



INTERIM REPORT

For the six months ended
30 September 2025



Third Age
Health



On behalf of the Board and management of Third Age Health, I am pleased to present the Third Age Health Services Limited Interim Report for the six months ended 30 September 2025.

John Fernandes
Executive Chairman

November 2025

CONTENTS

Executive Chairman Report	3 - 4
Interim Financial Statements	5 - 10
Notes to Financial Statements	11 - 27

Dear Shareholders,

During the first half, NPAT increased by 31.7% YoY¹ to \$1,520k, while underlying NPATA² rose 28.0% YoY to \$1,742k.

We also completed the acquisitions of ARC Health and Cicada Health which provide medical services to aged residential care (“ARC”) facilities. ARC Health operates in Canterbury, and Cicada Health in the Bay of Plenty. Their integration further strengthens our national network, and we’re pleased that the founders of both businesses remain co-owners and continue to play an active role.

Financial Performance

Our ARC-related business continues to grow with 7,159 enrolled patients at period end. Excluding the two new acquisitions, organic enrolled patients grew 3.7% YoY to 5,475, and ARC total revenue grew 20% to \$6,840k. We continue to attract interest for our services from additional ARC facilities, however growth during the period was constrained by the sector-wide shortage of clinical workforce. This has required ongoing discipline and trade-offs. We are spending more on workforce recruitment, development and digital enablement to support sustainable growth over time.

Our community general practice business delivered further gains in financial performance. Revenue rose 2.5% to \$3,813k, and profitability also improved through ongoing process improvements. Enrolled patient numbers declined 2.4% YoY to 20,032, driven by the residual impact of a doctor departure earlier in the year, along with a doctor vacancy (now filled) at one of our clinics. Reversing this trend is a key priority.

Creating Value for Our Customers

We continue to invest in initiatives that improve outcomes for our customers and make our services more resilient.

Our Digital Clinical Portal continues to gain traction, with rollout now reaching over 30 facilities. It has supported more than 900 scheduled rounds across multiple regions and customers. Development of Phase Two, which seeks to further improve operational efficiency, is well underway and we have started planning for Phase Three.

We’ve also progressed our commitment to sector-leading quality care standards through the development of the *Residential Care Medical Service Provider Standard*, or Elder Care Standards. These standards have now been independently assessed by a designated auditing agency³ and rolled out to our clinicians. They reflect our goal of supporting more consistent, high-quality aged care across the sector.

We were recently appointed as the sole preferred partner for medical services by the Aged Care Association New Zealand. We see this as both a recognition of the work done to date and a foundation for deeper collaboration. We value the opportunity to help advance outcomes for the sector.

¹ Year-Over-Year i.e. 1H 2026 compared to 1H 2025

² Net Profit After Tax before Amortisation is adjusted for non-cash amortisation charges arising as a result of purchase accounting rules.

³ Organisations authorised by the Ministry of Health to audit health and disability service providers against regulatory standards.

Business Unit Leadership

We are pleased to have appointed Niomi Fleming and Lucy Wu as Acting General Managers of our ARC-related and community general practice businesses respectively.

Niomi has led the day-to-day operations of our ARC business since joining us in 2022. She brings over 15 years of experience in the primary care sector and is known for her focus on delighting customers, strong operational discipline, and close relationships with clinicians.

Lucy has been our Clinical Change Lead since 2021 and brings first-hand experience as both a general practice nurse and a programme lead. She has helped shape and deliver initiatives that have improved operational performance and patient outcomes.

Our operating model is built on decentralised autonomy and accountability. This enables faster decisions made closer to the front line, deeper customer engagement, and stronger support for our teams. We're pleased to see strong internal leaders step into these roles and are confident in their ability to drive performance.

Capital Allocation

During the first half, we funded the acquisitions of ARC Health and Cicada Health through a combination of cash on hand and a draw on our line of credit. The line has since been repaid. These acquisitions were immediately accretive and have increased our earnings power.

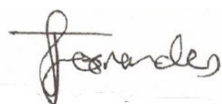
Our goal is to maximise the average annual rate of increase in intrinsic value per share over time. One of the ways we aim to achieve this is through allocating capital to acquiring good businesses where our operating model built around decentralisation and Kaizen can deliver strong results. This means businesses, both within and outside of healthcare, from owners planning for their own third age. We offer a safe home for those wanting to entrust their business to someone who will own it permanently, grow it carefully, and preserve its legacy.

Looking Ahead

Our focus remains on what's within our control: delighting customers, running an organisation grounded in Kaizen, aligning incentives and being frugal. We're optimising for long-term durability, and will continue to make choices that support that, even when they come with a short-term cost.

We thank our team for their work and you, our fellow owners, for your trust.

Sincerely,



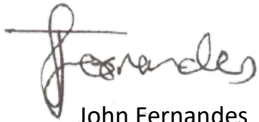
John Fernandes

Executive Chairman

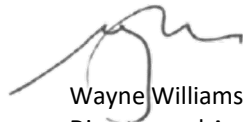
Approval and issue of Condensed Consolidated Financial Statements

The Directors are pleased to present the Condensed Consolidated Financial Statements of Third Age Health Services Limited and its subsidiaries (the “Group”) for the six-months ended 30 September 2025.

The Board of Directors of the Group authorised the Condensed Consolidated Financial Statements, set out on pages 7 to 27 for issue on 7 November 2025.



John Fernandes
Executive Chairman



Wayne Williams
Director and Audit Committee Chair

Third Age Health Services Limited and subsidiaries
Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 September 2025

		30 September 2025	30 September 2024
		(Unaudited)	(Unaudited)
	Notes	\$000	\$000
Revenue	5	10,653	9,413
Cost of services	6	(5,258)	(4,554)
Gross profit		5,395	4,859
Other income		23	30
Employees and contractors	8	(1,600)	(1,673)
Professional and consulting fees	9	(320)	(284)
Other expenses	10	(739)	(679)
Operational expenses		(2,659)	(2,636)
EBITDA		2,759	2,253
Amortisation and depreciation	11	(476)	(407)
Finance costs	12	(138)	(195)
Profit before income tax		2,145	1,651
Income tax expense		(625)	(497)
Profit for the period		1,520	1,154
Other comprehensive income		-	-
Total comprehensive income for the period		1,520	1,154
Profit and total comprehensive income attributable to:			
Shareholders of the parent		1,415	1,026
Non-controlling interests		105	128
Profit for the period		1,520	1,154
Earnings per share (note 14)			
Basic earnings per share (cents)		14.22	10.26
Diluted earnings per share (cents)		14.22	9.96

These consolidated financial statements are to be read in conjunction with the accompanying notes.

Third Age Health Services Limited and subsidiaries
Condensed Consolidated Statement of Financial Position
As at 30 September 2025

		30 September 2025	31 March 2025
		(Unaudited)	(Audited)
	Notes	\$000	\$000
Current assets			
Cash and cash equivalents		1,579	2,594
Trade and other receivables	15	1,348	1,059
Other assets		209	104
Accrued revenue		43	40
Total current assets		3,179	3,797
Non-current assets			
Property, plant and equipment		209	189
Right-of-use-assets	16	2,164	2,181
Intangible assets	17	7,077	4,773
Financial assets		20	20
Total non-current assets		9,470	7,163
Total assets		12,649	10,960
Current liabilities			
Trade and other payables		2,539	1,882
Employee benefits		580	432
Provisions		22	22
Tax liabilities		382	648
Bank loan		90	59
Lease liabilities	16	354	330
Total current liabilities		3,967	3,373
Non-current liabilities			
Bank loan		1,062	1,091
Other payables		-	6
Lease liabilities	16	2,074	2,094
Deferred tax liability		731	429
Total non-current liabilities		3,867	3,620
Total liabilities		7,834	6,993
Net assets		4,815	3,967
Equity			
Share capital	20	485	485
Share based payment reserve		-	31
Retained earnings		3,946	3,326
Equity attributable to the parent		4,431	3,842
Non-Controlling Interests (NCI)		384	125
Total Equity		4,815	3,967

These consolidated financial statements are to be read in conjunction with the accompanying notes.

Third Age Health Services Limited and subsidiaries
Condensed Statement of Changes in Equity
For the six months ended 30 September 2025

		Share capital \$000	Share based payments reserve \$000	Retained earnings \$000	Non- Controlling Interest \$000	Total \$000
	Notes					
Balance at 1 April 2024 (Audited)		596	657	1,704	(44)	2,913
Profit for the period		-	-	1,026	128	1,154
Total comprehensive income for the period		-	-	1,026	128	1,154
Dividend	21	-	-	(608)	(29)	(637)
Share buyback		(2)	-	-	-	(2)
Share based payments		-	9	-	-	9
NCI on acquisition		-	-	-	206	206
Balance at 30 September 2024 (Unaudited)		594	666	2,122	261	3,643
Balance at 1 April 2025 (Audited)		485	31	3,326	125	3,967
Profit for the period		-	-	1,415	105	1,520
Total comprehensive income for the period		-	-	1,415	105	1,520
Dividend	21	-	-	(795)	(97)	(891)
Share buyback		-	-	-	-	-
Share based payments		-	(31)	-	-	(31)
NCI on acquisitions	18.2	-	-	-	250	250
Balance at 30 September 2025 (Unaudited)		485	-	3,946	384	4,815

These financial statements are to be read in conjunction with the accompanying notes.

Third Age Health Services Limited and subsidiaries
Condensed Statement of Cash Flows
For the six months ended 30 September 2025

		30 September 2025	30 September 2024
		(Unaudited)	(Unaudited)
	Notes	\$000	\$000
Cash flows from operating activities			
Receipts from customers		11,465	10,200
Payments to suppliers and employees		(8,788)	(7,860)
Interest received		15	22
Interest paid		(124)	(186)
Income taxes paid		(1,047)	(643)
Net cash flows from operating activities	13	1,521	1,533
Cash flows from investing activities			
Payments for property, plant and equipment		(33)	(65)
Investment in developing intangible assets		(108)	(13)
Acquisition of businesses, net of cash acquired		(1,341)	(571)
Net cash flows used in investing activities		(1,482)	(649)
Cash flows from financing activities			
Shares acquired		-	(2)
Proceeds from bank borrowing	19	607	598
Loan repayments on bank borrowing	19	(605)	(729)
Payment of lease liabilities	16	(164)	(150)
Dividend paid	21	(795)	(608)
Dividend paid to NCI		(97)	(27)
Net cash flows (used in) / provided by financing activities		(1,054)	(918)
Net increase / (decrease) in cash and cash equivalents		(1,015)	(34)
Cash and cash equivalents at the beginning of the period		2,594	1,695
Cash and cash equivalents at the end of the period		1,579	1,661

These consolidated financial statements are to be read in conjunction with the accompanying notes.

1. Reporting Entity

The consolidated interim financial statements for Third Age Health Services Limited and its subsidiaries (the "Group") are for the economic entity comprising Third Age Health Services Limited (the "Company" or "Parent") and its subsidiaries. The Parent is incorporated and domiciled in New Zealand and registered under the Companies Act 1993 and is a Financial Market Conduct (FMC) entity for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. The Financial Statements have been prepared in accordance with each of these Acts. The Company is listed on the NZX Main Board ("NZX").

The Group is principally engaged in the provision of medical services to the aged care sector and in community general practices. Those companies included in the Group are disclosed in note 18. These condensed consolidated interim financial statements are for the 6 months ended 30 September 2025. The Group's current operations do not follow a seasonal or cyclical pattern.

2. Significant Accounting Policies

2.1. Statement of compliance and reporting framework

These unaudited condensed consolidated interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the New Zealand equivalent to International Accounting Standard 34 ("NZ IAS 34") Interim Financial Reporting. For the purposes of complying with NZ GAAP, the Group is a for-profit entity.

The interim financial statements do not include all of the information required for full year financial statements and should be read in conjunction with the Company's audited annual financial report for the year ended 31 March 2025. Consistent accounting policies with the full financial statements for the year ended 31 March 2025 have been applied in preparation of these interim financial statements.

2.2. Basis of preparation

The consolidated interim financial statements for the six months ended 30 September 2025 and comparatives for the six months ended 30 September 2024 are unaudited. The consolidated annual financial statements for the year ended 31 March 2025 were audited and form the basis for the comparative figures for that period in these statements.

The consolidated interim financial statements have been prepared in accordance with the going concern basis of accounting, which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future.

2.3. Use of accounting estimates and judgements

The preparation of the financial statements in conformity with NZ IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated interim financial statements are as follows:

Fair value of assets acquired in business combinations

On 1 September 2025 Third Age Health Services Limited acquired an 80% share of ARC Health Limited, a Canterbury based primary care provider to aged residential care facilities for a value of \$1.1m. In addition, on 1 September 2025 Third Age Health Services Limited acquired a 70% share of Cicada Health Limited, a Bay of Plenty based primary care provider to aged residential care facilities for a value of \$0.9m. The consolidated financial statements are based on the Company's best estimate at the date of preparation owing to a proportion of the purchase price of each acquisition being deferred contingent consideration.

Carrying value of intangible assets

The Group has determined that no Cash Generating Units show indications of impairment.

3. Significant Events and Transactions

3.1 Acquisition of ARC Health Limited and Cicada Health Limited

On 1 September 2025 Third Age Health Services Limited acquired an 80% share of ARC Health Limited, a Canterbury based primary care provider to aged residential care facilities for a value of \$1.1m. In addition, on 1 September 2025 Third Age Health Services Limited acquired a 70% share of Cicada Health Limited, a Bay of Plenty based primary care provider to aged residential care facilities for a value of \$0.9m. Refer note 18.2 for further details.

4. Net tangible assets

The Group has net tangible assets as at 30 September 2025 of (15.4) per share (31 March 2025 of (3.8)) cents per share). The movement in net tangible assets is the result of changes in the Statement of Financial Position composition owing to the increase in intangibles from the acquisition of ARC Health Limited and Cicada Health Limited and the corresponding decrease in cash at bank owing to the purchases of these businesses.

5. Revenue

Revenue has been categorised as consultation revenue, capitation revenue and other revenue.

Consultation revenue

The Group earns revenue from the provision of medical consultation services. Each consultation performed is a separate performance obligation satisfied at a point in time. The price for each consultation is a fixed amount based on an agreed rate card with the customer. Revenue is recognised once the consultation service has been provided. Revenue claims from contracts such as ACC and MOH (general medical, maternity and immunisation claims) with customers are measured at the fair value of the consideration received or receivable and may be reduced for rebates and other similar allowances.

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

Capitation revenue

The Group provides various medical services on a 'stand ready' basis on behalf of Primary Health Organisations (PHOs) and the company receives revenue known as "capitation" from the PHOs for this service. This capitation revenue is recognised monthly based on the number of enrolled patients and the agreed rate for the particular patient. The agreed rate will be affected by the characteristics of the patient, for example, their age or gender. Revenue is recognised on a time lapsed basis.

Other income

Other income includes interest income. Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
	\$000	\$000
Capitation revenue		
Aged medical care services	1,875	1,495
General practice medical services	2,138	2,042
Consultation revenue		
Aged medical care services	4,909	4,113
General practice medical services	1,392	1,389
Other revenue		
Aged medical care services	56	85
General practice medical services	283	289
Total revenue from contracts with customers	10,653	9,413
	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
	\$000	\$000
Total revenue from existing operations	10,404	8,680
Total revenue from acquired businesses	249	733
	10,653	9,413

Total revenue from existing operations relates to businesses owned by the Group for over twelve months.

Total revenue from acquired businesses relates to businesses owned by the Group for under twelve months.

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

6. Cost of services

Cost of services line include direct costs of doctors, nurses and medical supplies as well as other direct costs.

	30 September 2025 (Unaudited) \$000	30 September 2024 (Unaudited) \$000
Practitioners (GP's and nurses)	5,127	4,423
Defined contribution (KiwiSaver)	12	16
Medical supplies	119	115
Total cost of services	5,258	4,554
	30 September 2025 (Unaudited) \$000	30 September 2024 (Unaudited) \$000
Total cost of services from existing operations	5,110	4,204
Total cost of services from acquired businesses	148	350
	5,258	4,554

7. Segment Information

Products and services from which reportable segments derive their revenue

The Group's reportable segments are as follows:

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

Segment revenues and profit before tax

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

Segment revenue	30 September 2025 (Unaudited) \$000	30 September 2024 (Unaudited) \$000
Aged medical care services	6,840	5,693
General practice medical services	3,813	3,720
Total for continuing operations	10,653	9,413
	30 September 2025 (Unaudited) \$000	30 September 2024 (Unaudited) \$000
Segment profit before tax		
Aged medical care services	1,634	1,322
General practice medical services	511	329
Total for continuing operations	2,145	1,651

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

Segment profit includes the following items:

For the six months ended 30 September 2025

	Aged care medical services \$000	General practice medical services \$000
EBITDA	1,781	978
Depreciation	(26)	(194)
Amortisation of intangibles	(94)	(162)
Interest expense on leases	(1)	(86)
Interest on bank Loan	(2)	(49)
Profit before tax	1,658	487
Income tax expense	(508)	(117)
Profit for the period	1,150	370

For the six months ended 30 September 2024

	Aged care medical services \$000	General practice medical services \$000
EBITDA	1,396	857
Depreciation	(6)	(194)
Amortisation of intangibles	(44)	(163)
Interest expense on leases	-	(96)
Interest on bank Loan	(24)	(75)
Profit before tax	1,322	329
Income tax expense	(413)	(84)
Profit for the period	909	245

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

Segment profit before tax for the general practice medical services in 2025 includes \$86k of finance costs from the ANZ loan facility (note 12). This cost is allocated to this segment, as the loan facility was utilised to fund the acquisition of general practices.

Segment assets and liabilities

	30 September 2025 (Unaudited) \$000	31 March 2025 (Audited) \$000
Segment assets		
Aged medical care services incl support functions	6,884	4,091
General practice medical services	7,113	8,416
Total segment assets	13,997	12,507
Intercompany elimination	(1,346)	(1,547)
Total segment assets	12,651	10,960

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

	30 September 2025	31 March 2025
	(Unaudited)	(Audited)
	\$000	\$000
Segment liabilities		
Aged medical care services incl support functions	4,073	3,200
General practice medical services	5,107	5,340
Total segment liabilities	9,180	8,540
Intercompany elimination	(1,346)	(1,547)
Total segment liabilities	7,834	6,993

8. Employees and contractors

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
	\$000	\$000
Salaries and wages	1,393	1,335
Short term incentives	60	148
Defined contribution (KiwiSaver)	68	71
Share based payments expense	(36)	9
Employee benefit expense	1,485	1,563
Contractors	115	110
	1,600	1,673

Due to an employee departure, which resulted in the forfeiture of share options, the Group has reversed all previously accrued share-based payment expenses and related short-term incentive accruals for that employee.

Total employee costs are split between costs associated with operations that existed in the prior period and new acquisitions.

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
	\$000	\$000
Existing operations	1,589	1,673
New acquired subsidiaries	11	-
	1,600	1,673

9. Professional and consulting fees

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
	\$000	\$000
Fees payable to auditor	38	65
Accounting and taxation services	20	30
Legal expenses	111	33
Directors' fees	90	90
Listing and share registry costs	24	20
Other consultancy costs	37	46
	320	284

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

10. Other expenses

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
	\$000	\$000
Technology / IT	383	341
Marketing & PR	9	17
Travel & Entertainment	24	17
Professional operational services	118	94
Office and General	205	210
	739	679

Total other expenses are split between costs associated with operations that existed in the prior period and new acquisitions.

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
	\$000	\$000
Other expenses from existing operations	732	672
Other expenses from acquired businesses	7	7
	739	679

11. Amortisation and depreciation

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
	\$000	\$000
Depreciation on right of use assets	184	182
Depreciation on plant, property and equipment	36	18
Amortisation of acquisition-related intangibles	222	201
Amortisation of software	34	6
	476	407

12. Finance costs

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
	\$000	\$000
Interest expense on leases	87	96
Interest on bank loan	51	99
	138	195

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

13. Reconciliation of profit before tax to net cash from operating activities

	30 September 2025 (Unaudited) \$000	30 September 2024 (Unaudited) \$000
Profit before income tax	2,145	1,651
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	220	200
Amortisation of intangibles	256	207
Share based payments expense	(31)	9
Other non-cash adjustments	(1)	7
Working capital adjustments:		
(Increase)/decrease in trade and other receivables	(289)	(241)
(Increase)/decrease in other assets	(107)	(87)
(Increase)/decrease in accrued revenue	(3)	70
Increase/(decrease) in trade and other payables	651	351
Increase/(decrease) in employee benefits	148	116
Non-operating working capital adjustment	(415)	(124)
Impact of working capital acquired	(6)	18
	2,568	2,177
Income tax paid	(1,047)	(643)
Net cash from operating activities	1,521	1,533

14. 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 period ending 30 September 2025, 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.

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

Reconciliation of earnings used in calculating earnings per share

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
	\$000	\$000
Net profit attributable to the ordinary shareholders of the Group	1,415	1,026
Earnings used in the calculation of basic earnings per share	1,415	1,026

Weighted average number of shares used as the denominator

	Shares	Shares
	000's	000's
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	9,955	10,003
Adjustments for calculation of diluted earnings per share:		
Employee share options	-	300
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	9,955	10,303

	Cents per share	Cents per share
From continuing operations:		
Basic earnings per share	14.22	10.26
Diluted earnings per share	14.22	9.96

The 30 September 2024 comparative has been adjusted to reflect employee share options previously not accounted for.

15. Trade and other receivables

Current

	30 September 2025	31 March 2025
	(Unaudited)	(Audited)
	\$000	\$000
Trade receivables	1,399	1,107
Less provision for doubtful debts	(62)	(59)
	1,337	1,048
Other receivables	11	11
	1,348	1,059

As at 30 September 2025 92% of the Group's trade receivables are current (31 March 2025: 94%). Short-term receivables from customers (excluding Health NZ funding) are recorded at the amount due, less an allowance for Expected Credit Losses (ECL). This allowance is calculated using a simplified approach based on a lifetime ECL. The recorded provision in the reporting period is immaterial.

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	30 September 2025 (Unaudited) \$000	31 March 2025 (Audited) \$000	30 September 2025 (Unaudited) \$000	31 March 2025 (Audited) \$000	30 September 2025 (Unaudited) \$000	31 March 2025 (Audited) \$000
Current (<30 days)	0%	0%	1,283	1,035	4	1
30 to 60 days	15%	31%	32	15	5	5
30 to 60 days	15%	74%	33	11	5	5
Over 90 days	80%	98%	51	46	47	45
			1,399	1,107	62	59

16. Right of use assets and lease liabilities

The following tables show the movement in right of use assets and lease liabilities.

Movements in the amounts recognised in the statement of financial position as at 30 September 2025 and the prior corresponding period:

Right-of-use-asset

	30 September 2025 (Unaudited) \$000	31 March 2025 (Audited) \$000
Opening balance at beginning of period (Audited)	2,181	2,514
Additions	155	-
Lease reassessments	12	29
Depreciation	(184)	(362)
Closing balance	2,164	2,181

Lease liabilities

	30 September 2025 (Unaudited) \$000	31 March 2025 (Audited) \$000
Opening balance at beginning of period (Audited)	2,424	2,705
Additions	156	-
Lease reassessments	12	27
Interest	87	185
Lease repayments	(251)	(493)
Closing balance	2,428	2,424
Current	354	330
Non-current	2,074	2,094
	2,428	2,424

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

Amounts recognised in the Condensed Consolidated Statement of Comprehensive Income in the 6 months ending 30 September 2025:

	30 September 2025 (Unaudited) \$000	30 September 2024 (Unaudited) \$000
Depreciation of right-of-use assets property	184	182
Interest expense (included in finance cost)	86	96
Short term office rent (included in office & general)	54	55

The total cash outflow for leases in the 6-month period ended September 2025 was \$250k (2024: \$245k). The future minimum rentals payable under non-cancellable operating leases are \$605k (2024: \$1,115k).

17. Intangibles

	30 September 2025 (Unaudited) \$000	31 March 2025 (Audited) \$000
Goodwill	3,208	2,078
Intangibles	3,869	2,540
	7,077	4,773

17.1 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

	30 September 2025 (Unaudited) \$000	31 March 2025 (Audited) \$000
Opening balance	2,078	1,651
Additions from acquisitions	1,130	427
Closing balance	3,208	2,540
Goodwill impairment	-	-
Net carrying amount of goodwill	3,208	2,540

As at 30 September 2025 goodwill related to the age medical care services segment was \$1,557k (31 March 2025: \$427k) and goodwill related to the general practice medical services was \$1,651k (31 March 2025: \$1,651k).

18. Business combinations

18.1 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 30 September 2025. The current reporting period includes results from new subsidiaries that were not part of the group for the same period last year.

Subsidiary name	Country of incorporation	30 September 2025 Ownership	31 March 2025 Ownership
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%
Devonport Family Medicine (Third Age Health) Limited	New Zealand	100%	100%
EastMed St Heliers Limited	New Zealand	67%	67%
Hub Aged Care Limited	New Zealand	70%	70%
ARC Health Limited (acquired 1 September 2025)	New Zealand	80%	-
Cicada Health Limited (acquired 1 September 2025)	New Zealand	70%	-
ARC Holdings (Third Age Health) Limited (incorporated 25 August 2025)	New Zealand	100%	-

18.2 Acquisitions

On 1 September 2025 Third Age Health Services Limited acquired an 80% share of ARC Health Limited (ARC Health), a Canterbury based primary care provider to aged residential care facilities. In addition, on 1 September 2025 Third Age Health Services Limited acquired a 70% share of Cicada Health Limited (Cicada), a Tauranga based primary care provider to aged residential care facilities. The acquisitions support Third Age Health Services Limited's future growth strategy in the Canterbury and Tauranga regions, an essential part of expanding our national coverage and continuing to develop the model of healthcare for older people.

The complete results of the companies since their acquisition have been included in these Consolidated Financial Statements for the period ended 30 September 2025, contributing \$137k (Cicada) and \$112k (ARC Health) to Group revenues and \$29k (Cicada) and \$72k (ARC Health) to Group EBITDA. Prior to acquisition, these businesses operated on a cash accounting basis. Therefore, owing to a lack of comparable IFRS-specific data as well as timing between acquisition and half year reporting, a pro-forma profit or loss information of the combined entities for the six months of FY26 owing is not provided.

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

Provisional purchase price allocation

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Cicada Heath Limited	ARC Health Limited
	\$000	\$000
Cash and expected working capital adjustment	677	868
Contingent consideration at fair value	183	234
Total fair value of consideration transferred	860	1,102
Fair value of NCI on acquisition	99	151
Current assets		
Cash and receivables	122	94
Trade receivables	108	111
Prepayments	-	22
Non-current assets		
Property, plant and equipment	-	23
Intangible assets (excluding goodwill)	422	888
Total assets acquired	652	1,138
	Cicada Heath Limited	ARC Health Limited
	\$000	\$000
Current liabilities		
Trade and other liabilities	(68)	-
Accrued expenses	(78)	(42)
GST and income tax	(59)	(94)
Non-current liabilities		
Deferred tax liability on intangibles	(118)	(249)
Total liabilities acquired	(323)	(385)
Total net assets acquired	329	753
Goodwill	630	500

ARC Health Limited (ARC Health)

For ARC Health total nominal consideration transferred or to be transferred to the vendors is as follows:

- \$820,281 in cash paid on 1 September 2025.
- \$48,269 current estimate of cash to be paid as a working capital adjustment.
- \$280,000 in deferred contingent consideration considered payable on 1 September 2026, if certain conditions are met (discussed below).

The \$280,000 in total deferred contingent consideration is payable to 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.
- EBIT is greater than the normalised EBIT agreed during due diligence.

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

The fair value of the deferred consideration under IFRS 13 has been calculated using a net present value calculation at an appropriate discount rate. No risk portion calculation is deemed necessary. The fair value of the \$280,000 deferred contingent consideration is \$233,997. The total difference of \$46,003 interest expense is recorded over one year and expensed monthly until 1 September 2026.

The total fair value of all consideration is \$1,102,547.

The \$820,281 cash paid was fully financed through working capital of the Group.

The expenses relating to the acquisition of ARC Health are the following:

- \$24,159 in legal fees have been included in the Condensed Consolidated Statement of Comprehensive Income in the 6 months ending 30 September 2025 (note 9).
- \$46,003 in interest costs over 12 months from discounting the contingent consideration payable 1 September 2025 to fair value at acquisition date. \$3,834 in interest costs have been included in the Condensed Consolidated Statement of Comprehensive Income in the 6 months ending 30 September 2025 (note 12).

At acquisition date the company held trade receivables with a book and fair value of \$110,798. 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 immaterial.

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 Customer Relationships). The total NCI of \$150,711 is made up on the following:

- 20% of the book value of all the net balance sheet assets as at 30 September 2025 (20% of \$113,884)
- 20% of the customer relationships calculated above (20% of \$617,175)
- 20% of the PHO contract calculated above (20% of \$271,255)
- 20% of deferred tax liability on intangibles (20% of (\$248,760))

Cicada Health Limited (Cicada)

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

- \$607,150 in cash paid on 1 September 2025.
- \$70,311 current estimation of cash to be paid as a working capital adjustment being 100% of net August receivables collected after acquisition date per the sale and purchase agreement.
- \$218,750 in deferred contingent consideration considered payable on 1 September 2026, if certain conditions are met (discussed below).

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

The \$218,750 in total deferred contingent consideration is payable to the vendors if 12 months EBIT is over the normalised EBIT agreed during due diligence.

The fair value of the deferred consideration under IFRS 13 has been calculated using net present value at an appropriate discount rate. No risk portion calculation is deemed necessary. The fair value of the \$218,750 deferred contingent consideration is \$182,810. The total difference of \$35,940 interest expense is recorded over 1 year expensed monthly until 1 September 2026.

The total fair value of all consideration is \$860,271.

The \$607,150 cash paid was financed via a draw on our line of credit.

The expenses relating to the acquisition of Cicada are the following:

- \$22,904 in legal fees have been included in the Condensed Consolidated Statement of Comprehensive Income in the 6 months ending 30 September 2025 (note 9).
- \$35,940 in interest costs over 12 months from discounting the contingent consideration payable 1 September 2025 to fair value at acquisition date. \$2,995 in interest costs have been included in the Condensed Consolidated Statement of Comprehensive Income in the 6 months ending 30 September 2025 (note 12).

At acquisition date the company held trade receivables with a book and fair value of \$107,949. 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 immaterial.

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 Customer Relationships). The total NCI of \$98,709 is made up on the following:

- 30% of the book value of all the net balance sheet assets as at 30 September 2025 (30% of \$24,957)
- 30% of the customer relationships calculated above (30% of \$279,310)
- 30% of the PHO contract calculated above (30% of \$143,002)
- 30% of deferred tax liability on intangibles (30% of (\$118,248))

Both ARC Health and Cicada acquisitions have working capital adjustments and deferred consideration included in their sale and purchase agreements. Whilst initial accounting has been completed for the period ending 30 September, these amounts are subject to change up to and including 12 months after acquisition consistent with IFRS 3 business combinations.

Third Age Health Services Limited and subsidiaries
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2025

Hub Aged Care Limited

On 1 April 2024, a 70% share of Hub Aged Care Limited was acquired including deferred consideration payable one year later. In April 2025 it was deemed that the performance metrics required for a full payout in the deferred consideration for the acquisition of Hub Aged Care Limited had been reached as per the sale and purchase agreement. A \$130k payment was made in April 2025 to the vendor consistent with our reporting in our audited consolidated annual financial statements for the year ending 31 March 2025.

19. Bank loan

On 1 September 2025, a \$607k loan drawdown was completed for the purchase of Cicada Health Limited. During the period ended 30 September 2025, a total of \$605k was repaid to reduce the principal amounts of our bank loans including the loan related to Cicada Health Limited. Total interest charged on total loans in the period was \$51k (2024: \$99k). The Group has complied with banking covenants for the period ending 30 September 2025.

20. Share capital

All ordinary shares rank equally with one vote attached to each fully paid share. Total issued share capital is 9,954,491 ordinary shares (2025: 9,954,491).

21. Dividend paid during the period

Dividends declared and paid during six-month period ended 30 September 2025:	Cents per share	\$000
Final dividend for the year ended 31 March 2025	3.98	398
Interim dividend (Quarter 1)	4.00	396
		795
Dividends declared and paid during six-month period ended 30 September 2024:	Cents per share	\$000
Final dividend for the year ended 31 March 2024	2.80	280
Interim dividend (Quarter 1)	3.28	328
		608

From the beginning of FY26 the Board adopted an updated dividend policy, moving from a payout ratio to a fixed quarterly dividend of 4 cents per share to provide shareholders with greater certainty of regular returns while retaining flexibility to reinvest for growth.

22. Related party transactions

Transactions with related parties

Name of related party	Nature of relationship	Transaction	30 September 2025 (Unaudited) \$000	30 September 2024 (Unaudited) \$000
John Fernandes	Director & Shareholder	Director fees	31	31
Bevan Walsh	Director & Shareholder	Director fees	18	18
Wayne Williams	Director & Shareholder	Director fees	23	23
Steffan Crausaz	Director & Shareholder	Director fees	19	19

Directors' fees for John Fernandes, Steffan Crausaz and Wayne Williams for the period ended 30 September 2025 also include fees as members of the Audit Committee. Wayne Williams, Chairman of the Audit Committee, received a fee of \$5,000, John Fernandes received a fee of \$1,250 and Steffan Crausaz a fee of \$1,250.

23. Subsequent event

Interim dividend declared

After the period end, the Board have declared a fully imputed interim dividend (Quarter 2) of 4.00 cents per share in line with its dividend policy.

Third Age Health Services Ltd
P O Box 303 387, North Harbour
Auckland 0751
thirdagehealth.co.nz



**Third Age
Health**