

Radius Residential Care Limited

Annual Shareholders' Meeting 2024

EXECUTIVE CHAIR'S ADDRESS – BRIEN CREE

At Radius Care, we have a laser focus on delivering exceptional care. We take pride in being New Zealand's leading provider of high acuity, aged residential care, dedicated to ensuring the well-being of our residents as they age gracefully within our communities. With a deep understanding of what quality and individualised care entails, we operate 23 aged care homes and four vibrant retirement villages spanning from as far north as the Bay of Islands to the southernmost city of Invercargill.

Our journey began over twenty years ago, with just one care home, and a strong personal motive for building a business that puts quality care at the heart of its operations. Through our unique processes, systems, culture, and people, we've since developed 'the Radius Way', which we believe distinguishes us from all other aged care operators. Andrew will explain in further detail what sets us apart, but fundamentally, we know how to deliver care efficiently through our care teams, our high acuity mix of care, and our distinguished brand.

Our business comprises three main revenue streams - aged care, independent living units or retirement village units, and adjacent businesses that align with our core offering.

Our aged care business continues to perform very well with high occupancy and certification levels, and a strong reputation for excellence in clinical care. Our 23 care homes offer a spectrum of specialist services, focusing on the higher acuity segments of care (including hospital, dementia, psychogeriatric, physical and intellectual care) and are supported by our highly engaged, exceptional people who are dedicated to delivering the best health outcomes possible to our residents.

Our retirement villages performed strongly in FY24, returning record resale gains throughout the year.

In recent years, we've leveraged 'the Radius Way' across various adjacent businesses and continue to seek out opportunities to diversify our revenue. RConnect, our own aged care nursing agency, has generated significant revenue for Radius and continues to perform very well as we seek to expand this further. We've also branched out beyond aged care into private home care, and complementary health services. Our online Radius Shop is growing and producing stable revenue.

As our momentum with the Radius Way continues, we are looking to grow our adjacent offerings to further capitalise on our unique product and services. To this end, we have signed a Memorandum of Understanding with Senior Trust. This is an exciting first step in our plan to provide care in new, purpose-built care facilities developed by Senior Trust clients under a leasehold arrangement for retirement village operators who require our specialist expertise. This is expected to add up to 400 new beds over a 5-year period. The first two projects are

being worked on at the moment. In addition, we are exploring various opportunities to offer leasehold care to other large aged care providers.

And in terms of other adjacent opportunities, we are currently in discussions with Cibus Catering to acquire a shareholding in their business.

Development of our villages and care homes continues to be carefully considered where it is value-enhancing based on market conditions. For example, from mid-2025 we plan to begin developing Northwood village in Christchurch.

Andrew will speak to our financial performance in more detail, but FY24 has been an outstanding year for Radius. Our key metric, EBITDAR per bed, which is our measure of the financial performance of our core business of care, was an industry-leading \$25k per bed. This is a record for Radius Care and one which we are extremely proud of. In addition, borrowings were significantly reduced, and other key metrics broke new records.

Our strong performance enabled us to resume dividends, and a final dividend of 0.70 cents per share was declared in May. The Board is targeting a return to the previous cycle of an interim dividend paid in December and a final dividend paid in June of each year.

The senior management team at Radius Care was enhanced in 2023 by the recruitment of Jeremy Edmonds as Chief Financial Officer and Shereen Singh was appointed as General Manager of RConnect. Both Jeremy and Shereen have already proven to be excellent additions to our team, as shown by Radius's strong commercial performance in FY24.

Tom Wilson was elected to the Board at the Annual Shareholders' Meeting in August last year and brings a wealth of experience in strategic leadership. Over the past year, our entire Board has been extremely active and engaged, demonstrating their high sector knowledge and keen strategic focus, and I'd like to acknowledge them for their ongoing support and commitment to our business.

We continue to be the leaders in aged care in New Zealand and as always, we owe enormous thanks to our residents and their families for their continued support, and to our exceptional people for their resilience and passion for delivering exceptional care.

As we continue implementing The Radius Way across diversified revenue streams, including RConnect, Radius Shop, in-home services, targeted M&A and development, a strengthened balance sheet and a bespoke operational model, we are in a strong position to deliver on our promise of continuing to provide industry-leading care and generating value for our stakeholders.