



“Caring is our calling”



Radius Care

Strategy update, land and buildings acquisition and equity raising

8 July 2021

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Capital Raise summary – execution of growth strategy

Radius Care is raising capital to purchase the land and buildings at four strategically important leased facilities, including (1) increasing the brownfield development pipeline and (2) two facilities where Radius Care already owns the co-located retirement villages

Acquisition Overview
<ul style="list-style-type: none"> Radius Care has entered into an agreement to purchase the land and buildings of four strategically important leased facilities for \$31.4m being a 2.3% discount to the April 2021 independent valuation (Ohaupo Acquisition) Facilities are being acquired off-market from Ohaupo Holdings Limited (Ohaupo Vendor) Land and buildings of facilities being purchased include: <ul style="list-style-type: none"> Taupaki Gardens (Kumeu, Auckland): a 60 Care Bed facility operated by Radius Care since December 2003. The acquisition of this site also adds to the owned development pipeline the potential for an additional 20 Care Beds¹. These can be developed on vacant land not impacting the existing facility (i.e. no decanting of existing residents required) Windsor Court (Ohaupo, Waikato): a 76 Care Bed facility operated by Radius Care since December 2003. The acquisition of this site also adds to the owned development pipeline the potential for an additional 20 Care Beds². Radius Care owns and operates the adjacent 22 unit retirement village facility, creating a wholly owned integrated offering Heatherlea (New Plymouth, Taranaki): a 55 Care Bed facility operated by Radius Care since March 2003 Elloughton Gardens (Timaru, Canterbury): a 86 Care Bed facility operated by Radius Care since March 2005. Radius Care owns and operates the adjacent 54 unit retirement village facility, creating a wholly owned integrated offering The Ohaupo Acquisition removes the \$2.2m annual lease expense, increasing Radius Care's Pre NZ-IFRS 16 Underlying EBITDA by \$2.2m. On a pro-forma basis assuming facilities were already owned by Radius Care its FY21 Pre NZ-IFRS 16 Underlying EBITDA would have been \$12.7m (up from \$10.5m) and its FY22 Guidance range would have been \$12.7m to \$14.7m (up from \$10.5m to \$12.5m)

Raise Structure
<ul style="list-style-type: none"> Capital Raise to be structured as: <ul style="list-style-type: none"> \$23.0m underwritten Placement. Radius Care also has the ability to accept oversubscriptions under the Placement of up to an additional \$7.0m at its discretion on a non-underwritten basis. New shares to be issued under the Placement at a price to be determined via a bookbuild process on Thursday, 8 July 2021, subject to an underwritten floor price of \$0.50 per Radius Care share – representing a 44.4% discount to the last close price of \$0.90 per share on Wednesday, 7 July 2021 and a 33.8% discount to the theoretical post raise price of \$0.76 based on the last close price of \$0.90 on Wednesday, 7 July 2021 and the underwritten floor price of \$0.50 (and assuming a \$50 million raise size) Non-underwritten Retail Offer of up to \$5.0m with the ability to accept oversubscriptions of up to an additional \$5.0m, priced at the same price as the Placement \$10m share issuance to Ohaupo Holdings Limited (or nominee/s) as part of the consideration for the Ohaupo Transaction, with a 12 month escrow. Priced at the same price as the Placement The Ohaupo Acquisition and associated transaction costs will be funded via the underwritten Placement and share issuance to the Ohaupo Vendor. Any proceeds of the Placement not used to fund the Ohaupo Acquisition (and related transaction costs) and any additional capital raised through the Retail Offer will be used to reduce debt

Update on progress on other strategic objectives
<ul style="list-style-type: none"> Further design and consenting work has been undertaken on the Brownfield Development opportunities within the existing owned portfolio which allow for: <ul style="list-style-type: none"> Thornleigh (New Plymouth): Potential for additional 24 Care Beds adjacent to the existing 63 Care Bed facility – resource consent now obtained. Build of ~\$4.5m to commence in December 2021 and produce ~\$0.65m of Underlying EBITDA (~6.9x implied Underlying EBITDA multiple). Build to be funded out of retained AFFO Lexham Park (Katikati, Bay of Plenty): Potential for additional 20 Care Beds and 20 Care Suites adjacent to the existing 63 Care Bed facility – consenting underway These Brownfield Developments are similar in nature to the previous Brownfield Developments undertaken by Radius Care at Windsor Court (FY18), Waipuna (FY17) and Elloughton Gardens (FY17) As announced to the market in April 2021 Radius Care has exercised its option to purchase 4.3 hectares of Greenfield Development land. Settlement is expected to occur between December 2021 and March 2022 at which point Radius Care will net debt fund the remaining \$5.5m

Use of Capital Raise proceeds	
Ohaupo Acquisition – purchase of land and buildings of 4 leased facilities with 277 Care Beds	\$31.4m
Transaction costs	\$1.6m
Total funds required for transaction	\$33.0m
Potential net debt reduction	\$16.6m
Potential additional transaction costs	\$0.4m
Total maximum potential use of funds	\$50.0m

Note: Thornleigh Brownfield Development to be funded out of retained AFFO and Belfast land purchase to be debt funded

Sources of Capital Raise proceeds	
Underwritten upfront Placement	\$23.0m
Share issuance to Ohaupo Holdings (or nominee/s)	\$10.0m
Total sources of funds to fund transaction	\$33.0m
Potential oversubscriptions in upfront Placement	\$7.0m
Potential proceeds from non-underwritten Retail Offer	\$5.0m
Potential proceeds from oversubscriptions in non-underwritten Retail Offer	\$5.0m
Total maximum potential sources of funds	\$50.0m

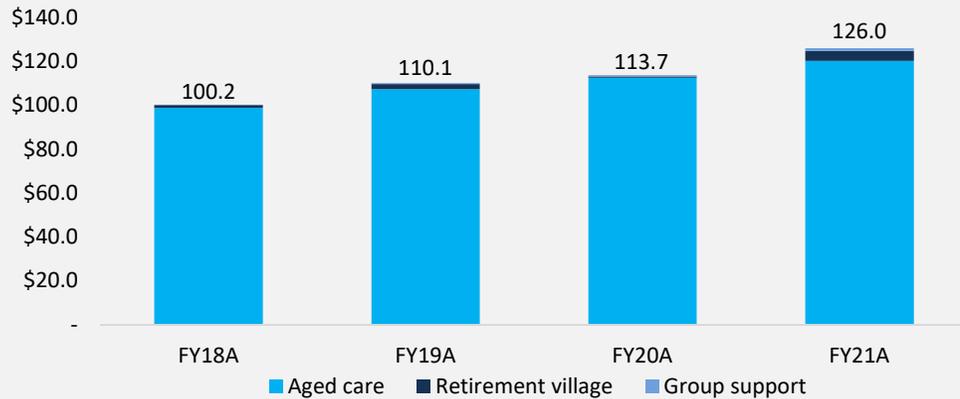
1 Identified at the time of the listing profile but given the site was leased it required the involvement of landlord

2 Not identified at the time of the listing profile. Further work has identified this opportunity

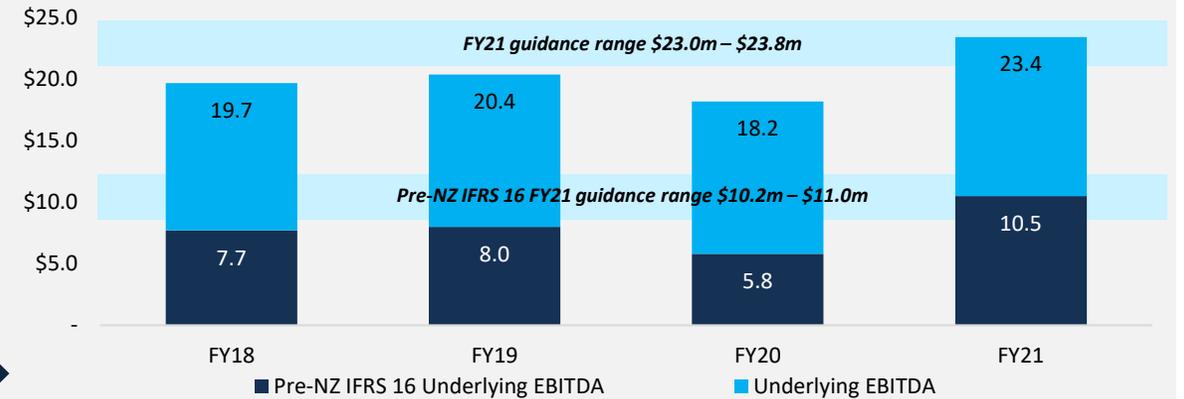
Results summary – recap of FY21 results

Guidance met or exceeded across all metrics, with revenue growth underpinned by strong occupancy and growing private payment (accommodation supplements)

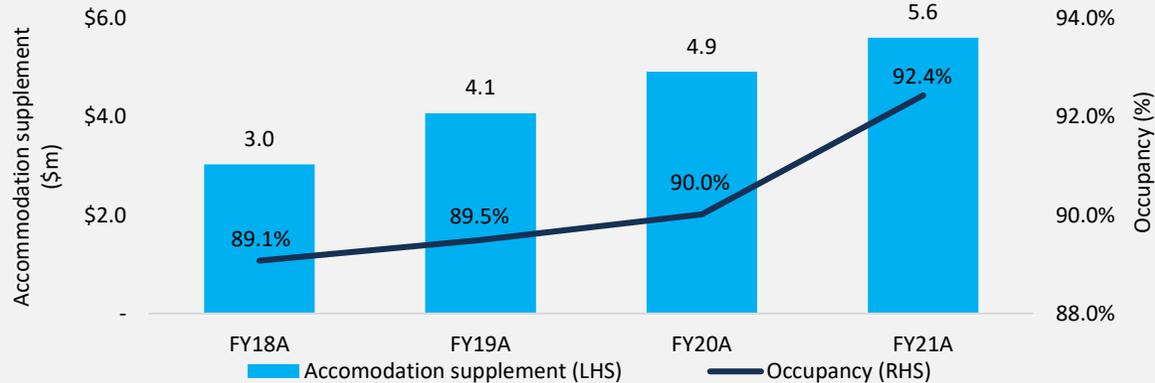
Revenue growth (\$m)



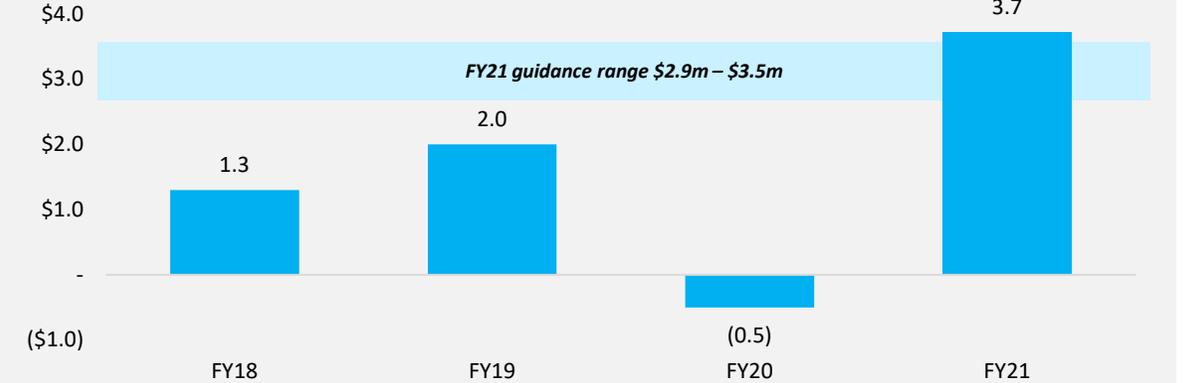
Underlying EBITDA (\$m)



Accommodation supplements (\$m) and occupancy (%)



Adjusted funds from operations (AFFO) (\$m)



Execution of growth strategy

Executing the growth strategy

The Ohaupo Acquisition, funded by this Capital Raise, demonstrates continued strong progress on Radius Care's growth strategy

Growth Strategy as outlined in the Listing Profile		Execution of strategy	
Go forward strategy	Historical track record	Current status	
<p>1. Purchase of strategically important facilities already operated by Radius Care</p>	<ul style="list-style-type: none"> • Lexham Park (FY20) – 63 Care Beds • Thornleigh (FY14) – 63 Care Beds • St Helenas (FY14) – 52 Care Beds 		<p>Capital Raise to fund acquisition of sites leased from Ohaupo Vendor:</p> <ul style="list-style-type: none"> • Taupaki Gardens – 60 Care Beds, also adding 20 Care Beds to the owned Brownfield Development pipeline¹ • Windsor Court – 76 Care Beds, co-located retirement village already owned by Radius Care, also adding 20 Care Beds to the owned Brownfield Development pipeline² • Elloughton Gardens – 86 Care Beds, with co-located retirement village already owned by Radius Care • Heatherlea – 55 Care Beds
<p>2. Brownfield Development</p>	<ul style="list-style-type: none"> • Windsor Court (FY18) – 15 Care Beds • Waipuna (FY17) – 28 Care Beds • Elloughton Gardens (FY17) – 27 Care Beds 		<p>Further progress made on Brownfield Developments</p> <ul style="list-style-type: none"> • Thornleigh – 24 Care Beds – resource consent obtained • Lexham Park – 20 Care Suites and 20 Care Beds – resource consent underway <p><i>More detailed work underway on Brownfield Opportunity</i></p>
<p>3. Greenfield Development</p>	<p>Greenfield Development on owned facilities undertaken and funded by Radius Care:</p> <ul style="list-style-type: none"> • Elloughton Grange Village (FY21) – 54 Units <p>Greenfield Development on leased facilities undertaken with and funded by landlords:</p> <ul style="list-style-type: none"> • Glaisdale (FY18) – 80 Care Beds • Millstream (FY18) – 80 Care Beds 		<ul style="list-style-type: none"> • As announced in April 2021, Radius Care has exercised its right to acquire c. 4.3 hectares of land • Settlement of the land is expected to take place between December 2021 and March 2022 • Resource consent granted for 70 Care Beds, 30 Care Suites, 67 Villas and 27 Apartments <p><i>More detailed work underway around flexible multi-stage programme</i></p>
<p>4. Opportunistic value accretive acquisitions</p>	<p>Acquired the operations of 26 aged care facilities and retirement villages comprising 1,998 Residences since 2003</p>		<p>Continuing to seek and evaluate potential acquisition opportunities</p>

Ohaupo Acquisition
Funded by Capital Raise

¹ Identified at the time of the listing profile but given the site was leased it required the involvement of landlord

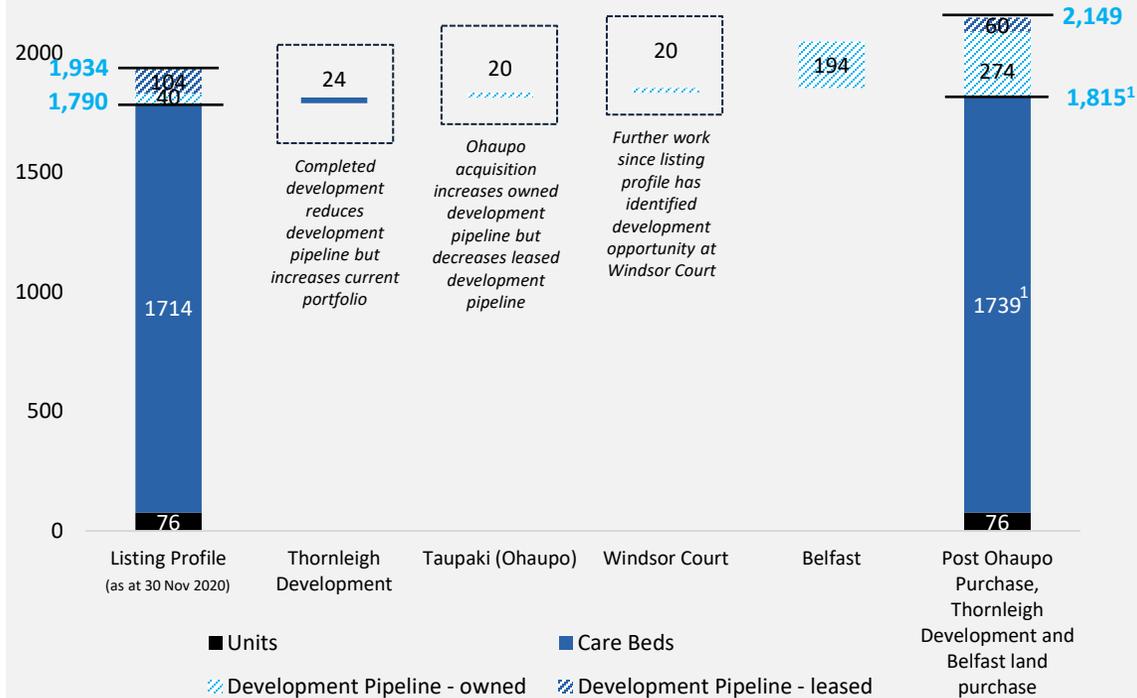
² Not identified at the time of the listing profile. Further work has identified this opportunity

Portfolio transformation

Current transaction will (1) increase the number of Care Beds and Units in the current portfolio and development pipeline, and (2) increase the proportion of owned facilities

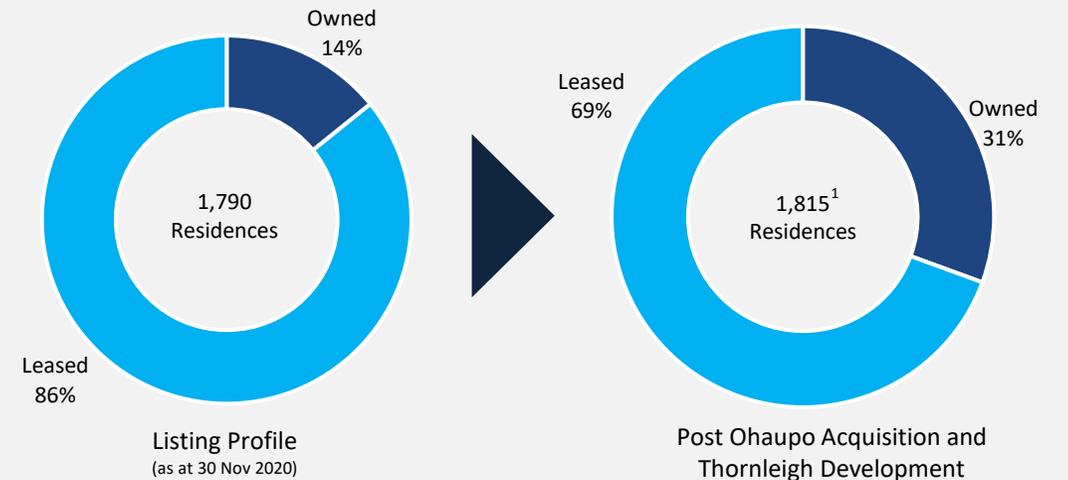
Change in portfolio composition

Development Residences increase from 144 to 334 (+132%)



Change in owned vs. leased portfolio composition

Proportion of owned Residences increases from 14% to 31% once the existing Ohaupo facilities have been purchased



¹ Additional Care Bed added at Hawthorne since listing

Purchase of strategically important land and buildings

Radius Care has entered into an agreement to purchase the land and buildings of four facilities it currently operates for \$31.4m, to be funded via this Capital Raise

<p>Overview</p>	<ul style="list-style-type: none"> • Purchase of portfolio of four leased facilities operated by Radius Care comprising a total 277 Care Beds from the Ohaupo Vendor • Acquisition increases the owned Brownfield Development pipeline by 40 Care Beds • It also gives full ownership of integrated facilities at Windsor Court and Heatherlea where Radius Care already owns the adjacent retirement villages • Purchase price of \$31.4m relative to a \$32.15m independent valuation undertaken by Long Valuation & Consultancy in April 2021 (implying a 2.3% discount) 						
<p>Funding</p>	<ul style="list-style-type: none"> • Ohaupo Acquisition and transaction costs funded via: <ul style="list-style-type: none"> – \$10.0m of shares issued to the Ohaupo Vendor (or nominee/s) at the Placement price – subject to 12 month escrow; and – \$23.0m from cash proceeds of the Capital Raise 						
<p>On strategy</p>	<table border="1"> <tr> <td data-bbox="377 815 652 958">  <p>Allows development which would otherwise not be possible</p> </td> <td data-bbox="723 815 998 958">  <p>Allows for future Care Suite development</p> </td> </tr> <tr> <td data-bbox="377 979 652 1122">  <p>Removes rental expense of \$2.2m per annum</p> </td> <td data-bbox="723 979 998 1122">  <p>Better control over cost base</p> </td> </tr> <tr> <td colspan="2" data-bbox="377 1143 998 1286">  <p>Creates fully owned integrated facilities at:</p> <ul style="list-style-type: none"> - Windsor Court where Radius Care owns the co-located 22 Unit Retirement Village; and - Elloughton Gardens where Radius Care owns co-located 54 Unit Retirement Village </td> </tr> </table>	 <p>Allows development which would otherwise not be possible</p>	 <p>Allows for future Care Suite development</p>	 <p>Removes rental expense of \$2.2m per annum</p>	 <p>Better control over cost base</p>	 <p>Creates fully owned integrated facilities at:</p> <ul style="list-style-type: none"> - Windsor Court where Radius Care owns the co-located 22 Unit Retirement Village; and - Elloughton Gardens where Radius Care owns co-located 54 Unit Retirement Village 	
 <p>Allows development which would otherwise not be possible</p>	 <p>Allows for future Care Suite development</p>						
 <p>Removes rental expense of \$2.2m per annum</p>	 <p>Better control over cost base</p>						
 <p>Creates fully owned integrated facilities at:</p> <ul style="list-style-type: none"> - Windsor Court where Radius Care owns the co-located 22 Unit Retirement Village; and - Elloughton Gardens where Radius Care owns co-located 54 Unit Retirement Village 							

Land and buildings of four facilities purchases



<p>Taupaki Gardens Kumeu (Auckland)</p>  <p>Existing: 60 Care Beds Development: 20 Care Beds¹ Operated since: December 2003</p>	<p>Windsor Court Ohaupo (Waikato)</p>  <p>Existing: 76 Care Beds Development: 20 Care Beds² Operated since: December 2003</p>
<p>Heatherlea New Plymouth</p>  <p>Existing: 55 Care Beds Operated since: March 2003</p>	<p>Elloughton Gardens Timaru</p>  <p>Existing: 86 Care Beds Operated since: March 2005</p>

● Purchase of land and buildings
● Purchase of land and buildings, with Brownfield Development potential
● Purchase of land and buildings, where Radius Care owns co-located retirement villages

On a pro-forma 31 March 2021 basis, following the purchase of the land and buildings of the four facilities from the Ohaupo Vendor, the simple average time to final lease expiry reduces from 27.7 years to 24.3 years (see Appendix)

1 Identified at the time of the listing profile but given the site was leased it required the involvement of landlord

2 Not identified at the time of the listing profile. Further work has identified this opportunity

Strategy update – further progress on existing Brownfield Development pipeline

Resource consents now granted at Thornleigh (New Plymouth) and consenting underway at Lexham Park (Katikati). These developments contribute 44 Care Beds and 20 Care Suites to Radius Care’s Brownfield Development pipeline

Thornleigh – Resource Consent Granted

New Plymouth, Taranaki



Existing: 63 Care Beds + **Development:** 24 Care Beds = **Post development:** 87 Care Beds

Target impact

Thornleigh Care Beds

- **Resource consent granted**
- Construction period ~10-12 months commencing December 2021 with first rooms DHB certified and available ~2-3 months later
- Total development cost: ~\$4.5m, expected to be able to be funded out of retained AFFO
- Underlying EBITDA contribution: ~\$0.65m² (implying a 6.9x Underlying EBITDA multiple and ~\$27k of Underlying EBITDA per Care Bed)

Strong EBITDA per Care Bed expected from brand new, purpose built Care Beds designed to attract strong accommodation supplements. Kensington, an older existing facility, generated in excess of \$26k of Underlying EBITDA per Care Bed in FY21

Lexham Park – Consenting in progress

Katikati, Bay of Plenty



FY21 occupancy at Lexham of 96% indicates strong demand

Existing: 63 Care Beds + **Development:** 20 Care Beds, 20 Care Suites¹ = **Post development:** 83 Care Beds, 20 Care Suites

Target impact

Lexham Park Care Beds and Care Suites

- Consenting process has commenced
- Care Bed development expected to be broadly similar to that of Thornleigh
- Detailed work underway on Care Suite business case

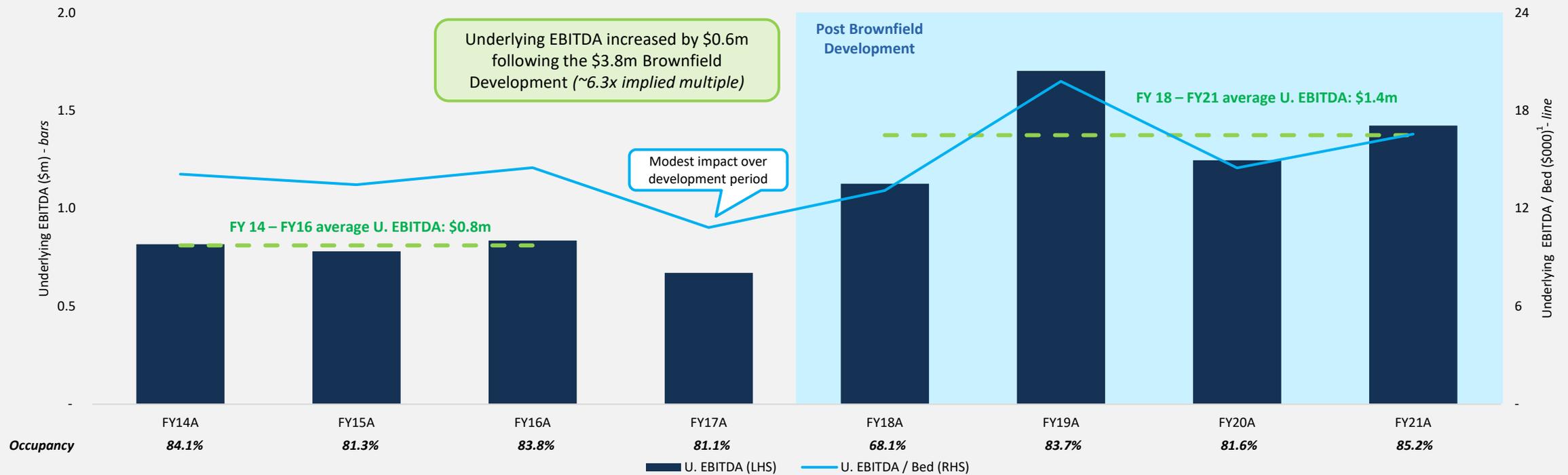
Brownfield developments expected to be highly value accretive given nil land required – similar to Waipuna development undertaken in FY17 (see next page)

¹ First Care Suite in Radius Care’s portfolio
² Annual Pre-IFRS 16 Underlying EBITDA contribution once fully occupied

Brownfield Developments – Historical track record

Radius Care has a strong track record of successful Brownfield Development – historically undertaking all planning, consenting and construction but with the landlord typically funding development

Case Study: Waipuna development FY17A: \$3.8m total build cost to build 28 Care Beds increasing the total Care Beds to 86



	Planning	Consenting	Construction	Funding
Radius Care	✓	✓	✓	✗
Landlord	✗	✗	✗	✓

¹ Calculated as Underlying EBITDA divided by the average number of Care Beds occupied during the period

Greenfield Development – Northwood in Belfast, Christchurch

Exercise of the option to acquire the Belfast land increases Radius Care’s Greenfield Development pipeline (for future development) by 70 Care Beds, 30 Care Suites and 94 Retirement Village Units (67 Villas and 27 Apartments)

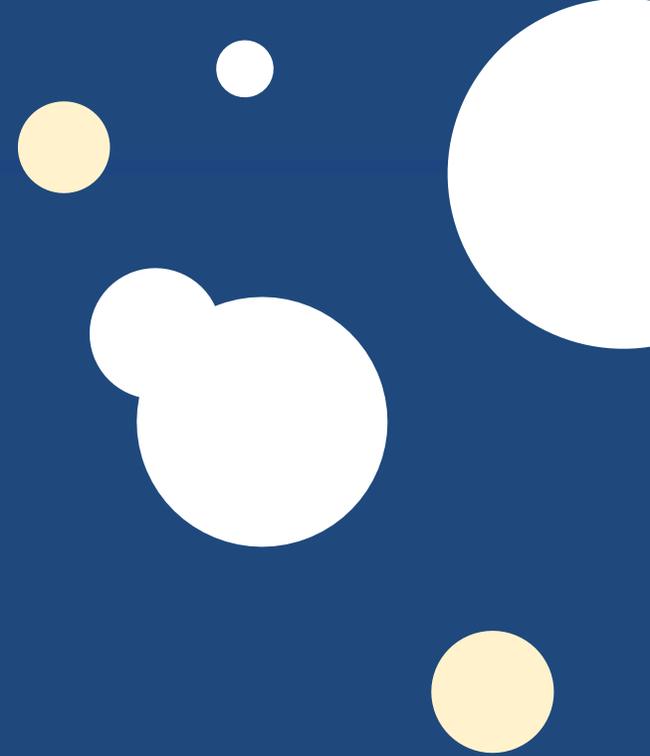
<p>Location</p>	<ul style="list-style-type: none"> • 4.3 hectare site in Belfast, Christchurch • Northwest Christchurch¹ identified as an attractive location within wider Christchurch City <ul style="list-style-type: none"> – High proportion of population aged 75 plus (7.9% vs. 6.2% city wide) – Above average levels of home ownership across 65+ demographic – Above average personal income levels
<p>Development Potential</p>	<ul style="list-style-type: none"> • Integrated aged care and retirement village facility with: <ul style="list-style-type: none"> – 70 Care Beds; – 30 Care Suites; – 67 Villas; and – 27 Apartments
<p>Status</p>	<ul style="list-style-type: none"> • Resource consent obtained on 4th February 2021 • Exercised its option to acquire the site in April 2021 • \$5.5m for the land is due on settlement, which is expected to occur between December 2021 and March 2022 – Radius Care intends to fund this with net debt • Detailed work is currently underway with key next steps to include: <ul style="list-style-type: none"> – Finalisation of facility design – Procurement of building consents – Determination of timing and phasing of development – Construction contracting discussions and detailed cost quantification • Development would be undertaken across multiple stages, providing flexibility to match future funding programme

Site location



¹ Includes the following suburbs: McLeans Island, Christchurch Airport, Clearwater, Belfast West, Harewood, Belfast East, Northwood, Russley, Regents Park, Bishopdale West, Burnside Park, Marshland, Redwood North, Redwood West, Bishopdale South, Burnside, Papanui North, Redwood East, Bryndwr Northlands, Papanui West, Northcote, Bryndwr South, Papanui East, Preston, Mairehau North, Mairehau South, Shirley West, Shirley East

Capital Raise Summary



Debt Reduction

The Capital Raise funds the Ohaupo Acquisition, with the settlement of the Belfast land to be debt funded

Use of Capital Raise proceeds	
Ohaupo Acquisition – purchase of land and buildings of 4 leased facilities with 277 Care Beds	\$31.4m
Transaction costs	\$1.6m
Total funds required for transaction	\$33.0m
Potential net debt reduction	\$16.6m
Potential additional transaction costs	\$0.4m
Total maximum potential use of funds	\$50.0m

Sources of Capital Raise proceeds	
Underwritten upfront Placement	\$23.0m
Share issuance to Ohaupo Vendor	\$10.0m
Total sources of funds to fund transaction	\$33.0m
Potential oversubscriptions in upfront Placement	\$7.0m
Potential proceeds from non-underwritten Retail Offer	\$5.0m
Potential proceeds from oversubscriptions in non-underwritten Retail Offer	\$5.0m
Total maximum potential sources of funds	\$50.0m

Lease liabilities under NZ IFRS 16 decline from \$184.3m to \$145.5m following the purchase of the four facilities in the Ohaupo Acquisition, on a pro-forma 31 March 2021 basis

Pro-forma Net bank debt / Pre-NZ IFRS 16 Underlying EBITDA

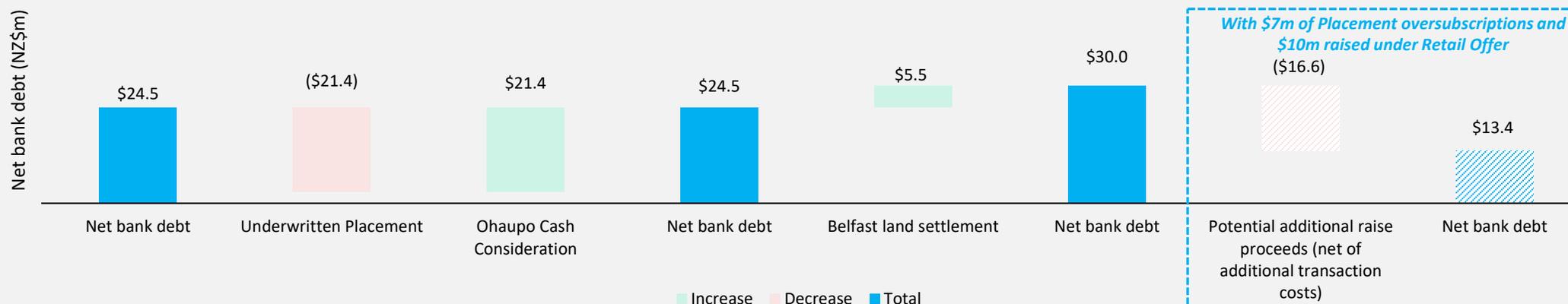
2.33x

1.93x

2.36x

1.06x

Note, the Thornleigh Brownfield Development (see page 11 for details) is expected to be funded from retained AFFO



Key Terms of Capital Raise

All new shares issued as part of the Capital Raise will rank equally with all existing Radius Care shares quoted on the NZX

Underwritten Placement	Size	<ul style="list-style-type: none"> Underwritten \$23.0m. Radius Care also has the ability to accept oversubscriptions under the Placement of up to an additional \$7.0m at its discretion on a non-underwritten basis.
	Offer price	<ul style="list-style-type: none"> Price to be determined via a bookbuild process on Thursday, 8 July 2021, subject to an underwritten floor price of \$0.50 per new share, representing a 44.4% discount to the last close price of \$0.90 per share on Wednesday, 7 July 2021 and a 33.8% discount to the theoretical post raise price of \$0.76 based on the last close price of \$0.90 on Wednesday, 7 July 2021 and the underwritten floor price of \$0.50 (and assuming the full \$50m is raised under the Capital Raise)
	Ranking	<ul style="list-style-type: none"> New shares issued on completion of the Placement will rank equally with existing shares and will not be eligible to participate in the Retail Offer
	Eligibility	<ul style="list-style-type: none"> Institutional investors in New Zealand, Australia, Hong Kong and Singapore, and New Zealand resident clients of retail brokers
Scrip issuance to Ohaupo Holdings	Size	<ul style="list-style-type: none"> \$10m
	Issue price	<ul style="list-style-type: none"> The same price as the Placement price
	Escrow	<ul style="list-style-type: none"> Shares subject to a 12 month escrow, from the date of allotment of shares
	Ranking	<ul style="list-style-type: none"> New shares issued will rank equally with existing shares
	Retail Offer status	<ul style="list-style-type: none"> Shares will not be eligible to participate in the Retail Offer
Retail Offer	Size	<ul style="list-style-type: none"> Up to \$5.0m with up to an additional \$5.0m of oversubscriptions at Radius Care's discretion
	Offer price	<ul style="list-style-type: none"> The same price as the Placement price
	Ranking	<ul style="list-style-type: none"> New shares issued on completion of the Retail Offer will rank equally with existing shares
	Eligibility	<ul style="list-style-type: none"> Available to persons recorded on Radius Care's share register at 5pm on Tuesday, 20 July 2021, with a registered address in New Zealand or with a registered address in Australia and who is a sophisticated or professional investor under the Corporations Act 2001 (Aus), but excluding Wave Rider Holdings, the Knox Funds and funds managed by ROC Capital. There is no cap on what individual shareholders can apply for as part of the Retail Offer, but applications will be subject to scaling if the Retail Offer is oversubscribed
	Scaling	<ul style="list-style-type: none"> Scaling will be at Radius Care's discretion. Any scaling will (i) first be proportionate to existing shareholdings at the record date (with any shareholder who is also a limited partner in a Knox Fund being deemed to hold, in addition to their own shareholding, a proportion of the shares held by that Knox Fund that equals the proportion their interest in the Knox Fund bears to the total interests in the Knox Fund of all shareholders participating in the Retail Offer) and (ii) thereafter at the discretion of Radius Care, having regard to application amounts received under the Retail Offer

Special Shareholder Meeting

Radius Care will undertake a special shareholder meeting to approve the issue of shares under the Placement, Ohaupo Share Issue and Retail Offer via three separate resolutions. Wave Rider Holdings has 54% of current shares on issue and intends to vote in favour of all three resolutions – this would carry all three resolutions required

Resolution 1	<ul style="list-style-type: none">• To approve the issue of shares to Ohaupo Holdings (or nominee/s) under Listing Rule 4.21• Ohaupo Holdings and its associated persons will be prohibited from voting in favour• Voting threshold >50%
Resolution 2	<ul style="list-style-type: none">• To approve the issue of up to \$30.0m of shares under the Placement (of which, \$23.0m of shares is underwritten) under Listing Rule 4.2.1• Participants in the Placement and their associated persons will be prohibited from voting in favour• Voting threshold >50%
Resolution 3	<ul style="list-style-type: none">• To approve the issue of up to \$10.0m of shares under the non-underwritten Retail Offer under Listing Rule 4.2.1• All shareholders eligible to participate in the Retail Offer and their associated persons (which excludes Wave Rider Holdings and ROC funds – to whom the Retail Offer will not be made) would be prohibited from voting in favour• Voting threshold >50%

The three resolutions are interdependent (i.e. they all must pass for the Ohaupo Acquisition and Capital Raising to proceed)

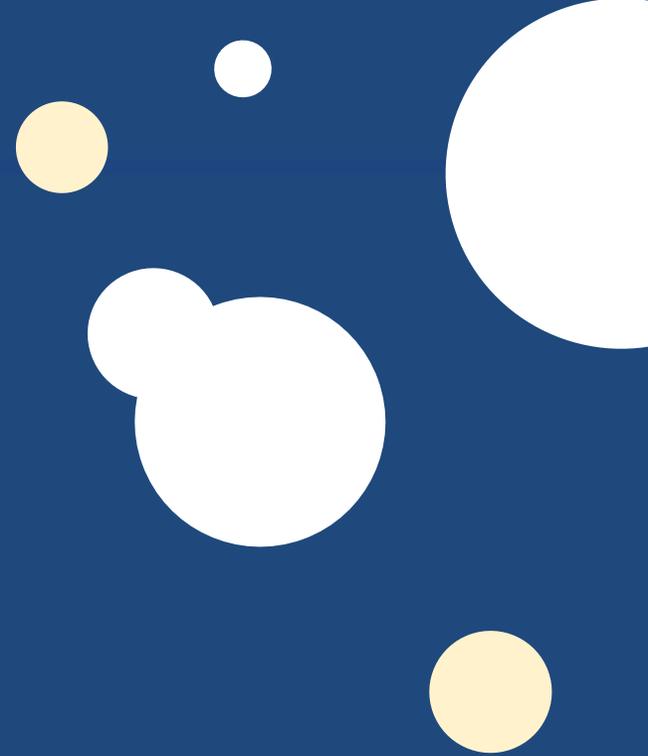
Capital Raise Timetable

A special shareholder meeting will be undertaken to approve the issue of shares under the Ohaupo Share Issue, the Placement and the Retail Offer – allotment of all shares will occur following a successful shareholder vote

Placement		
Capital Raise announced	Thursday, 8 July	T
Bookbuild for underwritten Placement conducted under trading halt	Thursday, 8 July	T
Notification of allocations, capital raising price and trading expected to resume	Friday, 9 July	T+1
Settlement and allotment of Placement Shares (<i>investor to chose one of two dates offered</i>) – occurs post Special Shareholder Meeting to approve Placement	Tuesday, 27 July or Tuesday, 3 August	T+13 or T+18
Special Shareholder Meeting		
Notice of meeting dispatched to shareholders	Thursday, 8 July	T
Voting record date for Special Shareholder Meeting (see previous page for more detail)	5pm Tuesday, 20 July	T+8
Special Shareholder Meeting	10.30am Friday, 23 July	T+11
Ohaupo Share Issue		
Settlement of purchase of land and buildings of four properties from Ohaupo Holdings	Thursday, 5 August	T+20
Allotment of shares issued to Ohaupo Holdings	Thursday, 5 August	T+20
Retail Offer		
Record date for Retail Offer	5pm Tuesday, 20 July	T+8
Expected dispatch of Offer Document	Monday, 26 July	T+12
Retail Offer opens	Monday, 26 July	T+12
Retail Offer closes	Monday, 9 August	T+22
Announcement of results of Retail Offer	Friday, 13 August	T+26
NZX settlement and allotment shares commence trading on NZX	Friday, 13 August	T+26

Record date for participation in Retail Offer occurs 9 business days after Capital Raise announcement

Appendix



Key risks

This section describes the key risks that Radius Care has identified in connection with the Capital Raise. Radius Care considers it important that these key risks, and their potential effect on the future operating and financial performance of Radius Care, and Radius Care's share price, are specifically highlighted to investors in the context of the Capital Raise. Like any investment, there are risks associated with an investment in Radius Care shares. Further detail in respect of these risks can be found in Radius Care's December 2020 Listing Profile. This section does not, and does not purport to, identify all the risks related to the future operating and financial performance of Radius Care, an investment in Radius Care shares, the Capital Raise, or general market, industry, regulatory or legal risks. Some risks may be unknown and other risks, currently considered to be immaterial, could turn out to be material. This presentation should be read in conjunction with Radius Care's other periodic and continuous disclosure announcements released to NZX.

Before deciding whether to invest in Radius Care shares, you must make your own assessment of the risks associated with the investment and consider whether such an investment is suitable for you having regard to other publicly available information, your personal circumstances and following consultation with your financial and other professional advisers.

Large Scale Infectious Outbreak	<ul style="list-style-type: none"> • A large scale infectious outbreak, such as COVID-19 or influenza, may significantly impact the health and safety of Radius Care's residents and staff and its business operations. • Any such outbreak may result in a reduction in occupancy levels at Radius Care's facilities, a reduction in staff availability and reputational damage to Radius Care's business, all of which may have a material adverse effect on Radius Care's financial performance.
Regulatory Risk	<ul style="list-style-type: none"> • The aged care sector in which Radius Care operates is highly regulated. If Radius Care lost any certification as an aged care provider or registration as a retirement village operator, or if there was a change in, or loss of, Government funding, Radius Care's financial performance could be adversely affected, for example as a result of increased costs or restrictions on Radius Care's ability to generate revenue.
Labour Availability and Costs	<ul style="list-style-type: none"> • Radius Care relies on its employees with specialised skills and experience (particularly nurses and health care assistants) to care for residents in its facilities. There is a risk that Radius Care will not be able to attract and retain an adequate number of skilled healthcare workers for its existing and future operations or may be required to pay more than it currently expects to pay in order to do so. • There is a limited group of skilled personnel with appropriate experience (particularly registered nurses and in regional areas) whose services are in high demand from other aged care and health sector providers. Lack of availability of staff may adversely affect Radius Care's financial performance and its ability to deliver on its plans to expand or develop new facilities, until the issue is resolved. • Staff costs are Radius Care's most significant cost item, which is a function of the high-service nature of residential aged care. Any substantial increase in these costs, in excess of increases in Government funding or which Radius Care is not otherwise able to pass on to residents, may adversely affect Radius Care's financial performance.
Construction and property development risk	<ul style="list-style-type: none"> • Radius Care's growth strategy is proposed to involve the construction and development of new and existing integrated aged care facilities and retirement villages. When developing new or existing facilities, Radius Care faces a range of construction and property development risks which are potentially significant to it. These include unexpected construction cost increases, default risks arising from participants in the development process, the ability to acquire Brownfield and Greenfield Development sites, consenting delays and the ability to sell down completed facilities.
Property market risk	<ul style="list-style-type: none"> • A downturn in the national or regional property market could impact the demand for, and Radius Care's ability to sell or re-sell, Units and Care Suites, as well as the value that can be achieved on the sale or resale of a Unit or Care Suite and the timeframe to complete such sales. • Radius Care's growth strategy is proposed to involve the construction and acquisition of integrated aged care facilities and retirement villages. Earnings will be generated through the construction and sale, and resale, of Units and, to a lesser extent, Care Suites. Prevailing property market conditions will affect both the value that can be achieved on a sale or resale of a Unit or Care Suite and the ability of prospective residents to acquire a Unit or Care Suite.

Impact on average lease terms

The purchase of the land and buildings of the four Ohaupo Holdings facilities reduces the average time to final lease expiry from 27.7 years to 24.3 years on a pro-forma 31 March 2021 basis

Leased Facility	Location	Care Beds	Units	Current lease term	Time to next renewal	Rights of renewal	Time to final expiry	Landlord
1 Kensington	Hamilton	96	-	10 yrs	3.2 yrs	2 x 10 yrs	13.2 yrs	B
2 Peppertree	Palmerston North	62	-	10 yrs	3.7 yrs	2 x 10 yrs	13.7 yrs	B
3 St Joans	Hamilton	82	-	10 yrs	4.1 yrs	2 x 10 yrs	14.1 yrs	B
4 Fulton Home	Dunedin	93	-	10 yrs	4.6 yrs	2 x 10 yrs	14.6 yrs	B
5 Arran Court	Auckland	102	-	10 yrs	8.3 yrs	1 x 10 yrs	18.3 yrs	B
6 Potter Home	Whangarei	55	-	20 yrs	8.6 yrs	2x 15 yrs	38.6 yrs	C
7 Rimu Park	Whangarei	55	-	20 yrs	8.6 yrs	2x 15 yrs	38.6 yrs	C
8 Waipuna	Auckland	86	-	30 yrs	25.9 yrs	-	25.9 yrs	D
9 Hampton Court	Napier	45	-	10 yrs	7.9 yrs	-	7.9 yrs	E
10 Baycare	Northland	45	-	12 yrs	5 yrs	3x 12 yrs	41.1 yrs	F
11 Matua	Tauranga	149	-	30 yrs	21.7 yrs	-	21.7 yrs	G
12 Althorp	Tauranga	117	-	15 yrs	7.5 yrs	3x 10 yrs	37.5 yrs	H
13 Millstream	Ashburton	80	-	35 yrs	30.3 yrs	-	30.3 yrs	I
14 Millstream Apartments ¹	Ashburton	19	-	5 yrs	3.5 yrs	2x 5 yrs	13.5 yrs	I
15 Glaisdale	Hamilton	80	-	15 yrs	11.2 yrs	2x 15 yrs	41.2 yrs	J
16 Hawthorne	Christchurch	93	-	10 yrs	9.1 yrs	2x 10 yrs	19.1 yrs	K
17 Heatherlea	New Plymouth	55	-	12 yrs	5 yrs	3 x 12 yrs	41.1 yrs	A
18 Taupaki Gables	Kumeu	60	-	12 yrs	5 yrs	3 x 12 yrs	41.1 yrs	A
19 Windsor Court	Ohaupo	76	-	12 yrs	5 yrs	3 x 12 yrs	41.1 yrs	A
20 Elloughton Gardens	Timaru	86	-	12 yrs	5 yrs	3 x 12 yrs	41.1 yrs	A
Total leased (before Ohaupo Holdings facilities purchase)		1,536						
Total leased (after Ohaupo Holdings facilities purchase)		1,259						
Simple average lease term (before Ohaupo Holdings facilities purchase)				15 yrs	9.1 yrs	n/a	27.7 yrs	
Simple average lease term (after Ohaupo Holdings facilities purchase)				15.8 yrs	10.2 yrs	n/a	24.3 yrs	

Ohaupo Holdings facilities purchased

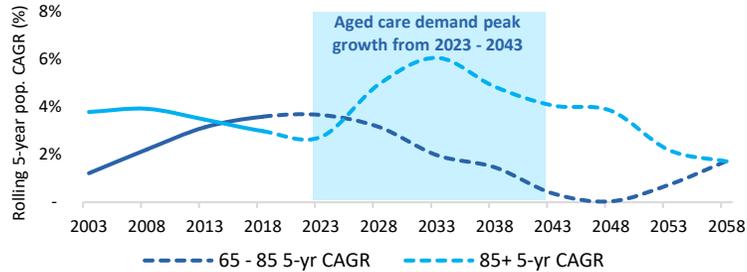
Lease liabilities under NZ IFRS 16 decline from \$184.3m to \$145.5m following the purchase of the four Ohaupo Holdings facilities on a pro-forma 31 March 2021 basis

¹ Note: these are considered part of the Millstream aged care facility, however have been shown differently due to different lease terms

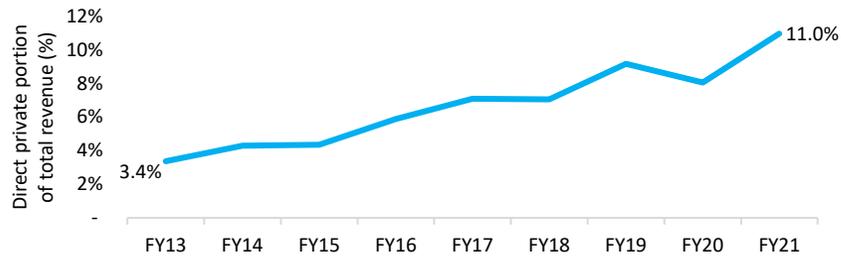
Recap of key investment highlights

Aged care provider focused on high acuity and specialist care

1 Demand underpinned by population demographics¹



6 Growing direct non-Government revenues

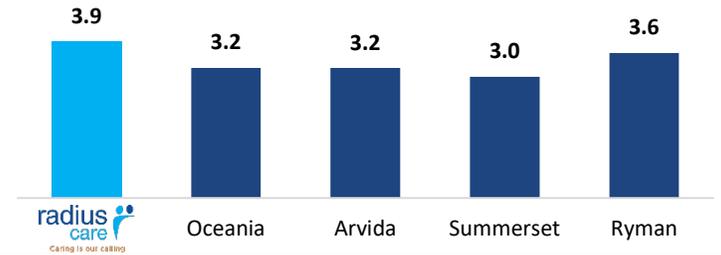


5 Clear growth pathway via

- 1) Purchase of strategically important facilities' land and buildings
- 2) Brownfield and Greenfield Development with ownership of land and buildings
- 3) Opportunistic acquisitions

2 Portfolio oriented to high acuity and specialist care

Total offerings²
(per Aged Care facility)



3 Strong founder backed team



Brien Cree
Founder and Executive
Chairman



Stuart Bilbrough
Chief Executive Officer

4 Systematic approach to provision of care

- 1) Centralised head-office systems and support
- 2) Leading IT systems
- 3) Immigration accreditation
- 4) Early engagement through Radius Online Shop



¹ Source: Statistics New Zealand

² Source: Ministry of Health Audit Reports as at 04 May 2021

Growing Underlying EBITDA per Care Bed

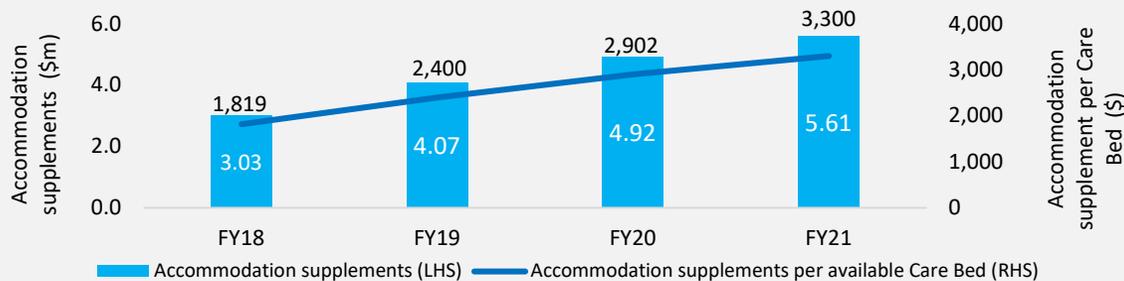
Occupancy growth underpinned by supportive industry backdrop of (1) aging population (2) increasing bed demand particularly for high acuity and specialist care and (3) rising years spent in dependency

1. Strong occupancy

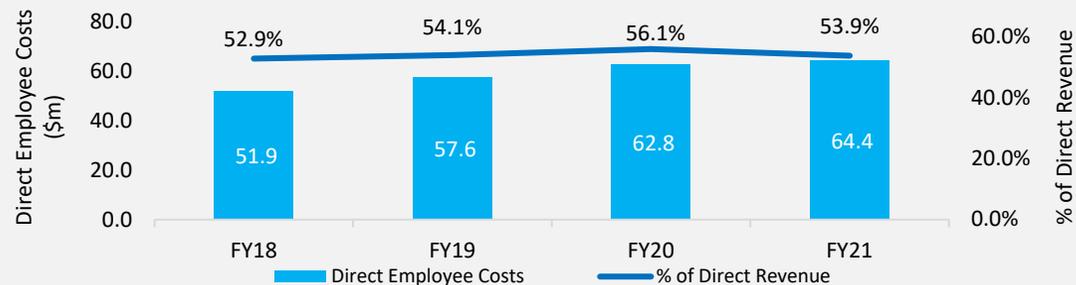
- Occupancy has increased from 89.1% in FY18 to 92.4% in FY21



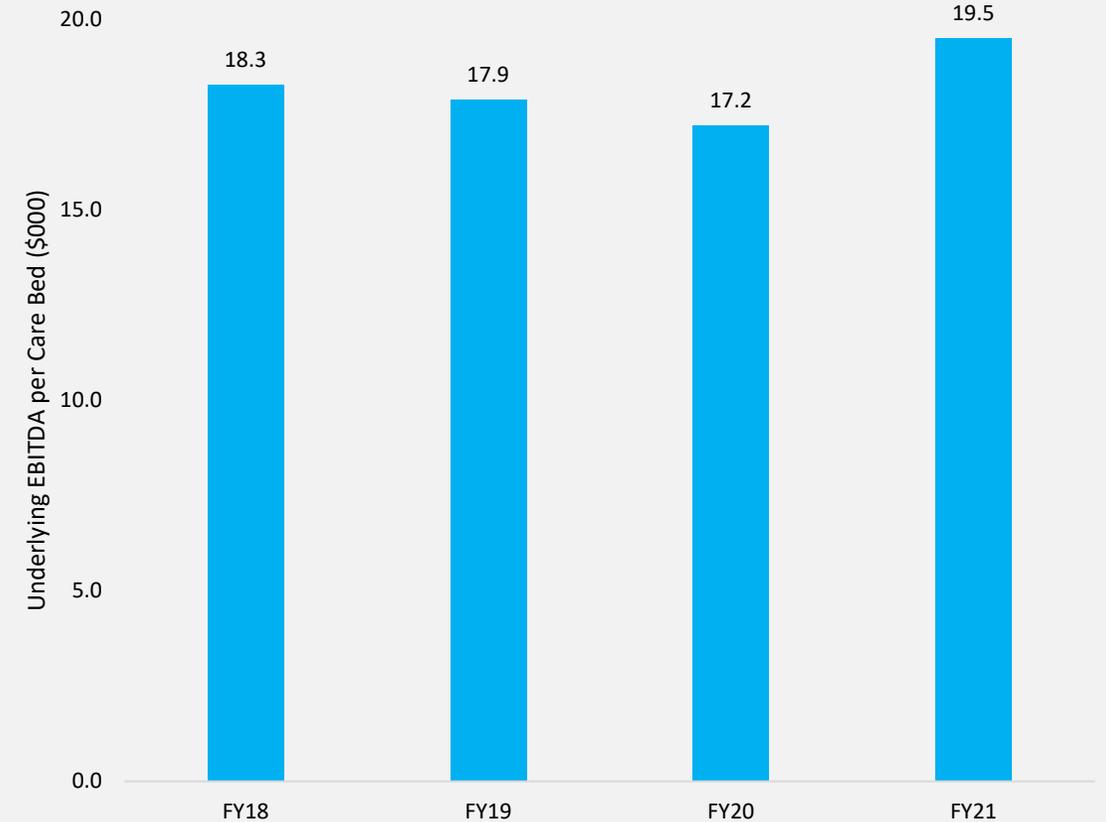
2. Growing accommodation supplements



3. Strong wage control



Increasing Underlying EBITDA per Care Bed¹

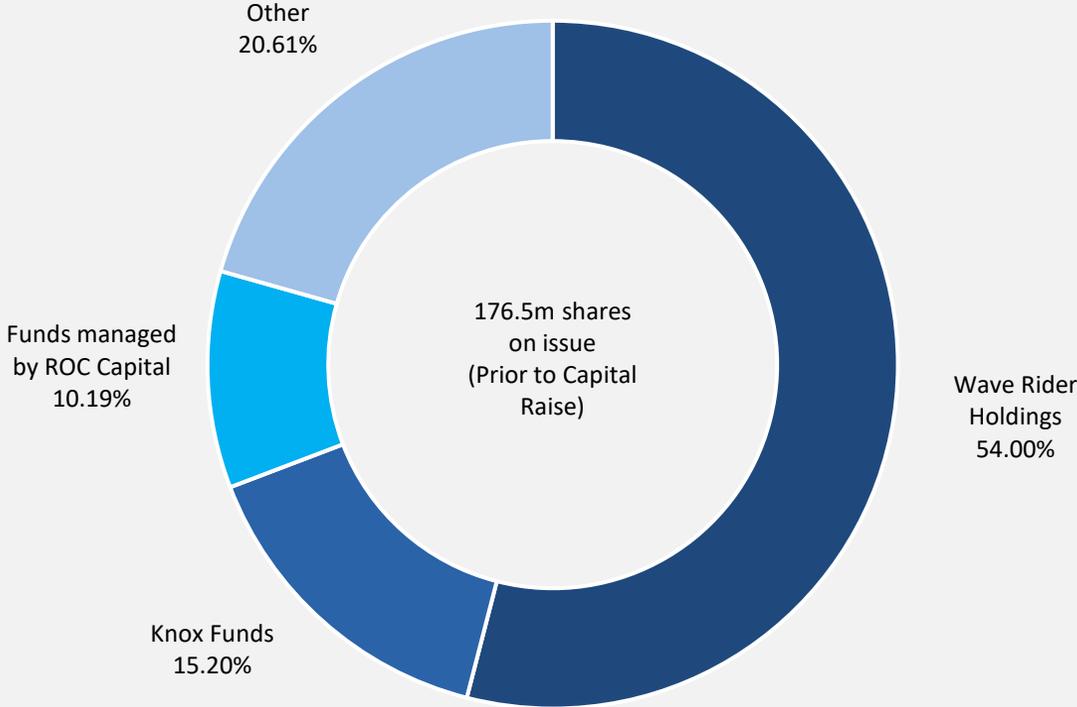


¹ Underlying EBITDA for aged care segment divided by the average number of Care Beds occupied during the period

Share Register

Prior to the Capital Raise, Radius Care's three largest shareholders collectively hold ~80% of shares on issue

Share register¹



¹ As at the date of this presentation