

MEDIA RELEASE
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METLIFECARE COMPLETES NEW ZEALAND'S LARGEST-EVER SUSTAINABLE RE-FINANCING WORTH NZ\$1.25 BILLION

Metlifecare Limited (**NZX: MET**) today announces that it has completed a re-financing of the company's bank loan facilities into Sustainability-Linked Loan facilities tied to ambitious social and environmental goals.

The NZ\$1.25 billion Sustainability-Linked Loan comprises NZ\$600m of existing debt and \$650m new debt, and makes Metlifecare the first operator in the New Zealand and Australian retirement village and aged care sector to be fully debt funded by sustainable financing. The announcement follows Metlifecare's earlier designation of its existing listed bond into a Sustainability Bond on 26 October 2021, and marks New Zealand's largest-ever sustainable re-financing.

The material increase in funding capacity will support key elements of Metlifecare's Full Potential Plan: a five-year growth strategy to increase the company's landbank and development pipeline, provide geographic diversification and expand its aged care offering, all underpinned by ambitious ESG (Environment, Social, Governance) targets.

Metlifecare's Sustainability-Linked Loan sets annual performance targets for three material sustainability KPIs, which will be independently verified each year. The KPIs are:

- Joining the Science Based Targets Initiative (SBTi) to establish a decarbonisation target in line with the goal of limiting global warming to 1.5 °C, and annual reductions in greenhouse gas emissions to achieve that target. This will be a first for a New Zealand-based retirement village and aged care operator.
- Building six new aged care facilities which achieve a 6 Green Star rating from the New Zealand Green Building Council (which is the highest level of green building rating achievable in New Zealand) within five years. There are currently only ten 6 Green Star rated buildings in New Zealand, and none are within the retirement village and aged care industry.
- Increasing the number of dementia care beds in Metlifecare's portfolio six-fold within five years, and making all of Metlifecare's portfolio dementia friendly as accredited by Alzheimers New Zealand.

Metlifecare will pay a lower interest rate on the loan for achieving its targets, but will have to pay higher interest if it falls short of satisfying the KPIs.

Earl Gasparich, CEO of Metlifecare, said that the Sustainability-Linked Loan demonstrates that Metlifecare is a purpose-driven business fully committed to being a transformative industry leader. He said Metlifecare's sustainability objectives are meaningful to both the company and New Zealand.

"We've focused on areas that are of critical importance not only to New Zealand, but also to our staff and residents. We know they care deeply about the environment and protecting New Zealand's future and to deliver on this, we will establish a science-based target, aligned with the goal of limiting global warming to 1.5°C through reducing our greenhouse gas emissions.

"Likewise, this loan encourages Metlifecare to continue to increase the amount of care provided in our portfolio, helping us to alleviate the shortage in New Zealand. It incentivises us to build our future care offerings to the highest level of green building rating possible in New Zealand.

"We also know that dementia is an area that is of increasing concern, and this loan incentivises Metlifecare to not only increase the level of specialised dementia care within Metlifecare offerings, but also ensure that all of Metlifecare's current and future villages are independently accredited by Alzheimers New Zealand as being dementia friendly communities for all of our residents."

ANZ New Zealand and Westpac NZ were Joint Mandated Lead Arrangers and Bookrunners, and Joint Sustainability Coordinators for Metlifecare in preparing the Sustainability-Linked Loan, with significant support from both existing and new lenders.

"New Zealand's ageing population and growing demand for specialist dementia care highlight the important role the retirement village sector plays in delivering on both the critical social care need and the importance of constructing quality villages with a lower environmental impact," said ANZ New Zealand Head of Sustainable Finance, Dean Spicer.

Westpac NZ Head of Sustainable Finance Joanna Silver applauded Metlifecare for its commitment to aligning future growth plans to emissions reductions and meaningful sustainability outcomes.

"This is an important milestone for the retirement village sector and the largest commitment we've seen to date by a New Zealand corporate linking its cost of borrowing to ambitious sustainability targets. We look forward to working together with more innovative businesses like Metlifecare to take on environmental and social challenges that are important to Kiwi communities," said Ms Silver.

As part of the Sustainability-Linked Loan arrangement, EY provided assurance services on the targets in alignment with the recommendations of the Sustainability-Linked Loan Principles (2021).

About the SBTi

The Science Based Targets initiative is a global partnership that provides a clearly defined path to reduce emissions in line with the Paris Agreement goals. The SBTi independently assesses and approves companies' emissions reductions targets in line with strict criteria. As at December 2021, 13 companies in New Zealand have set science-based emission reduction targets that have been validated by the SBTi and disclosed on the SBTi website.

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Metlifecare is a leading New Zealand owner and operator of retirement villages, providing rewarding lifestyles and outstanding care to more than 6,000 New Zealanders. Established in 1984, it currently owns and operates a portfolio of 26 villages in areas with strong local economies, supportive demographics and high median house prices, located predominantly in New Zealand's upper North Island.