

28 May 2021

Radius Residential Care Limited FY21 annual results call

The slides are presented at the end of the transcript

Stuart Bilbrough: Good morning. My name is Stuart Bilbrough. I am the chief executive of Radius Care. Thank you for joining us today as we outline the key aspects of our year ended 31 March 2021. We have a few slides to provide some colour around the results and we'll open the lines for questions at the end of the presentation.

I'd like to now move on to slide four.

Slide 4 Here with me today is that executive chairman and managing director, Brien Cree. Brien founded Radius Care 18 years ago, and the successful aged care business we present today. Brien now focuses on growth opportunities through development and acquisition, while I look after the day-to-day business management. Having worked together for about a decade and with Brien's long membership on the New Zealand Aged Care Association, we collectively have a significant understanding of our industry. And also joining us is Michelle Slabber, our general manager of finance, whose done a fantastic job getting the financial results completed, audited and available for you today.

This is Radius Care's first results announcement as a listed company. And the three of us are excited to be able to present them to you today.

Move on to slide five.

Slide 5 As a reminder of who Radius Care is, in a nutshell, we provide investors with the exposure to high-acuity and specialised care end of the aged care sector in New Zealand. This means caring for patients and residents with hospital, dementia, psychogeriatric, physical and intellectual care needs. This makes Radius quite different to the other listed retirement sector providers in New Zealand, in that we are more medical and aged care provider, and less about the property. 96% of our portfolio caters for aged care.

Moving on to slide six.

Slide 6 In business since 2003, the Radius Care team has grown our portfolio to 24 sites made up of 22 care facilities and two retirement villages.

We are located throughout New Zealand. Radius Care owns both villages and the land and building of three facilities and 19 of our facilities are leased. The average time to the next lease renewal of the leases is currently 9.1 years and with an average time of expiry of 27.7 years. We have over 1700 care beds for our residents and 1500 dedicated team members. We look forward to expanding our business significantly.

We'll now move to slide seven.

Slide 7

Our agenda for today's briefing will provide you with an overview of the company's strong financial results. We'll then dive a bit more deeply into the financial and operational aspects of these results and our strong track record of delivery. We'll outline our strategy, which is also provided in more detail in the listing profile that you can download from Radius's website under Investor's Centre, and then provide you with an outlook and guidance for our full year 2022, and where we see that heading. At the back of this presentation are some slides that we are sure you will find useful.

Now going to move on to slide number nine.

Slide 9

We are extremely pleased to have met the guidance provided at the time of listing. Radius has always had a good track record of delivering on our financial result expectations as a private company. And it is now fantastic that we can demonstrate this delivery as a public listed company. If you are after more detailed financial information than provided in this presentation, you can download our audited financial statements from Radius's website under Investor's Centre.

The 2021 financial year was a record for Radius Care, despite COVID-19. Our success in keeping COVID-19 out of our sites rests squarely with the impressive and dedicated actions of our incredible team members at the facilities and support office who tirelessly and quickly adapted to the changing environment as COVID-19 turned from an obscure virus to a worldwide pandemic. If that wasn't stressful enough, we decided it would be a great time to list on the NZX. This happened on the 10th of December last year, and our new ticket appeared on that day as RAD.

In April of this year, we exercised the option to buy 4.3 hectares of land in Belfast in Christchurch. Radius has successfully developed our first 54 villa retirement village in Timaru, alongside our established care home there.

Christchurch will be our first full development as a listed company, acquiring greenfield land for a fully integrated retirement and aged care village. This is very exciting for us.

Now move to slide number ten.

Slide 10

Our success going forward rests with our people. This starts with Radius Care's board of directors, which has been strengthened by the addition of incredibly capable new independent directors, Mary Gardiner and Hamish Stevens. We've also bolstered the strength of the management team, starting with me realising in early 2020 that I missed aged care and Radius Care, having left to try another area of the health industry in 2017. That was after seven years as CFO at Radius. With a renewed passion for aged care, I returned full-time to Radius in June of 2020 as the CEO to look after the day-to-day, and Brien moved to the role of Executive Chairman and Managing Director, focusing on the delivery of our development and acquisition growth strategy.

We also took a critical look at our most important resource, which is our team across the group, and our continued training needs. We hired highly skilled learning and development expert, Marg Paramore, into the newly created General Manager of People and Culture, and expanded the property team to ensure an even greater focus on facility presentation and stepping up our growth in accommodation supplement revenue.

Move on to slide number 11.

Slide 11

Slide 11 provides a deeper dive into the numbers. Since 2018 and before, revenue has consistently increased. Revenue includes our villages, which have performed very well, although a small part of Radius's revenue at this stage. From an underlying EBITDA and AFFO point of view, we've had a very strong end to the current financial year, achieving our guidance as provided in the December listing profile.

What is important to note is that Radius Care's growth, excluding the smaller contribution of our villages, has been largely organically achieved through continuously improving occupancy and bed mix, weighted towards high-acuity care which Radius focuses on, and accommodation supplements. This is where we see an area of ongoing improvement in growth. What has been difficult for Radius and the whole aged care and health industry has been the containment of staff costs. Radius is a strong supporter of ensuring our team members at the facility are paid an hourly rate that recognises their incredible contribution. We do this by striving to provide the training, work environment and pay rate we can. We also recognise that the ability for health workers, especially registered nurses, to move freely within the health industry and abroad is a peculiarity that has become normalised in our industry. We continue to strive to reduce staff turnover.

Moving to slide 12.

Slide 12

Radius' AFFO for the year came in slightly higher than the guidance provided in the recent listing profile. We are very happy with this great outcome. AFFO is Available Funds From Operations, and is the non-GAAP estimate of cash generated and available at the end of a financial period. Paying dividends from cashflow is the preferred approach of Radius Care's board of directors. This is why the AFFO method is used for calculating investor dividends. The strong AFFO result for the full year 2021 therefore has a direct and positive impact on our final dividend. The Radius board of directors has recommended that the dividend for the full financial year be set at 50% of AFFO, and in line with the dividend policy in the listing profile. With total AFFO at \$3.7 million, this represents a fully imputed gross dividend per share of 1.46 cents. Net of imputation is 1.05 cents, which is above our listing profile's guidance, which had an upper end of one cent.

I will now pass across to Michelle.

Michelle Slabber:

Thank you, Stuart. And good morning, everybody.

Slide 13

The EBITDA bridge in this slide explains what the material key changes for the year were. Also, please refer to the appendices at the back of this presentation and the listing profile for the EBITDA bridge, that explains the key areas of why the full year ending 2020 was a difficult and unusual year for Radius Care. As we entered the 2021 financial year, those areas that had impacted our impressive growth from prior years were coming under control. In FY 2021 COVID assisted, through infection control requirements, a slowing turnover down. We have not rested on our laurels since the lock downs and continue to implement ways of ensuring Radius and aged care is the best place for the likes of our healthcare workers, particularly registered nurses, to start out. Over a number of years this turnover has become business as usual and the current slowdown in turnover of registered nurses leaving our employment is an indication we continue to provide the best place for healthcare workers to work.

This year we have improved our overall aged care EBITDA by \$4.3 million. There has been a significant reduction in bureau staff, extension at two facilities have contributed \$800,000, we have increased private revenue through our focus on growth, accommodation supplement in revenue, and retirement village EBITDA is up \$700,000 as well. We have invested in more senior management at our support office that has been targeted towards focusing on issues like bureau costs, training and accommodation supplements. And we are very happy with the results. The support office team is also getting positioned for the coming business expansion which is very exciting for us all.

Move to slide 15, and over to you, Brien.

Brien Cree:

Thanks, Michelle. It's Brien Cree speaking.

Slide 15

I'll run through a little on our revenue growth and diversification. Slide 15 demonstrates the strong track record of year on year annual revenue growth that Radius Care has been able to achieve over a number of years. Ministry of Health fee increases normally sit at around 3% per annum, yet Radius has been able to achieve 8.5% through our focus on increasing occupancy, a focus towards higher-acuity care and the higher rate per night from our accommodation supplement.

Take you now to slide 16.

Slide 16

Radius Care is continuing to move towards higher-acuity care for its residents. We have a bed mix of 86% of our beds certified for high-acuity care, which includes swing beds. The opportunity to increase the revenue going forward comes from increased utilisation of the high-acuity beds, which is currently sitting at 67%. We will be increasing the total available high-acuity beds this year, with the conversion of 20 rest home rooms at Radius Arran Court in Henderson into a dementia unit. This is our first dementia unit in the Auckland region and a much-needed care level for the West Auckland area. This conversion will be a positive contributor to the next financial year.

Moving now to slide 17.

Slide 17

This slide demonstrates our market and the occupancy growth opportunity. Radius Care's portfolio is orientated to high-acuity and specialist care, so less driven by property market cycles, but more by population demographics, which puts us in a strong position for the future. A number of our 22 facilities run at 95 to 100% bed occupancy. And this number of sites is expected to keep increasing.

In the 2019 Ernst and Young report, titled "Aged Residential Care Funding Model Review", they acknowledged the increased acuity of New Zealand residents that often come with a range of serious health conditions requiring specialist care, and that will likely see the number of people living over 85 tripling by 2043.

I'll turn now to slide 18.

Slide 18

This slide demonstrates our continued strong performance. Radius Care has a very systematic approach to providing care, and that enables us to focus on what is important to us, and that is providing the best care we can. It is a proven model we have perfected over almost two decades. Good facility management, strong clinical care, a well-managed roster

and the right people in the right place, doing the right things are the best combination for delivering a strong underlying EBITDA per care bed. And we worked hard to achieve this.

Accommodation supplements are an important source of non-government revenue for Radius. It has a lot of potential to continue growing as it has over a number of years, since first being introduced approximately 10 years ago. We will have a dedicated team member focusing on this opportunity so that we can improve our penetration beyond the current 60% of total rooms.

I'll now just flick across to slide 21, and just talk a little bit about strategy.

Slide 21

So the exercising of the option for the Belfast property is a cornerstone of Radius Care's growth in the immediate future. We are currently focused on the final design process, obtaining building consents and commencing construction in relation to this development. The project will be constructed across multiple stages, providing a degree of funding flexibility, with the optimal timing to be determined as the planning progresses. We have some other great brownfield expansion opportunities that will kick off in 2022. We have resource consent at Radius Thornleigh Park in New Plymouth to add 24 hospitals level care beds. We are also progressing resource consent for the extension at Radius Lexham Park in Katikati in the Bay of Plenty. And that will also kick off in 2022. Along with that, we're also reviewing a number of opportunities and we'll update the market as and when required regarding these.

So now I will pass you back to Stuart.

Stuart Bilbrough:

Thank you, Brien. I'm now on slide 23.

Slide 23

So now we will focus on our strong growth trajectory, the trajectory we have in place. Our outlook for the full year 2022 is that aged care will continue to have staff cost challenges, as we have always had. For Radius this will be more than offset by revenue opportunities, with accommodation supplement growth and the government fee increase we get each year that we expect this year to be higher than CPI.

On the horizon, and not included in our outlook calculations, is an anticipated positive outcome for nurses' pay equity, which has been discussed by the Labour Government over the past year, and being pushed vigorously by the New Zealand Aged Care Association. We also have further occupancy capacity and bed mix opportunities that will further grow revenue and ensure that earnings for the current year remain achievable.

Moving to slide 24.

Slide 24

Thank you for joining our briefing today. We are looking forward to providing our investors a strong 2022. Radius is the most experienced manager of the high-acuity aged care in New Zealand in the care sector. This is a sector we deeply understand and excel at. Our competitive advantages are our team, state of the art IT solutions and exceptional levels of care. We see the industry dynamics offer strong growth opportunities, which we will continue to capture. As Radius moves forward, our strategy as a listed company will be to ensure clear pathways of growth through acquiring existing leased facilities and extending them, opportunistic acquisitions of existing businesses from other operators and undertaking greenfield developments, like what we're about to embark on in Christchurch.

I look forward to sharing our journey with you. Thank you for joining this briefing call. I will now hand back to you, Harmony.

Operator

Thank you. If you wish to ask a question, please press star one on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star two. If you're on a speaker phone, please pick up the handset to ask your question. We'll now pause a moment for any questions to register.

Once again, if you wish to ask a question, please press star one on your telephone and wait for your name to be announced. Thank you. There are no further questions at this time. I'll now hand back to Mr. Bilbrough for closing remarks.

Stuart Bilbrough:

Thank you everybody for joining the call. We really appreciate you spending the time. This is our first presentation as a listed company. We're very excited. If you've got any questions, my details are on our website, and feel free to call me or drop me an email at any time. Thanks a lot.

Radius Residential Care Limited


Full Year Results

31 March 2021




radius
care
Caring is our calling

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 54.0% through Wave Rider Trust
- Board member of the New Zealand Aged Care Association for more than 10 years
- Over 30 years' experience in the Aged Care sector



Stuart Billbrough
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



Michelle Slabber
General Manager, Finance

- Joined Radius Care in 2016
- Has nearly 25 years' experience in finance roles in various
- Industries worked in include healthcare and financial services
- Michelle trained with PricewaterhouseCoopers in South Africa
- She is a New Zealand Chartered Accountant.

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This presentation sets out information relating to Radius Care's full year result for the period to 31 March 2021. As such, it should be read in conjunction with the audited consolidated financial statements for Radius Care and its subsidiaries for the period ended 31 March 2021 ("Financial Statements") and other material that Radius Care has released to NZX along with this presentation. That material is also available at www.radiuscare.co.nz.

In certain sections of this presentation, Radius Care has chosen to present certain financial information exclusive of the impact of significant items. A number of non-GAAP financial measures are used in this presentation which are used by management to assess the performance of the business and have been derived from the Financial Statements. You should not consider any of these financial measures in isolation from, or as a substitute for the information provided in the Financial Statements.

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Radius Care at a Glance

HIGH ACUITY AND SPECIALIST AGED CARE PROVIDER

Radius Care operates 22 aged care facilities nationally, comprising more than 1,700 aged care beds.

We own three of these facilities and lease 19 from 3rd party property investors.

We also own two retirement villages comprising of 76 units.

Portfolio summary as at 31 March 2021

	Radius Care Owned	Leased from 3 rd Parties*	Total
Existing Portfolio			
Units	5	19	24
Aged Care Beds	178	1,537	1,715
Retirement Village Units ¹	76	-	76
Total Places	264	1,637	1,791
Existing Facility - Landbank			
Aged Care Beds	44	60	104
Retirement Village Units	20	20	40
Belfast, Christchurch	194	-	194
Total Existing - Landbank	612	1,637	2,109

* All leases are triple net lease and long term in nature - with an average term to next renewal of 9.3 years but 27.7 years after accounting for all renewals.

Note: As part of its December 2020 listing Radius Care prepared:
 A Listing Profile (which contains similar information to a Product Disclosure Statement) providing an overview of the business, the industry, risks and financial performance.
 Supplementary Financial Information providing more granular financial and operational information.
 This information is available on the Radius Care website <https://www.radiuscare.co.nz/investor-centre/Listing-documents>

Radius Care announced on 7 April 2021 the exercise of its option to acquire 4.5 hectares of development land in Christchurch



Radius Care at a Glance

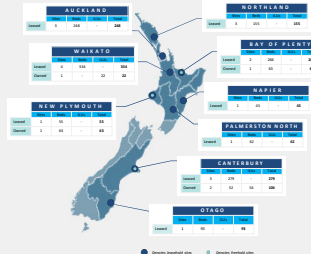
Residents and Employees

1,700+ beds 1,500+ employees

Units vs Care Beds


Legend: Units (Blue), Care Beds (Orange)

National aged care focused portfolio with strong regional presence



Region	Units	Care Beds	Total
AUCKLAND	1	244	245
NORTHLAND	1	111	112
WAIKATO	1	199	200
BAY OF PLENTY	1	65	66
HAWKESBURY	1	11	12
NEW ZEALAND	1	11	12
WELLINGTON	1	11	12
PALMERSTON NORTH	1	11	12
CANTERBURY	1	11	12
OTAGO	1	11	12

Radius Care



Agenda

1	2	3	4
Overview of FY21 financial performance First year as a listed company	Analysis of result Continuation of strong track record	Positioning Radius Care for Growth phase, strategy update and FY22 guidance	Appendix <ul style="list-style-type: none"> Key operational and financial metrics Summary P&L, Balance Sheet, Cash Flow

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FY21 highlights and key events

FY21 Guidance provided at the time of listing met or exceeded across all metrics.



Enhanced management and governance for listing

- Brien Cree transitioned in Executive Chairman role focused on growth opportunities through development and acquisition
- Stuart Bilbrough returned as CEO
- Hamish Stevens and Mary Gardiner appointed as independent directors
- Direct listing undertaken on 10 December 2020

COVID-19 resilience

- Processes and procedures introduced in mid-2000s for Bird Flu performed well through COVID-19 period
- Locked down facilities early with industry following
- No COVID-19 cases amongst residents or staff¹



Balance Sheet Position

- Net debt of \$24.5m down \$4.7m from pcp (31 March 20)
- Lease liabilities of \$184.3m down from \$185.3m for pcp

18 ¹ As at the date of this presentation

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Overview of FY21 Financial Performance

FIRST YEAR AS A LISTED COMPANY

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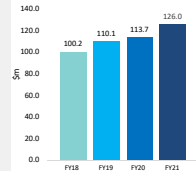
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Financial performance overview

FY21 Underlying EBITDA and Pre-NZ IFRS 16 Underlying EBITDA within Guidance range provided at time of listing

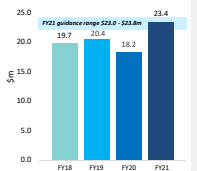
Total Revenue

- FY21 Revenue of \$126m up 11%



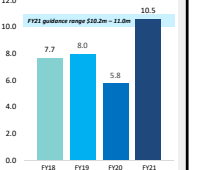
Underlying EBITDA

- FY21 Underlying EBITDA of \$23.4m up 28%
- ✓ **FY21 Guidance achieved**



Pre-NZ IFRS 16 Underlying EBITDA

- FY21 Pre-NZ IFRS 16 Underlying EBITDA of \$10.5m up 82%
- ✓ **FY21 Guidance achieved**




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FY21 Highlights and Key Events

FY21 Guidance provided at the time of listing met or exceeded across all metrics.



Financial Performance

- Record result - all guidance metrics met or exceeded
- Underlying EBITDA up 28% to \$23.4m (vs. guidance of \$23.0m to \$23.8m)
- Underlying EBITDA per bed up 13% to \$19.5k
- Continued strong occupancy, private accommodation supplements and cost control

Progress on Strategy

- Option exercised to purchase 4.3 hectares of Greenfield Development land in Belfast, Christchurch post balance date¹
- Increases Greenfield Development pipeline by 70 Care Beds, 30 Care Suites and 94 Retirement Village Units
- Work progressing on final design, building consents and construction discussions
- Multi-stage development approach provides funding flexibility

9 ¹ New NZL release dated 14 April 2021

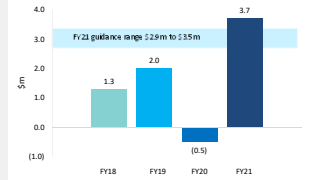
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Cash Flow and Dividends

Achieved AFFO in excess of FY21 Guidance

AFFO

- FY21 AFFO of \$3.7m
- Outperformance partly due to lower maintenance capex
- ✓ **FY21 Guidance exceeded**



Dividends

FY21 Final Dividend

- Gross fully imputed FY21 final dividend declared of 0.89 cents per share (which includes 0.25 cents per share of attaching imputation credits)
- Ex Dividend date Friday 11 June 2021
- Record date Monday 14 June 2021
- Payment date Monday 21 June 2021

FY21 Total Dividends

- Including February dividend of 0.58 cents per share gives a total gross dividend in relation to the FY21 financial year of 1.46 cents per share (which includes attaching imputation credits of 0.41 cents per share)
- The total FY21 cash dividend of 1.05 cents per share is above the FY21 cash dividend guidance of 0.83 to 1.00 cents per share

Radius Care's dividend policy is target to pay 50% to 70% of AFFO

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Positioning Radius Care for Growth Phase, Strategy Update and FY22 Guidance

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Positioning Radius Care for Growth Phase

Senior management and board strengthened and sized for next phase of growth.

- Brien Cree transitioned to Executive Chairman role focused on growth opportunities through development and acquisition
- Stuart Billingham returned as CEO (previously CFO from 2010 to 2017)
- Hamish Stevens and Mary Gardiner appointed as independent directors
- Employee turnover reduced vs. FY20
- A focus on employees continuing professional development and ongoing property investments that enhances accommodation supplement revenue is a focus for the coming year



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FY22 Outlook and Guidance

Guidance for the 12 months to 31 March 2022 demonstrates expected continued earnings uplift.

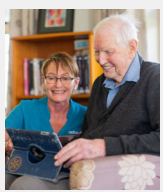
	FY21 Actual (\$m)	Listing Profile FY21 Guidance (\$m)	FY22 Guidance (\$m)
Underlying EBITDA	23.4	23.0 - 23.8	23.5 - 25.5
Pre-NZ IFRS 16 Underlying EBITDA	10.5	10.2 - 11.0	10.5 - 12.5
AFFO	3.7	2.9 - 3.5	3.7 - 4.7

Aged Care

- Average occupancy expected to increase further in FY22 given current run rate
- Continued accommodation supplements growth in FY22 expected
- Additional funding from the Government as part of the Equal Pay claim for Health Care Assistants
- Operating costs will increase with staffing wage growth but wages to revenue expected to remain stable
- Conversion of Dementia rooms at Arran Court

Retirement village

- Sale of final 4 units at Elloughton Grange Village expected
- Resale of 5 units expected



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Strategy Update

Focus continues on the execution of Radius Care's growth strategy, with the exercise of Radius Care's option to acquire the 4.3 hectare Belfast, Christchurch site being a key milestone since Listing

Growth Strategy as outlined in the Listing Profile	Execution of strategy
GO FORWARD STRATEGY	CURRENT STATUS
1. Brownfield development	Brownfield potential identified at owned sites at: <ul style="list-style-type: none"> Lisburn Park (Kilkenny) Thornleigh (New Plymouth) Detailed feasibility studies underway
2. Purchase of strategically important facilities already operated by Radius	Continuing work to identify strategically important facilities
3. Greenfield development	Purchase of Belfast, Christchurch Greenfield development land <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 (\$5.5m) is expected to take place between December 2021 and March 2022 Work progressing on final design, building consents and construction discussions Multi-stage program provides funding flexibility
4. Opportunistic value accretive acquisition	Continuing to seek and evaluate potential acquisition opportunities

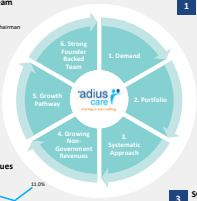

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Key Investment Highlights

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

- Strong founder backed team**
 - Brien Cree, Founder and Executive Chairman
 - Stuart Billingham, Chief Executive Officer
- Clear growth pathway via**
 - Purchase of strategically important facilities' land and buildings
 - Brownfield and greenfield development with ownership of land and buildings
 - Opportunistic acquisitions
- Growing direct non-Government revenues**
- Demand underpinned by population demographics¹**
- Portfolio oriented to high acuity and specialist care²**
- Systematic approach to provision of care**
 - Centralised head-office systems and support
 - Leading IT systems
 - Integration acquisition
 - Early engagement through Radius Online Shop

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(\$000)	FY20	FY21
Revenue		
Revenue from contracts with customers	113,355	121,217
Deferred management fees	671	1,065
Total revenue	114,026	122,282
Fair value movement of investment properties	(645)	2,879
Government subsidy received	232	794
Interest income	45	71
Total revenue and other income	113,763	126,042
Expenses		
Employee costs	(76,851)	(74,415)
Depreciation expense	(16,811)	(11,152)
Finance costs	(18,583)	(9,706)
Other expenses	(24,776)	(24,246)
Total expenses	(137,021)	(129,519)
Profit / (loss) before income tax	(23,258)	2,629
Income tax (expense) / benefit	100	(124)
Profit / (loss) for the year	(23,158)	2,505
Other comprehensive income		
Items that will not be recognised subsequently to profit and loss		
Revaluation of property, plant and equipment, net of tax	1,708	1,104
Other comprehensive income for the year	1,708	1,104
Total comprehensive income	(21,450)	3,609

Operating metrics				
Financial period	FY18	FY19	FY20	FY21
Number of Care Beds (period end) ¹	1,682	1,701	1,704	1,713
Average Care Bed Occupancy ²	89.1%	89.5%	90.0	91.4%
Underlying EBITDA per Care Bed ³ (\$000)	\$18.5	\$17.9	\$17.2	\$18.5
Number of Units (period end) ⁴	15	63	73	76
Number of new Unit sales	9	11	8	6
Number of existing Unit residents	2	3	-	7
Realised gains on resale (m)	\$0.2	\$0.1	-	\$0.1
Realised development margin (m)	\$0.2	\$0.5	\$0.4	\$0.1
Cash DMP realised upon resale (\$000)	\$67	\$66	-	\$205
Average resale price (\$000)	\$223	\$355	-	\$407
Average new unit sale price (\$000)	\$395	\$377	\$403	\$438
Accommodation supplements				
Financial period	FY18	FY19	FY20	FY21
Accommodation Supplements Revenue	\$3.5m	\$4.1m	\$4.9m	\$5.8m
Number of Care Beds	1,682	1,701	1,704	1,713
Number of Available Care Beds with Accommodation Supplements	1,405	1,134	1,138	1,146
Percentage of Care Beds with Accommodation Supplements	59.8%	66.7%	66.8%	66.8%

¹ Complete Care Beds occupied available to be occupied or unavailable due to refurbishment.
² Total occupied Care Beds divided by total Care Beds occupied during the period.
³ Underlying EBITDA per Care Bed calculated as the average EBITDA per Care Bed divided by the average number of Care Beds occupied during the period.
⁴ Complete Care Units occupied available to be occupied or unavailable due to refurbishment.

(\$000)	FY20	FY21
Assets		
Cash and cash equivalents	2,317	2,761
Trade and other receivables	2,948	2,744
Investments	308	548
Property, plant and equipment	32,303	32,896
Right-of-use assets	181,431	177,179
Investment properties	27,831	31,075
Deferred tax assets	2,095	3,835
Intangible assets	16,596	16,596
Total assets	276,840	278,425
Liabilities		
Trade and other payables	14,086	14,911
Current tax liabilities	725	1,135
Borrowings	14,427	27,212
Deferred management fees	962	1,178
Refundable occupation right agreements	17,518	20,591
Lease liabilities	185,104	184,303
Total liabilities	150,838	169,332
Net assets	126,002	109,093
Equity		
Share capital	4,736	5,502
Asset revaluation	5,708	6,812
Retained earnings	16,558	15,779
Total equity	126,002	109,093

AFFO outperformance in part due to maintenance capex below historical levels				
(\$m)	FY18	FY19	FY20	FY21
Underlying EBITDA	19.7	20.4	18.2	23.4
Include: Pre-NZ IFRS 16 operating rental lease expense	(12.0)	(12.4)	(12.4)	(12.9)
Pre-NZ IFRS 16 Underlying EBITDA	7.7	8.0	5.8	10.5
Include: Depreciation and amortisation (Pre-NZ IFRS 16)	(3.0)	(3.6)	(3.7)	(4.3)
Include: Net interest expense (Pre-NZ IFRS 16)	(0.6)	(0.9)	(1.2)	(0.8)
Include: Current tax expense	(0.9)	(0.7)	(1.0)	(2.1)
Include: Income tax impact from Pro forma adjustments	0.2	0.2	0.3	(0.3)
Pre-NZ IFRS 16 Underlying NPAT	3.4	3.0	0.2	3.0
Remove: Depreciation and amortisation (excl. NZ IFRS 16 related)	3.0	3.6	3.7	4.2
Include: Maintenance capital expenditure	(5.1)	(4.6)	(4.4)	(3.5)
AFFO	1.3	2.0	(0.5)¹	3.7

¹ Capex maintenance guidance is \$4.0m.

Refer to Note 2.3 in the 16 March 2021 Annual Report for reconciliation of underlying profit to reported net profit after tax - see Appendix A.

² The \$4.0m change in AFFO in FY2021 is calculated as AFFO for FY2020 of \$5.5m, which has been revised from the FY2020 AFFO of \$5.0m shown in the 10 December 2020 NZX Listing Profile due to a reclassification of the deferred tax on the FY2020 revaluation of the three owned properties. The impact of this reclassification was an increase of \$1.50m from FY2020 reported net income and a corresponding decrease of \$1.50m from FY2020 deferred tax. There is no impact on AFFO in any other period and there is no impact going forward.

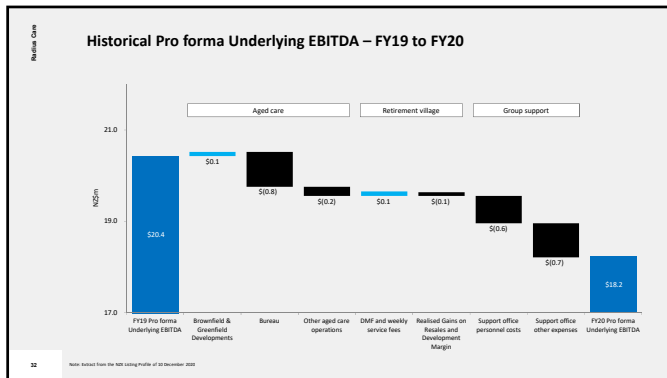
(\$000)	FY20	FY21
Cash flow from operating activities		
Receipts from residents for care fees and village fees	113,262	122,337
Receipts of government subsidy	-	1,210
Payments to suppliers and employees	(25,476)	(201,724)
Proceeds from the sale of Refundable occupation right agreements	3,705	1,327
Payments for the repurchase of Refundable occupation right agreements	-	(466)
Interest received	45	71
Interest paid - borrowings	(1,181)	(883)
Income paid - lease liabilities	(6,405)	(6,812)
Income tax paid	(816)	(1,744)
Net cash provided by operating activities	16,209	13,907
Cash flow from investing activities		
Proceeds from the sale of property, plant and equipment	114	54
Payments for the purchase of plant and equipment	(11,305)	(1,377)
Payments for village developments	(5,733)	(965)
Net cash used in investing activities	(16,924)	(1,688)
Cash flows from financing activities		
Proceeds from bank borrowings	15,120	-
Repayments of bank borrowings	(4,008)	(12,215)
Repayments of shareholder loans	(5,055)	-
Principal repayment of lease liabilities	(1,055)	(6,028)
Dividends paid	(275)	(720)
Net cash (used in) / provided by financing activities	2,737	(8,973)
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at beginning of the year	4,236	2,317
Net increase / (decrease) in cash held	11,918	448
Cash and cash equivalents at end of year	2,317	2,761

Relative Care

Reconciliation of NZ GAAP financial measures to non-GAAP financial measures

(\$000)	FY20	FY21
Profit/(loss) for the year	(2,833)	3,705
Adjustments		
Non-recurring or infrequent items		
Remove: COVID-19 related expenses	34	853
Remove: Government COVID-19 Subsidy	(202)	(807)
Remove: One-off listing costs	-	1,227
Remove: Share-based payments	-	1,454
Structural changes and other		
Include: Listed & other company costs	(1,084)	(714)
Remove: Historical government costs	350	427
Include: Income tax impact from adjustments	295	(270)
Underlying adjustments		
Remove: Change in fair value of investment properties	669	(2,879)
Include: Realised development margins	512	343
Include: Realised gains on resales	-	460
Remove: Deferred tax expense	(1,533)	(1,831)
Underlying net profit before tax	(3,963)	(262)
Remove: Depreciation	10,311	11,502
Remove: Net interest expense	10,534	9,636
Remove: Current tax expense	1,033	2,155
Remove: Income tax impact from adjustments	(295)	270
Underlying EBITDA	16,220	25,361
Include: Pre-NZ IFRS 16 operating lease expense	(12,478)	(12,268)
Pre-NZ IFRS 16 Underlying EBITDA	3,742	13,093
Include: Depreciation (Pre-NZ IFRS 16)	(3,700)	(4,262)
Include: Net interest expense (Pre-NZ IFRS 16)	(1,146)	(812)
Include: Current tax expense	295	(2,155)
Include: Income tax impact from adjustments	295	(270)
Pre-NZ IFRS 16 Underlying net profit after tax	291	5,600
Remove: Depreciation (incl. NZ IFRS 16 related)	3,700	4,262
Include: Maintenance capital expenditure	(8,400)	(5,343)
Adjusted	(469)	3,725

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Relative Care

Directory of facilities

Leased facility	Location	Care Beds	Units	Current lease term	Time to next renewal	Rights of renewal	Time to final expiry	Landlord
Headline	New Plymouth	55	-	12 yrs	5 yrs	3 x 12 yrs	41.3 yrs	A
Teapal Gardens	Rangitikei	60	-	12 yrs	5 yrs	3 x 12 yrs	41.3 yrs	A
Wendell Court	Changai	76	-	12 yrs	5 yrs	3 x 12 yrs	41.3 yrs	A
Elmington Gardens	Tamara	86	-	12 yrs	5 yrs	3 x 12 yrs	41.3 yrs	A
Remington	Hamilton	90	-	10 yrs	2.5 yrs	2 x 10 yrs	13.3 yrs	B
Peppertree	Palmerston North	62	-	10 yrs	3.7 yrs	2 x 10 yrs	13.7 yrs	B
St James	Wellington	82	-	10 yrs	4.1 yrs	2 x 10 yrs	14.1 yrs	B
Fulton Home	Dunedin	93	-	10 yrs	4.6 yrs	2 x 10 yrs	14.6 yrs	B
Arara Court	Auckland	102	-	10 yrs	8.3 yrs	1 x 10 yrs	18.3 yrs	B
Roller House	Whangarei	55	-	20 yrs	8.6 yrs	2x 15 yrs	38.6 yrs	C
Rimu Park	Whangarei	55	-	20 yrs	8.6 yrs	2x 15 yrs	38.6 yrs	C
Waggon	Auckland	86	-	30 yrs	25.9 yrs	-	25.9 yrs	D
Henington Court	Napier	45	-	30 yrs	7.9 yrs	-	7.9 yrs	E
Bayview	Northland	45	-	12 yrs	7 yrs	3x 12 yrs	41.3 yrs	F
Melua	Tauranga	149	-	30 yrs	24.7 yrs	-	24.7 yrs	G
Althorp	Tauranga	117	-	15 yrs	7.5 yrs	3x 10 yrs	37.5 yrs	H
Milburn	Auckland	80	-	30 yrs	30.3 yrs	-	30.3 yrs	I
Milburn Apartments	Auckland	19	-	5 yrs	5 yrs	2x 5 yrs	15.5 yrs	I
Glendale	Hamilton	80	-	15 yrs	11.2 yrs	2x 15 yrs	41.2 yrs	J
Headline	Christchurch	94	-	10 yrs	9.1 yrs	3x 10 yrs	39.1 yrs	K
Total leased		1237	-	n/a	n/a	n/a	n/a	
Simple average leased		77	-	10 yrs	9.1 yrs	n/a	27.7 yrs	
Owned facility/village								
St Helens	Christchurch	52	-	n/a	n/a	n/a	n/a	n/a
Thornleigh Park	New Plymouth	63	-	n/a	n/a	n/a	n/a	n/a
Larches Park	Barbours	63	-	n/a	n/a	n/a	n/a	n/a
Wendell Court Village	Changai	-	22	n/a	n/a	n/a	n/a	n/a
Elmington Grange Village	Tamara	54	-	n/a	n/a	n/a	n/a	n/a
Total owned		198	76					
Total		1435	76					

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