



ANNUAL SHAREHOLDERS MEETING – CEO’S ADDRESS
24 JUNE 2021

Thanks Liz and, as Liz has already said, a warm welcome to everyone here today. It’s a real privilege for me to be leading Oceania at such an exciting time in its journey.

You will see from the front page of our Annual Report that we have led with “Believe in Better”. This is far more than a catch phrase. It signals our intent to build upon past achievements and to challenge ourselves to be even better in the delivery of resident experience, the positive impact we make to our local communities, programmed growth for the business, shaping perceptions around ageing, being alert to our carbon footprint, as well as making a conscious effort to make Oceania a great place to work.

Financial overview

Firstly though, I will take you through the financial results for the 10 month period ended 31 March 2021.

As Liz has already mentioned, Unaudited Underlying EBITDA of \$56.2 million for the 10 months ended 31 March 2021 was 8% higher than the prior corresponding period of the 10 months to 31 March 2020 (unaudited). We have delivered an increase in our premium revenue strategy, a step change in our sales volumes and strong underlying EBITDA growth.

This was largely as a result of both strong sales of new developments and resales volumes in the current period, as well as the ongoing receipt of deferred management fees from developments completed in prior periods.

Oceania’s total assets as at 31 March 2021 are \$1.9 billion, compared with \$1.5 billion as at 31 May 2020. This material increase is due in part to a reversal of CBRE Limited’s COVID-19 related valuation assumptions that had led to a decrease in the value of Oceania’s existing investment property assets in the prior year, the completion of key development sites, as well as reflecting strong sales volumes of new retirement village units and care suites that have been developed over the last two years.

For the 10 months to 31 March 2021, operating cashflow was \$96.0 million, compared to \$99.4 million for the 12 month period to 31 May 2020. This reflects strong sales volumes over the 10 month period to 31 March 2021.

As at 31 March 2021, Oceania had current drawn debt and bonds of \$329.9 million and \$79.9 million of cash, representing \$225.0 million of undrawn net debt headroom. This low gearing, coupled with sufficient bank facilities in place, puts Oceania in a sound position for future growth and enables us to continue to execute our development pipeline.

The effects of COVID-19 have continued to have an impact on the business in the 10 month period to 31 March 2021. As we have noted previously, the business showed resilience throughout the COVID-19 related disruptions given its focus on care. In the 10 month period to 31 March 2021, Oceania operated under Alert Level 2.5 or higher restrictions for 53 days. This is in addition to the 50 days of Alert Level 3 or higher restrictions in the 12 months to 31 May 2020.

Despite the shorter 10 month trading period and the number of days operating under lockdown restrictions, we recorded 388 total ORA sales in the 10 month period to 31 March 2021, which is an increase of 9% (or 33 units and care suites) on the full 12 month period to 31 May 2020. When this is

considered on a 10 month prior corresponding period basis, the business has achieved 25% growth in volumes across units and care suites. Our 194 new sales included over 75% of sales outside the Auckland region, including villa, apartment and care suite sales at Gracelands (in Hastings), Green Gables (in Nelson), Elderslea (in Upper Hutt), The BayView (in Tauranga) and Awatere (in Hamilton). Despite this regional bias, our development margin remained strong at 26%.

Our 194 resales in the 10 month period were up 17% on the 12 month period to 31 May 2020.

It has been another busy year for our property and development team. Despite ongoing COVID-19 disruptions, we delivered 217 units and care suites across our brownfield portfolio in three geographic regions. This was the number of new units and care suites that we had intended to build over the full 12 month period, so it was very pleasing to achieve this result within the shorter 10 month period.

Overall, group occupancy has increased to 92.4% for the ten month period ended 31 March 2021, compared to 91.5% for FY2020.

In terms of our strategy, we are focusing on being the provider of choice for critical infrastructure and essential services for older people. We adopt a people-centric approach in everything that we do, whether it is in the design of our buildings so that our care suites can accommodate couples, our hospitality-led dining experiences or the investment in our Nurse Practitioners so that we can continue to provide outstanding care to our residents.

Turning now to our people.

Our people are at the very heart of what we do.

We are pleased to announce that we made three senior appointments prior to 31 March 2021 to further strengthen our leadership team.

Kathryn Waugh has been promoted to the role of Chief Financial Officer after having joined Oceania in 2009 as Financial Controller. Kathryn is a qualified chartered accountant and prior to joining Oceania, she held senior roles at PricewaterhouseCoopers.

Anna Thorburn has been promoted to Group General Counsel. Anna joined Oceania in 2012 after having previously worked as a senior solicitor in the corporate and commercial team at Russell McVeagh.

Both Kathryn and Anna have been heavily involved in Oceania's corporate transactions over the last five years, including the IPO in 2017, the corporate bond in 2020 and the most recent capital raise and acquisitions in March 2021.

Jo Copeland joined Oceania in March 2021 as General Manager People and Culture. Jo started her career as an employment lawyer and then spent the last 20 years in Human Resource leadership roles across a variety of industries including IT, telecommunications, professional services and pharmaceuticals.

We have had some other changes within our Executive Team.

Mark Stockton is now Group General Manager Property and Development. In addition to overseeing Oceania's current development projects, Mark is also responsible for identifying potential landbanks and development sites for future greenfields developments.

Dr Frances Hughes is now Group General Manager Nursing and Clinical Strategy. Dr Hughes was instrumental last year in leading the industry's response to COVID-19 and her work in this area has continued with the rollout of the COVID-19 vaccines. In addition, Dr Hughes is the Chair of the NZACA

Nursing Leadership Group, which provides nursing leadership and focuses on ensuring that registered nurses in aged care are supported to work to their full potential.

Over the last year, we have demonstrated a continued commitment to invest in clinical training and development for our staff, so that we can offer a genuine career development pathway and learning opportunities for all staff that enable them to practice to their full potential. We strongly encourage our people to undertake professional development, as clinical leadership and education are the key to the delivery of quality care, improving overall skill levels and surveillance activities.

We are also offering our employee share scheme to all permanent employees again this year. The scheme achieved a 77% uptake in September 2020 and it's great for our staff to own a stake in Oceania and to further reward them for the vital role they play in Oceania's success.

I'll now move on to an overview of our current developments and our development pipeline

As Liz mentioned earlier, we have continued to make good progress on our development sites during the year and have proven our ability to execute our brownfields development pipeline.

We currently have 402 villas, apartments and care suites under construction across six regions.

We noted in our Annual Report that 221 units and care suites are due for completion during FY2022. I'll now provide an update on each of these developments in turn.

In April 2021, we completed the construction of 49 luxury apartments and a new community centre at Eden in Auckland. Eden Village is a well-established village located in the heart of Mt Eden. With the completion of the new apartments, the village now comprises 67 care suites and 89 independent living apartments and outstanding community spaces. Some residents have already moved in to the new independent living apartments and we are continuing to take applications for these.

We are expecting to complete the development of 113 care suites at our Lady Allum Village in Milford, Auckland during the second half of FY2022. Building works for this project are significantly advanced and the completion of this new care development will enable further site optimisation.

Stage 2B of The BayView (in Tauranga), comprising 39 independent living apartments, is also scheduled for completion before Christmas. We completed 35 independent living apartments at The BayView in March 2021 and have already seen strong sales from this premium development.

We are also scheduled to complete a further 18 new independent living villas at Gracelands in Hastings during FY2022. Gracelands is a highly sought after village and, following the successful sell-down of the previous two stages, we are seeing strong levels of presales in this final stage of the villa development. We are looking forward to welcoming our newest residents to Gracelands in September 2021.

Finally, we are expecting to complete two villas at Stoke, Nelson in the next two weeks. Stoke is a well located village on the main road and it offers a range of affordable one and two bedroom villas. We are intending to continue to develop new two bedroom villas at this village as space becomes available.

Looking further ahead, we are progressing other significant developments at Stage 2 at Awatere (in Hamilton) and Waimarie Street (in St Heliers, Auckland).

Construction of 63 independent living apartments and a new community centre is progressing well at Awatere. This development is expected to be completed in the first half of FY2023. The property already comprises 39 independent living apartments as well as 90 new care suites, that were completed in 2019. The completion of these 63 additional independent living apartments will complement the existing offering

at Awatere, which is a very well located village close to the centre of Hamilton, on the banks of the Waikato River.

Our flagship development at Waimarie Street is also progressing well, with ground works well underway. This village is in one of Auckland's most sought after locations, with 360 degree views of Auckland and the Waitemata Harbour. Once completed, the village will comprise 79 independent living apartments and 31 care suites and we have already had a high level of initial interest, with a significant number of enquiries already registered. As you will see from the video, as well as offering magnificent views across Auckland, the site also boasts the largest tower crane in New Zealand. We are expecting this development to be completed in FY2023.

In conclusion, we are focusing on delivering performance and growth to our investor community moving forward, whilst also maintaining and continuing to develop clinical and operational excellence. We are intending to build on the success of our projects over the last period and to continue to invest in resource and infrastructure to achieve this. As I have explained, we have a significant development pipeline to build on, including both brownfield and greenfield opportunities.

Thank you for your ongoing support.

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