

11 February 2020

Metlifecare Scheme Update

On 30 December 2019, Metlifecare Limited advised the NZX and ASX that it had entered into a scheme implementation agreement (**SIA**) with Asia Pacific Village Group Limited (**APVG**), for APVG to acquire all shares in Metlifecare for \$7.00 cash per share, subject to certain conditions including Metlifecare shareholder approval. APVG is an entity owned by EQT Infrastructure IV fund, a global private equity investor.

The purpose of this letter is to provide an update on some key steps taken to progress the transaction, since the December announcement.

Metlifecare is working to progress detailed information intended to be sent to shareholders in late March, ahead of a shareholders' meeting scheduled for 29 April 2020. Subject to shareholder approval, approval of the High Court, and satisfaction of other conditions, it is contemplated the transaction would be implemented in May 2020.

APVG has applied for approval under the Overseas Investment Act 2005. Metlifecare understands APVG's application is on track to be determined prior to the shareholders' meeting.

Metlifecare has appointed KordaMentha to act as the Independent Adviser and the Takeovers Panel has approved this appointment. The Independent Adviser's Report on the transaction will accompany the materials to be sent to shareholders. The condition in the SIA requiring consent to the transaction from the statutory supervisors for Metlifecare's retirement villages has been satisfied. Metlifecare is working towards satisfying the other customary conditions, such as banks' consents, for the transaction.

The Metlifecare Board has unanimously recommended shareholders vote in favour of the transaction subject to the scheme price being within or above the valuation range to be contained in KordaMentha's Independent Adviser's Report, and in the absence of a Superior Proposal (as defined in the SIA).

Since the announcement of the transaction on 30 December 2019, some of Metlifecare's larger institutional shareholders have ceased to be substantial shareholders, having sold down a large part of their holdings in the company through the market. Metlifecare understands sellers of those shares are primarily re-balancing their portfolios in anticipation of likely completion of the transaction in May 2020. The purchasers of these shares appear to be investors looking to profit from the difference between the current market price of approximately \$6.89 per share and the transaction price of \$7.00 per share. Metlifecare has no reason to believe that the transaction will not be strongly supported by shareholders.

Further announcements about progress with the transaction over the coming months will be made to the NZX and ASX, and made available on the company's website at <https://www.metlifecare.co.nz/investor-centre/market-releases>.

Yours sincerely



Kim Ellis
Chair