Apollo Care Operations Pty Ltd

ABN: 78 609 769 897

Consolidated Financial Statements

For the Year Ended 30 June 2025

PROVIDER ID: 9208

Apollo Care Operations Pty Ltd

ABN: 78 609 769 897

Contents

For the Year Ended 30 June 2025

Directors' Report
30 June 2025

The directors present their report, together with the consolidated financial statements of the Group, being Apollo Care Operations Pty Ltd (Company) and its controlled entities, for the financial year ended 30 June 2025.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

John Catherwood Young
Stephen John Becsi
Barry George Ashcroft
Terry W Williamson
Michelle Lillian McKay
Rodney Paul Young
Nicolas (aka Nick) Mersiades
Christopher Murray Price (appointed 21 November 2024; resigned 29 October 2025)
Geoff Grady (appointed 29 October 2025)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activities of the Group during the financial year were operating residential aged care homes, retirement villages and home and community care services in Queensland, New South Wales and Victoria.

No significant change in the nature of these activities occurred during the year.

Operating results

The consolidated loss of the Group amounted to $50,258,749 (2024: loss of $3,420,606).

Review of operations

A review of the operations of the Group during the financial year and the results of those operations show an increase in net assets and increase in loss this financial year due to the following:

As a consequence of the Group's acquisitions and continuing capital and operating expenditure investment in the aged care properties, together with a concerted effort at marketing to prospective residents, both occupancy and refundable accommodation deposit (RAD) balances continued to improve throughout the year, allowing the continued investment in improving the accommodation for the Group's residents.

This further investment in residential care homes together with strategic acquisitions, has resulted in an increase in the value of the portfolio of assets which has had a significant impact on the results of the Group. The increase in the value of the Group's residential aged care home property portfolio is recorded as an increase in the asset revaluation reserve through Other Comprehensive Income of $57,520,526 (2024: $3,904,327). Due to the increase in the Group's net asset value, an independent valuation of the equity component of the Group has resulted in an increase in the fair value of the Class I & O Shares derivative liability of $33,453,408 (2024: $15,355,226) which has been expensed through the Statement of Profit or Loss. Both of these significant movements are non-cash.

Aged care funding from the Commonwealth Government continued to increase during the year to fund the Fair Work Commission Aged Care Work Value Case increases in minimum award rates for aged care workers and nursing staff. The Group continued to fully meet its obligation to pass on the full Fair Work Commission award rate increases to its staff.

Review of operations (cont'd)

From 1 October 2024, the Federal Government increased funding through AN-ACC subsidy increases, to assist the sector in increasing the sector-wide minimum care minutes target for each resident to 215 minutes (from 200 minutes) of care per resident per day, including 44 minutes (from 40 minutes) of direct Registered Nurse care. The Group is committed to its obligation to meet its care minutes targets at all times, despite the challenges of access to sufficient staffing in regional and remote communities, often necessitating the use of higher cost agency (temporary) staff. The Group continues to recruit and train staff to minimise the use of temporary agency staff.

The Group continued to improve and maintain the compliance profile of the homes. Like any other approved provider, we were subject to unannounced inspections by the Aged Care Quality and Safety Commission. Full accreditation has continued to be maintained for each of the Group’s homes through the year. The Group’s Star Ratings published by the Department of Health, Disability and Ageing on MyAgedCare have averaged 3.9 out of 5.

The Group has prepared well for the introduction of the new Aged Care Act 2024 from 1 November 2025.

The Group had a net cash outflow from operating activities of $1,400,268 (2024: $3,127,984 cash outflow). The net movement in cash and cash equivalents for the year was a net outflow of $991,503 (2024: $7,370,700 net inflow).

Significant changes in state of affairs

Further to the matters above, the following significant changes in the state of affairs of the parent entity occurred during the financial year:

On 30 April 2025, the Group settled on various contracts that it had executed to acquire the freehold land and buildings and operating assets and 63 approved aged care places of the Resthaven on Quarry residential aged care home in North Mackay, Queensland. The net fair value of the consideration transferred was $1,931,000. When compared to the fair value of the net assets acquired of $3,941,000, this resulted in a discount on acquisition of $2,010,000.

Events after the reporting date

On 31 August 2025, the Group settled on various contracts that it had executed with Quirindi Care Services Limited, a not-for-profit operator of aged care services and retirement units based in Quirindi, New South Wales. The acquisition included the Eloura residential aged care home with 55 operating places, 18 retirement units and a residential duplex property. The net acquisition price under the contracts was $1.

The Group via a controlled entity, Tenterfield Care Centre Limited, exchanged contracts in early October 2025 to acquire a 5-bedroom residential house in Tenterfield, NSW for a contract price of $880,000. The acquisition will provide affordable accommodation to nursing and aged care staff and settlement is scheduled for 30 October 2025.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Company secretary

Erin McMullen holds the position of Group Company Secretary. Erin has over 14 years' experience in company secretarial roles for various publicly listed, unlisted and not for profit entities.

Apollo Care Operations Pty Ltd

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Directors' Report

30 June 2025

Meetings of directors

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Care Quality Advsory Board		Community Advisory Board	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
John Catherwood Young	8	8	-	-	-	-	-	-
Stephen John Becsi	8	7	4	3	-	-	4	4
Barry George Ashcroft	8	8	4	4	-	-	4	4
Terry W Williamson	8	8	4	4	-	-	-	-
Michelle Lillian McKay	8	6	-	-	4	4	-	-
Rodney Paul Young	8	8	-	-	-	-	4	4
Nicolas (aka Nick) Mersiades	8	8	-	-	-	-	-	-
Christopher Murray Price (appointed 21 November 2024)	6	6	4	4	-	-	-	-

Indemnification and insurance of officers and auditors

During the year, Apollo Care Operations Pty Ltd paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except of the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor. No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Apollo Care Operations Pty Ltd.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2025 has been received and can be found on page 4 of the consolidated financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: ....
John Catherwood Young

Director: ....
Stephen John Becsi

Dated: 30 October 2025

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Auditors' Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Apollo Care Operations Pty Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

KYM REILLY
PARTNER

30 OCTOBER 2025
SYDNEY, NSW

Apollo Care Operations Pty Ltd

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2025

	Note	2025 $	2024 $
Revenue	4	**131,452,968**	94,131,435
Other income	4	**3,672,993**	5,701,900
Finance income		**515,349**	221,562
Employee benefits expense		**(86,413,687)**	(58,586,545)
Depreciation and amortisation expense		**(6,666,127)**	(4,521,235)
Reversal of impairment loss on non-financial assets		**-**	3,879,974
Impairment losses on receivables		**(157,656)**	(76,921)
Marketing expenses		**(1,098,377)**	(1,037,620)
Gain on disposal of assets		**20,033**	-
Finance expenses		**(968,351)**	(825,700)
Administrative expenses		**(44,843,670)**	(40,732,158)
Management fees		**(2,187,485)**	(2,200,000)
Net loss from operating activities attributable to shareholders		**(6,674,010)**	(4,045,308)
Other non operating gains/(losses)			
Net gain on acquisition	19	**2,009,636**	23,097,311
Net change in fair value of investment properties	9	**(5,613,065)**	-
Net gain/(loss) on share of capital gains with residents		**393,797**	(1,173,900)
Turnaround and systems setup costs		**(5,074,034)**	(1,030,221)
Acquisition and formation costs		**(595,072)**	(2,149,827)
Share based payment expense	27	**(773,423)**	(3,071,045)
		(9,652,161)	15,672,318
Net (loss)/profit before tax from operating activities attributable to shareholders		**(16,326,171)**	11,627,010
Income tax (expense)/credit	5	**(479,170)**	307,610
Total (loss)/profit after income tax expense attributable to shareholders		**(16,805,341)**	11,934,620
Fair value movements with Class I & O shareholders	16	**(33,453,408)**	(15,355,226)
Total loss after income tax expense attributable to ordinary shareholders		**(50,258,749)**	(3,420,606)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on revaluation of land and buildings		**57,520,529**	3,904,327
Total comprehensive income for the year		**7,261,780**	483,721
Total comprehensive income attributable to ordinary shareholders		**7,261,780**	483,721

Apollo Care Operations Pty Ltd

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Consolidated Statement of Financial Position

As At 30 June 2025

	Note	2025 $	2024 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**13,171,737**	14,163,240
Trade and other receivables	7	**3,452,655**	3,799,588
Term deposits		**6,244,537**	5,934,638
Prepayments	8	**3,926,942**	1,253,279
TOTAL CURRENT ASSETS		**26,795,871**	25,150,745
NON-CURRENT ASSETS			
Property, plant and equipment	10	**263,500,384**	180,232,135
Investment properties	9	**35,546,078**	38,683,843
Deferred tax assets		**-**	549,354
Intangible assets		**112,488**	112,488
Right-of-use assets		**58,875**	165,042
TOTAL NON-CURRENT ASSETS		**299,217,825**	219,742,862
TOTAL ASSETS		**326,013,696**	244,893,607
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**13,259,535**	7,831,481
Borrowings	12	**111,867**	126,991
Refundable accommodation deposits, bonds and ingoing contributions	14	**181,652,646**	152,586,201
Lease liabilities		**38,818**	55,739
Employee benefits	15	**9,833,518**	7,766,600
Deferred revenue	13	**1,971,374**	860,222
Total current liabilities excluding net assets attributable to Class I & O shareholders		**206,867,758**	169,227,234
NON-CURRENT LIABILITIES			
Borrowings	12	**774,175**	728,585
Deferred tax liabilities		**-**	70,184
Lease liabilities		**22,398**	131,466
Employee benefits	15	**932,572**	837,959
Total non-current liabilities excluding net assets attributable to Class I & O shareholders		**1,729,145**	1,768,194
Total liabilities excluding net assets attributable to shareholders		**208,596,903**	170,995,428
Net assets attributable to shareholders		**117,416,793**	73,898,179

The accompanying notes form part of these financial statements.

Apollo Care Operations Pty Ltd

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Consolidated Statement of Financial Position

As At 30 June 2025

	Note	2025 $	2024 $
Liabilities attributable to Class I & O shareholders	16	**96,001,908**	60,518,497
Net assets attributable to ordinary shareholders		**21,414,885**	13,379,682
EQUITY			
Issued capital	17	**301**	301
Share based payment reserve		**9,222,744**	8,449,321
Asset revaluation reserve		**94,726,389**	37,205,860
Accumulated losses		**(82,534,549)**	(32,275,800)
TOTAL EQUITY		**21,414,885**	13,379,682

The accompanying notes form part of these financial statements.

Apollo Care Operations Pty Ltd

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Consolidated Statement of Changes in Net Assets

For the Year Ended 30 June 2025

		Ordinary Share Capital - Equity	Class I & O Share Capital - Liability	Share based payment Reserve	Asset Revaluation Reserve	Accumulated losses	Total
		$	$	$	$	$	$
Balance at 1 July 2024		**301**	**60,518,497**	**8,449,321**	**37,205,860**	**(32,275,800)**	**73,898,179**
Loss for the year		**-**	**-**	**-**	**-**	**(50,258,749)**	**(50,258,749)**
Transactions with owners in their capacity as owners							
Revaluation of land and buildings	10	**-**	**-**	**-**	**57,520,529**	**-**	**57,520,529**
Issue of I and O class shares	16	**-**	**2,030,003**	**-**	**-**	**-**	**2,030,003**
Revaluation of I and O class shares	16	**-**	**33,453,408**	**-**	**-**	**-**	**33,453,408**
Employee share rights issued	27	**-**	**-**	**773,423**	**-**	**-**	**773,423**
Balance at 30 June 2025		**301**	**96,001,908**	**9,222,744**	**94,726,389**	**(82,534,549)**	**117,416,793**
Balance at 1 July 2023		301	43,363,271	5,378,276	33,301,533	(28,855,194)	53,188,187
Loss for the year		-	-	-	-	(3,420,606)	(3,420,606)
Transactions with owners in their capacity as owners							
Revaluation of land and buildings	10	-	-	-	3,904,327	-	3,904,327
Issue of I and O class shares	16	-	1,800,000	-	-	-	1,800,000
Revaluation of I and O class shares	16	-	15,355,226	-	-	-	15,355,226
Employee shares issued	27	-	-	3,071,045	-	-	3,071,045
Balance at 30 June 2024		301	60,518,497	8,449,321	37,205,860	(32,275,800)	73,898,179

The accompanying notes form part of these financial statements.

Apollo Care Operations Pty Ltd

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Consolidated Statement of Cash Flows

For the Year Ended 30 June 2025

	Note	2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**138,802,831**	89,555,234
Payments to suppliers and employees		**(139,763,845)**	(92,089,680)
Interest received		**515,349**	221,562
Interest paid		**(954,603)**	(815,100)
Net cash used in operating activities		**(1,400,268)**	(3,127,984)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**666,456**	3,448
Payment for purchase of property, plant and equipment		**(18,283,426)**	(7,911,516)
Net receipt from acquisitions		**174,004**	12,399,143
Net payment of deferred considerations		**-**	(1,862,844)
Payment for purchase of investment properties		**(859,685)**	-
Net payment for term deposit		**(309,899)**	-
Net cash (used in)/provided by investing activities		**(18,612,550)**	2,628,231
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds/(repayment) from borrowings		**30,466**	(5,822,544)
Repayment of lease liabilities		**(93,364)**	(67,232)
Net refundable accommodation deposits received		**19,084,213**	13,760,229
Net cash provided by financing activities		**19,021,315**	7,870,453
Net (decrease)/increase in cash and cash equivalents held		**(991,503)**	7,370,700
Cash and cash equivalents at beginning of year		**14,163,240**	6,765,540
Cash and cash equivalents at end of financial year	6	**13,171,737**	14,136,240

The accompanying notes form part of these financial statements.

The consolidated financial report covers Apollo Care Operations Pty Ltd and its controlled entities ('the Group'). Apollo Care Operations Pty Ltd is a for-profit proprietary Company, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 30 October 2025.

Certain comparative amounts have been reclassified where necessary to provide consistency with current period disclosures. The restatement did not result in any changes to the financial position, results or cash flows as reported in previous periods.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001.*

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Material Accounting Policy Information

(a) Going concern

The financial report has been prepared on a going concern basis which assumes that the Group will be able to meet its obligations as and when they fall due. The Group's current liabilities exceed current assets by $180,072,000 as at 30 June 2025 (2024: $144,076,489) resulting in a net deficiency of current assets. This mainly arises because of the requirement to classify Refundable Accommodation Deposits ("RADs"), Bonds and Ingoing Contributions of $181,652,646 (2024: $152,586,000) as current liabilities.

RADs, Bonds and Ingoing Contributions are classified as a current liability as the Group does not have an unconditional right to defer settlement of any specific RADs, Bonds and Ingoing Contributions for at least twelve months after the reporting date. The Directors believe that based on historical experience, no more than 10% of resident liabilities will mature in any one year that are not replaced by new RADs.

The Group has an $8,000,000 RAD liquidity loan facility which can be used for the repayment of RADs and a further commercial rate loan facility of $10,000,000 for the use of refurbishing and extending residential aged care homes. At 30 June 2025 and as at the date of this report, $10 has been drawn down from these facilities. The Group has also executed a Conditional Letter of Offer to increase its RAD liquidity loan facility to $15,000,000, pending satisfaction of certain conditions before it becomes unconditional.

The 2026 financial year operational budgets incorporate the turnaround projects in place, including bed increases from refurbishment projects; occupancy and AN-ACC funding uplifts, and staffing optimisation, and show improving performance across the Group during the next 12 months.

The Directors believe that the Group will be successful in generating the above outcomes and, accordingly, have prepared the financial statements on a going concern basis.

2 Material Accounting Policy Information (cont'd)

(b) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 21 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(c) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

2 Material Accounting Policy Information (cont'd)

(d) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

Aged care income

Aged care income comprises fees for basic and additional aged care services, daily accommodation fees and subsidies from the government determined in accordance with Federal government authorised rates. The revenue is recognised as the services are provided and at an amount the Group will be entitled to receive in relation to providing the service.

Deferred management fees - retirement village

During a resident’s tenure, the Group earns a Deferred Management Fee (DMF) which is calculated based on the individual resident contract (DMF contract). There are contractual arrangements that provide a DMF that is earned at various rates. The revenue is recognised over the expected tenure of the resident, which management expects to be for a period of seven years, or upon departure if earlier.

Fees for retirement village operations

The Group earns a monthly recurring service fee from each resident during their tenure, which is determined by the individual resident contract, Revenue is recognised when it is received or when the right to receive payment is established.

2 Material Accounting Policy Information (cont'd)

(d) Revenue and other income (cont'd)

Specific revenue streams (cont'd)

Rental income

Rental income comprises fees from residential units. The revenue is recognised as the services are provided and at an amount the Group will be entitled to receive in relation to providing the service.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

(e) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

- Taxable temporary differences arising on the initial recognition of goodwill.

- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

2 Material Accounting Policy Information (cont'd)

(e) Income Tax (cont'd)

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Freehold Land	NIL
Buildings	2.5%
Plant and Equipment	7.7% - 20.0%
Furniture, Fixtures and Fittings	5.0% - 20.0%
Motor Vehicles	12.5% - 20.0%
Computer Equipment	7.7% to 33.3%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Investment property

Investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the consolidated statement of profit or loss and other comprehensive income as other income/expenses.

2 Material Accounting Policy Information (cont'd)

(h) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

2 Material Accounting Policy Information (cont'd)

(h) Financial instruments (cont'd)

Financial assets (cont'd)

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or

- the financial assets is more than 90 days past due, recognising timing of when probate is received on resident commitments.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

2 Material Accounting Policy Information (cont'd)

(h) Financial instruments (cont'd)

Financial assets (cont'd)

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise derivative financial liabilities, trade payables, bank and other loans and lease liabilities.

(i) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

2 Material Accounting Policy Information (cont'd)

(j) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) Equity-settled compensation

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The grant-date fair value of equity-settled share-based payment arrangements is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(l) Refundable accommodation deposits (RADs), bonds, and ingoing contributions

RADs/accommodation bonds are non-interest bearing deposits made by aged care residents to the Group upon admission. These deposits are liabilities which fall due and payable when the resident leaves the residential aged care home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

RAD/accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/accommodation bond in accordance with the Aged Care Act 1997.

Ingoing contribution amounts equal to the value of the unit in exchange for a lease to live in the unit and have access to community facilities. The loan is recorded as a resident obligation liability and is non-interest bearing and recognised at fair value. The fair value of the resident obligations is the amount payable on demand to residents and comprises the initial loan amount less the Deferred Management Fees earned to date.

2 Material Accounting Policy Information (cont'd)

(m) New accounting standards for application in future periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

In June 2024, the AASB issued a new standard AASB 18 Presentation and Disclosure in Financial Statements, which will be effective for the Group from 1 July 2027 and is required to be applied retrospectively. AASB 18 will replace AASB 101 Presentation of Financial Statements and introduces new requirements to improve entities' reporting of financial performance and give investors a better basis for analysing and comparing entities. These requirements aim to improve comparability in the income statement, enhance transparency of management-defined performance measures and provide useful grouping of information in the financial statements. The Group continues to assess the impact of adopting AASB 18.

There are no other new standards or amendments to existing standards that are not yet effective which are expected to have a material impact on the Group's financial statements.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of land and building in business combinations

Identifiable assets and liabilities acquired through a business combination are recognised in the consolidated financial statements at fair value at the acquisition date. Land and buildings were acquired at a discount and below the rate of exchange between ordinary market participants.

The fair value of land acquired has been determined by recent Valuer General valuations.

The Directors have determined valuations of relevant properties, after considering valuations by independent and qualified registered Valuers.

3 Critical Accounting Estimates and Judgments (cont'd)

Key estimates - provisions

As described in the accounting policies, provisions (including employee benefits) are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - fair value of land and buildings under property, plant and equipment

The revaluation model is applied to all land and buildings classified under property, plant and equipment which comprised of residential aged care facilities. The directors determine fair value of these properties by referencing valuations performed by independent and qualified appraisers. These valuations are based on projected cash flows using rate per funded bed and current available market data for similar facilities. These properties were independently valued during the current financial year. The directors aim to perform these valuations every three (3) financial years or earlier as required. Refer Note 22 for fair value measurement approach.

Key estimates - fair value of investment properties

The fair value model is applied to all investment properties which comprised of operating retirement villages, residential houses and NRAS homes. The directors determine fair value investment properties by referencing valuations performed by independent and qualified appraisers. These valuations are based on projected cash flows using current resident contracts and current available market data for similar retirement units and properties. These properties were independently valued during the current financial year. The directors aim to perform these valuations every three (3) financial years or earlier as required.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - business combinations

Provisional accounting
Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the year the combination occurred and may have an impact on the assets and liabilities reported.

Key estimates - Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by the directors taking into account the terms and conditions upon which the instruments were granted and independent valuation experts. The share-based payments reserve is used to recognise the grant date fair value of instruments issued.

4 Revenue and Other Income

	2025	2024
	$	$
Revenue from contracts with customers		
- Fees for aged care services	**25,889,458**	19,809,165
- Supplements and subsidies from government	**104,749,128**	73,823,785
- Deferred management fees	**814,382**	498,485
	131,452,968	94,131,435

Other income		
- Grants	**233,711**	4,627,752
- Rental Income	**1,077,231**	556,395
- Insurance recoveries	**449,295**	171,799
- Others	**1,912,756**	345,954
	3,672,993	5,701,900

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated into timing of revenue recognition and the following table shows this breakdown:

	2025	2024
	$	$
Timing of revenue recognition		
- At a point in time	**130,638,586**	93,632,950
- Over time	**814,382**	498,485
	131,452,968	94,131,435

5 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2025	2024
	$	$
Deferred tax expense/(credit)		
Origination and reversal of temporary differences	**875,545**	(307,610)
Over provision in respect of prior years	**(396,375)**	-
Total income tax expense/(credit)	**479,170**	(307,610)

5 Income Tax Expense (cont'd)

(b) Reconciliation of income tax to accounting profit:

	2025	2024
	$	$
Loss for the year	**(49,779,579)**	(3,728,216)
Tax	**30.00%**	25.00%
	(14,933,874)	(932,054)
Add/(less):		
Tax effect of:		
- other non-allowable items	**28,791**	-
- non-deductible expenses	**3,177**	-
- fair value change on derivative liabilities	**10,036,023**	4,606,568
- results from non-taxable entities	**6,596,358**	(143,056)
- non-taxable income	**(602,891)**	(6,928,193)
- unrecognised deferred tax on temporary differences and tax losses	**(252,039)**	3,089,125
- over provision in respect of prior years	**(396,375)**	-
Income tax expense/(credit)	**479,170**	(307,610)

(c) Deferred tax

Deferred tax assets on tax losses not brought to account, the benefits of which will only be realised if the conditions for deductibility is satisfied amounts to $33,036,902 (2024: $15,568,233).

The taxation benefits will only be obtained if:

1. The Group derives future assessable income of the nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;

2. The Group continues to comply with the conditions for the deductibility imposed by law; and

3. No changes in tax legislation adversely affect the group in realising the benefit from the deductions for loss.

6 Cash and Cash Equivalents

	2025	2024
	$	$
Cash on hand	**8,696**	12,029
Cash at bank	**13,163,041**	14,151,211
	13,171,737	14,163,240

Notes to the Financial Statements

For the Year Ended 30 June 2025

7 Trade and Other Receivables

	2025	2024
	$	$
CURRENT		
Trade receivables	**2,392,995**	1,976,291
Provision for impairment	**(280,709)**	(134,725)
GST receivable	**1,311,576**	1,279,025
Other receivables	**28,793**	678,997
	3,452,655	3,799,588

8 Other assets

	2025	2024
	$	$
CURRENT		
Prepayments	**1,872,939**	321,157
Accrued income	**2,052,438**	930,557
Investments	**1,565**	1,565
	3,926,942	1,253,279

9 Investment Properties

	2025	2024
	$	$
At fair value		
Balance at beginning of year	**38,683,843**	38,127,000
Additions	**859,685**	-
Additions on acquisition	**-**	556,843
Transfers from property, plant and equipment	**1,615,614**	-
Net change in fair value of investment properties	**(5,613,064)**	-
Balance at end of year	**35,546,078**	38,683,843

Notes to the Financial Statements

For the Year Ended 30 June 2025

10 Property, plant and equipment

	2025	2024
	$	$
Freehold land and buildings		
At fair value	**243,393,948**	158,933,546
Accumulated depreciation	**(3,653,947)**	(1,578,917)
Total freehold land and buildings	**239,740,001**	157,354,629
Plant and equipment		
At cost	**14,943,348**	12,703,073
Accumulated depreciation	**(9,045,963)**	(7,567,932)
Total plant and equipment	**5,897,385**	5,135,141
Furniture, fixtures and fittings		
At cost	**7,006,803**	5,354,434
Accumulated depreciation	**(2,779,818)**	(2,233,680)
Total furniture, fixtures and fittings	**4,226,985**	3,120,754
Motor vehicles		
At cost	**895,251**	846,619
Accumulated depreciation	**(683,242)**	(573,122)
Total motor vehicles	**212,009**	273,497
Computer equipment		
At cost	**4,370,097**	3,522,361
Accumulated depreciation	**(2,670,550)**	(2,032,647)
Total computer equipment	**1,699,547**	1,489,714
Capital work in progress		
At cost	**11,724,457**	12,858,400
Total property, plant and equipment	**263,500,384**	180,232,135

Movements in Carrying Amounts

	Land and Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Capital work in progress	Total
	$	$	$	$	$	$	$
Year ended 30 June 2025							
Balance at the beginning of year	157,354,629	5,135,141	3,120,754	273,497	1,489,714	12,858,400	180,232,135
Additions	3,556,312	1,654,551	1,619,718	29,171	836,441	10,587,233	18,283,426
Additions through acquisition of entities	16,170,000	58,557	38,837	53,745	11,295	-	16,332,434
Transfers	8,943,382	1,162,180	-	-	-	(11,721,176)	(1,615,614)
Depreciation charges	(3,804,851)	(1,478,457)	(548,414)	(136,708)	(637,903)	-	(6,606,333)
Revaluation increase recognised in equity	57,520,529	-	-	-	-	-	57,520,529
Written off	-	(634,587)	(3,910)	(7,696)	-	-	(646,193)
Balance at the end of the year	239,740,001	5,897,385	4,226,985	212,009	1,699,547	11,724,457	263,500,384

Notes to the Financial Statements

For the Year Ended 30 June 2025

11 Trade and Other Payables

	2025	2024
	$	$
CURRENT		
Trade payables	**2,767,915**	1,025,820
Sundry payables and accrued expenses	**6,533,424**	3,501,592
Wages, superannuation and PAYG payables	**3,760,447**	3,192,784
Other payables	**197,749**	111,285
	13,259,535	7,831,481

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Borrowings

	2025	2024
	$	$
CURRENT		
Related party payables	**11**	143
Hire purchase	**58,118**	73,110
Government loans	**53,738**	53,738
	111,867	126,991
NON-CURRENT		
Government loans	**774,175**	728,585

The Group has an $8,000,000 RAD liquidity loan facility which can be used for the repayment of RADs and a further commercial rate loan facility of $10,000,000 for the use of refurbishing and extending residential aged care homes. The loan facilities are subject to certain financial and reporting covenants and these are assessed at the end of each quarter. A review event will be triggered by the lender if the covenants are breached and this may result in any and all drawn amounts under the loan facilities being repayable upon demand. The loan facilities are secured by mortgages and charges over certain freehold property and business assets of the Group. As at the year end and as at the date of this report, the Group has drawn down $10 from the loan facilities.

13 Other Financial Liabilities

	2025	2024
	$	$
CURRENT		
Deferred government grants	**1,000,000**	-
Deferred income	**971,374**	860,222
	1,971,374	860,222

Notes to the Financial Statements

For the Year Ended 30 June 2025

14 Refundable Accommodation Deposits, Bonds and Ingoing Contributions

	2025	2024
	$	$
CURRENT		
Refundable accommodation deposits and bonds	**166,169,141**	136,464,046
Ingoing contributions - Independent living	**13,781,202**	13,726,555
Capital gain share - Independent living	**1,702,303**	2,395,600
	181,652,646	152,586,201

15 Employee Benefits

	2025	2024
	$	$
CURRENT		
Long service leave	**2,791,886**	2,446,974
Annual leave	**7,041,632**	5,319,626
	9,833,518	7,766,600
NON-CURRENT		
Long service leave	**932,572**	837,959

16 Liabilities attributable to Class I & O shareholders

	2025	2024
	$	$
1,497,909 (2024: 1,322,354) Class O shares at issue price	**7,230,003**	5,200,000
6,384,759 (2024: 6,384,759) Class I shares at issue price	**13,071,891**	13,071,891
Share issue costs, net of tax	**(587,245)**	(587,245)
Fair value recognised in profit or loss	**76,287,259**	42,833,851
Total	**96,001,908**	60,518,497

	2025	2025	2024	2024
	No.	$	No.	$
Class I & O shares movement:				
At the beginning of the reporting period	**9,382,667**	**60,518,497**	**9,022,667**	**43,363,271**
Shares issued during the year				
Class O shares	**166,667**	**2,030,003**	**360,000**	**1,800,000**
Class I shares	-	-	-	-
Changes in fair value recognised in profit or loss	-	**33,453,408**	-	**15,355,226**
At the end of the reporting period	**9,549,334**	**96,001,908**	**9,382,667**	**60,518,497**

16 Liabilities attributable to Class I & O shareholders (cont'd)

Class I and O Shares are convertible into ordinary shares upon a liquidity event. The exact conversion ratio is influenced by the Manager's performance fee, which, depending on a number of tests including an investor preferred return of 8%, can range up to 20% of the net shareholder return. Thus, Class I and O shares contain embedded derivative features, since the number of ordinary shares to be issued upon a liquidity event will vary based on the estimated proceeds and price per share at the time of the event. A liquidity event includes an Initial Public Offering or sale of the Group's assets. Because this conversion is not fixed, the Accounting Standards require that they be classified as financial liabilities. The Group accounts for the Class I and O shares as financial liabilities at fair value through profit or loss as the shares contain embedded derivative liabilities.

Liabilities attributable to Class I and O shares are not refundable as they do not contain any obligation to be settled in cash. Class I and O shares provide the shareholders with the same voting rights as ordinary shareholders as per Note 17 and represent a right to receive a variable number of ordinary shares as a result of meeting various performance targets.

17 Issued capital

	2025	2024
	$	$
1,666,666 (2024: 1,666,666) Ordinary shares	**301**	301

Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the company. On a show of hands at meetings of the company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company has also issued Class I and Class O shares. Refer to Note 16 for further details.

The Company does not have authorised capital or par value in respect of its shares.

18 Reserves

Asset revaluation reserve

The asset revaluation reserve arises on the revaluation of land and building.

Share based payment reserve

The share-based payment reserve is used to recognise the grant date fair value of instruments issued as disclosed in Note 28.

19 Business Combinations

Resthaven

On 30 April 2025, the Group settled on an Asset Sale Agreement and Land Sale Contract with Resthaven Age Care Facility Pty Limited (Seller) for the purchase of the entire controlling interest of the Assets and Business Operations of the 63 bed Resthaven on Quarry residential aged care facility in North Mackay, Queensland for a net receipt of $99,004 in cash and issuance of Class O securities fair valued at $2,030,004

	Fair value $
Purchase consideration:	
- Cash	(99,004)
- Class O securities	2,030,004
Total purchase consideration	1,931,000
Assets or liabilities acquired:	
Plant and equipment	162,000
Land and buildings	16,170,000
Refundable accommodation deposits and bonds	(11,521,000)
Employee benefits	(870,364)
Total net identifiable assets	3,940,636
Identifiable assets acquired and liabilities assumed	3,940,636
Purchase consideration	1,931,000
Less: Identifiable assets acquired	3,940,636
Gain on acquisition (surplus of assets acquired over consideration paid)	(2,009,636)

Provisional accounting of acquisitions

The Group applies provisional accounting for any business combination.

Any reassessment of the fair value of the assets acquired or liabilities assumed during the earlier of the finalisation of the provisional accounting or 12 months from acquisition date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 Business Combinations, with corresponding adjustments against goodwill. Thereafter, at each reporting date, any increase or decrease in the fair value of the assets acquired or liabilities assumed will result in a corresponding gain or loss recognised in profit or loss. At this time, except for items noted below, we do not expect material changes in conjunction with the transaction. Specifically, the following assets and liabilities are subject to change:

1. Land and buildings
2. Refundable accommodation deposits and bonds
3. Fair value of equity settled consideration

As management receive additional information during the measurement year, these assets and liabilities may be adjusted.

20 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk and price risk
- Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Term deposits
- Trade and other payables
- Borrowings
- Refundable accommodation deposits and bonds
- Lease liabilities
- Liabilities at fair value through profit or loss

	2025	2024
	$	$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	**13,171,737**	14,163,240
Trade and other receivables	**3,452,655**	3,799,589
Term deposits	**6,244,537**	5,934,638
Total financial assets	**22,868,929**	23,897,467
Financial liabilities		
Held at amortised cost		
Trade and other payables	**13,259,535**	7,831,481
Borrowings	**886,041**	855,576
Refundable accommodation deposits, bonds and ingoing contributions	**181,652,646**	152,586,201
Lease liabilities	**38,818**	55,739
Derivative instruments	**96,001,908**	60,518,497
Total financial liabilities	**291,838,948**	221,847,494

20 Financial Risk Management (cont'd)

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses in risking damage to the Group's reputation.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Directors believe that based on historical experience, no more than 50% of resident liabilities will mature in any one year. Most of these are replaced by new liabilities (RADs) from incoming residents.

The Group also maintains a RAD liquidity facility with its bank that provides an $8,000,000 line of credit, repayable from new RAD receipts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

20 Financial Risk Management (cont'd)

Credit risk (cont'd)

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

21 Interests in consolidated entities

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2025	Percentage Owned (%)* 2024
Subsidiaries:			
Apollo Care Managed Investment Trust	Australia	**100**	100
Apollo Care Pty Limited	Australia	**100**	100
Apollo Care Properties Pty Limited	Australia	**100**	100
Apollo Care (Bellevue) Operations Pty Limited	Australia	**100**	100
Apollo Care Bellevue Trust	Australia	**100**	100
Apollo Care Charingfield Trust	Australia	**100**	100
Vincent Court Trust	Australia	**100**	100
Calvin Aged Care Trust	Australia	**100**	100
Apollo Care Properties 2 Pty Ltd	Australia	**100**	100
Bundaleer Trust	Australia	**100**	100
Harden Grange Trust	Australia	**100**	100
Tenterfield Care Centre Trust	Australia	**100**	100
Yackandandah Trust	Australia	**100**	100
Nanyima Trust	Australia	**100**	100
Westernport Trust	Australia	**100**	100
Companies Limited by Guarantee:			
Charingfield Limited	Australia	**100**	100
Vincent Court Limited	Australia	**100**	100
Calvin Aged Care Limited	Australia	**100**	100
Bundaleer Care Operations Limited	Australia	**100**	100
HRDC Community Limited	Australia	**100**	100
Tenterfield Care Centre Limited	Australia	**100**	100
Yackandandah Health Limited	Australia	**100**	100
Nanyima Operations Limited	Australia	**100**	100
Westernport Community Limited	Australia	**100**	100

*Companies limited by guarantee do not have shareholders but are controlled by Apollo Care Operations Pty Ltd.

22 Fair Value Measurement

The Group measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment - Land and Buildings
- Investment property
- Financial liability at fair value through profit or loss (Class I & O Shares)

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

	Level 1	Level 2	Level 3	Total
30 June 2025	**$**	**$**	**$**	**$**
Recurring fair value measurements				
Property, plant and equipment				
Land and buildings	-	-	**239,740,001**	**239,740,001**
Investment property	-	-	**35,546,078**	**35,546,078**
Financial liabilities at fair value through profit or loss (Class I and O shares)	-	-	**(96,001,908)**	**(96,001,908)**

Land and buildings

The Group's land and buildings represent Aged Care facilities which are occupied by residents who in many cases have contributed a refundable accommodation deposit to occupy their room in the facility. They are carried at fair value which is determined annually by external, independent and qualified valuers. Key inputs used in the valuations are the discount rate, terminal yield, capitalisation rate, expected vacancy rates and growth rates. The inputs are adjusted, if necessary, for any changes in economic circumstances between the measurement date and the reporting date. Changes in fair value are recognised in revaluation reserves.

Investment properties

The Group’s investment properties include residential houses and Independent Living Units (“ILUs”) which are occupied by residents who may have contributed a non-interest-bearing loan to occupy the ILUs. They are carried at fair value which is determined annually by external, independent and qualified valuers. Key inputs used in the valuations are the discount rate, terminal yield, capitalisation rate, expected vacancy rates and growth rates. The inputs are adjusted, if necessary, for any changes in economic circumstances between the measurement date and the reporting date. Changes in fair value are recognised in profit or loss.

22 Fair Value Measurement (cont'd)

Fair value hierarchy (cont'd)

Financial liabilities at fair value through profit or loss (Class I and O shares)

Derivative financial instruments have been valued using the net asset approach on a going concern basis. This valuation technique is based on the indicative equity value which considers the fair value of assets and liabilities, maximising the use of observable market data as available, and adjusted by estimates of indicative corporate costs. The fair value of derivative financial liabilities was determined by an external, independent valuer.

Transfers between levels of hierarchy

There were no transfers between levels of the fair value hierarchy.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

23 Key Management Personnel Disclosures

Pursuant to the Company's Constitution and the Management and Operating Deed, the Management Company, Apollo Care Management Pty Limited, is paid a Management Fee of 1.5% of the gross assets under management for the first $100m, thereafter 1% of gross assets under management above $100m. This fee is reduced to the extent that those key personnel are remunerated by the Company.

The remuneration paid to key management personnel of the Company and the Group is $1,151,786 (2024: $1,108,081). Share-based payment expense to key management personnel is $196,192 (2024: NIL).

24 Contracted Commitments

	2025	2024
	$	$
Contracted commitments for:		
Planned capital works and refurbishments	-	7,108,082

The Company anticipates that no significant capital expenditure commitments are required to the recently acquired residential aged care accommodations.

25 Contingencies

The Group had a contingent liability on an auto payroll facility amounting to $1,080,000 (2024: $1,080,000).

26 Related Parties

(a) The Group's main related parties are as follows:

Key management personnel - refer to Note 23.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

26 Related Parties (cont'd)

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Purchases	Sales	Balance outstanding: Owed to the company	Balance outstanding: Owed by the company
	$	$	$	$
KMP related parties				
Contractor fees paid to KRA Consulting	363,826	-	-	31,060
Consultancy fees paid to Yellow Paper	128,880	-	-	-
Other related parties				
Management fees paid to Apollo Care Management	2,214,083	-	-	-
Reimbursements paid to Cartesia Pty Ltd	111,563	-	-	6,394

(c) Loans to/from related parties

Loans are unsecured and repayable in cash, with no set repayment terms or interest payable.

	Opening balance	Closing balance	Interest not charged	Interest paid/payable
	$	$	$	$
Loans to related parties				
2025	-	-	-	-
2024	132	-	-	-

27 Share-Based Payments

As noted in Note 16, the Group's Manager is entitled to a performance fee of up to 20% of the Class I and Class O shareholder net return, subject to certain conditions including an investor preferred return of 8%. This performance fee is paid in Apollo Care Ordinary Shares at the time of a defined Liquidity Event.

Total expenses recognised in profit or loss for the year relating to share-based payment arrangements are $773,423 (2024: $3,071,045).

This performance fee is in turn allocated by the Manager to management participants via an Equity Incentive Plan. The Equity Incentive Plan is designed to provide long-term incentives for senior managers and above (including both non-executive and executive directors) to deliver long-term shareholder returns. Under the plan, participants are granted Class M shares (Rights), which normally vest over three years provided certain performance hurdles are met. At the Liquidity Event, it is expected that Class M shares (Rights) will convert to ordinary shares.

Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Class M shares are granted under the plan for no consideration and carry no dividend or voting rights.

27 Share-Based Payments (cont'd)

Set out below are summaries of shares granted under the plan:

	2025		2024	
	Number of shares	Average fair value per share	Number of shares	Average fair value per share
	$	$	$	$
As at 1 July	**45,887,500**	0.18	43,887,500	0.12
Granted during the year	**7,650,000**	0.26	2,000,000	0.18
As at 30 June	**53,537,500**	0.26	45,887,500	0.18

28 Auditors' Remuneration

	2025	2024
	$	$
Remuneration of the auditor PKF, for:		
- auditing or reviewing the financial statements of the Group	**87,500**	78,500
- auditing or reviewing the financial statements of the other entities within the Group	**115,000**	97,500
- taxation and other services	**210,000**	200,320
	412,500	376,320

Notes to the Financial Statements

For the Year Ended 30 June 2025

29 Parent entity

The following information has been extracted from the books and records of the parent, Apollo Care Operations Pty Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Apollo Care Operations Pty Ltd has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investment in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

	2025	2024
	$	$
Statement of Financial Position		
Assets		
Current assets	**75,636,998**	61,047,816
Non-current assets	**392,695,746**	230,728,870
Total Assets	**468,332,744**	291,776,686
Liabilities		
Current liabilities	**424,560,148**	242,947,618
Non-current liabilities	**96,778,093**	60,588,681
Total Liabilities	**521,338,241**	303,536,299
Equity		
Issued capital	**301**	301
Reserves	**8,449,321**	8,449,321
Retained earnings	**(61,455,119)**	(20,209,235)
Total Equity	**(53,005,497)**	(11,759,613)
Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	**(41,245,884)**	(6,620,285)
Total comprehensive loss	**(41,245,884)**	(6,620,285)

Notes to the Financial Statements

For the Year Ended 30 June 2025

30 Events Occurring After the Reporting Date

On 31 August 2025, the Group settled on various contracts that it had executed with Quirindi Care Services Limited, a not-for-profit operator of aged care services and retirement units based in Quirindi, New South Wales. The acquisition included the Eloura residential aged care home with 55 operating places, 18 retirement units and a residential duplex property. The net acquisition price under the contracts was $1.

The Group via a controlled entity, Tenterfield Care Centre Limited, exchanged contracts in early October 2025 to acquire a 5-bedroom residential house in Tenterfield, NSW for a contract price of $880,000. The acquisition will provide affordable accommodation to nursing and aged care staff and settlement is scheduled for 30 October 2025.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

31 Statutory Information

The registered office is:
29 Albert Street
Petersham NSW 2049

The principal place of business is:
Level 2 16-18 O'Connell Street
SYDNEY NSW 2000

Apollo Care Operations Pty Ltd

ABN: 78 609 769 897

Directors' Declaration

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 5 to 37, are in accordance with the *Corporations Act 2001* and:

   a. comply with Australian Accounting Standard - Simplified Disclosure Standard; and

   b. give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the Company and consolidated group.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director	Director ....
John Catherwood Young	Stephen John Becsi

Dated: 30 October 2025

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF APOLLO CARE OPERATIONS PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Apollo Care Operations Pty Ltd (the Company), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year end or from time to time during the financial year.

In our opinion, the accompanying financial report of Apollo Care Operations Pty Ltd is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year then ended; and
(b) complying with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Other Information (cont'd)

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

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KYM REILLY
PARTNER

30 OCTOBER 2025
SYDNEY, NSW