

6 August 2019

Update: Strategic Review

Australia's leading owner, operator and manager of retirement communities, Aveo Group (ASX: AOG, "Aveo") today released an update regarding its Strategic Review process.

Commercial negotiations have continued between Aveo and the preferred party, Brookfield Property Group, together with its affiliates and their managed funds ("Brookfield") since the announcement on 22 July 2019.

The Independent Board Committee ("IBC") is continuing to engage with Brookfield in order to resolve a number of matters to give effect to the non-binding and conditional indicative proposal ("Indicative Proposal") and enter into a definitive agreement leading to a Scheme of Arrangement for a whole-of-group transaction. Any such agreements would be subject to the usual fiduciary carve-outs (for example, in relation to a superior proposal).

In response to price speculation, Aveo notes that the indicative cash offer price currently under discussion with Brookfield is \$2.195 cash for each Aveo stapled security. The indicative offer price would be reduced by the value of any distributions subsequent to entry into a definitive agreement (including the FY19 annual distribution of 4.5 cents per stapled security as announced on 24 June 2019). However, the negotiations are incomplete and entry into definitive agreements would be subject to Aveo Board approval. There is no certainty that definitive agreements will be entered into at the indicative price (or at all), that the Indicative Proposal will result in an acceptable offer for Aveo securityholders or that a transaction will be implemented.

Aveo securityholders do not need to take any action at this point in time.

Aveo will keep securityholders updated in accordance with its continuous disclosure obligations under ASX Listing Rules.

Merrill Lynch Markets (Australia) Pty Limited is acting as financial advisor and Herbert Smith Freehills as legal advisor to Aveo.

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About Aveo

Aveo's vision is to be Australia's leading and most innovative seniors living provider. Our mission is to honour and serve our residents through Kindness, Care and Respect. Kindness, Care and Respect are our corporate values.

Aveo is a leading and trusted owner, operator and manager of retirement communities across Australia. Aveo's philosophy is underpinned by a commitment to grow with older Australians by inspiring greater living choices. We currently and proudly do so for 13,000 residents in 94 retirement communities across Australia

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