

Centuria NZ Healthcare Property Fund Limited

Prospective financial information, reconciliation of non-GAAP
financial information to GAAP financial information and
supplementary financial information

Prospective financial information

The Prospective Financial Information (**PFI**) of Centuria NZ Healthcare Property Fund Limited (the **Company**) comprises the following Prospective Financial Statements, disclosures and other PFI related information for the year ending 31 March 2026 (**FY2026**) and the year ending 31 March 2027 (**FY2027**).

- Prospective statement of comprehensive income;
- Prospective statement of changes in equity;
- Prospective statement of financial position;
- Prospective statement of cash flows;
- Notes and assumptions for the prospective financial statements;
- Other PFI related information:
 - Sensitivity analysis for the PFI; and
 - Reconciliation of non-GAAP financial information.
 - Financial measures for the Company's borrowings (non-GAAP).

This document should be read in conjunction with the Product Disclosure Statement ("PDS") dated 18 July 2025 and other information provided on the Offer Register (offer number OFR13955). Capitalised terms used but not defined in this document have the meanings given to them in the PDS.

Financial information is presented in New Zealand dollars.

Basis of preparation and presentation

The PFI has been prepared in accordance with the requirements of Financial Reporting Standard 42: Prospective Financial Statements ("FRS-42"), as required by clause 53(1)(c) of Schedule 3 to the Financial Markets Conduct Regulations 2014.

The PFI has been prepared in accordance with New Zealand generally accepted accounting practices (**GAAP**).

The PFI, and underlying best-estimate assumptions, have been prepared by management and approved by the Company's Board of Directors (the **Board**) specifically for the purpose of a Public Offer of shares in the Company (the **Offer**).

The Board has given due care and attention to the preparation of the PFI (including the assumptions underlying it) and authorised the issue of the PFI as at 18 July 2025 for the purpose stated above. The PFI may not be suitable for any other purpose. The PFI is based on the Board's assessment of events and conditions existing at the date of the PDS, the accounting policies and best-estimate assumptions.

The receipt of subscriptions from investors and the allotment of Shares is assumed to take place on 18 September 2025.

There is no present intention to update the PFI or to publish PFI in the future, other than as required by regulations. The Company will present a comparison of the PFI with actual financial results in its financial statements for the financial periods ending 31 March 2026 and 31 March 2027, as required by Regulation 64 of the Financial Markets Conduct Regulations 2014 and Financial Reporting Standard 44 New Zealand Additional Disclosures.

PFI, by its nature, is inherently uncertain. It involves predictions of future events that cannot be assured as well as risks and uncertainties which are often beyond the control of the Company. These risks and uncertainties include, but are not limited to, the non-occurrence of anticipated events or alternatively events occurring that were not anticipated.

Various risk factors and the management thereof may influence the success of the Company's business - with specific reference to Section 8 "Risks to the Fund's Business and Plans" in the PDS. Accordingly, actual results may vary from the PFI, and those variations may be significantly more or less favourable. The Board cannot and do not guarantee the achievement of the PFI.

Financial periods

The PFI covers the reporting years ending 31 March 2026 and 31 March 2027.

Explanation of certain non-GAAP financial measures

Refer to section 4 "Reconciliation of non-GAAP financial information" for a description and reconciliation of each adjustment to GAAP financial information and Section 5 "Financial measures for the Company's borrowings (non-GAAP)" which sets out the loan to value and interest cover ratios.

Prospective statement of comprehensive income

For the years ending 31 March

	Note	2026 \$000	2027 \$000
Gross rental income	1.2.3	12,847	12,945
Gross property income		12,847	12,945
Recoverable property operating expenses	1.2.3	(57)	(58)
Non-recoverable property operating expenses	1.2.3	-	(23)
Net property income		12,790	12,864
Management fees	1.2.3	(435)	(434)
Company expenses	1.2.3	(450)	(461)
Property investigation expenses	1.2.3	(50)	(52)
Operating profit before finance expenses		11,855	11,917
Interest income	1.2.7	25	18
Interest expenses	1.2.7	(5,868)	(4,751)
Operating profit		6,012	7,184
Change in fair value of investment property	1.2.2	(1,446)	(1,324)
Realised Underwriting Loan forgiveness	1.2.7	1,193	-
Change in fair value of interest rate swaps	1.2.7	163	250
Net profit		5,922	6,110
Other comprehensive income		-	-
Total comprehensive income attributable to investors		5,922	6,110

These prospective financial statements should be read in conjunction with the notes on pages 7 to 23.

Prospective statement of changes in equity

	Note	Capital \$000	Retained earnings \$000	Total \$000
Equity as at 1 April 2025		65,161	(11,349)	53,813
Shares issued		39,280	-	39,280
Issue costs	1.2.11	(974)	-	(974)
Total comprehensive income for the year		-	5,922	5,922
Dividends to shareholders	1.2.9	-	(4,875)	(4,875)
Equity as at 31 March 2026		103,467	(10,302)	93,166
Equity as at 1 April 2026		103,467	(10,302)	93,165
Total comprehensive income for the year		-	6,110	6,110
Dividends to shareholders	1.2.9	-	(6,050)	(6,050)
Equity as at 31 March 2027		103,467	(10,242)	93,225

These prospective financial statements should be read in conjunction with the notes on pages 7 to 23.

Prospective statement of financial position

For the years ending 31 March

	Note	2026 \$000	2027 \$000
ASSETS			
Current assets			
Cash and cash equivalents		1,399	1,290
Trade and other receivables	1.2.5	40	40
Total current assets		<u>1,439</u>	<u>1,330</u>
Non-current assets			
Investment property	1.2.2	172,350	172,350
Total non-current assets		<u>172,350</u>	<u>172,350</u>
Total assets		<u>173,789</u>	<u>173,680</u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	1.2.6	1,507	1,513
Fair value of interest rate swaps	1.2.7	-	2
Total current liabilities		<u>1,507</u>	<u>1,515</u>
Non-current liabilities			
Bank borrowings	1.2.7	78,635	78,635
Capitalised borrowing costs	1.2.7	(144)	(68)
Fair value of interest rate swaps	1.2.7	624	372
Total non-current liabilities		<u>79,115</u>	<u>78,939</u>
Equity		<u>93,166</u>	<u>93,225</u>
Total liabilities and equity		<u>173,788</u>	<u>173,679</u>

These prospective financial statements should be read in conjunction with the notes on pages 7 to 23.

Prospective statement of cash flow

For the years ending 31 March

	Note	2026 \$000	2027 \$000
Cash flows from operating activities			
Cash was provided from:			
Rental receipts	1.2.3	11,344	11,563
Property operating expense recoveries	1.2.3	61	58
Interest received		25	18
		<u>11,430</u>	<u>11,639</u>
Cash was applied to:			
Payments to suppliers		(1,039)	(1,025)
Interest on Underwriting Loan		(1,342)	-
Interest on bank borrowings		(4,338)	(4,675)
Goods and services tax paid		(0)	2
		<u>(6,719)</u>	<u>(5,698)</u>
Net cash flow from operating activities		<u>4,711</u>	<u>5,941</u>
Cash flows from investing activities			
No cash flows from investing activities			
Cash flows from financing activities			
Cash was provided from:			
Shares issued by the Company	1.2.9	39,280	-
Bank borrowings		600	-
		<u>39,880</u>	<u>-</u>
Cash was applied to:			
Dividends and PIE tax	1.2.9	(4,665)	(6,050)
Issue costs	1.2.11	(974)	-
Underwriting Loan repayments	1.2.7	(39,280)	-
		<u>(44,919)</u>	<u>(6,050)</u>
Net cash flow from in financing activities		<u>(5,039)</u>	<u>(6,050)</u>
Net decrease in cash and cash equivalents		(329)	(109)
Cash and cash equivalents at start of year		1,728	1,399
Cash and cash equivalents at end of year		<u>1,399</u>	<u>1,290</u>

These prospective financial statements should be read in conjunction with the notes on pages 7 to 23.

Notes and assumptions for the prospective financial statements

The purpose of the prospective financial statements is to assist investors in assessing the viability of the investment and return on funds invested. The PDS and the PFI contained in it may not be appropriate for any other purpose.

The Company was incorporated on 11 February 2022 and commenced trading on 20 April 2022. The Company is domiciled in New Zealand. The registered office of the Company is Level 2, Bayleys House, 30 Gaunt Street, Wynyard Quarter, Auckland 1010. The Company is structured as a portfolio investment entity (**PIE**) for income tax purposes.

The nature of the operations and principal activities of the Company are investment in commercial property. The Company's Manager, Centuria Funds Management (NZ) Limited, is responsible for the day to day management of the Company.

The prospective financial statements were authorised for issue on 18 July 2025. The Board is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. It is not intended for the PFI to be updated subsequent to issue.

1 Assumptions

The following general and specific assumptions have been adopted in preparing the PFI. The assumptions contained in this section should be read in conjunction with Section 8 "Risks to the Fund's business and plans" in the PDS.

1.1 General assumptions in respect of the PFI

- **Economic environment** - there will be no material changes in the general economic environment for the markets in which the Company operates.
- **Political, legislative and regulatory environment** - there will be no material change to the political, legal or regulatory environments in which the Company operates.
- **Markets operating in** - the Company will operate in New Zealand over the prospective periods.
- **Competitive environment** - there will be no material change to the competitive dynamics of the market in which the Company operates, including any material change in competitor activity. It is assumed that no new entrants or exiting current participants will materially change the competitive environment in which the Company operates.
- **Industry conditions** - there will be no change in the general industry structure, third party relationships, supply of rental property or general employment conditions.
- **Tenant and suppliers** - existing contractual, business and operational relationships are assumed to continue throughout the prospective periods. There will be no unanticipated loss of key tenants, suppliers, or agents.
- **Disruption to operations** - there will be no material disruption to operations such as natural disasters, fires or explosions and normal hazards associated with operating the Company's business.
- **Legal exposure** - there will be no unexpected litigation or contractual disputes.
- **Property / business acquisitions or disposals** - there will be no material acquisitions or disposals by the Company during the PFI period.

Notes and assumptions for the prospective financial statements

- **Interest rate environment** - there will be no material and/or sudden changes to the interest rate environment.
- **Financial Reporting Standards** - there will be no change in financial reporting standards or accounting interpretations which would have a material effect on the Company.
- **Management of the Company** - the Company will be managed by Centuria Funds Management (NZ) Limited (the "Manager"), who will be sufficiently resourced to manage the Company with no significant changes to key personnel involved in management of the Company.
- **Taxation** - there will be no material change to the tax rates or laws (including in relation to GST). It is assumed that there will be no change to the existing legislation regarding taxation of capital gains on investment properties and that the Company will depreciate its assets for income tax purposes. It is assumed the Company will maintain its portfolio investment entity status throughout the PFI period.
- **Inflation** - CPI is assumed to be 1.90% p.a. for the year ending 31 March 2026 and 2.20% p.a. for the year ending 31 March 2027. This is based on the forecast in the Reserve Bank of New Zealand Monetary Policy Statement issued on 28 May 2025.

1.2 Specific assumptions

1.2.1 Equity raise, offer costs and settlement

Between April 2022 and December 2022 \$70,641,656 of equity was raised and, together with debt, the Company acquired 23 aged care facilities and paid the associated offer and acquisition costs. As part of the debt, the Company has an Underwriting Loan which is a loan from Centuria Platform Investments Pty Limited (**CPIPL**). The gross Underwriting Loan balance payable as at 1 April 2025 was \$50,097,391.

It is assumed that \$39,279,508 of equity is raised in the Offer and used to repay the Underwriting Loan. It is assumed that 50,358,344 shares are issued under the Offer, representing an issue price of \$0.78 per share, and that these new shares will be allotted on 18 September 2025. At the Offer issue price of \$0.78 per share, loan forgiveness of \$10,817,822 is assumed to be triggered per the Underwriting Loan Amendment (refer to section 1.2.8 Underwriting Loan).

It is assumed that associated Offer costs of \$974,090 are incurred and funded by a combination of cash held by the Company and additional bank borrowings.

	2026 \$000	2027 \$000
Use of funds		
Repayment of Underwriting Loan	39,280	-
Offer costs	974	-
Total	40,254	-
Source of funds		
Equity	39,280	-
Bank borrowings	600	-
Cash at bank	374	-
Total	40,254	-

Repayment of the Underwriting Loan and payment of the Offer costs are assumed to occur on 18 September 2025.

Notes and assumptions for the prospective financial statements

1.2.2 Investment property

	2026	2027
	\$000	\$000
Balance at beginning of period	172,350	172,350
Adjustment due to capitalised fixed rental growth	1,446	1,324
Change in fair value of investment property	(1,446)	(1,324)
Total investment property	172,350	172,350

On 31 March 2026 and 31 March 2027 it is assumed that investment property will be revalued, with the fair value assumed to represent the 31 March 2025 independent valuation of \$172,350,000. No additional valuations have been assumed for the PFI as any changes in underlying valuation assumptions cannot be accurately predicted.

When calculating the unrealised movement in the fair value of investment property, adjustments have been made for the movement in the value of fixed rental growth accruals.

The actual movements in fair value are likely to be different to what is assumed in the PFI as the actual valuations will be based on rents, market yields and other contributing factors as at the relevant valuation dates.

It is assumed that the Company makes no investment property acquisitions, disposals or developments during the PFI period.

1.2.3 Revenue and expenses

Rental income

The table below summarises the forecast lease income for the PFI period.

	2026	2027
	\$000	\$000
Rental income	11,344	11,563
Property operating expense recoveries	57	58
Adjustment due to fixed rental growth	1,446	1,324
Total gross rental income	12,847	12,945

Recognition of lease income is based on classifying the Leases as operating leases. The Leases have been classified as operating leases under NZ IFRS 16 Leases as substantial risks and rewards incidental to ownership of the Current Properties remain with the Company, including valuation movement and the residual value. The present value of the lease payments is not considered to represent substantially all of the fair value of the Current Properties and the lease term is not considered to be for the major part of the economic life of the Current Properties.

Rental income has been forecast based on the agreed Leases with the Tenant. It is assumed that there is no tenant default and there are no delays in receipt of debtors.

The Leases provide for CPI rent reviews on each anniversary of the commencement date. The PFI assumes a rental increase of 2.53% on 19 April 2025 and a rental increase of 1.90% on 19 April 2026.

Notes and assumptions for the prospective financial statements

Property operating expenses

	2026	2027
	\$000	\$000
Recoverable property operating expenses		
Property management fees	57	58
Total recoverable property operating expenses	57	58
	2026	2027
	\$000	\$000
Non-recoverable operating expenses		
Health and safety inspections	-	23
Total non-recoverable property operating expenses	-	23

Each of the Leases is structured as a Triple Net Lease where the tenant is responsible for all operating and capital expenses including rates, utilities, property insurance, repairs and maintenance and property management. Any elements of operating expenses which are invoiced to the Company, as the landlord, are recoverable from the tenant.

It is assumed that all operating costs are invoiced directly to the tenant, with the exception of property management fees which are assumed to be invoiced to the Company and recovered from the tenant.

Property management fees have been forecast based on an existing agreement and health and safety inspections have been forecast based on previous costs incurred by the Company.

It is assumed that all operating costs recovered from tenants will be paid on time and that there will be no creditors associated with these at 31 March 2026 and 31 March 2027.

Property investigation expenses

Expenses relating to due diligence on property acquisitions that do not proceed have been assumed, including legal and other consultancy fees. These have been assumed based on the Manager's experience from managing similar funds. No investment property acquisitions are assumed during the PFI period.

Company expenses

	2026	2027
	\$000	\$000
Valuation fees	98	101
Directors fees	65	65
Audit and assurance fees	98	101
Professional fees	39	40
Insurance	91	94
Other administration expenses	59	60
Total administration expenses	450	461

The above administration fees have been assumed based on a combination of previous costs incurred by the Company, quotes received and the Manager's estimates and experience from managing similar funds.

Notes and assumptions for the prospective financial statements

Auditor's remuneration

	2026	2027
	\$000	\$000
Financial statements audit	98	101
Investigating accountant (independent limited assurance services)	48	-
Total auditor's remuneration	146	101

Financial statements audit costs are based on previous costs incurred by the Company.

The investigating accountant services cost is based on a fee estimate received and has been recognised directly in equity.

Fees paid to the Manager

The table below summarises the management fees that are assumed in the PFI period.

	2026	2027
	\$000	\$000
Management fees		
Fund management fees	435	434
Total	435	434

The Manager is entitled to charge an annual management fee equal to:

- 0.25% per annum (plus GST) of the average month-end total asset value of the Company for so long as the Healthcare Portfolio comprises no additional properties beyond those acquired by the Fund following its initial equity raise (as is currently the case).
- If additional properties to the Current Properties are acquired:
 - 0.25% per annum (plus GST) of the average month-end asset value of the Current Properties; plus
 - Up to 0.50% per annum (plus GST) of the average month-end total asset value of the Fund (excluding the Current Properties).

Fund management fees are payable monthly in arrears.

A performance fee is payable if a specified level of outperformance is achieved by the Company, as set out in the Management Agreement. It is assumed that no performance fee is payable during the PFI period.

Notes and assumptions for the prospective financial statements

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

	2026	2027
	\$000	\$000
Net profit after tax	5,922	6,110
Adjustments for:		
Change in fair value of investment property	1,446	1,324
Change in fair value of interest rate swaps	(163)	(250)
Accrual for fixed rental growth	(1,446)	(1,324)
Amortisation of capitalised borrowing costs	161	76
Realised Underwriting Loan forgiveness	(1,193)	-
Changes to assets and liabilities relating to operating activities:		
(Increase)/decrease in trade and other receivables	10	-
Increase/(decrease) in trade and other payables	(26)	6
Net cash flow from operating activities	4,711	5,942

1.2.5 Trade and other receivables

	2026	2027
	\$000	\$000
Prepayments - line fees	40	40
Total trade and other receivables	40	40

It is assumed that the Tenant does not default, and that there are no delays in receipt of debtors. Therefore, no trade receivables balances are assumed during the PFI period.

1.2.6 Trade and other payables

	2026	2027
	\$000	\$000
Accrued interest	755	755
Accrued expenses	134	138
GST payable	114	116
Dividends payable	504	504
Total trade and other payables	1,507	1,513

Notes and assumptions for the prospective financial statements

1.2.7 Financing

The Company has loans with ANZ Bank New Zealand Limited, Industrial and Commercial Bank of China Limited (ICBC), Auckland Branch and Bank of China Limited, Auckland Branch (BOC). Principal repayment is due on expiry with interest payable quarterly at a floating rate. The borrowings are secured over all of the leases, a registered first mortgage over the properties, and a first ranking general security interest over all assets of the Company.

Drawings and repayments are assumed to be made monthly based on working capital requirements.

Bank borrowing summary

	2026	2027
	\$000	\$000
ICBC Facility		
Loan maturity date	20-Oct-28	20-Oct-28
Loan balance	26,184	26,184
Loan facility limit	26,432	26,432
ANZ Facility		
Loan maturity date*	21-Apr-27	21-Apr-27
Loan balance	26,267	26,267
Loan facility limit	26,432	26,432
BOC Facility		
Loan maturity date	20-Oct-28	20-Oct-28
Loan balance	26,184	26,184
Loan facility limit	26,432	26,432
Total		
Total loan balance	78,635	78,635
Loan facility limit	79,297	79,297
Undrawn limit	662	662

* It is assumed that the loan maturity date on the ANZ loan facility is extended prior to 31 March 2027 and is therefore recognised as a non-current liability in the prospective statement of financial position.

Covenants

Loan to value ratio (LVR) not to be greater than	55.0%	55.0%
Interest coverage ratio (ICR) not to be less than	1.50 times	1.50 times

Notes and assumptions for the prospective financial statements

Movements in bank borrowings balance

2026	Current	Non-current	Associated	Total
	\$000	\$000	borrowing costs \$000	
Borrowings as at 1 April 2025	-	78,035	(304)	77,731
Changes arising from cash flows	-	600	-	600
Non-cash changes	-	-	161	161
Borrowings as at 31 March 2026	-	78,635	(144)	78,492

2027	Current	Non-current	Associated	Total
	\$000	\$000	borrowing costs \$000	
Borrowings as at 1 April 2026	-	78,635	(144)	78,492
Changes arising from cash flows	-	-	-	-
Non-cash changes	-	-	76	76
Borrowings as at 31 March 2027	-	78,635	(68)	78,567

Finance expenses

	2026	2027
	\$000	\$000
Bank loan interest and fees*	4,586	4,675
Amortisation of capitalised borrowing costs	161	76
Underwriting Loan interest	1,121	-
Net finance expense	5,868	4,751
*Interest and line fees as a percentage of net property income	35.9%	36.3%

The interest rate on the loan is a combination of the margin for the relevant facility plus a base rate. The forecast effective weighted average interest rate (including line fees and the interest rate swaps) is assumed to be 5.81% p.a. for the period ending 31 March 2026 and 5.94% p.a. for the period ending 31 March 2027.

Notes and assumptions for the prospective financial statements

Interest rate swaps

The Company manages its interest rate risk by using floating to fixed interest rate derivatives, which have the economic effect of converting borrowings from floating to fixed interest rates. The interest rate swaps in the table below have been entered into with ANZ Bank New Zealand Limited.

The fair values of the interest rate swaps held as at 31 March 2025 are assumed to reduce over time as the swaps reach maturity and the unrealised assets or liabilities are realised and received or paid. It is assumed that there is no material divergence between the forward interest rate curve on which the swaps are valued and market rates over the PFI period. Therefore, other than the realisation of the unrealised assets or liabilities, there is no further fair value adjustments in relation to the swaps during the PFI period.

	Notional amount ('\$000)	Start date	End date	Fixed base rate
Swap 1	84,200	22-Apr-24	20-Apr-25	2.30%
Swap 2	20,000	20-Apr-25	20-Apr-28	3.90%
Swap 3	22,100	20-Apr-25	20-Apr-29	4.29%
Swap 4	21,050	20-Apr-25	20-Apr-27	3.56%
Swap 5	14,800	22-Apr-25	20-Apr-28	3.24%
			2026	2027
			\$000	\$000
Fair value of interest rate swaps at beginning of period			(787)	(624)
Change in fair value of interest rate swaps			163	250
Fair value of interest rate swaps at end of period			(624)	(374)

Interest income

Interest income is assumed to be received on cash held by the Company at a rate of 2.00% during the PFI period.

1.2.8 Underwriting Loan

The Underwriting Loan is a loan that was provided to the Company by CPIPL as part of the Company's initial equity raise in April 2022. The loan is unsecured, ranks behind the bank loans and has no set maturity date or financial covenants. The loan has a fixed interest rate of 4.77% per annum.

The underwriting agreement, pursuant to which CPIPL provided an equity underwrite, capped CPIPL's shareholding to a maximum of 20% of the total shares on issue in the Company, with the Underwriting Loan drawn representing the shortfall of the original equity raised and allotted on 20 April 2022. Part of the Underwriting Loan was repaid during 2023 from proceeds of additional equity raised.

The Underwriting Loan agreement was amended on 17 July 2023 (the **Underwriting Loan Amendment**) to provide for part of the loan principal to be forgiven on the occurrence of the following events, until the Company has issued 121 million shares:

- Where the Company issues new shares at an issue price below \$1.00;
- Where the Company disposes a property below the total cost of the property including the purchase price, acquisition costs and capital expenditure;
- Where the Company is wound up; or
- Where the Company becomes insolvent.

Notes and assumptions for the prospective financial statements

Underwriting Loan balance

During the year ended 31 March 2025, \$260,953 of the Underwriting Loan balance was permanently forgiven following the sale of the Glengarry and Princes Court properties. The properties were sold at a loss compared to the properties' initial acquisition cost, triggering the loan forgiveness. The gross Underwriting Loan balance payable under the loan agreement as at 31 March 2025 was \$50,097,391 (2024: \$50,358,344).

It is assumed that \$39,279,508 of new equity is raised in the Offer and applied to repay the Underwriting Loan. At the Offer issue price of \$0.78 per share, loan forgiveness of \$10,817,822 is assumed to be triggered per the Underwriting Loan Amendment.

The table below reconciles movements in the Underwriting Loan balance arising from financing activities that are assumed during the PFI period.

	2026	2027
	\$000	\$000
Loan maturity date	N/A	N/A
Underwriting Loan balance at 1 April	50,097	-
Repayment of Underwriting Loan	(39,280)	-
Realised loan forgiveness	(10,818)	-
Underwriting Loan balance at 31 March	-	-

Underwriting Loan carrying value

As the Underwriting Loan Amendment changed the expected contractual cash flows of the original liability, adjustments were required to be made pursuant to NZ IFRS 9 in the Company's financial statements for the periods ending 31 March 2024 and 31 March 2025. The purpose of these adjustments was to recognise expected loan forgiveness, which reduced the carrying value of the Underwriting Loan.

The total adjustments as at 31 March 2025 were \$9,624,431 (in addition to the \$260,953 permanent forgiveness described above), resulting in a brought forward carrying balance as at 1 April 2025 of \$40,472,926. The table below details movements in the carrying value of the Underwriting Loan that are assumed to occur during the PFI period.

2026	Current	Non-current	Associated	Total
	\$000	\$000	borrowing costs \$000	
Carrying value as at 1 April 2025	-	40,473	-	40,473
Repayment of Underwriting Loan	-	(39,280)	-	(39,280)
Non-cash changes	-	(1,193)	-	(1,193)
Carrying value as at 31 March 2026	-	-	-	-

2027	Current	Non-current	Associated	Total
	\$000	\$000	borrowing costs \$000	
Carrying value as at 1 April 2026	-	-	-	-
Changes arising from cash flows	-	-	-	-
Non-cash changes	-	-	-	-
Carrying value as at 31 March 2027	-	-	-	-

Notes and assumptions for the prospective financial statements

1.2.9 Equity and dividends

There are currently 70,641,656 shares on issue. It is assumed that 50,358,344 shares are issued under the Offer at \$0.78 per share with a 18 September 2025 allotment date.

	2026	2027
	\$000	\$000
Opening balance	65,161	103,467
Share capital issued	39,280	-
Offer costs	(974)	-
Share capital	103,467	103,467

	2026	2027
	\$000	\$000
Opening number of shares on issue	70,642	121,000
Shares issued	50,358	-
Closing number of shares on issue	121,000	121,000

Dividends will be declared at the Board's discretion based on the Company's financial performance and solvency requirements. The dividend policy is to pay out between 90% to 110% of Adjusted Operating Profit (non-GAAP), which is outlined in section 4 of the PFI. The policy may change from time to time.

Dividends are forecast to be paid at an annualised rate of 5.00 cents per share during the PFI period. Dividends are assumed to be paid on the new 50,358,344 shares from 19 September 2025, being the day following allotment. Dividends are assumed to be paid monthly in arrears.

	2026	2027
	\$000	\$000
Gross dividends paid (annualised cents per share)	5.00	5.00
Gross dividends paid (\$)	4,875	6,050

The Company's objective is to continue as a going concern and maintain optimal returns to investors. As the market is constantly changing, the Company will consider capital management initiatives, such as changing the level of dividends paid, sourcing additional borrowings or raising additional equity if required.

Notes and assumptions for the prospective financial statements

1.2.10 Related party transactions

The Company is managed by Centuria Funds Management (NZ) Limited. Centuria Funds Management (NZ) Limited is a wholly owned subsidiary of Centuria Capital (NZ) No.1 Limited, which is ultimately 100% owned by Centuria Capital Limited. CPIPL is also a wholly owned subsidiary of Centuria Capital Limited.

CPIPL held 4,749,192 shares for the month ending 30 April 2025. On 1 May 2025 CPIPL sold 2,106,667 shares resulting in a holding of 2,642,525 shares for the month ending 31 May 2025. On 1 June 2025 CPIPL sold an additional 1,455,128 shares resulting in a holding of 1,187,397 shares for the month ending 30 June 2025. It is assumed that CPIPL holds 1,187,397 shares for the remainder of the PFI period.

The following amounts were paid to Centuria Group entities in accordance with the Management Agreement and Underwriting Loan Agreement.

Transactions with related parties

	2026 \$000	2027 \$000
Centuria Funds Management (NZ) Limited		
Fund management fees	435	434
	435	434
Centuria Platform Investments Pty Limited		
Underwriting Loan interest	1,121	-
Dividends paid on shareholding	80	59
	1,201	59
Directors Fees		
Edward Hanson	35	35
Philip Dixon	30	30
	65	65

Some costs may be paid by the Manager as agent for the Company and then recharged to the Company at cost. Such costs have not been included in the above.

Notes and assumptions for the prospective financial statements

1.2.11 Offer costs

Offer costs of \$974,090 are assumed to be incurred in relation to the Offer and will be capitalised to equity.

	2026	2027
	\$000	\$000
Brokerage fees	689	-
Legal fees	68	-
Investigating accountant	48	-
Tax advice	5	-
Marketing and printing	150	-
Registry and customer due diligence	10	-
PDS registration fees	4	-
Total offer costs	974	-

The Offer costs are based on quotes received and/or estimates made by the Manager using experience from managing similar funds.

1.2.12 Taxation

The Company is registered as a multi-rate PIE and attributes taxable income to shareholders based on their proportionate holding and pay tax based on their prescribed investor rates (PIR). It is assumed that the Company will continue to qualify as a PIE for the PFI period.

1.2.13 Capital commitments

The Company does not anticipate having any capital commitments as at 31 March 2026 or 31 March 2027.

1.2.14 Contingent liabilities

The Company does not anticipate having any contingent liabilities as at 31 March 2026 or 31 March 2027.

1.2.15 Actual results

Actual results may differ from the PFI. The resulting variance may be material. The Company, the Board and the Manager give no guarantee or assurance that the PFI presented will be achieved.

The PFI should be read in conjunction with Section 8 "Risks to the Fund's Business and Plans" in the PDS. An analysis of the sensitivity of the PFI to changes in specific key assumptions is included in Section 3 of this PFI.

Notes and assumptions for the prospective financial statements

2 Statement of accounting policies

The prospective financial statements presented are for the reporting entity Centuria NZ Healthcare Property Fund

The Company will be an FMC Reporting Entity under the Financial Markets Conduct Act 2013 and will report as a Tier 1 For Profit entity. The prospective financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand as it relates to the prospective financial statements, and comply with FRS-42 Prospective Financial Statements. The accounting policies and disclosures adopted in these prospective financial statements reflect those required by the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for profit orientated entities.

The actual annual financial statements for the Company will be prepared in accordance with and comply with NZ IFRS and International Financial Reporting Standards. The accounting policies adopted in the prospective financial statements reflect the policies expected to be adopted in the actual annual financial statements in future periods.

Measurement base

The prospective financial statements have been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Investment property

Investment property is initially measured at cost, including transaction costs and is subsequently measured at fair value which reflects market conditions. Fair value is determined annually by independent valuers and adjusted for any amounts already allocated to other assets or liabilities. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

Subsequent expenditure is capitalised to the asset's carrying amount only where it is probable a future economic benefit will flow to the Company and cost can be reliably measured. All other repairs and maintenance costs are expensed as incurred.

The independent valuation is adjusted for the carrying value of capitalised fixed rental growth accruals, capitalised lease incentives and capitalised leasing fees (refer to Note 3) as in determining the carrying amount of investment property under the fair value model, an entity does not double count assets or liabilities that are recognised as separate assets or liabilities.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the disposal of an investment property are recognised in profit or loss in the period of derecognition. The gain or loss is calculated as the difference between the carrying value at the time of disposal and the net proceeds from disposal.

Notes and assumptions for the prospective financial statements

Revenue and expenses

Revenue recognition

The Company recognises revenue from the following principal activities:

Gross rental income

Rental income is recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the investment property is diminished. Lease incentives provided to tenants are capitalised as an asset and amortised on a straight-line basis over the non-cancellable portion of the lease to which they relate, as a reduction of rental income.

Income generated from property operating expenses recovered from tenants is included in gross rental income with the associated property operating expenses shown in operating expenses. Operating expense recoveries are recognised as service charge income when a performance obligation is satisfied by transferring control of goods or services to tenants that are recoverable in accordance with the terms and conditions of lease agreements. A performance obligation is a promise in a lease to provide a distinct good or service (or a bundle of goods and services) to a tenant.

Finance income

Finance income consists of interest income and is recognised as revenue on an accrual basis using the effective interest method.

Expense recognition

The Company recognises expenses from the following principal activities:

Property operating expenses

Property operating expenses are categorised into recoverable and non-recoverable property operating expenses in accordance with lease agreements. Leasing fees are capitalised and amortised over the lease term to which they relate.

Finance expenses

Finance expenses principally consist of interest payable on borrowings which is recognised as an expense using the effective interest method. Associated transaction costs are capitalised and amortised over the term of the borrowing facility to which they relate.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Taxation

As a multi-rate portfolio investment entity the Company reflects income tax as amounts paid on behalf of shareholders. No income tax expense or benefit is recognised by the Company in the statement of comprehensive income. The Company is responsible for withholding the tax payable by each shareholder. The taxation due to or receivable from Inland Revenue is reflected in the statement of financial position. All taxable profits or losses are attributed to the shareholders based on their percentage shareholding in the Company. As the Company is a Land PIE any losses can only be offset against income from the same land class and are carried forward to reduce the taxable profits allocated to shareholders in future periods.

Notes and assumptions for the prospective financial statements

Goods and services tax (GST)

The financial statements have been prepared on a goods and services tax exclusive basis, with the exception of GST incurred on the purchase of goods and services that are not recoverable from the taxation authority, and trade receivables and trade payables which are stated inclusive of goods and services tax.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, less an allowance for any impairment losses.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. A loss allowance is made when there is objective evidence (such as significant financial difficulties or possibility of insolvency of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice.

The carrying amounts of trade and other receivables are assumed to be the same as their fair values due to their short term nature.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are non-interest bearing and are normally settled on 30-day terms. The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short term nature.

Borrowings (including the Underwriting Loan)

Borrowings are recognised initially at fair value (net of transaction costs) and are subsequently stated at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Interest rate swaps

The Company uses interest rate swaps to hedge its exposure to interest rate risks arising from borrowings. Interest rate swaps are recognised at fair value and any resulting gain or loss on remeasurement is recognised in profit and loss. The Company does not apply hedge accounting.

The Company applies Level 2 criteria of the fair value hierarchy in determining the fair value of its interest rate swaps. The fair value of interest rate swaps is obtained externally and is the estimated amount the Company would receive or pay to terminate the swaps at balance date. The valuation technique calculates the gain or loss by comparing the present value of cash flows using current market interest rates and comparing these to the present value of future cash flows under the swap agreement. The fair value estimate is not subject to a credit risk adjustment that would reflect the credit risk of the Company and of the counterparty.

Offer costs

Offer costs are treated in a number of ways depending on the nature of the costs; (1) costs directly attributable to raising equity are deducted from the equity proceeds, (2) costs associated with obtaining finance are capitalised and amortised over the term of the borrowings, and (3) costs associated with purchasing property are capitalised as part of the investment property asset. All other costs are expensed as incurred.

Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and which are subject to an insignificant risk of changes in value and are readily accessible.

Notes and assumptions for the prospective financial statements

Statement of Cash Flows

The Statement of Cash Flows is presented on a direct basis. The following terms are used in the Statement of Cash Flows:

- (a) Cash and cash equivalent means cash on deposit with banks;
- (b) Operating activities means the gross cash received from and paid in relation to the principal revenue producing activities and other that are not investing or financing activities;
- (c) Investment activities means the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents; and

3 Sensitivity analysis for the prospective financial information

Prospective financial information is inherently subject to business, economic and competitive uncertainty, and accordingly actual results are likely to vary from prospective financial statements, and this variation could be material. A summary of the likely effects of variations in key assumptions are detailed below. The sensitivities for each assumption are not intended to be indicative or predictive of the possible range of outcomes. Care should be taken in interpreting the information set out below. The approach taken in respect of the sensitivities has been to determine those variables most likely to materially affect results in the financial periods ending 31 March 2026 and 31 March 2027.

Each movement in an assumption is calculated and presented in isolation from possible movements in other assumptions, which is not likely to be the case. It is more likely that more than one assumption may move at any point in time, giving rise to compounding or offsetting effects.

The tables below illustrate the impact on the operating profit before fair value movements, Adjusted Operating Profit and Net Tangible Assets due to movements in the key assumptions used in the PFI periods. The below sensitivities do not take account of any risk management initiatives that the Company may take should a change in these assumptions arise.

2026	Cents per share	\$'000
Operating profit before fair value movements	4.97	6,012
Adjusted Operating Profit	4.77	5,776
Net tangible assets	77.00	93,166
Investment property valuation		
<i>Increase in property valuations (+5%)</i>	7.12	8,618
<i>Decrease in property valuations (-5%)</i>	(7.12)	(8,618)
2027	Cents per share	\$'000
Operating profit before fair value movements	5.94	7,184
Adjusted Operating Profit	4.85	5,865
CPI rent review		
<i>Increase in CPI +1.00%</i>	0.09	108
<i>Decrease in CPI -1.00%</i>	(0.08)	(97)
Net tangible assets	77.05	93,225
Investment property valuation		
<i>Increase in property valuations (+5%)</i>	7.12	8,618
<i>Decrease in property valuations (-5%)</i>	(7.12)	(8,618)

Notes

CPI rent review sensitivity

The PFI assumes a 2.53% CPI rental increase on 19 April 2025 and a 1.90% CPI rent review on 19 April 2026. The sensitivity reflects a higher or lower CPI as at 19 April 2026 which would result in a higher or lower rental increase. Per the lease, the annual CPI rent reviews are subject to a cap and collar of 1.00% - 4.00%. The downside sensitivity above therefore assumes a 1.00% CPI rent review.

The sensitivity only considers the impact on rent and ignores the potential impact that a different CPI may have on expenses. A sensitivity has not been included for the year ending 31 March 2026 as, at the time the PFI was prepared, the 19 April 2025 had been actioned and agreed with the tenant in line with the PFI assumption.

Investment property valuation sensitivity

The sensitivity reflects the impact of an increase or decrease in property valuations assumed in the PFI at 31 March 2026 and 31 March 2027. There is no impact of an increase or decrease in property values on Adjusted Operating Profit, given the revaluation gains and losses are excluded from the Adjusted Operating Profit definition. The impact of an increase or decrease in management fees caused by changes in property values has not been included in the sensitivity analysis.

4 Reconciliation of non-GAAP financial information

The Company's dividend policy is to pay out distributions of between 90% to 110% of Adjusted Operating Profit (AOP). Distributions paid may be less than 90% of Adjusted Operating Profit when reserves are required to be built up for items such as refinancing, loan principal repayments, future capital expenditure or to support leasing activity. Due to fluctuations in income and expenses, it is possible that the Company may pay more than 110% of Adjusted Operating Profit in a particular period using surplus capital or debt, but this will only occur where it is commercially sustainable.

AOP is a non-GAAP measure that quantifies the surplus generated by the Company. It is important because it is the measure used when determining distributions under the dividend policy. AOP does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

AOP is calculated by adjusting net profit after tax (determined in accordance with NZ IFRS) for certain non-cash, one-off and/or unpredictable items including:

- Reversing unrealised fair value gains or losses on investments;
- Reversing fair value gains or losses on derivative financial instruments;
- Reversing gains or losses on disposal of investments;
- Removing accruals for fixed rental growth;
- Reversing the amortisation of establishment or upfront payments in connection with entering into any derivative contracts;
- Reversing fair value gains or losses on vendor underwrites and retentions that are treated as financial assets;
- Adding rental income on vendor leases that are treated as financial assets and not reflected in net profit;
- Reversing the amortisation of lease incentives funded by vendor underwrites;
- Reversing the amortisation of borrowing costs incurred at establishment or in respect of future equity raising;
- Reversing interest expense on loans that underwrite the Company's capital raising;
- Removing depreciation on right-of-use assets and subtracting the repayment of lease liabilities to mirror cash flows; and
- Adjusting for other one-off and unpredictable items including acquisition fees, marketing costs in relation to raising capital and performance fees.

For the purposes of the AOP payout ratio, interest expense on the Underwriting Loan is treated as a distribution.

The following table reconciles the net profit after tax as per the Prospective Statement of Comprehensive Income to the AOP. The reconciliation has not been subject to an independent audit or review.

	2026	2027
	\$000	\$000
Reconciliation of net profit after tax to Adjusted Operating Profit		
Prospective net profit after tax	5,922	6,110
Adjustments:		
Change in fair value of investment property	1,446	1,324
Change in fair value of interest rate swaps	(163)	(250)
Realised Underwriting Loan forgiveness	(1,193)	-
Accrual for fixed rental growth	(1,446)	(1,324)
Amortisation of capitalised borrowing costs	90	5
Interest on Underwriting Loan	1,121	-
Adjusted Operating Profit	5,776	5,865
Dividends	4,875	6,050
Interest on Underwriting Loan	1,121	-
Dividends plus interest on Underwriting Loan	5,996	6,050
Adjusted Operating Profit payout ratio	104%	103%

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

EBITDA is a non-GAAP measure widely used to evaluate an entity's operating performance.

The following table reconciles the net profit after tax as per the Prospective Statement of Comprehensive Income to EBITDA and EBITDA adjusted for unrealised gains and losses. The reconciliation has not been subject to an independent audit or review.

	2026	2027
	\$000	\$000
Net profit after tax	5,922	6,110
Reverse: Interest income	(25)	(18)
Add back: Interest expense	5,868	4,751
Add back: Income tax	-	-
EBITDA	11,765	10,843
Reverse: Change in fair value of investment property	1,446	1,324
Reverse: Change in fair value of interest rate swaps	(163)	(250)
EBITDA adjusted for unrealised gains and losses	13,048	11,916

Gearing ratio

	2026	2027
	\$000	\$000
Bank loan balance	78,635	78,635
Total assets	173,789	173,680
Gearing ratio	45.2%	45.3%

Interest cover ratio (EBITDA)

	2026	2027
	\$000	\$000
EBITDA adjusted for unrealised gains and losses	13,048	11,916
Interest expense on bank borrowings	(4,747)	(4,751)
Interest on Underwriting Loan	(1,121)	-
Interest cover ratio (including interest on Underwriting Loan)	2.22	2.51
Interest cover ratio (excluding interest on Underwriting Loan)	2.75	2.51

5 Financial measures for the Company's borrowings (non-GAAP)

The bank loan to value and interest cover ratios are non-GAAP information. These have been disclosed as bank borrowings are a material item for the Company. The loan to value and interest cover ratios do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

Bank loan to value ratio

	2026	2027
	\$000	\$000
Loan balance	78,635	78,635
Investment property valuation	172,350	172,350
Bank loan to value ratio	45.6%	45.6%

The banking covenant requires that the loan to value ratio is to be no more than 55%.

The bank loan to value ratio tells you how much the Company owes (bank borrowings) as a portion of the investment property valuation. The higher the ratio, the higher the risk as it indicates a higher proportion of the Company's investment property will need to be applied to repay its bank borrowings.

The loan to value ratio for bank covenant purposes is calculated on the bank loan only and excludes any Underwriting Loan.

The loan to value ratio is different to the gearing ratio which represents total bank borrowings divided by total assets.

Interest cover ratio (net rent)

	2026	2027
	\$000	\$000
Net rent (excluding adjustment due to capitalised fixed rental growth)	11,344	11,541
Interest expense on bank borrowings	(4,747)	(4,751)
Interest cover ratio (excluding interest on Underwriting Loan)	2.39	2.43

The interest cover ratio banking covenant requires that net rentals are no less than 1.5 times the interest expense on the secured borrowings at all times.

The interest cover ratio tells you how much the net rent received exceeds interest on the Company's bank borrowings (as a multiple). The higher the ratio, the more comfortably the Company's income can cover any interest expense (and the lower risk to the Company).

The interest cover ratio for bank covenant purposes is calculated on the interest expense on bank borrowings and excludes interest on the Underwriting Loan.

The interest cover ratio on net rent is different to the interest cover ratio on EBITDA which represents EBITDA divided by interest expense, including interest on the Underwriting Loan.