



28 APRIL 2020

MARKET UPDATE – ALERT LEVEL 3

Oceania Healthcare Limited is pleased to advise that none of its aged care centres or retirement villages have reported any cases of COVID-19 to date. As we advised the market in our 18 March announcement, we were well prepared across the country and have effectively protected our residents and staff from any outbreak.

Our aged care business has also proven resilient, despite the restrictions of the Alert Level 4 lockdown, with new admissions taken and stable occupancy levels recorded during the period. We have continued to sign applications and completed sales of Care Suites throughout the lockdown period. Oceania will also benefit from the recently announced increase in Government funding for aged residential care. In practical terms, our care business will operate in Level 3 on a similar basis to that in which it operated in Level 4, with restricted visitor access and protection around residents and staff.

Oceania had experienced good unit sales at its retirement villages prior to Level 4. However, we have not been able to settle sales applications in our retirement village business during the Level 4 lockdown. This impediment to settlement will impact the timing of recognition of these sales. As we move to Alert Level 3, sales are able to recommence and existing applicants have confirmed to us that they still intend to complete settlement as soon as possible.

Earlier in April we put in place with our existing bank lenders an additional debt facility of \$70 million for the next 18 months, in order to provide additional financial flexibility. Accordingly, our total facility limits are now \$420 million. Oceania is in a strong financial position with current drawn debt of \$321.2 million, \$12.1 million of cash and therefore \$110.9 million of undrawn net debt headroom.

Our number one priority remains protecting our residents and staff and we wish to thank our staff for their outstanding efforts over the lockdown period to keep our residents safe and supported. We continue to be well prepared for both this pandemic and the risk that general macroeconomic uncertainties pose to the business.

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