

Third Age Health delivers 1Q Underlying NPATA¹ of \$296k up 37% and 24% on 1Q FY23 and 4Q FY23 respectively.

Q1 FY24 Business Highlights- Unaudited Financial Performance

- 61 ARC facilities contracted at the end of Q1:
 - The number of ARC patients we provide care to has increased by 15% in Q1 (to 3,762 residents) compared to the PCP²; 10.7% of total ARC population across NZ currently supported by TAH³.
 - Grew our combined enrolled patient population across both ARC and general practice for Q1 by 71% when compared to PCP with 5% organic growth.
- At the end of Q1 TAH started a new general practice service alongside taking over the ARC service at Selwyn Village, one of Auckland's largest retirement and Aged Residential Care facilities. The general practice will operate a new older people's health service that will set the standard for primary care in retirement villages across NZ.
- Our ARC facility Net Promoter Score from 12 months ago has lifted from +9 to +55, a 5x improvement.
- Repaid debt of \$676k as of 30 June which will result in an estimated \$60k p.a. reduction in annualised interest expense.
- Other cost savings initiatives underway expected to result in an estimated annualised fixed cost reduction of \$250k p.a. from Q3 onwards.
- Clinical Team (Practitioners and other health professionals): We ended Q1 with 71 clinical team members up 31 (78% increase) compared to PCP and 3 up (4% increase) when compared to the previous Quarter, Q4 FY23.
- Q1 vs Q4 FY23: Operational changes in EastMed clinic alongside ongoing continuous improvements in our other clinics and ARC have lifted earnings from Q4 FY23, alongside a strong pipeline of new ARC facility service starts for Q2 and beyond.

Q1 FY24 Financial Highlights (Unaudited)

- **Group revenue** up 66% over Q1 FY23 to **\$3,526k** and 3% over Q4 FY23 (Q1 FY23: \$2,127k, Q4 FY23: \$3,425)
- **Revenue** from ARC core business up 42% over Q1 FY23 to **\$1,243k** and 7% over Q4 FY23 (Q1 FY23: \$827k, Q4 FY23 \$1,166k).
- **Organic group revenue** up 23% over Q1 FY23 to **\$2,626** (Q1 FY23: \$2,127, Q4 FY23: \$1,780)
- **Underlying NPBTA⁴** up 30% over Q1 FY23 at **\$380k** and 16% over Q4 FY23 (Q1 FY23: \$293k, Q4 FY23: \$327k)
- **Underlying NPATA** (assuming tax at 28% for Q1) up 37% over Q1 FY23 to **\$296k** and 24% over Q4 FY23 (Q1 FY23: \$216k, Q4 FY23: \$239k)

¹ Underlying NPATA is adjusted for (i) non-cash amortisation charges arising as a result of purchase accounting rules (ii) non-recurring provision related to the TADH loan and (iii) non-cash debt revaluation arising as a result of accounting rules post a loan restructure. The loan was restructured during FY23 to fix interest rates to protect against ongoing increases in rates.

² PCP refers to prior comparable period.

³ NZACA ARC Industry Profile 2021-22 <https://berl.co.nz/our-mahi/aged-residential-care-industry-profile-2021-22>

⁴ Underlying NPBTA is adjusted for (i) non-cash amortisation charges arising as a result of purchase accounting rules (ii) non-recurring provision related to the TADH loan and (iii) non-cash debt revaluation arising as a result of accounting rules post a loan restructure.

- **Statutory NPAT** (assuming tax at 28% for Q1) up 23% over Q1 FY23 to **\$217k** and 323% over Q4 FY23 (Q1 FY23: \$176k, Q4 FY23: loss -\$97K)
- **Cash/Debt:** Cash and cash equivalents decreased to **\$763k** at the end of Q1FY24 (Q4 FY23: \$1,355k) – a reduction of \$592k. The loan balance reduced to **\$1,655k** at the end of the quarter (Q4 FY23: \$2,341k) with a repayment of \$676k.

Financial Highlights (unaudited) \$'000	Q1 FY24	Q1 FY23	Q1 change	Q4 FY23	Q4 change
Revenue	3,526	2,127	+65.8%	3,425	+2.9%
Underlying EBIT	487	314	+55.1%	463	+5.2%
EBIT Margin	13.8%	14.8%	-1.0%	13.5%	+0.3%
Underlying NPBTA	380	293	+29.7%	327	+16.2%
Underlying NPBTA%	10.8%	13.8%	-3.0%	9.5%	+1.3%
Underlying NPATA	296	216	+37.0%	239	+23.8%
Underlying NPATA%	8.4%	10.2%	-1.8%	7.0%	+1.4%
Statutory NPAT	217	176	+23.3%	-97 ⁵	+323.7%
Statutory NPAT%	6.2%	8.3%	-2.1%	-2.8%	+9.0%
Return on Equity (TTM)	27.5%	37.3%	-9.8%	16.0%	+11.5%
Return on Capital Employed (TTM)	17.4%	25.9%	-8.5%	12.0%	+5.4%

⁵ Q4 Statutory NPAT includes a write down of \$233k for TADH loan.

Dividend Declaration

We are pleased to announce an 1Q fully imputed dividend per share of 1.62 cents, in line with our dividend policy.

The board of directors of Third Age Health Services Limited has approved the release of this document to the market.

About Third Age Health (NZX:TAH)

Third Age Health is New Zealand's only specialised provider of general practice health care services for older people living in retirement villages, private hospitals, secure dementia units as well as in communities across New Zealand. A dedicated Third Age Health clinical team provides onsite clinics, rostered rounds and after hours on-call healthcare services aimed at supporting the health and wellbeing of older people to improve quality of life. As well as providing clinical services for over 60 aged care facilities throughout New Zealand, Third Age Health owns several general practices providing quality primary healthcare to people of all ages.

www.thirdagehealth.co.nz