

30 March 2022

RADIUS CARE ANNOUNCES ACQUISITION OF CURRENTLY LEASED PROPERTIES

UCG Acquisition

Radius Residential Care Limited (NZX: RAD) (**Radius Care**) today announced that it has entered into conditional agreements to acquire the land and buildings of four aged care facilities, currently operated by Radius Care with 342 care beds, from its landlord UCG Investments Limited (**UCG**) (**UCG Acquisition**).

The properties which form part of the UCG Acquisition are:

- a) Radius Arran Court located in Te Atatu South, West Auckland: 102 care beds;
- b) Radius Fulton located in Caversham, Dunedin: 93 care beds;
- c) Radius Peppertree located in Kelvin Grove, Palmerston North: 62 care beds; and
- d) Radius St Joans located in Fairfield, Hamilton: 85 care beds.

The total purchase price of the properties is \$46.7 million, based on independent valuations. The UCG Acquisition will be funded by the following facilities to be provided by ASB Bank Limited:

- a new \$23.675 million loan facility with an up to five-year term;
- an existing development facility that will be partially (\$15 million) re-purposed to support funding the UCG Acquisition for five months; and
- a new \$8 million bridging facility with a five-month term.

In line with the company's previously communicated and executed strategy, Radius Care intends to raise capital to repay the \$23 million funding provided under the existing development and new bridging facilities.

Radius Kensington

In addition to the four UCG Acquisition properties, Radius Care leases the land and buildings of a fifth aged care facility operated by Radius Care - Radius Kensington in Maeroa, Hamilton (96 care beds). Concurrent with the UCG Acquisition, Radius Care has entered into a conditional agreement with UCG to acquire the land and buildings at Radius Kensington (**Kensington Acquisition**). Radius Care has entered into a separate agreement with a third party for Radius Care to nominate the third party to acquire Radius Kensington in place of Radius Care (**Nomination**). Under the terms of the Nomination, Radius Care is granted an option to acquire Radius Kensington from 24 May 2022 at a purchase price determined based on an agreed yield, calculated on the then-current rent.

Alignment with Radius Care's Growth Strategy

The transactions represent a continuation of Radius Care's growth strategy of purchasing facilities already operated by Radius Care. It will increase Radius Care's freehold ownership to 12 out of 23 aged care facilities it operates. Ownership of the four properties will remove the annual lease expense (and future CPI increases) paid by Radius Care. The UCG Acquisition will also increase the company's development pipeline by 80 to 100 beds. The acquisition also enables further business optimisation by increasing Radius Care's future revenue that can be generated by premium-charging and will facilitate the provision of Occupation Right Agreements over care beds (care suites).

Shareholder Approval and Timing

The transactions are conditional on Radius Care shareholder approval. Information will be sent to shareholders in April to enable them to vote on the transactions at a shareholders' meeting in late April 2022. The transactions are expected to settle on 29 April 2022.

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About Radius Care

Radius Care was founded in 2003 and operates in the New Zealand aged care and retirement village sectors. It is a nationwide provider offering the full range of accommodation and care options giving residents the ability to "age in place". Today, Radius Care operates 23 aged care facilities, of which it currently owns eight and leases 15. It also owns and operates three retirement villages and an online shop for specialist assisted-living products. The company employs over 1,700 people, including highly qualified healthcare staff who are committed to providing the very best in nursing care. Radius Care listed on NZX in December 2020. For more information visit radiuscare.co.nz or check out our Facebook page @RadiusCareNZ.