

26 March 2020

WITHDRAWAL OF GUIDANCE AND MARKET UPDATE

Japara Healthcare Limited ("Japara") (ASX: JHC) provides the following company update.

Withdrawal of guidance

Japara provided an outlook for earnings and growth in its 1H FY2020 media release of 28 February 2020. This outlook was subject to there being no material changes in market or regulatory conditions.

Due to the uncertainty of the impact of COVID-19 on the aged care sector and the volatility in financial markets and the broader economy, Japara is withdrawing this guidance.

Sale of property assets

Japara has continued with its ongoing portfolio management of real estate assets and advises it has entered into agreements to sell two properties.

Japara has entered into a contract with a private investor, YWC Pty Ltd, to sell and leaseback the underlying real estate of the Japara Springvale residential aged care home, located at 340-344 Springvale Road, Springvale, Victoria. The sale proceeds are approximately \$13.3 million net of costs and reflect a yield of 5.6%. The initial lease term is six years and the lease includes a further three extension options of four years each. A deposit of 10% has been received and settlement is scheduled for mid-June 2020.

Japara has also entered into a contract with Multicultural Aged Care Services Geelong, Inc., to sell a vacant site at 297-307 Roslyn Road, Highton, Victoria. The sale proceeds are approximately \$3.6 million net of costs. A deposit of 10% has been received and settlement is scheduled for late April 2020.

Business Update

The health, wellbeing and safety of residents and staff is paramount to Japara.

Japara has an Outbreak Preparedness & Response Committee and significant planning and preparations have been undertaken for a situation where our residents, staff or business are directly impacted by COVID-19. Japara will continue preparations in the event that COVID-19 is confirmed in any of its sites.

We continue to monitor communications from authorities including the Australian Government Department of Health and current Coronavirus Health Alerts and are committed to supporting Government and community efforts to limit the spread of the virus.

Japara's Chief Executive Officer, Chris Price said "While the extent of the impact of COVID-19 remains unknown, we are committed to providing the best care for our residents in our communities. We are pleased Japara's underlying business has continued to perform soundly with occupancy currently at 4,127 residents, in line with occupancy reported in February 2020."

For further information:

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This document was authorised for release by the Board of Japara.