

## TERMINATION OF SCHEME, UPDATE ON DENTAL OPERATIONS

- Temporary closure of Abano's Australian dental practices from 30 March 2020. New Zealand dental practices have been temporarily closed since 24 March 2020.
- The Scheme Implementation Agreement with Adams NZ Bidco Limited has been terminated as a Material Adverse Change has occurred. Both parties have agreed they have no other liability to each other, as a result of the termination.
- The Abano Board's focus remains the preservation and maximisation of shareholder value, both in and post the COVID-19 environment. Abano is assessing a number of initiatives in this light. This includes an intention to engage with Bidco, which has indicated that it is willing to explore whether there is an alternative potential transaction.
- Mike Allen has advised the Board of his intention to retire as a director of Abano, with the date to be confirmed shortly, in order to focus his attention on his other commitments.

### Update on Dental Operations

In line with the Australian Health Protection Principal Committee (AHPPC) advice to the Australian Government to halt all non-emergency dental care, Abano is temporarily closing all its Australian dental practices from 30 March 2020. All Abano's New Zealand practices have been temporarily closed since 24 March 2020 as a result of the New Zealand-mandated shutdown.

The company is assessing the opportunity to provide emergency dental care at a restricted number of its practices in both countries. The health and safety of anyone involved in the provision of emergency dental care is paramount and very strict protocols will be in place for those practices that do offer emergency care.

The company has implemented a number of actions to mitigate the impact of COVID-19:

- The majority of staff and practice teams in New Zealand and Australia have or will be stood down. Abano is seeking Government support for its staff in both countries, including subsidies, benefits and support schemes. The company will retain close connections with its people during the stand-down period and will aim to bring them back to work as soon as restrictions are lifted.
- A small number of practices will be kept open to provide emergency care.
- The senior leadership team and a small number of support staff are continuing to work remotely to ensure business continuity during this period and that services can recommence as soon as permitted. Deferred dental appointments will be rebooked at that time.
- The company continues to review its cost base and all non-essential capital and operating spend has been cancelled or deferred.
- Abano is negotiating with landlords to reduce occupancy costs, including rent-free periods, and discussions to date have been positive.
- The operational and financial impacts of the closure on the business, as well as banking facilities and any additional funding requirements, are being assessed.
- Abano currently has net debt of approximately \$130m and total bank facilities of approximately \$163m<sup>1</sup>. The company is in constructive discussions with its banking partner to assess and provide for future requirements.

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<sup>1</sup> Comprised of \$49m NZD and \$112m AUD bank facilities (AUD:NZD 0.98)

CEO of Abano, Richard Keys, said: “Our immediate focus is to protect the health and wellbeing of our teams and patients. The temporary closure of all our dental practices will have a significant short term impact, however, we expect the business to rebound once this crisis passes. This is an unprecedented situation and, like many, we are making decisions with a view to preserving the future of our business and jobs. I would like to acknowledge and thank our teams for their continued support during this time.”

### **Scheme of Arrangement Terminated**

Abano Healthcare Group Limited (NZX: ABA) advises that it has agreed with Adams NZ Bidco Limited that a Material Adverse Change has occurred and, as a result, Bidco has terminated the Scheme Implementation Agreement. This means that the proposed Scheme will not be implemented. No break fee is payable by Abano or by Bidco, and the parties have agreed they have no other liability to each other, as a result of the termination.

The Abano board and management team will continue to assess alternative options for the company, with a view to maximising shareholder value. This includes an intention to engage with Bidco, which has indicated that it is willing to explore whether there is an alternative potential transaction. To date, there have been no discussions as to the price and terms of such a transaction and there is no assurance that a transaction will proceed. The Board will update shareholders when it has further clarity.

### **Director Change**

Mike Allen has advised the Board that he will retire as a director of Abano, with the date to be confirmed shortly. Along with all other directors, Mike was due to retire on the previously proposed Scheme implementation date. Mike has indicated that, now that the Scheme has been terminated, he wishes to focus his attention on his other commitments. All Abano’s other directors will continue in their roles.

The Board thanks Mike for his diligence and commitment through what has been an intense period for the Company’s Board and management and wishes him well for the future.

### **ENDS**

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Abano Healthcare Group is listed on the NZX and owns and operates one of the largest dental networks in Australasia, comprising Lumino The Dentists in New Zealand and Maven Dental Group in Australia.