

Results Presentation

for the Financial Year Ended 31 May 2018

26 July 2018



OCEANIA
HEALTHCARE

Agenda

01	Highlights of the Financial Year ended 31 May 2018	2
02	Business Overview and Strategy	6
03	Update on Developments	10
04	Aged Care Strategy	22
04	Financial Results	27
05	Appendices	42



The Sands, Auckland

Highlights of the financial year ended 31 May 2018

SECTION 1

FY2018 Highlights



We have exceeded the IPO Forecasts for FY2018, increased earnings by over 50%, and continued to execute our key developments and operational initiatives.

1 FY2018 IPO Forecasts exceeded and significant earnings growth delivered

NZ\$M	FY2018	FY2017	Y.O.Y CHANGE (%)
Reported NPAT	77.0	44.9	71.5%
Underlying NPAT ¹	52.1	34.0	53.2%
Total Assets	1,147	918	25.0%

2 Development pipeline enhanced and current projects on track

- **131 units and care suites completed** (on time and on forecast cost) during the 2018 financial year
- **451 units and care suites currently under construction** in Auckland, Hamilton, Tauranga and Nelson. 272 units and care suites on track to be delivered in FY2019 (doubling delivery of 131 in FY2018)
- Greenfield land acquisitions made in the prime Auckland suburb of St Heliers with "bolt-on" acquisitions made at villages in Mt Eden, Milford and The Gardens (Auckland)
- Total **development pipeline now 2,129 units and care suites** (~30% above the pipeline on IPO) with 61% of the pipeline consented
- New bank facilities put in place to support **increased build rate** of 250 units and care suites per annum to 2022 and 300+ per annum thereafter while maintaining prudent gearing levels

1. Underlying NPAT is a non-GAAP measure used by Oceania to monitor business performance. Underlying NPAT is a consideration in determining dividend distributions. Refer to page 50 in the Appendices for a definition of Underlying NPAT. Refer to page 51 for the pro forma adjustments made to the presentation of the FY2017 financial statements

3 Operational excellence and clear growth strategy in aged care

- Supreme Winner Overall Excellence in Care Award for the third consecutive year for innovative “I Love Music” programme
- Continued strong MoH audit results with 28% of facilities at 4 years, all others at 3 years (up from 20% at 4 years as at May-17)
- Commenced the implementation of a new clinical information system
- Continued the transformation of our care portfolio to a target of a 60/40 premium/standard mix through the delivery of 98 new care suites in FY2018 with a further 310 care suites currently under construction
- Upgrade and conversion programme underway to boost occupancy in favourable market locations
- Divestment of five sites



4 Final dividend declared

- Final dividend per share announced of 2.60 cents per share (not imputed¹) in line with the IPO forecast
- Record date of 13 August 2018. Payment date of 20 August 2018
- Full year dividend of 4.7 cps representing 4.2% yield² and 55% of underlying NPAT

1. The dividends are not imputed due to the availability of existing tax losses.

2. Gross yield based on the share price as at 13 July 2018 of \$1.12 per share

FY2018 Financial highlights



Reported NPAT and Underlying NPAT are ahead of FY2017 and the IPO Forecasts. Total assets as at FYE2018 approximately \$1.15b

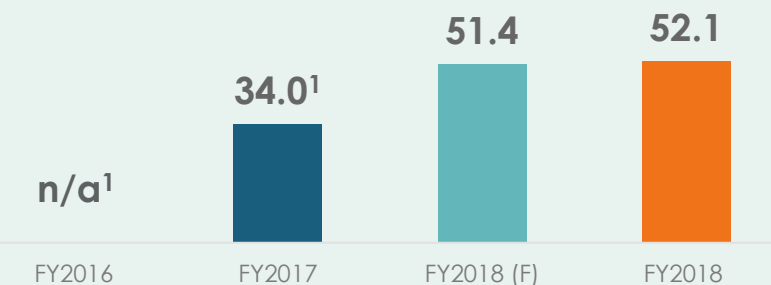
Operating Revenue

NZ\$m



Underlying NPAT¹

NZ\$m



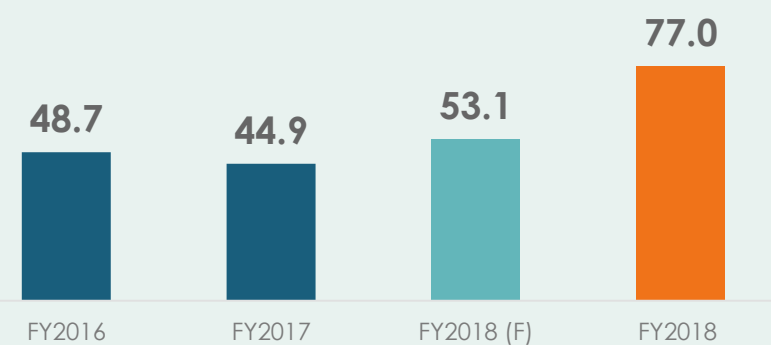
Total Assets

NZ\$b



Reported NPAT

NZ\$m



1. Underlying Net Profit After Tax includes pro forma adjustments in FY2017. Pro forma Underlying Net Profit After Tax for FY2016 was not included in the Product Disclosure Statement dated 31 March 2017 for the Initial Public Offering because of the different capital structure in place before the Initial Public Offering



2

Meadowbank Village, Auckland





Business Overview and Strategy

SECTION 2

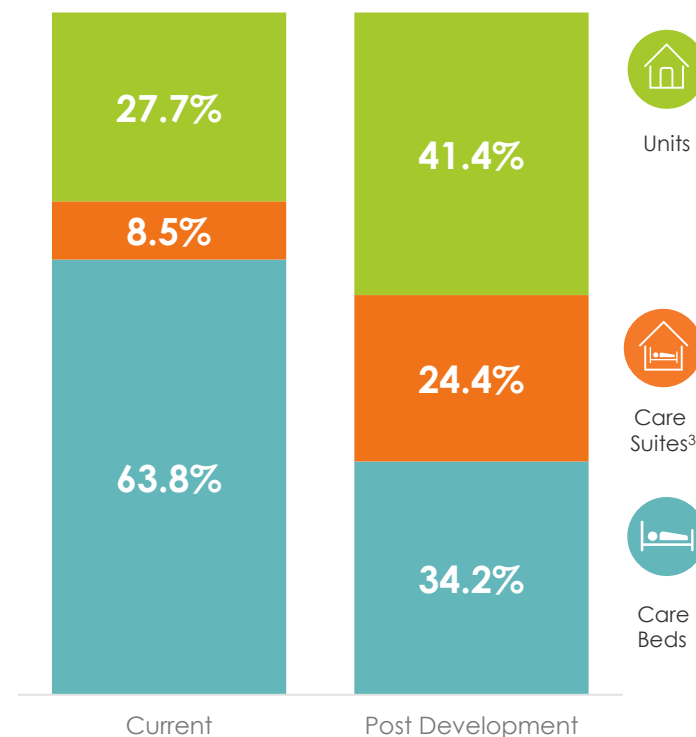
Overview of Oceania

We are a “care focused” operator and developer of aged care facilities and retirement villages

Current & future portfolio composition – Remaining “needs” focused

	 Care Beds	 care suites ³	 Units	 Total
North Island	1,954	220	797	2,971
South Island	586	120	305	1,011
Total Existing¹	2,540	340	1,102	3,982
Development Pipeline ³	0	867	1,262	2,129
Less Decommissions	(497)	(43)	(108)	(648)
Care Suite Conversions	(194)	156	(15)	(53)
Net Development Pipeline²	(691)	980	1,139	1,428
Total Post Development⁴	1,849	1,320	2,241	5,410

Portfolio and landbank overview



1. Comprising 48 operating facilities and 3 undeveloped sites. Facility numbers as at 31 May 2018.
2. Current and planned developments
3. Includes 523 care studios which may be initially sold with a PAC, and may subsequently be sold under an ORA
4. Includes 276 care beds and 13 units that are classified as held for sale as at 31 May 2018 and are subject to a Sales & Purchase agreement. Refer to Appendices for movements in the portfolio from 31 May 2017.

Our key business strengths

Our strength is our care focus and this will continue to differentiate Oceania moving forward

AGED CARE

1

Recognised **leader** in **clinical care**

2

Clear **growth strategy** in **aged care**

3

Attractive **demographic trends and industry structure** – especially in the care segment



DEVELOPMENT

4

Highly **cashflow and value accretive brownfield development** projects in key urban locations

5

Growing **development track record** and capability

CORPORATE & GOVERNANCE

6

Established corporate **platform** with **strong governance**

Summary of Oceania's investment proposition

Our business model supports a combination of dividend yield with long term growth

Yield

- Total dividend of 4.70 cps for FY2018 – **4.20% yield (gross)** based share price of \$1.12 (13 July 2018)
- **Robust cash generation from:**
 - stable “needs-based” care service (80% sourced from government)
 - “annuity-like” DMF earnings from mature village portfolio.



Growth



Increase in portfolio from ~4,000 to 5,400 units as brownfields sites redeveloped over approximately 7 years



Transformation of care portfolio through **premium charging** and **care suite** model (change from 34% of beds to 62%) over this period



Development cashflows from existing brownfields landbank - 61% already consented



Trail income from care earnings and **DMF** from developments



The Sands, Artist's impression

Developments

SECTION 3

Substantial progress executing developments



We delivered our key developments during the IPO Forecast period on time and on forecast cost

Development progress in FY2018

Development completed in FY2018

- **25 villas** completed at **Elmwood** (Auckland), **10 villas** at **Stoke** (Nelson), and **4 villas** at **Wharerangi** (Taupo)
- **30 care suites** and **62 apartments** completed at **Meadowbank** (Auckland)

1HY2019 scheduled completion

- Stage 1 new care facility (**81 care suites**) at **The BayView** (formerly Melrose) due to complete in 1HY2019

FY2019 scheduled completion

- Stage 4 at **Meadowbank** (**34 care suites, 49 apartments**) **on track** for completion in FY2019
- **The Sands** (**44 care suites, 64 apartments**) **on track** for completion in FY2019

131

Care suites & units completed in FY2018 in line with IPO Forecast

272

Care suites & units scheduled for completion in FY2019

Platform set for future development

Development commenced in FY2018

- **Trevellyn Stage 1 (90 care suites)** commenced in January 2018 and scheduled to complete in FY2020

FY2019 scheduled commencement

- **Green Gables (61 care suites and 28 apartments)** commenced in June 2018
- **Windermere Stage 1 (60 care suites and 22 apartments)** due to commence 2HY2019
- Stage 2 at **The BayView (74 apartments)** due to commence in 2HY2019
- **Gracelands Stage 1 (18 villas)** scheduled to commence in 2HY2019

Land acquired in FY2018

- **Further land acquired** at **Waimarie Street**, in St Heliers (site increased from 8,945m² to 13,464m²)
- **Additional land acquired** at **Eden Village, Elmwood Village** and **Lady Allum Village**

Meadowbank Village

Stage 3 completed in February 2018 with 69% of apartments sold or under application as at June 2018.
Stage 4 on track for completion in May 2019

Meadowbank

Auckland

Stage 3

Completed on time & under budget



62

Apartments
69% sold / under
application



30

Care Suites
40% occupied

Stage 4

Under construction with a further



49

Apartments



34

Care Suites



The Sands

Construction of The Sands is on track for completion in May 2019

The Sands

Browns Bay, Auckland

The Sands will provide



64

Apartments



44

Care Suites

Due for completion around May 2019



The BayView

Redevelopment of The BayView is on track and scheduled to complete in 1HY2019 with Stage 2 commencing in 2HY2019



The BayView

Tauranga

Stage 1

Under construction will provide




81
Care Suites


Due for completion around Oct 2018

Stage 2

Scheduled to commence in 2H2019



74
Apartments



Community Centre



Construction of Trevellyn commenced in 2HY2018 with completion scheduled for FY2020



Trevellyn

Hamilton



Stage 1

Currently under construction¹ will provide:

Due for completion in FY2020



¹ Stage 1 site outlined in the aerial photo above

Stage 2

Scheduled to commence in FY2020



Green Gables

Redevelopment of Green Gables commenced in June 2018



Green Gables will provide



28

Apartments



61

Care Suites

Due for completion in FY2020



Waimarie Street

We have significantly enlarged the development area of the Waimarie Street site in the premium suburb of St Heliers, Auckland



Waimarie St

St Heliers, Auckland

13,464m²
Land
acquisition

116
Units & care
suites
planned

Greenfield site in the Auckland suburb of St Heliers:

- Original land acquired was 8,945m²
- Subsequent purchases have increased this to 13,464m² and "squared-off" the site
- Premium boutique aged care facility and retirement village planned (approximately 116 units and care suites)
- Strong forecast demand in the catchment area
- Local median house price of approximately \$1.7m

Additional land was acquired adjacent to the Eden Village

Eden

Auckland

Development of the site¹ will provide

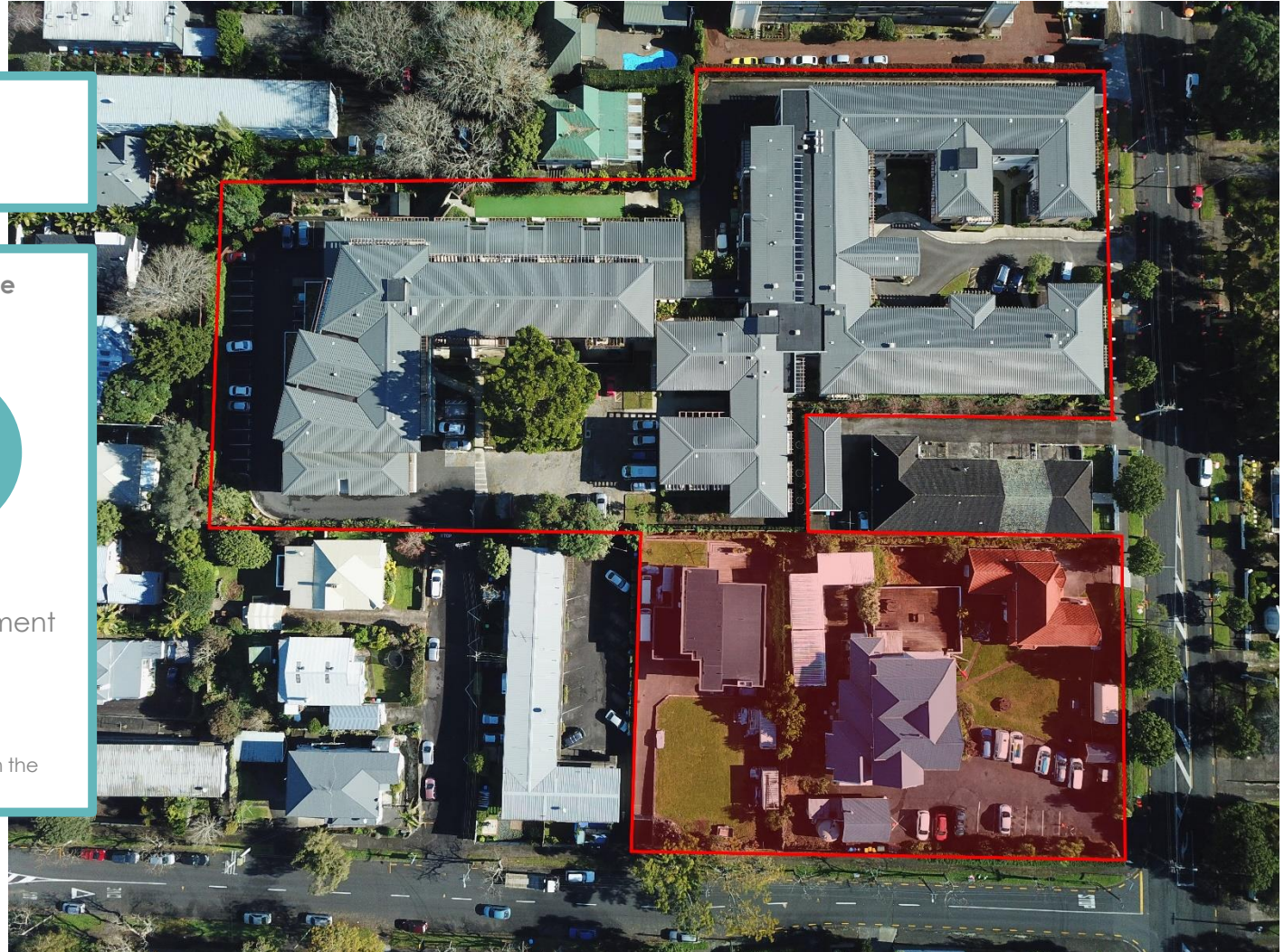


47
Apartments

Community
Centre

- Under-croft carpark and a community centre to supplement the existing retirement village facility

1. Site to be developed is shaded red within the Eden site outline



Stage 1 development at Windermere is scheduled to commence in 2HY2019



Windermere

Christchurch

Stage 1 development will provide



Scheduled to commence 2HY2019

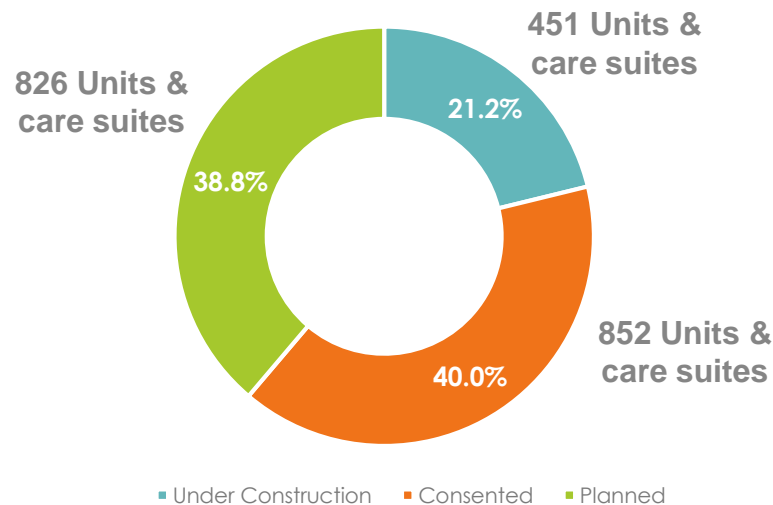
- Premium suburb close to centre of Christchurch with local median house prices of \$0.9m¹

Track record of developments delivered

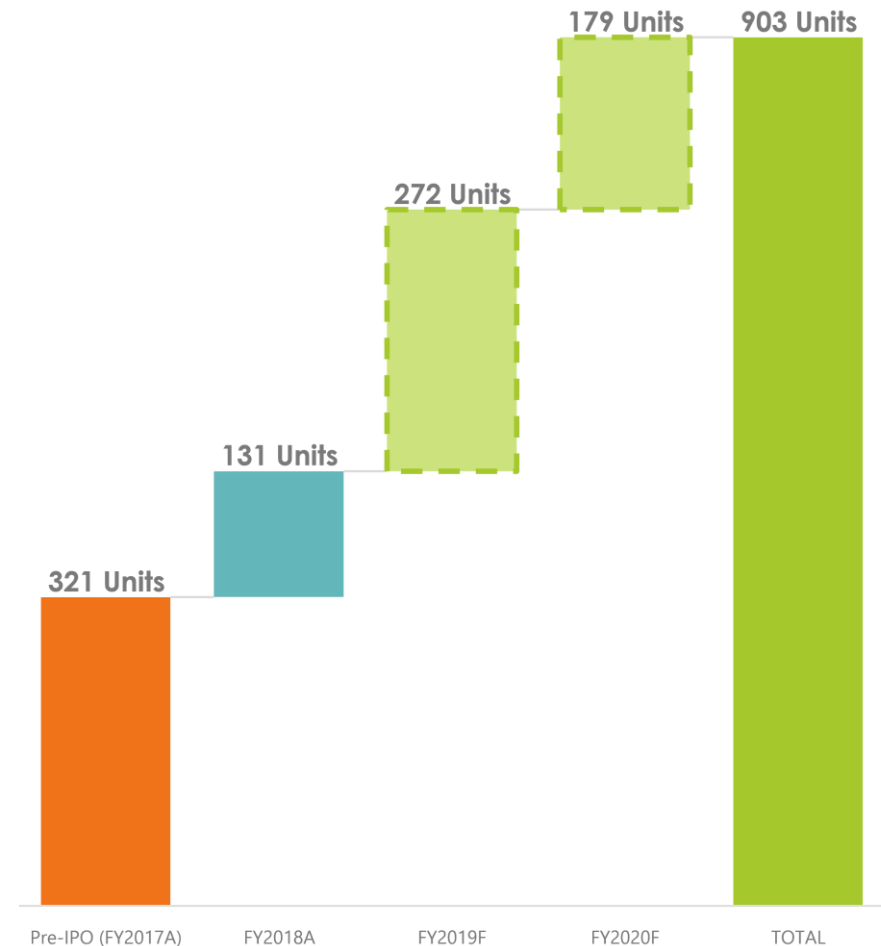
We have delivered, and are currently constructing, a combined total of 903 care suites and units

- We have a highly experienced in-house development team with a proven track record of delivering projects on time and budget
- Our philosophy is based on “ownership” of what we do all the way from design, master planning, consenting, design management, procurement, construction management, quality control and after care
- Our development margins have increased over time. We are targeting an average range of 15-25% over the entire pipeline

Status of Development Pipeline



Units delivered and currently under construction



Increased pipeline and build rate

Our development pipeline and forecast build rate has increased since IPO. We have new debt facility limits in place to achieve this and our in-house development team has the capacity and capability to deliver

Current development pipeline vs IPO development pipeline



	Total units
Development Pipeline at IPO	1,674
Less: IPO pipeline units completed	(131)
IPO pipeline net of completions	1,543
Redevelopment of Auckland brownfields sites	682
Waimarie Street	116
Other changes to pipeline since IPO	(212)
Development Pipeline at FY2018	2,129

- Our pipeline has increased from 1,674 units at IPO to 2,129 units at FYE2018, since IPO due to:
 - Completion of Stage 3 at Meadowbank (Stage 3) and villas at Elmwood, Stoke and Wharangi
 - Announced redevelopment of Auckland brownfields sites, including Eden and Lady Allum
 - Acquisition of land at Waimarie Street for a new greenfields development
 - Other changes including the removal from the development pipeline of 71 units at sites that are held for sale at FYE2018 and at Woodchester (Christchurch)
- We have also increased our forecast build rate since IPO to:
 - 250 units p.a. in the near term to FY2021; and
 - 300+ units p.a. from FY2022 onwards
- We have increased and extended the maturity of our debt facilities to provide us with certainty and flexibility to execute our pipeline to FY2023
- Our in-house development team has the capacity and capability to achieve this increased build rate with 451 units and care suites currently under construction



Aged Care Strategy

SECTION 4

Benefits of a care-weighted portfolio

Demand for aged care is underpinned by established demographic trends

Barriers to entry

- Aged care is a difficult business to replicate – there are significant barriers to entry
- Residential aged care **facilities require MoH certification** in order to receive government funding (and are regularly audited by MoH)
- **Processes, systems and well-trained staff** are required to achieve scale, maintain high standards of service delivery and comply with regulatory requirements
- Funding contracts and **relationships with DHBs**

Key benefits

- A **high proportion of care revenue is government funded** (c.80%) which provides stable cashflows.
- Governments have funded increases to the sector at greater than CPI over the last decade
- Aged care services are “**needs based**” - demand is less affected by residential house prices and economic cycles
- Providing a “**continuum of care**” on site allows residents to age in place, which is a key attraction to residents and their families when choosing a retirement village

Aged care strategy

Optimising our existing portfolio of facilities and redeveloping brownfields sites to increase our premium care offering

MATURE AGED CARE BUSINESS

We have a mature aged care business with strong cashflow based returns

To be enhanced by

1

Upgrade and conversion of existing aged care stock to **premium care suites and beds**

2

Redevelopment of premium care suites to replace older beds in **key urban brownfields locations**



Aged care strategy – Portfolio review



Our aged care portfolio generates stable returns with the opportunity to enhance these returns by continuing to increase the proportion of premium rooms through redevelopment and conversion

- Continuing to have a mix of metropolitan and regional sites is important to us; it provides the benefits of scale and geographical diversification
- We have critically reviewed our aged care portfolio during FY2018 and assessed opportunities to enhance returns for each care facility

Redevelopment opportunities

- **310 care suites under construction** currently
- A further **514 care suites** (net of decommissions) in our **brownfields pipeline**

Conversion & upgrade opportunities

- We have **converted 233 existing** beds into care suites (sold under ORA) over the **past 8 years**
- **Opportunities identified** at sites with strong local market conditions to **upgrade and reconfigure** sites with **premium offering** to meet resident expectations
- **Enhance revenue streams** from increased occupancy, DMF and PACs
- **Recycle capital** and recover refurbishment costs through **sale of care suites under an ORA**

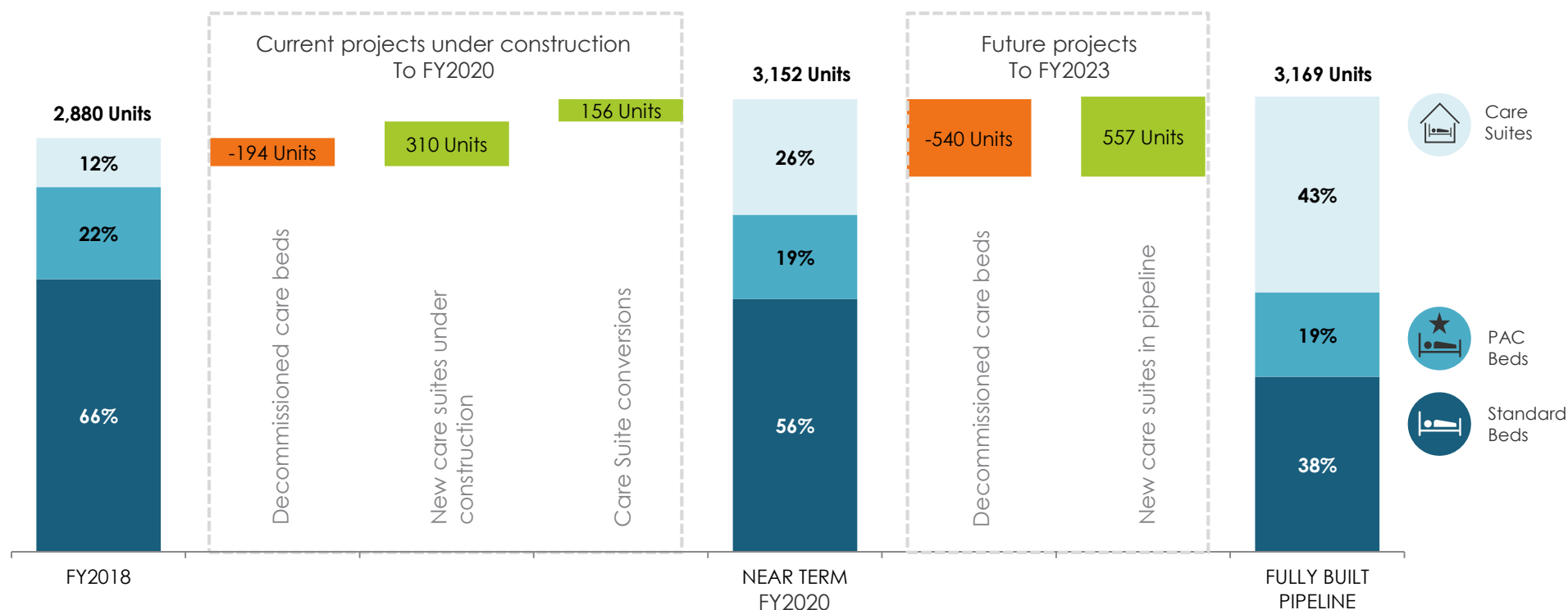
Divestment

- **Five sites identified** as not suitable for development, upgrade or conversion hence **non-strategic** amongst our portfolio
- These sites are **currently** in the process of **being divested**

Aged care portfolio – upon completion of proposed development plan

Upgraded aged care portfolio comprising balance of premium and standard offerings to meet residents' expectations

- Our diversified portfolio of metropolitan and regional locations will meet the needs of both MoH subsidised residents requiring hospital care as well as those residents wanting a premium aged care product
- After the currently proposed care redevelopments and conversions are completed, 62% of our aged care offering will be in premium rooms (sold as care suites or PAC) with the balance standard beds
- Total aged care portfolio will then operate with strong occupancy and earnings per bed
- Opportunity to further enhance operating performance from new technology and hospitality based model of care



Financial results

01 Income statement and segmental performance

02 Balance sheet and drivers of Investment Property valuation

03 Cashflow statement

04 Capital structure

Income statement

Reported net profit after tax of \$77.0m was \$32.1m (71%) ahead of the FY2017 result and \$23.9m (45.0%) ahead of the IPO Forecast

FY2018 Summary of Income Statement

NZDm	FY2017	FY2018 ¹	FY2018 (F)
Operating revenue	174.8	184.0	175.3
Change in fair value of investment property	57.2	68.3	40.4
Total Income	232.0	252.4	215.7
Operating expenses	(146.9)	(165.8)	(146.8)
Impairment of goodwill and loss on disposal of chattels	(1.0)	-	-
Impairment of property, plant and equipment	(4.3)	1.1	-
Total Expenses	(152.2)	(164.7)	(146.8)
Operating Profit	79.8	87.7	68.9
Transaction expenses	(4.4)	-	-
Finance costs	(20.1)	(2.9)	(2.1)
Depreciation and amortisation	(7.9)	(8.8)	(8.7)
Profit before Income tax	47.4	75.9	58.1
Taxation benefit/(expense)	(2.5)	1.1	(5.0)
Reported Net Profit after Tax	44.9	77.0	53.1

- \$184.0m operating revenue - includes care revenue (\$159.6m), village deferred management fees (\$15.0m) and village weekly fees (\$5.3m). Included within the care revenue is the equal pay settlement for health care assistants that came into effect in July 2017
- A bridge of the fair value movement in IP is provided on page 37. The movement in FY2018 was driven by:
 - Revaluation of existing village assets (\$26.9m);
 - Uplift from Meadowbank (\$23.4m);
 - Uplift from Elmwood (\$10.3m); and
 - Uplift from Everil Orr (\$7.7m)
- PPE not revalued for the FY2018 financial statements with the exception of the new care facility at Meadowbank
- FY2018 operating revenue and expenses reflect the equal pay settlement for health care assistants
- Operating expenses include the rental expense in relation to Everil Orr¹
- Taxation benefit driven by a reduction in deferred tax liability relating to IP of \$2.6m

1. Note, the IPO Forecast included the fair value movement (\$7.7m) and associated rental expense (\$7.8m) in relation to the right to use asset at Everil Orr village on a net basis. The FY2018 financial statements presents these on a gross basis.

Underlying earnings

Underlying NPAT was \$18.1m (53.2%) ahead of the FY2017 result and \$0.7m (1.3%) ahead of the IPO Forecast

Reconciliation of Underlying Adjustments

NZDm	FY2017	FY2018	FY2018 (F)
Reported Net profit after tax	44.9	77.0	53.1
less: Change in fair value of investment property and PP&E	(52.8)	(68.3) ²	(40.4)
add: Impairment of goodwill	0.5	-	-
Less: Gain on disposal of chattels at decommissioned sites	0.5	(1.1)	-
add: Realised gains on resales	12.7	16.9	16.6
add: Realised development margin	5.2	21.1	17.1
add: Deferred tax	2.5	(1.1)	5.0
less: DMF in relation to right to use asset	-	(0.1)	-
add: Rental expenses in relation to right to use asset	-	7.8 ²	-
Underlying NPAT	13.4	52.1	51.4
Pro forma adjustments:			
<i>Non-recurring or infrequent items</i>			
Transaction and Offer costs	4.4	-	-
<i>Structural changes</i>			
Listed company costs	(0.7)	-	-
Listed capital structure	17.0	-	-
Underlying NPAT (incl FY2017 pro forma adj¹)	34.0	52.1	51.4
add: Depreciation and amortisation	7.9	8.8	8.7
add: Finance costs ¹	3.0	2.8	2.1
Underlying EBITDA	45.0	63.7	62.2

1. See Appendices for a summary of FY2017 pro forma adjustments

2. Rental expense of \$7.8m relates to the right to use asset at Everil Orr village. The IPO Forecast considered the right to use asset at Everil Orr village on a net basis with the impact deemed immaterial. The FY2018 financial statements presents these on a gross basis with an offsetting amount of \$7.8m included within the fair value movement.

- Underlying NPAT was \$18.1m ahead of FY2017 and \$0.7m ahead of the IPO Forecast
- Underlying EBITDA increased \$18.7m on FY2017 and was \$1.5m above the IPO Forecast
- Reduction in care segment earnings driven by the decommissioning of sites for development and the impact of the equal pay settlement
- Resales margin was in line with IPO Forecast and above FY2017 with average resale gain of \$94.1k per unit/suite (12.2% above the FY2017 average of \$83.8k)
- Development margin of \$21.1m underpinned by:
 - Sales of new apartments at Meadowbank (\$12.0m), Lady Allum (\$3.5m), and Elmwood (\$1.4m); and
 - Sales of new care suites at Meadowbank (\$1.9m)

By segment	FY2017	FY2018	FY2018 (F)
Aged Care	31.9	28.9	32.3
Retirement Village	26.8	49.7	44.7
Other	(13.7)	(14.9)	(14.8)
Pro forma Underlying EBITDA	45.0	63.7	62.2

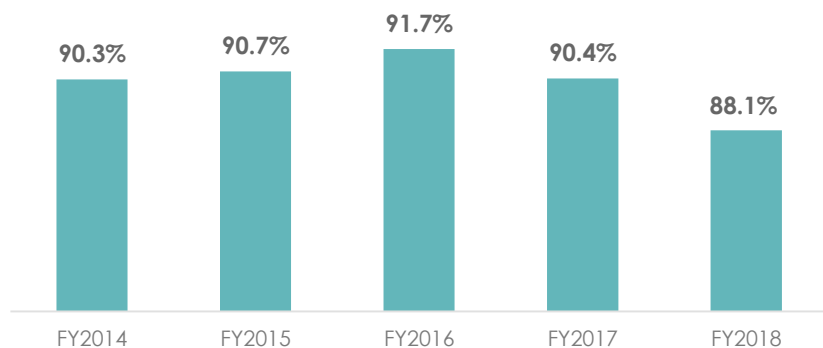
Care segment

Aged care EBITDA impacted by lower occupancy and the negative impact of the equal pay settlement

Aged Care Underlying EBITDA

NZ\$m	FY2017	FY2018	FY2018 (F)
Daily care fees	145.7	150.4	143.9
PAC revenue	2.7	3.2	3.2
Care suite DMF	3.0	3.6	3.3
Other revenue	1.4	2.4	1.4
Total aged care operating revenue	152.8	159.6	151.8
Staff and resident expenses	(105.8)	(115.4)	(105.4)
Occupancy and site overhead expenses	(15.1)	(15.3)	(14.1)
Total aged care expenses	(120.9)	(130.7)	(119.5)
Aged care pro forma Underlying EBITDA	31.9	28.9	32.3
EBITDA per care bed / suite (all sites)	\$12,339	\$11,742	\$12,709

Occupancy rates



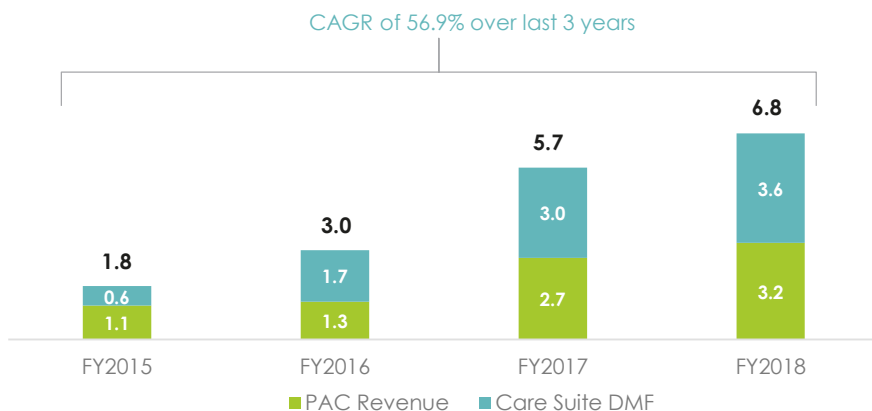
- Occupancy averaged 88.1% for FY2018
 - New aged care development at The BayView (Tauranga) and Trevellyn (Hamilton) accounted for 0.5% of the change in Group occupancy
 - Sites that will be divested accounted for a further 1.3%
 - Occupancy over remainder of portfolio was ~90.0%
- While the equal pay settlement was designed to be cost neutral to aged care providers, certain aspects of the settlement resulted in higher wage costs than expected. This included the significant increase in Health Care Assistants moving to the Level 3 pay scale during the year due to the qualification “equivalency” mechanism for qualifications obtained overseas
- Sites for redevelopment and divestment made up \$2.3m of the \$3.0m decrease in aged care earnings, representing 80% of the total decline

Care segment – revenue from premium beds

Revenue from premium beds (including PAC and DMF) has increased at a CAGR of 56.9% over the past 3 years

Premium care revenue

NZ\$m



- 19.3% increase in FY2018 to \$6.8m
- Care suite DMF revenue increased to \$3.6m, up 21% from FY2017
- Average PAC of \$13.67 in FY2018 compared to \$11.32 in FY2017, up 20.8%



Village segment

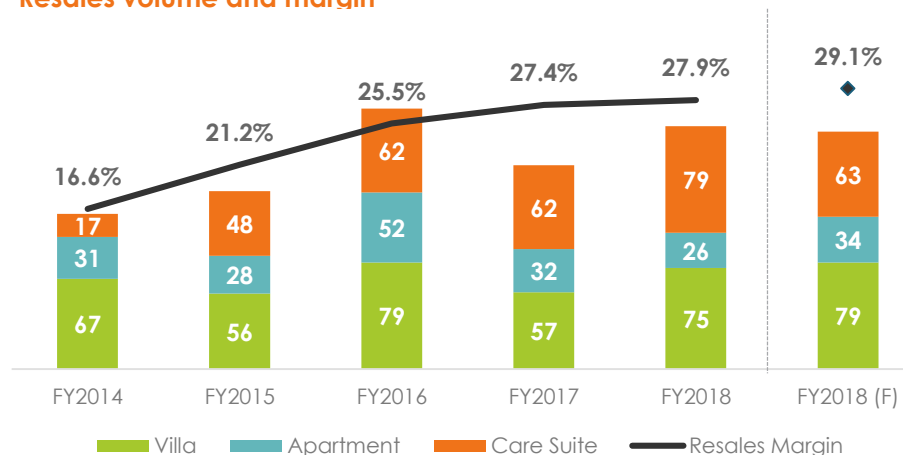
FY2018 Underlying EBITDA of \$49.7m was \$22.9m ahead of FY2017 and \$5.0m ahead of the IPO Forecast due to stronger prices achieved at new developments

Village Underlying EBITDA

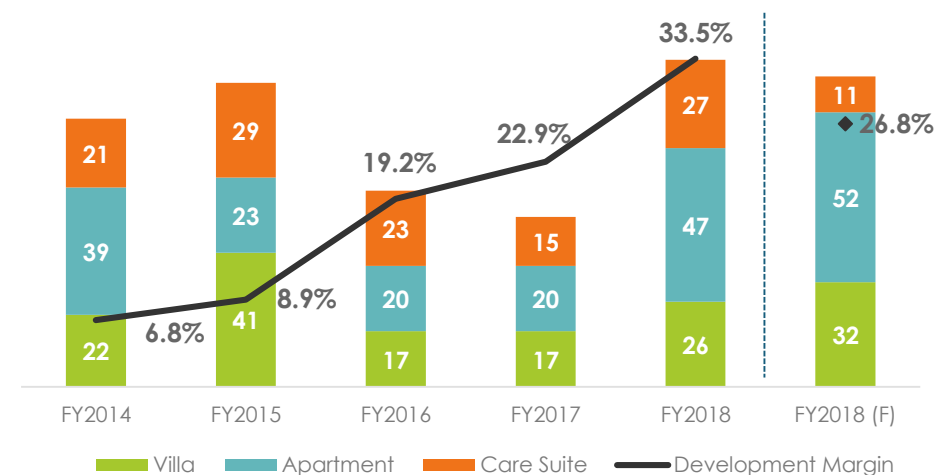
NZ\$m	FY2017	FY2018	FY2018 (F)
Villa and Apartment DMF	13.3	15.0	15.0
Retirement village service fees	5.3	5.3	5.4
Other revenue	2.1	2.7	1.9
Total retirement village operating revenue	20.6	23.0	22.3
Realised gains on resales	12.7	16.9	16.6
Realised development margin	5.2	21.1	17.1
Village site operating expenses	(9.5)	(11.3)	(9.9)
Resident share of capital gains	(2.2)	0.0	(1.4)
Total retirement village expenses	(11.7)	(11.3)	(11.4)
Retirement village pro forma Underlying EBITDA	26.8	49.7	44.7
Total resale volume	151	180	176
Total new sales volume	52	100	95
Total sales volume	203	280	271

- Deferred management fees continue to grow (12.8% c.f FY2017) as new developments are completed and resales occur at higher prices
- Gains on resale increased due to increased volume (180 units in FY2018, 151 in FY2017) whilst margins improved slightly on FY2017 (27.9% in FY2018 compared to 27.4% in FY2017). Gains higher than IPO Forecast with margin slightly lower due to higher proportion of care suite sales (as these have shorter tenure)
- Development margin reflects the sales of new units including at Lady Allum, Meadowbank and Elmwood with sales prices above the IPO Forecast

Resales volume and margin



Development sales volume and margin

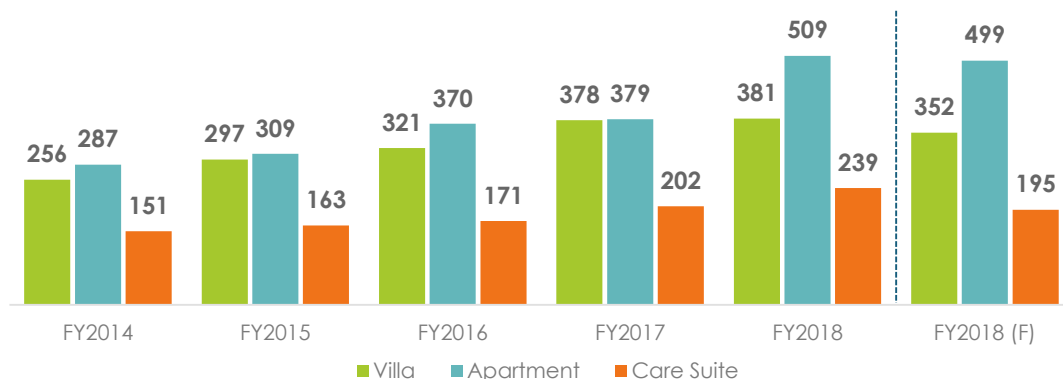


Village segment – key indicators

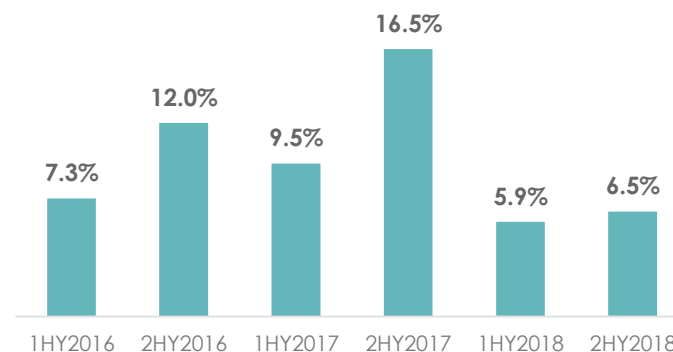
Resale prices and margins were above FY2017 and the IPO Forecast, particularly for apartments and care suites

Resales Prices

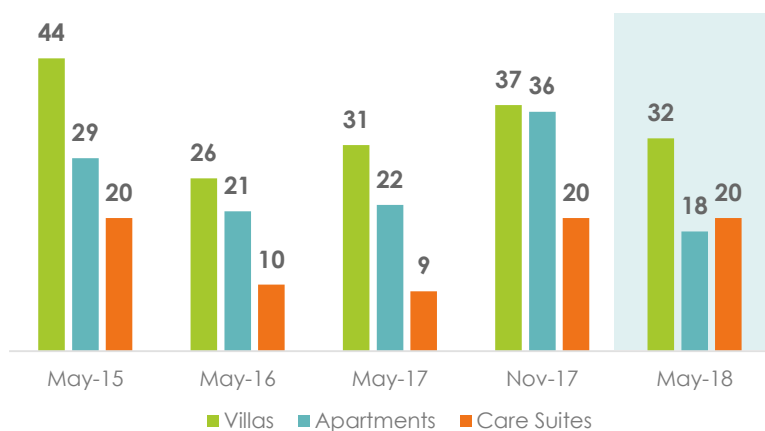
NZ\$000s



Resales Prices vs CBRE Valuation Assumption



Closing Stock (incl stock under application) - Resales



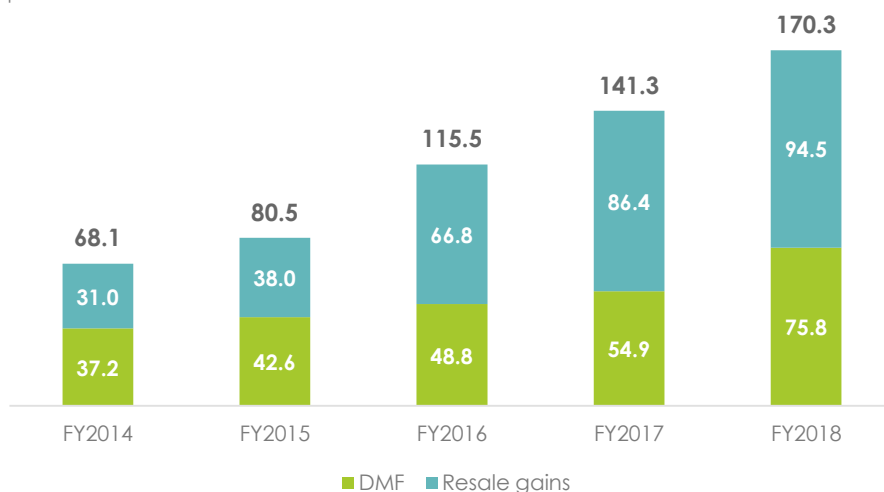
- Average resale prices increased materially for both apartments and care suites (up 34.3% to \$509k and 18.5% to \$239k respectively)
- Resales prices achieved in FY2018 were, on average, 6.2% higher than the May 2017 CBRE valuation. The chart depicts the variance to the prior annual valuation
- Larger positive variances in Tauranga and Hawke's Bay. Similar variances for care suites to independent living units
- Stock levels have reduced since 1HY2018
- Of the 70 units available for resale at 31 May 18, 19 were under application

Embedded value

The **embedded value in Oceania's portfolio has increased significantly** over the last four years to \$210.7m and will underpin ongoing DMF cash flows and resale gains

Embedded value per unit¹

NZ\$m



- Embedded value in Oceania's portfolio is \$210.7m (\$170.3k per unit). Value per unit up 20% year on year
- This is an indicator of DMF and resale gains to be realised in future periods and underpins our operating cash flow forecasts
- Embedded value per unit includes:
 - ~\$75,800 of DMF cash flows per unit to be realised; and
 - ~\$94,500 of resale gains per unit and suite
- Growth in embedded DMF a reflection of the migration of the portfolio to our standard contractual terms and higher price point for the sale and resale of units and care suites

Summary of Embedded Value Calculation

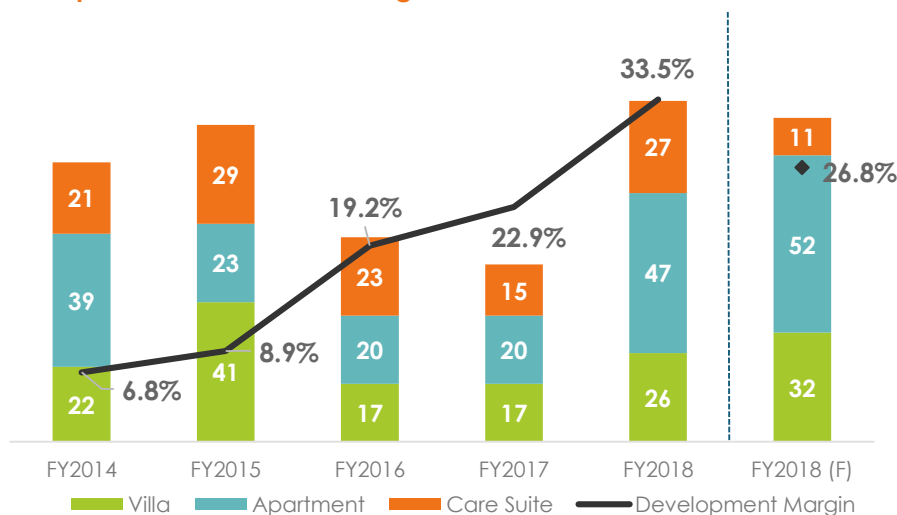
NZ\$m	FY2014	FY2015	FY2016	FY2017	FY2018	FY2018 (F)
Estimated sale/resale price of all Units ¹	322.4	350.2	402.7	499.0	625.1	582.0
less: Unsold stock ²	(32.4)	(25.3)	(14.3)	(33.8)	(92.6)	(47.1)
less: Resident liabilities (contractual)	(206.2)	(223.3)	(243.4)	(282.1)	(321.9)	(358.1)
equals: Embedded value	83.8	101.6	145.0	183.1	210.7	176.8
Embedded value per Unit (NZ\$)	68,119	80,531	115,545	141,298	170,313	122,422

1. Calculated as the current/estimated sale or resale price of all units/care suites as determined by CBRE. 2. The value of unsold stock represents the sales prices of units/care suites which are not under contract, as they either newly constructed or have been bought-back from the previous outgoing residents.

Developments – key indicators

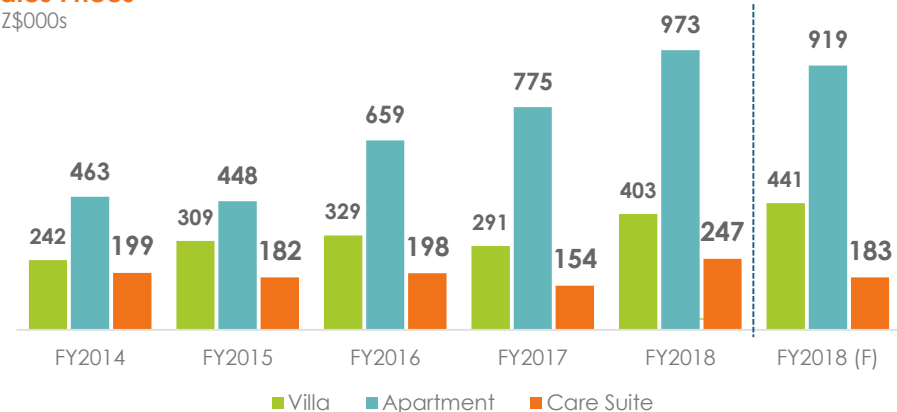
FY2018 development margin of 33.5% was significantly above FY2017 and the IPO Forecast, with strong sales prices achieved at Meadowbank. Our developments will generate a considerable uplift in DMF in future periods

Development Volumes and Margins



Sales Prices

NZ\$000s



Gross New Units Delivered

	FY2014	FY2015	FY2016	FY2017	FY2018
Villas	42	24	11	2	39
Apartments	40	14	0	44	62
Care suites	0	0	0	0	30
Total	82	38	11	46	131

- New units were completed at the following sites in FY2018:
 - 62 units and 30 care suites delivered at Meadowbank;
 - 25 villas (excluding decommissions) delivered at Elmwood;
 - 10 villas completed at Stoke; and
 - 4 villas were delivered at Wharerangi
- Development margins increased to 33.5% in FY2018 (22.9% in FY2017) with prices also increasing materially:
 - Villa prices increased by 38.3% to \$403k (\$291k in FY2017);
 - Apartment prices increased by 25.6% to \$973k (\$775k in FY2017);
 - Care suite prices increased by 60.9% to \$247k (\$154k in FY2017)

Margins and increased prices were driven largely by sales at Meadowbank (37 apartments and 10 care suites) and Lady Allum (10 apartments)

Balance sheet



Total assets increased by \$229.0m (24.9%) from FY2017 due to significant development capital expenditure during the financial year and revaluations reflecting improved trading performance and the completion of key developments

FY2018 Balance Sheet

NZ\$m	FY2017	FY2018	FY2018 (F)
Assets			
Cash and trade receivables	22.2	51.0	15.6
Property, plant and equipment	268.0	323.2	234.4
Investment properties	611.0	755.6	763.1
Intangible assets	17.1	17.4	17.1
Total assets	918.2	1,147.2	1,030.2
Liabilities			
Trade, other payables and provisions	27.8	37.9	23.9
Deferred management fees	19.5	21.9	-
Refundable occupation right agreements	282.9	358.2	373.7
Borrowings	95.2	168.7	130.8
Deferred tax liability	24.8	23.3	28.6
Total liabilities	450.3	610.1	557.1
Equity			
Contributed Equity	579.5	579.5	587.0
Retained Deficit	(196.0)	(127.9)	(182.5)
Reserves	84.4	85.5	68.6
Total equity	468.0	537.1	473.2
Net tangible assets	450.9	519.7	456.0

Net Adjusted Value

NZ\$m	FY2018	FY2017
PP&E (inc WIP)	323.2	268.0
IP (incl WIP)	755.6	611.0
Sub Total	1,078.8	879.0
less ORA Gross Up	(346.2)	(302.4)
add: Adj for CBRE – Chattels	7.4	7.9
add: Adj for CBRE – Care Goodwill	65.0	59.0
add: Other	(18.7)	4.5
CBRE plus WIP	786.3	647.9
less: Net Debt	(150.4)	(84.4)
Net Adjusted Value	635.9	563.5
Shares on Issue	610.3	610.3
Net Adjusted Value per Share	1.04	0.92

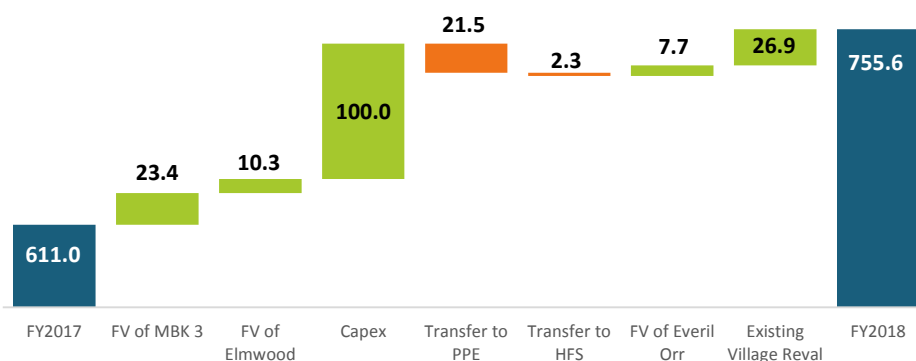
- Our NAV was \$1.04 per share as at FY2018.
- The NAV represents the value of existing sites and the WIP at development sites but excludes the present value of net development cashflows and earnings at both current and future developments (including The Sands and Meadowbank Stage 4 which are due for completion in May 2019)

Balance sheet drivers

Significant uplifts in IP and PPE through development capital expenditure and revaluations

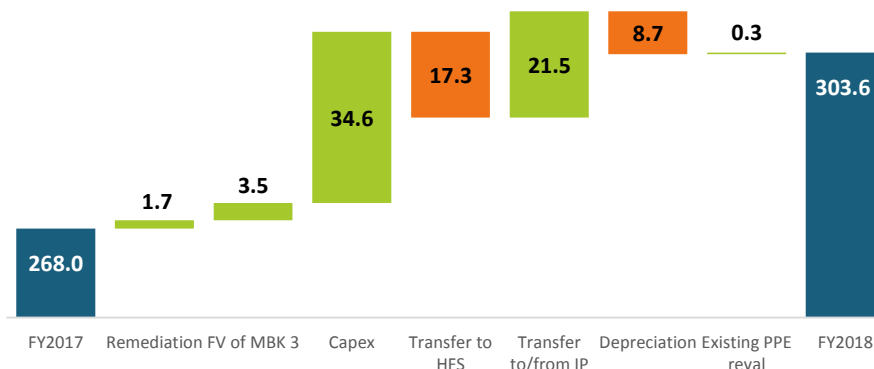
Investment Property

NZ\$ms



Property, Plant and Equipment

NZ\$ms



CBRE Valuation Assumptions - IP

DRIVER	FY2017		FY2018	
PPGR – Long Term (low-high)	2.50%	3.50%	2.50%	3.50%
PPGR – Short Term (low-high)	0.00%	3.00%	0.0%	3.0%
Discount Rates (low-high)	14.00%	22.00%	14.00%	22.00%
Average Incoming Price – Villas	\$359,350		\$390,974	
Average Incoming Price – Apartments	\$570,291		\$670,597	

CBRE Valuation Assumptions – PPE

DRIVER	FY2017		FY2018	
Cap rate (low-high)	10.00%	18.50%	n/a	n/a
EBITDAR per bed (low-high, \$000's)	\$9.65	\$18.34	n/a	
Average Incoming Price – care suites	\$209,906		\$233,453	

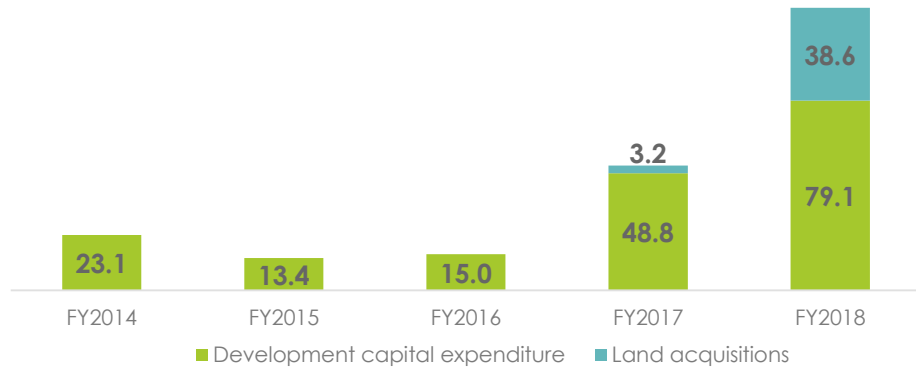
- PPE not valued by CBRE for the FY2018 financial statements with the exception of the new care facility at Meadowbank
- Material increase in the average incoming villa and apartments price due to the inclusion of Meadowbank and Elmwood developments

Development capital expenditure

We have significantly increased our growth capital expenditure following the IPO

Growth Capital Expenditure (IP and PPE)

NZ\$ms



Our growth capital expenditure will create incremental development cashflows as well as increased care earnings and deferred management fees



Cash flow

Operating cash flows, ahead of the pcip, due to the higher new sales receipts and reduced gearing

Statement of cash flows

NZD\$m	FY2017	FY2018	FY2018 (F)
Receipts from customers	159.3	161.8	156.8
Payments to suppliers and employees	(141.1)	(155.2)	(146.2)
Receipts from new Occupational Rights Agreements	68.8	113.5 ¹	120.7
Payments for outgoing Occupational Rights Agreements	(30.9)	(35.4) ²	(32.6)
Interest received	0.1	0.2	-
Interest paid	(17.3)	(2.6)	(6.1)
Net cash inflow from operating activities	38.9	82.2	92.6
Proceeds from sale of property, plant and equipment	0.0	0.2	-
Payments for PPE and intangible assets	(33.5)	(33.4)	(107.6)
Payments for investment property and investment property under development	(47.6)	(98.2)	-
Net cash outflow from investing activities	(81.1)	(131.4)	(107.6)
Proceeds from borrowings	145.0	119.8	92.3
Repayment of borrowings	(285.4)	(50.5)	(65.2)
Transaction costs	(10.7)	-	-
Proceeds from issue of shares	200.0	-	-
Dividend paid	0.0	(12.7)	(12.7)
Net cash inflow from financing activities	48.9	56.6	14.4
Net increase in cash and cash equivalents	6.8	7.4	(0.6)
Cash and cash equivalents at beginning of the period	4.1	10.9	4.4
Cash and cash equivalents at end of the period	10.9	18.3	3.8

- Operating cashflow was above FY2017 due to higher new sale receipts and the new capital structure post the IPO in May 2017
- Operating cashflow was below the FY2018 forecast predominantly due to the timing of settlements and lower aged care earnings. The IPO model assumed contemporaneous settlement when units went unconditional.
- There were \$17.9m of deferred receipts relating to ORAs that were unconditional and cooled off/occupied recognised in FY2018, of which 82% have now fully settled. The remainder largely relate to internal transfers into care suites
- Investing cash outflow was higher than forecast due to the \$38.6m of land acquisitions made that were not contemplated in the IPO Forecast
- The variance in financing cashflow reflects the proceeds from borrowings to fund the land acquisitions made and difference in timing of repayment of development debt following the cash settlement of new units and care suites as discussed above

1. The \$113.5m of receipts from new ORAs comprises \$61.7m of new sales proceeds

2. The \$35.4m of payments for outgoing ORAs comprises \$2.9m of development buybacks

Dividend

A final dividend of 2.6 cents per share has been declared. Total dividend of 4.7 cents per share for FY2018

- A dividend of 2.6 cents per share (not imputed) has been declared
- This is in line with the IPO forecast
- Record date of 13 August 2018. Payment date of 20 August 2018
- Subject to a range of factors, including market conditions and future funding requirements, our dividend policy is to target an annual dividend of between 50-60% of Underlying NPAT
- The final dividend payment totals \$15.9m. The final dividend and 1HY2018 interim dividend (2.1 cents per share) in aggregate total \$28.6m for FY2018. This equates to approximately 55% of FY2018F Underlying NPAT and represents a gross yield of 4.20% based on the share price as at 13 July 2018 of \$1.12 per share



Capital structure

Gearing of 22.0% as at 31 May 2018. We recently increased and extended our bank facilities to provide us with sufficient headroom and flexibility to execute our existing development pipeline to FY2023 at an increased build rate

Net Debt

DEBT FACILITIES	FACILITY LIMIT	DRAWN AMOUNT (31/05/18)
General / corporate	\$135.0m	\$62.2m
Cash	n/a	(\$18.3m)
Finance leases	n/a	\$5.8m
Development	\$215.0m	\$101.1m
Total net debt	\$350.0m	\$150.8m

Credit metrics

PERIOD ENDING	FY2017	FY2018
Net debt	\$84.4m	\$150.8m
Net debt / (net debt + equity)	15.30%	21.93%
Loan to value ratio	15.79%	20.84%

Re-finance of Debt Facilities

- Debt facilities were refinanced in July 2018 with total facility limits increased to \$350m (previously \$235m) with the following terms:
 - The term of the facilities is 5 years to 31 July 2023 (previously May 2020)
 - General Corporate Facility limit increased to \$135m (previously \$75m)
 - Development Facility limit increased to \$215m (previously \$160m)
 - Interest Cover Ratio ("ICR") covenant of 2.00x
- The additional facility limits position us to execute our development pipeline to FY2023 subject to Board approval as each project is ready to proceed

Appendices

- 01 Portfolio summary
- 02 Development pipeline
- 03 Reconciliation of portfolio movements
- 04 Summary of unit sales
- 05 Capital expenditure
- 06 Resales cash flow reconciliation
- 07 Definition of underlying NPAT
- 08 Pro forma adjustments
- 09 Glossary
- 10 Disclaimer

01 Portfolio summary (31 May 2018)



FACILITY	REGION	CARE BEDS	CARE SUITES	VILLAGE UNITS	TOTAL
NORTH ISLAND					
Totara Park Village	Rodney	-	-	30	30
Greenvally Rest Home	North Shore	50	-	-	50
Lady Allum Lifestyle Care & Village	North Shore	128	15	129	272
Te Mana Rest Home	North Shore	46	-	-	46
Amberwood Rest Home	Waitakere	67	-	-	67
Eden Lifestyle Care & Village	Auckland	-	67	40	107
Everil Orr Specialist Senior Care Centre	Auckland	67	-	-	67
Meadowbank Lifestyle Care & Village	Auckland	-	30	118	148
Wesley Specialist Senior Care Centre	Auckland	71	-	-	71
Elmwood Lifestyle Care and Village	Manukau	111	48	129	288
St Johns Village	Manukau	-	-	18	18
Takanini Specialist Senior Care Centre	Manukau	91	-	-	91
Franklin Rest Home	Franklin	44	-	-	44
Trevellyn Lifestyle Care & Village	Hamilton	106	-	43	149
Raeburn Rest Home	Cambridge	54	-	-	54
Whitianga Rest Home	Whitianga	53	-	-	53
Elmswood Rest Home	Tauranga	38	-	-	38
Melrose Lifestyle Care & Village	Tauranga	80	-	60	140
Ohinemuri Rest Home	Paeroa	68	-	8	76
Victoria Place	Tokoroa	51	-	-	51
St Johns Wood Rest Home & Village	Taupo	40	18	21	79
Whararangi Rest Home	Taupo	47	-	21	68
Dunblane Rest Home & Village	Gisborne	75	-	13	88
Duart Rest Home	Hastings	66	-	-	66
Eversley Lifestyle Care & Village	Hastings	50	-	6	56
Gracelands Lifestyle Care & Village	Hastings	92	-	69	161
Atawhai Lifestyle Care & Village	Napier	61	22	46	129
Woburn Resthome	Hawke's Bay	33	-	-	33
Chiswick Park Rest Home	Palmerston North	50	-	-	50
Palmerston Manor Resthome	Palmerston North	48	-	-	48
Eldon Specialist Senior Care Centre	Paraparaumu	105	-	-	105
Elderslea Specialist Senior Care Centre	Upper Hutt	124	-	-	124
Heretaunga Resthome & Village	Upper Hutt	38	20	-	58
Hutt Gables Retirement Village	Upper Hutt	-	-	46	46

















FACILITY	REGION	CARE BEDS	CARE SUITES	VILLAGE UNITS	TOTAL
SOUTH ISLAND					
Marina Cove Village	Picton	-	-	22	22
Green Gables Resthome & Village	Nelson	-	-	12	12
Otumarama Resthome	Nelson	43	-	-	43
Stoke Retirement Village	Nelson	-	-	114	114
Whareama Specialist Senior Care Centre	Nelson	72	-	-	72
Redwood Lifestyle Care & Village	Blenheim	65	13	46	124
Woodlands Resthome & Village	Tasman	56	5	30	91
Holmwood Rest Home	Christchurch	56	-	-	56
Middlepark Rest Home & Village	Christchurch	49	12	-	61
Palm Grove Lifestyle Care & Village	Christchurch	42	42	32	116
Resthaven Rest Home	Christchurch	49	-	-	49
The Oaks Lifestyle Care & Village	Christchurch	69	36	32	137
Windermere Lifestyle Care & Village	Christchurch	-	-	17	17
Addington Lifestyle Care	Christchurch	85	12	-	97
TOTAL (NORTH AND SOUTH ISLANDS)		2,540	340	1,102	3,982

02 Development pipeline

SITE,	STAGE	STATUS	GROSS UNITS	NET UNITS	NOTES
Meadowbank	Stage 4	Under Construction	83	83	Expected completion May 2019
	Stage 5	Consented	26	26	
	Stage 6	Consented	36	36	Consent received July 18, not included in 1,303 consented units
The Sands (formerly Maureen Plowman)		Under Construction	108	108	Expected completion May 2019
Melrose	Stage 1	Under Construction	81	81	Expected completion 2Q19
	Stage 2-5	Consented	235	126	
Trevellyn	Stage 1	Under Construction	90	87	Construction began January 18
	Stage 2-3	Consented	134	28	
Green Gables		Under Construction	89	89	Construction began June 18
Windermere	Stage 1	Consented	82	82	
	Stage 2	Consented	46	29	
Eden		Planned	47	47	
Waimarie Street		Planned	116	116	
Lady Allum	Stage 1	Consented	142	(1)	
	Stage 2	Consented	69	69	
	Stage 3	Consented	68	68	
Gracelands	Stage 1	Consented	18	18	
	Stage 2	Consented	15	15	
	Stage 3	Consented	17	17	
Other	Hawkes Bay	Planned	115	109	
	Auckland	Planned	320	145	
	Nelson	Planned	119	30	
	Various	Planned	73	73	
Total Consented/under construction			1,303	925	
Total Pipeline			2,129	1,481	

02 Development pipeline

We have a pipeline of 2,129 units and care suites. Of this, 1,303 units and care suites are either under construction or consented (61% of pipeline). Details of sites under construction or consented are set out below

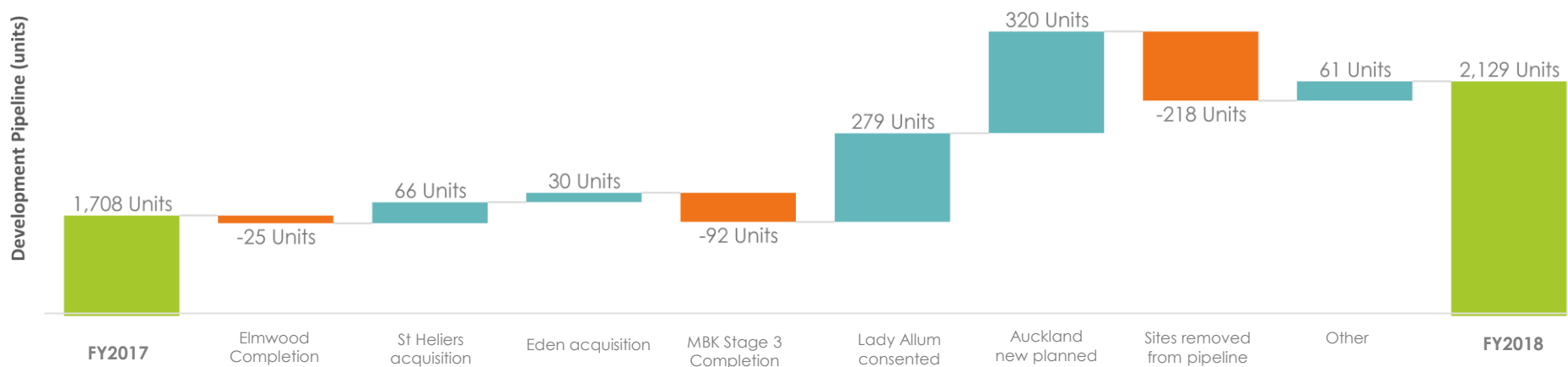
FACILITY	LOCATION	STATUS	GROSS RESIDENCES	MAY-18	NOV-18	MAY-19	NOV-19	FUTURE
Meadowbank	Auckland							
Stage 4		Under Construction	83					
Stage 5		Consented	26					
The Sands	Auckland	Under Construction	108					
The BayView	Tauranga							
Stage 1		Under Construction	81					
Stage 2-5		Consented	235					
Trevellyn	Hamilton							
Stage 1		Under Construction	90					
Stage 2-3		Consented	134					
Green Gables	Nelson	Under Construction	89					
Windermere	Christchurch							
Stage 1		Consented	82					
Stage 2		Consented	46					
Lady Allum	Auckland							
Stage 1		Consented	142					
Stage 2		Consented	69					
Stage 3		Consented	68					
Gracelands	Hastings							
Stage 1		Consented	18					
Stage 2		Consented	15					
Stage 3		Consented	17					
TOTAL			1,303					

03 Reconciliation of portfolio movements

Movements in capacity and pipeline since FY2017

	FY2017	CHANGES IN EXISTING CAPACITY	CONVERSION OF BEDS TO care suites	CONVERSION OF UNITS TO care suites	NEW UNITS DELIVERED	CHANGES IN PIPELINE – GROSS UNITS ADDED	CHANGES IN PIPELINE - DECOMMISSIONS	FY2018
Existing								
Care beds	2,580	(22)	(18)					2,540
Care suites	242	1	16	51	30			340
Units	1,054	(2)		(51)	101			1,102
Pipeline								
Care beds	(354)						(147)	(501)
Care suites	635				(30)	262	(43)	824
Units	1,001				(101)	290	(36)	1,154
Total	5,158	(23)	(2)	0	0	552	(226)	5,459

Movements in gross pipeline since May-17 (from above)



04 Summary of unit sales

New Sales

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2018 PFI
Villa	22	41	17	17	26	32
Apartment	39	23	20	20	47	52
Care Suite	21	29	23	15	27	11
Total	82	93	60	52	100	95
Development Margin	6.8%	8.9%	19.2%	22.9%	33.5%	26.8%

Resales

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2018 PFI
Villa	67	56	79	57	75	79
Apartment	31	28	52	32	26	34
Care Suite	17	48	62	62	79	63
Total	115	132	193	151	180	176
Resales Margin	16.6%	21.2%	25.5%	27.4%	27.9%	29.1%

Average resale gain per unit/care suite

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2018 PFI
Villa	52,989	77,652	107,131	116,316	135,888	118,731
Apartment	28,722	61,461	74,852	106,653	116,096	157,008
Care Suite	18,235	19,849	27,665	42,100	47,089	29,910
Total	41,310	53,198	72,906	83,795	94,056	94,332

05 Capital expenditure

We increased our development capital expenditure significantly during FY2018

Breakdown of Capital Expenditure Spend

NZ\$m	FY2017	FY2018	FY2018 (F)
Acquisitions	23.0	38.6	0.0
Development capital expenditure	48.8	79.1	90.0
Remediation expenditure	1.8	4.1	7.4
Care refurbishment	1.1	0.0	0.0
Care conversion & premium room upgrades	0.7	1.6	0.8
Other capital expenditure			
- Aged care maintenance	2.7	4.0	4.7
- Retirement village refurbishment	2.2	3.2	3.5
- IT growth	0.7	1.0	1.6
Total conversions and maintenance	7.4	9.8	10.7
Adjustment for accruals	0.0	0.0	0.0
Total capex per statutory cashflow statement	81.1	131.6	108.1
Assets under finance leases	3.0	1.3	0.0
Total capex (incl assets under finance leases)	84.1	132.9	108.1

- During FY2018 we completed the conversion of 18 care beds and 51 service apartments to care suites
- Remediation costs for FY2018 were \$4.10m. A further \$0.8m of remediation costs are expected to complete this exercise by the end of FY2019

06 Reconciliation of resales cash flow

\$2.9m of unit buybacks were completed in FY2018 to facilitate future development

Reconciliation of resales cash flow

NZD\$m	FY2017	FY2018
Receipts from New ORAs	68.8	113.5
Less: Payments for Outgoing ORAs	(30.9)	(35.4)
Less: Cash Inflow From New Sales	(22.8)	(61.7)
Net Resales Cash flow	15.1	16.4
Made up of :		
Resale Gains	12.7	16.9
DMF Realised	8.6	9.5
Less: Deferred Settlements	0.0	(3.2)
Less: Development Buybacks	(1.7)	(2.9)
Less: Net Buybacks ¹	(3.2)	(2.2)
Less: Resident Share of Capital Gains	(1.1)	(2.2)
Less: Other Cash amounts paid/received from resales	(0.2)	0.5
Net Cash flows from Resales	15.1	16.4

1. Net Buybacks is the difference between the gross ORA payments made in relation to units bought back (and not resold) during the year and the gross ORA receipts from units resold during the year that were bought back in prior financial years

07 Underlying NPAT

Underlying Profit (or Underlying NPAT)

Underlying Profit is a non-GAAP measure used by the Group to monitor financial performance and is a consideration in determining dividend distributions. Underlying profit measures require a methodology and a number of estimates to be approved by Directors in their preparation. Both the methodology and the estimates may differ among companies in the retirement village sector that report underlying financial measures. Underlying profit is a measure of financial performance and does not represent business cash flow generated during the period.

Oceania calculates Underlying Profit by making the following adjustments to Net Profit after Tax:

- Removing the change in fair value of investment properties (including right to use investment property assets) and any impairment or reversal of impairment of property, plant and equipment;
- Removing any impairment of goodwill;
- Removing any loss on disposal of chattels from the decommissioning of development sites;
- Removing any DMF income and rental expenditure in relation to right to use investment property assets;
- Adding back the Directors' estimate of realised gains on resale of occupation right agreement units and care suites ;
- Adding back the Directors' estimate of realised development margin on first sale of new ORA units or care suites following the development, or conversion of an existing care bed to a care site or conversion of a rental unit to an ORA Unit; and
- Adding back the deferred taxation component of taxation expense so that only current tax expense is reflected.

Resale Gain

Directors' estimate of realised gains on resales of ORA units and care suites (i.e. the difference between the incoming residents ORA licence payment and the ORA licence payment previously received from the outgoing resident) is calculated as the net cash flow received, and receivable, at the point that the ORA contract becomes unconditional and has either 'cooled off' or where the resident is in occupation at balance date.

Development Margin

The Directors' estimate of realised development margin is calculated as the cash received, and receivable, in relation to the first sale of new ORA units and care suites, at the point that the ORA contract becomes unconditional and has either 'cooled off' or where the resident is in occupation at balance date, less the development costs associated with developing the ORA units and care suites.

- Construction costs directly attributable to the relevant project, including any required infrastructure (e.g. roading) and amenities related to the units (e.g. landscaping) as well as any demolition and site preparation costs associated with the project. The costs are apportioned between the ORA units and care suites, in aggregate, using estimates provided by the project quantity surveyor. The construction costs for the individual ORA units or care suites sold are determined on a pro-rated basis using gross floor areas of the ORA units and care suites;
- An apportionment of land valued based on the gross floor area of the ORA units and care suites developed. The value for Brownfield development land is the estimated fair value of land at the time a change of use occurred (from operating as a care facility or retirement village to a development site), as assessed by an external independent valuer. Greenfield development land is valued at historical cost; and
- Capitalised interest costs to the date of project completion apportioned using the gross floor area of ORA units and care suites developed.

Development costs do not include:

- Construction, land (apportioned on a gross floor area basis) and interest costs associated with common areas and amenities or any operational or administrative areas.

The Directors' estimate of development margin for conversions of care beds to care suites and rental units to ORAs is calculated based on the difference between the ORA licence payment received on the settlement of sales of newly converted ORA units and care suites and the associated conversion costs. Conversion costs comprise:

- In the case of conversion of care beds to care suites, the actual refurbishment costs incurred; and
- In the case of conversions of rental units to ORA units, the actual refurbishment costs incurred and the fair value of the rental unit prior to conversion.

08 Pro forma adjustments

The following adjustments relate to the FY2017 year only

Transaction and offer costs

Total transaction and offer costs of \$11.9m were incurred relating to joint lead manager fees, due diligence expenses, travel expenses, advertising, printing costs, and other costs associated with the IPO. Of these \$4.4m million were expensed by Oceania in FY2017. A pro forma adjustment has been made to remove these one-off expenses to illustrate Oceania's financial performance in FY2017 and prior periods on a consistent basis.

Listed company costs

Oceania has incurred additional costs associated with the listed environment including Directors' fees, additional audit and tax costs, listing fees, share registry fees, investor relations costs, company secretarial costs, and annual general meeting costs. To ensure that the historical financial information is presented on a comparable basis, a pro forma adjustment has been made to include estimated listed company costs representing Oceania as if it was a listed company in each of those periods.

Listed company capital structure

The proceeds of the IPO were used to substantially repay a portion of Oceania's prior debt facilities. This means that Oceania's reported NPAT and Underlying NPAT measures for FY2017 do not reflect Oceania's financial performance on a normalised, annual basis under its current capital structure because the structural reduction in debt (and interest expense) that arose from the IPO was not in effect for all 12 months of FY2017. Accordingly, a pro forma adjustment has been made to present the interest expense and Underlying NPAT that would have arisen had a listed capital structure been in place from the start of the financial year. This enables the financial performance for FY2017 to be more effectively assessed and compared to FY2018 and future periods.

This pro forma adjustment includes an adjustment for the write-off of prepaid facility fees on Oceania's historical debt facility. The prepaid facility fees relating to the historical debt facility were required to be written off in accordance with accounting standards as the IPO occurred prior to the maturity date of the historical debt facility.

This pro forma adjustment includes an adjustment for the acquisition of the freehold land and building at the Elderslea aged care facility which has previously been recognised as a finance lease in Oceania's historical financial statements.

In addition, a shareholder loan of \$13.4 million was advanced to Oceania from its immediate holding company in June 2016 to facilitate the construction of the Stage 3 development at Meadowbank. The shareholder loan was settled by way of a subscription for equity in Oceania in January 2017. A pro forma adjustment has been made to remove the interest charges incurred on the shareholder loan in FY2017.

Care Suite

A room or studio certified for the provision of care by the Ministry of Health which has been licensed under an ORA

DMF

Deferred management fees, charged under an ORA, which accrue monthly to a specified maximum and are deducted from the refund paid to the departing resident upon resale of the unit or care suite. These are in consideration for the right to use communal facilities etc over the entire length of stay.

HFS

Held for sale

IP

Investment Property

IPO Forecasts

Prospective Financial Information contained in the Product Disclosure Statement and Supplementary Financial Information dated 31 March 2017

MoH

Ministry of Health

ORA

An occupation right agreement that confers on a resident the right to occupancy a unit or care suite subject to certain terms and conditions set out in the agreement

PAC

Premium accommodation charge on a care bed for accommodation provided above the mandated minimum

PPE

Property, Plant and Equipment

Unit

Includes independent villas and apartments

WIP

Work in progress

10 Important notice and disclaimer



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The presentation includes non-GAAP financial measures for development sales and resales which assist the reader with understanding the volumes of units settled during the period and the impact that development sales and resales during the period had on occupancy as at the end of the period.

The addition of totals and subtotal within tables and percentage movements may differ due to rounding.

The information set out in this Document is an overview and does not contain all information necessary to make an investment decision. It is intended to constitute a summary of certain information relating to the performance of Oceania for the period ending 31 May 2018. Please refer to the Financial Statements for the period ended 31 May 2018 that have been released along with this presentation.

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