2025 Annual Shareholders Meeting Prepared Address

Third Age Health Services Limited (NZX: TAH) held its 2025 Annual Shareholders Meeting today, 26 August 2025 at 10am. During the meeting the following prepared address was given by John Fernandes, Chairman and Tony Wai, CEO.

Third Age Health Chairman's address, presented by John Fernandes

Good morning and thank you for joining us.

FY25 was another year of strong performance. We grew revenue, profit, and the number of facilities we provide services to. We also made operational improvements and managed costs carefully. None of this came from any major innovation. It came from a focus on the basics and continuing to take a few simple ideas seriously. These ideas include delighting customers, applying Kaizen, staying frugal, and aligning incentives.

The results this year were also only possible because of the great team in the business. I'm pleased that we were able to share a meaningful portion of our earnings with them through bonuses and our profit-sharing plan.

Looking ahead, we aim to grow organically by serving more facilities and patients in both our Aged Residential Care and General Practice businesses. We will also continue to supplement this with acquisitions. That includes bolt-ons to our ARC business and other businesses in healthcare more broadly. We will also consider acquiring non-healthcare businesses where our operating model, built around decentralisation and Kaizen, can deliver strong results. In my prior letters I have set out the commercial characteristics we look for in potential acquisitions.

Last year I said we wanted to broaden the shareholder base and attract more shareholders who share our very long time horizon. We are pleased that several of these "quality shareholders", a term drawn from Professor Lawrence Cunningham's book of the same name, have since become investors in the company. This matters because owners who focus on long-term progress in intrinsic value, rather than short-term share price movements, are aligned with the kind of decisions we can make and the multi-decade period we are aiming to compound per share value over.

With that in mind, I want to share some owner-related business principles that guide how we run the company:

* We view our shareholders as our partners in the business. While we are responsible for day-to-day decisions, we think and act as stewards of your capital, just as we would if it were our own.
* We think and act like owners, because we are. Most of our directors have meaningful investments in the company, with some, including me, having committed a significant share of their net worth.
* Our goal is to maximise the average annual rate of increase in intrinsic value per share over the long term. We know the stock market is a voting machine in the short term and a weighing machine in the long term. So, we focus on what we can control: executing our strategy and trust the weighing machine will do its job.
* We aim to achieve our goal by growing organically and through acquisitions, provided the economics make sense.
* We retain earnings only when we believe each $1 retained will generate at least $1 of market value over rolling five-year periods.
* We make decisions that maximise intrinsic value over several years even if they come at the cost of boosting short-term profit under the accounting standards.
* We use debt carefully. We are working to restructure borrowings, so they sit within subsidiaries on a non-recourse basis and to remove the General Security Agreement that currently sits across the group.
* We prefer reducing the number of shares outstanding over time. While we have a small number of shares previously approved for incentive plans, we do not presently plan to issue shares beyond that.
* We will report to you with candour. We do this primarily through our letters, reports, and market announcements to ensure all shareholders receive the same important information at the same time. When appropriate, we will tell you what hasn’t gone to plan and where we’ve made mistakes.

We remain focused on executing our strategy and continuing to build a business that creates and compounds value for our customers, team and shareholders.

Thank you to our clinicians, practice teams, employees and partners for the work behind these results. I also want to acknowledge Tony for his leadership. As announced, Tony will be finishing up in October. He leaves the business in significantly better shape than he found it. We thank him for his contribution and wish him well.

The Board is working through a transition plan, and we are confident that our underlying business system and the depth of leadership across the company provide a strong foundation as we enter the next chapter.

I’ll now hand over to Tony for his update before we take questions.

Third Age Health CEO's address, presented by Tony Wai

Good morning, thank you John.

Standing here today at my final Annual General Meeting feels a little surreal. It's not often you get the chance to look back and take stock of the journey like this one. For me it's a mix of pride, gratitude and a touch of emotion. Leading this organisation has been one of the great privileges of my career and before I say anything else I want to thank you, our shareholders, our board and leadership team, our clients and every person across Third Age Health who has given their energy, their care and their heart to this mission.

Today, I'd like to take a moment to reflect on what we've achieved over the year, what stands out for me personally, and why I believe this organisation is now in a great position to continue its growth journey for the future.

Four years ago, I focussed on rebuilding the business with a stronger focus on clinical and service consistency, broadening our service base across NZ and to deepen our talent bank of resources whilst ensuring that we also kept a focus on quality improvement. A big challenge at the time, however, was essential to ensure the sustainability that the Board was seeking.

Over the past year, we made some big moves. Last April, we acquired a majority interest in Hub Aged Care in Wellington and continued to grow our footprint across New Zealand. That expansion has brought greater consistency to how we operate, and today TAH now holds around 17% of the medical services market for residents in aged residential care facilities nationwide*. This is now set to grow beyond that with a further new acquisition announced recently in ARC across Christchurch.

* Based on actual enrolment to 31 March 2025 and our latest estimates of ARC occupancy across New Zealand according to the Te Whatu Ora ARC Funding / Service Assessment report (January 2024).

Financial Highlights $'000	Third Age Health and Controlled Entities					
	H1	H2	% Change	FY25	FY24	YOY % Change
Revenue	**9,413**	**9,668**	**+2.7%**	**19,081**	**15,151**	**+25.9%**
Underlying EBIT	2,053	2,216	+7.9%	4,269	2,606	+63.8%
Underlying EBIT Margin	21.8%	22.9%	+1.1%	22.4%	17.2%	+5.2%
Underlying NPBTA[1]	1,858	2,050	+10.3%	3,908	2,251	+73.6%
Underlying NPBTA%[1]	19.7%	21.2%	+1.5%	20.5%	14.9%	+5.6%
Underlying NPATA[2]	**1,361**	**1,525**	**+12.0%**	**2,886**	**1,708**	**+69.0%**
Underlying NPATA%[2]	14.5%	15.8%	+1.3%	15.1%	11.3%	+3.8%
Statutory NPAT	**1,154**	**1,324**	**+14.7%**	**2,478**	**1,383**	**+79.2%**
Statutory NPAT%	12.3%	13.7%	+1.4%	13.0%	9.1%	+3.9%
Diluted Earnings Per Share	10.25	12.49	+21.9%	22.74	13.59	+67.3%
Ordinary Dividends Per Share (cents)	6.83	7.88	+15.4%	14.71	10.07	46.1%
Return on Equity (TTM)	55.3%	60.9%	+5.6%	60.9%	47.4%	+13.5%
Return on Capital Employed (TTM)	35.1%	42.8%	+7.7%	42.8%	35.7%	+7.1%
Net Assets	3,643	3,967	+8.9%	3,967	2,913	+36.2%

Pleasingly, our Statutory NPAT grew 79.2% to $2.478 million for FY25.

Our ARC business continues to deliver steady growth, driven by demand and consistent care. Including Hub Aged Care, ARC enrolled patients grew to 5,371, and revenue lifted 42% to $11.75 million for the year ended 31 March 2025.

In community general practice, we also gained financial momentum. Patient numbers dipped slightly, down 1.3% to 20,350, but revenue still rose 7% to $7.33 million, with a significant improvement in profitability. That shift came from tighter processes and clearer accountability across our teams. Despite workforce challenges we continue to also grow patient numbers in each of our clinics with a greater focus on patient attraction and enrolment measures.

[1] Underlying NPBTA is adjusted for non-cash amortisation charges arising as a result of purchase accounting rules and amortisation of software.
[2] Underlying NPATA (Net Profit After Tax before Amortisation) is adjusted for non-cash amortisation charges arising as a result of purchase accounting rules.

Of course, we continue to operate in a tough environment. Workforce shortages, funding constraints, and rising admin demands remain real pressures across primary care and they're not going away any time soon for the sector.

That's why workforce development has been a key focus. In March, we celebrated our first graduate from our Nurse Practitioner Development Programme; a big milestone in building long-term clinical capacity. We've also attracted further practitioners that have grown our nurse practitioner and GP workforce, expanded training, and created structured pathways for early-career doctors to join our network, strengthening the pipeline for the future.

On the digital front, progress has been strong. We launched our clinical portal at the beginning of Jan and are now live in 25 facilities and are well on track with rolling-out further. Clinician feedback has been encouraging, and Phase Two is underway with a focus on further integration of our workflows with ARC and improved health outcomes and efficiency.

We've made significant progress in establishing our "Elder Care Standards" and we anticipate these will become the primary care quality standard in aged care. It represents an important step in shaping the future of aged care delivery, and we're encouraged by the momentum it's already generating.

Across both ARC and general practice, the pressures of demand, complexity, and workforce shortages are very real. But they also underline exactly why structured, coordinated care, the kind we provide is so critical.

Looking forward, the fundamentals are strong. Demand is only going to continue to grow, and with the systems, people, and culture we've built, I believe the business is well placed to meet that need sustainably further delivering quality care while creating value for clients, clinicians, and shareholders.

Finally, I want to say thank you again. To our clients, clinicians and operational teams for your commitment, and finally again to you our shareholders for your ongoing trust.

My decision to step away now was a personal decision to allow me to move to the next career challenge at this time. The board has a succession program in place to ensure that the continuing execution of our strategic plan persists.

Finally, I'm proud of what we've achieved together, and I step away confident that the foundations we've built will support this organisation well into the future.

Thank you.

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