



OCEANIA

ANNUAL SHAREHOLDERS MEETING – CHAIR’S ADDRESS

24 JUNE 2021

This is the first Annual Shareholders Meeting since we changed our full year balance date to 31 March, from 31 May. Much of the financial performance set out in the Annual Report and the Financial Statements contains a shorter full year period of 10 months and covers the trading period from 1 June 2020 to 31 March 2021, rather than a full 12 month period.

We are pleased to observe that both of our underlying metrics, being underlying earnings before interest, tax, depreciation and amortization (EBITDA) and net profit after tax (NPAT) are up 8% and 4% respectively, on the prior corresponding 10 month period from 1 June 2019 to 31 March 2020. These strong financial results have been underpinned by record sales volumes, strong care performance and the successful delivery of our new developments which we will outline later in the meeting.

Brent will take you through the financial result for the 10 month period ended 31 March 2021 shortly.

One of the highlights of the period was the successful completion of an oversubscribed \$100 million equity raise in March 2021. This equity raise was undertaken by way of an \$80 million placement and a \$20 million retail offer. It was great to see existing and new shareholders supportive of Oceania’s growth. The proceeds of the equity raise were used to fund two new acquisitions.

The first acquisition was the acquisition of Waterford, in Hobsonville Point, Auckland. This village provides Oceania with an attractive development in a highly sought after location and currently comprises 64 independent living villas and 36 independent living apartments, as well as a vibrant resident community. The existing site also offers development land that has resource consent to develop approximately 60 apartments. This is a highly attractive brownfield bolt-on acquisition to Oceania’s existing portfolio. Since taking ownership in late April, Oceania has already secured new sales of apartments.

Oceania has also completed the acquisition of its leasehold site in Franklin (also in Auckland), together with some adjacent bare land. Franklin is a key location in the broader Auckland region and part of the fast-growing south/western corridor. We are in the process of finalising development plans for the site with a mixture of independent living units, independent living apartments and care suites to be constructed on the site.

These recent acquisitions signal a pivot in our strategy, to the identification and execution of value accretive M&A activity, as well as growing our greenfield presence.

In addition to acquiring these two new sites, Oceania is making good progress on its development projects. Some of our Directors visited our Eden, Waimarie Street and Lady Allum development sites in Auckland last month and it was pleasing to see how each of these developments is taking shape. Brent will provide more detail on each of our development projects later in the meeting.

Oceania has continued to focus on improving and refining the resident experience. Everything we do is designed for our residents and the things that matter the most to them, being their identity, connection and purpose.

There has been increased scrutiny of the retirement village sector recently and the terms that operators offer to their residents. The Retirement Commissioner has recommended an urgent review of the retirement villages legislative framework. The industry’s response (through the Retirement Villages Association) is that the Commissioner’s call for an urgent review of the legislation is unnecessary and

excessive. The RVA is suggesting that the Retirement Commissioner's office instead focus its efforts on working with the industry to implement a series of improvements that are already underway. Oceania is an active member of the RVA, with Brent being a member of the RVA Executive Committee, and we take our responsibilities as a retirement village operator very seriously.

As we noted in the Annual Report, Oceania has made tangible progress with our sustainability initiatives over the last three to six months, as it is continuing to work towards its goal of becoming carbon neutral in the future. One of the main contributors to Oceania's waste is the disposal of incontinence products. It is pleasing to see some initiatives being developed to address these issues. For example, in recent months, Oceania has been participating in a trial for vermicomposting of incontinence products. We are looking forward to hearing how the trial is progressing to see whether this is a project that can be rolled out on a larger scale.

Directors have visited many of our sites around the country since last year's Annual Shareholders Meeting, both as a Board and individually. As I noted before, some of us visited the Auckland development sites last month, and we enjoyed holding our March Board Meeting at The Bellevue in Christchurch. We appreciate meeting with our staff and residents at sites, to observe the culture and day-to-day operations and to receive feedback which we then incorporate into our continuous improvement processes.

The landscape in which Oceania operates has changed significantly since our listing in 2017. As you will have seen from our Corporate Governance Statement over the last two years, your Directors have attended a significant number of additional meetings during this period and this has resulted in increased demands on Directors' time. Last year, there was considerable heavy lifting to do by Directors for the bond issue, acquisitions, capital raising, the change in financial reporting date, as well as governing in the challenging COVID-19 environment. Looking forward, Directors' workload will increase with more legislative and regulatory changes being proposed, stakeholders expectations increasing to consider and monitor a broader range of non-financial measures, together with governing through the ongoing uncertainties of a COVID-19 environment.

Given this environment, and Oceania being positioned for performance and growth, your Board considers that it may be beneficial to consider appointing additional Board members. The Directors skill matrix was provided in the 2019 Annual Report and is also available on Oceania's website. This skill matrix has served Oceania well to date. Over the next year, the Board will consider the additional skills that would be beneficial to Oceania, as well as start planning for Board succession over the next five years.

The Board will also undertake a review of Director fees in the next year, noting that fees to each Director have not changed since Oceania's listing in 2017. The maximum aggregate amount of remuneration payable by Oceania to its Directors for fees and Board committee responsibilities was fixed at \$582,500 in the Product Disclosure Statement dated 31 March 2017 when there were five Directors. With the subsequent appointment of two additional Directors and the resignation of one Director, the pool is now \$672,500 per annum for six Directors, inclusive of additional remuneration for committee Chairs.

As part of the intended review, the Board will consider the introduction of additional payments should significant additional Board work be required over and above usual duties. This is an approach taken by many other NZX listed companies.

At this time, Oceania is in the early stages of considering these matters and we will provide an update in due course.

We were pleased to declare and pay a final dividend of 2.1 cents per share, which takes full year dividends (non-imputed) to 3.4 cents per share and represents 55% of Underlying Net Profit after Tax. This reflects strong trading performance and operating cashflow throughout the period. The Dividend

Reinvestment Plan for our New Zealand and Australian shareholders was also applicable for this dividend.

Looking ahead, we will be releasing our financial results for the six months to 30 September 2021 in late November 2021.

In closing, I would like to thank our team of dedicated staff across all of our 46 sites. They have worked extremely hard over the past 18 months in challenging conditions to keep our residents safe, all the while providing outstanding care and service to our residents.

I would also like to thank the Board. Your Directors have a broad and complementary range of skills, backed by years of experience, wisdom and their input has been invaluable, particularly in these difficult times.

Finally, I would like to thank you all for your support of Oceania and for attending the meeting this afternoon. We remain committed to transforming the aged care and retirement village sector by putting our residents at the heart of what we do and to define Oceania as a provider of better outcomes and growth.

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