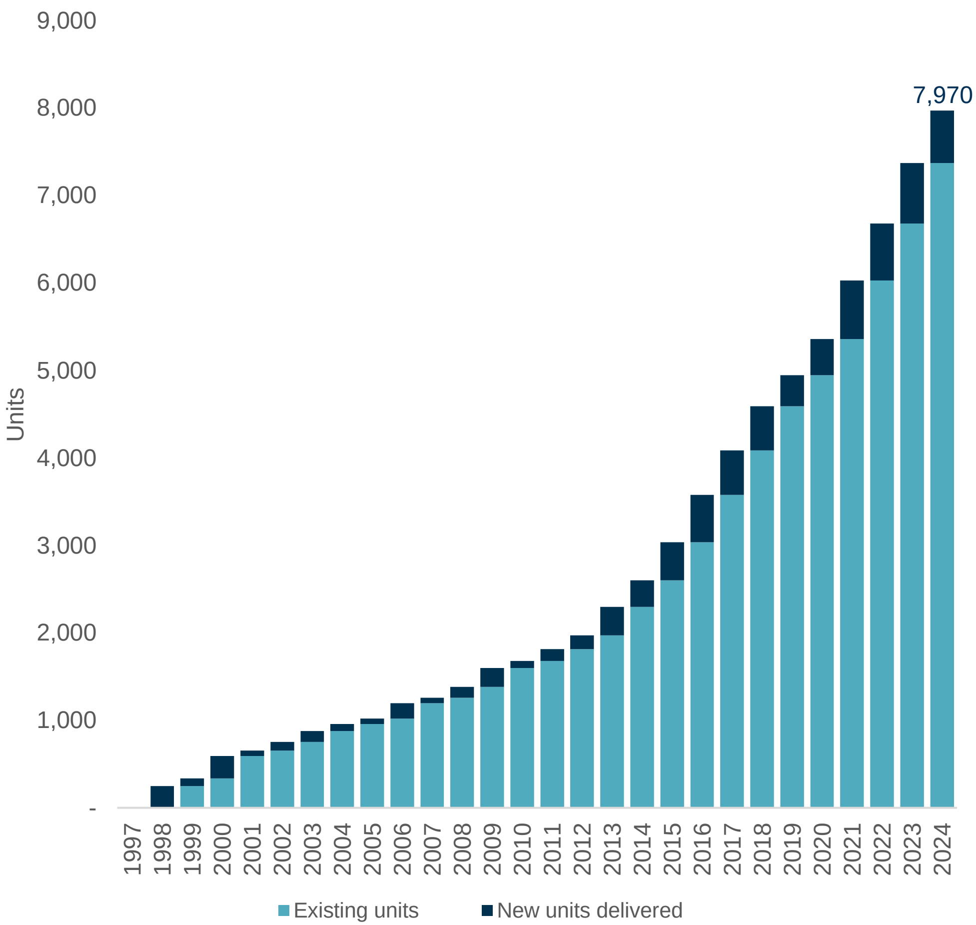
Average tenure (years)



Summerset growth and key demographics

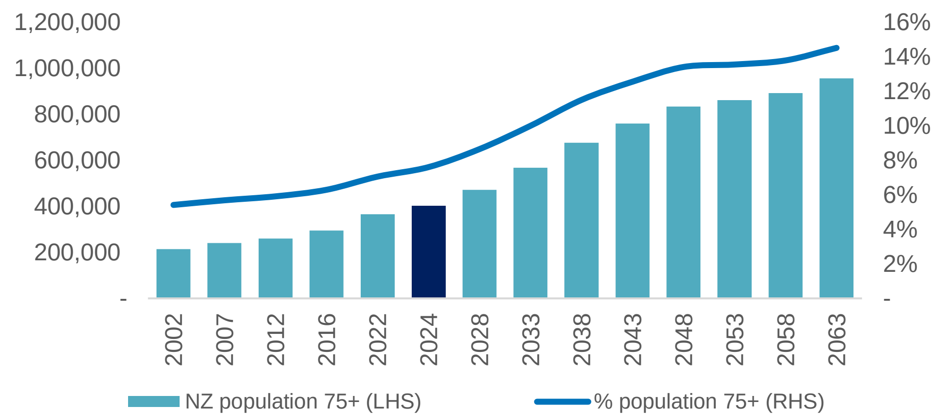
27 years of consistent delivery and growth

Summerset build rate

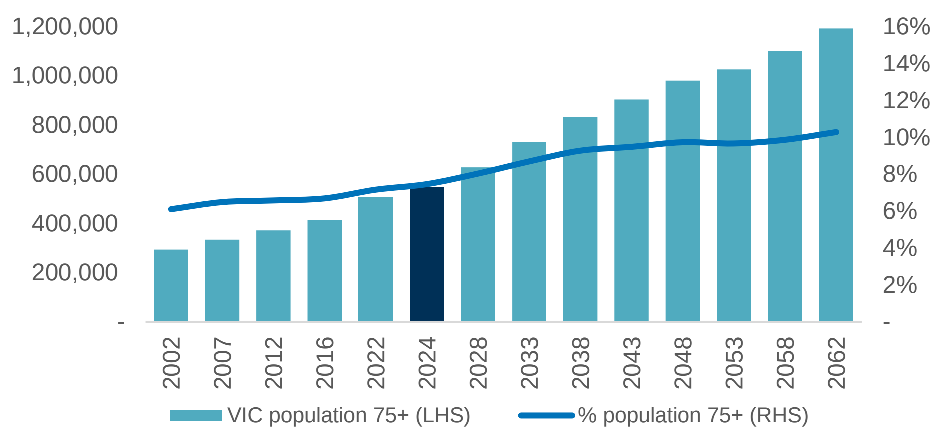


New units delivered includes retirement units, memory care apartments, care suites and care beds

New Zealand population growth 75 years and over



Victoria population growth 75 years and over



Source: Australian Bureau of Statistics and Statistics New Zealand

Ngā mihi

For more information:

Margaret Warrington
Chief Financial Officer
investor.relations@summerset.co.nz
+64 4 894 7320