

FULL YEAR RESULTS TO MARCH 2025

A transformational year for Promisia Healthcare

Promisia Healthcare Limited (NZX: PHL) has released its unaudited, preliminary results for the year ended 31 March 2025 (FY25), showing good performance across all key financial measures.

Promisia Chair Rhonda Sherriff said: “We have built a strong platform strategically, operationally and financially and are now positioned for sustainable expansion. Our growth with the acquisitions of Golden View Lifestyle Village and Ripponburn Home and Hospital in Cromwell is the highlight of FY25.”

FY25 Results Summary:

- 37% year-on-year increase in operating revenue, up to \$31.08 million
- Underlying EBITDAF¹ of \$4.2 million, up 11.5%
- Net profit after tax of \$6.8 million, up 318%
- 104% increase in total assets to \$172 million
- Reduction in the weighted average interest rate from 9.0% to 7.1%
- Improvement in loan-to-value ratio from 48.8% to 42.9%
- Net Tangible Assets per share rose to 79 cents, up 25% year on year²

Financial Highlights:

FY25 was marked by a disciplined execution of a clear and focused strategy leading to a strong delivery across all key financial measures. During the year, we acquired two care facilities and villages in Cromwell, completed the sale of the Eileen Mary facility, executed a successful \$4.7 million capital raise and share/warrant consolidation and undertook a full debt restructure that consolidated all interest-bearing bank debt under Bank of New Zealand.

Revenue for the year increased 37% to \$31.08 million, driven by the inclusion of the Cromwell acquisitions, increased occupancy across several key facilities and growth in deferred management fees from villa and care apartment sales.

The increased scale of the business following the Cromwell acquisitions and associated implementation costs led to an increase in operating expenses to \$23.9 million. While administration expenses also grew, we maintained focus across central overheads and discretionary spending, resulting in a slower rate of growth relative to increased revenues.

Underlying EBITDAF rose 11.5% to \$4.2 million in line with our market guidance. Net profit increased materially, reflecting both the improvement in operational earnings and the recognition of a \$6.6 million gain on purchase from the acquisitions of Golden View and Ripponburn.

Valuations across our care facilities and villages increased by a combined \$3.7 million at Aldwins House, Nelson Street and Ranfurly Manor. These uplifts reflected increased occupancy and improved operational performance across the sites.

¹ Underlying EBITDAF is EBITDAF excluding transactions considered to be non-trading in nature or size. Excluding these transactions from normalised earnings can assist users in forming a view of the underlying performance of the Group.

² Comparative NTA per share of 63 cents has been restated to reflect the share consolidation of 500 to 1.

The company's capital and debt activity during FY25 was extensive with over \$35 million in financing activity being completed. This included the refinancing of existing debt facilities at Ranfurly Manor and Nelson Street, the introduction of new BNZ facilities to fund the Cromwell acquisitions and the full repayment of higher-cost second-tier debt, including the \$6.5 million Senior Trust loan previously secured over Ranfurly Manor. In January, Promisia also settled the early repayment of the \$3.82 million Teltower loan secured over Aldwins House at a \$820,000 discount, and refinanced the remaining \$3.0 million with BNZ.

By year-end, the group had successfully consolidated all interest-bearing bank debt with BNZ, reduced its weighted average interest rate from 9.0% to 7.1%, and improved its loan-to-value ratio from 48.8% to 42.9%, despite a higher overall debt balance following the Cromwell acquisitions.

The successful July 2024 capital raise added \$4.725 million in new equity to the business, widened our shareholder base and introduced a strategic investor aligned with our long-term growth aspirations – Asset Management Limited. A 500:1 consolidation of shares and warrants followed and simplified Promisia's capital structure.

Net tangible assets per share increased 25% year-on-year to 79 cents and was up 10% from the half year results to September 2024. This reflected the cumulative impact of asset revaluations, purchase gains from the Cromwell deal, debt reduction, strong operational performance and the capital raise. Taken together, these outcomes demonstrate Promisia's disciplined execution, strategic agility and ability to unlock value through active portfolio management.

Operational highlights

Care facility occupancy improved steadily, with the group-wide average increasing from 85% to 87% by year-end. This was driven by strong uplifts at Aldwins House (70% to 85%) and Ranfurly Manor's care facility (from 85% to 97%).

Looking ahead, occupancy will benefit further from the opening of our newly configured 20-bed dementia wing at Nelson Street in Feilding. Construction is now complete, with the wing set to open next week.

More people are choosing our villages as their home, with all villas across the Group either sold or under contract as at March 31, 2025. Consequently, we recorded excellent growth in deferred management fees from villa and care apartment sales.

Outlook

Promisia Chair Rhonda Sherriff said: "Our transformation remains a work in progress. There are exciting times ahead as we respond to growth opportunities from a position of stability.

"We acknowledge the exceptional financial management of Chief Financial Officer Francisco Rodriguez Ferrere and his team and welcome our Chief Operations Officer Graeme Dodd. Graeme will lead the work programme to connect our teams into an aligned, collaborative group bringing to life our vision of a trusted and sustainable provider of people-care in the communities we serve.

"As we focus on enhancing our operations, we expect the upward trajectory of our profit to continue with underlying EBITDAF anticipated to grow in excess of 25% in FY26."

Explanatory Notes – Selected Items from the Financial Statements

To support interpretation of the summary financial statements, the following provides context for several one-off or non-cash items included in the FY25 unaudited results:

Bargain purchase on business acquisitions

The Group has recognised a \$6.6 million gain on purchase arising from the acquisitions of Golden View Lifestyle Village and Ripponburn Home and Hospital. This reflects the excess of the fair value of net assets acquired over the purchase consideration paid and is recognised as a one-off gain in the income statement.

Vendor loan and imputed interest

As part of the Golden View acquisition, Promisia entered into an interest-free \$13.35 million vendor loan. Under accounting standards, the difference between the nominal and fair value of the loan is recognised as an imputed interest expense over the life of the loan, resulting in a non-cash finance cost of \$0.46 million in FY25.

Debt reduction income

The Group recognised \$0.80 million of debt reduction income following the early repayment of a \$3.82 million loan from Teltower Limited for \$3.0 million. This reflects the forgiveness of the \$0.82 million residual loan balance, net of transaction costs.

Impairment losses

Impairment losses of \$0.49 million were recognised during FY25. These primarily relate to the write-down of two non-core properties at Aldwins Road classified as held for sale, and previously capitalised development costs no longer expected to proceed.

Underlying EBITDAF

Underlying EBITDAF is a non-GAAP measure that excludes one-off and non-trading items such as bargain purchase gains, asset revaluations, imputed interest expenses, and impairment losses. These items are separately identified to ensure a clearer view of Promisia's underlying operating performance and to align with internal performance tracking and external market guidance.

ENDS

Approved for release by Promisia Chair, Rhonda Sherriff

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About Promisia Healthcare

Promisia is a New Zealand-based aged care and retirement living provider, with a focus on delivering quality personalised care. Our aim is to be the aged care provider of choice in our communities. Our facilities are located in well-established and well serviced towns and metropolitan areas. Our goal is to profitably grow our business in a sustainable manner, delivering quality care to our residents, peace of mind to their families and whanau, and excellent value to our villages, community and shareholders. Promisia is listed on the NZX (NZX: PHL). <http://www.promisia.co.nz>.