REGIS HEALTHCARE LIMITED

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ASX ANNOUNCEMENT

25 October 2022

Addresses to Annual General Meeting

In accordance with Listing Rule 3.13.3, we attach the Chairman's and Managing Director's addresses to the Regis Healthcare AGM on 25 October 2022 and a copy of the slides that will be presented.

Webcast facilities are available to listen to the Annual General Meeting. Details are provided on the following webpage:

https://www.regis.com.au/investor-information/forward-calendar/

For further information, contact:

Malcolm Ross
Company Secretary

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This document was authorised for release to the ASX by the Regis Healthcare MD/CEO

CHAIRMAN'S AGM SPEECH 2022

I would like to start my address today by thanking our Regis front-line staff, support staff and executives for their dedicated care and support for our residents, clients, and their families over the past year.

I recall saying as we met this time last year, that with Covid restrictions reducing there was increasing optimism that 2022 would usher in a more 'normal', if I can use that term, environment for our sector and for Regis.

However, starting in late December, the priorities of our business had to quickly adapt as Omicron dramatically impacted the community and our homes in the first months of calendar 2022. At its peak, more than half our 64 homes were subject to lockdown at any one time. During this time, the focus of the business was on ensuring the ongoing provision of excellent clinical care and keeping our residents and staff safe.

The point of raising this is not only to remind us how fortunate Regis is to have such a dedicated workforce, but to again state that, twelve months on, and with Covid easing once more, our teams will re-double their focus on improving key business metrics which have suffered over the past several years – and Linda and I will touch on these shortly.

Your Board has given substantial attention over the year to the reform program for the aged care sector and ensuring Regis is in a strong position for the post-reform environment. Your Company is committed to sector reform and the important elements to deliver care and services to older Australians that are high quality, safe and desirable. This requires the sector to be safe, effective and functional, with appropriate funding, a skilled and supported workforce, and contemporary policy and regulatory settings. Your

Company will work cooperatively with the new Government and the new Provider Association that Linda will speak about later. We encourage the new Government to closely review the reform program to ensure that it is co-designed to deliver the intended outcomes.

Your Board has been particularly focused on the challenge of having sufficient workforce to deliver a level of care which you would expect of your company. We are not unique as a sector in having workforce availability problems. What is unique, is the mandating of increased workforce care minutes over the year ahead, despite the sector wide shortage of qualified nursing and care staff. Government will need to prioritise workforce availability, adequate funding through the new activity based funding model AN-ACC, and regulation that does not unfairly penalise providers for a national workforce shortage.

These challenges are driving management to reshape the way we structure our business resources and conduct our business day-to-day to adapt to these new requirements.

While these matters have been, and will remain a priority for management, shareholders should know that throughout this difficult period the business has continued to reinvest for the future.

Regis invested $49m in capital expenditure during the year, significantly more than the $19m in FY21, to strengthen our operating business and invest in future growth.

The business has removed multi-bed rooms across a number of homes to improve the quality of our portfolio consistent with current resident expectations, and further reviews of our older homes will be part of our work program in the year ahead.

Management has upgraded the WIFI infrastructure across all homes and refreshed our additional services and menu offerings to residents. We have also upgraded our ERP platform, our clinical care system and approved the implementation of a new electronic medication management system, with implementation just commencing.

These investments will improve our data accuracy, reduce errors and manual data input; this will assist monitoring and reporting for clinical and care staff, creating more time for resident care.

To support future growth, during the financial year Regis acquired vacant land in Belrose, NSW and took out an option over a new greenfield site in Carlingford, NSW. Both sites, together with Toowong, Brisbane, are earmarked for new residential aged care development. Regis has also commenced development of a new 112 bed home in Camberwell, Victoria. We expect these new developments, once completed, will be well supported by resident RAD inflows.

The decision to restart our investment program followed several years when Regis, and the sector more generally, slowed or stopped new residential developments in the face of significant uncertainties in aged care policies, Government funding and investment returns. The investment outlook is still challenging, but what we do know is that a significant proportion of existing homes across the sector are now too old to meet future resident and family needs; and operators who reinvest in their portfolio will do better over the period ahead. The Independent Health and Aged Care Pricing Authority will need to incorporate appropriate returns within its pricing recommendations to encourage efficient and quality operators to invest further in the sector.

Part of our re-investment program may include closing or redeveloping some of our older homes to maintain portfolio quality.

We have significant available funding lines and are rationalising non-income producing assets to strengthen our balance sheet and improve returns. This detailed work is being oversighted by our new Board Property Committee, chaired by Ian Roberts.

Regis reported a large Net Loss After Tax of $38.8m in FY22, but this outcome was largely the result of two important factors; an after tax write-down of operational places of $42.7m following the Australian Government's decision in September 2021 to deregulate the bed licence market from 1 July 2024 – this was a non-cash item, and second; $27.8m in Covid expenses in the year, which as at 30 June, only $3.2m had been refunded by the Government.

Excluding a number of one-off /non-recurring items, Regis' FY22 Underlying EBITDA was $78.1m, up 8% on like terms from FY21. Regis' net Operating Cashflow was $114.8m, assisted by a strong $83.9m net RAD cash inflow. Pleasingly, these flows were generated from a strong performance by our existing homes, rather than through new developments.

This strong cashflow performance allowed Regis to further strengthen its balance sheet, with net debt down 28% in the year to $102.9m (excluding the expected $20 plus million owed by the Government as at end June in relation to Covid refunds).

Our confidence in the medium-term future of the sector led to the Board approving a FY22 final dividend of 2.32 cents taking the full year dividend to 5.84 cents per ordinary share.

Occupied bed days remains one of the key drivers of business performance and was broadly stable across FY22 despite the significant number of Omicron outbreaks across our homes in the second half of the financial year. Occupancy has improved in the first quarter of the current year from an average of 89.8% in FY22 to a spot rate of 91.7% at 30 September 2022.

Our expectation, and our focus, will be on achieving further increases in occupancy over FY23. This will be important to grow our revenues and help offset the impact of higher labour costs associated with the introduction of the mandated average 200 care minutes from October 2023.

This past year saw a change in Regis' Board composition, with two Directors stepping down and the appointment in January 2022 of Sally Freeman, who is standing for election at today's AGM. Sally is an experienced Director and has been Chair of Regis' Audit and Risk Committee since her appointment. Sally will address the AGM during the meeting.

As I mentioned earlier, the Board established a Property Committee to advise and govern important strategic decisions regarding Regis' extensive property portfolio. As resident needs and expectations continue to change, and as we head towards a deregulated market for operational places, this Committee will play an important role in shaping our property decisions and our investment returns.

The Board supports strengthened governance of the sector, including responsibilities of Directors. Regis is well placed to exceed the requirements contemplated by the reform agenda.

In closing, while the operating environment your company has faced in the last twelve months has continued to be more challenging than we would want, Regis remains strongly positioned heading into FY23. We have a very capable CEO and executive management team and dedicated staff. Our operating capability has been upgraded significantly over recent years, our portfolio of homes is of a high quality, and we continue to put the care and safety of residents, clients, and their families at the forefront of all we do.

I would like to thank my fellow Directors and all of the Regis team for their dedication and support throughout the year.

Finally, I want to thank you, our shareholders, for your support in the past year.

I will now pass to our CEO Dr Linda Mellors to address the meeting.

MANAGING DIRECTOR AND CEO's ADDRESS

Thank you Graham.

I would like to begin by acknowledging the Wurundjeri people of the Kulin Nation, traditional custodians of the land on which we meet today, and pay my respects to their Elders past, present and emerging. I extend that respect to any Aboriginal or Torres Strait Islander peoples joining us today.

It is good to be back in a room with our shareholders for the first time since the 2019 AGM and following two years of virtual meetings due to the COVID-19 pandemic.

Today, I will provide shareholders with an overview of Regis' performance over the past year in the context yet again of multiple industry headwinds. While headwinds remain in the current year, there are positive signs for the future through a broad reform program for the sector, noting there is still much detail to be worked through.

Notably, the global pandemic continued, with the Omicron variant impacting the business heavily from the Christmas/New Year period. At a time when our teams were looking forward to a much-needed quieter period, many returned to work to assist with the extraordinary increase in outbreaks due to rapidly escalating community transmission. Around half of our homes were impacted at the same time. While the Omicron variant proved much more easily transmitted, it caused milder illness in most people, and a much lower risk of death.

The introduction of COVID-19 anti-viral treatments was extremely positive for our residents and the Company was quick to educate our residents, families, employees and visiting health professionals about the availability and efficacy of the treatments. The vast majority of COVID-19 residents elected to receive anti-virals once they were available and the results showed dramatic reductions in illness and death.

Regis employees continued to meet our COVID-19 vaccination policy and adhered to the infection prevention and control requirements. I echo the Chairman’s acknowledgement of our employees and particularly their ongoing commitment to the safety and wellbeing of our residents, clients and Regis colleagues. I would also note the team’s focus on returning our homes and services to more normal settings in between the high community transmission periods, with more visitors, activities and outings.

Over the FY22 year, Regis was also impacted by the extensive floods in Queensland and New South Wales, worsening workforce shortages, escalating costs and insufficient clarity regarding important parts of the reform agenda.

Regis remains firmly in favour of sector reform across the key elements of workforce, funding, governance, quality and safety, regulation and system design. I’ll come back to the reform agenda and the new single representative association – the Aged and Community Care Provider Association - after discussing our financial performance.

Our FY22 financial results were adversely impacted by the ongoing inadequate funding and indexation, the pandemic, lengthy delays in COVID-19 outbreak grant assessments by Government, the floods, the timetable to redundancy of bed licences and lack of certainty with respect to the Government's reform agenda. The financial results were positively impacted by maintenance of occupied bed days, the updated additional services program and the disciplined approach to discretionary expenditure.

In terms of our overall financial performance for the year ended 30 June 2022, underlying EBITDA increased to $78.1m, up 8% on the prior corresponding period. The net loss after tax of $38.8 million was primarily due to the amortisation of bed licences. Correcting the result for the non-cash impact of this amortisation provided an underlying net profit after tax of $3.9 million.

This result is well below what we would expect to deliver in a properly funded environment but reflective of the difficult operating context, where it is reported by Stewart Brown that around 70% of aged care providers are delivering operating losses.

Notably, the Company delivered stability in occupied bed days, which is the key driver of revenue and profitability. The stable occupied bed days' result reflects significant occupancy improvements in targeted homes, somewhat masked by COVID-related occupancy reductions.

I would like to highlight the very strong net RAD cash inflows of $83.9m delivered under pressured circumstances. As flagged to the market back in August, net RAD cashflow has been negative across the first quarter due to the timing of refund payments associated with the probate liabilities that peaked at 30 June 2022.

Net debt at $102.9 million was a reduction of nearly 28% compared to the end of FY21 and impacted by the circa $20m in COVID outbreak grants owed by Government.

Average occupancy for the first three months of the FY23 year was 91% across the entire portfolio which is in line with the spot rate at 30 June. This improvement on FY22 reflects a strong focus by management on initiatives to resume core business activities. The occupancy spot rate on 30 September was 91.7%. This is an encouraging result and we are seeing higher enquiry levels across the country.

Staffing expenditure was impacted by higher agency and overtime costs, as our teams worked extremely hard to maintain our rosters during the steep Omicron wave and in an environment of sector-wide labour shortages.

Over the financial year just closed, the pause on development and acquisitions largely continued due to the uncertainty around future funding and return on capital. In the background, we continued to plan for future developments and have projects ready to commence as conditions improve. The Chairman noted our new land acquisitions that will support expansion of high-quality facilities in the future. We recently recommenced our building program in Camberwell, Victoria, where we will deliver a new and contemporary 112 bed aged care home in late FY25. We are also continuing to invest in our existing homes to improve amenities where needed.

The Company paused our home care expansion plans due to the reforms announced that would have been negative, as demonstrated by the number of existing providers exiting the market. The Company was pleased that the new Minister for Aged Care, the Hon Anika Wells, paused implementation of the program pending further review and discussion with key stakeholders.

The new Government has committed to fund the outcome of the work value case before the Fair Work Commission. This remains one of the most important levers to attract and retain the aged care sector workforce and the Company looks forward to the decision being delivered and implemented.

This is a good time to now move to an update on our strategic plan and sector reform.

I am pleased to report that the Company achieved the vast majority of the initiatives contained in the first year of our Strategic Plan as well as our ongoing work to ready the business for sector reform.

The Company is confident that the reform will be net positive over the medium term, with a challenging period over the next 12-18 months as the new Government consults with sector participants and key stakeholders. The most pressing challenges for this financial year are the workforce shortages worsening at a time when workforce needs have increased, the new assessment for funding model, and the scale of the reform program.

The Company is supportive of the new Provider Association ACCPA and looks forward to the role that a stronger industry voice will play, particularly in highlighting that all parts of the sector need a wellfunctioning, supported and appropriately regulated industry to provide older Australians with safe and high quality care into the future. I am confident that the recently expanded Independent Health and Aged Care Pricing Authority will prove to be a critical reform and assist to deliver a more predictable and transparent funding model in the future.

As one of the largest and most sophisticated providers in Australia, Regis is well placed against many of the intended reforms, including corporate governance, clinical governance, prudential controls, food and nutrition standards, registered nurses on site 24/7, digital innovation, and career pathways across all roles.

I would like to spend a few minutes highlighting some key progress areas for the Company over FY22, starting with care of our residents and clients, where we delivered improvements to clinical risk interventions and results including pressure injuries, medication administration, restrictive practices and feedback.

The Company continues to prioritise clinical and care outcomes including through research partnerships that will have benefits to our residents in areas such as wound prevention and management, improved communication of residents' health information and care needs when transferring between hospital and their aged care home, personalised high-quality end of life care, improvements in dementia practice and further understanding how the built form supports quality of life and care delivery.

Our focus on supporting care outcomes and our workforce has benefitted from upgrades to our Clinical Management System and selection of an electronic medication management system to be implemented shortly, as well as introduction of an electronic incident and feedback reporting system allowing better data intelligence and decisions.

Food and nutrition are key elements of care and wellbeing and the Company continued our long-standing partnership with a dietitian and our in-house catering experts to provide additional meal selections. We also invested in expanding our program to present texture-modified meals in shapes resembling the original food source. This assists residents with swallowing problems or dementia to recognise food and increase nutritional intake. I would also like to remind Shareholders that Regis meals are cooked fresh on site.

The Company formalised consumer engagement at a senior level through the establishment and regular meetings of the Regis Consumer Advisory Council, with a diverse range of consumers including those with mild memory loss or cognitive impairment. The Council has provided invaluable feedback and support to our teams through their insightful contributions.

Moving now to our workforce, where attraction, retention, development and reward remain high priorities. Along with extensive work to improve and expand talent sourcing, we have systematically reviewed our teaching, training and support programs and introduced a leadership capability framework. Regis' well established career progression pathways again saw many of our employees move into more senior roles across the year.

Our revised work health and safety program delivered fewer lost time injuries, fewer WorkCover claims and fewer days lost per claim and I expect further improvements in the current year, including to our lost time injury frequency rate which is already better than industry average. This year, we have introduced an early intervention program for injured workers to support them accessing advice and treatment, and return to work.

Regis enjoys economies of scale and we have upgraded key systems to support our homes, services and back office functions. The Company upgraded our enterprise resource platform and finance systems during the year with the program delivered on time and on budget. The expansion of high speed WIFI to all residential aged care homes to the residents' bedside benefits our residents and families, and provides our workforce with real-time information and streamlined processes.

The Company has enhanced our disciplined approach to cyber security and our product suite supporting a secure environment. Our cybersecurity maturity is routinely measured against external frameworks, our in-house and external experts monitor and adapt to market intelligence, and we updated our data collection, retention and destruction policy in FY22. Regis uses enhanced password protection, multi-factor authentication, penetration testing and phishing detection systems. We have also updated our learning programs for employees, with a robust scanning and reporting program for suspicious content.

Importantly, our future is very much led by the continuous improvement and learning philosophies, and a consumer-focused culture, driven from the Board and Executive through to our frontline teams. Regis has a strong purpose and our nearly 30-year old Company remains dedicated to the care and service of older people. The Company has partnerships with The Shared Value Project and ESG experts to ensure our program is contemporary and delivers meaningful impacts to the communities in which we operate.

While the FY22 year brought a range of challenges, our Board and Executive team have remained fully committed to our purpose, ever-mindful of the need for a strong business to underpin the care and services older Australians deserve.

The Australian population continues to age and have higher expectations of aged care services. The sector reform will deliver an increased proportion of older people remaining in their own homes with support. While the proportion of those entering residential aged care is expected to decrease, the overall number of residents in aged care homes will increase with the baby boomer generation. We continue to expect complexity of care needs to increase as

Australians live longer and enter aged care later, with more co-morbidities. Our workforce will need additional skills, training and resources, and more digital systems and automation. These changes are included in our strategic plan and I look forward to updating you on progress against our FY23 goals at the half-year.

I would like to finish by commending the extraordinary efforts of our entire workforce and thank them for the important work they do in caring for older Australians with commitment, focus and kindness. I would also like to express my gratitude to our residents, clients and families for choosing Regis for their care and service needs.

Thank you.

Annual General Meeting 2022

25 October 2022

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Introduction of Board Members

- Dr Linda Mellors (Managing Director and CEO)
- Ian Roberts
- Sally Freeman
- Bryan Dorman
- Professor Christine Bennett

Auditor – Ernst & Young,

- Mr Brad Pollock

WELCOME

Regis Healthcare Chairman

Mr Graham Hodges

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Outline of Meeting

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Chairman's Address

Regis Healthcare Chairman
Mr Graham Hodges

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MD/CEO Address

Regis Healthcare
Managing Director and CEO
Dr Linda Mellors

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Procedural Requirements

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Item 1
Annual Financial Report

Questions invited

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Item 2

Election of Directors

2.1 Re-election of Ian Roberts
2.2 Election of Sally Freeman

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Item 2.1

Re-election of Ian Roberts as Director

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PROXY POSITION

Item 2.1 Re-election of Ian Roberts as Director

Voting Instruction	Votes	%
• In favour	226,891,556	99.38%
• Against	999,103	0.44%
• Undirected*	411,819	0.18%
Total Valid Available Votes	228,302,478	
• Abstained	90,639	
*Undirected proxies for Chairman of the meeting to vote (Chairman will vote "in favour")		

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Item 2.2: Election of Sally Freeman as Director

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PROXY POSITION

Item 2.2: Election of Sally Freeman as Director

Voting Instruction	Votes	%
• In favour	227,575,330	99.67%
• Against	337,663	0.15%
• Undirected*	413,485	0.18%
Total Valid Available Votes	228,326,478	
• Abstained	66,639	
*Undirected proxies for Chairman of the meeting to vote (Chairman will vote "in favour")		

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Item 3

Adoption of the Remuneration Report

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PROXY POSITION

Item 3: Adoption of the Remuneration Report

Voting Instruction	Votes	%
• In favour	61,560,494	95.95%
• Against	2,183,251	3.40%
• Undirected*	413,485	0.64%
Total Valid Available Votes	64,157,230	
• Abstained	37,032	
*Undirected proxies for Chairman of the meeting to vote (Chairman will vote "in favour")		

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Item 4

Approval of FY22 Grant of Share Rights to MD/CEO

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PROXY POSITION

Item 4: Approval of FY22 Grant of VRRP Share Rights to MD/CEO

Voting Instruction	Votes	%
• In favour	206,705,779	90.58%
• Against	21,087,328	9.24%
• Undirected*	411,485	0.18%
Total Valid Available Votes	228,204,592	
• Abstained	30,525	
*Undirected proxies for Chairman of the meeting to vote (Chairman will vote “in favour”)		

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Item 5

Approval of FY23 LTI Grant of Performance Rights to MD/CEO

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PROXY POSITION

Item 5: Approval of FY23 LTI Grant of Performance Rights to MD/CEO

Voting Instruction	Votes	%
• In favour	225,332,042	98.74%
• Against	2,431,065	1.07%
• Undirected*	437,485	0.19%
Total Valid Available Votes	228,200,592	
• Abstained	34,525	
*Undirected proxies for Chairman of the meeting to vote (Chairman will vote "in favour")		

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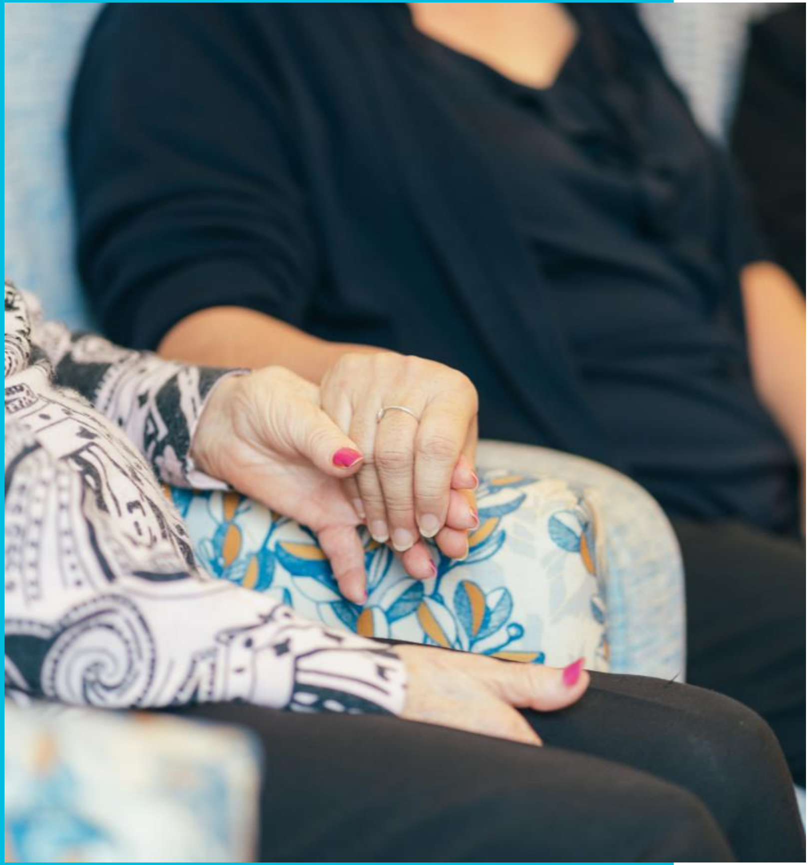
Item 6

Renewal of proportional takeover approval provision



PROXY POSITION

Item 6: Renewal of proportional takeover approval provision

Voting Instruction	Votes	%
• In favour	227,991,939	99.85%
• Against	103,213	0.05%
• Undirected*	237,041	0.10%
Total Valid Available Votes	228,332,193	
• Abstained	60,924	
*Undirected proxies for Chairman of the meeting to vote (Chairman will vote “in favour”)		

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Item 7

Conditional Spill Resolution

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PROXY POSITION

Item 7: Conditional Spill Resolution

Voting Instruction	Votes	%
• In favour	2,551,635	3.98%
• Against	61,158,085	95.35%
• Undirected*	429,485	0.67%
Total Valid Available Votes	64,139,205	
• Abstained	55,057	
*Undirected proxies for Chairman of the meeting to vote (Chairman will vote “against”)		

Meeting Concludes

The detailed results of the polls will be announced on the Company's website and ASX announcement platform later today.

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