



ANNUAL SHAREHOLDERS MEETING – CHAIR’S ADDRESS

27 June 2024

Introduction & acknowledgements

Let me now share with you my own insights and reflections on the past year and where we’re headed.

I want to begin by thanking our team, our partners and our shareholders for the support shown to the business.

I would like to acknowledge and thank our team of almost 3,000 team members across our sites. Our people have worked extremely hard to continue to deliver outstanding services to our 4,100 residents.

I also want to thank you, our shareholders for your continued support.

Capital Management & Dividend

Consistent with the approach taken at the time of the interim results, the Directors have resolved not to pay a final dividend to provide for ongoing investment in Oceania’s growth and portfolio transformation after taking into consideration cash flow, market conditions and continued growth opportunities.

Strategic capital management remains a core focus for the Board and management team. Oceania holds sufficient headroom in its \$725 million debt facilities with the headroom at the time of Annual Report release more than \$100 million and complying with all banking covenants. The two retail bonds issued in 2020 and 2021 with a blended interest of 2.7% represent 35% of the total drawn debt at 31 March 2024. The total debt blended average interest rate (for syndicated facilities and retail bonds) was 6.1%.

Regulation

Over the last twelve months the industry has been subject to a review by the Ministry of Housing and Urban Development of the Retirement Villages Act. The public and industry participants were asked to comment on changes to the Act.

In addition to the Ministry's review there has been a recent focus from the Commerce Commission on potentially unfair contract terms used in the industry.

While Oceania welcomes the reviews and scrutiny, we have always adopted best practice in business operation and contracting. Oceania will continue to provide the best levels of retirement and aged care living services in support of raising overall industry standards for the benefit of residents. Oceania's position remains that weekly fees cease on vacation, the capital sum is repaid when a new resident moves into a villa or apartment and the deferred management fee does not continue to accrue after the resident leaves. While under Oceania's terms residents do not share capital gains, they do not bear the risk of capital loss on resales and the costs and risks of refurbishment to prepare the property for resale.

Risk Management

In recognition of the increasingly complex and at times, uncertain, environment in which Oceania operates, Board and Management have embarked on a programme of work to uplift and mature the company's approach to risk management. This includes deeper consideration of; and resilience measures for; emerging and escalating risks such as climate, cyber-threats, extreme weather, and use of generative AI technologies. We also have a continued focus on the more traditional and core business risks such as care for our people and residents, development risk and innovation risk.

To assist the Board in undertaking this work, in March 2024 the Board established a Risk Committee to ensure that Oceania has an appropriate and effective risk management framework in place.

Integrated thinking and sustainability

Oceania is continually improving its reporting practices and this year marks a significant step in the journey towards integrated reporting, deepening Oceania's commitment to transparency and sustainable value creation.

As part of this journey, Oceania incorporated enhanced metrics in its Annual Report, to measure progress against the Sustainability Framework introduced last year.

Oceania has met all three of the sustainably linked loan and performance targets this year. We have exceeded our construction waste diversion targets, exceeded our care resident wellbeing target and have had our targets for GHG emissions validated by the Science Based Target Initiative, as well as seen a reduction in our scopes 1 and 2 emissions.

In relation to the Offer pillar Oceania now has 10 projects, a total of 495 units, certified to Homestar 6 and are aiming for our first Homestar 7 project, under the much stricter version 5, at our site in Pukekohe, Auckland.

The Oceania Resident and People pillars have also seen a number of significant wins this year with both our Care resident and employee net promoter score statistics increasing.

While all of this has been happening the team have also been working hard to understand climate risks and opportunities over the short, medium and long term.

Climate reporting

Oceania is designated as a Climate Reporting Entity under the Aotearoa New Zealand mandatory Climate-Related Disclosures regime. During the reporting period, Oceania has made significant progress in identifying and understanding the risks and opportunities associated with climate change and has invested considerable effort in enhancing its knowledge of potential climate impacts.

In Oceania's first year as a Climate Reporting Entity the ground work has been completed in relation to identifying and assessing physical and transitional risks and potential implications. Oceania released its first Climate Risk Disclosure statements last week and the Greenhouse Gas emissions report is available on our website.

Looking Ahead

The Board wish to acknowledge and thank Brent Pattison for his resilience and tenacity in the execution of strategy over the last three years, including leading the sector to deliver new forms of innovation. We are pleased to welcome Suzanne Dvorak to the team. Suzanne has been in the Australian aged care and retirement living sectors for the past decade and will be joining as Chief Executive Officer on 22nd July.

I would now like to invite our CEO Brent Pattison to present his report to you.

ENDS