Annual Report

RYMAN HEALTHCARE 2024

RYMAN
HEALTHCARE

About Ryman

Founded in Christchurch, New Zealand in 1984, Ryman Healthcare is a leader in retirement living and aged care. Our driving purpose is to enhance freedom, connection and wellbeing for people as we grow older.

We own and operate 48 retirement villages across New Zealand and Victoria, Australia which are home to over 14,600 residents, offering a range of retirement living and aged care options that allow residents to choose the lifestyle that's right for them.

For forty years, our guiding principles have been to provide great care and exceptional resident experience alongside great financial performance. At the heart of our business, everything we do must be 'Good enough for mum and dad.'

About this report

Our latest Annual Report covers Ryman's business operations for the period 1 April 2023 to 31 March 2024. The report has been prepared in accordance with the guiding principles of the International Integrated Reporting Framework as well as the NZX Listing Rules and the Corporate Governance Code. The Framework encourages businesses to report against issues most material to their stakeholders, as well as provide insights into how their businesses create value and how this value contributes to sustainable returns over the long term.

On the front cover: Logan Campbell Village resident Dora and caregiver Gurpreet, in the Logan Campbell gardens.

Patrick Hogan Village.

Contents

At a glance

48
villages open

(includes 9 villages under construction)

10
sites under construction
(includes 9 open villages)

9,187
retirement village units

14,606
residents

10
greenfield sites
(excluding 3 sites held for sale)

4,339
aged care beds

7,691
team members

10x winner Reader's Digest Most Trusted Brand

Aged Care and
Retirement Villages category

Operator
of the Year

Ageing in Place
2024 Asia-Pacific Eldercare
Innovation Awards

$500,000+

donated to our annual
charity partner, the
Fred Hollows Foundation
(in association with our
teams and residents)

$4.8m

Net profit after tax (NPAT) ▼ **98%**

$43.3m
Cash flow from existing operations[1] ▲ **$51.8m**

($230.2m)
Cash flow from development activity[1] ▲ **$150.8m**

$2.51b
Net interest-bearing debt ▲ **$0.21b**
Gearing: 36.2%

($324.5m)
IFRS profit (loss) before tax and fair value movements (PBTF) ▼ **-$99.2m**

($283.9m)
Total one-off costs[1]

1,498

settled sales of occupation rights ▲ **2%**

1,500
new residents welcomed into our retirement villages

2,200
new residents welcomed into our aged care facilities

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[1] Cash flow from existing operations, cash flow from development activity and total one-off costs are non-GAAP (Generally Accepted Accounting Principles) measures and do not have a standardised meaning prescribed by GAAP, and so may not be comparable to similar financial information presented by other entities.

Directors' report

Getting fit for the future

Welcome to our 2024 Annual Report. This year has been one of significant change as we embark on getting fit for the future.

Ryman continues to set the benchmark for retirement living and quality of care for our residents. However, in terms of returns to shareholders we have fallen considerably short in recent years. We look forward to working with the team, and eventually our new Group CEO, as we focus intently on restoring our financial performance and with that our returns to shareholders.

Achievements in the year

This year we celebrate several significant milestones including our 40th anniversary and the 10-year anniversary of opening our first village in Victoria, Australia. In FY24, we were proud to open three new villages, welcoming our first residents into Northwood (Christchurch), Patrick Hogan (Cambridge) and Bert Newton (Highett) in Australia. In addition, we opened a new care centre at Deborah Cheetham in Melbourne, finishing the year with 48 operating villages, home to some 14,600 residents.

We continued to be recognised by the industry for delivering great care and by the community for their trust in our brand. We were proud to be named Reader's Digest Most Trusted Brand in aged care and retirement living in New Zealand for the tenth time, as well as winning four awards at the 2024 Asia-Pacific Eldercare Innovation Awards, including 'Operator of the Year – Ageing in Place' for the second year running.

We also continued to play an important role in our local communities, working with our teams and residents to raise over $500,000 for the Fred Hollows Foundation across New Zealand and Australia, who work tirelessly to put an end to avoidable blindness.

Financial results

For FY24, Ryman reported an 18% increase in revenue to $689.9 million, driven by growth in care, village and deferred management fees. However, the combined impact of impairments and other one-off costs ($283.9 million, FY23: $175.4 million) and a lower fair value gain on investment properties, has led to a significant reduction in reported net profit after tax (NPAT) to $4.8 million against the $257.8 million achieved in FY23.

This result has been achieved against a particularly challenging operating environment with residential property markets subdued and cost inflation impacting all areas of the business.

The reported profit result was clearly disappointing. We took the hard decision to reassess the carrying value of a number of assets in light of the current economic environment and also place higher hurdles on new developments. Despite these non-cash write-downs, it was pleasing that we achieved an improvement in cash flow from existing operations to $43.3 million (-$8.5 million in FY23). Contributing to this was a record number of Occupation Right Agreement (ORA) resale settlements, which continues to underline the attractiveness of the Ryman offering.

Ryman achieved an underlying profit of $270.0 million, down 11% on the $301.9 million achieved in the prior year, and within our February 2024 guidance range of $265–285 million. The reduction in underlying profit on FY23 was primarily a result of lower margins on new developments which have suffered from higher costs to complete through construction inflation, the impact of delays and higher interest costs.

Changing our financial performance metrics

Ryman has traditionally used underlying profit as the key measure of its financial performance. We now believe that there are better indicators of performance that are also more closely tied to our audited financial accounts.

We have turned our focus to three key financial performance metrics:

1. Cash flow from existing operations[1];
2. Cash flow from development activity[1]; and
3. IFRS profit before tax and fair value movements per share.

The first two are cash measures. We believe cash flow, like in any traditional business, is the most objective measure of performance. We have split that measurement between existing operations (that is, our current open villages and their share of support and services costs and interest) and development (which incorporates our land bank, construction, delivery, sale of new occupancy rights and their share of support and services costs and interest). Existing operations and new developments have very different performance drivers and cash flows and we believe are best reported on separately. The combination of these two measures we term as free cash flow.

IFRS profit before tax and fair value movements measures the operating performance of the existing operations. This measure excludes activities related to our investment property portfolio, specifically development margin, refinancing gains and the unrealised valuation movement in the portfolio between the start and finish of the year. The latter will fluctuate year to year and over time and we believe, while it is relevant to the growth in shareholders' equity, it is unrealised (as we don't sell the underlying properties to residents, we instead grant a licence to occupy).

$43.3 million

Cash flow from existing operations of $43.3 million (an improvement of $51.8 million on the prior year)

-$230.2 million

Cash flow from development activity of -$230.2 million (an improvement of $150.8 million on the prior year)

-$324.5 million

IFRS profit (loss) before tax and fair value movements (down -$99.2 million on the prior year)
Per share: -47.2cps, FY23: -43.6cps

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[1] Cash flow from existing operations and cash flow from development activity are non-GAAP (Generally Accepted Accounting Principles) measures and do not have a standardised meaning prescribed by GAAP, and so may not be comparable to similar financial information presented by other entities.

Health, safety & wellbeing

Care is a core part of our DNA at Ryman. It's therefore natural that we take health and safety very seriously. At our villages we need to provide a safe environment for our residents, visitors and our teams. At our construction sites we need to ensure our teams, contractors and subcontractors work together to create a safe environment for everyone on site. After a thorough review we've taken action to reconfigure our health, safety and wellbeing systems. This includes implementing measures to improve data capture moving forward.

We are also prioritising the development and upskilling of our teams in safety performance, with a specific focus on understanding and mitigating our critical risks and reducing our Total Recordable Injury Frequency (TRIF). We are pleased to report that over the course of the year there were no critical injuries across the company.

Governance refresh

The year has seen a significant refresh on the Board and at management level. Over the last year, three directors have retired from the Board and four new directors have been appointed, demonstrating our commitment to refreshing Board membership and bringing new capability and experience to governing the company.

Dean Hamilton joined the Board on 1 June 2023 and became Chair on 1 August 2023. Dean subsequently transitioned to Executive Chair, following the resignation of Richard Umbers in April 2024, in an interim capacity until a new Group CEO is in place. Dean has an extensive background in governance, large company leadership and financial markets, across both New Zealand and Australia. James Miller joined the Board on 1 June 2023, and has since become the Audit, Finance and Risk committee Chair. James is the current Chair of Channel Infrastructure and a director of Mercury NZ and Vista Group. He was previously Chair of NZX and brings extensive knowledge in both audit and risk and financial markets. Kate Munnings joined the Board on 1 November 2023. Kate brings extensive commercial healthcare experience from senior roles at Virtus and Ramsay in Australia, as well as construction and property management experience from prior roles.

In addition, in March 2024 we announced the appointment of David Pitman as a director. He brings strong leadership, strategic and transformation experience across a range of sectors, including retirement living in Australia, and joined the Board on 1 May 2024. At the same time, we announced that Dr Bernadette Eather would join Ryman's Clinical Governance committee as a Clinical Advisor. She started her role on 2 April 2024, replacing Dr David Kerr who retired at 31 March 2024.

Director George Savvides retired 1 June 2023, while Warren Bell and Jo Appelyard retired at the 2023 Annual Shareholder Meeting (ASM). Geoffrey Cumming and Claire Higgins also announced that they will step down at the 2024 ASM and the end of the calendar year respectively. We thank all the retiring directors for their contributions and dedication to Ryman.

We also made several changes to Board committee memberships and have introduced a new minimum share purchase plan for directors.

▶ More details can be found in the corporate governance section of this Annual Report.

> “The financial focus of the Board is to strengthen cash flow outcomes from existing operations and to recycle capital on new developments.”

Capital management

Ryman continues to be committed to prudent capital management. The Board made the decision during the year to suspend dividends. The need to continue to spend capital to complete committed village buildings and the desire to limit increased borrowings are key factors behind the decision.

As previously communicated the company intends to undertake a further review of the dividend policy at FY26. Any future dividend policy is expected to be based on cash flow.

At March 2024, net interest bearing debt was $2.51 billion, up $0.21 billion from March 2023 and in-line with the position at September 2023. Total funding headroom at March 2024 was $508 million (undrawn facilities and cash).

Gearing of 36.2% has increased 3.1 percentage points reflecting both higher debt and the impact on shareholders equity from valuation movements and impairments. This sits slightly above our medium-term target of 30–35%.

The financial focus of the Board is to strengthen cash flow outcomes from existing operations and to recycle capital on new developments. Over time, we aim to grow the value of Ryman while gradually reducing our net debt position.

Development update

During the year Ryman completed developments at both John Flynn (Melbourne) and William Sanders (Devonport). These are fabulous new villages for our residents, with state-of-the-art amenities and a continuum of care.

At year end, 10 villages are under active construction, nine of which have already opened to residents. The current build programme is unusually skewed to main buildings, of which four are expected to be completed in FY25.

There were 736 units and beds recognised in our FY24 build rate, which includes both complete and near complete units and beds. Going forward, Ryman intends to adopt a simpler measure with build rate reported on a complete basis, including only units and beds which are able to be occupied.

We have increased our focus on the efficiency of our new village developments, with a much stronger lens on expected cash recycling and net present value. As a result of this, sites in our land bank at Kohimarama, Karori and Newtown (decision taken in FY23) are being held for sale, and our sites at Takapuna and Ringwood East have been put back into the land bank. Carrying values for these sites, and our site at Mt Eliza, have been written down to either an unconditional sale value (for Newtown) or a market value, resulting in an impairment of $211.0 million being recognised in FY24.

Ryman acquired a further parcel of land at Deborah Cheetham in Victoria. This 2.0ha site will support an additional 58 two- and three-bedroom townhouses. These new properties will enjoy the recently opened main building.

Our land bank at 31 March 2024 has 5,371 units and beds available for development, including 2,627 at sites currently under active development, and 2,744 at the balance of sites.

Demand for our units and beds

Despite a more challenging economic environment, we saw continued strong demand for our Ryman offering in FY24, welcoming 1,500 residents to our independent and serviced retirement units.

Total booked sales of occupation rights (contracts signed but not yet settled) were 1,510 in FY24, broadly in-line with the prior year (1,519). Booked new sales of occupation rights declined 24%, reflecting lower unit deliveries in the period and a competitive market. This was offset by a 10% uplift in booked resales of occupation rights, a solid result which reflects the maturing of our existing village portfolio. Notably we saw a 34% increase in booked resales in Australia, which increased from 91 in FY23 to 122 in FY24.

Total settlements of occupation rights in FY24 were 1,498, up 2% on 1,466 in the prior year. A similar trend to booked sales was observed, with settled new sales down 17%, offset by growth in settled resales, which were up 13% to 1,060.

At March 2024 we had 436 completed units available for sale, including 238 new units and 198 resale units. This reflects 4.7% of 9,187 completed retirement-village units at March 2024.

We also welcomed over 2,200 residents into our aged care facilities and occupancy in our mature aged care centres has returned to pre-COVID levels at 96.3%, up from 94.6% in FY23. We believe these occupancy levels represent best in class across aged care providers in New Zealand and Australia and underline our strong reputation for providing great care to our residents.

Leaders in retirement living

The Retirement Village Residents Association released its best practice scorecard for New Zealand operators in February 2024, which grades operators on 19 key terms found in ORAs. Ryman's score was the highest of the 10 largest retirement village operators in New Zealand.

Our innovative MyRyman Resident App was recognised for its outstanding utilisation of technology at the Australian Good Design Awards in September 2023, which celebrate cutting-edge design projects from around the world that foster positive change in society. The App also won a Good Design Tick at the Australian Good Design Awards in conjunction with partner Journey Digital.

We continue to innovate and improve our care services, with significant growth across our home care offering within our villages in Australia. Residents receiving funded home care packages delivered by Ryman increased by 77% to 234 in the period.

Embedding our sustainability strategy

Ryman is committed to our sustainability journey and decarbonising our operations. We have released our first Sustainability Report which showcases progress across three key priority areas: climate change, quality care and Indigenous engagement.

During the year we announced that our greenhouse gas emissions targets have been validated by the Science Based Targets initiative (SBTi). This achievement has been reached following Ryman formally setting an emissions reduction target of 42% for scopes 1 and 2, to be achieved by 2030 relative to a base year of 2021.

In addition, later in this Annual Report we have published our first Climate-Related Disclosures (CRD) Report, as required by the New Zealand External Reporting Board. The CRD Report outlines how we are embedding climate considerations into our business model, as well as the impact our business has on the climate. This is an important step in identifying and improving our understanding of Ryman's long-term climate-related risks and opportunities and outlining our path to decarbonisation.

▶ Find our 2024 Sustainability Report on our website.

Aged care legislative environment

Throughout the year, Ryman continued to advocate for change to the current aged care funding models in both New Zealand and Australia. Governments in both countries need to acknowledge the crucial role the retirement living sector has to play in meeting the housing and health needs of the growing ageing population.

New Zealand

As the ageing population expands and longevity increases, more older people are occupying hospital beds and require care, putting huge pressure on healthcare systems. As highlighted in the first phase of a Health New Zealand – Te Whatu Ora commissioned review, the sector is facing unprecedented challenges and financial pressures, leading to bed closures and limited new builds in the face of growing demand.

Funding for aged residential care has proven to be far too low for a sustainable aged care sector in New Zealand. As providers, we are limited by law as to what we are paid by health authorities and what we can charge residents for added services.

The model needs urgent change to ensure bed numbers are not only retained but there are incentives for significant new beds to be built.

We welcomed the news that the coalition Government has recently confirmed the Health Select Committee will carry out an inquiry into aged care, starting in July 2024. New Zealanders deserve to have a choice in the products and services they wish to receive as they age. We're optimistic that the new Government will create positive change to enable sustainable and equitable access.

During the year we also provided a submission to the review by the Ministry of Housing and Urban Development (MHUD) of the Retirement Villages Act 2003 (the Act), which closed on 20 November 2023.

We operate at a high standard and already meet the majority of the changes proposed by the MHUD as standard business practice. We expect to see recommended changes to the Act prior to the end of the year.

Australia

We continue to take a leading role in the public conversation about how to address Australia's aged care crisis. We believe Ryman's continuum of care model can provide better quality of care for older Australians, reduce the cost of the aged care system for the taxpayer, alleviate pressure on the public health system, and increase housing supply.

We provided a submission to the Aged Care Taskforce which subsequently provided recommendations to the Government in March 2024, including support for a co-contribution model. This a positive sign for the industry and while there are several details to be confirmed, Ryman believes the report's recommendations would, if implemented, help secure the sector's long-term financial sustainability.

Auditors

Deloitte has been our auditor since we listed on the NZX and over this period have rotated the audit partner, as required under NZX Listing Rules. We've recently updated our external auditor independence policy and have subsequently commenced a tender for audit services for FY25 and beyond. We expect to have completed this prior to the ASM.

FY25 outlook

Current economic conditions remain challenging in both New Zealand and Victoria, and it is unclear when interest rates will begin to decline and support improved housing markets conditions and liquidity.

Incoming residents to independent retirement living in most cases need to sell their home to fund the ORA upon entry and as a result residential market conditions have an impact on timing and affordability for potential new residents. Most market commentators are expecting these conditions to continue for the balance of 2024.

At Ryman we can do little about those external factors, however we do need to be focused on improving our own performance. There continues to be demand for living in a Ryman village, as evidenced by strong demand for our retirement village units (over 1,500 ORA sales in FY24), our high care bed occupancy at our mature villages and the growing occupancy at our new care facilities.

Key to our performance in FY25 will be our ability to maintain high occupancy in our existing facilities and settle new units and beds as they come onstream throughout the year.

FY25 guidance

- We continue to target positive free cash flow (representing the combination of cash flow from existing operations and cash flow from development activity)
- We expect to complete 850–950 retirement village units and aged care beds, which includes 650 aged care beds and serviced apartments in four main buildings that will be opened, and 200–300 independent retirement village units
- We expect to spend $700–820 million on capex including $600–700 million on development activity, and $100–120 million on existing operations (including unit refurbishments).

Ryman's outlook for FY25 is based on current market conditions and its assessment of the future.

Turnaround underway

FY24 marked a year of significant change for the company as it embarks on getting fit for the future.

We are clear on two things – our residents remain at the heart of what we do, and our villages are the place where we create value. Everything else we do is in support of these two principles.

We're refining our strategy and driving a transformation programme that will place stronger emphasis on our financial performance, while maintaining our commitment to purpose-driven care and exceptional resident experience. We know we need to create a more sustainable balance.

Our areas of financial focus are on improving the financial performance of our existing villages, improving the efficiency of our new developments and creating a sustainable and fit for purpose structure to support our village and new development activities.

Our future opportunity

We have an exciting future at Ryman. Over the next 30 years, New Zealand's population of seniors (65+) will grow from around 850,000 (17% of the population) to around 1.5 million (24% of the population)[1] . By 2066, it is projected that older people in Australia will make up between 21% and 23% of the total population[2].

Ryman is well placed to benefit from this ongoing demographic change. We have an industry-leading reputation in retirement living and aged care. We have scale with 48 operating villages across New Zealand and Victoria.

We have over 14,600 residents and a high satisfaction rating by our residents of their Ryman experience. Importantly, we have a strong sense of purpose amongst our 7,700 team members. We are committed to balancing care with commerciality. We know we need to improve the profitability of our operations and the efficiency of our new developments in order to achieve improved financial performance.

We are focused on getting *fit for the future.*

Thank you for your support

Our purpose is to enhance freedom, connection and wellbeing for people as we grow older. Our team of Rymanians come together each day to deliver this purpose through providing high-quality care and exceptional resident experiences.

Our people make our culture unique and are integral to the success of our business. We would like to thank our teams for their continued commitment to Ryman. It is their hard work and dedication that ensures our residents have a great experience, for which we are very grateful.

We wish to acknowledge the patience of our shareholders at a time of disappointing shareholder returns. We look forward to working with the team, and eventually the new Group CEO, as we focus intently on restoring our financial performance and with that over time, our returns to shareholders.

Dean Hamilton
Executive Chair
Ryman Healthcare

Paula Jeffs
Lead independent director
Ryman Healthcare

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[1] hud.govt.nz/news/the-long-term-implications-of-our-ageing-population-for-our-housing-and-urban-futures/#:~:text=Over%20the%20next%2030%20years,growing%20numerically%2C%20but%20also%20structurally

[2] aihw.gov.au/reports/older-people/older-australians/contents/demographic-profile

Our strategy in action: Fit for the future

Our commitment is to get Ryman fit for the future.

To achieve this, we are refining our strategy and driving organisational change that will place stronger emphasis on our financial performance, while maintaining our commitment to purpose-driven care and exceptional resident experience. We need to create a sustainable balance.

The four pillars of our strategy cover the breadth of our business:

1. The best continuum of care for ageing well
2. Unparalleled resident experience
3. Positive expansion; and
4. Great financial performance.

We are applying a commercial lens across all pillars of our strategy, which will also serve to retain our position as a sector leader. At the same time we are working with our teams to create a performance culture that enables our focus on financial performance to comfortably co-exist with our care DNA.

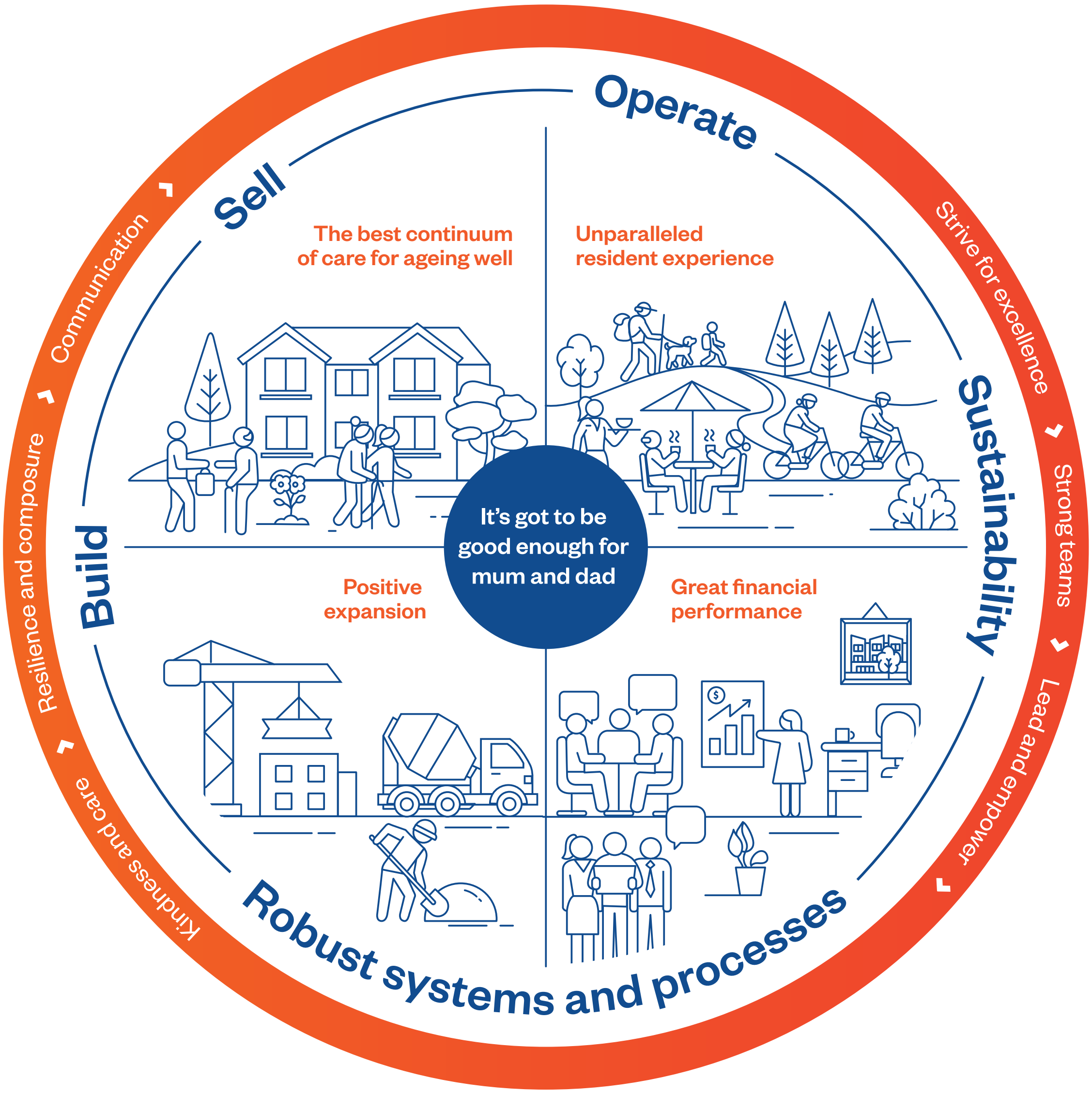
We remain committed to our sustainability journey and decarbonising our operations. Following the launch of our sustainability strategy in late 2022, we have developed our first Sustainability Report which showcases progress made across our strategic pillars of Our People, Our Places, and Our Purpose.

Image: Keith Park Village resident Mary, and her grandson.

Creating value for our stakeholders

Our resources

Our people	Our expertise	Our communities	Our relationships	Our environment	Our financial resources



Value created

Developing our people	Enhancing our expertise	Growing our communities	Strengthening our relationships	Protecting our environment	Delivering improved returns to shareholders

The best continuum of care for ageing well

Our strategy

To ensure our residents' changing needs are met with seamless transitions across an expanding continuum of care – uniquely fit for the needs of our market. We are focused on developing services to enhance residents' wellbeing at every life stage.

Our care model provides a managed transition for residents as they age. We offer a range of care options that can be customised based on their needs and preferences. We continually assess ways to better support our residents, and the ageing populations of New Zealand and Australia. This includes introducing new services to improve our total offering and operating returns, as well as advance our care model.

Image: A Ryman resident receiving home care services.

Leadership in dementia care

Almost 70,000 New Zealanders are living with dementia today and almost 170,000 are likely to be living with dementia by 2050[1]. In Australia it is estimated that over 400,000 Australians live with the condition in 2023[2]. This number is expected to rapidly grow as the population ages.

We believe governments on both sides of the Tasman will need to increase their funding in this area to support this growing need.

In FY24 we progressed our programme of work to update the Ryman dementia care model. This includes partnerships with family carers, revised training and development for teams, and a focus on developing interactive, dementia-friendly spaces within our current and new village communities.

More information about our dementia care leadership is outlined in our 2024 Sustainability Report.

Progressing home care in Australia

Ryman has achieved significant growth across our home care offering in Australia. Funded home care packages delivered by Ryman to our residents increased by 77% to 234 in the period, with 15% of our residents in Australia accessing one of these packages. With a significant number of residents on a waiting list to receive funding, and positive evidence that we can deliver this service profitably, we're ready to grow this service further within our villages in FY25.

The Aged Care Act is currently under review and will be updated to strengthen the Federal Government's Support at Home program, which we expect will be implemented from mid-2025. Ryman's care model is well set up to offer a more flexible approach to home care.

Growing private home care in New Zealand

In New Zealand, Ryman's home care model has now been formalised for our serviced and independent residents, which is predominantly privately funded. Since March 2023, we have seen a 21% increase in uptake of home care services, however, this service remains in its infancy.

During the year we made our home care service more accessible by making it available through our myRyman Resident App, the digital platform that enables residents to book activities and keep up to date with the latest village news and information.

We continue to engage with Health New Zealand – Te Whatu Ora to allow us to provide funded home care services in our villages. If successful, our independent residents would be able to access funded care and support services from Ryman instead of from external agencies. This would enable us to support their health needs and independence in their preferred living setting.

Digital innovation in care

Our home care digital platform was configured throughout FY24 and will be launched in FY25. The selected product, AlayaCare, equips our serviced apartment workforce in Australia with a suite of comprehensive tools tailored to oversee all aspects of home care operations, including scheduling, client management, billing, and reporting.

This will streamline administrative tasks and reduce paperwork. The platform will enable better communication among caregivers and residents, including care plan updates and real-time visit notifications, ensuring all stakeholders remain informed and connected.

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[1] alzheimers.org.nz/explore/facts-and-figures/

[2] aihw.gov.au/reports/dementia/dementia-in-aus/contents/summary#Common

Unparalleled resident experience

Our strategy

To leverage our scale and invest in digital innovation to deliver a resident experience that eclipses the competition.

Resident experience is a critical competitive advantage. Our residents are looking for freedom, connection and wellbeing when they move into a Ryman village.

We put great care into creating communities that challenge the conventions of ageing and support an active and connected lifestyle for our residents. Central to this is enhancing their experience through digital engagement. This not only deepens our customer proposition but also drives resident loyalty to our brand.

Image: Nellie Melba Village resident, Liz, leads a team of residents during our Walking for Wellness event.

Our award-winning resident app

The introduction of our myRyman Resident App has transformed our resident experience and is now a central part of how we communicate with our residents. The digital platform enables residents to manage their village calendars, keep up to date with notices and attend a diverse range of events and activities including yoga, dance lessons, aqua aerobics, creative writing and art classes.

In September 2023, the App was recognised for its outstanding utilisation of technology at the Australian Good Design Awards. It was also named 'Innovation of the Year – Technology Social Engagement' at the 2024 Asia Pacific Eldercare Innovation Awards.

As of March 2024, the App was accessible to 77% of independent residents across 45 villages.

Understanding our resident experience

During FY24 we reviewed our customer journey in detail, seeking to gain an even better understanding of customer preferences both before they sign up to our villages, and once a resident arrives to settle into village life. We leverage the continual improvement of our Salesforce software and workflows and the positive uptake of the myRyman Resident App to support our understanding of the customer journey.

In FY24 we conducted a research project looking at resident wellbeing, using an internationally validated wellbeing for older populations assessment tool. More details on this can be found in our 2024 Sustainability Report.

Inter-village events

Our inter-village events connect our residents across our network of villages. Residents can also connect through virtual events such as book clubs, language clubs, dance classes, guest speakers and more. These events make sense commercially, strengthening resident support for our brand.

Our 'Walking for Wellness – Everest Challenge' in September 2023 was the latest event in our annual active ageing inter-village events. The event and virtual progress-tracking was designed to promote active ageing, celebrate older athletes, and foster community across our villages.

Over 1,000 residents united virtually across New Zealand and Victoria to 'climb Mount Everest' over 30 days individually and in groups. Participants combined to walk one of two challenge options: 68km – the equivalent of reaching the Mount Everest summit, or a 136km challenge – equivalent to a return trip.

Investment in our brand

Ryman is consistently recognised for the strength of our brand, as an innovator and for the quality of care we provide.

This year we were thrilled to be voted Reader's Digest Most Trusted Brand in aged care and retirement living in New Zealand for the tenth time. The annual awards are a coveted measure of the brands Kiwis love and trust, and the win highlights our relentless commitment to enriching the lives of our residents and the strong trust they have in us.

A key focus has also been investment in strategic partnerships that align with our brand and lift our profile to resonate with our current and future residents and their families.

We launched bold new partnerships with high profile sporting organisations the Black Ferns and the Black Ferns Sevens in New Zealand, and the Australian Football League's (AFL) Hawthorn Football Club (across both of their men's and women's programmes) in Melbourne, consistent with our active culture and embedded role in our local communities. We also increased our visibility in the living rooms of New Zealanders through our TVNZ Breakfast show partnership.

These partnerships have helped drive stronger brand metrics and general awareness in what is a competitive market. Based on Kantar New Zealand's Q1 2024 Brand Health Tracker, Ryman's brand awareness remains industry leading at 93%. It also maintains the highest active consideration of all operators at 63%.

As a newer player in the Australian market, we continue to build awareness of our brand and our care model. Following our industry leading brand campaign 'The Measure Of', and a newly launched partnership with Qantas, we've seen a significant year on year increase in our brand awareness and familiarity in Victoria, according to brand metrics from strategic insights consultancy, Nature.

Positive expansion

Our strategy

Deliver targeted growth by developing new villages in attractive locations with strong market demand that can deliver positive financial returns for shareholders. Create villages that reflect consumer preference, built and maintained to protect returns over the village life cycle.

Image: Artist's impression of our Mulgrave Village.

Bringing the Ryman experience to new communities

In FY24, we were proud to open three new villages, welcoming our first residents into Northwood and Patrick Hogan in New Zealand and Bert Newton in Australia. Ryman's portfolio now spans across 48 operational villages, with 40 in New Zealand and eight in Australia.

We also opened the main building at Deborah Cheetham in Ocean Grove, welcoming residents into our sixth main building in Australia. In addition to housing our aged care and serviced apartment residents, main buildings offer a wide range of village amenities and are a key part of our value proposition for independent residents.

3 village openings

In FY24, we were proud to open three new villages, welcoming our first residents into Northwood and Patrick Hogan in New Zealand and Bert Newton in Australia.

Development activity across 10 sites

10 villages are under active construction, a reduction of four on last year due to the completion of John Flynn, William Sanders and current stages at Murray Halberg, the pausing of early stage construction activity at Takapuna and Ringwood East, with these sites being returned to the land bank, and the commencement of construction at Mulgrave. Nine of the 10 villages under construction have already opened to residents.

Due to historical delays through the COVID period and the prioritisation of capital expenditure required in a much higher construction cost and interest rate environment, current activity remains unusually skewed to main buildings with five under construction. Four of these main buildings are in the advanced stages of construction and are expected to open throughout FY25.

Reported build rate to be based on complete units and beds going forward

736 units and beds were recognised in the FY24 build rate, which includes both complete and near complete units and beds. Going forward our build rate will be reported on a complete basis, including only units and beds which are able to be occupied. With respect to independent townhouses and apartments, units will be recognised on practical completion. Serviced apartment units and care beds will be recognised at the date which the main building is open. Reflecting this change in methodology, we have rebased our asset base at March 2024 to remove units and beds which were previously recognised in the build rate as near complete.

Moving to a complete basis will give stakeholders a clearer understanding of unit and bed deliveries in each financial year. It also aligns to the business' increased focus on cash flow given residents can move in and settle when units and beds can be occupied.

An emphasis on positive expansion

Over the last several years we have developed a number of fantastic new villages for residents. They have modern, high quality, independent living units and residents have access to a wide range of amenities within the village. The care facilities at these villages are best in class and provide a continuum of care across rest home, hospital and dementia levels of care.

These new villages have however come at a significant capital cost, in most cases considerably more than originally intended and have therefore come at a substantial cost to shareholders through increased debt. This is unsustainable and we cannot continue to repeat this.

A critical part of our positive expansion strategy going forward has to be to only build new villages that deliver positive value for residents and deliver positive value for shareholders. We need to ensure we develop on the right sites, that our cost of design and construction is as efficient as it can be and, until respective governments fix the care funding model, we build the minimum level of care facilities and these are oriented towards use by our own serviced and independent residents as they require it.

A challenging year for development performance

A number of large, capital intensive, projects which started several years ago have continued to be impacted by programme delays and cost escalations. These issues have been driven by a multitude of factors including delays from the COVID period, high construction cost inflation, changing scopes and the active reprioritisation of the development programme due to capital management considerations. Our teams have been working hard to deliver the current active projects to a reset programme and cost estimate.

Compounding these issues, a challenging housing market and competitive retirement living market has meant we haven't been able to recover the higher development costs through higher pricing for sales of new ORAs.

As a result, we had negative cash flow from development in FY24.

We know we need to work through the current sites under active construction the best we can. We need to deliver the main buildings as these have been promised to the independent residents who have moved in, and to encourage potential new residents who are considering moving in. We continue to believe that the best value for shareholders is to complete the sites, release the built-up capital by selling down the ORAs and build occupancy in the care beds.

The end result will be fabulous retirement villages, but these have come at a financial cost to shareholders.

Re-evaluating land bank sites

A more disciplined approach is being applied to feasibilities for new developments to ensure that we only invest in positive value projects. Our investment criteria prioritises net present value (NPV) and capital recycling.

Kohimarama, Karori and Newtown no longer meet our investment criteria and are being held for sale at year end. Newtown has been unconditionally sold. We paused construction at Ringwood East and Takapuna and returned these sites to the land bank. Carrying values for all of these sites have been reviewed, resulting in an impairment of $211.0 million being recognised in FY24.

In January 2024 we acquired a third parcel of land at Deborah Cheetham which will provide capacity for a further 58 townhouses.

Development outlook

We are expecting to reach completion on 850-950 units and beds in FY25, including 650 aged care beds and serviced apartments within the four main buildings opening, and 200-300 independent units.

Depending on economic conditions, we expect to complete a combined 1,000–1,200 aged care beds and retirement village units across FY26 and FY27. Our intention going forward is to provide a 3-year projection of completed build rate, with greater clarity in year one and an aggregate forecast for years two and three.

Development pipeline

10 **Sites under construction** 🏗️
6 NZ 4 AU

10 **Greenfield sites in land bank** 📍
5 NZ 5 AU

5,371 **Units and beds in land bank**
3,161 NZ 2,210 AU

New Zealand

		Design	Council approved	Under construction	Village open	Main building open	Target village complete
Miriam Corban Henderson, Auckland	🏗️	●	●	●	●	○	FY25
James Wattie Havelock North	🏗️	●	●	●	●	○	FY26
Patrick Hogan Cambridge	🏗️	●	●	●	●	○	FY27
Northwood Christchurch	🏗️	●	●	●	●	○	FY27
Keith Park Hobsonville, Auckland	🏗️	●	●	●	●	○	FY28
Kevin Hickman Christchurch	🏗️	●	●	●	●	○	FY29
Takapuna Auckland	📍	●	●	○	○	○	TBC
Park Terrace Christchurch	📍	●	●	○	○	○	TBC
Rolleston	📍	●	●	○	○	○	TBC
Karaka	📍	●	●	○	○	○	TBC
Taupō	📍	●	○	○	○	○	TBC

Australia

		Design	Council approved	Under construction	Village open	Main building open	Target village complete
Bert Newton Highett	🏗️	●	●	●	●	○	FY25
Nellie Melba Wheelers Hill	🏗️	●	●	●	●	●	FY26
Deborah Cheetham Ocean Grove	🏗️	●	●	●	●	●	FY27
Mulgrave	🏗️	●	●	●	○	○	FY29
Ringwood East	📍	●	●	○	○	○	TBC
Mt Eliza	📍	●	●	○	○	○	TBC
Essendon	📍	●	○	○	○	○	TBC
Kealba	📍	●	○	○	○	○	TBC
Coburg North	📍	●	○	○	○	○	TBC

Great financial performance

Our strategy

Drive improvement in financial performance across the business. Focusing on improving the financial performance of our existing villages, the efficiency of new developments and the support and services required to deliver these.

Image: Residents John and Bev at our Northwood Village.

Financial performance of our villages

We know that the value we create for shareholders occurs at our villages. We are looking at the performance of both our retirement living operations and our care operations – collectively our village performance. We believe there is an opportunity to improve the financial performance of our villages.

In retirement living, we are investigating whether we are earning sufficient revenue to support the level of capital being invested to build, maintain and refurbish our units and shared amenities as well as the cost of the services being provided.

In terms of cost efficiency, Salesforce, our customer relationship management platform, has enabled us to streamline our sales processes, unit modifications and maintenance services across our villages.

Further Salesforce development will improve the resident experience in new and efficient ways as we optimise our customer journey.

In terms of aged care, the key area of focus to improve our financial performance is improving our revenue. We provide a high quality of care in our facilities delivered by passionate team members, however over time the revenue received from governments to provide those services has not kept pace with the inflation in either the capital cost to build a care bed or the operating costs, primarily staff, to deliver the care. We are working hard with governments on both sides of the Tasman to promote a sustainable solution. The current funding structures, which delivers an estimated return of well under 5% on the cost of a new bed at Ryman, doesn't support any new build, or for a number of operators, the refurbishment of existing facilities. We continue to see bed closures in the industry.

We are enhancing our food services. In 2023 we completed the implementation of Saffron, a technology platform to streamline meal planning, preparation, and delivery processes, to all remaining villages across Australia and New Zealand.

Saffron enhances food quality, drives efficiencies and improves services across our bar, café and dining rooms, ultimately improving resident experience and wellbeing.

We are the first aged care provider in the Asia Pacific region to implement the Saffron platform, highlighting our commitment to technology innovation that enhances resident experience and operational efficiency.

Efficiency of new developments

As discussed earlier in this report, we need to improve the financial performance of our development activities.

The majority of our portfolio of recently completed and under construction new villages have, or will, fall materially short of fully recycling their capital cost on the initial sell down of new ORAs and collection of Refundable Accommodation Deposits (RADs). This will leave a debt burden to service going forward. The reasons behind the much higher than expected final cost to construct and deliver these developments in some cases lies in challenging sites, changes in scope, delays in construction, high construction costs, inflation during and after COVID, challenges in managing so many active sites, as well as higher overhead and interest costs with the lapse of time.

We need to be confident that going forward, we select the right land sites, we can deliver a fit for purpose product that residents will really value, at an all-in cost that will allow us to recycle our capital efficiently, and generate future earnings and capital gains that will support the ongoing investment.

We need to build a balance in our active construction portfolio to ensure affordability, to balance the capital intensity as well as the timing of main building delivery.

In terms of delivery, we need a structure that provides flexibility, efficiency and innovation. Ryman has traditionally insourced much of the entire delivery of new villages – land procurement, design and construction. While this can have its advantages, we expect to adopt a more developer-led mindset in future to deliver greater benefits to Ryman.

Addressing our support and services approach

Our rapid expansion over the past decade, both across Auckland and into Australia has contributed to substantial growth in our support and services activities that reside outside of our villages. The cost of this support has however, been increasing at a faster rate than our village and resident numbers. While the cost of doing business, be it staff, insurance, rates, interest or investments in technology has gone up for most businesses, we have not achieved economies of scale through village and resident growth.

Fundamentally, we need to improve the financial performance of our support and services activities.

Our focus through our transformation will be on reviewing the critical support and services activities that drive value at our villages and the organisational structure needed to deliver those efficiently across existing operations and new developments.

Creating a performance culture

Our thanks goes out to our 7,700 committed team members. They are the foundation of our diverse community delivering exceptional care for our residents through striving for excellence and delivering care that is 'Good enough for mum and dad.'

In FY24, we commenced refreshing our people and culture strategy to centre around enhancing a performance culture that is agile and innovative and creates experiences that matter to our team members, our residents and our external stakeholders.

Wellbeing Tick

Ryman is the first healthcare company in Australia and New Zealand to be Wellbeing Tick accredited for year one of the programme.

Image: Caregivers at our Anthony Wilding Village.

Everyone home safe and well

Health and safety is vitally important at Ryman and our senior leaders continue to refine Ryman's critical risk processes and procedures and build leadership capability to identify and mitigate risk of serious harm at our construction sites and villages.

We are also prioritising the development and upskilling of our teams in safety performance, with a specific focus on understanding and mitigating our critical risks and reducing our Total Recordable Injury Frequency (TRIF). We are pleased to report that over the course of the year there were no critical injuries across the company.

Through our 'everyone home safe and well' approach, we strive to continuously strengthen our controls to eliminate risk to our people where practically possible.

Investing in our teams' wellbeing

Investing in wellbeing is crucial to ensure that our people can deliver our purpose – providing freedom, connection and wellbeing for people as we grow older. We are proud to employ high performers and to provide wellbeing initiatives that ensure our teams continue to strive for, and deliver, excellence.

In January 2024, Ryman was awarded the Wellbeing Tick making it the first healthcare company in Australia and New Zealand to be Wellbeing Tick accredited for year one of the programme. The Tick is a workplace accreditation programme that recognises organisations that commit to the wellbeing of their people and are ready to make systemic changes to the way they operate.

Under the Occupational Health and Safety Amendment (Psychological Health) regulations, employers in Australia must effectively manage psychosocial risks in the workplace. This requires employers to not only prioritise employees' physical wellbeing but also to safeguard their psychological health, considering the stresses and challenges inherent in work environments.

While the regulation applies to Australia, we acknowledge its broader importance to all Ryman team members and have implemented similar assessments and control measures in New Zealand. We established the Psychosocial Steering Group in September 2023, tasked with delegating, executing, and reporting on the progress of prevention plans with Ryman.

Insights to keep our people safe through digital safety management

The successful implementation of our Donesafe platform across our New Zealand business has transformed our health and safety management system. Since its rollout, Donesafe has made it significantly easier for team members to report incidents, improving risk management at villages, construction sites and offices. Our teams now operate with a paperless system, providing increased oversight into risks and trends to ensure everyone goes home safe and well every day.

Committed to Diversity, Equity & Inclusion

We updated our Diversity, Equity & Inclusion (DEI) policy to clearly articulate Ryman's commitment to creating a diverse and inclusive work environment for all our team members. DEI is not just about supporting employees to have the freedom to be themselves, but also providing a supportive work environment that allows everyone to do their best work to drive business outcomes.

Ryman aims for a minimum of 40% representation for males and females, with the remaining 20% open to any gender, for our senior leaders. As of March 2024, we have 40% female representation in the Senior Leadership Team (SLT), 43% on the Board of Directors, and a notable 60% across all leadership positions. This data affirms our dedication to achieving gender diversity.

In 2023 we conducted a comprehensive gap analysis aligned with the Ngā Paerewa Health and Disability Services standards in New Zealand. The analysis highlighted areas where we could do more and led to the establishment of our inaugural Māori and Pasifika Nursing Scholarship. The first of these scholarships was awarded in 2023.

Ryman Awards Leader of the Year winner, Raelene Boyle Village Manager Anthony Mammone, and Chief Executive Officer – Australia, Cameron Holland.

Managing critical workforce shortages for sustainable business performance

In 2023, we launched a work programme aimed at decreasing turnover rates, focusing on our critical workforce. This programme concentrated on improving the recruitment process, enhancing induction procedures, facilitating career development, and providing targeted recruitment assistance for high-turnover areas. Over the past year, team turnover has decreased significantly.

Indigenous engagement

We are committed to being an equitable and inclusive workplace for all team members in the communities that we operate in.

We work continuously to empower an Indigenous perspective across our business. We are dedicated to the cultural learning needed to ensure Māori and First Nations People are well served by Ryman. You can read a detailed review of work across Indigenous engagement in our 2024 Sustainability Report.

Celebrating our people

We held our Ryman Awards Gala in October 2023. The awards night celebrated the extraordinary efforts of all Rymanians that contributed to our business over the last 12 months. The awards give us a chance to pause and reflect as we acknowledge our high performers and celebrate their success and hard work.

Our Kiri Te Kanawa Retirement Village was crowned Village of the Year for 2023, receiving a congratulatory video message from Dame Kiri Te Kanawa on the night.

Enhancing our leadership and development offering

During FY24, over 400 of our team members participated in one of our tailored leadership development programmes.

We also conducted a full review of our leadership development programmes to ensure we deliver tailored and targeted learning that meets the different needs of our leadership groups. Delivery on our new programmes commenced in April 2024.

Celebrating our residents

Rowena Jackson Village resident Mona Robertson won Ryman's annual walking challenge in 2023.

Mona achieves walking goals on Stewart Island

During the year Mona Robertson combined her dream of returning to beautiful Stewart Island with participation in Ryman's annual walking challenge, even overcoming a disability to win her age category.

The Rowena Jackson Village resident is totally committed to walking, describing herself as a 'busy bee' who is 'always on the move'.

Her fellow residents at Ryman's southernmost village in Invercargill often see her walking around the village grounds and following her success in the 2022 Walking for Wellness challenge, Mona was keen to keep the momentum going in the 2023 event.

What makes Mona's achievement all the more remarkable is the fact she is hearing and vision impaired. "I'm completely blind in my right eye, but I do have a bit of vision still in my left eye," she said.

But armed with her badge and trusty walking stick, Mona stays motivated to keep active and fit and when the idea to join family members for 3 days on Stewart Island was mooted, the then 88-year-old jumped at the chance.

To then win her age group category was the icing on the cake: "I feel very happy about that, very happy. My goal is to get to 100 and keep walking."

Captain Shani Edwards, Grace Joel Village resident Jim, and Corporal Matthew Woods celebrate Jim's 107th birthday.

WW2 Prisoner of War celebrates his 107th birthday

Grace Joel Retirement Village resident James (Jim) Easton celebrated his 107th birthday with an afternoon tea held at the St Heliers, Auckland village on the 12th December 2023.

Believed to be New Zealand's oldest man and Australia's oldest surviving World War II veteran, Jim was joined by Australian Army representatives, Captain Shani Edwards and Corporal Matthew Woods, who flew in specially to celebrate Jim, alongside extended family members from the Hunter Valley, New South Wales.

Hailing originally from Scotland, and a Signalman in the 8th Division Signals of the Australian Army, his wartime service in Singapore spanned just three months before his capture, where he spent three and a half years as a prisoner of war in Singapore, Thailand and Burma.

Following his release, Jim moved to Auckland in 1947 where he worked in show business, managing crews who set up games and equipment for A&P shows around New Zealand – many of whom still visit him each week and celebrated his special day with him.

When released from the prison camp, malnourished and underweight, medics told him the experience would likely knock at least 10 years off his life. Jim has well and truly defied these assumptions, putting his longevity down to never drinking or smoking, and reading lots of books.

We spoke to some of our team members about what they love about their roles and what drives them each day to succeed....

Connell Bergin
Project Manager, Melbourne

I am the Project Manager at our Mulgrave development in Melbourne and I'm responsible for ensuring that company goals are met by delivering on time, cost, quality and safety outcomes.

I achieve this by developing and implementing the construction programme, coordinating and managing the site team, overseeing the contract administration process and cost reporting, and driving a culture of both physical and psychological safety within the Ryman team and wider site.

Having worked at several private sector construction companies, I often found that the experience of the end-user can become lost amongst the competing priorities and deliverables. At Ryman however, our residents are at the core of everything we do, as is the benefit that our villages bring to the communities in which they are developed.

I love the construction industry. I have seen and experienced the opportunities that it can provide, and I am passionate about ensuring that this opportunity extends to people from all backgrounds. Construction and the built environment are essential to our economies and to providing healthy, diverse, and connected communities.

At Ryman, it isn't just about the job, it's about being part of something bigger.

Navdeep Kaur

Unit Coordinator, Melbourne

I am a Unit Coordinator across two care units – low care and special care units. I work closely with our residents and their families. I am the conduit between them and any external appointments such as their GP or specialists.

Ryman culture is always about kindness and support. Ryman recognises hard work and I feel supported to develop professionally. I started my career as a nurse and have transitioned into more senior roles. Ryman also recognises and nurtures many different cultures.

I've been working with Ryman since 2016. Last year my family moved to Melbourne, and Ryman supported me to transfer from Auckland in the same role. This level of support and encouragement from leadership is something I value, and has meant a lot to me.

My residents and team members motivate me each day at work. We make a promise to them to care for them, so ensuring our residents are happy motivates me to come to work every day. I work with dementia patients, and it's so meaningful to support them, and see a smile on their faces. Seeing their families happy because they know their loved ones are looked after motivates me to do better every day.

Jincy Jacob

Clinical Manager, Auckland

I lead a team to achieve the best resident care standards as well as providing holistic care to our residents in accordance with established standards. My responsibilities include collaborating with my team and assisting each resident in maintaining a dignified quality of life.

Ryman emphasises person-centred care, offering a wonderful and safe environment for both residents and employees. I admire the Ryman characteristics, particularly kindness and the manner in which residents are treated with compassion and dignity. The best thing about being a Rymanian is being a part of the mission to improve residents' lives. Residents and employees have a strong sense of camaraderie and teamwork.

My team and my residents are the sources of my constant inspiration. Making a difference in the lives of residents and staff gives me energy. As a leader, I enjoy providing consistent support to my team. I find great fulfilment and motivation in my work. My daily goal has been to positively impact the lives of my residents, and their satisfaction has always come first.

For me, creating a solid team is the key to success and establishing a welcoming workplace where everyone feels secure and collaborates towards the common goal of enhancing residents' lives with dignity.

Our role in the community

Across New Zealand and in Victoria, Australia we believe in the power of community. We're deeply committed to the communities we operate in through long-standing partnerships, and our residents enjoy community connection inside and outside of our villages.

Embracing our community partnerships is also central to driving engagement and connection with prospects and lifting awareness of the Ryman brand. Throughout FY24, we continued our involvement through hundreds of community partnerships.

$500,000

In association with our teams and residents, we raised over $500,000 NZD for the Fred Hollows Foundation across New Zealand and Australia.

Image: New Zealand Prime Minister Christoper Luxon and Ryman Prize recipient, Professor Vladimir Hachinski.

Our annual charity partnership

Each year we have a proud tradition of selecting a charity partner to work with over the next 12 months. Our residents and teams then actively fundraise throughout the year and we match the total amount raised.

In FY24 we raised over $500,000 for the Fred Hollows Foundation across New Zealand and Australia, who work tirelessly to put an end to avoidable blindness.

Celebrating achievement that enhances the quality of life for older people

The Ryman Prize is an annual $250,000 grant for the world's best discovery, development, advancement or achievement that enhances quality of life for older people.

Canadian clinical neuroscientist and researcher Professor Vladimir Hachinski was awarded this year's prize by Prime Minister Christopher Luxon during a ceremony hosted at our Logan Campbell Village in March 2024 in Auckland.

The event celebrated the major contribution Professor Hachinski has made to the diagnosis, treatment, prevention, and the links between 'the terrible three' – stroke, dementia and coronary heart disease.

In addition, Professor Hachinski advocates for prevention by promoting the idea of 'holistic brain health', linking cerebral health with mental and social health.

As a leading provider of residential dementia care in New Zealand, we strive to ensure that our villages are places that promote holistic brain health, through active, healthy, socially connected lifestyles and his work resonated deeply with us.

Empowering potential through scholarships

Scholarships play a pivotal role at Ryman by fostering a culture of continuous learning and development. Not only do they empower individuals to achieve their full potential but also contribute to the overall growth and success of Ryman and our communities. Our scholarships include the Graeme Rabbits Scholarship, James Wattie Scholarship and the Cashin Scholarship which focus on providing funding support to Rymanians and individuals in our communities for education and development.

Senior New Zealander of the Year Award recipient, Bob Francis and Ryman's Chief Executive Officer – New Zealand, Cheyne Chalmers.

Supporting the passions of our residents

Since 2015, Ryman has partnered with the Royal New Zealand Ballet and this year we elevated our support, becoming principal partner. We celebrated with our 'Love to Dance' community grant programme that supports local dance groups across New Zealand with three $5,000 grants, and brought magic to attendees of *The Ryman Healthcare season of Hansel & Gretel,* with gingerbread making classes in ballet venues.

We are a long-term sponsor of the Senior New Zealander of the Year Award Te Mātāpuputu o te Tau – part of the Kiwibank New Zealander of the Year awards. The 2024 prize, won by seven-term Mayor of Masterton, Bob Francis, celebrates people who are creating a legacy for tomorrow and are making a positive contribution to New Zealand later in their life.

We are in our fifth year of partnership with the Melbourne Symphony Orchestra (MSO), whose audience profile fits well with our prospect and resident population. The recent audience survey by the MSO indicates that awareness of Ryman as a corporate partner of the MSO has increased significantly, with recognition amongst single ticket buyers increasing from 9% in 2022 to 33% in 2023.

Artist's impression of our Northwood Village.

Results

6-year summary

FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023	2022	2021	2020	2019
Financials							
Net profit after tax (NPAT)	$m	4.8	257.8	692.9	423.1	264.7	326.0
Profit before income tax and fair-value movements (PBTF)	$m	(324.5)	(225.3)	(23.8)	(6.3)	26.7	36.5
Underlying profit (non-GAAP)[1]	$m	270.0	301.9	255.0	224.4	242.0	227.0
Cash flow from existing operations (non-GAAP)[2]	$m	43.3	(8.5)	-	-	-	-
Cash flow from development activity (non-GAAP)[2]	$m	(230.2)	(381.0)	-	-	-	-
Free cash flow (non-GAAP)[2]	$m	(186.9)	(389.6)	-	-	-	-
Net interest-bearing debt	$m	2,505.1	2,303.1	2,548.4	2,253.9	1,707.2	1,324.0
Total equity	$m	4,417.6	4,663.9	3,434.5	2,829.2	2,301.0	2,170.1
Gearing[3]	%	36.2	33.1	43.0	44.2	42.2	37.9
Per share (cps)							
Weighted shares on issue	000	687,642	516,323	500,000	500,000	500,000	500,000
NPAT per share	cents	0.7	49.9	138.6	84.6	52.9	65.2
PBTF per share	cents	(47.2)	(43.6)	(4.8)	(1.3)	5.3	7.3
Dividend per share	cents	-	8.8	22.4	22.4	24.2	22.7
NTA per share	cents	601.5	658.1	669.6	550.9	448.1	434.0
Booked sales							
New sales of occupation rights	no.	352	462	560	503	513	414
Resales of occupation rights	no.	1,158	1,057	983	925	923	824
Total sales of occupation rights	**no.**	**1,510**	**1,519**	**1,543**	**1,428**	**1,436**	**1,238**
Asset base[4]							
Retirement-village units	no.	9,187	9,142	8,538	7,983	7,423	6,878
Aged-care beds	no.	4,339	4,456	4,239	4,087	3,911	3,660
Total units and beds	**no.**	**13,526**	**13,598**	**12,777**	**12,070**	**11,334**	**10,538**
Land bank (to be developed)[5]	no.	5,371	5,868	6,306	6,146	6,595	6,593

		2024	2023	2022	2021	2020	2019
Underlying profit (non-GAAP)[1]	$m	270.0	301.9	255.0	224.4	242.0	227.0
Unrealised fair-value movement on retirement-village units	$m	(131.1)	73.7	467.1	201.2	(70.9)	102.4
Deferred tax movement	$m	149.7	51.6	(29.2)	12.6	93.6	(3.4)
Impairment loss	$m	(243.6)	(11.0)	-	(15.1)	-	-
Costs relating to USPP prepayment and swap amendments	$m	(10.4)	(158.3)	-	-	-	-
Close out of employee share schemes	$m	(11.2)	-	-	-	-	-
Holiday Act 2003 remediation	$m	(18.7)	-	-	-	-	-
Reported net profit after tax	**$m**	**4.8**	**257.8**	**692.9**	**423.1**	**264.7**	**326.0**

[1] Underlying profit is a non-GAAP (Generally Accepted Accounting Principles) measure and differs from NZ IFRS (International Financial Reporting Standards) profit for the year. Underlying profit does not have a standardised meaning prescribed by GAAP and so may not be comparable to similar financial information presented by other entities. The Group uses underlying profit, with other measures, to measure performance. Underlying profit is a measure that the Group uses consistently across reporting periods.

Underlying profit includes realised movement on investment property for units in which a right-to-occupy has been sold during the period and for which a legally binding contract is in place at the reporting date. The occupancy advance for these units may have been received or be included within the trade receivables balance at reporting date.

- The realised gain for each resale is determined to be the difference between the price for the previous occupation right for a unit and the occupation right resold for that same unit during the period. The recognition point is the date the contract is entered. Realised resale gains exclude deferred management fees, refurbishment costs and other direct selling expenses.
- Realised development margin is the margin earned on the first-time sale of an occupation right following the development of a unit. The margin for each new sale is determined to be the price for the occupation right, less the cost of developing that unit. This excludes costs relating to the community facilities, amenities and other direct selling expenses. The recognition point is the date the contract is entered for units which are either complete or capable of having fair value determined (near complete).

Underlying profit excludes deferred taxation, taxation expense, unrealised movement on investment properties, impairment losses on non-trading assets, costs relating to the close out of employee share schemes, Holidays Act 2003 provision and the costs relating to USPP prepayment and swap amendments.

The Group has reconsidered the treatment of the Holidays Act 2003 provision which was previously included in underlying profit (2023: $6.0 million). The current year quantification has led to a significant increase in the provision, which relates to remediation of previous years. Consequently, excluding the $18.7 million impact for the current year is deemed appropriate.

[2] Cash flow from existing operations, cash flow from development activity and free cash flow are non-GAAP measures and do not have a standardised meaning prescribed by GAAP, and so may not be comparable to similar financial information presented by other entities. For detail on how these measures are calculated, please refer to Ryman's 2024 full year result presentation, available at rymanhealthcare.co.nz/investors.

[3] Gearing calculated as net interest-bearing debt to net interest-bearing debt plus total equity.

[4] The reported asset base in FY24 includes retirement-village units and aged care beds which are complete and able to be occupied. The reported asset base in FY23 and prior years includes retirement-village units and aged beds which are complete and near complete. For detail on these measures please refer to Ryman's 2024 full year result presentation, available at rymanhealthcare.co.nz/investors.

[5] Includes retirement-village units and aged-care beds.

Consolidated financial statements

Consolidated income statement

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 $000	2023 $000
Care and village fees		510,380	437,341
Deferred management fees (DMF)		140,154	122,769
Interest received		2,326	2,140
Imputed income on refundable accommodation deposits		24,455	12,777
Other income		12,571	8,727
Total revenue	2	**689,886**	**583,754**
Operating expenses	3	(651,883)	(542,160)
Depreciation and amortisation expenses	4	(43,803)	(37,716)
Finance costs	5	(50,642)	(205,374)
Imputed interest charge on refundable accommodation deposits	2	(24,455)	(12,777)
Impairment loss	9	(243,573)	(11,034)
Total expenses		**(1,014,356)**	**(809,061)**
Loss before income tax and fair-value movements (PBTF)		**(324,470)**	**(225,307)**
Fair-value movement of investment properties	10	179,545	431,503
(Loss)/profit before income tax		**(144,925)**	**206,196**
Income tax credit	6	149,700	51,640
Net profit after tax (NPAT)		**4,775**	**257,836**
Earnings per share (cents per share)			
Basic and diluted	12	0.7	49.9

All net profit after tax and total comprehensive income/(loss) is attributable to parent company shareholders and is derived from continuing operations.

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024	2023
		$000	$000
Net profit after tax		**4,775**	**257,836**
Items that will not be later reclassified to profit or loss			
Revaluation of property, plant and equipment	9,13a	(251,774)	156,773
		(251,774)	**156,773**
Items that may be later reclassified to profit or loss			
Fair-value movement and reclassification of cash flow hedge reserve	13b	(15,977)	21,470
Deferred tax movement recognised in cash flow hedge reserve	13b	5,796	(6,006)
Movement in cost of hedging reserve	13c	-	(1,554)
Reclassification adjustment to income statement	13c	-	(3,518)
Deferred tax movement in cost of hedging reserve	13c	-	1,420
(Loss)/gain on hedge of foreign-owned subsidiary net assets	13d	(1,552)	670
Gain/(loss) on translation of foreign operations	13d	12,795	(8,306)
		1,062	4,176
Other comprehensive (loss)/income		**(250,712)**	**160,949**
Total comprehensive (loss)/income		**(245,937)**	**418,785**

All net profit after tax and total comprehensive income/(loss) is attributable to parent company shareholders and is derived from continuing operations.

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Issued capital	Asset revaluation reserve	Cash flow hedge reserve	Cost of hedging reserve	Foreign-currency translation reserve	Treasury stock	Retained earnings	Total equity
		$000	$000	$000	$000	$000	$000	$000	$000
2024									
Balance at 1 April 2023		**953,239**	**610,341**	**30,955**	**-**	**(7,136)**	**(34,729)**	**3,111,227**	**4,663,897**
Net profit after tax (NPAT)	13	-	-	-	-	-	-	4,775	4,775
Other comprehensive (loss)/income for the year	13	-	(251,774)	(10,181)	-	11,243	-	-	(250,712)
Total comprehensive (loss)/income for the year	13	-	(251,774)	(10,181)	-	11,243	-	4,775	(245,937)
Issue of ordinary shares – equity raise (subsequent costs)	12	(352)	-	-	-	-	-	-	(352)
Treasury stock movement	13	-	-	-	-	-	(1)	-	(1)
Dividends paid to shareholders	13	-	-	-	-	-	-	-	-
Balance at 31 March 2024		**952,887**	**358,567**	**20,774**	**-**	**4,107**	**(34,730)**	**3,116,002**	**4,417,607**
2023									
Balance at 1 April 2022		**33,290**	**453,568**	**15,491**	**3,652**	**500**	**(38,174)**	**2,966,193**	**3,434,520**
Net profit after tax (NPAT)	13	-	-	-	-	-	-	257,836	257,836
Other comprehensive income for the year	13	-	156,773	15,464	(3,652)	(7,636)	-	-	160,949
Total comprehensive income for the year	13	-	156,773	15,464	(3,652)	(7,636)	-	257,836	418,785
Issue of ordinary shares – dividend reinvestment plan	12	43,911	-	-	-	-	-	-	43,911
Issue of ordinary shares – equity raise	12	876,038	-	-	-	-	-	-	876,038
Treasury stock movement	13	-	-	-	-	-	3,445	-	3,445
Loss on treasury shares	13	-	-	-	-	-	-	(802)	(802)
Dividends paid to shareholders	13	-	-	-	-	-	-	(112,000)	(112,000)
Balance at 31 March 2023		**953,239**	**610,341**	**30,955**	**-**	**(7,136)**	**(34,729)**	**3,111,227**	**4,663,897**

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of financial position

AT 31 MARCH 2024

	Notes	2024 $000	2023 $000
Assets			
Cash and cash equivalents	7	41,809	27,879
Trade and other receivables	8	688,398	719,121
Inventory		2,386	14,618
Advances to employees	25	6,169	14,217
Derivative financial instruments	18,21	10,331	36,474
Assets held for sale	9	75,514	31,379
Property, plant and equipment	9	1,936,969	2,205,428
Investment properties	10	10,041,369	9,322,902
Intangible assets	11	85,065	84,832
Deferred tax asset	6	196,072	53,774
Total assets		**13,084,082**	**12,510,624**
Equity			
Issued capital	12	952,887	953,239
Reserves	13	348,718	599,431
Retained earnings	13	3,116,002	3,111,227
Total equity		**4,417,607**	**4,663,897**
Liabilities			
Trade and other payables	14	150,620	205,784
Employee entitlements	15	76,289	49,773
Revenue in advance	2	140,857	99,271
Refundable accommodation deposits	16	423,163	300,314
Derivative financial instruments	18,21	5,688	5,988
Interest-bearing loans and borrowings	17	2,546,947	2,330,950
Occupancy advances (non-interest bearing)	19	5,300,794	4,826,182
Lease liabilities	20	22,117	13,787
Deferred tax liability	6	-	14,678
Total liabilities		**8,666,475**	**7,846,727**
Total equity and liabilities		**13,084,082**	**12,510,624**
Net tangible assets (cents per share)	12	601.5	658.1

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of cash flows

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 $000	2023 $000
Operating activities			
Receipts from residents			
• Care and village fees		518,781	442,915
• Net refundable accommodation deposits		108,651	100,619
• New sale and resales of occupation rights		1,145,967	1,058,984
Interest received		2,394	2,198
Payments to suppliers and employees		(624,518)	(478,529)
Repayment of occupational rights		(459,194)	(437,375)
Interest paid		(33,599)	(46,864)
Net operating cash flows		**658,482**	**641,948**
Investing activities			
Purchase of property, plant and equipment		(99,719)	(145,158)
Purchase of land		(56,998)	(169,713)
Proceeds of land sales		15,284	19,652
Purchase of intangible assets		(15,482)	(20,106)
Purchase of investment properties		(582,551)	(608,784)
Capitalised interest paid		(107,703)	(108,069)
Advances to employees		5,116	1,199
Net investing cash flows		**(842,053)**	**(1,030,979)**
Financing activities			
(Subsequent costs)/proceeds from equity raise (net)	12	(352)	876,038
Drawdown of bank loans (net)		201,218	146,574
Proceeds from issue of US Private Placement notes		-	290,149
Prepayment of US Private Placement notes		-	(748,924)
Prepayment of cross-currency interest rate swaps		-	(106,594)
Dividends paid and dividend reinvestment plan costs	12	-	(68,089)
Sale of treasury stock (net)		-	2,643
Repayment of lease liabilities		(3,365)	(3,196)
Net financing cash flows		**197,501**	**388,601**
Net increase/(decrease) in cash and cash equivalents		**13,930**	**(430)**
Cash and cash equivalents at the beginning of the year		27,879	28,309
Cash and cash equivalents at the end of the year		**41,809**	**27,879**

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of cash flows (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Reconciliation of net profit after tax with net cash flow from operating activities

	2024 $000	2023 $000
Net profit after tax	**4,775**	**257,836**
Adjusted for: **Movements in statement of financial position items**		
Occupancy advances	615,056	620,700
Deferred management fees	(136,677)	(91,850)
Refundable accommodation deposits	108,651	100,619
Revenue in advance	41,586	18,019
Trade and other payables	(2,654)	41,114
Trade and other receivables	41,086	(46,554)
Inventory	12,232	11,632
Employee entitlements	26,516	9,961
Non-cash or non-operating items		
Depreciation and amortisation	40,032	34,344
Depreciation of right-of-use assets	3,771	3,372
Close out of employee share scheme	2,931	-
Impairment	243,573	11,034
Deferred tax	(149,700)	(51,640)
Unrealised foreign exchange (gain)/loss	(13,151)	(3,459)
Fair-value movement of investment properties	(179,545)	(431,503)
Costs relating to swap amendments and US Private Placement (USPP) prepayment	-	158,323
Net operating cash flows	**658,482**	**641,948**

Net operating cash flows includes the following:

	2024 $000	2023 $000
Deferred management fees collected	66,530	60,284

Accounting policy: Statement of cash flows

The statement of cash flows is prepared exclusive of Goods and Services Tax (GST). This is consistent with the method used in the income statement.

Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing activities. Cash flows from operating activities include receipts and repayments of occupancy advances and refundable accommodation deposits.

Investing activities are the acquisition and disposal of property, plant and equipment, investment properties, intangible assets, and other investments.

Financing activities are activities relating to changes in the equity and debt structure of the Group, and include dividends paid.

The accompanying notes form part of these consolidated financial statements.

Notes to the consolidated financial statements

FOR THE YEAR ENDED 31 MARCH 2024

The notes to the consolidated financial statements include information that is considered relevant and material to assist the reader in understanding changes in the Group's financial position and performance. Information is considered relevant and material if:

- the amount is material because of its size or nature
- it is important for understanding the results of the Group
- it helps explain changes in the Group's business
- it relates to an aspect of the Group's operations that is important to future performance.

1. GENERAL INFORMATION

Reporting entity

The consolidated financial statements presented are those of Ryman Healthcare Limited (the Company) and its subsidiaries (the Group).

The Company is a profit-oriented entity incorporated and registered in New Zealand under the Companies Act 1993. The Company's registered office is at 92d Russley Road, Christchurch. The Company is listed on the New Zealand Stock Exchange (NZX). The Group develops, owns and operates integrated retirement villages, rest homes, and hospitals for older people within New Zealand and Australia.

All trading subsidiaries operate in the aged-care sector in New Zealand and Australia, are 100% owned and have balance dates of 31 March. The operating subsidiaries are listed below.

- Anthony Wilding Retirement Village Limited
- Bert Newton Retirement Village Pty Ltd
- Bert Sutcliffe Retirement Village Limited
- Bob Owens Retirement Village Limited
- Bob Scott Retirement Village Limited
- Bruce McLaren Retirement Village Limited
- Café Ryman Russley Road Limited
- Charles Brownlow Retirement Village Pty Ltd
- Charles Fleming Retirement Village Limited
- Charles Upham Retirement Village Limited
- Deborah Cheetham Retirement Village Pty Ltd
- Diana Isaac Retirement Village Limited
- Edmund Hillary Retirement Village Limited
- Ernest Rutherford Retirement Village Limited
- Essie Summers Retirement Village Limited
- Evelyn Page Retirement Village Limited
- Frances Hodgkins Retirement Village Limited
- Grace Joel Retirement Village Limited
- Hilda Ross Retirement Village Limited
- James Wattie Retirement Village Limited
- Jane Mander Retirement Village Limited
- Jane Winstone Retirement Village Limited
- Jean Sandel Retirement Village Limited
- John Flynn Retirement Village Pty Ltd
- Julia Wallace Retirement Village Limited
- Keith Park Retirement Village Limited
- Kevin Hickman Retirement Village Limited
- Kiri Te Kanawa Retirement Village Limited
- Linda Jones Retirement Village Limited
- Logan Campbell Retirement Village Limited
- Malvina Major Retirement Village Limited
- Margaret Stoddart Retirement Village Limited
- Miriam Corban Retirement Village Limited
- Murray Halberg Retirement Village Limited
- Nellie Melba Retirement Village Pty Ltd
- Ngaio Marsh Retirement Village Limited
- Patrick Hogan Retirement Village Limited
- Possum Bourne Retirement Village Limited
- Raelene Boyle Retirement Village Pty Ltd
- Rita Angus Retirement Village Limited
- Rowena Jackson Retirement Village Limited
- Ryman Aged Care (Australia) Pty Ltd
- Ryman Construction Pty Ltd
- Ryman Healthcare (Australia) No. 11 Pty Ltd

- Ryman Healthcare (Australia) Pty Ltd
- Ryman Napier Limited
- Ryman Northwood Retirement Village Limited
- Shona McFarlane Retirement Village Limited
- Weary Dunlop Retirement Village Pty Ltd
- William Sanders Retirement Village Limited
- Yvette Williams Retirement Village Limited

Statement of compliance

The Company is a Financial Markets Conduct reporting entity under the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. Its consolidated financial statements comply with these Acts.

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in New Zealand (NZ GAAP), International Accounting Standards (IFRS), the New Zealand equivalents to International Accounting Standards (NZ IFRS) and other applicable financial reporting standards, as appropriate for a Tier 1 for-profit entity.

Basis of preparation

Accounting policies are selected and applied in a way that ensures the resulting financial information satisfies the concepts of relevance and reliability, and the substance of the underlying transactions or other events is reported. In all material respects, the accounting policies adopted have been consistently applied in preparing the consolidated financial statements for the current period and the prior comparative period.

During the year, the Group has adopted a new accounting policy on the treatment of its refundable accommodation deposits (RAD). This new policy is set out in note 2.

The Group adopted all mandatory new and amended NZ IFRS Standards and Interpretations in the current year. None had a material impact on these consolidated financial statements.

There are a number of NZ IFRS Standards or Interpretations that have been issued but are not yet effective. None are expected to have a material impact on the Group's consolidated financial statements when adopted.

The information is presented in thousands of New Zealand dollars (NZD), except when otherwise indicated. The functional currency of the Company and its New Zealand subsidiaries is NZD. The functional currency for its Australian subsidiaries is Australian dollars (AUD).

The consolidated financial statements have been prepared on a historical cost basis, except when:

- certain property, plant and equipment is subject to revaluation (note 9)
- assets held for sale are measured at the lower of their carrying amounts and fair value less costs to sell (note 9)
- investment property is measured at fair value (note 10)
- certain financial assets and liabilities are measured at fair value (notes 18 and 21).

Critical judgements and significant accounting estimates

In applying the Group's accounting policies, management has made judgements, estimates, and assumptions about the carrying values of assets and liabilities and the reported amounts of income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis, with the effect of any change in an accounting estimate recognised prospectively.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Critical judgements and significant accounting estimates that have the most significant effects on the amounts recognised in the consolidated financial statements are described in the following notes.

- Valuation of property, plant and equipment – note 9
- Valuation of investment property – note 10.

The key changes in estimates applied in the current year are discussed further in the relevant notes and the impact is shown below.

2024 impact	**Notes**	**Property, plant & equipment impact**	**Investment property impact**
		$000	**$000**
Removal of directors range assumption	10	-	(398,587)
Allowance for value provided by care facility reduced to zero	9,10	(370,659)	429,724
Completed unsold investment property inclusion in valuation	10	-	14,168
Total		**(370,659)**	**45,306**

The difference in the care facility allowance between property, plant and equipment and investment property relates to villages where there are investment properties and no care centres which are subject to valuation.

Climate change risk

The Group recognises that climate-related risks, if not appropriately managed, will impact the way the Group currently operates. Physical climate risks such as storms, flooding and heat have the potential to create significant impacts on the business and its operations.

The Group continues to assess the impact of climate change on its assets and operations. Potential impacts of climate change include:

- Costs of regeneration and remediation of the Group's existing portfolio of villages because of an increase in susceptibility to physical risks such as flood, storm, and heat.
- Increased expenditure required to develop new villages that are more resilient to physical risks resulting from climate change.

These risks are specifically addressed in the selection of new development sites, the design and construction of the Group's new integrated retirement villages and aged care centres, and the refurbishment and enhancement of its existing portfolio of villages.

While there currently is no significant impact identified for asset valuations; this may change in the future. Refer to the valuation of property, plant and equipment (note 9) and the valuation of investment property (note 10).

Seismic risk

The Board continues to monitor the compliance of its buildings with required standards and is kept informed of the results of all seismic engineering assessments that are undertaken. In addition, the process undertaken and standards which are applied in seismic assessments evolve over time as the engineering profession's understanding of seismic events develops. This means that the outcome of seismic assessments may be subject to change over time. Changes to seismic requirements, or the interpretation and application of existing seismic standards, or changes in science and knowledge relating to earthquakes and the performance of buildings or geotechnical conditions could result in Ryman's buildings no longer meeting the minimum seismic standards. This could result in significant costs if Ryman is required to carry out seismic strengthening works on its buildings. Neither the independent valuers, nor Ryman have made any adjustment for any seismic strengthening which could be required.

None of Ryman's properties have been notified to Ryman by a territorial authority in New Zealand as being potentially 'earthquake prone' (being a New Building Standard (NBS) rating of less than 34%).

Summary of material accounting policies

Material accounting policies that are pervasive throughout the consolidated financial statements are set out below. Material accounting policies that are specific to certain balances or transactions are set out within the notes to which they relate.

Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Company (the parent entity) and its subsidiaries as defined in NZ IFRS 10 – *Consolidated Financial Statements*. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All significant inter-company transactions and balances are eliminated in full on consolidation.

Income and expenses for each subsidiary whose functional currency is not NZD are translated at exchange rates that approximate the rates at the actual dates of the transactions. Assets and liabilities of such subsidiaries are translated at exchange rates at balance date. All resulting exchange differences are recognised in the foreign-currency translation reserve.

Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates that approximate the rates at the actual dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated using the exchange rates at the date when the fair values were determined.

Foreign exchange differences are generally recognised in profit or loss. However, exchange differences relating to the translation of a foreign operation and the effective portion of a hedge of a net investment in foreign operations are recognised in other comprehensive income.

Goods and Services Tax (GST)

Revenue, expenses, assets and liabilities are recognised net of GST except when:

- the GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of the asset or expense, as applicable.
- receivables and payables are stated with the amounts of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instruments.

Impairment of non-financial assets

At each interim and annual reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss.

Where an asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values. The Group uses a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately recognised as an expense unless the asset is carried at fair value in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. However, this is only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is immediately recognised as income unless the asset is carried at fair value in which case the reversal of the impairment loss is treated as a revaluation increase.

2. REVENUE

Accounting policy: Revenue

The Group recognises revenue from the following major sources.

- Care and village fees
- Deferred management fees
- Imputed income on refundable accommodation deposits.

Care and village fees

Care fees relates to the provision of accommodation, care and related services to aged care residents. Village fees relates to the provision of accommodation and related services to independent residents in the Group's retirement villages.

Care-facility and retirement-village service fees are linked to providing services on specific days (service dates). Revenue from care-facility and retirement-village service fees is recognised on completion of the service dates.

Deferred management fees

Residents of the Group's independent-living units and serviced apartments pay a deferred management fee for lifetime occupation (or a shorter period at the residents' discretion) and the right to share in the use of the community facilities. The deferred management fee is calculated as a percentage of the occupation-right agreement amount. The fee accrues monthly, for a set period, based on the terms of individual contracts.

Deferred management fees are recognised on a straight-line basis over the periods of service. The period of service is determined as being the greater of the expected period of tenure and the contractual right to deferred management fees.

The expected periods of tenure, based on historical experience across our villages, are estimated to be 7 years for independent units and 3 years for serviced units. The estimated expected periods of tenure are unchanged from last year.

The timing of when deferred management fees are recognised is an accounting estimate. Historical experience across all villages is used in determining periods of tenure.

Imputed income on refundable accommodation deposits

Imputed income from the provision of accommodation is accounted for as a lease under NZ IFRS 16 – *Leases.* Under NZ IFRS 16 – *Leases*, the fair value of non-cash consideration (in the form of an interest-free loan) received from a resident that has elected to pay a RAD is required to be recognised as income and correspondingly, interest expense with no net impact on profit or loss.

The Group has determined the use of the Maximum Permissible Interest rate ('MPIR') as the interest rate to be used in the calculation of the imputed income on Australian RADs and Bonds. The MPIR is a rate set by the Australian Government and is used to calculate the Daily Accommodation Payment ('DAP') to applicable residents. In New Zealand, the implicit interest rate used to convert a room premium to a RAD is used to calculate the imputed income.

The comparative period has been reclassified to align with this policy and to ensure comparability with the current period. There is no impact on the net profit of the Group.

Accounting policy: Revenue in advance

Revenue in advance represents those amounts by which the deferred management fees over the contractual period exceed recognition of the deferred management fees based on expected tenure.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

3. OPERATING EXPENSES

	2024 $000	2023 $000
Employee expenses	484,880	418,923
Operations	88,184	86,162
Building and grounds	75,449	64,269
Direct selling expenses	28,422	20,370
Marketing	21,145	16,110
Software and technology	24,339	21,803
Administration	25,684	19,144
Gross operating expenses	**748,103**	**646,781**
Capitalised to qualifying assets	(96,220)	(104,621)
Reported operating expenses	**651,883**	**542,160**

Increased disclosure in respect of operating expenses has been provided for the current period and comparatives. In the current year the Group has reclassified capitalised depreciation from operating expenses to depreciation in note 4, as this more appropriately reflects the net depreciation expense. The prior period comparatives have also been reclassified, increasing the reported operating expenses by $8.9 million.

	2024 $000	2023 $000
Employee expenses include:		
Post-employment benefits (KiwiSaver/Superannuation)	17,524	14,291
Holiday Act 2003 remediation	18,000	6,000
Cash-settled share-based payments (note 25)	1,194	-
Other Leadership Share Scheme (LSS) costs (note 25)	3,802	-
Employee Share Scheme (ESS) loan write-off (note 25)	1,277	-
Other ESS costs (note 25)	2,827	-
Administration includes:		
Directors' fees (note 24)	1,162	1,319
Close out of employee share schemes	2,080	-
Holiday Act 2003 remediation	705	-
Auditor's remuneration to Deloitte Limited comprises:		
Audit of financial statements	573	563
Other assurance services related to Australia aged care	11	10
Climate-related disclosure assurance-readiness services	13	-
Marketing includes:		
Donations^	699	347

^ No donations have been made to any political party (2023: $Nil).

4. DEPRECIATION AND AMORTISATION EXPENSE

Accounting policy: Depreciation and amortisation

Property, plant and equipment

Depreciation is provided on all property, plant and equipment, other than freehold land, at straight-line (SL) rates calculated to allocate the asset's cost or valuation, less estimated residual value, over their estimated useful lives, starting from the time the assets are ready for use, as follows.

• Buildings	2% SL
• Plant and equipment	4–25% SL
• Furniture and fittings	10–20% SL
• Motor vehicles	20% SL
• Right of use assets	Term of lease SL.

Software

Amortisation is provided on internally generated software assets and acquired software assets as follows.

• Internally generated software	10–20% SL
• Acquired software	10–25% SL.

The estimated useful lives, residual value and depreciation/amortisation method are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

	2024 $000	2023 $000
Depreciation (note 9)		
Buildings	12,607	12,680
Plant and equipment	13,772	12,930
Furniture and fittings	4,964	4,261
Motor vehicles	1,393	1,612
Right-of-use assets	3,771	3,372
Gross depreciation	**36,507**	**34,855**
Capitalised to qualifying assets	(6,726)	(6,846)
Reported depreciation	**29,781**	**28,009**
Amortisation (note 11)		
Software	16,073	11,742
Capitalised to qualifying assets	(2,051)	(2,035)
Reported amortisation	**14,022**	**9,707**
Total	**43,803**	**37,716**

The 2023 comparatives have been reclassified to present the capitalised depreciation and amortisation against the gross expense above, as this more appropriately reflects the net depreciation expense. This has reduced the reported expense by $8.9 million. This has also been applied to the face of the income statement.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

5. FINANCE COSTS

Accounting policy: Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take a substantial period of time to get ready for their intended use) are added to the costs of those assets until the assets are substantially ready for use.

All other borrowing costs are recognised in profit or loss in the periods in which they are incurred.

	Notes	2024 $000	2023 $000
Total interest paid on loans and borrowings (including related fees)		175,992	119,175
Amortisation of issue costs on loans and borrowings	17	3,194	709
Release of cash flow hedge reserve	13	(30,323)	35,049
Amount of interest capitalised	9,11	(107,703)	(108,069)
Net interest expense on borrowings		**41,160**	**46,864**
Interest on lease liabilities	20	250	187
Lease modification	20	(1,177)	-
Costs relating to USPP prepayment		-	152,140
Costs relating to swap amendments		10,409	6,183
Total finance costs		**50,642**	**205,374**
Costs relating to swap amendments and USPP prepayment are comprised of:			
Fair value changes on derivatives (swap amendment)	18c	14,872	8,044
Reclassification adjustment – modified interest rate swaps (swap amendment)	13b,18c	(4,463)	(1,861)
Loss on USPP notes prepayment		-	62,137
Foreign currency movement on USPP notes		-	24,405
Loss on close-out of cross-currency interest rate swaps		-	75,512
Reclassification adjustment – close-out of cross-currency interest rate swaps		-	(9,914)
Total costs relating to swap amendments and USPP prepayment		**10,409**	**158,323**

For further information in relation to the swap amendment costs refer to note 18(c).

6. INCOME TAX

Accounting policy: Income tax

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except when it relates to items recognised in other comprehensive income or directly in equity. In this case, tax expense is recognised in other comprehensive income or in equity.

Deferred tax is provided for temporary differences between the carrying amount of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is not provided for on land and on temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit, and do not give rise to equal taxable and deductible temporary differences.

The amount of deferred tax provided is based on the way the carrying amount of assets and liabilities are expected to be realised and settled. The Group assesses deferred tax on investment properties on the basis that the asset value will be realised through use. The carrying value of the Group's investment properties is determined on a discounted cash flow basis and includes cash flows that are both taxable and non-taxable in the future. The Group recognises deferred tax on cash flows with a future tax consequence.

A deferred tax asset is recognised to the extent that the entity has sufficient taxable temporary differences or it is probable that future taxable profits will be available against which the asset can be used.

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

a. Income tax recognised in income statement

	2024	2023
	$000	$000
Tax expense comprises:		
Current tax expense	-	-
Deferred tax credit	(149,700)	(51,640)
Total income tax credit	**(149,700)**	**(51,640)**

Reconciliation between prima facie taxation and tax expense

	2024	2024	2023	2023
	$000	%	$000	%
(Loss)/profit before income tax	(144,925)		206,196	
Income tax expense calculated at 28%	(40,579)	28.0%	57,735	28.0%
Tax effects of:				
• non-taxable fair value movement of investment property	(52,011)	35.9%	(123,496)	(59.9)%
• buildings tax base adjustment	81,682	(56.4)%	-	-
• property movements	(167,131)	115.3%	41,382	20.1%
• capitalised interest deducted for tax	(30,979)	21.4%	(30,681)	(14.9)%
• non-deductible impairment	55,395	(38.2)%	3,143	1.6%
• other	3,923	(2.7)%	277	0.1%
Total income tax credit	**(149,700)**	**103.3%**	**(51,640)**	**(25.0)%**

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

6. INCOME TAX (CONTINUED)

a. Income tax recognised in income statement (continued)

The tax rate used in the above reconciliation is the corporate tax rate in New Zealand of 28% (2023: 28%). The corporate tax rate in Australia is 30% (2023: 30%).

The Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Act, which received Royal Assent on 28 March 2024, removes tax depreciation deductions for commercial buildings with effect from the beginning of the 2025 income year. This legislative change reduces the tax base of serviced apartments, care centres and village centres in New Zealand. This change increased the deferred tax liability recognised in respect of property, plant and equipment, and investment properties by $81.7 million. The impact of this change is recognised in the current year tax expense.

b. Deferred tax asset/liability

	Opening balance	Recognised in income	Recognised in equity	Closing balance
	$000	$000	$000	$000
2024				
Property, plant and equipment	(67,333)	(22,710)	(4)	(90,047)
Investment properties	(129,665)	96,115	7	(33,543)
Deferred management fee	(111,821)	(25,439)	(430)	(137,690)
Derivative financial instruments	(12,158)	-	9,261	(2,897)
Other	11,717	6,892	26	18,635
Tax loss carry-forwards recognised	348,356	94,842	(1,584)	441,614
Total deferred tax asset/(liability)	**39,096**	**149,700**	**7,276**	**196,072**
2023				
Property, plant and equipment	(59,958)	(7,429)	54	(67,333)
Investment properties	(67,999)	(61,663)	(3)	(129,665)
Deferred management fee	(89,541)	(22,526)	246	(111,821)
Derivative financial instruments	(7,675)	-	(4,483)	(12,158)
Other	8,323	3,414	(20)	11,717
Tax loss carry-forwards recognised	209,426	139,844	(914)	348,356
Total deferred tax asset/(liability)	**(7,424)**	**51,640**	**(5,120)**	**39,096**

The 31 March 2024 deferred tax position is an asset in both countries, resulting in a deferred tax asset of $196.1 million. In the comparative period the net deferred tax asset of $39.1 million is reflected in the statement of financial position as a deferred tax asset of $53.8 million and a deferred tax liability of $14.7 million as they relate to different tax jurisdictions.

6. INCOME TAX (CONTINUED)

c. Tax losses

The Group has the following amounts of tax losses available in New Zealand and Australia.

	2024	2024	2023	2023
	NZ NZ$000	AU AU$000	NZ NZ$000	AU AU$000
Tax losses – revenue	1,168,442	349,606	974,319	235,556
Tax losses – capital	-	25,605	-	17,111
Total tax losses available	**1,168,442**	**375,211**	**974,319**	**252,667**
Recognised tax losses	1,168,442	349,606	974,319	235,556
Unrecognised tax losses	-	25,605	-	17,111
Total tax losses	**1,168,442**	**375,211**	**974,319**	**252,667**

Recognition of deferred tax asset on tax losses is based on management's internal forecasts of expected taxable earnings in future periods. One of the key drivers for this will be the uplift in the taxable deferred management fees as new occupation rights are entered into at higher prices within the next 15–20 years. The Group also expects improved profitability from its care business as villages move into a mature phase.

d. Imputation credit memorandum account

	2024	2023
	$000	$000
Closing balance	**1,295**	**105**
Imputation credits available directly and indirectly to shareholders of the parent company, through:		
• parent company	1,294	104
• subsidiaries	1	1
Closing balance	**1,295**	**105**

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

7. CASH AND CASH EQUIVALENTS

Accounting policy: Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and on-demand deposits, and other short-term, highly liquid investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. This includes all call borrowing, such as bank overdrafts, used by the Group as part of its day-to-day cash management.

The Group has an arrangement with ANZ that on a nightly basis a sweep is performed across all transactional bank accounts. This consolidates all transactional bank accounts into a single account.

There is a right to offset cash balances against bank debt documented in the Group's facility agreement.

In accordance with the Construction Contracts (Retention Money) Amendment Act 2023, commencing 5 October 2023 retention money is held in a separate bank account on trust. This is held in a compliant account with a registered bank and is not subject to the nightly sweep. This amounts to $13.9 million at 31 March 2024.

The Group has access to an overdraft facility. The bank overdraft facility is secured by a general security agreement and mortgages over the freehold land and buildings of the Group in the same manner as the bank loans (note 17). Interest is payable at the 3-month BKBM rate, plus a specified margin. The interest rate on all overdraft facilities at 31 March 2024 was 10.75% (2023: 13.45%).

The Group has no bank accounts outside of the regions in which we currently trade (New Zealand and Australia).

8. TRADE AND OTHER RECEIVABLES

Accounting policy: Trade and other receivables

Trade receivables are measured at amortised cost, less any impairment. This is equivalent to fair value, being the receivable face (or nominal) value, less appropriate allowances for estimated irrecoverable amounts.

The allowance recognised is the lifetime expected credit losses based on an assessment of each individual debtor. It is estimated based on the Group's historical credit loss experience and general economic conditions. Expected credit loss represents the expected credit losses that will result from all possible default events in the expected life of a debtor. The Group has currently concluded that this amount is immaterial.

Trade receivables are written off when there is no realistic chance of recovery.

	2024 $000	2023 $000
New sales receivables (occupancy advance)	241,137	322,016
Resales receivables (occupancy advance)	389,632	351,180
Care and village fees receivables	21,677	16,998
Refundable accommodation deposit receivables	18,091	7,728
Prepayments and other receivables	17,861	21,199
Total trade and other receivables	**688,398**	**719,121**

The receivable for an occupancy advance is recognised when a legally binding contract with the resident is in place and the unit is either complete or is considered to have met the threshold for inclusion in the investment property valuation (see note 10). At the same time as recognising the occupancy advance receivable the Group recognises the corresponding occupancy advance liability. Occupancy advances are cash settled by residents on occupation of a retirement-village unit.

Care fees from residents are payable monthly in advance in New Zealand and two weeks in advance and two weeks in arrears in Australia. Village fees are payable two weeks in advance and two weeks in arrears in both countries. Government-agency payment terms vary but the fees are typically paid fortnightly in arrears for care services provided to residents.

These debtors are non-interest bearing, although the Group has the right to charge interest on overdue settlements of occupancy advances or overdue care and village fees.

Credit risk

There is no significant concentration of credit risk as trade debtors are either individual residents or government agencies. No changes have been made in the techniques or significant assumptions used in determining expected credit losses during the reporting period.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

9. PROPERTY, PLANT AND EQUIPMENT

Accounting policy: Property, plant and equipment

Property, plant and equipment includes land (including long-term leases of land), completed care facilities, care facilities under development, corporate assets and right-of-use assets (refer note 20).

All property, plant and equipment is initially recorded at cost. Cost includes cost of land, materials, wages and interest incurred during the period required to complete and prepare an asset for its intended use. It also includes head office costs related to the construction of the care centres.

Completed care facilities that have residents but have not been operating for more than a full financial year are classified as 'immature' care centres. These care centres are not subject to an independent valuation and held at cost, but are assessed to determine if the carrying value is significantly different to fair value.

Completed care-facility land and buildings included within the definition of freehold land and buildings and with sufficient trading history are carried at a revalued amount, which is the fair value at the date of the revaluation, less any subsequent accumulated depreciation on buildings. The revaluations are undertaken annually (previously every 2 years), unless there is sustained market evidence of a significant change in fair value, in which case an earlier valuation will be obtained.

Revaluations to fair value are based on an independent valuation report prepared by registered valuers, CBRE Limited and CBRE Valuations Pty Limited, at the reporting date in line with NZ IFRS 13 – *Fair Value Measurement*. All valuers are registered valuers and industry specialists in valuing the aged care sector. The valuers used multiple valuation techniques to estimate and determine fair value. As the fair value of land and buildings is determined using inputs that are unobservable (such as capitalisation rates and market value per care bed), the Group has categorised property, plant and equipment as Level 3 under the fair-value hierarchy in line with NZ IFRS 13 – *Fair Value Measurement*.

Any revaluation surplus is recorded in other comprehensive income, unless it reverses a revaluation decrease of the same asset previously recognised in the income statement. In this case, the increase is credited to the income statement to the extent of the decrease previously charged. Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve, in which case the revaluation deficit is recorded in other comprehensive income.

Any accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. On disposal, any resulting gain or loss is included in the income statement and any revaluation reserve relating to a particular asset being sold is transferred to retained earnings.

Accounting policy: Assets held for sale

Non-current assets are classified as assets held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Where a contracted sale price is available, the asset is carried at that value less associated costs as this is the best indicator for fair value. Where no contracted price is available, the fair value is determined by independent registered valuers. Any impairment losses on their initial classification as assets held for sale and any subsequent gains and losses on remeasurement are recognised in profit or loss.

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land at valuation	Buildings at valuation	Property under development at cost	Plant and equipment at cost	Furniture and fittings at cost	Motor vehicles at cost	Right-of-use assets	Total
	$000	$000	$000	$000	$000	$000	$000	$000
2024								
Gross carrying amount								
Balance at 1 April 2023	772,336	594,661	747,878	133,050	69,981	17,562	27,890	2,363,358
Additions	1,539	4,563	152,225	2,190	1,558	480	15,926	178,481
Net foreign-currency exchange difference	3,783	3,152	7,366	189	131	18	50	14,689
Transfer from property under development	20,916	44,746	(71,061)	2,137	3,262	-	-	-
Transfer (to)/from investment property	(540)	1,462	130,869	237	263	-	-	132,291
Transfer (to)/from assets held for sale	-	-	(122,289)	-	-	-	-	(122,289)
Disposals	-	-	-	-	-	-	(7,950)	(7,950)
Impairment	(23,647)	-	(156,350)	-	-	-	-	(179,997)
Revaluation	(244,948)	(17,873)	-	-	-	-	-	(262,821)
Balance at 31 March 2024	**529,439**	**630,711**	**688,638**	**137,803**	**75,195**	**18,060**	**35,916**	**2,115,762**
Accumulated depreciation								
Balance at 1 April 2023	-	(5,912)	-	(68,139)	(56,362)	(12,766)	(14,751)	(157,930)
Depreciation	-	(12,607)	-	(13,772)	(4,964)	(1,393)	(3,771)	(36,507)
Depreciation capitalised to property under development	-	-	-	-	-	-	(2,646)	(2,646)
Disposals	-	-	-	-	-	-	7,243	7,243
Revaluation	-	11,047	-	-	-	-	-	11,047
Balance at 31 March 2024	**-**	**(7,472)**	**-**	**(81,911)**	**(61,326)**	**(14,159)**	**(13,925)**	**(178,793)**
Total book value	**529,439**	**623,239**	**688,638**	**55,892**	**13,869**	**3,901**	**21,991**	**1,936,969**

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land at valuation	Buildings at valuation	Property under development at cost	Plant and equipment at cost	Furniture and fittings at cost	Motor vehicles at cost	Right-of-use assets	Total
	$000	$000	$000	$000	$000	$000	$000	$000
2023								
Gross carrying amount								
Balance at 1 April 2022	565,318	502,910	922,349	144,460	62,394	16,800	36,427	2,250,658
Additions	1,625	7,355	204,869	11,998	1,281	762	11,640	239,530
Net foreign-currency exchange difference	(1,018)	(347)	(4,926)	(3)	13	-	(11)	(6,292)
Transfer from property under development	53,793	106,302	(158,693)	(7,695)	6,293	-	-	-
Transfer (to)/from investment property	(4,155)	(4,546)	(173,308)	-	-	-	-	(182,009)
Transfer (to)/from assets held for sale	-	-	(42,413)	-	-	-	-	(42,413)
Transfer (to)/from intangible assets	-	-	-	(15,710)	-	-	-	(15,710)
Disposals	-	-	-	-	-	-	(20,166)	(20,166)
Revaluation	156,773	(17,013)	-	-	-	-	-	139,760
Balance at 31 March 2023	**772,336**	**594,661**	**747,878**	**133,050**	**69,981**	**17,562**	**27,890**	**2,363,358**
Accumulated depreciation								
Balance at 1 April 2022	-	(10,245)	-	(62,929)	(52,101)	(11,154)	(23,228)	(159,657)
Depreciation	-	(12,680)	-	(12,930)	(4,261)	(1,612)	(3,372)	(34,855)
Depreciation capitalised to property under development	-	-	-	-	-	-	(7,279)	(7,279)
Transfer to/(from) intangible assets	-	-	-	7,720	-	-	-	7,720
Disposals	-	-	-	-	-	-	19,128	19,128
Revaluation	-	17,013	-	-	-	-	-	17,013
Balance at 31 March 2023	**-**	**(5,912)**	**-**	**(68,139)**	**(56,362)**	**(12,766)**	**(14,751)**	**(157,930)**
Total book value	**772,336**	**588,749**	**747,878**	**64,911**	**13,619**	**4,796**	**13,139**	**2,205,428**

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Independent valuers' key assumptions

The valuers used a range of significant assumptions as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Capitalisation rate	10.75%–14.75%	10.25%–13.75%
Market value per care bed	$70,000–$250,000	$70,000–$235,000

The land and building valuation within property, plant and equipment contains an allowance for the value provided by the care facility to the Group's independent-living and serviced apartment residents. The value of this allowance is determined based on a portion of the deferred management fees paid by the Group's independent-living and serviced apartment residents. This portion of deferred management fees is excluded from the investment property carrying value. In the current year, this accounting estimate has been reviewed for appropriateness prompted by recent changes in the economic conditions, financial returns and strategic plans. As a result this allocation has been reduced from 25% to zero. The allowance included in the comparative period carrying value was $320.7 million. If the allowance had been applied consistently in the current year the allowance would have increased to $370.7 million. This allowance has been added back to the investment property valuation.

Sensitivity

A change in the independent valuers' assumptions, all else equal, would impact the fair-value measurement as follows:

	0.5% decrease $000	0.5% increase $000
Capitalisation rate (nominal)	34,759	(31,985)

Impact of climate change

The Group has considered the impact of climate change on the business and valuation of completed care-facility land and buildings. The Group acknowledges that the impact of climate change will likely have a greater influence on valuations in the future as markets place a greater emphasis on the risks and impacts of climate change.

To date, the independent valuers have made no explicit adjustments to valuations in respect of climate change.

Cost model

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

	Freehold land $000	Buildings $000	Total $000
Carrying amount under cost model at 31 March 2024	203,519	613,815	**817,334**
Carrying amount under cost model at 31 March 2023	179,034	577,195	**756,229**

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property under development at cost

Property under development includes land held pending the development of care centres and retirement villages amounting to $466.4 million (2023: $523.9 million) which is valued at cost less any impairment losses.

Interest for the Group of $107.1 million (2023: $106.5 million) was capitalised during the period of construction in the current year. The weighted-average capitalisation rate on funds borrowed is 5.82% per annum (2023: 5.66% per annum).

Right-of-use assets

Included within property, plant and equipment are the right-of-use assets relating to leases.

	Buildings	Plant and equipment	Total
	$000	$000	$000
Balance at 1 April 2023	11,549	1,590	13,139
Additions	13,534	2,392	15,926
Net foreign-currency exchange difference	50	-	50
Depreciation	(3,771)	-	(3,771)
Depreciation capitalised to property under development	-	(2,646)	(2,646)
Disposals	(707)	-	(707)
Balance at 31 March 2024	**20,655**	**1,336**	**21,991**
Balance at 1 April 2022	8,309	4,890	13,199
Additions	7,531	4,109	11,640
Net foreign-currency exchange difference	(11)	-	(11)
Depreciation	(3,372)	-	(3,372)
Depreciation capitalised to property under development	(44)	(7,235)	(7,279)
Disposals	(864)	(174)	(1,038)
Balance at 31 March 2023	**11,549**	**1,590**	**13,139**

Assets held for sale

Following a review of the Group's land portfolio, the land at Newtown (Wellington, New Zealand), Karori (Wellington, New Zealand) and Kohimarama (Auckland, New Zealand) are being held for sale. In addition, excess land at Nellie Melba (Melbourne, Australia) is also being held for sale. These assets are measured at the lower of their carrying amount and fair value less costs to sell.

A previous offer supporting the carrying value of the Newtown site was ended due to non-satisfaction of the conditions by the purchaser to the agreement. Management obtained revised market valuations and an unconditional sale with a new purchaser has now been agreed. This is expected to settle in September 2024. An impairment loss has been recognised for $9.4 million reflecting the revised sales price. This is in addition to impairments recognised in previous financial periods.

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group has recognised an impairment loss of $16.3 million for Kohimarama (acquired in 2018) and $37.6 million for Karori (acquired in 2017). A sale is expected within 12 months. These sites were valued by Jones Lang LaSalle Limited using a comparable transactions and hypothetical development method.

Excess land at Nellie Melba is being actively marketed for sale and a sale is expected to take place within 12 months. There has been no impairment recognised in respect of this site.

	2024	2023
	$000	$000
Balance at 1 April 2023	31,379	-
Less sale realised	(14,578)	-
Add transfers from property, plant and equipment	122,289	42,413
Less impairment expense	(63,576)	(11,034)
Balance at 31 March 2024	**75,514**	**31,379**

Property under development

The Group has also undertaken a review of sites for which no decision to sell has been made, but where there is uncertainty about future plans to develop or where early-stage construction has been suspended with no known date for resuming. This included the sites at Takapuna (Auckland, New Zealand) acquired in 2020, Ringwood East (Victoria, Australia) acquired in 2019 and Mt Eliza (Victoria, Australia) acquired in 2016. These sites have been impaired by $56.5 million, $55.0 million and $36.0 million respectively. The market value of these sites were determined based on a direct comparison approach taking into consideration inputs from independent valuers. Given the current status of the Takapuna and Ringwood East projects, a value-in-use analysis is not deemed appropriate at this stage. Instead the Group considers that market value is the best estimate of the recoverable amount of these assets.

Impairment loss

	2024	2023
	$000	$000
Assets held for sale	(63,576)	(11,034)
Property under development	(156,350)	-
Care centre impairment[1]	(23,647)	-
Balance at 31 March 2024	**(243,573)**	**(11,034)**

[1] The care centre impairment relates to Frances Hodgkins Retirement Village Limited, Linda Jones Retirement Village Limited, Murray Halberg Retirement Village Limited, William Sanders Retirement Village Limited and Charles Brownlow Retirement Village Pty Ltd.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

10. INVESTMENT PROPERTIES

Accounting policy: Investment properties

Investment properties include land and buildings (including long-term leases of land), equipment and furnishings relating to retirement-village units and community facilities, including units and facilities under development. They are intended to be held for the long term to earn rental income and for capital appreciation. Rental income from investment properties, being the management fee and retirement-village service fees, is accounted for in line with note 2.

Investment properties are not depreciated.

Retirement-village units and community facilities are revalued on a semi-annual basis and restated to fair value. Fair value is determined by independent registered valuers, CBRE Limited, CBRE Valuations Pty Limited and Jones Lang LaSalle Limited, at the reporting date. All valuers are registered valuers and industry specialists in valuing the aged care sector. These valuations consider the requirement of NZ IFRS 13 – *Fair Value Measurement* to assume that market participants act in their economic best interests. Where multiple valuations are obtained, a midpoint of the two valuations is applied to provide a stable and balanced estimate of value without bias.

Previously the directors used their judgement in arriving at an adopted valuation using a range of data points including both a 20% and 30% deferred management fee rate. In developing the previous view, the deferred management fee was benchmarked against industry peers resulting in a 30% assumption being applied on future rollovers. In the current year the assumptions related to deferred management fee have been reassessed. This is based on the valuers view that Ryman's preferred contractual terms are appropriate in determining the fair value of the operators interest, despite the difference in the maximum deferred management fee with the wider sector as other key variables in the discounted cash flows, for example the discount rate, sufficiently allow for the opportunity for change given the interdependency of other variables. As a result, the current year assessment of fair value has been determined using the value of operators interest from the independent registered valuers which is based on current contractual terms (predominately 20% deferred management fee) and includes consideration of the impact on associated valuation inputs. In the current year the directors are satisfied that the assumptions adopted by the independent registered valuers result in valuations which reflect the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The impact of this change is $398.6 million reduction in the investment property valuation.

Where fair value is able to be reliably measured, valuers utilise a discounted cash flow approach to assess the fair value of retirement-village units.

As the fair value of investment property is determined using inputs that are unobservable, the Group has categorised investment property as Level 3 under the fair-value hierarchy, in line with NZ IFRS 13 – *Fair Value Measurement*. NZ IFRS 13 requires that the inputs are consistent with the characteristics of the asset that a market participant would take into account in a transaction for the asset.

10. INVESTMENT PROPERTIES (CONTINUED)

The carrying value of completed investment property and investment property under development, where fair value is able to be reliably measured, is based on the independent valuers' reports and also includes occupancy advances liability, adjusted for accrued deferred management fees and revenue in advance. As required by NZ IAS 40 – *Investment Property*, the fair value is adjusted for assets and liabilities already recognised on the balance sheet which are also reflected in the cash flow analysis. This includes the impact of discounting of the accrued DMF within the valuation. It also included adjusting gross occupancy advances for units which may have two occupation advance liabilities recorded against them due to the previous resident not being repaid at balance date.

Any change in fair value is taken to the income statement.

Where the fair value of investment property under development is unable to be reliably measured it is carried at cost.

The directors have reviewed the current approach of holding completed investment property without an agreement to occupy at cost. The directors have determined valuing these units would provide a more fair and accurate representation of fair value at balance date. Fair value is determined by independent registered valuers CBRE Limited and Jones Lang LaSalle Limited in the current year. These are valued on the basis of a 'Sale in One Line or Single Transaction'. This incorporates an appropriate discount to reflect holding costs and a profit and risk factor. The operators interest includes a vacancy period before each unit is subject to hypothetical sale. The fair value uplift at 31 March 2024 relating to the valuation of completed unsold stock is $14.2 million.

A key judgement in determining the fair value of investment property is deciding which units to include in the valuation. The following table illustrates this.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

10. INVESTMENT PROPERTIES (CONTINUED)

Determining whether fair value can be reliably measured

The table below details the considerations made in assessing whether the fair value of a unit can be reliably measured at reporting date and whether the unit should therefore be included in the valuation.

Considerations made in determining if fair value can be reliably measured

	Units that are or can be occupied at reporting date	**Units that are under development at reporting date**
Agreement to occupy in place	**31 March 2024:** The directors have determined that any units which are complete and capable of being occupied can be reliably measured, irrespective of an agreement to occupy in place. These units will be subject to valuation. **31 March 2023:** The directors have determined that fair value can only be reliably measured if there is an agreement to occupy in place. These units will be subject to valuation. Units without an agreement to occupy are carried at cost.	The directors have determined that fair value can only be reliably measured if there is an agreement to occupy in place. These units will be subject to valuation. Units without an agreement to occupy are carried at cost.
Development progress		To determine the progress of the development, the stage and site costs incurred to date are considered with reference to the forecast total costs of the stage and site under development. The proportion of units from the site included in the valuation is compared to the costs incurred to date as a proportion of total costs. The number of units included in the valuation should not exceed the proportion of costs incurred to date. Units that are under development that cannot be reliably measured are carried at cost.
Resident move-in date		The date when a resident will be able to take possession of their unit is considered relative to the development timetable.

Units that are under development at reporting date and for which it has been determined, after the considerations detailed above, that fair value cannot be reliably measured, are carried at cost.

Management and the directors undertake regular physical inspections of villages under development to verify progress, particularly around reporting period ends, to help inform their judgements.

10. INVESTMENT PROPERTIES (CONTINUED)

	2024	2023
	$000	$000
At fair value		
Balance at 1 April	9,322,902	8,027,267
Additions (including transfers to/from property, plant and equipment)	506,132	873,952
• Realised fair-value movement	310,601	357,842
• Unrealised fair-value movement	(131,056)	73,661
Fair-value movement	179,545	431,503
Net foreign-currency exchange differences	32,790	(9,820)
Balance at 31 March	**10,041,369**	**9,322,902**

A reconciliation between the valuation and the amount recognised as investment property is as follows:

	2024	2023
	$000	$000
Investment property under development (cost)	702,787	786,953
Completed stock not subject to agreement to occupy (cost)	-	168,661
Investment property held at cost	**702,787**	**955,614**
Manager's net interest for units subject to occupancy agreement	3,468,870	3,596,087
Completed stock not subject to agreement to occupy	224,668	-
Allowance for the value provided by care facilities	-	(319,981)
Other adjustments required by NZ IAS 40	105,217	91,218
Manager's net interest	**3,798,755**	**3,367,324**
Revenue in advance	140,857	99,271
Gross occupancy advance (note 19)	6,112,727	5,498,020
Accrued DMF	(713,757)	(597,327)
Investment property fair valued	**9,338,582**	**8,367,288**
Total investment property	**10,041,369**	**9,322,902**

Manager's net interest is the value of the operator's interest having taken into consideration the range of valuations produced by independent registered valuers and the requirement of NZ IFRS 13 – *Fair Value Measurement* to assume that market participants act in their economic best interests. Manager's net interest is a non-GAAP (Generally Accepted Accounting Principles) measure which does not have a standardised meaning prescribed by GAAP. Manager's net interest may not be comparable to similar financial information presented by other entities.

In the current year the directors have adopted the mid-point of the valuation reports prepared by the panel of valuers to provide a stable and balanced estimate of value free from bias. The directors have met with the valuers to review the inputs in their models and are satisfied that the market participant test has been adequately met. The directors have also determined that fair value can be determined for completed stock irrespective of whether an agreement to occupy is in place.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

10. INVESTMENT PROPERTIES (CONTINUED)

The land and building valuation within property, plant and equipment contains an allowance for the value provided by a care facility to the Group's independent-living and serviced apartment residents. The value of this allowance is determined based on a portion of the deferred management fees paid by the Group's independent-living and serviced apartment residents. This portion of deferred management fees is excluded from the investment property value. In the current year, this accounting estimate has been reviewed for appropriateness and the allocation has been reduced to zero. The investment property valuation increased by $429.7 million in 2024 because of this change in estimate. The difference between $429.7 million and the $370.7 million in note 9 relates to allowances deducted from investment property for which there is no care centre subject to valuation.

The valuation comprises those units for which fair value is judged as being able to be reliably measured. The breakdown of units is as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
	No. of units	No. of units
Currently (or previously) subject to an occupancy agreement	8,949	8,499
Completed but not yet subject to occupancy agreement	238	-
Under development at reporting date	63	167
Total units included in the valuation	**9,250**	**8,666**

Independent valuers' key assumptions

The valuers used a range of significant assumptions as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
	%	%
Growth rate (nominal)	0.50–4.70	0–4.70
Discount rate	12.00–16.50	11.75–16.50

Sensitivity

A change in the independent valuers' assumptions would impact the fair-value measurement as follows:

	0.5% decrease	0.5% increase
	$000	$000
Growth rate (nominal)	(245,399)	222,196
Discount rate	134,446	(147,045)

10. INVESTMENT PROPERTIES (CONTINUED)

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

Market risk

The valuers comment that property markets both nationally and globally are being heavily impacted by the high interest rate environment instigated by central banks to combat high inflation. Markets are also impacted by ongoing disruption to global supply chains and geopolitical instability in certain regions. The valuers reiterate that their conclusions are based on data and market sentiment as at the date of valuation. For the avoidance of doubt, this does not constitute a 'material valuation uncertainty'.

Impact of climate change

The Group has considered the impact of climate change on the business and valuation of investment property. The Group acknowledges that the impact of climate change will likely have a greater influence on valuations in the future as markets place a greater emphasis on the risks and impacts of climate change.

The independent valuers have made no explicit adjustments to valuations in respect of climate change.

Work in progress

Investment property includes investment property under development of $702.8 million (31 March 2023: $786.9 million), which has been valued at cost. The directors have determined that for work in progress, cost represents fair value. No independent valuation of investment property work in progress is obtained.

Operating expenses

Direct operating expenses arising from investment property that generated income from deferred management fees during the period amounted to $70.7 million (31 March 2023: $53.2 million). All investment property generated income for the Group from deferred management fees, except for investment property work in progress.

Security

Residents make interest-free advances (occupancy advances) to the retirement villages in exchange for the right to occupy retirement-village units. Under the terms of the majority of New Zealand occupancy agreements, the occupancy advance is secured by a registered first mortgage in favour of the Statutory Supervisor over the assets of the retirement village. There are a relatively small number of older occupancy agreements where the residents instead received a life interest in their unit, with Ryman holding the reversionary interest. These residents' occupancy advances are secured by a registered first mortgage over that residual interest. Residents in Victoria, Australia have the benefit of a charge over the title for the land under the Retirement Villages Act 1986.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

11. INTANGIBLE ASSETS

Accounting policy: Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Internally generated software assets

An internally generated intangible software asset arising from development (or from the development phase of an internal project) is only recognised if all the following criteria have been demonstrated.

- It is technically feasible to complete the intangible asset so that it is available for use or sale.
- The Group intends to complete the intangible asset and use or sell it.
- The intangible asset can be used or sold.
- Probable future economic benefits of the intangible asset can be generated.
- Adequate technical, financial, and other resources are available to complete the development and use or sell the intangible asset.
- The expenditure attributable to the intangible asset can be measured during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

After initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Acquired software assets

Acquired software assets are reported at cost less accumulated amortisation and any accumulated impairment losses.

Software-as-a-Service (SaaS)

SaaS arrangements are service contracts providing the Group with the right to access a cloud provider's application software over the contract period.

Costs incurred to configure or customise, and the ongoing fees to obtain access to a SaaS provider's application software, are recognised as operating expenses when the services are received.

However, where costs incurred are for the development of software code that enhances or modifies, or creates an additional capability for, existing software assets and meets the definition of and recognition criteria for an intangible asset, those costs are recognised as software assets and amortised over the useful life of the software on a straight-line basis.

11. INTANGIBLE ASSETS (CONTINUED)

	2024 $000	2023 $000
Gross carrying amount		
Opening balance	122,274	69,664
Additions	16,014	36,900
Net foreign-currency exchange differences	292	-
Transfer from property, plant and equipment	-	15,710
Closing balance	**138,580**	**122,274**
Accumulated amortisation		
Opening balance	(37,442)	(17,980)
Transfer from property, plant and equipment	-	(7,720)
Amortisation (note 4)	(16,073)	(11,742)
Closing balance	**(53,515)**	**(37,442)**
Total book value	**85,065**	**84,832**

Intangible assets relate to internally generated and acquired software. In the prior year, the Group reclassified acquired software from property, plant and equipment to intangible assets.

Interest for the Group of $0.6 million (2023: $1.6 million) has been capitalised to intangible assets during the current year. The weighted-average capitalisation rate on funds borrowed is 5.95% per annum (2023: 5.66% per annum).

12. SHARE CAPITAL

Accounting policy: Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as deductions from equity.

Although the shares purchased for the leadership share scheme are treated as treasury stock under financial reporting standards, they are not of the type contemplated by section 67A of the Companies Act 1993. They carry the usual rights attaching to shares such as the right to receive dividends (albeit subject to contractual requirements under the share scheme to applying dividend payments to repay loans) and the right to participate in corporate actions. On this basis, the treasury stock has been included in the calculation of basic and diluted earnings per share.

Issued and paid-up capital consists of 687,641,738 fully paid ordinary shares (2023: 687,641,738 shares) less treasury stock of 2,494,282 shares (2023: 2,494,282 shares) (note 25). All shares rank equally in all respects.

Shares purchased on market under the leadership share scheme (note 25) are treated as treasury stock (note 13) until they are vested to the employees.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

12. SHARE CAPITAL (CONTINUED)

	Fully paid ordinary shares		Weighted average number of ordinary shares	
	2024	2023	2024	2023
	'000	'000	'000	'000
Total ordinary shares (including treasury stock) at 1 April	687,642	500,000	687,642	500,000
Ordinary shares issued:				
• Dividend reinvestment plan	-	7,166	-	2,081
• Equity raise	-	180,476	-	14,242
Total ordinary shares (including treasury stock) at 31 March	**687,642**	**687,642**	**687,642**	**516,323**

In the prior year, the Company issued new ordinary shares in respect of a fully underwritten dividend reinvestment plan (DRP) that applied to the 2023 interim dividend, followed by an equity raise in February and March 2023. The increase in share capital of $919.9 million was net of directly attributable share issue costs of $26.4 million.

Additional costs of $0.4 million related to the prior year equity raise were paid in the current year. As these costs are directly attributable to the issuance of shares, they have been recognised in equity.

Basic and diluted earnings per share (EPS)

	2024	2023
Net profit after tax ($000)	4,775	257,836
Weighted average number of shares (in '000)	687,642	516,323
Basic and diluted EPS (cents per share)	**0.7**	**49.9**

Net tangible asset (NTA) per share

	2024	2023
NTA ($000)	4,136,470	4,525,291
Ordinary shares at 31 March (in '000)	687,642	687,642
NTA per share (cents per share)	**601.5**	**658.1**

NTA is calculated as total assets less intangible assets and deferred tax assets, and less total liabilities.

13. RESERVES

	Notes	2024	2023
		$000	$000
Reserves			
Asset revaluation reserve	13a	358,567	610,341
Cash flow hedge reserve	13b	20,774	30,955
Cost of hedging reserve	13c	-	-
Foreign-currency translation reserve	13d	4,107	(7,136)
Treasury stock	13e,25	(34,730)	(34,729)
		348,718	**599,431**

13. RESERVES (CONTINUED)

	Notes	2024	2023
		$000	$000
a. Asset revaluation reserve			
Opening balance		610,341	453,568
Revaluation		(251,774)	156,773
Closing balance		**358,567**	**610,341**
b. Cash flow hedge reserve			
Opening balance		30,955	15,491
Valuation of interest rate derivatives		18,809	28,121
Valuation of cross-currency interest rate swap		-	(33,443)
Released to income statement		(30,323)	35,049
Reclassification adjustment to income statement – close-out of cross-currency interest rate swaps	18	-	(6,396)
Reclassification adjustment to income statement – modified interest rate swaps	18	(4,463)	(1,861)
Deferred tax movement on cash flow hedge reserve		5,796	(6,006)
Closing balance		**20,774**	**30,955**
c. Cost of hedging reserve			
Opening balance		-	3,652
Valuation of cross-currency interest rate swap		-	(1,554)
Reclassification adjustment to income statement	18	-	(3,518)
Deferred tax movement on cost of hedging reserve		-	1,420
Closing balance		**-**	**-**
d. Foreign-currency translation reserve			
Opening balance		(7,136)	500
(Loss)/gain on hedge of foreign-owned subsidiary net assets		(1,552)	670
Gain/(loss) on translation of foreign operations		12,795	(8,306)
Closing balance		**4,107**	**(7,136)**
e. Treasury stock (note 25)			
Opening balance		(34,729)	(38,174)
Acquisitions		-	-
Vesting/forfeiture of shares		(1)	3,445
Closing balance		**(34,730)**	**(34,729)**
f. Retained earnings			
Opening balance		3,111,227	2,966,193
Net profit attributable to shareholders		4,775	257,836
Loss on disposal of treasury stock		-	(802)
Dividends paid		-	(112,000)
Closing balance		**3,116,002**	**3,111,227**

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

13. RESERVES (CONTINUED)

Dividends paid

	2024	2024	2023	2023
	Cents per share	$000	Cents per share	$000
Recognised amounts				
Final dividend paid – prior year	-	-	13.60	68,000
Interim dividend paid – current year	-	-	8.80	44,000
		-		112,000
Full-year dividend – current year	-	-	8.80	44,000

No dividends have been paid during the current year. In the prior year, the Company adopted a DRP that applied to the 2023 interim dividend.

The directors have determined that no final dividend will be paid in respect of the 2024 financial year (2023: nil) and that dividends will remain suspended in the near future. The directors intend to undertake a further review of the dividend policy in the 2026 financial year. Any future dividend policy is expected to be based on cash flow.

14. TRADE AND OTHER PAYABLES

Accounting policy: Trade and other payables

Trade and other payables are measured at amortised cost. This is equivalent to the face (or nominal) value of payables, which is assumed to approximate their fair value.

	2024	2023
	$000	$000
Trade payables	117,502	108,371
Land accruals	27,819	71,755
Other payables	5,299	25,658
Total trade and other payables	**150,620**	**205,784**

Trade payables are typically paid within 30 days of the invoice date or on the 20th of the month following the invoice date.

15. EMPLOYEE ENTITLEMENTS

Accounting policy: Employee entitlements

A liability for benefits accruing to employees for wages and salaries, annual leave and long-service leave is accrued and recognised in the statement of financial position when it is probable that settlement will be required and the liabilities are capable of being measured reliably.

Holidays Act remediation

As disclosed in the prior year contingent liability note, the Group has identified that past and present New Zealand employees may have received incorrect payments dating back to 2010 due to the complexity of the Holidays Act 2003 and the nature of our dynamic workforce. The issues relate to entitlements under the Holidays Act 2003, and how a range of allowances and entitlements have been interpreted and calculated. External consultants are working with the Group to quantify the value and employees affected, which could be as many as 26,000 employees. Based on their quantification, a provision of $24.0 million has been recorded within employee entitlements at 31 March 2024 (with $18.0 million being recorded in the year to 31 March 2024). This is the best estimate based on facts and circumstances at 31 March 2024, however this is not final and may be subject to change.

16. REFUNDABLE ACCOMMODATION DEPOSITS

Accounting policy: Refundable accommodation deposits

Refundable accommodation deposits relate to deposits held on behalf of residents who reside in rooms in the care centres in Australia and New Zealand. Refundable accommodation deposits confer to residents the right of occupancy of the rooms for life, or until the residents terminate the agreements. The deposit is repayable following the termination of the right to occupy.

Amounts payable under refundable accommodation deposits are non-interest bearing and recorded as a liability in the statement of financial position.

As a resident may terminate their occupancy with limited notice, and the refundable accommodation deposit is non-interest bearing and has demand features, it is carried at face value, which is the original deposit received.

In New Zealand, a refundable accommodation deposit is repayable within 30 working days of a resident vacating their care room. The Group is liable to pay interest at 3% above our bank's normal overdraft rate if it does not repay the deposit within that period.

In Australia, the repayment obligation is within 14 days of a resident vacating their care room, or of sighting the probate or letters of administration. The Group is liable to pay interest at a base interest rate (31 March 2024: 2.25%) within the 14-day period, and at the higher maximum permissible interest rate (31 March 2024: 8.38%) after that.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

17. INTEREST-BEARING LOANS AND BORROWINGS

Accounting policy: Interest-bearing loans and borrowings

Bank loans and borrowings are initially recorded at fair value, less directly attributable transaction costs. After initial recognition, loans and borrowings are measured at amortised cost. Any differences between the initial amounts recognised and the redemption values are recognised in profit and loss using the effective interest rate method.

Accounting policy: Hedges of a net investment

Hedges of a net investment in a foreign operation are accounted for in two ways. Gains or losses relating to the effective portion of a hedge are recognised in other comprehensive income. Any gains or losses relating to the ineffective portion of the hedge are recognised in profit or loss.

At 31 March 2024 interest-bearing loans and borrowings include secured bank loans, an institutional term loan and unsubordinated fixed-rate retail bonds (2023: secured bank loans, an institutional term loan and unsubordinated fixed-rate retail bonds). The Group fully prepaid its USPP notes in March 2023.

	Notes	2024	2023
		$000	$000
Bank loans	17a	2,137,079	1,922,769
Institutional term loan	17b	272,807	267,265
Retail bonds – RYM010	17c	150,000	150,000
Total loans and borrowings at face value		**2,559,886**	**2,340,034**
Issue costs for the institutional term loan capitalised	17b	(1,717)	(726)
Issue costs for the retail bond capitalised	17c	(1,557)	(2,109)
Issue costs for bank loans capitalised[1]	17a	(3,805)	-
Total loans and borrowings at amortised cost		**2,552,807**	**2,337,199**
Revaluation of institutional term loan debt in fair value hedge relationship	17b	(5,860)	(6,249)
Total loans and borrowings		**2,546,947**	**2,330,950**

Contractual cash outflows in respect of these interest-bearing loans and borrowings are disclosed in note 21(e).

[1] During the year, the group reclassified issue costs for bank loans from trade and other receivables to align with the treatment of the issue costs for the institutional term loan and retail bond. Issue costs for bank loans capitalised were $4.1 million in the comparative period.

17. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

a. Bank loans (secured)

The bank loan facilities have varying maturity dates through to April 2029 (2023: May 2027) and are subject to floating interest rates. The average interest rates disclosed below exclude the impact of interest rate swap agreements described in note 18.

	2024 $000	2023 $000
Bank loans (secured) – NZD	1,483,980	1,277,590
Bank loans (secured) – AUD in NZD	653,099	645,179
Total bank loans (secured)	**2,137,079**	**1,922,769**
Issue costs for bank loans capitalised		
Opening balance	-	-
Reclassified from trade and other receivables	(4,130)	-
Capitalised during the year	(2,039)	-
Amortised during the year	2,364	-
	(3,805)	**-**
Total bank loans at amortised cost	**2,133,274**	**1,922,769**
Less cash and cash equivalents	(41,809)	(27,879)
Net bank loans	**2,091,465**	**1,894,890**
Less than 1 year[1]	-	117,597
Within 1–5 years	2,137,079	1,805,172
Total bank loans (secured)	**2,137,079**	**1,922,769**
Average interest rates for bank loans – NZD	6.75%	7.41%
Average interest rates for bank loans – AUD	5.41%	5.24%

[1] The Group has $251.4 million of bank loan facilities maturing within the next year, however these are undrawn. In April 2024 $136.4 million of these facilities were refinanced with maturity extended past 1 year.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

17. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

b. Institutional term loan (secured)

The Group entered into an AU$250.0 million 7-year institutional term loan in May 2021, which matures in May 2028. A portion of the loan (AU$153.9 million) is subject to a fixed interest rate. The remaining portion of the loan (AU$96.2 million) is subject to floating interest rates.

	2024 $000	2023 $000
Institutional term loan	272,807	267,265
Total institutional term loan at face value	**272,807**	**267,265**
Issue costs for the institutional term loan capitalised		
Opening balance	(726)	(876)
Capitalised during the year	(1,259)	-
Amortised during the year	268	150
	(1,717)	**(726)**
Total institutional term loan at amortised cost	**271,090**	**266,539**
Revaluation of debt in fair value hedge relationship	(5,860)	(6,249)
Total institutional term loan	**265,230**	**260,290**
Average interest rate (which includes both the fixed and the floating portion)	6.49%	5.14%

c. Retail bonds (secured)

The Group issued a retail bond for $150.0 million in December 2020. The retail bond has a maturity date of 18 December 2026 and is listed on the NZX Debt Market (NZDX) with the ID RYM010. The coupon rate for the retail bond is 2.55%.

	2024 $000	2023 $000
Retail bond – RYM010	150,000	150,000
Total retail bonds at face value	**150,000**	**150,000**
Issue costs for the retail bond capitalised		
Opening balance	(2,109)	(2,605)
Capitalised during the year	(10)	(63)
Amortised during the year	562	559
	(1,557)	**(2,109)**
Total retail bonds at amortised cost	**148,443**	**147,891**

17. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

d. Security

The bank loans, institutional term loan and retail bonds are secured by a general security agreement over the parent and subsidiary companies and supported by first mortgages over the freehold land and buildings (excluding retirement-village unit titles provided as security to residents – note 10).

The subsidiary companies listed in note 1 have all provided guarantees for the Group's secured loans as parties to the general security agreement.

e. Covenants

The Group is subject to capital requirements imposed by its bank and the lenders included in the banking syndicate through covenants agreed as part of the lending facility arrangements, and bond holders through covenants in the Master Trust Deed.

In February 2023, the Group's banking syndicate and institutional term loan lenders agreed to amend the Interest Coverage Ratio covenant included in the lending facility agreements to 1.75x until 31 March 2025, increasing to 2.00x at 30 September 2025 and 2.25x at 31 March 2026. The retail bonds are not subject to the Interest Coverage Ratio covenant.

In September 2023 as part of the renegotiated bank facilities the Interest Coverage Ratio covenant was further amended to be calculated as adjusted EBITDA to total interest. The covenant levels remain unchanged at 1.75x for all reporting periods through to 31 March 2025, then moving to 2.00x at 30 September 2025 and 2.25x thereafter.

The Group has met all externally imposed capital requirements for the 12 months ended 31 March 2024 and 31 March 2023.

f. Going concern

These financial statements have been prepared on a going concern basis, which requires the Board to have reasonable grounds to believe that the Group will be able to pay their debts as and when they become due. The minimum requirement by NZ IAS 1 – *Presentation of Financial Statements* being at least, but not limited to, 12 months from the end of the reporting period. The Group has prepared cash flow projections factoring in the current market, covering a period of at least 12 months after these financial statements have been authorised for issue. Net cash flow and net profit after tax are both forecast to be positive for the 12 months ended 31 March 2025. In addition, at 31 March 2024 the Group had $507.5 million in cash liquidity, with $41.8 million in cash and $465.7 million of undrawn syndicated bank facilities. The undrawn facilities have a weighted average tenor of 2.4 years. Due to the above, the Board determined that the going concern basis of accounting is appropriate in the preparation of these financial statements.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

18. DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policy: Derivative financial instruments

Derivatives are initially recognised at fair value on the date a contract is entered into and remeasured to their fair value at each reporting date.

The fair values of these derivatives are categorised as Level 2 under the fair value hierarchy in NZ IFRS 13 – *Fair Value Measurement*. The fair values of these derivatives are derived using inputs supplied by third parties that are observable, either directly (prices) or indirectly (derived from prices). The fair value of interest rate swaps is determined by discounting the future cash flows using the yield curves at the end of the reporting period and the credit risk inherent in the contract.

Hedge accounting

The Group designates most of its derivatives as hedging instruments. At inception, each hedge relationship is formalised in hedge documentation. The Group uses Bancorp Treasury Services Limited (BTSL) as an independent valuer to determine the existence of an economic relationship between the hedging instrument and the hedged item based on the currency, amount and timing of respective cash flows, interest rates, tenors, repricing dates, maturities and notional amounts. BTSL assesses whether the derivative designated in each hedging relationship is expected to be, and has been, effective in offsetting the changes in cash flows of the hedged item.

When the derivatives meet the requirements of cash flow hedge accounting, the effective portion of the change in the fair value of the derivatives are recognised in other comprehensive income and accumulated as a separate component of equity. Amounts deferred in equity are recycled to profit or loss in the periods when the hedged item is recognised in profit or loss. The ineffective portion is recognised in the income statement.

When the derivatives meet the requirements of fair value hedge accounting, changes in the fair value of the derivatives are taken directly to the income statement for the year, to offset the change in fair value of the hedged item also recorded in the income statement.

Hedge accounting is discontinued when the hedge instrument expires, is terminated or no longer qualifies for hedge accounting. When hedge accounting for cash flow hedges is discontinued, the amount accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, the amounts accumulated in the hedging reserve are immediately reclassified to profit or loss.

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 March 2024 the Group's derivative financial instruments consist of interest rate swaps, caps, floors and collars (2023: interest rate swaps, caps, floors and collars). The Group closed out its cross-currency interest rate swaps (CCIRS) in March 2023.

The Group uses these derivative financial instruments to manage cash flow and interest rate risks.

The Group designates most of its derivatives as hedging instruments. All hedging instruments are recorded under derivative financial instruments in the statement of financial position. The details of the Group's hedging instruments are as follows.

	Currency	Interest rates	Maturity	Notional amount of hedging instrument	Carrying amount of the hedging instrument: asset/(liability)	Change in value used for calculating hedge effectiveness
			Years		NZ$000	NZ$000
2024						
Cash flow hedges						
Interest rate derivatives	NZD	2.309%–4.613%	0–6	NZ$1,160 million	12,688	(7,015)
Interest rate derivatives	AUD	1.463%– 4.378%	0–6	AU$535 million	(2,357)	(4,310)
Fair value hedge						
Interest rate swaps	AUD	Floating	4	AU$54 million	(5,688)	300
					4,643	**(11,025)**
2023						
Cash flow hedges						
Interest rate derivatives	NZD	2.309%–4.112%	1–5	NZ$610 million	19,703	13,823
Interest rate swaps	AUD	1.463%	2	AU$60 million	1,953	412
Fair value hedge						
Interest rate swaps	AUD	Floating	5	AU$54 million	(5,988)	(557)
					15,668	**13,678**

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

a. Interest rate derivatives as cash flow hedges

The Group holds various interest rate derivatives to provide an effective cash flow hedge against floating interest rate variability on a defined portion of core debt. The hedge ratio is 1:1. The face value of the interest rate derivatives is the same value as the face value of the hedged bank loans. As the critical terms of the interest rate derivative contracts and the hedged item are the same, significant hedge ineffectiveness is not expected.

At 31 March 2024, the Group had several interest rate derivatives that were designated as cash flow hedges. These derivatives have a total notional principal amount of approximately NZ$1,744 million, which is made up of NZ$1,160 million and AU$535 million (2023: NZ$674 million). These derivatives cover terms of up to 6 years (2023: 5 years) and are effective for various periods. Some of these derivatives will become effective at a future date.

	2024 $000	2023 $000
Notional principal amount		
Already effective at balance date	1,428,333	594,144
Forward starting	315,474	80,000
	1,743,807	**674,144**

These interest rate derivatives effectively change the Group's interest rate exposure on the principal covered from a floating rate to an average fixed rate ranging from 3.991% to 4.297% (2023: 2.443% to 3.198%). The notional principal amounts covered by these derivatives and the average contracted fixed interest rates for their remaining maturities are shown below.

	Average contracted fixed interest rate		Notional principal amount covered	
	2024	2023	2024	2023
	%	%	$000	$000
Within 1 year	3.991%	3.198%	1,338,333	614,144
1–2 years	4.040%	3.134%	1,223,333	574,144
2–3 years	4.069%	2.965%	1,115,596	310,000
3–4 years	4.060%	2.931%	892,859	130,000
4–5 years	4.264%	2.443%	605,561	60,000
5–6 years	4.297%	-	339,158	-

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

b. Interest rate swap as a fair value hedge

In 2022, the Group entered into an interest rate swap to mitigate its exposure to fair value changes arising from the fixed-rate portion of the institutional term loan. The swap, which has a total notional principal amount of AU$53.9 million and a term of 7 years, effectively changes the Group's interest rate exposure on the principal covered from a fixed to a floating rate. The Group has designated AU$53.9 million of its institutional term loan in a fair value hedge relationship.

Under a fair value hedge, the change in the fair value of the hedged risk is attributed to the carrying value of the underlying institutional term loan. This debt revaluation is recognised in the income statement to offset the mark-to-market revaluation of the hedging derivative.

c. Modified interest rate swaps

In November 2022 the Group modified four interest rate swaps that had been designated in a cash flow hedge relationship to maximise its interest rate risk coverage and minimise its near-term interest costs. The modification resulted in a higher notional principal amount covered and a reduction in the remaining maturities of those swaps.

	Currency	Original notional principal	Original fixed interest rates	Original maturity	Amended notional principal	Amended fixed interest rates	Amended maturity
Interest rate swaps	NZD	NZ$120 million	2.066%–2.080%	Aug 2028	NZ$420 million	2.098%–2.188%	Feb 2024
Interest rate swaps	AUD	AU$70 million	1.785%	Oct 2026	AU$280 million	2.110%	Jan 2024

The modification resulted in the original hedge relationship being discontinued. Immediately prior to discontinuation, there were gains of NZ$16.6 million and AU$5.8 million (excluding tax effects) in the cash flow hedge reserve for these swaps. As the hedged cash flows are still expected to occur, and notwithstanding the modified swaps have matured during the current year, these gains remain in the cash flow hedge reserve and will be reclassified to profit or loss over the original hedge period. The amounts reclassified to profit or loss during the year are NZ$2.8 million and AU$1.5 million (totalling NZ$4.5 million) (2023: NZ$1.2 million and AU$0.6 million (totalling NZ$1.9 million)). At balance date the unamortised balance (excluding tax effects) in the cash flow hedge reserve for the amended swaps is NZ$12.6 million and AU$3.7 million (2023: NZ$15.4 million and AU$5.2 million).

As the modified interest rate swaps did not qualify for hedge accounting, the fair value movement of these swaps following modification have been recognised directly in profit or loss. The current year fair value loss on these modified swaps is NZ$14.9 million (2023: NZ$8.0 million loss) (refer note 5).

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

19. OCCUPANCY ADVANCES (NON-INTEREST BEARING)

Accounting policy: Occupancy advances

An occupation agreement confers on a resident a right to occupy a retirement-village unit for life, or until the resident terminates the agreement. The occupancy advance, net of deferred management fee, is repayable following both the termination of the occupation agreement and the settlement of a new occupancy advance for the same retirement-village unit. If settlement of a new occupancy advance for the same retirement-village unit has not occurred within six months, the Group has a policy of repaying the occupancy advance.

Occupancy advances are non-interest bearing and recorded as a liability in the statement of financial position, net of deferred management fees and suspended contributions receivable. The occupancy advance is initially recognised at fair value and later at amortised cost.

As a resident may terminate their occupancy with limited notice, and the occupancy advance is non-interest bearing and has demand features, it is carried at face value, which is the original advance received.

In New Zealand the contractual timeframe for repayment, if settlement of a new occupancy advance for the same retirement-village unit has not occurred, is three years with interest payable after six months at 3% above our bank's normal overdraft rate. The Group has never utilised this contractual right.

	2024 $000	2023 $000
Gross occupancy advances		
Opening balance	5,498,020	4,864,713
Plus net increases in occupancy advances:		
• new retirement-village units	330,379	418,322
• existing retirement-village units.	234,550	234,901
Net foreign-currency exchange differences	20,318	(6,540)
Increase/(decrease) in occupancy advance balances	29,460	(13,376)
Closing balance	**6,112,727**	**5,498,020**
Net occupancy advances		
Less deferred management fees	(713,757)	(597,327)
Less suspended contributions (resident loans)	(98,176)	(74,511)
Closing balance	**5,300,794**	**4,826,182**

20. LEASE LIABILITIES

Accounting policy: Leases

Group as a lessee

Apart from short-term or low-value assets, leases are included in the statement of financial position through the recognition of right-of-use assets and associated lease liabilities.

At inception of a lease, a lease liability is calculated based on the present value of the remaining cash flows, discounted using the Group's incremental borrowing rate, which is calculated with reference to the external borrowing facilities available to the Group. The right-of-use asset is initially measured at the value of the initial lease liability.

The lease liability is subsequently adjusted for interest and lease payments, as well as the impacts of lease modifications. The right-of-use asset is subsequently measured at cost less accumulated depreciation, adjusted for any remeasurement of the lease liability.

Depreciation and finance costs associated with right-of-use assets and lease liabilities associated with equipment used in the construction of assets are capitalised as a cost of constructing the assets.

Where a lease contract contains both lease and non-lease components (for example, tower cranes), the Group does not separate non-lease components from lease components, and instead accounts for the whole contract as a lease.

The lease payments for short-term leases and leases of low-value assets are recognised in the profit and loss over the lease terms.

Group as a lessor

The Group acts as a lessor under occupation-right agreements with village residents. The assets leased by the Group as a lessor are classified as investment properties. Lease income on occupation right agreements is generated in the form of deferred management fees and is accounted for in line with note 2. The lease term is determined to be the greater of the expected period of tenure or the contractual right to deferred management fees. The Group uses the portfolio approach to account for leases of units to village residents and allocates individual leases to different portfolios depending on the type of unit.

The Group does not have any sub-leases.

Group as a lessee

The Group leases office buildings, sales offices, office equipment (such as photocopiers) and plant and equipment used in the construction of retirement-village units and aged-care beds. The right-of-use assets relating to these leases are included within property, plant and equipment (note 9).

The Group also has long-term leases of land which are recognised within either property, plant and equipment or investment property.

Amounts recognised in profit and loss

	2024 $000	2023 $000
Depreciation of right-of-use assets (note 9)	3,771	3,372
Interest expense on lease liabilities (note 5)	250	187
Lease modification (note 5)	(1,177)	-
Expenses relating to short-term or low-value leases	1,358	1,826

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

20. LEASE LIABILITIES (CONTINUED)

Maturity profile for lease liabilities

The maturity profile for lease liabilities is included in note 21(e).

The Group has lease contracts that include extension options. These options, which have been included to provide operational flexibility, are exercisable only by the Group and not the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group estimates that the potential future lease payments, should it exercise all the extension options, would result in an increase in lease liability of $17.3 million (2023: $12.4 million).

Commitments

At 31 March 2024 the Group is committed to $3.3 million for short-term leases (including short-term construction equipment leases) (2023: $6.6 million).

21. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

a. Categories of financial instruments and fair values

The Group has the following categories of financial assets and financial liabilities.

	2024 $000	2023 $000
Financial assets		
Financial assets at amortised cost: • Cash and cash equivalents (note 7) • Trade and other receivables (note 8) • Advances to employees (note 25)	736,376	761,217
Interest rate derivatives designated as hedging instruments	10,331	21,656
Interest rate derivatives not designated as hedging instruments	-	14,818
	746,707	**797,691**
Financial liabilities		
Financial liabilities at amortised cost: • Trade and other payables (note 14) • Refundable accommodation deposits (note 16) • Interest-bearing loans and borrowings (note 17) • Occupancy advances (note 19)	8,421,524	7,663,230
Interest rate derivatives designated as hedging instruments	5,688	5,988
Lease liabilities	22,117	13,787
	8,449,329	**7,683,005**

Apart from the financial instruments noted below, the carrying amounts of financial instruments in the Group's statement of financial position are the same as their fair value in all material aspects, due to the demand features of these instruments and/or their interest rate profiles. The face (or nominal) value less estimated credit adjustments of trade receivables and payables is assumed to approximate their fair values.

21. FINANCIAL INSTRUMENTS – RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

	2024 Carrying amount	2024 Fair value	2023 Carrying amount	2023 Fair value
	$000	$000	$000	$000
Institutional term loan	265,230	269,505	260,290	264,735
Retail bond	148,443	134,910	147,891	131,445

The fair value of the fixed-rate portion of the institutional term loan has been determined at balance date on a discounted cash flow basis and by applying discount factors to the future AUD interest payment and principal payment cash flows. The fair value of the floating rate portion is assumed to be the same as its carrying amount. The fair value of the institutional term loan is categorised as Level 2 under the fair value hierarchy in accordance with NZ IFRS 13 – *Fair Value Measurement.*

The fair value of the retail bond is based on the price traded on the NZX market at 31 March 2024. The fair value of the retail bond is categorised as Level 1 under the fair value hierarchy in accordance with NZ IFRS 13 – *Fair Value Measurement.*

The fair value of interest rate derivatives are derived using inputs supplied by third parties that are observable, either directly (prices) or indirectly (derived from prices). The fair value of these derivatives is categorised as Level 2 under the fair value hierarchy contained within NZ IFRS 13 – *Fair Value Measurement* (note 18).

b. Credit risk management

Credit risk is the risk of a failure of a debtor or counterparty to honour its contractual obligations, resulting in financial loss for the Group.

The Group's exposure to credit risk relates to cash and cash equivalents, derivative financial instruments, trade and other receivables, and advances to employees. The maximum credit risk at 31 March 2024 is the carrying amount of these financial assets.

Credit risk relating to cash and cash equivalents and derivative financial instruments is managed by spreading such exposures across a range of creditworthy institutions and by restricting the amounts that can be placed with any one institution.

The Group does not require collateral from its debtors. The directors consider the Group's exposure to any concentrations of credit risk from trade and other receivables and advances to employees to be minimal given that (typically):

- the occupancy advance receivables relate to individual residents and the occupation of a retirement-village unit does not take place until an occupation advance has been received
- care and village fees have a portion payable in advance when due from residents (note 8)
- care and village fees not due from residents are paid by government agencies
- advances to employees are subject to the terms of the employee share schemes (note 25).

There were no material overdue debtors at 31 March 2024 (2023: $Nil).

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

21. FINANCIAL INSTRUMENTS – RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

c. Interest rate risk

Interest rate risk is the risk that fluctuations in interest rates affect the Group's financial performance or future cash flows or the fair value of its financial instruments.

The Group's interest rate risk arises mainly from loans and borrowings. Loans and borrowings issued at fixed rates expose the Group to changes in the fair value of the borrowings. Loans and borrowings issued at variable interest rates (including bank overdraft) expose the Group to changes in interest rates.

The Group manages its interest rate exposure from loans and borrowings using a mix of fixed and variable-rate debt and interest rate derivatives that are designated as hedging instruments for those loans and borrowings (note 18). The Group ensures there is an adequate spreading of debt providers and always seeks to obtain the most competitive interest rates. The interest rates on bank loans are reviewed at each 3-monthly rollover.

The Group also has interest rate exposure under the terms of its occupancy agreements in New Zealand, and in respect of its refundable accommodation deposits in both New Zealand and Australia. Refer to note 16 and 19.

- Although the occupancy agreements in New Zealand provide that an occupancy advance is repayable at the earlier of the receipt of the new occupancy advance from the incoming resident or at the end of 3 years, the Group is liable to pay interest if it does not repay the occupancy advance within 6 months from the date residents vacating their unit. Historically, the Group has been managing this interest rate exposure by repaying the occupancy advance within 6 months.
- In New Zealand, a refundable accommodation deposit is repayable within 30 working days of a resident vacating their care room. The Group is liable to pay interest if it does not repay the deposit within that period. In Australia, the repayment obligation is within 14 days of a resident vacating their care room, or of sighting the probate or letters of administration. The Group is liable to pay interest at a base interest rate within the 14-day period, and at a higher interest rate beyond that period. The Group manages these interest rate exposures by repaying the deposits within the prescribed refund period where possible.

Sensitivity

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the 12 months from balance date. At balance date, had the floating interest rates increased or decreased by 50 basis points, with all other variables held constant, profit and equity would have been affected as follows:

	2024	2023
	$000	$000
Increase in interest rates of 50 basis points		
Effect on profit after taxation – increase/(decrease)	(696)	993
Effect on equity after taxation – increase/(decrease)	16,815	5,052
Decrease in interest rates of 50 basis points		
Effect on profit after taxation – increase/(decrease)	696	(1,002)
Effect on equity after taxation – increase/(decrease)	(17,176)	(5,109)

21. FINANCIAL INSTRUMENTS – RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

d. Foreign currency risk

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

The Group is exposed to currency risk in AUD primarily due to its subsidiaries in Australia. The risk to the Group is that the value of the Australian subsidiaries' financial position and financial performance will fluctuate in economic terms and as recorded in the consolidated financial statements, due to changes in the NZD/AUD exchange rates.

The Group hedges the currency risk relating to its Australian subsidiaries by holding a portion of its borrowings (bank debt and the institutional term loan) in AUD. Any foreign currency movement in the net assets of the Australian subsidiaries is partially offset by an opposite movement in the AUD debt.

Sensitivity

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the reporting date. The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the 12 months from balance date. At balance date, had the NZD moved either up or down by 10%, with all other variables held constant, profit and equity would have been affected as follows.

	2024	2023
	$000	$000
Increase in value of NZ dollar of 10%		
Impact on profit after taxation – increase/(decrease)	(3,431)	(11,860)
Impact on equity after taxation – increase/(decrease)	(52,295)	(50,495)
Decrease in value of NZ dollar of 10%		
Impact on profit after taxation – increase/(decrease)	4,194	14,496
Impact on equity after taxation – increase/(decrease)	63,916	61,716

e. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

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

Occupancy advances and refundable accommodation deposits

The Group manages the liquidity risk on occupancy advances through the contractual requirements in the occupation agreement.

In New Zealand, following a termination of the occupancy agreement, the occupancy advance is repaid at the earlier of five days following the receipt of the new occupancy advance from the incoming resident or at the end of 3 years. In Australia, following a termination of the occupancy agreement, the occupancy advance is repaid at the earlier of 14 days after a new resident takes up residence, the receipt of the new occupancy advance from the incoming resident or at the end of 6 months.

The repayment obligation for refundable accommodation deposits in New Zealand is within 30 working days of a resident vacating their care room. The repayment obligation for refundable accommodation deposits in Australia is within 14 days of a resident vacating their care room, or of sighting the probate or letters of administration.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

21. FINANCIAL INSTRUMENTS – RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

Lines of credit and undrawn facilities

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

	Notes	2024	2023
		$000	$000
Secured overdraft facility	7	NZ$2,800	NZ$2,800
Syndicated NZD bank loan facilities	17(a)	NZ$1,813,293	NZ$1,788,443
Syndicated AUD bank loan facilities	17(a)	AU$723,500	AU$639,500
Institutional term loan	17(b)	AU$250,000	AU$250,000
Retail bonds	17(c)	NZ$150,000	NZ$150,000

At balance date the Group had NZ$329.3 million (2023: NZ$510.9 million) and AU$125 million (2023: AU$36.0 million) of undrawn facilities at its disposal to further reduce liquidity risk.

Lease liabilities

The Group does not face a significant liquidity risk with regard to lease liabilities (note 20).

21. FINANCIAL INSTRUMENTS – RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

Maturity profile

The following table details the Group's exposure to liquidity risk (including contractual interest obligations for interest-bearing loans and borrowings).

	Contractual maturity dates				
	On demand	Less than 1 year	1–5 years	Greater than 5 years	Total
	$000	$000	$000	$000	$000
2024					
Financial liabilities:					
Trade and other payables	-	150,620	-	-	150,620
Interest rate swaps	-	1,790	4,751	-	6,541
Refundable accommodation deposits (non-interest bearing)	423,163	-	-	-	423,163
Bank loans (secured)	-	135,513	2,342,720	85,763	2,563,996
Institutional term loan (secured)	-	15,821	330,316	-	346,137
Retail bond (secured)	-	3,690	156,694	-	160,384
Occupancy advances (non-interest bearing)[1]	-	5,300,794	-	-	5,300,794
Lease liabilities	-	5,416	14,482	5,461	25,359
	423,163	**5,613,644**	**2,848,963**	**91,224**	**8,976,994**
2023					
Financial liabilities:					
Trade and other payables	-	205,784	-	-	205,784
Interest rate swaps	-	1,372	5,213	383	6,968
Refundable accommodation deposits (non-interest bearing)	300,314	-	-	-	300,314
Bank loans (secured)	-	103,985	2,130,439	-	2,234,424
Institutional term loan (secured)	-	12,784	56,530	270,655	339,969
Retail bond (secured)	-	3,687	160,519	-	164,206
Occupancy advances (non-interest bearing)[1]	-	4,826,182	-	-	4,826,182
Lease liabilities	-	5,198	7,257	2,788	15,243
	300,314	**5,158,992**	**2,359,958**	**273,826**	**8,093,090**

[1] As detailed in note 19, occupancy advances have demand features and therefore have contractual maturity dates that could occur in less than one year. The Group repays residents on the earlier of settlement of a new occupancy advance for the same unit or six months after termination of the occupation right agreement. In New Zealand, in the event a new settlement is not received, the Group has the contractual right to defer repayment until three years after termination of the occupation right agreement. After six months interest is payable at 3% pa above the banks normal overdraft rate. The Group has never utilised this contractual right. To date, new occupancy advances received have always exceeded repaid occupancy advances (net of deferred management fees) and represent a positive net operating cash flow to the Group. The Group has reclassified the comparatives which were previously based on historical experience.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

21. FINANCIAL INSTRUMENTS – RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

Changes in liabilities arising from financing activities

	Opening balance	Financing cash flow	Foreign exchange movement	Net changes in fair values	Other	Closing balance
	$000	$000	$000	$000	$000	$000
2024						
Interest-bearing loans and borrowings	2,330,950	201,218	18,636	389	(4,246)	2,546,947
Lease liabilities	13,787	(3,365)	74	-	11,621	22,117
Total	**2,344,737**	**197,853**	**18,710**	**389**	**7,375**	**2,569,064**
2023						
Derivatives (net)	7,717	(106,594)	-	66,978	1,413	(30,486)
Interest-bearing loans and borrowings	2,576,737	(312,201)	(9,937)	42,811	33,540[1]	2,330,950
Lease liabilities	13,494	(3,196)	(29)	-	3,518	13,787
Total	**2,597,948**	**(421,991)**	**(9,966)**	**109,789**	**38,471**	**2,314,251**

[1] This figure includes make-whole payments (net) of $30.7 million for the USPP prepayment in March 2023.

f. Market risk

Market risk is the risk that changes in market prices such as interest rates and currency rates will affect the Group's income. Refer to note 21(c) and 21(d) on how these risks are managed.

g. Capital management

The Group's capital includes share capital, reserves and retained earnings. The objective of the Group's capital management is to ensure that long-term business plans can be achieved in a profitable and financially sustainable manner that enhances shareholder returns and benefits all stakeholders.

The Group's capital is managed at the parent company level, with oversight from the Board of Directors. Adjustments are made to the structure with Board approval, considering economic conditions at the time. Key capital management initiatives during the year included the suspension of the Company's dividend policy.

The Group is also subject to capital requirements imposed by its banks and lenders (refer note 17).

22. SEGMENT INFORMATION

The Group operates in one industry, being the provision of integrated retirement villages for older people in New Zealand and Australia. The service-provision process for all villages is similar, and the classes of customer and methods of distribution and regulatory environments are consistent across all the villages. The Group does not separately report care or village operation and these are aggregated within each region.

22. SEGMENT INFORMATION (CONTINUED)

The Group's chief operating decision maker is the Board of Directors and Group CEO. The operating segments have been determined based on the information regularly reviewed by the Board of Directors and Group CEO for the purposes of allocating resources and assessing performance. The Board and Group CEO regularly receives information based on regional performance of New Zealand and Australian operations.

During FY24 amongst other criteria, performance was measured based on segmental underlying profit before realised fair-value movement and underlying profit. Underlying profit is a non-GAAP measure which has historically been the most relevant measure in evaluating the performance of segments relative to other entities that operate within the aged care and retirement village industries. Cashflow performance is monitored through the movement in the debt balance of each region.

The Group has announced that underlying profit will no longer be a key performance measure going forward. Going forward performance measurement will be focused on cash flow from existing operations, cash flow from development and IFRS profit before tax and fair value movements.

In FY24 changes were made to internal reporting structures and the allocation of internal corporate function costs to allow a Group / Regional reporting structure. For this reason, it is not possible to restate the 2023 operating segments' profit measures in the same manner. For comparison purposes the profit measures by segment have been disclosed for the current period using both the old and new basis of segmentation.

The 'other' segment primarily reflects the revenue and costs associated with the Group corporate function. Other revenues in this segment primarily relate to rental income. Currently this Group corporate function includes some operational and shared services functions which are performed centrally for cost efficiency purposes and not recharged to the region.

Non-current assets are based on the geographical locations of the assets with some assets being allocated to Group functions such as the myRyman software and corporate fixed assets. Loans and borrowings are based on the geographical location of the debt without any allocation to corporate functions, with an adjustment between regions to account for start-up funding borrowed in New Zealand which was used as equity in the Australian operation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

	New Zealand	Australia	Other	Group
	$000	$000	$000	$000
2024				
Total revenue	556,500	132,800	586	689,886
Interest income	1,758	568	-	2,326
Finance costs	(40,228)	(10,414)	-	(50,642)
Depreciation and amortisation	(17,458)	(8,194)	(18,151)	(43,803)
Underlying (loss)/profit before realised fair value movements (non-GAAP)	**36,588**	**(26,535)**	**(50,654)**	**(40,601)**
Realised fair value movement (non-GAAP) (note 10)	256,694	53,907	-	310,601
Underlying profit (non-GAAP)	**293,282**	**27,372**	**(50,654)**	**270,000**
Non-current assets	9,491,794	2,654,539	113,142	12,259,475
Loans and borrowings	1,705,651	841,296	-	2,546,947

The reconciliation from underlying profit to net profit after tax split by geographical region is shown on the following page.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

22. SEGMENT INFORMATION (CONTINUED)

Underlying profit before realised fair value movements and underlying profit for the current period has been presented using the previous segmentation methodology below. This also shows revenues from external customers on the basis of the customer's geographical location.

	New Zealand	Australia	Group
	$000	$000	$000
2024			
Total revenue	557,061	132,825	689,886
Interest income	1,758	568	2,326
Finance costs	(40,228)	(10,414)	(50,642)
Depreciation and amortisation	(33,017)	(10,786)	(43,803)
Underlying (loss)/profit before realised fair value movements (non-GAAP)	**(8,192)**	**(32,409)**	**(40,601)**
Realised fair value movement (non-GAAP) (note 10)	256,694	53,907	310,601
Underlying profit (non-GAAP)	**248,502**	**21,498**	**270,000**
Unrealised fair-value movement (note 10)	(158,337)	27,281	(131,056)
Deferred tax credit (note 6)	112,209	37,491	149,700
Impairment loss (note 9)	(150,846)	(92,727)	(243,573)
Costs relating to swap amendments	(8,598)	(1,812)	(10,410)
Close out of employee share schemes	(11,181)	-	(11,181)
Holiday Act 2003 provision	(18,705)	-	(18,705)
Net profit after tax	**13,044**	**(8,269)**	**4,775**
Non-current assets	9,597,265	2,662,210	12,259,475
2023			
Total revenue	499,290	84,464	583,754
Interest income	1,916	224	2,140
Interest expense	(199,672)	(5,702)	(205,374)
Depreciation and amortisation	(30,126)	(7,590)	(37,716)
Underlying (loss)/profit before realised fair value movements (non-GAAP)	**(34,203)**	**(21,747)**	**(55,950)**
Realised fair value movement (non-GAAP) (note 10)	266,425	91,417	357,842
Underlying profit (non-GAAP)	**232,222**	**69,670**	**301,892**
Unrealised fair-value movement (note 10)	20,233	53,428	73,661
Deferred tax credit (note 6)	31,261	20,379	51,640
Impairment loss (note 9)	(250)	(10,784)	(11,034)
Costs relating to USPP prepayment and swap amendments	(156,090)	(2,233)	(158,323)
Net profit after tax	**127,376**	**130,460**	**257,836**
Non-current assets	9,301,590	2,365,346	11,666,936

22. SEGMENT INFORMATION (CONTINUED)

Underlying profit is a non-GAAP (Generally Accepted Accounting Principles) measure and differs from NZ IFRS profit for the year. Underlying profit does not have a standardised meaning prescribed by GAAP and so may not be comparable to similar financial information presented by other entities. The Group uses underlying profit, with other measures, to measure performance. Underlying profit is a measure that the Group uses consistently across reporting periods.

Underlying profit includes realised movement on investment property for units in which a right-to-occupy has been sold during the period and for which a legally binding contract is in place at the reporting date. The occupancy advance for these units may have been received or be included within the trade receivables balance at reporting date (see note 8).

- The realised gain for each resale is determined to be the difference between the price for the previous occupation right for a unit and the occupation right resold for that same unit during the period. The recognition point is the date the contract is entered. Realised resale gains exclude deferred management fees, refurbishment costs and other direct selling expenses.
- Realised development margin is the margin earned on the first-time sale of an occupation right following the development of a unit. The margin for each new sale is determined to be the price for the occupation right, less the cost of developing that unit. This excludes costs relating to the community facilities, amenities and other direct selling expenses. The recognition point is the date the contract is entered for units which are either complete or capable of having fair value determined (near complete).

Underlying profit excludes deferred taxation, taxation expense, unrealised movement on investment properties, impairment losses on non-trading assets, costs relating to the close out of employee share schemes, Holidays Act 2003 provision and the costs relating to USPP prepayment and swap amendments.

The Group has reconsidered the treatment of the Holidays Act 2003 provision which was previously included in underlying profit (2023: $6.0 million). The current year quantification has led to a significant increase in the provision, which relates to remediation of previous years. Consequently, excluding the $18.7 million impact for the current year is deemed appropriate.

Information about major customers

Included in total revenue is revenue that arose from sales to the Group's largest customers.

The Group derives care-fee revenue for eligible government-subsidised, aged-care residents who receive rest home, hospital, or dementia-level care. The government aged-care subsidies within care and village fees for New Zealand received from Health New Zealand – Te Whatu Ora amounted to $157.5 million (2023: $138.6 million) and for Australia from Australian Government Services Australia amounted to $46.6 million (2023: $25.1 million). There are no other significant customers.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

23. RELATED-PARTY TRANSACTIONS

The Group enters into transactions with other entities that some of the directors may have interest in or sit on the Board of. Any transactions undertaken with these entities have been entered into on an arm's-length basis and in the ordinary course of business. No director is involved in the quoting for or provision of services by these entities to the Group.

	Transactions		Amounts owing at year-end	
	2024	2023	2024	2023
	$000	$000	$000	$000
Construction and infrastructure services – Fulton Hogan Limited	2,190	-	159	-
Legal services – Chapman Tripp (to July 2023)	1,117	3,359	-	-
Rental costs – Airport Business Park (to July 2023)	694	1,919	-	-
Equipment purchases (including design) – Tectonus Limited	127	95	-	-

Anthony Leighs is a director/shareholder of Tectonus Limited, which supplied seismic devices and related design services to the Group during the financial year.

Dean Hamilton is a director/shareholder of Fulton Hogan Limited, which provides construction and infrastructure services to the Group.

Since August 2012 Ryman Healthcare Limited has leased office accommodation from Airport Business Park Christchurch Limited (the Airport Business Park). Warren Bell is an independent director or trustee of the Airport Business Park's shareholders. He does not have any personal ownership interest. Under the lease, the office accommodation is recognised as a right-of-use asset and associated lease liability. Rental costs detailed in the table above are the total cash payments made in the current financial year in respect of the lease agreement until July 2023. Warren retired as a director in July 2023.

Jo Appleyard is a Partner at Chapman Tripp, which provides the Group with legal services. Jo retired as a director in July 2023.

The following are not quoted in the table above given they are utilities and insurance products and the directors have no involvement from the day to day operations.

James Miller is a director of Mercury NZ Limited, which supplies electricity to the Group.

George Savvides is a director of Insurance Australia Group Limited (IAG), which provides, through its New Zealand subsidiary NZI, the Group with insurance coverage. George retired as a director in June 2023.

24. KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation of the key management personnel of the Group is as follows.

	2024 $000	2023 $000
Short-term employee benefits (Senior Executive Team)	7,563	6,897
Employer contributions to post-employment benefits • KiwiSaver/Superannuation (Senior Executive Team)	243	214
Directors' fees	1,162	1,319
Total key management personnel and directors' compensation	**8,968**	**8,430**

Senior Executive Team

Key management personnel are the Senior Executive Team of the Group and include the Group CEO and eight Senior Executive Team members at 31 March 2024 (2023: Group CEO and eight Senior Executive Team members). The composition and number of members of the Senior Executive Team fluctuated throughout the year. The average number of members was 9.5 in the current year (2023: 9.25 members).

The Company provides certain senior employees with limited recourse loans on an interest-free basis to support their participation in the leadership share scheme (note 25). The loan amounts owed by these employees for vested shares are included within 'Advances to employees' in the statement of financial position. This balance includes $267,261 owed by the Senior Executive Team in the leadership share scheme (2023: $267,261).

Directors

At 31 March 2024 all directors were non-executive and are not involved in the day-to-day operations of the Group (2023: all directors). Following the resignation of the Group CEO post balance date (effective 22 April 2024) the Chair of the Board assumed the role of Executive Chair until a new Group CEO is recruited. The Board of Ryman has determined that Dean Hamilton will be a non-independent director while he is the Executive Chair and he will not receive director fees. A sub-committee of the Board will oversee the performance of the Executive Chair function during the period, and that committee will comprise independent directors Paula Jeffs (Chair and lead independent director), Anthony Leighs and James Miller.

The number of directors fluctuated during the financial year. There are seven directors at balance date (2023: seven directors). David Pitman joined the Board after balance date (appointment effective 1 May 2024) bringing the total directors to eight. The average number of directors was seven in the current year (2023: eight directors).

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

25. EMPLOYEE SHARE SCHEMES

Accounting policy: Treasury stock

Shares purchased on market under the leadership share scheme are treated as treasury stock on acquisition at cost. On vesting to an employee, treasury stock shares are credited to equity and an employee advance is recorded initially at fair value and later at amortised cost.

Any loss on disposal if the treasury shares are sold by the company (for example, when the employee leaves before the end of the restrictive period) is taken directly against equity.

Due to the features of the scheme, it is accounted for as share options under NZ IFRS 2 – *Share-based Payment*. Under NZ IFRS 2 the Group measures the fair value of the services received by reference to the fair value of the share options granted.

Leadership share scheme

The Group has been operating a leadership share scheme for certain senior employees, other than non-executive directors, to purchase ordinary shares in the Company. The key terms of the scheme are as follows:

- The Group provides the employees with limited recourse loans on an interest-free basis to support their participation in the scheme. The loans are applied to the purchase of shares on market.
- Shares purchased under the scheme are held by two directors as custodians, and the shares carry the same rights as all other ordinary shares.
- All net dividends received in respect of the shares must be applied to repayments of the loans.
- Shares subject to this scheme usually vest 3 years from the date of purchase, unless extended in accordance with the terms.
- Following vesting, the limited recourse loans become full recourse loans. A loan on vested shares is repayable at the discretion of the employee but is repayable when the employee leaves the Group.

Scheme wind down

Following a review of the leadership share scheme during the year, the directors resolved to make a one-off offer to eligible participants who are not members of the Senior Executive Team in connection with winding down the scheme. No future offers will be made under the scheme.

96.1% accepted the offer, which resulted in one-off payments totalling NZ$4.5 million being made to those participants. This amount comprises cash-settled share-based payments of NZ$1.2 million and employee benefits of NZ$3.3 million. These payments are expensed in the profit or loss (note 3).

Further payments are anticipated in relation to the Senior Executive Team, who were not included in the initial offer. These are not expected to exceed $0.5 million and this has been provided for in these accounts.

At balance date, the Company has gross advances to employees (in relation to vested shares) totalling NZ$9.4 million. Although these loans are full recourse in nature, the Company has provided for an impairment loss of NZ$2.8 million against these advances taking into account the share price at 31 March 2024 of $4.55.

In accordance with NZ IFRS 2, the loans in relation to unvested shares are not recorded on the statement of financial position within advances to employees. These are accounted for within the Treasury Stock reserve. Accordingly, no impairment loss has been provided against these loans.

25. EMPLOYEE SHARE SCHEMES (CONTINUED)

Treasury stock and share options

At balance date, the scheme holds 2,494,282 fully allocated (unvested) shares, which represents 0.36% of the total shares on issue (2023: 2,494,282 fully allocated shares, which represented 0.36% of the total shares on issue). The following table reconciles the shares purchased on market under the scheme at the beginning and end of the financial year. The weighted average exercise price is calculated based on the share price on the purchase date less any net dividends received since the purchase date.

	2024	2024	2023	2023
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Balance at beginning of the financial year	2,494,282	13.57	2,741,246	13.72
Purchased on market during the year	-	-	-	-
Forfeited during the financial year	-	-	(246,964)	13.67
Vested during the financial year	-	-	-	-
Repayment	-	(0.05)	-	-
Balance at end of the financial year	**2,494,282**	**13.52**	**2,494,282**	**13.57**
Represented by:				
Shares granted in August 2019	736,291	12.81	736,291	12.88
Shares granted in August 2020	793,292	13.10	793,292	13.13
Shares granted in August 2021	964,699	14.42	964,699	14.45
Balance at end of the financial year	**2,494,282**	**13.52**	**2,494,282**	**13.57**

The restrictive period for participants that accepted the offer was extended on each tranche of unvested shares until the earlier of the aggregate market value of the shares in that tranche being at least equal to their purchase price or 1 November 2026, in the directors' sole discretion. The restrictive period was not further extended for participants in the Senior Executive Team and participants that did not accept the offer.

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

25. EMPLOYEE SHARE SCHEMES (CONTINUED)

All employee share scheme

The Group has also been operating a share scheme that is available for all employees. The key terms of the scheme are as follows:

- Participants in this scheme contribute a minimum of $500 (and up to a maximum amount of $10,000) towards the on-market purchase of Ryman Healthcare Limited shares. To help an employee purchase shares, the Group advances an interest-free loan equal to the employee's contribution to the share purchase (financial assistance).
- All shares purchased under the scheme are held in the employee's name.
- Most of the loans were made on a limited recourse basis.
- The loan is repayable at the discretion of the employee but is repayable when the employee leaves the Group.

Scheme wind down

Following a review of the all employee share scheme during the year, the directors resolved to make a one-off offer to existing eligible participants in connection with winding down the scheme. No future offers will be made under the scheme. The participating employees who accepted the offer sold their loan-funded shares on-market (at a share price of NZ$5.87), with the sale proceeds (net of brokerage fees) being applied to repay their outstanding loans. To the extent the proceeds did not fully repay the loans, the loans were deemed to be repaid in full.

The offer resulted in NZ$2.6 million of advances to employees being repaid and NZ$1.3 million of advances to employees being written off. This amount is expensed in the profit or loss and disclosed within employee benefits (note 3).

Since not all participating employees accepted the offer, the Company still has gross advances to employees totalling NZ$0.7 million in relation to this scheme at balance date. Due to the limited recourse nature of most loans and the current share price, the Company has provided for an impairment loss of NZ$0.1 million against these advances.

26. COMMITMENTS

Capital expenditure commitments

The Group had commitments relating to construction contracts amounting to $217.2 million at 31 March 2024 (2023: $385.7 million).

The Group has an ongoing commitment to maintaining the land and buildings of the integrated retirement villages, rest homes and hospitals.

Commitments relating to leases have been disclosed in note 20.

27. CONTINGENT LIABILITIES

There are no contingent liabilities at 31 March 2024. The previously reported Holiday Act remediation is now included in note 15.

28. SUBSEQUENT EVENTS

On 22 April 2024 it was announced that Richard Umbers had resigned from his position as Group CEO and was immediately leaving the Group. Chair Dean Hamilton was appointed Executive Chair until a Group CEO is recruited. Refer to note 24.

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

29. AUTHORISATION

The directors authorised the issue of these consolidated financial statements on 24 May 2024.

Dean Hamilton
Executive Chair

James Miller
Non-executive director and
Chair of Audit, Finance and Risk committee

Independent Auditor's Report

To the Shareholders of Ryman Healthcare Limited

Opinion

We have audited the consolidated financial statements of Ryman Healthcare Limited and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 36 to 99, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2024, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

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

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

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

Our firm carries out other assurance services for the Group relating to Australian aged care and climate related disclosure assurance readiness services. These services have not impaired our independence as auditor of the Company and Group.

In addition to this, partners and employees of our firm deal with the Company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries. The firm has no other relationship with, or interest in, the Company or any of its subsidiaries.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be $24.5m.

Key audit matters

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

Key audit matter

Valuation of Investment Property

As explained in note 10 in the consolidated financial statements, investment properties are carried at fair value on the consolidated balance sheet. The fair value of these properties is determined based on the mid point of external valuations at 31 March 2024, which is supported by independent external valuations. The valuations are subject to a number of complex estimates and assumptions.

The valuation models are discounted cash flow models. The Directors adjust the value for occupancy advances received from residents, deferred management fees, and revenue in advance. The external valuations rely on various estimates and underlying assumptions, including current unit pricing, discount rates, future long term house price growth rates and the occupancy periods of residents. A small percentage difference in certain input assumptions could result in a material change to the valuations.

These properties were valued at $10,041m (2023: $9,323m). The revaluation gain recognised in the consolidated income statement was $180m (2023: $432m).

We included the valuation of investment properties as a key audit matter for two reasons:

1. The significance to the financial statements:

   The investment properties account for 77% of the total assets (2023: 75%), making it the most significant balance on the consolidated statement of financial position.
2. The complexity of the valuation models that support the valuations.

How our audit addressed the key audit matter

Our procedures focused on:

- The appropriateness of the valuation methodology, including the appropriateness of assessments made by the valuers and Directors in determining the carrying value of investment property;
- The reasonableness of underlying assumptions in the valuation models.

Our procedures included, amongst others:

- Evaluating the Group's processes for determining the valuation of the investment properties, including the consideration of the valuations obtained from the independent valuers;
- Reading the valuation reports for properties within the group and reviewing the valuation methodology and the reasonableness of the significant underlying assumptions;
- Discussing with management the nature of key assumptions, and assessing the reasonableness of adjustments made in determining the carrying value of investment property;
- Evaluating the appropriateness of the mid point of the valuations considered by the directors and the reasonableness of the fair value adopted;
- Assessing the competence, objectivity, and integrity of the independent registered valuers. We assessed their professional qualifications and experience. We also obtained representation from them about their independence and the scope of their work and considered restrictions imposed on the valuation process (if any);
- Meeting with the valuers to understand the valuation process adopted. The purpose of the meetings was to identify and challenge the critical judgment areas in the valuation model and to confirm the valuation approach was in accordance with NZ IFRS 13 *Fair Value Measurement.* We critically challenged the changes made to key assumptions and their reasonableness relative to the 31 March 2023 valuations;
- Reviewing management's assessment of the change in accounting estimate relating to the allocation of a portion of the Investment Property valuations to the care facilities; and
- Using our in-house valuation specialists to assess the appropriateness of the valuation methodology, discount rates and other market evidence;
- Agreeing a sample of sales and resales to contracts, calculating actual growth rates on resales for the sample to compare to growth rates applied by the valuers, and calculating the average tenure of residents based on a sample of contracts to compare to occupancy periods presented by the valuers;
- Comparing a sample of current unit market values determined by the valuer to actual prices received at comparable units within the village;
- Assessing the discount rates for reasonableness by comparing the rates to those adopted in the previous year and the rates adopted by comparable entities; and
- Considering the appropriateness of the disclosures in note 10.

Deloitte.

Key audit matter

Valuation of care-facility land and buildings

As explained in note 9 in the consolidated financial statements, care facility land and buildings are carried at their fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

The fair value was determined by independent registered valuers appointed by the Group. The net book value of care facility land and buildings as reflected in note 9 is $1,153m (2023: $1,361m). The revaluation loss recognised in other comprehensive income was $252m (2023 gain of $157m) and in profit or loss was $24m (2023 $nil).

We included the valuation of care-facility land and buildings as a key audit matter for two reasons:

1. The materiality of the account balance, and the revaluation movements.
2. The complexity of the valuation models:

   The valuation models include both observable and non-observable inputs. They include significant assumptions, including the determination of the earnings that were capitalised, the capitalisation rates adopted, and the assessment of the market value per care bed. These inputs require significant judgement.

How our audit addressed the key audit matter

Our procedures focused on:

- the appropriateness of the valuation methodology
- the reasonableness of underlying assumptions in the valuation models.

Our procedures included, amongst others:

- Agreeing material additions to supporting documentation, such as the number of care beds added during the period;
- Evaluating the Group's processes regarding the independent valuations of the care facility land and buildings;
- Reviewing the valuation methodology and the reasonableness of the significant valuation assumptions;
- Assessing the competence, objectivity and integrity of the independent registered valuers. We assessed their professional qualifications and experience. We obtained representation from them about their independence and the scope of their work;
- Meeting with the valuers to understand the valuation process adopted. The purpose of the meeting was to identify and challenge the critical judgment areas in the valuation models and to confirm the valuation approach is in accordance with NZ IFRS 13 Fair Value Measurement;
- Using our in-house valuation specialists to assess the appropriateness of the valuation methodology and challenge the reasonableness of the underlying assumptions. Our specialists focused on the assumptions for earnings and capitalisation rates and other market information;
- Assessing the reasonableness of the capitalisation rates and market value per care bed adopted in the valuations;
- Agreeing, on a sample basis, the earnings capitalised to the underlying accounting recorded and challenging the valuers on the adjustments made to actual earnings in arriving at the earnings used in the valuations;
- Reviewing management's assessment of the change in accounting estimate relating to the allocation of a portion of the Investment Property valuations to the care facilities; and
- Considering the appropriateness of the disclosures in Note 9.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report, and in the Climate Statement, which are expected to be made available to us after the date of this auditor's report.

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

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

When we read the other information in the Annual Report and in the Climate Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and consider further appropriate actions.

Directors' responsibilities for the consolidated financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

This description forms part of our auditor's report.

Restriction on use

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

Deloitte Limited

Mike Hoshek, Partner
for Deloitte Limited
Christchurch, New Zealand
24 May 2024

Deborah Cheetham Village.

Corporate governance

Directors

AS AT 31 MARCH 2024

Dean Hamilton

EXECUTIVE CHAIR, NON-INDEPENDENT DIRECTOR

BCA, CMINSTD

Dean joined the Board in June 2023, and assumed the role of Chair on 1 August 2023. On 22 April 2024 he assumed the role of Executive Chair while the search for a new Group Chief Executive Officer was underway. The Board has determined that Dean will be a non-independent director while he is the Executive Chair. He has an extensive background in governance, large company leadership and financial markets across both New Zealand and Australia. He is currently Chair of Fulton Hogan and holds director roles at Auckland International Airport and The Warehouse Group.

Paula Jeffs

LEAD INDEPENDENT DIRECTOR

BA, GRAD DIP (IR), GAICD, CAHRI

Paula joined the Board in 2019. She is a Melbourne-based executive, currently holding the position of Executive General Manager People and Transformation at Melbourne Water. She brings with her more than 25 years' experience leading culture, capability and safety in organisations across the healthcare and finance sectors. Early in her working life, Paula spent several years as a carer in the aged and disability sector. While Dean is Executive Chair, Paula will act as the lead independent director.

Anthony Leighs

INDEPENDENT DIRECTOR

NZCB, CFINSTD, NZIOB FELLOW

Anthony joined the Board in 2018. Based in Christchurch, he is also a director of Leighs Construction, which he founded in 1992 and built into one of New Zealand's leading commercial construction contractors. He is a former Chair of the New Zealand Registered Master Builders Association.

Claire Higgins

INDEPENDENT DIRECTOR

BCOM, FCPA, FAICD

Claire joined the Board in 2014. Based in Victoria, she brings experience in a range of sectors in Australia and New Zealand. Claire is Chair of REI Superannuation and GMHBA Limited and is a director in the medical device sector.

Geoffrey Cumming

NON-INDEPENDENT DIRECTOR

BA (HONS), MSC (ECON), LLD

Geoffrey re-joined the Board in June 2018, having previously served as a director from 1999 to 2000. Geoffrey is a Melbourne-based New Zealand citizen who is an economist, investor and philanthropist. He has more than 30 years' experience as a Chief Executive and company director and has served on more than 25 Boards. In 2019 Geoffrey was inducted into the Alberta Business Hall of Fame.

James Miller

INDEPENDENT DIRECTOR

BCOM, AMP HBS, CFINSTD

James joined the Board in June 2023. He has extensive knowledge in both audit and risk and financial markets and is the Chair of Channel Infrastructure and a director of Mercury NZ and Vista Group. James was also previously Chair of NZX.

Kate Munnings

INDEPENDENT DIRECTOR

LLB, AMP INSEAD, BHSC (NURSING)

Kate joined the Board in November 2023. Based in Australia, she was most recently Chief Executive at Virtus Healthcare and has extensive experience across the construction, law and healthcare sectors. She is a former partner at law firm Baker Mackenzie and is currently the Chair of Digital Health CRC in Australia.

Three directors retired during FY24. George Savvides retired on 1 June 2023, while Warren Bell and Jo Appleyard retired at the 2023 Annual Shareholder Meeting.

Geoffrey Cumming will retire at the 2024 Annual Shareholder Meeting and Claire Higgins will retire on 31 December 2024.

Our thanks go to all for their dedication to the Board over many years.

The Board was also delighted to announce the appointment of David Pitman (BEng (Aero, Hons), MBA, MAICD) as an independent director, who joined the Board on 1 May 2024.

Senior executives

AS AT 31 MARCH 2024

Rob Woodgate

GROUP CHIEF FINANCIAL OFFICER

ACMA, CMINSTD, BA (HONS)

Rob Woodgate joined Ryman in November 2023. He is an accomplished senior finance leader with international experience across a range of industries. Rob was previously Group Chief Financial Officer at trans-Tasman construction and infrastructure provider Fulton Hogan, where he led the finance, treasury, risk, IT and shared service functions for the Group. He has also held roles in NZX-listed entities, co-operatives and private companies, including PGG Wrightson Limited and Silver Fern Farms Limited.

Deborah Marris

GROUP GENERAL COUNSEL AND COMPANY SECRETARY

BCA, LLB (HONS), CMINSTD, GAICD

Deborah joined Ryman in 2022. She has held senior executive roles with global organisations in New Zealand, the United Kingdom, Hong Kong, India and Australia.

Cheyne Chalmers

CHIEF EXECUTIVE OFFICER – NEW ZEALAND

NZRN DIP NURSING, BHSC (NURSING), PGDIPHSM, MMGMT (HSM), ADJ PROF. MIOD, FACN

Cheyne joined Ryman in 2020 as Chief Operations Officer and was appointed Chief Executive Officer – New Zealand in June 2022. Cheyne has held senior public health roles including Executive Director of Residential and Support Services and Chief Nursing and Midwifery Officer at Monash Health, Melbourne. Cheyne was previously an adjunct professor at Deakin University in Victoria.

Cameron Holland

CHIEF EXECUTIVE OFFICER – AUSTRALIA

BA/BBUS – MONASH, GAICD

Cameron joined Ryman in 2021. Cameron has extensive experience in the aged care, home care and retirement living sector, having led the operations across Australian Unity's extensive aged care and retirement village portfolios and the establishment and rapid expansion of the home and community business, which is now the largest in Australia. Cameron is a proven business leader with over 15 years' experience leading the commercial and operational arms of some of Australasia's largest brands, including Jetstar and Lonely Planet.

Chris Evans

CHIEF DEVELOPMENT AND CONSTRUCTION OFFICER

BE (HONS)

Chris joined Ryman in 2021. He is an experienced construction leader, having enjoyed more than 25 years working for John Holland Group in a range of operational and senior leadership positions in Australia. More recently Chris worked at Sydney Airport, where he was Chief Assets and Infrastructure Officer.

Rick Davies

CHIEF TECHNOLOGY AND INNOVATION OFFICER

BSC

Rick joined Ryman in 2019. He is an experienced leader in both technology and commercial leadership roles, having worked extensively within the e-commerce sector. Rick has had a range of senior roles, including leader of Trade Me's iconic retail marketplace division.

Di Walsh

CHIEF PEOPLE AND SAFETY OFFICER

NZCS

Di joined Ryman in 2023. She began her career in biochemistry and held diverse operational roles before building an extensive career in senior people and culture roles across Australia and New Zealand. Prior to joining Ryman she worked in senior roles at Lion Breweries and most recently was Group Executive Manager – People at Fulton Hogan.

Richard Umbers

GROUP CHIEF EXECUTIVE OFFICER

BSC (HONS), MSC (FINANCE), GAICD, MINSTRE

Richard resigned on 19 April 2024.

David Bennett

CHIEF STRATEGY OFFICER

BCOM (HONS), CA

David resigned during FY24, with his last day being 30 April 2024.

Marsha Cadman was appointed as Chief Transformation and Strategy Officer post-balance date.
Mary-Anne Stone (Chief Experience and Engagement Officer) retired at the end of the financial year.

Ryman believes in the benefits of good corporate governance and the value it provides for shareholders, residents, employees and other stakeholders.

The Board of Directors is responsible for the company's corporate governance informed by best practice and the recommendations outlined in the NZX Corporate Governance Code dated 1 April 2023 (the Code). The company's approach is set out in the following pages.

The Board of Directors regularly reviews and assesses Ryman's governance policies and procedures to ensure that they provide the direction and controls which enable us to achieve sustainable, profitable growth and the trust of our customers, shareholders, regulators, suppliers and communities.

As at 31 March 2024 Ryman considers it was in compliance with NZX Listing Rules and the Code.

During FY24, Ryman did not comply with Recommendation 3.1 of the Code regarding the composition of the Audit, Finance and Risk committee. The previous Chair, Greg Campbell, departed suddenly due to ill health and Claire Higgins became the Interim Chair (and remained the Chair of the Audit, Finance and Risk committee) while a new Chair was recruited. Dean Hamilton took over as Chair of the Board on 1 August 2023. Also, for a short period of time there was not a majority of independent members in the Audit, Finance and Risk committee until Anthony Leighs was appointed to the committee on 3 May 2023.

With the appointment of Dean Hamilton as Executive Chair on 22 April 2024 Dean is no longer independent and therefore Ryman will not comply with Recommendation 2.9 of the Code regarding the independence of the Chair, and Recommendation 3.1 of the Code recommending all members of the Audit, Finance and Risk committee be non-executive directors. The role of Executive Chair is temporary while the company recruits a new Group Chief Executive Officer. The Board has established a committee, the Executive Chair Oversight committee, to oversee the performance of the Executive Chair. The members are Paula Jeffs (Chair and lead independent director), Anthony Leighs and James Miller.

Policy documents referred to in this section are available on our website.

BOARD STATS AND FACTS

93%
Board meeting attendance

86%
are independent

2 nationalities
(4 New Zealanders[1] and 3 Australians)

Average age
59

43%
are female

BOARD COMMITTEES

	Director members[2]	Director independence	Director attendance[3]
Audit, Finance and Risk	5	80%	90%
People, Safety and Remuneration	4	100%	88%
Clinical Governance	3	100%	100%
Governance and Nominations	4	75%	93%

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[1] Geoffrey Cumming is a citizen of both New Zealand and Canada who resides in Melbourne, Australia.

[2] Membership as at 31 March 2024. Dean Hamilton is not considered independent as of 22 April 2024 while he assumes the temporary role of Executive Chair.

[3] Attendance in the financial year to 31 March 2024.

Statement of corporate governance

NZX Listing Rules

The company applies the NZX Main Board Listing Rules.

PRINCIPLE 1 – ETHICAL STANDARDS

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

Code of ethics

Ryman’s code of ethics reflects the Board’s commitment to the highest standards of behaviour and accountability. It sets out the standards of behaviour expected of every person with whom the company works, including directors, Senior Executive Team (**SET**), team members, consultants and business partners.

The code also supports decision-making that is consistent with Ryman’s characteristics, business goals and legal and policy obligations. The current code of ethics is available on Ryman’s intranet and website.

It covers:

- who Ryman is – the company’s values and characteristics
- Ryman’s commitment to health, safety and wellbeing – which focuses on working safely or not at all
- Ryman’s people – supporting, developing and leading team members
- environment and community – the work Ryman does to protect the environment and have positive impacts on local communities
- protecting Ryman’s assets and property – being a good steward of company information, property and value
- freedom to speak up – supporting people to raise concerns, including via whistleblowing and protected disclosures, free of reprisal or victimisation
- how Ryman does business – the rules around accepting gifts and other benefits, dealing with conflicts of interest and maintaining confidentiality
- complying with the law and reporting breaches.

Whistleblower policy

Ryman is committed to high standards of ethical, moral and legal business conduct at all times.

The company’s whistleblower policy and procedures were updated in FY24, including engaging an independent external whistleblower service for disclosures.

This year there have been no whistleblower reports of serious wrongdoing or unethical or illegal conduct witnessed within Ryman.

Financial product trading policy

Ryman supports the integrity of New Zealand’s financial markets.

The company’s financial product trading policy was updated in FY24 and outlines how insider trading laws apply as well as the measures that Ryman has in place to ensure that those laws are followed.

Additional trading restrictions apply to certain persons, including directors and the SET, if they trade in the company’s shares and retail bonds. Ryman staff are only able to trade in the company’s shares and retail bonds during two trading windows: between the full-year announcement date and 31 August; and between the half-year announcement date and 31 January each year.

The Board’s People, Safety and Remuneration committee and Clinical Governance committee have terms of reference that set out their responsibilities for overseeing ethical conduct across Ryman.

Statement of corporate governance (continued)

PRINCIPLE 2 – BOARD COMPOSITION AND PERFORMANCE

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

The Board holds the view that the optimal size for the Ryman Board is seven to eight directors. As at 31 March 2024, Ryman had seven non-executive directors: Dean Hamilton, Claire Higgins, Anthony Leighs, Geoffrey Cumming, Paula Jeffs, James Miller and Kate Munnings. All except Geoffrey Cumming were assessed as being independent directors. Geoffrey Cumming is not considered independent by the Board given his involvement in the Karori Capital Limited group of entities, which is a Substantial Product Holder of the company’s financial products.

On 22 April 2024, Dean Hamilton assumed the role of Executive Chair while the search for a new Group Chief Executive Officer was underway. The Board has determined that Dean will be a non-independent director while he is the Executive Chair.

On 21 March 2024, Ryman announced the appointment of an additional independent director, David Pitman, who joined the Board on 1 May 2024.

Board responsibilities

The Board is ultimately responsible for Ryman’s strategic direction. The specific roles and responsibilities of the Board, and the Board’s procedures, are set out in detail in a written charter which is available on the website.

The Board Charter was updated in April 2024 as part of a general review.

The Board entrusts day-to-day management and strategy implementation to the Group Chief Executive Officer and SET. Details about current directors, including their experience, qualifications, tenure, interests and shareholdings, are available in this report and on the company’s website. The Board’s skill set is summarised within this report.

Director nominations and appointments

The Governance and Nominations committee considers candidates and recommends directors to the Board for nomination. A majority of the Governance and Nominations committee are assessed as independent by the Board.

When considering a candidate to act as a director, the Governance and Nominations committee takes into account factors including the commercial experience and qualifications of the candidate, their independence and diversity of gender and background and the Board skills matrix. The committee may use external search firms to assist with identifying candidates. A number of checks are undertaken before appointing a director and putting forward to shareholders a candidate for election as a director.

Under the Listing Rules, every director must stand for re-election at the end of 3 years or the third Annual Shareholder Meeting after their appointment, whichever is later. These directors may offer themselves for re-election. Directors appointed by the Board must retire at the next annual meeting following their appointment. These directors may then offer themselves for election.

The Board and its committees critically evaluate their own performance and their own processes and procedures.

When considering the re-election of an existing director, the Governance and Nominations committee also considers the length of service of the director and the director's performance on the Board. It is the Board's general expectation that a non-executive director will hold office for a total period of approximately 9 years.

Written agreement

On appointment, each director signs a written agreement that includes information about their role and duties, time commitments, term of appointment, remuneration and insurance, access to information and disclosure and compliance obligations.

Directors' and officers' insurance and indemnity

As provided for under its constitution, Ryman has in place policies of directors' and officers' liability insurance, with a Deed of Indemnity entered into with all directors.

Director information

The criteria for determining whether directors are independent are set out in the Board Charter and consider the guidance provided in the NZX Corporate Governance Code to assess whether there is any reason a director would not be considered independent. As at 31 March 2024, the Board has assessed Dean Hamilton, Anthony Leighs, Claire Higgins, Paula Jeffs, James Miller and Kate Munnings as independent for FY24 for the purposes of recommendation 2.4 of the Code. As such, the majority of the Board are independent as at 31 March 2024.

On 22 April 2024 Dean Hamilton assumed the role of Executive Chair. The Board has determined that Dean will be a non-independent director while he is the Executive Chair.

Statement of corporate governance (continued)

	Anthony Leighs	Claire Higgins	Dean Hamilton	Geoffrey Cumming	James Miller	Kate Munnings	Paula Jeffs
Governance Experience of governance through Board appointments at other organisations or through former Group Chief Executive Officer experience.	•	•	•	•	•	•	
Executive leadership Former Group Chief Executive Officer or senior executive with excellent track record of growing value, leading with purpose, and developing and executing strategy.	•		•	•		•	•
Finance, accounting and taxation Finance and accounting experience with large companies. May hold a recognised accounting qualification. Skills to chair the Audit, Finance and Risk committee.		•	•	•	•	•	
Risk management Risk management experience developed through either leadership or governance roles at similar-sized organisations.	•	•	•	•	•	•	•
Property and construction Experience in successfully leading property and construction companies or performing governance roles for companies in the sector. Skills to support and challenge new site-investment decisions and build programme.	•			•		•	
Health and safety Experience in the development of health, safety and wellbeing frameworks and risk-management tools at large organisations.	•	•	•		•	•	•
Health, clinical and aged care Leadership or governance experience across the health and aged-care sector.		•		•	•	•	•
Digital and technology Experience in the implementation of digital transformation or new digital product development in the health and aged-care sectors.					•	•	
Human resources Leadership experience in the development and implementation of people and culture programmes at large organisations.			•	•		•	•
Strategy Experience of strategic oversight, including the development and implementation of strategic plans for organisations of similar scale and complexity.	•	•	•	•	•	•	•
Climate change Knowledge, skills and experience to support the oversight of climate-related risks and opportunities and strategy development.	•		•		•		

Diversity

Ryman's approach to diversity is to continually develop a work environment that supports equality and inclusion, regardless of difference. As part of that, the Board and management are expected to ensure that all eligible people get equal opportunities to demonstrate they have the right skills and experience for particular roles. Ryman has set requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving diversity.

The diversity policy is available on the company's website and was updated in FY24.

Ryman has maintained gender diversity levels on the Board exceeding the minimum 30% recommended by the NZX throughout FY24. The Board has further set a target of 40% for leadership by gender. The Board will persist in overseeing this and is pleased with the gender diversity at executive level. It is also reassured that where the present gender diversity statistics do not meet this target, is not an indication of systemic problems as recruitment, retention and talent management are all functioning effectively. Ryman is committed to maintaining this target and will continue to prioritise the development of a robust pipeline of diverse leaders at all levels of the business to facilitate it.

The gender diversity for Ryman's leadership roles at 31 March 2024 is as follows:

		FY24	FY23
Directors	Male	4	4
	Female	3	3
		7	**7**
SET	Male	6	5
	Female	4	4
		10	**9**
Ryman leaders	Male	262	287
	Female	403	387
	Gender diverse	2	1
	Undisclosed	4	5
		671	**680**
Total		**688**	**696**

Induction and training

Directors have the underlying necessary expertise and skills to strategically guide the company. All new directors participate in a formal induction programme to ensure that they have a working knowledge of the business and the industry in which it operates. The programme includes one-on-one meetings with management and a tour of facilities.

All directors are regularly updated on relevant industry and company issues. There is an ongoing programme of presentations to the Board by all business units. The majority of directors are members of the Institute of Directors (or overseas equivalent).

Directors undertake various continuous professional development relevant to them and may attend training sessions offered by external providers at Ryman's expense to remain current on their duties as directors.

Assessment of Board performance

The Board has a procedure to regularly assess director, Board and committee performance. Ryman's Board and committee charters include performance evaluation procedures.

Proposed changes going forward:

It is proposed that the Board undertake a 2-yearly performance evaluation of itself facilitated by an external consultant. This review would assess the performance of the Board, the committees and individual directors. The first review is expected to be undertaken early in 2025.

Independence of directors and Chair

The majority of the Board members are independent directors in line with the Board Charter. The Chair of the Board remained independent during FY24, although he is no longer independent after taking up the Executive Chair role while a new Group Chief Executive Officer is found. This is a temporary arrangement.

Separation of Chair and Group Chief Executive Officer

It is Ryman's position that the Chair and Group Chief Executive Officer should differ. The Chair and Group Chief Executive functions remained different during FY24. While Dean Hamilton has now been appointed as temporary Executive Chair the company will not comply with this guideline. It has established an Executive Chair Oversight committee of independent directors, chaired by a lead independent director, to monitor Dean's performance and deal with any areas of conflict for the duration.

Independent professional advice

Each director has the right to seek independent legal and other professional advice (at the company's expense) to assist them in fulfilling their duties and responsibilities, providing they have the prior approval of the Chair. That advice can be about any aspect of the company's operations and undertakings. Advice may also be sought from the Company Secretary at any time.

Statement of corporate governance (continued)

PRINCIPLE 3 – BOARD COMMITTEES

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

Ryman restructured its Board committees in FY24 to create synergy and enhance the effectiveness of the committees.

The Board has four standing committees that meet regularly, as follows:

- Audit, Finance and Risk
- People, Safety and Remuneration
- Clinical Governance
- Governance and Nominations.

The Board suspended the Development, Design and Construction committee in FY24 in order to bring those responsibilities into the full Board due to the significant decisions that were required to be made.

Please refer to page 119 regarding the separate Independent Directors' committee. The Independent Directors' committee is not a standing committee.

Each committee operates under specific terms of reference approved by the Board. Recommendations are made by a committee to the Board and, if appropriate, approved by the Board.

All directors may attend any of the Board committee meetings (other than the Independent Directors' committee meetings).

Summary of committee memberships

Committee	Members at 31 March 2024	Members at 31 March 2023
Audit, Finance and Risk	**James Miller (Chair)** Geoffrey Cumming Dean Hamilton Claire Higgins Anthony Leighs	**Claire Higgins (Chair)** Geoffrey Cumming Warren Bell George Savvides
People, Safety and Remuneration	**Paula Jeffs (Chair)** Dean Hamilton Claire Higgins Anthony Leighs	**Paula Jeffs (Chair)** Jo Appleyard Geoffrey Cumming Claire Higgins
Clinical Governance	**Paula Jeffs (Chair)** Claire Higgins Kate Munnings Dr David Kerr (resigned) Tim Wilkinson (external advisor)	**George Savvides (Chair)** Jo Appleyard Tim Wilkinson (external advisor) Dr David Kerr (external advisor)
Governance and Nominations	**Dean Hamilton (Chair)** Geoffrey Cumming Anthony Leighs James Miller	**Geoffrey Cumming (Chair)** Paula Jeffs Anthony Leighs Claire Higgins

Statement of corporate governance (continued)

Post-balance-date changes

1. Dr David Kerr resigned as external advisor and was replaced by Dr Bernadette Eather on 2 April 2024.
2. Upon becoming Executive Chair, Dean Hamilton resigned from the Governance and Nominations committee and Anthony Leighs became Chair of that committee. It is expected that post Dean Hamilton returning to a non-executive Chair role, he will be reappointed to the committee and resume the Chair role.
3. Kate Munnings replaced Paula Jeffs as Chair of the Clinical Governance committee in April 2024.
4. Kate Munnings replaced Anthony Leighs on the People, Safety and Remuneration committee in April 2024.
5. In April 2024 the Board established an additional committee, the Executive Chair Oversight committee with responsibility for oversight of the performance of the Executive Chair, while that position remains, as the Company undertakes a process to hire a new Group Chief Executive Officer. The members are Paula Jeffs (Chair, and lead independent director), Anthony Leighs and James Miller.

Attendance at Board and committee meetings

Director attendance at Board and committee meetings is shown in the table below.

The table details the attendance at the meetings outlined in the Board and committee meeting plan for the year ended 31 March 2024, plus some of the additional meetings held during the year. Each Board meeting consists of a number of meetings held over multiple days.

In addition to the scheduled Board meetings, the Board held a large number of additional meetings for a number of reasons, including the appointment of new directors.

	Board	Audit, Finance and Risk	People, Safety and Remuneration	Clinical Governance	Governance and Nominations	Development, Design and Construction
Total number of meetings	**10**	**6**	**4**	**3**	**7**	**1**
Dean Hamilton	9/9	3/3	3/3[3]		3/3[1,5]	
James Miller	9/9	3/3[2]			3/3[1]	
Jo Appleyard	2/3		1/1	1/1		1/1
Warren Bell	2/3	2/2				
Geoffrey Cumming	10/10	6/6			7/7[5]	
Claire Higgins	9/10	6/6[2]	4/4	3/3	4/4[1]	1/1
Paula Jeffs	10/10		4/4[3]	2/2[4]	3/4[1]	
Anthony Leighs	9/10	5/6	1/3		6/7[5]	1/1
George Savvides	1/1	2/2		1/1[4]		
Kate Munnings	4/5			1/1[4]		

The Independent Directors' committee did not meet during the year.

The Development, Design and Construction committee was suspended for 12 months from July 2023. The responsibilities of the committee were moved directly to the Board due to the significant decisions required of that committee.

[1] Paula Jeffs and Claire Higgins were replaced by Dean Hamilton and James Miller in July 2023.

[2] James Miller replaced Claire Higgins as committee Chair in January 2024.

[3] Paula Jeffs replaced Dean Hamilton as committee Chair in February 2024. Paula Jeffs was previously committee Chair between March 2023 and July 2023.

[4] Paula Jeffs replaced George Savvides as committee Chair in July 2023 and was replaced by Kate Munnings post-balance date.

[5] Dean Hamilton replaced Geoffrey Cumming as committee Chair in July 2023. Anthony Leighs replaced Dean Hamilton as Chair post-balance date.

Statement of corporate governance (continued)

Audit, Finance and Risk committee

The members of the Audit, Finance and Risk committee at 31 March 2024 are James Miller (Chair), Geoffrey Cumming, Dean Hamilton, Claire Higgins and Anthony Leighs. Dean Hamilton and James Miller joined the committee during FY24. Warren Bell and George Savvides resigned during the year.

A majority of the committee members are independent.

The committee operates under a written charter (terms of reference) and assists the Board in discharging its responsibilities for financial reporting, enterprise risk management and financial compliance. The terms of reference are available on the website.

Claire Higgins was Chair of this committee until James Miller was appointed as Chair in January 2024. Claire was appointed Interim Chair when Greg Campbell retired due to ill health, and remained Chair of this committee while the Governance and Nominations committee recruited for a new Chair for the Board. The Board considered Claire the member most appropriate to lead this committee during this period.

Attendance

The committee invites the Group Chief Executive Officer, Group Chief Financial Officer, Group General Counsel and Company Secretary, Group Risk and Audit Manager, Group Financial Controller and external auditor to attend Audit, Finance and Risk committee meetings as appropriate.

The committee also meets and receives regular reports from the external auditor, without management present, to address any matters that arise in connection with the performance of the auditor's role.

The committee makes recommendations for appointing external auditors to ensure that they are independent and to ensure that the auditor provides for a 5-yearly rotation of the lead audit partner.

The committee also provides a forum for effective communication between the Board and Ryman's external auditors.

The committee's responsibilities are set out in detail in a written terms of reference which is available on the website.

2024 activities:

The committee met six times during FY24. The standing items on its meeting agenda together with ad hoc matters addressed saw the committee meet its responsibilities as set out in its terms of reference.

The committee will also make recommendations to the Board regarding changes to Ryman's financial and non-financial disclosures.

People, Safety and Remuneration committee

The members of the People, Safety and Remuneration committee at 31 March 2024 are Paula Jeffs (Chair), Claire Higgins, Dean Hamilton and Anthony Leighs. Jo Appleyard and Geoffrey Cumming resigned during the year. Post 31 March 2024, Kate Munnings joined the committee and Anthony Leighs resigned from the committee.

All committee members are independent as at 31 March 2024.

The People, Safety and Remuneration committee operates under a written charter (terms of reference) and assists the Board in overseeing and reviewing matters relating to people, culture, health and wellbeing and in establishing remuneration policies and practices.

The committee's terms of reference are available on the website.

The committee maintains direct lines of communication with the Chief Executive Officer – New Zealand, Chief Executive Officer – Australia, Chief Development and Construction Officer and Chief People and Safety Officer. Management only attends committee meetings by invitation.

2024 activities:

The committee met four times during the 2024 year. The standing items on its meeting agenda together with ad hoc matters addressed saw the committee meet its responsibilities as set out in its terms of reference.

Special matters addressed included:

- making recommendations to the Board in relation to the Group Chief Executive's short-term and medium-term performance bonus
- initiating work on a SET remuneration framework.

Governance and Nominations committee

The members of the Governance and Nominations committee at 31 March 2024 are Dean Hamilton (Chair), Geoffrey Cumming, James Miller and Anthony Leighs. Dean Hamilton replaced Geoffrey Cumming as committee Chair during FY24. Claire Higgins and Paula Jeffs resigned from the committee during FY24.

A majority of the committee members are independent as at 31 March 2024.

Post 31 March 2024, Dean Hamilton resigned from the committee upon becoming Executive Chair. Anthony Leighs has become the Chair of the committee.

The Governance and Nominations committee operates under a written charter (terms of reference) and recommends the nomination of directors to the Board, reviews general governance policies and frameworks and recommends changes to the Board, committees, and advises on Group Chief Executive Officer succession.

The committee's terms of reference are available on the website.

2024 activities:

The committee met seven times during the 2024 year. The standing items on its meeting agenda together with ad hoc matters addressed saw the committee meet its responsibilities set out in its terms of reference.

Specific matters addressed included making recommendations to the Board in relation to the appointment of four new directors, of whom three were appointed in FY24.

2025 activities:

In the 2025 year the committee will participate in and support the independent review of Board performance and will consider the review's recommendations and support their implementation.

Other committees

Clinical Governance committee

Ryman has an additional standing committee focused on clinical governance.

The members of the Clinical Governance committee at 31 March 2024 are Paula Jeffs (Chair), Kate Munnings and Claire Higgins, alongside clinical advisors Dr David Kerr and Professor Tim Wilkinson. Dr Bernadette Eather joined the committee on 2 April 2024, replacing Dr David Kerr who resigned on 31 March 2024. Post 31 March 2024, Kate Munnings has taken over the Chair role and Claire Higgins has resigned from the committee.

The Clinical Governance committee supports and enhances the quality of the company's clinical performance and care.

It assists the Board with oversight of clinical reporting and clinical compliance and is focused on innovation in healthcare and ensuring alignment with emerging best clinical practices.

The committee's responsibilities are set out in detail in a written terms of reference which is available on the website.

The committee maintains direct lines of communication with the external clinical auditors, internal clinical auditors, Group Chief Executive Officer, Chief Executive Officer – New Zealand and Chief Executive Officer – Australia.

The committee invites clinically trained employees to attend as required. External clinical auditors are also invited to attend a meeting each year. Their reports include reviews of the internal clinical audit function.

2024 activities:

The committee met three times during the 2024 year. The standing items on its meeting agenda, together with ad hoc matters addressed, saw the committee meet its responsibilities as set out in its terms of reference.

Development, Design and Construction committee

This committee was suspended from July 2023. All responsibilities now reside with the Board.

Takeover protocols

Ryman has takeover response processes that set out the procedures to be followed if there is a takeover offer. These have been adopted by the Board.

The Independent Directors' committee comprises all independent directors and is convened as needed to address significant conflicts of interest and any other matters referred by the Board. It is also convened if a notice of takeover is received by the company or if a scheme of arrangement is considered with a potential merger party.

Statement of corporate governance (continued)

PRINCIPLE 4 – REPORTING AND DISCLOSURE

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

The Board is committed to ensuring that shareholders and the market are provided with complete and timely information on the activities of the business to allow proper accountability between Ryman and shareholders, employees and other stakeholders. The Board has overall responsibility for ensuring the integrity of the company's reporting and disclosure.

As a company listed on the NZX Main Board, Ryman has an obligation to comply with the disclosure requirements of the Listing Rules. These requirements aim to provide equal access for all investors and potential investors and material, price-sensitive information concerning issuers and their financial products. This in turn promotes confidence in the market.

Market disclosure policy

Ryman's market disclosure policy was updated in FY24 and outlines the obligations of Ryman and relevant Ryman personnel in satisfying the disclosure requirements. It also covers other related matters, including external communications by Ryman.

A Disclosure committee, comprising the Chair of the Board (or delegate), Group Chief Executive Officer, Group Chief Financial Officer and Group General Counsel, is responsible for ensuring compliance with our market disclosure procedure, including continuous disclosure obligations. The committee is required to approve any disclosure by Ryman to the market and to make decisions about whether the disclosure is market sensitive and what information should be disclosed (including whether any exception applies).

Key governance documents

Ryman publishes relevant documents and the following key governance documents in the investor centre on our website:

- Code of ethics
- Financial product trading policy
- Board charters and committee terms of reference
- Diversity policy (or a summary of it)
- Remuneration policy
- Market disclosure policy

Financial reporting

Ryman is committed to promoting shareholder confidence through open, timely and accurate market communication.

The Audit, Finance and Risk committee has a delegated responsibility from the Board in relation to financial reporting. It assists the Board in discharging its responsibilities with respect to external financial reporting, internal controls, risk-management frameworks and the monitoring of compliance with those frameworks, and compliance with applicable laws, regulations and standards.

The market disclosure policy sets out the Board's and management's responsibilities for disclosure and communication, and procedures for managing this obligation.

All significant announcements made to the NZX and reports issued are also posted on the company's website.

Non-financial reporting

The Annual Report is produced using the principles of Integrated Reporting <IR>. An integrated report provides more information than traditional reporting on the company's business model and how Ryman creates value over time. Ryman includes non-financial disclosures such as those relating to environmental, social sustainability and governance factors and practices, including non-financial targets and assessments.

Ryman is a climate reporting entity, and as such has certain legislative obligations to provide climate-related disclosures. These are included in this report on page 141.

PRINCIPLE 5 – REMUNERATION

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

Remuneration governance

The remuneration of directors and the SET is reviewed by the People, Safety and Remuneration committee. Please refer to Principle 3 for a discussion on the governance arrangements pertaining to remuneration and the People, Safety and Remuneration committee.

The committee’s responsibilities include reviewing and recommending changes to Ryman’s people and remuneration policies and practices, including health, safety and wellbeing policies and practices, together with reviewing and recommending changes to the remuneration of the Group Chief Executive Officer and other senior executives and Ryman’s directors’ fees.

Further details on remuneration are provided on page 125 in the Remuneration Report of this Annual Report.

Statement of corporate governance (continued)

PRINCIPLE 6 – RISK MANAGEMENT

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

Ryman is committed to managing all material risks arising from its activities, in accordance with stated policies. The Board has overall responsibility for overseeing the management of these risks.

Risk Management Framework

Ryman's Group Risk Management Framework adopts the principles of the ISO 31000:2018 risk-management guideline. The aim of the framework is to identify, assess, manage, monitor and report on the material risks faced by Ryman so that we can achieve our objectives and protect staff and residents. Taking an integrated risk-management approach ensures both the alignment with and consistency of activities relating to risk management. Material risks, together with Ryman's approach to risk management, are regularly reported to the Board through the Audit, Finance and Risk committee.

The framework provides the guardrails to support greater risk awareness, understanding and consistency across the organisation. This framework also allows for enhanced reporting of the material risks facing Ryman and greater oversight of the effectiveness of the control environment in managing those risk exposures within appetite.

Risk-management guidelines and standards support staff to identify, assess, monitor and manage business risks. The responsibility for operational risk management sits with the managers in the individual business units and the regional chief executives. Ryman's risk-management and assurance processes support this through group functions and are ultimately overseen by the SET and the Board.

Key risks

Within this framework, Ryman has identified the following nine material risk categories:

- Clinical risk
- Development, design and construction risk
- Data risk
- Financial risk
- Health, safety and wellbeing risk
- Operational and compliance risk
- People and capability risk
- Climate risk
- Strategic risk.

Ryman operates an extensive internal accreditation programme that addresses issues such as service delivery, health, safety and wellbeing, and administration. Clinical and health and safety audits are undertaken regularly. The results of these audits and critical indicators are regularly reported to the relevant Board committees and elevated to the Board where appropriate. Health, safety and wellbeing are also discussed regularly through the Board committees and at Board, SET, construction team and operational team meetings. Regular reporting of key metrics assists teams to manage these risks.

PRINCIPLE 7 – AUDITORS

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

External audit

The Audit, Finance and Risk committee is responsible for recommending the appointment and removal of external auditors, ensuring their independence and regularly monitoring and reviewing audit practices.

An External Auditor Independence Policy (the Policy) provides guidance on the provision of external audit services to ensure the independence of the external auditor, in both fact and appearance, such that Ryman's external financial reporting is viewed as being highly reliable and credible. The Policy sets out a framework that ensures the independence of the external auditor, other assurance services that may be provided, and prohibited non-assurance services.

The Audit, Finance and Risk committee makes recommendations to the Board on the appointment of the external auditor as set out in its charter (terms of reference) and the Policy.

The Policy requires audit partner rotation at least every 5 years with a minimum cooling-off period of 5 years. Other key audit staff members considered to be making key decisions or judgements on matters significant to the audit are required to rotate every 7 years with a minimum cooling-off period of 2 years. The rotation of the audit firm will be tendered and formally assessed by the Audit, Finance and Risk committee at least every 10 years, with the incumbent external auditor eligible to participate in the tender process.

The current auditor is Mike Hoshek from Deloitte, who was appointed in 2022. Mike will stand down as audit partner in 2027.

Every year, a comprehensive review and formal assessment of the independence and effectiveness of the external auditor is undertaken. The assessment uses an external auditor evaluation tool that is internationally recognised and endorsed by the Independent Directors Council.

The Audit, Finance and Risk committee routinely meets with Ryman's external auditor without management present.

Ryman's external auditor attends the company's Annual Shareholder Meeting and is available to answer questions about the conduct of its audit and the preparation and content of the audit report.

Internal audit

Ryman maintains an internal audit function which is ultimately accountable to the Board through the Audit, Finance and Risk committee. The internal audit function is governed by an internal audit charter, which sets out the objectives and scope of internal audit activities.

The primary objective of internal audits is to evaluate and improve the effectiveness of key risk-management, control and governance processes. Ryman's internal audit approach is based on the principle of partnering with the business in order to add value. The internal audit plan is set annually by the Audit, Finance and Risk committee. The committee meets on a regular basis to consider financial reporting, risk management, internal control and corporate governance matters. The committee reviews the internal audit findings and opinions, and the activities of the internal audit function.

Clinical auditors and health, safety and wellbeing officers routinely monitor and evaluate the effectiveness of controls across the Group. Detailed reports on these activities and findings are regularly presented to the Clinical Governance committee and the People, Safety and Remuneration committee.

Statement of corporate governance (continued)

PRINCIPLE 8 – SHAREHOLDER RIGHTS AND RELATIONS

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

Information for shareholders

The company seeks to ensure that investors understand its activities by communicating effectively with them and providing access to clear and balanced information.

The company website provides an overview of the business and a range of information about Ryman, including details of operational sites, latest news, investor information, key corporate governance information, significant NZX announcements and profiles of the directors and the SET.

Previous Annual Reports, financial statements and results' presentations are also available on the website.

Communicating with shareholders

Ryman has a dedicated Head of Investor Relations and a Group Corporate Affairs Manager. A key goal of these two roles is to ensure that Ryman's shareholders and bondholders are kept informed.

Contact details for the Head of Investor Relations can be found in the Contact Us section of Ryman's website.

Ryman offers shareholders the option of sending and receiving communications electronically. To encourage shareholder engagement, Ryman facilitates participation in shareholder meetings through both physical and virtual attendance options. Additionally, Ryman provides webcasts of meetings, along with presentations and addresses by the directors and Group Chief Executive Officer on its website.

Ryman's Notice of Meeting provides shareholders with the information to engage virtually with meetings, including through voting and submitting questions.

Shareholder voting rights

Shareholders can vote on major decisions of the company in line with the requirements set out in the Companies Act 1993 and the Listing Rules.

Voting on all resolutions at Ryman's shareholder meetings is conducted by poll. This provides shareholders with a one share, one vote say on all resolutions (subject to any voting restrictions applying under the Listing Rules).

Notice of Annual Shareholder Meeting

Ryman sends the notice of the Annual Shareholder Meeting to all shareholders, and publishes it on the company website. The timing of the release of the 2023 Notice of Meeting (distributed in FY24) was within the statutory timeframe but did not meet the recommended timeframe of the NZX Code. While timing of the release was affected by discussions underway at the time, Ryman expects to provide at least 20 working days' notice for its 2024 meeting.

Remuneration Report

Letter from the People, Safety and Remuneration committee Chair

Dear shareholders,

On behalf of the People, Safety and Remuneration committee I present the Remuneration Report for the financial year ended 31 March 2024.

This report outlines Ryman's remuneration framework, including the remuneration and performance objectives of the SET. The remuneration and incentives of the Group Chief Executive Officer and Board are further outlined within this report.

We acknowledge that our executive and director remuneration strategy is critical to Ryman's short-term and long-term success. For this reason, we have expanded the scope of this report to not only cover the 2024 financial year reporting but also include transparency regarding the significant changes that were introduced early in the 2025 financial year.

Remuneration is a key lever to attract, retain and motivate the best people to deliver exceptional value. However, it is also important that there is a strong alignment between remuneration and shareholder returns. We recognise that in recent times we have fallen short of financial performance expectations and as a result have delivered disappointing returns to shareholders. We embrace the need for change and recognise the role that strategic talent acquisition, incentivisation and retention can play in restoring our financial performance.

In FY24, with the help of external expert advice, we reviewed our SET and director remuneration policy and internal guidelines. The objectives of this review were to:

- develop a remuneration structure that aligns shareholder interests and executive reward
- harmonise existing remuneration arrangements
- provide greater alignment of remuneration with company performance
- ensure that our remuneration arrangements enable us to attract and retain the talent we need to lead Ryman forward.

This review saw us introduce a new Remuneration Policy post-balance date, incorporating an updated remuneration framework underpinned by our core principles of market-competitive pay for performance, linking rewards to strategic goals and shareholder value and promoting exceptional and sustainable performance.

As discussed in this Remuneration Report, the Board is increasing executive accountability by:

- simplifying the remuneration framework to comprise a cash-based salary, a short-term incentive (STI) scheme and a long-term incentive (LTI) scheme
- amending the key performance measures in the STI to align them with the new financial metrics on which the Board and the SET are focused, specifically the removal of underlying profit targets
- progressing the restructuring of the LTI scheme for the SET in FY25 to be a performance share right scheme featuring total shareholder return (TSR) hurdles and a 3-year vesting period, including winding down the Leadership Share Scheme (LSS) in FY24 as part of the remuneration overhaul
- introducing a requirement for SET members to retain a minimum shareholding of any shares they gain through their LTI schemes for the duration of their employment, to further encourage key decision makers' personal financial reward and commitment to align with shareholder interests.

I want to thank our Senior Executive Team for their leadership and commitment during a challenging year.

Lastly, on behalf of the Board, I welcome the opportunity to provide this report and demonstrate full transparency of remuneration at Ryman.

Paula Jeffs
People, Safety and Remuneration committee Chair

Remuneration Report (continued)

This report focuses on the remuneration of Ryman's directors and SET.

Directors

The directors of Ryman as at 31 March 2024 were Dean Hamilton, Anthony Leighs, Claire Higgins, Geoffrey Cumming, Paula Jeffs, James Miller and Kate Munnings.

Dean Hamilton and James Miller joined the Board in June 2023. Dean became Chair on 1 August 2023 and on 22 April 2024 assumed the role of Executive Chair.

Three directors retired during FY24. George Savvides retired on 1 June 2023, while Warren Bell and Jo Appleyard retired at the 2023 Annual Shareholder Meeting.

Geoffrey Cumming will retire at the 2024 Annual Shareholder Meeting and Claire Higgins will retire on 31 December 2024.

David Pitman joined the Board on 1 May 2024.

Senior executives

The SET as at 31 March 2024 comprised Richard Umbers, Rob Woodgate, Deborah Marris, Cheyne Chalmers, Cameron Holland, Chris Evans, Rick Davies, Di Walsh and David Bennett.

Richard Umbers resigned on 19 April 2024 and David Bennett resigned during FY24. David's employment ended on 30 April 2024.

Mary-Anne Stone (Chief Experience and Engagement Officer) retired during FY24, with her last day being 29 March 2024. Marsha Cadman was appointed as Chief Transformation and Strategy Officer post-balance date.

Remuneration governance

The Board is assisted in the delivery of its governance obligations in relation to remuneration by the People, Safety and Remuneration committee, a standing committee of the Board. The committee's role is set out in its terms of reference and, in relation to remuneration, is to review and recommend to the Board for approval all components of the remuneration of the Group Chief Executive Officer, to review and recommend to the Board for approval all components of the remuneration for the SET as recommended by the Group Chief Executive Officer on an annual basis and to make recommendations in relation to the distribution of the shareholder-approved directors' fee pool.

Further details on the governance arrangements pertaining to remuneration are set out under Principle 3 of the Corporate Governance Statement in this Annual Report.

The committee reviewed its terms of reference in April 2024.

Remuneration policy

Ryman's executive remuneration policy has undergone a significant reset. Previously, Ryman's SET remuneration comprised a combination of fixed remuneration, a STI, a medium-term incentive and a LSS (loan to acquire shares). Ryman's SET remuneration framework is now based on a total potential on-target remuneration package comprising fixed remuneration (comprising base salary and applicable KiwiSaver or superannuation), a STI and a LTI. Ryman is in the process of transitioning former remuneration arrangements to align with the new framework. The STI enables the participant to earn up to 50% of the base remuneration in cash. The LTI is an equity-based, 3-year vesting plan that enables the participant to earn up to 40% of base remuneration with two contributing tests, as noted below.

Fixed remuneration

Fixed remuneration comprises a base salary and applicable KiwiSaver or superannuation contributions as required under relevant legislation. The base salary is an annualised fixed component paid in cash. It is set based on factors including role size, performance and external market data, referenced from relevant comparator groups.

New STI plan

The new STI plan is an at-risk cash incentive aligned with the achievement of the Company's short-term strategic goals, typically within a financial year (1 April to 31 March).

Expressed as a percentage of base salary, the STI is designed to incentivise the achievement of targets against measures that drive strategic priorities and performance. Such factors include financial performance targets, operational achievement targets and cultural, safety and sustainability targets.

For FY25, 60% of the STI will relate to financial performance against the company's new key financial metrics: cash flow from existing operations, cash flow from development activity and IFRS profit before tax and fair value movements. 25% of the STI will be on performance against key transformation initiatives, including improved village profitability, new development efficiency and support services efficiency. 15% of the STI will be on resident satisfaction (net promoter score), health and safety (total recordable injury frequency rate) and sustainability (progress against path to decarbonisation).

The measures will be reviewed and set annually against the relevant business context and business plan as approved by the Board, and will be issued to participants at the commencement of the financial year.

Payments will be made in the following financial year on completion of the financial statements.

New LTI plan

The LTI plan is an at-risk incentive designed to reward sustained long-term-per-share shareholder value creation through the achievement of key performance measures over a 3-year period.

The plan has been offered to the SET, who have the ability to set and execute longer-term company strategy and drive performance.

The LTI plan is an annual equity-based plan with performance measures over a 3-year period that are aligned with shareholder value. The LTI plan will grant participants performance rights that will, if hurdles are achieved, vest as Ryman shares. Payment in equities is expected to encourage retention and sustainable value creation.

	Fixed remuneration	STI plan	LTI plan
Terms	Base reward and benefits including KiwiSaver or superannuation.	Short-term plan, deemed at risk, paid after the end of the financial year based on achievement of agreed key performance indicators.	Three-year plan, deemed at risk, paid based on achievement of absolute and relative TSR performance.
Threshold requirements		Targets set annually and include financial, operational, cultural, safety and sustainability.	Absolute TSR vs cost of equity: 50% weighting. TSR performance relative to NZX 50: 50% weighting.
Reward	Cash paid fortnightly through financial year.	Cash payment of up to 50% of fixed remuneration. Potential to outperform on financial component, which is capped at 120%.	Equity-based remuneration of up to 40% of base reward.

The Board may exercise its discretion to adjust STI and LTI outcomes based on the achievements, should the Board determine that such action is in the best interests of shareholders and stakeholders.

Remuneration Report (continued)

Director remuneration

Directors are remunerated by way of fees. The fee pool is approved by shareholders at the annual meeting as required under the NZX Listing Rules. The Board is then responsible for setting individual directors' fees in line with the approved pool and the Listing Rules. The director fee pool currently stands at $1.5 million. Changes to the pool were last approved by shareholders at the 2021 annual meeting. The details of individual director remuneration are set out in this report.

In FY24 the Board adopted a new Non-Executive Directors' Share Purchase Plan (**Plan**) that requires directors to hold a minimum number of shares to better align directors' interests with those of the shareholders. Each director is expected to acquire shares, equivalent to their annual base director fees within the first 5 years of their appointment. The expectation is that the directors hold the minimum number of shares for the remaining terms of their appointments in accordance with the Plan. Director's shareholdings are shown on page 136 of this Annual Report.

Group Chief Executive Officer remuneration

An external review of the Group Chief Executive Officer's remuneration package was undertaken during the year. When the next Group Chief Executive Officer is appointed, the remuneration package will be informed by market data and independent advice and will include a mix of the following components:

- Fixed term remuneration (includes base salary and KiwiSaver employer contribution)
- STI plan
- New LTI plan once implemented by Ryman.

For FY24, the Group Chief Executive Officer's remuneration package was made up as follows:

Chief Executive Officer FY24 remuneration outcomes

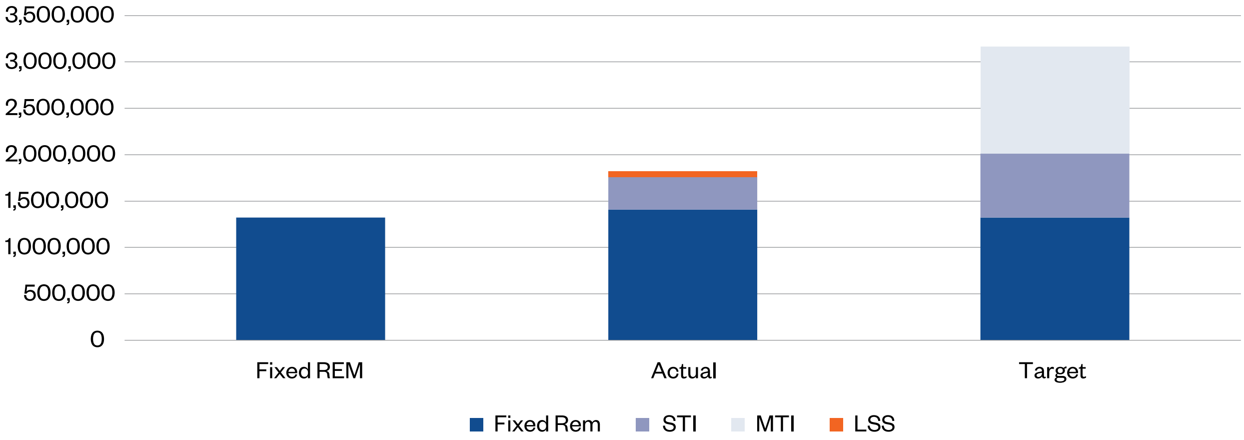
	FY24	FY23
	$	$
Fixed remuneration		
Base salary	1,295,418	1,297,063
Other benefits[1]	50,163	63,722
Short-term incentive		
Earned (FY paid)	225,000 (FY25)	351,900 (FY24)
Amount earned as a % of maximum award	33%	51%
Medium-term incentive		
Earned	-	-
Amount earned as a % of maximum award	-	-
Total cash-based remuneration earned	1,570,581	1,712,685
Leadership Share Scheme		
Earned (FY paid)[2] Compensation for non-issuance of FY23 LSS	-	63,133 (FY24)
Total (Fixed remuneration + STI earned + LSS earned)	**1,570,581**	**1,775,818**

[1] Other benefits includes KiwiSaver.

[2] In FY24, the Group Chief Executive Officer received a compensation payment relating to the FY23 period, in satisfaction of FY23 contractual entitlements. The LTI component of the Group Chief Executive Officer's remuneration was under review in FY23.

It was intended that the Group Chief Executive Offer would receive a total grant of 20,370 performance share rights under the new LTI plan during FY25, in satisfaction of FY24 contractual entitlements. It was intended that vesting would be subject to continued employment in August 2025 and August 2026, respectively. The rights were not granted before the resignation of the Group Chief Executive Officer, pending finalisation of the new LTI plan.

Group Chief Executive Officer's FY24 earned remuneration composition ($)



Group Chief Executive Officer's STI outcomes (earned)

The STI is paid as cash remuneration.

Performance hurdles	Financial performance	Operational performance	Cultural advocacy and safety	Total
FY23 STI weighting	60%	40%	-	100%
FY23 STI target ($)	414,000	276,000	-	690,000
FY23 achievement (paid in FY24) ($)	186,300	165,600	-	351,900 (51% of target)
FY24 STI weighting	60%	25%	15%	100%
FY24 STI target ($)	414,000	172,500	103,500	690,000
FY24 achievement (paid in FY25) ($)	-	172,500	52,500	225,000 (33% of target)

Group Chief Executive Officer's MTI outcomes (earned)

Performance hurdles	Financial performance	Cultural advocacy and safety	Total
MTI weighting	70%	30%	100%
MTI target ($)	805,000	345,000	1,150,000.00
FY24 achievement (paid in FY25)	-	-	0%

FY24 year was the first year of entitlement for an MTI. Performance hurdles would have been assessed in the prior 3 financial years and paid post the FY24 annual accounts in FY25. No payment will be made in FY25.

Remuneration Report (continued)

Group Chief Executive Officer LSS outcomes

The LTI component of the Group Chief Executive Officer's remuneration was under review in FY23. This review concluded in FY24. During FY24, a cash payment of $63,133 was made to the Group Chief Executive Officer, as compensation for non-issuance of FY23 LSS, in satisfaction of FY23 contractual entitlements. It was intended that the Group Chief Executive Offer would receive a grant of 20,370 performance share rights in lieu of the non-issuance of FY24 LSS, in satisfaction of FY24 contractual entitlements. These rights were not granted before the resignation of the Group Chief Executive Officer, pending finalisation of the new LTI plan.

Leadership Share Scheme

As announced previously, the review of the LSS was completed during the year. On 3 November 2023, confirmation that no further invitations to participate in the LSS would be made was communicated to existing employee participants, along with details of the terms related to closing the scheme. The financial effect of this process is recorded in the enclosed FY24 financial statements.

Accordingly, no new offers were extended under the LSS or the Employee Share Scheme during the year.

Ryman intends to implement a new LTI plan for certain eligible executives.

Post-balance date events

Group Chief Executive Officer Richard Umbers resigned on 19 April 2024. His exit package comprised: the base salary until Friday 19 April; $650,000 for notice; $650,000 for severance; and $225,000 for the FY24 STI out of a possible maximum award of $690,000. No medium-term incentive was paid for FY24 out of a total possible payment of $1.15 million. Mr Umbers gave up all future rights upon his resignation.

Dean Hamilton was appointed Executive Chair on 22 April 2024 for the period until a permanent Group Chief Executive appointment is made. While Mr Hamilton is Executive Chair he will forego all director fees and instead receive remuneration of $1.2 million per annum paid on a fortnightly pro rata basis to cover all duties. During this period, 33.33% of his post-tax remuneration will be used to acquire Ryman shares through an on-market share purchase plan. Mr Hamilton is entitled to no other incentives.

Gender pay gap

Ryman is committed to ensuring that gender does not affect an employee's pay, conditions, experiences in the workplace or access to jobs.

For FY24 we were pleased with our overall gender pay gap, which is sitting at 2.76% for New Zealand and 2.15% for Australia. This figure is well below the national average in both jurisdictions and we are committed to progressing further in this regard.

Remuneration Report (continued)

Employee remuneration

This remuneration report contains disclosure of the employees (other than employees who are directors) who received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded $100,000 per annum in FY24, in brackets of $10,000, as required by the Companies Act 1993.

Remuneration band ($000)	Number of employees
100–110	189
110–120	188
120–130	111
130–140	107
140–150	83
150–160	50
160–170	48
170–180	39
180–190	18
190–200	18
200–210	13
210–220	11
220–230	13
230–240	7
240–250	7
250–260	7
260–270	4
270–280	3
280–290	5
290–300	2
300–310	5
310–320	1
320–330	4
330–340	3
340–350	3
350–360	1
360–370	1
380–390	2
400–410	4
420–430	1
430–440	1
440–450	1
450–460	1
470–480	2
490–500	3
570–580	1
640–650	1
660–670	1
750–760	1
800–810	1
830–840	1
970–980	1
1,760–1,770	1
Total	**964**

Remuneration Report (continued)

Director remuneration policy

When determining the fees for non-executive directors, the Board considers all relevant factors including market surveys for Australian and New Zealand publicly listed companies.

In 2021 the total non-executive director remuneration pool was approved by shareholders as $1.5 million based on a pool of nine directors. In FY24 this did not change. No shares or additional non-financial benefits were given to directors in FY24.

Directors are required to acquire a minimum shareholding in accordance with the Non-Executive Directors' Share Purchase Plan.

Director pool remuneration ($)

Governance body	Position	Fee for reporting period
Board	Chair	300,000
	Director	110,000
Audit, Finance and Risk committee	Chair	20,000
	Member	10,000
People, Safety and Remuneration committee	Chair	20,000
	Member	10,000
Governance and Nominations committee	Chair	20,000
	Member	10,000
Clinical Governance committee	Chair	20,000
	Member	10,000

Australian-based directors are paid in Australian dollars.

No additional fees are paid to directors.

Where the Chair of the Board also sits on a committee, they will receive no additional fees.

Directors are entitled to be reimbursed for reasonable costs directly associated with carrying out their duties, including travel costs.

Director fees paid ($)

Director	Board fee	Audit, Finance and Risk committee	People, Safety and Remuneration committee	Governance and Nominations committee	Clinical Governance committee	Development, Design and Construction committee	Foreign exchange
Dean Hamilton[1,2]	218,333	-	1,667	1,667	-	-	-
Anthony Leighs[3]	130,194	9,184	7,518	10,018	-	5,000	-
Claire Higgins[4]	167,667	10,833	6,667	-	6,667	-	15,178
Geoffrey Cumming	110,000	10,000	2,500	12,500	-	-	10,649
Paula Jeffs	110,000	-	13,333	2,500	15,000	-	11,103
James Miller[1]	91,667	10,000	-	7,500	-	-	
Kate Munnings[1]	45,833	-	-	-	4,167	-	3,865
George Savvides[1]	18,333	1,667	-	-	3,333	-	1,688
Warren Bell[1]	36,667	2,500	-	-	-	2,500	-
Jo Appleyard[1]	36,667	-	2,500	-	2,500	2,500	-
Total	**965,361**	**44,184**	**34,185**	**34,185**	**31,667**	**10,000**	**42,483**

[1] Fees represent a partial year.

[2] Committee fees paid prior to becoming Chair of the Board.

[3] Fees higher due to term as Deputy Chair.

[4] Fees higher due to term as Interim Chair.

Disclosures

FOR THE YEAR ENDED 31 MARCH 2024

DIRECTORS' INTEREST REGISTER

Bracketed numbers represent the number of entities within the group that the director holds an interest in.

Dean Hamilton

Chair/shareholder	Fulton Hogan Group (4)
Chair	Ryman Healthcare Limited
Director/shareholder	The Warehouse Group (6)
Director/shareholder	Auckland International Airport Limited
Director/trustee of various Farmer Family Trust entities	Tappenden Holdings (9)[1]
Custodian	Ryman Healthcare Limited Leadership Share Scheme
Director/shareholder	Armadale Partners Limited
Director/shareholder	Hamilton & Co Limited

Anthony Leighs

Executive Director/ shareholder	Leighs Construction Group (5)
Director/shareholder	Alisanca Holdings Limited and associated entities (3)
Director/shareholder	Portus Property Limited and associated entities (6)
Director/shareholder	Tectonus Limited
Custodian	Ryman Healthcare Limited Leadership Share Scheme
Director/shareholder	Ryman Healthcare Limited

Claire Higgins

Chair	REI Superannuation Fund Pty Ltd
Chair	GMHBA Limited and subsidiaries
Director	Margin Clear Pty Ltd
Director	QE042 Pty Ltd
Director/shareholder	Ryman Healthcare Limited

[1] One of the trusts owns a 10% equity interest (which is less than 1% of the Farmer Family Trust assets) in an entity called BeGroup, which is a small-scale New Zealand retirement village owner. The trust does not have a director on BeGroup. Mr. Hamilton excuses himself from any trust discussion on BeGroup. There are no current or intended transactions between Ryman and BeGroup.

Disclosures (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Geoffrey Cumming

Chair/Chief Executive Officer/ sole shareholder	Karori Capital Limited and Karori Capital Canada Limited
Shareholder/lender/ joint manager	Various commercial property investment companies in the Caniwi Capital Partners Limited group of entities (10)
Advisory Board member/ unit holder	Viewpoint Global Fund Trust
Advisory Board member/ sponsor	Cumming Medical Research Fund, University of Calgary
Director/shareholder	Amira Medical Technologies Inc
Governor	The Cumming Global Centre for Pandemic Therapeutics
Director/shareholder	Ryman Healthcare Limited

Paula Jeffs

Director/shareholder	Ryman Healthcare Limited

James Miller

Director/shareholder	Mercury NZ Limited
Chair/shareholder	Channel Infrastructure NZ Limited
Director/shareholder	Vista Group International Limited
Director/shareholder	Ryman Healthcare Limited

Kate Munnings

Chair	Digital Health Cooperative Research Centre
Director	Ryman Healthcare Limited
Chief Executive Officer	Vitrafy Life Science
Consultant	Fusion Advisory Aust Pty Limited

Disclosures (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Warren Bell – resigned effective July 2023

Chair	Hallenstein Glasson Holdings Group (5)
Chair	St George's Hospital Inc
Director	Meadow Mushrooms Limited Group
Director	Cyprus Enterprises Limited
Director	Sabina Limited
Director/shareholder	Warren Bell Limited
Director	CHC Properties Limited
Director	Glasson Trustee Limited
Director	152 Hereford Limited
Director	New North Holdings Limited
Director	Waiwetu Trustees Limited
Director	Hickman Family Trustees Limited[1]
Trustee	Emerald Trust
Trustee	Waiwetu Trust
Director/shareholder	Poraka Limited
Shareholder	Airport Business Park Christchurch Limited[2]

George Savvides – resigned effective June 2023

Chair	Special Broadcasting Service (SBS) Australia[3]
Director	IAG Insurance Australia Group[4]
Chair/shareholder	Teamflow Asset Management Pty Ltd
Chair/shareholder	Teamflow Pty Ltd
Director	BuildXACT Software Limited
Chair/shareholder	Lewis Street Nine Pty Ltd
Chair	I-Med Radiology Limited

Jo Appleyard – resigned effective August 2023

Partner	Chapman Tripp[5]
Member	University of Canterbury Vice-Chancellor Employment Committee
Board member	Community Law Canterbury
Trustee	Wai Wanaka
Custodian	Ryman Healthcare Limited Leadership Share Scheme[6]
Director	Hallenstein Glasson Holdings Limited Group

[1] Warren Bell is a director of Hickman Family Trustees Limited, which is a trustee in The Hickman Family Trust. The Hickman Family Trust is a major shareholder in Ryman Healthcare, holding 4.857%.

[2] Ryman Healthcare leases office accommodation from the Airport Business Park Christchurch Limited (the Airport Business Park). Warren Bell is an independent director and/or trustee of the Airport Business Park's shareholders. Warren does not have any beneficial interest.

[3] SBS is an Australian television broadcaster and may carry Ryman television advertisements.

[4] Insurance Australia Group Limited provides Ryman, through its New Zealand subsidiary NZI, with insurance coverage. George Savvides is not involved in the quoting or provision of services to Ryman.

[5] Jo Appleyard is a partner of Chapman Tripp. Chapman Tripp provides legal advice to Ryman Healthcare. Jo is not involved in the quoting for or provision of services to Ryman Healthcare.

[6] Interest no longer held as of 31 March 2024.

Disclosures (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Indemnities and insurance

As directors of Ryman Healthcare and in accordance with the company's constitution and the Companies Act 1993, directors received directors' fees in cash and shares, have the benefit of directors' and officers' insurance, and have the benefit of a Deed of Indemnity.

Subsidiaries as at 31 March 2024

- Richard Umbers, Cheyne Chalmers and Rob Woodgate are directors of all the company's New Zealand subsidiaries.
- Richard Umbers, Martyn Osborn and Cameron Holland are directors of Ryman Healthcare (Australia) Pty Ltd.
- Paula Jeffs, Kate Munnings and Cameron Holland are directors of Ryman Aged Care (Australia) Pty Ltd.
- Richard Umbers, Martyn Osborn, David Swann and Cameron Holland are directors of Ryman Construction Pty Ltd.
- Richard Umbers and Cameron Holland are directors of the subsidiaries of Ryman Healthcare (Australia) Pty Ltd.
- Richard Umbers and Deborah Marris were trustees of the Ryman Healthcare Charitable Trust as at 31 March 2024. David Bennett resigned as a trustee during FY24 and was replaced with Rob Woodgate.

Richard Umbers resigned from his respective directorships upon ceasing his employment. Rob Woodgate replaced Richard as trustee of the Ryman Healthcare Charitable Trust upon Richard's resignation.

Rob Woodgate replaced David Bennett upon his resignation from his respective New Zealand directorships during the year.

No fees are paid to individuals in their capacity as directors of the subsidiaries or trusteeship of the charitable trust.

SECURITY HOLDINGS AT 31 MARCH 2024

Director	Ordinary shares	RYM010 retail bonds
Dean Hamilton[1]	-	-
Geoffrey Cumming[2]	52,551,476	-
Claire Higgins[3]	39,586	-
Anthony Leighs[4]	38,838	-
Paula Jeffs	18,625	-
James Miller	10,440	-
Kate Munnings	-	-

The table above includes shares acquired under the fixed share trading plan.

[1] Dean Hamilton has paid into Ryman's broker-assisted share purchase plan. However, at balance date the broker had not been able to acquire shares due to Ryman's financial product trading policy's trading window being closed.

[2] Shares held by Karori Capital Limited.

[3] Held as trustees of Adam Higgins Superannuation Fund Pty Ltd.

[4] Shares held by Alisanca Holdings Limited.

Disclosures (continued)

FOR THE YEAR ENDED 31 MARCH 2024

DIRECTOR AND OFFICER SECURITY TRANSACTIONS DURING THE YEAR

Director	Nature of interest	Number of securities acquired/(disposed of)	Consideration ($)	Date
Cheyne Chalmers	Beneficial	1,714	9,923.63	29 January 2024
Warren Bell	Beneficial	(6,000)	39,736.00	21 August 2023
George Savvides	Beneficial	(2,153)	14,425.10	15 August 2023
George Savvides	Beneficial	(12,121)	81,210.70	14 August 2023
Geoffrey Cumming[1]	Beneficial	(1,500,000)	10,305,000	24 July–2 August 2023
George Savvides	Beneficial	(62,500)	391,368.42	6 June–13 June 2023
Anthony Leighs	Beneficial	3,610	22,663.58	30 May–2 June 2023
Claire Higgins	Beneficial	4,707	29,550.55	30 May–2 June 2023
George Savvides	Beneficial	4,164	26,141.59	30 May–2 June 2023
Jo Appleyard	Beneficial	3,698	23,216.04	30 May–2 June 2023
Paula Jeffs	Beneficial	4,066	25,526.35	30 May–2 June 2023
Warren Bell	Beneficial	3,434	21,558.65	30 May–2 June 2023
Geoffrey Cumming	Beneficial	4,357	27,353.25	30 May–2 June 2023

[1] Geoffrey Cumming made an off-market philanthropic donation of shares to the University of Melbourne and The Peter Doherty Institute for Infection and Immunity to fund medical research via Karori Capital Canada Limited.

The joint custodians of the Ryman Healthcare Leadership Share Purchase Scheme acquired no shares during the year, disposed of no shares during the year and held 2,494,282 shares in total at 31 March 2024 (see note 25 of the financial statements).

TOP 20 SHAREHOLDERS AT 22 APRIL 2024

Rank	Investor name	No. of shares	% issued capital
1	HSBC Nominees (New Zealand) Limited[1]	56,403,700	8.20
2	BNP Paribas Nominees (NZ) Limited[1]	54,968,272	7.99
3	Karori Capital Limited	52,551,476	7.64
4	Custodial Services Limited	44,218,915	6.43
5	Citibank Nominees (NZ) Ltd[1]	39,845,780	5.79
6	BNP Paribas Nominees NZ Limited Bpss40[1]	39,194,510	5.70
7	Forsyth Barr Custodians Limited	33,772,860	4.91
8	Hickman Family Trustees Limited[2]	33,400,000	4.86
9	HSBC Nominees (New Zealand) Limited[1]	29,062,433	4.23
10	JPMorgan Chase Bank[1]	27,231,183	3.96
11	BNP Paribas Nominees NZ Limited[1]	23,021,054	3.35
12	Tea Custodians Limited[1]	22,592,980	3.29
13	Accident Compensation Corporation[1]	22,237,521	3.23
14	New Zealand Superannuation Fund Nominees Limited[1]	21,044,079	3.06
15	New Zealand Depository Nominee	14,320,765	2.08
16	Premier Nominees Limited[1]	9,942,496	1.45
17	Premier Nominees Limited[1]	7,050,040	1.03
18	Private Nominees Limited[1]	6,110,506	0.89
19	Public Trust[1]	5,983,335	0.87
20	PT Booster Investments Nominees Limited	4,749,702	0.69

[1] Held by New Zealand Central Securities Depository Ltd as custodian.

[2] Held as trustee of the Hickman Family Trust.

Disclosures (continued)

FOR THE YEAR ENDED 31 MARCH 2024

TOP 20 BONDHOLDERS AT 22 APRIL 2024

Rank	Investor name	Total units	% issued capital
1	Custodial Services Limited	35,642,000	23.76
2	Forsyth Barr Custodians Limited	33,722,000	22.48
3	Tea Custodians Limited[1]	26,825,000	17.88
4	The Tindall Foundation	10,000,000	6.67
5	FNZ Custodians Limited	8,651,000	5.77
6	PT Booster Investments Nominees Limited[1]	2,400,000	1.60
7	Adminis Custodial Nominees Limited	2,380,000	1.59
8	Forsyth Barr Custodians Limited	2,226,000	1.48
9	Commonwealth Bank Of Australia[1]	2,059,000	1.37
10	Investment Custodial Services Limited	1,927,000	1.28
11	JBWERE (NZ) Nominees Limited	1,600,000	1.07
12	FNZ Custodians Limited	1,085,000	0.72
13	NZ Permanent Trustees Ltd Group Investment Fund No 20[1]	1,075,000	0.72
14	Forsyth Barr Custodians Limited	1,012,000	0.67
15	Forsyth Barr Custodians Limited	644,000	0.43
16	Westpac Banking Corporation[1]	506,000	0.34
17	Bank of New Zealand Wellington Treasury Operations[1]	440,000	0.29
18	JPMorgan Chase Bank[1]	350,000	0.23
19	FNZ Custodians Limited	275,000	0.18
20	Liqiang Zhang & Haiyan Hu	250,000	0.17

[1] Held by New Zealand Central Securities Depository Ltd as custodian.

Disclosures (continued)

FOR THE YEAR ENDED 31 MARCH 2024

DISTRIBUTION OF SHAREHOLDERS AT 22 APRIL 2024

Size of shareholding	Number of shareholders		Shares held	
1–1,000	6,273	37.80%	2,902,799	0.43%
1,001–5,000	6,571	39.59%	16,390,680	2.38%
5,001–10,000	1,892	11.40%	13,619,566	1.98%
10,001–50,000	1,586	9.56%	31,912,368	4.64%
50,001–100,000	160	0.96%	10,513,501	1.53%
Greater than 100,000	114	0.69%	612,302,824	89.04%
Total	**16,596**	**100.00%**	**687,641,738**	**100.00%**

DISTRIBUTION OF BONDHOLDERS AT 22 APRIL 2024

RYM010

Size of shareholding	Number of bondholders		Bonds held	
1–1,000	-	0.00%	-	0.00%
1,001–5,000	33	6.09%	165,000	0.11%
5,001–10,000	114	21.03%	1,098,000	0.73%
10,001–50,000	324	59.78%	8,729,000	5.82%
50,001–100,000	31	5.72%	2,474,000	1.65%
Greater than 100,000	40	7.38%	137,534,000	91.69%
Total	**542**	**100.00%**	**150,000,000**	**100.00%**

SUBSTANTIAL PRODUCT HOLDERS AT 31 MARCH 2024

Shareholder	Number of ordinary shares	Percentage of shares on issue[1]
Karori Capital Limited	52,551,476	7.64%
ACATIS Investment KVG mbH on behalf of ACATIS Value Event Fonds (formerly known as ACATIS GANÉ Value Event Fonds)	41,163,639	5.99%

[1] Based on issued share capital of 687,641,738 as at 31 March 2024.

Artist's impression of our Bert Newton Village.

Climate-Related Disclosures

Statement of compliance

Ryman Healthcare is a climate reporting entity under the Financial Markets Conduct Act 2013.

These climate-related disclosures comply with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board. In preparing its climate-related disclosures, Ryman has elected to use the following adoption provisions:

- **Adoption provision 2: Anticipated financial impacts.** This adoption provision exempts Ryman from disclosing the anticipated financial impacts of climate-related risks and opportunities and the time horizons over which the risks and opportunities are expected to occur. Ryman has elected to apply this provision as it works to enhance processes and capability to better capture climate-related impacts.
- **Adoption provision 4: Scope 3 greenhouse gas emissions.** This adoption provision exempts Ryman from disclosing its scope 3 greenhouse gas (GHG) emissions. Disclosure of Ryman's scope 1 and 2 emissions along with selected scope 3 sources (business travel and waste) are included in the metrics and targets section on page 160. Ryman has excluded all other scope 3 related emissions across the following scope 3 categories – purchased goods and services, capital goods, fuel and energy related activities, employee commuting, and downstream leased assets.
- **Adoption provision 6: Comparatives for metrics.** This adoption provision exempts Ryman from disclosing comparative information for each metric disclosed for the immediately preceding two reporting periods.
- **Adoption provision 7: Analysis of trends.** This adoption provision exempts Ryman from disclosing an analysis of the main trends evident from a comparison of metrics from one reporting period to the next.

These climate-related disclosures have been prepared in accordance with the guiding principles of the International Integrated Reporting <IR> Framework. Details of our current business model and strategy are contained within other sections of this report.

Governance

Ryman is dedicated to establishing strong frameworks and procedures to tackle the challenges and leverage the opportunities arising from climate change. By implementing effective governance practices, we are working to navigate the intricacies of climate change, promoting transparency, resilience and the creation of long-term value.

Board governance

Ryman's Board is responsible for the governance of climate-related risks and opportunities and determining that Ryman has appropriate processes and systems in place to assess and manage climate risks and comply with the requirements of the Aotearoa New Zealand Climate Standards.

In 2022 the Board approved Ryman's sustainability strategy, which included a project to implement our climate change risk management roadmap in line with the requirements of the Aotearoa New Zealand Climate Standards.

In accordance with this, a formal climate scenario planning exercise and a climate risk and opportunity analysis were completed by Ryman executives and business unit leaders with the support of an external consultant (KPMG).

The scenario analysis was carried out on a standalone basis. However, the key risks and opportunities identified, the appropriateness of our selected scenarios and time horizons and the Representative Concentration Pathways (RCPs), as well as an update on relevant sector issues related to climate risk, were reviewed by the Board and Senior Executive Team (SET) at a strategic planning review meeting during FY24.

Progress against this work was reported to the Board in September 2023 and will now be included in the strategy review cycle.

The Board has assigned responsibility to the Audit, Finance and Risk committee to oversee:

- the reporting of climate-related risks and opportunities in line with regulatory obligations
- climate-related risk management processes and controls
- regular reviews of climate-related risk management processes and controls to reflect material changes in Ryman's business strategy, external environment and knowledge about climate-related risks
- independent assurance of Ryman's climate-related reporting, including climate disclosure statements.

The Audit, Finance and Risk committee convenes at least four times per annum. The committee receives reports from Ryman's SET on the items above, along with reports on our performance against key climate-related metrics and targets.

Management's role

Ryman's SET is responsible for overseeing climate-related risks and opportunities, as well as implementing our sustainability strategy. The SET is accountable for ensuring that all business units identify, assess and monitor climate-related risks and opportunities, in line with Ryman's Group Risk Management Framework (GRMF), which includes:

- deploying suitable risk-mitigation strategies
- implementing sustainability initiatives that align with performance targets and agreed strategic initiatives.

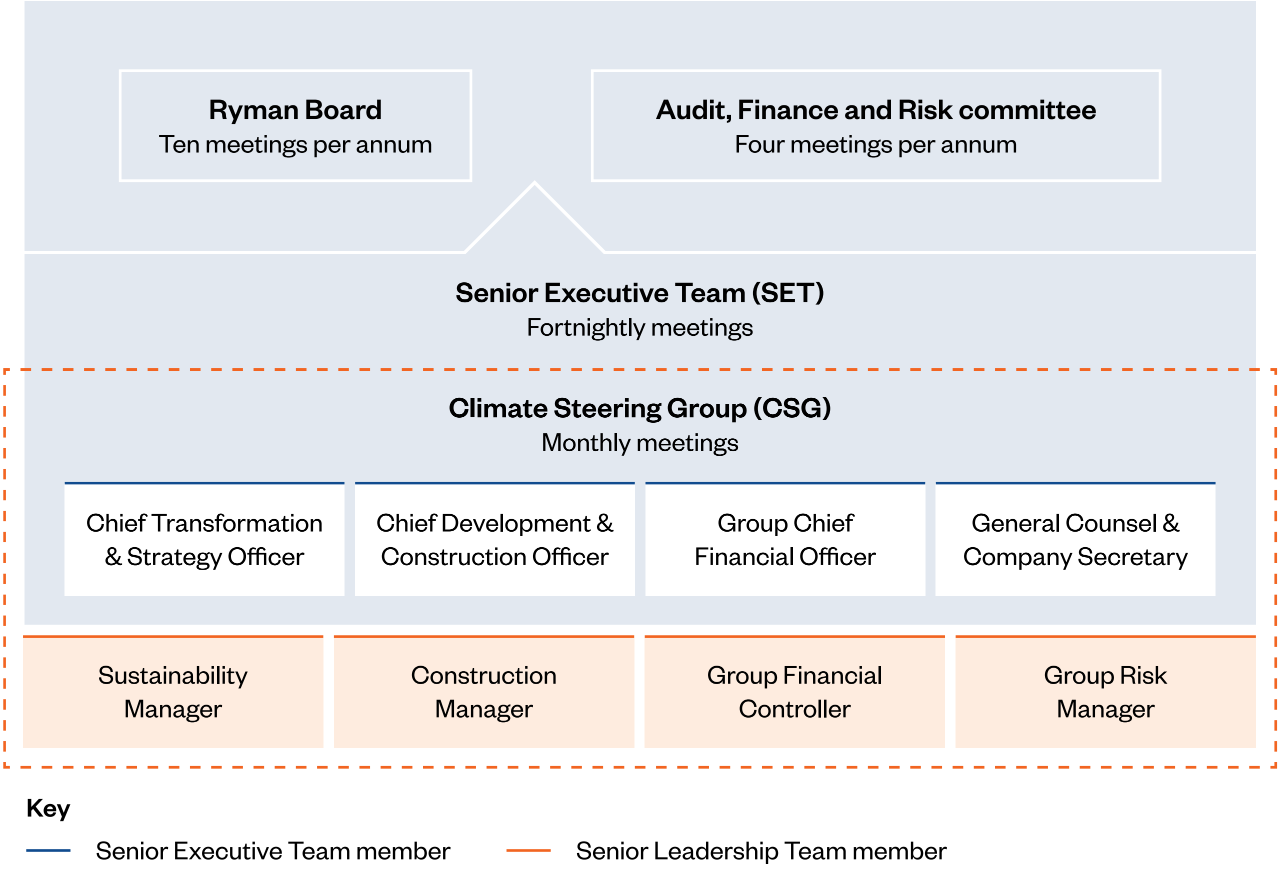
The SET meets fortnightly. The SET reviews Board and Audit, Finance and Risk committee reports and papers relating to material climate-related risks and opportunities.

Four members of our SET have distinct responsibilities related to climate risks and opportunities. These are outlined in Figure 1 on the following page.

Governance (continued)

Ryman's climate risk governance structure

Figure 1.



Climate-related responsibilities – Ryman's Senior Executive Team

Chief Transformation & Strategy Officer	Responsible for integrating climate-related risks and opportunities with Ryman's strategy, overseeing the implementation and ongoing review and iteration of Ryman's sustainability strategy (including the preparation of all sustainability strategy and climate risk reporting), supporting emissions' measurement and coordinating activities towards meeting Ryman's science-based emission-reduction targets.
Chief Development & Construction Officer	Responsible for embedding climate-related risks and opportunities in Ryman's construction development and delivery planning and investment decisions.
Group Chief Financial Officer	Responsible for integrating climate-related risks and opportunities with financial planning and capital expenditure/allocation decisions and disclosing Ryman's climate-related risks in line with the Aotearoa New Zealand Climate Standards.
General Counsel & Company Secretary	Responsible for incorporating climate-related risks into Ryman's GRMF, coordinating climate-related risk management processes and controls, including internal audits, regular reviews of climate-related risk management processes and controls to reflect material changes in Ryman's business strategy, external environment, and knowledge about sustainability-related risks.

Climate Steering Group

Ryman's Climate Steering Group (CSG), established in 2023, meets monthly to ensure the integration of climate-related risks and opportunities with processes and decision making, in line with the requirements of the climate-related disclosure framework.

The CSG comprises members of the SET with defined climate responsibilities, as well as subject matter experts from Ryman's Senior Leadership Team (SLT), identified in Figure 1. The Sustainability Manager acts as the secretariat for the CSG.

The core responsibilities of the CSG include:

- Reviewing performance against climate-related metrics and targets including GHG emissions
- Reviewing progress and providing feedback on projects identified under Ryman's emission-reduction plan
- Monitoring supplier engagement commitments under the terms of the Science Based Targets Initiative (SBTi)
- Discussing the emergence of new climate-related risks and opportunities.

The CSG also supports the Sustainability Manager's reporting against climate-related risks and opportunities.

Board skills and expertise

The Board comprises several directors with an understanding of the risks and opportunities presented by a changing climate. A summary of the Board's skill set can be found on page 114 of the corporate governance section of this Annual Report.

The Board conducts annual self-assessments of its performance and capabilities. These assessments include reviewing the skills and competencies required for fulfilling all Board responsibilities, including oversight of climate-related risks and opportunities.

To further develop our climate risk management capability, Ryman engages relevant third-party training providers to deliver targeted training for our Board and executives.

Remuneration

Short-term Incentives for all SET members for FY25 include a 'cultural advocacy, safety and sustainability' component. This component forms 15% of total potential incentive earnings and includes metrics for the achievement of climate-related risk and opportunity initiatives and progress towards the achievement of our SBTi targets. Assessments against these metrics occur in the annual performance review cycle.

Strategy

Our sustainability strategy addresses material issues, including climate change, that were identified through formal stakeholder consultation. Our actions to address these issues have included establishing science-based emission-reduction targets, identifying climate risks and opportunities and aligning our business with global climate change objectives.

Scenario analysis

In late 2022 external consultants were engaged to support SET and SLT in conducting a robust climate risk, resilience and opportunity assessment, which was approved by the Board. The process involved the following steps:

1. **Driver elicitation interviews and literature review:** Identify and understand the drivers of climate change that currently or may impact Ryman's ability to execute and achieve our organisational strategy over time as well as Ryman's ability to create value. The process considered Ryman's value chain, an updated version of which is detailed on page 13 of this Annual Report.
2. **Development of integrated climate scenarios:** Agree on a framework of integrated climate scenarios and relevant time horizons, drawing upon domestic and international guidelines.
3. **Scenario validation:** A Climate Working Group (CWG), made up of members of Ryman's senior executive and leadership teams and other external subject matter experts, scrutinised and validated the scenarios.
4. **Scenario interrogation:** The CWG identified risks and opportunities. They qualified the level of risk over the time horizons within each scenario and considered the impact and likelihood of that risk, according to our enterprise risk framework.

Ryman's climate scenarios

Three climate scenarios were developed from a range of leading international frameworks and models.

1. **Net Zero:** A smooth transition.
2. **Disorderly:** A delayed and disruptive transition.
3. **Hothouse:** No change to current policies, leading to major climate disruption long term.

Key data sources used to construct scenarios

- **Network for Greening the Financial System (NGFS):** Used to inform assumptions about overall policy ambitions and broad policy trends (e.g., on the nature of emission-reduction policy and climate change technology uptake). Fundamentally designed for the financial system, which dictates many of the transition risks for the environment in which Ryman operates.
- **Representative Concentration Pathways (RCPs):** The RCPs determine the forcing of physical hazards in the future. The RCPs selected closely match the NGFS policy ambitions for warming.
- **Shared Socioeconomic Pathways (SSPs):** The SSPs were selected to provide the social and economic contexts for our scenarios. They include parameters around population, health, institutions, the economy, trade and technology. A range of SSPs was used across the scenarios to ensure Ryman was tested across a range of possible socioeconomic futures.
- **Shared Policy Assumptions for New Zealand (SPANZ):** The SPANZ are downscaled global scenarios for the New Zealand context. They provided a framework for describing New Zealand government policy and wider socioeconomic outcomes. SPANZ narratives were adjusted to reflect the shift in domestic and international interactions following COVID.

Strategy (continued)

	Net Zero (1.5°C)*	Disorderly (<2.0°C)*	Hothouse (>3.0°C)*
What it means	- An ambitious and coordinated transition aligned with a 1.5°C warming trajectory, in line with the Paris Agreement.	- Delayed policy response followed by sudden and uncoordinated transformation, landing at <2.0°C.	- Continuation of current policy settings, leading to uncontrolled warming of >3.0°C.
What is the impact?	- The physical impacts of climate change are limited. - While short-term costs and disruptions from reducing emissions rapidly are high, in the medium and long term they are affordable – relative to other plausible scenarios. - We have avoided a tipping point in our climate system[#].	- The extent of climate-related physical impacts is substantial but largely manageable through to the end of the century. - Adaption costs place significant strain on the economy and society. - It is more likely than not that we have avoided a tipping point in our climate system*.	- The physical impacts of climate change grow through to the middle of the century. From 2050 onwards, their scope, scale and ferocity accelerate. - Adaption is highly disruptive. - We have almost certainly surpassed a tipping point in our climate system*.
Framework architecture	- RCP reference RCP 2.6 (0.3°C to 1.8°C). - SSP reference scenario: SSP1 Sustainability. - SPANZ reference scenario (adjusted): F: 100% Smart.	- RCP reference RCP 4.5 (0.7°C to 3.3°C). - SSP reference scenario: SSP2 Middle of the Road. - SPANZ reference scenario (adjusted): A: Kicking, Screaming.	- RCP reference RCP 6.0 (1.2°C to 4.3°C). - SSP reference scenario: SSP4 Inequality. - SPANZ reference scenario (adjusted): D: Homo Economicus.
	* NGFS: reference scenario: Net Zero 2050 (1.5°C). [#] A climate system tipping point would lead to massive polar melting and a shutdown of large ocean circulation systems that maintain a stable and liveable environment.	* NGFS reference scenario: Delayed transition (<2.0°C).	* NGFS reference scenario: Current policies (3.0+°C).

Strategy (continued)

Time horizons

The time horizons chosen for the scenario analysis align with our strategic planning and investment cycle. They reflect a timeline that we consider will permit a measurable and meaningful response to the potential impacts of climate change on our business; acknowledging that both scenarios and timelines may require adjustments over time.

Time horizons for scenario analysis		Rationale
Short term	2022-2025	Aligned with our current business planning cycle
Medium term	2026-2030	Aligned with our emission-reduction targets and transitional impacts associated with the building and construction sector
Long term	2031-2050	Aligned with the time horizon targeted by Aotearoa New Zealand to achieve Net Zero

The scenarios and time horizons were chosen as they provided diverse yet plausible futures that enabled Ryman to assess the potential impacts of climate change on our Build-Sell-Operate model, over a time horizon aligned with our business planning cycle. Specifically, they enabled us to assess the potential impacts of climate change on our current village portfolio, our development pipeline and the needs and preferences of our residents and future residents over a realistic and meaningful time horizon.

Climate-related risks and opportunities

Our scenario analysis then identified the material climate-related risks and opportunities for our business.

- **Material risks:** Are those that, if not managed appropriately, could significantly impact our operations, strategy and financial planning.
- **Material opportunities:** Are those that, when pursued, will not only bolster our financial performance but also offer the potential to reduce our environmental footprint.

These material risks and opportunities were prioritised based on their relevance to our business model and their potential impacts and probability. Where, when and how these risks may impact our business remains uncertain.

The risks and opportunities are classified based on whether they are caused by the physical or transitional impacts of climate change, and which part of Ryman's business model they impact.

They include physical risks such as those posed by the increased severity of extreme weather events (event-driven risks), the longer-term shifts in precipitation and temperature, and the increased variability in weather patterns such as sea level rise.

Transition risks relate to the transition to a low-emissions, climate-resilient global and domestic economy, and include policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change.

The outputs of this assessment were then further refined and consolidated by our CSG. The table on the following page provides a consolidated view of our material risks and opportunities and their anticipated magnitude and potential impacts under each scenario and time horizon. The metrics and targets relating to these risks and opportunities are detailed on pages 164–165.

Climate-related risks and opportunities

Key
● High
◍ Medium
○ Low

TR: Transitional risk
PR: Physical risk
TO: Transitional opportunity

				Impact over time horizons		
	Risk description	**% or amount vulnerable**	**Scenario**	**Short**	**Medium**	**Long**
Build	**TR1**					
	Pace of change impacting ability to create well-designed, well-built villages	Future village pipeline	**Net Zero**	◍	●	◍
			Disorderly	◍	●	●
			Hothouse	○	○	◍
	TR2					
	Availability and cost of construction materials, including innovative, low-carbon materials	Future village pipeline	**Net Zero**	◍	◍	○
			Disorderly	◍	●	●
			Hothouse	○	◍	●
	PR3 | PR4					
	Physical climate risk impacting construction site operations	Sites under construction	See detailed physical risk assessment on the following pages			
Sell	**TO1**					
	In a context of increased demand for climate-resilient villages and businesses, climate action enhances brand and social licence to operate, with associated benefits for future sales of occupation right agreements (ORAs), reduced cost of finance and insurance and improved investor confidence	100% of our business activities are aligned with this opportunity	**Net Zero**	◍	●	●
			Disorderly	◍	●	●
			Hothouse	◍	●	●
Operate	**TR3**					
	Pace of change creates capability gaps across business units	100% of business operations	**Net Zero**	◍	●	◍
			Disorderly	◍	●	●
			Hothouse	○	◍	●
	PR1 | PR2 | PR5 | PR6 | PR7					
	Physical climate risks impacting operating villages	Operating villages	See detailed physical risk assessment on the following pages			
	TR4					
	Existing villages require retrofitting to accommodate regulatory changes (additional to those required to mitigate physical climate risks) e.g., replace gas	Villages >15 years old	**Net Zero**	◍	●	○
			Disorderly	○	●	●
			Hothouse	○	○	●
	TR5					
	Increasing operating costs such as those relating to energy prices and the procurement of goods and services, including insurance and waste levies driven by regulatory change, consumer preferences and supply chain dynamics	100% of business operations	**Net Zero**	○	●	○
			Disorderly	○	●	●
			Hothouse	○	◍	●

Strategy (continued)

Physical climate risks: Additional assessment

While physical climate risks were identified at a high level through the scenario analysis, the work identified the need to deepen our understanding of our villages' resilience and form a view on the specific risk levels associated with our business. We have therefore completed a comprehensive internal desktop analysis to create a baseline assessment of the risk levels.

This evaluation involved experts from our construction, design, property and development segments and focused on six physical climate hazards:

- **Flooding:** Impacting on safety and assets from inundation due to watercourses breaching banks (a definition aligned with our insurer).
- **Extreme weather:** Impacting on safety and assets from extreme weather events including wind damage and overland flow relating to overwhelmed storm water infrastructure locally.
- **Heat:** Impacting on safety and wellbeing for construction teams and construction business performance. Considered separately for New Zealand and Australia construction teams.
- **Heat:** Impacting on safety and wellbeing for village residents and teams. Limited to consideration of villages without air conditioning.
- **Heat:** Fire.
- **Coastal inundation:** Flooding of low-lying coastal land due to extreme high-water levels.

Methodology and assumptions

For each climate hazard we considered the current performance of our village portfolio and how the portfolio might respond under the assumption of a Hothouse scenario (RCP 6.0, 3.0°C temperature increase – a flat temperature increase of 2.0°C was applied over current temperatures given that current climatic conditions reflect temperature increases above 1.0°C, taking into account:

1. **Impact:** Based on a consideration of financial, human and brand costs per event, remediation costs and mitigation costs (referencing known financial impacts of historical events and estimate of remediation/mitigation costs using current business-unit cost assumptions).
2. **Likelihood:** Reflecting publicly sourced geological and historical meteorological and weather event data, overlayed with climate escalation, as well as expert knowledge of our portfolio building topography, design, construction and operations, including the human impacts of increasing temperatures on our residents. This data included a relative exposure assessment provided by Ryman's insurer IAG New Zealand.

We used our GRMF to assess the correlations between the impact and likelihood factors and determine an overall risk level for each hazard under examination.

Adoption of emerging practices

As we are aware that emerging practices relating to physical risk assessments now consider *exposure* as opposed to *likelihood*, where exposure is defined as the percentage of a particular 'risk element' (i.e., the part of the business value chain affected) exposed to the risk, we therefore considered the likelihood for the specific 'risk element' for each hazard i.e., the specific impacted villages or sites under construction. Using this approach, we aligned *exposure* with the *likelihood* axis in our risk matrix analysis.

In addition, we responded to the emerging practice of incorporating sensitivity and adaptive capacity for climate hazard risk analysis by including narratives on both factors for each hazard in our assessment. These factors are significant determinants of the score on the 'impact' axis in our risk matrix approach. We applied this approach to each village and site under construction, for each physical climate hazard.

The results of this physical risk assessment are contained in the tables on the following pages and highlight that our present assessed risk is considered low across all hazards.

However, the assessment identified villages with a medium level of risk to specific climate hazards over a long term (2050) RCP 6.0, Hothouse scenario.

In addition, the assessment revealed that further work is required to fully understand the risks of flood and bushfires under the same long-term (2050) RCP 6.0, Hothouse scenario. From a flood perspective we have identified nine villages where further work is required. In addition, we will carry out further assessments to better understand the potential future impacts of bushfires on at-risk villages.

Strategy (continued)

Physical climate risks: Additional assessment

PR1 | Extreme weather events (flood)

Risk to the functionality of Ryman villages due to damage from extreme weather events impeding operations
Potential impact of a water event directly attributable to river or sea level rise on New Zealand villages, impacting village operations

Business Model element affected: Operate
Business risk element exposed: 9 existing villages in identified flood-prone areas

Likelihood of exposure

Present:

Rare | **Unlikely** | Possible | Likely | Almost Certain

Considers event history, frequency and distribution and review of council flood plain information for sites

2050 Hothouse:

Rare | Unlikely | **Possible** | Likely | Almost Certain

Adjusted to reflect increasing frequency of events

Additional considerations factored in to risk assessment

Sensitivity

Rating:

Extreme | High | Moderate | **Low** | Very Low

All identified villages have existing mitigations consistent with regulations. This requires external review to identify any further potential mitigations

Adaptive capacity

Rating:

Very High | **High** | Medium | Low | Very Low

Plans for any additional mitigations to strengthen for future flood scenarios can be incorporated into regular refurbishment

Impact

Present:

Severe | Major | Moderate | **Minor** | Insignificant

Considers that all sites meet existing regulatory guidance

Recent insurer review feedback

2050 Hothouse:

To be confirmed

Potential combined total cost of mitigations to meet higher standards is unlikely to exceed the upper financial boundary on the risk matrix. This requires further detailed review to validate

Assessed risk*

Present:

Very High | High | Medium | **Low** | Very Low

2050 Hothouse:

To be confirmed

Assumptions/Methodology

Considers only those villages located close to water courses, historically impacted by flood events, or identified under flood modelling by territorial authorities (New Zealand and Victorian local councils) as prone to flood

*(Likelihood of Exposure x Sensitivity x Adaptive Capacity) x Impact

Strategy (continued)

PR2 | Extreme weather events (storm)

Risk to the functionality of Ryman villages due to damage from extreme weather events impeding operations
Potential impact of cyclones, wind, snow and rainfall on Ryman villages impacting villages' operations

Business Model element affected: Operate
Business risk element exposed: Entire existing village portfolio

Likelihood of exposure

Present:

Rare	Unlikely	**Possible**	Likely	Almost Certain

Considers historical event frequency and distribution

2050 Hothouse:

Rare	Unlikely	Possible	**Likely**	Almost Certain

Considers increasing frequency as per scenario

Additional considerations factored in to risk assessment

Sensitivity

Rating:

Extreme	High	Moderate	**Low**	Very Low

Ryman village operations and infrastructure have proven extremely resilient, with only very minor impacts over a widely distributed network

Adaptive capacity

Rating:

Very High	High	Medium	Low	Very Low

Proven ability to respond decisively to extreme weather events

Impact

Present:

Severe	Major	Moderate	**Minor**	Insignificant

Cost impacts have been consistently minor – further mitigated by insurance protection

2050 Hothouse:

Severe	Major	Moderate	**Minor**	Insignificant

Cost impacts have been consistently minor – further mitigated by insurance protection

Assessed risk*

Present:

Very High	High	Medium	**Low**	Very Low

2050 Hothouse:

Very High	High	**Medium**	Low	Very Low

Assumptions/Methodology

Historical performance of the current village portfolio
Geographically dispersed villages
Low historical financial impacts of storms and resilience of our villages

*(Likelihood of Exposure x Sensitivity x Adaptive Capacity) x Impact

Strategy (continued)

PR3 | Heat (increasing temperature)

Risk to the delivery of Ryman village construction due to extreme heat restricting outdoor labour
Inability of construction workforce to work in extreme temperatures, thereby delaying the delivery of key Ryman construction projects

Business Model element affected: Build
Business risk element exposed: Construction teams – New Zealand

Likelihood of exposure

Present:

Rare	Unlikely	Possible	Likely	Almost Certain

Considers historical meteorological data by region

2050 Hothouse:

Rare	Unlikely	**Possible**	Likely	Almost Certain

Considers projected temperature increases and regional humidity thresholds for frequency of summer temperatures that threaten team safety using RCP 6.0 guidance

Additional considerations factored in to risk assessment

Sensitivity

Rating:

Extreme	High	Moderate	**Low**	Very Low

RCP 6.0 guidance that rising temperatures will have just 0.3% impact on labour productivity

Adaptive capacity

Rating:

Very High	High	Medium	Low	Very Low

Construction planning and strong commercial practices mitigate business impacts

Impact

Present:

Severe	Major	Moderate	**Minor**	Insignificant

As per adaptive capacity

2050 Hothouse:

Severe	Major	Moderate	**Minor**	Insignificant

As per adaptive capacity

Assessed risk*

Present:

Very High	High	Medium	**Low**	Very Low

2050 Hothouse:

Very High	High	Medium	**Low**	Very Low

Assumptions/Methodology

Adaptive capability of our construction teams
Narrow construction window
Ability to adapt construction methods to deal with adverse weather impacts on construction

*(Likelihood of Exposure x Sensitivity x Adaptive Capacity) x Impact

Strategy (continued)

PR4 | Heat (increasing temperature)

Risk to the delivery of Ryman village construction due to extreme heat restricting outdoor labour
Inability of construction workforce to work in extreme temperatures, thereby delaying the delivery of key Ryman construction projects

Business Model element affected: Build
Business risk element exposed: Construction teams – Australia

Likelihood of exposure

Present:

Rare | Unlikely | Possible | Likely | Almost Certain

Considers historical meteorological data by region

2050 Hothouse:

Rare | Unlikely | Possible | **Likely** | Almost Certain

Considers projected temperature increases and regional humidity thresholds for frequency of summer temperatures that threaten team safety using RCP 6.0 guidance

Additional considerations factored in to risk assessment

Sensitivity

Rating:

Extreme | High | Moderate | **Low** | Very Low

RCP guidance that rising temperatures will have just a 2.4% impact on labour productivity

Adaptive capacity

Rating:

Very High | High | Medium | Low | Very Low

Construction planning and strong commercial practices mitigate business impacts

Impact

Present:

Severe | Major | Moderate | **Minor** | Insignificant

As per adaptive capacity

2050 Hothouse:

Severe | Major | Moderate | **Minor** | Insignificant

As per adaptive capacity

Assessed risk*

Present:

Very High | High | Medium | **Low** | Very Low

2050 Hothouse:

Very High | High | **Medium** | Low | Very Low

Assumptions/Methodology

As per PR3 construction teams – New Zealand

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*(Likelihood of Exposure x Sensitivity x Adaptive Capacity) x Impact

PR5 | Heat (increasing temperature)

Risk to health and safety and wellbeing of residents and staff due to extreme heat
Potential impacts of extreme heat driving up inside-village temperatures to beyond levels regarded as safe for the elderly, and the impacts on the ability of Ryman staff to deliver care

Business Model element affected: Operate
Business risk element exposed: Ryman residents and village teams (21 villages without air conditioning)

Likelihood of exposure

Present:

Rare	Unlikely	Possible	Likely	Almost Certain

Considers historical meteorological data by region

2050 Hothouse:

Rare	Unlikely	**Possible**	Likely	Almost Certain

Considers projected temperature increases RCP 6.0 and humidity and regional thresholds for frequency of summer temperatures that threaten resident safety using current Ryman clinical team guidance

Additional considerations factored in to risk assessment

Sensitivity

Rating:

Extreme	High	**Moderate**	Low	Very Low

9 existing villages identified with future temperature thresholds outside of clinical guidance

Adaptive capacity

Rating:

Very High	High	Medium	Low	Very Low

Our existing programme of refurbishments enables prioritisation of heat mitigation at identified villages

Impact

Present:

Severe	Major	Moderate	**Minor**	Insignificant

No immediate mitigations required

2050 Hothouse:

Severe	Major	**Moderate**	Minor	Insignificant

The combined total mitigating costs of introducing air conditioning to identified sites in any one year are likely to exceed the upper financial boundary on the risk matrix. However, the impact will be spread over multiple years, and is programmed into existing refurbishments

Assessed risk*

Present:

Very High	High	Medium	**Low**	Very Low

2050 Hothouse:

Very High	High	**Medium**	Low	Very Low

Assumptions/Methodology

Only existing villages without comprehensive air conditioning in all areas
Affects only older New Zealand villages
External temperature threshold of 30°C used (as recognised by Ryman clinical team as representative of an external temperature that would affect the internal environment)

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*(Likelihood of Exposure x Sensitivity x Adaptive Capacity) x Impact

Strategy (continued)

PR6 | Heat (fire)

Risk to Ryman village operations due to interruption or damage from fire
Bushfires leading to village damage, health issues associated with smoke and fire for staff and residents, and brand damage

Business Model element affected: Operate
Business risk element exposed: 2 existing villages (New Zealand)

Likelihood of exposure

Present:

[✓ Rare] | Unlikely | Possible | Likely | Almost Certain

Considers historical frequency of events and specific geographical exposure

2050 Hothouse:

Rare | [✓ Unlikely] | Possible | Likely | Almost Certain

Considers projected temperature increases and specific geographical exposure

---

Additional considerations factored in to risk assessment

Sensitivity

Rating:

Extreme | High | Moderate | [✓ Low] | Very Low

Limited existing villages, with exposure primarily to evacuation due to smoke, rather than direct fire path

Strong civil defence/emergency response liaison

Adaptive capacity

Rating:

Very High | High | [✓ Medium] | Low | Very Low

Sustained full village evacuation, even a single village, would create significant disruption

---

Impact

Present:

Severe | Major | [✓ Moderate] | Minor | Insignificant

Business interruption costs are protected by insurance

Non-financial impacts moderate

2050 Hothouse:

To be confirmed

Further independent assessment required

Assessed risk*

Present:

Very High | High | Medium | [✓ Low] | Very Low

2050 Hothouse:

To be confirmed

Assumptions/Methodology

Historical performance of our villages

Ability and speed to adapt to a bushfire-related event

Village locations relative to at-risk areas (rural)

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*(Likelihood of Exposure x Sensitivity x Adaptive Capacity) x Impact

Strategy (continued)

PR7 | Coastal inundation

Risk to sustainability of village
Coastal inundation making certain villages unviable

Business Model element affected: Operate
Business risk element exposed: 3 existing villages in low-lying coastal areas

Likelihood of exposure

No assessed exposure at RCP 6.0, including 0.63-metre sea level rise by 2050

Considers event history, frequency and distribution and review of council flood plain information for sites

Additional considerations factored in to risk assessment

Sensitivity

Rating:

Extreme | High | Moderate | Low | [✓ **Very Low**]

No existing villages at projected level of rise

Adaptive capacity

Rating:

N/A

N/A

Impact

Present:

N/A

As per sensitivity justification

2050 Hothouse:

N/A

As per sensitivity justification

Assessed risk*

Present:

Very High | High | Medium | [✓ **Low**] | Very Low

2050 Hothouse:

Very High | High | Medium | [✓ **Low**] | Very Low

Assumptions/Methodology

Existing, specific village locations

*(Likelihood of Exposure x Sensitivity x Adaptive Capacity) x Impact

Strategy (continued)

Current impacts and financial impacts

In addition to the risk assessments completed during the year, a bi-annual survey of SET members is used to monitor and register material physical and transitional climate-related risks and opportunities. A material event is defined as:

- any event that would materially impact the profit and loss, balance sheet and/or cash flow items of any Ryman Group member; or
- any event that is likely to influence the decision-making process of an investor, regardless of whether there is a direct financial impact that could harm Ryman's reputation or goodwill.

In FY24 Ryman did not experience any climate-related impacts in New Zealand or Australia. Consequently, there has been no resulting material financial impact.

Capital deployment and funding processes to address identified climate risks

To date no material capital funding has been deployed to address climate-related risks and opportunities.

However, we recognise the risks and opportunities presented by climate change and are currently working to operationalise our climate action plan throughout our business as a deliberate, whole-of-business approach. We see this work as vital and it will form a key part of our strategy leading up to 2030. We anticipate any expenditure to address material climate-related risks and opportunities to be reflected in normal business planning and activity.

All decision-making relating to capital allocations for future village developments or acquisitions will be subject to detailed, and significantly strengthened processes that include a climate risk assessment aligned to the timelines and RCP 6.0 used in our scenario analysis. It will include ensuring that we acquire sites in suitable locations and construct villages resilient to the risks identified through our scenario analysis.

Transition plan

Ryman's GHG emission-reduction plan (with ambitious targets validated by the SBTi in early 2024) is the centrepiece of our transition plan and incorporated into our sustainability strategy. The strategy also contains a broader range of projects to support our transition in the coming years, including addressing embodied carbon in our future village designs in anticipation of the potential for regulatory caps on embodied carbon in our buildings.

Our scope 1 and 2 emission-reduction actions are identified in key projects in our sustainability strategy. They include:

- reducing our vehicle fleet fuel and transitioning to alternative energy vehicles;
- minimising natural gas usage for heating and cooking in our villages; and
- ensuring clean energy sources for electricity consumption for heating and cooling purposes.

Our scope 3 emissions make up the majority of our GHG emissions inventory. These emissions are dominated by the embodied carbon associated with materials such as concrete and steel used to build our villages. Through the terms of our science-based emission-reduction targets we are committed to working with those in our supply chain and leveraging our leadership position to have them set science-based emission-reduction targets. This will also allow us time to better understand and measure embodied carbon and identify alternative processes and materials to reduce our carbon footprint.

▶ More detail on these projects is provided in our 2024 Sustainability Report on our website.

Ryman's business model and strategy are detailed in this Annual Report.

Risk management

We recognise the importance of navigating our changing environment and aim to fortify our operations against potential disruptions while capitalising on sustainable growth opportunities.

Embedding climate in our Group Risk Management Framework

Our climate risk assessments, including the process of identifying specific risks and opportunities posed by climate change and/or the transition to a low-carbon economy, are integrated with Ryman's overall GRMF.

Our GRMF adopts the principles detailed in ISO 31000:2018 risk management guidelines and aims to identify and manage effectively the risks associated with potential failures to achieve our business objectives. Principle 6 in the corporate governance section of this Annual Report details the management of our risks and internal controls in more detail.

Our GRMF provides a structured approach to assessing and managing the risks we are willing to accept in the pursuit of our business objectives. This approach ensures both alignment and consistency of activities relating to risk identification, assessment, management, monitoring and reporting. Our GRMF is aligned with the Institute of Directors in New Zealand's approach, and this is enabling Ryman to better understand and measure risk through both qualitative and quantitative mechanisms.

Nine material risk categories are identified in our GRMF, enabling Ryman to prioritise and focus on those risks that present the greatest potential impacts on our business model. Climate-related risk is one of these categories and addresses both physical and transitional risks. All of Ryman's material risks, including climate risks, are managed in line with our risk appetite framework. Risks assessed as being outside that appetite are escalated and prioritised for action.

The Key Performance Indicators (KPIs) relating to climate-risk levels are:

- achieving our science-based emission-reduction target within scopes 1 and 2;
- delivering on the scope 3 emissions reduction – supplier engagement project; and
- monitoring and maintaining assessed physical climate risk levels to within tolerance.

Updating our climate-related scenario analysis over time

As the Ryman scenario analysis preceded the publication of construction and health sector analyses in late 2023 and 2024 respectively, we will reassess the scenarios and timeframes during our strategy review in FY25.

Ryman will review our scenarios on an annual basis relative to changes in our business model, operating conditions, new sector guidance and emerging climate change thought leadership.

Stakeholder engagement

Ryman has several dedicated internal risk management forums where climate-related risks, issues and opportunities are discussed. This approach supports a greater understanding, identification and assessment of climate-related risks and their potential impacts throughout the enterprise.

Metrics and targets

Through transparent reporting and defined targets, we aim to provide clear insights into our efforts to address climate risks and opportunities and drive long-term resilience for our business model. In line with this, the Audit, Finance and Risk committee and Board have approved the following metrics and targets, which were developed by management to manage the identified climate risks and opportunities.

Industry-based metrics and any other metrics and targets

We have reviewed International Financial Reporting Standards' industry guidance for the 'homebuilders' and 'healthcare delivery' sectors as those most aligned with our Build-Sell-Operate business model. A range of other metrics are embedded across the pillars of our sustainability strategy, such as:

- interim KPIs, through which we are tracking project progress as we implement our emission-reduction plan to deliver against our science-based emission-reduction target, including but not limited to addressing emissions associated with energy used in our villages; and
- a goal of designing and building to accredited green building standards as a means of insulating our villages against the impacts of climate change. We are in the process of formulating a strategy and developing a target to meet this goal, which aligns with the 'homebuilders' sector-based metrics and targets.

Greenhouse gas emissions

Ryman is committed to measuring and reducing our GHG emissions in accordance with the Paris Agreement, and we have been documenting energy usage and carbon emissions since 2017. We prepare our GHG inventory on an annual basis, covering scopes 1 and 2 and mandatory scope 3 emissions under our Toitū Envirocare 'carbonreduce' programme, which is subject to annual certification and a reasonable assurance audit. The audit carried out by Toitū under the 'carbonreduce' programme did not identify any material issues with the GHG emissions reported in this disclosure. For a copy of Ryman's FY24 Toitū 'carbonreduce' programme certification please visit the Sustainability section of the Ryman website.

Our GHG emissions have been determined in accordance with the GHG Protocol and ISO 14064-1:2018, which provides specifications and guidance at the organisation level for the quantification and reporting of GHG emissions and removals. Ryman has applied the operational control approach to calculating our emissions inventory; this approach was selected as it means Ryman has the authority to introduce and implement operating policies to reduce the measured emissions.

We calculate our emissions using the Toitū emanage carbon management software, which utilises emission factors and Global Warming Potentials (GWPs) provided by the programme. GWP values from the Intergovernmental Panel on Climate Change's fifth assessment report (AR5) are utilised as the preferred conversion factors. The calculation methodology used for quantifying the emissions inventory uses activity data multiplied by the relevant emission factor.

From FY25, Ryman's GHG inventory will be subject to independent assurance carried out by our external auditor.

Metrics and targets (continued)

As at 31 March 2024, Ryman reports the following GHG emissions and performance for the Group.

Scope	Base year (FY21) emissions (tC02e)	FY24 emissions (tC02e)	SBTi 2030 target	FY24 performance against base year (FY21)	
				(tC02e)	% change
Scope 1 – Direct emissions	4,317[1]	4,318	42% or 7,337tC02e	12,552	+0.02%
Scope 2 – Indirect emissions from imported energy	8,333[2]	8,234			-1.20%
Scope 3 – Indirect emissions from transportation (business travel)	469	1,418	Target to be established	N/A	N/A
Scope 3 – Indirect emissions from products used by the organisation (waste)	3,131	2,705	Target to be established	N/A	N/A

[1] Direct emissions are Ryman's original FY21 reported emissions. These are higher than the SBTi validated emissions by 33tC02e, due to a difference in the emission factors applied to fuel between Toitū and the SBTi validated inventory.

[2] Indirect emissions are Ryman's original FY21 reported emissions. These are lower than the SBTi validated emissions by 222tC02e, due to a difference in Australian emission factors between Toitū and the SBTi validated target.

The scope 2 emissions in the above table reflect a market-based methodology for calculating scope 2 emissions from imported energy in line with the methodology used for our SBTi emission-reduction targets. As required for this disclosure, the following table provides the emissions calculation using the location-based methodology.

Scope	Base year (FY21) emissions (tC02e)	FY24 emissions (tC02e)
Scope 2 – Indirect emissions from imported energy (location)	8,001	9,623

Performance against our Scope 1 and 2 emission-reduction targets

Ryman aims to achieve a 42% reduction in emissions for scopes 1 and 2, on an absolute basis, to be achieved by 2030 relative to a base year of 2021. Our targets have been verified by the SBTi and are aligned with global goals to limit global warming to 1.5°C, in line with the Paris Agreement. Our emission-reduction targets do not include the use of carbon offsets.

Our targets and performance are presented in the table above.

For scope 1 emissions, our performance against target in FY24 represented limited change, reflecting a small increase in natural gas use in Australian villages, which was offset by lower fuel use through reduced construction activity and a revised contracting model.

For scope 2 emissions, 18,920 New Zealand Energy Certificate System certificates were redeemed by Ryman. These certificates were issued by Mercury NZ Limited against generation that occurred in FY24 at the Turitea North production device. The 18,920 megawatt hours of generated electricity against which the certificates were issued led to emissions estimated at zero tonnes of carbon dioxide equivalent. Reported scope 2 emissions of 8,234tC02e were net of the benefit from renewable energy certificates.

Metrics and targets (continued)

Performance against our Scope 3 emission-reduction interim target

While Ryman is not able to report a full scope 3 inventory for FY24, we have been reporting on our scope 3 emissions for waste and travel since 2017 and provide this data for continuity as per prior years.

Our indirect emissions in FY24 reflected an increase in business travel that was primarily due to normalised travel activity post COVID. Our indirect emissions related to products used by the organisation (waste) benefited from a reduction in waste across the New Zealand village portfolio, which was offset by an increase in volumes in Australia due to the building of several new villages.

To obtain our SBTi target, we undertook a comprehensive baseline assessment using 2021 data. The assessment calculated that 95% of our emissions stemmed from scope 3 (using a spend-based method to estimate scope 3 emissions exposure). As such, and as an interim step to lower our scope 3 emissions, we adopted an SBTi-endorsed goal to engage with 75.5% of our suppliers (by spend, covering purchased goods and services, capital goods and waste generated in operations) and worked with them to set their own science-based emission-reduction targets by FY28. The goal will be reassessed annually.

We await new SBTi building-sector-based guidance, which is currently being finalised, before adopting an intensity-based emission-reduction target for our scope 3 emissions.

It should be noted that:

- normal business operations were impacted by COVID in our base year (as noted, business travel was constrained in 2021);
- we have yet to map our supply chain to the impacts of climate-related risks; and
- we do not currently assess emissions performance on an intensity basis; instead we assess absolute performance as per the terms of our science-based target. The following emissions intensity metric is provided to meet the requirements of the climate-related disclosures framework.

Intensity measure	**FY24 performance**
Scopes 1 and 2, tC02e/$m revenue	18.19tC02e

Emission sources identified

Following is a breakdown of the emission categories included in our GHG emissions inventory, which form the basis of our emissions calculations for scope 1 and 2 and selected scope 3 sources.

GHG emissions source	
Direct emissions and removals	Stationary combustion
	Mobile combustion (incl. company-owned or -leased vehicles)
	Leakage of refrigerants
	Fertiliser use
Indirect emissions from imported energy value	Imported electricity
Indirect emissions from transportation	Business travel – transport (non-company-owned vehicles)
	Business travel – accommodation
Indirect emissions from products used by Ryman	Disposal of solid waste – landfilled
	Disposal of solid waste – not landfilled
	Disposal of liquid waste – wastewater
	Recycling processes

Metrics and targets (continued)

Emission sources excluded

The following emission sources have been excluded from our scope 3 emissions.

Scope	Detail	Exclusions
Scope 3 – Indirect emissions from transportation	Business travel	Most staff vehicle travel bookings are through Uber, for which emissions are reported and included. Staff travel by taxi is omitted due to a lack of available data. The materiality is estimated as low. Rental car mileage for Australian staff travel is omitted due to a lack of available data. The materiality is estimated as low.
Scope 3 – Indirect emissions from products used by organisation	Waste	Emissions relating to construction waste comprise only landfilled waste. Recycled materials are not included, in line with the GHG Protocol.

Uncertainties in emission calculations

The following table presents the uncertainties relating to our emissions inventory.

Scope	Detail	Uncertainty
Scope 1 – Direct emissions	Stationary combustion	Natural gas. For two Australian villages we were unable to obtain accurate gas data. A proxy methodology using observable readings from similar-sized villages was used. The impact was 235tC02e (5.4%) of reported scope 1 emissions.
Scope 1 – Direct emissions	Leakage of refrigerant	Refrigerant leakage. Emissions for Ryman heating, ventilation and air conditioning systems are determined by applying Ministry for the Environment default annual leakage rates multiplied by AR5 Global Warming Potential in a 100-year period. The impact was 193.84tC02e (4.5%) of reported scope 1 emissions.
Scope 2 – Indirect emissions from imported energy	Imported electricity	Due to a lack of available data, electricity usage in the Ryman Wellington office is estimated based on the number of employees multiplied by 500kWh per annum. The impact was 2.60tC02e (0.03%) of reported scope 2 emissions.
Scope 3 – Indirect emissions from products used by organisation	Waste	Due to a lack of available data, the Ryman Wellington and Melbourne offices' waste volumes are estimated based on 400kg per annum per person. The impact was 85.1 tC02e (3.15%) of reported scope 3 waste emissions.

Internal emissions price

We acknowledge that an established internal emissions price can assist in driving low-carbon-emission alternatives into capital decision-making processes and help support reductions in our GHG emissions. As a step toward this, in early 2024 we refreshed our feasibility and stage-gate governance processes to factor in climate risk considerations and adaptation planning. At this stage, Ryman does not have an internal emissions price.

Metrics and targets (continued)

Metrics and targets relating to identified risks and opportunities

TR1

Pace of change affecting ability to create well-designed, well-built villages

% or amount vulnerable: Future village pipeline

KPI: Number of units designed to align with Green Building Council (GBC) accreditation standards

Target: Target under development

Base year: N/A

Target timeframe: Medium term (by 2030)

Interim target: Strategy formalised by September 2024 Board meeting

Current-year performance: Initial gap assessment completed for consented sample of apartments (Homestar/Greenstar communities). Approval processes for construction and refurbishment capital spend has been strengthened by applying GBC standards to the assessment of climate risk

TR2

Availability and cost of general construction materials, including innovative low-carbon materials

% or amount vulnerable: Future village pipeline

KPI: Number of core construction suppliers engaged per annum

Target: Aligned with SBTi interim scope 3 target

Base year: FY24

Target timeframe: Medium term (by 2030)

Interim target: Supplier engagement plan operationalised and targets delivered as per SBTi target

Current-year performance: Key suppliers identified, engagement plan developed

PR3 | PR4

Physical climate risks impacting construction site operations

% or amount vulnerable: Sites under construction

KPI: Construction programme contingency planning – extreme heat

Target: Completed analysis of construction processes to evaluate resilience to extreme heat

Base year: FY24

Target timeframe: Short term (by 2026)

Interim target: N/A

Current-year performance: Not yet started

TO1

Climate action enhances brand and social licence to operate, with associated benefits for future sales of ORAs, reduced cost of finance and insurance and investor confidence

% or amount vulnerable: 100% of our business activities are aligned with this opportunity

KPI: Climate Disclosure Project (CDP) score

Target: Improve CDP score to >B by FY26

Base year: FY22

Target timeframe: Short term (by 2026)

Interim target: Prepare, publish and implement Sustainability Strategy, including SBTi-validated emission-reduction targets with public annual reporting of progress re all KPIs and deliverables

Current-year performance: Published CDP score 'D' (baseline data FY22). Since then we have prepared and released a Sustainability Strategy inclusive of SBTi-validated emission-reduction targets and an embedded Climate Action Plan. Implementation ongoing with published progress reporting

TR3

Pace of change creates capability gaps across business units

% or amount vulnerable: 100% of business operations

KPI: Climate leadership training

Target: All directors, SET team and identified senior management and technical roles having completed specific climate risk training biennially

Base year: FY24

Target timeframe: Short term (by 2026)

Interim target: All Audit, Finance and Risk committee members and CSG SET team members having completed relevant training by 31 March 2025

Current-year performance: Delivery is ongoing as per the leadership climate training externally reported in Ryman's 2024 Sustainability Report

PR1 | PR2 | PR5 | PR6 | PR7

Physical climate risks impacting operating villages

% or amount vulnerable: Operating villages

KPI: Villages assessed for physical impacts of climate change, across long-term horizons and under RCP 6.0 or above

Target: Potential physical impacts of climate change evaluated for 100% of existing villages

Base year: FY24

Target timeframe: Short term (by 2026)

Interim target: Engage external independent consultants to carry out more detailed assessments of identified villages with potential flood exposure for longer-dated time horizons to RCP 6.0

Current-year performance: Completed desktop review of the impacts of physical climate hazards, storms, flooding (present exposure only), heat

TR4

Existing villages require retrofitting to accommodate regulatory changes (additional to those required to mitigate physical climate risks) e.g., replace gas

% or amount vulnerable: 20 villages >15 years old

KPI: Number of villages assessed

Target: 100% of villages >15 years assessed relative to New Zealand Green Building Council Homefit to inform planned refurbishments

Base year: FY24

Target timeframe: Medium term (by 2030)

Interim target: 5 oldest villages assessed by 31 March 2025

Current-year performance: Not yet started

TR5

Increasing operating costs driven through increasing cost of carbon

% or amount vulnerable: 100% of business operations

KPI: Under development

Target: Aligned with SBTi interim scope 1, 2 and 3 emission-reduction target

Base year: FY21

Target timeframe: Medium term (by 2030)

Interim target: As per SBTi validated emission-reduction targets

Current-year performance: SBTi validated targets, and key emission-reduction projects identified and under way

Our villages

New Zealand

WHANGĀREI

Jane Mander
Te Kamo

AUCKLAND

Bert Sutcliffe
Birkenhead

Bruce McLaren
Howick

Edmund Hillary
Remuera

Evelyn Page
Orewa

Grace Joel
St Heliers

Keith Park
Hobsonville

Logan Campbell
Greenlane

Miriam Corban
Henderson

Murray Halberg
Lynfield

Possum Bourne
Pukekohe

William Sanders
Devonport

HAMILTON

Hilda Ross
Hamilton East

Linda Jones
Flagstaff

CAMBRIDGE

Patrick Hogan
Cambridge

TAURANGA

Bob Owens
Bethlehem

GISBORNE

Kiri Te Kanawa
Lytton West

NEW PLYMOUTH

Jean Sandel
Whalers Gate

NAPIER

Princess Alexandra
Ahuriri

HAVELOCK NORTH

James Wattie
Havelock North

WHANGANUI

Jane Winstone
St Johns Hill

PALMERSTON NORTH

Julia Wallace
Milson

WAIKANAE

Charles Fleming
Waikanae

LOWER HUTT

Bob Scott
Petone

Shona McFarlane
Avalon

WELLINGTON

Malvina Major
Khandallah

Rita Angus
Kilbirnie

NELSON

Ernest Rutherford
Stoke

CHRISTCHURCH

Anthony Wilding
Halswell

Diana Isaac
Mairehau

Essie Summers
Beckenham

Kevin Hickman
Riccarton Park

Margaret Stoddart
Riccarton

Ngaio Marsh
Papanui

Northwood
Northwood

Woodcote
Hornby

RANGIORA

Charles Upham
Rangiora

DUNEDIN

Frances Hodgkins
St Clair

Yvette Williams
Roslyn

INVERCARGILL

Rowena Jackson
Waikiwi

Australia

MELBOURNE

Bert Newton
Highett

Essendon Terrace
Essendon

John Flynn
Burwood East

Nellie Melba
Wheelers Hill

Raelene Boyle
Aberfeldie

Weary Dunlop
Wheelers Hill

GEELONG AND BELLARINE PENINSULA

Charles Brownlow
Highton

Deborah Cheetham
Ocean Grove

In the spirit of reconciliation, Ryman Healthcare acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Directory

REGISTERED OFFICE

Airport Business Park
92D Russley Road
Christchurch 8042

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SHARE REGISTRY

Link Market Services
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E: enquiries@linkmarketservices.co.nz

AUCKLAND OFFICE

Central Park
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666 Great South Road
Ellerslie, Auckland 1051
New Zealand

MELBOURNE OFFICE

Level 5, 6 Riverside Quay
Southbank, VIC 3006

PO Box 54
Collins Street West
Melbourne, VIC 8007
Australia

For more information on any of Ryman Healthcare's retirement villages:

NEW ZEALAND

0800 588 222
rymanhealthcare.co.nz

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RYMAN
HEALTHCARE

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