

MEDIA RELEASE

10 JULY 2020

NEW SCHEME OF ARRANGEMENT WITH EQT INFRASTRUCTURE

Metlifecare Limited (**NZX: MET, ASX: MEQ**) has entered into a new Scheme Implementation Agreement (**SIA**) under which Asia Pacific Village Group Limited (**APVG**), an entity owned by EQT Infrastructure IV fund and managed by EQT Fund Management S.à r.l., has agreed to acquire all Metlifecare's shares for NZ\$6.00 per share.

The parties have also agreed to discontinue all litigation and settle all disputes related to the original SIA, with the parties to cover their own costs in relation to the litigation.

The Board has canvassed Metlifecare investors and has received strong investor support for the scheme, with a number of shareholders indicating they prefer the alternative of a scheme at NZ\$6.00 over the uncertainty of prolonged litigation.

A minority of shareholders have indicated that the transaction price falls below or at the lower end of their own valuation range.

Metlifecare has been advised that its largest shareholder, the Guardians of the New Zealand Superannuation Fund (**NZ Super**), has entered a voting deed with APVG under which it has agreed to vote its 19.9% interest in Metlifecare in favour of the scheme, subject to certain terms and conditions.

The Metlifecare Board was unanimous in its view that the scheme should be put to shareholders.

In a finely balanced decision, a majority of Metlifecare's six directors, comprising Christopher Aiken, Mark Binns, Alistair Ryan and Rod Snodgrass, recommend shareholders vote in favour of the scheme in the absence of a superior proposal (as defined in the SIA) and each has undertaken to vote all shares held or controlled by them in favour of the scheme.

In recommending approval of the scheme, the majority of directors believe that, while this has been a difficult decision, the uncertainty and disruption associated with litigation and the potential risks inherent in a COVID-19 environment make the offer of NZ\$6.00 per share – a 14.9% premium to the last closing price before the 6 July 2020 announcement it had received a new non-binding indicative offer from EQT – reasonable.

Metlifecare Chair Kim Ellis does not recommend shareholders vote in favour of the revised scheme. Director Carolyn Steele has abstained from making a recommendation given her association with NZ Super.

Mr Ellis feels strongly that shareholders should be given the opportunity to vote on the scheme. However, he believes the scheme consideration under the new SIA does not represent fair value and should be at least at the mid-point of the range determined by independent adviser KordaMentha at NZ\$6.35. He notes that the indications of majority shareholder support for the scheme reduced the prospect of negotiating a higher price.

The price is within the valuation range contained in KordaMentha's independent adviser report, which was finalised on 5 June 2020. KordaMentha assessed the value of Metlifecare shares in the range NZ\$5.80 to NZ\$6.90 per share.

A new independent adviser's report prepared in accordance with guidance of the Takeovers Panel will be required under the new SIA.

In accordance with the terms of the SIA with APVG, Metlifecare directors and executives will contain any further comments on the transaction to the scheme booklet, which will be sent to shareholders.

The transaction will be implemented by a scheme of arrangement, a court-supervised process under which a meeting of shareholders will be held to vote on the transaction.

Metlifecare shareholders do not need to take any action at this time. They will be given the opportunity to vote on the scheme at a special meeting of shareholders, currently expected to be held in late September 2020.

A scheme booklet with details of the special meeting and a copy of the new independent adviser's report is expected to be sent to shareholders in early September. Metlifecare expects to appoint an independent adviser shortly.

The scheme is subject to customary conditions including shareholder approval, High Court approval, Overseas Investment Office consent and there being no prescribed occurrence (as defined in the SIA). Unlike the original SIA, the new SIA is not subject to a 'material adverse change' clause and the transaction price does not have to fall within or above the independent adviser's valuation range.

It is currently contemplated that the scheme will be implemented in late October 2020.

A copy of the SIA accompanies this announcement.

Metlifecare is being advised by Jarden Partners Limited, Simmons Corporate Finance Limited and Chapman Tripp.

This announcement is authorised for release to the market by the Board of Metlifecare Limited.

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About Metlifecare

Metlifecare is a leading New Zealand owner and operator of retirement villages, providing rewarding lifestyles and outstanding care to more than 5,600 New Zealanders. Established in 1984, it currently owns and operates a portfolio of 25 villages in areas with strong local economies, supportive demographics and high median house prices, located predominantly in New Zealand's upper North Island.