

## **METLIFECARE - COVID-19 / SCHEME OF ARRANGEMENT**

### COVID-19 Level 4 Update

Metlifecare Limited (NZX: MET, ASX: MEQ) is now operating under the New Zealand Government's COVID-19 Level 4 restrictions.

Metlifecare's retirement villages and aged care centres are continuing to operate as essential services for our residents. The wider Metlifecare team is fully mobilised to support this.

All development activity has ceased whilst the Level 4 restrictions are in place. Metlifecare's development programme is well suited to adapt to these changing conditions due to the reset in 2019 and building design that allows for partial completion. The Edgewater site, where construction has just materially commenced, has now paused. The company's other development sites were in the process of completing civil ground works. Vertical/villa construction was due to start shortly – this can be delayed with no material cost to the business. The company's remediation programme has also been paused for the duration of the current Level 4 restrictions.

Metlifecare is well positioned with sector-leading low gearing, strong banking facilities and associated debt headroom to navigate through the current environment and is well poised to accelerate its development programme as soon as it is possible to do so.

Metlifecare is continuing to support residents needing care throughout this period as its number one priority. The company is actively engaging with all those who have signed occupation right agreements to ensure it is best able to support their needs during this difficult time. Several occupation right agreement settlements have been brought forward at the request of the incoming residents, enabling them to move into Metlifecare villages earlier.

In line with other operators in the sector, the company's sales and settlements are expected to be significantly restricted during the Level 4 lockdown with a consequential adverse impact on new sales and resales revenues in the next quarter.

The company will assist those who are looking to settle during the period of Level 4 restrictions to move into its villages or aged care homes as provided for under the "essential services" category. We will ensure that resident and care home transitions occur in compliance with all public health guidelines and requirements. For example, new arrivals will be isolated as required.

As part of its commitment to support residents in coming weeks, Metlifecare has implemented security access control to all retirement villages to ensure everyone is kept as safe as possible. Village teams have also mobilised to provide additional meal services and are working with the company's food wholesaler to ensure Metlifecare village residents are well supplied with necessary groceries and essentials.

Metlifecare is in the process of implementing a range of interim cost-saving measures to assist in mitigating the expected short-term revenue reduction arising from the Level 4 restrictions. We are also maintaining our sales and development capability so that we can promptly resume those activities as the restrictions are lifted.

## Scheme Process

Metlifecare is continuing to advance its scheme implementation agreement (**SIA**) with Asia Pacific Village Group Limited (**APVG**).

APVG has advised Metlifecare it is monitoring the COVID-19 pandemic and the implications of it in New Zealand. APVG has termination rights under the SIA, including termination rights in the event of a "Material Adverse Change" (as defined in the SIA) (**MAC**). Metlifecare does not consider that a MAC has arisen at this point in time but can give no assurance that a MAC might not arise in the future. APVG continues to assess the implications of COVID-19 and reserves all of its rights under the SIA and at law.

Metlifecare and its advisers are working with APVG to progress materials for a meeting of Metlifecare shareholders and other agreed steps under the SIA. Metlifecare is aiming to send the materials during April, for a meeting to be held in May 2020, subject to the COVID-19 restrictions and requirements of the SIA.

This announcement is authorised for release to the market by the Board of Metlifecare Limited.

## Ends

### **For more information please contact:**

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### **About Metlifecare**

Metlifecare is a leading New Zealand owner and operator of retirement villages, providing rewarding lifestyles and outstanding care to more than 5,600 New Zealanders. Established in 1984, it currently owns and operates a portfolio of 25 villages in areas with strong local economies, supportive demographics and high median house prices, located predominantly in New Zealand's upper North Island.