Tāmaki Regeneration Company

Statement of Performance Expectations
2025-2026

TĀMAKI
REGENERATION

Contents

Statement of Responsibility

In accordance with the Public Finance Act 1989 and the Crown Entities Act 2004, this Statement of Performance Expectations (SPE) publicly states the activities and intentions of Tāmaki Redevelopment Company Limited (TRC) and its subsidiaries for the 2025-2026 financial year (FY26), and the objectives and outcomes that those activities will contribute to.

This SPE has had shareholder input, allowing our responsible Ministers and Auckland Council to participate in setting the direction for TRC for FY26, and includes performance measures and targets as the basis of organisational accountability.

The Board of TRC is responsible for the statements contained in this SPE and for the appropriateness of the assumptions, as well as the relevant disclosures made in them.

The Board has the responsibility for establishing and maintaining a system of internal controls, designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

Evan Davies	Madhavan Raman
Board Chair	Board Director
30 June 2025	30 June 2025
Date	Date

Purpose of Statement of Performance Expectations

This document is Tāmaki Redevelopment Company's Statement of Performance Expectations 2025-2026 and should be read in conjunction with our Statement of Intent 2024-2028, which describes our organisation and medium-term strategic intentions in more detail, outlining how our operating environment is changing and how we plan to respond to those changes.

This SPE is our 12-month performance expectations document, setting out our expected financial performance during FY26, along with appropriate enabling projects, output measures, and associated targets within each of our functional areas. These measures are designed to drive organisational performance and are linked to our strategic objectives and the long-term outcomes that we contribute to.

In setting out these measures, our SPE provides a base against which our actual performance can be measured at year-end by our Shareholders and by Parliament. We will also provide quarterly reports[1] to our Shareholders, which will provide an overview of our performance over the previous three months against SPE measures.

Tāmaki Redevelopment Company Limited Group

The Tāmaki Redevelopment Company Limited Group (TRC Group) comprises of the parent entity Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries, Tāmaki Housing Association Limited Partnership (THA) and THA GP Limited (THAGP). TRC Group's primary objective is the social and economic regeneration of the Tāmaki area.

- **Tāmaki Redevelopment Company Limited (TRC)**. The parent entity. A limited liability company incorporated in New Zealand under the Companies Act 1993 and is a Schedule 4A company of the Public Finance Act 1989.
- **Tāmaki Regeneration Limited (TRL)** is TRC's asset-owning subsidiary.
- **Tāmaki Housing Association Limited Partnership (THA).** The Tāmaki Housing Association Limited Partnership is a registered community housing provider (Class 1 Social Landlord with the Community Housing Regulatory Authority) that is a wholly owned subsidiary of Tāmaki Redevelopment Company Limited.

TRC was established in 2012 as a Schedule 4A company under the Public Finance Act, to facilitate the regeneration of Tāmaki. TRC is 59 percent and 41 percent owned by Crown and Auckland Council, respectively.

[1] Note that the Annual Report 2025-26 will serve as the Quarter 4 Report for FY26.

Introduction

About Tāmaki Redevelopment Company Limited

Tāmaki Regeneration (TRC) is a place-based organisation that works alongside the community to deliver New Zealand's largest regeneration programme in the East Auckland suburbs of Glen Innes, Panmure and Point England.

In 2012, the Government and Auckland Council established Tāmaki Redevelopment Company Limited as a Schedule 4A company under the Public Finance Act, to facilitate the regeneration of Tāmaki.

Over the life of the regeneration programme, TRC plans to redevelop approximately 2,550 social homes into a total of 10,500 new warm and dry social, shared home ownership (SHO), affordable rental, and market homes. Our three delivery areas – building quality homes and neighbourhoods, being an excellent community housing provider, and leveraging the redevelopment to enable greater social and economic outcomes – directly deliver on the strategic regeneration priorities set out in our Constitution.

TRC is uniquely positioned to lead regeneration in Tāmaki and by demonstrating the Crown's interests in the programme, we are supporting the community to drive better outcomes for whānau.

Delivering Quality Housing and Neighbourhoods at Pace

The regeneration programme is redeveloping approximately 2,550 social homes into a total of 10,500 new warm and dry social, shared home ownership, affordable rental and market homes over the life of the regeneration programme. By the end of FY25 we would have replaced 506 homes with 1563 new homes. Over the next three years (FY26 to FY28), the remainder of the four-year funded period, we will deliver a total of 742 homes, submit consents for 1,673, and enable a further 468 to be delivered post-FY28.

Our place-based approach means we've gone from resistance in the community to being encouraged by community and iwi to increase the pace of housing delivery. This shift is due to local and visible leadership, listening to the concerns of community and putting in place policies to address these (such as the Tāmaki Commitment), having a strong understanding of the needs and aspirations of community, and shaping our delivery programme to meet these needs.

Our Development and Commercial Team is well positioned to maintain the pace of housing delivery and works closely with partners to programme infrastructure delivery. It cannot be overstated how heavily dependent the redevelopment is on the provision of in-ground infrastructure.

Being an Excellent Community Housing Provider

Our commitment is to achieve the best possible outcomes for social housing tenants while being financially prudent to ensure value for money for the Crown. Every decision is made with sustainability in mind to maximise whānau outcomes through the efficient use of public funds.

We are sharpening our focus on delivering excellent tenancy and asset management services, understanding the barriers and enablers that impact whānau in social housing, and driving meaningful change in a cost-effective manner.

Doing this secures our social licence to operate and builds upon our knowledge of the barriers and enablers to help us deliver the right houses that will support tenants in the future. We provide tenancy management and maintenance services to approximately 10,000 tenants and work with whānau to provide quality, sustainable jobs and training opportunities and pathways into home ownership.

We are an efficient asset manager, navigating the reality of an aging housing stock that is scheduled for redevelopment, and making sure we are meeting our obligations to provide whānau with warm and dry homes. Deliberate investment in maintenance and alignment to our redevelopment programme is key to make sure we meet needs, while providing value for money.

Leveraging Redevelopment to Deliver Greater Social and Economic Outcomes

We remain steadfast in our commitment to social and economic development programmes, including our Shared Home Ownership programme, the Tāmaki Job and Skills Hub, and broader economic initiatives. These targeted efforts account for only four percent of our overall expenditure, and are pivotal to achieving lasting improvements in income, employment, health, and education. Every dollar invested in these programmes will deliver maximum value, driving progress toward reducing the need for future Crown interventions and supporting the long-term financial sustainability of the region

These programmes include supporting whānau with some of the greatest barriers to home ownership and quality employment so they can access shared home ownership, job opportunities and make intergenerational change. So far, we have helped 117 whānau into home ownership (with 18 percent of them coming from social housing) and 1,670 locals into employment.

We provide opportunities for local businesses to benefit from the regeneration programme by working directly with us and ensuring they are positioned to reap benefits due to the increasing population. We ensure social and community infrastructure is built into our developments to support future needs and encourage self-managing neighbourhoods.

That said, we try to be clear around what is and is not TRC's role. This helps us to prioritise our investment into areas that we can have the most influence and deliver the greatest impact, making sure we are pragmatic with the funding we have, and that every dollar is wisely spent.

Our Approach for the Financial Year

The approach for FY26 focuses on delivering our three delivery priorities:

- **Delivering quality homes and neighbourhoods** – increasing pace and delivering neighbourhoods that provide quality social and shared home ownership homes, infrastructure, and social amenities. We plan to demonstrate the best in urban design thinking and to meet the needs of the diverse communities in Tāmaki by building the right type of homes, while driving efficiency throughout the development process with smart design and procurement.
- **Being an excellent community housing provider** to social housing tenants in Tāmaki by supporting them to live well in their neighbourhoods, providing maintenance for homes, supporting social housing whānau through the rehousing process, and connecting tenants to wider social services.
- **Leveraging the redevelopment to deliver greater social and economic outcomes** –including supporting local whānau into education and employment opportunities through the Tāmaki Jobs and Skills Hub — which will increase household income to enable home ownership —working with whānau to get them ready for home ownership opportunities and delivering wider economic development activity.

We are also focused on driving impact for the community and value for money:

- **Embedding mature operating models**, such as our end-to-end development process, our THA operating model, and continuing delivery of our shared home ownership pipeline and support services.
- **Driving cost savings without losing sight of whānau outcomes.** We have been very deliberate on aligning resource to outputs and have ensured everyone at TRC is supporting delivery in our three priority areas. We also monitor expenditure closely to drive efficiency across the business.
- **Continuing to assist the Government with community regeneration across New Zealand** – this means regularly sharing our learnings and kaupapa. Specifically, we continue to support the Ministry for Housing

and Urban Development (MHUD) and Kāinga Ora to implement the Government's housing and urban development programme, sharing our regeneration expertise, and enabling the Crown to deliver better wellbeing outcomes for other communities.

Our Operating Environment

The Tāmaki community has faced numerous challenges, with cost-of-living pressures forcing many whānau in Tāmaki to make impossible trade-offs between putting food on the table and paying medical bills. Housing affordability is a large part of financial stress for whānau, with housing being the largest single cost that most households face. We believe that increasing the supply and reducing the cost of housing will improve living standards across Tāmaki.

We have taken a deliberate approach to driving value for money across our redevelopment and maintenance programmes. After detailed analysis of our business processes and maintenance spend, we have driven a reduction of $2.6 million[2] over the past financial year without compromising on our requirements as a landlord.

Similarly, we have been delivering quality homes through our design and build contracts with our trusted Build Panel. This approach to contracting developments allows the market to drive cost efficiencies by delivering what they know works and lets TRC play our part by providing pipeline certainty to builders during a quieter period in the housing market.

As an organisation, we have moved from a growth phase into one of maturity, with embedded processes and standard operating rhythms. Having focused in previous years on establishing our development functions, we are now in the position to prioritise delivering our operating models rather than designing them.

We are laser-focused on our three delivery areas. We know that the greatest impact we can provide for whānau, and in turn the greatest value for money for shareholders, is by focusing on the homes that people live in. Be it development, home ownership, or supporting our social housing tenants, we can drive significant outcomes for whānau across the domains of income, employment, health and education.

[2] Forecast for FY25

Delivering on Expectations

Delivering on the Government's and Auckland Council's expectations

TRC's primary focus is to continue meeting our housing delivery plan commitments, with a strong focus on value for money. This year we have a significant increase in our housing delivery with our target growing from 28 in FY25 to 223 in FY26.

Our pathway for rolling delivery of 10,500 new homes in Tāmaki is dependent on infrastructure being ready for the increased number of homes in the area, and the pace of development is also influenced by our need to manage the community's capacity for disruption from infrastructure improvements, construction and rehousing.

We are actively working with Kāinga Ora, MHUD, and Auckland Council to align infrastructure and housing delivery, and to ensure alignment with changing central and local government strategy and policy. This includes investigating future delivery methods to enable redevelopment post-FY28.

Tenancy management and maintenance through THA is the largest portion of our operating expenditure each year. Our Senior Leadership Team and Board have a sharp focus on ensuring THA operates effectively, while maintaining the long-term value of Crown assets, and meeting tenants' needs. A prime example of this is our recent maintenance review which is forecast to save $2.6million for FY25. We will continue to seek savings while meeting our obligations as a landlord in FY26. THA retains governance and financial independence within the TRC group structure.

We understand that both local and central Government strategy policy on housing and infrastructure is in a period of change, and we are working with officials closely to ensure alignment with direction.

More broadly, the aspirations of the Tāmaki community are strongly aligned with the Government's interests, including achieving home ownership, living in well-designed neighbourhoods, having access to quality, sustainable jobs, and growing the economy.

TRC continues to provide reporting outlined in the Reporting and Approvals Framework agreed with MHUD. We will evaluate the performance of the whole board and individual directors on an annual basis and share the results of our evaluations with HUD and Auckland Council.

We will continue to adopt a "no-surprises" relationship with shareholders and our officials, and to work in partnership with HUD and Auckland Council.

Our Strategic Framework

For more details on what underpins our strategic framework, please see our Statement of Intent 2024-2028.

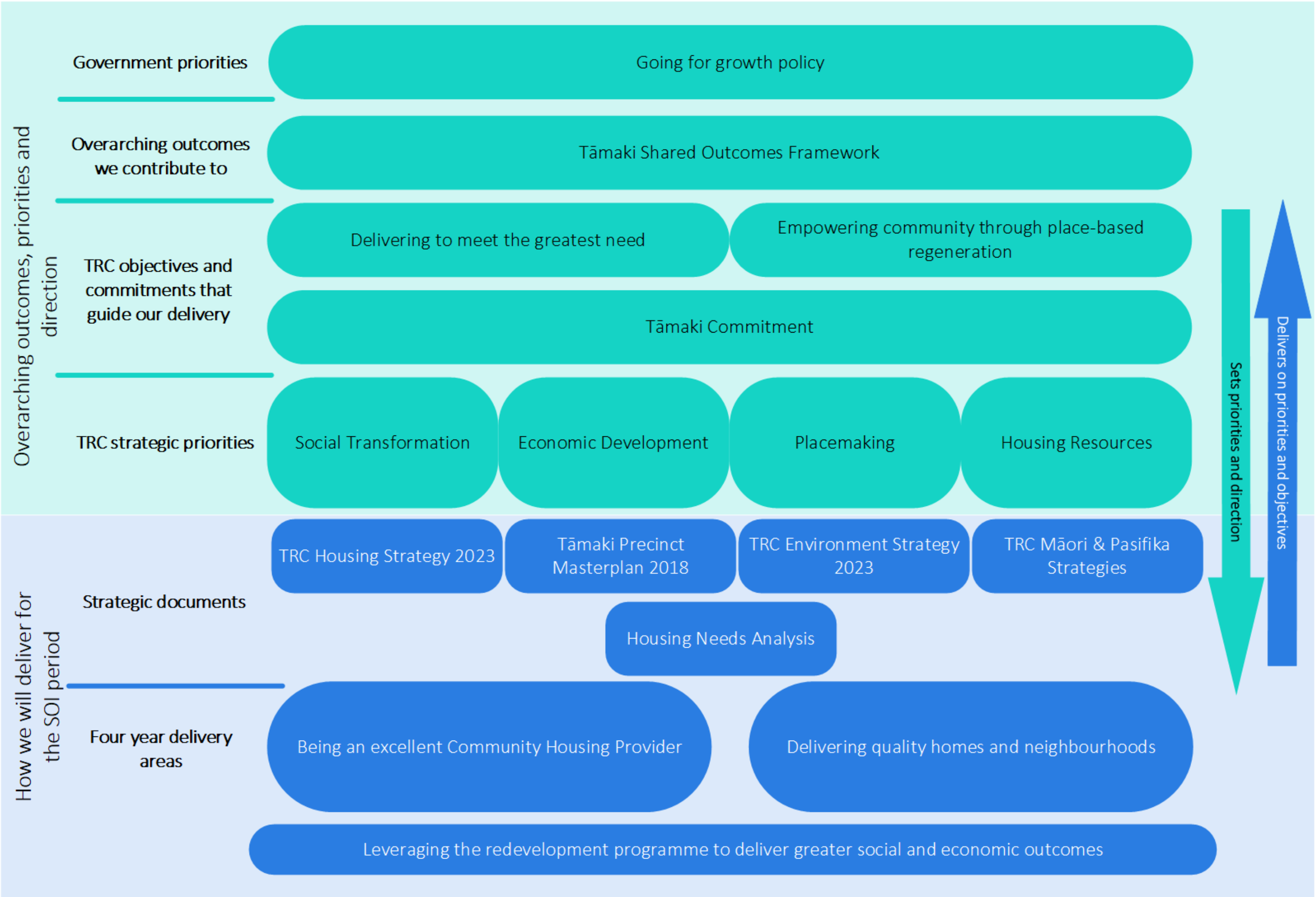
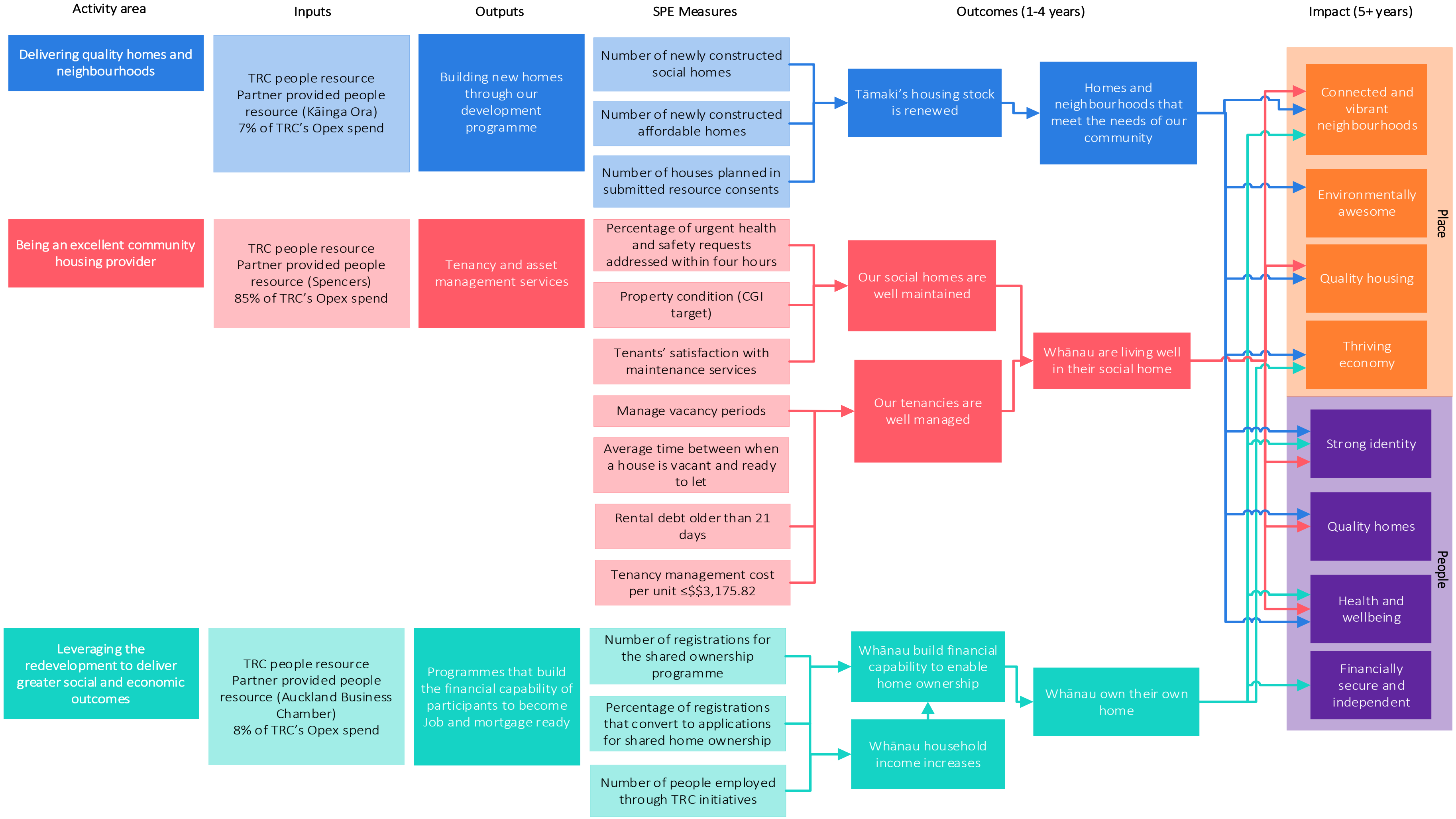


Figure 1 TRC's strategic framework

Our Intervention Logic Map

Our Intervention Logic Map sets out how inputs and activities are linked to annual outputs and how these annual outputs deliver outcomes within a Statement of Intent period (i.e., a 1-4Y frame) and longer-term (5Y+) impacts.



Delivering Quality Homes And Neighbourhoods

Building New Homes and Amenity to Increase Housing Stock and Enable Social and Economic Outcomes for Whānau

We are continuing to increase the pace of development and are forecast to deliver 742 new homes and enable land for an additional 468 homes by the end of FY28.

We are well positioned to deliver a sustained programme of new houses in future years, depending on funding for housing and infrastructure.

Our unique position as a place-based organisation allows us to marry qualitative insights from the community with data-driven analysis and determine the best approach to delivering outcomes for whānau. These insights have resulted in our approach to deliver homes with more bedrooms that are configured to meet the needs of Tāmaki whānau. By doing this, we can enable wider outcomes, while also supporting better use of land by housing more people in our developments.

There are several challenges delivering in a brownfields environment with the biggest being the need to assess, upgrade, or add new infrastructure to cater for the increase in the number of homes and population. This infrastructure is delivered across multiple agencies, including Kāinga Ora, Auckland Council and CCOs, and the private sector, for example Vector Limited. Without the horizontal infrastructure in place when needed, we cannot deliver the houses.

We have procured a panel of seven of the top builders in New Zealand to build houses and work long-term with TRC across multiple projects. This allows us to leverage private sector expertise to ensure both quality and value for money are front of mind when delivering projects. To date, procuring builders in this way has driven better pricing by allowing the market to drive cost efficiencies, and allows TRC to provide builders with a confirmed pipeline of developments during a quieter period in the housing market.

What We Will Achieve This Financial Year[3]

Over the life of the regeneration programme, we will deliver 10,500 new homes in Tāmaki. Since 2016, when we took over ownership and management of the social houses, we have replaced 506 houses with 1,563 new warm and dry houses. In FY26 we aim to deliver 98 new social houses and 125 new affordable homes.

Measuring resource consents submitted is a key leading measure to show land enablement for ongoing redevelopment. In FY26 we will submit consents for the creation, servicing and subdivision of superlots in our Point England – Panmure North (PEPN) Neighbourhood, which can deliver approximately 291 new homes.

Our reliance on Kāinga Ora's work to upgrade in-ground infrastructure is vital to the continued success of the regeneration. Ongoing alignment between infrastructure and housing programmes is needed to ensure future housing delivery.

Over the next 12 months, we will achieve key milestones across priority developments, progressing projects such as Epping-Evandale N2.4, Pīrangi, Larsen & Torino, and our portfolio of "Growth-Ready" projects. Growth-Ready projects are smaller initiatives where there are few site or infrastructure constraints, which allows us to contract builders sooner to drive greater efficiencies in design and delivery. Across all projects, we will deliver over 500 new homes over the next five years and will also provide opportunities to deliver outcomes identified in the Tāmaki

[3] Activity, and associated expenditure, within the Quality Homes and Neighbourhoods subclass relates specifically to Tāmaki Regeneration Limited (TRL), TRC's asset-owning subsidiary. Expenditure is consolidated within the Housing Resources Revenue and Output Expenses Table, along with revenue and expenditure within the Asset Management and Tenancy Management subclasses. TRL's full financial statements are contained within the Prospective Financial Statements section of this document.

Precinct Masterplan. We will continue to progress plans for future developments with Kāinga Ora and add homes to our supply pipeline to maintain momentum in the years to come.

Our delivery of a diverse mix of housing within well-functioning, connected neighbourhoods is consistent with the objectives set out in the Government's **National Policy Statement on Urban Development** and the **Medium Density Residential Standards.**

During the 2025/26 Financial Year, TRC will:

- Work with Kāinga Ora and build partners to deliver 223 new homes in Tāmaki, including 98 social homes and 125 shared equity homes.
- Progress key development sites with Kāinga Ora and regulatory authorities (i.e., obtain approvals required under the RMA) to ensure future delivery of social, shared home ownership and market housing.
- Explore and progress opportunities to partner with Mana Whenua and the Tāmaki community through development projects, to enable the achievement of housing and economic aspirations for their whānau.
- Plan for future housing delivery with Kāinga Ora by identifying future development opportunities across the regeneration area.

Measures and link to strategic framework

Outcome	**Tāmaki's housing stock is renewed**			
Output	Building new homes through our development programme			
Contributes to Tāmaki Shared Outcomes Framework	**People** Tāmaki whānau have a strong Tāmaki identity. Tāmaki whānau love their homes. Tāmaki whānau have good health and wellbeing. **Place** Tāmaki has vibrant and connected neighbourhoods. Tāmaki has quality housing that is safe, warm and dry. Tāmaki is environmentally awesome. Tāmaki has a thriving economy.			
Measures: How we will know we are making progress towards our desired outcome	**MEASURE**	**RESULT 23/24**	**TARGET 24/25**	**TARGET 25/26**
	Number of **newly constructed homes**[4].	49	28	223
	Number of newly constructed **social homes.**	15	19	98
	Number of newly constructed **shared equity homes**	113	9	125
	Number of **houses planned in submitted resource consents.**	New measure	425	291

[4] Houses are defined as completed with the application for a Code of Compliance Certificate has been lodged with Auckland Council.

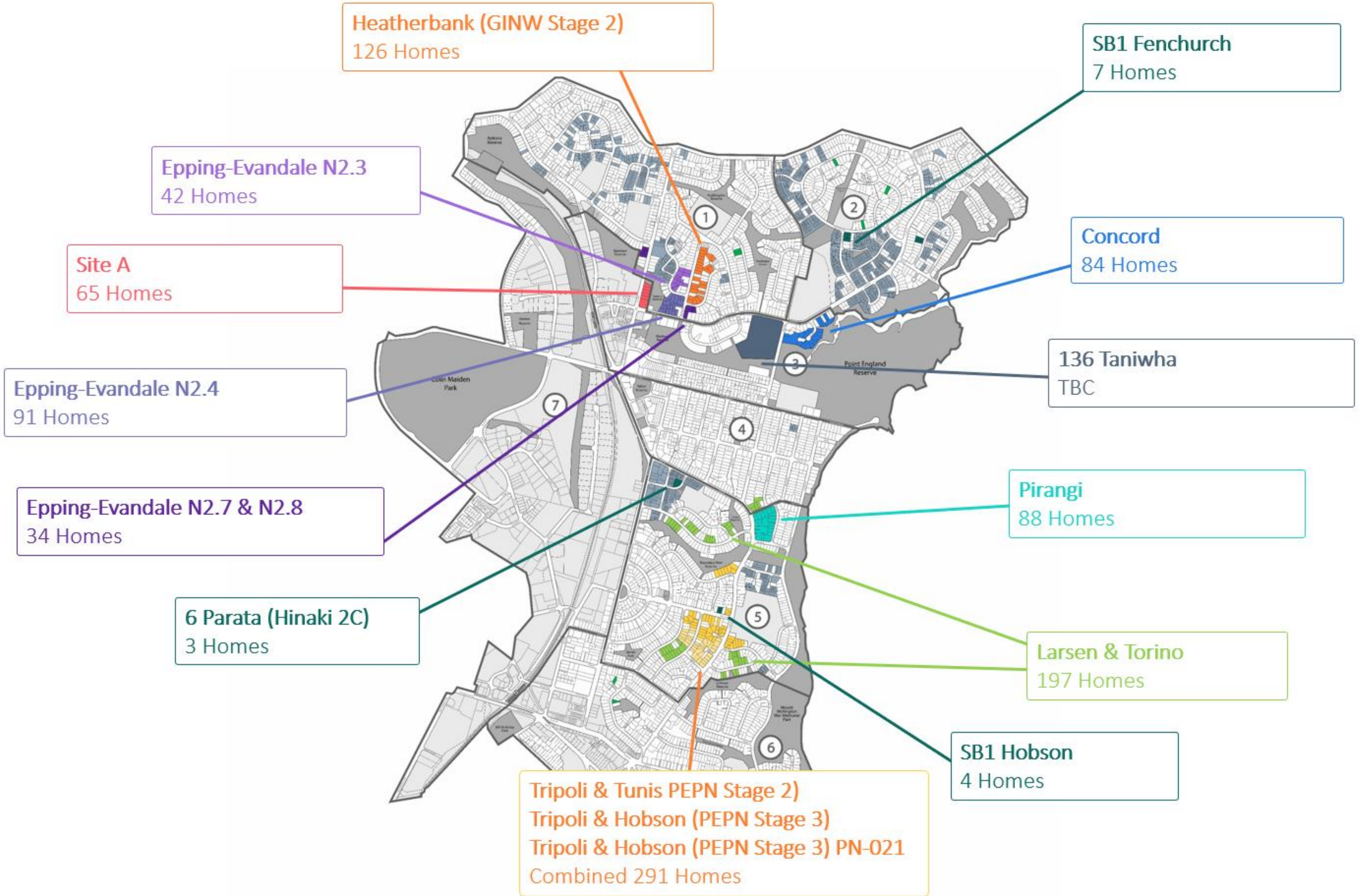
Enabling Projects

The following projects are currently in development. We expect to achieve the milestones noted in the table by the end of the 2025/26 Financial Year. Following on from the table is a map that shows where these projects are in Tāmaki.

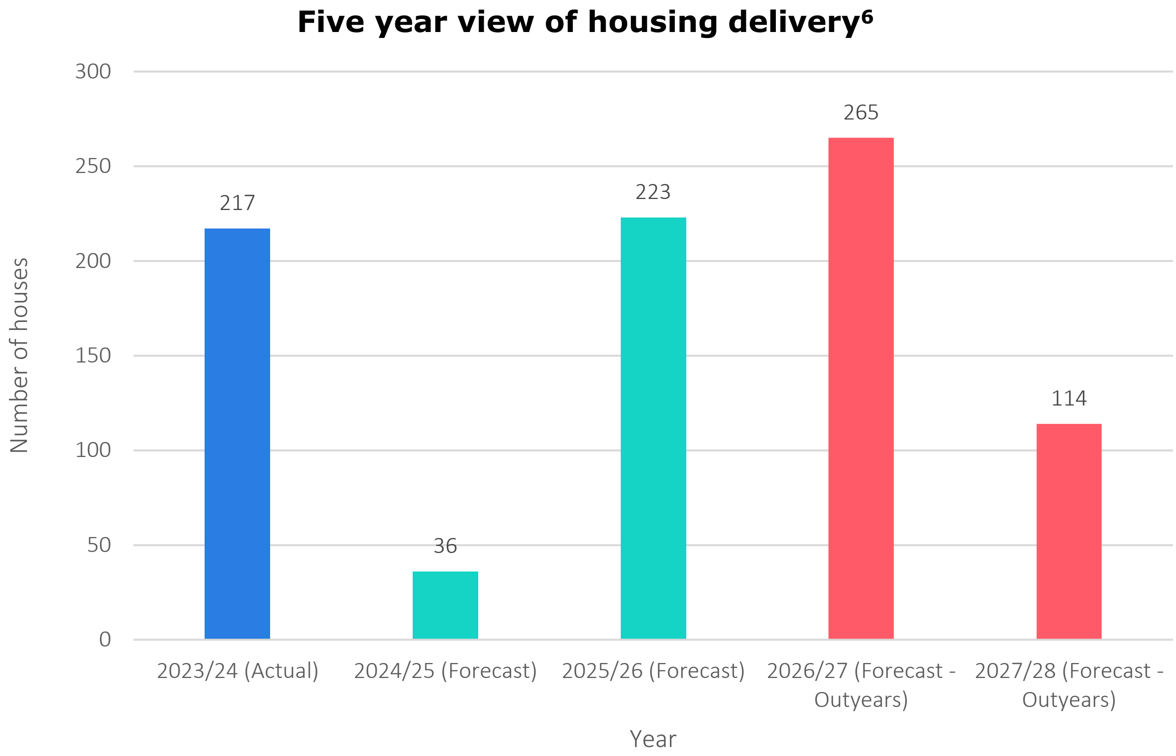
PROJECT	MILESTONE 25/26
Epping-Evandale N2.4 The project will deliver approximately 91 new homes, with a high number of those (64 units) being apartments and the remainder (27 units) being terraced units. The housing is split between shared home ownership (21 units) and social (70 units). This project faces onto Taniwha Street and Epping Street and is a short walk to the Glen Innes Town Centre, local reserves and public transport and incorporate a pedestrian link from Heatherbank Street to Taniwha Reserve.	Construction commences.
Pīrangi This project will provide a range of homes, including apartment, terraced, and freestanding homes. The project will deliver approximately 88 social and Shared Home Ownership homes (including two heritage homes currently scheduled) and enable the acceleration of equity outcomes for whānau.	Construction commences.
Larsen & Torino PN-069 & PN-084 The project in the Point England – Panmure North neighbourhood will deliver approximately 70 homes in total, of which 49 are Shared Home Ownership homes and 21 are social homes.	Building Consent Lodgement[5]
Larsen & Torino Small Sites This project will deliver approximately 124 terraced and apartment typologies across eight superlots lots in the Point England – Panmure North Neighbourhood. The sites are spread across multiple streets, predominantly clustered around Larsen Road and Torino Street.	Building Consent Lodgement for all Larsen & Torino small sites.
Growth-Ready Projects Our Growth-Ready projects involve contracting builders at an earlier stage of the design process, utilising a concentrated and efficient preconstruction process. The programme includes sites within TRC's wider portfolio or individual superlots within larger stages of development, which have minimal site constraints and infrastructure servicing requirements.	Contracts executed with builders for a minimum of three Growth-Ready Projects.

[5] Defined as consent lodgment for one or more superlots.

Map of Current Development Projects



* Note that yield numbers are for the whole development site, and some sites may only have partial delivery in FY26.



Delivering Quality Homes and Neighbourhoods Revenue and Output Expenses

The revenue and output expenses, as presented below, are for the output class Delivering Quality Homes and Neighbourhoods.

REVENUE AND OUTPUT EXPENSES	2025/26 PROSPECTIVE UNAUDITED ($000s)	24/25 ACTUALS ($000s)
Crown Revenue	0	0
Other Revenue	15,278	2,400
Total Revenue	**15,278**	**2,400**
Expenditure	(22,513)	(11,015)
Net (Deficit)	**(7,235)**	**(8,615)**

[6] This housing delivery graph shows all houses built on TRC land including market housing. Exact split of housing delivery in outyears are likely to change, however the total delivery over the five-year period will remain.

Being an Excellent Community Housing Provider

Providing World Class Tenancy and Asset Management that Delivers Great Outcomes for Tenants, and Value for Money for the Crown.

Managing Tenancies

Looking after tenants is one of our top priorities. Our tenancy management service is based on a deep understanding of the barriers, enablers, and drivers of change for social housing whānau. We are committed to improving outcomes for tenants and do this by building close relationships that in turn grow the social licence of our regeneration programme.

Being place-based is our greatest asset. We employ tenancy managers from Tāmaki, or who reflect the community we serve. This allows us to grow high-trust relationships that support behaviour changes and helps us to connect whānau with local NGOs and other services, where needed. THA has staff that can speak all the main languages spoken in our social homes, allowing us to break down communication barriers and deliver quality service whatever a tenant’s background.

We measure satisfaction of tenants with both tenancy management and maintenance services through regular surveys. The results of these surveys give us direction to improve our ways of working and ensure continuous improvement across the business.

Rehousing remains a vital part of our regeneration programme. When we need to redevelop a social home, we spend time engaging with the whānau to understand their needs. As housing delivery increases, this becomes increasingly complex, but we will always adhere to the Tāmaki Commitment: those who wish to stay in Tāmaki will have the opportunity to do so. This commitment maintains our social licence to operate and has wider benefits by valuing the importance and long-term benefits of preserving the links whānau have in Tāmaki, which in many cases span decades.

As part of our regeneration programme, we support social housing whānau on their housing journey. We see the impact of our work when we have social tenants join our shared home ownership pipeline and begin their home ownership journey. We build the linkages between these services and programmes to deliver better outcomes for Tāmaki whānau, with the added benefit of decreasing social housing demand and decreasing costs for Crown over time.

Across all the services we provide, we have approximately 10,000 interactions with tenants each year, and in many cases have to make multiple decisions on an hourly basis. While delivering services to our tenants in this dynamic environment we continue to embed the lessons we learn to improve our operations.

During the 2025/2026 Financial Year, THA will:

- Manage tenancies efficiently, effectively, and compassionately, while complying with our obligations and operating within a complex regeneration environment.
- Respond to tenant requests quickly and resolve issues within agreed timeframes.
- Progress a range of tenant-focussed improvements, including improving the information our front-line team have access to when working with tenants and continuing a more intensive and holistic approach to some of our higher density neighbourhoods.
- Combine quantitative and qualitative tenant feedback to identify and respond to areas where our service delivery model may not meet the needs of all whānau we serve.
- Adhere to the Tāmaki Commitment.
- Grow THA links to TRC’s shared home ownership and affordable rental programme, so we can best support whānau out of social housing when they are ready.

Measures and link to strategic framework

Outcome	**Our tenancies are well managed**[7]			
Output	Tenancy management services provided by the Tāmaki Housing Association			
Contributions to Tāmaki Shared Outcomes Framework	**People** Tāmaki whānau have a strong Tāmaki identity. Tāmaki whānau love their homes. **Place** Tāmaki whānau live in connected and vibrant neighbourhoods. Tāmaki has quality housing that is safe, warm and dry.			
Measures: **How we will know we are making progress towards our desired outcome.**	Measure	RESULT 23/24	TARGET 24/25	TARGET 25/26
	Average number of days to let Tāmaki Housing Association property to applicants from the MSD register after it becomes available	2.5 calendar days	< 8 calendar days	**< 7 calendar days**
	Average inter-tenancy void turnaround time (vacant to ready to let)	19 working days	< 20 working days	**< 20 working days**
	Rental debt older than 21 days as a percentage of monthly rental income	3.95%	< 5.0%	**< 5.0%**
	Tenancy management cost per unit	$2,946	< $3,065	**<$3,175.82**

[7] Activity, and associated expenditure within the Tenancy Management subclass relates specifically to the activities of Tāmaki Housing Association Limited Partnership, a registered community housing provider (Class 1 Social Landlord with the Community Housing Regulatory Authority) and a wholly owned subsidiary of Tāmaki Redevelopment Company Limited.

Managing And Maintaining Our Social Homes

We own and manage one of the oldest housing portfolios in the country with most of our social houses built between the 1940s and 1960s. Every day, we balance the liveability of our homes with rising maintenance costs, and the reality that we cannot make long-term investments in old housing stock that we plan to demolish within 5 - 20 years as part of the redevelopment. We know that if we were to significantly invest in retrofitting the older homes in our portfolio, they would still not perform as well as a new build, therefore we need to carefully manage retrofitting and maintenance to ensure value for money.

If we continue to deliver planned and responsive maintenance at the current rate, our programme costs would exceed revenue. This requires us to drive down costs while maintaining services to tenants. To help us reduce costs, we have established a Maintenance Review Programme to ensure we are delivering the right maintenance services to balance outcomes for whānau, quality of assets, and value for money. This programme will review our annual maintenance spend, identify cost savings, implement plans to increase tenant satisfaction with maintenance, and determine how we can incorporate local providers into the maintenance delivery to support the local economy and jobs and skills for residents - unlocking the social and economic potential of Tāmaki.

Despite the asset management challenges presented by old housing stock, we commit to all our properties meeting the health and safety requirements of a social house. Since the baseline for the Condition Grade Index[8] (CGI) measure was established in FY19, TRC has made good progress in improving the overall condition of the portfolio, taking a planned maintenance approach to asset management. The establishment and physical works associated with TRC's Te Taha Whānau – Quality Housing Planned Maintenance Program (QHPMP) has provided a mechanism not only to upgrade houses, but to also ensure these meet TRC's Levels of Service. This year we plan to conduct another asset survey, which will re-baseline our CGI figure for future years.

Because of our commitment to tenants and our understanding of the wider health, education, employment benefits that high-quality housing provides, we are committed to driving success across our maintenance programme.

During the 2025/2026 Financial Year, TRC will:

- Manage the housing portfolio to keep vacancy periods to a minimum and maximise the number of social housing places available, within the constraints of the redevelopment programme and our rehousing schedule.
- Manage housing portfolio to ensure social houses are suited to tenant needs, including being in accordance with the standards applicable to a Class 1 Social Housing Landlord and being compliant with all relevant legislative requirements (including the Residential Tenancies Act and Healthy Homes Standards), as required under our Open Terms Agreement.

[8] To assess the overall condition of our properties at a portfolio-level, we use a Condition Grade Index (CGI) that measures the average condition grade of components, weighted by their gross replacement costs. This encompasses all the components that make up a property and is rolled up to provide an overall portfolio score. If the CGI is less than 2.0, it is likely that the average condition of properties across the portfolio are good to very good. If the CGI is greater than 2.5, then it is likely that properties across the portfolio are, on average, in poorer condition. Our target for FY26 is to have a CGI score of 2.07 for our housing portfolio by the end of the year.

Measures and link to strategic framework

<table>
<tr><td>Outcome</td><td colspan="4">Our social homes are well managed and maintained[9]</td></tr>
<tr><td>Output</td><td colspan="4">Asset management programme provided by the Tāmaki Housing Association</td></tr>
<tr><td>Contributions to Tāmaki Shared Outcomes Framework</td><td colspan="4">People
Tāmaki whānau love their homes.
Tāmaki whānau have good health and wellbeing.
Place
Tāmaki has quality housing that is safe, warm and dry.</td></tr>
<tr><td rowspan="4">Measures:

How we will know we are making progress towards our desired outcome</td><td>MEASURE</td><td>RESULT 23/24</td><td>TARGET 24/25</td><td>TARGET 25/26</td></tr>
<tr><td>Percentage of urgent health and safety requests addressed within four hours</td><td>99.6%</td><td>95%</td><td>95%</td></tr>
<tr><td>Portfolio average property condition (CGI)</td><td>2.14</td><td>2.17</td><td>2.07</td></tr>
<tr><td>Percentage of tenants satisfied with repairs and maintenance</td><td>79%</td><td>75%</td><td>75%</td></tr>
</table>

Being an excellent Community Housing Provider: Revenue and Output Expenses

REVENUE AND OUTPUT EXPENSES	2025/26 PROSPECTIVE UNAUDITED ($000s)	2024/25 ACTUALS ($000s)
Crown Revenue	54,032	59,558
Other Revenue	28,039	26,571
Total Revenue	**82,071**	**86,129**
Expenditure	(59,081)	(62,070)
Depreciation	(39,785)	(37,286)
Net (Deficit)	**(16,795)**	**(13,227)**

[9] Activity, and associated expenditure, within the Asset Management subclass relates specifically to Tāmaki Regeneration Limited (TRL), TRC's asset-owning subsidiary.

Leveraging the Redevelopment to Deliver Greater Social and Economic Outcomes

Supporting Tāmaki Residents and Whānau to Gain Skills, Knowledge, and Employment Opportunities on their journey to Enter Home Ownership.

Although our social and economic initiatives cost a fraction of our overall expenditure, they act as a multiplier to the outcomes delivered by the redevelopment programme and tenancy management function. Not only does this provide better value for money by maximising the impact of the regeneration programme, but it also maintains our social licence to operate in the community.

Housing affordability is one of the most pressing economic, cultural and social problems facing New Zealand today. We understand the challenges whānau face to gaining housing independence, so our OWN IT Financial Capability Programme provides whānau with the knowledge and tools to make steps towards home ownership. These steps may look like whānau moving from social housing into an affordable rental, or from an affordable rental into a shared home ownership product.

Through this programme, we support whānau to progress along the housing continuum by delivering financial capability workshops that provide whānau with the knowledge and tools to reduce their debt, increase their savings, and become mortgage ready. We engage directly with whānau to understand their housing needs and aspirations to support them directly into shared home ownership or affordable rental housing through our housing delivery programme or connect whānau with market affordable products in Tāmaki that meet their needs.

Our position as a regeneration agency and community housing provider means we have a unique, system-wide view of housing in Aotearoa. We use the insights we gain from this to target our programmes to support those who face the greatest barriers to affordable housing and home ownership. This includes working with social housing tenants, who in many cases have become stuck in social housing for generations. Supporting these whānau through high-trust intensive support empowers them into home ownership, grows their wealth, allows them to own a home in retirement, and frees up social housing places for some of the 381[10] applicants on the social housing register for the Maungakiekie-Tāmaki Local Board area.

Between FY17 and the end of FY25, we have supported 117 whānau into home ownership, of which 10 whānau were social housing tenants. Seven of these whānau bought TRC's share (including one former social housing whānau) and now own their homes outright. These outcomes will improve outcomes both today and for future generations.

We know that insufficient household income is one of the largest barriers for whānau to pay down debt, increase savings, and be able to service a mortgage. That is why we also partner with the Auckland Business Chamber to deliver the Tāmaki Jobs and Skills Hub, which uses a proven model to support locals into sustainable employment, and to upskill people so they can maximise their earning potential. The Jobs and Skills Hub was recently assessed by Impact Lab and shown to have a return on investment of 8:1, meaning for every dollar spent on the Hub, the wider economy gains eight dollars of benefits.

Along with increasing employment, we want to encourage wider economic growth in Tāmaki, so businesses thrive, and the Panmure and Glen Innes town centres are active and vibrant places that meet the needs of their communities. We support local entrepreneurs and established businesses alike to bring a variety of offerings to the area. We also enable community and social infrastructure, so ongoing support and management of neighbourhoods is managed by the neighbourhoods themselves.

While making up a small amount of our annual expenditure, leveraging the redevelopment in this way provides a disproportionate benefit to both whānau engaging in our programmes and the wider economy. In many cases, these interventions are key moments in whānau lives, becoming a turning point for intergenerational change.

[10] As at March 2025

What We Will Achieve This Financial Year[11]

We are continuing to deliver of our financial capability programmes to targeted cohorts that so we can grow the pipeline of applications for our shared home ownership programme. By encouraging whānau to begin their home ownership journey now, we will ensure we have whānau who are mortgage ready when the development programme delivers more shared home ownership houses over the next three years. This will also prepare whānau to respond to current economic conditions for home buyers, including increased interest rates and tougher mortgage serviceability requirements. To help ensure our affordable homes remain affordable for whānau, we are reviewing our design specifications and lot locations (within sites) for shared home ownership homes.

Alongside our housing delivery, we continue our core programmes which provide skills, knowledge, employment, and support for whānau in Tāmaki via the Jobs and Skills Hub.

During the 2025/2026 Financial Year, TRC will:

- Provide local whānau with the financial knowledge and tools to save for a deposit, pay down debt and progress along the housing continuum towards home ownership, through the delivery of the Pathways to Housing Independence Programme.
- Support 62 whānau to progress into a shared home ownership home.
- Continue to build a local demand pipeline and have whānau moving into affordable housing products.
- Operate the Tāmaki Jobs and Skills Hub to support local people into training and employment.

[11] Activities, and associated expenditure, as set out within the Social Transformation output class relates specifically to Tāmaki Redevelopment Company Limited.

Measures and link to strategic framework

Outcome	**Whānau build financial capability to enable home ownership**			
Output	Programmes that build the financial capability of participants to become mortgage ready			
Contributions to Tāmaki Shared Outcomes Framework	**People** Tāmaki has a strong identity. Tāmaki whānau love their homes. Tāmaki whānau have good health and wellbeing. Tāmaki whānau are financially secure and independent. **Place** Tāmaki has a thriving economy			
Measures: How we will know we are making progress towards our desired outcome	MEASURE	RESULT 23/24	TARGET 24/25	TARGET 25/26
	Number of **registrations**[12] **for the Shared Home Ownership Programme**	New measure	1000	**1000**
	Percentage of registrations that convert to applications[13] for shared home ownership	New measure	20%	**20%**

Outcome	**Whānau household income increases**			
Output	Programmes and services that support Tāmaki residents into education and employment opportunities			
Contributions to Tāmaki Shared Outcomes framework	Tāmaki whānau have good health and wellbeing. Tāmaki whānau are financially secure and independent. Tāmaki partners drive equitable change. Tāmaki partners engage in systems thinking.			
Measures: How we will know we are making progress towards our desired outcome	MEASURE	RESULT 23/24	TARGET 24/25	TARGET 25/26
	Number of Tāmaki **people who are employed through TRC initiatives**.	215	150	**150**

[12] Registrations refer to individuals or households who have formally expressed interest via our online registration form. Registrations involve providing personal information and indicating an intention to participate in the programme.
[13] Applications refer to individuals or households that formally submit applications to participate in the programme, meet eligibility criteria and are officially in the pipeline for purchasing a shared home ownership product.

Leveraging The Redevelopment to Deliver Greater Social and Economic Outcomes: Revenue and Output Expenses

REVENUE AND OUTPUT EXPENSES	2025/26 PROSPECTIVE UNAUDITED ($000s)	2024/25 ACTUALS ($000s)
Crown Revenue	0	0
Other Revenue	0	0
Total Revenue	**0**	**0**
Expenditure	(5.449)	(5,992)
Net (Deficit)	**(5,449)**	**(5,992)**

Organisational Health

As a small organisation with a broad delivery mandate, we have made conscious efforts to ensure TRC has the right skills and expertise to deliver the regeneration programme. We have streamlined our organisation to ensure our staff are either delivering or directly enabling our redevelopment and shared home ownership housing programmes and managing our tenancies and assets. TRC is now an agile organisation of practitioners who are actively delivering new houses and better outcomes for local whānau.

Over the past four years, we have grown our in-house development capability with experienced Development Managers who lead our vertical build programme to deliver on our four-year objectives. We have also scaled up our Affordable Housing Team to ensure we can support over 200 whānau to become mortgage ready and enter a shared home ownership product by the end of FY28.

Our delivery functions are supported by a team of experts providing project management, commercial and financial support, community engagement, communications and policy and strategy expertise. We have been conscious to ensure everyone in these support functions are directly enabling one of our three delivery focus areas, providing a lean, agile and capable organisation to drive our programme forward. Concurrently, we continue to lift internal capabilities, emphasising the importance of openness, transparency, and high-trust relationships.

It is important, as we increase the pace of development, we are engaged and aligned with the community to maintain the social license we have earnt over the course of the regeneration programme.

Prospective Financial Information

Tāmaki Redevelopment Company Limited Group

Statement of Prospective Comprehensive Revenue and Expense (Unaudited)

For the year ending 30 June 2026

	2026	2025
	Prospective	Prospective
	Unaudited	Unaudited
Revenue	$000's	$000’s
Management fee income	13,669	13,679
Dividend Received	10,000	8,800
Other income	6	4
Total revenue	**23,675**	**22,483**
Expenditure		
Personnel costs	15,004	14,441
Consultants and professional fees	1,384	2,234
Contractors and temporary staff	3	104
Directors’ fees	349	313
Utilities and insurance	117	105
Legal expenses	147	218
Repairs and maintenance	18	35
Other expenses	4,820	4,549
Total expenditure	**21,842**	**21,999**
EBITDAF	**1,833**	**484**
Depreciation and amortisation expense	31	56

EBIT	**1,802**	**428**
Interest income	300	280
Interest costs	0	0
Net interest income	**300**	**280**
Net surplus for the year	**2,102**	**708**
Total comprehensive revenue and expense	**2,102**	**708**

Tāmaki Redevelopment Company Limited Group

Statement of Prospective Financial Position (Unaudited)

As at 30 June 2026

	2026	2025
	Prospective	Prospective
	Unaudited	Unaudited
Assets	$000's	$000's
Current assets		
Cash and cash equivalents	8,779	8,779
Trade and other receivables	2,763	2,764
Total current assets	**11,542**	**11,543**
Non-current assets		
Property, plant, and equipment	52	78
Total non-current assets	**52**	**78**
Total assets	**11,595**	**11,621**
Liabilities		
Current liabilities		
Creditors and other payables	(14,241)	(16,466)
Annual leave liability	(621)	(621)
GST payable	(148)	(51)
Total current liabilities	**(15,010)**	**(17,138)**
Total liabilities	**(15,010)**	**(17,138)**

Net liabilities	**(3,415)**	**(5,517)**
Equity		
Ordinary shares - Crown	5,000	5,000
Ordinary shares - Auckland Council	3,500	3,500
Accumulated (deficit)	(11,915)	(14,017)
Total equity	**(3,415)**	**(5,517)**

For and on behalf of the Board who authorise the issue of the financial statements on 30 June 2025.

Evan Davies

Board Chair

30 June 2025

Madhavan Raman

Director

30 June 2025

Tāmaki Redevelopment Company Limited Group

Statement of Prospective Changes in Equity (Unaudited)

For the year ending 30 June 2026

	2026 Prospective Unaudited $000's	2025 Prospective Unaudited $000's
Balance at 1 July	(5,517)	(6,225)
Total comprehensive revenue and expense		
Surplus for the year	2,102	708
Total comprehensive income	**2,102**	**708**
Owners' transactions		
Capital contribution	0	0
Repayment of capital	0	0
Total contributions and distributions	**0**	**0**
Balance at 30 June	(3,415)	(5,517)

Tāmaki Redevelopment Company Limited Group

Statement of Prospective Cash Flows (Unaudited)

For the year ending 30 June 2026

	2026 Prospective Unaudited	2025 Prospective Unaudited
Cash flows from operating activities	**$000's**	**$000's**
Rental Income from tenants	0	(422)
Receipts from other revenue	6	(202)
Management fee income	13,669	13,679
Payments to suppliers	(8,966)	(5,157)
Payments to employees	(15,004)	(14,790)
Net cash flow from operating activities	**(10,295)**	**(6,892)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(5)	(8)
Purchase of intangible assets	0	0
Net cash flow from investing activities	**(5)**	**(8)**
Cash flow from financing activities		
Interest received	300	281
Interest paid	0	0
Dividend received	10,000	8,800
Net cash flow from financing activities	**10,300**	**9,081**
Net increase in cash and cash equivalents	**(0)**	**2,181**
Cash and cash equivalents at the beginning of the year	8,779	6,598
Cash and cash equivalents at the end of the year	**8,779**	**8,779**

Tāmaki Redevelopment Company Limited Group

Notes to the Prospective Financial Statements (Unaudited)

For the year ending 30 June 2026

Statement of Accounting Policies

REPORTING ENTITY

These prospective financial statements are for the Tāmaki Redevelopment Company Limited Group (TRC Group) which comprises the parent entity Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP). TRC Group has determined that it is a public benefit entity (PBE) for financial reporting purposes. TRC Group's primary objective is the social and economic regeneration of the Tāmaki area.

These prospective financial statements do not include Tāmaki Regeneration Limited (TRL) due to Crown (rather than TRC Parent) controlling TRL. TRL's prospective financial statements are presented separately on pages 37 to 51 of this Statement of Performance Expectations. This document also presents, on pages 52 to 61, an aggregated set of prospective financial statements of the Tāmaki Redevelopment Company Limited Legal Group (which comprises of TRC Group and TRL) that do not comply with generally accepted accounting practice in New Zealand (NZ GAAP) and are not audited. Such an aggregation has to be treated as a non-GAAP set of prospective financial statements as it is not acceptable under PBE IPSAS 35 Consolidated and Separate Financial Statements to consolidate TRL into TRC Group.

TRC Parent is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is a

schedule 4A entity of the Public Finance Act 1989.

These prospective financial statements for TRC Group are for the year ending 30 June 2025 and were approved by the Board on 30 June 2025.

PROSPECTIVE FINANCIAL STATEMENTS

These prospective financial statements have been prepared for the express purpose of meeting legislative requirements set out under the Crown Entities Act 2004 and the use of these statements for any other purpose may not be appropriate. The description of the principal activities and current operations of TRC Group including those activities and operations expected to be undertaken during the period covered by these prospective financial statements are outlined in the strategic priorities section of this document. The actual financial results achieved for the year ending 30 June 2025 are likely to vary from these prospective financial statements and the variations could be material.

BASIS OF PREPARATION

The prospective financial statements have been prepared on a going concern basis. This is based on the past practice of funding TRC's operating expenditure through intercompany advances and dividends from its subsidiary, Tāmaki Regeneration Limited. A dividend was issued by TRL for $8.8m on 9 December 2024 which was used to pay off prior intercompany advances made by TRL. The Entitled Persons/Ministerial approval for the dividend waiver was received as required.

The TRL Board has resolved to provide cash flow support to TRC group as required and TRL is expected to be solvent and in a position to issue dividends to the TRC group at the end of the prospective reporting period.

The accounting policies have been applied consistently throughout the period.

Tāmaki Redevelopment Company Limited Group

Notes to the Prospective Financial Statements (Unaudited) (Cont'd)

For the year ending 30 June 2026

Statement of Compliance

The prospective financial statements of TRC Group have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with NZ GAAP. TRC Group is a non-publicly accountable and non-large public benefit entity as defined by the External Reporting Board. For that reason, TRC Group is allowed and has elected to prepare its financial statements in accordance with Tier 2 PBE accounting standards, which allows reduced disclosures. These prospective financial statements comply with PBE accounting standards; Prospective Financial Statements (PBE FRS 42).

Functional and presentation currency

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of TRC is New Zealand dollars (NZ$).

SIGNIFICANT ACCOUNTING POLICIES

Control and consolidation

Subsidiaries

Subsidiaries are entities controlled by the TRC Parent. The TRC Parent controls an entity when it has the power to govern the financial and operating policies of the entity to benefit from its activities. The prospective financial statements from the date on which control commences until the date on which control ceases are consolidated into the TRC Parent's prospective financial statements. The TRC Parent controls two subsidiaries being THALP and THAGP.

Loss of control

When the TRC Parent loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related minority interests and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Revenue from exchange transactions:

Exchange revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to TRC Group, and the revenue can be reliably measured, regardless of when the payment is being made. The specific accounting policies for significant revenue items are explained below:

Management fee income

The TRC Parent received management fees from Tāmaki Regeneration Limited each month in return for supplying day to day management services. THALP received management fees from TRL, each month in return for provision of tenancy and property management services.

Dividend revenue from TRL

Dividend revenue is recognised when the right to receive payment has been established. Dividend revenue is received from TRL on the 100 ordinary shares that TRC Parent owns at $1 each. The value of these shares is rounded down to zero in the Statement of Financial Position.

Interest income

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Receivables

Short-term receivables are recorded at face value, less any expected credit losses. TRC Group applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected

credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Property, plant, and equipment

Property, plant, and equipment consist of the following asset classes: leasehold improvements, office equipment and computer equipment. All asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to TRC Group and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Subsequent costs

Costs incurred, subsequent to, initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to TRC Group and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Leasehold improvements	The shorter of the period of the lease or estimated useful life
Office equipment	3 years
Computer equipment	5 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter. The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of property, plant and equipment, intangible assets, and inventories

TRC Group does not hold any cash-generating property, plant, and equipment. Property, plant, and equipment are considered cash-generating where their primary objective is to generate a commercial return through the provision of goods and/or services to external parties. TRC Group's primary objective from its non-financial assets is to achieve the regeneration objectives set out in its Statement of Intent.

Non-cash-generating assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where TRC Group would, if deprived of the asset, replace its remaining future economic benefit or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount. For assets not carried at a revalued amount, the total impairment loss (or reversal of impairment loss, if any) is recognised in the surplus or deficit.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months of reporting date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to reporting date and annual leave earned to but not yet taken at balance date. A liability and an expense are recognised for bonuses where TRC Group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of employee entitlements

Annual leave expected to be settled within 12 months of reporting date is classified as a current liability.

Financial instruments

TRC Group classifies all its financial assets and liabilities at amortised cost under the accounting standard PBE IFRS 41 *Financial Instruments* on the basis that these financial instruments are non-derivative and constitute solely payments of principal and interest and the asset (or liability) are held to collect (or settle via) cash flows.

TRC Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by TRC Group is recognised as a separate asset or liability.

TRC Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income tax

These prospective financial statements have been prepared on the basis that all entities in the TRC Legal Group are tax exempt in accordance with the Taxation Amendment Act 2019.

Goods and services tax

All TRC items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST inclusive basis. All THA items are presented inclusive of GST as THA is exempt from GST. Where GST is not recoverable from or payable to the IRD is included as part of receivables or payables in the prospective statement of financial position. The net GST paid to or received from the IRD including the GST relating to investing and financing activities, is classified as a net operating cash flow in the prospective statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated surplus/(deficit); and
- capital.

Critical accounting estimates and assumptions

In preparing these prospective financial statements, TRC Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant and equipment are reviewed.

Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered, such as the physical condition of the asset, expected period of use of the asset by TRC Group and expected disposal proceeds from the future sale of the asset.

Critical accounting judgements

A critical accounting judgement made in the preparation of these prospective financial statements is that THALP is acting as an agent (tenancy and property manager) for TRL. A 'deed of lease and appointment of property manager' agreement sets out the roles and responsibilities between THALP and TRL. THALP is essentially providing a tenancy and property management service to TRL in return for a management fee. In March 2019, TRL and THALP signed a new deed of lease (replacing the lease entered into in December 2017) which sets out that THALP will receive a per property per week management fee. Under both the old and new deeds of lease, THA receives a per property per week management fee.

TRL under both the old and the new deed of lease is entitled to the full rental income collected by THALP and must pay for the full property maintenance costs.

Critical accounting judgements (cont'd)

Factors that indicate THALP is acting as a principal

THALP is a Community Housing Provider (CHP) and is registered as a social housing landlord per CHP regulations. THALP therefore has the relationship with the Ministry of Social Development and the Ministry of Housing and

Urban Development (HUD) from October 2018, with regards to charging and collecting the IRRS subsidy and letting of tenants through the MSD application and vacancy process. Any obligations arising under the CHP regulations are the responsibility of THALP. THALP is also party to the tenancy agreement with the social housing tenants and THALP makes the decisions regarding who to accept as a tenant. THALP also bears the credit risk under the new deed of lease.

Factors that indicate THALP is acting as an agent

TRL is the asset owner and is responsible for funding and making the decisions regarding the maintaining of the properties, a significant portion of which is outsourced to a separate facilities management company. TRL has influence over the tenancy term with its ability to give notice to remove a property from the deed of lease. TRL also bears tenant occupancy risk from the subleasing arrangement.

Management have determined that on balance, THALP is acting as an agent for TRL and is carrying out its aforementioned duties on behalf and for TRL.

Assumptions, risks and uncertainties underlying the prospective financial statements

The prospective financial statements are unaudited. The main assumptions underlying the prospective figures are as follows:

- Operating costs are based on historical experience and forecast costs based on TRC Legal Group's business plan.
- The following economic assumptions will eventuate:

Assumption (source: Treasury)	Level of uncertainty	Risk	Financial impact
Average change in CPI: +2.2%	Moderate	That actual inflation is higher than forecast inflation	Movements in market prices will impact TRC Group's operating costs as well as interest income.

The actual results achieved for the period covered by the prospective figures are likely to vary from actual results for the financial year 2025 and these variances could be material. Factors that could lead to material differences between the prospective financial statements and the 2025 actual financial statements, in addition to the sources of uncertainty mentioned above, include decisions being made that alter the assumptions made above.

TRC's operating expenditure is funded in the short-term through intercompany advances and dividends from its subsidiary, Tāmaki Regeneration Limited ("TRL"). Dividends are subject to an Entitled Persons Consent or Ministerial waiver of the Crown's right to receive dividends from TRL. The Crown holds all the preference shares in TRL, whereas TRC holds all the ordinary shares in TRL.

Tāmaki Regeneration Limited

Statement of Prospective Comprehensive Revenue and Expense (Unaudited)

For the year ending 30 June 2026

	2026	2025
	Prospective	Prospective
	Unaudited	Unaudited
Revenue	$000’s	$000's
Development sales	0	483
Sales of shared ownership properties	15,278	14,139
Income-related rent subsidies	54,032	55,632
Rental income from tenants	23,156	23,960
Other	1,638	1,489
Total revenue	**94,124**	**95,704**
Expenditure		
Consultants and professional fees	1,825	1,369
Contractors and temporary staff	0	14
Management fee expense	13,669	13,679
Inventory costs	17,029	15,356
Repairs and maintenance	28,176	28,378
Utilities and insurance	16,511	16,094
Legal expenses	200	1
Other expenses	1,461	1,342
Total expenditure	**78,871**	**76,233**
EBITDAF*	**15,253**	**19,470**

Depreciation	39,753	38,737
EBIT	**(24,500)**	**(19,267)**
Interest income	2,919	4,079
Interest costs	0	0
Net interest income	**2,919**	**4,079**
(Deficit) for the year	**(21,581)**	**(15,188)**
Total comprehensive revenue and expense	**(21,581)**	**(15,188)**

*Earnings before interest, taxation, depreciation, amortisation and fair value adjustments.

Tāmaki Regeneration Limited

Statement of Prospective Financial Position (Unaudited)

As at 30 June 2026

	2026	2025
	Prospective	Prospective
	Unaudited	Unaudited
Assets	$000's	$000's
Current assets		
Cash and cash equivalents	139,887	109,474
Trade and other receivables	7,492	7,497
Inventories	306,828	144,213
Total current assets	**454,207**	**261,184**
Non-current assets		
Property, plant and equipment	2,583,118	2,505,240
Shared ownership investments	13,271	8,688
Total non-current assets	**2,596,389**	**2,513,928**
Total assets	**3,050,596**	**2,775,112**
Liabilities		
Current liabilities		
Creditors and other payables	(31,342)	(24,893)
GST payable	(522)	94
Total current liabilities	**(31,864)**	**(24,799)**
Total liabilities	**(31,864)**	**(24,799)**

Net assets	**3,018,732**	**2,750,313**
Equity		
Ordinary shares - TRC Parent	0	0
Preference shares - Crown	2,374,425	2,074,425
Revaluation reserve	985,707	985,707
Accumulated (deficit)	(341,400)	(309,819)
Total equity	**3,018,732**	**2,750,313**

For and on behalf of the Board who authorise the issue of the financial statements on 30 June 2025.

Evan Davies	Madhavan Raman
Board Chair	Director
30 June 2025	30 June 2025

Tāmaki Regeneration Limited

Statement of Prospective Changes in Equity (Unaudited)

For the year ending 30 June 2026

	Contributed capital	Revaluation reserve	Accumulated (deficit)	Total
	2026	2026	2026	2026
	Prospective	Prospective	Prospective	Prospective
	Unaudited	Unaudited	Unaudited	Unaudited
	$000's	$000's	$000's	$000's
Balance at 1 July	2,074,425	985,707	(309,819)	2,750,313
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(21,581)	(21,581)
Other comprehensive revenue and expense	0	0	0	0
Total comprehensive income	**0**	**0**	**(21,581)**	**(21,581)**
Owners' transactions				
Capital contribution	300,000	0	0	300,000
Dividends paid	0	0	(10,000)	(10,000)
Repayment of capital	0	0	0	0
Adjustment on derecognition of inventory	0	0	0	0
Total contributions and distributions	**300,000**	**0**	**(10,000)**	**87,000**
Balance at 30 June	**2,374,425**	**985,707**	**(341,400)**	**3,018,732**

Total

	Contributed capital	Revaluation reserve	Accumulated (deficit)	
	2025	2025	2025	2025
	Prospective	Prospective	Prospective	Prospective
	Unaudited	Unaudited	Unaudited	Unaudited
	$000's	$000's	$000's	$000's
Balance at 1 July	1,976,425	985,707	(285,831)	2,676,301
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(15,188)	(15,188)
Net Revaluation Reserve movements	0	0	0	0
Total comprehensive income	**0**	**0**	**(15,188)**	**(15,188)**
Owners' transactions				
Capital contribution	98,000	0	0	98,000
Dividends paid	0	0	(8,800)	(8,800)
Repayment of capital	0	0	0	0
Adjustment on derecognition of inventory	0	0	0	0
Total contributions and distributions	**98,000**	**0**	**(8,800)**	**89,200**
Balance at 30 June	**2,074,425**	**985,707**	**(309,819)**	**2,750,313**

Tāmaki Regeneration Limited

Statement of Prospective Cash Flows (Unaudited)

For the year ending 30 June 2026

	2026	2025
	Prospective	Prospective
	Unaudited	Unaudited
Cash flows from operating activities	$000’s	$000's
Receipts from development sales	0	515
Receipts from shared home ownership sales	15,278	14,139
Rental income from tenants	23,162	24,419
Income-related rent subsidies	54,032	55,632
Other revenue received	1,658	6,082
Management fee paid	(13,669)	(13,679)
Payments to suppliers	(40,448)	(55,401)
Net cash flow from operating activities	**40,013**	**31,707**
Cash flow from investing activities		
Purchase of freehold land and rental properties	(297,276)	(84,640)
Purchase of Shared ownership assets	(4,583)	(2,322)
Net cash flow from investing activities	**(301,859)**	**(86,962)**
Cash flow from financing activities		
Interest received	2,919	4,079
Dividend paid to TRC	(10,000)	(8,800)
Preference share drawdown	300,000	98,000
Preference share offset	(660)	(2,056)
Net cash flow from financing activities	**292,259**	**91,223**

Net increase in cash and cash equivalents	**30,413**	**35,968**
Cash and cash equivalents at the beginning of the year	109,474	73,506
Cash and cash equivalents at the end of the year	**139,887**	**109,474**

Tāmaki Regeneration Limited

Reconciliation of deficit to net cash flows from operating activities (Unaudited)

For the year ending 30 June 2026

	2026	2025
	Prospective	Prospective
	Unaudited	Unaudited
	$000's	$000's
(Deficit) for the year	**(21,581)**	**(15,188)**
Adjustments for:		
Funding costs	(2,919)	(4,079)
Depreciation	39,753	38,737
Other non cash entries:		
COGS – KO Sales	0	801
COGS - SHO	17,029	16,083
Net Inventory Writedown Expense	0	(1,409)
Gain/Loss of Shared Ownership Interest	0	(121)
KO Accrual - build costs	0	(3,340)
Changes in:		
Trade and other creditors	7,725	(4,890)
Trade and other receivables	6	5,113
Net cash from operating activities	**40,013**	**31,707**

Tāmaki Regeneration Limited

Notes to the Prospective Financial Statements (Unaudited)

For the year ending 30 June 2026

Statement of Accounting Policies

REPORTING ENTITY

These prospective financial statements are for Tāmaki Regeneration Limited (TRL). TRL has determined that it is a public benefit entity (PBE) for financial reporting purposes. TRL is domiciled and operates in New Zealand. These prospective financial statements were approved by the Board on 30 June 2025.

TRL has prepared separate prospective financial statements as it is not part of the Tāmaki Redevelopment Company Limited Group (TRC Group). TRC Group's prospective financial statements are presented separately on page 25 to 36 of this document.

TRC Group comprises the parent entity Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP). TRL cannot be included in the TRC Group's financial statements due to Crown (rather than TRC Parent) controlling TRL. This document also presents separately, on pages 52 to 61, an aggregated set of prospective financial statements of the Tāmaki Redevelopment Company Limited Legal Group (which comprises of TRC Group and TRL) that do not comply with generally accepted accounting practice in New Zealand (NZ GAAP). Such an aggregation has to be treated as a non-GAAP set of financial statements as it is not acceptable under PBE IPSAS 35 *Consolidated Financial Statements* to consolidate TRL into TRC Group.

PROSPECTIVE FINANCIAL STATEMENTS

These prospective financial statements have been prepared for the express purpose of meeting legislative requirements set out under the Crown Entities Act 2004 and the use of these statements for any other purpose may not be appropriate. The description of the principal activities and current operations of TRL including those activities and operations expected to be undertaken during the period covered by these prospective financial statements are outlined in the strategic priorities section of this document. The actual financial results achieved for the year ending 30 June 2025 are likely to vary from these prospective financial statements and the variations could be material.

BASIS OF PREPARATION

The prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of Compliance

The prospective financial statements of TRL have been prepared in accordance with the requirements of the Public Finance Act 1989 and the Crown Entities Act 2004, which includes the requirement to comply with NZ GAAP. TRL is a large PBE as defined by the External Reporting Board. For that reason, TRL has prepared its financial statements in accordance with Tier 1 PBE accounting standards.

Functional and presentation currency

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of TRC is New Zealand dollars (NZ$).

SIGNIFICANT ACCOUNTING POLICIES

Revenue from exchange transactions:

Exchange revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to TRL and the revenue can be reliably measured, regardless of when the payment is being made. The specific accounting policies for significant revenue items are explained below:

Receipts from land disposals

TRL disposes of land to one off purchasers as well as whānau approved under the TRL shared ownership programme. Receipts are recognised when the risks and rewards are transferred to the purchaser.

Rental income from tenants

Income from tenants on market rent is recognised on a straight-line basis over the rental term.

Revenue from non-exchange transactions

Revenue from non-exchange transactions is recognised only when TRL obtains control of the transferred asset (cash) and the transfer is free from conditions to refund or return the asset if the conditions are not fulfilled.

Rental income from tenants and income-related rent subsidies

Rental income from tenants who are not on market rent and income-related rent subsidies are recognised on a straight-line basis over the rental term.

Receivables

Short-term receivables are recorded at face value, less any expected credit losses. TRL applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. The allowance for credit losses for tenant debtors is based on tenant debt more than ninety days overdue. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Inventories

Inventories are measured at cost upon initial recognition or carrying amount at the time of transfer to inventories for items previously classified as property, plant, and equipment. To the extent that inventories were received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventories are its fair value at the date of acquisition. Given that all property, plant, and equipment is revalued annually, the fair value is usually approximated as the book value on transfer of the property, plant, and equipment to inventory. After initial recognition, inventories are measured at the lower of cost and net realisable value.

Property, plant, and equipment

Property, plant, and equipment consist of the following asset classes: freehold land, rental properties and capital work in progress. All asset classes are measured at cost, less accumulated depreciation and impairment losses. The exception is land and buildings transferred from Kāinga Ora back in 2016 which were initially recognised at cost and subsequently measured at fair value. Investment in joint operations has been classified as PPE as the property is held for a social service and/or strategic purpose.

Property, plant, and equipment (cont'd)

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to TRL and the cost of the item can be measured reliably. Capital work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net of revenue less expenses in the statement of comprehensive revenue and expense. Land and buildings are disposed when a shared home ownership property is purchased by a third party and the control is transferred from TRL.

Land is disposed when it is transferred to the developer as part of settlement at the end of the project. Properties are disposed when they are demolished for land development for new buildings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to TRL and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on rental properties at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives of rental properties are determined by the date they are scheduled to be demolished for redevelopment by Kāinga Ora on behalf of TRL under a Power of Attorney (PoA) arrangement (see below critical accounting estimates policy). The residual value

and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Subsequent measurement

Freehold land and rental properties are valued, on a class basis, to fair value. Fair value is determined by reference to market-based evidence and is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Independent valuations are performed annually to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date.

Any revaluation surplus is recognised in the asset revaluation reserve in other comprehensive revenue and expense, except to the extent that it offsets a previous revaluation deficit for the same asset class, that was recognised in surplus or deficit for the year. Therefore, the surplus is recognised in surplus or deficit for the year. On revaluation, accumulated depreciation is eliminated against the gross carrying amount of the asset.

An item of property is derecognised upon disposal. Upon disposal any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Any gain or loss arising on derecognition of an asset is included in surplus or deficit for the year. The gain or loss on derecognition is calculated as the difference between the net disposal proceeds and the carrying amount of the item.

Impairment of property, plant, and equipment

TRL does not hold any cash-generating property, plant, and equipment. Property, plant, and equipment are considered cash-generating where their primary objective is to generate a commercial return through the provision of goods and/or services to external parties. TRL's primary objective from its non-financial assets is to provide state housing as set out in its Statement of Intent.

Non-cash-generating assets

Property, plant, and equipment that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where TRL would, if deprived of the asset, replace its remaining future economic benefit or service potential. If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount. For assets not carried at a revalued amount, the total impairment loss (or reversal of impairment loss, if any) is recognised in surplus or deficit.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Financial instruments

TRL classifies its investment in shared ownership properties at fair value through surplus or deficit under PBE IFRS 41 *Financial Instruments* on the basis that they do not constitute solely payments of principal and interest. Shared ownership properties are purchased from TRL with TRL retaining a portion of equity interest in the property until 100% has been paid by the third party. The timing of the repayments from the shared home owner or whānau's household savings or their ability to refinance their mortgage.

TRL classifies all other financial assets and liabilities at amortised cost under PBE IPSAS 41 Financial Instruments on the basis that these financial instruments are non-derivative and constitute solely payments of principal and interest and the asset (or liability) are held to collect (or settle via) cash flows.

TRL derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that are created or retained by TRL is recognised as a separate asset or liability.

TRL derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Income tax

The prospective financial statements have been prepared on the basis that all entities in the TRC Legal Group are tax exempt in accordance with the Taxation Amendment Act 2019.

Goods and services tax

All items in the prospective financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the prospective statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the prospective statement of cash flows. Commitments and contingencies are disclosed inclusive of GST.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated surplus/(deficit); and
- revaluation reserve; and
- preference shares

Critical accounting estimates and assumptions

In preparing these prospective financial statements, TRL has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating fair value, useful lives and residual values of property, plant, and equipment

At each balance date, the fair values, useful lives and residual values of property, plant, and equipment are reviewed. The most recent valuation of freehold land and rental properties was performed by an independent registered valuer, Quotable Value Limited. The valuation was effective as at 30 June 2024. Fair value, using market-based evidence is based on the highest and best use of the freehold land and rental properties, with reference to comparative sales values. There are no restrictions on the ability of TRL to sell freehold land and rental properties. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by TRL and expected disposal proceeds from the future sale of the asset.

Derecognition of freehold land

At each balance date, we estimate the value of land to be derecognised through preference shares with the final value determined at completion of the project. At 30 June 2024 there was an increased amount of shared ownership properties which were not subject to derecognition.

Tāmaki Regeneration Limited

Notes to the Prospective Financial Statements (Unaudited) (Cont'd)

For the year ending 30 June 2026

Critical accounting judgements

A critical accounting judgement made in the preparation of these prospective financial statements is that THALP is acting as an agent (tenancy and property manager) for TRL. A 'deed of lease and appointment of property manager' agreement sets out the roles and responsibilities between THALP and TRL. THALP is essentially providing a tenancy and property management service to TRL in return for a management fee. In March 2019, TRL and THALP signed a new deed of lease. Under both the old and new deeds of lease, THALP receives a per property per week management fee. TRL under both the old and the new deed of lease is entitled to the full rental income collected by THALP and must pay for the full property maintenance costs.

Factors that indicate THALP is acting as a principal

THALP is a Community Housing Provider (CHP) and is registered as a social housing landlord per CHP regulations. THALP therefore has the relationship with the Ministry of Social Development and the Ministry of Housing and

Urban Development (HUD) from October 2018, with regards to charging and collecting the IRRS subsidy and letting of tenants through the MSD application and vacancy process. Any obligations arising under the CHP regulations are the responsibility of THALP. THALP is also party to the tenancy agreement with the social housing tenants and THALP makes the decisions regarding who to accept as a tenant. THALP also bears the credit risk under the new deed

of lease.

Factors that indicate THALP is acting as an agent

TRL is the asset owner and is responsible for funding and making the decisions regarding the maintaining of the properties, a significant portion of which is outsourced to a separate facilities management company. TRL has influence over the tenancy term with its ability to give notice to remove a property from the deed of lease. TRL also bears tenant occupancy risk from the subleasing arrangement. Management have determined that on balance, THALP is acting as an agent for TRL and is carrying out its aforementioned duties on behalf and for TRL.

Assumptions, risks and uncertainties underlying the prospective financial statements

The prospective financial statements are unaudited. The main assumptions underlying the prospective figures are as follows:

- Operating costs are based on historical experience and forecast costs based on TRC Legal Group's business plan.
- The following economic assumptions will eventuate:

Assumption (source: Treasury)	Level of uncertainty	Risk	Financial impact
Average change in CPI: +2.2%	Moderate	That actual inflation is higher than forecast inflation	Movements in market prices will impact TRL's operating costs as well as interest income.

The actual results achieved for the period covered by the prospective figures are likely to vary from actual results for the financial year 2025, and these variances could be material.

Factors that could lead to material differences between the prospective financial statements and the 2025 actual financial statements, in addition to the sources of uncertainty mentioned above, include decisions being made that alter the assumptions made above.

Tāmaki Redevelopment Company Limited Legal Group

Statement of Prospective Comprehensive Revenue and Expense

For the year ending 30 June 2026

	2026	2025
	Prospective	Prospective
	Unaudited	Unaudited
Revenue	$000's	$000’s
Development sales	0	483
Sales of shared ownership properties	15,278	14,139
Rental income from tenants	23,156	23,960
Income-related rent subsidies	54,032	55,632
Other income	1,664	1,493
Total revenue	**94,130**	**95,707**
Expenditure		
Personnel costs	15,004	14,441
Inventory costs	17,029	15,356
Contractors and temporary staff	3	118
Directors’ fees	349	313
Legal expense	347	219
Repairs and maintenance	28,194	28,413
Consultants and professional fees	3,209	3,602
Utilities and insurance	16,628	16,199
Other expenses	6,280	5,892
Total expenditure	**87,043**	**84,553**
EBITDAF	**7,087**	**11,154**

Depreciation	(39,785)	(38,794)
Total depreciation, amortisation and fair value adjustments	**(39,785)**	**(38,794)**
EBIT	**(32,698)**	**(27,640)**
Interest income	3,219	4,360
Interest costs	0	0
Net interest income	**3,219**	**4,360**
(Deficit) for the year	**(29,479)**	**(23,280)**
Total comprehensive revenue and expense	**(29,479)**	**(23,280)**

Tāmaki Redevelopment Company Limited Legal Group

Statement of Prospective Financial Position

As at 30 June 2026

	2026	2025
	Prospective	Prospective
	Unaudited	Unaudited
Assets	$000's	$000's
Current assets		
Cash and cash equivalents	148,666	118,253
Trade and other receivables	10,256	10,261
Inventories	306,828	144,213
Total current assets	**465,750**	**272,727**
Non-current assets		
Property, plant and equipment	2,583,170	2,505,318
Shared ownership investments	13,271	8,688
Total non-current assets	**2,596,441**	**2,514,006**
Total assets	**3,062,191**	**2,786,733**
Liabilities		
Current liabilities		
Creditors and other payables	(45,583)	(41,360)
GST payable	(670)	43
Annual leave liability	(621)	(621)
Total current liabilities	**(46,874)**	**(41,938)**

Total liabilities	**(46,874)**	**(41,938)**
Net assets	**3,015,317**	**2,744,795**
Equity		
Ordinary shares - Crown	5,000	5,000
Ordinary shares - Auckland Council	3,500	3,500
Preference shares - Crown	2,374,425	2,074,425
Revaluation reserve	985,707	985,707
Accumulated (deficit)	(353,315)	(323,836)
Total equity	**3,015,317**	**2,744,795**

For and on behalf of the Board who authorise the issue of the financial statements on 30 June 2025.

Evan Davies

Board Chair

30 June 2025

Madhavan Raman

Director

30 June 2025

Tāmaki Redevelopment Company Limited Legal Group

Statement of Prospective Changes in Equity

For the year ending 30 June 2026

	Contributed Capital	Revaluation Reserve	Accumulated (deficit)	Total
	2026	2026	2026	2026
	Prospective	Prospective	Prospective	Prospective
	Unaudited	Unaudited	Unaudited	Unaudited
	$000's	$000's	$000's	$000's
Balance at 1 July	2,082,925	985,707	(323,836)	2,744,795
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(29,479)	(29,479)
Other comprehensive revenue and expense	0	0	0	0
Total comprehensive income	**0**	**0**	**(29,479)**	**(29,479)**
Owners' transactions				
Capital contribution	300,000	0	0	300,000
Repayment of capital	0	0	0	0
Dividends paid	0	0	0	0
Adjustment on derecognition of inventory	0	0	0	0
Total contributions and distributions	**300,000**	**0**	**0**	**300,000**
Balance at 30 June	2,382,925	985,707	(353,315)	3,015,317

	Contributed Capital	Revaluation Reserve	Accumulated (deficit)	Total
	2025	2025	2025	2025
	Prospective	Prospective	Prospective	Prospective
	Unaudited	Unaudited	Unaudited	Unaudited
	$000's	$000's	$000's	$000's
Balance at 1 July	1,984,925	985,707	(300,556)	2,670,076
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(23,280)	(23,280)
Net Revaluation Reserve movements	0	0	0	0
Total comprehensive income	0	0	(23,280)	(23,280)
Owners' transactions				
Capital contribution	98,000	0	0	98,000
Repayment of capital	0	0	0	0
Dividends paid	0	0	0	0
Adjustment on derecognition of inventory	0	0	0	0
Total contributions and distributions	98,000	0	0	98,000
Balance at 30 June	2,082,925	985,707	(323,836)	2,744,795

Tāmaki Redevelopment Company Limited Legal Group

Statement of Prospective Cash Flows

For the year ending 30 June 2026

	2026	2025
	Prospective	Prospective
	Unaudited	Unaudited
Cash flows from operating activities	$000's	$000's
Receipts from development sales	0	515
Receipts from shared home ownership sales	15,278	14,139
Rental income from tenants	23,162	23,998
Income-related rental subsidy	54,032	55,632
Other revenue received	1,664	5,880
Payments to suppliers	(49,413)	(60,560)
Payments to employees	(15,004)	(14,790)
Net cash flow from operating activities	**29,719**	**24,814**
Cash flow from investing activities		
Purchase of property, plant and equipment	(297,281)	(84,648)
Purchase of shared ownership assets	(4,583)	(2,322)
Net cash flow from investing activities	**(301,865)**	**(86,970)**
Cash flow from financing activities		
Interest received	3,219	4,360
Interest paid	0	0
Preference share offset	(660)	(2,056)
Preference share drawdown	300,000	98,000
Net cash flow from financing activities	**302,559**	**100,304**

Net increase in cash and cash equivalents	**30,413**	**38,148**
Cash and cash equivalents at the beginning of the year	118,253	80,105
Cash and cash equivalents at the end of the year	**148,666**	**118,253**

Tāmaki Redevelopment Company Limited Legal Group

Notes to the Prospective Financial Statements (Unaudited)

For the year ending 30 June 2026

REPORTING ENTITY

These prospective financial statements are for the Tāmaki Redevelopment Company Legal Group (TRC Legal Group) which comprises of:

• Tāmaki Regeneration Limited (TRL); and

• Tāmaki Redevelopment Company Limited Group (TRC Group) which further comprises of the parent Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP).

The prospective financial statements for the TRC Legal Group are the aggregated prospective financial statements of TRC Group & TRL, each of which have been included separately as part of this document.

BASIS OF PREPARATION

The prospective financial statements of the TRC Legal Group are a non-GAAP aggregated set of prospective financial statements. TRC Group consists of TRC Parent, THALP and THAGP. As TRC Parent controls THALP and THAGP it is required by NZ GAAP to consolidate THALP and THAGP into the TRC Group. The Directors of TRC Parent note that while TRC Parent holds 100% of the ordinary shares of TRL, the Crown holds 100% of the preference shares in TRL. The rights and obligations attached to the preference shares result in the Crown having control of TRL, meaning that it is inconsistent with NZ GAAP to consolidate TRL into TRC Group. The Directors of TRC Parent wish to present a view of the forecast financial position of TRC Legal Group and its prospective results for the year ended 30 June 2025 in one set of prospective financial statements. Such a presentation has to be treated as a non-GAAP set of prospective financial statements as it is not acceptable under PBE IPSAS 35 *Consolidated and Separate Financial Statements* to consolidate TRL into TRC Group.

The most appropriate way to describe and present such a set of prospective financial statements is as a non-GAAP aggregation. These prospective financial statements have been clearly marked as a non-GAAP aggregation. They have been prepared on a going concern basis. These prospective financial statements have applied the same accounting policies that TRC Group and TRL have applied as set out in their own prospective financial statements within this document. The accounting policies have been applied consistently throughout the period.

The notes to these financial statements are limited to the Statement of Accounting Policies. Aggregated TRC Group & TRL note disclosures are not included in these financial statements and are instead individually set out in the notes to the financial statements of TRC Group and TRL included within this document.

Statement of compliance

The prospective financial statements of TRC Legal Group have not been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). This is because NZ GAAP, specifically PBE IPSAS 35 *Consolidated and Separate Financial Statements* does not allow the consolidation of TRL into TRC Group, as the Crown rather than the TRC Parent controls TRL. All other PBE Accounting Standards have been complied with.

The TRC Legal Group's aggregate of TRC Group & TRL's prospective financial statements (non-GAAP) have been prepared in accordance with Tier 2 PBE accounting standards, which allows reduced disclosures.

Tāmaki Redevelopment Company Limited Legal Group

Notes to the Prospective Financial Statements (Unaudited) (Cont'd)

For the year ending 30 June 2026

Functional and presentation currency

The aggregate TRC Group & TRL prospective financial statements (non-GAAP) are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of TRC Legal Group is New Zealand dollars (NZ$).

Significant accounting policies

The significant accounting policies of TRC Legal Group are materially the same as the accounting policies used in the preparation of the prospective financial statements of TRC Group and TRL.