RYMAN HEALTHCARE

# Capital structure and entitlement offer investor presentation

15 February 2023

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The Offer is made to eligible shareholders in New Zealand pursuant to the exclusion in clause 19 of schedule 1 of the New Zealand Financial Markets Conduct Act 2013 (the **FMCA**).
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# Overview

# Overview

## 1 Current situation

- Ryman has invested over $3.9bn[1] in its portfolio since the beginning of FY18 and in that time the portfolio has grown by 2,699 new retirement village units and 1,018 care beds, including significant growth in Auckland and Melbourne, to underpin future growth
- This period of accelerated investment in Ryman's portfolio, where investing cash flows exceeded operating cash flows, has resulted in elevated levels of debt
- In response to rapid changes in interest rates, Ryman has negotiated amendments to its Interest Coverage Ratio covenant with its banking syndicate and ITL counterparties for the testing periods to (and including) September 2025 to ensure continued covenant compliance
- Ryman has also slowed and/or paused construction at six existing sites and revised its development pipeline towards lower density developments, reflecting prudent management decisions made in response to elevated debt levels and changing market conditions including rising interest rates, the outlook for residential house prices, elevated construction costs and supply chain constraints
- During the last three years, Ryman has successfully navigated the pandemic, keeping its staff and residents safe, and maintained very high levels of care across this high risk environment

## 2 $902m equity raise

- Ryman is undertaking a $902m underwritten pro rata entitlement offer (**Offer**). The Offer is expected to:
  - Strengthen Ryman's balance sheet by repaying all USPP Notes and reducing pro-forma gearing from 45.3%[2] to 33.9%[3]
  - Help to continue to deliver sector leading care and support the continuum of care and accommodation to an increasingly wealthy, ageing demographic
  - Better enable Ryman to execute its growth framework, including the delivery of its development pipeline
  - Allow Ryman to maintain the high standard of care it is known for – care which is to be 'Good Enough for Mum or Dad'

## 3 Looking ahead

- Ryman expects to report FY23F underlying profit[4,5] of approximately $280 million – $290 million and FY24F underlying profit[5] is expected to grow within a range of 10 - 15% compared to FY23F underlying profit[4,5]
- Ryman's forward plans are to continue to deliver on growth opportunities in New Zealand and execute on a large, fragmented market opportunity in Victoria, Australia
- Ryman's $2.57bn in embedded value and $1.56bn in development work in progress is expected to support continued growth in underlying profit as villages mature and existing developments are delivered
- Capital management and operational initiatives underway reflect a renewed and more disciplined focus on capital efficiency, cash flows and return on capital in response to changing market conditions and rapid changes to interest rates

1. Net investing cashflows. 2. As at 30 September 2022. 3. Refer to slide 27 for further detail on pro-forma calculations, gearing is calculated as net debt / (net debt + equity), pre-IFRS 16. 4. The 31 March 2023 financial information presented represents unaudited nine months of actual results from 1 April 2022 to 31 December 2022 and three months of forecast. 5. Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Refer to slide 34 for a reconciliation of underlying profit to reported net profit after tax.

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# Ryman overview and investment highlights

# Ryman at a glance

## $1.43bn

Total cash receipts from residents[1]
(12 months to 30 September 2022)

## $12.0bn

Total assets
(As at 30 September 2022)

## 45

Operational villages across NZ and AU

## 8,667

Retirement village units[2]

## 4,299

Care beds

## 13,682

Residents

## 15

Villages under construction

## 19.1%

FY12-1H23A total asset CAGR

## 6,710

Units in current land bank[3]

Note: unless stated, figures reflect as at 1 February 2023.
1. Including advances under ORAs. 2. As at 30 September 2022 and includes independent living units and serviced apartments across Australia and New Zealand (excluding land bank). 86.5% of total retirement village units are located in New Zealand with the remaining 13.5% in Australia, 85.5% of total care beds are located in New Zealand with the remaining 14.5% in Victoria, Australia. Retirement villages defined as independent units and serviced apartments. 3. Includes independent living units, serviced apartments and care beds. 3,114 units/beds included in land bank remain subject to resource consent as at 30 September 2022 and as a result the number of beds and units ultimately built may differ.

# Refreshed and expanded leadership team

Ryman's leadership team bring a renewed and disciplined focus on long-term capital efficiency and return on capital

**Richard Umbers**
GROUP CHIEF EXECUTIVE
Joined Ryman: 2021

**David Bennett**
GROUP CHIEF FINANCIAL OFFICER
Joined Ryman: 2013

**Deborah Marris**
GROUP GENERAL COUNSEL AND COMPANY SECRETARY
Joined Ryman: 2022

**Cheyne Chalmers**
CHIEF EXECUTIVE OFFICER – NEW ZEALAND
Joined Ryman: 2020

**Cameron Holland**
CHIEF EXECUTIVE OFFICER – AUSTRALIA
Joined Ryman: 2021

**Marsha Cadman**
CHIEF SALES AND MARKETING OFFICER
Joined Ryman: 2021

**Chris Evans**
CHIEF DEVELOPMENT AND CONSTRUCTION OFFICER
Joined Ryman: 2021

**Mary-Anne Stone**
CHIEF STRATEGY OFFICER
Re-joined Ryman: 2020

**Rick Davies**
CHIEF TECHNOLOGY AND INNOVATION OFFICER
Joined Ryman: 2019

**Di Walsh**
CHIEF PEOPLE AND SAFETY OFFICER
Joined Ryman: 2023

# Largest operator in NZ and growing in Australia[1]

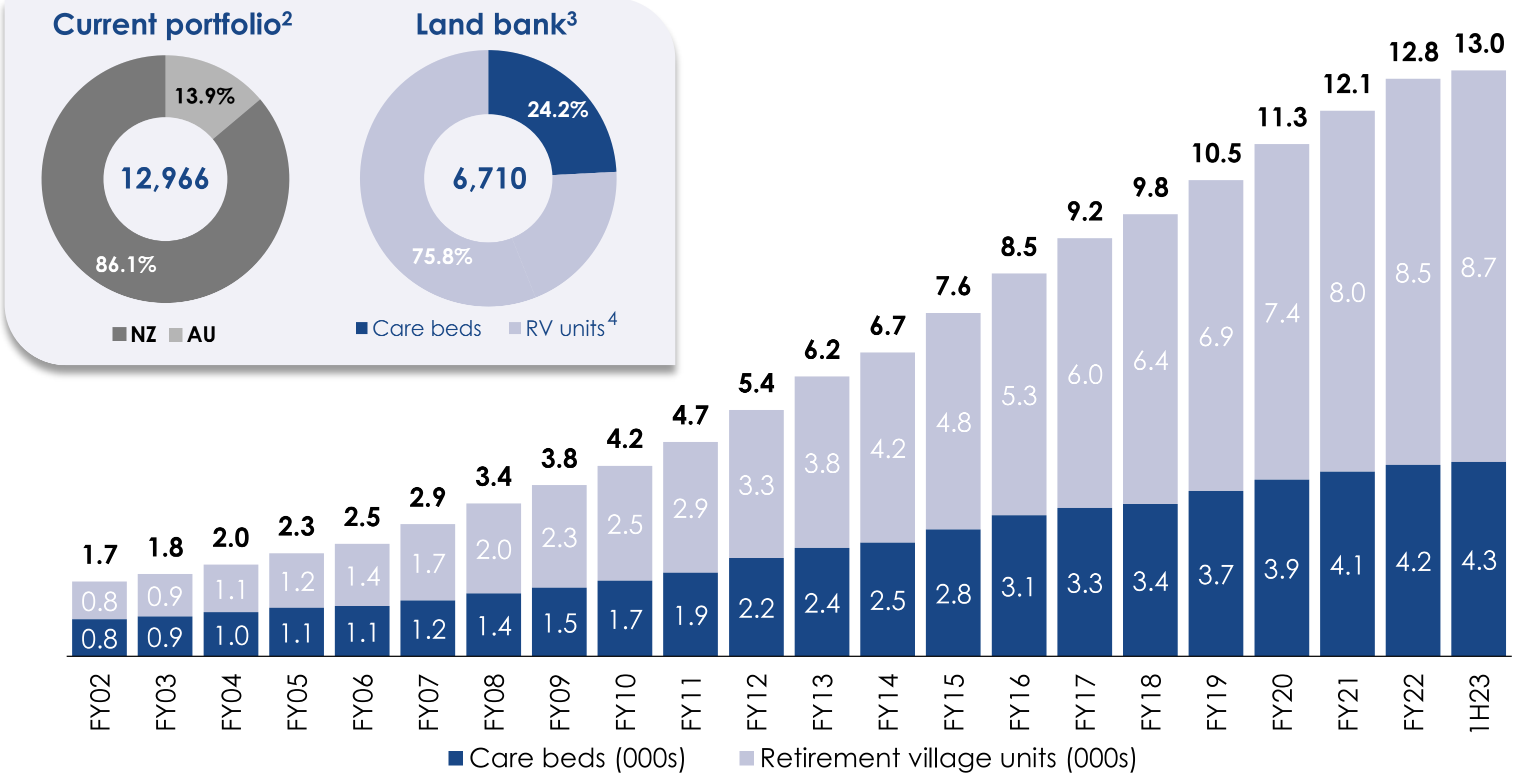
## Depth and breadth of Ryman offering

### High quality portfolio of assets

**45 villages: 38 NZ | 7 Victoria, AU**

- Leader in continuum of care in terms of quality and range of Independent Living Units (ILUs), Serviced Apartments (SAs) and care beds
- Ryman's aggregate village Aged Care accreditation ranks the highest of large operators[5]
- Premium build locations, environments and amenities
- Quality and breadth of service offering
- Diversified across geographies with a differentiated offering

### Historical portfolio



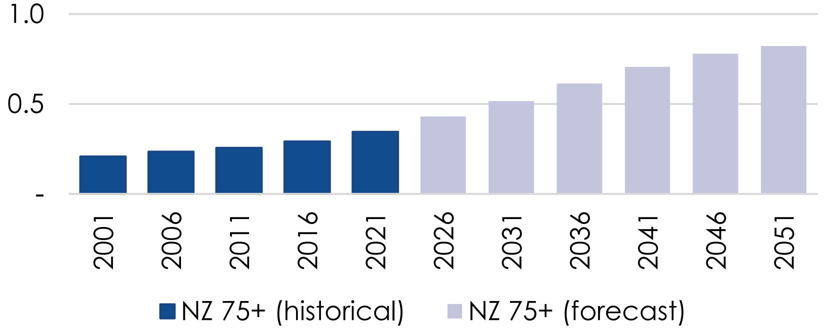

1. Ryman only operates in New Zealand and Victoria (Australia). 2. As at 30 September 2022 and includes independent living units, serviced apartments and care beds across Australia and New Zealand (excluding land bank). 3. 3,114 units/beds included in land bank remain subject to resource consent and/or development and council approvals as at 30 September 2022 and as a result the number of beds and units ultimately built may differ. 4. Retirement village units contain independent living units and serviced apartments. 5. As at December 2022, 27 of Ryman's 34 New Zealand Care Facilities have received a Full Certification Audit from the Ministry of Health, meeting the 4 year certification standard, with the remaining 7 villages with 3 year certification. Large operators are those with 11 facilities or more in terms of certification.

# Long-term trends remain supportive

## Ryman's forward plans are to continue to deliver on growth to meet the anticipated increase in demand in NZ and execute on a large, fragmented market opportunity in Victoria

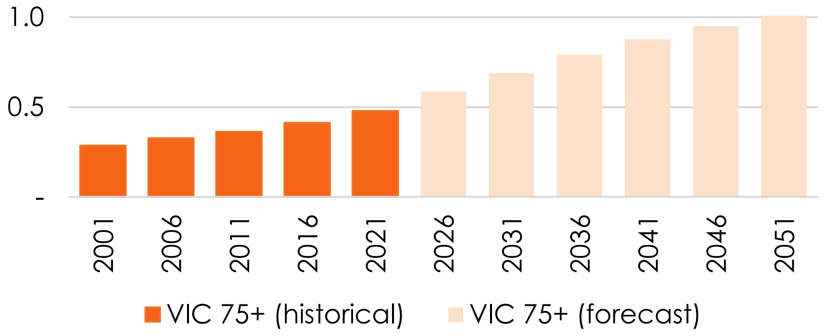
### Ageing population underpinning future demand

*New Zealand 75+ population, 2021–2051 (millions)*[1]




**2.4x**
**2021-51**

*Victoria 75+ population, 2021–2051 (millions)*[2]




**2.1x**
**2021-51**

### Improving wealth profile of retirees

- Older New Zealanders hold the bulk of the country's wealth[3] – similar position in Australia[4]
- Residents are entering villages with higher levels of income and wealth, and spending 10% - 15% of their income on health care
- With increasing discretionary spending power and higher expectations
  - Desire for greater choice, autonomy and resident-centred care
  - Increasing willingness to pay a premium when moving into a retirement village (including larger dwellings)
- Ryman's continuum of care model is differentiated in Australia and experiencing strong demand

1. Stats NZ Tatauranga Aotearoa national population projections, released July 2022 (rebased to 2022). 2. Australian Bureau of Statistics population projections, released November 2018 (rebased to 2017). 3. Stats NZ, Household net worth statistics June 2022, In New Zealand c. 80% of net value is held by people aged 45 years or older. 4. Australian Bureau of Statistics, Household Income and Wealth, Australia: Summary of Results, 2019–20.

# Market leadership driven by premium resident value proposition

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## Continuum of care

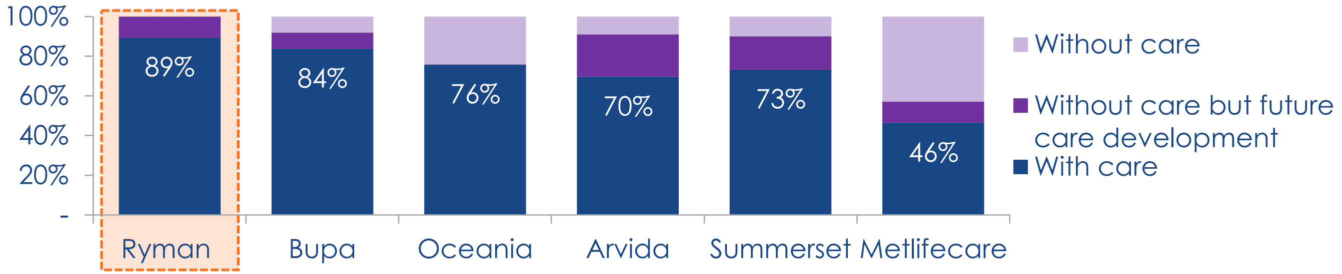
### Market leader in New Zealand

- **Premium care** on-site enhances the attractiveness of the overall village for residents, driving demand for retirement village units
- 79% of Ryman's NZ care facilities have met the 4 year certification standard – the **highest performing of all large operators**[1]

### Differentiated Australian offering

- **Unique continuum of care is offered to residents,** with villages providing both independent living and aged care
- **Typically competition focus heavily on one segment** (care or villages); co-located offerings (such as Ryman's) are still relatively rare[3]

*Village care offering (NZ market)*[2]




## Premium offering

### Rich and rewarding resident experiences

- **Premium locations and environments** supplemented by high quality amenities
- **NZ: #1 brand awareness of 92%**[4] leveraging Ryman's scale
- **Australia: High-quality operator** delivering unique continuum of care

**Experience freedom**
*A lifestyle with less responsibility and more fun*

**Experience connection**
*Participate in village life, your way*

**Experience wellness**
*Feel supported, physically and mentally*

1. As at December 2022, 27 of Ryman's 34 New Zealand Care Facilities have received a Full Certification Audit from the Ministry of Health, meeting the 4 year certification standard, with the remaining 7 villages with 3 year certification. Large operators are those with 11 facilities or more in terms of certification. 2. JLL, New Zealand Retirement Villages and Aged Care Report, July 2022. 3. All of Ryman's Australian villages currently offer care except for three operating villages, which will all have a care offering by the time construction of the village is completed. 4. Q4 2022 Kantar NZ Brand Health Tracker dated January 2023 stated Ryman had the highest brand awareness in New Zealand when asked the question "How familiar are you with each of these providers?" and the highest rating of the question "how do you feel about each brand?".

3

# Positioning for growth in a changing market environment

# Ryman is taking a number of steps to respond to the changing market conditions

## Increased focus on cash recovery from development

### Focus on value creation and cash

- New villages in premium locations
- Rebalancing portfolio towards lower density townhouse style developments alongside higher density developments where appropriate returns can be delivered
  - Within the near-term construction pipeline, townhouses expected to represent ~50% of the total units. As at 30 September 2022, townhouses represented approximately 31% of all units
- Introducing care suites to meet growing market expectations for premium care accommodation
- Right-sizing care offering through decreasing proportion of care beds relative to retirement village units while still meeting the needs of Ryman residents:

| Sites opened **before 2015** | → | Sites opened **from 2015** | → | **New sites** from FY23F onwards |
|---|---|---|---|---|
| **0.55** Average ratio[1] | | **0.39** Average ratio[1] | | **0.35** Target ratio[1] |

1. Average / target ratios represent care beds : retirement village units.

## Strategies to improve returns from existing villages

| | |
|---|---|
| **Sales** | ✓ New market incentives and strategies, including different pricing structures for care (including DMF)<br>✓ Salesforce Customer Relationship Management (CRM) technology implemented to support the sales team |
| **Pricing** | ✓ DMF phasing for ILUs reduced to four years<br>✓ Trialling alternative DMFs to meet customer preference<br>✓ Quarterly reviews of weekly fee pricing for new residents |
| **Resales** | ✓ Leveraging data to deliver targeted pricing for individual units<br>✓ Maximising resale returns via the refurbishment program |
| **Operating efficiencies** | ✓ Optimising returns from villages, leveraging the continuum of care model<br>✓ Continue to enhance the quality of care and services<br>✓ Leveraging regional operating model to identify and implement efficiencies |

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# Development approach to drive cash conversion

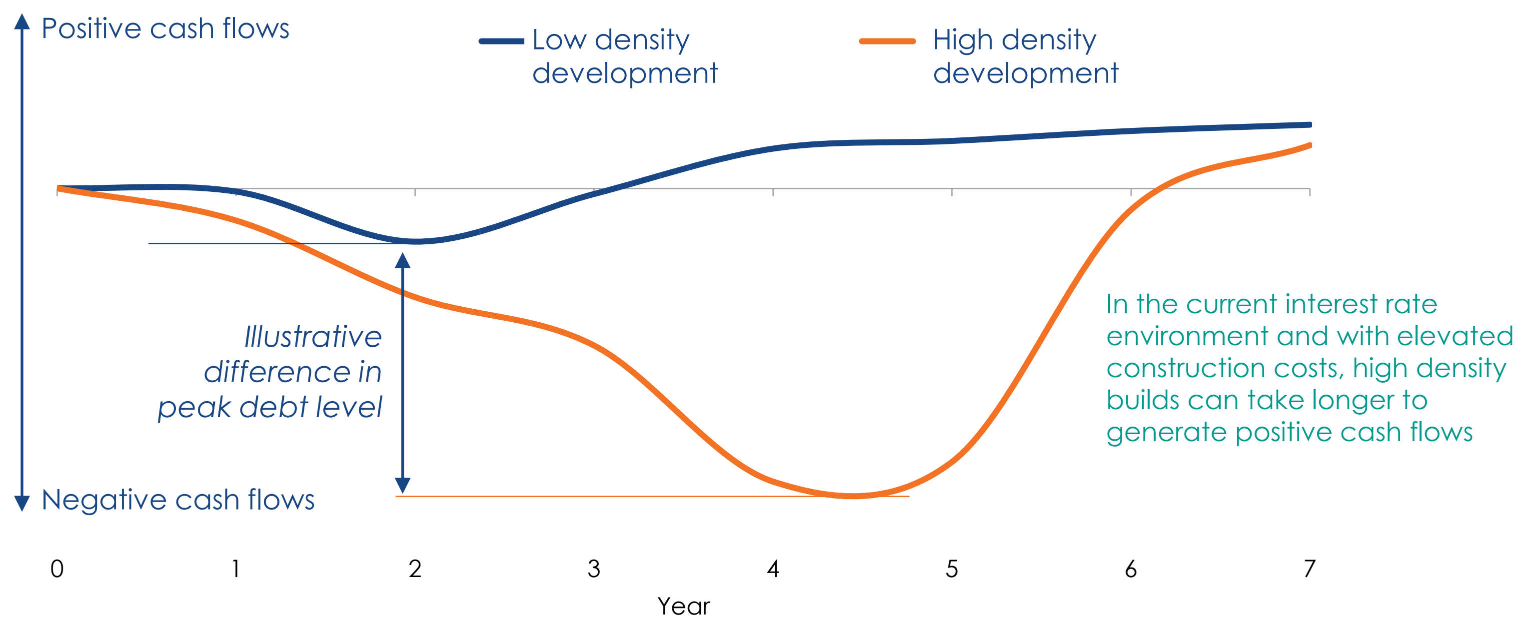
## Rebalancing towards lower density townhouse style developments expected to support improved cash conversion and reduce capital intensity

### Lower density developments are expected to deliver benefits in the current environment

- **Streamlined design and consenting process**
- **Lower peak debt requirements due to ability to progressively sell down units**
- **Shorter time to complete**
- **Build program and build rate will be determined by investment economics, capital intensity and cash conversion**

### Lower density developments are expected to deliver benefits in changing market conditions

Illustrative cumulative cash flows throughout development phase[1]




1. This is an illustrative example only. Each site has unique characteristics and will ultimately have a different cash flow profile.

# Development investment underpins growth

## Current debt levels reflect investment to drive future earnings

### Substantial development pipeline being delivered

15 villages under construction (6 currently paused)

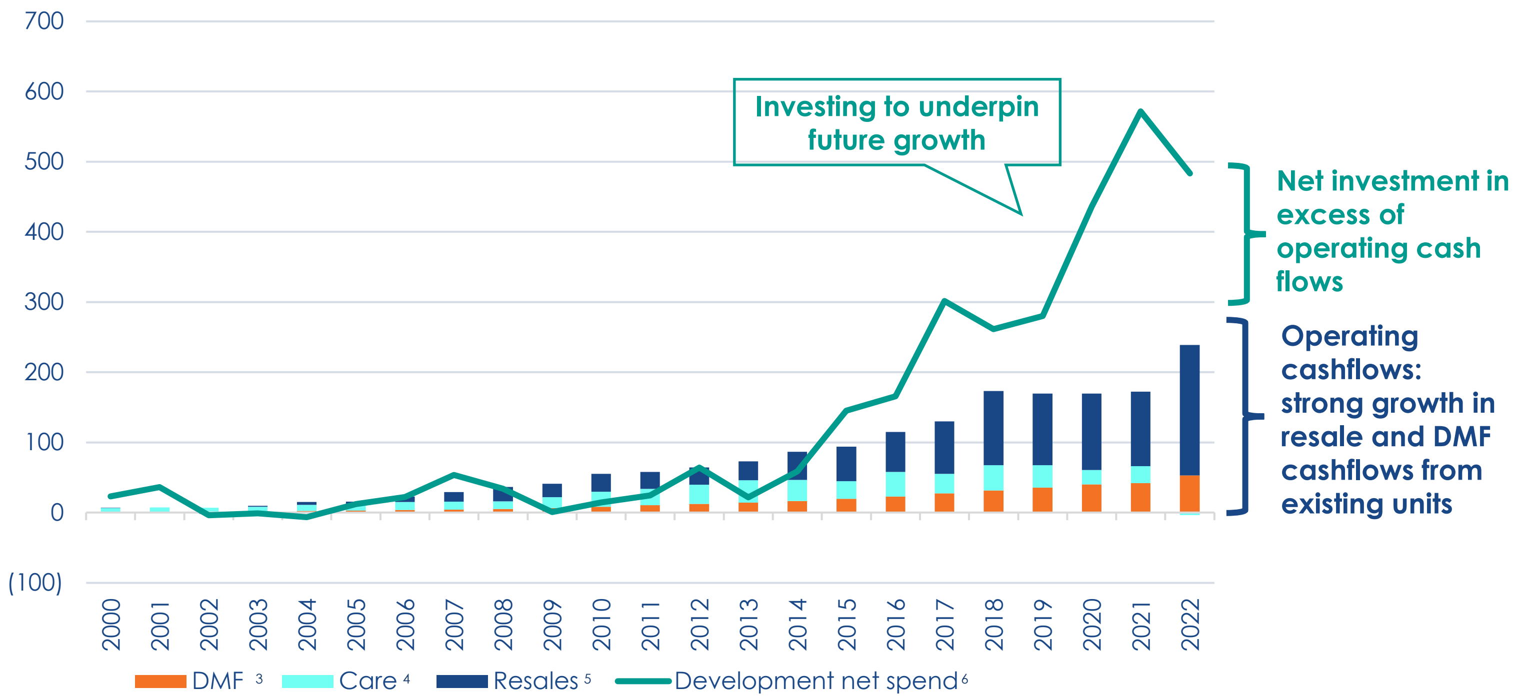
10 villages expected to be completed in the next three years

6,710 units in current land bank[2]

Care / retirement village mix to be further optimised

### Significant historical development expenditure expected to underpin future growth; but has resulted in significant debt levels[1]

Operating and net investing cash flow ($m)




1. Please see slide 26 for further detail on the sources of debt. 2. As at 30 September 2022. 3. Represents cashflows generated from deferred management fees. 4. Represents cashflows generated from aged care operations. 5. Represents cashflows generated from the resale of ORA contracts on existing units. 6. Represents cashflows generated from the sale of new ORAs deducting net investing cashflows (excluding advances to employees).

# Ryman's growth framework

## Ryman's integrated business model across the continuum of care is expected to drive growth, enhancing embedded value[1] and improving cash flows

### Developing villages
Expansion into high value areas

**Under construction**

- **15 villages under construction, with 6 currently slowed and/or paused**
- Targeting delivering ~2,202 new units and ~824 new care beds in the next 5 years

+

**Existing land bank[3]**

- 12 sites already owned, where construction is yet to begin representing ~3,529 units/beds
- 2 operational villages not currently under construction representing 155 units/beds
- High proportion of retirement village units relative to care beds for planned developments

+

**Future portfolio growth**

- Opportunities to grow the portfolio through selective land purchases

### Operating villages
Delivering underlying profit[2] growth

- **45 villages with $2.57bn of embedded value[1]**
  - Resale gains of $1.95bn – future cash flows
  - Accrued DMF of $0.62bn – future cash flows
- **Ryman expects that embedded value[1] in villages will grow** as Ryman develops and sells new village units (creating future DMF earnings) and continues to sell existing villages in an environment of a growing demographic with increasing wealth (creating future resale gains)
- **Ryman's purpose is founded in high quality care** that is 'good enough for Mum or Dad', and together with the continuum of care offered remains its competitive advantage and a key reason residents choose Ryman and are willing to pay a premium for Ryman's retirement village units

1. Embedded value is a non-GAAP measure and reflects the resale bank (the difference between the price paid by the last resident and the price that would be paid by an incoming resident across the portfolio), accrued management fees and resident loans. As at 30 September 2022. 2. Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Refer to slide 34 for a reconciliation of reported profit after tax to underlying profit. 3. 6,710 units/beds in land bank include the 2,202 units and 824 care beds above, 3,529 currently under construction and 155 beds/units at sites already owned but not currently under construction.

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# Trading update

# FY23F trading update

## Demand for Ryman's premium offering remains resilient

### Developing villages update

**Delivery of new units and beds**

- 600 new retirement village units and 215 new care beds are expected to be completed in 2H23F, bringing FY23F expected deliveries to ~1,000 units and beds

**Land bank of 6,710 units and beds**

- Acquisition of 3 new sites during the FY23F year to date

**Development sales**

- Total new sales transacted value for FY23 YTD (nine months to 31 Dec 2022) is above the corresponding period in FY22A
- Average new sale prices for FY23 3Q[1] are higher than FY22A, driven by Auckland and Melbourne developments
- Value of new units under contract but not settled have reduced from $512m at 30 September 2022 to $406m at 31 January 2023

### Operating villages update

**FY23 3Q[1] performance**

**Resales**

- Average resales prices higher than FY22A
- Resale margin and average days to sell broadly in line with 1H23A
- Resale average days to settle increasing 4% on 1H23A
- Total resales value remains strong
  - FY23 YTD (nine months to 31 Dec 2022) total resales value is above the corresponding period in FY22A

**Aged care operations**

- Aged care occupancy across mature sites improved to 95%, up from the 1H23A average of 94%

**FY23F outturn**

- Inventory levels targeting <2% available stock in FY23F
- Forecast cash DMF of ~$31m in 2H23F

Note: This slide contains forward looking statements or opinions. Please refer to the Important Notice and Disclaimer with respect to such statements starting on slide 2. 1. Commentary reflects performance from 1 October 2022 to 31 December 2022 unless otherwise stated.

# Outlook

**Ryman's outlook for FY24F and beyond assumes (1) there is no sustained downturn in the property market in the markets in which Ryman operates, materially impacting Ryman's ability to maintain pricing on new unit sales and resales, or slowing the rate of sales; (2) recent improved aged care occupancy rates are maintained; and (3) there are no further material COVID-related impacts on Ryman's business operations. Outlook to be read in conjunction with the Key Risks in Appendix 2**

## Underlying profit

- FY23F underlying profit[1] guidance in the range of $280 million - $290 million[2], an increase of 10 – 14% compared to FY22A
- FY24F underlying profit[1] is expected to grow within a range of 10 - 15% compared to FY23F underlying profit[1,3]
- Ryman's $2.57b in embedded value and $1.56bn in development work in progress is expected to support continued growth in underlying profit as villages mature and existing developments are delivered

## Development rate[4] – FY24/25F

- Ryman has revised its development pipeline to reflect prudent management decisions made in response to elevated debt levels and a changing market environment
- These decisions included a pause on certain construction projects and a delay in commencing specific higher density developments
- Following completion of the Offer, Ryman intends to re-commence construction of certain projects on a staggered basis and the delivery of its re-prioritised pipeline
- Ryman's re-prioritised development pipeline is to deliver approximately 1,000 new retirement village units and care beds in FY23F[2], 750-800 new retirement village units and care beds in FY24F, and 850-900 new retirement village units and care beds in FY25F to reflect prudent management in changing market conditions

## Development strategy and outlook

- Beyond FY25F and subject to market conditions at the time, Ryman intends to return the build rate to its original growth profile, targeting delivering approximately 1,300 units and beds in FY27F and 10% annual growth thereafter
- Future developments are expected to be more weighted toward retirement village units in order to right-size Ryman's care offering and maximise returns. As such, Ryman expects to develop 40-80 care beds per village (at its new developments) and materially reduce the ratio of care beds to retirement village units across its portfolio

## Cash flow and gearing

- Subject to property market conditions and Ryman's build rate in FY24F and FY25F, targeting positive net operating and investing cash flows from FY25F
- Pro-forma gearing post the Offer is expected to be approximately 34%[5], with a medium-term target range of 30% - 35%

## Dividends

- To provide additional balance sheet support, the Board has determined that no final dividend will be paid for FY23F
- The Board expects, subject to satisfactory trading performance and market conditions, to resume paying dividends in FY24F

## Governance

- The process to formally appoint a new Chair continues to progress and a short-list of candidates has been identified. Ryman remains focussed on Board renewal and maintaining a strong and diverse board in light of the upcoming retirement of George Savvides

Note: Guidance and outlook from FY24F onwards assumes the successful completion of the Offer. This slide contains forward looking statements or opinions. Please refer to the Important Notice and Disclaimer with respect to such statements starting on slide 2. 1. Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Refer to slide 34 for a breakdown of underlying profit. 2.The FY23F information presented represents unaudited nine months of actual results from 1 April 2022 to 31 December 2022 and three months of forecasts from 1 January 2023 to 31 March 2023. 3. Taking into account the impact of the Offer and the repayment of the USPP Notes. 4. Development rate is calculated as new units/beds developed divided by total units/beds. 5. Refer to slide 27 for further detail on pro-forma calculations, gearing is calculated as net debt / (net debt + equity), pre-IFRS 16.

RYMAN HEALTHCARE

RYMAN HEALTHCARE

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# Capital structure update

# Capital management overview

Alongside current operating initiatives, a range of capital management tools are being implemented to better enable Ryman to execute its more commercially focussed and capital disciplined growth framework, and includes the delivery of Ryman's significant development pipeline

## Capital management initiatives

- $902m underwritten pro rata entitlement offer to reset Ryman's capital structure to ensure there are sufficient funds to execute on the Company's growth strategy and strengthen Ryman's balance sheet by repaying all USPP Notes and reduce pro-forma gearing from 45.3%[1] to 33.9%[2]
- Focus on lower density, capital efficient townhouse style developments and rightsizing care offering
- Introducing care suites
- Increasing RAD take-up across the group
- Introduction of medium-term target gearing range of 30% - 35%[2]

1. As at 30 September 2022. 2. Refer to slide 27 for further detail on pro-forma calculations, gearing is calculated as net debt / (net debt + equity), pre-IFRS 16. 2. Pro-forma gearing reflects net equity proceeds after transaction costs of approximately $30m and costs associated with full repayment of the USPP Notes, currently estimated to be approximately $134m. $134m costs associated with repayment of the USPP exclude accrued interest and are subject to movements in foreign exchange and interest rates and may differ from the current estimate.

# Lender update

**Banking syndicate update**

- Ryman has received approval from the majority of lenders for an amendment to the Interest Coverage Ratio (ICR) covenant until March 2026 on all institutional facilities, with further approvals not required
- Ryman sought an amendment to the Interest Coverage Ratio covenant as a precautionary change given the recent rapid changes in interest costs
  - This covenant is to be amended as set out below. The covenant is calculated based on adjusted EBIT[1] and interest cost

| | Mar-23 | Sep-23 | Mar-24 | Sep-24 | Mar-25 | Sep-25 | Mar-26 |
|---|---|---|---|---|---|---|---|
| ICR covenant | 1.75x | 1.75x | 1.75x | 1.75x | 1.75x | 2.00x | 2.25x |

**ITL update**

- ITL counterparties have provided the same Interest Coverage Ratio covenant amendment as the banking syndicate

**USPP update**

- Net equity proceeds of $872 million[2] from the Offer will be used to repay the USPP Notes and associated costs in full
  - Costs associated with full repayment of the USPP Notes are currently estimated at approximately $134m[3]

**Retail bonds**

- There will be no change to the existing retail bond covenants and no approvals required

**Other covenants**

- There has been no change to the Debt to Equity Covenant[4] and Guaranteeing Group Coverage Covenant[5] which are applicable to the banking syndicate, retail bond and ITL

1. A non-GAAP measure, which reflects Underlying EBIT (a non-GAAP measure) less the impact of non-cash DMF accruals. 2. Net equity proceeds is after payment of transaction costs of $30m but before costs associated with the full repayment of the USPP Notes. 3. $134m costs associated with repayment of the USPP exclude accrued interest and are subject to movements in foreign exchange and interest rates and may differ from the current estimate. 4. The ratio of Total Liabilities of the Ryman Group (after deducting the aggregate value of all Resident Occupancy Advances, Australian Resident Loans and Accommodation Bonds owing or held by the Ryman Group) to Net Tangible Assets of the Ryman Group is no greater than1.0:1.0. 5. The Total Tangible Assets and Adjusted EBIT of the Guaranteeing Group must represent not less than 90% of the Total Tangible Assets and Adjusted EBIT of the Ryman Group taken as a whole.

# Pro-forma financial profile – funding facilities

| As at 30 September 2022 $m | Pre Offer Balance | Impact of Offer | Pro-forma (unaudited) post Offer Balance |
|---|---|---|---|
| Bank loans | 1,879 | - | 1,879 |
| Institutional term loan (ITL) | 285 | - | 285 |
| Retail bonds | 150 | - | 150 |
| USPP Notes | 709 | (709) | - |
| Other[1] | 4 | (16) | (12) |
| **Total debt** | **3,026** | **(725)** | **2,301** |
| Cash[2] | 26 | 30 | 56 |
| **Net debt** | **3,000** | **(754)** | **2,246** |
| **Gearing[3] (%)** | ***45.3%*** | | ***33.9%*** |

## Key assumptions

- Assumes gross offer proceeds of $872m net of transaction costs applied to the full repayment of USPP Notes and costs associated with the repayment of USPP Notes[2]
- Assumes Ryman continues to retain undrawn lines on bank debt facilities to provide additional financial flexibility

## Other

- Upon completion of the Offer, Ryman will have over $500m of undrawn bank facilities including two new standby facilities from ANZ and Westpac
- The only FY24F debt maturity is currently a $142m[4] bank facility due in September 2023
- ITL, retail bond and USPP balances are shown at face value

1. Other line includes the reversal of capitalised USPP costs, FX movement and hedge revaluation balances. 2. Cash balance represents gross offer proceeds of $902m less the repayment of USPP Notes, costs associated with full repayment of the USPP Notes currently estimated at approximately $134m, and other transaction costs of approximately $30m. The repayment amount to be made by Ryman is expected to be approximately $843m which includes $134m of costs associated with full repayment. $134m costs associated with repayment of the USPP exclude accrued interest and are subject to movements in foreign exchange and interest rates and may differ from the current estimate. 3. Gearing calculated as net debt / (net debt + equity), pre-IFRS 16. 4. A$125m facility converted to NZD at an AUD/NZD rate of 0.8781.

# Pro-forma financial profile – balance sheet information and proposed use of proceeds

| | Pro-forma balance sheet (as at 30 September 2022) unaudited | | |
|---|---|---|---|
| **$m** | **Reported (pre Offer)** | **Adjustment** | **Pro-forma (unaudited) post Offer** |
| Cash and cash equivalents[1] | 26 | 30 | 56 |
| Other assets | 1,041 | - | 1,041 |
| Property, plant & equipment | 2,230 | - | 2,230 |
| Investment properties | 8,737 | - | 8,737 |
| **Total assets** | **12,033** | **30** | **12,063** |
| Occupancy advances (non-interest bearing) | 4,632 | - | 4,632 |
| Interest bearing liabilities | 3,026 | (725) | 2,301 |
| Other liabilities | 748 | - | 748 |
| **Total liabilities** | **8,405** | **(725)** | **7,681** |
| **Shareholder funds[1]** | **3,628** | **754** | **4,382** |

Note: The information shown is for illustrative processes only and does not represent the company's actual financial position. Balance sheet information presented on a condensed basis compared to the actual historical balance sheet. 1. Cash balance represents gross offer proceeds of $902m less the repayment of USPP Notes, costs associated with full repayment of the USPP Notes currently estimated at approximately $134m, and other transaction costs of approximately $30m. $134m costs associated with repayment of the USPP exclude accrued interest and are subject to movements in foreign exchange and interest rates and may differ from the current estimate.

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# Offer details and timetable

# Offer overview

**This summary is to be read in conjunction with the Offer Document**

| | |
|---|---|
| **Offer size and structure** | • Underwritten 1 for 2.81[1] pro rata accelerated entitlement offer with retail entitlements trading expected to raise $902m (**Offer**)<br>• Approximately 180m New Shares to be issued under the Offer representing approximately 35.6% of the existing shares on issue |
| **Offer price** | • Offer price of $5.00 per New Share<br>- 17.1% discount to the theoretical ex-rights price (**TERP**)[2] of $6.03<br>- 21.9% discount to Ryman's closing price of $6.40 on the NZX on Tuesday 14 February 2023 |
| **Institutional Entitlement Offer** | • Institutional Entitlement Offer opens today, Wednesday 15 February 2023 and closes on Thursday 16 February 2023[3]<br>• Institutional entitlements not taken up and entitlements of ineligible institutional shareholders will be sold in the institutional shortfall bookbuild which opens on Thursday 16 February 2023 and closes on Friday 17 February 2023 |
| **Retail Entitlement Offer** | • Eligible retail shareholders have a number of options under the Retail Entitlement Offer, as follows:<br>- Elect to subscribe for all or part of their pro rata entitlements from 9:00am (NZDT) on the Retail Entitlement Offer open date of Tuesday, 21 February 2023 and by 5:00pm (NZDT) on the Retail Entitlement Offer close date of Monday, 6 March 2023<br>- For those who elect to subscribe for all of their entitlements, apply for additional New Shares in the retail shortfall bookbuild<br>- Sell or transfer all or some of their retail entitlements. Retail entitlements may be traded on the NZX from Monday, 20 February 2023 to Tuesday, 28 February 2023<br>- Do nothing and let their retail entitlements be offered for sale through the retail shortfall bookbuild process managed by the Joint Lead Managers with any proceeds in excess of the offer price paid to the shareholder |
| **Participation by major shareholders** | • Reflecting their commitment to Ryman, we are pleased to confirm that all directors of the company intend to participate in the Offer. Interests associated with co-founder Mr Kevin Hickman (Hickman Family Trust) have pre-committed to subscribe for $2m worth of New Shares in the Offer. Mr Geoffrey Cumming, a long-standing significant shareholder and a director, has pre-committed to subscribe for, through his personal holding company, $25m of New Shares in the Offer. Each of those shareholders has the right to apply for further New Shares in accordance with the terms of the Offer |
| **Ranking** | • New Shares are the same class as, and will rank equally with existing ordinary shares from their time of issue |
| **Record Date** | • 5:00pm (NZDT) Friday 17 February 2023 |
| **Risks** | • Refer to Appendix 2 for a summary of key risks associated with an investment in Ryman and the Offer |
| **Underwriting** | • Underwritten by Macquarie Securities (NZ) Limited and UBS New Zealand Limited |
| **Application of proceeds** | • All net proceeds from the Offer (expected to be $872m after transaction costs) will be used to reset Ryman's capital structure to ensure there are sufficient funds to execute on the Company's growth strategy and strengthen Ryman's balance sheet by repaying all USPP Notes and associated costs, reducing pro-forma gearing from 45.3% to 33.9% |

1. Fractional entitlements to New Shares to be rounded down to the nearest whole number of New Shares. 2. TERP is the theoretical price at which Ryman shares trade immediately after the ex date for the Offer. TERP is a theoretical calculation only and the actual price at which Ryman shares trade on the NZX immediately after the ex date for the Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of the Ryman share price as traded on NZX on Tuesday 14 February 2023 being the last trading day prior to the announcement of the Offer. 3. Institutional Entitlement Offer for Australian, New Zealand and certain Asia-Pacific region investors closes on Wednesday 15 February 2023. For all other regions the Institutional Entitlement Offer closes on Thursday 16 February 2023.

Image: Artist's impressions of Cambridge village.

# Key Offer dates

| Event | Date |
|---|---|
| Trading halt and announcement of Offer, Institutional Entitlement Offer Opens | Wednesday, 15 February 2023 |
| Institutional Entitlement Offer closes[1] | Thursday, 16 February 2023 |
| Institutional Entitlement Offer shortfall bookbuild opens | Thursday, 16 February 2023 |
| Institutional Entitlement Offer shortfall bookbuild closes | Friday, 17 February 2023 |
| Record date for the Entitlement Offer (5:00pm NZDT) | Friday, 17 February 2023 |
| Announce results of Institutional Entitlement Offer | Monday, 20 February 2023 |
| Trading halt is lifted and Ryman shares recommence trading on an "ex-entitlement" basis | Monday, 20 February 2023 |
| Retail entitlements commence trading on the NZX on deferred settlement basis | Monday, 20 February 2023 |
| Retail Entitlement Offer opens (9:00am NZDT) | Tuesday, 21 February 2023 |
| Retail entitlements commence trading on a normal settlement basis | Friday, 24 February 2023 |
| Settlement, allotment and normal trading of New Shares issued under the Institutional Entitlement Offer | Friday, 24 February 2023 |
| Close of retail entitlements trading on the NZX (5:00pm NZDT) | Tuesday, 28 February 2023 |
| Retail Entitlement Offer closes (5:00pm NZDT) | Monday, 6 March 2023 |
| Trading halt commences and announce results of Retail Entitlement Offer | Wednesday, 8 March 2023 |
| Retail Entitlement Offer shortfall bookbuild opens | Wednesday, 8 March 2023 |
| Retail Entitlement Offer shortfall bookbuild closes | Thursday, 9 March 2023 |
| Announce results of Retail Entitlement Offer shortfall bookbuild and trading halt lifted | Friday, 10 March 2023 |
| Settlement, allotment and normal trading of New Shares issued under the Retail Entitlement Offer | Tuesday, 14 March 2023 |
| Dispatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer | Tuesday, 14 March 2023 |

Dates and times are indicative only and subject to change without notice. Ryman reserves the right to alter the dates in this presentation at its discretion and without notice. 1. Institutional Entitlement Offer for Australian, New Zealand and certain Asia-Pacific region investors closes on Wednesday 15 February 2023. For all other regions the Institutional Entitlement Offer closes on Thursday 16 February 2023.

APPENDIX

# Appendix 1: Supplementary materials

# Ryman's long-term strategy

**PURPOSE** — Enhancing freedom, connection and well-being for people as we grow older.

**BRAND POSITIONING** — Ryman puts great care into creating communities that challenge the conventions of ageing.

**OUR AMBITION** — Grow underlying profit | Maintain high occupancy | Achieve resident NPS target | Achieve staff NPS target | Achieve carbon emissions target

## STRATEGIC QUADRANTS

THE BEST CONTINUUM OF CARE FOR AGEING WELL

UNPARALLELED RESIDENT EXPERIENCE


EXPANSION TARGETING HIGH-VALUE

LEADERSHIP FOR SUSTAINABLE PERFORMANCE

**ENABLERS** — People and Safety | Technology and Digital Innovation | Brand | Financial and Capital Management

**CHARACTERISTICS** — Kindness and Care · Resilience and Composure · Communication · Strive for Excellence · Strong Teams · Lead and Empower

# Cash flow reconciliation

| $m | 1H23A | FY22A | FY21A |
|---|---|---|---|
| **Operating activities** | | | |
| New Sales receipts | 163 | 384 | 331 |
| Resident fee receipts | 213 | 401 | 361 |
| Payments to suppliers and employees | (252) | (435) | (421) |
| RAD (net) | 45 | 87 | 28 |
| Resales receipts | 294 | 525 | 457 |
| DMF cash | 29 | 50 | 48 |
| Resale payments to residents | (231) | (396) | (372) |
| Interest received | - | - | - |
| Interest paid | (17) | (29) | (19) |
| **Net operating cash flows** | **244** | **586** | **413** |

| $m | 1H23A | FY22A | FY21A |
|---|---|---|---|
| **Investing activities** | | | |
| Purchase of property, plant and equipment | (192) | (284) | (219) |
| Purchase of intangible assets | (12) | (14) | (9) |
| Purchase of investment properties | (295) | (434) | (578) |
| Capitalised interest paid | (42) | (50) | (37) |
| Advances to employees | 0 | (4) | (1) |
| **Net investing cash flows** | **(541)** | **(787)** | **(844)** |
| **Financing activities** | | | |
| Drawdown of bank loans | 361 | 327 | 530 |
| Dividends paid | (68) | (112) | (107) |
| Purchase of treasury stock (net) | 3 | (3) | (3) |
| Repayment of lease liabilities | (2) | (3) | (2) |
| **Net financing cash flows** | **294** | **209** | **417** |
| **Net cash flow** | **(2)** | **8** | **(14)** |
| **Net cashflow per financials** | **(2)** | **8** | **(14)** |

# Reported (IFRS) profit reconciliation

| | 6 months to 30 Sep 22 | | | 6 months to 30 Sep 21 | | | 12 months to 31 Mar 22 | | |
|---|---|---|---|---|---|---|---|---|---|
| $m | NZ | Aust | Group | NZ | Aust | Group | NZ | Aust | Group |
| Underlying profit (non-GAAP) | 112 | 27 | **139** | 93 | 3 | **96** | 204 | 51 | **255** |
| Unrealised revaluations of investment properties | 50 | 40 | **89** | 179 | 0 | **179** | 437 | 30 | **467** |
| Deferred tax (expense) / credit | (33) | 9 | **(23)** | (12) | 19 | **7** | (51) | 22 | **(29)** |
| Impairment - loss on disposal | - | (11) | **(11)** | - | - | **-** | - | - | **-** |
| Reported net profit after tax | 129 | 65 | **194** | 260 | 22 | **282** | 590 | 103 | **693** |

Underlying profit is a non-GAAP (Generally Accepted Accounting Principles) measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and so may not be comparable to similar financial information presented by other entities.

The Ryman Group uses underlying profit, with other measures, to measure performance. Underlying profit is a measure that the Ryman Group uses consistently across reporting periods.

Underlying profit includes realised movement on investment property for units in which a right-to-occupy has been sold during the period and for which a legally binding occupational right contract is in place at the reporting date. The occupancy advance for these units may have been received or be included within the trade receivables balance at reporting date.

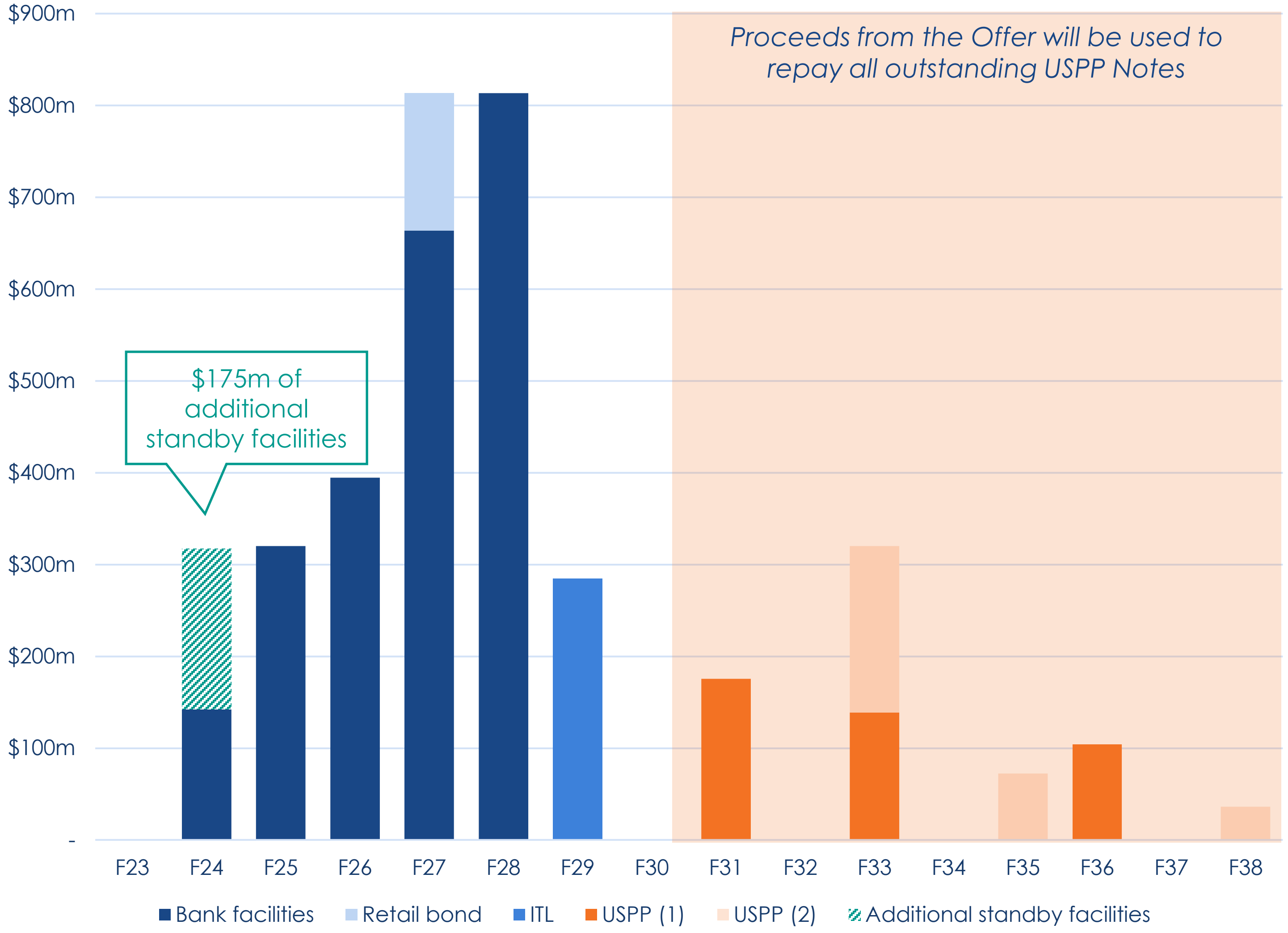
Underlying profit excludes deferred taxation, taxation expense, unrealised gains on investment properties, and impairment losses on non-trading assets because these items do not reflect the trading performance of the Ryman Group. Underlying profit is used as the basis for determining the dividend payout to shareholders.

All half year financials are unaudited.

# Debt maturity profile

Diversified funding, with a weighted average tenure on debt facilities of 4.5 years (including USPP Notes)

Weighted average tenure following repayment of USPP Notes of 3.2 years




As at 14 February 2023, represents debt maturity profile prior to any debt repayment as a result of the Offer.
Debt facility limits unchanged from 1H23A results presentation (as at 30 September 2022).

# Development pipeline: NZ

| Total sites | 15 |
|---|---|

| Sites under construction | 10 |
|---|---|

| Region | | Village | Peak capital requirement | Median house price[1] | Design | Consenting | Council approval | Construction | Village open | Village centre open | Targeted village completion |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Auckland | 1 | William Sanders | High | >$1.7m | ● | ● | ● | ● | ● | ● | 2023 |
| | 2 | Murray Halberg * | High | >$1.1m | ● | ● | ● | ● | ● | ● | 2026 |
| | 3 | Miriam Corban * | Medium | >$0.9m | ● | ● | ● | ● | ● | ○ | 2024 |
| | 4 | Keith Park * | High | >$1.0m | ● | ● | ● | ● | ● | ○ | 2025 |
| | 5 | Takapuna * | Medium | >$1.5m | ● | ● | ● | ● | ○ | ○ | TBC |
| | 6 | Karaka | Low | >$1.3m | ● | ● | ○ | ○ | ○ | ○ | TBC |
| Rest of New Zealand | 1 | Linda Jones | Medium | >$0.9m | ● | ● | ● | ● | ● | ● | 2023 |
| | 2 | James Wattie | Low | >$1.0m | ● | ● | ● | ● | ● | ○ | 2024 |
| | 3 | Kevin Hickman * | Low | >$0.7m | ● | ● | ● | ● | ● | ○ | 2025 |
| | 4 | Northwood * | Low | >$0.7m | ● | ● | ● | ● | ○ | ○ | 2026 |
| | 5 | Cambridge | Low | >$0.9m | ● | ● | ● | ● | ○ | ○ | 2026 |
| | 6 | Park Terrace | High | >$1.1m | ● | ● | ● | ○ | ○ | ○ | TBC |
| | 7 | Karori | High | >$0.9m | ● | ● | ● | ○ | ○ | ○ | TBC |
| | 8 | Rolleston | Low | >$0.8m | ● | ● | ○ | ○ | ○ | ○ | TBC |
| | 9 | Taupō | Low | >$0.8m | ● | ○ | ○ | ○ | ○ | ○ | TBC |

As at 31 January 2023. * denotes villages currently slowed and/or paused. 1. Median house price is in New Zealand dollars and reflects the median house price in the catchment area. Targeted village completion is a calendar year date. It is based on current estimates and may vary from the final completion date. Real Estate Institute of NZ and Real Estate Institute of Victoria, average median sales price for the 6-months to September 2022 for each village's catchment area - generally the suburbs immediately surrounding the village.

# Development pipeline: Australia

| Total sites | 10 |
|---|---|

| Sites under construction | 5 |
|---|---|

| | Peak capital requirement | Median house price[1] | Design | Consenting | Council approval | Construction | Village open | Village centre open | Targeted village completion |
|---|---|---|---|---|---|---|---|---|---|
| 1 John Flynn | High | >$1.2m | ● | ● | ● | ● | ● | ● | 2023 |
| 2 Nellie Melba | Medium | >$1.5m | ● | ● | ● | ● | ● | ● | 2024 |
| 3 Deborah Cheetham | Low | >$1.4m | ● | ● | ● | ● | ● | ○ | 2024 |
| 4 Bert Newton | Medium | >$1.8m | ● | ● | ● | ● | ○ | ○ | 2024 |
| 5 Ringwood East | High | >$0.9m | ● | ● | ● | ● | ○ | ○ | 2026 |
| 6 Mulgrave | Low | >$1.2m | ● | ● | ● | ○ | ○ | ○ | TBC |
| 7 Mt Eliza | High | >$1.8m | ● | ● | ● | ○ | ○ | ○ | TBC |
| 8 Essendon | Medium | >$1.4m | ● | ● | ○ | ○ | ○ | ○ | TBC |
| 9 Kealba | Low | >$1.0m | ● | ○ | ○ | ○ | ○ | ○ | TBC |
| 10 Coburg North | High | >$1.0m | ● | ○ | ○ | ○ | ○ | ○ | TBC |
| **No longer included in development pipeline** | | | | | | | | | |
| 1 Charles Brownlow | Low | >$0.9m | ● | ● | ● | ● | ● | ● | Complete |
| 2 Raelene Boyle | Medium | >$2.0m | ● | ● | ● | ● | ● | ● | Complete |
| 3 Mt Martha | Low | >$1.8m | | | | | | | Under contract |

As at 31 January 2023. 1. Median house price is in New Zealand dollars and reflects the median house price in the catchment area. Targeted village completion is a calendar year date. It is based on current estimates and may vary from the final completion date. Real Estate Institute of NZ and Real Estate Institute of Victoria, average median sales price for the 6-months to September 2022 for each village's catchment area - generally the suburbs immediately surrounding the village.

# Asset base: NZ beds / units (ex Auckland)

| Village | Location | Hospital | Dementia | Resthome | Serviced | Independent | Total |
|---|---|---|---|---|---|---|---|
| Anthony Wilding | Christchurch | 80 | 33 | 35 | 50 | 110 | 308 |
| Bob Owens | Tauranga | 40 | 40 | 40 | 79 | 218 | 417 |
| Bob Scott | Petone | 40 | 40 | 34 | 89 | 254 | 457 |
| Charles Fleming | Waikanae | 40 | 40 | 40 | 79 | 201 | 400 |
| Charles Upham | Rangiora | 40 | 40 | 40 | 87 | 264 | 471 |
| Diana Isaac | Christchurch | 40 | 40 | 40 | 79 | 256 | 455 |
| Ernest Rutherford | Nelson | 49 | 25 | 20 | 75 | 124 | 293 |
| Essie Summers | Christchurch | 41 | 24 | 30 | 58 | 22 | 175 |
| Frances Hodgkins | Dunedin | - | - | 51 | 32 | 42 | 125 |
| Hilda Ross | Hamilton | 68 | 40 | 43 | 51 | 167 | 369 |
| James Wattie | Hawkes Bay | - | - | - | - | 123 | 123 |
| Jane Mander | Whangarei | 60 | 32 | 20 | 71 | 183 | 366 |
| Jane Winstone | Wanganui | 20 | 20 | 29 | 50 | 54 | 173 |
| Jean Sandel | New Plymouth | 39 | 33 | 39 | 62 | 171 | 344 |
| Julia Wallace | Palmerston North | 43 | 21 | 20 | 50 | 111 | 245 |
| Kevin Hickman | Christchurch | - | - | - | - | 62 | 62 |
| Kiri Te Kanawa | Gisborne | 46 | 15 | 34 | 62 | 105 | 262 |
| Linda Jones | Hamilton | 40 | 40 | 40 | 93 | 214 | 427 |
| Malvina Major | Wellington | 90 | - | 30 | 39 | 123 | 282 |
| Margaret Stoddart | Christchurch | - | - | 46 | 21 | 20 | 87 |
| Ngaio Marsh | Christchurch | 81 | - | 30 | 40 | 119 | 270 |
| Princess Alexandra | Napier | 60 | 24 | 24 | 54 | 72 | 234 |
| Rita Angus | Wellington | 49 | - | 20 | 49 | 99 | 217 |
| Rowena Jackson | Invercargill | 70 | 26 | 61 | 46 | 103 | 306 |
| Shona McFarlane | Lower Hutt | 59 | - | 20 | 50 | 130 | 259 |
| Woodcote | Christchurch | - | - | 49 | 7 | 18 | 74 |
| Yvette Williams | Dunedin | 57 | 30 | 3 | 32 | - | 122 |
| **Total New Zealand (ex Auckland)** | | **1,152** | **563** | **838** | **1,405** | **3,365** | **7,323** |

As at 31 January 2023.

# Asset base: Auckland beds / units

| Village | Location | Hospital | Dementia | Resthome | Serviced | Independent | Total |
|---|---|---|---|---|---|---|---|
| Bert Sutcliffe | Birkenhead | 40 | 40 | 40 | 81 | 225 | 426 |
| Bruce McLaren | Howick | 41 | 40 | 42 | 74 | 192 | 389 |
| Edmund Hillary | Remuera | 114 | 30 | 50 | 60 | 372 | 626 |
| Evelyn Page | Orewa | 60 | 37 | 20 | 65 | 248 | 430 |
| Grace Joel | St Heliers | 77 | - | 20 | 76 | 71 | 244 |
| Keith Park | Hobsonville | - | - | - | - | 84 | 84 |
| Logan Campbell | Greenlane | 43 | 30 | 43 | 80 | 116 | 312 |
| Miriam Corban | Henderson | - | - | - | - | 132 | 132 |
| Murray Halberg | Lynfield | 42 | 42 | 40 | 86 | 158 | 368 |
| Possum Bourne | Pukekohe | 40 | 40 | 40 | 84 | 259 | 463 |
| William Sanders | Devonport | 40 | 36 | 36 | 77 | 183 | 372 |
| **Total Auckland** | | **497** | **295** | **331** | **683** | **2,040** | **3,846** |
| **Total New Zealand** | | **1,649** | **858** | **1,169** | **2,088** | **5,405** | **11,169** |

As at 31 January 2023.

# Asset base: Australia beds / units

| Village | Location | Hospital | Dementia | Resthome | Serviced | Independent | Total |
|---|---|---|---|---|---|---|---|
| Charles Brownlow | Victoria | 40 | 30 | 30 | 59 | 80 | 239 |
| Deborah Cheetham | Victoria | 20 | 20 | 20 | - | 48 | 108 |
| John Flynn | Melbourne | 38 | 38 | 38 | 96 | 174 | 384 |
| Nellie Melba | Melbourne | 80 | 39 | 74 | 86 | 256 | 535 |
| Raelene Boyle | Melbourne | 25 | 25 | 24 | 27 | 64 | 165 |
| Weary Dunlop | Melbourne | 30 | 20 | 32 | 48 | 200 | 330 |
| Essendon Terrace | Melbourne | - | - | - | - | 36 | 36 |
| **Total Australia** | | **233** | **172** | **218** | **316** | **858** | **1,797** |

| New Zealand and Australia | | | | | | |
|---|---|---|---|---|---|---|
| **Total Group** | **1,882** | **1,030** | **1,387** | **2,404** | **6,263** | **12,966** |

| | % of asset base | Total |
|---|---|---|
| Care beds (hospital, dementia, resthome) | 33% | 4,299 |
| Serviced RV units | 19% | 2,404 |
| Independent RV units | 48% | 6,263 |
| **Total RV units & care beds** | **100%** | **12,966** |

As at 31 January 2023.

# Land bank: New Zealand

| Existing villages | Location | Hospital | Dementia | Resthome | Serviced | Independent | Total |
|---|---|---|---|---|---|---|---|
| Grace Joel | Auckland | - | - | - | - | 96 | 96 |
| James Wattie | Hawkes Bay | 35 | 35 | 20 | 78 | 24 | 192 |
| Jean Sandel | New Plymouth | - | - | - | - | 59 | 59 |
| Keith Park | Auckland | 40 | 40 | 40 | 101 | 192 | 413 |
| Kevin Hickman | Christchurch | 20 | 20 | 40 | 65 | 169 | 314 |
| Linda Jones | Hamilton | - | - | - | - | 34 | 34 |
| Miriam Corban | Auckland | 20 | 20 | 20 | 77 | 75 | 212 |
| Murray Halberg | Auckland | - | - | - | - | 183 | 183 |
| William Sanders | Auckland | - | - | - | - | 6 | 6 |
| **Total existing villages** | | **115** | **115** | **120** | **321** | **838** | **1,509** |

| New sites | Location | Hospital | Dementia | Resthome | Serviced | Independent | Total |
|---|---|---|---|---|---|---|---|
| Cambridge | Waikato | 20 | 40 | 20 | 60 | 185 | 325 |
| Karaka | Auckland | 20 | 40 | 20 | 60 | 216 | 356 |
| Karori | Wellington | 20 | 20 | 20 | 68 | 180 | 308 |
| Kohimarama | Auckland | 20 | 20 | 40 | 93 | 123 | 296 |
| Newtown | Wellington | 20 | 15 | 20 | 56 | 40 | 151 |
| Northwood | Christchurch | 30 | 30 | 30 | 64 | 154 | 308 |
| Rolleston | Canterbury | 20 | 40 | 20 | 65 | 218 | 363 |
| Park Terrace | Christchurch | 20 | 35 | 15 | 54 | 155 | 279 |
| Takapuna | Auckland | 15 | 15 | 15 | 30 | 59 | 134 |
| Taupō | Waikato | 20 | 20 | 20 | 64 | 206 | 330 |
| **Total new sites** | | **205** | **275** | **220** | **614** | **1,536** | **2,850** |
| **Total land bank New Zealand** | | **320** | **390** | **340** | **935** | **2,374** | **4,359** |

Note: As at 31 January 2023. Unit and bed numbers in the land bank are from latest plans completed by Ryman's Design Team for each individual site. Land bank remain subject to resource consent and as a result the number of beds and units ultimately built may differ.

# Land bank: Australia

| Existing villages | Location | Hospital | Dementia | Resthome | Serviced | Independent | Total |
|---|---|---|---|---|---|---|---|
| Nellie Melba | Melbourne | - | - | - | - | 74 | 74 |
| Essendon | Melbourne | 30 | 30 | - | 40 | 163 | 263 |
| Deborah Cheetham | Victoria | 20 | 20 | 20 | 53 | 98 | 211 |
| **Total existing villages** | | **50** | **50** | **20** | **93** | **335** | **548** |

| New sites | Location | Hospital | Dementia | Resthome | Serviced | Independent | Total |
|---|---|---|---|---|---|---|---|
| Coburg North | Melbourne | 60 | 20 | - | 48 | 300 | 428 |
| Bert Newton | Melbourne | 30 | 19 | 30 | 45 | 85 | 209 |
| Mt Eliza | Victoria | 30 | 30 | - | 27 | 112 | 199 |
| Kealba | Melbourne | 27 | 27 | - | 73 | 140 | 267 |
| Mulgrave | Melbourne | 30 | 30 | - | 54 | 175 | 289 |
| Ringwood East | Melbourne | 40 | 40 | 40 | 54 | 237 | 411 |
| **Total new sites** | | **217** | **166** | **70** | **301** | **1,049** | **1,803** |
| **Total land bank Australia** | | **267** | **216** | **90** | **394** | **1,384** | **2,351** |
| | | | | | | | |
| **Total land bank New Zealand & Australia** | | **587** | **606** | **430** | **1,329** | **3,758** | **6,710** |

| | % of land bank | Total |
|---|---|---|
| Care beds (hospital, dementia, resthome) | 24% | 1,623 |
| Serviced RV units | 20% | 1,329 |
| Independent RV units | 56% | 3,758 |
| **Total RV units & care beds** | **100%** | **6,710** |

Note: As at 31 January 2023. Unit and bed numbers in the land bank are from latest plans completed by Ryman's Design Team for each individual site. Land bank remain subject to resource consent and as a result the number of beds and units ultimately built may differ.

RYMAN HEALTHCARE

# Glossary

| Abbreviation | Definition |
|---|---|
| **ANZ** | Australia and New Zealand |
| **ARC agreement** | Age-related residential care services agreement |
| **AU** | Australia |
| **Care bed** | Rest home, hospital and dementia level care |
| **Development net spend** | Cashflows generated from the sale of new ORAs deducting net investing cashflows (excl. advances to employees) |
| **DMF** | Deferred management fee |
| **Embedded value** | Embedded value is a non-GAAP measure and reflects the resale bank (the difference between the price paid by the last resident and the price that would be paid by an incoming resident across the portfolio), accrued management fees and resident loans |
| **FY23** | Financial Year 2023 |
| **Gearing** | Net debt / (Net debt + equity), pre IFRS-16 |
| **ILU** | Independent living unit |
| **ITL** | Institutional term loan |
| **NZ** | New Zealand |
| **ORA** | An occupation right agreement within the meaning of the Retirement Villages Act 2003 (for Villages in New Zealand) or a residence contract within the meaning of the Kaela Retirement Villages Act 1986 (Vic) (for Villages in Australia) |
| **Pro-forma** | Adjusted for the impact of the Offer |
| **RAD** | Refundable accommodation deposit |

| Abbreviation | Definition |
|---|---|
| **Resales** | The sale of an ORA contract on an existing unit when a resident departs a unit |
| **Resale gain** | Resale gains occur in the event resale price is higher than outgoing ORA |
| **Resident** | A person who is resident in a Ryman Village in an ILU, SA or care room |
| **Retirement village (RV) unit** | Any independent unit or serviced apartment |
| **RV** | Retirement village. A retirement village unit includes ILUs and SAs, excludes care beds |
| **TERP** | Theoretical ex-rights price |
| **Underlying profit** | Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Refer to slide 34 for a breakdown of underlying profit |
| **Unit** | Any independent unit or serviced apartment |
| **USPP** | US private placement |
| **Village** | Any retirement village owned by a Ryman Group member that:<br>• in New Zealand is registered as a retirement village under the Retirement Villages Act 2003, and<br>• in Australia is registered as a retirement village under The Retirement Villages Act 1986 (Vic). |
| **YTD** | Year to date, representing the period from 1 April 2022 to 31 December 2022 |

APPENDIX

# Appendix 2: Key risks

# Key risks – important: please read

This section summarises the key risks that Ryman has identified in connection with the Offer. It is critical that you read these carefully because these risks may materially adversely affect the future operating and financial performance of Ryman, and its share price.

Like any investment, there are risks associated with an investment in Ryman's shares. This section does not set out all of the risks related to an investment in Ryman shares, the future operating or financial performance of Ryman, the Offer, or general market or industry risks. The summary of key risks set out below represent Ryman's current assessment of these risks, however that may change either during the course of the Offer or following the Offer. Some risks may be unknown and other risks, currently believed to be immaterial, could turn out to be material. There is no certainty as to the severity or likelihood of any such foreseen and unforeseen impacts arising nor whether any mitigating action will be effective or can be taken. Accordingly, the key risks that Ryman faces are inherently uncertain and will continue to change.

In light of the current general macro-economic conditions (including rising levels of inflation and interest rates), the continuing impacts of Covid-19 (including supply-chain constraints, material and workforce availability) and other significant events and conflicts around the world such as the ongoing conflict in Ukraine and the risk of increased hostilities involving Russia, extra caution should be taken when assessing the risks associated with an investment in Ryman. Capital markets have seen equity securities suffer from spikes in volatility and significant, sudden price declines. Investors should be aware that the continuing effect of Covid-19 on the global economy and actions taken in response by the New Zealand government, and other governments or regulators around the world, may have a material adverse effect on Ryman, its financial performance and position, liquidity, financial condition and operations.

You should make your own assessment of the key risks set out in this section before deciding whether to invest (or invest further) in Ryman. You should also consider whether such an investment is suitable in light of your individual risk profile, investment objectives and personal circumstances (including financial and taxation issues) and you are encouraged to consult with a financial or other professional adviser.

**Property market**
The value of occupation rights for units in Ryman's villages is correlated in part to the value of residential properties in the area in which the relevant village is situated. There is current evidence of a downturn in the property market in New Zealand and Victoria, and this downturn may impact the realisable sale price or resale price of occupation rights by Ryman in many of its villages. The downturn is expected to impact the time to settle new occupation right transactions.

A reduction in demand relative to supply or a downturn may have a material impact on Ryman, including:

- it could result in a revaluation of the Ryman's property assets which weakens Ryman's balance sheet and have the potential to result in Ryman breaching its bank or bond covenants. Factors affecting property valuations include unit pricing, recycle profiling, contract types, growth rates, discount rates, terminal value, non-recoverable expenses/village outgoings and unsold (resale) stock. Ryman is expecting greater volatility in valuations of its portfolio obtained by it in the current economic climate. Despite many years of increasing independently assessed valuations of Ryman villages, there is no certainty that future valuations obtained (the next of which will be obtained as at 31 March 2023 for the purposes of Ryman's financial reporting requirements) will continue to support the current valuation levels. A reduction in these valuations would be recorded as an expense and adversely affect Ryman's reported financial performance. Such impacts on property valuations may also lead to variations in the implied value of Ryman shares or the price at which Ryman shares trade, to the extent not already anticipated by the market

RYMAN HEALTHCARE

# Key risks

**Property market (cont.)**

- in a downturn in the property market prospective residents may refrain from (or have difficulty) selling their own houses or selling them at a sufficient price to enable them to acquire occupation rights to a unit at a Ryman village. This could slow the rate of sales or settlement of occupation rights to new units (including potential cancellations of sales already made) and/or resales or settlement of occupation rights to existing units, all of which could adversely impact Ryman's cash flow and fair value of investment property. Ryman records a realised fair value movement from sales and resales when a legally binding contract with the resident is in place but does not receive the cashflow from receipt of the occupancy advance until settlement occurs (which is generally when a resident moves into Ryman accommodation). Evidence of a downturn in the property market affecting Ryman is seen in recent sales transactions where, for the second half of FY23, Ryman settlements of sales of new units and resales of existing units are 0.7% and 1.3% higher respectively than the same period in the prior year. Part of this is due to the extended time that new residents are taking to sell their existing home as well as being due to Ryman pausing some parts of construction at a number of villages in September 2022 to help manage cashflows. This ongoing pause in construction has reduced the number of units available for sale in FY23 compared to the number that would have been available if construction at all villages had continued throughout this period. A reduction in sales or resales of occupation rights will result in less capital being provided to Ryman's business by way of interest free loan and will reduce the amount that may be recovered by Ryman in the future by way of deferred management fees. This is because Ryman's Occupation Rights Agreements with residents for independent and serviced units provide for residents to pay this deferred management fee of up to a capped amount of their occupancy advance, payment of which is set off against the repayment of occupancy advances in the future. Unsold units do not generate any returns to cover village cost or DMF, and may contribute to lower prices (see below) or require higher rates of refurbishment, and
- thirdly, a fall in the broader property markets (and/or slower sales and increased stock), may impact the prices that Ryman achieves for its new villages and/or resales of its existing villages. There is also often a material margin between the median house price in an area and the average occupancy advance for an independent or serviced unit at a Ryman village in that area (which is lower than that median house price). In a falling property market this margin may be eroded, which may put negative pressure on prices and reduce proceeds compared to expectations. Should the market pricing result in increased discounting on new sales that would reduce development margins and proceeds from new sales, and similarly on resales should this result in lower achieved pricing this would reduce resale margins. Should this fall to a point where the resale price (less the cash DMF collected) is lower than the price the unit was previously sold for, this would result in a net cash outflow from the business for resales.

The impact of a downturn in the property market will depend on both the extent of the downturn and the particular markets affected. For example, a downturn in the Auckland or Victoria property markets (where Ryman has or will have many of its largest and highest-value villages, and a large portion of its near-term sales) would be expected to have a greater impact on Ryman's cash flows and revenue streams than a downturn in a market where there are a smaller number of villages.

Ryman assumes an occupation term for each of its villages based upon its observed, historical average tenure across the portfolio. If residents stay longer, that reduces the DMF accrued on the unit once the cap on the DMF is reached, and delays the cash received for DMF and resale gains that is modelled by Ryman.

Ryman's ability to acquire new sites for villages and develop those villages is also influenced by Ryman's endeavours to recycle capital from sales of units in developed villages. A downturn in a property market affecting Ryman could slow Ryman's ability to recycle capital, which may impact on the timeframes for the acquisition and development of sites. Ryman's ability to acquire new sites for villages and develop those villages is dependent on the availability of suitable sites to purchase. Potential sellers may be unwilling to sell in a depressed housing market. This may impede Ryman's growth strategy and its future financial performance.

These factors, as well as the introduction of other supply in Ryman markets, could have a material adverse effect on Ryman.

# Key risks

**Portfolio valuation risk**

Valuations are a key input to Ryman's reported financial performance. ILUs and community facilities are revalued on a semi-annual basis and restated to fair value as determined by Ryman's board of directors having taken into consideration the valuation reports produced by the independent registered valuers (currently CBRE Limited and Jones Lang LaSalle). Any change in fair value is taken to the income statement. All completed care facilities (resthomes and hospitals) included within the definition of freehold land and buildings are revalued to fair value based on independent valuation reports undertaken at least every two years, unless there is sustained market evidence of a significant change in fair value. Ryman will be obtaining valuations of its investment property portfolio from both CBRE Limited and Jones Lang LaSalle, and its completed aged care facilities from CBRE in connection with the preparation of the Ryman group financial statements for the year ending 31 March 2023. Valuations ascribed to any property are influenced by a number of factors including supply and demand for property, general property market conditions, including prices of transactions in the market. Property values may change if the underlying assumptions on which the property valuations are based differ in the future. In the current economic environment (See Economic Conditions below) there is a likelihood that valuations are more volatile than in recent years and may decrease, including in a material way. Ryman does not know the extent or direction in which valuations of its properties may move but will be reporting these movements on or before 31 May 2023 as part of its usual financial reporting process. That information is not currently available to be considered as part of the Offer. There is a risk that any downward revaluations would negatively affect Ryman's share price once released.

Any decreases in value of Ryman's portfolio of properties would have a negative impact on Ryman's income statement and net assets. A valuation fall could also impact the price at which Ryman would be able to sell a property or site in the market (which may be significantly below the price paid for the property or current market values) and could affect Ryman's capacity to borrow or its ability to comply with its banking covenants. A valuation fall in the market generally may impede Ryman's growth strategy and its future financial performance if the supply of suitable development sites reduces.

**Construction**

Ryman primarily manages most of the construction of its villages itself. As such, an inability to engage contractors on time and on acceptable terms could have some impact on Ryman's development activities. An inability of Ryman or its contractors to obtain sufficient construction materials or fitout for Ryman developments may also impact Ryman's development activities. Ryman has experienced delays in the construction schedule and some difficulty in the procurement of materials and equipment since the start of 2020 which has delayed some Ryman developments, which in turn delays resident 'move-ins' and settlement. Ryman engages contractors to undertake much of the development work, and whilst it endeavours to negotiate contractual protections for it in these arrangements, it is reliant on the performance of those contractors. Ryman is indirectly exposed to the risks that its contractors face including health & safety, staffing, industrial relations, materials and equipment delays and weather (including any supply chain disruption that might arise as a result of the recent weather events in the upper North Island or any other weather events).

Construction risk affecting Ryman may also arise in other ways, including:

- a significant one-off event at a site causing a material delay in construction activities on the site (this could include a health, safety or wellbeing incident or other regulatory breach, or a severe weather event, fire or similar event);
- consents to develop or complete construction of a new or existing village (including building consents, code compliance certificates and resource consents) taking longer to obtain than planned, resulting in delays to the completion of construction;
- development cost overruns, project delays, poor quality designs, changes in residents' preferences, defects in tendering processes, government imposed lock-downs, labour shortage, issues with building and supply contracts, inability to source equipment or materials, expected sales prices and timing of expected sales not being achieved; and/or
- if there are material and systemic issues with construction methods (such as arose in the case of 'leaky buildings')

Each of these individually or combined could adversely affect cash flows and delay revenues for Ryman, which in turn could impact on Ryman's ability to meet its debt repayment obligations or its bank and bond covenants. These risks, if they were to eventuate, could also have a significant negative impact across the business, including management of operations with existing residents and new sales / resales during any period of rectification.

A serious health, safety and wellbeing, regulatory or consent issue could result in a substantial delay to construction on a site (and has occurred in recent years at a Ryman village).

A high proportion of Ryman's construction activities are centred in Auckland and Victoria, meaning interruptions to construction and/or supply of materials and equipment in these regions are likely to have a greater impact on Ryman's financial performance than where other regions are impacted by a similar occurrence. This will depend, however, on where Ryman's construction sites are located at any relevant time.

# Key risks

**Funding and interest rates**
Ryman is reliant upon continued external funding sources to support its business and execute on its strategy. Ryman's financial performance and ability to pay dividends may be negatively impacted by increased interest rates or an inability to access external debt funding on commercially acceptable terms. Ryman's borrowings are at a mix of interest rates, with approximately 50% of the debt subject to hedging arrangements that effectively fix the interest rate for the hedged debt for approximately 2 years. The average interest rate for all of Ryman's bank and bond debt as at 31 January 2023 is 5.0%. This may materially increase as current interest rate hedging arrangements mature and as interest rates change.

Upon completion of the Offer and the proposed repayment of the USPP notes, Ryman's debt maturities occur through to FY29, as shown on Slide 35 ('Debt maturity profile'). At the maturity of any of these loans, there is no certainty the loan will be able to be refinanced on the same terms currently in place.

Ryman's debt facilities contain certain financial and operational covenants, including interest coverage ratio covenants, debt to equity covenants and guaranteeing group covenants. Any breach of banking or bond covenants could result in the early enforced repayment of debt. Such repayment could incur capital losses if properties need to be sold in a short period or shareholders may be diluted if equity needs to be raised at a large discount.

**Economic conditions**
Current economic conditions may adversely affect Ryman. A high inflation and high interest cost environment is expected to adversely affect Ryman's financial performance. There is no assurance that inflation and interest rates will not continue to rise and remain high for a sustained period.

Ryman expects cost pressures in the retirement village and health sectors to continue in the medium term and has introduced a review of efficiency to consider potential cost savings throughout the organisation. A failure to control costs could lead to reduced financial performance by Ryman.

In addition to rising expenses, the significant majority of Ryman's revenue is fixed for a long term, with fixed services to be provided in return by Ryman. This fixed revenue includes the deferred management fee (which is capped as a percentage of the occupancy advance), the weekly fees payable for independent and serviced units (which are fixed for life) and government funding of care services (which is based upon a fixed amount per resident, subject to means testing). Government funding of the sector has also reduced materially in real terms over recent years as a result of inflation and general cost increases borne by operators, with a number of operators unable to continue to provide services economically and leaving this part of the industry.

Ryman believes it is important to provide a full continuum of care services for residents but the lack of government funding makes this a constraint on the overall financial performance of the business. Earnings from Ryman's care business are currently negative, primarily as a result of additional costs incurred to respond to the COVID-19 pandemic, staffing costs generally and low levels of government funding.

There is no guarantee that the current levels of government funding will not decrease in real terms or that the conditions or service scope attaching to funding will not become more onerous, including as a result of a change of government which may occur in October 2023.

Although Ryman expects that demand for independent and serviced units as well as care beds may be influenced by a recessionary environment and a slowing property market, many prospective residents decide to enter a Ryman village for social, health or other reasons that are not financial. Ryman expects demand to continue to be driven in part by demographic factors.

# Key risks

**Reputation and care quality**
Ryman has over 13,000 residents in its villages in New Zealand and Victoria, many of whom require a high level and quality of care.

Ryman provides aged care services to approximately 4,100 people. This type of care is more specialised and requires greater skill and attention, reflecting a greater dependency by residents, which generates increased risk of concerns arising.

Incidents of substandard care of a resident or improper conduct by a staff member may undermine the public's confidence in Ryman's ability to provide professional, high quality care to residents. Similarly, this confidence could be negatively affected if a significant health, safety or wellbeing incident within a Ryman village resulted in harm to a resident or staff member.

In order for Ryman to suffer a material financial impact, the improper care or behaviour would generally need to be systemic, reflect a pattern or be egregious in nature, rather than isolated in nature.

A significant loss of confidence in Ryman could reduce demand for independent living units or spaces in care centres in Ryman's villages, causing a downturn in occupancy levels and in turn revenue from fees. This could lead to a possible breach of Ryman's bank or bond covenants.

A particularly serious case of substandard care (or a pattern of substandard care) could result in the relevant member of the Ryman group losing its certification to provide aged care under the Health and Disability Services (Safety) Act 2001 (or the equivalent Australian legislation) or an adverse finding by another body having oversight of Ryman's care practices including the Health and Disability Commissioner or the Office of the Ombudsman.

**Pandemic**
The number of residents and nature of community living in aged care centres carries a risk that an outbreak of a pandemic (whether Covid-19 or another virus or disease) may adversely affect residents in one or more Ryman villages. This is particularly acute where older persons are more susceptible to the relevant virus/disease. A greater level and proportion of care is offered in Ryman villages than by many other operators, which exposes Ryman to this risk to a greater extent.

A pandemic affecting one or more Ryman care centres could require Ryman to establish alternative facilities to care for affected Residents and/or result in increased staffing at these facilities, at increased cost to Ryman. It could also cause a significant decline in new residents at affected care centres, with Ryman's costs of operating its care centres not reducing in line with any decline. A pandemic would also expose Ryman to the possibility of further lockdowns, quarantines, travel restrictions, supply chain issues and difficulties in hiring and retaining skilled workers.

Any perception that Ryman or the wider aged care sector is inadequately caring for residents in a village affected by a pandemic could reduce demand for aged care services and/or undermine confidence in Ryman's ability to provide care to residents in the long term. This in turn may cause a significant reduction in demand to live in Ryman villages.

Government-imposed restrictions on the movement of people or operation of businesses (as seen in New Zealand and Victoria during 2020 – 2022) could also delay the ability for prospective residents to visit Ryman villages (delaying the sale of new occupation rights), new residents to move into Ryman villages and Ryman to complete developments on time and budget.

# Key risks

**Workforce**
As Ryman develops further villages and increases its construction activities, it requires an increasing number of employees in both its construction division and in its villages. Recruiting the number and quality of employees with the relevant skills and qualifications that Ryman needs in these two areas has become increasingly difficult since COVID-19 pandemic restrictions adopted by many countries, including New Zealand and Australia, imposed limitations on international travel. While it currently has sufficient people to safely run its operations, it is increasingly difficult and costly to recruit and retain staff in the current environment. Ryman's increasing focus on specialist care, including dementia care, exacerbates this issue given the shortage of specialist care givers.

An inability to recruit and retain sufficient quality and experienced employees in Ryman's construction and village teams could impede Ryman's ability to develop new and existing villages within its intended timeframes or to operate care facilities as Ryman expands.

Ryman has a large workforce that operates with shift work in many areas and relies on a number of staff that do not work fixed hours. These factors have generally been found to increase the risk of potential underpayment under the Holidays Act 2003 in New Zealand. This issue is not particular to Ryman but has been experienced across a wide range of employers in different sectors. In 2018 Ryman entered into an enforceable undertaking with the Ministry of Business, Innovation and Employment (MBIE) under which Ryman was to, among other things, undertake an extensive review of records for all current and past employees from 10 May 2010 to determine certain matters associated with holiday pay. (Although initially required by 31 July 2018, Ryman agreed an extension to this date to this with MBIE but has been disrupted due to COVID-19 delays. Ryman continues to liaise with MBIE about the timing for completion of this work which remains outstanding but is a priority item for the Board to address. An internal project group is working with consultants and has a follow-up meeting scheduled with MBIE to review progress on 21 February 2023.) The extent of any underpayment is not known, cannot be quantified at this stage but may, once known, be material; although once a final calculation is agreed the risk of material impact is significantly reduced by an existing financial provision of $2 million dollars (based on a 2018 calculation / estimate). Any historical underpayment could adversely affect Ryman's reputation as an employer, lead to significant additional administrative costs and/or impact Ryman's financial performance.

A significant proportion of Ryman's current care staff come from overseas. Ryman is susceptible to changes in government immigration policy in both New Zealand and Australia, which is beyond Ryman's control. If increased restrictions were imposed on the ability for overseas people to work in New Zealand or Victoria, this could exacerbate a skills shortage in the construction and/or care areas.

Events that result in border closures or restrictions (including due to a pandemic such as Covid-19) may limit the number of potential overseas-trained staff available for Ryman to recruit as Ryman requires.

Either situation could have an adverse impact on Ryman's cashflows and revenues due to slower construction activity, or an inability to open or operate care centres.

**Natural events, seismic risks and climate change**
Ryman's operations and financial position could be materially adversely impacted by any significant damage or destruction to its properties, including by way of weather, flooding, seismic event, or other natural disaster. There is no guarantee that Ryman would obtain full recovery under its insurance policies for losses suffered to its buildings or business operations or that reimbursement will be received in a timely manner.

Eight of Ryman's villages in the upper North Island, and some residents, were adversely affected by rain, flooding or slips in January 2023. Damage included flooding in 19 units across 3 villages and leak impacts on a further 25 units that will require remediation work. The damage was not material to Ryman but was disruptive to residents and staff. The flooding also affected the ability of many of Ryman's staff to get to work and increased costs for Ryman to continue operations in a safe way. Although this flooding event involved what has been reported as one of the wettest days on record for Auckland, flooding that adversely affects Ryman could become more significant and/or frequent in the future.

None of Ryman's properties have been notified to Ryman by a territorial authority in New Zealand as being potentially "earthquake prone" (being a New Building Standard (NBS) rating of less than 34%). Ryman plans to undertake further studies based on risk assessment of assets in key seismic zones but is not currently aware of any seismic strengthening work required on any of its buildings. However, any required works will only be able to be determined if further engineering work is commissioned and undertaken for all properties. The Board continues to monitor the compliance of its buildings with required standards and is kept informed of the results of all seismic engineering assessments that are undertaken by Ryman. In addition, the process undertaken and standards which are applied in seismic assessments evolve over time as the engineering profession's understanding of seismic events develops. This means that the outcome of seismic assessments may be subject to change over time. Changes to seismic requirements, or the interpretation and application of existing seismic standards, or changes in science and knowledge relating to earthquakes and the performance of buildings or geotechnical conditions could result in Ryman's buildings no longer meeting the minimum seismic standards. This could result in significant costs if Ryman is required to carry out seismic strengthening works on its buildings.

Ryman may also be exposed to risks relating to climate change, both by way of physical risks to its property assets and potential risks associated with a transition to a low carbon economy.

# Key risks

**Data breach / cyber security**
Ryman's IT systems hold confidential personal information about residents. Ryman takes security of this information very seriously. However, data held by Ryman may be accessed or used in an unauthorised manner, including due to a cyber-attack. The frequency and sophistication of cyber-attacks on businesses is growing. If Ryman suffered a major cyber-attack or data security breach, Ryman's reputation could be damaged – which could lead to a loss of confidence of residents, an inability to attract new residents, and a corresponding loss in revenue. Ryman may also incur fines, penalties or claims as a result of any privacy breach.

**Regulatory change**
Ryman operates in a highly regulated industry, particularly in care, where ongoing compliance is vital from both a legal and reputational perspective. Breaches of relevant legal requirements could lead to loss of certification or registration which would prevent the relevant village from continuing to operate. Future regulatory changes to the retirement village or aged care industry or public review of industry practices may also have an adverse impact on Ryman. While it is not possible to predict the scope or extent of future regulatory changes, they could lead to material increased costs from additional consumer protection requirements or restrictions on the ability to earn revenue and generate sustainable cash flows. Changes to the entry and exit payment mechanisms from those currently prescribed could also adversely impact cash flow.

**Investment in equity capital**
There are general risks associated with investments in equity capital. In recent times the trading price of Ryman's ordinary shares on NZX has fluctuated materially. Fluctuations can occur for many reasons, including as a result of movements in equity capital markets in New Zealand and internationally. No assurances can be given that the New Shares will trade at or above the Offer Price. None of Ryman, its directors, the underwriters, joint lead managers or any other person guarantees the market performance of the New Shares.

APPENDIX

# Appendix 3: International offer jurisdictions

# International Offer Jurisdictions

**International Offer Restrictions**
This presentation does not constitute an offer of entitlements (Entitlements) or new ordinary shares (New Shares) of Ryman in any jurisdiction in which it would be unlawful. In particular, this presentation may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside New Zealand or except to the extent permitted below.

**Australia**
The offer of New Shares under the Offer is being made in Australia in reliance on the Australian Securities and Investments Commission Corporations (Foreign Rights Issues) Instrument 2015/356 or otherwise to persons to whom the Offer can be made without a formal disclosure document under Chapter 6D of the Australian Corporations Act 2001 (Cth) (Corporations Act). This presentation is not a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act. Accordingly, this presentation is not required to, and does not, contain all information which a prospective investor may require to make a decision whether to subscribe for New Shares and which would otherwise be required by Australian law to be disclosed in a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act. This presentation may contain references to dollar amounts which are not Australian dollars, may contain financial information which is not prepared in accordance with Australian law or practices, may not address risks associated with investment in foreign currency denominated investments and does not address Australian tax issues. Ryman is a company which is incorporated in New Zealand and the relationship between it and investors will be largely governed by New Zealand law. This document has not been, and will not be, lodged or registered with the Australian Securities and Investments Commission or the Australian Securities Exchange and Ryman is not subject to the continuous disclosure requirements that apply in Australia. Prospective investors should not construe anything in this presentation as legal, business or tax advice not as financial product advice for the purposes of Chapter 7 of the Corporations Act.

**Bermuda**
The Company, this presentation and the New Shares offered hereby have not been, and will not be, registered under the laws and regulations of Bermuda, nor has any regulatory authority in Bermuda passed comment upon or approved the accuracy or adequacy of this document. No offer or invitation to subscribe for the Shares will be made to the public in Bermuda. Non–Bermudian persons may not carry on or engage in any trade or business in Bermuda unless such persons are authorised to do so under applicable Bermuda legislation. Engaging in the activity of offering the New Shares in Bermuda to persons in Bermuda may be deemed to be carrying on business in Bermuda. The Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 (as amended) of Bermuda, which regulates the sales of securities in Bermuda. No invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for any of the New Shares.

**Canada**
This presentation constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This presentation is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions or section 73.3 of the Securities Act (Ontario) (collectively "NI 45-106").

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this presentation, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

# International Offer Jurisdictions

**Canada (cont.)**
Ryman as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Ryman or its directors or officers. All or a substantial portion of the assets of Ryman and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Ryman or such persons in Canada or to enforce a judgment obtained in Canadian courts against Ryman or such persons outside Canada.

Unless stated otherwise, all dollar amounts contained in this presentation are in New Zealand dollars.

*Statutory rights of action for damages and rescission*

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of Entitlements or New Shares purchased pursuant to this presentation (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Ryman if this presentation or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Ryman. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this presentation contains a misrepresentation, a purchaser who purchases the Entitlements or New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Ryman, provided that:

a) Ryman will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation;

b) in an action for damages, Ryman is not liable for all or any portion of the damages that Ryman proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and

c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than:

a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Entitlements and New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the New Shares as any discussion of taxation related matters in this presentation is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

# International Offer Jurisdictions

**Canada (cont.)**
Language of documents in Canada. Upon receipt of this presentation, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

**Cayman Islands**
Ryman is not licensed to conduct investment business in the Cayman Islands by the Cayman Islands Monetary Authority and this presentation does not constitute an offer to members of the public of the Entitlements or New Shares, whether by way of sale or subscription, in the Cayman Islands. The Entitlements and New Shares have not been offered or sold, and will not be offered or sold and no invitation to subscribe for our Entitlements and New Shares, will be made, directly or indirectly, to members of the public in the Cayman Islands.

**Denmark**
The Entitlements and New Shares are only addressed to, and directed at, persons in Denmark who are "qualified investors" ("Qualified Investors") within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant delegated regulations) (the "Prospectus Regulation"). The information furnished in the presentation must not be acted on or relied upon in Denmark by persons who are not Qualified Investors. Any investment or investment activity to which the presentation relates is only available to, and will only be engaged with, Qualified Investors in Denmark.

The Entitlements and New Shares are made in accordance with one or more exemptions from the requirement to publish a prospectus pursuant to the Prospectus Regulation. This presentation does not constitute a prospectus pursuant to the Prospectus Regulation or any Danish law and has not been filed with or approved by the Danish Financial Supervisory Authority as this presentation has not been prepared pursuant to the Prospectus Regulation.

**European Union (including Germany, Luxembourg, Spain, Netherlands)**
This presentation has not been, and will not be, registered with or approved by any securities regulator in the European Union, including Germany, Luxembourg, Spain or Netherlands. Accordingly, this presentation may not be made available, nor may the Entitlements or the New Shares be offered for sale, in the European Union (including Germany, Luxembourg, Spain or Netherlands) except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Entitlements and New Shares in the European Union (including Germany, Luxembourg, Spain and the Netherlands) is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

**France**
The Entitlements and New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France other than to "qualified investors" as defined in Article 2(e) of Regulation (EU) 2017/1129 (the "Prospectus Regulation").

This presentation and any other offering material relating to the Entitlements or New Shares have not been, and will not be, submitted to the Autorité des marchés financiers ("AMF") for approval in France and, accordingly, may not be distributed or caused to distributed, directly or indirectly, to the public in France.

Any offer or transfer of the New Securities or distribution of offer documents has only been and will only be made in France in accordance with Articles L. 411-1 and L. 411-2 of the French Monetary and Financial Code.

# International Offer Jurisdictions

**Hong Kong**
WARNING: This presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this presentation or to permit the distribution of this presentation or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Entitlements or the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any of the contents of this presentation, you should obtain independent professional advice.

**Japan**
The Entitlements and the New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "FIEA") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEA and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Shares is conditional upon the execution of an agreement to that effect.

**Norway**
This presentation has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this presentation shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "qualified investors" (as defined in the Prospectus Regulation 2017/1129 Article 2(e), cf. the Norwegian Securities Trading Act of 29 June 2007 no. 75 Section 7-1 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

**Singapore**
This presentation and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this presentation and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements or the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This presentation has been given to you on the basis that you are (i) an existing holder of Ryman's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this presentation immediately. You may not forward or circulate this presentation to any other person in Singapore.

# International Offer Jurisdictions

**Singapore (cont.)**
Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

**Sweden**
This presentation has not been, and will not be, registered with or approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "SFSA"). Accordingly, this presentation may not be made available, nor may the Entitlements and New Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC. Any offering of Entitlements or New Shares in Sweden is limited to persons who are "qualified investors" (as defined in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC). Only such investors may receive this presentation and they may not distribute it or the information contained in it to any other person.

**Switzerland**
The offering of the Entitlements and New Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("FinSA") because such offering is made to professional clients within the meaning of the FinSA only and the Entitlements and New Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This presentation does not constitute a prospectus or a similar communication pursuant to the FinSA, art. 652a, or art. 752 of the Swiss Code of Obligations (in its version applicable during the transitory period after entering into force of FinSA on January 1, 2020) or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules (in their version enacted on January 1, 2020, and to be applied during the transitory period), and no such prospectus has been or will be prepared for or in connection with the offering of the Entitlements and New Shares.

**United Arab Emirates (excluding Dubai International Financial Centre and Abu Dhabi Global Market)**
Neither this presentation nor the Entitlements or the New Shares have been approved or passed on in any way by the Emirates Securities and Commodities Authority ("ESCA") or any other governmental authority in the United Arab Emirates. Ryman has not received authorisation or licensing from the ESCA or any other governmental authority to market or sell the Entitlements or the New Shares within the United Arab Emirates. This presentation does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates. No services relating to the Entitlements or the New Shares, including the receipt of applications, may be rendered within the United Arab Emirates. No offer or invitation to subscribe for Entitlements or New Shares is valid, or being made to any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

**United Kingdom**
Neither the information in this presentation nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Entitlements or the New Shares.

This presentation is issued on a confidential basis to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (EU) 2017/1129) in the United Kingdom, and the Entitlements and the New Shares may not be offered or sold in the United Kingdom by means of this presentation, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This presentation should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Ryman.

# International Offer Jurisdictions

**United Kingdom (cont.)**
In the United Kingdom, this presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this presentation relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

**United States**
This presentation is not for distribution or release in the United States.

This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be unlawful. The Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States, except in transactions exempt from, or not subject to, registration under the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

In particular, the Entitlements may not be purchased or otherwise acquired by persons that are in the United States or that are acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of persons in the United States). In addition, the Entitlements may not be exercised by, and the New Shares may not be offered or sold to, any person in the United States or any person acting for the account or benefit of any person in the United States, other than certain eligible institutional shareholders and institutional investors as part of a concurrent U.S. private placement to be conducted separately by Ryman. Outside the United States, the Entitlements may only be exercised, and the New Shares may only be offered and sold, in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.