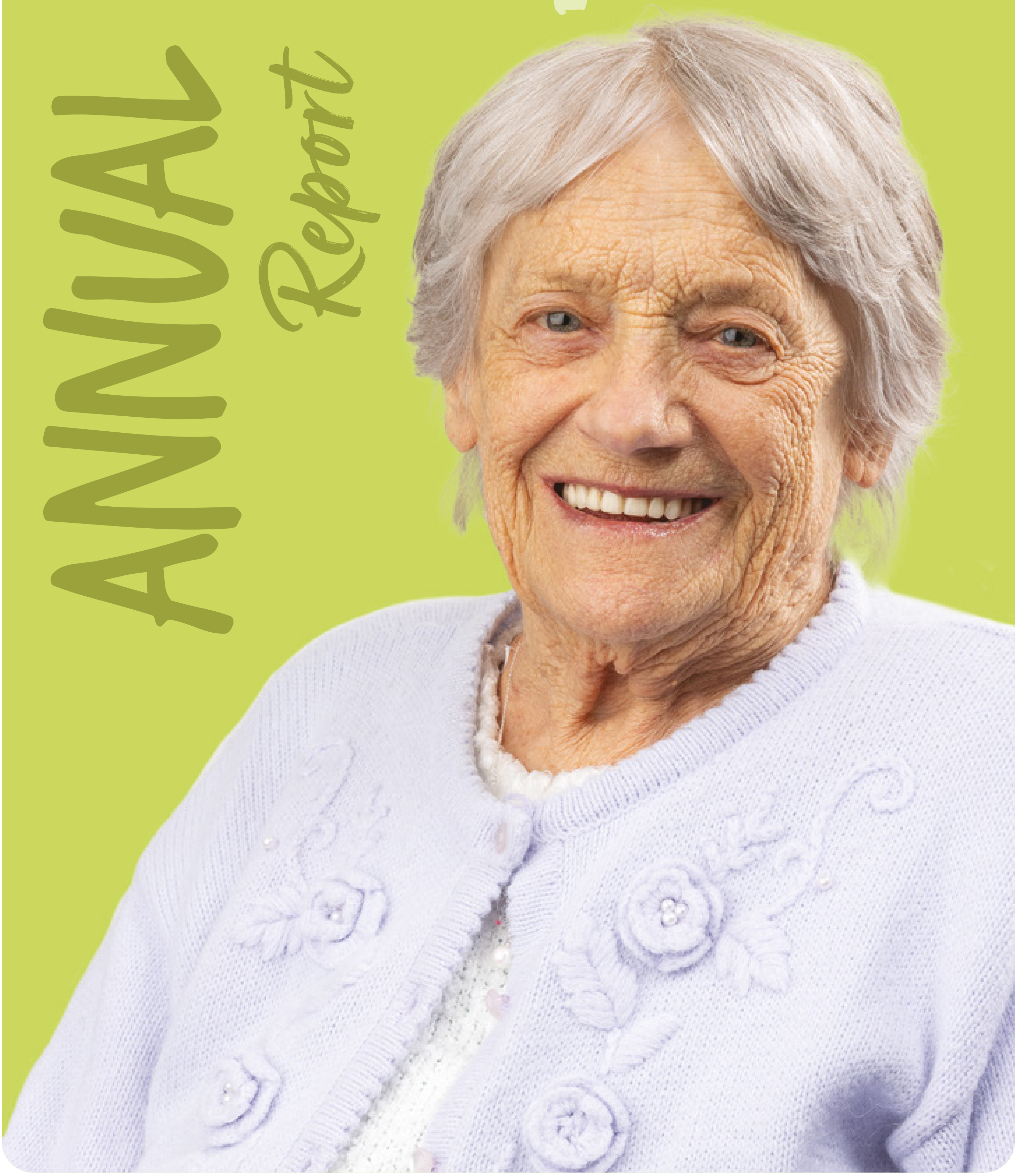
2024

ANNUAL Report



Acknowledgement of Country

Regis acknowledges the Traditional Owners of Country throughout Australia and recognises the continuing connection to lands, waters and communities. We pay our respect to Elders past and present.

Contents

About this Annual Report

Regis Healthcare Limited ('Regis' or 'Company') is a leading provider of aged care and services for older people. Regis is pleased to present its 2024 Annual Report which provides a snapshot of the highlights and accomplishments over the past year, a year in which an increased number of older people have experienced and benefited from our quality services and commitment to excellence.


regis

About Regis

Founded over 30 years ago, Regis provides services to more than 9,000 older people through residential aged care Homes, Home Care service hubs, Day Therapy and Respite Centres, and Retirement Villages.

With a dedicated team of more than 11,000 nurses, carers and support professionals, we empower our residents and clients to achieve quality of life, connection, and emotional and physical wellness, while demonstrating empathy, kindness and a deep respect for the dignity and individuality of each person.

30+ years

of care and support

9,000+

residents and clients

Dedicated team of

11,000+

Residential Aged Care

Within our network of 67 aged care Homes across the country, our residential aged care services provide an environment for residents to embrace the lifestyle of their choosing. We offer a diverse range of support options to cater to varying care requirements, including ageing-in-place, respite care, specialist dementia care and palliative care. Our Homes offer distinct levels of personal services and comfort, with the options of Classic, Reserve and Club Services.

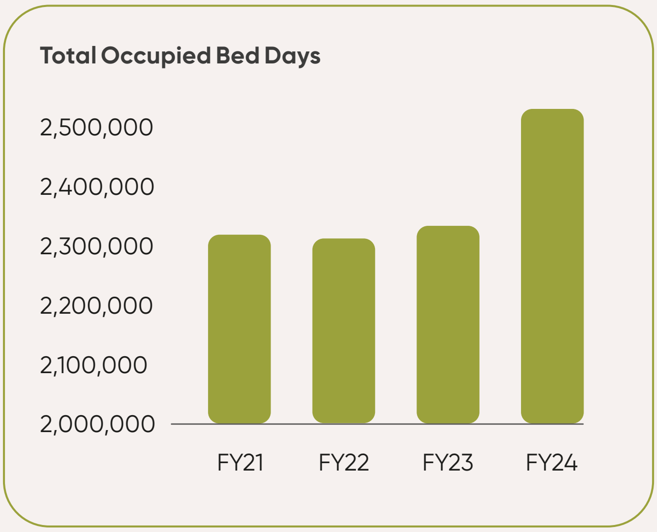
Home Care

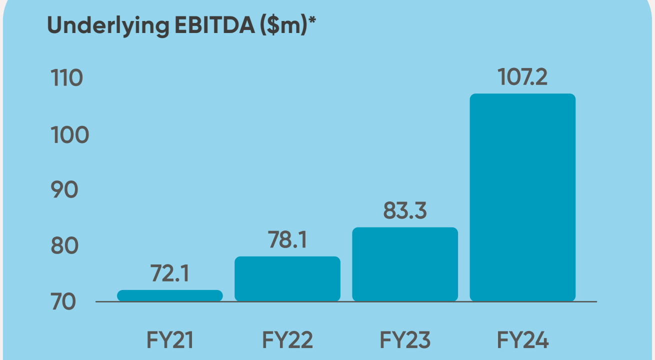
Regis Home Care is committed to facilitating the best possible quality of life for our clients in the comfort of their own homes. Across six Home Care hubs and nine Day Therapy and Respite locations nationwide, we offer comprehensive services to the local community. These include personalised nursing and allied health care, meal preparation, social support, companionship, respite and group therapy. Our aim is to provide individualised care that meets the unique needs of each client, enabling them to live with dignity and independence.

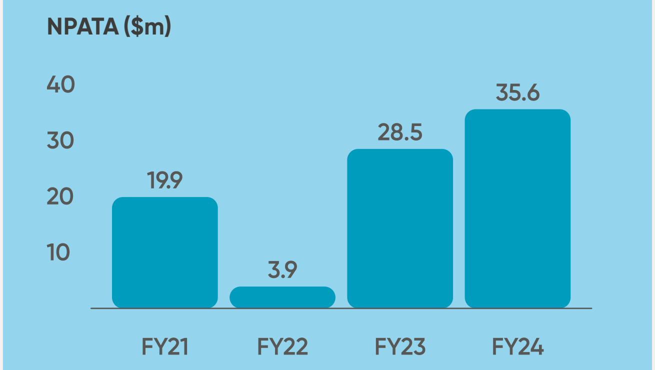
Retirement Living

Regis Retirement Living comprises a network of specialised retirement and independent living villages across Australia. Within our lively communities, we cultivate an atmosphere of encouragement, security and support, enabling residents to live an independent lifestyle while relishing a welcoming and inclusive environment. Our dedicated team empowers residents to stay active and wholeheartedly embrace life.

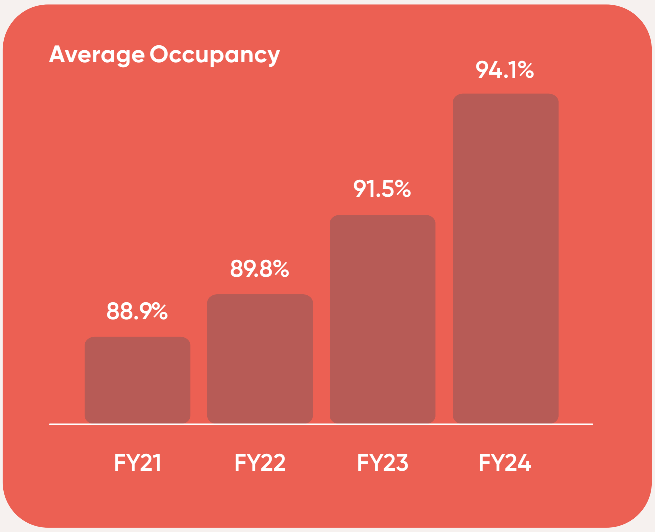
Key Highlights

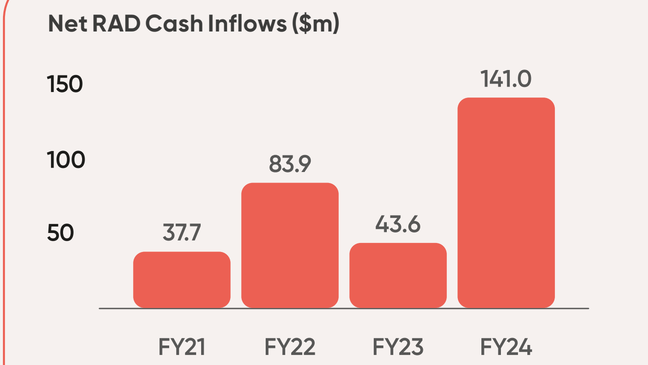


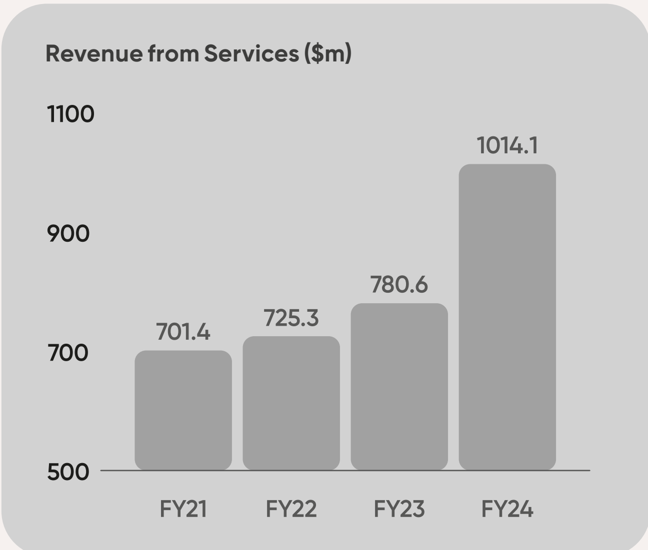


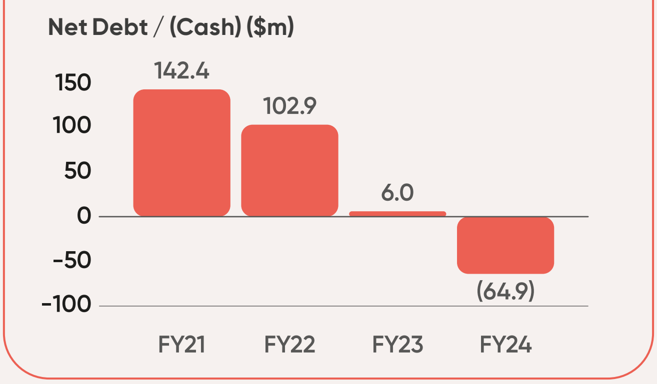


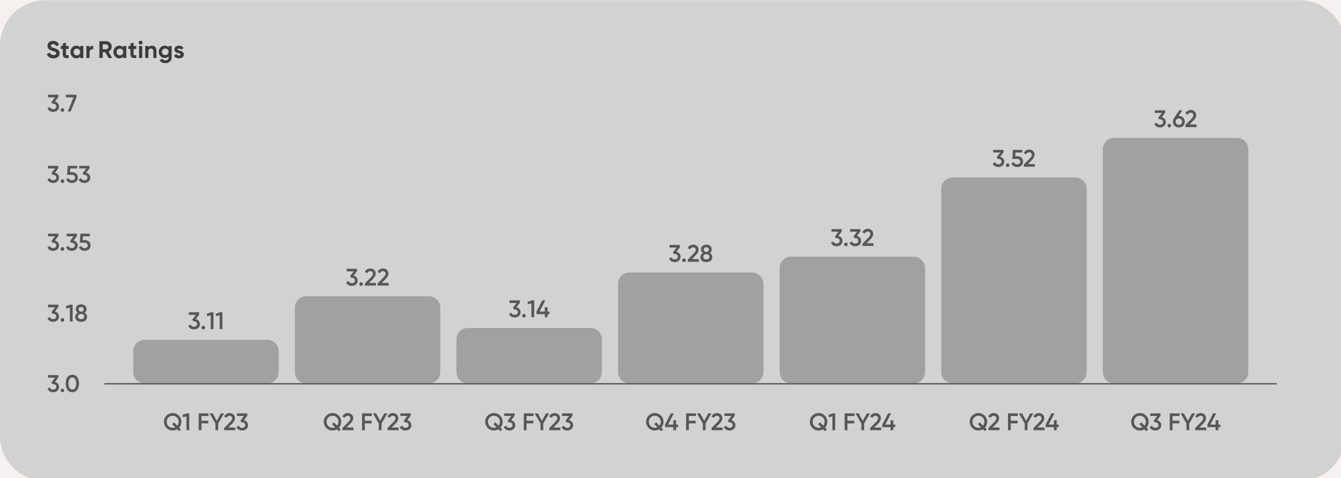
*Pre one-off items

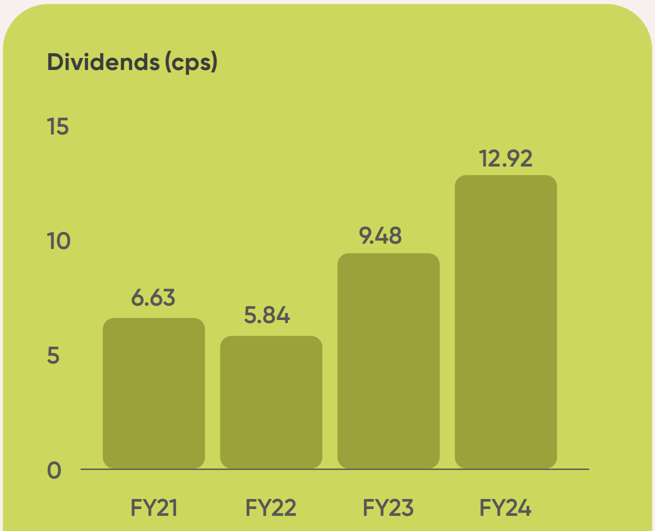




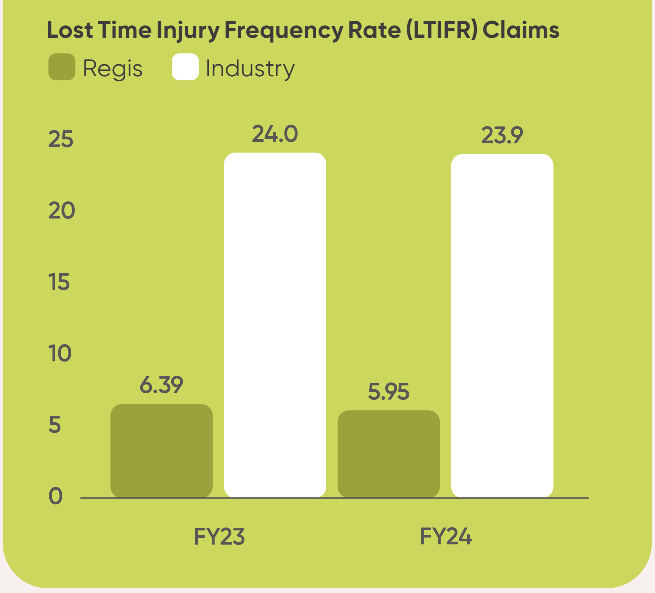


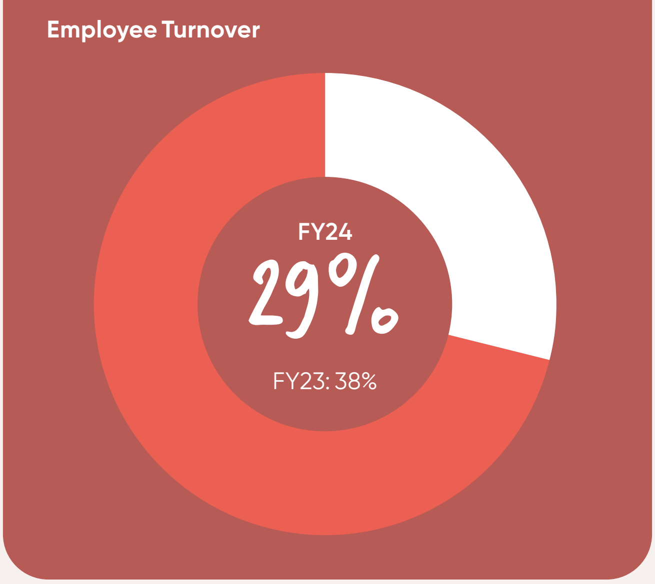



Star Ratings
3.7
3.53
3.35
3.18
3.0
3.11
3.22
3.14
3.28
3.32
3.52
3.62
Q1 FY23
Q2 FY23
Q3 FY23
Q4 FY23
Q1 FY24
Q2 FY24
Q3 FY24


Dividends (cps)
15
10
5
0
6.63
5.84
9.48
12.92
FY21
FY22
FY23
FY24

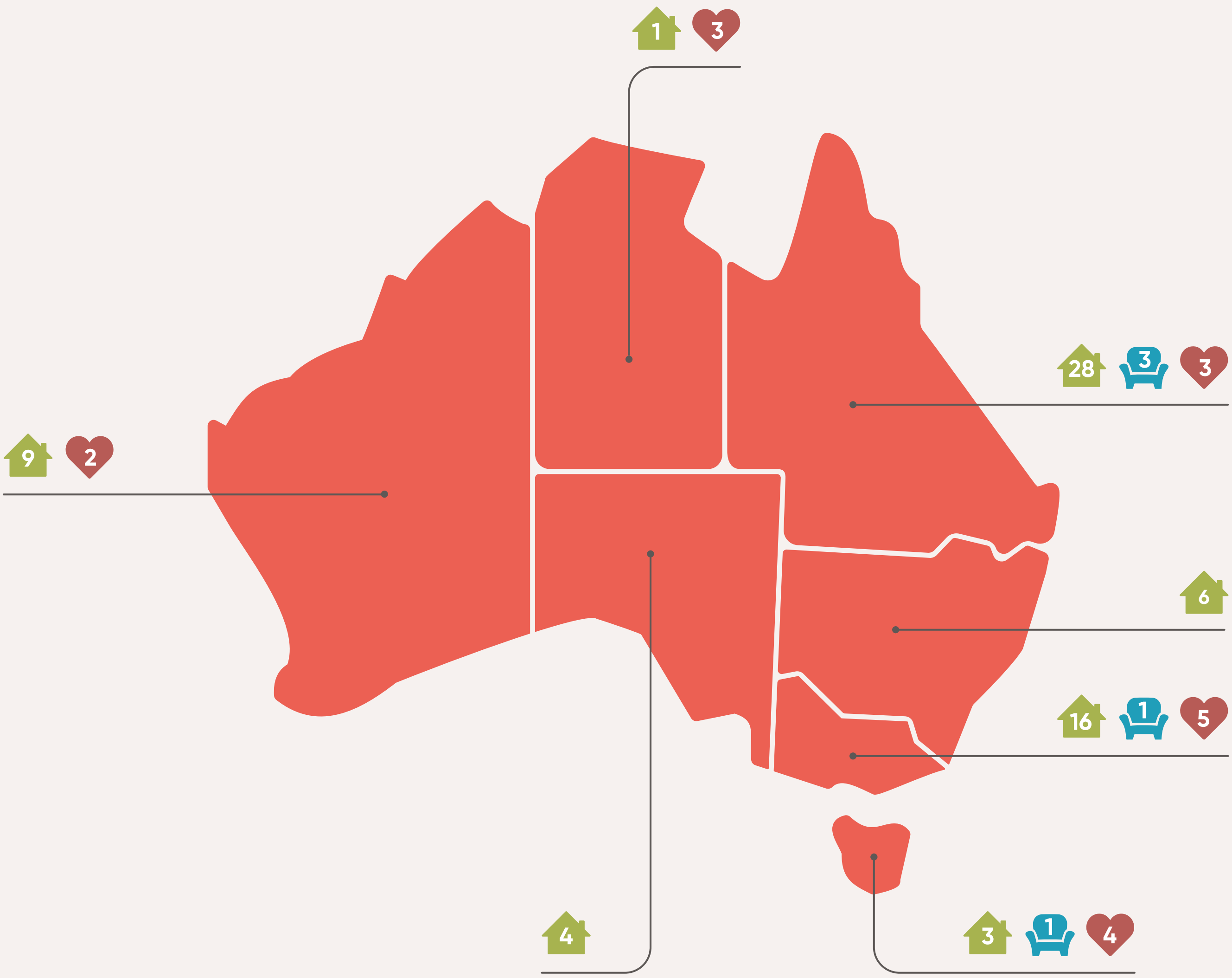

Compliance
98% of assessed ACQSC accreditation requirements met in FY24


Lost Time Injury Frequency Rate (LTIFR) Claims
Regis
Industry
25
20
15
10
5
0
6.39
24.0
5.95
23.9
FY23
FY24


Employee Turnover
FY24
29%
FY23: 38%

Service Locations

From North Fremantle in Western Australia to Ferny Grove in Queensland, Regis has 89 service locations as at 30 June 2024.



New South Wales

Residential Aged Care Homes
Regis Elermore Vale
Regis Hornsby
Regis Hurstville
Regis Port Macquarie
Regis Port Stephens
Regis Rose Bay

Northern Territory

Residential Aged Care Home
Regis Tiwi

Home Care, Day Respite and Therapy Centres
Regis Home Care Darwin
Regis Day Respite Darwin
Regis Day Therapy Darwin

South Australia

Residential Aged Care Homes
Regis Burnside
Regis Kingswood
Regis Marleston
Regis Playford

Tasmania

Residential Aged Care Homes
Regis Eastern Shore
Regis Legana
Regis Norwood

Retirement Living
Regis Norwood

Home Care and Day Respite Centres
Regis Home Care Tasmania South
Regis Home Care Tasmania North
Regis Day Respite Tasmania North
Regis Day Respite Tasmania South

Queensland

Residential Aged Care Homes
Regis Aspley
(acquired December 2023)
Regis Ayr
Regis Birkdale
Regis Bulimba
Regis Caboolture
Regis Camp Hill
(acquired December 2023)
Regis Chelmer
Regis Ferny Grove
Regis Gatton
Regis Greenbank
Regis Holland Park
(acquired December 2023)
Regis Home Hill
Regis Kirwan
Regis Kuluin
Regis Lodges on George
(acquired December 2023)
Regis Lutwyche
Regis Magnolia
(acquired December 2023)
Regis Maroochydore
Regis Redlynch
Regis Salisbury
Regis Sandgate Griffith
Regis Sandgate Lucinda
Regis Sandgate Musgrave
Regis Sippy Downs
Regis The Gap
Regis Whitfield
Regis Wynnum
Regis Yeronga

Retirement Living
Regis Barambah Villas
(sold January 2024)
Regis Bramble Bay
Regis Corinthian Court
Regis Farris Villas
(sold January 2024)
Regis McDonald Court
(sold January 2024)
Regis Tallowwood Lodge
(sold January 2024)
Regis Woodward

Home Care and Day Respite Centres
Regis Home Care Cairns
Regis Day Therapy Centre Cairns
Regis Day Therapy Centre Townsville

Victoria

Residential Aged Care Homes
Regis Alawarra Lodge
Regis Armadale
Regis Blackburn
Regis Brighton
Regis Cranbourne
Regis Dandenong North
Regis East Malvern
Regis Fawkner
Regis Frankston
Regis Inala Lodge
Regis Macleod (sold May 2024)
Regis Ontario
Regis Ringwood
Regis Rosebud
Regis Sandringham
Regis Shenley Manor
Regis Sunraysia

Retirement Living
Regis Inala

Home Care, Day Respite and Therapy Centres
Regis Home Care Eastern Metro
Regis Home Care Mildura
Regis Day Therapy Centre Inala Village
Regis Day Respite Inala Village
Regis Respite Mildura

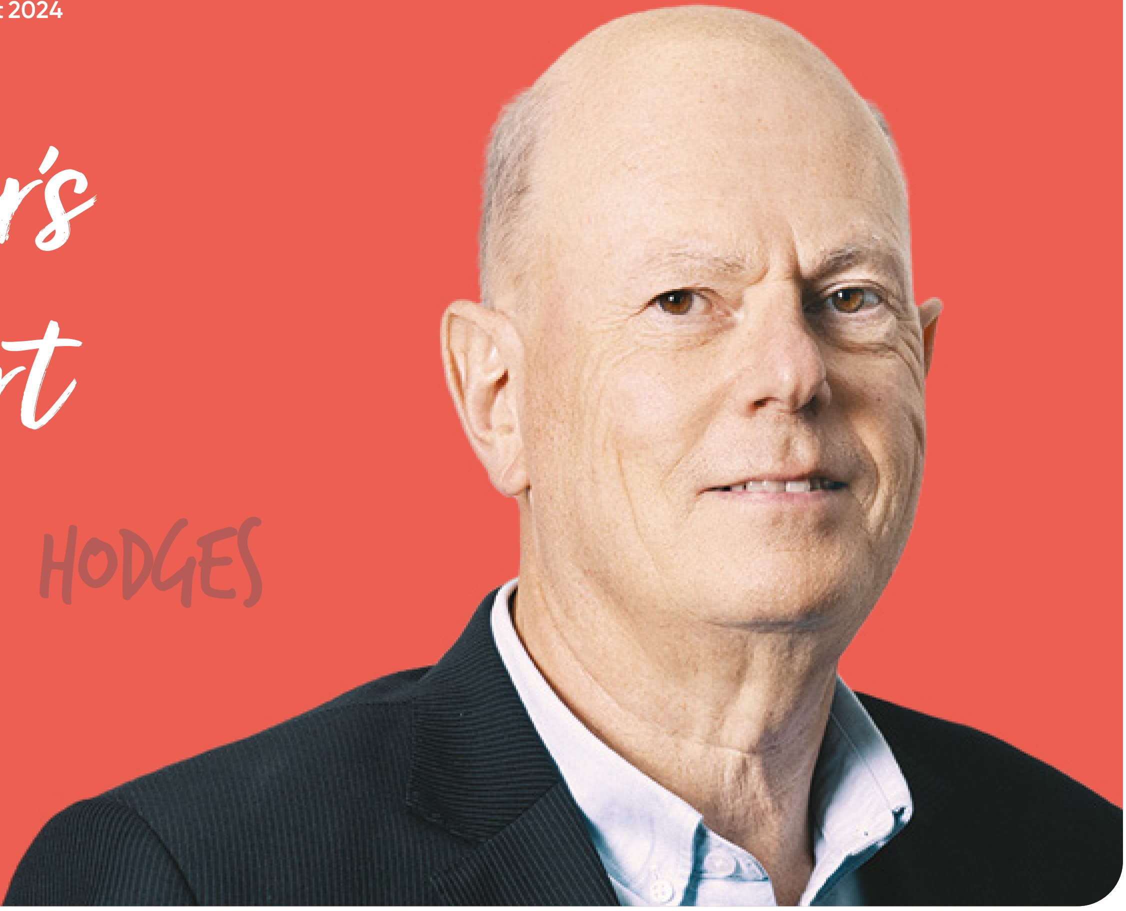
Western Australia

Residential Aged Care Homes
Regis Bunbury
Regis Como
Regis Embleton
Regis Greenmount
Regis Nedlands
Regis North Fremantle
Regis Port Coogee
Regis Weston
Regis Woodlands

Day Therapy Centres
Regis Day Therapy Centre Nedlands
Regis Health and Wellness Centre Port Coogee

Chair's Report

GRAHAM HODGES



On behalf of the Regis Healthcare Board, we are pleased to present the Regis 2024 Annual Report.

Regis was formed over 30 years ago and is one of Australia's largest and most sophisticated providers of aged care with 11,000+ dedicated and hard-working team members delivering daily care and services to more than 9,000 residents and clients.

Aged care is an essential service for older Australians and their families with almost 250,000 Australians accessing residential aged care and another 1 million accessing home care services every year.

The aged care sector has been through a very challenging period with COVID, the Royal Commission, tightening of Government funding and significant workforce shortages and is now emerging through reform to a stronger future. Further funding reform is needed to ensure long-term financial viability of the sector to support the growing number of older Australians with high quality care and services and fit for purpose accommodation.

Importantly, in May 2023 the Australian Government established an Aged Care Taskforce to review sector funding arrangements and to provide recommendations for a fairer and more equitable aged care system. The final report was released in March 2024 and contained 23 recommendations which if fully implemented would provide significant additional funding after a phasing in period. We look forward to the Australian Government's Taskforce response to better understand future financial returns and the sustainability of aged care services.

Overall, FY24 has been strong for Regis with excellent growth in key metrics including occupancy, revenue, earnings, cash flow and dividends. Funding has increased under AN-ACC to meet the care minutes mandate, workforce pressures have moderated, and we have completed and integrated the CPSM acquisition of five Homes in South-East Queensland.

In terms of financial performance, the Company reported revenue from services of $1,014.1 million, up 30% on the prior corresponding period and underlying EBITDA of $107.2 million, up 29%. Notwithstanding the significant increase in revenue mainly driven by occupancy and AN-ACC uplifts, increased labour and compliance costs were incurred in achieving the result. Regis continues to be a highly cash generative business producing strong operating cash flows. This combined with prudent management of the operating business and targeted investments in acquisitions and capital expenditure resulted in a net cash position of $64.9 million at 30 June 2024.

Regis has announced that it will pay a FY24 final dividend of 6.64 cents (payable 25 September 2024), taking full-year dividends to 12.92 cents, up from 9.48 cents in FY23. The Board has again elected to payout 100% of NPATA (excluding one-off items), reflecting support for our investors and the underlying strength of the business.

The Company has invested in a number of strategic growth initiatives across FY24. Construction of a new 112-bed residential aged care Home in Camberwell (Melbourne) remains on track to open to new residents by the end of 2024. We have progressed plans and a program of work for three other greenfield developments in Toowong (QLD), Belrose (NSW) and Carlingford (NSW).

Regis has a long history of greenfield development and will continue to build contemporary, fit for purpose and desirable aged care Homes for older Australians, with high care and service standards. We continue to invest in the refurbishment and redevelopment of our Homes to future proof the portfolio as well as ensuring they meet consumer demands.

In December 2023 we acquired the CPSM portfolio of five Homes with 644 beds in South-East Queensland, which was the Company's first acquisition since 2020.

This transaction aligns with our strategy to broaden our residential aged care footprint in high demand metropolitan locations, with quality Homes that have been recently built or refurbished, have an excellent accreditation history and strong financial performance. The Homes have performed strongly since acquisition with the business now integrated into Regis' operating structures, systems and processes.

Regis will continue to pursue strategic acquisitions whilst maintaining a disciplined approach to seeking quality Homes that will be earnings accretive.

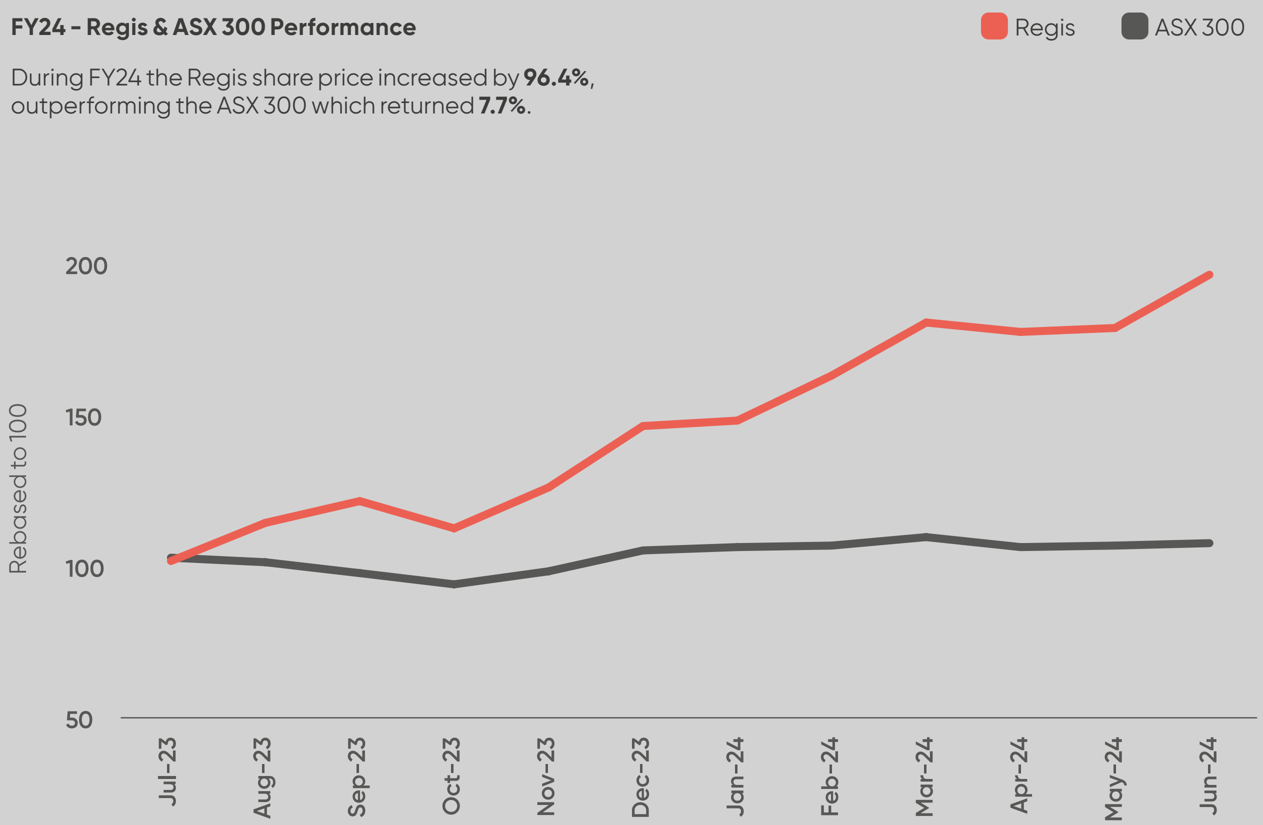
The Board was pleased to announce the appointment of Ms Jodie Leonard as an independent Non-Executive Director effective 28 November 2023. Jodie's addition to the Board ensures that Regis has a majority of independent Directors. Jodie has also assumed the Chair of the People and Remuneration Committee.

I extend my gratitude to my fellow Board Directors for their active and constructive support throughout FY24. Additionally, I want to express my appreciation to all Executives and employees at Regis for their valuable contributions over the past year. Their unwavering focus on our residents and clients remains at the heart of Regis' purpose. Lastly, I sincerely thank our shareholders for their ongoing support.

Graham Hodges
Chair

FY24 - Regis & ASX 300 Performance

During FY24 the Regis share price increased by **96.4%**, outperforming the ASX 300 which returned **7.7%**.



Managing Director and CEO's Report

DR LINDA MELLORS

I am pleased to present the Managing Director and CEO's Report for 2024.

Regis has a skilled and experienced workforce dedicated to enhancing care quality and services for each of our 9,000+ residents and clients. Our employee count has surpassed 11,000 this year, driven by improved occupancy and the acquisition of CPSM.

Regis' purpose is clear and remains completely centred on providing personalised and respectful care that embraces the experience of ageing. This means accepting each person and their individual preferences; supporting them to live the best life they can.

Long-term industry thematics include an ageing population with more complex healthcare needs that will challenge workforce and infrastructure across hospital, aged care and community health systems. Aged care will continue to evolve to provide higher quality and more sophisticated and technologically driven services in the residential and home care settings.

The Baby Boomer generation is fast approaching the age where more residential aged care will be required. This cohort will expect modern facilities with single ensuite rooms and larger suites. Refurbishment works, development projects and acquisitions are centred around the changing requirements of new and future resident cohorts.

Government Reform

Regis strongly supports the key recommendations of the Aged Care Taskforce that seek to make aged care more sustainable, person centred and fair. After many years of chronic underfunding with a significant portion of the sector operating at a loss, the sector needs predictable and sustainable funding to be able to invest in the high-quality services and aged care homes that Australians expect.

Recent Government reforms which are having a meaningful impact on the sector include:

- Better funding for care - From 1 July 2023, the Independent Health and Aged Care Pricing Authority (IHACPA) now provides residential aged care pricing advice to the Government. It is our belief that IHACPA will provide a fairer representation of the actual costs of delivering high quality care with more reasonable levels of indexation.
- Improved wages for aged care workers - The Fair Work Commission finalised its Stage 3 decision on aged care wages in March 2024 with eligible care and support workers to receive an additional pay increase of up to 13.5%. Regis strongly supports higher wages that reflect the value and difficulty of the work performed by frontline aged care workers. The previous Fair Work Commission pay increase of up to 15% to eligible aged care workers in July 2023 has seen a notable reduction in employee turnover and an uptick in job applications, especially in personal care worker classifications.
- New Aged Care Act - The Royal Commission into Aged Care Quality and Safety found that the current Aged Care Act is no longer fit for purpose and that a new Act should focus on creating a simpler, safer system, strengthening the powers of the regulator and creating more choice and control for residents. The Government targeted legislating a 1 July 2024

commencement date, however following extensive feedback received during the consultation period on the incomplete exposure draft, this has now been postponed to 2025.

- New Quality Standards - The new legislative regime will include strengthened Quality Standards that are designed to improve outcomes for older people and set clear expectations for providers in delivering quality aged care. Despite the delay in commencement, Regis continues to roll out upgraded systems and processes to meet the proposed new standards.
- Deregulation of bed licences – Will provide flexibility for providers to build new aged care homes at preferred locations, once the new Act is introduced.

Operational and Strategic Update

In terms of FY24, our key operating achievements over the last year include:

- Average occupancy increased to 94.1% from 91.5% in FY23
- Revenue from services increased 30% to $1,014.1m and underlying EBITDA increased 29% to $107.2m
- Net operating cash flow increased 140% to $252.3m with net RAD cash inflow of $141.0m
- Capex increased by 25% as spending ramped up on the Camberwell development and targeted improvements were made to other facilities
- Increased average overall star rating from 3.32 Q1 FY24 to 3.62 Q3 FY24
- Average care minutes increased from 187.9 minutes Q1 FY24 to 210.5 minutes Q4 FY24
- Lost time injury frequency rate (LTIFR) claims of 5.95 is industry-leading against a sector average of 23.9
- Acquisition and integration of CPSM, a premium residential aged care business with five Homes and 644 beds in South-East Queensland
- Employee turnover reduced from 38% to 29%
- 98% of assessed ACQSC accreditation requirements met
- Won two Future of Ageing Awards for Supporting Independence and Research demonstrating our commitment to enhance the lives of older people
- At the 2024 RLDatix Awards, Regis won the award for the Safer and Supported Workforce in recognition of the Circle of Care program
- Commenced the payroll remediation payment process and paid $28.6 million to current and former employees, inclusive of on-costs and interest payments
- Completed planning for a quality-of-care benchmarking project in partnership with Digital Health Cooperative Research Centre, Australian Government Department of Health and Aged Care, CSIRO, University of Queensland and AutumnCare with the trial to commence from 1 July 2024.

Our purpose is to deliver personalised and respectful care that embraces the experience of ageing.

Regis' Culture of Care is focused on delivering safe, effective and integrated care for residents and clients. In FY24 we made significant advances on embedding and integrating the person-centred Montessori model of care and improved resident outcomes through targeted nutrition and reducing unplanned weight loss. A new Diversity and Inclusion Action Plan has been rolled out with the aim to integrate inclusivity into every facet of our operations.

In terms of our People, we designed a new people management system to improve the employee experience, increase efficiencies, and ensure accuracy and reporting compliance. We reduced agency usage and improved talent acquisition, learning, development and leadership frameworks. The employee engagement survey in March 2024 demonstrated a strong engagement score of 86%.

We enhanced our business intelligence systems, work practices and cybersecurity capability and made significant investments in the ongoing refurbishment of our portfolio and progressed our pipeline of greenfield developments.

We continued to divest non-income-producing assets with Macleod and four retirement villages sold.

We are actively exploring the role of artificial intelligence and its potential to improve care and create time efficiencies for our workforce. One ongoing research project is the development of a model to pinpoint clinical decline amongst residents utilising multiple data systems to improve care outcomes.

These investments in people, processes and systems have improved the sustainability of earnings and reduced risk. We have an experienced management team, a well-trained workforce and systems that are more scalable and reliable.

Outlook

Regis has a wide range of growth opportunities and potential catalysts of future value.

Improved workforce availability is expected to improve continuity of carer and the rapport and familiarity between residents, clients and employees. Increased permanent staffing levels improve the worker experience, reducing turnover, training costs, agency and overtime hours.

The ageing population and lack of beds being built have led to a supply issue which we expect will create positive tailwinds for our business.

The Aged Care Taskforce recommendations if introduced will provide new and expanded revenue streams for the sector, improving financial returns and sustainability of the sector.

Our strong balance sheet and substantial debt facility, together with the disciplined management of the business, supports the active pursuit of further material strategic acquisitions and greenfield developments to increase shareholder value.

I express my sincere gratitude to each of our 11,000+ employees for their unwavering dedication, commitment, and care in serving all our valued residents and clients.

Dr Linda Mellors
Managing Director
and Chief Executive Officer

Regis and the Aged Care Environment

The aged care sector has experienced significant change in response to the Government's reform agenda. Stakeholders now better understand that sufficient funding, regulatory frameworks, and a well-supported workforce are required to achieve positive care and service outcomes for consumers. Increased funding is needed to support further improvements and better-quality aged care for current and future generations of residents and clients. The sector eagerly anticipates the Government's response to the Aged Care Taskforce final report and further detail on the new Aged Care Act to be legislated in 2025.

New Aged Care Act

The Australian Government is introducing a new Aged Care Act to strengthen Australia's aged care system. The new Act aims to ensure that consumers who access aged care services funded by the Australian Government are treated with respect and have the quality of life they deserve. The new Act is focused on creating a simpler, safer system, with strengthened regulatory powers and creating more choice and control for residents.

Following extensive feedback received during the consultation period on the incomplete exposure draft, this has been postponed to 2025.

Strengthened Aged Care Quality Standards

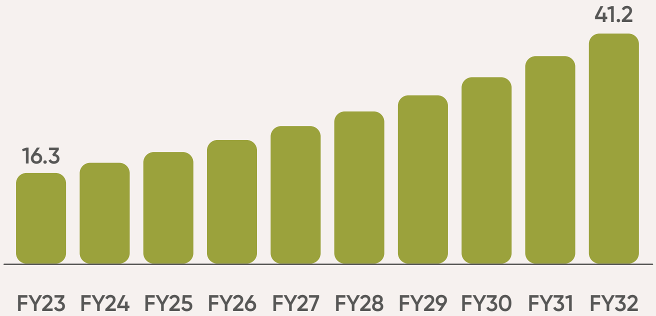
The new legislative regime will include strengthened Quality Standards. The seven new quality standards cover: the Person, the Organisation, Care & Services, the Environment, Clinical Care, Food & Nutrition and Residential Community. The new standards will be introduced with the commencement of the new Aged Care Act.

Funding and IHACPA

Aged care funding has become more transparent with the AN-ACC model which commenced in October 2022. The Independent Health and Aged Care Pricing Authority (IHACPA) is now responsible for modelling the cost of care under the AN-ACC funding model and providing recommendations to Government.

In the Final Report of the Aged Care Taskforce, funding for residential aged care is forecast to increase from $16.3 billion in FY23 to $41.2 billion over the next decade, an 11% cumulative average growth rate. In FY23, expenditure on aged care was around $1,000 per person per annum, and is projected to grow (in real terms) to around $3,500 in 40 years[1].

Residential Aged Care - Government Funding ($b)



Sources: Australian Government Productivity Commission: Report on Government Services 2024 and Final Report of the Aged Care Taskforce

[1] Australian Government, Intergenerational Report 2023: Australia's future to 2063, 2023

Work Value Case

Over the last two years significant increases have been made to the aged care modern awards. From 30 June 2023, eligible aged care workers received wage increases of up to 15%. On 1 July 2023, many workers also benefited from a 5.75% increase to the Annual Wage Review (AWR). In March 2024, the Fair Work Commission finalised its Stage 3 decision on aged care wages with eligible care and support workers to receive an additional pay increase of up to 13.5%. The Government has committed to funding these further pay increases to be phased in from January 2025 and October 2025.

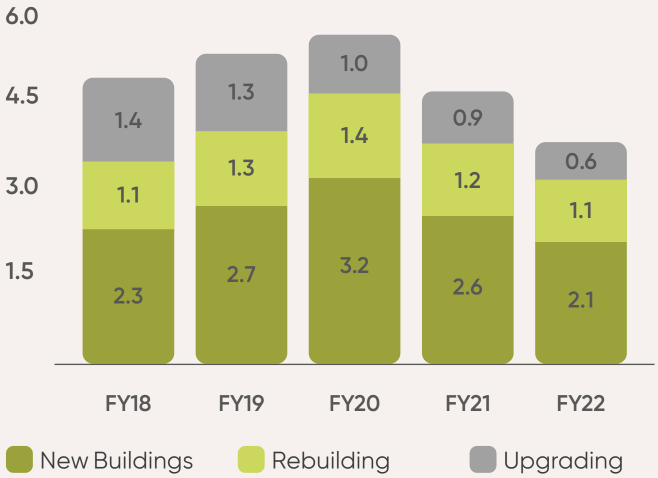
Ageing Demographic

Australians are living longer and this comes with greater frailty and more complex care needs late in life. Over the next 40 years, the number of people over 80 years of age is expected to triple to more than 3.5 million[2].

Residential Aged Care Development

The ageing population means demand for residential aged care will continue to grow. Analysis undertaken by the Department of Health and Aged Care estimates an investment of $37 billion (in today's dollars) would be required to build the additional aged care beds needed by older people in 2050[3]. Over the next decade to 2030, additional investment of approximately $5.5 billion would be required to refurbish and upgrade existing aged care rooms, increasing to $19 billion by 2050. In recent years, aged care providers have been reducing their investment in new developments and refurbishments due to heightened building costs and the inadequate investment returns in the current funding environment.

Aged Care Sector Building Activity ($b)



Source: Department of Health and Aged Care: Financial Report on the Australian Aged Care Sector 2021–22

Aged Care Taskforce

The Aged Care Taskforce was established to review sector funding arrangements and to provide recommendations to ensure a long-term sustainable sector. The Taskforce was announced as part of the Government's 2023-24 budget and was chaired by the Minister for Aged Care. The final report of the Aged Care Taskforce was released on 11 March 2024 and contained 23 recommendations.

Key Aged Care Taskforce Recommendations

Recommendation 9: Government to Fund Care

- Focus Government funding in residential aged care on care related costs, where on average, Government funds around 94% of costs of delivering care.
- Significant role for resident co-contributions on non-care aspects (everyday living and accommodation).
- Strong safety net for those without financial means.

Recommendation 10: Increase Funding for Everyday Living

- Daily living funding needs to cover full cost of services, as aged care providers, on average, are currently losing money.
- Introduce a supplement on top of the Basic Daily Fee (BDF).
- Supplement to be paid by residents with means, or by the Government.

Recommendation 12: Phasing out RADs

- Independent review in 2030.
- Transition sector by 2035 to no longer accept RADs. Move to rental-only model provided review determines financial sustainability, diversified/adequate capital for the sector and care remains affordable for consumers.

Recommendation 13: RAD Retention

- Providers retain a portion of RAD in near term to improve sector sustainability.
- Based on length of stay, with a cap on tenure to protect longer stay residents.
- Taskforce sees this rebalancing inequity between DAP and RAD payers.

Recommendation 14: Review Accommodation Supplement

- Review maximum accommodation supplement, which is paid by Government for concessional residents.
- Improve incentives for providers to meet the accommodation design principles.

Recommendation 15: Improve Accommodation Funding

- Develop package of measures to improve accommodation funding.
- Indexation of DAPs.
- Increase maximum room price.

[2] Australian Government, Intergenerational Report 2023: Australia's future to 2063, 2023. [3] Final Report of Aged Care Taskforce March 2024.

Timeline

This timeline highlights government, regulatory changes and key Regis events that occurred in FY24.

2023

July

Aged Care Worker Pay increase – Fair Work Commission Work Value Case increased modern awards wage rates by 15% to eligible aged care workforce.

Aged Care Worker Pay increase – Annual Wage Review (AWR) announced increase of 5.75%.

Government increases starting AN-ACC price from $216.80 to $243.10 per resident per day to cover worker wage increases and indexation.

Hotelling supplement introduced by Government of $10.80 per resident per day, in place of the $10 supplement to basic day fee.

Requirement for registered nurses onsite 24/7. Regis had implemented this at all Homes for several years prior.

October

Government mandate care minutes commences, requiring on average 200 minutes per resident per day including 40 minutes per resident per day from a registered nurse, to improve the quality of care.

Regis' *Continuity of Carer* program launched, focusing on the philosophy of person-centred care.

Regis wins two Future of Ageing Awards for Supporting Independence and Research.

November

Regis announces acquisition of CPSM Pty Ltd adding five premium residential aged care Homes in South-East Queensland with 644 beds.

December

AN-ACC price increased from $243.10 to $253.82 to address shortfall in funding for 5.75% Annual Wage Review increase on 1 July 2023.

New requirements for governing body membership and provider advisory bodies to commence.

Release of exposure draft of Bill for a new rights-based Aged Care Act.

2024

February

Aged care providers' finances and operations data published on My Aged Care to improve sector transparency.

March

Aged Care Taskforce Final Report released with 23 recommendations.

Stage 3 Fair Work Commission Work Value Case determination made to provide eligible care and support workers an additional pay increase of up to 13.5%, on top of 15% pay increase effective 30 June 2023. Cleaners, cooks and laundry hands in aged care also receive pay rises of ~7%.

Regis joins the S&P Dow Jones ASX 300 index.

April

Regis wins the RLDatrix Award for Safer and Supported Workforce in recognition of Circle of Care program.

Our Strategy

Our Strategic Plan outlines key areas of focus to further enhance excellent and sustainable outcomes for residents, clients, employees, shareholders and our community.

Our Purpose

Personalised and respectful care that embraces the experience of ageing

Our Values	Our Behaviours	Who we Serve
Optimism	We have a relentless customer focus	Our Residents
Passion	We are transparent and accountable	Our Clients
Integrity	We are collaborative	Our People
Respect	We all own quality and safety	Our Care Partners
	We continuously improve	Our Community
		Our Shareholders

Culture of Care

Our goals

We deliver Personal Care

We deliver Safe Care

We deliver Effective Care

We deliver Integrated Care

Positive People and Practice

Our goals

We empower, support and enable our people

We ensure the right people are in the right roles

We keep people physically safe and psychologically well

We provide an inclusive and flexible workplace

Ensuring our Future

Our goals

We transform our living, care, services and work through digital enablers

We expand and develop our property and service portfolio

We lead in operational excellence

We build positive partnerships

We embrace environmental sustainability

We are proud of what we have achieved over the last three financial years. Major achievements have included:

Culture of Care

- Implemented specialist roles in Infection Prevention and Wound Prevention to lead and drive a best practice framework across all our Homes and Services.
- Developed a Continuity of Carer model to ensure a consistent and person-centred approach to caring for a resident.
- Implemented the End of Life Direction Aged Care (ELDAC) model to enhance our approach to palliative care and advance care planning.
- Rolled out moulded foods to improve the nutrition and dining experience for residents on a texture modified diet.
- Implemented an Electronic Medication Management System to improve medication safety.
- Matured our clinical governance systems through a broad range of strategies, including enhancing our incident management, feedback and consumer engagement systems.
- Modernised our care management system to deliver more tailored and effective care planning for residents.
- Implemented a research strategy to target Regis' engagement in high value and high impact research projects.
- Developed and commenced implementation of a Diversity and Inclusion Action Plan, with tailored initiatives to enhance our person-centred approach to resident and client care and services.

Positive People and Practice

- Developed and implemented a Circle of Care strategy, a culture change program that has residents, clients, employees and the community involved in delivering a caring and supportive environment that enhances the safety and wellbeing of people.
- Implemented an early intervention program for injured employees to help them return to work earlier in a safe and supported way, which is supporting a substantial reduction in the number of claims and claim costs.
- Refreshed our intranet platform – RegiNET – to support improved communication with and information to our workforce.
- Strengthened our business resilience framework, including training for our leaders in emergency management and crisis management.
- Implemented a leadership model to support our people in leadership development and capability.
- Invested in evolving our People and Culture capability through people business partners and workplace relations specialists.
- Designed a new people management system to improve the employee experience, increase efficiencies, and ensure accuracy and reporting compliance.

Ensuring our Future

- Progressed our greenfield developments and acquired five premium care Homes in Queensland to continue to grow our residential aged care portfolio.
- Enhanced our additional services model to provide more choice and flexibility to residents.
- Successfully obtained NDIS registration to continue to deliver care and services to NDIS funded residents and clients.
- Completed major IT upgrades to ensure our systems remain efficient and effective.
- Enhanced our cybersecurity strategy to keep information safe.
- Continued our advocacy and engagement efforts with respect to the Aged Care Reform agenda.
- Commenced implementation of a comprehensive ESG plan, which will deliver significant improvements for our overall sustainability.

In developing our strategic plan to cover FY25-FY27 we have worked closely with our residents, clients, employees and leadership team. This valuable input has helped to identify our strengths, challenges and opportunities, and shape the strategic priorities that will underpin our continued approach to excellent and sustainable outcomes.

Our Strategy

Culture of Care

Regis is focused on delivering high-quality care and services to our residents and clients. We cultivate a Culture of Care by delivering personal, safe, effective and integrated care that prioritises the wellbeing and dignity of everyone.

Continuity of Carer

In October 2023, Regis proudly launched the Continuity of Carer program. The program is centred on the philosophy of person-centred care and is designed to provide holistic support to residents. The model was supported by a Regis working group and change management strategy to ensure an integrated approach to care delivery.

Continuity of Carer involves allocating the same carers to the same group of residents as often as possible. The increased frequency of working with the same group of residents allows our carers to provide more holistic care to each individual. The model supports our care teams to notice changes in our residents' health, wellbeing and care needs, which builds strong, trusting care relationships with residents, their families and representatives.

The initiative also aims to improve employee satisfaction and fulfilment while extending Regis' commitment to quality and safety systems and overall care.

The Infection Prevention and Control Lead Nurse Project

The financial year saw the 300th Regis nurse complete the Foundation Course in Infection Prevention and Control, a postgraduate level qualification offered by the Australasian College for Infection Prevention and Control. This year a further 56 nurses completed the same qualification at Regis.

Driven by the global COVID-19 pandemic, the Infection Control Lead Nurse project was established in 2020. Its aim was to ensure each Home had a nurse dedicated to Infection Prevention and Control (IPC Lead Nurse). Having an in-house nurse with specific expertise and knowledge in IPC has meant that every Home has a point of contact they can immediately turn to for guidance and support at the time of an outbreak and other infection related matters.

Initially funded by the Commonwealth Government, Regis has seen the benefits of the project and has expanded it into a broader IPC program. Regis continues to support the program by funding nurse participation in the postgraduate course, study days and dedicated time for the IPC Lead Nurse to attend to weekly tasks. Infection rates across our Homes have significantly reduced this financial year and we believe this is largely attributable to this program.

Regis' National Manager for Infection Control provides monthly education sessions accessible via webinar to assist nurses in their ongoing education. Particular focus is on pertinent infection issues relating to the current season and time of year.

In addition to IPC Lead Nurses bringing improved infection control measures into our Homes, they also play an integral role in supporting their peers and fellow team members in ongoing education relating to effective infection control measures. In doing so strengthening capability across our entire workforce.

Alfred Mifsud, Resident Buddy Program

Seventy one year-old Alfred Mifsud is the first resident to have been appointed as a 'Resident Buddy' at Regis Ringwood.

Introduced at the Home during the reporting year, the initiative identifies residents who have that 'little bit extra' to give to their Home community and empowers them to step up as mentors and leaders. The initiative also helps improve their own self-esteem and physical and psychological wellbeing.

For Alfred, this means helping his fellow residents, whether it is serving their meals and drinks during happy hour, helping them with exercises, joining activities or generally spending time socialising with those who are keen for some extra company.

Alfred also takes on communication roles such as announcing the day's menu and activities and is driven by bringing happiness to our residents and employees.

Having the opportunity to become a Resident Buddy has benefited him immensely. Alfred has grabbed the opportunity with both hands and has reported a greater sense of daily purpose and increased happiness.

Alfred has been officially recognised by employees and fellow residents with a certificate as well as a Regis name badge which he proudly wears every day.

Inter-Home Community Events: Bringing Everyone Together

Regis' commitment to ensuring residents can live rich, interesting and purposeful lives extends to ensuring our seniors can also have special and exhilarating experiences.

The Regis Inter-Home Community Event initiative has been running across Australia since mid-2023 and is designed to support residents and clients to continue to live interesting, connected and fulfilled lives where they can continue to gain new experiences and engage with each other. This year, the theme was 'Bringing Everyone Together.'

Held every quarter, residents from multiple Homes in a particular state come together for a major event. One example of this lies in Regis' exclusive Grand Final lunch event at the Melbourne Cricket Ground (MCG), which was attended by 120 residents from 15 Homes in Victoria two days before the Grand Final.

In May 2024, over 300 residents from 17 Homes in Queensland were invited out for the day at the historic Breakfast Creek Hotel. Residents were excited to forge new and meaningful connections with other residents, share stories and build memories.

Also in May 2024, 54 Perth residents participated in the Big Day Out visiting Caversham Wildlife Park and then enjoying a long lunch at Mandoon Estate Winery. In June nearly 100 residents attended the Twirling Down Memory Lane dance held at Fremantle Town Hall, a venue significant to many residents' past dance experiences.

Days like these focus on creating a sense of community among residents from different Homes. These events are shaped entirely by resident input through conversatons and collaborative meetings, ensuring an authentic and meaningful experience. Regis is passionate about creating these types of community outings and is focused on enriching the lives of those who choose to live with us.

'BESTMED' Program

One of Regis' flagship projects—the BESTMED program—was piloted in FY23, with significant benefits realised during the FY24 reporting year.

The initiative involved implementing an Electronic Medication Management System across Regis' Homes. As a result, the number of pharmacies which our team members regularly liaise with was reduced by 49%. This streamlining has enhanced the consistency and efficiency of our pharmacy services.

As a result of its implementation at the end of April 2023, there has been a 63% reduction in overall medication incidents, comparing pre-implementation to post-implementation data.

In addition, our latest Time in Motion study has identified a 34% saving in employee time relating to medication administration processes following implementation, resulting in enhanced efficiency and more time becoming available to direct resident care and interaction.

There has also been a significant improvement in the transparency in documentation and error tracking, contributing to effective governance.

This initiative has provided a wide range of benefits to both employees and residents, which has had a flow-on effect of enabling employees to dedicate more time to residents' care.

The Port Coogee Health and Wellness Centre

Regis' Port Coogee Health and Wellness Centre was officially launched at the start of the financial year, offering a range of physiotherapy, exercise physiology and occupational therapy services to the local community.

Funded through the Commonwealth Home Support Programme (CHSP) and co-located on the Regis Port Coogee site, this tailored allied health service has proven highly successful since its launch, with 150 service hours recorded during the first month of opening, which has subsequently doubled to 300 hours per month at the end of FY24. In addition, over 2,700 service hours were delivered during the financial year with more than 200 clients accessing the service.

The Centre, which is currently open three days a week (applications for growth funding to enable it to open five days a week are currently underway), has a focus on assisting seniors to improve their strength, balance and endurance, in addition to offering a home modification assessment service.

The Centre has been successful in reaching a number of social and community inclusion goals, including helping clients to connect and engage with others, creating a sense of camaraderie with seniors supporting each other and celebrating both collective and individual achievements.

Embedded Pharmacist Trial

In anticipation of the implementation of the aged care on-site pharmacist measure, Regis has partnered with Choice Aged Care to pilot an onsite pharmacist service across three residential aged Homes in Brisbane, Townsville and Adelaide.

This pilot has proved successful and has been positively received on many levels. Benefits have included residents and their representatives gaining improved access to information regarding their medication management, minimising avoidable medicine related misadventures, enhanced accessibility to a medication expert at the point of care, and enabling employees the opportunity for incidental learning and education from the on-site pharmacist.

This pilot is yet another example of Regis leading the industry in terms of collaborating with a respected industry partner to pilot a new model of care which has numerous benefits for both our residents and workforce.

ELDAC Linkages Program

End of Life Directions for Aged Care (ELDAC) is a national specialist palliative care and advance care planning advisory service.

Regis participated in the ELDAC Linkages Program, a facilitated palliative care and advance care planning initiative that aims to improve the quality of end of life care for all older Australians receiving aged care. The program is underpinned by evidence-based strategies to enhance linkages between aged, primary and specialist palliative care providers.

Participation in the program led to improved advanced care planning processes and developing more comprehensive and person-centred care plans in participating Homes. Using ELDAC audit tools, especially the After Death Audit, helped Regis identify areas for improvement and refine practices. The program guided Regis in developing our current palliative and end of life care model, providing a structured framework to ensure high-quality palliative care in all our residential care Homes.

Consumer Advisory Body

New Consumer Advisory Body (CAB) requirements came into effect for aged care providers on 1 December 2023.

Regis has experienced the benefits of consumer advisory bodies in engaging with consumers to make improvements. Over two years ago, Regis established a Consumer Advisory Council in Queensland and, in December 2023, Regis' Consumer Advisory Council was expanded further to represent Homes in Far North Queensland, with the first meeting being held in March 2024. State CABs have also been established in South Australia and Victoria, and more recently in Northern Territory, Tasmania and Western Australia. A Home Care CAB was also established towards the end of the reporting year.

CABs play a vital role in enhancing the quality of care and services Regis provides to residents and clients. We believe that residents, clients and their representatives are best suited to identify challenges, suggest improvements and advocate for the needs of the community we care for.

Importantly, these forums give feedback to the Regis Executive and Board, which is then considered in organisational decision-making. We welcome members from all backgrounds to these forums and believe that diverse experiences and perspectives are essential in shaping the future of aged care services at Regis.

Board Member representatives, as well as Regis' CEO and Regional General Managers, attend meetings in person. Subject matter experts are also brought in to provide specific information on topics, as required.

Regis Blackburn Partnership with University of Melbourne

Throughout the reporting year Regis has been part of many strategic partnerships, collaborations and alliances with complementary organisations.

In August 2023, Regis Blackburn welcomed students from the University of Melbourne, in collaboration with ADP Consulting, for an 'Immersion Day'. The event gave students, who were undertaking a Master of Public Health, the opportunity to experience the aged care environment in practice and gain an understanding of complex healthcare environments.

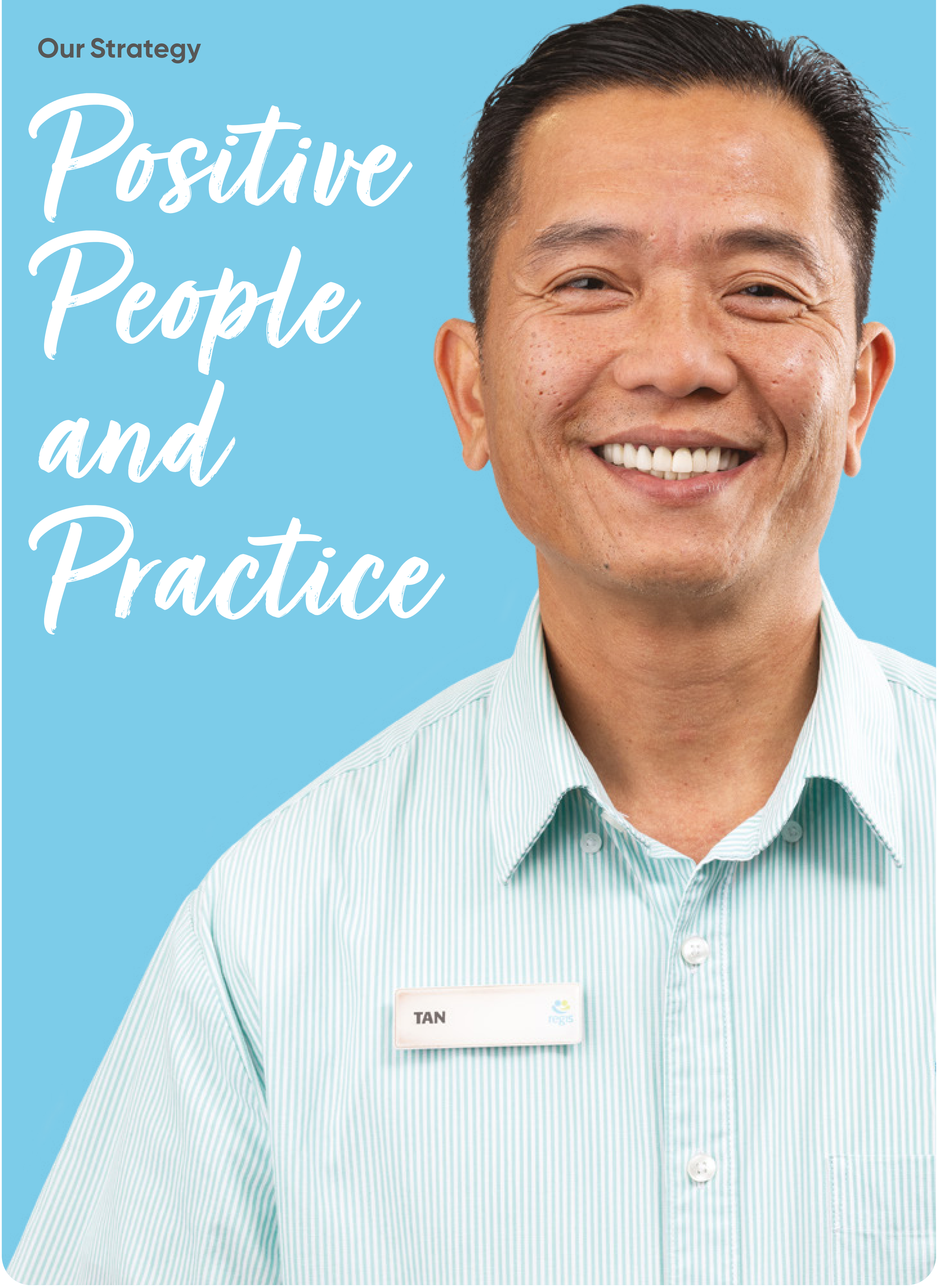
The event also offered a fantastic opportunity for Regis to showcase and celebrate the leaders, operations, designs and models of care that make up the organisation. This important partnership ensures that we can engage with prospective healthcare professionals to share knowledge that will be valuable for the future of care at Regis.

Members of the Regis team were in attendance to offer their insight and expertise, answer questions and take students on a tour of the Home. The panel sessions covered critical areas of the business including property, operations, clinical, lifestyle, and maintenance, giving students a holistic look at an aged care environment and the interplay of various disciplines required to ensure the wellbeing of residents.

This collaborative initiative underscored a meaningful partnership between academia and industry and fosters an environment where prospective healthcare professionals can engage directly with the real-world intricacies of caregiving.

Our Strategy

Positive People and Practice



Regis continues to invest in ensuring we have a highly skilled and capable workforce. Building on our culture of high performance to drive engagement and retention is a key focus. Our commitment to Positive People and Practice ensures that we empower, support and enable our employees, placing the right people in the right roles, maintaining their physical and psychological safety, and fostering an inclusive and flexible workplace.

Employee Engagement Survey

With a strategic focus on maximising engagement for our employees, the annual Regis Employee Engagement Survey took place in March 2024. We moved to a new provider with an improved methodology and technology platform to share the results with our people.

We are proud to report 86% sustainable engagement at an organisation level which reinforces the work we are doing to create a positive career experience for our people. We are significantly outperforming the Australian country benchmark by 6%, with strong results in employees feeling enabled to do their job effectively. Further, 91% of employees feel their work provides a sense of meaning and purpose.

Spanning a range of topics and questions, our employee survey is an important tool in assisting Regis to gain feedback from employees and understand what we are doing well and what we can improve on. The feedback from the survey highlighted several strengths, including our focus on providing excellent resident and client service, alignment to our organisational purpose and goals, career pathways and training opportunities, and the health and safety of our employees.

The feedback from the survey will also be used to identify areas of opportunity to further improve engagement and collaboration, aid retention within the business and refine our Diversity and Inclusion strategy among other things. These initiatives will guide our next steps in creating targeted action plans to enhance overall employee satisfaction and engagement.

2023 Regis National Care Awards

The 2023 Regis National Care Awards took place virtually on 6 December 2023 and proved to be an important opportunity to celebrate our passionate and exceptional employees, teams and volunteers who go above and beyond to provide extraordinary care and service for our residents, clients and each other.

Established in 2003, the Awards continue to engender a sense of excitement, fun and anticipation, and this year was no different. Over 4,000 nominations were received across 11 categories: Outstanding Home Services, Clinical Care Excellence, Outstanding Carer, Outstanding Dementia Care, Volunteer of the Year, Outstanding Leadership, Operational Excellence, Initiative or Innovation of the Year, Environmental Leadership, the Values Award and the Quality and Safety Improvement Award.

In addition to the 11 categories, a further three Awards were based on agreed criteria, these being: Circle of Care – Outstanding Safety Leadership, Home of the Year and the CEO Award.

All finalists received framed certificates, with winners and runners up also receiving prize payments, though for many, the act of being nominated offered recognition and a sense of pride in itself.

The Awards are an important tool in acknowledging those employees, teams and volunteers who make the Regis experience remarkable, while embracing the Regis core values of Optimism, Passion, Integrity and Respect.

There is a favourable trend towards women in terms of earnings compared to men.

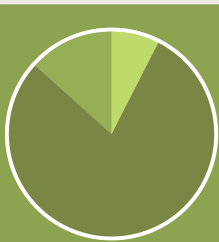
$1.00

The Median Gender Pay Gap is **0.2%** in favour of women

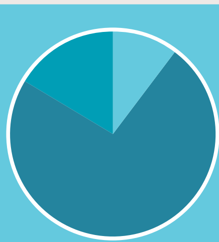
99.8c

80% of the total workforce are females

20% of the total workforce are males



Casual	11.04%
Part time	76.69%
Full time	12.27%



Casual	11.99%
Part time	70.86%
Full time	17.15%

Women hold **57%** of Board seats.

50% Females in Regional General Manager Roles

Women hold **50%** of Executive Leadership Team positions.

78% Females in General Manager Roles

Median Gender Pay Gap as at 30 March 2024 (WGEA submission). All other data as at 30 June 2024.

Gender Equity Within our Business

Regis is a diverse workplace that welcomes and embraces the varied perspectives that our employees provide in delivering care to our residents and clients. Women make up 80% of our total workforce, 50% of our Executive Leadership Team and 57% of our Board. We are proud of our position regarding gender pay equity, as well as in other areas of diversity and inclusion within our business.

We have closed the gender pay gap through targeted review and action over the past four years. This includes embedding diversity and inclusion principles in the end-to-end recruitment process, conducting an annual pay equity review and actioning any identified anomalies, introducing benchmarking for all salaried positions, and setting clear targets and developing strategies for increasing the number of women in senior manager roles.

This year Regis developed a Gender Pay Gap Employer Statement for 2022-2023 that provided additional information about our gender pay gap and the key actions being undertaken to address identified gaps and leverage our strengths. For the first time, this statement was published by the Workplace Gender Equality Agency (WGEA) and is available publicly on their website and the Regis website. At Regis, our commitment to gender pay equity is intrinsically linked to our commitment to diversity and inclusion and we continue to support gender equity in all its forms.

Embracing Diversity and Inclusion

Regis embraces diversity in all its forms by welcoming our residents, clients, families and employees for who they are and what they bring. We nurture an inclusive and safe environment where everyone is heard, respected and valued.

Regis is continuously improving our approach to diversity and inclusion. Highlights from this year include:

- Appointment of our first Diversity and Inclusion Manager responsible for the design and delivery of a range of strategic projects and operational initiatives that build a diverse and inclusive organisation for residents, clients and the workforce.
- Development of the diversity and inclusion framework and execution of an annual action plan focused on five domains:
  1. Leadership and governance for diversity and inclusion
  2. Providing inclusive services and care
  3. Supporting our diverse workforce
  4. Health literacy and plain language
  5. Building inclusive partnerships and communities
- Annual Leadership Day focused on the central theme of diversity and inclusion with presentations from experts in the areas of inclusion, cultural safety in the workplace and cultural needs within the aged care environment.

MoveSafe

After four years with Regis and two decades in the aged care sector, Candice Green initially felt uncertain about her nomination for the 'MoveSafe Champs' training program. Despite her reservations, Candice considered the confidence her nomination reflected and decided to participate.

The training turned out to be transformative for Candice, significantly boosting her capabilities and self-confidence. She was even invited to speak about her experiences with the training to Regis' CEO, an opportunity she would not have imagined possible a year earlier.

Candice attended a two-day MoveSafe training program in Townsville, which was invaluable for updating her knowledge and skills in manual handling techniques. After the training, she returned to Regis Home Hill, which became a pilot site for the program. There, she led sessions to teach her colleagues everything she had learned, covering how to safely use hoists, push trolleys, assist seniors with sitting and standing, and use slide sheets.

Residents were actively involved in these sessions which occurred every two weeks. Their participation not only made the training more enjoyable but also more realistic, as it wasn't just practice on mannequins but involved real people. Candice observed that involving the residents helped demonstrate the team's skills and dedication to safe practices, making the sessions more impactful.

As a result, there has been a noticeable cultural shift within the Home over the past year. Work practices have aligned more closely with Company values, leading to a unified approach to care.

Our Strategy

Ensuring our Future

To future-proof our business we continue to focus on transforming our living, care, and services through digital innovations, expanding and developing our property and service portfolio, lead in operational excellence, build positive partnerships, and embrace environmental sustainability.

Our growth strategy focuses on the pursuit of greenfield developments and targeted acquisitions to broaden our residential aged care footprint. In addition, the Company continues to make significant investment in technology and systems to transform our processes and the ongoing refurbishment of our existing Homes to meet evolving resident needs.

Regis Acquires CPSM Homes in Queensland

On 1 December 2023, Regis acquired CPSM – a premium residential aged care provider based in south-east Queensland for $75.2 million.

Five established aged care Homes—four in Brisbane and one on the Gold Coast—were welcomed to the Regis community, increasing our capacity for residential care by a further 644 beds and expanding our workforce by more than 800 employees.

The acquisition is consistent with Regis' strategy to broaden our portfolio.

Regis' integration team spent the following six months working in collaboration with CPSM's employees to integrate the five Queensland Homes into the national business, covering all aspects of operations, resident care and wellbeing, workforce, rebranding and systems and process. The Homes have continued to perform strongly with average occupancy of 97% since acquisition.

Regis continues to seek out further strategic acquisitions to continue expanding our residential aged care footprint across Australia.

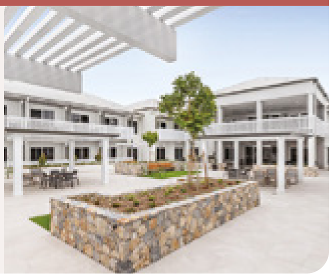
Overview of Homes

Aspley Aged Care

- Brisbane North
- 119 beds
- Opened 2018
- 100% single ensuite

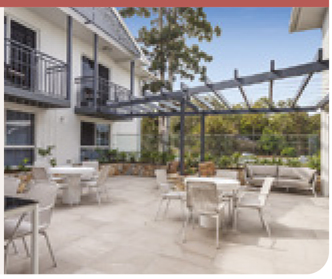
Camp Hill Aged Care

- Brisbane South
- 141 beds
- Opened 2022
- 97% single ensuite



Holland Park Aged Care

- Brisbane South
- 102 beds
- New wing and refurbished wing 2019
- 88% single ensuite

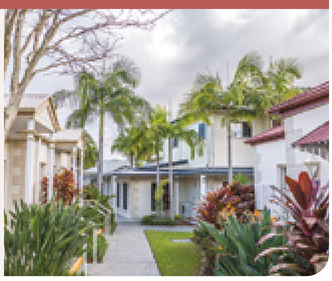


Lodges on George

- Redcliff Peninsula
- 132 beds
- Refurbishment 2020
- 100% single ensuite

Magnolia Aged Care Coomera

- Gold Coast
- Suburb: Upper Coomera
- 150 beds
- Refurbishment 2020
- 95% single ensuite



Regis Capital Projects

In FY24, Regis invested the following in capital projects:

Development:
$33.9 million

Maintenance and Refurbishment - Residential Aged Care Homes:
$30.3 million

Maintenance - Retirement Villages:
$1.2 million

Developments

Regis Camberwell

In September 2022, Regis commenced construction of a new, state-of-the-art residence, located in Camberwell, Melbourne.

The project represents a significant investment in our commitment to provide superior aged care services, and to meet the growing demand for high-quality care.

Regis Camberwell is designed to accommodate 112 residents across a four-level residence, offering a comprehensive range of care options, including permanent care, respite care, palliative care and a Memory Support Unit.

The development is progressing as planned with fit out works underway. Regis Camberwell remains on track to open to new residents late 2024.

Regis Toowong

In May 2024, Regis concluded the construction tender process for its latest development project to construct a new 123 bed Home at our site located in the Brisbane suburb of Toowong.

To be known as Regis Toowong, the site is close to public transport and other community services and amenities. The Home will be built over five levels with the design responding to the site's elevated position, with many rooms capturing panoramic views of the city and adjacent Mt Coot-tha. Of the 123 beds there will be 92 standard rooms, three couples' rooms and 25 suites.

The new Home has been designed to Regis' latest design standards, responding to the latest thinking in contemporary aged care living. Each of the Home's seven wings or 'neighbourhoods,' will have access to their own outdoor space and raised garden beds. There will also be a generous secure community outdoor terrace located on level one and a modern café, library, hairdresser, and day spa situated on the ground floor providing an activated interface with the greater precinct.

Refurbishments

Regis is committed to ensuring that our Homes are maintained with regular reviews of our national property portfolio occurring to provide a consistent quality resident experience. At the commencement of FY24 a review was undertaken to identify projects of various size and scale to deliver on our commitment.

The substantial upgrade projects underway or completed in FY24 included:

Regis Sandgate Musgrave

The Regis Sandgate Musgrave Home is currently undergoing a $6 million refurbishment, reflecting our ongoing commitment to high-quality aged care. The upgraded Home will accommodate 202 residents, offering permanent, respite, palliative care and a Memory Support Unit.

The modern and spacious Home will now include 36 new resident suites with separate living areas, a cinema, chapel, recreational centre with café, and modern integrated kitchen and dining areas.

Regis Brighton Food Services

After completing major interior upgrades to Regis Brighton in FY22 and FY23, a full upgrade to our kitchen and dining experience was undertaken in FY24. The project included a new commercial kitchen and two new resident kitchens to further enhance the ambience of the dining experience at the Home.

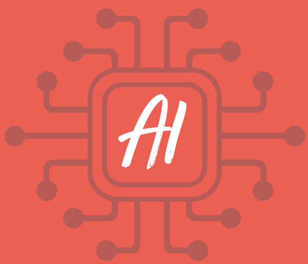
Regis Norwood, Hingston Hub

Regis Norwood underwent a major refurbishment thanks to the generous support of a bequest made by the Watson and Hingston Memorial Fund on behalf of beloved former resident Gwenneth Hingston. This incredible generosity allowed Regis to embark on a project that has transformed the Home's café area, renamed the Hingston Hub in Gwenneth's honour, into a vibrant social space designed to foster a community atmosphere.

The bequest also afforded the following enhancements within the new area:

- The revitalisation of the Home's outdoor area, accompanied by the development of a picturesque 'garden square' alfresco dining space for residents to enjoy.
- A state-of-the-art hair salon ensuring residents receive specialised care and attention.
- Cutting-edge cinema facilities, offering residents an immersive entertainment experience.
- New furniture throughout the area, enhancing the comfort and aesthetics of the space.

We extend our deepest gratitude to Gwenneth Hingston for her generosity—her legacy has enabled these wonderful improvements which will enrich the lives of our current and future residents. The Hingston Hub stands as a lasting tribute to Gwenneth's memory and we are profoundly grateful.



Artificial Intelligence

Regis has focused on the role of Artificial Intelligence (AI) and its immense potential to improve the quality of care for our residents and to create greater time efficiencies for our workforce. Key FY24 initiatives include:

- **Generative AI Model:** We have developed a generative AI model that incorporates our policies to enhance administrative efficiency.
- **Aged Care Standards Chat Bot:** To support our employees and residents, we have built a chat bot that provides comprehensive information on the new aged care standards.
- **Machine Learning Model for Clinical Decline:** A proof of concept machine learning model was developed aimed at identifying clinical decline in an aged care context.

These AI-driven projects underscore our commitment to leveraging technology to enhance our services and improve the quality of care we provide.

Our Clinical Governance

Everyone at Regis shares the goal of making sure that residents and clients experience the best possible care and services. The Regis Board, executive, managers and employees share responsibility for creating and supporting the delivery of high-quality care, with Regis' clinical governance systems fundamental to how each member of the Regis team understands and enacts their role and accountability.

Residents, clients and their families and representatives play an equally important role in helping us deliver care, through working with us to identify their needs, goals and preferences that guide the care and services provided to them, as well as by giving feedback that helps us to create and improve their experience.

Maturing our clinical governance framework and quality of care continues to be a top priority at Regis. Over the past year our initiatives have included: implementing the BESTMED electronic medication management system, expanding our Consumer Advisory Bodies, progressing our wound prevention and management program, redesigning our clinical handover system, improving our catering services and dining experience and implementing a Dining with Dignity Committee to oversee this important work.

Getting Ready for the Strengthened Aged Care Quality Standards

The current Aged Care Quality Standards were introduced on 1 July 2019 and Australian Government funded aged care providers must show that they meet the Quality Standards. Following a recommendation from the Royal Commission in 2021, the quality standards are being strengthened in vital areas such as food and nutrition, dementia, diversity, clinical governance and clinical care. There will be seven strengthened standards, each one having clear expectations, outcomes and actions that need to be met.

While the strengthened standards are expected to come into effect on 1 July 2025, Regis has been preparing for some time. This includes:

- Providing education, training and resources to employees on the strengthened standards, including in languages other than English.
- Reviewing our governance, policies and processes to ensure alignment with the strengthened areas.
- Reviewing our communication mechanisms with residents, clients and families, including how we share care plans and other important information.
- Strengthening our approach to meeting the multicultural and diverse needs of residents and clients.
- Improving the choice and variety of meals and the dining experience.
- Maturing our approach to emergency and disaster management.

Partnership with Digital Health Cooperative Research Centre (CRC)

Regis is the implementation lead for a first of its kind project aimed at transforming the current approach to the reporting of mandatory quality indicators and improving how the important data is used. Working in partnership with the Digital Health CRC, Australian Government Department of Health and Aged Care, CSIRO, University of Queensland and AutumnCare, the project will implement and evaluate data standards, interoperability solutions and quality of care benchmarking. The project planning is now complete, with pilot implementation occurring from 1 July 2024.

We look forward to providing you with a further update on how we are tracking in our next Annual Report.

Consumer Experience Data

The following data represents Regis' Quarter 4 (April to June 2024) results and relates to 4,145 resident surveys.

96%	**1:** I am treated with respect and dignity
92.6%	**2:** I am supported to make my own decisions about the care and services I receive
91.6%	**3:** I receive care and support from aged care staff who have appropriate skills and training
94.1%	**4:** I receive services and supports for daily living that are important for my health and wellbeing
88.8%	**5:** I am supported to maintain my social relationships and connections with the community
87.7%	**6:** I am comfortable lodging complaints with confidence that the appropriate action will be taken
84.1%	**7:** Do you like the food here?

Our Environmental and Social Commitment

Regis has cared for older Australians for more than 30 years. Beginning with 104 residents in regional Victoria, we now care for more than 9,000 people Australia-wide.

Following the profound impacts of the COVID-19 pandemic on the aged and healthcare sectors, the need to ensure the sustainability of high quality care in Australia has never been more apparent.

Our commitment to environmental, social, and corporate governance (ESG) is driven by the Board and Executive Leadership Team, with the Regis Property Committee, Audit Risk and Compliance Committee and People and Remuneration Committee all having specific ESG oversight responsibilities.

Reporting in to the Board Property Committee is the Management Working Group, comprising executives and members of senior management from various departments including operations, people and culture, property, quality, finance, legal and procurement. The Group is accountable for the overall implementation of ESG strategy, engaging with key stakeholders and collecting ESG related data and is responsible for carrying out sustainability related activities and initiatives to ensure a cohesive approach across the organisation.

During the financial year the Board approved a sustainability governance structure to drive Regis' sustainability initiatives and reporting under the new Sustainability Reporting Standards.

Broader initiatives as they relate to sustainability deliverables across the Property portfolio continue to be investigated.

Regis is undertaking an analysis in relation to Environmentally Sustainable Design (ESD) activities, specifically initiatives that could be introduced into our rolling major refurbishment program for our Homes.

Regis' sustainability program comprises of five key pillars that support the United Nations Sustainable Development Goals.

Caring for the Environment

We aim to minimise our environmental footprint to preserve and regenerate our shared natural world for future generations.

Caring for our Local Communities

We prioritise putting our local communities first for positive economic impact.

Caring for our People

We commit to maintaining our Culture of Care for our residents and our clients while extending it to our people, our care partners, our community and our shareholders.

Caring for Regis

We hold ourselves to the highest standards in behaviour, ethics and operations to continue delivering a prosperous Company.

Caring for Society

We advocate for systemic improvements and reform in aged care ensuring viable and quality access for now and into the future.

Regis supports the Sustainable Development Goals (SDGs). The United Nations has adopted 17 Sustainable Development Goals by 2030 with "a view to ending all forms of poverty, fighting inequalities and tackling climate change while ensuring that no one is left behind". We have identified which of the Sustainable Development Goals are relevant to our key pillars.

We have investigated and considered, and will incorporate, elements of sustainability frameworks including SDGs, Task Force on Climate-related Financial Disclosures (TCFD), Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) as appropriate in our strategy, in preparation for conformance with the International Sustainability Standards Board (ISSB) Standards.

Caring for the Environment

Regis is committed to responsibly managing the short and long-term impacts of our operations, including the use of natural resources such as electricity and natural gas and the production of waste.

Regis is one of more than 1,000 businesses that joined the Victorian Government climate change pledge toward two targets by 2050: achieving zero net emissions and keeping global temperature rise to under two degrees.

Energy consumption

Metric	Energy Consumption (GJ)	Energy Emissions (CO_2-e tonnes)
FY23	212,609	33,484
FY24	249,970*	39,063*

Data includes CPSM Homes from February 2024.

Recycling at Regis

The importance of recycling, environmental sustainability and avoiding unnecessary material ending up in landfill are goals shared across the Regis business.

At Regis Port Stephens, residents and employees are working together to ensure their Home is as environmentally friendly as possible.

The Home has developed several initiatives to improve its environmental performance. These include donating unwanted glasses and hearing aids to SpecSavers which, in partnership with Lions Clubs Australia, ensures they are recycled.

The Home also has an eco-bin available to collect used batteries, with between six and nine kilograms taken every month to a recycling facility.

Everyone is involved in the recycling initiatives, as one resident commented, "we don't want to just put things in the bin, we want to know that items are being recycled whenever possible or disposed of correctly".

Corporate Governance

The Regis Board is committed to high standards of corporate governance which support our business of providing quality care and services to our residents and clients, generating shareholder value and financial returns and achieving sustained growth and long-term success for Regis.

Regis, its Directors, Officers, and personnel ensure the system of corporate governance applies throughout the business and enables Regis to achieve its objectives, consistent with its core values as set out in the Regis Way.

Full details of Regis' compliance with the ASX Corporate Governance Council Principles and Recommendations, 4th edition can be found in the Regis Healthcare Corporate Governance Statement. This statement is on the company website at **regis.com.au/corporate-governance**

Board Skills and Experience

The Board considers that collectively the Directors possess the appropriate skills, knowledge, and experience necessary to direct the Company.

The Board has strong experience across key areas through its current mix of Directors.

The Board's skills matrix is included in the Corporate Governance Statement.

Shareholder Engagement

The Board is committed to compliance with Regis' continuous disclosure obligations and ensuring shareholders are kept informed of developments affecting the performance and strategy of Regis, including information necessary to assess the performance of Directors. Further information about Regis' investor relations program can be found in the Corporate Governance Statement.

Values and Ethics

The Board is committed to a high level of integrity and ethical standards in all business practices. The following policies ensure responsible and ethical behaviour from Regis employees as is set out in the Corporate Governance Statement.

- **Code of Conduct**
- **Anti-Bribery and Corruption**
- **Whistleblower protection**
- **Modern Slavery Statement**
- **Continuous Disclosure**
- **Dealing in Securities**
- **Diversity**

Copies of the policies can be accessed at **regis.com.au/investor-information/corporate-governance**

Feedback and Continuous Improvement

Regis is committed to providing the best experience for our residents and clients and welcomes feedback from members of the Regis community.

For further information on how you can provide feedback and how this is used to improve what we do, please visit: **regis.com.au/providing-feedback**

Board of Directors

Graham Hodges
Chair, Independent Non-Executive Director

Graham has been a Non-Executive Director since August 2017 and was appointed Chair on 1 July 2018. He has extensive international experience in the financial services industry with a career spanning more than 40 years. He commenced his career in Commonwealth Treasury, Canberra, where he worked for approximately 10 years before being seconded to the International Monetary Fund in Washington for several years.

Graham built an executive career at the Australian and New Zealand Banking Group Limited and was formerly the Deputy Chief Executive Officer, ANZ Banking Group Ltd.

Graham is currently a Non-Executive Director of Assemble Communities Pty Ltd and Non-Executive Director of Australia and New Zealand Banking Group Limited and ANZ BH Pty Ltd. He was previously Chair of ANZ SAM Board (Special Assets Management), Esanda, and ANZ Wealth, a Director of AmBank Holdings Berhad, and a member of the Australian Government's Aged Care Financing Authority.

Graham holds a Bachelor of Economics (Hons) degree from Monash University.

Special Responsibilities

- Chair of the Board
- Member of the People and Remuneration Committee (Chair until 27 November 2023)
- Member of the Audit, Risk & Compliance Committee

Dr Linda Mellors
Managing Director and Chief Executive Officer

Linda has been Managing Director and Chief Executive Officer since September 2019. Linda has over 20 years of executive experience in health and aged care. Prior to joining Regis, Linda held a range of roles in hospital and health systems predominantly in Victoria, as well as a national aged care service. Linda was Chief Executive Health Services and Chief Operating Officer of the broader business at Mercy Health and also the Co-Chair of the Victorian Metropolitan Hospital Chief Executive group.

Linda is currently a Board Director of Mackillop Family Services and Director of the Australian Aged & Community Care Providers Association (AACPA).

On 1 July 2024, Linda was appointed a Director of Mercy Community Services Australia Limited, including McAuley Community Services for Women, Mercy Services Limited, and Mercy Connect Limited.

Linda was formerly Chair of the Aged Care Reform Network, Chair of the Aged Care Guild, Chair of the North Eastern Metropolitan Integrated Cancer Service, Board Member of the Parent Infant Research Institute and Board Director of the South West Melbourne Medicare Local.

Linda has a PhD in Cardiac Physiology, Bachelor of Science with first class Honours, Bachelor of Arts and is a Graduate of the Australian Institute of Company Directors. She is also a graduate of the Williamson Community Leadership Program, operated by Leadership Victoria and a member of Chief Executive Women.

Professor Christine Bennett AO
Independent Non-Executive Director

Appointed to the Board in March 2018, Christine is a specialist paediatrician with over 30 years' health industry experience in clinical care and governance, strategic planning, executive management, teaching and research. Christine is also Convenor of the Champions of Change Coalition Health Group for gender equality.

Christine was awarded the title of Emeritus Professor at the University of Notre Dame Australia following her contributions as Deputy Vice Chancellor Enterprise & Partnerships and Dean of Medicine, Sydney for more than 10 years. Previously, Christine was Chair of Research Australia, a Group Executive and Chief Medical Officer at both MBF Limited and Bupa Australia, a Partner in the KPMG Health and Life Sciences Practice, CEO of Westmead Hospital, Chair of the Sydney Children's Hospitals Network, Non-Executive Director of Digital Health CRC Limited and she was on the Telstra Health Board.

From 2008 to 2010, Christine was Chair of the National Health and Hospitals Reform Commission to provide advice on a long-term reform plan for the future of the Australian health and aged care system. Christine was awarded an Officer of the Order of Australia in recognition of her distinguished service to medicine and health care leadership in 2014. Christine is currently a Patron of Research Australia and Non-Executive Director of Sonic Healthcare Ltd.

Christine holds a Bachelor of Medicine and Bachelor of Surgery from the University of Sydney and a Master of Paediatrics from the University of New South Wales. She is a Fellow of the Royal Australasian College of Physicians and a Graduate of the Australian Institute of Company Directors. She has recently completed certification by the Diligent Institute for AI Ethics and Board Oversight.

Listed Company Directorship (last 3 years):

- Sonic Healthcare Ltd (ASX: SHL) (26 September 2022 – present)

Special Responsibilities

- Chairman of the Clinical Governance and Care Committee
- Member of the Audit Risk and Compliance Committee
- Member of the Property Committee

Board of Directors

Bryan Dorman
Non-Executive Director

Bryan was a Director of Regis upon listing on 7 October 2014. Prior to listing, Bryan had been a Director of Fairway Investment Holdings Pty Ltd[1] since May 2007. Bryan has considerable experience working in and growing enterprises across a broad range of industry sectors, including residential aged care, manufacturing, property development, asset investment and business services.

Bryan was a Partner in Melbourne accounting firm Rees Partners from 1977 until 2000 and is a qualified accountant.

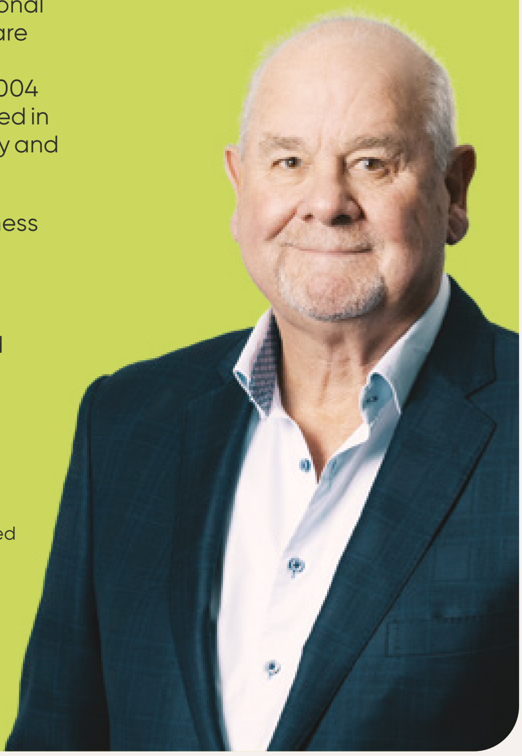
Bryan is a founding Director and shareholder of Regis. From its commencement in the early 1990s until 2014, Bryan was Chairman (and Executive Chairman until 2008), during which time he oversaw the management and growth of the Group. Bryan was also the National President of the former aged care industry body, The Aged Care Association of Australia, from 2004 to 2012, and was actively involved in the development of the industry and shaping its future.

Bryan holds a Bachelor of Business (Accounting).

Special Responsibilities

- Member of the Audit, Risk and Compliance Committee
- Member of the Clinical Governance and Care Committee

[1] Fairway Investment Holdings Pty Ltd converted to Regis Healthcare Limited on listing in October 2014.



Sally Freeman
Independent Non-Executive Director

Sally was appointed to the Board in January 2022 and chairs Regis' Audit, Risk and Compliance Committee. She has extensive experience in Governance, Risk, and Audit, with an executive career spanning 30 years, culminating in being the Partner in Charge of KPMG Australia's Risk Consulting practice and a member of KPMG's Global Risk Executive. Sally is currently a Non-Executive Director at Eastern Health, Regional Investment Corporation, Melbourne Football Club, Suburban Rail Loop Authority, and ASX-listed Netwealth Group Limited, Netwealth Superannuation Services Pty Ltd. Sally is also a Director of Aioi Nissay Dowa Insurance Company Australia Pty Ltd and was appointed as the Chair of their Board in December 2023.

Sally holds a Bachelor of Commerce from the University of Western Australia and is a Fellow of the Australian Institute of Chartered Accountants. She is a Global Certified Information Systems Auditor, a Graduate of the Australian Institute of Company Directors, a Fellow of the Victorian Williamson Leadership Program and a member of Chief Executive Women.

Listed Company Directorship (last 3 years):

- Netwealth Group Limited (ASX:NWL) (October 2019 to present)

Special Responsibilities

- Chair of the Audit, Risk and Compliance Committee
- Member of the People and Remuneration Committee
- Member of the Clinical Governance and Care Committee

Ian Roberts
Non-Executive Director

Ian was a Director of Regis upon listing on 7 October 2014. Prior to listing, Ian had been a Director of Fairway Investment Holdings Pty Ltd since May 2007. Ian has over 35 years' experience in the real estate sector including more than 25 years in residential aged care.

Prior to co-leading the Regis journey, Ian was involved in property development (sub-divisional and commercial) in South-East Queensland. As a founding shareholder and Director of Regis (Executive Director prior to 2008), Ian headed up Property with oversight of the development and implementation of the strategy that saw the business grow to more than 4,500 beds nationally.

Ian is currently a Non-Executive Director of several property and property services enterprises.

Ian holds a Bachelor of Science (Surveying) from the Royal Melbourne Institute of Technology.

Special Responsibilities

- Chairman of Property Committee
- Member of the People and Remuneration Committee

Jodie Leonard
Independent Non-Executive Director

Appointed to the Board in November 2023, Jodie is an experienced listed company director and commercial leader with a focus on strategic marketing and digital transformation. Jodie's career spans over 30 years in ASX, NYSE and FTSE-listed companies and includes senior positions at General Electric, the Nine Network, British Airways and Telstra, having worked across Australia, the USA, UK, Asia and Europe.

Jodie has experience in a diverse range of industries including banking and financial services, superannuation, healthcare, technology, consumer goods, media and entertainment, and travel and tourism. Jodie currently sits on the boards of Pacific Smiles Group Ltd (ASX:PSG), and Barwon Water Corporation. She has previously served on the boards of Beyond Bank Australia, the RACV, Flexigroup and BWX. She is also actively involved with Women on Boards and Chairs the inaugural NED Circle syndicate.

Jodie is an experienced Remuneration Committee Chair and has extensive governance experience having served on the board of multiple APRA regulated entities. Jodie holds a Bachelor of Business from Western Sydney University, is a member of Chief Executive Women and is a Fellow of the Australian Institute of Company Directors.

Listed Company Directorship (last 3 years):

- Pacific Smiles Group Ltd (ASX:PSG) (12 September 2023 to present)
- XPON Technology Group Ltd (ASX:XPN) (11 September 2022 to 8 April 2024)
- X2M Connect Ltd (ASX:X2M) (7 February 2021 to 17 March 2023)
- SelfWealth Ltd (ASX:SWF) (7 September 2022 to 16 February 2023)

Special Responsibilities

- Chair of People and Remuneration Committee
- Member of the Property Committee

Executive Leadership Team

Filomena Ciavarella
Executive General Manager – Strategy, Quality and Improvement

Filomena commenced with Regis in August 2020. Filomena has more than 20 years' experience in the health and aged care sector, working in various executive management and senior leadership roles.

She has extensive experience in the development and implementation of clinical governance, strategic management, quality management, risk management and improvement frameworks within various health services. These include the Royal Children's Hospital, Peter MacCallum Cancer Centre, Monash Health, Austin Health and Mercy Health.

Additionally, Filomena has chaired the quality directors' meetings for all Victorian hospitals.

Filomena holds a Bachelor with Honours in Medication Radiations (Nuclear Medicine), a Post Graduate Certificate in Project Management and a Post Graduate Diploma in Business Management.

Gregg Funston
Executive General Manager – Operations QLD/NSW/NT

Joining Regis in 2010 in a General Manager's role, Gregg has since held a range of positions including Regional Manager, Operations Manager, National Manager Operations Support, Acting Executive General Manager Operations, Southern Region and Executive General Manager Support Services.

He is an integral part of the Regis team in the provision of high-quality and safe care for all residents, building a strong values-based culture for our employees and the continued positioning of Regis as an innovative leader in the care of older people.

Gregg's qualifications include a Diploma of Business Management. He has more than 25 years of operational, business development and management experience across the hospitality and aged care sectors.

Georgia Willis
Executive General Manager – Property

Georgia joined Regis in November 2023, bringing over 20 years of expertise in Urban Development, including significant roles with government and private developers.

Her primary role at Regis is leading the Property division, focusing on land acquisition and development to propel the Company's growth strategy.

Georgia has significant experience in managing and facilitating pre-development activities for urban infill and urban renewal development projects, along with proven track record of negotiating development contracts and securing approvals for mixed-use sites.

Georgia holds a Master of Property from RMIT, was a member of the Victorian Urban Development Institute of Australia's (UDIA) Urban Renewal and Built Form Committee (2018-2020) and in 2016 was awarded the Urban Development Institute of Australia's (UDIA) Women in Leadership award.

Imtiaz Bhayat
Chief Information Officer

Imtiaz commenced with Regis as CIO in October 2020. He has a 20-year track record in using technology to transform organisations and improve outcomes. As a leader with broad commercial experience in tier one consulting, Imtiaz is known for identifying and building high performing teams that deliver great results.

Imtiaz holds a PhD in Financial Markets Technology, Master of Commerce (University of Sydney), Master of Research (Macquarie University), a Bachelor of Commerce (Western Sydney University), is a Lean Six Sigma Black Belt (project management), a CPA and a graduate of the Australian Institute of Company Directors.

James Theofanis
Executive General Manager – Operations VIC/SA/TAS/WA

Joining Regis in 2009, James has held several positions including National Recruitment Manager, General Manager across several homes, Regional General Manager Victoria, South Australia and Tasmania and most recently Executive General Manager Support Services overseeing several corporate and operations functions including marketing, catering, lifestyle, advice and staffing services. Prior to joining Regis, James worked in recruitment and management in the private sector.

A leader with a genuine interest in his team's success, James' focus is to ensure the teams at our Homes have the necessary skills, tools and support to provide outstanding care and services to our residents.

James holds a Bachelor of Business Management degree and brings extensive management and leadership experience to his role.

Malcolm Ross
General Counsel and Company Secretary

Malcolm commenced with Regis in November 2021. Malcolm has practised for more than 20 years as a lawyer and established a strong background in General Counsel and Company Secretary roles in listed company environments with experience in private practice, hotels/hospitality and industrial services sectors.

Malcolm was admitted to practice in 1997 and holds a Bachelor of Business, Bachelor of Laws, Master of Laws, Graduate Diploma in Applied Corporate Governance and is a graduate of the Australian Institute of Company Directors.

Executive Leadership Team

Melissa McDonald
Executive General Manager – Clinical and Care Practice

Melissa McDonald was appointed as Executive General Manager Clinical and Care Practice in March 2020. Melissa has more than 30 years' experience across clinical, management and executive levels and has worked in private and public hospitals and health services. Melissa has extensive knowledge of evidence based contemporary nursing practice and standards and, importantly, has led infection control standards, clinical communication systems and consumer partnerships in health services.

Along with a Bachelor Degree in Health Science, Melissa is a Registered Nurse with a Masters in Enterprise and a Professional Certificate in Health Service Management, both from the University of Melbourne. She also has a Graduate Diploma in Business Administration.

Michelle Martella
Executive General Manager – Support Services

Joining Regis in 2021, Michelle has over 20 years' experience in the healthcare sector. She brings strategic and operational experience from senior management roles at Barwon Health and the University of Melbourne, and has extensive experience in driving improvements in complex environments.

As the Executive General Manager Support Services, which includes Regis Lifestyle, Physiotherapy and Catering programs, Michelle is committed to service excellence and ensuring residents maintain connection, purpose and receive the best possible social, emotional and physical health.

Michelle holds a Masters Health Service Management and is a graduate of the Australian Institute of Company Directors.

Rick Rostolis
Chief Financial Officer

Rick Rostolis was appointed as Chief Financial Officer in March 2020. Rick has more than 15 years' experience with ASX-listed companies as Chief Executive Officer and Chief Financial Officer including ASX 200 SMS Management & Technology Limited. Prior to Regis, Rick was Acting Chief Executive Officer and Chief Financial Officer of ASX listed Pro-Pac Packaging Limited.

Rick is a Chartered Accountant and holds a Bachelor of Business, Accountancy degree from the Royal Melbourne Institute of Technology. Rick is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and a graduate of the Australian Institute of Company Directors.

Michael Horwood
Executive GeneralManager – Property, resigned from Regis on 31 January 2024.

Carolyn Noumertzis
Chief People Officer, resigned from Regis on 25 June 2024.

ANNUAL FINANCIAL Report

For the year ended
30 June 2024

Directors' Report

The Board of Directors of Regis Healthcare Limited are pleased to present their report on Regis Healthcare Limited (the Company) and its controlled entities (the 'Group' or 'Regis') for the year ended 30 June 2024.

Board of Directors

The Directors who served at any time during the financial year ended 30 June 2024 or up until the date of this Directors' Report were Mr Graham Hodges, Dr Linda Mellors, Professor Christine Bennett AO, Mr Bryan Dorman, Ms Sally Freeman, Mr Ian Roberts and Ms Jodie Leonard. Ms Jodie Leonard was appointed as a Non-Executive Director on 28 November 2023.

Further details in relation to the current Directors are disclosed in the Corporate Governance section of the 2024 Regis Annual Report on pages 42-45. These details include the periods each Director held their respective positions, qualifications, independence, experience and particular responsibilities, the Directorships held in other listed companies over the last three years, and the period for which each Directorship has been held.

Company Secretary

Malcolm Ross was appointed and commenced in the position of General Counsel and Company Secretary in November 2021 and continues in office as at the date of this report. Further details on Malcolm's qualifications and experience are disclosed in the Corporate Governance section of the 2024 Regis Annual Report on page 47.

Operating and Financial Review

As at 30 June 2024, Regis owned and operated 67 residential aged care homes with approximately 7,500 available operational places, including CPSM Pty Ltd ("CPSM") with five Queensland based residential aged care homes (644 operational places), acquired on 1 December 2023. Residential aged care services are provided in six states and the Northern Territory. In addition, Regis, through retirement living, manages over 300 retirement village units across five retirement villages and affordable housing communities. Regis also offers home care services.

Business Model

Regis aims to provide quality care to meet the growing needs of Australia's elderly population. This is achieved through a focus on the following core areas:

- **Care delivery:** Supporting personal care and clinical staff to deliver a quality care experience in a home environment across the physical, mental and social wellbeing of residents and clients.
- **Focused and well-resourced risk management:** Regis has robust systems and processes in place to manage clinical care and governance and the broader business' operational risks, including those that relate to aged care legislative compliance and health and safety.
- **Vertical integration:** The spectrum of activities Regis undertakes includes analysis of each proposed residential aged care home's catchment area, site identification, site acquisition, brownfield/greenfield development, home operation and asset renewal.
- **Strong cash flow generation:** Regis aims to achieve and maintain strong cash flow from operations, which it augments with a focus on the receipt and profitable use of Refundable Accommodation Deposits (RADs). The Group leverages its RAD cash inflows from developments to facilitate the repayment of acquisition and development related debt.
- **High quality portfolio:** Homes are primarily located in metropolitan areas with high median house prices. The homes are typically modern with a high proportion of single rooms and an emphasis on lifestyle and supported living.
- **Scalable platform**: Regis has invested in scalable business processes supported by IT systems, and in-house resources, to facilitate growth through acquisitions and developments.

Directors' Report

Operating and Financial Review (continued)

Review and Results of Operations

To assist in the evaluation of the Group's financial performance, certain measures are used that are not recognised under Australian Accounting Standards or International Financial Reporting Standards ('IFRS') and therefore, these are considered to be non-IFRS measures. Underlying earnings before interest, tax, depreciation and amortisation ('Underlying EBITDA')[1] is reported in order to provide a greater understanding of financial performance.

A summary of the financial results for the year ended 30 June 2024 is set out below:

For the year ended	2024 $'000	2023 $'000	% Change
Revenue from services	1,014,051	780,609	29.9%
Other income	104,259	117,000	(10.9%)
Underlying EBITDA	107,195	83,305	28.7%
Net profit after tax before amortisation of operational places (NPATA)	35,551	28,516	24.7%
Net loss for the period	(21,415)	(28,451)	24.7%
Basic Earnings per share	(7.11) cents	(9.46) cents	24.8%
NPATA per share*	11.81 cents	9.48 cents	24.6%

* NPATA is defined as statutory net profit after tax before amortisation of operational places.

A summary of revenue from services for the year ended 30 June 2024 is set out below:

For the year ended	2024 $'000	2023 $'000
Government funded revenue	743,760	549,619
Resident basic daily fee revenue	150,239	128,958
Other resident revenue	111,843	92,905
Other operating revenue	6,562	7,568
Deferred management fee revenue	1,647	1,559
Revenue from services	**1,014,051**	**780,609**

Occupancy rates across the residential aged care portfolio improved to an average of 94.1% for the financial year ended 30 June 2024 (30 June 2023: 91.5%). The spot occupancy rate on 30 June 2024 was 95.3% (30 June 2023: 93.7%). Despite Regis facing another year of challenging industry conditions including a global shortage of registered nurses that has impacted workforce availability, management has continued to remain focused on improved operational, clinical and financial performance.

Government revenue increased to an average of $295.50 (30 June 2023: $219.40) per resident per day for the financial year ended 30 June 2024 mainly due to higher AN-ACC funding resulting from the Fair Work Commission's (FWC) Work Value Case ($26.30 per resident per day), higher acuity of residents and indexation. Further, on 1 December 2023, AN-ACC funding per resident per day increased by approximately $10.00 to partially fund the FWC's 5.75% minimum wage rate increase as part of the Annual Wage Review that took effect on 1 July 2023.

The increase in resident revenue was mostly driven by higher occupancy and the impact of indexation during the period.

Revenue from services includes $51,789,000 from the acquisition of CPSM on 1 December 2023.

1 Non-IFRS financial information has been prepared in accordance with ASIC Regulatory Guide 230 - Disclosing non-IFRS financial information, issued in December 2011. Non-IFRS financial information, while not subject to audit or review, has been extracted from the Financial Report, which has been subject to audit by the Group's external auditors. Underlying earnings before interest, tax, depreciation and amortisation ('Underlying EBITDA'), which excludes imputed income on RADs and Bonds of $81,523,000 (30 June 2023: $62,873,000) and one-off items, and includes operating lease expense of $1,084,000 (30 June 2023: $1,244,000), is reported in order to provide shareholders with a greater understanding of the Group's financial performance. A reconciliation of loss before income tax to Underlying EBITDA is provided on page 54.

Directors' Report

Operating and Financial Review (continued)

Review and Results of Operations (continued)

A summary of other income for the year ended 30 June 2024 is set out below:

For the year ended	2024 $'000	2023 $'000
Imputed income on RADs and Bonds[2]	81,523	62,873
Government grants	13,692	32,544
Interest income	3,980	705
Gain on disposal of non-current assets	5,064	11,651
Change in fair value of investment property	-	7,220
Other	-	2,007
Other income	**104,259**	**117,000**

The increase in imputed income on RADs and bonds is primarily due to the increase in the Maximum Permissible Interest Rate (MPIR) to an average of 8.19% for the financial year ended 30 June 2024 (30 June 2023: 6.46%) and improved occupancy.

Government grant income of $13,692,000 (30 June 2023: $32,544,000) includes $7,265,000 for the COVID-19 Aged Care Support Grant, $3,037,000 for the Aged Care Outbreak Management Supplement[3] and $3,390,000 for the Historical Leave Liability Grant[4].

The increase in interest income is mainly driven by reduced debt and higher interest rates.

The gain on disposal of non-current assets is largely due to the sale of Regis' surplus low-income producing property assets including vacant land in Redlynch, Queensland and Regis' Macleod, Victoria, 63-bed residential aged care home.

The change in fair value of investment property represents the gain/ (loss) recognised from the external valuation of the Group's retirement villages and retirement village development sites.

Staff Expenses

During the financial year ended 30 June 2024, Regis continued to experience significantly increased staff expenses including additional overtime and use of agency contractors due to workforce shortages. In addition, staff expenses for the financial year ended 30 June 2024 were also impacted by the FWC's decision to increase modern award wage rates by 15% from 30 June 2023, enterprise award increases, and the FWC's 5.75% minimum wage rate increase as part of the Annual Wage Review that took effect on 1 July 2023.

2 Following adoption of AASB 16 *Leases* effective 1 July 2019, profit/loss before income tax for the financial year ended 30 June 2024 includes income on RADs and Bonds of $81,523,000 (2023: $62,873,000) and, correspondingly, finance costs of $81,523,000 (2023: $62,873,000) with no net impact on profit or loss. The Group also recognised depreciation and interest costs totalling $967,000 (2023: $1,374,000) and $205,000 (2023: $263,000) respectively. Prior to the introduction of AASB 16 *Leases*, the Group would have recognised an operating lease expense of $1,084,000 (2023: $1,244,000).

3 Aged Care Outbreak Management Supplement of $2.81 per resident per day was introduced during the financial year to replace the COVID-19 Aged Care Support Grant and contributes to the cost of planning for, and managing outbreaks, including COVID-19 and other infectious diseases for the period 1 February 2024 to 31 December 2024.

4 Historical Leave Liability Grant represents income recognised for increased leave entitlements resulting from the FWC's decision to increase modern award wage rates by 15% from 30 June 2023. The Government grant is to fund 50% of the uplift to employee entitlements.

Directors' Report

Operating and Financial Review (continued)

Review and Results of Operations (continued)

Underlying EBITDA

A reconciliation of loss before income tax to underlying EBITDA is set out below:

For the year ended	2024 $'000	2023 $'000
Loss before income tax	(28,104)	(40,380)
Add back/(deduct):		
Imputed income on RADs and bonds[5]	(81,523)	(62,873)
Imputed interest charge on RADs and Bonds[5]	81,523	62,873
Right-of-use assets depreciation[5]	967	1,374
Interest expense on lease liabilities[5]	205	263
Operating lease expense	(1,084)	(1,244)
Loss before income tax pre AASB 16 *Leases*	**(28,016)**	**(39,987)**
Amortisation of operational places	81,380	81,382
Depreciation (excluding right-of-use assets)	45,730	43,708
Other finance costs	9,748	10,464
Finance income	(3,980)	(705)
Reported EBITDA	**104,862**	**94,862**
One-off items:		
CPSM acquisition and integration costs[6]	7,585	-
Government grant income	(13,692)	(32,544)
COVID-19 outbreak related expenses	4,575	16,540
Strategic investment in Human Resource systems	6,601	-
Net gain on disposal of non-current assets	(5,064)	(11,651)
Write-off of capital work in progress and other write-downs	-	12,813
Increase in employee entitlements due to Fair Work Commission decision	-	7,300
Fair value gain on investment property	-	(7,220)
Professional services costs incurred in relation to employee entitlements underpayments program of work	2,123	3,075
Other losses	205	130
Total one-off items	**2,333**	**(11,557)**
Underlying EBITDA	**107,195**	**83,305**

5 Following adoption of AASB 16 *Leases* effective 1 July 2019, as detailed in Note B1, profit/loss before income tax for the financial year ended 30 June 2024 includes income on RADs and Bonds of $81,523,000 (2023: $62,873,000) and, correspondingly, finance costs of $81,523,000 (2023: $62,873,000) with no net impact on profit or loss. In accordance with AASB 16 *Leases*, the Group also recognised depreciation and interest costs totalling $967,000 (2023: $1,374,000) and $205,000 (2023: $263,000) respectively.

6 CPSM acquisition and integration costs includes $5,625,000 of landholder duty payable to the Queensland State Revenue Office, and $1,960,000 of transaction costs and other integration related costs.

Directors' Report

Operating and Financial Review (continued)

Review and Results of Operations (continued)

CPSM Acquisition

On 1 December 2023, the Group acquired 100% of the ordinary shares of CPSM for net consideration of $75,234,000, adding five premium residential aged care homes (644 available operational places) in South-East Queensland.

The CPSM business has a strong reputation as a high quality residential aged care provider with high occupancy, an excellent accreditation history and financial performance.

From the date of acquisition, CPSM has contributed $51,789,000 to revenue from services, $7,460,000 of Underlying EBITDA and profit before tax of $5,642,000.

Employee Entitlement Underpayments

Regis announced to the ASX on 9 August 2021 that it had identified potential underpayments of employee entitlements to certain current and former employees under its enterprise agreements.

These payment shortfalls have mainly arisen because some employee entitlements due under various enterprise agreements were recorded inaccurately in the payroll system. This has led to incorrect payments to a number of employees. Regis assesses the estimated cost of remediation of any potential underpayments across the Group at each reporting date.

During the financial year ended 30 June 2024, Regis commenced its remediation payment process and made payments of $28,564,000. Due to the complexity involved in determining the amount and timing of final remediation costs, Regis continues to engage with its external advisors and regulatory authorities, including the Fair Work Ombudsman. The remediation payment process is ongoing and will continue through the 2025 financial year. A provision of $16,247,000, including $5,011,000 for ongoing matters, is recorded within other provisions (current) as at 30 June 2024 (30 June 2023: $37,700,000).

Cash Flow and Capital Expenditure

A summary of cash flows for the year ended 30 June 2024 is set out below:

For the year ended	2024 $'000	2023 $'000
Net cash flows from operating activities	252,297	105,161
Net cash flows (used in) / from investing activities	(136,592)	6,578
Net cash flows used in financing activities	(112,120)	(43,173)
Total net cash flows for the year	**3,585**	**68,566**

Regis' principal source of funds was its cash flow from operations (including RADs). Net cash flows from operating activities in the financial year ended 30 June 2024 was $252,297,000 (30 June 2023: $105,161,000), of which RAD and accommodation bond net cash inflows contributed $140,957,000 (30 June 2023: $43,565,000). In addition, $35,918,000 was received in Government grants mainly comprising $29,491,000 for the COVID-19 Aged Care Support Grant (of which $22,226,000 was recorded as a receivable as at 30 June 2023), $3,037,000 for the Aged Care Outbreak Management Supplement and $3,390,000 for the Historical Leave Liability Grant.

Net cash flows used in investing activities for the period includes consideration paid for the acquisition of CPSM of $75,234,000 (net of cash acquired). In addition, Regis invested $66,931,000 (30 June 2023: $53,477,000) in capital expenditure for ongoing development (including a greenfield residential aged care development in Camberwell, Victoria), refurbishment of existing homes, and strategic technology investments. For other developments in the pipeline, activities such as preparing land for commencement, development approvals and design documentation are underway in readiness to commence construction.

In line with its strategic objectives, Regis sold surplus low-income producing property assets resulting in sales proceeds of $5,573,000 (net of transaction costs) including the sale of vacant land in Redlynch, Queensland, Regis' Macleod, Victoria, 63-bed residential aged care home, and small retirement living businesses in Queensland.

Directors' Report

Operating and Financial Review (continued)

Review and Results of Operations (continued)

Cash Flow and Capital Expenditure (continued)

Regis has a $405,000,000 syndicated bank debt facility, which provides sufficient liquidity to meet currently anticipated cash flow requirements. Under the debt facility, $150,000,000 matures in March 2026 and $255,000,000 matures in March 2027.

As at 30 June 2024, the undrawn amount of the debt facility was $404,398,000 (30 June 2023: $334,689,000).

Mandated Care Minutes

The Australian Government has introduced (and is introducing) the following requirements in relation to care minutes:

- Registered nurse on site 24 hours a day from 1 July 2023;
- Sector-wide average of 200* care minutes (including average 40 minutes of registered nurse) from 1 October 2023; and
- Sector-wide average of 215* care minutes (including average 44 minutes of registered nurse) from 1 October 2024.

General staff shortages due to low unemployment, together with a global shortage of registered nurses, have impacted the pace at which Regis has increased care minutes and added significantly to staff expenses through additional agency costs and overtime. Regis' care minute targets are mainly driven by resident acuity.

For the Quarter ended	Quarter 1 September 2023	Quarter 2 December 2023	Quarter 3 March 2024	Quarter 4* June 2024
Registered Nurses	35.0	38.5	38.4	40.0
Enrolled Nurses/ Personal Care Workers	152.9	171.8	167.7	170.5
Total	**187.9**	**210.3**	**206.1**	**210.5**

* As submitted to the Department of Health and Aged Care (DHAC) on 2 August 2024 (per resident per day).

Star Ratings

Star ratings were a recommendation by the Royal Commission into Aged Care Quality and Safety and were introduced in December 2022. Each aged care home is assigned an overall star rating derived from averaging four sub-categories (resident experience, compliance, staffing and quality measures). The overall star rating for Regis, which is derived by averaging the star rating of each home, has improved to 3.62 for the third quarter ended 31 March 2024. The Government considers a 3-star rating as an acceptable quality of care.

For the Quarter ended	Quarter 4 June 2023	Quarter 1 September 2023	Quarter 2 December 2023	Quarter 3 March 2024
Average Star Ratings	3.28	3.32	3.52	3.62

Deregulation of Operational Places

In accordance with Accounting Standards and the guidelines issued by the Australian Securities and Investments Commission ("ASIC"), the Group has fully amortised the value of its operational places as at 30 June 2024. This has resulted in a before tax amortisation expense in the profit and loss for the financial year ended 30 June 2024 of $81,380,000 with no impact to the cash flows of the Group.

The deregulation of operational places presents new opportunities for Regis to invest in geographic areas previously not open to the Group, and most likely increase competition around quality of care, service and accommodation. This presents an advantage to providers such as Regis who have a strong balance sheet and access to capital to further develop the sector.

Transitional arrangements are in place for residential aged care providers until the new Aged Care Act begins. Under the transitional arrangements, residential aged care providers who do not hold allocated operational places can apply for residential care places if they are bed-ready and can demonstrate their ability to meet the needs of potential residents in the community.

Directors' Report

Operating and Financial Review (continued)

Review and Results of Operations (continued)

Dividends

An interim dividend of 6.28 cents per ordinary share totalling $18,905,000 (50% franked) for the half-year ended 31 December 2023 was paid on 11 April 2024.

On 26 August 2024, the Board of Directors resolved to pay a final dividend of 6.64 cents per ordinary share totalling $20,000,000 (50% franked) for the year ended 30 June 2024, payable on 25 September 2024 (record date 11 September 2024).

Industry Reform and Changes

The aged care sector continues to undergo a period of significant reform and changes including:

- Aged Care Taskforce released final report containing 23 recommendations in March 2024, to support a more sustainable and viable sector;
- Mandated care minutes to increase to an average of 215 care minutes, including 44 minutes from a registered nurse (RN) from 1 October 2024;
- Introduction of the new Aged Care Act expected to come into effect 1 July 2025;
- Final draft of the Aged Care Quality Standards to be implemented under the new Aged Care Act; and
- Introduction of the new Support at Home Program in July 2025.

The sector awaits the Government's response to the Aged Care Taskforce's final report, to ensure the sustainability and financial viability of the aged care sector into the future.

Outlook

Regis continues to adapt to a rapidly changing regulatory environment and expects to benefit over time from the ageing population, improved workforce availability, additional Government funding and strategic growth initiatives. Regis will use its strong balance sheet, substantial debt facility and disciplined management of the business, to support the active pursuit of further material strategic acquisitions and greenfield developments to drive increased shareholder value.

Likely Developments and Expected Results

The Group's growth strategy continues to include the following four levers:

- Greenfield residential aged care developments
- Residential aged care portfolio acquisition opportunities as they arise
- Residential aged care and home care acquisitions
- Expansion and reconfiguration of existing homes

Other than the likely developments disclosed above and elsewhere in this report, no matters or circumstances have arisen which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Significant Changes in the State of Affairs

No other changes in the state of affairs arose during the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Directors' Report

Subsequent Events

Other Matters

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Key Business Risks

The following matters identified by the Group represent potential risks to its operational performance and growth strategy. Regis has a risk management framework in place to manage the risks identified.

Risk type	Managing the risk
Changes to the regulatory framework	
The Australian Aged Care industry is highly regulated by the Australian Government. Regulatory change to the aged care industry may have an impact on the way the Group promotes, manages and operates its homes and on its financial performance. The introduction of new legislation or changes in Government policies in relation to any or all of the existing legislation, including fees and charges, may adversely impact Regis' financial performance and future prospects. This includes the introduction of a new consumer-focused Aged Care Act and fee structure that is due to commence on 1 July 2025. The Aged Care Taskforce released its final report containing 23 recommendations in March 2024, to support a more sustainable and viable sector. The sector awaits the Government's response to the Aged Care Taskforce's final report, to ensure the sustainability and financial viability of the aged care sector into the future.	The Group has robust systems and processes in place to manage business operational risks, including those that relate to aged care legislative compliance. Regis continues to proactively work with Government and the industry peak body to support the development of an effective funding and care model.
RADs	
The value of Regis' RADs (formerly known as Accommodation Bonds) may fluctuate due to a range of factors. RADs are refunded after a resident's departure. While individual RADs are generally replaced in a short period of time, often with a RAD of equal or higher value, Regis is exposed to risks associated with repayment and future sale of RADs. The effect of these risks may be that the value and number of new RADs Regis receives may be reduced and it may take longer for Regis to reach agreement with new residents or collect RADs. Decline in occupancy, changes in accommodation preferences by new residents, or legislated changes may lead to declining RAD balances which will require replacing with alternate funding sources. If the number of RAD payers significantly declines, Regis may need to draw down higher levels of bank or other debt, be required to reduce capital investment, reduce dividend payments or seek additional capital.	The Group monitors its RAD level and liquidity risk through monthly reporting and rolling cash flow forecasts. The Group maintains a liquidity management strategy to ensure that it has sufficient liquidity to enable it to refund RAD and accommodation bond balances that are expected to fall due within at least the next 12 months.

Directors' Report

Risk type	Managing the risk
Key management retention	
Regis relies on a specialised management team with significant aged care industry knowledge and experience. If Regis is not able to retain key members of its management team, Regis may not be able to operate its business to the current standard, which may undermine its ability to comply with regulations and may reduce demand for Regis' services from existing and prospective residents. These occurrences may adversely impact Regis' business operations including its ability to grow.	Regis has several core programs that are designed to identify and develop employees with specialist skill sets required for key management and leadership positions. Surveys are conducted to regularly evaluate culture and employee engagement.
Occupancy levels	
In the ordinary course of business, Regis faces the risk that occupancy levels at any of its homes may fall below expectations due to a number of factors, including increasing competition, growth of home care services, adverse consumer sentiment to the industry generally or Regis specifically, reputational damage, and loss of accreditation. Reduced occupancy levels at a number of homes may adversely affect Regis' revenue and general financial performance as it would reduce the amount of funding Regis is entitled to, and the number and value of RADs.	Demographic factors will lead to significant demand in service provision. Regis operates a large and geographically diversified portfolio of well located, high quality homes with a history of providing excellent care. The reputation of individual homes is central to Regis' sales and marketing strategy, which is complemented by the quality of Regis' home employees, supporting sales and marketing applications and the strength of Regis' relationship with intermediaries including placement agents and medical professionals.
Approvals and accreditation	
Aged care homes and services are required to hold approvals and be accredited in various ways, including against the Aged Care and NDIS quality standards. These processes are in place to ensure that minimum standards are being met, including the delivery of clinical care, and are subject to periodic review. The Group, or any of its individual aged care homes and services, could be found non-compliant as part of the approvals or accreditation processes, and in certain circumstances approvals or accreditation could be revoked. If this occurs it may impact Regis' financial performance, as aged care homes and services need approvals and accreditations to attract funding and secure resident/client places in the future. Remediating a non-compliance can also be costly. Further, if Regis is required to undertake home refurbishments or make significant structural changes to home buildings in order to retain its approvals or accreditations, the cost of those works may impact its profitability and cash flows.	Regis has policies and procedures in place that align with all legislative requirements, including aged care approvals and accreditation. Service delivery is monitored through a robust clinical governance and quality framework and includes monitoring mechanisms such as the Quality Indicators program, audit and review processes, risk management, consumer feedback and experience mechanisms, incident management processes and care planning and assessment tools, to ensure ongoing compliance with clinical care and other requirements for accreditation. Regis has developed and delivered training to ensure that employees understand the key role they play in upholding these standards.
Reputation	
Regis operates in a commercially sensitive industry in which its reputation could be adversely impacted should it or the aged care industry generally, suffer from any adverse publicity. Examples of adverse publicity may include reports of inappropriate care of residents, inquiries or investigations relating to the operation of aged care homes or incidents at aged care homes, health and safety issues affecting residents, employees or visitors, failure to ensure homes are well maintained or poor service delivery at homes.	Regis seeks to avoid reputational damage through a strong control environment and enforcement of robust policies and procedures, to meet community and stakeholder expectations. In addition to upholding quality standards, Regis has policies and processes in place addressing a range of topics including, but not limited to, health and safety management, bullying and harassment, and bribery and corruption.

Directors' Report

Risk type	Managing the risk
Reputation (continued)	
If there were to be any such adverse publicity, this may reduce the number of existing residents at Regis' homes or Regis' ability to attract new residents to its homes, both of which may adversely impact Regis' profitability. Adverse media coverage may also lead to increased regulatory scrutiny which could have a material adverse effect on Regis' revenue and profitability by, for example, increased compliance costs.	Regis has strong systems in place for incident and complaints management which includes escalation to senior managers and the executive. Investigations are conducted and actions implemented to prevent recurrence. There is monitoring in place to ensure closing of the loop. Regis has a strong consumer engagement framework, which enables it to productively partner with consumers, understand their experience of care and services, and implement timely remedial actions where expectations are not being met. This includes newly established state-based Consumer Advisory Bodies.
Information technology and cyber	
Cyber threats are constantly evolving, including from foreign groups targeting individuals and companies based in Australia and sophisticated phishing scams and cyber-attacks targeting the critical infrastructure that Regis manages. The privacy and security of resident and corporate information may be compromised in many ways, including a breach of IT systems and vendors' systems, unauthorised or inadvertent release of information or human error. Should the Group's systems be compromised, it could impact residents' trust, damage Regis' brand and reputation, and potentially significantly disrupt operations.	Regis continues to assess a move to a Cloud environment where appropriate, modernise data centres, and upgrade applications. Regis has a number of strategies to manage cyber threats, which include access security controls, security monitoring, business continuity management, disaster recovery processes and off-site back-up facilities. The strength and effectiveness of these strategies are regularly assessed and improved as appropriate.
Competition	
Each aged care home has its own character and is effectively operating in its own local area (referred to as a catchment area). The competition faced by aged care operators is mainly experienced at the home level within the relevant catchment area. A substantial increase in the level of competition Regis faces across its portfolio of homes could result in, among other things, Regis experiencing lower than anticipated occupancy rates, reduced revenue and margins and loss of market share. This may have a material adverse effect on Regis' financial performance at the home level, and if this was to occur across a number of homes, this may reduce Regis' ability to achieve its strategic objectives. Whilst the residential aged care sector is currently highly regulated by the Government in relation to both the supply of new places and the ongoing operations of homes, bed licence deregulation will occur with the commencement of the new Aged Care Act, scheduled for implementation on 1 July 2025. This means that places will be assigned directly to the older person. If Regis does not continue to deliver high quality care and is unable to retain and attract residents, this may reduce Regis' occupancy rates and profitability.	Demographic factors will lead to significant demand in service provision. Regis operates a large and geographically diversified portfolio of well located, high quality homes with a history of providing excellent care. The reputation of individual homes is central to Regis' sales and marketing strategy, which is complemented by the quality of Regis' home employees, supporting sales and marketing applications and the strength of Regis' relationship with intermediaries including placement agents and medical professionals.

Directors' Report

Risk type	Managing the risk
Medical indemnity and public liability	
Aged care service providers such as Regis are exposed to the risk of medical indemnity and public liability claims, litigation and coronial inquests. Subject to the insurance arrangements that Regis has in place at the relevant time, any actual or threatened medical malpractice or public liability litigation against Regis could cause Regis to incur significant expenditure and may adversely impact Regis' future financial performance. If the costs of medical malpractice or public liability insurance were to rise, this could also adversely affect Regis' financial performance. If Regis is involved in actual or threatened litigation or coronial enquiries, the cost of such actions may adversely affect Regis' financial performance and may also give rise to adverse publicity.	Clinical governance is an integral component of Regis' corporate governance framework. It ensures that frontline clinicians to members of the Board are accountable to care recipients and their representatives for assuring the delivery of safe, effective and continuously improving clinical and personal care services. The Group has a Clinical Governance and Care Committee, which comprises members of the Board and is chaired by Professor Christine Bennett AO. The Group has a robust framework in place to learn from and improve care based on quality and performance reporting and incidents, including deaths that have been reported to the Coroner. Remedial actions are implemented across the business if gaps in care are identified. Open disclosure forms an integral part of this framework. The Group has in place an appropriate level of professional indemnity and public liability insurance cover.
Retention and attraction of skilled employees	
Regis' business is dependent on its specialised health and aged care staff. There is a risk that Regis may not be able to maintain or expand an appropriately skilled and trained workforce that is able to meet the existing or future care needs of residents. With insufficient staffing levels, Regis' costs will increase as it utilises more agency staff and its quality of services could reduce. At greater levels of staff shortages, Regis may have to reduce the capacity of its homes in order to maintain service levels and deliver the minimum care staff minutes per resident.	The Group is committed to shaping its future workforce, attracting and retaining the right people through its Diversity Policy and professional development programs, and providing meaningful career paths and opportunities. The Group provides training to all staff to ensure they are equipped with the specialised skills required to deliver quality aged care. The Group develops strategies to address any risks identified as a result of regular employee engagement surveys conducted.
Catastrophic, epidemic or pandemic events	
Events beyond Regis' control, including but not limited to pandemics, epidemics, labour strikes, and natural disasters may impact the care provided to current and incoming residents. Regis may be materially impacted as a business, including: • Decline in occupancy if resident discharges are not matched by new resident admissions; • Staff shortages; • Increased vaccination requirements for staff and residents; • Isolation requirements for outbreaks and exposure to infectious viruses; • Increased operational costs; • Brand and reputational damage; and • Operational and supply chain disruptions.	Robust crisis management processes are critical for identifying, mitigating and responding to crisis events in a timely manner and to enable the safety and wellbeing of workers, residents, clients and the community. Regis maintains a Crisis Management Framework to support emergency and crisis situations. Under the Crisis Management Framework, a Crisis Management team is immediately convened with appropriate personnel to manage and support emergency and crisis situations. A key focus of the Group is clinical leadership and clinical governance. Overseen by Regis' Pandemic Planning Committee and supported by the Board of Directors, Regis has in place robust operational controls including detailed Outbreak Management Plans for each home.

Directors' Report

Risk type	Managing the risk
Acquisitions	
Regis may acquire other businesses for growth purposes. Acquisition risks that may result include: • Overpaying for a business that leads to lower shareholder returns; • Material issues arising post-acquisition that lead to reputational damage and/or financial penalties; • Not realising potential synergy savings adversely impacting future performance and shareholder returns; and • Operational, cultural and/or technological differences leading to poor integration and adversely impacting future performance and shareholder returns.	The Group performs extensive due diligence on all acquisition targets to minimise any material risk, including the use of external specialists. Synergies are conservatively estimated during the due diligence process. Management is incentivised to deliver identified synergies which form part of the acquisition business case approved by the Board.
Liquidity	
Regis' property portfolio is largely illiquid by its nature. There is a risk that the value of Regis' homes cannot be realised in a short time-frame if required for liquidity purposes. As at 30 June 2024, Regis' two founding shareholders held approximately 48% of the Group's issued capital, which can impact on liquidity and free-float.	The Group maintains a liquidity management strategy to ensure that it has sufficient liquidity to pay its debts as and when they fall due. The ownership structure reduces the risk of approach from unexpected corporate activity.
Mandated care minutes	
From 1 October 2023, residential aged care homes are required to deliver an average of at least 200 care minutes per resident per day, including 40 minutes from a Registered Nurse (RN). This requirement will increase to an average of 215 minutes from 1 October 2024. Meeting care minute targets can lead to higher staff costs. In addition, there continues to be uncertainty regarding whether future government funding to cover additional staff costs will have a negative impact on Regis' financial performance. There is risk that Regis may not be able to meet mandated care minutes due to shortages of available resources that may result in regulatory action against Regis and lower star ratings, which may adversely impact Regis' financial performance.	Regis continues to invest in initiatives to attract a greater number of registered nurses, including expansion of recruitment capability, providing enhanced career pathways, and working with various partners to recruit candidates locally and internationally.
Climate Change	
Physical and transitional climate change risks have the potential to damage Regis' assets, disrupt operations and impact the health and wellbeing of residents. This risk includes: • Increased exposure of assets to physical environmental hazards, driven by climate change; • Managing the risks associated with the Australian economy's transition to lower carbon energy sources; • Policy risk from the cost of complying with new climate regulations with specific performance and/or technology requirements; • Overall compliance requirements from existing and emerging environmental regulation; and • Residents may face increased levels of chronic illnesses from the physical effects of climate change, leading to additional care being received from Regis.	Regis continues to assess its property portfolio for climate resilience, invest in asset upgrades and adapt designs; work with resident communities to build awareness of climate risks including cyclone, flood and bushfire risk to provide safe environments for people in and around Regis' assets; assess and implement wholesale energy strategies and renewable energy installations, to manage the electricity sector transition risk; actively manage Regis' corporate insurance program to provide adequate protection against insurable risks; and continue to incorporate physical and transition climate-related risks and opportunities that may evolve over time into its risk management framework. Regis continues to review and evolve its sustainability strategy.

Directors' Report

Directors' Meetings

Details of the number of Board and Committee meetings held during the financial year ended 30 June 2024 and attendance by Directors as members are as follows:

For the year ended	Directors' Meetings		Audit, Risk & Compliance Committee		People & Remuneration Committee		Clinical Governance & Care Committee		Property Committee	
	Held[7]	Attended[7]	Held[7]	Attended[7]	Held[7]	Attended[7]	Held[7]	Attended[7]	Held[7]	Attended[7]
G Hodges	11	11	4	4	4	4	-	-	-	-
L Mellors	11	11	-	-	-	-	-	-	3	3
C Bennett	11	11	4	4	-	-	4	4	3	3
B Dorman	11	10	4	4	-	-	4	3	-	-
S Freeman	11	10	4	4	4	4	4	4	-	-
J Leonard[8]	7	7	-	-	3	3	-	-	2	2
I Roberts	11	11	-	-	4	4	-	-	3	3

Indemnification and Insurance of Directors and Officers

The constitution of the Company provides for the Company to indemnify Directors and executive officers of the Company and its related bodies corporate against liability incurred in their capacity as an officer of the Company or related body corporate, except as may be prohibited by law.

Premiums have been paid by Regis Aged Care Pty Ltd, a 100% owned subsidiary company, with regard to Directors' and officers' liability insurance to insure each of the Directors and officers of the Company against certain liabilities incurred by them arising out of their conduct while acting in the capacity of Directors or officers of the Company or its related bodies Corporate. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premiums.

Indemnification of Auditors

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Proceedings on Behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Environmental Regulations and Performance

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Corporate Governance

Full details of Regis' compliance with the ASX Corporate Governance Council Principles and Recommendations (4th Edition), can be found in the Regis Healthcare Corporate Governance Statement on the Company website at www.regis.com.au/corporate-governance.

7 Numbers represent meetings held and attended in capacity as a member of the Board or Committee.

8 Jodie Leonard appointed as a Non-Executive Director on 28 November 2023.

Directors’ Report

Rounding

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 applies and, accordingly, amounts in the financial statements and Directors’ Report have been rounded to the nearest thousand dollars.

Auditor’s Independence Declaration

The auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 79.

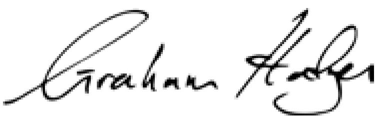
Non-Audit Services

The following non-audit services were provided by the entity’s auditor, Ernst & Young Australia. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young Australia received the following amounts for the provision of non-audit services:

	$
Tax compliance	95,000
Other services	183,042
Total	**278,042**

Signed in accordance with a resolution of the Directors.



Graham K Hodges
Chair
Melbourne,
26 August 2024

Remuneration Report

Message from the Chair of the People and Remuneration Committee

Dear Shareholders

On behalf of your Board, I am pleased to present the Remuneration Report for the year ended 30 June 2024.

Board & Management

This is my first report following my appointment to the Board in November 2023 as a Non-Executive Director and Chair of the People & Remuneration Committee. Changes were also made to the executive management team who welcomed Georgia Willis as Executive General Manager Property in November 2023 and Jodie Haydon who was recently appointed as Chief People Officer and commenced in August 2024.

Gender Equality and Diversity Outcomes

It is very pleasing to see the strong outcomes achieved on gender equality. Regis continues to build an environment where all voices are heard, respected and valued. In the most recent private sector employer gender pay gaps published by the Workplace Gender Equality Agency on 27 February 2024, we reported a median gender pay gap of 1.7% in favour of women. As of 30 June 2024, women held 57% of Board seats and 50% of executive leadership positions, results we are very proud of.

Incentive Plans

There were no changes to the short-term incentive (STI) and long-term incentive (LTI) plan structures in the financial year ended 30 June 2024. It is the Board's view that the plans continue to align with market practice.

The STI plan rewards delivery of key financial, strategic and operational outcomes. Quality of care at Regis is paramount and the Board continues to impose a 'Care and Compliance Gateway' as part of its STI performance measures which places cash incentives at risk of forfeiture. I am pleased to report that this gateway was achieved in the financial year ended 30 June 2024.

The LTI plan rewards delivery of long-term performance hurdles that measure Earnings Per Share (EPS) and Star Ratings over a three-year performance period. These metrics are consistent with the achievement of Regis' long-term objectives of achieving sustainable earnings growth and ensuring the quality and safety of care provided.

The Board intends to continue with the current STI and LTI plan structure in the financial year ending 30 June 2025.

At the 2024 Annual General Meeting (AGM), Shareholders will be asked to approve new LTI plan rules to ensure the incentive plans remain attractive and effective. The main change to the rules is to remove the automatic conversion of eligible Performance Rights to shares at the time of vesting. In common with market practice, the conversion of eligible Performance Rights and conversion to shares may be deferred to a time nominated by the award recipient. Full details of the proposed changes will be outlined in the Notice of Meeting.

Remuneration Outcomes - Financial Year Ended 30 June 2024

The remuneration outcomes for the financial year ended 30 June 2024 reflect the executive team's focus on executing the strategy, driving clinical and operational excellence, and delivering strong returns for shareholders. In the financial year ended 30 June 2024, the Managing Director and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") were awarded 90% of their eligible STI. In line with the Company policy, 75% of the eligible STI outcome for Key Management Personnel ("KMP") was awarded as cash. The remaining 25% of the STI opportunity was awarded as Performance Rights deferred for one year.

The LTI has a three-year performance period. We are only in year 2 of the 3-year LTI plan. Therefore, no LTI vested in the financial year ended 30 June 2024. Performance Rights did, however, vest under the former Variable Reward and Retention Plan (VRRP), with the final tranche under this legacy plan due to vest in September 2025.

The Board will continue to review the remuneration framework and make adjustments to ensure the Company is well placed to attract, retain and motivate executives, whilst also aligning with shareholder expectations. We hope you find this Remuneration Report informative and we welcome any feedback.

Jodie Leonard

Jodie Leonard
Chair of the People and Remuneration Committee

Remuneration Report

Remuneration Report - Audited

The Directors of Regis Healthcare Limited present the Remuneration Report for the period 1 July 2023 to 30 June 2024. The Remuneration Report forms part of the Directors' Report and has been audited in accordance with the requirements of Corporations Act 2001 (Cth).

The Remuneration Report includes details of the remuneration strategies and outcomes for Key Management Personnel (KMP), comprising Non-Executive Directors (NEDs), Chief Executive Officer (CEO) and Chief Financial Officer (CFO). KMPs are persons with direct or indirect authority and responsibility for planning, directing and controlling the activities of the Company during the year. The CEO and CFO are referred to throughout this Report as Executive KMP.

The names and positions of the KMP are:

Non-Executive Directors	
Graham Hodges	Independent Non-Executive Chair
Christine Bennett	Independent Non-Executive Director
Bryan Dorman	Non-Executive Director
Sally Freeman	Independent Non-Executive Director
Jodie Leonard	Independent Non-Executive Director (appointed 28 November 2023)
Ian Roberts	Non-Executive Director
CEO and CFO	
Linda Mellors	Managing Director and Chief Executive Officer
Rick Rostolis	Chief Financial Officer

A. Principles used to Determine the Nature and Amount of Remuneration

The Company's executive remuneration framework aims to ensure that reward is competitively based to secure high calibre people and incentivise performance within an appropriate risk framework. It also aims to ensure that the quantum of remuneration is appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives, the provision of quality care and services to care recipients, the creation of value for shareholders and sound management of both financial and non-financial risks. It provides a mix of fixed and variable pay, delivered in a combination of cash and deferred equity.

The diagram below provides an overview of the executive reward framework.

Key Remuneration Criteria			
Competitive and reasonable	**Aligns with shareholder interests**	**Aligns with resident and client interests**	**Transparent**

Executive Reward Framework

Aligned to Shareholders' interests by:

- having underlying profit as a core component;
- focusing on sustained growth in shareholder wealth;
- allowing Executives to build ownership in the Company; and
- attracting and retaining high calibre executives.

Aligned to Resident and Clients' interests by:

- having care and compliance as a gateway;
- providing for a substantial penalty in the event of significant care issues;
- building a culture of continuous improvements in clinical and personal care; and
- providing high-quality care.

Aligned to Executives' interests by:

- rewarding capability and experience;
- providing recognition and reward for contribution to the success of the business and growth in shareholder wealth; and
- providing a clear structure for earning rewards.

Remuneration Report

A. Principles used to Determine the Nature and Amount of Remuneration (continued)

Executive KMP Reward Framework

The key components of the Executive KMP reward framework are the separate STI and LTI plans.

The STI will be assessed against a scorecard of financial and non-financial measures over a 12-month period. The Care and Compliance Gateway continues to apply to the cash component of the STI, such that participants may not be eligible to receive some or all of the cash STI where the gateway is not met.

The LTI will be eligible to vest subject to performance against identified group-wide measures over a 3-year performance period. The LTI Plan is structured to align senior executives with shareholders through rewarding the achievement of long-term sustainable earnings growth and improved Star Ratings. Star Ratings comprise broad measures that are consistent with the longer-term performance and reputation of the business.

The LTI Plan has a 3-year performance period and will be delivered in performance rights. Each performance right entitles the holder to one fully-paid ordinary share in the Company on vesting. The Board retains discretion to make a cash equivalent payment in lieu of an allocation of equity.

The Company uses performance rights to ensure senior executives are invested in the sustainable long-term performance of the Company, are encouraged to remain committed to the Company, and have aligned interests with shareholders. Prior to vesting, performance rights do not carry any dividend or voting rights.

Non-Executive Director Remuneration

To maintain Director independence, Non-Executive Director (NED) remuneration is not linked to Company performance and is comprised solely of Directors' fees (including superannuation). The fees comprise base fees plus additional fees for chairing or being members of the various Board committees.

NED fees are set at a level to attract and retain suitably qualified and experienced Directors having regard to:

- Market benchmarks for ASX listed companies;
- The size and complexity of the Company's operations; and
- Responsibilities and work requirements.

To align NED and shareholder interests, the Company has a NED Minimum Shareholding Policy requiring NEDs to achieve a minimum shareholding of 100% of base fees within 5 years from the relevant Director's date of appointment.

Remuneration Consultants and Other Advisors

To assist in performing its duties and in making recommendations to the Board, the Committee may seek independent advice from remuneration consultants and other advisors on various remuneration-related matters. When doing so, the remuneration consultants and other advisors are required to engage directly with the Chair of the Committee as the first point of contact.

Remuneration Report

A. Principles used to Determine the Nature and Amount of Remuneration (continued)

Group Performance

The following table sets out the Group's financial and share price performance for the financial year ended 30 June 2024 and the four previous years.

Key Performance Indicators	2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Revenue	1,014,051	780,609	725,333	701,365	677,872
Underlying EBITDA	107,195	83,305	78,127	72,068	73,350
Net profit/(loss) before tax	(28,104)	(40,380)	(55,185)	29,150	5,718
Net profit/(loss) after tax	(21,415)	(28,451)	(38,799)	19,949	(716)
Share price at beginning of year	$2.22	$1.85	$1.95	$1.41	$2.63
Share price at end of year	$4.36	$2.22	$1.85	$1.95	$1.41
Dividends per share	12.92 cents	9.48 cents	5.84 cents	6.63 cents	4.02 cents
Basic earnings/(loss) per share*	(7.11) cents	(9.46) cents	(12.90) cents	6.63 cents	(0.24) cents
Diluted earnings/(loss) per share*	(7.11) cents	(9.46) cents	(12.90) cents	6.63 cents	(0.24) cents

* Earnings per share calculations include amortisation of operational places and one-off items.

As part of the Board's commitment to align remuneration with Company performance, employee performance is reviewed annually against agreed performance objectives set prior to commencement of the financial year. The performance factors relate to financial and operational factors such as safety and care factors.

B. Remuneration Structure - Executive KMP

The remuneration framework in place for the CEO and CFO for the financial year ended 30 June 2024 comprises:

- Fixed Annual Remuneration (FAR); and
- Performance based (at risk) remuneration delivered through the STI and LTI.

FAR consists of base remuneration package which generally includes salary and employer contributions to superannuation funds. Fixed remuneration levels for KMP are reviewed annually by the Board through a process that considers personal development, achievement of key performance objectives for the year, industry benchmarks and CPI data to ensure Regis can attract and retain high calibre executives.

The remuneration structure of the CEO and CFO is set out in the following table:

CEO	FAR of $816,000 including superannuation. STI 50% of FAR and LTI 100% of FAR.
CFO	FAR of $569,525 including superannuation. STI 50% of FAR and LTI 100% of FAR.

Remuneration Report

B. Remuneration Structure - Executive KMP (continued)

The structure of the STI for the year ended 30 June 2024 is set out in the following table:

Participation	Executive KMP participated in the STI plan.
STI Value	Executive KMP had STI opportunity of 50% of FAR.
Structure of STI	Participants are eligible to receive an annual award of cash and performance rights subject to meeting financial and non-financial performance measures.
Performance Conditions	The performance conditions reflect Regis' commitment to delivering high quality residential aged care services. Payment of the cash component is subject to a "Care and Compliance" Gateway. The Care and Compliance Gateway for 2024 was as follows: • All service accreditations assessed during the period must be received; and • All undertakings to remedy for a notice of non-compliance that are issued prior to the end of the Performance Period must be met (notwithstanding that notices for non-compliance may have been issued prior to the start of the Performance Period). For the year ended 30 June 2024, if one service is sanctioned, 50% of the cash component of the STI may be forfeited and if two services are sanctioned, 100% of the cash component may be forfeited. The performance conditions assess performance against financial, safety and strategic measures. Financial performance measures account for 60%, strategic measures 30%, and safety 10%. The financial measures include underlying EBITDA and net Refundable Accommodation Deposit ("RAD") cash inflow targets. The safety measure is the Lost Time Injury Frequency Rate ("LTIFR") and non-financial measures include staff engagement, clinical governance, strategic and operational imperatives.
Assessment of Performance Measures	Assessment of performance measures occur annually as part of the broader performance review process for participants. For the purposes of testing financial hurdles, financial results are assessed by reference to the Company's audited financial statements. This method of assessing performance was chosen because it is, as far as practicable, objective and fair. The use of financial statements ensures the integrity of the measure and alignment with the true financial performance of the Company.
Split of Cash and Performance Rights	The percentage of the maximum opportunity achieved by participants is determined by the Board at the end of the financial year against the above measures. For Executive KMPs, awards under the STI comprise 75% in cash and 25% in performance rights. The performance rights vest 12 months after the delivery of the cash component, subject to continued employment.
Number of Performance Rights Awarded	The number of performance rights granted is calculated by dividing the face value of the performance rights component by the volume weighted average price of the Company's shares on the ASX over the 5 trading days commencing on the trading day after the release of the Company's results for the financial year ended 30 June 2024, rounded up to the nearest whole number of performance rights. Each performance right entitles the holder to acquire a fully paid ordinary share in the Company for nil consideration at the end of the vesting period, subject to their continued employment. The performance rights do not carry dividends or voting rights prior to vesting.
Clawback Policy	The Board has discretion to adjust the performance conditions, reduce or extinguish an STI entitlement or clawback the value of STI received. The Board may clawback or adjust any award as a result of material misstatement in, or omission from, the financial statements or otherwise as a result of fraud, dishonesty or breach of obligations.
Board Discretion	The Board has discretion to award or withdraw incentives where the Board considers appropriate.

Remuneration Report

B. Remuneration Structure - Executive KMP (continued)

The structure of the LTI is set out in the following table:

Participation	Executive KMP participated in the LTI plan.
LTI Value	Executive KMP had a LTI opportunity of 100% of FAR.
Structure of LTI	Participants are eligible to receive an annual award of performance rights which are subject to achieving financial and non-financial performance measures.
Performance Conditions	The LTI was subject to the following performance measures determined by the Board: • 50% of the award subject to an earnings per share hurdle[9] (EPS Hurdle). • 50% of the award assessed against performance measures related to the Star Ratings (Star Ratings Hurdle), which comprise in equal parts: (a) Assessment of the Company's improvement in its average Star Rating over the Performance Period (Star Rating Growth); (b) Assessment of the Company's average Star Rating at conclusion of the performance period relative to that of comparable organisations (Relative Star Rating). Star Ratings are comprised of four sub-categories: (1) Resident experience; (2) Compliance; (3) Staffing; (4) Quality measures. The Board chose these measures as they support long-term financial performance and the achievement of the Company's long-term strategic objectives. **EPS vesting schedule is set out below:**

FY2023 LTI Regis' FY25 EPS (cents per share)	FY2024 LTI Regis' FY26 EPS (cents per share)	Percentage of performance rights that vest
Less than 8.2	Less than 9.43	Nil
Equal to 8.2	Equal to 9.43	50%
Greater than 8.2 up to 10	Greater than 9.43 up to 11.5	Straight line pro-rata 50% to 100%
At or above 10	At or above 11.5	100%

9 EPS based on a fully-diluted basis and calculation excludes items that are one-off or non-recurring in nature.

Remuneration Report

B. Remuneration Structure - Executive KMP (continued)

<table>
<tr><td>Performance Conditions (continued)</td><td>Star Rating vesting schedule is set out below:
<table>
<tr><th>Improvement in Regis' average Star Rating across all homes over the performance period[10]</th><th>Percentage of performance rights that vest</th></tr>
<tr><td>Star Rating decrease</td><td>Nil</td></tr>
<tr><td>Maintain average Star Rating throughout period</td><td>50%</td></tr>
<tr><td>Improve Star Rating average by up to growth target</td><td>Straight line pro-rata 50% to 100%</td></tr>
<tr><td>Improve Star Rating average by growth target or more[11]</td><td>100%</td></tr>
</table>
<table>
<tr><th>Company's average star rating relative to residential aged care provider group to be determined by the Board[12]</th><th>Percentage of rights that vest</th></tr>
<tr><td>Less than median of comparator group</td><td>Nil</td></tr>
<tr><td>At median of comparator group</td><td>50%</td></tr>
<tr><td>Between median and 75th percentile of comparator group</td><td>Straight line pro-rata 50% to 100%</td></tr>
<tr><td>Greater than 75th percentile of comparator group</td><td>100%</td></tr>
</table>
</td></tr>
<tr><td>Performance Period</td><td>The performance rights granted have a performance period of three years.</td></tr>
<tr><td>Lapse of Performance Rights</td><td>Any performance rights that remain unvested at the end of the performance period will lapse immediately.</td></tr>
<tr><td>Assessment of Performance Measures</td><td>Assessment of performance measures occurs in the year that they vest.</td></tr>
<tr><td>Number of Performance Rights Awarded</td><td>The number of performance rights granted for the FY2024 LTI was calculated by dividing the face value of the performance rights component by the volume weighted average price of the Company's shares on the ASX over the 5 trading days commencing on the trading day after the release of the Company's results for the financial year ended 30 June 2023 (FY2023 LTI: 30 June 2022), rounded up to the nearest whole number of performance rights.

Each performance right entitles the holder to acquire a fully paid ordinary share in the Company for nil consideration at the end of the vesting period, subject to their continued employment.

The performance rights do not carry dividends or voting rights prior to vesting.</td></tr>
</table>

10 Calculation compares average Star Rating at commencement of respective LTI plan to average Star Rating at 30 June 2025 for FY2023 LTI and at 30 June 2026 for FY2024 LTI.

11 For FY2023 LTI, Star Rating average growth target at 30 June 2025 is 3.42, which would represent growth of 10% above Q1 FY2023 baseline average of 3.11.
For FY2024 LTI, Star Rating average growth target at 30 June 2026 is 3.52, which would represent growth of 3% above FY2023 LTI target of 3.42.

12 Calculation compares average star ratings to Comparator group at 30 June 2025 (FY2023 LTI) and at 30 June 2026 (FY2024 LTI). Comparator group comprises large residential aged care providers as determined by the Board (Arcare, Bolton Clarke, Baptist Care, Bupa, Catholic Healthcare, Calvary, Estia Health, Mercy Health, Opal HealthCare and Uniting Church).

Remuneration Report

B. Remuneration Structure - Executive KMP (continued)

Clawback Policy	The Board has discretion to adjust the performance conditions, reduce or extinguish an LTI entitlement or clawback the value of LTI received. The Board may clawback or adjust any awards as a result of material misstatement in, or omission from, the financial statements or otherwise as a result of fraud, dishonesty or breach of obligations.
Board Discretion	The Board has discretion to award or withdraw incentives where the Board considers appropriate.

The following conditions apply to awards made under the STI or LTI:

Cessation of Employment	Unless the Board determines otherwise, if employment with the Company is terminated during the Performance Period as a 'good leaver', ie as a result of retirement, genuine redundancy, death, terminal illness, total and permanent disablement, or any other reason as determined by the Board, the participant will be entitled to receive a pro-rata amount of their STI and LTI (based on the proportion of whole months the participant was employed by the Company during the Performance Period). Unless the Board determines otherwise, if employment with the Company is terminated in circumstances in which the participant is not considered a good leaver (eg resignation, or termination of employment initiated by the participant or the Company other than where such termination is as a good leaver), the STI and LTI will immediately lapse, and the participant will forfeit the component of their STI and LTI award that has not yet been paid, granted or vested in its entirety. Notwithstanding the above, the Board may, subject to any requirement for shareholder approval, reserve the discretion to determine to treat the STI and LTI in a different manner to that set out above upon cessation of employment.
Restrictions on Dealing	Participants must not sell, transfer, encumber, hedge or otherwise deal with performance rights. Participants are free to deal with the shares allocated on vesting of the performance rights, subject to the requirements of the Company's Policy for Dealing in Securities.
Change in Control	The Board has discretion to determine whether or not vesting of some or all of a Participant's performance rights should be accelerated. Where only some of the performance rights are vested, the remainder will immediately lapse.

Remuneration Report

B. Remuneration Structure - Executive KMP (continued)

Key Terms of Executive Service Agreements

The CEO and CFO have written executive service agreements with Regis Aged Care Pty Ltd, a subsidiary of Regis Healthcare Limited.

Key Terms of the Executive Service Agreements (ESA) for the CEO and CFO are as follows:

Name	Linda Mellors	Rick Rostolis
Role	CEO	CFO
Commencement	5 August 2019	16 March 2020
Term	No fixed term	No fixed term
Notice of termination by Company	6 months written notice	6 months written notice
Notice of termination by Employee	6 months written notice	6 months written notice
Termination for serious misconduct	At any time without notice and with immediate effect.	At any time without notice and with immediate effect.
Termination Entitlements	Payment in lieu of notice based on FAR, and accrued but untaken leave entitlements. Incentive arrangements under STI and LTI will be determined in accordance with the terms of the plan.	Payment in lieu of notice based on FAR, and accrued but untaken leave entitlements. Incentive arrangements under STI and LTI will be determined in accordance with the terms of the plan.
Post-employment restraint	Non-compete and non-solicitation period of 6 months post-employment within Australia.	Non-compete and non-solicitation period of 6 months post-employment within Australia.
Change of Control	Agreement continues to apply	Agreement continues to apply

C. Remuneration Structure - Non-Executive Directors

NED fees reflect the workload and responsibilities of Directors and are reviewed periodically by the Board relative to market conditions and fees paid by comparable listed companies.

Directors' Fees

Under the Constitution, the Board may decide the amount of each NED's remuneration, however, the total amount paid to NEDs must not exceed the amount approved by shareholders at the Annual General Meeting held on 24 October 2023, being $1.4 million (30 June 2023: $1.2 million).

Annual NED fees (inclusive of superannuation) are:

Role	Annual Fees
Chair	$250,000
Other NEDs	$120,000
Chairs of Board Committees[13]	$40,000
Members of Board Committees	$20,000

Directors are reimbursed for reasonable travel and other expenses incurred in attending to the Group's affairs, including attending Board and shareholder meetings.

Retirement Allowances for Directors

NEDs do not participate in any performance-based share plans, retirement schemes or receive any other benefits.

13 There are four Board Committees - Audit, Risk and Compliance Committee, People and Remuneration Committee, Clinical Governance and Care Committee, and Property Committee. The fees for Chair and members are the same for all four Board Committees.

Remuneration Report

D. Performance Outcomes

This section outlines performance outcomes against performance conditions.

STI Outcomes - Financial Year Ended 30 June 2024

Quality care of residents is Regis' fundamental critical success factor, above all else, and it is for this reason that the Care and Compliance Gateway is a key part of the remuneration framework.

Care and Compliance Gateway		Outcome
All accreditations received	✓	Gateway achieved. Homes which were subject to accreditation were successfully re-accredited
All undertakings to remedy for a notice of non-compliance are met	✓	Gateway achieved. 5 homes received a Notice to Agree, Directions Notice or Notice of Non-Compliance during the year. All homes compliant with rectification requirements.
No sanctions	✓	Gateway achieved.

The Board assessed performance against the STI scorecard is as follows:

Performance Measure	Target	Outcome
Underlying EBITDA*	$107.2m	Achieved
Net RAD cash inflow	$40m	Achieved
Lost Time Injury Frequency Rate (LTIFR)**	Less than 10	Not achieved
KPIs specific to each Executive KMP's Strategic responsibilities	Role specific targets include staff engagement, clinical governance, strategic and operational imperatives.	Achieved

* Target amended to reflect AN-ACC uplift and acquisition of CPSM Pty Ltd on 1 December 2023.

** LTIFR increased from 10.17 to 10.37 during the year ended 30 June 2024. Notwithstanding the increase in the Company's LTIFR, the LTIFR remains favourable to the industry benchmark.

The STI outcomes for the CEO and CFO for the financial year ended 30 June 2024 are set out in the following table:

	Award	Maximum Potential Award	Amount Awarded	% of Maximum Achieved	% of Maximum Award Forfeited
Linda Mellors	STI	$408,000	$367,200	90%	10%
Rick Rostolis	STI	$284,763	$256,287	90%	10%

VRRP Outcomes - Financial Year Ended 30 June 2024

Performance rights issued to Executive KMP under the former FY21 and FY22 Variable Reward and Retention Plan ("VRRP") vest in three tranches over a deferred three-year period subject to:

- Continued employment at the vesting date
- No notice of termination or resignation
- No other matter which warrants forfeiture as determined by the Board.

Details of the VRRP performance rights are set out on page 77.

Remuneration Report

E. Non-Executive Director Remuneration

Details of the remuneration of NEDs in accordance with Australian Accounting Standards is set out in the following table:

Name	Year	Salary & Fees	Superannuation	Total*
		$	$	$
Non-Executive Directors				
Graham Hodges	FY24	261,832	27,399	289,231
	FY23	264,708	25,746	290,454
Christine Bennett	FY24	170,478	18,753	189,231
	FY23	165,333	17,104	182,437
Bryan Dorman	FY24	139,293	15,322	154,615
	FY23	135,747	14,253	150,000
Sally Freeman	FY24	170,478	18,753	189,231
	FY23	162,896	17,104	180,000
Ian Roberts	FY24	152,460	16,771	169,231
	FY23	144,796	15,204	160,000
Jodie Leonard[14]	FY24	88,011	9,681	97,692
	FY23	-	-	-
Total	**FY24**	**982,552**	**106,679**	**1,089,231**
	FY23	**873,480**	**89,411**	**962,891**

* NED salary and fees, including superannuation, were increased on 1 January 2024.

14 Jodie Leonard appointed as a Non-Executive Director on 28 November 2023

Remuneration Report

F. Executive KMP Statutory Remuneration

Details of the remuneration of Executive KMPs in accordance with Australian Accounting Standards is set out in the following table:

			Short-Term Benefits			Post-Employment	Other Long-Term Benefits	Share-Based Payments	
	Role	Year	Salary & Fees	Non-Monetary Benefits	Cash Bonus	Superannuation	Long Service Leave	Performance Rights*	Total
			$	$	$	$	$	$	$
Executive Director									
Linda Mellors	MD/CEO	FY24	788,601	-	275,400	27,399	4,483	565,563	1,661,446
		FY23	754,708	-	146,250	25,292	8,383	322,293	1,256,926
Executives									
Rick Rostolis	CFO	FY24	542,126	-	192,215	27,399	3,043	425,892	1,190,675
		FY23	519,708	-	102,188	25,292	5,093	243,421	895,702
Total		**FY24**	**1,330,727**	**-**	**467,615**	**54,798**	**7,526**	**991,455**	**2,852,121**
		FY23	**1,274,416**	**-**	**248,438**	**50,584**	**13,476**	**565,714**	**2,152,628**

* Performance rights granted as remuneration are valued at grant date in accordance with AASB 2 *Share-based payments* and are amortised over the vesting period.

Remuneration Report

G. Performance rights granted and vested during year ended 30 June 2024

The performance rights granted and vested during the year ended 30 June 2024 are set out in the following table:

	Grant date	Expiry date	Type of performance rights	Number held 1 July 2023	Number granted during year	Number vested during year	Number held 30 June 2024	Fair value per performance right at grant date $	Value of performance rights at grant date $	Value of performance rights included in compensation for the year $
Linda Mellors	17 Nov 2021	20 Sept 2023	FY21 VRRP Tranche 2 (i)	25,375	-	(25,375)	-	1.76	44,660	-
	17 Nov 2021	20 Sept 2024	FY21 VRRP Tranche 3 (i)	38,446	-	-	38,446	1.65	63,436	15,859
	16 Nov 2022	20 Sept 2023	FY22 VRRP Tranche 1 (i)	16,788	-	(16,788)	-	1.90	31,897	-
	16 Nov 2022	20 Sept 2024	FY22 VRRP Tranche 2 (i)	32,589	-	-	32,589	1.82	59,312	19,771
	16 Nov 2022	20 Sept 2025	FY22 VRRP Tranche 3 (i)	49,377	-	-	49,377	1.73	85,422	21,356
	25 Oct 2022	30 Sept 2025	FY23 LTI (ii)	375,000	-	-	375,000	1.65	618,750	195,938
	25 Oct 2022	30 Sept 2024	FY23 STI (iii)	39,889	-	-	39,889	2.44	97,500	48,750
	6 Oct 2023	30 Sept 2025	FY24 STI (iii)	-	22,067	-	22,067	4.16	91,800	45,900
	24 Oct 2023	30 Sept 2026	FY24 LTI (v)	-	333,838	-	333,838	2.18	727,767	217,989
Sub-total (vi)				**577,464**	**355,905**	**(42,163)**	**891,206**		**1,820,544**	**565,563**
Rick Rostolis	17 Nov 2021	20 Sept 2023	FY21 VRRP Tranche 2 (i)	19,031	-	(19,031)	-	1.76	33,495	-
	17 Nov 2021	20 Sept 2024	FY21 VRRP Tranche 3 (i)	28,835	-	-	28,835	1.65	47,578	11,894
	16 Nov 2022	20 Sept 2023	FY22 VRRP Tranche 1 (i)	11,542	-	(11,542)	-	1.90	21,930	-
	16 Nov 2022	20 Sept 2024	FY22 VRRP Tranche 2 (i)	22,405	-	-	22,405	1.82	40,777	13,592
	16 Nov 2022	20 Sept 2025	FY22 VRRP Tranche 3 (i)	33,946	-	-	33,946	1.73	58,727	14,682
	29 Aug 2022	30 Sept 2025	FY23 LTI (ii)	262,019	-	-	262,019	1.87	489,976	155,159
	29 Aug 2022	30 Sept 2024	FY23 STI (iv)	27,871	-	-	27,871	2.44	68,125	34,063
	28 Sep 2023	30 Sept 2025	FY24 STI (iv)	-	15,402	-	15,402	4.16	64,072	32,036
	28 Sep 2023	30 Sept 2026	FY24 LTI (v)	-	233,001	-	233,001	2.35	547,552	164,466
Sub-total (vii)				**405,649**	**248,403**	**(30,573)**	**623,479**		**1,372,232**	**425,892**
Total				**983,113**	**604,308**	**(72,736)**	**1,514,685**		**3,192,776**	**991,455**

(i) FY21 and FY22 VRRP performance rights vest in three tranches of 17%, 33% and 50% of the total award deferred for one, two and three years respectively, subject to continued employment.
(ii) FY23 LTI performance rights vest over a three-year performance period from 1 July 2022 to 30 June 2025, subject to continued employment.
(iii) FY23 and FY24 STI performance rights vest in 12 months after the delivery of the cash component, subject to continued employment. Upon vesting, the shares allocated by the Company will be purchased on-market.
(iv) FY23 and FY24 STI performance rights vest in 12 months after the delivery of the cash component, subject to continued employment.
(v) FY24 LTI performance rights vest over a three-year performance period from 1 July 2023 to 30 June 2026, subject to continued employment.
(vi) Maximum value of unvested performance rights to be recognised in future years is $802,771 (30 June 2023: $560,216).
(vii) Maximum value of unvested performance rights to be recognised in future years is $609,460 (30 June 2023: $431,897).

Remuneration Report

H. KMP Shareholdings

The following table summarises the movements in shareholdings of KMP (including their related entities) for the reporting period.

Number of shares

For the Quarter ended	Held at 1 July 2023[15]	Received on vesting of LTI	Received on vesting of STI / VRRP	Received as remuneration	Other net change	Held at 30 June 2024	Held nominally at 30 June 2024[16]
Non-Executive Directors							
Graham Hodges	110,000	-	-	-	-	110,000	-
Christine Bennett	82,500	-	-	-	-	82,500	-
Bryan Dorman	81,910,479	-	-	-	(17,500,000)	64,410,479	-
Sally Freeman	30,000	-	-	-	52,462	82,462	-
Ian Roberts	81,910,479	-	-	-	-	81,910,479	16,699
Jodie Leonard[17]	-	-	-	-	13,505	13,505	-
CEO and CFO							
Linda Mellors	171,072	-	42,163	-	-	213,235	-
Rick Rostolis	52,304	-	30,573	-	-	82,877	-

Transactions with the Group

No Director or other KMP (including their related parties) has entered into a contract with the Company or a subsidiary during the reporting period other than as disclosed in this Remuneration Report.

Loans with the Group

No Director or other KMP (including their related parties) has entered into a loan made, guaranteed or secured, directly or indirectly, by the Group during the reporting period.

End of Audited Remuneration Report

15 Comparative amounts are revised, if required, based on latest information and to conform with current year presentation
16 Shares held 'nominally' means shares held indirectly or by a KMP's close family members or entities over which the KMP or family member has control
17 Jodie Leonard appointed as a Non-Executive Director on 28 November 2023

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Auditor's independence declaration to the directors of Regis Healthcare Limited

As lead auditor for the audit of the financial report of Regis Healthcare Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Regis Healthcare Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

BJ Pollock
Partner
26 August 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024	Note	2024 $000	2023 $000
Revenue from services	B1	1,014,051	780,609
Other income	B1	104,259	117,000
Total revenue from services and other income		**1,118,310**	**897,609**
Expenses			
Staff expenses		(776,408)	(596,962)
Resident care expenses		(62,395)	(57,610)
Administration expenses		(37,561)	(30,672)
Occupancy expenses		(50,497)	(52,681)
Depreciation	C4, C5	(46,697)	(45,082)
Amortisation of operational places	C6	(81,380)	(81,382)
Profit before income tax and finance costs		**63,372**	**33,220**
Finance costs	D3	(91,476)	(73,600)
Loss before income tax		**(28,104)**	**(40,380)**
Income tax benefit	B3	6,689	11,929
Loss for the period		**(21,415)**	**(28,451)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Other comprehensive income, net of tax for the period		-	-
Total comprehensive income, net of tax for the period		**(21,415)**	**(28,451)**
Loss for the period attributable to:			
Equity holders of the parent entity		(21,415)	(28,451)
Total comprehensive income, net of tax attributable to:			
Equity holders of the parent entity		(21,415)	(28,451)
Earnings per share (EPS) attributable to equity holders of the parent:		Cents	Cents
Basic EPS (cents per share)	B4	(7.11)	(9.46)
Diluted EPS (cents per share)	B4	(7.11)	(9.46)

The accompanying notes form part of the consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2024	Note	2024 $000	2023 $000
Assets			
Cash and cash equivalents	D1	64,905	61,320
Trade and other receivables	C1	16,972	39,955
Inventories	C2	-	1,842
Other current assets	C3	8,945	5,730
Income tax receivable		2,039	140
Assets held for sale	C10	9,922	2,895
Total current assets		**102,783**	**111,882**
Property, plant and equipment	C4	1,221,086	1,110,205
Right-of-use assets	C5	3,518	3,506
Operational places and goodwill	C6	363,338	321,318
Investment property	C7	117,805	116,599
Deferred tax assets	B3	3,978	-
Total non-current assets		**1,709,725**	**1,551,628**
Total assets		**1,812,508**	**1,663,510**
Liabilities			
Trade payables and other liabilities	C8	80,538	56,582
Lease liabilities	C5	919	790
Provisions	C9	117,450	124,531
Other financial liabilities	D4	1,628,055	1,350,744
Liabilities directly associated with assets held for sale	C10	-	745
Total current liabilities		**1,826,962**	**1,533,392**
Interest-bearing loans and borrowings	D2	-	67,335
Lease liabilities	C5	2,924	2,945
Provisions	C9	5,507	4,867
Deferred tax liabilities	B3	-	16,577
Total non-current liabilities		**8,431**	**91,724**
Total liabilities		**1,835,393**	**1,625,116**
Net assets		**(22,885)**	**38,394**
Equity			
Contributed equity	D7	274,084	273,761
Reserves	D9	(95,079)	(96,305)
Accumulated losses		(201,890)	(139,062)
Total equity		**(22,885)**	**38,394**

The accompanying notes form part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Issued Capital $000	Remuneration Reserve $000	Acquisition Reserve $000	Accumulated Losses $000	Total $000
As at 1 July 2022	**273,629**	**4,488**	**(101,497)**	**(97,613)**	**79,007**
Net loss for the period	-	-	-	(28,451)	(28,451)
Total comprehensive loss for the year	**-**	**-**	**-**	**(28,451)**	**(28,451)**
Dividends paid or provided for	-	-	-	(12,998)	(12,998)
Equity settled share-based payments	-	836	-	-	836
Transfer from remuneration reserve	132	(132)	-	-	-
Balance as at 30 June 2023	**273,761**	**5,192**	**(101,497)**	**(139,062)**	**38,394**
At 1 July 2023	**273,761**	**5,192**	**(101,497)**	**(139,062)**	**38,394**
Net loss for the period	-	-	-	(21,415)	(21,415)
Total comprehensive loss for the year	**-**	**-**	**-**	**(21,415)**	**(21,415)**
Dividends paid or provided for	-	-	-	(41,413)	(41,413)
Equity settled share-based payments	-	1,549	-	-	1,549
Transfer from remuneration reserve	323	(323)	-	-	-
Balance as at 30 June 2024	**274,084**	**6,418**	**(101,497)**	**(201,890)**	**(22,885)**

The accompanying notes form part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 $000	2023 $000
Cash flows from operating activities			
Receipts from residents and Government subsidies		1,002,274	779,323
Government grants received		35,918	10,318
Payments to suppliers and employees		(915,138)	(718,093)
Finance income		3,980	705
Finance costs		(4,928)	(7,068)
Interest paid on RADs		(5,120)	(4,173)
RAD and accommodation bond inflows		538,155	442,963
RAD and accommodation bond outflows		(397,198)	(399,398)
ILU/ILA entry contribution inflows		8,831	7,569
ILU/ILA entry contribution outflows		(5,162)	(6,197)
Income tax paid		(9,315)	(788)
Net cash flows from operating activities	F2	**252,297**	**105,161**
Cash flows from / (used in) investing activities			
Purchase of property, plant and equipment		(65,725)	(51,435)
Capital expenditure (investment property)		(1,206)	(2,042)
Net proceeds from sale of property, plant and equipment		3,080	7,430
Net proceeds from sale of business		1,492	-
Net proceeds from sale of investment property		1,001	52,625
Acquisition of a subsidiary, net of cash acquired	E3	(75,234)	-
Net cash flows (used in)/from investing activities		**(136,592)**	**6,578**
Cash flows used in financing activities			
Proceeds from borrowings		90,000	57,000
Repayment of borrowings		(159,634)	(85,931)
Payment of lease liabilities		(1,073)	(1,244)
Dividends paid on ordinary shares		(41,413)	(12,998)
Net cash flows used in financing activities		**(112,120)**	**(43,173)**
Net increase in cash and cash equivalents		**3,585**	**68,566**
Cash at the beginning of the financial period		61,320	(7,246)
Cash at the end of the financial period	D1	**64,905**	**61,320**

The accompanying notes form part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

Section A: Basis of Preparation

This section sets out the basis on which the Group's financial report is prepared. A glossary containing acronyms and defined terms is included in the back of this report.

Regis Healthcare Limited (the 'Company') is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group's principal activity during the year was the provision of residential aged care services. The consolidated financial statements of the Company and its subsidiaries (collectively, the 'Group' or 'Regis') for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 26 August 2024.

A1. Statement of Compliance

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for investment property, independent living unit and apartment entry contributions, which have been measured at fair value. The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars unless otherwise stated in accordance with Instrument 2016/91 issued by the Australian Securities and Investments Commission.

A2. Going Concern

The Group is in a net current asset deficiency position. This deficiency principally arises due to refundable accommodation deposits ('RADs'), accommodation bonds and independent living unit and independent living apartment ('ILU'/'ILA') entry contributions being recorded as current liabilities as required under Australian Accounting Standards. However, in practice, RADs/accommodation bonds that are repaid are generally replaced by RADs from incoming residents in a short timeframe. The Group is also in a net asset deficiency position. This deficiency principally arises due to the amortisation of the Group's operational places, which have been fully amortised at 30 June 2024 (refer Note C6). The amortisation of operational places has had no impact on the cash flows of the Group. The Group generated positive cash flows from operations of $252,297,000 during the year (2023: $105,161,000). Undrawn syndicated bank facilities of $404,398,000 (2023: $334,689,000) (refer Note D2) are also available should they need to be drawn. In addition, the Group has the ability to refinance its existing borrowings and raise new external debt if required. Based on the cash flow forecast for the next 12 months, the Group will be able to pay its debts as and when they become due and payable. Accordingly, the financial report has been prepared on a going concern basis.

A3. Key Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to exercise judgement and make estimates and assumptions in applying the Group's accounting policies which impact amounts reported for assets, liabilities, income and expenses. Actual results may differ from these judgements, estimates and assumptions. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods. Information about significant areas of estimation uncertainty and critical assumptions are described in the following notes:

- Receivables: assumptions underlying expected credit losses (Note C1)
- Property, plant, equipment: useful life and assumptions on recoverable amount assessments (Note C4)
- Operational places, goodwill: assumptions underlying recoverable amount and useful life (Note C6)
- Investment property: assumptions underlying the assessment of fair value (Note C7)
- Provisions: assumptions underlying recognition and measurement of provisions (Note C9)
- Business combinations: assumptions underlying the assessment of fair value of assets acquired and liabilities assumed (Note E3)
- Share-based payments: determination of valuation model and assumptions on achievement of target hurdles (Note F3)

A4. Impact of Climate Change on the Financial Statements

The impact of climate change has been considered in preparing the financial statements for the year ended 30 June 2024. Whilst noting the Group's commitment to sustainability, there has not been a material impact on the financial reporting judgements and estimates at 30 June 2024, based on the Group's considerations to date of the impact of climate-related risks and opportunities on its operations, assets and financial performance. Notes C6 and C7 explain how the impacts of climate change have been considered in preparing the financial statements.

A5. New Standards, Interpretations and Amendments

A number of amendments and interpretations have been applied for the first time in this reporting period but did not have a material impact on the consolidated financial statements of the Group.

Section B: Results for the Year

This section explains the results and performance of the Group.

This section provides additional information about those individual line items in the financial report that the Directors consider most relevant in the context of Regis' operations, including:

- Accounting policies that are relevant for understanding the items recognised in the financial report; and
- Analysis of the results for the period by reference to key areas, including revenue and taxation.

B1. Revenue from Services and Other Income

	2024 $000	2023 $000
Revenue from services		
Government funded revenue	743,760	549,619
Resident basic daily fee revenue	150,239	128,958
Other resident revenue	111,843	92,905
Other operating revenue	6,562	7,568
Deferred management fee revenue	1,647	1,559
Total revenue from services	**1,014,051**	**780,609**
Other income		
Imputed income on RADs and Bonds	81,523	62,873
Government grants	13,692	32,544
Interest income	3,980	705
Gain on disposal of non-current assets	5,064	11,651
Change in fair value of investment property	-	7,220
Other	-	2,007
Total other income	**104,259**	**117,000**
Total revenue from services and other income	**1,118,310**	**897,609**

Residential Aged Care and Home Care

The Group recognises revenue from residential aged care and home care services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and non-discretionary services, as agreed in a single contract with the resident. Fees received in advance of residential aged care and home care services performed are recognised as contract liabilities and are included within Trade and Other Payables.

Retirement Living

Revenue arises from deferred management fees, long-term leases and short-term rentals, as agreed in a single contract with the resident. Revenue from deferred management fees is recognised over the expected length of stay of a resident. The expected length of stay of a resident is estimated based on historical tenure data, including industry data. The difference between revenue recognised and contractual deferred management fees earned is recognised as deferred revenue (contract liabilities) within Trade and Other Payables.

Revenue from long-term leases and short-term rentals are recognised on a monthly basis as services are provided.

Section B: Results for the Year

B1. Revenue from Services and Other Income (continued)

Nature of revenue and cash flows

Residential aged care and home care revenue is disaggregated based on the nature of funding. Revenue is recognised based on the terms and conditions for discretionary and non-discretionary services agreed in a single contract with the resident, which are enforceable primarily on a daily basis.

Imputed income on RADs and Bonds

Other income includes imputed income from the provision of accommodation, which is accounted for as a Lease under AASB 16 *Leases*. Under AASB 16 *Leases*, the fair value of non-cash consideration (in the form of an interest-free loan) received from a resident that has elected to pay a RAD or accommodation bond is required to be recognised as income and correspondingly, interest expense (Note D3) with no net impact on profit or loss.

Change in fair value of investment property

The change in fair value of investment property of $nil (2023: $7,220,000) represents the non-cash revaluation gain/(loss) associated with the Group's retirement living property portfolio, as assessed by an independent valuer.

Government grants

Government grants which are monetary in nature are recognised when the Group has reasonable assurance that all conditions attached to the grant will be met and the grant will be received. The monetary grant is recognised at an amount equivalent to what will be received. These amounts are considered as other income.

For non-monetary Government grants, the Group assesses the fair value of the non-monetary asset, or at a nominal amount, and accounts for both grant and asset at that fair or nominal value. Government grants related to assets is presented in the statement of financial position on a gross basis (i.e. asset and liability) and is recognised in profit or loss on a systematic basis over the useful life of the asset.

Key judgement, estimate and assumption: Interest rate applicable to RADs and Bonds

The Group has determined the use of the Maximum Permissible Interest Rate ('MPIR') as the interest rate to be used in the calculation of the imputed income on RADs and Bonds. The MPIR is a rate set by the Australian Government and is used to calculate the Daily Accommodation Payment ('DAP') to applicable residents.

Summary of sources of revenue

Source of Revenue	Description	Type of Services
Government funded revenue	Government funded revenue reflects the Group's entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of individual residents. Revenue funded by the Australian Government is derived under the Group's contracts with customers. Australian Government funded revenue comprises basic subsidy amounts calculated in accordance with the Australian National Aged Care Classification ('AN-ACC') funding model, accommodation supplements, funding for short-term respite residents and other Government income. Revenue is recognised over time as services are provided. Funding claims are submitted / updated daily, and the Australian Government funded revenue is usually received in advance at the commencement of the month of services being performed.	Residential aged care and home care

Section B: Results for the Year

B1. Revenue from Services and Other Income (continued)

Source of Revenue	Description	Type of Services
Resident basic daily fee revenue	Residents are charged a basic daily fee as a contribution to the provision of daily living expenses. The quantum of resident basic daily fees is regulated by the Australian Government and typically increases in March and September each year. Resident basic daily fee revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and cash is usually received within 30 days from invoice date.	Residential aged care and home care
Other resident revenue	Other resident revenue represents other fees charged to residents in respect of care and accommodation services and includes means tested care fees, Daily Accommodation Payment ('DAP') / Daily Accommodation Contribution ('DAC') revenue, additional services revenue and other income. Other resident revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and cash is usually received within 30 days from invoice date.	Residential aged care and home care
Other operating revenue	Other operating revenue comprises fees charged to retirement living unit residents and other sundry revenue. Revenue is recognised over time as services are provided. Residents are typically invoiced on a monthly basis and cash is usually received within 30 days from invoice date.	Residential aged care, home care and retirement living
Deferred management fee ('DMF') revenue	DMF revenue represents a fee that is contractually deducted from the ingoing contribution that is paid back to a resident upon exit from a retirement village. DMF revenue is recognised over the expected length of stay of a resident.	Retirement living

Section B: Results for the Year

B2. Segment Information

The Group operates predominantly in the residential aged care sector and also provides home care and retirement living services in Australia. Operating segments are reported in a manner consistent with the internal reporting to the Managing Director and Chief Executive Officer (the chief operating decision maker ('CODM')) who is responsible for allocating resources and assessing performance of the operating segments.

Segment performance is measured by EBITDA adjusted to exclude one-off items ('Underlying EBITDA')[18]. Underlying EBITDA represents a non-IFRS earnings measure. A reconciliation of loss before income tax to Underlying EBITDA is set out below:

For the year ended	2024 $000	2023 $000
Loss before income tax	**(28,104)**	**(40,380)**
Add back/(deduct):		
Imputed income on RADs and bonds[19]	(81,523)	(62,873)
Imputed interest charge on RADs and Bonds[19]	81,523	62,873
Right-of-use assets depreciation[19]	967	1,374
Interest expense on lease liabilities[19]	205	263
Operating lease expense	(1,084)	(1,244)
Loss before income tax pre AASB 16 *Leases*	**(28,016)**	**(39,987)**
Amortisation of operational places	81,380	81,382
Depreciation (excluding right-of-use assets)	45,730	43,708
Other finance costs	9,748	10,464
Finance income	(3,980)	(705)
Reported EBITDA	**104,862**	**94,862**
One-off items:		
CPSM acquisition and integration costs[20]	7,585	-
Government grant income	(13,692)	(32,544)
COVID-19 outbreak related expenses	4,575	16,540
Strategic investment in Human Resource systems	6,601	-
Net gain on disposal of non-current assets	(5,064)	(11,651)
Write-off of capital work in progress and other write-downs	-	12,813
Increase in employee entitlements due to Fair Work Commission decision	-	7,300
Fair value gain on investment property	-	(7,220)
Professional services costs incurred in relation to employee entitlements underpayments program of work	2,123	3,075
Other losses	205	130
Total one-off items	**2,333**	**(11,557)**
Underlying EBITDA	**107,195**	**83,305**

18 Underlying earnings before interest, tax, depreciation and amortisation ('Underlying EBITDA'), excludes imputed income on RADs and Bonds of $81,523,000 (30 June 2023: $62,873,000), and one-off items, and includes operating lease expense of $1,084,000 (30 June 2023: $1,244,000), is reported to provide shareholders with a greater understanding of financial performance.

19 Following adoption of AASB 16 *Leases* effective 1 July 2019, loss before income tax for the financial year ended 30 June 2024 includes income on RADs and Bonds of $81,523,000 (2023: $62,873,000) and, correspondingly, finance costs of $81,523,000 (2023: $62,873,000) with no net impact on profit or loss. In accordance with AASB 16 *Leases*, the Group also recognised depreciation and interest costs totalling $967,000 (2023: $1,374,000) and $205,000 (2023: $263,000) respectively.

20 CPSM acquisition and integration costs includes $5,625,000 of landholder duty payable to the Queensland State Revenue Office, and $1,960,000 of transaction costs and other integration related costs.

Section B: Results for the Year

B2. Segment Information (continued)

Revenue from one source, being the Australian Government, constitutes or provides greater than 10 per cent of total revenues received. The amount of revenue recognised from the Australian Government is $743,760,000 (30 June 2023: $549,619,000), being revenue as described in Note B1.

B3. Income Tax

Reconciliation of the Group's applicable tax rate to the effective tax rate

	2024 $000	2023 $000
Loss before income tax	(28,104)	(40,380)
At Australia's corporate tax rate of 30% (2023: 30%) - tax benefit	(8,431)	(12,114)
Adjustments with respect to current income tax of previous years	(182)	(19)
Other non-assessable income/non-deductible expenses	1,924	204
Income tax benefit reported in the statement of profit or loss	**(6,689)**	**(11,929)**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised in other comprehensive income or directly in equity is also recognised in other comprehensive income or directly in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Major components of income tax benefits

	2024 $000	2023 $000
Current income tax expense	7,047	8,548
Adjustments with respect to current tax expense of previous years	(167)	(19)
Adjustments with respect to deferred tax expense of previous years	-	(695)
Deferred tax benefit	(13,569)	(19,763)
Income tax benefit reported in profit or loss	**(6,689)**	**(11,929)**

Section B: Results for the Year

B3. Income Tax (continued)

Major components of deferred tax

	Statement of financial position 2024 $000	Statement of financial position 2023 $000	Arising from business combination (refer Note E3) $000	Statement of profit or loss 2024 $000	Statement of profit or loss 2023 $000
Deferred tax liabilities					
Property, plant and equipment	(24,992)	(24,590)	3,892	4,294	2,208
Investment property	(10,910)	(10,569)	-	341	2,203
Independent living unit and apartment entry contributions	(3,451)	(3,532)	-	(81)	335
Intangible assets	-	(21,622)	-	(21,622)	(24,415)
Deferred tax assets:					
Employee benefits	31,137	26,799	3,130	(1,208)	(3,592)
Provisions	8,744	13,963	51	5,270	1,397
Deferred revenue	154	154	-	-	-
Losses available for offsetting against future taxable income	1,811	1,811	-	-	1,191
Other	1,485	1,009	(87)	(563)	910
Net deferred tax assets / (liabilities)	**3,978**	**(16,577)**	**6,986**		
Deferred tax benefit				**(13,569)**	**(19,763)**

Deferred tax

Deferred tax is measured at the tax rates and laws that are enacted or substantively enacted at the reporting date and are expected to apply to the year when the asset is realised or the liability is settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, carried forward unused tax assets and unused tax losses only if it is probable that taxable profit will be available to utilise them.

Deferred tax relating to items recognised in other comprehensive income or directly in equity is also recognised in other comprehensive income or directly in equity.

The group is subject only to Australian tax legislation.

Tax consolidation

In 2007, for the purpose of income taxation, Regis Healthcare Limited and its 100% owned subsidiaries formed a tax consolidated group. The entities in the tax group have entered into a tax sharing agreement to limit the joint and several tax liability of 100% owned subsidiaries in the event of a default by the head entity, Regis Healthcare Limited. The tax consolidated group has applied the "Separate Taxpayer within Group" approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. Entities within the tax consolidated group have entered into a tax funding arrangement with the head entity.

Under the terms of the tax funding arrangement, Regis Healthcare Limited and each of the entities in the tax consolidated group have agreed to pay a tax equivalent payment to, or from, the head entity, based on the current tax liability or current tax asset of the entity. Amounts are reflected in amounts receivable from, or payable to, other entities in the tax consolidated group.

Section B: Results for the Year

B4. Earnings Per Share (EPS)

	2024	2023
EPS for profit attributable to the ordinary equity holders of Regis Healthcare Limited		
Loss for the period from continuing operations ($'000)	(21,415)	(28,451)
Weighted average number of ordinary shares for basic EPS (shares, thousands)	301,035	300,890
Adjustment for effect of share-based payment arrangements (shares, thousands)	2,472	1,643
Weighted average number of ordinary shares for diluted EPS (shares, thousands)	303,507	302,533
Basic earnings per share (cents per share)	**(7.11)**	**(9.46)**
Diluted earnings per share (cents per share)	**(7.11)**	**(9.46)**

Calculation methodology

EPS is the profit/(loss) after tax (from continuing operations) attributable to ordinary equity holders of Regis Healthcare Limited, divided by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated on the same basis except that it includes the impact of any potential commitments the Group has to issue shares in the future, unless these would be anti-dilutive.

Between the reporting date and the issue date of the 30 June 2024 Financial Report, there have been no transactions involving ordinary shares or potential ordinary shares that would impact the calculation of EPS disclosed in the table above.

Section C: Operating Assets and Liabilities

This section explains the Group's operating assets used to generate the Group's trading performance and the liabilities incurred as a result.

C1. Trade and Other Receivables

	2024 $000	2023 $000
Trade receivables	16,528	17,099
Allowance for impairment loss[21]	(2,280)	(1,795)
Other receivables (i)	2,724	24,651
Total trade and other receivables	**16,972**	**39,955**

The movement in the allowance for impairment loss in respect of trade receivables during the year was as follows:		
Opening balance	1,795	1,261
Amounts written-off	(536)	(540)
Arising from business combinations	170	-
Net remeasurement of loss allowance	851	1,074
Closing balance	**2,280**	**1,795**

(i) Other receivables as at 30 June 2023 included $22,226,000 of COVID-19 Aged Care Support Grant Income owed by the Australian Government which was subsequently received in the year-ended 30 June 2024.

Receivables and expected credit loss

Receivables are recognised at their transaction price and subsequently measured at amortised cost using the effective interest rate method less any allowance under the expected credit loss ('ECL') model. Regis applies the simplified approach to the ECL calculation used for trade receivables, lease receivables and contract assets, and measures the ECL allowance at an amount equal to lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment. A write-off of a financial asset is recognised when the Group has no reasonable expectations of recovering the contractual cash flows of a financial asset in its entirety or a portion thereof.

Key judgement, estimate and assumption: Expected credit loss

The Group determined that the risk characteristics of its customers were not significantly impacted by higher inflation and interest rate rises during the period. The Group observed there to be no significant change in customer payment patterns and performance due to the impact of these factors that would materially impact the ability to collect outstanding trade receivable balances.

The Group considers a financial asset in default when contractual payments are 365 days past due.

21 Allowance for impairment loss represents (i) $1,529,000 measured under the expected credit loss ('ECL') model, and (ii) $751,000 recognised based on a specific debtor provision.

Section C: Operating Assets and Liabilities

C1. Trade and Other Receivables (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix. The provision excludes trade receivables from the Australian Government which is considered of low credit risk:

	Total	0-30 Days	31-60 Days	61-90 Days	91-150 Days	151-365 Days	>365 Days
At 30 June 2024							
Gross carrying amount at 30 June 2024 ($'000)	11,575	4,159	1,373	1,301	1,046	2,173	1,523
Expected credit loss rate (%)		0.0%	0.0%	0.0%	0.0%	0.2%	100%
Expected credit loss ($'000)	1,529	-	-	-	-	6	1,523
At 30 June 2023							
Gross carrying amount at 30 June 2023 ($'000)	12,108	4,193	1,224	1,426	1,678	2,392	1,195
Expected credit loss rate (%)		0.0%	0.1%	0.2%	0.4%	1.3%	100%
Expected credit loss ($'000)	1,237	1	1	3	6	31	1,195

C2. Inventories

	2024 $000	2023 $000
Consumables and medical supplies	-	1,842
Total inventories	**-**	**1,842**

Inventories represent consumables on hand, comprising personal protective equipment and medical supplies. Inventories are recorded at the lower of cost and net realisable value.

C3. Other Current Assets

	2024 $000	2023 $000
Prepayments	7,406	5,730
Goods and Services Tax (GST) receivable	1,539	-
Total other current assets	**8,945**	**5,730**

Section C: Operating Assets and Liabilities

C4. Property Plant and Equipment

	Land & buildings $000	Plant & equipment $000	Motor vehicles $000	Fixtures & fittings $000	Leasehold improvements $000	Capital work in progress $000	Total $000
At 30 June 2024							
Cost	1,135,950	373,010	808	103,624	37	59,739	1,673,168
Accumulated depreciation	(185,424)	(219,477)	(695)	(46,464)	(22)	-	(452,082)
Net carrying amount	**950,526**	**153,533**	**113**	**57,160**	**15**	**59,739**	**1,221,086**
Carrying amount at 1 July 2023	881,194	155,631	101	46,669	16	26,594	1,110,205
Additions	460	16,457	-	2,297	-	46,607	65,821
Acquired as part of business combinations (refer Note E3)	100,098	4,356	63	4,066	-	-	108,583
Transfers from work in progress	-	2,908	-	10,529	-	(13,437)	-
Transfer to assets held for sale	(8,008)	(1,419)	-	(495)	-	-	(9,922)
Write-off	-	-	-	-	-	(25)	(25)
Disposals	(6,410)	(1,099)	(18)	(319)	-	-	(7,846)
Depreciation expense*	(16,808)	(23,301)	(33)	(5,587)	(1)	-	(45,730)
Carrying amount at 30 June 2024	**950,526**	**153,533**	**113**	**57,160**	**15**	**59,739**	**1,221,086**
At 30 June 2023							
Cost	1,052,421	353,368	784	88,177	37	26,594	1,521,381
Accumulated depreciation	(171,227)	(197,737)	(683)	(41,508)	(21)	-	(411,176)
Net carrying amount	**881,194**	**155,631**	**101**	**46,669**	**16**	**26,594**	**1,110,205**
Carrying amount at 1 July 2022	880,140	149,375	131	49,379	17	30,111	1,109,153
Additions	852	12,337	-	2,912	-	37,804	53,905
Transfers from work in progress	19,565	16,524	-	184	-	(36,273)	-
Transfer to assets held for sale	(866)	-	-	-	-	-	(866)
Write-off	-	-	-	-	-	(5,048)	(5,048)
Disposals	(2,600)	(328)	-	(303)	-	-	(3,231)
Depreciation expense*	(15,897)	(22,277)	(30)	(5,503)	(1)	-	(43,708)
Carrying amount at 30 June 2023	**881,194**	**155,631**	**101**	**46,669**	**16**	**26,594**	**1,110,205**

* Excludes depreciation charge of $967,000 (2023: $1,374,000) in relation to right-of-use assets (refer Note C5).

Section C: Operating Assets and Liabilities

C4. Property Plant and Equipment (continued)

Land and buildings relate to the Group's aged care homes associated with the provision of residential aged care services.

Land and buildings relate to the Group's portfolio of 67 residential aged care homes in Australia. From time to time, the Directors obtain independent market value assessments of the Group's residential aged care homes and associated land and buildings for the purposes of its banking arrangements and property portfolio management activities. These market value assessments indicate that the current value of those land and buildings subject to valuations exceeds their carrying value at 30 June 2024. In accordance with the Group's accounting policy, land and buildings are recorded at historical cost less accumulated depreciation and any recognised impairment. These valuations have not been subject to audit by the Group's external auditor.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any recognised impairment. Cost comprises of expenditure that is directly attributable to the acquisition of the item and subsequent costs incurred that are eligible for capitalisation. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Buildings: 40 years
- Plant and equipment: 5-20 years
- Motor vehicles: 4-8 years
- Fixtures and fittings: 3-10 years
- Leasehold improvements: 3-5 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss when the item is derecognised.

Property, plant and equipment is tested for impairment at the cash generating unit ('CGU') level.

Where there is an indication that an asset or CGU to which an asset belongs may be impaired (which is assessed at least at each reporting date) an impairment test is performed by comparing the recoverable amount of a CGU against its carrying amount as described in Note C6.

No indicators of impairment were identified for property, plant and equipment for the year ended 30 June 2024.

Assets under construction

Property, plant and equipment under construction is included within 'capital work in progress'. Capital expenditure incurred in the course of development activities are carried at cost, less any recognised impairment loss. Cost includes construction costs, professional fees, internal wage expenses directly attributable to the development activities and, for qualifying assets borrowing costs capitalised in accordance with the Group's accounting policy (refer Note D3). Upon completion, the asset is reclassified as land and buildings, plant and equipment, or fixtures and fittings as applicable. During the year, the Group completed refurbishments of various homes. Such projects are short-term in nature. On completion, the cost of the asset is classified within plant and equipment or fixtures and fittings.

Section C: Operating Assets and Liabilities

C5. Leases

(a) Regis as lessee

Amounts recognised in the consolidated statement of financial position

	2024 $000	2023 $000
Right-of-use assets		
Property leases	2,466	3,123
Plant and equipment and motor vehicles	1,052	383
Total right-of-use assets	**3,518**	**3,506**
Lease liabilities		
Lease liabilities - current	919	790
Lease liabilities - non-current	2,924	2,945
Total lease liabilities	**3,843**	**3,735**

Additions to the right-of-use assets amounted to $979,000 during the year (2023: $3,507,000).

Amounts recognised in the statement of profit or loss and other comprehensive income

	2024 $000	2023 $000
Depreciation expense of right-of-use assets		
Property leases	660	1,180
Plant and equipment and motor vehicles	307	194
Total depreciation expense of right-of-use assets	**967**	**1,374**
Interest expense (included in finance costs)	205	263
Total interest expense relating to leases	**205**	**263**

Total cash outflow for leases for the year was $1,073,000 (2023: $1,244,000).

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration cost. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of estimated useful life and the lease term.

The lease term is the non-cancellable period of a lease together with the lease period under reasonably certain extension options and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Each right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. The Group's right-of-use assets relate to office premises and are depreciated over 5 years.

Regis tests right-of-use assets for impairment where there is an indicator that the asset may be impaired in accordance with impairment testing detailed at Note C6.

Section C: Operating Assets and Liabilities

C5. Leases (continued)

Lease liabilities

Lease liabilities are initially measured at the present value of lease payments to be made over the lease term discounted using the interest rate implicit in the lease. If that cannot be determined, Regis' incremental borrowing rate is used.

Lease payments used in calculating the liability include:

- Fixed payments (including in-substance fixed payments) less any lease incentives receivable
- Variable lease payments that depend on an index or a rate at commencement date
- Lease payments to be made under options for extension which are reasonably certain to be exercised
- Payments of penalties for terminating a lease, if the lease term reflects Regis exercising that option
- Amounts expected to be paid under residual value guarantees

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made, and re-measuring the carrying amount to reflect any reassessment or lease modifications. Interest on the lease liability and any variable lease payments not included in the measurement of the lease liability are recognised as an expense in the period which the event or condition that triggers the payment occurs.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with lease terms of 12 months or less and leases of low value assets are recognised in profit or loss, when the expense is incurred.

Key judgement, estimate and assumption: lease term and incremental borrowing rate

Lease term

The term of each lease is based on the non-cancellable lease term unless management was 'reasonably certain' to exercise options to extend the lease. The Group has lease contracts that include extension options. These options are negotiated to provide flexibility in managing the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised such as the cost of relocation and has included such options within the lease term.

Incremental borrowing rate

The Group uses an incremental borrowing rate ('IBR') if the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR reflects what the Group would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs, such as market interest rates, when available and is required to make certain estimates specific to the Group such as a subsidiary's stand-alone credit rating.

(b) Regis as lessor

Contracts with residents contain provisions for accommodation, use of common areas for provision of care and other services. The Group's contractual arrangements relating to the provision of residential aged care and retirement living accommodation are leases pursuant to AASB 16 *Leases*, being the exclusive right to the use of a room/unit by a resident.

For residential aged care accommodation arrangements where the resident has elected to pay a RAD or accommodation bond, the Group receives a financing benefit, in the form of an interest-free loan. Under AASB 16 *Leases*, the fair value of this non-cash consideration is required to be recognised as income (to reflect the interest-free loan financing benefit received on RADs and accommodation bonds) as disclosed in Note B1 and, correspondingly, interest expense (to record the financial liability associated with RADs and accommodation bonds at fair value) as disclosed in Note D3, with no net impact on profit or loss.

Section C: Operating Assets and Liabilities

C6. Operational Places and Goodwill

	Operational Places $000	Goodwill $000	Total $000
At 30 June 2024			
Cost	229,973	385,573	615,546
Accumulated depreciation and impairment	(229,973)	(22,235)	(252,208)
Net carrying amount	**-**	**363,338**	**363,338**
Carrying amount at 1 July 2023	81,380	239,938	321,318
Additions (refer Note E3)	-	123,400	123,400
Amortisation	(81,380)	-	(81,380)
Carrying amount at 30 June 2024	**-**	**363,338**	**363,338**

	Operational Places $000	Goodwill $000	Total $000
At 30 June 2023			
Cost	229,973	262,173	492,146
Accumulated depreciation and impairment	(148,593)	(22,235)	(170,828)
Net carrying amount	**81,380**	**239,938**	**321,318**
Carrying amount at 1 July 2022	162,762	239,938	402,700
Amortisation	(81,382)	-	(81,382)
Carrying amount at 30 June 2023	**81,380**	**239,938**	**321,318**

Available operational places

An ‘available operational place’ refers to a place that was allocated and has since become available for a person to receive residential aged care, being commonly referred to as “operating places” or “bed licences.” In previous periods, available operational places were assessed as having an indefinite useful life as they are issued for an unlimited period. However, in May 2021 the Australian Government announced that there will be no further Aged Care Approval Rounds (ACAR).

In accordance with Accounting Standards and the guidelines issued by the Australian Securities and Investments Commission (“ASIC”), the Group has fully amortised the value of its operational places as at 30 June 2024. This has resulted in a before tax amortisation expense in the profit and loss for the financial year ended 30 June 2024 of $81,380,000 with no impact to the cash flows of the Group.

The deregulation of operational places presents new opportunities for Regis to invest in geographic areas previously not open to the Group, and most likely increase competition around quality of care, service and accommodation. This presents an advantage to providers such as Regis who have a strong balance sheet and access to capital to further develop the sector.

Transitional arrangements are in place for residential aged care providers until the new Aged Care Act begins. Under the transitional arrangements, residential aged care providers who do not hold allocated operational places can apply for residential care places if they are bed-ready and can demonstrate their ability to meet the needs of potential residents in the community.

Section C: Operating Assets and Liabilities

C6. Operational Places and Goodwill (continued)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquiree at the date of acquisition.

Goodwill, that has an indefinite life, is not subject to amortisation and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it may be impaired. Impairment losses relating to goodwill cannot be reversed in future periods. Impairment testing is performed as described in the 'Impairment testing of goodwill and operational places' section below.

Key judgement, estimate and assumption: Useful life of operational places

The Group's assessment of the useful life of operational places is based on the Group's current understanding of the relevant legislation and transitional arrangements relating to the ACAR abolishment and commencement of a new Aged Care Act from 1 July 2025.

Impairment testing of goodwill and operational places

Goodwill and operational places are allocated entirely to the Aged Care operating segment for the purposes of impairment testing because it is this CGU that is expected to benefit from these assets.

Regis performs impairment testing of goodwill annually and impairment testing on goodwill and operational places when indicators of impairment exist by comparing the recoverable amount of the CGU against its carrying value. An impairment loss is recognised for the amount by which the CGU's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of the CGU's fair value less costs of disposal and value-in-use. The carrying value of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. The carrying value of the CGU represents those assets and liabilities that can be directly attributed or allocated on a reasonable and consistent basis.

Impact of climate-related events on recoverable amount

Climate change may affect non-current asset impairment considerations via adverse climate conditions and events, such as floods and bushfires, that may cause damage and/or result in reduced demand in affected areas. In addition, building design standards to enhance resilience coupled with the transition to a lower carbon economy may lead to increased build, maintenance and operating costs. Consideration has been given to the potential financial impacts of these factors on the carrying value of goodwill and other non-current assets through a qualitative review of Regis' climate change risk assessment. The review did not identify any material financial reporting impacts. Notwithstanding, when calculating the 'value-in-use' valuation of an asset or CGU, future forecast cash flows incorporate capital expenditure associated with the Group's current sustainability plans and activities.

Key judgement, estimate and assumption: Recoverable amount

The assessment of the recoverable amount of goodwill and operational places involves significant areas of estimation and judgement by management. These judgements relate to the level of future Australian Government funding and market conditions including home occupancy levels. The key assumptions considered by management are detailed below.

The recoverable amount of a CGU is determined on a value-in-use calculation basis using discounted cash flow projections from financial forecasts approved by management covering a five-year period, after which a terminal value is applied, based on management's view of the longer-term growth profile of the business. The recoverable amount used to test the carrying amount is based on forward-looking assumptions which are uncertain. This incorporated consideration of the changes to the Australian National Aged Care Classification (AN-ACC) funding model and mandated care minute requirements, which presents uncertainty in relation to the future profitability of the business. The AN-ACC funding model is expected to have a cost neutral impact on the profitability of the business over the five-year forecast period.

Section C: Operating Assets and Liabilities

C6. Operational Places and Goodwill (continued)

The key assumptions include:

Assumption	Description
Discount rate	The discount rate (post-tax) of 9.0% (2023: 9.3%) applied to the cash flows for the CGU represents the current market assessment of the risk specific to the CGU, taking into consideration the time value of money and the individual risks of the underlying assets that have not been incorporated into the cash flow estimates. Further changes to the discount rate may be necessary in the future to reflect changing risks of the CGU and changes in the weighted average cost of capital.
Long-term growth rate and occupancy rate	The long-term growth rate of 2.0% (2023: 2.0%) reflects an assessment of inflation and perpetual growth using economic data. The occupancy rate remains relatively stable over the longer-term.
Net RAD and accommodation bond cash flow	Based on internal expectations in relation to potential RAD movements and adjusted accordingly considering the average value of RADs received.

Impairment testing

Based on results of impairment testing, no impairment of goodwill or operational places has been recognised in the current year. No impairment of goodwill was recognised in the prior year.

C7. Investment Property

Investment property relates to interests in operating retirement villages (comprising independent living units and apartments) and retirement village development sites held to earn revenue and capital appreciation over time.

	2024 $000	2023 $000
Carrying amount at beginning of financial year	116,599	163,120
Additions due to capital expenditure	1,206	1,786
Transfer to assets held for sale (refer Note C10)	-	(3,316)
Change in fair value of operating investment properties (i)	550	1,850
Change in fair value of investment property development sites (ii)	(550)	5,370
Sale of investment property (iii)	-	(45,629)
Amounts written-off (iv)	-	(6,582)
Carrying amount at the end of the financial year	**117,805**	**116,599**

(i) The change in fair value of the operating investment properties in both the current and prior period relates to the retirement living operations in Queensland and Tasmania.
(ii) The change in fair value of the investment property development sites in the current period relates to the Blackburn South retirement village property in Melbourne.
(iii) Represents the book value of investment property in relation to the sale of the Hollywood retirement village and vacant land in Western Australia in June 2023.
(iv) Included within Occupancy expenses in profit or loss.

Section C: Operating Assets and Liabilities

C7. Investment Property (continued)

Investment property

Investment property is initially measured at cost, including transaction costs and subsequently at fair value with any change therein recognised in the statement of profit or loss. In addition, the tax base of the investment property is measured on the assumption that the carrying amount of investment property will be recovered entirely through sale, rather than through use.

Fair value measurement, valuation techniques and inputs

Operating investment properties

Fair value of operating retirement villages has been determined by independent appraisers by using a discounted cash flow valuation methodology. These valuations are based on projected cash flows using current resident contracts and current available market data for similar retirement units / properties.

Investment property development sites

Development sites contain vacant land and are valued on the basis of vacant possession for redevelopment, which is consistent with their highest and best use.

Fair value has been determined based on external valuations performed by an independent appraiser with a recognised professional qualification and recent experience in the location and category of property being valued. Fair value of development sites was determined with regard to recent market transactions of similar properties in similar locations to the Group's development sites and discounted cash flows. Fair value varies depending on location and current market conditions. For any investment properties under construction whereby the Group cannot reliably measure the property's fair value, the Group recognises that investment property under construction at cost until either its fair value becomes reliably measurable or construction is completed (whichever is earlier).

As part of the valuation process for investment properties, the Group has considered the impact of environmental, social and governance factors. Independent valuations prepared to assess the fair value of the Group's investment properties are conducted in accordance with the guidelines and valuation principles as set by the Australian Property Institute (API) and the International Valuation Standards Council (IVSC). In assessing the implications of sustainability in property valuations under the API and IVSC valuation standards, consideration is given to environmental factors that can or do impact on the valuation of an asset.

Key judgement, estimate and assumption: Investment property valuation assumptions

Investment property valuations are subject to key market-based assumptions including discount rates, the current market value of residential units and the growth in those values over time. Given the volatility in markets and the lack of certainty around economic recovery, it is possible there will be movements in these key inputs after 30 June 2024. Demand may also be positively or negatively impacted by potential residents' perceptions of the advantages and disadvantages of living in a retirement community at this time.

To illustrate the exposure of the carrying amount of investment properties at 30 June 2024 to further fair value movements as a result of changes in the economic environment, a sensitivity analysis of fair value has been prepared for the key value drivers, as disclosed in the table below.

While it is unlikely that these drivers would move in isolation, these sensitivities have been performed independently to illustrate the impact each individual driver has on the fair value. These assumptions do not represent management's estimate at 30 June 2024.

Investment property is classified as Level 3 in the fair value hierarchy as defined at Note D6.

Section C: Operating Assets and Liabilities

C7. Investment Property (continued)

The following significant unobservable inputs are used to measure the fair value of the investment properties:

Operating investment properties		
Inputs used to measure fair value	**30 June 2024**	**Sensitivity**
Discount rate	14% - 15%	Increasing / decreasing the discount rates by 50 basis points would decrease / increase fair value by $1,126,000 and $1,226,000 respectively.
Property price growth rates - medium term	3% - 4%	Increasing / decreasing the property price growth rates by 50 basis points would increase / decrease fair value by $2,452,000 and $2,237,000 respectively.
Property price growth rates - longer term	3% - 4%	
Investment property development sites		
Inputs used to measure fair value	**30 June 2024**	**Sensitivity**
Discount rate	10%	Increasing / decreasing the discount rate by 50 basis points would decrease / increase fair value by $611,000 and $646,000 respectively.
Average tenure of residents	11 years	Increasing / decreasing the average tenure period by 6 months would decrease / increase fair value by $613,000 and $585,000 respectively.

Impact of climate-related events on property valuations

Climate change may affect Regis' investment property values through adverse weather conditions that may cause damage, lost income, and/or reduced useful lives at affected properties and by increased regulation requiring enhanced building and design standards to minimise the impact on the environment, both during construction and throughout their operating life

C8. Trade Payables and Other Liabilities

	2024 $000	2023 $000
Trade payables	11,265	12,447
Other payables	66,713	37,824
Deferred revenue	2,560	4,060
GST payable	-	2,251
Total trade payables and other liabilities	**80,538**	**56,582**

Section C: Operating Assets and Liabilities

C8. Trade Payables and Other Liabilities (continued)

Trade payables and other payables

Liabilities for trade and other payables are recognised initially at fair value less transaction costs and are subsequently carried at amortised cost. All amounts are non-interest bearing and have an average term of 30 days.

Deferred revenue and fees received in advance

Deferred revenue includes bond retention fees and deferred management fees and are expected to be recognised as revenues over a period of 1 to 8 years. Decreases in these balances generally represent the recognition of revenues. Increases in the balance for deferred management fees generally represent deferred management fees contractually accruing.

Deferred revenue and fees received in advance are contract liabilities.

Fees received in advance are expected to be recognised as revenue within one year. Decreases in this balance represent the recognition of revenues and increases represent fees received through Australian Government and resident funding.

Revenue recognised from amounts included in contract liabilities at the beginning of the financial year was $1,647,000 (2023: $1,621,000).

The carrying amount of payables at balance date approximates their fair value.

C9. Provisions

	2024 $000	2023 $000
Current		
Employee entitlements	101,203	86,831
Other provisions	16,247	37,700
Total current provisions	**117,450**	**124,531**
Non-Current		
Employee entitlements	5,507	4,867
Total non-current provisions	**5,507**	**4,867**

The current provision for employee entitlements includes annual leave entitlements, which are presented as current although the Group does not expect to settle the full amount within the next 12 months.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognised in profit or loss net of any reimbursement.

Section C: Operating Assets and Liabilities

C9. Provisions (continued)

Annual leave, long service leave and other employee entitlements

Provisions are recognised for annual leave, long service leave and long-term incentives.

For employee benefits expected to be paid within twelve months, the liability is measured at the amount expected to be paid. The liability expected to be paid after twelve months is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The liability that has vested at the reporting date is included in the current provision for employee entitlements. The liability that has not vested at the reporting date is included in the non-current provision for employee entitlements.

The current provision for employee entitlements includes annual leave entitlements, which are presented as current although the Group does not expect to settle the full amount within the next 12 months. The amount of annual leave that is not expected to be settled within the next 12 months is $18,032,000 (30 June 2023: $15,476,000).

Employee Entitlement Underpayments

Regis announced to the ASX on 9 August 2021 that it had identified potential underpayments of employee entitlements to certain current and former employees under its enterprise agreements.

These payment shortfalls have arisen because some employee entitlements due under various enterprise agreements were recorded inaccurately in the payroll system. This has led to incorrect payments to a number of employees. Regis assesses the estimated cost of remediation of any potential underpayments across the Group at each reporting date.

During the financial year ended 30 June 2024, Regis commenced its remediation payment process and made payments of $28,564,000. Due to the complexity involved in determining the amount and timing of final remediation costs, Regis continues to engage with its external advisors and regulatory authorities, including the Fair Work Ombudsman. The remediation payment process is ongoing and will continue through the 2025 financial year. A provision of $16,247,000, including $5,011,000 for ongoing matters, is recorded within other provisions (current) as at 30 June 2024 (30 June 2023: $37,700,000).

Key judgement, estimate and assumption: Employee entitlements underpayments provision

Estimating the provision for remediation of the potential employee entitlement underpayments requires the legal interpretation of certain complex enterprise agreement clauses, that vary across the states and territories of Australia, and the application of these to a large volume of employee data. Based on advice from external advisors, the Group has exercised significant judgement in determining how these matters are dealt with in estimating the provision at 30 June 2024.

Section C: Operating Assets and Liabilities

C10. Assets Held For Sale

During the financial year ended 30 June 2023, Regis sold its Hollywood Retirement Village and vacant land in Western Australia. As part of the transaction, Regis executed a conditional contract for the sale of land on which Regis' Weston residential aged care home is operated. The sale is expected to be completed within a year from the reporting date with operations at Regis Weston expected to close during the 30 June 2025 financial year. As such, the related assets of Regis Weston have been classified as assets held for sale as at 30 June 2024.

Major classes of assets and liabilities of the assets classified as assets held for sale as at 30 June 2024 are as follows:

	2024 $000	2023 $000
Assets		
Land and buildings	8,008	-
Plant and equipment	495	-
Furniture and fittings	1,419	-
Operating investment properties (i)	-	3,316
Write-down of operating investment properties (i)	-	(1,287)
Vacant land (i)	-	866
Assets held for sale	**9,922**	**2,895**
Liabilities		
Independent living unit and apartment (ILU/ILA) entry contributions (i)	-	(745)
Liabilities directly associated with assets held for sale	**-**	**(745)**
Net assets directly associated with assets held for sale	**9,922**	**2,150**

(i) During the financial year ended 30 June 2024, Regis completed the sale of vacant land and various operating investment properties in Queensland.

Section D: Capital Structure and Financing

This section outlines how Regis manages its capital structure and related financing costs, including its balance sheet liquidity and access to capital markets.

The Board determines the appropriate capital structure of Regis; specifically, how much is raised from securityholders (equity) and how much is borrowed from financial institutions and capital markets (debt), in order to finance Regis' activities both now and in the future. The Board considers Regis' capital structure and its dividend and distribution policy at least twice a year ahead of announcing results, in the context of its ability to continue as a going concern, to execute the strategy and to deliver its business plan

D1. Cash and Cash Equivalents

	2024 $000	2023 $000
Reconciliation of cash and cash equivalents		
Cash at bank	64,771	61,211
Cash on hand	134	109
Total cash and cash equivalents	**64,905**	**61,320**
Total cash and cash equivalents for Statement of Cash Flows	**64,905**	**61,320**

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank, cash on hand and short-term deposits with an original maturity of three months or less. For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

The weighted average effective interest rate applicable to cash and cash equivalents for the year was 6.31% (2023: 2.15%).

D2. Interest-Bearing Loans and Borrowings

	2024 $000	2023 $000
Non-current		
Bank loans - secured	-	67,335
Total loans and borrowings	**-**	**67,335**

Loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value less directly attributable transaction costs and are subsequently stated at amortised cost. Any difference between amortised and redemption value is recognised in profit or loss over the period of the borrowing using the effective interest rate method. The effective interest rate amortisation is included in finance costs in profit or loss. The carrying amount of interest-bearing loans and borrowings is materially the same as the fair value.

The interest expense on these instruments is shown in Note D3. The weighted average effective interest rate applicable to debt for the year was 6.84% (2023: 4.94%).

Section D: Capital Structure and Financing

D2. Interest-Bearing Loans and Borrowings (continued)

Bank facilities

As at 30 June 2024, the Group has syndicated bank debt of $405,000,000 comprising the following:

	Maturity in the financial year ending	Facility limit $'000	Utilised at balance date $'000	Unused at balance date $'000
Facility A	March 2026	150,000	-	150,000
Facility B	March 2027	175,000	-	175,000
Facility C	March 2027	70,000	-	70,000
Bank guarantee facility	March 2027	10,000	602	9,398
Total syndicated bank debt facilities		**405,000**	**602**	**404,398**
Add: Overdraft facility	March 2027	25,000	-	25,000
Total facilities		**430,000**	**602**	**429,398**
Less: Bank guarantee facility			(602)	
Total loans and borrowings			**-**	

Regis has a syndicated debt bank facility which provides sufficient liquidity to meet currently anticipated cash flow requirements. As at 30 June 2024, the undrawn amount of the syndicated bank debt facility was $404,398,000.

D3. Finance Costs

	2024 $000	2023 $000
Interest expense on bank loans and overdrafts	2,007	5,054
Interest on refundable RADs	5,041	4,383
Imputed interest charge on RADs and Bonds	81,523	62,873
Interest expense on lease liabilities	205	263
Other	2,871	2,754
Sub-total finance costs	**91,647**	**75,327**
Less borrowing costs capitalised	(171)	(1,727)
Total finance costs	**91,476**	**73,600**

Interest income is recognised in profit or loss as it accrues using the effective interest rate method.

Interest expense consists of interest and other costs that Regis incurs in connection with the borrowing of bank loans and overdrafts.

Borrowing costs

Borrowing costs are expensed as incurred except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset such as investment properties or capital works in progress. Qualifying assets are assets that necessarily take a substantial period of time to reach the stage of their intended use or sale.

Borrowing costs are capitalised to the cost of the assets while in active development until the assets are ready for their intended use or sale. Total interest capitalised does not exceed the net interest expense in any period. Capital development project carrying values recognised in Capital Work in Progress, including all capitalised interest attributable to projects, continue to be recoverable based on the latest project feasibility studies. In the event the development is suspended for an extended period of time or the decision is taken to dispose of the asset, the capitalisation of borrowing costs is also suspended. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 2.61% (2023: 3.09%).

Section D: Capital Structure and Financing

D4. Other Financial Liabilities

	2024 $000	2023 $000
Refundable accommodation deposits (RADs) and bonds	1,581,163	1,306,071
Independent living unit and apartment (ILU/ILA) entry contributions	46,892	45,418
Re-classification to liabilities directly associated with assets held for sale (Refer Note C10)	-	(745)
Total other financial liabilities	**1,628,055**	**1,350,744**

Refundable accommodation deposits

A Refundable Accommodation Deposit ('RAD') is a non-interest-bearing deposit paid or payable to an Approved Provider by a resident for the resident's accommodation in an aged care home.

Prior to 1 July 2014, lump sum RADs were referred to as accommodation bonds. Accommodation bonds were not payable by residents paying a high care accommodation payment. From 1 July 2014, under the Living Longer Living Better reforms, residents can choose to pay a full lump sum ('RAD'), a regular rental-type payment called a Daily Accommodation Payment ('DAP'), or a combination of both.

Accommodation bond balances are reduced by annual retention fees charged in accordance with the Aged Care Act 1997. However, retention fees are not applicable to post 1 July 2014 RADs.

RADs are refunded after a resident departs a home in accordance with the Aged Care Act 1997. RAD refunds are guaranteed by the Australian Government under the prudential standards legislation. Approved Providers are required to have sufficient liquidity to ensure they can refund RAD balances as they fall due in the following twelve months. Providers are also required to implement and maintain a liquidity management strategy. As there is no unconditional right to defer payment for 12 months, RAD liabilities are recorded as current liabilities.

The RAD liability is spread across a large portion of the resident population and therefore the repayment of individual balances that make up the current balance will be dependent upon the actual tenure of individual residents. Tenure can be more than ten years but averages approximately three years. Usually (but not always), when an existing RAD is repaid it is replaced by a new RAD from an incoming resident.

RADs and accommodation bonds are recognised initially at fair value (being the cash received) and subsequently measured at amortised cost using the effective interest rate method. Due to the short-term nature of RADs, their carrying value at balance date approximates their fair value.

Independent living unit and apartment entry contributions ('Entry Contributions')

Entry contributions relate to Independent Living Unit ('ILU') and Independent Living Apartment ('ILA') residents. An Entry Contribution is the amount a resident lends to Regis, equivalent to the market value of the ILU/ILA in exchange for a lease to reside in the home and have access to community homes owned and maintained by Regis.

Entry contributions are non-interest bearing and are recognised at fair value through profit or loss with resulting fair value adjustments recognised in profit or loss. Fair value is the amount payable on demand and is measured as the principal amount plus the resident's share of any increases in the market value of the occupied ILU/ILAs (for contracts that contain a capital gain share clause) net of deferred management fees contractually accruing up to the reporting date and other amounts owing by residents, which are deducted from the loan on repayment following the resident's departure.

Entry contributions are settled after a resident vacates the property and the terms and conditions are governed by applicable Australian state-based Retirement Village Acts.

Entry contributions are classified as Level 2 in the fair value hierarchy as defined in Note D6.

D5. Financial Risk Management and Objectives

The Group's principal financial liabilities comprise of trade and other payables, accommodation bonds, refundable accommodation deposits (RADs), independent living unit and apartment (ILU/ILA) contributions and interest-bearing loans and borrowings which are held mainly to finance the Group's operations. The Group's principal financial assets include trade and other receivables (excluding GST and prepayments), and cash and cash equivalents that are derived directly from its operations. The Group is exposed to market risk, credit risk and liquidity risk.

Section D: Capital Structure and Financing

D5. Financial Risk Management and Objectives (continued)

Primary responsibility to review, oversee and report to the Board on the Group’s financial risk management systems and strategies rests with the Audit, Risk & Compliance Committee operating within an approved policy under the authority of the Board. The Group uses various methods to measure and manage different types of risks to which it is exposed. The Board ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives which have been agreed upon by the Board. These are summarised below.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and resident accommodation prices. Financial instruments affected by market risk include cash, loans and borrowings, RADs and DAPs and derivative financial instruments. Market risk is managed and monitored by using sensitivity analysis, and minimised through ensuring that all operational activities are undertaken in accordance with established internal and external guidelines, financing and investment strategies of the Group.

Interest rate risk

The Group's exposure to interest rate risk primarily relates to the Group's bank loans and borrowings when drawn. Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. When bank borrowings are drawn, the Group reviews its exposure on a monthly basis and monitors its position in respect of fixing interest rates, leaving them as floating rates or a combination of both. The Group constantly monitors its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing options and the mix of fixed and variable interest rates.

The Group's exposure to interest rate risks and the effective interest rate of financial assets and liabilities both recognised and unrecognised at the reporting date are disclosed in the table below. All other financial assets and liabilities are non-interest bearing.

At reporting date, all of the Group’s cash and cash equivalents (Note D1) and interest-bearing loans and borrowings (Note D2) are exposed to Australian variable interest rate risk.

As at 30 June 2024, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

	Post-tax profit Higher / (lower)		Equity Higher / (lower)	
	2024 $000	2023 $000	2024 $000	2023 $000
+1% (100 basis points)	454	(42)	454	(42)
-1% (100 basis points)	(454)	42	(454)	42

Price risk

The Group's exposure to price risk primarily relates to the risk that the Australian Government, through the Department of Health and Aged Care (DHAC), alters the rate of funding provided to Approved Providers of residential aged care services. A fluctuation in the rate of Government funding may have a direct material impact on the revenue of the Group. In addition, the DHAC also administers the pricing of resident contributions.

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, thus leading to a financial loss. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the asset. The Group does not hold any credit derivatives to offset its credit exposure. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant.

The current economic environment including higher inflation and interest rate rises have been considered in determining the Group’s exposure to credit risk.

Section D: Capital Structure and Financing

D5. Financial Risk Management and Objectives (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through monitoring forecast cash flows and ensuring adequate access to financial instruments that are readily convertible to cash. In addition, the Group maintains sufficient cash and cash equivalents to meet normal operating requirements. Also, as part of the Group's compliance with the User Rights Principles 1997 (made under the Aged Care Act 1997), the Group maintains a liquidity management strategy to ensure that it has sufficient liquidity to enable it to refund RAD and accommodation bond balances that are expected to fall due within at least the next 12 months.

The table below reflects all contractual fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities, including derivative financial instruments as at 30 June 2024. Cash flows for financial assets and liabilities without fixed amount or timing are based on conditions existing at 30 June 2024. Maturity analysis of financial assets and liabilities is as follows:

	Note	1-12 Months $'000	1-5 Years $'000	More than 5 Years $'000	Total $'000
30 June 2024					
Financial assets					
Cash and cash equivalents	D1	64,905	-	-	64,905
Trade and other receivables	C1	16,972	-	-	16,972
Financial liabilities					
Trade payables and other liabilities	C8	(80,538)	-	-	(80,538)
Lease liabilities (undiscounted cash flows)		(1,115)	(3,195)	-	(4,310)
Other financial liabilities	D4	(1,628,055)	-	-	(1,628,055)
Net exposure		**(1,627,831)**	**(3,195)**	**-**	**(1,631,026)**
30 June 2023					
Financial assets					
Cash and cash equivalents	D1	61,320	-	-	61,320
Trade and other receivables	C1	39,955	-	-	39,955
Financial liabilities					
Trade payables and other liabilities	C8	(56,582)	-	-	(56,582)
Lease liabilities (undiscounted cash flows)		(957)	(3,234)	-	(4,191)
Other financial liabilities	D4	(1,350,744)	-	-	(1,350,744)
Interest bearing loans and borrowings	D2	-	(67,335)	-	(67,335)
Net exposure		**(1,307,008)**	**(70,569)**	**-**	**(1,377,577)**

Cash flows from refundable accommodation deposits (RADs), accommodation bonds and ILU/ILA entry contributions are classified as a current liability as the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. When an existing RAD/accommodation bond is repaid it is usually replaced by a new RAD from an incoming resident. A major risk facing residential aged care providers is that the outbreak of infectious diseases in a home may lead to a sizeable decline in occupancy if resident discharges are not matched by new resident admissions. This may in turn adversely impact RAD cash flows.

Section D: Capital Structure and Financing

D5. Financial Risk Management and Objectives (continued)

Capital management

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the parent entity. The primary objective of the Group's capital management is to maximise shareholder value. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the banking syndicate to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2024 and 30 June 2023.

D6. Fair Value of Financial Instruments

Measurement of fair value financial instruments

The financial instruments on the Statement of Financial Position are measured at either fair value or amortised cost. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The measurement of this fair value may in some cases be subjective and may depend on the inputs used in the calculations. The different valuation methods are called hierarchies and are described below:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2024					
Assets/(liabilities) measured at fair value					
Independent living unit and apartment (ILU/ILA) entry contributions	D4	-	(46,892)	-	(46,892)
Investment property	C7	-	-	117,805	117,805
Assets/(liabilities) for which fair value is disclosed					
Interest-bearing loans and borrowings	D2	-	-	-	-
RADs and accommodation bonds	D4	-	(1,581,163)	-	(1,581,163)
Total		**-**	**(1,628,055)**	**117,805**	**(1,510,250)**

Section D: Capital Structure and Financing

D6. Fair Value of Financial Instruments (continued)

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2023					
Assets/(liabilities) measured at fair value					
Independent living unit and apartment (ILU/ILA) entry contributions	D4	-	(44,673)	-	(44,673)
Investment property	C7	-	-	116,599	116,599
Assets/(liabilities) for which fair value is disclosed					
Interest-bearing loans and borrowings	D2	-	(67,335)	-	(67,335)
RADs and accommodation bonds	D4	-	(1,306,071)	-	(1,306,071)
Net exposure		**-**	**(1,418,079)**	**116,599**	**(1,301,480)**

Refer to the relevant note for information on how the fair values of the above financial instruments were derived. There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the year ended 30 June 2024.

D7. Contributed Equity

Movements in ordinary shares

			Ordinary Shares, issued and fully paid	
	Grant Date Fair Value	Date	No.	$000
At 30 June 2023			300,908,124	273,761
Share issue - performance rights	2.690	21-Sep-23	126,795	323
At 30 June 2024			**301,034,919**	**274,084**

Ordinary shares are classified as equity. Incremental costs attributable to the issue of new shares are shown in equity as a deduction net of tax, from the proceeds.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of, and amounts paid on the shares held.

D8. Dividends Paid and Proposed

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent entity when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A corresponding entry is recognised directly in equity.

Dividends declared and paid during the period

During the year ended 30 June 2024, the 2023 final dividend of 7.48 cents per share totalling $22,508,000 (50% franked) was paid on 27 September 2023 and the 2024 interim dividend of 6.28 cents per share totalling $18,905,000 (50% franked) was paid on 11 April 2024.

Dividends proposed and not recognised as a liability

On 26 August 2024, the Board of Directors resolved to pay a final dividend of 6.64 cents per share totalling $20,000,000 (50% franked) for the year ended 30 June 2024, payable on 25 September 2024 (record date 11 September 2024).

Franking account balance

The franking account credit balance of Regis Healthcare Limited for the year ended 30 June 2024 is $5,132,000 (2023: $4,693,000).

Section D: Capital Structure and Financing

D9. Reserves

	Acquisition reserve $'000	Remuneration reserve $'000	Total $'000
At 30 June 2024			
Opening balance at 1 July 2023	(101,497)	5,192	(96,305)
Equity settled share-based payments expense	-	1,549	1,549
Transfers to issued capital	-	(323)	(323)
At 30 June 2024	**(101,497)**	**6,418**	**(95,079)**
At 30 June 2023			
Opening balance at 1 July 2022	(101,497)	4,488	(97,009)
Equity settled share-based payments expense	-	836	836
Transfers to issued capital	-	(132)	(132)
At 30 June 2023	**(101,497)**	**5,192**	**(96,305)**

Acquisition reserve

The acquisition reserve is used to accumulate the difference between the cost of shares issued by the Group and share buy-backs.

Remuneration reserve

The employee remuneration reserve comprises the fair value of share-based payment plans recognised as an expense in profit or loss. Refer Note F3 for further details of these plans.

Section E: Group Structure

This section includes information about the parent entity, Regis' subsidiaries and business combinations.

E1. Parent Entity Information

The following information has been extracted from the accounting records of Regis Healthcare Limited ('Parent Entity') and has been prepared in accordance with Australian Accounting Standards.

	2024 $000	2023 $000
Information relating to Regis Healthcare Limited		
Assets		
Current assets	27,389	16,985
Non-current assets	532,663	584,480
Total assets	**560,052**	**601,465**
Liabilities		
Current liabilities	2,075	2,075
Total liabilities	**2,075**	**2,075**
Equity		
Issued capital	482,249	482,249
Reserves	345	345
Retained earnings	75,383	116,796
Total equity	**557,977**	**599,390**
Profit of the parent entity	-	-
Total comprehensive income of the parent entity	-	-

There are no contractual commitments, guarantees or contingent liabilities with respect to the Parent Entity.

Section E: Group Structure

E2. Subsidiaries

The consolidated financial statements include Regis Healthcare Limited (ultimate parent entity, otherwise known as the Parent Entity) and the following wholly-owned subsidiaries. The subsidiaries are primarily engaged in the principal activity of owning and operating residential aged care homes. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. Control exists where the Company has the power to govern the financial and operating policies of the entity in order to obtain benefits from its activities.

Entity Name	Country of incorporation	2024 %	2023 %
Allora Drive Pty Ltd ATF Allora Drive Unit Trust	Australia	100	100
Carersconnect Pty Ltd	Australia	100	100
Clover Brae Pty Ltd ATF Clover Brae Unit Trust	Australia	100	100
Clover Side Pty Ltd ATF Clover Side Unit Trust	Australia	100	100
CPSM Pty Ltd	Australia	100	-
CPSM Aspley Pty Ltd	Australia	100	-
Dawson Drive Pty Ltd ATF Dawson Drive Unit Trust	Australia	100	100
Fairway Nominated Entity Pty Ltd	Australia	100	100
Lakeside Way Pty Ltd ATF Lakeside Way Unit Trust	Australia	100	100
Lillian Avenue Pty Ltd ATF Lillian Avenue Trust	Australia	100	100
MacGregor Drive Pty Ltd ATF MacGregor Unit Trust	Australia	100	100
Mewetts Road Pty Ltd ATF Mewetts Road Unit Trust	Australia	100	100
Paragon Group Investments Pty Ltd	Australia	100	100
Regis ACF Pty Ltd	Australia	100	100
Regis Aged Care Pty Ltd	Australia	100	100
Regis Allora Pty Ltd ATF Allora Lodge Unit Trust	Australia	100	100
Regis Bell Pty Ltd	Australia	100	100
Regis Canlod Pty Ltd	Australia	100	100
Regis Corinya Pty Ltd	Australia	100	100
Regis Crana Pty Ltd	Australia	100	100
Regis Grange - Wellington Point Pty Ltd	Australia	100	100
Regis Group Properties Pty Ltd	Australia	100	100
Regis Group Proprietary Ltd	Australia	100	100
Regis Home Pty Ltd	Australia	100	100
Regis Investments Pty Ltd ATF Regis Investments Trust	Australia	100	100
Regis Lakeside Pty Ltd	Australia	100	100
Regis Management Pty Ltd	Australia	100	100
Regis Shelf Pty Ltd	Australia	100	100
Retirement Care Australia (Hollywood) Pty Ltd	Australia	100	100
Retirement Care Australia (Hurstville Gardens) Pty Ltd	Australia	100	100

Section E: Group Structure

E2. Subsidiaries (continued)

Entity Name	Country of incorporation	2024 %	2023 %
Retirement Care Australia (Inala) Pty Ltd	Australia	100	100
Retirement Care Australia (Logan) Pty Ltd	Australia	100	100
Retirement Care Australia (Parklyn) Pty Ltd	Australia	100	100
Retirement Care Australia (Port Macquarie Gardens)	Australia	100	100
Retirement Care Australia (Preston) Pty Ltd	Australia	100	100
Retirement Care Australia (Sunset) Pty Ltd	Australia	100	100
Retirement Care Australia Holdings Pty Ltd	Australia	100	100
Retirement Care Australia Operations Pty Ltd	Australia	100	100
Retirement Care Australia Operations (2) Pty Ltd	Australia	100	100
Retirement Properties of Australia Proprietary Limited	Australia	100	100
Settlement Road Pty Ltd ATF Settlement Road Unit Trust	Australia	100	100

A deed of cross guarantee exists between Regis Aged Care Pty Limited (a subsidiary of Regis Healthcare Limited) and certain other subsidiaries. Regis Healthcare Limited is not a party to this deed and therefore the disclosure requirements of the deed are not applicable to these financial statements.

E3. Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. Acquisition costs incurred are expensed and included in other expenses. When the Group acquires a business, it assesses the financial assets acquired and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the business acquired, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed. If the assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration, then the gain is recognised in profit or loss.

Acquisition of CPSM Pty Ltd

On 1 December 2023, the Group acquired 100% of the ordinary shares of CPSM Pty Ltd ("CPSM"), an unlisted company operating five residential aged care homes in South-East Queensland. The acquisition has been accounted for using the acquisition method. The consolidated financial statements include the results of CPSM for the seven-month period from the acquisition date.

The initial accounting for the acquisition was determined provisionally due to the subjective nature of the fair value adjustments. These adjustments will be reassessed within the 12-month period after the acquisition date and any adjustments will be made against the goodwill arising on acquisition.

Section E: Group Structure

E3. Business Combinations (continued)

	Fair value recognised on acquisition $'000
Assets	
Cash	18,228
Trade and other receivables	174
Prepayments and other assets	670
Property, plant and equipment	108,583
Right-of-use assets	71
Deferred tax assets	6,986
Liabilities	
Trade and other payables	(3,683)
Lease liabilities	(74)
Current tax liabilities	(536)
Employee benefits	(4,567)
Provisions	(5,486)
Other liabilities (RADs)	(150,304)
Total identifiable net liabilities at fair value	**(29,938)**
Goodwill arising on acquisition	123,400
Purchase consideration transferred	**93,462**
Net cash acquired (included in cash flows from investing activities)	18,228
Consideration paid	(93,462)
Net cash flow on acquisition	**(75,234)**

From the date of acquisition, CPSM has contributed revenue from services of $51,789,000 and profit before tax of $5,642,000. If the acquisition had taken place at the beginning of the financial year, CPSM would have contributed revenue from services of $87,241,000 and profit before tax of $10,681,000.

The goodwill recognised is primarily attributed to the expected benefits from combining the assets and activities of CPSM with those of the Group. Goodwill is not deductible for income tax purposes.

Transaction costs of $7,585,000 (including landholder duty payable to the Queensland State Revenue Office and integration costs) have been expensed and are included in occupancy expenses in the consolidated statement of profit or loss.

Key judgement, estimate and assumption: fair value of assets acquired and liabilities assumed

As part of the CPSM acquisition during the year ended 30 June 2024, the Group identified the assets (comprising primarily Property, plant and equipment) and liabilities (comprising primarily RADs) acquired. Attributing fair values to assets acquired and liabilities assumed as part of business combinations is considered to be a key judgement.

Section F: Other Disclosures

This section includes information about the financial performance and position of Regis, that must be disclosed to comply with Australian Accounting Standards, the Corporations Act 2001 and the Corporations Regulations 2001.

F1. Related Party Disclosures

Compensation of key management personnel of the Group

	2024 $000	2023 $000
Short-term employee benefits	2,781	2,395
Post-employment benefits	161	141
Long-term employee benefits	8	13
Share-based payments	991	566
Total compensation of key management personnel	**3,941**	**3,115**

F2. Cash Flows from Operating Activities

Reconciliation of net profit after tax to net cash flows from operations

	2024 $000	2023 $000
Net loss after tax	(21,415)	(28,451)
Non-cash items		
Depreciation and impairment of non-current assets	46,697	45,082
Amortisation of operational places	81,380	81,382
Deferred management fee income	(1,647)	(1,621)
Imputed income on RADs and Bonds	(81,523)	(62,873)
Imputed interest charges on RADs and Bonds	81,523	62,873
Gain on disposal of non-current assets	(5,064)	(11,651)
Write-off of capital work-in-progress and other write-downs	-	12,813
Fair value gain on investment property	-	(7,220)
Net RADs arising from business combinations and disposals	(141,318)	-
Share-based payment expenses	1,549	836
Other non-cash items	(1,867)	(545)
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	22,983	(22,045)
Decrease in inventories	1,842	3,321
(Increase)/decrease in other current assets	(3,215)	587
(Increase)/decrease in income tax receivable	(1,899)	7,046
Decrease/(increase) in deferred tax liabilities/(deferred tax assets)	(20,555)	(19,763)
Increase/(decrease) in trade payables and other liabilities	23,956	(5,521)
Increase in RADs, accommodation bonds and ILU/ILA entry contributions	277,311	38,400
(Decrease)/increase in provisions	(6,441)	12,511
Net cash flow from operating activities	**252,297**	**105,161**

Section F: Other Disclosures

F2. Cash Flows from Operating Activities (continued)

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office, are classified as operating cash flows. Inflows and outflows of RADs, accommodation bonds and ILU/ILA entry contributions are classified as cash flows from operating activities as they are considered part of the operational business model. Upon entering a home, a non-supported resident has a choice to pay either a RAD, DAP or combination RAD/DAP. If the resident pays a DAP then this is classified as revenue and forms part of the cash flows from operating activities.

F3. Share-Based Payment Plans

	2024 $000	2023 $000
Expense arising from equity-settled share-based payments expense	1,549	836
Total share-based payments	**1,549**	**836**

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using a risk neutral valuation model. That cost is recognised, together with a corresponding increase in the remuneration reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

All schemes are settled by issuing shares.

Movements in share-based payment equity instruments

The number for each equity-settled share-based payment scheme outstanding as at 30 June 2024 is set out below.

	LTI	STI	Variable Reward and Retention Plan (VRRP)	Total
	Number	Number	Number	Number
Outstanding at 1 July 2023	1,147,845	67,760	495,285	1,710,890
Granted during the year	1,065,567	37,469	-	1,103,036
Vested during the year	-	-	(126,795)	(126,795)
Forfeited during the year	(177,272)	-	-	(177,272)
Lapsed during the year	-	-	-	-
Outstanding at 30 June 2024	**2,036,140**	**105,229**	**368,490**	**2,509,859**
Outstanding at 1 July 2022	-	-	320,590	320,590
Granted during the year	1,147,845	67,760	308,117	1,523,722
Vested during the year	-	-	(74,359)	(74,359)
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	(59,063)	(59,063)
Outstanding at 30 June 2023	**1,147,845**	**67,760**	**495,285**	**1,710,890**

A description of key terms of share-based payment plans is disclosed in the Remuneration Report.

Section F: Other Disclosures

F3. Share-Based Payment Plans (continued)

Valuation Assumptions and Fair Value of Equity Instruments Granted

Key judgement, estimate and assumption: fair value at grant date

The assessment of the fair value at grant date involves significant estimation and judgement by management. Valuations have an element of uncertainty and therefore may not reflect the actual values in the future. The Group engages external advisors to assist in determining the fair value at grant date.

The model inputs for performance rights granted during the year ended 30 June 2024 were as follows:

	LTI FY24-1 36 months	LTI FY24-2 36 months	LTI FY24-3 36 months	STI FY24-1 24 months	STI FY24-2 24 months
Grant Date	28/09/23	24/10/23	30/10/23	28/9/23	06/10/23
Vesting Date	30/09/26	30/09/26	30/09/26	30/09/24	30/09/24
Fair Value	$2.35	$2.18	$2.16	$4.16	$4.16
Grant Date Share Price	$2.68	$2.48	$2.43	$2.68	$2.50
Exercise Price	Nil	Nil	Nil	Nil	Nil
Dividend yield	4.0%	4.0%	4.0%	N/A	N/A
Discount rate	3.5%	3.5%	3.5%	N/A	N/A
Life Assumption (Years)	3.0	3.0	3.0	2.0	2.0

The model inputs for performance rights granted during the year ended 30 June 2023 were as follows:

	LTI FY23-1 36 months	LTI FY23-2 36 months	LTI FY23-3 36 months	STI FY23-1 24 months	STI FY23-2 24 months	VRRP 12 months	VRRP 24 months	VRRP 36 months
Grant Date	29/08/22	25/10/22	23/01/23	29/08/22	25/10/22	16/11/22	16/11/22	16/11/22
Vesting Date	30/09/25	30/09/25	30/09/25	30/09/24	30/09/24	20/09/23	20/09/24	20/09/25
Fair Value	$1.87	$1.65	$1.58	$2.13	$1.88	$1.90	$1.82	$1.73
Grant Date Share Price	$2.13	$1.88	$1.78	$2.13	$1.88	$1.98	$1.98	$1.98
Exercise Price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dividend yield	4.0%	4.0%	4.0%	N/A	N/A	4.0%	4.0%	4.0%
Discount rate	3.5%	3.5%	3.5%	N/A	N/A	3.5%	3.5%	3.5%
Life Assumption (Years)	3.0	3.0	3.0	2.0	2.0	1.0	2.0	3.0

Section F: Other Disclosures

F4. Auditor's Remuneration

	2024 $	2023 $
Amounts received or due and receivable by Ernst & Young (Australia) for:		
• Fees for auditing the statutory financial report of the parent covering the group, auditing the statutory financial reports of any controlled entities	761,000	671,643
Fees for assurance services that are required by legislation to be provided by the auditor:		
• Prudential reporting to the Department of Health and Aged Care	93,500	80,900
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm:		
• COVID-19 grant audits	-	264,000
Total assurance service fees	**854,500**	**1,016,543**
Fees for other services:		
• Tax compliance	95,000	458,318
• Other advice	183,042	19,500
Total auditor's remuneration	**1,132,542**	**1,494,361**

F5. Commitments

Capital expenditure commitments

As at 30 June 2024, capital commitments amounted to $7,881,000 (2023: $34,603,000). The capital commitments relate to ongoing aged care development activity.

F6. Contingent Liabilities

Contingent liabilities are potential future cash outflows where the likelihood of payment is more than remote but is not considered probable or cannot be reliably measured.

Contingencies are not recognised in the statement of financial position but are disclosed as follows:

Bank Guarantees

As at 30 June 2024, the Group has bank guarantees totalling $602,000 (30 June 2023: $936,000).

While the Group has provided these guarantees, the probability of having to make payments under these guarantees is considered remote.

Section F: Other Disclosures

F7. Other Accounting Policies

Treatment of Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- In circumstances where the GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office, in which case, the GST is to be recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Consolidated Statement of Financial Position.

F8. Accounting Standards Issued but not yet in Effect

There are no standards, amendments or interpretations that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

F9. Subsequent Events

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Directors' Declaration

In accordance with a resolution of the Directors of Regis Healthcare Limited, I state that:

1. In the opinion of the Directors:

   (a) the consolidated financial statements and notes as set out on pages 80 to 123 are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

   (b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note A1; and

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   (d) the consolidated entity disclosure statement as disclosed on pages 125-126, required by section 295(3A) of the Corporations Act, is true and correct.

2. This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

On behalf of the Board

Graham K Hodges
Chair
Melbourne, 26 August 2024

Consolidated Entity Disclosure Statement

Entity Name	Entity type	Body corporate country of incorporation	Country of tax residence	% of share capital held 2024
Allora Drive Pty Ltd ATF Allora Drive Unit Trust (i)	Body corporate	Australia	Australia	100
Allora Drive Unit Trust	Trust	Australia	Australia	-
Carersconnect Pty Ltd	Body corporate	Australia	Australia	100
Clover Brae Pty Ltd ATF Clover Brae Unit Trust (i)	Body corporate	Australia	Australia	100
Clover Brae Unit Trust	Trust	Australia	Australia	-
Clover Side Pty Ltd ATF Clover Side Unit Trust (i)	Body corporate	Australia	Australia	100
Clover Side Unit Trust	Trust	Australia	Australia	-
CPSM Pty Ltd	Body corporate	Australia	Australia	100
CPSM Aspley Pty Ltd	Body corporate	Australia	Australia	100
Dawson Drive Pty Ltd ATF Dawson Drive Unit Trust (i)	Body corporate	Australia	Australia	100
Dawson Drive Unit Trust	Trust	Australia	Australia	-
Fairway Nominated Entity Pty Ltd	Body corporate	Australia	Australia	100
Lakeside Way Pty Ltd ATF Lakeside Way Unit Trust (i)	Body corporate	Australia	Australia	100
Lakeside Way Unit Trust	Trust	Australia	Australia	-
Lillian Avenue Pty Ltd ATF Lillian Avenue Trust(i)	Body corporate	Australia	Australia	100
Lillian Avenue Trust	Trust	Australia	Australia	-
MacGregor Drive Pty Ltd ATF MacGregor Unit Trust (i)	Body corporate	Australia	Australia	100
MacGregor Unit Trust	Trust	Australia	Australia	-
Mewetts Road Pty Ltd ATF Mewetts Road Unit Trust (i)	Body corporate	Australia	Australia	100
Mewetts Road Unit Trust	Trust	Australia	Australia	-
Paragon Group Investments Pty Ltd	Body corporate	Australia	Australia	100
Regis ACF Pty Ltd	Body corporate	Australia	Australia	100
Regis Aged Care Pty Ltd	Body corporate	Australia	Australia	100
Regis Allora Pty Ltd ATF Allora Lodge Unit Trust (i)	Body corporate	Australia	Australia	100
Allora Lodge Unit Trust	Trust	Australia	Australia	-
Regis Bell Pty Ltd	Body corporate	Australia	Australia	100
Regis Canlod Pty Ltd	Body corporate	Australia	Australia	100
Regis Corinya Pty Ltd	Body corporate	Australia	Australia	100
Regis Crana Pty Ltd	Body corporate	Australia	Australia	100
Regis Grange - Wellington Point Pty Ltd	Body corporate	Australia	Australia	100
Regis Group Properties Pty Ltd	Body corporate	Australia	Australia	100
Regis Group Proprietary Ltd	Body corporate	Australia	Australia	100
Regis Home Pty Ltd	Body corporate	Australia	Australia	100
Regis Investments Pty Ltd ATF Regis Investments Trust(i)	Body corporate	Australia	Australia	100
Regis Investments Trust	Trust	Australia	Australia	-
Regis Lakeside Pty Ltd	Body corporate	Australia	Australia	100
Regis Management Pty Ltd	Body corporate	Australia	Australia	100
Regis Shelf Pty Ltd	Body corporate	Australia	Australia	100
Retirement Care Australia (Hollywood) Pty Ltd	Body corporate	Australia	Australia	100
Retirement Care Australia (Hurstville Gardens) Pty Ltd	Body corporate	Australia	Australia	100
Retirement Care Australia (Inala) Pty Ltd	Body corporate	Australia	Australia	100
Retirement Care Australia (Logan) Pty Ltd	Body corporate	Australia	Australia	100
Retirement Care Australia (Parklyn) Pty Ltd	Body corporate	Australia	Australia	100

Consolidated Entity Disclosure Statement

Consolidated Entity Disclosure Statement (continued)

Entity Name	Entity type	Body corporate country of incorporation	Country of tax residence	% of share capital held 2024
Retirement Care Australia (Port Macquarie Gardens)	Body corporate	Australia	Australia	100
Retirement Care Australia (Preston) Pty Ltd	Body corporate	Australia	Australia	100
Retirement Care Australia (Sunset) Pty Ltd	Body corporate	Australia	Australia	100
Retirement Care Australia Holdings Pty Ltd	Body corporate	Australia	Australia	100
Retirement Care Australia Operations Pty Ltd	Body corporate	Australia	Australia	100
Retirement Care Australia Operations (2) Pty Ltd	Body corporate	Australia	Australia	100
Retirement Properties of Australia Proprietary Limited	Body corporate	Australia	Australia	100
Settlement Road Pty Ltd ATF Settlement Road Unit Trust (i)	Body corporate	Australia	Australia	100
Settlement Road Unit Trust	Trust	Australia	Australia	-

(i) Trustee of a trust in the consolidated entity

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Independent Auditor's Report to the Members of Regis Healthcare Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Regis Healthcare Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

Fair value of investment properties

Why significant	How our audit addressed the key audit matter

As at 30 June 2024 the recorded amount of investment property was $117.8 million, as disclosed in Note C7.
 	
Investment property, which relates to the Group's retirement villages, is measured at fair value based on independent valuations.
 	
We considered this to be a key audit matter given the significance of the balance and the complex judgements involved in valuing the investment properties. Judgements include estimating the starting value of the retirement village units, occupancy forecasts, growth rates, capital expenditures, sales price and application of discount rates.
 	
Note C7 outlines the Group's accounting policy and the fair value assumptions applied.
	We assessed the assumptions and estimates made by the Group in estimating the fair value of investment property.
	
	Involving our real estate valuation specialists, our audit procedures included the following:
	
	▶ Evaluating the competence, capabilities and objectivity of the external valuation expert.
	▶ Assessing the valuation methodology used across the portfolio against generally accepted valuation practices.
	▶ Assessing the results of the valuer's and management's analysis of comparable properties and analysis of other market evidence used as valuation cross-checks.
	▶ Assessing the starting value of the retirement village units determined by the valuer.
	▶ Evaluating the growth rates, discount rates, as well as obtaining an understanding of the consideration given to sustainability and climate risk related impacts on the valuations.
	▶ In respect of information provided to the valuer by the Group our procedures included:
	    ▶ Assessing the land area used in the valuation.
	    ▶ Testing a sample of resident contracts to occupancy data used in the valuation.
	    ▶ Assessing capital expenditure, demolition and remediation costs and sales cost estimates in light of historical data.
	▶ Assessing the adequacy of the disclosures in Note C7 in light of the requirements of Australian Accounting Standards.

Building a better working world

Acquisition of CPSM Pty Ltd

Why significant	How our audit addressed the key audit matter
As disclosed in Note E3, on 1 December 2023 the Group acquired 100% of the shares of CPSM Pty Ltd for consideration of $93.5m. The acquisition has been accounted for using the acquisition method and resulted in the recognition of goodwill of $123.4m. The Group engaged an external party to perform independent valuations of land & buildings at the date of acquisition. The acquisition of CPSM Pty Ltd was considered a key audit matter due to the quantum of the balances recognised and the judgement and estimation required in determining the fair value of the identifiable assets acquired and liabilities assumed.	▸ We read and understood the Share Sale Agreement and held discussions with management to understand the key terms and conditions of the arrangement and evaluated the Group's accounting against Australian Accounting Standards. ▸ We assessed the Group's determination of the fair value of identifiable assets acquired and liabilities assumed. ▸ With the assistance of our internal real estate valuation specialists we assessed the reasonableness of the valuation methodology and assumptions used by the Group's external valuer. ▸ With the assistance of our internal tax specialists, we assessed the tax effect accounting treatment of the transaction. ▸ We assessed the appropriateness of the disclosures included in Note E3 in light of the requirements of Australian Accounting Standards.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 Annual Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Building a better working world

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 66 to 78 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Regis Healthcare Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

BJ Pollock
Partner

Melbourne
26 August 2024

Glossary

2024 Annual Financial Report	Financial report for the year ended 30 June 2024
AASBs or Accounting Standards	Australian Accounting Standards issued by the Australian Accounting Standards Board
ACFI	Aged Care Funding Instrument
Aged Care Act	Aged Care Act 1997. The Aged Care Act is the main law that sets out the rules for Government-funded aged care including funding, regulation, approval of providers, subsidies and fees, standards, and quality of care.
AN-ACC	Australian National Aged Care Classification
Approved Provider	An aged care provider as accredited by the Department under the Aged Care Act
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
CGU	Cash Generating Unit
CODM	Chief Operating Decision Maker
DAP	Daily accommodation payment
DHAC	Department of Health and Aged Care
DMF	Deferred management fee from residents within retirement living accommodation
EBITDA	Earnings before interest, tax, depreciation and amortisation
Underlying EBITDA	Underlying EBITDA excludes imputed income on RADs and Bonds of $81,523,000 (30 June 2023: $62,873,000) and one-off items, and includes operating lease expense of $1,084,000 (30 June 2023: $1,244,000).
EPS	Earnings per share
Home Care Services	Provision of services to support older people with complex care needs to live independently in their own homes
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB')
ILA	Independent living apartment
ILU	Independent living unit
NPAT	Net profit after tax
NPATA	NPATA represents statutory net profit after tax (NPAT) before amortisation of operational places
Regis or Parent Entity	Regis Healthcare Limited
RAD	Refundable accommodation deposit

Shareholder Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 July 2024.

TOP 20 Shareholders

Rank	Shareholder Name	31 July 2024 Balance	% Issued Capital
1	GALABAY PTY LTD ACN 010 849 153	81,910,479	27.21
2	ASHBURN PTY LTD ACN 005 883 438	64,410,479	21.40
3	CITICORP NOMINEES PTY LIMITED	55,801,390	18.54
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,502,132	6.81
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	18,963,519	6.30
6	BUTTONWOOD NOMINEES PTY LTD	10,765,606	3.58
7	NATIONAL NOMINEES LIMITED	5,030,324	1.67
8	BNP PARIBAS NOMS PTY LTD	3,729,341	1.24
9	A10 INVESTMENTS PTY LTD	3,210,000	1.07
10	UBS NOMINEES PTY LTD	2,432,989	0.81
11	BKI INVESTMENT COMPANY LIMITED	1,807,428	0.60
12	MR VINCENT MICHAEL O'SULLIVAN	1,606,000	0.53
13	NEWECONOMY COM AU NOMINEES PTY LIMITED	1,433,457	0.48
14	BNP PARIBAS NOMS PTY LTD	1,300,830	0.43
15	BNP PARIBAS NOMINEES PTY LTD	1,221,696	0.41
16	MR ROSS JAMES JOHNSTON	1,050,000	0.35
17	BNP PARIBAS NOMINEES PTY LTD	1,030,726	0.34
18	CULLODEN INVESTMENTS PTY LTD	600,000	0.20
18	BERTALLI FAMILY FOUNDATION PTY LTD	600,000	0.20
19	NETWEALTH INVESTMENTS LIMITED	479,337	0.16
20	CITICORP NOMINEES PTY LIMITED	383,040	0.13

Holding Distribution

Range	Securities	%	No. of Holders	%
100,001 and Over	283,062,588	94.03	50	1.37
10,001 to 100,000	10,019,295	3.33	412	11.26
5,001 to 10,000	3,708,481	1.23	490	13.39
1,001 to 5,000	3,622,919	1.20	1,330	36.34
1 to 1,000	621,636	0.21	1,378	37.65
Total	301,034,919	100.00	3,660	100.00

Unmarketable Parcel

Range	Minimum Parcel Size	Holders	Shares
Minimum $500 parcel at $4.19 per share (being closing market price on 31 July 2024)	120	228	5,614

Substantial Shareholders

Shareholder Name	Number of Shares	% Issued Capital
GALABAY PTY LTD ACN 010 849 153	81,910,479	27.21
ASHBURN PTY LTD ACN 005 883 438	64,410,479	21.40
COOPER INVESTORS PTY LTD ACN 100 409 890	23,534,644	7.82

Performance Rights

Class of Security	Number of holders	Number of Rights
Performance Rights	11	2,472,391

Glossary of Terms

AASBS OR ACCOUNTING STANDARDS
Australian Accounting Standards issued by the Australian Accounting Standards Board.

ABN
Australian Business Number.

ACAR
Aged Care Approvals Round is a competitive process under which approved providers may be granted aged care places.

ACFI
Aged Care Funding Instrument.

ACN
Australian Company Number.

ACCOMMODATION BOND
The term used prior to 1 July 2014 to refer to a lump sum refundable accommodation deposit.

ACQSC
Aged Care Quality and Safety Commission.

ADDITIONAL SERVICES
Services that are additional to care and services specified in the Quality of Care Principles 2014. Providers may charge a fee for additional service by agreement with the resident.

AGED CARE ACT
Aged Care Act 1997. The Aged Care Act is the main law that sets out the rules for Government-funded aged care including funding, regulation, approval of providers, subsidies and fees, standards, and quality of care.

AGED CARE ROYAL COMMISSION
Royal Commission into Aged Care Quality and Safety.

AN-ACC
Australian National Aged Care Classification.

AN-ACC FUNDING MODEL
Ensures allocation of funding to approved providers, enabling them to deliver care to residents within residential aged care services.

APPROVED PROVIDER
An aged care provider as accredited by the Department under the Aged Care Act.

ASIC
Australian Securities and Investments Commission.

ASX
Australian Securities Exchange.

BED LICENCE
An allocated place under the Aged Care Act, being a place that (when operational and occupied) is capable of attracting residential care subsidy on a per resident, per day basis (also referred to as a place).

BOARD
The Board of Directors.

BROWNFIELD
An aged care development on a Regis site that adjoins an existing development.

CARE MINUTES
Care minutes refers to the care time that older people in Australia living in government funded residential aged care services receive from registered nurses, enrolled nurses and personal care workers.

CGU
Cash Generating Unit.

CLIENT
A person to whom home care/day care therapy services are provided.

CMS
Company Medical Services.

CODM
Chief Operating Decision Maker.

COMPANY
Regis Healthcare Limited (ABN 11 125 203 054).

CONSTITUTION
The constitution of the Company as amended from time to time.

CORPORATIONS ACT
Corporations Act 2001 (Cth).

DAP
Daily accommodation payment.

DHAC
Department of Health and Aged Care.

DIRECTORS
The Directors of the Company.

DMF
Deferred management fee from residents within retirement living accommodation.

DTC
Day Therapy Centre.

EBITDA
Earnings before interest, tax, depreciation and amortisation.

ELDAC
End of Life Directions for Aged Care.

EPS
Earnings per share.

FAMILY ESCALATION PATHWAY
An escalation of care process specifically for families to raise concerns if they feel a resident's health condition is significantly deteriorating and they do not feel their concerns are being acted on in a timely way. The Family Escalation Pathway provides an opportunity to partner with families and loved ones (who know the resident the best) to alert employees in the event of acute or unexpected decline and request an immediate clinical review. That may avoid critical delays and assists with catching deterioration early.

GOVERNMENT
The Commonwealth Government of Australia.

GREENFIELD
A new aged care development or an additional stand-alone building on a Regis site that does not adjoin an existing home.

GROUP
The Company and its subsidiaries.

GST
Goods and services tax as levied under the GST Law as defined in section 195-1 of A New Tax System (Goods and Services Tax) Act 1999.

HOME CARE SERVICES
Provision of services to support older people with complex care needs to live independently in their own homes.

IFRS
International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

ILA
Independent living apartment.

ILU
Independent living unit.

KPI
A key performance indicator (KPI) is a measurable value that demonstrates how effectively a company is achieving key business objectives.

LTIFR
Lost Time Injury Frequency Rate refers to the number of lost-time injuries within a given accounting period, relative to the total number of hours worked in that period. LTIFR is a proxy measurement for safety performance.

LTIFR CLAIMS
The number of lost-time injuries per million hours worked during a single financial year that result in an accepted, lost time workers compensation claim, supported by a medical certificate.

MPIR
Maximum permissible interest rate as defined in section 6 of the Fees and Payments Principles 2014 (No.2).

NPAT
Net profit after tax.

NPATA
NPATA represents statutory net profit after tax (NPAT) before amortisation of operational places.

OCCUPANCY RATE
The proportion of operational places occupied by residents.

OPAN
Older Persons Advocacy Network.

OPERATIONAL PLACE
A place available for occupancy by a resident.

PCC
Palliative Care Champion.

PLACE
An allocated place under the Aged Care Act, being a place that (when operational and occupied) is capable of attracting the residential care subsidy on a per resident, per day basis.

QUALITY INDICATOR PROGRAM
The mandatory National Quality Indicator program provides a method to measure important aspects of quality care through the collection, monitoring and benchmarking of quality data. Quality indicator data represents areas of high risk care that impact the health and wellbeing of residents.

RAD
Refundable accommodation deposit.

REGIS
The business carried on by the Company and its controlled entities.

REGIS CLASSIC SERVICES
Available at select Regis Homes, and for a small extra charge, Regis Classic provides a range of extras including enhanced dining experience.

REGIS CLUB SERVICES
Available at a range of our Regis Homes, is our premium service offering a suite of extra services such as enhanced dining experiences, an in-room entertainment bundle and a wide selection of pamper services, as well as additional extras and all coordinated by our Club Services Manager to ensure you enjoy the full suite of services.

REGIS OR PARENT ENTITY
Regis Healthcare Limited.

REGIS QUALITY SCORECARD
A monthly report containing metrics that track and monitor the quality and safety of care being delivered to residents and clients. The scorecard helps us to identify and improve care delivery.

REGIS RESERVE SERVICES
Available at a selection of our Homes and provides you with enhanced dining experiences, an in-room entertainment bundle and pamper services, as well as additional extras for an additional daily fee.

RESIDENT
A person who occupies a place within the aged care home or retirement village.

RESIDENTIAL AGED CARE
Residential aged care is for older people who can no longer live in their own home. It includes accommodation and personal care, as well as access to nursing and general health care services.

RV
Retirement Village.

SHARE
A fully paid ordinary share in the capital of the Company.

SHAREHOLDER
A holder of shares.

SIGNIFICANT REFURBISHMENT
Refurbishment of a residence that meets the criteria in the Subsidy Principles 2014 qualifying the facility for a higher level of funding for Supported Residents.

STAR RATINGS
Star Ratings for aged care homes are a simple way of showing the quality of care at an aged care home and how they compare to others. All aged care homes across Australia receive a rating between 1 and 5 stars to indicate their quality of care across 4 key areas of performance.

SUPPORTED RESIDENT
A resident assessed as eligible for an accommodation supplement or concessional resident supplement. In this report, unless otherwise specified, a reference to a 'Supported Resident' includes 'concessional', 'assisted', 'supported' and 'low means' residents as defined under the Aged Care Act 1997 and the Aged Care (Subsidy, Fees and Payments) Determination 2014.

TRANSITIONAL CARE
Short term residential aged care which assists older people who are discharged from hospital to prepare to return home.

UNDERLYING EBITDA
Refers to earnings before interest, tax, depreciation and amortisation, excluding imputed income on RADs and Bonds, COVID-19 outbreak expenses and other one-off items, and including operating lease expense.

2024 ANNUAL FINANCIAL REPORT
Financial Report for the year ended 30 June 2024.

Corporate Information

Directors

Graham K Hodges
Chair, Non-Executive Director

Linda J Mellors
Managing Director and Chief Executive Officer

Christine C Bennett AO
Independent Non-Executive Director

Bryan A Dorman
Non-Executive Director

Sally M Freeman
Independent Non-Executive Director

Ian G Roberts
Non-Executive Director

Jodie L Leonard
Independent Non-Executive Director

Company Secretary

Malcolm Ross

Registered Office and Principal Place of Business

Level 2, 293 Camberwell Road
Camberwell VIC 3124

Share Registry

Link Market Services Limited
Tower 4, 727 Collins Street
Melbourne VIC 3000

Phone: 1300 554 474

Stock Exchange

Regis Healthcare Limited shares are listed on the Australian Securities Exchange (ASX code: REG).

Solicitors

Herbert Smith Freehills
80 Collins St
Melbourne VIC 3000

Auditors

Ernst & Young Australia
8 Exhibition St
Melbourne VIC 3000

Date of publication of this Annual Report, 26 August 2024.

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