

Direct Capital V and Pohutukawa V Invest In Qestral Corporation

14 February 2019

Direct Capital is pleased to announce its investment into Qestral Corporation, a Christchurch based operator of premium retirement villages in New Zealand.

Direct Capital has invested in a minority shareholding in partnership with Qestral's existing executive and non-executive shareholders. The capital invested by Direct Capital, and as part of a concurrent and fully-subscribed rights issue to existing Qestral shareholders, will accelerate the company's village expansion programme.

Qestral's portfolio includes Alpine View Lifestyle Village and Burlington Village in Christchurch, and sites in each of Nelson (elevated in the Port Hills) and Hamilton (with 650m of Waikato River frontage) for which village planning and development is underway. A number of new sites are also being evaluated. The company's design-led resort style villages target the 'young at heart' and offer stand-alone houses and serviced apartments, and have a full continuum of care options available.

Qestral is chaired by John Ryder, who was the joint founder and Managing Director of Ryman Healthcare. Direct Capital's partnership with Qestral continues a long and successful relationship with John which began with Direct Capital's investment in Ryman Healthcare in 1996. The company completed its IPO in 1999 and has become one of New Zealand's most successful listed companies. John has been Independent Chairman of Direct Capital since 2008.

Qestral's Managing Director Simon O'Dowd, who serves on the board of the Retirement Villages Association and as President of the New Zealand Aged Care Association welcomes the investment from Direct Capital: "We have known the Direct Capital team for 8 years and Qestral has grown to a level where introducing a new shareholding partner to accelerate our growth made sense for the company. We are looking forward to the partnership."

"Qestral offers its residents a market leading level of service and amenity, and its modern, architecturally designed lifestyle villages on large individual sites are its point of difference" said Direct Capital's Gavin Lonergan. "Village style and design changes over time and we believe Qestral is really well-placed with new villages to provide the lifestyle that a new generation of residents are looking for."

Qestral joins AS Colour, Complectus, Marvel Packers, and Exact Radiology in the Direct Capital V & Pohutukawa V funds, which collectively raised \$375 million in December 2016 for investment into private companies in New Zealand and Australia.

About Direct Capital

Direct Capital was established in 1994 and is New Zealand's largest private equity firm having raised \$1.2 billion in capital and invested in 75 private companies.

Direct Capital has partnered with some of New Zealand's best-known and most successful businesses, including the now-NZX-listed Ryman Healthcare, Scales Corporation and New Zealand King Salmon; Bayleys Corporation, Debit Success, NZ Pharmaceuticals, Hiway Stabilisers and Go Bus.