

2025 Annual Shareholders' Meeting Speeches

26 August 2025

Rhonda Sherriff, Chair of Promisia

Introductions

Thank you for taking the time to join us today. It's my pleasure to welcome you to the company's Annual Shareholders' Meeting for 2025.

Before we formally begin, I would like to introduce you to my fellow Board members:

- Thomas Brankin – Executive Director
- Tony Mortensen – Non-independent Director
- Craig Percy – Non-independent Director
- Jill Hatchwell – Independent Director

Also joining us today from our executive team is Francisco Rodriguez Ferrere – Chief Financial Officer, and Graeme Dodd – Chief Operating Officer.

Finally, I'd like to welcome, Richard Dey from William Buck Audit, Promisia's external auditor, and Matt Yates, our legal counsel from Duncan Cotterill. Duncan Cotterill will conduct the voting in today's meeting.

During today's meeting, shareholders will be able to ask questions and vote. I encourage you to do so.

We also invite you to stay around at the end of today's meetings to join the Board and management team for light refreshments.

Agenda

Here's how this afternoon will run. I'll start with a few reflections from the Board's perspective on what's been a year of considerable change, and the steps we've taken to strengthen Promisia's foundation and reposition the business for the long term.

Then Francisco will speak to the company's financial performance and capital activity how we've reshaped the balance sheet, and the progress we've made in building financial resilience.

After that, you'll hear from Graeme, who'll walk through our operational progress on the ground, including occupancy, care delivery, and key priorities across our facilities.

Graeme only joined the business in May, so, you'll also get the benefit of a fresh set of eyes and his early impressions of where we're heading.



Once the presentations are complete, we'll open the floor for shareholder discussion and questions.

And finally, we'll move into the formal business of the meeting, where I'll take you through each of the resolutions set out in the Notice of Meeting.

It's fair to say the past 12 months have been another chapter of significant change for Promisia.

We've continued the strategic transition we began last year and we're now starting to see the benefits of that work come through. We've got a clear sense of where we're going, and a strong platform to build from.

Laying the foundation for Promisia's next chapter

This past year has been about setting the business up for future growth through some significant and deliberate decisions.

We reshaped the group's portfolio with the acquisition of the two care facilities and villages in Cromwell, and the sale of Eileen Mary, which no longer aligned with our strategic approach.

This was followed by a reset of our strategic vision, which I'll talk to shortly.

One of the most important focus areas this year has been strengthening our financial position supported by the capital raise completed last July. Francisco will speak to this in more detail, but it's fair to say it's been a transformative lift - allowing us to reduce risk, improve flexibility, and set up our balance sheet for the future.

Operationally, we've continued to stabilise with stronger leadership, better internal discipline, and pleasing momentum in occupancy across the group.

We were delighted to welcome Graeme in May, who brings deep operational expertise and will be leading the next stage of that momentum — which he'll speak to shortly.

Finally, I want to take a moment to sincerely thank our people across every one of our facilities and at the support office. Through all of this change, they've continued to care for our residents with professionalism, empathy, and heart.

And I'd also like to acknowledge the Cromwell team, who've joined the Promisia group and have made a fantastic start as part of the wider whānau.



Our Strategic Vision for a Stronger Promisia

As we've welcomed new people into the business and laid stronger foundations, it's also been the right time to be clearer about the direction we're heading.

So, I want to take a moment to walk you through the strategic framework that will guide Promisia from here.

At the centre of it, is our vision: to be a trusted and sustainable provider of quality, people-centred care in the communities we serve.

That's what we're working towards and to get there, we've set out five key drivers which are now the focus of our work as a Board and leadership team.

First, our people: strengthening governance, and making sure our leadership is visible and accessible, while also building a skilled, experienced, and engaged team across the business. The Board and I have taken a close look at our leadership structure, resulting in Francisco's formal appointment as CFO and a robust search process for our new COO, Graeme.

Second, delivery: making sure our network operates as one cohesive system providing safe, personalised care that meets the expectations of our residents and their families.

Third, occupancy: our target is a minimum of 95% across the group, and we'll achieve that by becoming the provider of choice in every community we serve which is ultimately driven by the quality of our people and our care.

Fourth, diversification: broadening what we offer by investing in independent living, expanding into higher-acuity services, like the dementia conversion at Nelson Street, and exploring other care-linked revenue streams.

And finally, growth: we're continuing to look for opportunities to acquire medium-to-large care facilities that are integrated with both care and independent living. Alongside that, we're also unlocking value within our existing portfolio through targeted developments.

These drivers give us a disciplined, long-term lens on where we invest, how we measure success, and how we deliver on our commitments to residents, staff, and shareholders alike.

With Francisco, Graeme, and the wider team, we're already embedding this into our day-to-day business.

There's plenty still to do - but we have a strong and highly competent senior leadership team and a well-developed framework that's clear, grounded, and future focused.



Francisco Rodriguez Ferrere, Chief Financial Officer

Strong Financial Performance in FY25

We're really pleased with the financial performance we delivered last year. Revenue grew by 37%, increasing to \$31.1 million. That uplift was partly driven by the Cromwell acquisitions but also reflected underlying growth across the rest of the Group.

We maintained strong cost discipline and delivered underlying EBITDAF of \$4.2 million — an increase of 11.5% on the prior year, and in line with the guidance we gave at last year's ASM.

Our balance sheet also strengthened significantly. Total assets now stand at \$172 million, more than doubling from FY24. Net Tangible Assets per share rose again, up 72% over two years to 79 cents and we expect further growth in FY26.

We're building a consistent track record - lifting earnings and growing shareholder value. As Rhonda said, the foundations are in place, and we're confident this momentum continues into FY26.

Capital Execution and Balance Sheet Reset

I want to pause briefly to reflect on the scale of what we achieved last year in terms of financing and capital activity. This was a significant reset period arguably the most transformative phase for Promisia's financial foundations since the company was listed.

On the left-hand side of the slide, we've outlined five key capital initiatives completed over the past 12 months:

First, we refinanced and removed two second-tier loans, one with Senior Trust and the other with Teltower. In the case of Teltower, through strategic negotiation we were able to exit early and recognise an \$800,000 gain.

Second, we renewed and extended all of our existing BNZ facilities. This extended and improved terms with more flexible covenant requirements.

Third, we secured a new \$7.5 million BNZ facility to fund the Golden View Care and Ripponburn acquisitions.

Fourth, we completed a \$4.7 million capital raise in July 2024, which introduced several new shareholders and broadened our investor base.

And finally, as Rhonda mentioned, we sold Eileen Mary, a facility that no longer met our long term strategic direction enabling us to recycle capital into Cromwell and reduce group debt.



Together, these moves consolidated our funding structure, reduced our financing costs, and positioned the company for the next phase of growth.

The right-hand side of the slide shows the impact: We now operate under a single senior lender, Our loan-to-value ratio has dropped to 42.9% down from 55.6% as at March 2024. Our weighted average interest rate fell from 9.0% to 7.1% over the same period. We maintain a balance of fixed and floating rate debt which helps manage interest rate risk while allowing us to benefit from falling rates, as we're currently seeing.

These outcomes materially strengthened our financial position, improved flexibility, lowered our cost of capital, and ensure we have a more investable platform moving forward.

Positioned for Strong Earnings Growth in FY26

For FY26, we're very confident in our outlook.

We've issued market guidance for at least 25% growth in underlying EBITDAF, which would take us to over \$5.2 million by year end and that's not based on aspiration, it's grounded in five clear drivers, all of which are now underway.

First, the dementia wing conversion at Nelson Street is now complete and we're steadily building occupancy. Dementia care attracts higher funding per bed and only modest additional staffing costs which means stronger margins on the same footprint.

Second, we're focused on reselling vacant care suites at Ranfurly Manor. As of March 2025, occupancy was at 50%. Since then, demand has accelerated we reached 65% in our July update, and as of today, we're sitting at 70%. Each resale brings in upfront ORA cashflows, lifts our deferred management fee base, and generates ongoing care and assisted living revenue.

Third, with the Cromwell acquisition now fully embedded, we'll see a full 12 months of earnings in FY26. We also expect greater cost efficiencies across both Ripponburn and Golden View.

Fourth, we are continuing to lift occupancy across our core facilities, particularly at Aldwins House. Graeme will cover the reset and recent momentum shortly.

And Fifth, following our annual negotiations, care fee rates increased by 4% — a sector-wide uplift, effective from the 1st of July. This helps mitigate the significant cost pressures we've seen in recent years and supports the sustainability of quality care.

These five drivers are already in motion. They give us confidence not just in achieving our FY26 earnings target but in the strength and sustainability of those earnings. And as we continue to grow earnings and repay debt, we expect to see that reflected in our balance sheet and asset values.

Disciplined Capital Allocation, Investing in Long-Term Value

As we look ahead, I want to outline how we're thinking about capital allocation because how we reinvest back into the business is central to delivering long-term value for shareholders.



One of the key examples is our staged acquisition of the Golden View Village. We're currently directing a large share of monthly free cash flow toward advancing future ownership of the village. This is the \$13.35 million interest-free vendor loan that formed part of the Cromwell acquisition. We're repaying this through \$180,000 monthly instalments, and once complete in August 2028, we'll own the village outright.

Importantly, we expect to unlock meaningful uplift in value over this period creating value steadily over time, not just at the end. It's a long-term investment, and Golden View is a cornerstone asset for the group.

For those interested in the transaction details, further information is available in the appendices.

We're also focused on targeted, value-add capital expenditure. This includes the now-completed dementia conversion at Nelson Street and light facade works at Ranfurly Manor to support care suite sales.

These are small but high-impact investments they enhance asset quality, support occupancy, and improve long-term returns. We remain disciplined, and every dollar invested must be tied to clear operational or financial benefit.

At the same time, we're continuing to strengthen the balance sheet. Our loan-to-value ratio has improved to 42.9%, and we're maintaining a healthy liquidity buffer. We're keeping leverage in check — not just to manage risk, but to ensure long-term flexibility as opportunities arise.

And we're actively scanning the market for future growth. Our priority is medium to large-scale care facilities that are earnings-accretive, generate strong cash flows, and have integrated assisted living components — such as villas, care suites or apartments.

We're also identifying opportunities to unlock further value from within our existing portfolio, through targeted developments that don't add unnecessary complexity.

This is a balanced and deliberate approach focused on long-term growth, value creation, and positioning Promisia for scale. We believe reinvesting in these four areas represents the most effective use of shareholder capital today.

A dividend policy is currently being developed, and while no distributions are planned in the immediate future, as reinvestment obligations reduce, we will remain mindful of shareholder expectations around capital returns.



Graeme Dodd, Chief Operating Officer

Every Bed is a Promise

Today I'll go through five practical priorities from care on the floor to occupancy and how we systemise what works then where that positions us for growth.

The first key area of focus is what I've called "Every Bed is a Promise". No great business is built on a mediocre or average product and in our case, our product is care. For this reason, every bed for us is a Promise.

If we want to stand out in aged care, we must stand out when it comes to the care we deliver, set the highest standards for ourselves, and be the very best in care, consistently, across all our communities.

Every time we welcome a resident, we make a promise to them - and to their family. They deserve care that is personal, respectful, and dependable.

Our reputation is built one bed at a time — consistent, great care across every one of our sites is key. A strong care culture underpins occupancy, morale, trust, and our brand.

So, our promise to residents and their families is simple:

1. We will keep them safe.
2. We will care for them.
3. And we will support them to live the very best life possible.

We care with heart - that's not marketing; that's our promise. On the ground, that means clear expectations, attracting people with "heads *and* hearts," and wherever possible removing admin and complexity so care can come first.

Lift and Hold Occupancy

Our next key area of Focus is lifting and holding occupancy

Occupancy is the oxygen for our business, without it, nothing else works well. Small shifts make a big difference to our profitability, cash flow and our asset value. At the start of the current financial year, we had 81 beds unoccupied. We're now down to 62. Because our fixed-cost base doesn't move much when a bed fills, every extra resident we welcome drops strongly to the bottom line.

For context, a 1% lift in occupancy across the group adds about \$262,000 to our bottom line annually. That's why it is such a key focus for our teams.

We're actively marketing the sites that need an uplift, treating every enquiry as the day's top priority, and tracking daily occupancy with the team so momentum sticks. Our target is clear: get every site to at least 95% and hold it there.

At Ranfurly, we've focused on care suites and as Francisco outlined earlier, that's a clear earnings lever. Since 1 April, 17 care suites are now either sold or under contract. That's cash today through ORA resales, and ongoing daily income from care fees as those suites fill.

At Aldwins, after a reset of expectations and support for the team in May and June, occupancy has lifted materially from 81% to 88% as of last week. We're pushing hard to break through 95% in the short term.



I'll talk more about the "recipe" behind that on the next slide. Every empty bed is a lost opportunity. Every filled bed equals more oxygen. If we lift and hold that oxygen level, every part of our business will certainly breathe easier and perform better.

Perfect the Recipe

Our next area of focus is Perfecting the Recipe

Each of our communities is unique, but the recipe for success generally has some key ingredients. We've identified the key drivers of great performance and we're measuring them, benchmarking them, and sharing them openly across the group so everyone can see what great looks like.

This means setting clear, measurable standards for care, quality, occupancy, and costs. Creating a culture of continuous improvement. And, learning from each other so we can all grow stronger.

Aldwins shows the recipe in action: we undertook a strategic reset we communicated our standards, and expectations of acceptable behaviour for residents and families. A small number of residents subsequently exited in May and June - very hard in the short term - but it clarified expectations, lifted the tone, and rebuilt trust on the floor.

The response from residents and families has been strongly positive, staff confidence has lifted, and we've laid the foundations for sustainable occupancy growth.

In short: set the standard, protect the culture, and performance follows. We'll document what good looks like and coach it, so each site can adopt the same simple recipe quickly and consistently.

That's perfecting the recipe - take what works, make it simple, then run it the same way, every day. We don't just want to be randomly good we want to be consistently and predictably great.

Operational Excellence

Our next area of focus is around supporting our recipe for success, something we've called Operational Excellence. Because through our systems, processes and people at support office we want to help our sites to be consistently great.

Promisia has a unique opportunity, we don't have to be a smaller version of the big six operators. We can do things our way, better, faster, and smarter.

That means sharpening our brand, philosophy, and systems. Ensuring we support and expect our managers to raise the bar and being very particular around hiring people with "heads and hearts" not just arms and legs.

We're standardising core tools and training to lift performance across sites and embedding reporting frameworks so decisions are data-led.

Building processes that work in one community and can be rolled out to all our communities. In short, we're hard-wiring our recipe *and the secret ingredients*, into our systems, processes, people and communities.



Well Positioned for Growth

All of these operational initiatives are so that we can establish a solid foundation and position Promisia for growth. Every 17 minutes, another New Zealander turns 65. The number of people aged 85+ will double in the next 20 years from around 100,000 today to more than 200,000. By 2040, 1 in every 4 New Zealanders will be over 65.

That's not just a statistic it's our future customer base, and it's growing whether the economy is booming or not. Once the fundamentals are in place, our focus will be maximising the value and performance of our existing assets and defining our future growth lanes - creating a repeatable, scalable model we can roll out again and again.

We are not chasing the market – the market is racing towards us.

Driving Operational Momentum

In FY26, we will keep the recipe simple:

- lift and hold occupancy — keep the oxygen high
- identify the key ingredients for success
- make them repeatable — via. tools, training, clear expectations and support
- and then grow deliberately — back what works and scale at the right pace.

With this foundation, we're positioned not just to compete – but to lead. The best care. The best culture. The best results.

That's Promisia – Care with Heart.