

## **ABANO RESPONDS TO MEDIA SPECULATION**

Abano Healthcare Group Limited (NZX: ABA) notes the speculative commentary in this morning's National Business Review article relating to the assessment of options the company is undertaking to address its capital structure.

The article states that negotiations between Abano and Australian private equity firm BGH Capital and Ontario Teachers' Pension Plan are "in full swing with a decision imminent". It also refers to BGH Capital having "submitted two proposals to Abano, one including an offer at \$3 a share and another for \$3.25 a share".

While Abano notes with concern that confidentiality has been breached by "a source with knowledge of the process", the Company reiterates its previous advice that it is evaluating a number of transaction options, including proposals from BGH/OTPP.

The Company confirms the headline prices of the BGH/OTPP proposals referred to in the article. The Board would expect any Scheme proposal to satisfactorily address the Company's underlying value and to provide sufficient certainty to Abano shareholders, including through minimal to no financing conditions and by addressing the need and timing for the bid vehicle to be appropriately funded. A proposal that includes a wide material adverse change condition, that provides a bidder with a termination right or a substantial fixed price adjustment to the offer price should such a change occur, would not appear to meet these requirements. The Company notes that BGH/OTPP relied on such a MAC provision in terminating its previous Scheme Implementation Agreement with Abano.

The Company continues to evaluate a number of other options, including a capital raising which the Board assesses would seek to raise additional capital in the range of \$50m - \$70m. The Company's options also include interest from credible third parties which would take a cornerstone shareholding in the company and provide underwriting support to an issue to existing shareholders. The Board is mindful of the need for shareholder support for a Scheme of Arrangement, and that the option is available to a bidder to make a takeover offer.

The Abano Board is committed to acting in the best interests of the Company and its shareholders, taking into account the underlying value of Abano and the long term risks and rewards of the various options being assessed. While no announcement is due "imminently", the Board is committed to addressing the Company's capital structure requirements during the 2020 calendar year and will continue to keep shareholders informed as matters progress.

The Board remains confident Abano will recover from the impacts of Covid-19, with the timeframes for this being reviewed as post-opening trading data is received. Since re-opening its practices in Australia and New Zealand in mid-May 2020, patient bookings have rebounded and revenue from both dental networks has been above expectations. Lumino's same store revenue for the first two weeks of June is trading at approximately 112% on the same period last year, with Maven at approximately 92% which includes the impact of the social distancing requirements still in force in Australia.

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Company Announcement



Abano's management continues to focus on driving the performance of the business and delivering sustainable financial growth. The Company's growth strategy continues to be focused on optimising the existing network and investment into the business platform.

**ENDS**

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Abano Healthcare Group is listed on the NZX and owns and operates one of the largest dental networks in Australasia, comprising Lumino The Dentists in New Zealand and Maven Dental Group in Australia.