

ASX ANNOUNCEMENT

20 November 2020

REGIS HEALTHCARE LIMITED REJECTS NON-BINDING INDICATIVE PROPOSAL

Regis Healthcare Limited (**Regis**) announces it has rejected the unsolicited, conditional, non-binding and indicative proposal received yesterday from Washington H. Soul Pattinson and Company Limited (**WHSP**) and Ashburn Pty Limited (**Ashburn**), as trustee for the Dorman Family Trust, to acquire all of the shares in Regis not already controlled by Ashburn via a scheme of arrangement (**Proposal**).

The indicative cash price offered under the Proposal was \$1.85 per share available as full cash consideration. An alternative consideration was also offered as scrip in an unlisted, newly incorporated acquisition entity.

The Proposal follows rejection by the Regis Board of an earlier proposal from WHSP and Skip Capital (**Initial Proposal**) on 30 September 2020 at \$1.65 per share (or scrip in the acquisition vehicle) on the grounds that it materially undervalued the Company having regard to its medium to long term prospects.

On receiving the Proposal on 19 November 2020, Regis established a formal Board Committee, comprising Regis's independent, non-executive directors and the Managing Director and CEO, to consider the Proposal.

The Proposal was rejected by the Board Committee as it materially undervalues the Company given its medium to long term prospects and does not offer fair value to Shareholders. This decision was reached having regard to a number of matters including:

- the Aged Care Royal Commission is due to deliver its final report on 26 February 2021, with substantial policy and funding reform expected to be recommended to the Commonwealth Government;
- the Commonwealth Government has committed publicly that it will respond to the recommendations of the Aged Care Royal Commission in the May 2021 Budget and has foreshadowed substantial additional funding for the aged care sector; and
- the easing of the impact of COVID-19 resulting in improving trends in the aged care sector performance.

Regis shareholders do not need to take any action in relation to the Proposal.

Regis has appointed Flagstaff Partners as financial adviser and Herbert Smith Freehills as legal adviser.

For further information contact:

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This document was authorised for release to the ASX by the Board Committee.