Oceania Healthcare Limited

Annual Shareholders' Meeting

Thursday 30 July 2026

2.00pm

Chair's Address

Introduction and thanks

Before I turn to the year, I want to start with the people who make Oceania what it is.

Every day, our 2,200 team members provide personal, high-quality care and services to more than 3,900 Oceania residents. It is demanding work that takes real skill and dedication, and on behalf of the Board I thank them for it.

My thanks also to the families who place their trust in us, to our partners, and to you, our shareholders, for your continued support.

This has been a year of disciplined progress, and the transformation we set out to deliver is taking hold across the business.

Our residents and our people

It starts with our residents and their families. Their experience is at the heart of everything we do, and we continue to invest in measuring and improving it.

This year, 79.5% of our care residents maintained or improved their wellbeing. That result matters, because behind the number are thousands of residents living more comfortable and connected lives.

A clear and consistent read on how our residents are doing is the best early signal of a healthy business, and it keeps the whole organisation focused on what matters most.

None of this is possible without our people. In our most recent culture survey, 70% of our people told us they are engaged in their work.

Engaged and well-supported teams deliver better care, and listening to them, and acting on what they tell us, has become central to how we lead.

Sustainability

Sustainability remains an important part of how we operate.

While the mandatory climate reporting standards will no longer apply to Oceania when the revised legislation is passed, we have not stepped back.

Our sustainability practices are now well embedded across the business and overseen by the full Board, and we remain committed to building and operating responsibly.

Recently, Franklin Village became the first retirement village in New Zealand to achieve a 4 Star Green Star Communities rating, setting a new benchmark for the sector.

We also met every environmental and social target in our sustainability-linked financing.

For us, operating responsibly is simply part of running the business well.

A stronger balance sheet

Over the past year we have materially strengthened our financial position.

We have reduced debt, our gearing is at the lower end of our target range, and the executive team is firmly focused on generating free cash flow from operations. More recently, we successfully raised $125 million through the issue of a new corporate bond, as part of reducing perceived refinancing risk and setting up our funding for the long term.

The bond's six-year tenor better matches the long-dated nature of our assets and extends our debt maturities, while continuing to ensure diversification of funding sources and strengthening our resilience through the cycle. That stronger footing is what allows us to operate profitably and grow with discipline.

We are refining our development pipeline and the timing of each project, working to a diversified and measured plan with an indicative build rate of approximately 150 units a year by FY31. The timing and sequencing of these projects is not yet determined - they will be set as conditions and demand allow.

The pipeline is also deliberately mixed, which lets us match what we build to conditions and demand. That flexibility is a strength, particularly in a market like this one.

A transformed portfolio

I want to turn now to how much this portfolio has changed since we listed in 2017, because the change runs far deeper than size.

When we listed, Oceania was a portfolio of 50 mostly older, care-focused sites, with total assets of $918 million. Today we operate 30 mostly integrated communities, and total assets have grown to $3.1 billion.

The change in mix has been deliberate. At listing, nearly three quarters of the portfolio was aged care, and those villas, apartments and care suites under an occupation right agreement made up just 32% of it.

Today, care and village living are close to evenly balanced, with 80% of the portfolio under an occupation right agreement, the result of pioneering the care suite model and reweighting toward integrated care and village communities.

To be clear, this rebalancing was not a retreat from care.

Retirement living is exposed to house prices; care is exposed to government funding. Balancing both, at a portfolio level, is what steadies us through the cycle.

Taking an early, portfolio-wide view of where our capital worked hardest, we divested sites and focused on new development, building the modern communities that now anchor the portfolio.

So the portfolio today is younger and carries far less of the deferred maintenance that weighs on older operators.

We have also renewed where and what we build, concentrating in the higher-value metropolitan markets where demand is strongest and positioning us to respond as those markets shift.

That pipeline sits on land we already own, and over time has the potential to add around a billion dollars to total assets once the pipeline is fully developed.

None of this has happened by chance. This is substantial value created for you - the owners of the Company - even if the share price has yet to fully reflect it.

Recognising the value in Oceania

While our share price has recovered somewhat over the past year, the Board shares your wish to see the market better recognise the value we have built in Oceania.

With the current strategic period coming to an end, we refreshed our strategic plan last September through a comprehensive Board-led process that management is now delivering.

Many of you will recognise this framework - we shared it at our Investor Day and have referred to it in our reporting since. This is what guides the business and our day-to-day decisions.

The first phase is about strengthening our foundations. It is largely complete, and we are now moving towards growth.

What I want to focus on are the three things that plan asks of us. These are:

- improving operating performance by undertaking a major cost reduction programme,
- strengthening the balance sheet by reducing stock and divesting older sites that no longer meet our financial hurdles or fit our continuum of care strategy, and
- ensuring growth initiatives are considered, disciplined and capital efficient.

The Board has considered and continues to actively consider various strategic options with a view to maximising shareholder value. These include sector consolidation opportunities, organic and inorganic growth strategies, divestment of individual sites, capital structure and capital management options.

One of those options is buying back our own shares. Shareholders have rightly asked about it, and I will address it directly when we come to Resolution Four.

Over the past two years we have sold 13 sites at or around carrying value and used the proceeds to reduce debt. Central to that plan is our focus on positive free cash flow from operations.

Put simply, that is the cash the business generates from running our villages and care homes, after the cost of operating and maintaining them, and excludes development related costs and profits. It is the clearest measure of whether the business is paying its own way.

Rather than judging value added on development alone, we are determined that our existing assets earn a strong and dependable return in their own right.

That matters because of what it gives us. A strong balance sheet and positive free cash flow from operations are what create options for us. We can grow by developing the pipeline we already own. And we can grow by acquisition, where the right opportunity is priced well.

Each of our options is tested against the capital we need to hold against the risks in front of us - including the change to residents' repayment law which Suzanne will describe shortly, and which I will come back to at Resolution Four.

We weigh these choices against market conditions and your feedback, and we welcome your discussion on them today.

Aligning management with you

Before I turn to risk, I want to say something about how we pay your executive team.

A substantial part of executive pay is not guaranteed. It is at risk, and it is earned only against performance.

The short-term component is tied directly to the things that build value for you, being underlying earnings, free cash flow from operations, resident and employee outcomes, and delivery of the strategy. And free cash flow from operations must turn positive before dividends resume.

The executive incentive is anchored to the very milestone you are waiting on.

The long-term component is where the alignment is sharpest. Our executives are granted options with a fixed exercise price. If the share price does not exceed that price, they are worth nothing as they cannot be exercised.

These are not free shares. They are not share rights that convert one-for-one regardless of what the share price does based solely on tenure.

And when they do vest, executives receive only the difference between the exercise price and the share price at the time - not the full value of the share.

So a large grant of options does not translate into a large issue of shares. The number is far smaller than the headline suggests.

I would add this: very few incentives have actually vested for the current leadership team. The alignment we are describing is not theoretical. It has cost management real money to date.

And where shares are issued on exercise, when it is appropriate to do so, we will endeavour to purchase an equivalent number on-market to offset dilution.

In short: management is paid when the value of your shares grows, and not before.

Aligning incentives is one way the Board protects your investment. Guarding against what could go wrong is the other.

And underpinning all of it is a gate. In any given year, no short-term incentive is paid at all, at any level, unless our health, safety and care standards have been met. In a business caring for older New Zealanders, that comes first - ahead of any financial result.

Managing risk

The Board keeps a close eye on risk, in what remains a fast-changing environment.

Over the past year we have continued to strengthen how we identify and manage the risks that matter most for a business like ours:

- the safety and quality of our care,
- regulatory change,
- cyber security, and
- the funding and delivery of care.

As part of streamlining our committees, risk oversight now sits with our newly combined Audit and Risk Committee, which sharpens our focus and accountability.

Renewing your Board

We are also renewing your Board through a deliberate and orderly succession, having assessed the mix of skills and experiences required.

We welcome Sarah Ottrey, whose career has been built in marketing and customer-focused industries.

As I said earlier, the experience of our residents and customers is the surest indicator of a healthy business, and Sarah brings the capability to help us better understand it and act on it.

Together with her commercial and people expertise, Sarah strengthens your Board for the next phase of our growth.

And today we thank and farewell Sally Evans, who retires after eight years as an Independent Director.

Sally brought to Oceania more than three decades of experience in health, aged care and retirement, and from her very first day she governed with the safety and wellbeing of our residents at the heart of every decision.

Sally chaired our People and Culture Committee and then our Sustainability Committee, where she led the oversight of implementing Oceania's first comprehensive sustainability strategy.

Sally has also served on our Clinical and Health and Safety Committee during her entire tenure.

Throughout, she has been a tireless and clear-eyed advocate for our residents.

One small thing captures who Sally is. When she joined, she asked just one thing of us: that we never call the places our residents live “facilities”, because a facility is not a home.

That insistence - that language matters and that the resident’s experience must always come first - is the standard she held us to, and one we will carry forward long after today.

On behalf of the whole Board, thank you, Sally, for your wisdom, your warmth, and your unwavering commitment to the people we are here to serve.

Looking ahead

Finally, the need for what we do has never been greater.

You may have seen recent public discussion about reform of the retirement village sector, including how and when residents' exit entitlements are repaid.

We welcome reform that gives residents greater certainty and improves their experience, and we are engaging constructively as it develops.

Oceania already operates within the key parameters the Government has proposed. We buy back villas, apartments and care suites within a 12-month period, we pay interest to residents from the 6-month mark, and we charge no fees and accrue no deferred management fee from the time of vacant possession.

A resident leaving an Oceania village is not waiting indefinitely on a market they cannot control.

There is, however, a further proposal that would shorten that repayment window to three months. That is a different matter, and we are advocating - alongside the Retirement Villages Association - for the current settings to be maintained.

I will return to what it means for your capital when we come to Resolution Four.

Our concern with that is practical, and Suzanne will go into more detail shortly.

What I would like to say is that we are engaging on it constructively, alongside the Retirement Villages Association, to land settings that are genuinely workable and that protect residents without unintended consequences for the people already living in our villages.

Our interest, as it always has been, is in changes that are fair to residents and workable in practice.

As New Zealand's population ages, Oceania's commitment to high-quality, person-centred care, increasingly supported by new tools and technology, is both our purpose and our opportunity.

It is work that matters, and the Board remains confident in the direction we are taking.

I'd now like to invite Suzanne to present her report.

CEO’s Address

Thank you, Liz, and good afternoon everyone.

Before I share an overview of our record financial results, I would like to recognise the teams who delivered our success.

This was a demanding year, and our people rose to the challenge. The progress and achievements we are presenting today reflect their very hard work.

A year of focused delivery

We came into the financial year clear about what needed to be done. That work has now been delivered in a way we believe we can repeat and build upon.

This result was no accident. Over the past two years we have rebuilt this business deliberately - site by site, department by department, and across every cost and profit centre.

We have assessed every village and care centre against consistent criteria, with independent expert input, and that work has given us a clear and practical strategy and plan.

We set out and published our strategy last September, and we have been delivering against that plan ever since. The financial results I would like to take you through today are the product of this strategic plan and of the people who executed it. These included our independent advisers, some of whom are here with us today.

Against another year of subdued residential property conditions, Oceania produced a record result, with Proforma Underlying EBITDA up 20% to $97.7 million, on sales volumes up 16% to 603 settlements.

At the same time, we strengthened our balance sheet and improved cash generation. And I’d like to take you through what has driven that result.

A record sales year

The clearest signal of our progress is sales, and this was a record year.

New sales reached over 200 settlements, up 9% year on year, with average pricing also up 9%, and a group development margin of 30%.

Resales were strong, up 20% to more than 400 units. 60% of these were care suites.

Our care residents stay with us for an average of three years, which means the deferred management fees and capital gains are realised sooner in care than they are in independent living.

Turning stock into cash

In the case of new sales, that sales performance is the key to the recovery of our initial capital outlay. The sooner those first sales come through, the sooner we recover the capital we invested in building them.

At Franklin - which is our first Green Star community - Stage 1 opened in January. As at 30 June, 84% of the 31 villas have already been sold or are under application. We have begun work on Stage 2 where there will be a further 28 units delivered by the end of the financial year.

We have completed our master plan at Meadowbank and delivered 40 new dementia suites as part of the Ōrākei building. As at 30 June, this stage is now 70% sold, under application or occupied.

Franklin and Meadowbank were the sites we needed to deliver against, and each is now tracking not only to plan but ahead of it.

Our sell-down of these and other sites - including The Helier - released $115 million of capital over the year. Net of new deliveries, this reduced unsold stock from $342 million to $227 million.

The proceeds of these sales went directly to reduce debt. The further reduction of unsold stock will continue to be a focus throughout FY27.

A leaner, more profitable business

We have addressed the fundamentals of our operating model. We have looked at our rosters, our occupancy, our procurement and our pricing. The result of this work is that we ended the financial year a leaner and fitter business.

We completed the first cycle of our transformation programme and delivered over $13 million of structural cost savings, building to $20 million annualised in FY27, and we have increased our FY27 target, including cash savings, to $30 million.

These reductions came largely out of our Auckland head office and the regional infrastructure that previously supported our divested sites.

Our profitability has also improved this year, and our care business has led the way. Earnings per bed rose 40% to $27,000, supported by occupancy and tighter cost management. After several challenging years, our care business is now well positioned for sustained earnings growth.

Free cash flow from operations improved by 64%, from a $42 million outflow in FY25 to a $15 million outflow in FY26. Converting that into positive free cash flow from operations in FY27 is the goal we are working towards.

Importantly, the result of this transformation programme is a materially stronger balance sheet. We have reduced net debt by more than $120 million to $507 million, and gearing fell to 30% - the lower end of our target range - with $200 million of headroom and every metric comfortably sitting inside our covenants.

Is this repeatable?

I’m confident that this year’s financial results are repeatable. The changes are all structural improvements, not one-offs.

Although part of this year's debt reduction came from divestments, the larger part came from things that recur - such as disciplined sell-down, improved operating cash, and lower capital spend. These savings are now embedded in the business.

Setting the divested sites aside, the continuing business is materially stronger, with both earnings and free cash flow from operations up on the prior year.

Oceania is a business built to perform in all market cycles, not one waiting for the market to turn.

A smaller, stronger Oceania

Today Oceania is a smaller but more resilient business.

We have deliberately reshaped the portfolio around integrated care and village communities, prioritising cash generation.

The same is true of the organisation behind it. We are a smaller team than we were a year ago, but a more capable one, and we have invested in the leadership and systems to keep it that way.

At each of our sites, we have streamlined our structure so that one manager now leads both the care centre and the village.

That gives residents and families a single point of contact as their needs change, and it gives our teams clearer leadership.

In parallel, we have restructured our leadership team around clearer portfolios, priorities and productivity.

We launched a new set of values this year, built from what our people told us matters. These four values are:

- We're one team
- We're committed to care
- We're proud to deliver, and
- We're finding better ways.

Values only mean something if you can see them in action, so we have also defined the behaviours behind each one, and they are already shaping how we work.

All of these initiatives over the past 12 months build a stronger foundation, and one we can improve upon and continue to grow over the next financial year.

Building from here

And we plan to do exactly that.

Whilst we are maximising our operational performance, development is how Oceania creates long-term value. And our pipeline gives that substance.

In FY27 we will deliver 81 units across three sites, comprising Bream Bay, Franklin Stage 2, and a number of villa conversions at Elmwood.

Over the medium term we are progressing the design and consenting work needed to lift that build rate towards approximately 150 units a year by FY31.

Behind our strategy sits a pipeline that is real land we already own, located at villages we already operate.

This is low-risk growth, supported by the demographics from our strategy work, and in locations where we already have sites, communities and infrastructure in place. The pipeline is also deliberately mixed, which gives us optionality in how we build. Premium apartments at Lady Allum and The Helier, alongside the broadacre options at Franklin, Bream Bay and Gracelands, let us pace delivery and meet a wider range of customer demand.

As Liz mentioned, this pipeline provides the opportunity to add approximately one billion dollars to our total assets. We will not break ground on anything unless we are confident it will pay for itself and add premium earnings to our existing portfolio over time.

This is growth which will add earnings, and growth we can pace.

Repaying capital to residents

As mentioned by Liz, there is currently a proposal to reduce the period in which we repay a resident's capital after they leave, from twelve months to three months.

Let me be clear about where we stand. We agree residents should have certainty regarding the return of their capital, and our own practice already reflects this.

Our concern with three months is about who ends up paying for it. Requiring repayment within three months would mean operators hold materially more capital against that obligation - permanently.

That capital has to be funded, and in a village model, the cost of funding these buybacks does not fall to operators alone. It will fall to residents still living in the villages by way of fees and pricing uplifts.

So the risk is that a change designed to help residents leaving a village is paid for by the residents who remain within it.

If this becomes law, Oceania does have the balance sheet to meet this requirement.

Looking ahead

That brings me to the year ahead - and FY27 is about continuing to improve our performance and generate positive cash earnings.

We will keep selling down our unsold stock. We will continue to convert our operational gains into positive operating cash flow. We will maintain our cost discipline. And we will deliver those 81 villas and apartments I mentioned earlier - each contributing to growth in free operating cash flow.

Longer term, we want Oceania to continue to be known for the quality of its care and the experience of its residents - and to keep converting that reputation into dependable cash flow as we grow.

There is more to do, but the direction is clear, and we carry real momentum into FY27.

Many thanks again to:

- our people who care for our residents every day
- our residents and their families for the trust they place in us
- to the Board
- and to you - our shareholders - for your continued support.

I will now hand back to Liz.