

ASX Announcement

1 August 2023

Acquisition of Royal Freemasons Bendigo and Benalla operational aged care homes

Estia Health Limited (**ASX: EHE**) ("**Estia Health**", or the "**Group**") is pleased to announce the execution of binding agreements to acquire the Royal Freemasons ("**RFL**") residential aged care homes in Kangaroo Flat - Bendigo (144 operating places) and Benalla (120 operating places). The homes, which were completed in 2017 and 2019 (respectively), provide the Group with the opportunity to increase its investment in, and commitment to, regional Victoria through the acquisition of high quality modern and scalable aged care homes.

Total net cash consideration for the two residential aged care homes is expected to total approximately \$17.3m (excluding stamp duty and transaction costs), which will be funded from the Group's existing debt facilities. Final consideration will depend on RAD balances, which are expected to be approximately \$35.8m, and employee obligations at completion.

The transactions, which are subject to customary closing conditions, are currently expected to settle in early October 2023.

In connection with the acquisitions, the Group will be consolidating parts of its existing operations in Bendigo and Benalla. This will result in the relocation of residents and employees from the existing:

- Estia Health Long Gully (Bendigo) to either the Group's other existing home in Bendigo (Victoria Heights) or the RFL Kangaroo Flat (Bendigo) home being acquired; and
- Estia Health Benalla to the RFL Benalla home.

Once the transaction and relocations are complete, each of the acquired RFL homes are expected to be at or close to full occupancy.

Estia Health CEO, Sean Bilton said, "We are proud to continue to be part of both the Bendigo and Benalla communities and to be able to increase our commitment to regional Victoria with the addition of a further 150 residential aged care places.

"The consolidation of the Estia Health and RFL homes at these locations will ensure that high quality aged care in modern homes continues to be provided in regional communities. In bringing together both our residents and employees our focus will be on ensuring a seamless transition of service while ensuring the individual needs of residents remain paramount."

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Once the transition of residents and employees is complete, Estia Health intends to evaluate options for the Estia Health Long Gully and Estia Health Benalla locations, which may include re-purposing or sale. As a result of this, the Group currently expects (subject to audit finalisation) to recognise a provisional non-cash post tax impairment charge of approximately \$8.0m as part of its FY23 financial report.

Approved for release by the Board of Directors of Estia Health Limited.

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Further enquiries:

Media	Investors
Julie Connolly John Connolly & Partners jlc@jcp.com.au	Anthony Rice Chief Financial Officer investor@estiahealth.com.au

About Estia Health

Estia Health Limited is one of the leading providers of residential aged care in Australia operating 6,720 resident places across 73 homes in New South Wales, Queensland, South Australia and Victoria.