



“Caring is our calling”



Radius Care Overview

Introductory presentation

December 2020

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Presenting Today



Brien Cree

Executive Chairman / Managing Director

- Founded Radius Care in 2003, then part of Radius Health Group
- Moved into Executive Chairman role in June 2020 focusing on growth opportunities through development and acquisition
- Majority shareholder since undertaking management buy out in 2010 and currently holds 54.75%
- Board member of the New Zealand Aged Care Association for more than 10 years
- Over 30 years' experience in the Aged Care sector



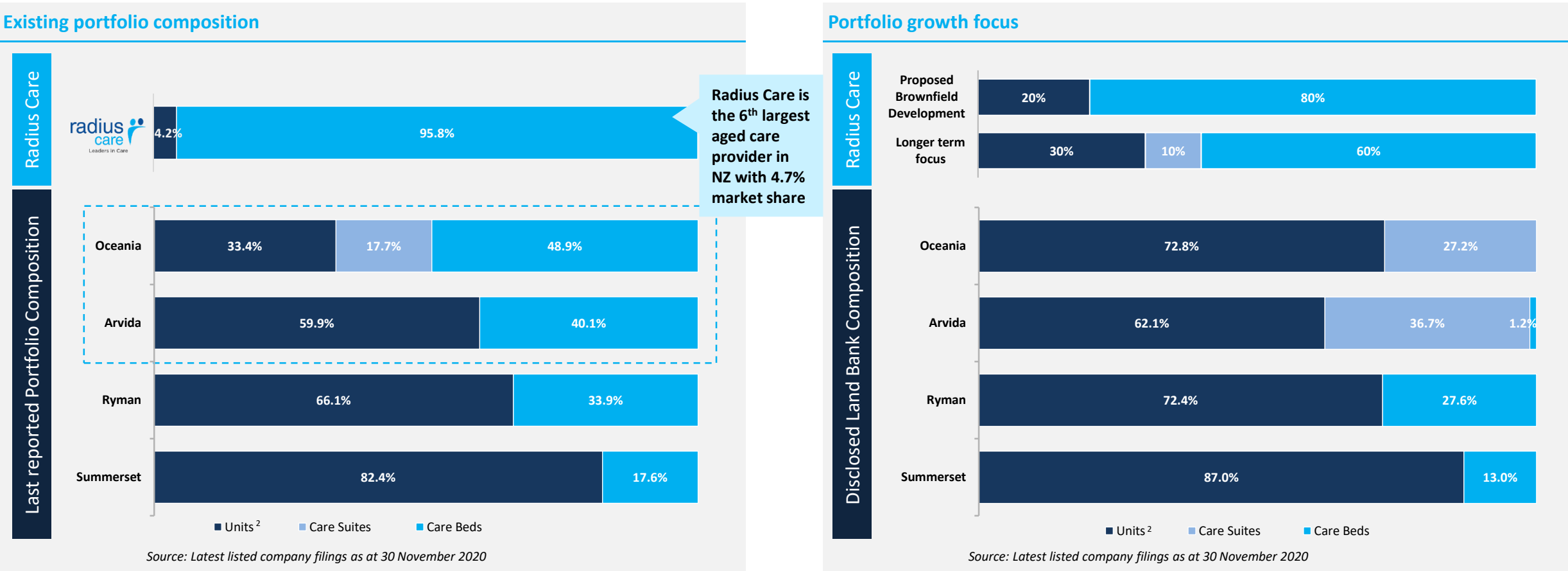
Stuart Bilbrough

Chief Executive Officer

- Appointed Chief Executive Officer in June 2020
- Formerly Radius Care Chief Financial Officer from 2010 to 2017
- Over 30 years' experience in finance roles in industries including healthcare, FMCG, logistics, telecoms and financial services
- New Zealand Chartered Accountant and holds an MBA with distinction from Massey University.

Unique needs based sector exposure

Radius Care provides unique exposure to a high acuity, specialised care provider that remains committed to and focused on delivering compassionate and outstanding clinical care outcomes



Existing NZX listed sector peers are more focused on retirement village and generally use aged care as a means to support cross selling of retirement village units

1. Source: CBRE data as at 23 September 2020


2. Includes both Independent Living Units and Serviced Apartments

Large national aged care portfolio


Radius Care operates 22 aged care facilities nationally, comprising more than 1,700 aged care beds owning 3 of these facilities with 19 currently leased from 3rd party property investors. It also owns two retirement villages comprising 76 units

Portfolio summary			
	Radius Care Owned	Leased from 3 rd Parties*	Total
Existing Portfolio			
Sites	5	19	24
Aged Care Beds	178	1,536	1,714
Retirement Village Units ¹	76	-	76
Total Places	254	1,536	1,790
Existing Facility - Landbank			
Aged Care Beds	44	60	104
Retirement Village Units	20	20	40
Total Existing + Landbank	318	1,614	1,923

* All leases are triple net lease and long term in nature - with an average term to next renewal of 9.5 years² but 28.0 years² after accounting for all renewals. Radius Care has first right of refusal to purchase on all facilities (except 1)

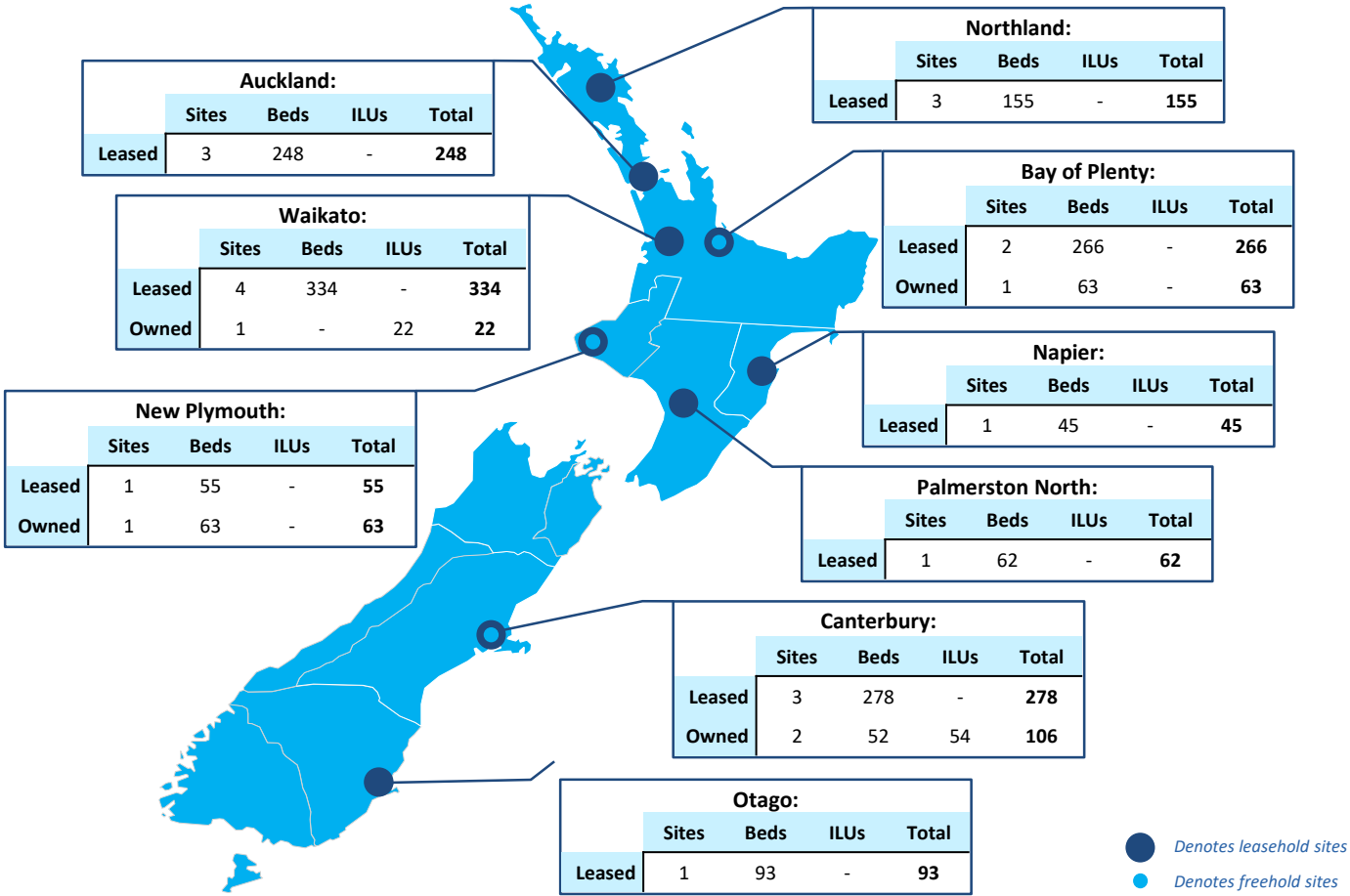


1,500+ staff



1,700+ residents

National portfolio with strong regional presence



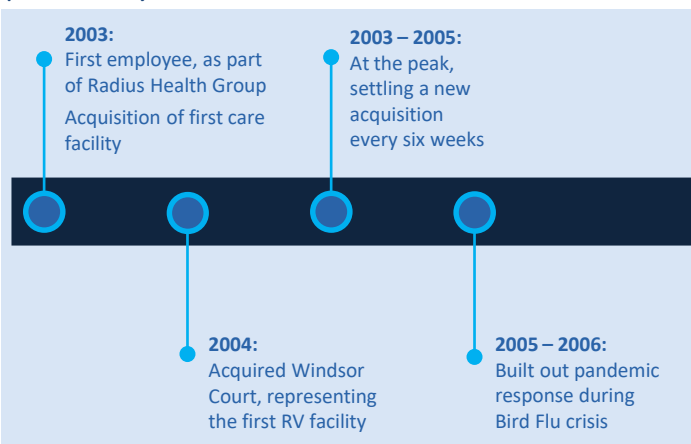
1. Consistent with much of the industry, Radius Care has a 30% DMF which accrues over a 3 year contractual term, with a small number of legacy unit titles currently being transitioned to its standard ORA contract

2. As at 30 November 2020

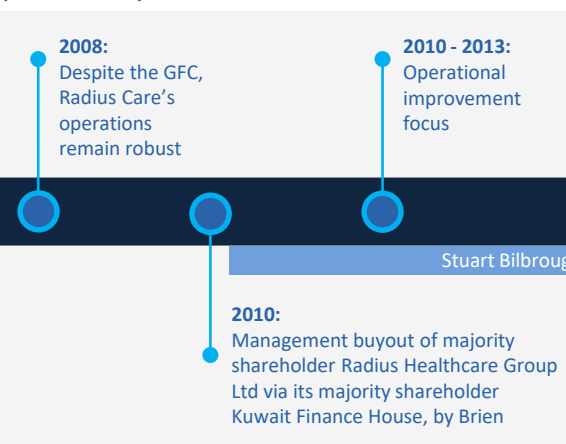
Journey to date

Radius Care has grown significantly from Brien’s acquisition of a single facility (Heatherlea) with 54 beds in 2003 to a national portfolio of 22 aged care facilities and 2 retirement villages and over 1,700 beds / units today, through a combination of organic growth, development and acquisitions

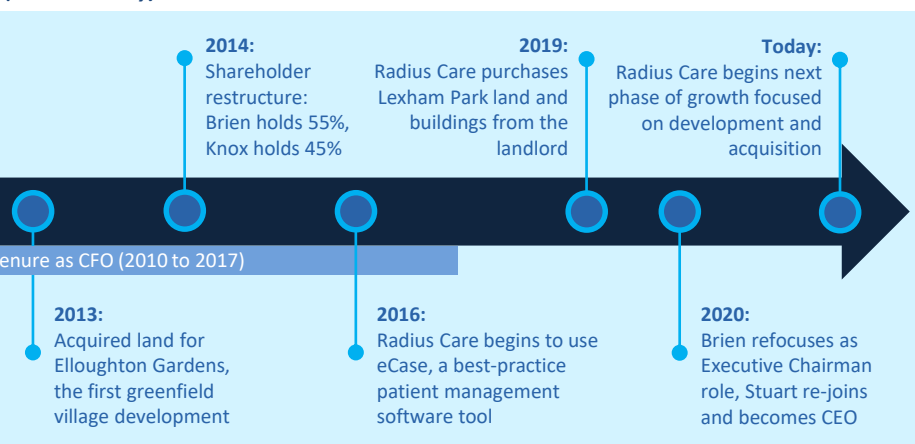
Acquisition-led growth (2003 to 2008)



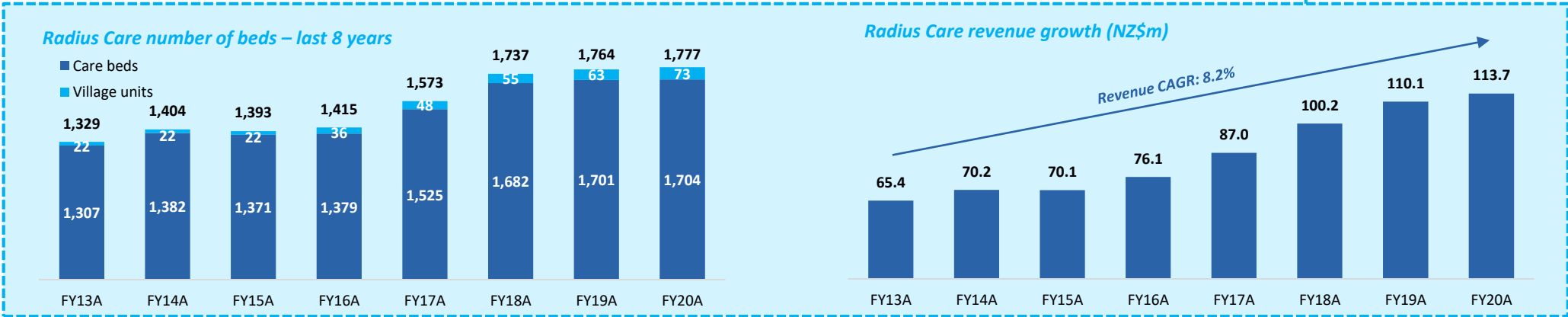
GFC and management buyout (2008 to 2013)



Acquisition and greenfield development (2013 to today)



Stuart Bilbrough tenure as CFO (2010 to 2017)



Investment highlights

With a focus on high acuity and specialist care, Radius Care provides unique exposure to the most attractive segment of the market, with the strongest demand growth, highest barriers to entry and greatest per bed profitability



1. Strong demand underpinned by favourable population demographics

Ageing of the New Zealand population together with increasing levels of dependency underpins strong forecast growth for aged care, particularly high acuity and specialist care



2. Focused on stronger margin high acuity and specialist care

Portfolio oriented to high acuity and specialist care, the highest margin most needs based segment of the market with the strongest barriers to entry



3. Systematic approach to provision of care

Delivery of strong consistent clinical care outcomes through a systematic approach to the provision of care



4. Secure revenue stream

Government backed funding, with increasing diversification through strong resident acceptance of private Accommodation Supplements (for premium room facilities), Radius Online Shop and retirement village revenue



5. Clear growth pathway

Leverage strong existing development and acquisition capabilities to drive continued growth

- Purchase of the land and buildings of strategically important facilities operated by Radius Care in particular to facilitate development
- Leveraging existing development capabilities but shifting to a property ownership model
- Continuation of opportunistic acquisitions of aged care focused facilities in a highly fragmented sector

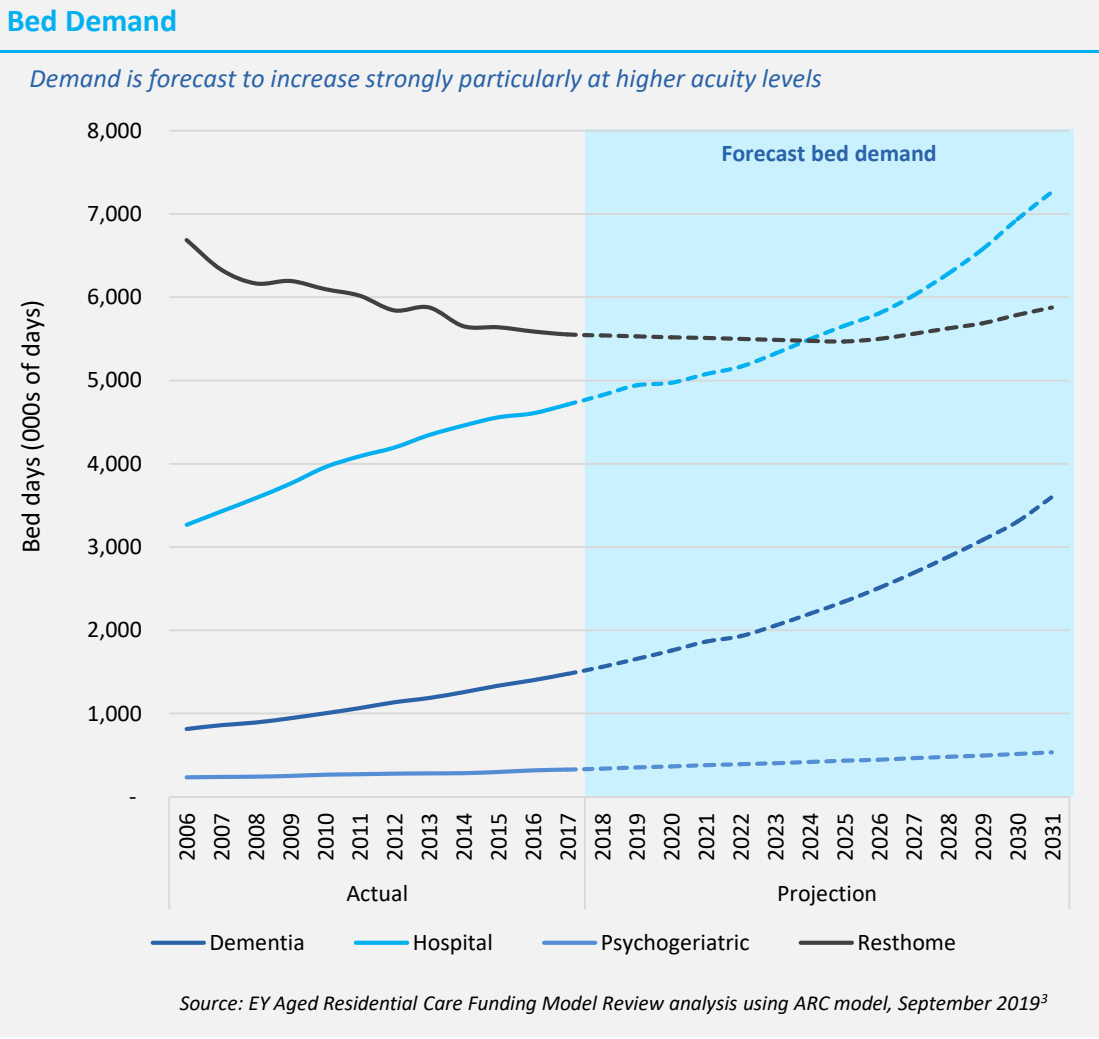
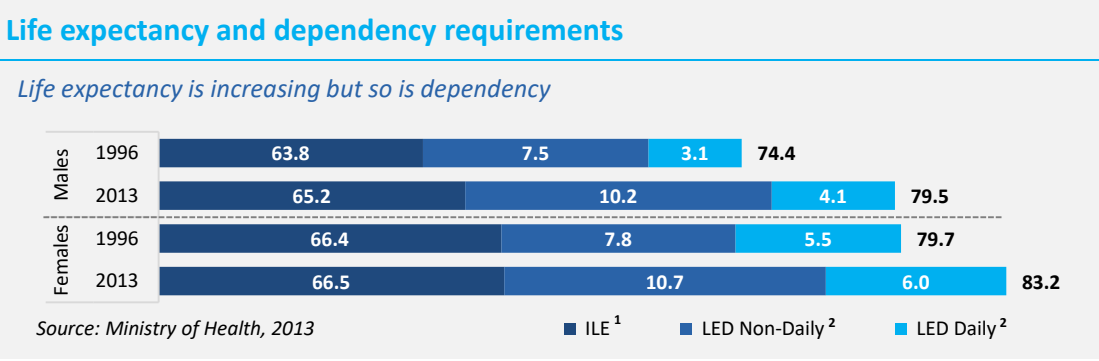
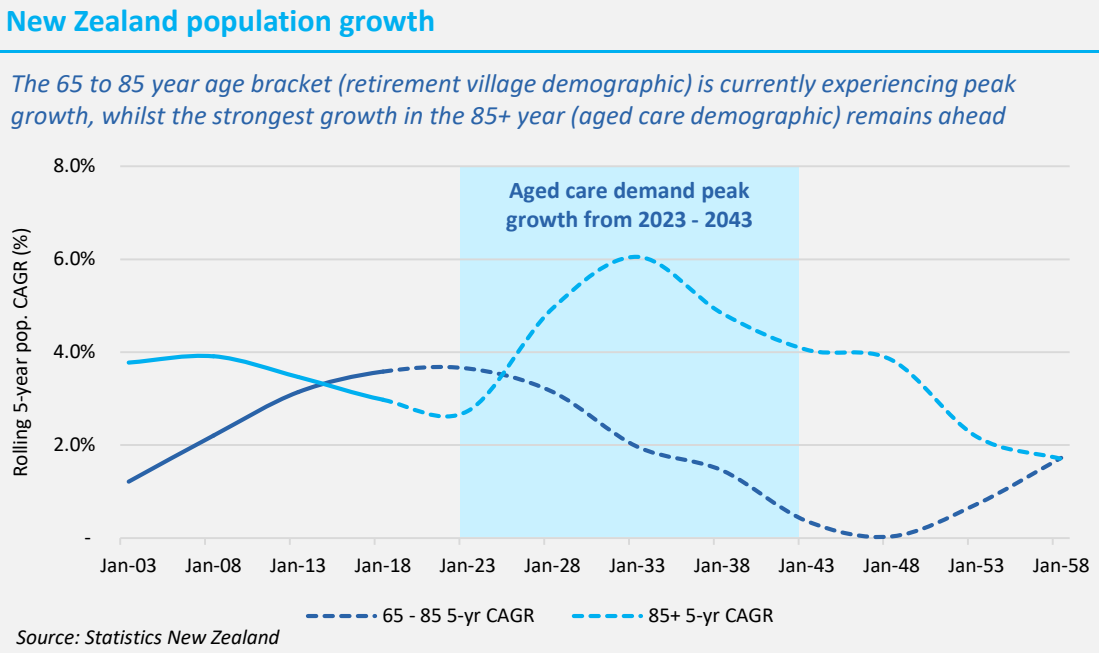


6. Strong founder backed team

Founder Brien Cree, remains committed to the business and has transitioned to an Executive Chairman role focused on driving Radius Care's growth with previous CFO Stuart Bilbrough rejoining as CEO

1. Strong demand underpinned by favourable population demographics

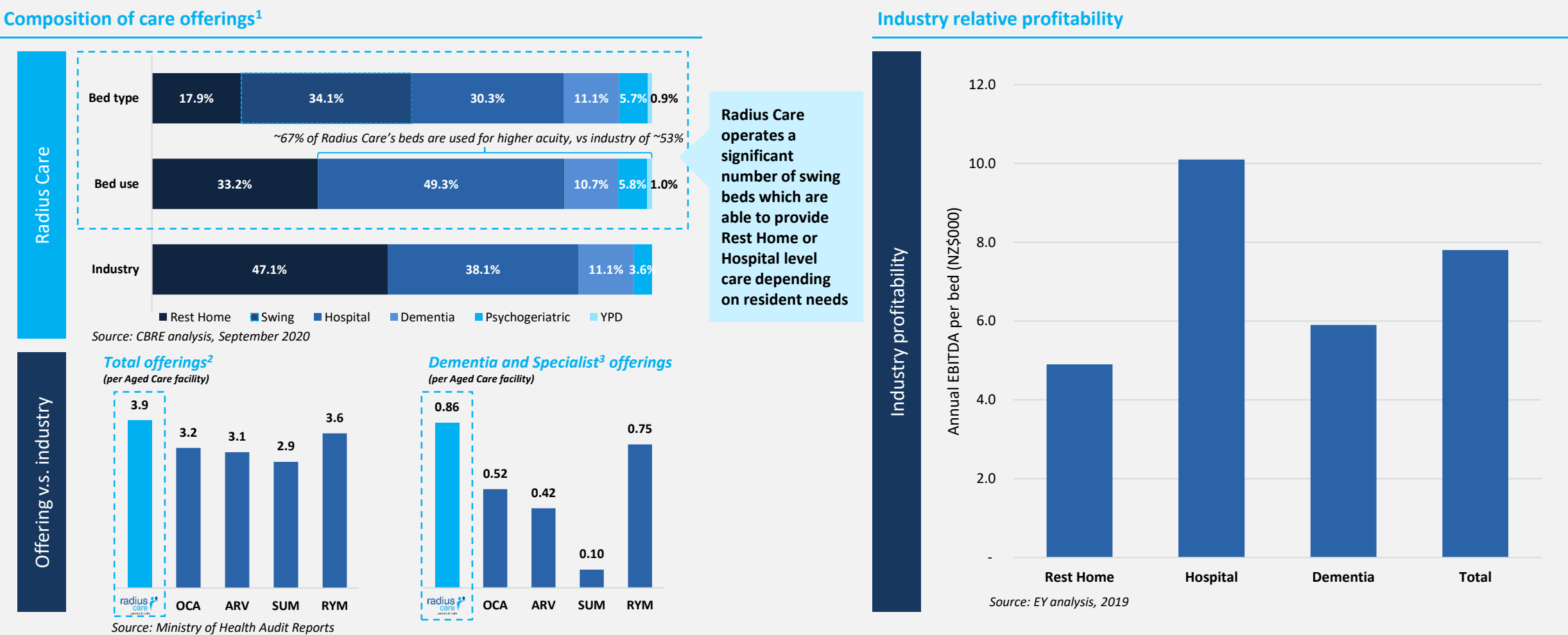
Population aging and increasing dependency underpins strong demand, particularly for higher acuity and specialist care



1. ILE = Independent Life Expectancy
2. LED = Life Expectancy with Dependency (then split by those requiring daily and non-daily care)
3. Analysis is from September 2019. Historical information is based on actual demand data per the ARC demand model which EY have extended using the past 5 year trend over the projection period

2. Focused on needs-based, strong margin, high acuity and specialist care

Radius Care’s portfolio is oriented to high acuity and specialist care, the highest margin segment of the market with the strongest barriers to entry, underpinned by a resident need



3. Systematic approach to provision of care

Radius Care delivers strong consistent clinical care outcomes through its systematic approach to the provision of care

Systems and processes in place

Centralised head-office systems and support

- Oversight of facilities focused on ensuring efficiency and consistency of care, includes:
 - Finance, HR, IT, legal, marketing, procurement, property and development, clinical, education and health and safety functions
 - Roving facility and clinical managers available to facilities as required
 - Regular in-house training and on-going skills development to ensure staff are familiar with latest healthcare practices

Leading IT systems

- Enhances efficiency, minimises risk of clinical errors and promotes consistency of resident care outcomes
- Utilises best-in-class IT systems such as patient and resident management, assessment and clinical decision making and shift rostering
- Consistently ahead of the curve on new IT systems, having been one of the first to adopt Time Target and eCase, now both considered best-practice

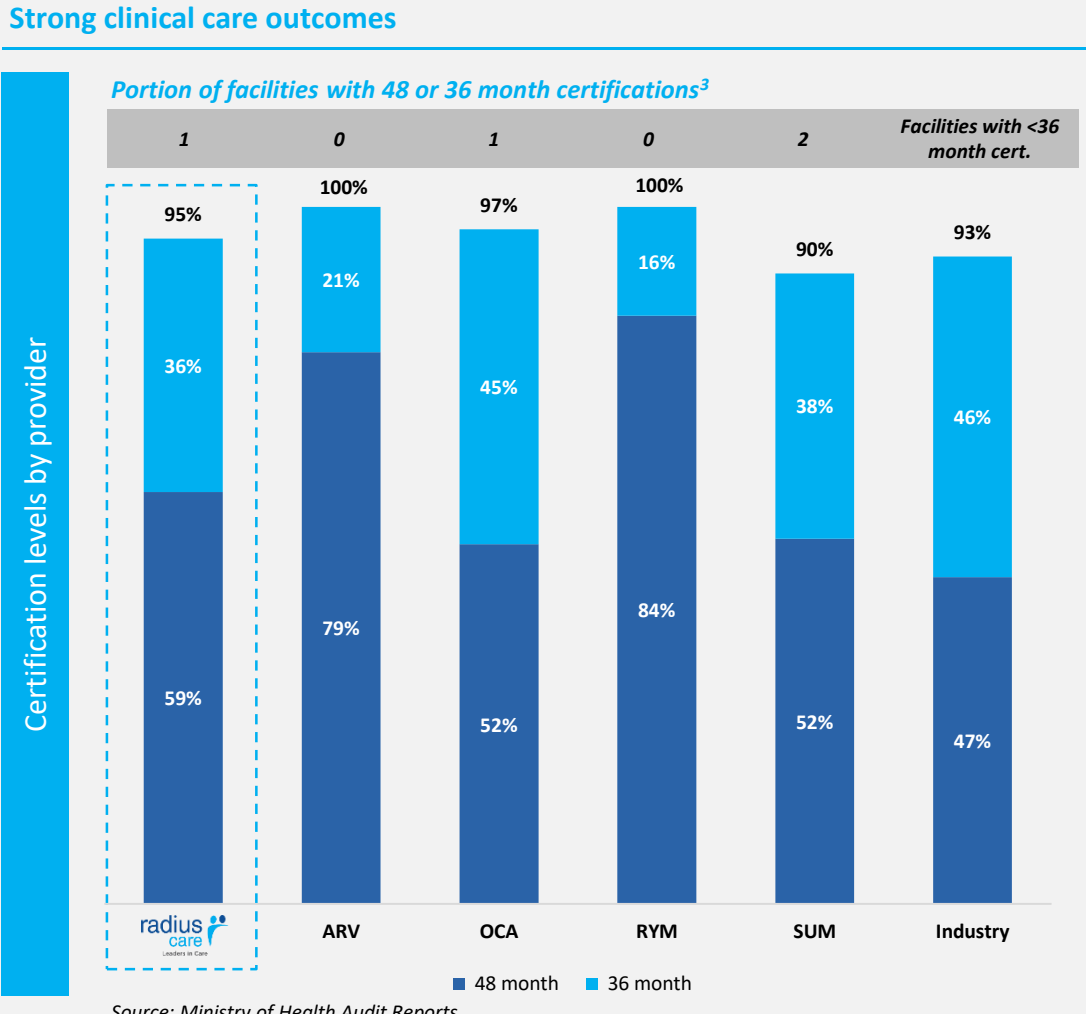
Immigration accreditation enhancing access to offshore clinical staff

- One of the first two aged care providers¹ to gain NZ Immigration accreditation
- Significantly increases the speed with which workers can be brought on board, decreasing bureau reliance and saving on bureau costs, especially with strong relationship for direct access

Radius Online Shop provides early engagement with community

- Radius Online Shop, established in 2017, provides a range of care products to wider 65+ community across (enhancing lead generation)
- Products include incontinence, mobility (e.g. walking stick, wheelchairs etc), specialist furniture (e.g. rehabilitation chairs), specialist bedroom and bathroom equipment (e.g. bed protectors and shower aids)

Approximately 38% of Registered Nurses employed in the sector are on work visas



1. The other initial Aged Care provider with New Zealand Immigration accreditation was not-for-profit operator Bupa

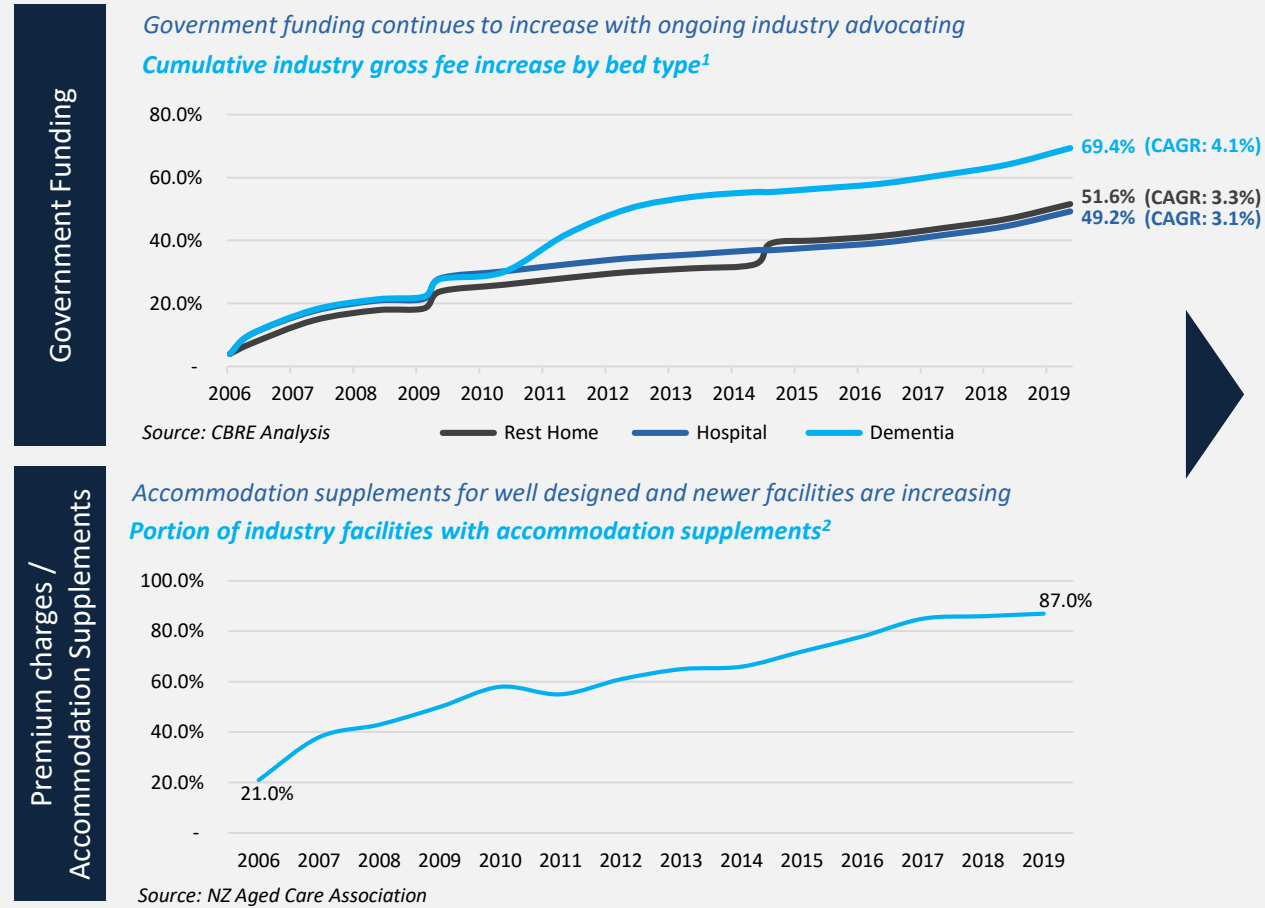
2. Accurate as at 1 October 2020

3. Per the NZ Ministry of Health certified provider register – sourced from <https://www.health.govt.nz/your-health/certified-providers/aged-care/> as at 30 November, industry average from NZACA 2019-20 Industry Profile

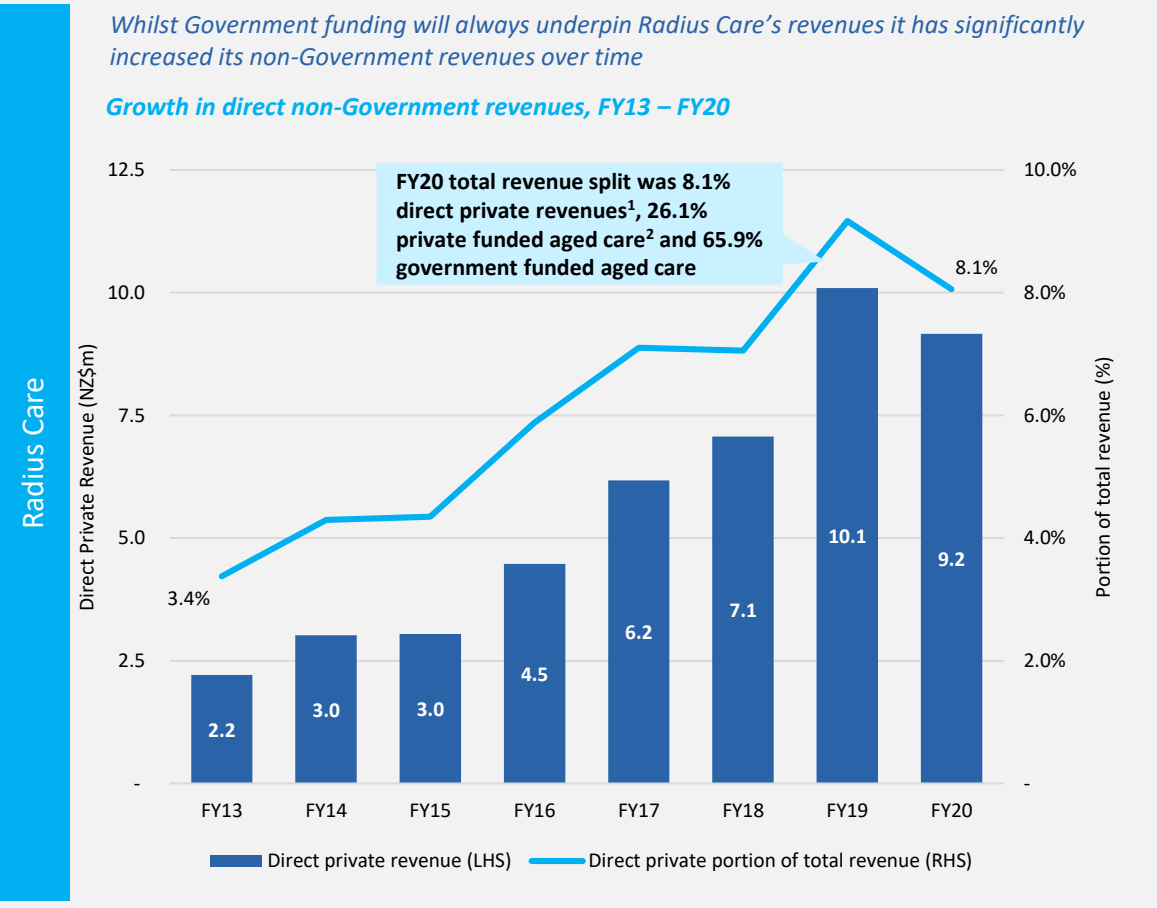
4. Secure revenue stream

Government backed funding, with increasing diversification through strong resident adoption of private Accommodation Supplements (for premium room services)

Industry funding



Radius Care revenue composition over time








1. Includes accommodation supplements, retirement village revenues, Radius Online Shop revenue and other privately paid revenues
2. Reflects full or partial private aged care payments where the resident exceeds means testing thresholds





5. Clear growth pathway – Purchase of strategically important facilities’ land and buildings

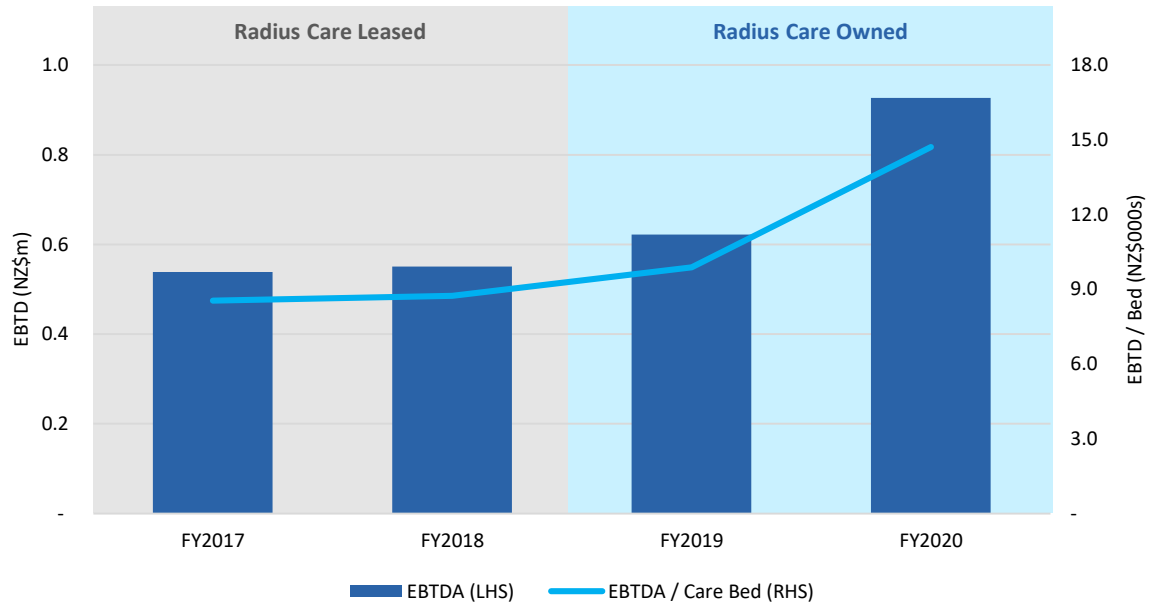
Purchase of strategically important facilities providing Radius Care with freedom to undertake value enhancing brownfield development

Rationale for site purchasing

	<ul style="list-style-type: none">• Clear development potential constrained by 3rd party landlord, either:<ul style="list-style-type: none">– Limited by landlord funding capacity; or– Limited by other internal constraints on landlord
	<ul style="list-style-type: none">• Landlord has financial capacity to fund development, but rental increase sought is unattractive
	<ul style="list-style-type: none">• Enhanced legal position through direct ownership, allowing ORA product to be offered
	<ul style="list-style-type: none">• Greater control over larger capital items maintained by the landlord – e.g. building roof• Greater control over cost base with ability to directly source insurance, valuations etc. which landlord has been sourcing whilst Radius Care incurs cost through triple net lease
	<ul style="list-style-type: none">• Financial benefit if debt funding can be employed at a lower cost than the annual rental charge

Case Study: Lexham Park – operated since 2004 purchased 2019

	Allows development which would otherwise not be possible		Allows for future Care Suite development		Better control over cost base		Net saving (rent less interest) >\$200k p.a.
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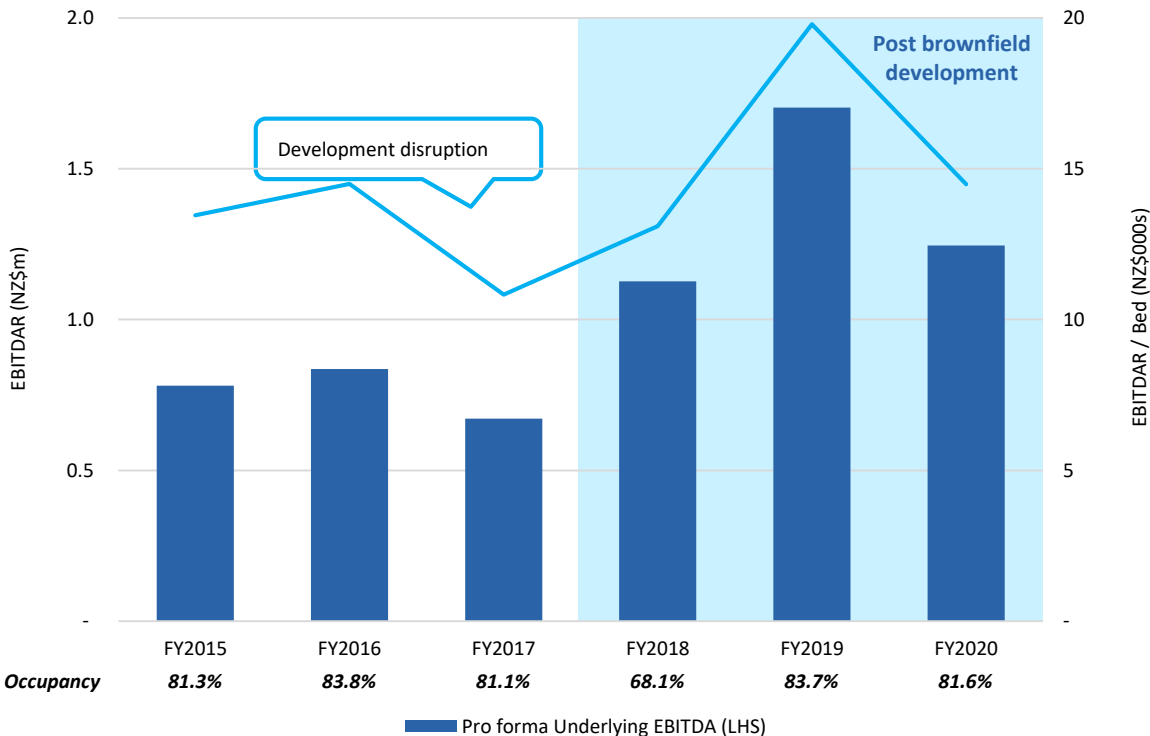


Brownfield development focused on adding to existing facilities (e.g. extra wings) not replacement – reducing execution risk

5. Clear growth pathway – Development led growth with ownership of land and buidings

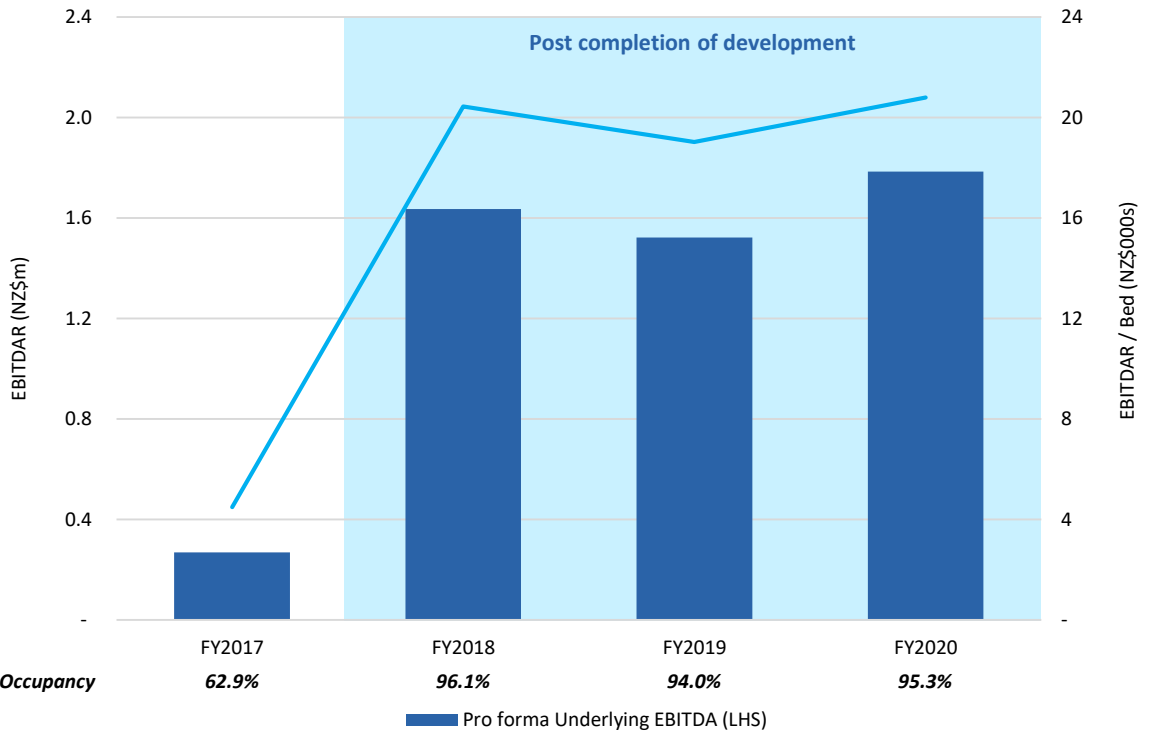
Radius Care has the capability to perform both brownfield and greenfield developments, having already managed these processes on leased sites with landlords historically funding the development

Case study: Waipuna – brownfield development FY17A



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

Case study: Millstream – greenfield development FY17A

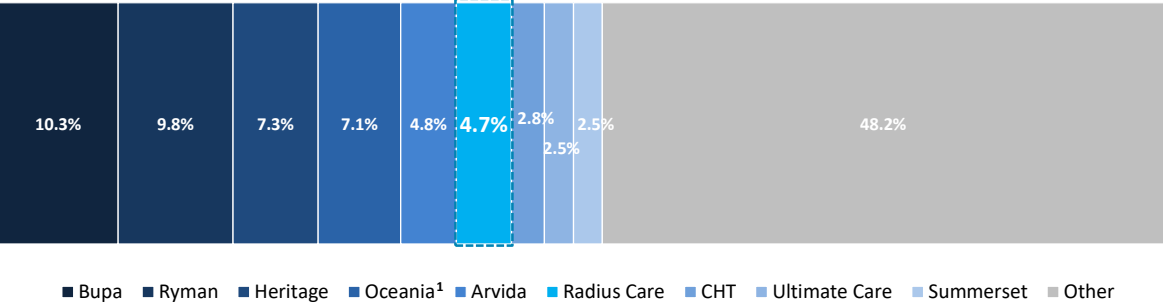


	Planning	Consenting	Construction	Funding
Radius Care	✓	✓	✓	✗
Landlord	✓	✓	✓✓	✓

5. Clear growth pathway – Opportunistic acquisitions

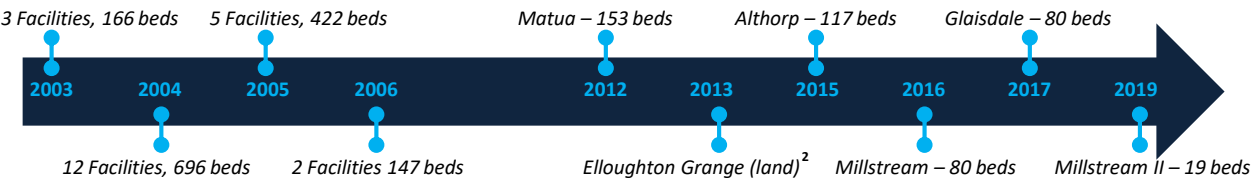
Radius Care operates in a highly fragmented market and will continue to make value accretive acquisitions when opportunities arise

Aged Care sector remains highly fragmented



Source: CBRE analysis, September 2019

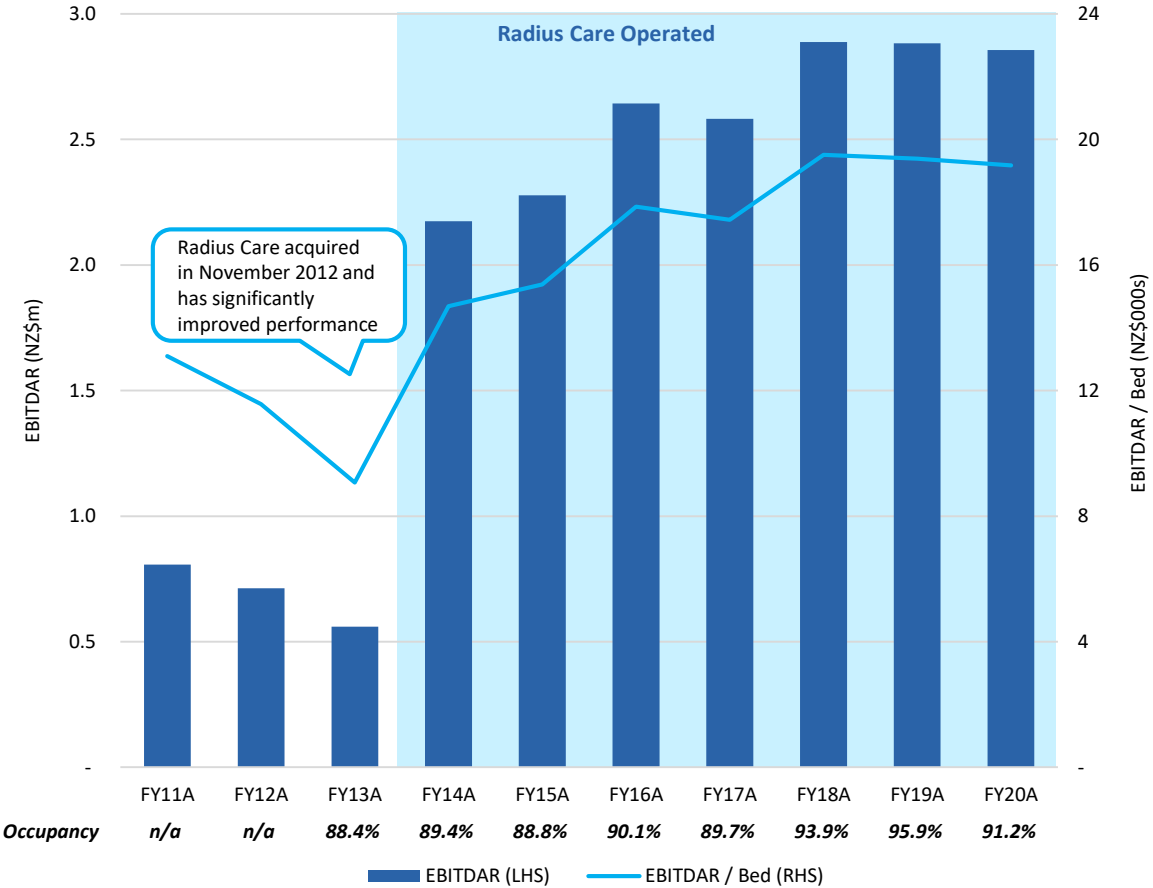
Strong history of acquisitions



Since 2003, Radius Care has acquired:

- 26² facilities, with 22 retained³
- 1,880 beds (compared to 1,714 today after facility sales and one closed facility³)

Case study: Matua acquired FY13



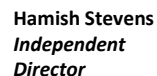
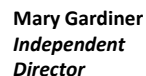
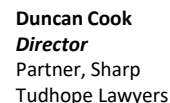
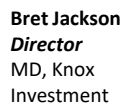
1. Includes Care Suites for Oceania given significant suite offering
2. Land was acquired adjacent to the Elloughton Grange facility for further development
3. Radius Care has sold facilities at Glenbrae, Lester and Seaview and closed a facility at St Ives following the Christchurch Earthquakes

Founder, Brien Cree, remains committed to the business and has transitioned to an Executive Chairman role focused on driving Radius Care's growth

Executive Chairman / Managing Director



Strong focus on governance and ensuring company culture of strong care outcomes is maintained and promoted throughout the organisation

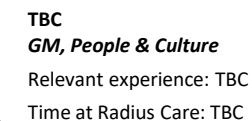
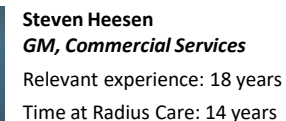
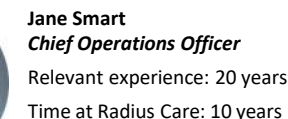
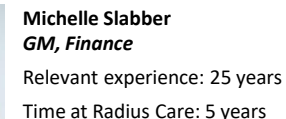


Stuart Bilbrough
Chief Executive Officer

Relevant experience: 30 years

Time at Radius Care: 8 years

- Leadership of management team
- Responsible for all day to day activities
- Previously Radius Care CFO between 2010 and 2017



Important metrics

Radius Care will direct list on the NZX on Thursday, 10th December under the ticker “RAD”. The Board has ascribed a listing price of \$0.80 per Share (“Listing Price”), based on its view of the equity value of Radius Care. It has been provided to inform investors of the value ascribed to Shares at listing by the Board.

Capitalisation table¹

Component	Value (NZ\$)
Number of shares on issue at listing	176,495,000
Listing price	\$0.80 per Share
Implied market capitalisation	\$141.2m
Net interest bearing bank debt as at 30 November 2020	\$24.8m
Implied enterprise value (excluding lease liabilities under NZ IFRS 16)	\$166.0m
Lease liabilities under NZ IFRS 16 as at 30 November 2020	\$185.1m
Implied Enterprise value (including lease liabilities under NZ IFRS 16)	\$351.1m

Pro forma underlying EBITDA, Implied Listing Multiples, and Dividend Information

Metric	LTM	FY2021 Guidance	
		Low	High
Pro forma underlying EBITDA	\$21.3m	\$23.0m	\$23.7m
Pre NZ IFRS 16 pro forma underlying EBITDA	\$8.2m	\$10.2m	\$11.0m
Implied EV (including lease liabilities) / pro forma underlying EBITDA	16.5x	15.2x	14.7x
Implied EV / Pre NZ IFRS 16 pro forma underlying EBITDA	20.3x	16.3x	15.1x
AFFO per Share – cents	1.78	1.67	1.99
Dividend per Share – cents at 50% of AFFO for FY2021		0.83	1.00
*Implied dividend yield – cash dividend declared		1.04%	1.25%
*Implied dividend yield – gross dividend declared		1.44%	1.73%

*Given the timing of Radius Care’s listing in mid-December 2020, the Board’s current intention is to pay an interim dividend in respect of 1HY2021 in February 2021. As such, Radius Care intends to pay three dividends across the 2021 calendar year, expected to comprise of:

- A February 2021 dividend and a June 2021 dividend in relation to FY2021, equal to 50% of AFFO (as outlined in the table above); and separately
- A December 2021 dividend in relation to 1HFY2022, in line with its dividend policy of 50% to 70% of AFFO (not included in the table above).

Appendix

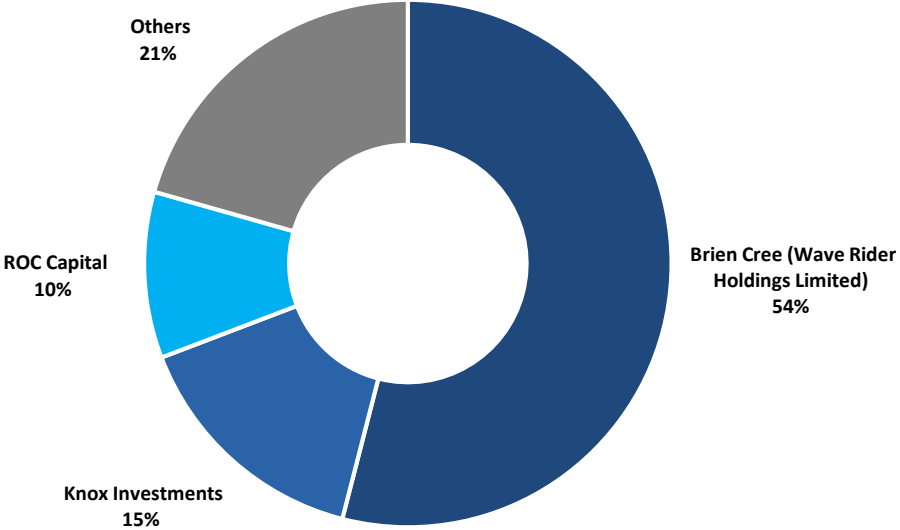
NZX listing rationale

The direct listing of Radius Care provides it with the possibility to subsequently seek capital to fund growth opportunities as they arise

Listing objectives

Enhanced access to capital for future growth opportunities	<ul style="list-style-type: none">• Ability to raise equity capital as / when required to support strategic growth initiatives (see pages 12 to 14 for detail):<ul style="list-style-type: none">– Purchase land and buildings of strategically important leased facilities;– Brownfield and greenfield developments; and– Opportunistic acquisitions
Greater price discovery	<ul style="list-style-type: none">• Facilitate price discovery through active trading of shares on the NZX
Enhanced profile	<ul style="list-style-type: none">• Improve awareness of Radius Care amongst media, the public and the investment community
Enhanced liquidity for existing shareholders	<ul style="list-style-type: none">• Provide greater liquidity - noting that both Brien Cree and Knox Investment Partners remain committed to Radius Care

Radius Care share register at listing



Impact of COVID-19 on Radius Care and sector¹

Processes and procedures implemented by Radius Care in the mid-2000s as a result of Bird Flu risk have performed well in the COVID-19 environment, with no staff or resident COVID-19 infections occurring to date

	Implications for sector and key responses	Actions taken by Radius Care and key impacts
Aged care operations	<p>Implications for sector</p> <ul style="list-style-type: none"> Sector responsible for care of elderly residents of materially greater vulnerability (if infected) than wider community <p>Key responses</p> <ul style="list-style-type: none"> Aged care operations deemed to be an essential service, continuing throughout lockdown Some increase in costs (particularly around the need for additional PPE) but offset by additional MoH funding for COVID-19 related expenses 	<p>Actions</p> <ul style="list-style-type: none"> Policies and procedures already in place to deal with infectious disease, given in particular existing infection control protocols upgrades in early 2000s due to Bird Flu risk Frequent communication with MoH, DHBs and other aged care providers <p>Impacts</p> <ul style="list-style-type: none"> Limited impact on occupancy, with marginal increase being experienced. Strong reputation for care and ongoing resident communication, and promotional activity has assisted new resident confidence No material stresses or negative implications evident on key suppliers No resident cases recorded to date¹
Retirement village operations	<p>Implications for sector</p> <ul style="list-style-type: none"> Sector demographic less vulnerable than aged care residents but still at greater risk than wider community <p>Key responses</p> <ul style="list-style-type: none"> Prospective residents unable to be shown round facilities during lockdown, temporarily impacting resales and new sales volumes Development activities generally not deemed to be essential requiring most development activity to pause 	<p>Actions</p> <ul style="list-style-type: none"> Wage subsidy support not required (with Radius Care not meeting revenue loss thresholds in any event) <p>Impacts</p> <ul style="list-style-type: none"> More limited impact to Radius Care given retirement village business materially smaller (than aged care business) and minimal development underway No resident cases recorded to date¹
Staff	<p>Implications for sector</p> <ul style="list-style-type: none"> Increased requirements for staff including: <ul style="list-style-type: none"> Isolation requirements for staff (and residents) Screening facility entrants Restricting visitors to essential visitors only <p>Key responses</p> <ul style="list-style-type: none"> With increasing unemployment in the wider economy focus on “repurposing” people into the sector has increased 	<p>Actions</p> <ul style="list-style-type: none"> No reduction to staff hours or pay rates implemented No movement of staff between facilities to limit infection control <p>Impacts</p> <ul style="list-style-type: none"> Staff retention has improved No staff cases recorded to date¹