

Retail Bond Presentation

25 September 2020



OCEANIA
HEALTHCARE

Meadowbank Stage 5
(completed in May 2020)



Disclaimer



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Presented by:

Earl Gasparich, Chief Executive Officer

Brent Pattison, Chief Financial Officer

01 Offer highlights



Retail Bond Offer	Details
Issuer	Oceania Healthcare Limited (Oceania)
Bonds	Secured unsubordinated fixed rate bonds
Guarantee	Payments on the Bonds are guaranteed by Oceania, Oceania Village Company Limited, Oceania Care Company Limited and Oceania Group (NZ) Limited under a guarantee contained in the Global Security Deed
Offer Amount	Up to \$75m (with the ability to accept oversubscriptions up to an additional \$50m)
Maturity	7 year bonds maturing 19 October 2027
Quotation	Application to quote the bonds on the NZX Debt Market (NZDX) has been made NZX ticker code OCA010 has been reserved for the Bonds
Joint Lead Managers	ANZ, Craigs Investment Partners, Jarden and Westpac



Business Overview and Strategy

02 Oceania at a glance

Oceania was formed in 2005 and is a “care focused” operator and developer of aged care homes and retirement villages.

Oceania is an experienced developer of new aged care and retirement village facilities. The existing portfolio includes a substantial brownfield development pipeline throughout New Zealand.

Key Statistics as at 31 May 2020

26 + 18 + 2

46
Total sites¹

Value Propositions

Existing sites with mature operations

Existing sites with brownfield developments (current & planned)

Undeveloped sites¹

People



3,600
Residents (approx)



2,800
Staff (approx)

Portfolio



2,561
Care beds & Care suites



1,285
Units

Pipeline



693
Care suites



1,158
Units

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

1. The sale of one of the undeveloped sites (Woodchester, Christchurch) has settled since 31 May 2020.

02 Oceania market position & strategy

Operations	1 AGED CARE			2 RETIREMENT VILLAGE	
	Operating Segment	AGED CARE			RETIREMENT VILLAGE
Core operations	Provision of residential aged care services in standard beds, premium rooms and care suites.			Manage portfolio of independent living accommodation for over 70 year olds.	
Portfolio size ¹	2,561 BEDS & CARE SUITES			1,285 UNITS	
Services	Aged Care Services			Independent Living	
Product	Standard Bed	PAC Bed	Care Suite	Apartment	Villa
1. Accommodation model					
Sold under Occupation Right Agreement (ORA) i.e. The resident purchases ORA. Oceania charges a Deferred Management Fee (DMF) and Oceania receives any capital gain on the resale of unit. ²	n/a	n/a	✓	✓	✓
Daily premium accommodation charge (PAC)	n/a	✓	n/a	n/a	n/a
2. Services model					
Services provided	Rest Home Care Hospital Care Dementia Care	Rest Home Care Hospital Care Dementia Care	Rest Home Care Hospital Care (Dementia in future)	Resident hospitality and facilities management	Resident hospitality and facilities management
Weekly service fee	n/a	n/a	n/a	✓	✓
Government funded daily care fee	✓	✓	✓	n/a	n/a
Strategy	<ul style="list-style-type: none"> Maximise occupancy through continuous improvement in service delivery and quality of clinical care. Increase DMF and premium revenue through <ol style="list-style-type: none"> Full redevelopment of some existing aged care centres to new premium Care Suites; and conversion of some standard beds to Care Suites. 			<ul style="list-style-type: none"> Increase Unit resale margins through Oceania brand engagement and Oceania's regular review of market supply and demand dynamics. 	

1. As at 31 May 2020.

2. Standard resale gain policy. A small number of legacy contracts require the resident to share in the resale gains on their unit.

02 Oceania market position & strategy

3

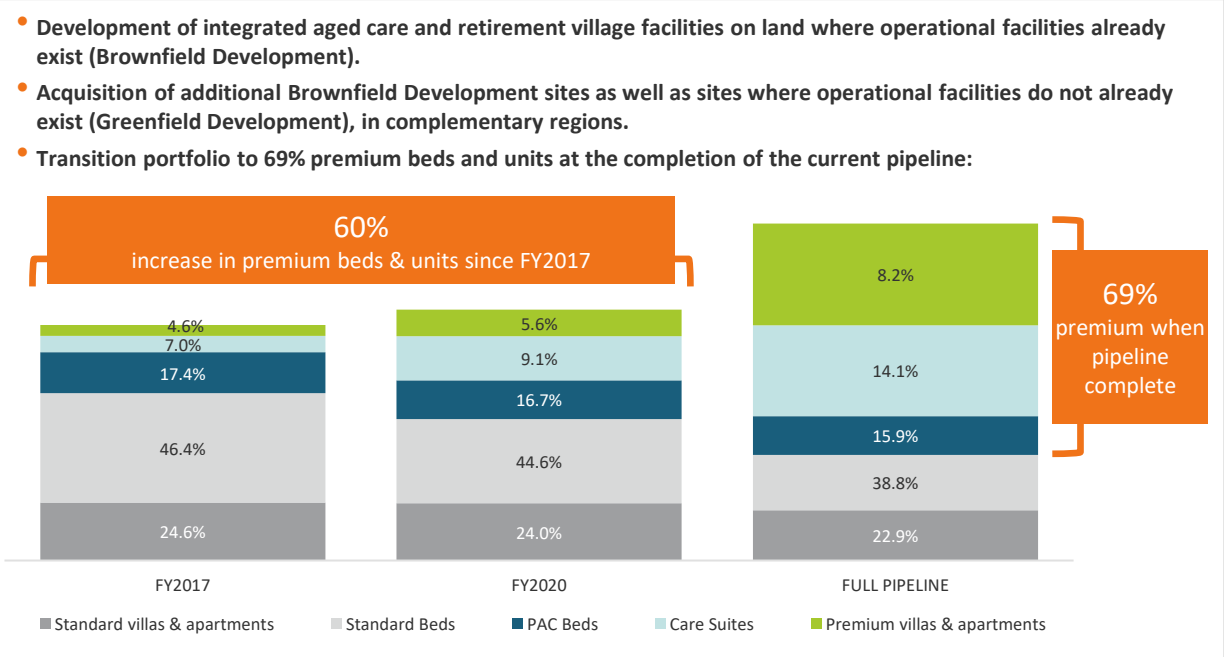
Operations
Revenue Drivers
Strategy

Operating Segment	DEVELOPMENT
Core operations	<ul style="list-style-type: none"> Design and construct integrated retirement village and aged care centres Project manage the design, consent, financing, and construction of new Care Suites and Units. Oceania has proven brownfield development capability, historically delivering on time and on budget. 86.3% of pipeline consented as at 31 May 2020.
Development pipeline	1,851 CARE SUITES AND UNITS IN PIPELINE ¹
Revenue drivers	<ul style="list-style-type: none"> First sale of ORA over new units. Development margin realised.

Strategy

The Bellevue | Christchurch
 Example of brownfield development
 To be completed FY2021

- 22 apartments
- 71 care suites







1. As at 31 May 2020.

02 Oceania market position & strategy

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

Current & future portfolio composition¹

	 Care Beds	 Care Suites	 Units	 Total
North Island	1,442	494	974	2,910
South Island	440	185	311	936
Total Existing ¹	1,882	679	1,285	3,846
Development Pipeline ²	-	693	1,158	1,851
Less Decommissions	(361)	(43)	(110)	(514)
Care Suite Conversions	(78)	64	-	(14)
Net Development Pipeline ³	(439)	714	1,048	1,323
Total Post Development	1,443	1,393	2,333	5,169

1. As at 31 May 2020.

2. Includes 325 care studios which may be initially sold with a PAC and may subsequently be sold under an ORA.

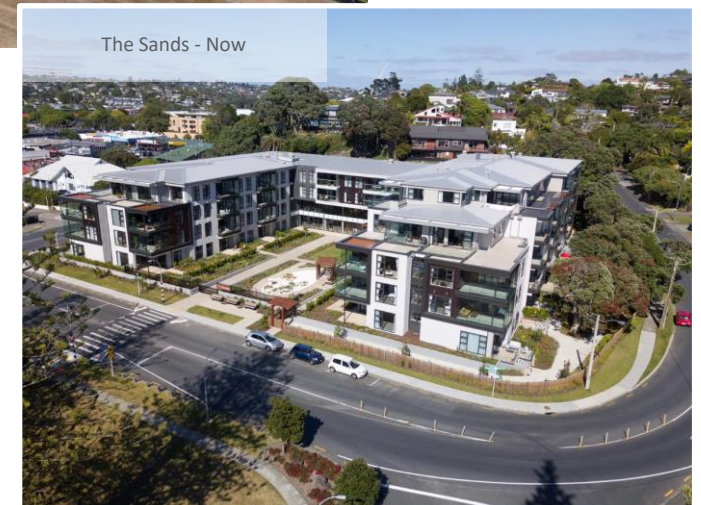
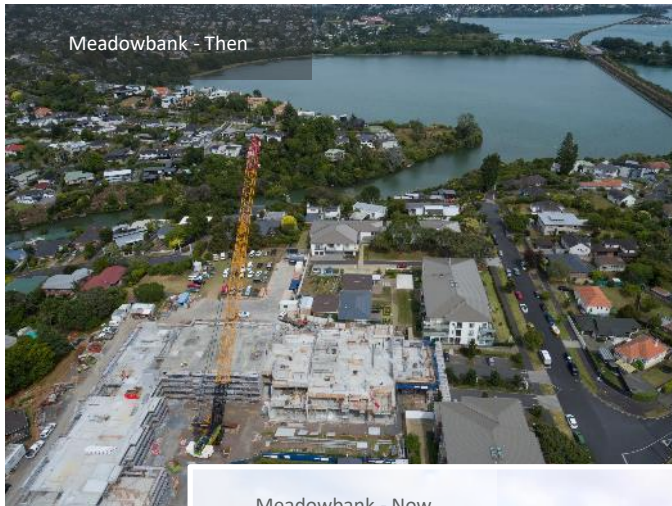
3. Current and planned developments as at 31 May 2020.



02 Portfolio

From IPO in 2017 to 31 May 2020 we delivered 579 new units and care suites, including opening four new premium care facilities at Meadowbank, The Sands, The BayView and Awatere.

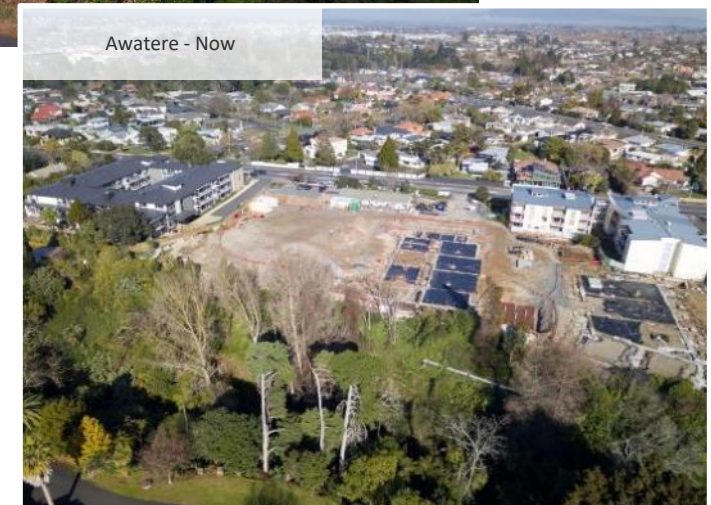
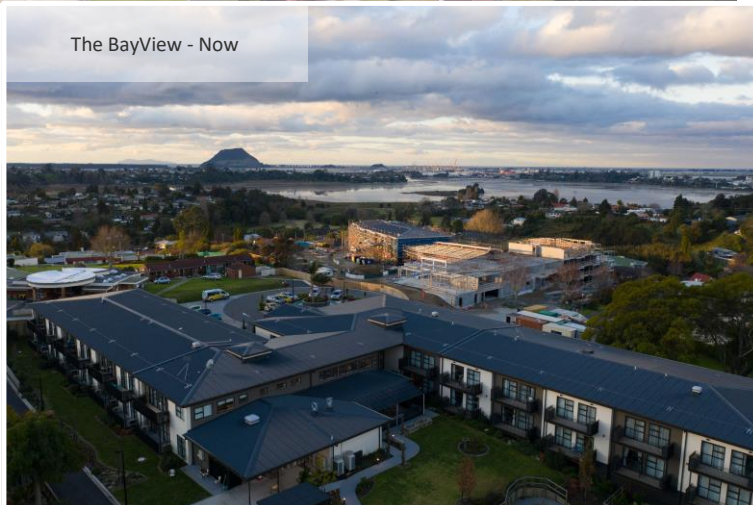
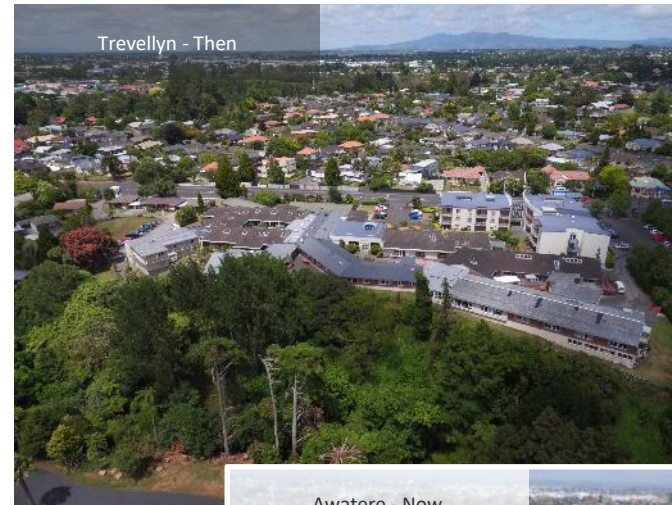
Transformations delivered – Fulfilling our promise since IPO



02 Portfolio

Opening the new care facilities at The BayView and Awatere has unlocked under-utilised land at these sites for subsequent stages of premium independent living apartments to achieve site optimisation.

Transformations delivered – Fulfilling our promise since IPO



81

Care Suites Completed



211

Future Apartments Unlocked



90

Care Suites Completed



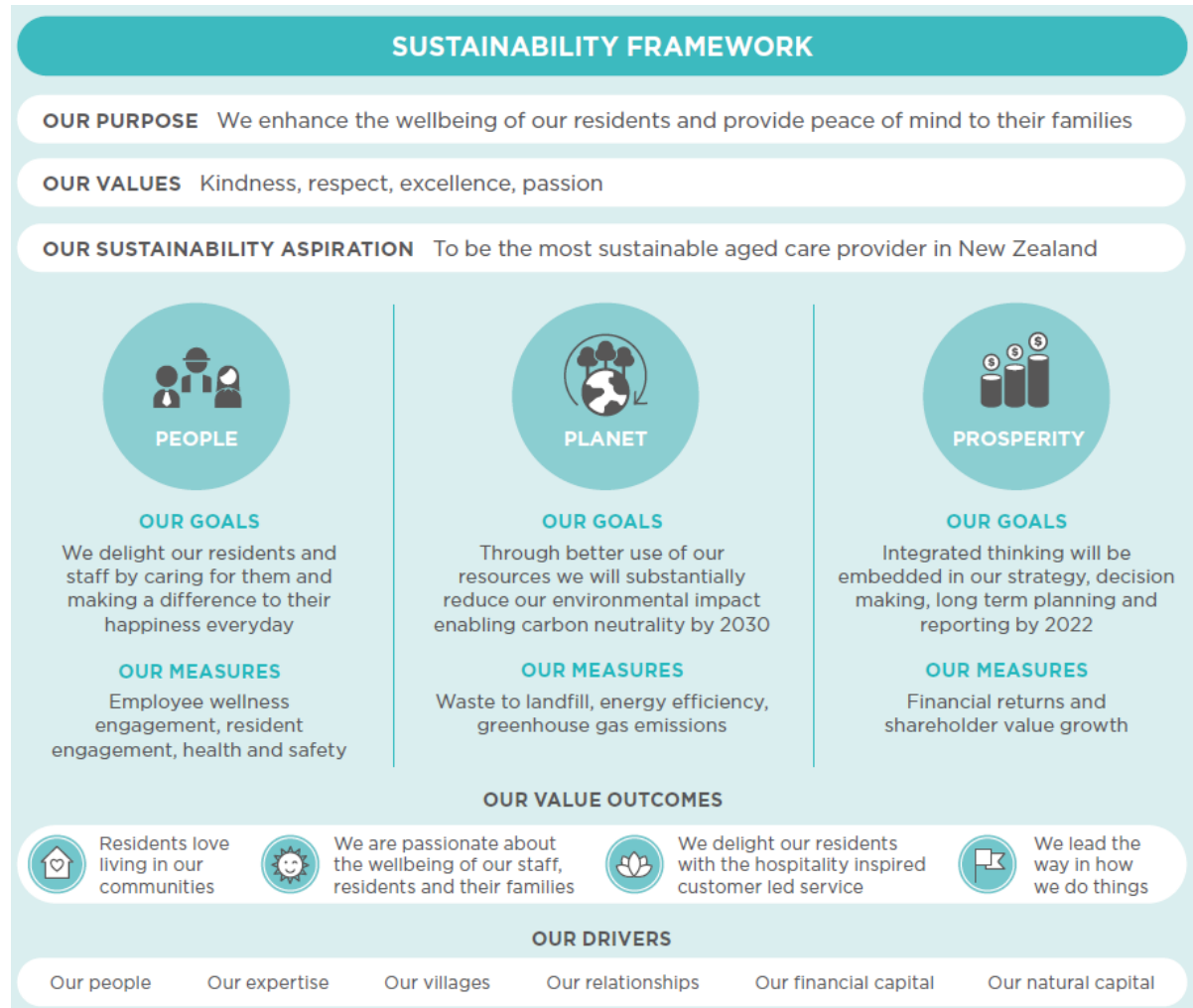
137

Future Apartments Unlocked

02 Becoming more sustainable

Oceania is committed to enhancing value for all of our stakeholders in a sustainable manner.

- The diagram opposite outlines Oceania’s sustainability framework, aimed at ensuring prosperity is achieved through sustainable practices
- We care about the health and wellbeing of our staff, residents and contractors
- We have a strong focus on our environmental impact
 - New builds are constructed to a Homestar 6 rating.
 - We have **measured our carbon emissions baseline footprint** and are now analysing key contributors to **identify reduction strategies**.
 - We have **commenced site-wide waste audits** to understand components and identify opportunities for savings.
 - Our fleet of **cars is being transitioned to hybrid and new resident carparks are equipped for electric charging stations**.
 - **Existing facilities are being converted to LED lighting** during refurbishment processes.





Financial Highlights

03 Financial highlights

Underlying earnings, operating cash flow and total assets have increased significantly since FY2017.

Underlying EBITDA from continuing operations¹

NZDm



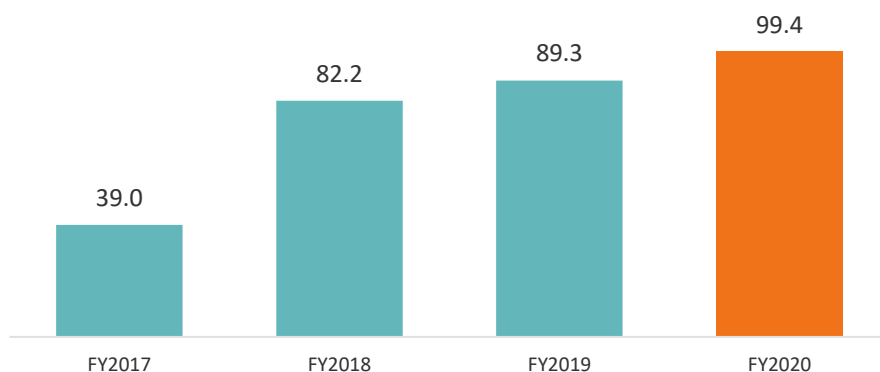
Underlying NPAT from continuing operations¹

NZDm



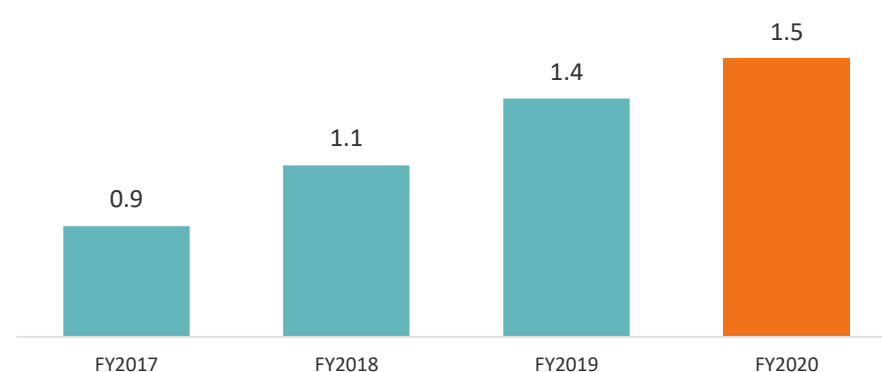
Operating cash flow

NZDm



Total assets

NZDb



1. Underlying EBITDA and NPAT from continuing operations excludes the earnings from sites divested in FY2019 in all reporting periods. Underlying EBITDA & NPAT includes pro forma adjustments in FY2017 to i) adjust for the pre-IPO capital structure by applying the post IPO capital structure retrospectively for that financial year, and ii) exclude transaction costs.

03 FY2020 highlights

Our care and village business held up well in the face of COVID-19 and we remain committed to our strategy.

Continued commitment to our Aged Care strategy

- **50% of our care portfolio is now premium beds or care suites** (34% at IPO) as we progress to our target mix of 70%/30% premium to standard rooms. 90 new care suites delivered, and 47 care suite conversions completed in FY2020.
- **Premium DMF and PAC revenue doubled since IPO** to \$11.7m in FY2020, 39% higher than FY2019.
- **Occupancy increased to 93.7%** at sites not affected by development in FY2020.
- **Appointment of Dr Frances Hughes, CNZM as General Manager Nursing & Clinical Strategy.** Dr Hughes has over 30 years' nursing experience and has held senior management and nursing positions on a global level.

Sales volumes and margins favourable in light of COVID-19

- Despite COVID-19, Oceania recorded **355 total ORA sales in FY2020, an increase of 45 units and care suites (or 15%) on FY2019**
- **New care suite sales doubled in FY2020 to 114** (57 in FY2019).
 - Total care suite sales volumes (new and resales) to 29 February 2020 (i.e. pre-COVID) were 175 compared to 93 in pcp.
- **New ILU sales flat despite COVID-19** (75 in FY2020 compared to 76 in FY2019).
 - Total pre-COVID ILU sales volumes (new and resales) were 98 compared to 96 in pcp.
- **Development margin remains strong at 33.1%.**
- Of the **pre-COVID-19 applications** we had at the start of March 2020, **89% were either sold or under application** at year end FY2020.

Development pipeline progress

- **176 units and care suites delivered across 6 sites in FY2020.**
- 217 units and care suites on track to be delivered in FY2021.
- Total development pipeline as at 31 May 2020 of 1,851 units and care suites with **86.3% of this pipeline consented.**



Funding and Security Structure

04 Purpose of debt

Debt is primarily used to acquire and develop Oceania's sites across New Zealand. The debt is then repaid using proceeds from the first time sale of newly developed units and care suites.

- Oceania uses debt to fund the:
 - Redevelopment of existing brownfield sites;
 - Acquisition of greenfields land for future development; and
 - Development of greenfields land into operating facilities.
- The proposed bond issue will:
 - Provide further diversification of funding sources and tenor. Oceania currently has \$420m of bank facility limits with ANZ and Westpac, comprising a \$350m bank facility to July 2023 and an additional \$70m bank facility limit to September 2021 (undrawn to date). This additional \$70m facility will be cancelled following the proposed bond issue;
 - Repay existing bank debt; and
 - Help facilitate Oceania's further growth, including funding the current pipeline and potential acquisition of new development sites (brownfield and / or greenfields).

Capital Structure

Debt facilities	Facility limit	Drawn amount (31/05/20)	Headroom
General / corporate	\$135.0m	\$118.6m	\$16.4m
Development facility	\$215.0m	\$208.1m	\$6.9m
Facility C	\$70.0m	-	\$70.0m
Cash	n/a	(\$17.6m)	\$17.6m
Total limits / net bank debt¹	\$420.0m	\$309.1m	\$110.9m
Finance leases ²	n/a	13.0	n/a
Total net debt		\$322.1m	

1. Excludes derivative financial instruments.

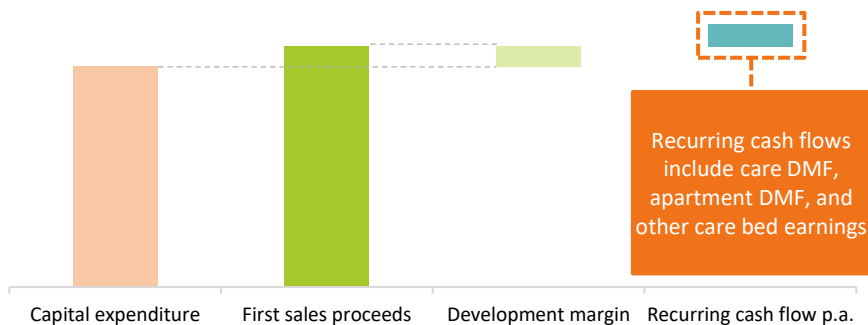
2. Includes \$5m of secured liabilities. Refer to slide 19 for more details.

04 Development cash flows

Developments are typically staged to ensure the most efficient recycling of capital given target gearing levels and local market demand.

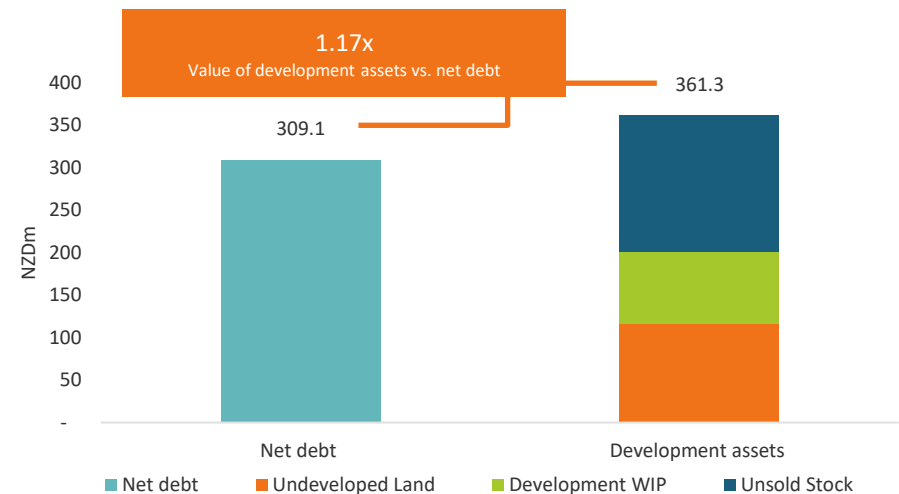
- Oceania is predominantly a brownfields developer. In general, the brownfields development process is staged in order to maximise capital efficiency.
- Typically, care is built in the first stage on surplus land. Upon completion, sell down begins to repay development debt drawn.
- Simultaneous with care suite sell down, the old care facility is demolished to make way for subsequent apartment stages. Debt is redrawn to fund development of apartments.
- All development capex is expected to be fully recovered once all stages are sold down, and generate recurring cash flow once mature (see chart below).
- Construction of a stage of a new development typically takes two to three years to complete.
- Oceania has an experienced internal team with robust processes in place for tendering projects and selecting skilled and qualified contractors to mitigate construction and development risk.

Illustrative summary cash flows from Brownfields Development



Net debt to development assets

- Development assets exceeded the value of net debt by \$52.2m as at 31 May 2020.
- Development assets could be realised to reduce debt.



Debt is supported by the value of operating and development assets (together valued at \$990m net of liabilities preferred by law, refundable obligations to residents and other secured liabilities).

In addition to development asset backing debt holders also have the benefit of earnings from the existing business including aged care earnings and resales of existing units and care suites

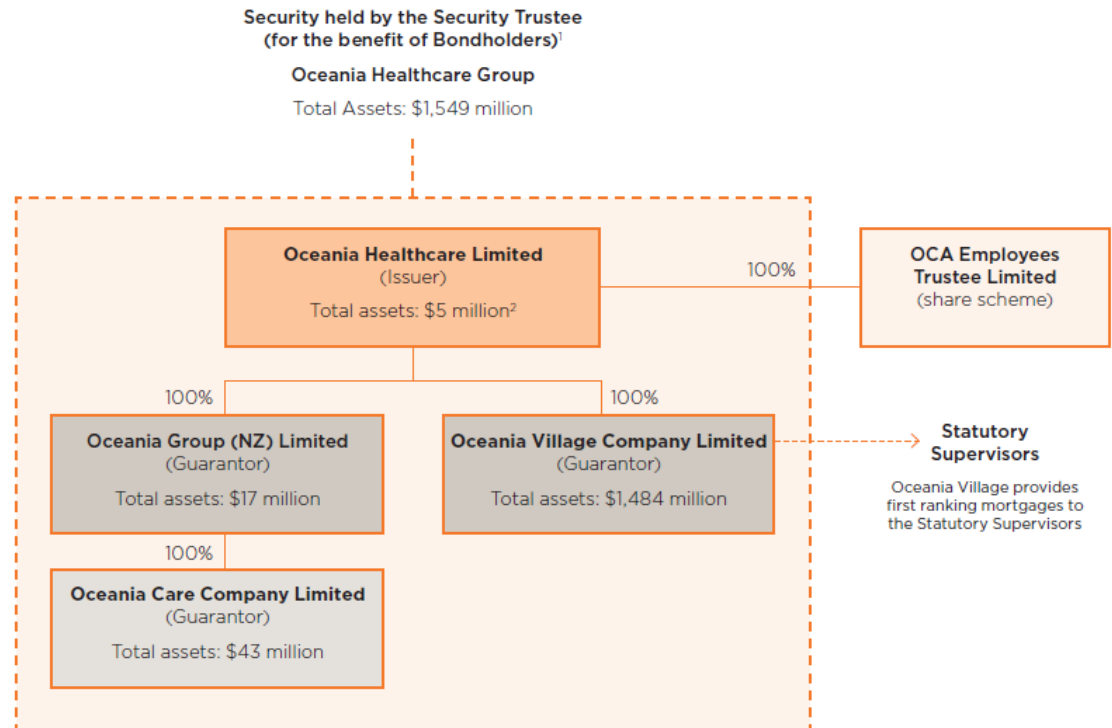
04 The issuer and guaranteeing group

Listed entity Oceania Healthcare Limited is the issuer and the guaranteeing group includes entities owning and operating the care centres and retirement villages in the Group.

- Oceania Healthcare Limited as Issuer is responsible for repaying, and paying interest on, the Bonds. Payments on the Bonds are guaranteed by Oceania Care Company Limited, Oceania Village Company Limited and Oceania Group (NZ) Limited:

- Oceania Village Company Limited owns the Oceania Group’s aged care and retirement village facilities and undertakes the retirement village operations.
- Oceania Care Company Limited undertakes the Oceania Group’s aged care operations.
- Oceania Group (NZ) Limited provides corporate head office functions and operates the Wesley Institute of Learning to deliver postgraduate nursing and healthcare assistant training to Oceania Group staff and the wider nursing and healthcare industry.

Security structure as at 31 May 2020



1. Dotted lines indicate security. Solid orange lines indicate ownership.

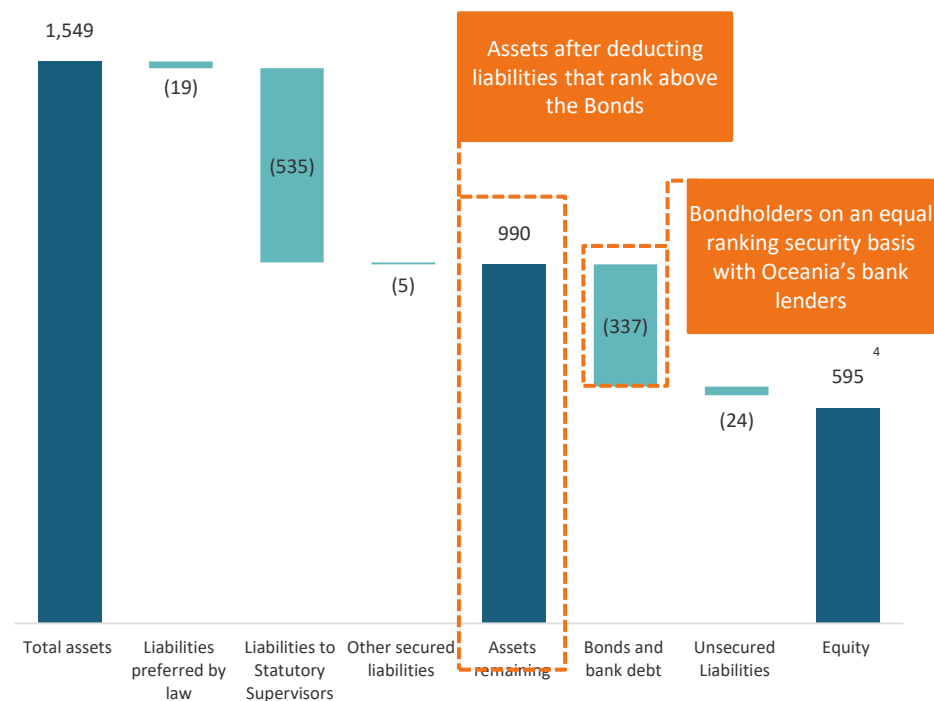
2. Assets of Oceania as Issuer are shown excluding amounts attributable to shares held in the Guarantors and other subsidiaries, but including \$3 million in relation to goodwill which arises on consolidation.

04 Security

The Bonds share the Security provided by Oceania and the Guarantors on an equal ranking basis with Oceania’s bank lenders as provided by the Security Trust Deed.

- Total assets as at 31 May 2020 of \$1.5b, including investment property and property, plant and equipment of \$1.4b.
- Liabilities that rank in priority to the bonds include liabilities preferred by law (e.g. employee entitlements and Inland Revenue), liabilities secured by Statutory Supervisors’ First Mortgages (including amounts owing to retirement villages residents)¹ and other secured liabilities².
 - Assets of \$990m remaining after these claims.
- Liabilities that rank equally with the Bonds include other unsubordinated liabilities that have the benefit of the Security, including bank debt, totalling \$337m as at 31 May 2020.
- The Bonds and bank lenders have the benefit of first ranking mortgages over undeveloped land owned by Oceania Village Company Limited.
- ANZ is facility agent for the banks.
- New Zealand Permanent Trustees Limited is Security Trustee for the bonds. Public Trust is the Bond Supervisor.

Financial Position as at 31 May 2020 (NZDm)³



1. The Statutory Supervisors have first ranking security for the protection of residents’ rights however this does not give the Statutory Supervisor discretion to demand repayment of residents’ loans.

2. Includes lease liabilities relating to chattels and motor vehicles.

3. Asset values are shown based on market values. Please see Figure Two and Figure Three of the PDS for further details on relevant assets and liabilities.

4. An amount of \$34 million in relation to the deferred management fee liability on Oceania’s balance sheet is excluded from the diagram above due to its nature as a non-cash liability, arising from differences in the treatment of DMF for contractual and accounting purposes.

04 Covenants

Oceania maintains a conservative approach with significant headroom on the Loan-to-Valuation (LVR) covenant

- Key terms of the bond LVR include:

- LVR must not exceed 50%;
- If there is a breach of the LVR then:

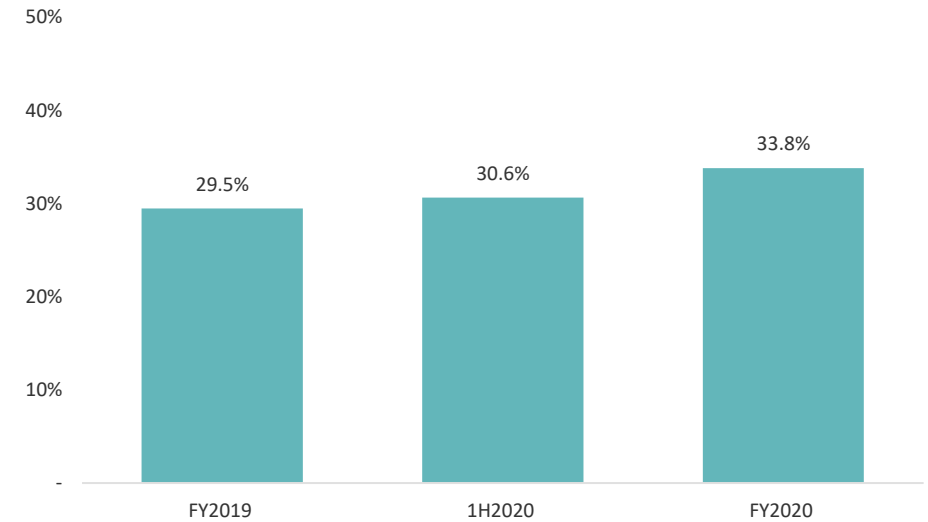
Oceania must, within 6 months of the date of a semi-annual compliance report being delivered setting out that breach (or the date on which it should have been delivered, if earlier), remedy the breach or (if not remedied within 6 months) give notice to the Bond Supervisor within 20 Business Days after such date of its plan to remedy the breach (by selling assets, effecting a capital restructuring and/or other action); and

if the breach is not remedied within 6 months of the date of that notice (or the date on which it should have been delivered, if earlier), an Event of Default will occur.

- Certain terms in the Bank Facility Agreement limit the ability of Oceania to borrow money. The key terms currently include:

- A maximum LVR of 50%;
- A minimum interest cover ratio; broadly, the ratio of Adjusted EBITDA (a proxy for cash earnings) available for servicing the interest (excluding interest associated with the development facility (Facility B)) of 2.00:1.

Loan to valuation (LVR) ratio



Bank Covenants

	As at 31 May 2020
LVR (covenant <50%)	33.8%
Interest cover ratio (covenant >2.0x)	7.7x



Offer Terms & Timetable

05 Key terms of the Offer



Retail Bond Offer	Details
Issuer	Oceania Healthcare Limited
Description of the Bonds	Secured unsubordinated fixed rate bonds
Guarantee	Payments on the Bonds are guaranteed by Oceania, Oceania Village Company Limited, Oceania Care Company Limited and Oceania Group (NZ) Limited under a guarantee contained in the Global Security Deed
Offer amount	Up to \$75m (with the ability to accept oversubscriptions up to an additional \$50m)
Maturity	7 year bonds maturing 19 October 2027
Interest rate	<p>The Interest Rate will be determined by Oceania in conjunction with the Joint Lead Managers following a bookbuild. It will be announced via NZX on the Rate Set Date.</p> <p>The Interest Rate will be equal to the sum of:</p> <ul style="list-style-type: none"> • the Issue Margin determined following the bookbuild and announced via NZX on the Rate Set Date; and • the Swap Rate on the Rate Set Date, <p>but in any case will be no less than the minimum Interest Rate. The minimum Interest Rate and indicative Issue Margin will be announced via NZX on the opening date (5 October 2020)</p>
Interest payments	Quarterly in arrear in equal payments on 19 January, 19 April, 19 July and 19 October in each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date, with the First Interest Payment Date being 19 January 2021
Purpose	The proceeds of this offer are expected to be used to repay a portion of Oceania’s existing bank debt, providing Oceania with diversity of funding and tenor and helping facilitate Oceania’s further growth. This purpose will not change, irrespective of the total amount that is raised

05 Key terms of the Offer (continued)

Retail Bond Offer	Details
Financial covenant (Loan to Valuation ratio)	Oceania agrees to ensure that, on each Semi-annual Test Date ¹ , the total principal amount of financial indebtedness secured under the Global Security Deed is not more than 50% of the valuation of all properties owned by the Oceania Group
Early redemption	<p>Bondholders have no right to require Oceania to redeem the Bonds prior to the Maturity Date, except in the case of an Event of Default (as described in the PDS and the Trust Deed).</p> <p>Oceania may elect (at its discretion) to redeem all, but not some only, of the Bonds on any Interest Payment Date after the third anniversary of the Issue Date by giving not less than 20 Business Days' notice of the redemption date.</p> <p>If the Bonds are redeemed early in this manner, they will be redeemed for the greater of:</p> <ul style="list-style-type: none"> • their Principal Amount; and • their market price (excluding interest), calculated as the arithmetic average of the daily volume weighted average price (excluding interest) of Bonds traded through the NZX Debt Market over the 10 Business Days immediately prior to the date on which Oceania gave the redemption notice (or, if the Bonds have not traded on the NZX Debt Market for at least half of such 10 Business Day period, the average price of the Bonds for that period will be determined by an independent adviser appointed in accordance with the Trust Deed (excluding interest)), in each case together with accrued interest
Distribution restriction	Oceania is not permitted to make any distribution if an Event of Default has occurred and is continuing or if the making of the distribution would result in the occurrence of an Event of Default
Minimum application amount	\$5,000 and multiples of \$1,000 thereafter
Credit rating	The Bonds will not be rated
Quotation	Application has been made for the Bonds to be quoted on the NZX Debt Market under the ticker code OCA010
Joint Lead Managers	ANZ, Craigs Investment Partners, Jarden and Westpac

1. Tested semi-annually, first on 30 November 2020, and thereafter on 31 March and 30 September in each calendar year. Described further in section 5 of the PDS (Key features of the Bonds).

05 Key dates of the Offer

Event	Date
PDS lodgement	Friday, 25 September 2020
Opening date	Monday, 5 October 2020
Closing date	Friday, 9 October 2020 at 12.00pm
Rate set date	Friday, 9 October 2020
Issue date and allotment date	Monday, 19 October 2020
Expected date of initial quotation	Tuesday, 20 October 2020
Maturity date	Tuesday, 19 October 2027

Appendices

-
- 01 Portfolio summary

 - 02 COVID-19 impact and response

 - 03 Embedded Value

 - 04 Directors

 - 05 Executive Management Team

 - 06 Glossary

01 Portfolio summary (31 May 2020)



Facility	Region	Care Beds	Care Suites	Village Units	Total
NORTH ISLAND					
Totara Park	Rodney	-	-	30	30
The Sands	North Shore	-	44	64	108
Greenvalley Lodge	North Shore	50	-	-	50
Lady Allum	North Shore	72	15	129	216
Te Mana	North Shore	46	-	-	46
Amberwood	Waitakere	67	-	-	67
Eden	Auckland	-	67	40	107
Everil Orr	Auckland	52	-	-	52
Meadowbank	Auckland	-	64	193	257
Wesley	Auckland	71	-	-	71
Elmwood	Manukau	111	48	129	288
St Johns Auckland	Manukau	-	-	18	18
Takanini	Manukau	91	-	-	91
Franklin	Franklin	44	-	-	44
Awatere (formerly Trevellyn)	Hamilton	-	90	43	133
Whitianga	Whitianga	53	-	10	63
Elmswood	Tauranga	38	-	-	38
The BayView	Tauranga	-	81	60	141
Ohinemuri	Paeroa	68	-	8	76
Victoria Place	Tokoroa	51	-	-	51
St Johns Wood	Taupo	37	25	18	80
Wharerangi	Taupo	47	-	21	68
Duart	Hastings	66	-	-	66
Eversley	Hastings	50	-	6	56
Gracelands	Hastings	89	3	101	193
Atawhai	Napier	61	22	46	129
Woburn	Hawke's Bay	33	-	-	33
Eldon	Paraparaumu	96	2	-	98
Elderslea	Upper Hutt	111	13	12	136
Heretaunga	Upper Hutt	38	20	-	58
Hutt Gables	Upper Hutt	-	-	46	46

Facility	Region	Care Beds	Care Suites	Village Units	Total
SOUTH ISLAND					
Marina Cove	Picton	-	-	22	22
Green Gables	Nelson	-	-	12	12
Otumarama	Nelson	32	7	-	39
Stoke	Nelson	-	-	114	114
Whareama	Nelson	71	-	-	71
Redwood	Blenheim	62	15	46	123
Woodlands	Tasman	30	20	36	86
Holmwood	Christchurch	35	12	-	47
Middlepark	Christchurch	33	21	-	54
Palm Grove	Christchurch	31	54	32	117
The Oaks	Christchurch	69	36	32	137
The Bellevue (formerly Windermere)	Christchurch	-	-	17	17
Addington Lifestyle	Christchurch	77	20	-	97
TOTAL (NORTH AND SOUTH ISLANDS)		1,882	679	1,285	3,846

02 COVID-19 impact and response



Essential service provider status and defensive care earnings stream ensured Oceania was well positioned through COVID-19 uncertainty

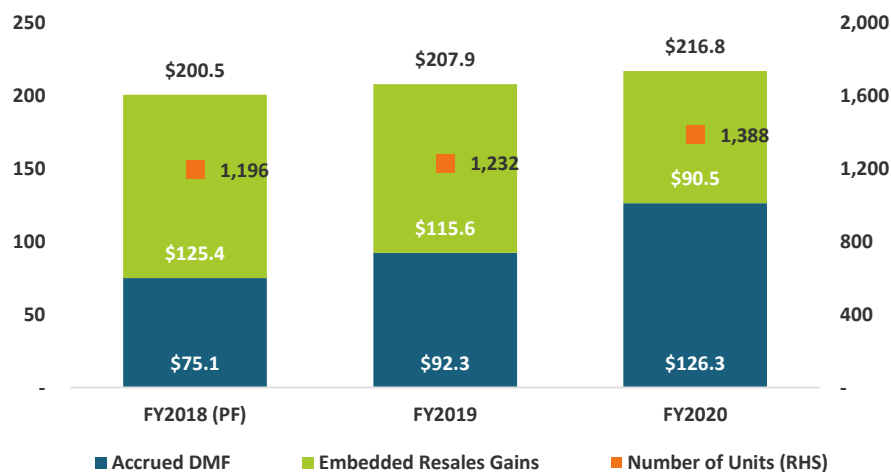
	Impact	Response
Aged care operations	<ul style="list-style-type: none"> • Operations responsible for the care of over 3,600 residents, a population with heightened vulnerability to COVID-19 • Care operations deemed an essential service; continued throughout lockdown • Government funded aged care services ensures reliable cash flows • Stable occupancy • Care suite applications and sales continued through lockdown 	<ul style="list-style-type: none"> • Oceania has not recorded any COVID-19 cases to date • Visitor restrictions • Enhanced infection control measures • Regular communications with stakeholders • Additional Government funding to the sector
People	<ul style="list-style-type: none"> • Increased requirements for our over 2,800 staff, including: <ul style="list-style-type: none"> — Isolation requirements for residents; — Screening facility entrants; and — Restricting visitors to essential only 	<ul style="list-style-type: none"> • Staff and residents are our primary priority • Provide all necessary support to both staff and residents
Retirement village operations	<ul style="list-style-type: none"> • Good unit sales prior to lockdown • Unable to settle sales applications through lockdown 	<ul style="list-style-type: none"> • Obtained support through the MBIE wage subsidy scheme • Sales recommenced post lockdown, strong sales levels through June, July and August

03 Embedded value

The embedded value in our portfolio has increased 4.3% from FY2019 to \$216.8m as at FY2020 and will underpin the future realisation of cashflows from deferred management fees and resale gains.

Embedded Value

NZDm



- Embedded value in Oceania's portfolio is \$216.8m, up 4.3% on FY2019.
- Embedded value includes:
 - \$126.3m of DMF cash flows to be realised; and
 - \$90.5m of resale gains.
- The growth in embedded DMF reflects the growth in our portfolio, migration to our standard contractual terms at existing villages and a higher price point for the sale and resale of units and care suites.

Summary of Embedded Value Calculation

NZDm	FY2020	FY2019	FY2018
Estimated sale/resale price of all Units ¹	923.9	829.4	604.8
less: Unsold stock ²	(234.3)	(250.4)	(91.8)
less: Resident liabilities (contractual)	(472.9)	(371.1)	(312.4)
equals: Embedded value	\$216.8	\$207.9	\$200.5

1. Calculated as the current/estimated sale or resale price of all units/care suites as determined by CBRE – note FY2020 as at 30 April 2020. The FY2018 figure has been adjusted for the divestment of Dunblane Village.

2. Value of unsold stock represents the sales prices of units/care suites which are not under contract, as they are either newly constructed or have been bought back from the previous outgoing residents.

04 Directors

<p>Elizabeth Coutts Chair and Independent Director ONZM, BMS, FCA</p>	<p>Alan Isaac Independent Director CNZM, BCA, FCA</p>	<p>Dame Kerry Prendergast Independent Director DNZM, CNZM, MBA (VUW), NZRN, NZM</p>	<p>Sally Evans Independent Director BHSoc, MSc, FAICD, GAIST</p>	<p>Patrick McCaw Independent Director BCA (Hons), MBA, CA</p>	<p>Gregory Tomlinson Independent Director AME</p>
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Liz Coutts has been a Director of Oceania since 5 November 2014 and was appointed Chair in 2014. Liz is also the Chair of Ports of Auckland Limited, Skellerup Holdings Limited, and EBOS Group Limited.

Liz is a Fellow of Chartered Accountants Australia and New Zealand. She is the immediate past President of the Institute of Directors NZ Inc and was made an Officer of the New Zealand Order of Merit in 2016.

Liz has previously been Chief Executive of Caxton Group, Chairman of Meritec Group Limited, Industrial Research Limited and Life Pharmacy Limited, Deputy Chairman of Public Trust, and a Commissioner of both the Commerce Commission and Earthquake Commission. She has been a Director of Sanford Limited, Ravensdown Fertiliser Cooperative, the Health Funding Authority, PHARMAC, Air New Zealand, Sport and Recreation New Zealand and Trust Bank New Zealand, and a member of both the Financial Reporting Standards Board of the New Zealand Institute of Chartered Accountants and the Monetary Policy Committee of the Reserve Bank of New Zealand.

Alan Isaac has been a Director of Oceania since 1 October 2015. Alan is a professional director with extensive experience in accounting, finance and governance. He is currently President of the Institute of Directors NZ Inc. and is Chairman of New Zealand Community Trust and Basin Reserve Trust. He is also a former President of the International Cricket Council. Alan is a Director of Scales Corporation Limited and Skellerup Holdings Limited. He is also a Board member of the Wellington Free Ambulance.

Alan is President of the Institute of Directors NZ Inc, a former national Chairman of KPMG, and was made a Companion of the New Zealand Order of Merit (CNZM) in 2013. He is a Fellow of Chartered Accountants Australia and New Zealand.

Alan is Chair of the Audit Committee and is a member of the Remuneration Committee.

Dame Kerry Prendergast has been a Director of Oceania since 22 December 2016. Dame Kerry is a professional director. She was Mayor of Wellington (2001-2010) and is currently the Chair of the New Zealand Film Commission, Wellington Free Ambulance, Wellington Opera and Royal New Zealand Ballet. Dame Kerry is also Deputy Chair of New Zealand Conservation Authority and a trustee of New Zealand Community Trust.

For 25 years Dame Kerry was an independent midwife after training as a general nurse in 1970, and consequently gaining a Diploma in Intensive Care.

She was made a Companion of the New Zealand Order of Merit (CNZM) in 2011 and was promoted to Dame Companion of the New Zealand Order of Merit in January 2019 for services to governance and the community.

Dame Kerry is Chair of the Clinical and Health & Safety Committee.

Sally Evans has been a Director of Oceania since 23 March 2018. Sally has over 30 years' experience in the private, government and social enterprise sectors in Australia, New Zealand, the United Kingdom and Hong Kong.

Sally is a Director of Healius Limited in Australia, Rest (Australian Super Fund) and Allianz Australian Life Insurance Limited. Sally is a member of the Australian Aged Care Quality and Safety Advisory Council. She has previously held Directorships on the boards of Opal Specialist Aged Care and Blue Cross Aged Care, was an inaugural member of the Australian Federal Government's Aged Care Financing Authority and held executive roles as Healthcare Director at the FTSE Compass Group plc and Head of Aged Care at AMP Capital.

Sally is Chair of the Remuneration Committee and is a member of the Clinical and Health & Safety Committee.

Patrick McCaw has been a Director of Oceania since 16 February 2017.

Patrick has 37 years' experience across corporate treasury, investment banking and infrastructure funds management. Patrick was Head of Investment Banking at Macquarie New Zealand from 2002 to 2006 and was a Director of Metlifecare Limited from 2005 to 2007. He has also been a Director of several MIRA-managed companies in Australia and Asia and is a member of Chartered Accountants Australia and New Zealand.

Patrick is a member of the Audit Committee.

Greg Tomlinson has been a Director of Oceania since 23 March 2018. Greg is a Christchurch domiciled businessman and investor with experience in a variety of New Zealand industries. One of the original pioneers of the aquaculture industry in Marlborough, he has also established construction and aged care businesses.

Greg established Qualcare before it was sold into the Oceania Group in early 2008 and he was a director of Oceania from 2008 until 2016. Greg holds directorships on the boards of a number of New Zealand based companies and is currently a director of Heartland Bank Limited.

Greg is Chair of the Development Committee.

05 Executive Management Team

<p>Earl Gasparich Chief Executive Officer <i>BCom, LLB (Hons), FCA</i> <i>(Chartered Accountants New Zealand & Australia)</i></p>	<p>Brent Pattison Chief Financial Officer <i>BBS, CA (Chartered Accountants New Zealand & Australia)</i></p>	<p>Jill Birch General Manager Operations <i>BMS</i></p>	<p>Dr Frances Hughes General Manager Nursing & Clinical Strategy <i>CNZM, BHSc, MSc, FAICD, GAIST</i></p>	<p>Mark Stockton General Manager Property <i>MCIOB, NZIOB</i></p>	<p>Anna Thorburn General Counsel & Company Secretary <i>BA, LLB (Hons)</i></p>
					
<p>Earl joined Oceania as CEO in 2014 and has previous experience in the retirement village sector in the role of Chief Financial Officer of Qualcare.</p> <p>Over the past 15 years, Earl has held three executive management positions in service-based companies and has a proven track record of creating stakeholder value through leadership, cultural change, and sustained growth underpinned by a very strong work ethic.</p> <p>Earl is a qualified Lawyer and Chartered Accountant, and was awarded Fellowship status from the New Zealand Institute of Chartered Accountants in 2014. He also volunteers on the Boards of a number of charities, providing necessary governance and a significant contribution to the strategic direction of organisations involved in the provision of community services.</p>	<p>Brent has over a decade of experience in Investment Banking, is a qualified chartered accountant and has held senior finance roles in NZ corporations across the Telecommunications and Financial Services industries.</p> <p>Brent has a keen focus and interest in the Aged Care & Retirement sector including providing Investment Banking advice to Oceania during the 2017 IPO and to other listed and privately owned peers in the sector.</p>	<p>Jill Birch joined Oceania in February 2014. She has 25 years of marketing, sales and general management experience working with brands such as KFC, DB Breweries and Sky City Entertainment Group. Jill played a key directional role in the development of large projects (including the building of the Grand Hotel and Convention Centre in Auckland) during her ten years at Sky City.</p>	<p>Dr Hughes joined Oceania in October 2019 and is a Registered Nurse with over 30 years' nursing experience.</p> <p>Dr Hughes has held senior management and nursing positions on a global level, and was formerly the Chief Executive of the International Council of Nurses. She has worked for the World Health Organisation and has also served on boards in Queensland, Rwanda and Switzerland. Dr Hughes was made an Officer of the New Zealand Order of Merit for services to mental health in 2005.</p>	<p>Mark was appointed as General Manager Property in 2014. He has over 30 years of construction project and development management experience.</p> <p>Mark was previously GM Development for Qualcare and has been involved in the aged care sector since 2005. Mark is a member of the Chartered Institute of Building in the UK, a member of the New Zealand Institute of Building and a Licensed Building Practitioner.</p>	<p>Anna joined Oceania in 2012. She has over 15 years legal experience and previously worked as a senior solicitor at Russell McVeagh where she was involved in the acquisition of the businesses that subsequently formed Oceania.</p>

06 Glossary

Capitalised terms used and not defined in this presentation have the meaning given in the PDS.

Bonds

Offer of bonds described in this presentation

Brownfield Development

Development of integrated aged care and retirement village facilities on land where operational facilities already exist

Care Suite

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

Continuing Operations

Earnings from continuing operations excludes the earnings from sites divested in FY2019 in all reporting periods

DHB

District Health Board

DMF

Deferred management fees, charged under an ORA, which 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.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation

Greenfield Development

Development of integrated aged care and retirement village facilities on land where operational facilities do not already exist

ILU

Independent living units (villas and apartments) sold under an Occupation Right Agreement

IPO

Initial Public Offering (of shares in Oceania) on 5 May 2017

Issuer

Oceania Healthcare Limited

LVR

Loan-to-valuation ratio

NPAT

Net Profit After Tax

Net Promoter Score

A globally recognised metric for measuring customer satisfaction, the Net Promoter Score system is designed to gauge customers' willingness to recommend a product or service to others.

Oceania

Oceania Healthcare Limited

ORA

An occupation right agreement that confers on a resident the right to occupy 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

PDS

Product disclosure statement dated 25 September 2020

Unit

Retirement village villas and apartments, also referred to as ILUs

WIP

Work in progress

INDICATIVE TERMS SHEET

SECURED FIXED RATE BONDS
MATURING 19 OCTOBER 2027



OCEANIA
HEALTHCARE

Issued by Oceania Healthcare Limited

Date: 5 October 2020



Indicative terms sheet for an issue of up to \$75 million secured fixed rate bonds (plus up to an additional \$50 million of oversubscriptions) due 19 October 2027.

The product disclosure statement for the Bonds (**PDS**), which contains full details of the offer, is available at www.oceaniahealthcare.co.nz/investor-centre/bonds or can be obtained from the Joint Lead Managers, or your usual financial advisor. Investors must obtain a copy of the PDS before they apply for Bonds.

Capitalised terms used but not defined in this Terms Sheet have the meaning given to them in the PDS.

ISSUER	Oceania Healthcare Limited (Oceania Healthcare).
DESCRIPTION	Secured unsubordinated fixed rate bonds (Bonds).
GUARANTEE	<p>Payments on the Bonds are guaranteed by Oceania Healthcare, Oceania Village Company Limited, Oceania Care Company Limited and Oceania Group (NZ) Limited under a guarantee contained in the Global Security Deed described below.</p> <p>More information on the Guarantee can be found in section 5 of the PDS (<i>Key features of the Bonds</i>).</p>
PURPOSE	The proceeds of this offer are expected to be used to repay a portion of Oceania Healthcare's existing bank debt, providing Oceania Healthcare with diversity of funding and tenor and helping facilitate Oceania Healthcare's further growth.
SECURITY	<p>The Bonds are secured on an equal ranking basis with Oceania Healthcare's existing indebtedness. The Bonds will have benefit of:</p> <ul style="list-style-type: none"> - Mortgages in favour of the Security Trustee, including: <ul style="list-style-type: none"> • Second Registered Mortgages in respect of Retirement Village Land. The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of enforcement of each such Mortgage, and first ranking mortgages in favour of the relevant Statutory Supervisor are typically also registered ahead of the Security Trustee. • First Registered Mortgages over certain Land that is not Retirement Village Land. This includes aged care facility freehold Land. - General security over all the assets of Oceania Healthcare and the Guarantors under the Global Security Deed. The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of security enforcement against Retirement Village Assets. <p>The Security Trustee holds the Security for all creditors entitled to their benefit. This includes (in addition to the Bond Supervisor and the Bondholders) Oceania Healthcare's bank lenders and hedging providers.</p> <p>Refer to the PDS for more detail on the Security.</p>
FINANCIAL COVENANTS	<p>Loan to Valuation Ratio</p> <p>Oceania Healthcare agrees to ensure that, on each Semi-annual Test Date, the total principal amount of financial indebtedness secured under the Global Security Deed is not more than 50% of the valuation of all properties owned by Oceania Healthcare and its subsidiaries, as described further in the PDS.</p> <p>Distribution Restriction</p> <p>Under the Trust Deed Oceania Healthcare is not permitted to make any distribution if an Event of Default is continuing or if it would result in the occurrence of an Event of Default.</p> <p>Refer to the Trust Deed for more detail on covenants that will apply to the Bonds.</p>
CREDIT RATING	The Bonds will not be rated.

OFFER AMOUNT	Up to \$75 million (with the ability to accept oversubscriptions of up to an additional \$50 million at Oceania Healthcare's discretion).
NO PUBLIC POOL	All Bonds, including any oversubscriptions, have been reserved for subscription by clients of the Joint Lead Managers, NZX Firms and other approved financial intermediaries invited to participate in the bookbuild conducted by the Joint Lead Managers.
INTEREST RATE	<p>The Interest Rate will be determined by Oceania Healthcare in conjunction with the Joint Lead Managers following a bookbuild. It will be announced via NZX on the Rate Set Date.</p> <p>The Interest Rate will be equal to the sum of:</p> <ul style="list-style-type: none"> - the Issue Margin determined following the bookbuild and announced via NZX on the Rate Set Date; and - the Swap Rate on the Rate Set Date, <p>but in any case will be no less than the minimum Interest Rate of 2.30% per annum.</p>
ISSUE MARGIN	The indicative Issue Margin is 2.00% to 2.20% per annum. The final Issue Margin (which may be above or below the indicative Issue Margin) will be determined by Oceania Healthcare in conjunction with the Joint Lead Managers following the bookbuild for the offer and announced via NZX on the Rate Set Date.
SWAP RATE	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with Oceania Healthcare, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).
INTEREST PAYMENTS	Quarterly in arrear in equal payments on 19 January, 19 April, 19 July and 19 October in each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date, with the First Interest Payment Date being 19 January 2021.
EARLY REDEMPTION	<p>Bondholders have no right to require Oceania Healthcare to redeem the Bonds prior to the Maturity Date, except in the case of an Event of Default (as described in the PDS and the Trust Deed).</p> <p>Oceania Healthcare may elect (at its discretion) to redeem all, but not some only, of the Bonds on any Interest Payment Date after the third anniversary of the Issue Date by giving not less than 20 Business Days' notice of the redemption date.</p> <p>If the Bonds are redeemed early in this manner, they will be redeemed for the greater of:</p> <ul style="list-style-type: none"> - their Principal Amount; and - their market price (excluding interest), calculated as the arithmetic average of the daily volume weighted average price (excluding interest) of Bonds traded through the NZX Debt Market over the 10 Business Days immediately prior to the date on which Oceania Healthcare gave the redemption notice (or, if the Bonds have not traded on the NZX Debt Market for at least half of such 10 Business Day period, the average price of the Bonds for that period will be determined by an independent adviser appointed in accordance with the Trust Deed (excluding interest)), in each case together with accrued interest.
ISSUE PRICE	\$1.00 per Bond, being the Principal Amount of each Bond.
MINIMUM APPLICATION AMOUNT	\$5,000 and multiples of \$1,000 thereafter.
RECORD DATE	5.00pm on the date that is 10 days before the relevant scheduled Interest Payment Date (prior to any adjustment to the Interest Payment Date to fall on a Business Day). If the record date falls on a day which is not a Business Day, the record date will be the immediately preceding Business Day.
ISIN	NZOCADT001C3.

QUOTATION	Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on or before the date of distribution of the PDS have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in the PDS. NZX is a licensed market operator, and the NZX Debt Market is a licensed market, under the FMCA. NZX ticker code OCA010 has been reserved for the Bonds.
TRANSFER RESTRICTIONS	Oceania Healthcare may decline to accept or register a transfer of the Bonds if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with a Principal Amount of less than \$5,000 (if not zero) or if the transfer is not in multiples of \$1,000.
ARRANGER	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (Westpac).
JOINT LEAD MANAGERS	ANZ Bank New Zealand Limited, Craigs Investment Partners Limited, Jarden Securities Limited and Westpac.
SUPERVISOR	Public Trust.
SECURITY TRUSTEE	New Zealand Permanent Trustees Limited.
SECURITIES REGISTRAR	Computershare Investor Services Limited.
BROKERAGE	0.50% brokerage plus 0.50% on firm allocations paid by Oceania Healthcare.
GOVERNING LAW	New Zealand.
SELLING RESTRICTIONS	Oceania Healthcare does not intend that the Bonds be offered for sale, and no action has been taken or will be taken to permit a public offering of Bonds, in any jurisdiction other than New Zealand. You may only offer for sale or sell any Bond in conformity with all applicable laws and regulations in any jurisdiction in which it is offered, sold or delivered. This Terms Sheet may not be published, delivered or distributed in or from any country other than New Zealand. By subscribing for or otherwise acquiring any Bonds, you agree to indemnify, among others, Oceania Healthcare, the Supervisor and the Joint Lead Managers for any loss suffered as a result of any breach by you of these selling restrictions.

Important dates:

OPENING DATE	Monday, 5 October 2020.
CLOSING DATE	Friday, 9 October 2020 at 12.00pm.
RATE SET DATE	Friday, 9 October 2020.
ISSUE DATE AND ALLOTMENT DATE	Monday, 19 October 2020.
EXPECTED DATE OF INITIAL QUOTATION	Tuesday, 20 October 2020.
MATURITY DATE	Tuesday, 19 October 2027.

The timetable is indicative only and subject to change. Oceania Healthcare may, in its absolute discretion and without notice, vary the timetable (including by opening or closing the Offer early, accepting late applications and extending the Closing Date).

If the Closing Date is extended, the Rate Set Date, the Issue Date, the expected date of initial quotation and trading of the Bonds on the NZX Debt Market, the Interest Payment Dates and the Maturity Date may also be extended. Any such changes will not affect the validity of any applications received.

Oceania Healthcare reserves the right to cancel the Offer and the issue of the Bonds, in which case any application monies received will be refunded (without interest) as soon as practicable and in any event within 5 Business Days of the cancellation.

PRODUCT DISCLOSURE STATEMENT

OFFER OF 7 YEAR SECURED
FIXED RATE BONDS



OCEANIA
HEALTHCARE

Issued by Oceania Healthcare Limited

Date: 25 September 2020

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.companiesoffice.govt.nz/disclose.

Oceania Healthcare Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.



1. Key information summary

What is this?

This is an offer (**Offer**) of secured unsubordinated fixed rate bonds (**Bonds**). The Bonds are debt securities issued by Oceania Healthcare Limited (**Oceania Healthcare**). You give Oceania Healthcare money, and in return Oceania Healthcare promises to pay you interest and repay the money at the end of the term. If Oceania Healthcare runs into financial trouble, you might lose some or all of the money you invested.

About Oceania Healthcare and its subsidiaries

Oceania Healthcare, together with its subsidiaries, is one of New Zealand's largest developers and operators of aged care centres and retirement villages. At the date of

this product disclosure statement (**PDS**) it has a total of 2,617 care beds and care suites and 1,313 units located at 44 sites in the North and South Islands.

Oceania Healthcare is listed on the NZX Main Board and the ASX. As at close of the Business Day before the date of this PDS, it has a market capitalisation on the NZX of approximately \$654 million.

Purpose of this Offer

The proceeds of this Offer are expected to be used to repay a portion of Oceania Healthcare's existing bank debt, providing Oceania Healthcare with diversity of funding and tenor and helping facilitate Oceania Healthcare's further growth. See also section 4 of this PDS (*Purpose of the Offer*).

Key terms of the Offer

Issuer	Oceania Healthcare Limited.
Description of the Bonds	Secured unsubordinated fixed rate bonds.
Term	7 years maturing on 19 October 2027.
Offer amount	Up to \$75 million (with the ability to accept oversubscriptions of up to an additional \$50 million at Oceania Healthcare's discretion).
Interest Rate	<p>The Bonds will pay a fixed rate of interest until the Maturity Date.</p> <p>The Interest Rate will be no lower than a minimum Interest Rate. This minimum Interest Rate and the indicative Issue Margin will be determined by Oceania Healthcare in conjunction with the Joint Lead Managers and announced via NZX on the Opening Date (5 October 2020).</p> <p>The Interest Rate will be determined by Oceania Healthcare in conjunction with the Joint Lead Managers on the Rate Set Date (9 October 2020) and will be the greater of:</p> <ul style="list-style-type: none">- the minimum Interest Rate; and- the sum of the Swap Rate on the Rate Set Date and the Issue Margin. <p>The Issue Margin will be determined by Oceania Healthcare in conjunction with the Joint Lead Managers following a bookbuild on the Rate Set Date. The Interest Rate will be announced via NZX on the Rate Set Date.</p>
Interest payments	Quarterly in arrear in equal payments on 19 January, 19 April, 19 July and 19 October in each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date, with the First Interest Payment Date being 19 January 2021.
Further payments, fees or charges	<p>Taxes may be deducted from interest payments on the Bonds. See section 7 of this PDS (<i>Tax</i>) for further details.</p> <p>You are not required to pay brokerage or any other fees or charges to Oceania Healthcare to purchase the Bonds. However, you may have to pay brokerage to the firm from whom you receive an allocation of Bonds. Please contact your broker for further information on any brokerage fees.</p>
Selling restrictions	The Offer is subject to certain selling restrictions and you will be required to indemnify certain people if you breach these. More information on this can be found in section 5 of this PDS (<i>Key features of the Bonds</i>).
Opening Date	Monday, 5 October 2020.
Closing Date	Friday, 9 October 2020 at 12.00pm.
Issue Date	Monday, 19 October 2020.
Minimum application amount	\$5,000 and multiples of \$1,000 thereafter.

Who is responsible for repaying you?

Oceania Healthcare as Issuer is responsible for repaying, and paying interest on, the Bonds.

Payments on the Bonds are guaranteed by Oceania Village Company Limited (**Oceania Village**), Oceania Care Company Limited and Oceania Group (NZ) Limited (each a **Guarantor**), under a guarantee (the **Guarantee**) contained in the Global Security Deed described below. At the date of this PDS, no other subsidiaries of Oceania Healthcare are Guarantors.

Subsidiaries of Oceania Healthcare may become (or cease to be) Guarantors from time to time.

While the Guarantee is not subject to any limits, the ability of the Security Trustee to claim directly against Oceania Village under the Guarantee is in some cases limited by agreement with the relevant Statutory Supervisor. More information on the Guarantee can be found in section 5 of this PDS (*Key features of the Bonds*).

How you can get your money out early

You have no right to require Oceania Healthcare to redeem the Bonds prior to the Maturity Date, except in the case of an Event of Default (as described below).

However Oceania Healthcare may elect (at its discretion) to redeem all, but not some only, of the Bonds on any Interest Payment Date after the third anniversary of the Issue Date by giving not less than 20 Business Days' notice of the redemption date. If the Bonds are redeemed early in this manner, they will be redeemed for the greater of their Principal Amount and their market price (excluding interest), in each case together with accrued interest as at the redemption date.

See section 5 of this PDS (*Key features of the Bonds*) for further details.

Oceania Healthcare intends to quote these Bonds on the NZX Debt Market. This means you may be able to sell them on the NZX Debt Market before the end of their term if there are interested buyers. If you sell your Bonds, the price you get will vary depending on factors such as the financial condition of Oceania Healthcare and its subsidiaries and movements in the market interest rates. You may receive less than the full amount that you paid for them.

How Bonds rank for repayment

The Bonds are secured on an equal ranking basis with certain other secured creditors, including Oceania Healthcare's bank lenders and hedge providers, under a security trust deed (the **Security Trust Deed**). On a liquidation of Oceania Healthcare as Issuer, the Bonds will rank:

- below liabilities which are preferred by law and liabilities secured by any limited permitted security interests granted by Oceania Healthcare (such as title retention arrangements entered in the ordinary course of trading on the supplier's usual terms of sale);
- equally with (and will be repaid at the same time and pro rata with) other liabilities secured under the Security Trust Deed, such as those owing to other Bondholders and Oceania Healthcare's bank lenders and hedge providers; and
- ahead of any other unsecured liabilities and shareholders of Oceania Healthcare.

Further important information on the ranking of the Bonds on the liquidation of Oceania Healthcare and its subsidiaries can be found in section 5 of this PDS (*Key features of the Bonds*). In particular, if Oceania Healthcare and its subsidiaries go into liquidation, claims against Oceania Village will generally rank below amounts owing to the relevant Statutory Supervisor and retirement village residents.

What assets are these Bonds secured against?

The Bonds are secured, under the Security Trust Deed, by the following Security:

- Mortgages over certain Land owned by Oceania Village in favour of the Security Trustee (**Mortgages**), including:
 - Second Registered Mortgages in respect of Land used for the purposes of a Registered Retirement Village (**Retirement Village Land**). The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of enforcement of each such Mortgage, and first ranking mortgages in favour of the relevant Statutory Supervisor are typically also registered ahead of the Security Trustee.
 - First Registered Mortgages over certain Land that is not Retirement Village Land. This includes aged care facility freehold Land and Land held for development.
- General security over all the assets of Oceania Healthcare, Oceania Village and the other Guarantors under a guarantee and global security deed (the **Global Security Deed**). The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of security enforcement against the assets of each Registered Retirement Village operated by Oceania Village (**Retirement Village Assets**).

The Statutory Supervisors hold their security in connection with their appointment under the Deeds of Supervision and the Retirement Villages Act, to protect the interests of residents and intending residents of the Registered Retirement Villages. More information on the Security can be found in section 5 of this PDS (*Key features of the Bonds*).

Key risks affecting this investment

Investments in debt securities have risks. A key risk is that Oceania Healthcare does not meet its commitments to repay you or pay you interest (credit risk). Section 6 of this PDS (*Risks of investing*) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rate for these Bonds should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the offer is fair.

Oceania Healthcare considers that the most significant risk factors are:

- **COVID-19 risks:** As a provider of aged care services, Oceania Healthcare's business could be adversely impacted by an outbreak of COVID-19 within the community, at any of its aged care centres or retirement villages or at any other aged care centre or retirement village not operated by Oceania Healthcare, as such an outbreak could lead residents to either choose not to move into an Oceania Healthcare aged care centre or retirement village, or they may not be permitted to move into an Oceania Healthcare aged care centre or retirement village if the outbreak is severe. This could have a significant negative impact on Oceania Healthcare's earnings. Similarly, Oceania Healthcare's business and profitability could be negatively impacted if Government imposed restrictions prevent or delay Oceania Healthcare from carrying out its development activities or if there is a downturn in the national or regional property markets.
- **Reputational damage or compliance breach:** Oceania Healthcare operates in a highly regulated industry. Failure to comply with applicable regulatory requirements could have consequences including loss of certification from the Ministry of Health in relation to the aged care business, or a suspension or cancellation of retirement village registration. This may in turn restrict Oceania Healthcare's business, lead to reputational harm or brand damage and have a significant impact on Oceania Healthcare's financial performance.
- **Changes in regulation:** Given the highly regulated industry in which it operates, Oceania Healthcare's business and profitability could be negatively impacted by any material change in the current regulatory regimes applying to aged care and retirement villages. Such changes could have an adverse impact on the way Oceania Healthcare provides care to residents or develops and operates its retirement villages, or otherwise increase costs or restrict Oceania Healthcare's ability to generate revenue.

- **Property market risk:** Oceania Healthcare's properties are concentrated in metropolitan areas, with earnings generated through the construction and sale and resale of retirement village units and care suites. Oceania Healthcare's retirement village earnings are therefore affected by prevailing national and regional property market conditions which are outside Oceania Healthcare's control. Any downturn in the property market could impact Oceania Healthcare's ability to sell or resell retirement village units or care suites, as well as the value that can be achieved on any such sale or resale, which could result in a significant negative impact on Oceania Healthcare's earnings.

This summary does not cover all of the risks of investing in the Bonds. You should also read section 6 of this PDS (*Risks of investing*) and section 5 of this PDS (*Key features of the Bonds*).

No credit rating

Oceania Healthcare's credit worthiness has not been assessed by an approved rating agency. This means that Oceania Healthcare has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

Where you can find other market information about Oceania Healthcare

This is a short form offer document that Oceania Healthcare is permitted to use because these Bonds rank in priority to existing quoted financial products of Oceania Healthcare. The existing quoted financial products are ordinary shares in Oceania Healthcare, which are traded on the NZX Main Board. Oceania Healthcare is subject to a disclosure obligation that requires it to notify certain material information to the NZX for the purpose of that information being made available to participants in the market. Oceania Healthcare's page on the NZX website, which includes information made available under the disclosure obligation referred to above, can be found at www.nzx.com/companies/OCA.

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Letter from the Chair

Dear Investor,

On behalf of Oceania Healthcare's directors, I am pleased to invite you to invest in this offer of secured fixed rate bonds to be issued by Oceania Healthcare Limited.

Oceania Healthcare, together with its subsidiaries, is one of New Zealand's largest residential aged care providers and retirement village operators. As at the date of this PDS, it provides accommodation to approximately 3,600 residents across 44 sites, which are primarily located in metropolitan areas throughout New Zealand.

Oceania Healthcare is an experienced and successful developer of new aged care and retirement village centres with an existing nationwide portfolio that includes substantial development potential at prime urban sites throughout New Zealand. As at the date of this PDS, Oceania Healthcare and its subsidiaries have sufficient land to build 1,764 new residences with 85.7% of those already consented. Oceania Healthcare prides itself on being a recognised industry leader in the provision of aged care to its residents.

Oceania Healthcare is seeking to raise up to \$75 million under the Offer, with an ability to accept up to an additional \$50 million in oversubscriptions. The proceeds will be used to repay a portion of Oceania Healthcare's existing bank debt, providing Oceania Healthcare with diversity of funding and tenor and helping to facilitate Oceania Healthcare's further growth.

There are risks associated with the Bonds that may affect your returns and repayment of your investment. An overview of these risks is set out in this PDS. I encourage you to seek financial, investment or other advice from a qualified professional adviser as you take the time to consider this Offer.

On behalf of Oceania Healthcare's directors, I welcome your participation in the Offer and your support of Oceania Healthcare. For more information on the Bonds, please visit our website:
www.oceaniahealthcare.co.nz/investor-centre/bonds.

Yours sincerely



Elizabeth Coutts

Chair, Oceania Healthcare Limited



2. Key dates and offer process

Opening Date	Monday, 5 October 2020 The minimum Interest Rate and indicative Issue Margin will be determined and announced on this date.
Closing Date	Friday, 9 October 2020 at 12.00pm
Rate Set Date	Friday, 9 October 2020
Issue Date and allotment date	Monday, 19 October 2020
Expected date of initial quotation and trading of the Bonds on the NZX Debt Market and earliest expected mailing of holding statements	Tuesday, 20 October 2020
Interest Payment Dates	19 January, 19 April, 19 July and 19 October in each year.
First Interest Payment Date	19 January 2021
Maturity Date	19 October 2027

The timetable is indicative only and subject to change. Oceania Healthcare may, in its absolute discretion and without notice, vary the timetable (including by opening or closing the Offer early, accepting late applications and extending the Closing Date).

If the Closing Date is extended, the Rate Set Date, the Issue Date, the expected date of initial quotation and trading of the Bonds on the NZX Debt Market, the Interest Payment Dates and the Maturity Date may also be extended. Any such changes will not affect the validity of any applications received.

Oceania Healthcare reserves the right to cancel the Offer and the issue of the Bonds, in which case any application monies received will be refunded (without interest) as soon as practicable and in any event within 5 Business Days of the cancellation.

3. Terms of the Offer

Issuer	Oceania Healthcare Limited.
Description of the Bonds	Secured unsubordinated fixed rate bonds.
Term	7 years, maturing on 19 October 2027.
Offer amount	Up to \$75 million (with the ability to accept oversubscriptions of up to an additional \$50 million at Oceania Healthcare's discretion).
Issue price	\$1.00 per Bond, being the Principal Amount of each Bond.
Interest Rate	<p>The Bonds will pay a fixed rate of interest until the Maturity Date.</p> <p>The Interest Rate will be no lower than a minimum Interest Rate. This minimum Interest Rate and the indicative Issue Margin will be determined by Oceania Healthcare in conjunction with the Joint Lead Managers and announced via NZX on the Opening Date (5 October 2020).</p> <p>The Interest Rate will be determined by Oceania Healthcare in conjunction with the Joint Lead Managers on the Rate Set Date (9 October 2020) and will be the greater of:</p> <ul style="list-style-type: none">- the minimum Interest Rate; and- the sum of the Swap Rate on the Rate Set Date and the Issue Margin. <p>The Issue Margin will be determined by Oceania Healthcare in conjunction with the Joint Lead Managers following a bookbuild on the Rate Set Date. The Interest Rate will be announced via NZX on the Rate Set Date.</p>
Interest Payment Dates	Quarterly in arrear on 19 January, 19 April, 19 July and 19 October in each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date, with the First Interest Payment Date being 19 January 2021.
Interest payments and entitlement	<p>Regular scheduled payments of interest will be of equal quarterly amounts. Any other payment of interest on the Bonds will be calculated based on the number of days in the relevant period and a 365-day year.</p> <p>On Interest Payment Dates interest will be paid to the person registered as the Bondholder as at the record date immediately preceding the relevant Interest Payment Date.</p> <p>The record date for interest payments is 5.00pm on the date that is 10 days before the relevant scheduled Interest Payment Date (prior to any adjustment to the Interest Payment Date to fall on a Business Day). If the record date falls on a day which is not a Business Day, the record date will be the immediately preceding Business Day.</p>
Opening Date	Monday, 5 October 2020.
Closing Date	Friday, 9 October 2020 at 12.00pm.
Scaling	Oceania Healthcare may scale applications at its discretion, but will not scale any application to below \$5,000 or to an amount that is not a multiple of \$1,000.
Minimum application amount	\$5,000 and multiples of \$1,000 thereafter.
How to apply	<p>Application instructions are set out in section 11 of this PDS (<i>How to apply</i>).</p> <p>Oceania Healthcare reserves the right to refuse all or any part of any application for Bonds under the Offer without giving a reason.</p>
No underwriting	The Offer is not underwritten.

Quotation

Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on or before the date of distribution of this PDS have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this PDS. NZX is a licensed market operator, and the NZX Debt Market is a licensed market, under the FMCA.

NZX ticker code OCA010 has been reserved for the Bonds.

Transfer restrictions

Oceania Healthcare may decline to accept or register a transfer of the Bonds if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with a Principal Amount of less than \$5,000 (if not zero) or if the transfer is not in multiples of \$1,000.

Ranking

The Bonds are secured on an equal ranking basis with certain other secured creditors, including Oceania Healthcare's bank lenders and hedge providers, under the Security Trust Deed. On a liquidation of Oceania Healthcare as Issuer, the Bonds will rank:

- below liabilities which are preferred by law and liabilities secured by any limited permitted security interests granted by Oceania Healthcare (such as title retention arrangements entered in the ordinary course of trading on the supplier's usual terms of sale);
- equally with (and will be repaid at the same time and pro rata with) other liabilities secured under the Security Trust Deed, such as those owing to other Bondholders, Oceania Healthcare's bank lenders and hedge providers; and
- ahead of any other unsecured liabilities and shareholders of Oceania Healthcare.

Further important information on the ranking of the Bonds on the liquidation of Oceania Healthcare and its subsidiaries can be found in section 5 of this PDS (*Key features of the Bonds*). In particular, if Oceania Healthcare and its subsidiaries go into liquidation, claims against Oceania Village will generally rank below amounts owing to retirement village residents.

Guarantee and Security

The Bonds have the benefit of:

- the Guarantee provided by (at the date of this PDS) Oceania Village, Oceania Care Company Limited and Oceania Group (NZ) Limited as Guarantors;
- Mortgages in favour of the Security Trustee, including:
 - Second Registered Mortgages over the Retirement Village Land. The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of enforcement of each such Mortgage; and
 - First Registered Mortgages over certain Land that is not Retirement Village Land. This includes aged care facility freehold Land and Land held for development; and
- the Global Security Deed, in respect of which the Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of security enforcement against Retirement Village Assets.

The Statutory Supervisors hold their security in connection with their appointment under the Deeds of Supervision and the Retirement Villages Act, to protect the interests of residents and intending residents of the Registered Retirement Villages. While the Guarantee is unlimited, the ability of the Security Trustee to claim against Oceania Village under the Guarantee is in some cases limited by agreement with the relevant Statutory Supervisor. More information on the Guarantee and the Security can be found in section 5 of this PDS (*Key features of the Bonds*).

**Financial covenant
(Loan to Valuation Ratio)**

Oceania Healthcare agrees to ensure that, on each Semi-annual Test Date, the total principal amount of financial indebtedness secured under the Global Security Deed is not more than 50% of the valuation of all properties owned by Oceania Healthcare and its subsidiaries, as described further in section 5 of this PDS (*Key features of the Bonds*).

Early redemption

You have no right to require Oceania Healthcare to redeem the Bonds prior to the Maturity Date, except in the case of an Event of Default (as described below).

Oceania Healthcare may elect (at its discretion) to redeem all, but not some only, of the Bonds on any Interest Payment Date after the third anniversary of the Issue Date by giving not less than 20 Business Days' notice of the redemption date. If the Bonds are redeemed early in this manner, they will be redeemed for the greater of their Principal Amount and their market price (excluding interest), in each case together with accrued interest as at the redemption date.

See section 5 of this PDS (*Key features of the Bonds*) for further details.

Events of Default

If an Event of Default occurs, and is continuing, the Bond Supervisor may in its discretion, and must in certain circumstances including upon being directed to do so by an Extraordinary Resolution of Bondholders, declare the Bonds to be immediately due and payable.

The Events of Default are set out in condition 18 of the Bonds (as set out in Schedule 1 of the Trust Deed, a copy of which is contained on the Disclose Register) and are summarised in section 5 of this PDS (*Key features of the Bonds*).

Further payments, fees or charges

Taxes may be deducted from interest payments on the Bonds. See section 7 of this PDS (*Tax*) for further details.

You are not required to pay brokerage or any other fees or charges to Oceania Healthcare to purchase the Bonds. However, you may have to pay brokerage to the firm from whom you receive an allocation of Bonds. Please contact your broker for further information on any brokerage fees.

Selling restrictions

The Offer is subject to certain selling restrictions and you will be required to indemnify certain people if you breach these. More information on this can be found in section 5 of this PDS (*Key features of the Bonds*).

Governing law

New Zealand.

Bond Supervisor

Public Trust.

Security Trustee

New Zealand Permanent Trustees Limited.

Securities Registrar

Computershare Investor Services Limited.

Documents

The terms of the Bonds, and other terms key to the Offer, are set out in:

- the Trust Deed, as supplemented by the Supplemental Deed;
- the Global Security Deed (including the Guarantee); and
- the Security Trust Deed.

You should read these documents. Copies may be obtained from the Disclose Register at www.companiesoffice.govt.nz/disclose.

4. Purpose of the Offer

The proceeds of the Offer are expected to be used to repay a portion of Oceania Healthcare's existing bank debt, providing Oceania Healthcare with diversity of funding and tenor and helping facilitate Oceania Healthcare's further growth. This purpose will not change, irrespective of the total amount that is raised.

The Offer is not underwritten.

5. Key features of the Bonds

A number of key features of the Bonds are described in section 3 of this PDS (*Terms of the Offer*). The other key features of the Bonds are described below.

The Bond Supervisor

A Bond Supervisor is appointed to act as supervisor and trustee for the Bondholders on the terms contained in the Trust Deed.

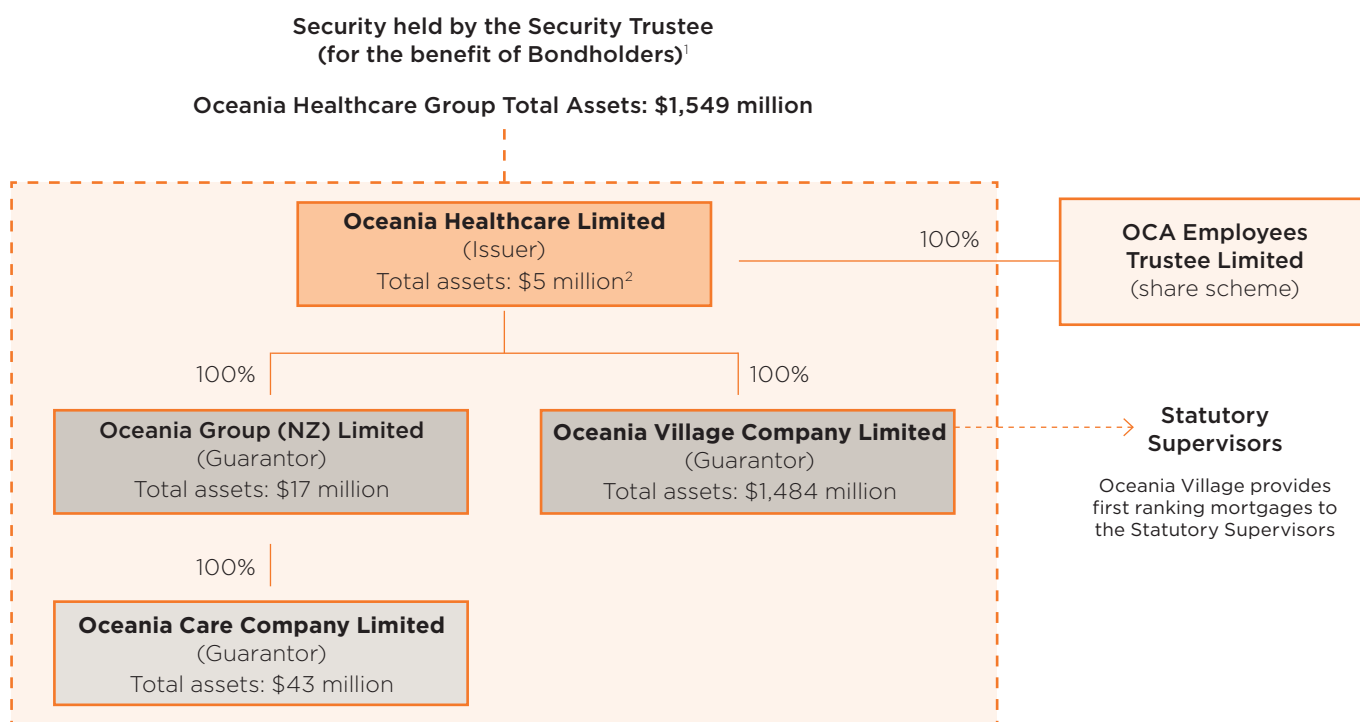
You can only enforce your rights under the Bonds, and under the Guarantee, the Security and other arrangements described below, through the Bond Supervisor. However you can enforce your rights under the Bonds only (but not the Guarantee, Security or other arrangements) against Oceania Healthcare directly if the Bond Supervisor is obliged to enforce but has failed to do so within a reasonable period.

Ranking and Security

The security structure

The below diagram provides a summary of the Security at the date of this PDS. The figures in the diagram below are as at 31 May 2020.

Figure One: Oceania Healthcare Security Structure



Oceania Village owns the aged care and retirement village facilities and undertakes the retirement village operations. Oceania Village also typically undertakes the developments. Oceania Care Company Limited undertakes the aged care operations. Oceania Group (NZ) Limited provides corporate head office functions and operates the Wesley Institute of Learning to deliver postgraduate nursing and healthcare assistant training to Oceania Healthcare staff and the wider nursing and healthcare industry.

Further information on the Guarantors can be found under the heading “Guarantees” below.

OCA Employees Trustee Limited is a subsidiary of Oceania Healthcare that holds employee share scheme shares on behalf of participants. It is not a Guarantor and does not provide Security.

Notes:

¹ Dotted lines indicate security. Solid orange lines indicate ownership.

² Assets of Oceania Healthcare as Issuer are shown excluding amounts attributable to shares held in the Guarantors and other subsidiaries, but including \$3 million in relation to goodwill which arises on consolidation.

Ranking

The ranking of the Bonds on a liquidation of Oceania Healthcare and its subsidiaries is summarised in the diagram below. The diagram is a summary of indicative amounts only and in the event of a liquidation of Oceania Healthcare and its subsidiaries, the actual priority amounts may differ.

Figure Two: Diagram showing ranking of Bonds on liquidation of Oceania Healthcare and its subsidiaries

	Ranking on liquidation	Type of liability/equity	Amount ^{1,2}
Higher ranking / Earlier priority	Liabilities that rank above the Bonds	Liabilities preferred by law (for example, Inland Revenue for certain unpaid taxes) ³	\$19 million
		Liabilities to the Statutory Supervisors (including amounts owing to Registered Retirement Village residents) ⁴	\$535 million
		Secured liabilities (other than liabilities to the Statutory Supervisors and liabilities that have the benefit of the Security) ⁵	\$5 million
Lower ranking / Later priority	Liabilities that rank equally with the Bonds ⁶	Bonds	\$75 million
		Other unsubordinated liabilities that have the benefit of the Security, including Oceania Healthcare's bank debt and hedging	\$262 million
Lower ranking / Later priority	Liabilities that rank below the Bonds	Unsubordinated and unsecured liabilities ⁷	\$24 million
		Subordinated liabilities	Nil
		Equity ⁸	Shares, reserves and retained earnings

Notes:

- Amounts shown above are indicative based on the financial position of Oceania Healthcare and its subsidiaries as at 31 May 2020, adjusted for the issue of the Bonds. They are subject to rounding adjustments.
- An amount of \$34 million in relation to the deferred management fee liability on Oceania Healthcare's balance sheet is excluded from Figure Two above due to its nature as a non-cash liability, arising from differences in the treatment of deferred management fee for contractual and accounting purposes.
- Liabilities that may, depending on the source of payment, rank above the Bonds on liquidation include employee entitlements for unpaid salaries and wages, holiday pay and bonuses, and PAYE, and amounts owing to the Inland Revenue for unpaid taxes and goods and services tax. There are typically other liabilities which are preferred by law or secured, including enforcement costs and similar, which arise when a company is in liquidation which are not possible to foresee and cannot therefore be quantified.
- On liquidation the Statutory Supervisors have first rights to the proceeds of enforcement of the Second Registered Mortgages over Retirement Village Land and security enforcement against the Retirement Village Assets.
- Other secured liabilities include those secured over particular assets under a perfected purchase money security interest, such as finance leases and title retention arrangements. These are shown as ranking above the Bonds for reasons of simplicity, as on liquidation the secured party in relation to a perfected purchase money security interest has first rights to the particular asset or its sale proceeds.
- Assuming \$75 million of Bonds are issued under the Offer. The final size of the Offer will not materially impact this amount as the proceeds of the Offer are expected to be applied towards repaying a portion of bank debt which ranks equally with the Bonds.
- Unsubordinated and unsecured liabilities are shown as ranking below the Bonds because, although they are not legally subordinated to the Bonds (or other secured debt), they do not have the benefit of the Security. In effect the Bonds (and other secured debt, including bank debt) would have priority over unsubordinated and unsecured liabilities if the Security was enforced, to the extent of the Security proceeds the Security Trustee is entitled to.
- The amount of equity stated above includes an amount in relation to Oceania Healthcare's existing quoted equity securities (i.e. Oceania Healthcare's ordinary shares).

The Security

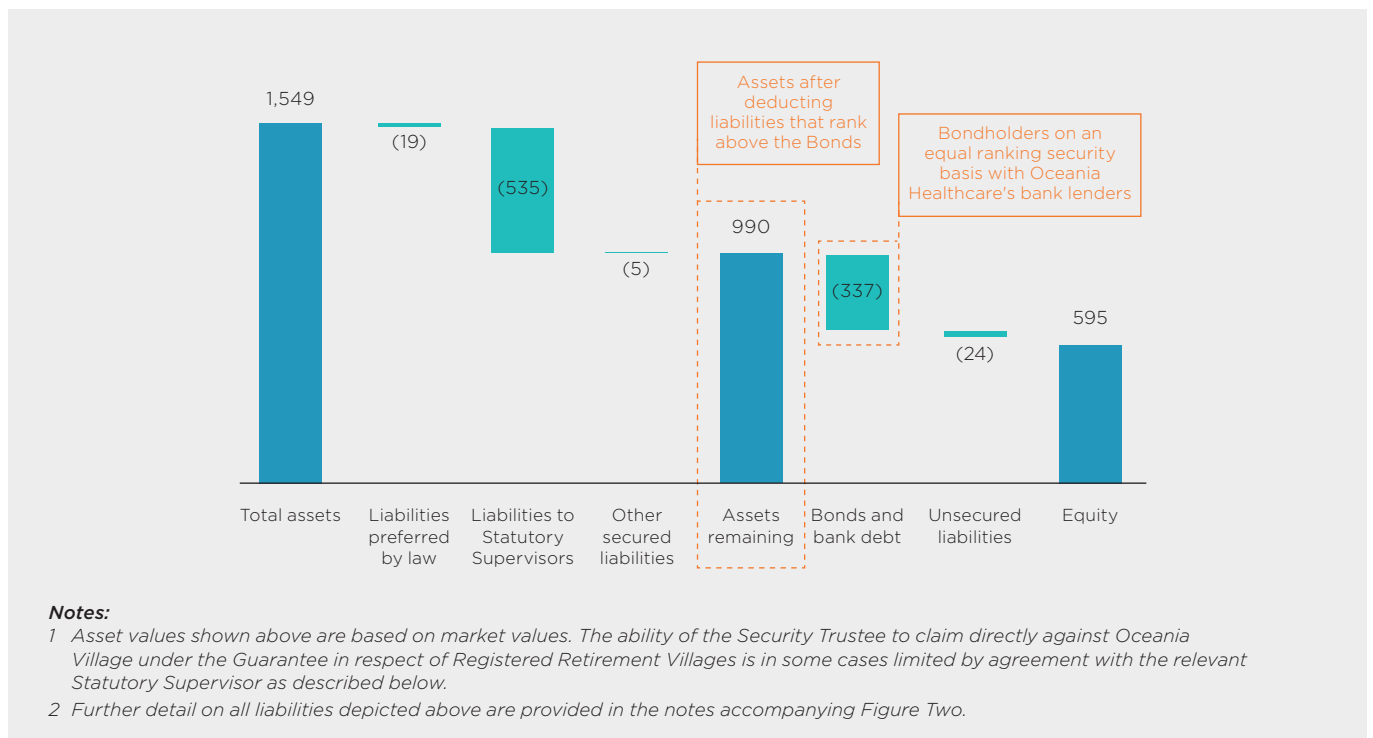
Oceania Healthcare and the Guarantors provide the following Security:

- Second Registered Mortgages in respect of the Retirement Village Land. The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of enforcement of each such Mortgage under the Security Sharing Deeds, and first ranking mortgages in favour of the relevant Statutory Supervisor are typically also registered ahead of the Security Trustee.
- First Registered Mortgages over certain Land that is not Retirement Village Land, including Land held for development or that is used for aged care facilities.

- General security over all the assets of Oceania Healthcare, Oceania Village and the other Guarantors under the Global Security Deed. Under the Security Sharing Deeds the Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of security enforcement against Retirement Village Assets.

The Statutory Supervisors hold their security in connection with their appointment under the Deeds of Supervision and the Retirement Villages Act, to protect the interests of residents and intending residents of the Registered Retirement Villages.

Figure Three: Ranking of Bonds on liquidation shown against assets of Oceania Healthcare and its subsidiaries



At the date of this PDS, all Mortgages are provided by Oceania Village. Oceania Village may acquire land or may dispose of any Land, or Land may become Retirement Village Land (such as on completion of a development), from time to time, in which case the Security may be amended accordingly. The Security Trustee may also require Oceania Village (or Oceania Healthcare or any other Guarantor) to grant a Mortgage over any Land owned from time to time.

The Security is provided to the Security Trustee, and Bondholders (and other relevant secured creditors) have its benefit under the Security Trust Deed.

Oceania Healthcare estimates that as at 31 May 2020:

- The total amount of liabilities secured by the Security was approximately **\$337 million**, with all secured creditors under the Security Trust Deed ranking equally. The issue of the Bonds will not materially impact this amount, as the proceeds of the issue are expected to be used to repay existing bank debt which also has the benefit of the Security. After the issuance, this amount will include the Bonds and amounts owed to Oceania Healthcare's bank lenders (as described in Figure Two).

- As discussed further in the table below, the total value of:
 - the assets subject to the Security was approximately **\$1,549 million**; and
 - the assets subject to the Security, after deducting amounts preferred by law and amounts to which the Statutory Supervisors or other secured creditors are entitled ahead of the Security Trustee as described above was approximately **\$990 million**.

The Security Trustee's ability to claim directly against Oceania Village under the Guarantee in respect of any Registered Retirement Village for which Trustees Executors Limited is Statutory Supervisor is limited by agreement with that Statutory Supervisor. While the Security Trustee may still be able to claim above the agreed limits, it may only do so with the consent of that Statutory Supervisor (not to be unreasonably withheld or delayed). As at the date of this PDS, application of this cap would reduce assets subject to the Security of **\$1,549 million to \$1,379 million**.

Figure Four: Value of Secured Assets

Details of the value of the secured assets as at 31 May 2020, as determined by Oceania Healthcare, are as follows. Asset values are shown based on market values. The ability of the Security Trustee to claim directly against Oceania Village under the Guarantee in respect of Registered Retirement Villages is in some cases limited by agreement with the relevant Statutory Supervisor as described above.

Description	Value
<p>Land and assets in which the Statutory Supervisors have first ranking interests</p> <p>This includes:</p> <ul style="list-style-type: none"> - Retirement Village Land and Retirement Village Assets (\$1,366 million) <p>The Retirement Village Land and Retirement Village Assets are secured in favour of the Security Trustee under the Global Security Deed and (in the case of the Retirement Village Land) under the Second Registered Mortgages. As described under the heading "The Statutory Supervisors and Security Sharing Deeds" below, Registered Retirement Villages may only be disposed of as a going concern except in limited circumstances.</p> <ul style="list-style-type: none"> - Less: first ranking interests of the Statutory Supervisors to the Retirement Village Land and Retirement Village Assets (\$535 million) <p><i>The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of enforcement of each Second Registered Mortgage over Retirement Village Land, and to the proceeds of security enforcement against the Retirement Village Assets.</i></p>	<p>\$1,366 million before deducting first ranking interests of the Statutory Supervisors.</p> <p>\$831 million after deducting first ranking interests of the Statutory Supervisors.</p>
<p>Mortgaged Land other than Retirement Village Land</p> <p>Certain Land that is not Retirement Village Land (including aged care facility freehold Land and Land held for development) is subject to first ranking Mortgages in favour of the Security Trustee.</p>	\$84 million
<p>Other assets</p> <p>Other assets of Oceania Healthcare and the Guarantors (being assets other than Retirement Village Assets and unmortgaged Land) are secured under the Global Security Deed in favour of the Security Trustee. The Statutory Supervisors do not have first rights to enforcement of such assets.</p>	\$99 million
<p>Less: Liabilities preferred by law</p> <p>Liabilities that may, depending on the source of payment, rank above the Bonds on liquidation include employee entitlements for unpaid salaries and wages, holiday pay and bonuses, and PAYE, and amounts owing to the Inland Revenue for unpaid taxes and goods and services tax.</p>	\$19 million
<p>Less: Other secured liabilities</p> <p>As described in Figure Two, other secured liabilities include those secured over particular assets under a perfected purchase money security interest, such as finance leases and title retention arrangements.</p>	\$5 million
Total	\$990 million

The Security Trustee

A Security Trustee (currently New Zealand Permanent Trustees Limited) holds the Security for all creditors entitled to its benefit. This currently includes (in addition to the Bond Supervisor and the Bondholders) Oceania Healthcare's bank lenders and hedging providers. It is likely that further creditors will become entitled to the benefit of this Security in the future.

The basis on which the Security Trustee holds the Security, and otherwise acts for the creditors entitled to its benefit, is set out in the Security Trust Deed. More information on the Security Trust Deed can be found below in the section headed *Security Trust Deed*.

The Statutory Supervisors and Security Sharing Deeds

Oceania Village is required to appoint a licensed statutory supervisor in respect of each Registered Retirement Village in accordance with the Retirement Villages Act. Trustees Executors Limited and Covenant Trustee Services Limited are each appointed as the Statutory Supervisor for various Registered Retirement Villages of Oceania Village.

The Statutory Supervisor for each Registered Retirement Village is appointed under a Deed of Supervision to protect the interest of residents and intending residents of that Registered Retirement Village, and is responsible for:

- providing a stakeholder facility for intending residents and residents who pay deposits or progress payments in respect of an occupation right agreement or uncompleted residential units or facilities at the Registered Retirement Village;
- monitoring the financial position of the Registered Retirement Village;
- reporting annually to the Registrar of Retirement Villages and residents on the performance of its duties and the exercise of its powers; and
- performing any other duties imposed on it from time to time under the Retirement Villages Act.

Under the relevant Security Sharing Deed, each Statutory Supervisor has first rights (ahead of the Security Trustee and Bondholders) to the proceeds of security enforcement over the Retirement Village Land and Retirement Village Assets for various amounts owing to that Statutory Supervisor or to any resident of a relevant Registered Retirement Village including under an occupation right agreement. These amounts secured in favour of the Statutory Supervisors include the Net Refundable Amount for each resident of the Registered Retirement Village. Further details of the payment of amounts received on enforcement are set out in each Security Sharing Deed.

However, each Statutory Supervisor's mortgages and entitlements under the relevant Security Sharing Deed are granted on a "village by village" basis. This means that the relevant Statutory Supervisor's mortgages and

entitlements in respect of each Registered Retirement Village only secure amounts owing to the relevant Statutory Supervisor and residents in relation to that particular Registered Retirement Village. They do not secure amounts owing in relation to other Registered Retirement Villages.

In addition to the Statutory Supervisors' security, the Retirement Villages Act requires a memorial to be placed on the title of any property or premises of Oceania Village used for any Registered Retirement Villages. This means that, unless all residents of the retirement village have received independent legal advice and at least 90% of those residents have consented in writing, the holder of a security interest or any receiver or liquidator or statutory manager of property comprising the Registered Retirement Village or of any operator of the Registered Retirement Village must not exercise any right to:

- dispose of the Registered Retirement Village other than as a going concern; or
- disclaim any occupation right agreement relating to the Registered Retirement Village as onerous property; or
- evict any resident or exclude any resident from the use of any facilities or any part of the Registered Retirement Village to which that resident is ordinarily entitled.

The Security Trustee is required to follow the procedures set out in the relevant Security Sharing Deed when enforcing the Security over Retirement Village Land or Retirement Village Assets, including:

- giving to the relevant Statutory Supervisor 5 business days' notice of the proposed appointment of any receiver and 21 days' notice of the exercise of any power of sale; or (as applicable) 20 business days' notice of the proposed appointment of any receiver; and
- obtaining the prior approval of the relevant Statutory Supervisor for any proposed purchaser of a Registered Retirement Village and any agreement for sale and purchase in relation to a Registered Retirement Village. The purchaser will be required to:
 - enter into a Deed of Supervision and comply with the Retirement Villages Act; and
 - ensure that any financier of the purchaser enters into a similar deed to the Security Sharing Deed.

Furthermore, any sale of a Registered Retirement Village by the Security Trustee will be subject to the Statutory Supervisor's mortgages and will be subject to the rights of and benefits of residents arising under occupation right agreements and under the relevant Deed of Supervision.

The Security Trustee may also need the prior approval of the relevant Statutory Supervisor before taking steps to remove or replace Oceania Village as the manager of the relevant Registered Retirement Village.

Further borrowing and security

After the issue of the Bonds, Oceania Healthcare and its subsidiaries may (without the consent of Bondholders) borrow money or otherwise incur liabilities from time to time that:

- rank equally with the Bonds on liquidation of Oceania Healthcare and its subsidiaries. This may include, for example, further bank lending to Oceania Healthcare or further bonds issued by Oceania Healthcare; or
- rank above the Bonds on liquidation of Oceania Healthcare and its subsidiaries. This may include, for example, amounts owing to residents of retirement villages and secured in favour of a Statutory Supervisor, other borrowings with permitted security as described below and liabilities preferred by law.

The financial covenants and other terms described below limit the ability of Oceania Healthcare and its subsidiaries to:

- borrow money that ranks equally with, or above, the Bonds; or
- grant security which ranks equally with, or above, the Security.

Restrictions on borrowing

The Loan to Valuation Ratio in the Bonds limits Oceania Healthcare's ability to borrow money which is secured by the Security, based on the value of the properties of Oceania Healthcare and its subsidiaries. Under the Loan to Valuation Ratio, Oceania Healthcare agrees to ensure that, on each Semi-annual Test Date, the total principal amount of financial indebtedness secured under the Global Security Deed is not more than 50% of the valuation of all properties owned by Oceania Healthcare and its subsidiaries. Semi-annual Test Dates are scheduled for 31 March and 30 September in each year. However, because Oceania Healthcare has recently changed its balance date from 31 May to 31 March in each year, the first Semi-annual Test Date will be 30 November 2020 (six months after Oceania Healthcare's last balance date on 31 May 2020). Thereafter, the Semi-annual Test Date will be 31 March and 30 September in each year.

For this purpose:

- "Financial indebtedness" includes the principal amount lent by Oceania Healthcare's bank lenders under the Bank Facility Agreement and the principal amount of the Bonds and any other borrowings secured under the Security Trust Deed from time to time. It does not include the marked to market value of any derivative transaction provided by Oceania Healthcare's hedge providers and secured under the Global Security Deed.
- The valuation of properties includes all of the Retirement Village Assets, Retirement Village Land as well as Land held for development or that is used for aged care facilities. Broadly, land under development is typically valued as follows:
 - Completed unsold land developments are valued on completion;

- Work in progress is valued on completion, less cost to complete; and
- Surplus land is valued at its current valuation.

The Loan to Valuation Ratio is substantially the same as the equivalent loan to valuation ratio in the Bank Facility Agreement. If the relevant definitions or method of calculating the loan to valuation ratio in the Bank Facility Agreement are amended (other than an amendment to the 50% limit or the testing frequency, or the removal of such financial covenant from the Bank Facility Agreement or termination of the Bank Facility Agreement), Oceania Healthcare will promptly notify the Bond Supervisor and the Loan to Valuation Ratio will be adjusted to be calculated and tested in a corresponding manner provided that Oceania Healthcare has certified that such adjustment will not have a material adverse effect on Bondholders (or any class of them) when compared with the effect on the bank lenders.

Further details of the Loan to Valuation Ratio are set out in condition 14 of the Bonds (as set out in Schedule 1 of the Trust Deed) and Schedule 2 of the Trust Deed.

If there is a breach of the Loan to Valuation Ratio:

- Oceania Healthcare must, within 6 months of the date of a semi-annual compliance report being delivered setting out that breach (or the date on which it should have been delivered, if earlier), remedy the breach or (if not remedied within 6 months) give notice to the Bond Supervisor within 20 Business Days after such date of its plan to remedy the breach (by selling assets, effecting a capital restructuring and/or other action); and
- if the breach is not remedied within 6 months of the date of that notice (or the date on which it should have been delivered, if earlier), an Event of Default will occur.

Therefore, a continued breach of the Loan to Valuation Ratio will be an Event of Default (approximately) 13 months after that breach is disclosed to the Bond Supervisor in a semi-annual compliance report. The Loan to Valuation Ratio and/or Oceania Healthcare's financial position and the value of the Security may worsen both before the semi-annual compliance report is delivered and during the 13-month period described above.

Certain terms in the Bank Facility Agreement limit the ability of Oceania Healthcare to borrow money (although Bondholders do not have the benefit of these, and they may be amended or waived by Oceania Healthcare's bank lenders). These terms currently include:

- a maximum loan to valuation ratio (calculated and tested in the same way and with the same 50% limit as the Loan to Valuation Ratio under the Trust Deed, as described above);
- a minimum interest cover ratio being (broadly) the ratio of adjusted EBITDA (a non-GAAP measure relating to earnings before interest, tax, depreciation, amortisation and goodwill impairment) of Oceania Healthcare and its subsidiaries, to certain of their interest charges and financing costs of 2.00:1, on a semi-annual basis; and

- a requirement to obtain consent from Oceania Healthcare's bank lenders before extending the Security to additional obligations under the Security Trust Deed.

Under the Deeds of Supervision and Security Sharing Deeds (as applicable), Oceania Village (as the operator of each Registered Retirement Village at the date of this PDS) is required to obtain the consent of each Statutory Supervisor before borrowing any money, varying the terms of any borrowing or guaranteeing or indemnifying the obligations of any other person. Bondholders do not have the benefit of these, and they may be amended or waived by the Statutory Supervisors.

Restrictions on granting security

Under condition 13(b) of the Bonds (as set out in Schedule 1 of the Trust Deed), Oceania Healthcare agrees that it will not create or permit to subsist (and will procure that each Guarantor will not create or permit to subsist) any security interest over its assets, except to the Security Trustee or in certain other limited permitted instances. The permitted instances include:

- security required, in respect of assets forming part of Registered Retirement Villages only, to be granted to the Statutory Supervisor;
- liens arising by operation of law in the ordinary course of trading;
- netting and set off arrangements entered into in the ordinary course of banking arrangements;
- title retention arrangements entered in the ordinary course of trading on the supplier's usual terms of sale;
- security approved by or on behalf of the Bank Lenders under the Bank Facility Agreement; and
- other security that secures indebtedness not exceeding \$10 million in aggregate.

This summary does not cover all of the permitted instances. For full details see condition 13(b) of the Bonds (as set out in Schedule 1 of the Trust Deed).

Similar terms that limit the ability of Oceania Healthcare to grant security are also contained in the Bank Facility Agreement (although these are not terms of the Bonds so Bondholders do not have the benefit of these, and they may be amended or waived by Oceania Healthcare's bank lenders).

Under the Deeds of Supervision and Security Sharing Deeds (as applicable), Oceania Village (as the operator of each Registered Retirement Village at the date of this PDS) is required to obtain the consent of each Statutory Supervisor before using any Retirement Village Assets as security or otherwise further encumbering its assets. Bondholders do not have the benefit of these, and they may be amended or waived by the Statutory Supervisors.

Guarantees

Oceania Healthcare as Issuer is responsible for repaying, and paying interest on, the Bonds. Payments on the Bonds are guaranteed by Oceania Care Company Limited, Oceania Village Company Limited and Oceania Group (NZ) Limited under the Guarantee contained in the Global Security Deed. At the date of this PDS, no other subsidiaries of Oceania Healthcare are Guarantors. Subsidiaries of Oceania Healthcare may be added or removed as Guarantors from time to time. Any person that becomes a guarantor of the Bank Facility Agreement under the Global Security Deed will also be a Guarantor of the Bonds.

The Guarantors guarantee (jointly and severally) the payment of all amounts owed by Oceania Healthcare to you in respect of the Bonds.

The Guarantee is not subject to any limits or conditions. However, the Security Trustee's ability to claim under the Guarantee in respect of any Registered Retirement Village for which Trustees Executors Limited is Statutory Supervisor is limited by agreement with that Statutory Supervisor. Under the relevant Security Sharing Deed, the Security Trustee has agreed not to claim, without the consent of that Statutory Supervisor (not to be unreasonably withheld or delayed), more against Oceania Village under the Guarantee in respect of each relevant Registered Retirement Village than certain caps. The cap for each such Registered Retirement Village includes amounts equal to the total of the purchase price, a portion of accrued interest costs, amounts borrowed under the Bank Facility Agreement for the purpose of capital expenditure in respect of that Registered Retirement Village, and reasonable enforcement costs.

The Guarantee is a cross guarantee. A cross guarantee is a document under which each guarantor guarantees each other guarantor's liabilities. Oceania Healthcare is also a guarantor under the Guarantee in the Global Security Deed (but, as Issuer, is not a Guarantor of the Bonds).

The obligations of any Guarantors under the Guarantee will be secured by the Global Security Deed and the mortgages from Oceania Village, as described above. There is no limit on the amount secured by the Security. Oceania Healthcare believes that the Security is sufficient and is reasonably likely to be sufficient to:

- repay the liability under the Guarantee; and
- pay all other liabilities that a security interest over any of the Security secures and that rank above, or equally with, the liability under the Guarantee.

Early redemption by Oceania Healthcare

Oceania Healthcare may elect (at its discretion) to redeem all, but not some only, of the Bonds on any Interest Payment Date after the third anniversary of the Issue Date by giving not less than 20 Business Days' notice of the redemption date.

If the Bonds are redeemed early in this manner, they will be redeemed for the greater of:

- their Principal Amount; and
- their market price (excluding interest), calculated as the arithmetic average of the daily volume weighted average price (excluding interest) of Bonds traded through the NZX Debt Market over the 10 Business Days immediately prior to the date on which Oceania Healthcare gave the redemption notice (or, if the Bonds have not traded on the NZX Debt Market for at least half of such 10 Business Day period, the average price of the Bonds for that period will be determined by an independent adviser appointed in accordance with the Trust Deed (excluding interest)),

in each case together with accrued interest.

If Oceania Healthcare chooses to redeem the Bonds when prevailing interest rates are relatively low, you may not be able to reinvest the redemption proceeds in comparable securities at an effective interest rate as high as that of the Bonds.

Events of Default

The Events of Default are contained in the Trust Deed. They include:

- A failure by Oceania Healthcare to make a payment on the Bonds (subject to applicable grace periods).
- A breach of the Loan to Valuation Ratio which is not remedied within (approximately) 13 months of that breach being disclosed to the Bond Supervisor in a semi-annual compliance report.
- A breach by Oceania Healthcare of a material term of the Trust Deed or the Bonds, or by Oceania Healthcare or a Guarantor of a material undertaking in the Security Trust Deed, the Global Security Deed or the Security.
- A material misrepresentation by Oceania Healthcare or a Guarantor under the Trust Deed, the Bonds, the Security Trust Deed, the Global Security Deed or the Security (subject to applicable remedy periods).
- Indebtedness of more than \$5 million in respect of other borrowed money of Oceania Healthcare or a Guarantor is not paid when due (or within any applicable grace period), or is called up as a result of a default.
- Insolvency events that affect Oceania Healthcare or a Guarantor.
- Termination of the Security Trust Deed, Guarantee or Security.

This summary does not cover all of the Events of Default. For full details of the Events of Default see condition 18 of the Bonds (as set out in Schedule 1 of the Trust Deed).

If an Event of Default occurs, the Bond Supervisor may in its discretion, and must in certain circumstances including

upon being directed to do so by an Extraordinary Resolution of Bondholders, declare the Principal Amount and any accrued interest on the Bonds due and payable. If this occurs, Oceania Healthcare will need to repay the Principal Amount of the Bonds and any outstanding interest due. Outstanding interest will be calculated based on the number of days since the last Interest Payment Date and the total number of days in the current Interest Period.

Any enforcement of the Security must be by the Security Trustee, not the Bond Supervisor.

Distribution restriction

Under the Trust Deed Oceania Healthcare is not permitted to make any distribution if an Event of Default has occurred and is continuing or if the making of the distribution would result in the occurrence of an Event of Default.

Other relevant information about the Trust Deed and the Security Trust Deed

The Trust Deed for the Bonds contains a number of standard provisions, including in relation to the powers and duties of the Bond Supervisor, and the process for amending the Trust Deed. You can find a copy of the Trust Deed on the Disclose Register. You should read the Trust Deed for further information.

The Security Trust Deed sets out how the Security can be enforced by the Security Trustee on instructions from the Bond Supervisor and other secured creditors. In most circumstances the Security Trustee must act in accordance with instructions of the majority (being, for this purpose, more than 66.66%) of those creditors who have the benefit of the Security. As a majority of creditors is determined by respective credit exposures (which depending on the circumstances may be based on principal amount lent, or facility limits) Oceania Healthcare's bank lenders currently constitute the majority creditors for the purpose of giving instructions to the Security Trustee. This means that the Bond Supervisor and Bondholders may not be able to instruct the Security Trustee to enforce the Security if the majority creditors do not agree.

The Security Trust Deed contains a number of other important terms, including:

- The rules as to distribution of proceeds received by the Security Trustee on enforcement of the Security. To summarise, after paying costs (including those of the Security Trustee or any receiver), the creditors secured by the Security rank equally.
- The procedure by which Oceania Healthcare may extend the benefit of the Security to new creditors, who would then rank equally with the Bonds. Oceania Healthcare may generally do so provided it is permitted under existing secured finance documentation (including as described above) and a default does not exist.

- The ability of the majority creditors to require the Security Trustee to enforce the Security. In certain circumstances individual creditors or groups of creditors also have this right. An example of this is that, where there is a Major Default, the Bond Supervisor can require the Security Trustee to enforce the Security (unless other creditors give conflicting instructions (as to how, but not whether to enforce the Security) in accordance with the Security Trust Deed).
- The ability of the majority creditors to waive obligations under, or agree changes to, the Security Trust Deed (though if a waiver or change would have a material adverse effect on Bondholders as compared to its effect on other creditors, then approval of the Bondholders will be required).

Selling Restrictions

Oceania Healthcare does not intend that the Bonds be offered for sale, and no action has been taken or will be taken to permit a public offering of Bonds, in any jurisdiction other than New Zealand. You may only offer for sale or sell any Bond in conformity with all applicable laws and regulations in any jurisdiction in which it is offered, sold or delivered. This PDS may not be published, delivered or distributed in or from any country other than New Zealand.

By subscribing for or otherwise acquiring any Bonds, you agree to indemnify, among others, Oceania Healthcare, the Bond Supervisor and the Joint Lead Managers and their respective directors, officers, employees and agents for any loss suffered as a result of any breach by you of the selling restrictions referred to in this section.

6. Risks of investing

Introduction

This section 6 describes the following potential key risk factors:

- general risks associated with an investment in the Bonds; and
- specific risks relating to Oceania Healthcare's creditworthiness.

Key risks outlined in this section are based on an assessment of the probability of a risk occurring and its potential impact (individually or in combination with other key risks) at the date of this PDS. There is no guarantee or assurance that key risks will not change, alter in their significance or that other risks will not emerge.

You should carefully consider these risk factors (together with the other information in this PDS) before deciding to invest in the Bonds.

Before making any investment decision it is important that investors consider the suitability of an investment in the Bonds in light of their own individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues). The risks described in this section do not take account of the personal circumstances, financial position or investment requirements of any particular person other than Oceania Healthcare and its subsidiaries.

General Risks

An investment in the Bonds is subject to the following general risks.

Credit Risk on Oceania Healthcare

The risk that Oceania Healthcare becomes insolvent and is unable to meet its obligations under the Bonds. If the Security is insufficient to repay you in these circumstances, you might not recover the amount of your investment in the Bonds or receive the returns you expect.

Secondary Market Risk

The risk that, if you wish to sell your Bonds before maturity:

- you may be unable to find a buyer; or
- the price at which you are able to sell them is less than the amount you paid for them.

These outcomes may arise because of factors related to Oceania Healthcare's creditworthiness, or because of other factors. These other factors may include the following:

- The fact that a trading market for the Bonds may never develop, or, if it develops, is not very liquid. Although permission is expected to be granted to quote the Bonds on the NZX Debt Market, this does not guarantee any trading market in the Bonds.
- The level, direction and volatility of market interest rates. For example, if market interest rates go up, the market value of the Bonds would typically be expected to go down and vice versa.
- The fact that Bondholders seeking to sell relatively small or relatively large amounts of Bonds may not be able to do so at prices comparable to those available to other Bondholders.

Specific risks relating to Oceania Healthcare's creditworthiness

Oceania Healthcare considers that the circumstances which could significantly affect, either individually or in combination, the future financial position and financial performance of Oceania Healthcare and its subsidiaries, and therefore significantly increase the risk that Oceania Healthcare may default on its obligations under the

Bonds are as set out below. These circumstances, either individually or in combination, may affect Oceania Healthcare's ability to pay interest on, or repay, the Bonds.

COVID-19 risks

COVID-19 has impacted the health and wellbeing of people around the world and the outbreak of COVID-19 and the restrictions put in place by Governments to fight the virus have had a major impact on the global economy. COVID-19 has created global uncertainty socially, politically and economically and may also affect policy making. The ongoing risks associated with COVID-19 could significantly affect the future financial position and financial performance of Oceania Healthcare and its subsidiaries, and therefore increase the risk that Oceania Healthcare may default on its obligations under the Bonds. This is particularly relevant to Oceania Healthcare as Oceania Healthcare is a provider of aged care and retirement living services.

An outbreak of COVID-19 in the community, at any of Oceania Healthcare's aged care centres or retirement villages, or a series of outbreaks at multiple aged care centres or retirement villages in New Zealand (whether or not those aged care centres or retirement villages are operated by Oceania Healthcare), could have a material impact on Oceania Healthcare's financial performance. Adverse publicity over the operator's management of an outbreak or allegations that residents are not being properly cared for during an outbreak could lead to a decline in demand for Oceania Healthcare's services as potential residents may choose not to move into an Oceania Healthcare aged care centre or retirement village, regardless of the operator's regulatory compliance. If there is an outbreak of COVID-19 at an Oceania Healthcare aged care centre in the future, Oceania Healthcare may not be permitted to take new admissions and this would adversely impact Oceania Healthcare's financial performance. In addition, the Government's ongoing border restrictions and immigration policy in response to the threat of COVID-19 are limiting the number of immigrants entering New Zealand. This could inhibit Oceania Healthcare's ability to recruit staff in the future. Oceania Healthcare has previously recruited significant numbers of overseas-trained nurses to fill vacancies.

A key feature of Oceania Healthcare's growth strategy is the continued execution of its brownfields development pipeline (as discussed below under "Development risk"). If the Government imposes Alert Level Four restrictions in a region in which Oceania Healthcare is undertaking development activity, the Government-imposed restrictions will delay completion and sell-down of that care centre and/or retirement village. Any delay in the completion and sell-down of a development project could affect cashflow and have an adverse impact on Oceania Healthcare's ability to service debt.

There is also a risk that COVID-19 could adversely affect national or regional property market conditions, as discussed below under "Property market risk".

It is not possible to quantify the potential impact of these risks as they are highly dependent on the nature, extent and duration of any future COVID-19 outbreak and the Government's response to such an outbreak. However, ongoing risks associated with COVID-19 could have a significant impact on Oceania Healthcare's financial performance.

Oceania Healthcare seeks to mitigate the risk of a COVID-19 outbreak in one of its aged care centres or retirement villages by having appropriate measures in place to protect residents and staff. These measures include restricting visitor access to sites during periods of an outbreak in the local community, taking regular declarations from staff and monitoring their travel, as well as enhancing infection control training.

Oceania Healthcare operates 44 aged care centres and retirement villages across the country. This geographical diversification mitigates the risk of an outbreak of COVID-19 in a region at any one time.

In addition, Oceania Healthcare's aged care business demonstrated resilience during the lockdown in March/April 2020 due to the 'needs-based' nature of this activity, with new admissions continuing to be taken and stable occupancy levels observed during this period. The higher weighting of Oceania Healthcare's portfolio in aged care relative to its peers is expected to assist to reduce the impact on the business of future economic uncertainty arising out of COVID-19.

Risk of reputational damage or compliance breach

Aged care is Oceania Healthcare's core competency and Oceania Healthcare is focused on providing the highest quality of clinical care to its residents. In providing this care to its residents, Oceania Healthcare's business operates in a highly regulated industry. Oceania Care Company Limited, as the operator of Oceania Healthcare's care centres, must comply with the requirements of the Health and Disability Services (Safety) Act 2001 and be certified by the Ministry of Health. Oceania Care Company Limited must also be party to an age-related residential care contract with the relevant District Health Board for each care centre. The loss of certification from the Ministry of Health, or the termination of an age-related residential care contract by a District Health Board as a result of Oceania Care Company Limited failing to comply with applicable regulatory requirements represents a significant risk which would result in it no longer being able to provide care to its residents at the affected care centre or care centres.

Each retirement village operated by Oceania Village must be registered with the Registrar of Retirement Villages. A suspension or cancellation of a retirement village registration as a result of a compliance breach would result in Oceania Village no longer being able to offer licences to occupy units at the affected retirement village.

Any of the above events could have a significant impact on Oceania Healthcare's financial performance.

Any loss of registration or certification or any non-compliance with regulatory requirements could also result in Oceania Healthcare suffering reputational harm or brand damage. This in turn could have a significant impact on Oceania Healthcare's financial performance, particularly if the adverse publicity was as a result of inappropriate care of residents or a serious health and safety issue, as any of these events could lead to a decline in demand for Oceania Healthcare's services. It is not possible to quantify the potential impact of this risk as it is highly dependent on the specific circumstances, but a serious event in the future could have a significant impact.

Oceania Healthcare considers there to be a generally low likelihood of any of the above circumstances arising, however as described above the consequences of any single event may be significant. Oceania Healthcare seeks to mitigate these risks through its significant investment in staff (including its clinical governance team) who ensure continued compliance with the relevant regulatory requirements applicable to its operations, oversight by its Board Clinical and Health & Safety Committee and implementation of its clinical and village operations policies and procedures. Oceania Healthcare's customer focused management of issues and complaints (supported through internal policies including aged care and retirement village complaints policies and a whistleblowing policy) further mitigates the risk of adverse publicity, as does its practice of seeking feedback from its residents and their families on a regular basis (including initial welcome calls, twice yearly aged care residents' satisfaction surveys and annual retirement village resident surveys).

Regulation risk

As noted above, Oceania Healthcare's business operates in a highly regulated industry. Future regulatory changes to the aged care industry in which the care and retirement village businesses operate may also have an adverse impact on Oceania Healthcare and the way it and its subsidiaries provide care to residents or develop and operate retirement villages. In the care business, a change in Government funding policy or a public inquiry could lead to a change in the business model, an increase in costs or a reduction in revenue and, in turn, adversely affect Oceania Healthcare's financial performance. The retirement village business could become subject to a greater degree of regulation as a result of additional consumer protection requirements. A regulatory change to the occupation right agreement model could restrict Oceania Healthcare's ability to generate revenue from its retirement village units.

Oceania Healthcare is a member of, and has Board representation on, both the New Zealand Aged Care Association and the Retirement Villages Association and this assists in keeping abreast of potential trends and future regulatory changes in the sector.

Property market risk

Oceania Healthcare's properties (owned by Oceania Village) are concentrated in metropolitan areas, with 91% (by number of care beds, care suites and units) of properties situated in Auckland, Hamilton, Bay of Plenty, Hawkes Bay, Wellington, Nelson and Christchurch.

Oceania Healthcare's retirement village earnings are generated through the construction and sale and resale of retirement village units and care suites. Prevailing residential property market conditions affect both the value that can be achieved on a sale or resale of a retirement village unit and the ability of prospective residents to acquire the retirement village unit in a timely manner because incoming retirement village residents generally move into a retirement village unit following the sale of their family home. Any downturn in the residential property market in a region in which Oceania Healthcare operates (whether as a result of COVID-19 or otherwise) could lead to a reduction in sales by affecting the demand for, and Oceania Healthcare's ability to sell or resell, retirement village units, as well as the value that can be achieved on the sale or resale of a unit. Given the concentration of its properties, Oceania Healthcare is particularly sensitive to market changes in metropolitan areas. Further, prospective residents typically rely on the equity in their family home to fund the acquisition of a unit, so any downturn in the property market may result in fewer prospective residents being able to sell their family home in order to acquire a unit (or less equity being obtained by those prospective residents following a sale), which in turn affects the sale and resale rates of units.

These property market factors could affect sales of retirement village units and care suites, occupancy levels or revenue streams. A reduction in residential property market values or demand for retirement village units and care suites, particularly in metropolitan areas, is likely to adversely affect the value of Oceania Healthcare's properties as well as cash flows, which could impact Oceania Healthcare's ability to service debt.

As property market conditions are cyclical, Oceania Healthcare considers that a downturn in the property markets in which it operates may occur during the term of the Bonds, although the extent of its impact is unknown.

Oceania Healthcare mitigates its exposure to property market risk by diversifying the type of units it sells (both nationally and within each village), and the geographic spread of its villages. In addition, the composition of Oceania Healthcare's portfolio (with a higher weighting of aged care earnings than its peers) means that aged care earnings reduce potential earnings volatility and stabilise cashflow. A decision by a prospective resident to move into a care suite or a care centre is driven by the resident's immediate need for care, rather than it being a lifestyle living choice or influenced by residential property market conditions.

Development risk

Oceania Healthcare's growth strategy involves the execution of its development pipeline. When developing new care centres and villages, Oceania Healthcare faces a range of risks which may be significant given the nature and extent of its development activities. These risks include construction risks arising from projects not being delivered within agreed timeframes, scope or budget and default risks arising from participants in the development process (including risks regarding the liquidity of the lead contractor). Such risks may impact Oceania Healthcare's financial performance.

Oceania Healthcare is exposed to these risks due to its ongoing development of care centres and retirement villages as part of its strategy. A delay in the completion and sell-down of a development project could have a substantial impact on Oceania Healthcare's financial performance. A delay in the completion of a development would also result in a delay in receiving the forecast sales proceeds.

An increase in construction cost will also have an impact on Oceania Healthcare's financial performance through increasing its debt levels and gearing prior to sell down. At the date of this PDS, Oceania Healthcare expects that a 5% increase in construction costs for its current and expected near term development could generally result in an increase in costs, and debt levels, of between approximately \$500,000 and \$2.5 million.

Oceania Healthcare seeks to mitigate these risks through its experienced internal property development team, which allows Oceania Healthcare to exercise a greater degree of control over the development and construction process. It also has a robust process in place for tendering projects and selecting skilled and qualified contractors, which further mitigates this construction and development risk. In addition, when construction commences at a site, Oceania Healthcare has to date implemented a "fixed price, lump sum" construction contract, with Oceania Healthcare not bearing the risk of price escalation through the construction programme.

Risks associated with the cost and availability of labour

Aged care is very much a people-centred business. The risk of being unable to employ and retain qualified staff to deliver core operational tasks is a significant risk to Oceania Healthcare's business as it has a higher proportion of aged care beds compared to its listed peers.

Staff costs (including wages, salaries and other employment related expenses) are Oceania Healthcare's most significant cost item, driven by the 24-hour, high-service nature of residential aged care. A decline in aged care margins due to unfunded wage cost pressures would adversely affect Oceania Healthcare's financial performance as its aged care earnings make up a higher proportion of its earnings than other operators.

Oceania Healthcare seeks to mitigate these risks by rewarding its staff for their performance including offering wage rates for healthcare assistants and registered nurses so that they remain well-aligned with the public sector and among the highest in the aged care sector. Oceania Healthcare also provides formal learning and development programmes for its staff and is focused on developing career pathways for its registered nurses. Oceania Healthcare also offers an employee share scheme to all permanent employees.

7. Tax

If you are tax resident in New Zealand or otherwise receive payments of interest on the Bonds that are subject to the resident withholding tax rules, resident withholding tax will be deducted from payments of interest to you, unless you notify the Securities Registrar that you have RWT-exempt status (as that term is defined in the Income Tax Act 2007) and that status remains valid on the record date for the relevant payment date.

If you receive payments of interest on the Bonds subject to the non-resident withholding tax rules, an amount equal to any approved issuer levy (**AIL**) payable will be deducted from payments of interest to you in lieu of deducting non-resident withholding tax (except where you elect otherwise and Oceania Healthcare agrees, or it is not possible under any law, in which case non-resident withholding tax will be deducted).

If the AIL regime applies, Oceania Healthcare will apply the zero rate of AIL if possible, and otherwise pay AIL at the applicable rate.

If the AIL regime changes, Oceania Healthcare reserves the right not to pay AIL. See the Trust Deed for further details.

Indemnity

If, in respect of any of your Bonds, Oceania Healthcare becomes liable to make any payment of, or on account of, tax payable by you, then you will be required to indemnify Oceania Healthcare in respect of such liability. Any amounts paid by Oceania Healthcare in relation to any such liability may be recovered from you by withholding the amount from further payments to you in respect of Bonds. See the Trust Deed for further details.

Generally

There may be other tax consequences from acquiring or disposing of the Bonds. If you have any queries relating to the tax consequences of the investment, you should obtain professional advice on those consequences.

The above generalised summary is based on the taxation laws in force in New Zealand as at the date of this PDS. Future changes to these or other laws may affect the tax consequences of an investment in the Bonds.

8. Who is involved?

	Name	Role
Issuer	Oceania Healthcare Limited	Issuer of the Bonds.
Bond Supervisor	Public Trust	Holds certain covenants on trust for the benefit of the Bondholders, including the right to enforce Oceania Healthcare's obligations under the Bonds.
Arranger	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)	Provides advice and assistance to Oceania Healthcare in arranging the Offer.
Joint Lead Managers	ANZ Bank New Zealand Limited Craigs Investment Partners Limited Jarden Securities Limited Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)	Assist with the bookbuild for the Offer, and marketing and distribution of the Offer. Except as described above, the Joint Lead Managers are not otherwise involved in the Offer. None of the Arranger, the Joint Lead Managers and their respective directors, employees, agents and advisers have independently verified the content of this PDS. This PDS does not constitute financial advice from the Arranger, any Joint Lead Manager or any of their respective directors, officers, employees, agents or advisers to purchase, any Bonds. You must make your own independent investigation and assessment of the financial condition and affairs of Oceania Healthcare before deciding whether or not to invest in the Bonds.
Securities Registrar	Computershare Investor Services Limited	Maintains the register of Bondholders.
Security Trustee	New Zealand Permanent Trustees Limited	Holds the Security for all creditors entitled to its benefit (including the Bond Supervisor and the Bondholders).
Solicitors to Issuer	Chapman Tripp	Provides legal advice to Oceania Healthcare in respect of the Offer.
Solicitors to Bond Supervisor	Simpson Grierson	Provides legal advice to the Bond Supervisor in respect of the Offer.

9. How to complain

Complaints about the Bonds can be directed to:

Oceania Healthcare Limited at

Company Secretary
Affinity House
2 Hargreaves Street
St Mary's Bay
Auckland 1011

Telephone: +64 9 361 0350
Email: enquiry@oceaniahealthcare.co.nz

If for any reason Oceania Healthcare is unable to resolve your complaint, please contact:

The Bond Supervisor at

Manager Client Services
Corporate Trustee Services
Public Trust
Level 9
34 Shortland Street
Auckland 1010

Telephone: 0800 371 471
Email: cts.enquiry@publictrust.co.nz

The Bond Supervisor is a member of an external, independent dispute resolution scheme operated by Financial Services Complaints Limited (**FSCL**) and approved by the Ministry of Consumer Affairs. If the Bond Supervisor has not been able to resolve your issue, you can refer the matter to FSCL by emailing complaints@fscl.org.nz, or calling FSCL on 0800 347 257, or by completing the complaints form online at www.fscl.org.nz/complaints/complaint-form, or by writing to FSCL at PO Box, 5967, Wellington 6145.

The scheme will not charge a fee to any complainant to investigate or resolve a complaint.

Complaints may also be made to the Financial Markets Authority through their website www.fma.govt.nz.

10. Where you can find more information

Further information relating to Oceania Healthcare and the Bonds is available on the online offer register maintained by the Companies Office known as 'Disclose'. The offer register can be accessed at www.companiesoffice.govt.nz/disclose.

A copy of the information on that register is also available on request to the Registrar of Financial Service Providers at registrar@fspr.govt.nz. The information contained on that register includes a copy of the Trust Deed (including the Supplemental Deed and the conditions of the Bonds) and copies of the Security Trust Deed and the Global Security Deed.

Oceania Healthcare is subject to a disclosure obligation in relation to its shares that requires it to notify certain material information to the NZX for the purpose of that information being made available to participants in the market. Oceania Healthcare's page on the NZX website, which includes information made available under the disclosure obligations referred to above, can be found at www.nzx.com/companies/OCA.

11. How to apply

The Offer will be open to institutional investors and members of the public who are resident in New Zealand.

All of the Bonds offered under the Offer (including any oversubscriptions) have been reserved for subscription by clients of the Joint Lead Managers, NZX Firms and other approved financial intermediaries invited to participate in a bookbuild conducted by the Joint Lead Managers.

There is no public pool for the Bonds. This means you can only apply for Bonds through a Primary Market Participant or approved financial intermediary who has obtained an allocation. You can find a Primary Market Participant by visiting www.nzx.com/investing/find-a-participant.

The Primary Market Participant or approved financial intermediary will:

- provide you with a copy of this PDS (if you have not already received a copy);
- explain what you need to do to apply for Bonds; and
- explain what payments need to be made by you (and by when).

The Primary Market Participant or approved financial intermediary can also explain what arrangements will need to be put in place for you to trade the Bonds (including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a Primary Market Participant) as well as the costs and timeframes for putting such arrangements in place.

12. Contact information

Issuer	Oceania Healthcare Limited Affinity House 2 Hargreaves Street St Mary's Bay Auckland 1011 Telephone: +64 9 361 0350
Securities Registrar	Computershare Investor Services Limited Level 2, 159 Hurstmere Road Takapuna Auckland 0622 Private Bag 92119 Auckland 1142 Telephone: +64 9 488 8777
Arranger and Joint Lead Manager	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) Westpac on Takutai Square Level 8, 16 Takutai Square Auckland 1010 Telephone: 0800 942 822
Joint Lead Managers	ANZ Bank New Zealand Limited Level 10, ANZ Centre 171 Featherston Street Wellington 6011 Telephone: 0800 269 476 Craigs Investment Partners Limited Level 36, Vero Centre 48 Shortland Street Auckland 1010 Telephone: 0800 226 263 Jarden Securities Limited Level 32, PwC Tower 15 Customs Street West Commercial Bay Auckland 1010 Telephone: 0800 005 678

Glossary

\$	New Zealand dollars.
Arranger	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch).
Bank Facility Agreement	The syndicated facility agreement dated 12 July 2005 (as amended or supplemented from time to time) between (among others) Oceania Healthcare, the Guarantors and ANZ Bank New Zealand Limited as agent.
Bond Supervisor	Public Trust or such other supervisor as may hold office as supervisor under the Trust Deed from time to time.
Bondholder	A person whose name is entered in the Register as a holder of a Bond.
Bonds	The bonds constituted and issued pursuant to the Trust Deed and offered pursuant to this PDS.
Business Day	A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Auckland and Wellington, except that in the context of the Listing Rules it means a day on which the NZX Debt Market is open for trading.
Closing Date	Friday, 9 October 2020 at 12.00pm.
Deed of Supervision	A deed under which a Statutory Supervisor is appointed in respect of each Registered Retirement Village.
Disclose Register	The online offer register maintained by the Companies Office known as 'Disclose'.
Event of Default	Each event set out in condition 18 of the Bonds (as set out in Schedule 1 of the Trust Deed), which are summarised in section 5 of this PDS (<i>Key features of the Bonds</i>).
Extraordinary Resolution	A resolution passed with the support of Bondholders holding not less than 75% of the aggregate Principal Amount of Bonds held by those persons voting.
First Interest Payment Date	19 January 2021.
First Registered Mortgage	A first ranking registered mortgage over Land that is not Retirement Village Land, in favour of the Security Trustee.
FMCA	Financial Markets Conduct Act 2013.
Global Security Deed	The guarantee and global security deed dated 13 July 2005 (as amended or supplemented from time to time) between (among others) Oceania Healthcare, the Guarantors and the Security Trustee.
Guarantee	The cross guarantee contained in the Global Security Deed.
Guarantors	Each person (other than Oceania Healthcare) who provides the Guarantee under the Global Security Deed. As at the date of this PDS, the Guarantors are Oceania Village, Oceania Care Company Limited and Oceania Group (NZ) Limited.
Inland Revenue	The New Zealand Inland Revenue Department.
Interest Payment Dates	19 January, 19 April, 19 July and 19 October in each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date.
Interest Period	Each period beginning on, and including, an Interest Payment Date (or the Issue Date) and ending on, but excluding, the next Interest Payment Date (or the Maturity Date).
Interest Rate	The interest rate for the Bonds, as announced by Oceania Healthcare via NZX on the Rate Set Date.
Issue Date	Monday, 19 October 2020.
Issue Margin	The issue margin determined by Oceania Healthcare in conjunction with the Joint Lead Managers following the bookbuild for the Offer as announced by Oceania Healthcare via NZX on the Rate Set Date.
Joint Lead Managers	ANZ Bank New Zealand Limited, Craigs Investment Partners Limited, Jarden Securities Limited and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch).
Land	Any estate, interest or right in real property (including any registered lease) owned by Oceania Village (or Oceania Healthcare or any other Guarantor) and includes the permanent buildings on such land.

Listing Rules	The listing rules applying to the NZX Debt Market.
Loan to Valuation Ratio	<p>The undertaking in condition 14 of the Bonds (as set out in Schedule 1 of the Trust Deed) and Schedule 2 of the Trust Deed under which Oceania Healthcare agrees to ensure that, on each Semi-annual Test Date, the total principal amount of financial indebtedness secured under the Global Security Deed is not more than 50% of the valuation of all properties owned by Oceania Healthcare and its subsidiaries.</p> <p>For this purpose:</p> <ul style="list-style-type: none"> - “Financial indebtedness” includes the principal amount lent by Oceania Healthcare’s bank lenders under the Bank Facility Agreement and the principal amount of the Bonds and any other borrowings secured under the Security Trust Deed from time to time. It does not include the marked to market value of any derivative transaction provided by Oceania Healthcare’s hedge providers and secured under the Global Security Deed. - The valuation of properties includes all of the Retirement Village Assets, Retirement Village Land as well as Land held for development or that is used for aged care facilities. Broadly, land under development is typically valued as follows: <ul style="list-style-type: none"> • Completed unsold land developments are valued on completion; • Work in progress is valued on completion, less cost to complete; and • Surplus land is valued at its current valuation. <p>The Loan to Valuation Ratio is substantially the same as the equivalent loan to valuation ratio in the Bank Facility Agreement. If the relevant definitions or method of calculating the loan to valuation ratio in the Bank Facility Agreement are amended (other than an amendment to the 50% limit or the testing frequency, or the removal of such financial covenant from the Bank Facility Agreement or termination of the Bank Facility Agreement), Oceania Healthcare will promptly notify the Bond Supervisor and the Loan to Valuation Ratio will be adjusted to be calculated and tested in a corresponding manner, provided that Oceania Healthcare has certified that such adjustment will not have a material adverse effect on Bondholders (or any class of them) when compared with the effect on the bank lenders.</p>
Major Default	<p>An Event of Default that is a Major Default as defined in the Security Trust Deed, and in relation to the Bonds includes:</p> <ul style="list-style-type: none"> - A failure by Oceania Healthcare to make a payment of principal or interest on the Bonds. - The insolvency of Oceania Healthcare or a Guarantor. - Certain events relating to security occur (as determined by the Security Trustee acting on the instructions of the majority creditors), including that the Security ceases to be in full force and effect. - Breach of the Loan to Valuation Ratio which is not remedied within (approximately) 13 months of that breach being disclosed to the Bond Supervisor in a semi-annual compliance report.
Maturity Date	19 October 2027.
Net Refundable Amount	The amount Oceania Village is obliged to repay a resident after the resident leaves his or her unit and the unit has been re-licensed to an incoming resident. This amount is equal to the occupation licence payment paid by the resident on entry less certain deductions (including deferred management fees and outstanding fees).
NZX	NZX Limited.
NZX Debt Market	The debt security market operated by NZX.
NZX Main Board	The main registered market for trading equity securities operated by NZX.
Oceania Healthcare or Issuer	Oceania Healthcare Limited.
Oceania Village	Oceania Village Company Limited.

Offer	The offer of Bonds made by Oceania Healthcare under this PDS.
Opening Date	Monday, 5 October 2020.
PDS	This product disclosure statement for the Offer dated 25 September 2020.
Primary Market Participant	Has the meaning given to that term in the NZX Participant Rules as amended from time to time.
Principal Amount	\$1.00 per Bond.
Rate Set Date	Friday, 9 October 2020.
Register	The register in respect of the Bonds maintained by the Securities Registrar.
Registered Retirement Village	A retirement village (including care suites) registered under the Retirement Villages Act.
Retirement Village Assets	The assets of a Registered Retirement Village operated by Oceania Village.
Retirement Village Land	Land used for the purposes of a Registered Retirement Village.
Retirement Villages Act	Retirement Villages Act 2003.
Second Registered Mortgage	A registered mortgage over Retirement Village Land in favour of the Security Trustee. For each Second Registered Mortgage: <ul style="list-style-type: none"> - the relevant Statutory Supervisor has first rights (ahead of the Security Trustee) to the proceeds of enforcement; and - a first ranking mortgage in favour of the relevant Statutory Supervisor is typically also registered over the relevant Retirement Village Land, ranking ahead of the Security Trustee.
Securities Registrar	Computershare Investor Services Limited.
Security	The Global Security Deed and each mortgage granted by Oceania Village (or Oceania Healthcare or any other Guarantor) in favour of the Security Trustee.
Security Sharing Deed	Each security sharing deed between a Statutory Supervisor, the Security Trustee and Oceania Village as operator of Registered Retirement Villages.
Security Trust Deed	The security trust deed dated 13 July 2005 (as amended or supplemented from time to time) between (among others) Oceania Healthcare, the Guarantors and New Zealand Permanent Trustees Limited as the Security Trustee.
Security Trustee	New Zealand Permanent Trustees Limited or such other person as may hold office as security trustee under the Security Trust Deed from time to time.
Semi-annual Test Date	Scheduled for 31 March and 30 September in each year. However, because Oceania Healthcare has recently changed its balance date from 31 May to 31 March in each year, the first Semi-annual Test Date will be 30 November 2020 (six months after Oceania Healthcare's last balance date on 31 May 2020). Thereafter, the Semi-annual Test Date will be 31 March and 30 September in each year.
Statutory Supervisor	Such statutory supervisor as may be appointed from time to time as statutory supervisor in respect of a Registered Retirement Village pursuant to the Retirement Villages Act.
Supplemental Deed	The supplemental deed dated 25 September 2020 between Oceania Healthcare and the Bond Supervisor setting the terms and conditions of the Bonds (as amended or supplemented from time to time).
Swap Rate	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with Oceania Healthcare, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).
Trust Deed	The master trust deed dated 25 September 2020 between Oceania Healthcare and the Bond Supervisor pursuant to which certain bonds may be issued (as amended or supplemented from time to time), and where the context requires includes the Supplemental Deed.



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