

Radius Residential Care Limited
ANNUAL SHAREHOLDERS' MEETING 2023
Executive Chair and Managing Director's Address – Brien Cree

At Radius Care, our primary focus is on caring for people. 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 compassionate approach, we operate 24 aged care homes and four vibrant retirement villages spanning across the nation, from as far north as the Bay of Islands to the southernmost city of Invercargill.

Our journey began in 2003 with just one care home and since then Radius Care has witnessed significant expansion, transforming from a single care home to a diverse portfolio. This expansion is a testament to the trust and confidence placed in us by the people we serve. Since we listed on the NZX this growth has enabled us to take ownership of the land and buildings at more than half of our care homes, further solidifying our commitment to providing the best care possible.

Our business comprises three main 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 well with high occupancy and a strong reputation for clinical care excellence. We now have 24 care homes offering a spectrum of specialist services, supported by our exceptional people who are dedicated to delivering the highest level of care to our residents.

Our village business continues to expand with one new village acquired in 2022. Acquisitions remain a core growth opportunity for Radius going forward.

Finally, we have recently expanded our adjacent offerings with the introduction of a nursing bureau called RConnect, earlier this year. This has been made possible due to the excellent work done by our people team in recruiting over 140 nurses via direct channels, primarily from the Philippines, Marshall Islands, Singapore, Fiji and the Middle East. We are now in the great position of being fully staffed and therefore able to provide support to other aged care providers. The bureau benefits Radius both by generating a new income stream but also reduces the costs to the Radius business when our own care homes use RConnect. I am excited about the opportunity this presents Radius in supporting a sector that desperately needs nurses.

2023 has been another year where Radius has been able to demonstrate successful execution against our core strategic pillars as we enter our 20th year of operation.

Over the past two years we have acquired the land and buildings of eight of our leased sites in line with our stated strategy to further expand our existing facilities. We now own the land and building at 13 of our 24 care homes and all 4 retirement villages. This represents a substantial shift in our ownership models and gives us the opportunity to maximise value and drive value-enhancing developments on existing sites.

In September 2022 Radius Care acquired Matamata Country Lodge, a beautiful care home in the centre of Matamata. Radius has already been able to improve this asset through cost and scale efficiencies which has resulted in its valuation increasing by \$4.3m since acquisition. This property also has good development potential for further retirement village units.

Radius was able to progress its brownfield development pipeline with the completion of a 24-bed extension at Thornleigh Park in New Plymouth in February 2023. The development pipeline remains strong with plans in place for an additional 305 care rooms and 112 independent living units.

The senior management team at Radius care was complimented in 2022 with the recruitment of Wendy Jenkins as Chief Financial Officer and Richard Callander as Chief Operating Officer. Together with our Chief Executive Andrew Peskett and existing executives Sam Carey, Trish Evers, and Gared Thomas, the management team is in great shape with the right experience and vision to grow the business. With new short-term and long-term incentive plans in place the senior executive team is well incentivised to drive performance in the interest of Radius residents and stakeholders.

I would also like to acknowledge the Board of Radius Care for their ongoing support and commitment throughout the year.

Before I hand over to Andrew, I wanted to provide an update on the health care sector in New Zealand and how Radius Care is positioned.

The key to the successful operation of our care homes is our front-line nurses and caregivers who are critical to providing the quality of care to our residents that Radius is known for. The nationwide shortages of nurses and lack of funding in the aged care sector has been well recognised and it was pleasing to see some moves to address this in 2023 with pay disparity funding. While the gap in funding for nurses has closed, we still have some way to go before our nurses and health Care Assistants have true pay parity with those in public hospitals. While Radius has been successful in nurse recruitment to mitigate issues of supply, we continue to advocate strongly for more funding in the sector to recognise the critical role aged care plays in the health sector in New Zealand.

As Radius Care approaches its 20th year in business this October, we can take great pride in our achievements. Our primary focus in the aged care sector is to continuously elevate the quality of care we provide to our residents. Our aim is to foster a nurturing environment that embraces their physical, emotional, and social well-being, ensuring our residents feel valued and cherished during their time with us.

Our mission remains twofold: to offer our residents a comfortable environment in which they can age gracefully, and to generate value for our stakeholders.