

Third Age Health Services Limited

Unaudited consolidated statement of profit or loss and other comprehensive income

For the year ended 31 March 2025

	2025	2024
	\$000	\$000
<b>Revenue</b>	<b>19,081</b>	<b>15,151</b>
Cost of services	(9,181)	(7,535)
<b>Gross profit</b>	<b>9,900</b>	<b>7,616</b>
Other income	58	85
Employees and contractors	(3,302)	(3,042)
Professional and consulting fees	(523)	(437)
Other expenses	(1,455)	(1,226)
<b>Operational expenses</b>	<b>(5,280)</b>	<b>(4,705)</b>
<b>EBITDA</b>	<b>4,678</b>	<b>2,996</b>
Amortisation and depreciation	(841)	(715)
Finance costs	(337)	(355)
<b>Profit before income tax</b>	<b>3,500</b>	<b>1,926</b>
Income tax expense	(1,022)	(543)
<b>Profit for the period</b>	<b>2,478</b>	<b>1,383</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>2,478</b>	<b>1,383</b>
<b>Profit and total comprehensive income attributable to:</b>		
Shareholders of the parent	2,386	1,400
Non-controlling interests	92	(17)
<b>Profit for the year</b>	<b>2,478</b>	<b>1,383</b>
<b>Earnings per share</b>		
Basic earnings per share (cents)	23.90	13.99
Diluted earnings per share (cents)	23.90	13.99

These Consolidated Financial Statements are to be read in conjunction with the accompanying notes.

Third Age Health Services Limited

Unaudited consolidated statement of changes in equity

For the year ended 31 March 2025

	Share Capital \$000	Share Based Payments Reserve \$000	Retained earnings \$000	Non- control ing Interest \$000	Total \$000
<b>Balance at 1 April 2023</b>	<b>596</b>	<b>645</b>	<b>1,330</b>	<b>(27)</b>	<b>2,544</b>
Prior period error	-	-	(40)	-	(40)
<b>Revised balance at 1 April 2023</b>	<b>596</b>	<b>645</b>	<b>1,290</b>	<b>(27)</b>	<b>2,504</b>
Profit for the year	-	-	1,400	(17)	1,383
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,400</b>	<b>(17)</b>	<b>1,383</b>
Dividend	-	-	(986)	-	(986)
Tax credit on share based payments	-	-	-	-	-
Deferred tax credit on share based payments	-	-	-	-	-
Share based payments	-	12	-	-	12
<b>Balance at 31 March 2024</b>	<b>596</b>	<b>657</b>	<b>1,704</b>	<b>(44)</b>	<b>2,913</b>
<b>Balance at 1 April 2024</b>	<b>596</b>	<b>657</b>	<b>1,704</b>	<b>(44)</b>	<b>2,913</b>
Profit for the year	-	-	2,386	92	2,478
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,386</b>	<b>92</b>	<b>2,478</b>
Dividend	-	-	(1,351)	(116)	(1,467)
Share buyback	(111)	-	-	-	(111)
Transfer	-	(634)	634	-	-
Share based payments	-	8	-	-	8
Impact of other transactions with NCI	-	-	-	146	146
<b>Balance at 31 March 2025</b>	<b>485</b>	<b>31</b>	<b>3,373</b>	<b>78</b>	<b>3,967</b>

These Consolidated Financial Statements are to be read in conjunction with the accompanying notes.

Third Age Health Services Limited  
Unaudited consolidated statement of financial position  
For the year ended 31 March 2025

	2025 \$000	2024 \$000
<b>Current assets</b>		
Cash and cash equivalents	2,594	1,695
Trade and other receivables	1,059	775
Other assets	104	81
Accrued revenue	40	319
<b>Total current assets</b>	<b>3,797</b>	<b>2,870</b>
<b>Non-current assets</b>		
Property, plant and equipment	189	123
Right-of-use-assets	2,181	2,514
Intangible assets	4,773	4,191
Financial assets	20	20
<b>Total non-current assets</b>	<b>7,163</b>	<b>6,848</b>
<b>Total assets</b>	<b>10,960</b>	<b>9,718</b>
<b>Current liabilities</b>		
Trade and other payables	1,887	1,594
Employee benefits	432	336
Provisions	22	22
Current tax liabilities	648	346
Bank Loan - current	59	1,342
Lease liabilities	330	306
<b>Total current liabilities</b>	<b>3,378</b>	<b>3,946</b>
<b>Non current liabilities</b>		
Bank loan	1,091	-
Other payables	1	1
Lease liabilities	2,094	2,399
Deferred tax liability	429	459
<b>Total non current liabilities</b>	<b>3,615</b>	<b>2,859</b>
<b>Total liabilities</b>	<b>6,993</b>	<b>6,805</b>
<b>Net assets</b>	<b>3,967</b>	<b>2,913</b>
<b>Equity</b>		
Share capital	485	596
Share based payment reserve	31	657
Retained earnings	3,373	1,704
<b>Equity attributable to the Parent</b>	<b>3,889</b>	<b>2,957</b>
Non-Controlling Interests	78	(44)
<b>Total Equity</b>	<b>3,967</b>	<b>2,913</b>

These Consolidated Financial Statements are to be read in conjunction with the accompanying notes.

Third Age Health Services Limited  
Unaudited consolidated statement of cash flows  
For the year ended 31 March 2025

	2025 \$000	2024 \$000
<b>Cash flows from operating activities</b>		
Receipts from customers	19,199	15,097
Payments to suppliers and employees	(14,332)	(11,624)
Interest received	43	38
Interest paid	(331)	(372)
Income taxes paid	(878)	(462)
<b>Net cash flows provided by operating activities</b>	<b>3,701</b>	<b>2,677</b>
<b>Cash flows from investing activities</b>		
Payments purchase for property, plant and equipment	(114)	(17)
Investment in developing intangible assets	(38)	(132)
Acquisition of business	(572)	-
<b>Net cash flows used in investing activities</b>	<b>(724)</b>	<b>(149)</b>
<b>Cash flows from financing activities</b>		
Shares acquired	(111)	-
Loan repayments on bank borrowings	(790)	(999)
Loan receivable repayments	-	80
Payment of lease liabilities	(308)	(283)
Dividend paid	(1,351)	(986)
Dividend paid to NCI	(116)	-
Proceeds from borrowings	598	-
<b>Net cash flows (used in) / provided by financing activities</b>	<b>(2,078)</b>	<b>(2,188)</b>
<b>Net increase in cash and cash equivalents</b>	<b>899</b>	<b>340</b>
Cash and cash equivalents at the beginning of the period	1,695	1,355
Cash and cash equivalents at the end of the period	<b>2,594</b>	<b>1,695</b>

These Consolidated Financial Statements are to be read in conjunction with the accompanying notes.

# Third Age Health Services Limited

## Notes to the Unaudited Consolidated Financial Statements

### For the year ended 31 March 2025

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#### 1. Reporting entity

These Consolidated Financial Statements are for Third Age Health Services Limited and its subsidiaries (the "Group"). The Parent is incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The parent's shares are publicly traded on the New Zealand Stock Exchange (NZX) and are listed on the main board of the NZX. The principal trading activity of the Group is the provision of medical services to the aged care sector. Those companies included in the Group are disclosed in note 9.

#### 2. Statement of accounting policies

Accounting policies remain consistent with the prior year ended 31 March 2024 financial statements.

#### 3. Net tangible assets

The Group has net tangible assets as at 31 March 2025 of (3.8) cents per share (2024: net tangible assets (8.8) cents per share). The movement in net tangible assets is the results of changes in the Statement of Financial Position composition owing to the repayment of borrowings in the year and increase in cash at bank.

#### 4. Segment information

##### 4.1. Products and services from which reportable segments derive their revenue

The Group's reportable segments are as follows:

- Aged medical residential care services, being the provision of medical care services to the aged care sector.
- General practice medical services, being the provision of primary care services to the community.

# Third Age Health Services Limited

## Notes to the Unaudited Consolidated Financial Statements

### For the year ended 31 March 2025

#### 4.2. Segment revenues and results

The following is an analysis of the Group's revenue and results from operations by reportable segment:

Segment revenue	2025	2024
	\$000	\$000
Aged medical care services	11,752	8,283
General practice medical services	7,329	6,868
<b>Total for continuing operations</b>	<b>19,081</b>	<b>15,151</b>

  

Segment profit before tax	2025	2024
	\$000	\$000
Aged medical care services	2,816	1,833
General practice medical services	684	93
<b>Total for continuing operations</b>	<b>3,500</b>	<b>1,926</b>

Segment profit includes the following items:

For the year ended 31 March 2024	Aged care medical services	General practice medical services
	\$000	\$000
EBITDA	1,839	1,157
Depreciation	(6)	(384)
Amortisation of intangibles	-	(325)
Interest expense on leases	-	(204)
Interest on bank Loan	-	(151)
<b>Profit before tax</b>	<b>1,833</b>	<b>93</b>
Add back: Loan impairment	-	-
<b>Profit before tax from underlying core operations</b>	<b>1,833</b>	<b>93</b>
Income tax expense	(496)	(47)
<b>Profit for the period</b>	<b>1,337</b>	<b>46</b>

# Third Age Health Services Limited

## Notes to the Unaudited Consolidated Financial Statements

### For the year ended 31 March 2025

For the year ended 31 March 2025

	Aged care medical services	General practice medical services
	\$000	\$000
EBITDA	2,968	1,710
Depreciation	(21)	(388)
Amortisation of intangibles	(105)	(327)
Interest expense on leases	-	(186)
Interest on bank Loan	(26)	(125)
<b>Profit before tax</b>	<b>2,816</b>	<b>684</b>
Add back: Loan impairment	-	-
<b>Profit before tax from underlying core operations</b>	<b>2,816</b>	<b>684</b>
Income tax expense	(895)	(127)
<b>Profit for the period</b>	<b>1,921</b>	<b>557</b>

EBITDA represents profit before tax excluding amounts for depreciation and amortisation expenses, interest expenses and interest income.

#### 4.3. Segment assets and liabilities

Segment assets	2025	2024
	\$000	\$000
Aged medical care services incl support functions	4,091	2,638
General practice medical services	8,416	8,281
<b>Total segment assets</b>	<b>12,507</b>	<b>10,919</b>
Intercompany elimination	(1,547)	(1,201)
<b>Total segment assets</b>	<b>10,960</b>	<b>9,718</b>
Segment liabilities	2025	2024
	\$000	\$000
Aged medical care services incl support functions	3,200	1,461
General practice medical services	5,340	6,545
<b>Total segment liabilities</b>	<b>8,540</b>	<b>8,006</b>
Intercompany elimination	(1,547)	(1,201)
<b>Total segment liabilities</b>	<b>6,993</b>	<b>6,805</b>

# Third Age Health Services Limited

## Notes to the Unaudited Consolidated Financial Statements

### For the year ended 31 March 2025

#### 5. Costs of employees and contractors includes:

	2025 \$000	2024 \$000
Salaries and wages	2,664	2,513
Short term incentives	279	197
Defined contribution (KiwiSaver)	131	121
Share based payments expense	13	12
<b>Employee benefit expense</b>	<b>3,087</b>	<b>2,843</b>
Contractors	215	199
	<b>3,302</b>	<b>3,042</b>

The above excludes clinical employee and contractor costs.

#### 6. Finance costs

	2025 \$000	2024 \$000
Interest expense on leases	186	204
Interest on bank Loan	151	151
	<b>337</b>	<b>355</b>

#### 7. Amortisation and depreciation

	2025 \$000	2024 \$000
Depreciation on right of use assets	362	360
Depreciation on plant, property and equipment	47	30
Amortisation of acquired intangibles	408	316
Amortisation of software	24	9
	<b>841</b>	<b>715</b>

#### 8. Share Capital

##### Ordinary shares

All ordinary shares rank equally with one vote attached to each fully paid share. Total issued share capital is 9,954,491 ordinary shares (2024: 10,004,149).

	Issued Share Capital \$000	Total \$000	Authorised issued and fully paid shares 000's
<b>Balance at 1 April 2024</b>	596	596	10,004
Shares repurchased	(111)	-	(50)
Shares issued	-	-	-
Share issue transaction costs	-	-	-
<b>Balance at 31 March 2025</b>	<b>485</b>		<b>9,954</b>



# Third Age Health Services Limited

## Notes to the Unaudited Consolidated Financial Statements

### For the year ended 31 March 2025

	Issued Share Capital \$000	Total \$000	Authorised issued and fully paid shares 000's
Balance at 1 April 2023	596	596	10,004
Shares issued	-	-	-
Share issue transaction costs	-	-	-
Balance at 31 March 2024	596	596	10,004

## 9. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the parent by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### Reconciliation of earnings used in calculating earnings per share

	2025 \$000	2024 \$000
Net profit attributable to the ordinary shareholders of the parent	2,386	1,400
Earnings used in the calculation of basic earnings per share	2,386	1,400

### Weighted average number of shares used as the denominator

	2025 Shares 000's	2024 Shares 000's
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	9,985	10,004
Adjustments for calculation of diluted earnings per share:		
Employee share options	-	-
	2025 Shares 000's	2024 Shares 000's
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	9,985	10,004

Share options issued under ESOP plans are considered as antidilutive.

# Third Age Health Services Limited

## Notes to the Unaudited Consolidated Financial Statements

### For the year ended 31 March 2025

## 10.Dividends

Dividends declared and paid during the year ended 31 March 2025:	Cents per share	\$000
Interim dividend Q3	3.90	388
Interim dividend Q2	3.55	355
Interim dividend Q1	3.28	328
Final dividend for the year ended 31 March 2024	2.80	280
	<b>13.53</b>	<b>1,351</b>

Dividends declared and paid during the year ended 31 March 2024:	Cents per share	\$000
Interim dividend Q3	3.31	332
Interim dividend Q2	2.34	234
Interim dividend Q1	1.62	162
Final dividend for the year ended 31 March 2023	2.58	258
	<b>9.85</b>	<b>986</b>

## 11. Business Combinations

### 11.1. Group composition

The parent entity is Third Age Health Services Limited, a company incorporated in New Zealand. The Group had the following subsidiaries as of 31 March 2025. The current reporting period includes results from two new subsidiaries that were not part of the group for the same period last year.

Subsidiary name	Country of incorporation	Ownership 2025	Ownership 2024
Hawkes Bay Wellness Centre Limited	New Zealand	100%	100%
Belmont Medical Centre Limited	New Zealand	100%	100%
Ponsonby Medical (Third Age Health) Limited	New Zealand	100%	100%
Third Age Employee Share Purchase Plan Trust	New Zealand	-	100%
Devonport Family Medicine (Third Age Health) Limited	New Zealand	100%	100%
EastMed St Heliers Limited	New Zealand	67%	67%
Hub Aged Care limited (acquired 1 April 2024)	New Zealand	70%	-

On 9<sup>th</sup> August 2024, the Company sold its 10% share back to Phoenix Health Hub Limited for the nominal value of \$1. The Company had not invested any funds in Phoenix Health Hub and it was held at nil fair value as at 31 March 2024.

On 17th February 2025 the Third Age Employee Share Purchase Plan Trust was wound up, as the share purchase plan was no longer active. The remaining equity balance of the Third Age Employee Share Purchase Plan Trust has been transferred to retained earnings.

### 11.2. Acquisition

On 1 April 2024 the Company acquired a 70% share of Hub Aged Care Limited, a Wellington based aged residential care provider. The acquisition supports the Company's growth strategy in the Lower North Island region, an essential part of expanding our national coverage and continuing to develop the model of healthcare for older people.

# Third Age Health Services Limited

## Notes to the Unaudited Consolidated Financial Statements

### For the year ended 31 March 2025

The complete results of the Hub Aged Care Limited since acquisition are included in these Consolidated Financial Statements for the period ended 31 March 2025, contributing \$1,626k to Group revenues and \$523k to Group EBITDA. Details of the fair value of identifiable assets and liabilities, acquired purchase consideration and goodwill are as follows:

	Hub Aged Care \$000
Cash settlement 1 April 2024	598
Cash settlement 31 May 2024	26
Contingent consideration (1 April 2024) at Fair Value	118
<b>Total fair value of consideration transferred</b>	<b>742</b>
<b>Fair value of NCI on acquisition</b>	<b>135</b>
<b><i>Current assets</i></b>	
Cash and receivables	52
Trade receivables	122
<b><i>Non-current assets</i></b>	
Property, plant and equipment	2
Intangible Assets (excluding goodwill)	551
<b>Total assets acquired</b>	<b>727</b>
<b><i>Current liabilities</i></b>	
Trade and other liabilities	(13)
Accrued expenses	(66)
GST & Income Tax	(43)
<b><i>Non-current liabilities</i></b>	
Deferred tax liability on intangibles	(154)
<b>Total Liabilities acquired</b>	<b>(276)</b>
<b>Total net assets acquired</b>	<b>451</b>
<b>Goodwill</b>	<b>427</b>

The total nominal consideration transferred or to be transferred to the vendors is as follows:

- \$598,000 in cash paid on 1 April 2024.
- \$26,090 in cash paid on 31 May 2024 as a working capital adjustment being 50% of current assets less current liabilities at acquisition date per the sale and purchase agreement.
- \$130,000 in deferred contingent consideration considered payable on 1 April 2025, if certain conditions are met (discussed below).

The \$130,000 in total deferred contingent consideration (\$65,000 each) is payable to two of the vendors if the following conditions are met:

- The patient numbers after 12 months are the same or greater than the forecast confirmed and agreed by the parties.
- Net profit is maintained or greater for the 12 months post completion.

The fair value of the deferred consideration under IFRS 13 has been calculated using net present value at the incremental borrowing rate of 10.3%. No risk portion calculation is deemed necessary. The fair value of the \$130,000 deferred

# Third Age Health Services Limited

## Notes to the Unaudited Consolidated Financial Statements

### For the year ended 31 March 2025

contingent consideration is \$117,860. The difference of \$12,140 is recorded as a monthly interest expense until payable on 1 April 2025.

The total fair value of all consideration is \$741,950.

The \$598,000 cash paid was fully financed through an ANZ loan Facility at 10.3%. The working capital adjustment was settled through available cash at bank.

The expenses relating to the acquisition of Hub Aged Care are the following:

- \$17,200 in legal fees incurred in the 2024 financial year. These have been included in the profit and loss in the 2025 financial year.
- \$12,140 in interest costs from discounting the contingent consideration payable 01 April 2025 to fair value at acquisition date.

At acquisition date the company held trade receivables with a book and fair value of \$122,091. All contracted cash flows were expected to be collected on all receivables and no bad debts were recorded.

An assessment of goodwill is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The goodwill recognised will not be deductible for tax purposes.

Goodwill arises on the acquisition of subsidiaries. Goodwill represents the excess of the purchase consideration over the fair value of the net identifiable tangible and intangible assets at the time of acquisition. Management has used its past established experience of sales growth and synergistic savings to determine their expectations for the future. The goodwill incorporates the expected synergies from local knowledge and contacts with our national know-how and proven best practice. Deferred tax liability of 28% on intangible assets is calculated at the time of acquisition, the minority interest portion is considered as immaterial.

#### ***The NCI has been valued based on the Fair Value of the NCI portion of identifiable net assets***

The value of the NCI is based on the fair value of net identifiable assets acquired based on the portion of net identifiable assets owned by the NCI.

With this method, we have included the intangibles recognised on consolidation which cannot be recognised in the separate financial statements (PHO Contract and Patient Enrolled Register). The total NCI of \$135,016 is made up on the following:

- 30% of the book value of all the net balance sheet assets as at 31 March 2024 (30% of \$53,758)
- 30% of the enrolled service users (beds under care) (30% of \$466,898)
- 30% of the PHO contract (30% of \$83,515)
- 30% of deferred tax liability on intangibles (30% of (\$154,115))