

Promisia Healthcare

Investor presentation
July 2024

Promisia
HEALTHCARE





Disclaimer

Promisia Healthcare Limited (**Promisia**) is raising capital and this presentation (**Presentation**) is provided in relation to the opportunity to invest in Promisia's capital raising (**Opportunity**).

About this Presentation

Although reasonable care has been taken in the preparation of this Presentation, no information has been independently verified by any person. No representation or warranty, express or implied, is made nor is any responsibility accepted with respect to the completeness or accuracy of this Presentation.

Forward Looking Statements

This Presentation contains forward looking statements. Such statements, estimates, projections and forecasts reflect various assumptions which may or may not prove to be correct and may be within or outside the control of Promisia. Actual results may differ materially.

Limited Liability

To the extent permitted, no person shall have any responsibility or liability arising in respect of the information contained in this Presentation or in any way for errors or omissions in it (including by reason of negligence).

Due Diligence

This Presentation does not contain or disclose all information that may be required to evaluate the Opportunity. This Presentation may also be amended or supplemented at any time. If an offer of financial products of Promisia financial products is made in the future, prospective investors should conduct their own investigations, verifications and assessment of the merits of the Opportunity, identify the information that they require, request such information from Promisia and engage their own professional advisers to advise them on it. This Presentation alone should not form the basis for such an investment decision.

No Recommendation

This Presentation is not an investment recommendation or investment advice to make an investment in Promisia or in the industry sectors in which Promisia operates.

Contents

Group portfolio and operations	Slides 4 - 8
FY24 results and FY25 outlook	Slides 9 - 12
Cromwell acquisition	Slides 13 - 17
Capital raise and financial position	Slides 18 - 25

Promisia
HEALTHCARE





Our Current Portfolio

Promisia Healthcare has a portfolio of four aged care facilities, specialising in high care needs and specialised aged care.

Our group comprises more than 400 available beds and 44 independent living villas.

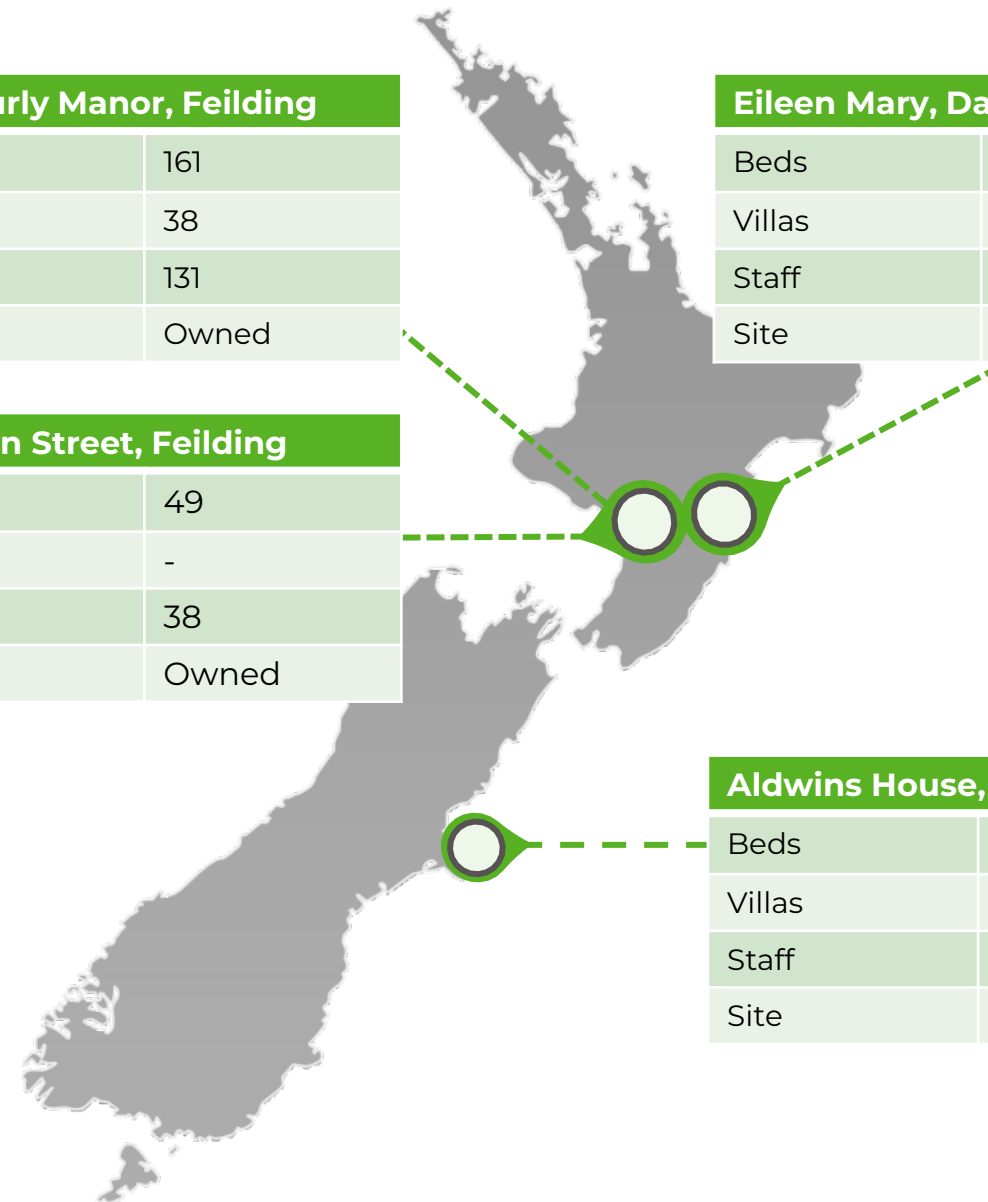
All facilities are fully owned by Promisia.

Ranfurly Manor, Feilding	
Beds	161
Villas	38
Staff	131
Site	Owned

Nelson Street, Feilding	
Beds	49
Villas	-
Staff	38
Site	Owned

Eileen Mary, Dannevirke	
Beds	58
Villas	6
Staff	45
Site	Owned

Aldwins House, Christchurch	
Beds	144
Villas	-
Staff	84
Site	Owned





Ranfurly Manor, Feilding

Care Facility

- 79 dual (rest home & hospital) care beds
- 25 specialised dementia care beds
- 87% occupancy

Village & Occupational Rights Agreements

- 57 apartments, providing either assisted living or full care
- 38 villas
- Villas 100% occupied, 24 available apartments

Key Financials

- \$10.5m gross annualised revenue
- \$3.7m EBITDA (FY24)
- March 24 valuation of \$30.7m (+16% vs Mar 23)

Key strategic objective / value opportunity

- Sell down of available apartments
- Increase care occupancy to >92%





Nelson Street, Feilding



Care Facility

- 49 Rest home level care beds
- Significant refurbishment completed in 2017
- Figure of 8 formation with two central courtyards
- Regional demand for dementia care coupled with its location, size and layout, makes it ideal to transition up to 50% of the beds to dementia level care

Key Financials

- \$2.6m gross annualised revenue
- \$0.7m EBITDA (FY24)
- March 24 valuation of \$4.15m (+19% vs Mar 23)

Key strategic objective

- Secure certification for 20+ rest home level dementia care beds
- Increase and maintain occupancy above 92%



Aldwins House, Christchurch

Care Facility

- Large scale purpose-built two-story care facility southeast of Christchurch CBD
- Extensive refurbishment completed in 2020
- 144 dual care beds, most with ensuites
- Recent certification for up to 40 YPD residents (young people with lifelong disabilities and longer length of stay)
- 115 residents (June 2024)

Key Financials

- c.\$9.5m gross annualised revenue (at 115 residents)
- \$1.4m EBITDA (FY24)
- March 24 valuation of \$18.1m (+13% vs Mar 23)

Key strategic objective / value opportunity

- Niche YPD care offering is a key opportunity, with significant demand for this type of care
- Increase occupancy to >135 residents (>94%)





Eileen Mary, Dannevirke



Care Facility & Village

- 39 dual care beds
- 19 apartments (occupational rights agreements) providing either rest home or hospital level care
- 6 Villas (all occupied)

Key Financials

- \$3.6m gross annualised revenue
- \$1.0m EBITDA (FY24)
- March 24 valuation of \$6.5m

Key strategic objective

- Exit in the short term, recycling capital into future acquisitions



Results to 31 March 2024

A solid full year result, with particularly strong second half performance.

Impact and momentum being created by the new leadership team is evident, with immediate focus on:

- Increasing occupancy, including strategic care bed repurpose (Aldwins House and Nelson Street)
- Successful sell down of ORAs
- Focus on improving the quality of care to meet the needs of our clients
- Ensuring appropriate financial controls and rigour
- Staff engagement, systems and training

Operating Revenue: \$26.3m (+10%)

Operating Expenses: \$18.9m (+7%)

Underlying EBITDAF: \$3.8m (-7%)

NPAT: \$1.6m (+136%)

Total Assets: \$84.3m (+18%)

Debt: \$29.2m (-6%)

NTA per share: 0.126c (+37%)



Building a stronger foundation for growth

Operational and financial performance a result of our laser focus on our four strategic pathways:

Stronger business

Invest in our business and our people, creating a robust scalable platform for growth, with strong leadership and governance

Maximise Occupancy

Grow revenue through offering quality care to maximise occupancy at existing and future facilities; and repurposing beds as needed to meet market demand

Diverse Revenue Streams

Increase the focus on independent living options, broaden the range of services at each facility and increase the number of higher acuity beds

Network Expansion

Grow our network through strategically located value-accretive acquisitions, brownfield and greenfield developments



Growth objectives and value opportunities

Organic growth

Aldwins House

- Obtain certification for 40 YPD beds (completed)
- Increase YPD resident from 15 to 40 (underway)
- Maintain occupancy levels above 135 residents (>94%)

Ranfurly Manor

- Widen offering for apartments to include assisted living (complete)
- Targeted care suite and assisted living marketing (underway)
- Sell down available apartments

Nelson Street

- Certification for 20 dementia care beds (underway)
- Conversion of wing into specialised dementia unit (designs complete, light capex required)
- Lift occupancy from 80% to >92%

Capital recycling and acquisitions

Capital recycling

- Prepare Eileen Mary for potential sale (complete)
- Recycle proceeds from disposals into growth and value add opportunities (underway)

Cromwell acquisition

- Secure financing for acquisition of Golden View and Ripponburn care facilities (underway)
- Integrate Cromwell facilities into wider Promisia group (resident and staff engagement underway)
- Realise operational efficiencies (pathway completed)



Outlook for year ending March 2025

Expect double digit earnings growth from existing operations

Operational improvements already complete or underway can expect a positive impact on valuations

Planned acquisitions to be both materially accretive to earnings and NTA



Planned Acquisition

\$33m being paid for two villages and facilities adjacent to each other in Cromwell.

Golden View

Large scale retirement village established in 2016, with integrated care facility built in 2022.

Ripponburn

Older care facility with additional bungalow style villas. Significant development potential with 2.8 hectares of land across the site.

Provides exposure to the growing large population in the Central Otago region, with lower land prices than Wanaka or Queenstown and much better availability to care staff.

Cromwell, Central Otago

Ripponburn Hospital and Home



Golden View Care Facility and Village



Golden View Care Facility and Village, Cromwell

Care Facility & Village

- 60 bed care facility, comprised of:
 - 48 dual care bed facility
 - 12 bed dementia level care wing
- 19 serviced apartments
- 102 independent living units (1-3 bedroom villas)
- Community and recreational facilities

Occupancy

- Care facility: 97%
- Villas: 100%

Valuation (care facility and apartments)

- March 2024: \$14m





Ripponburn Hospital and Home, Cromwell

Care Facility & Village

- 46 dual care beds
- 16 villas, 2 bed units with garage
- 27,935 sqm of land across the site, over 70% of which has potential for future development

Occupancy

- Care facility: 96%
- Villas: 100%

Valuation

- March 2024: \$5m





Cromwell Acquisition

Financial impact

Earnings accretive

- c. \$10.5m of gross annualised operating revenue
- Significant cost saving synergies identified using Promisia's scale and established platform
- Acquisition in stages allowing payment to be spread over time and matches operational cash flows profile

Value creation

Day one valuation uplift:

- Stage one purchase price of \$14m
- Combined asset valuation of \$19m
- +0.02 cent (or +15%) uplift to March 2024 NTA per share



Transaction structure and funding

Stage one

Acquisition of:

- Golden View care facility
- Golden View apartments
- Ripponburn facility and village

\$14m purchase price with completion and settlement August 2024

To be funded by way of:

- \$7.5m of bank & debt financing
- \$3.0m proceeds from asset sales
- \$3.5m new equity to be raised

Golden View village leased over for 4-year period

- Vendor receives 40% of ORA net proceeds
- PHL receives 60% of ORA net proceeds
- No rent payable

Stage two

Acquisition of:

- Golden View village and recreational facilities

\$19.35m purchase price, completion August 2028

To be funded by way of:

- \$6m of convertible notes, issued August 2024 (*0% coupon, \$2.5m convertible at holder's option into shares at 0.1 cents by August 2025, \$3.5m convertible at holder's option into shares at 0.1 cents by August 2028*)
- \$8.6m of cash (*paying \$180k monthly from August 2024 over 4 years, effectively a deposit on consideration*)
- \$4.7m cash payable August 2028



Equity to be raised

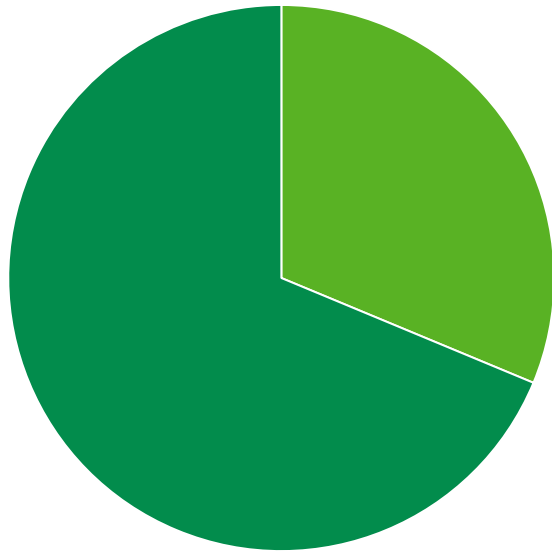
- Minimum of \$3 million to be raised by way of placement and additional Share Purchase Plan (SPP)
- Pricing \$0.001
- Issue price at a 21% discount to NTA
- Shares to be in all respects equivalent to existing equity, and NZX listed
- For every share subscribed in addition will be attached 1 warrant which can be exercised up to 24th March 2027 at \$0.002
- An application will be made to the NZX to get the free attached warrant to be listed as a separate security
- All Promisia Healthcare Board members to participate
- Discretion to accept \$1 million in oversubscriptions

Legal and advisory costs for capital raise are estimated at \$0.25m



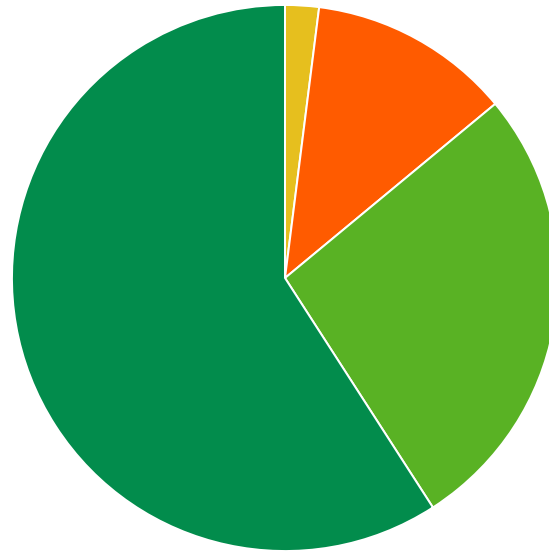
Indicative impact on shareholder register

Current Register ¹



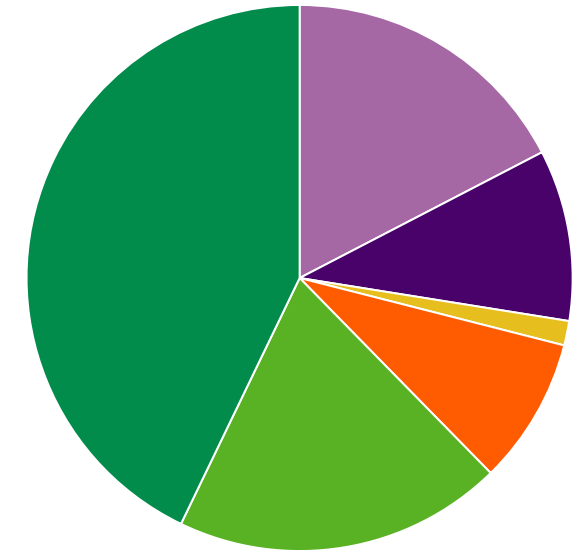
- Top 5 shareholders
- All other shareholders

Post July 24 placement & SPP ²



- New placement
- Share purchase plan

Following exercise of warrants and convertible notes ^{3,4}



- Exercised warrants
- Exercised convertible notes

Key Assumptions:

¹As at 30 June 2024. Total issued capital of 21,516,308,487 ordinary shares.

²New placement of 3,000,000,000 ordinary shares at \$0.001 per share. Assumed uptake of SPP at 500,000,000 ordinary shares at \$0.001 per share.

³Based on assumed August 2024 placement and SPP issuance, 3,500,000,000 warrants to be issued. Graph assumes exercise of all warrants and issuance of 3,500,000,000 of ordinary shares at \$0.002 per share.

⁴As part of the Cromwell acquisition, \$6m of convertible notes to be issued to vendor at option price of \$0.001 per share. Graph assumes exercise of all notes and issuance of 6,000,000,000 of ordinary shares at \$0.001 per share.



Indicative Financial Position

As at March 2024 (\$ '000) ¹

Assets

Cash and working capital	517
Fixed assets (plant & equipment)	1,269
Care facilities, villages & land	59,825
	<hr/>
	61,611

Liabilities

Borrowings	(29,155)
Revenue received in advance	(2,288)
Other liabilities	(3,037)
	<hr/>
	(34,480)

Net Tangible Assets

27,131

Deferred tax liabilities	(2,251)
--------------------------	---------

Net Assets / Shareholders Equity **24,880**

¹For a complete view of Promisia's financial position, please refer to the March 2024 audited financial statement, announced to market on 26 June 2024.

Pro forma position (\$ '000)
Post Cromwell acquisition (August 2024) ²

Assets

Cash and working capital	250
Fixed assets (plant & equipment)	2,250
Care facilities, villages & land	72,325
	<hr/>
	74,825

Liabilities

Borrowings	(33,250)
Revenue received in advance	(2,250)
Other liabilities	(3,000)
	<hr/>
	(38,500)

Net Tangible Assets

36,325

Deferred tax liabilities	(2,251)
--------------------------	---------

Net Assets / Shareholders Equity **34,074**

²Pro forma position is based on Promisia's March 2024 audited financial statements and the following key assumptions: the stage 1 Cromwell acquisition, \$3.5m of equity raised under the capital raise and net proceeds from asset sales used to repay borrowings.



Debt Position and Loan Covenants

BNZ have offered debt financing for Cromwell, as well as refinancing of the wider Group.

This offer reflects our strong relationship with BNZ, and the progress made in executing Promisia’s strategy and delivering strong operational performance.

Cromwell

\$7.5m secured BNZ term loan, conditional on:

- Successful capital raise
- Unconditional agreement for sale of Eileen Mary

Promisia Group

- Refinance of \$6.5m Senior Trust loan
- Extension of \$6.6m of existing facilities maturing in October 2024
- Both on a 2-year term and at improved rates

	March 2024	Post Cromwell Transaction
BNZ	\$18.5m	\$29.3m
Senior Trust	\$6.5m	-
Teltower	\$4.0m	\$4.0m
Total Group Debt	\$29.0m	\$33.3m
Villages and Facilities	\$59.8m	\$72.3m
LVR (%)		
Group	48%	46%
BNZ	31%	40%

BNZ LVR covenant: BNZ drawn debt not to exceed 50% of secured property value.



Promisia within the wider aged care sector

- Promisia's key point of difference is our focus on larger sized aged care facilities, with a medium to long term investment strategy, focusing on quality and value add opportunities.
- Initially started with a small base, growing facilities with size and scale in care beds, with a village component and/or greenfield development opportunities.
- Avoided consolidation and rollups, ensuring all acquisitions were prudent and long-term investments.
- Our portfolio has the added advantage of being primarily provincially based, with lower land values enabling a higher return on asset value.
- Investment strategy starting to show full potential. Significant value uplifts across Ranfurly Manor and Aldwins House, with continued operational momentum to unlock further value.



Proven track record of creating value

Aldwins House Case Study



Early 2020: Acquired lease of Aldwins House. Vacant and undergoing significant refurbishment

December 2020: Refurbishment complete and first wing opened

March 2022: Purchased freehold for \$13m

March 2023: Acquired adjacent properties for growth and development opportunities

October - March 2024: Development of YPD care offering, diversifying revenue streams.

June 2024: Resident occupancy over 115 residents

Latest valuation (facilities & adjacent land): \$18.1m



Conclusion

Directors and Management team have shown an ability to materially add significant shareholder value over the last 4 years, with Ranfurly Manor and Aldwins Road seeing material valuation increases.

Cromwell is earnings accretive from day 1 and offers an attractive entry pricing into an otherwise highly sought after, but expensive location of Central Otago.

Cromwell offers two sought after facilities that have strong customer demand and availability of care staff.

Cromwell offers significant short term development potential at a time when further development opportunities with Feilding and Aldwins Road are more long dated.

The Directors are all participating in the SPP.

Promisia

HEALTHCARE

