

ASX ANNOUNCEMENT

25 August 2022

UPDATE ON NON-BINDING INDICATIVE PROPOSAL

As announced on 20 April 2022, Ramsay Health Care Limited (**Ramsay**) received a conditional, non-binding, indicative proposal from a consortium of financial investors led by KKR (the **Consortium**) to acquire 100% of the shares in Ramsay by way of a scheme of arrangement at a price of A\$88.00 cash per share (the **Indicative Proposal**). The consideration would be reduced by the value of any dividends or distributions declared or paid by Ramsay after 31 January 2022.

Update on Indicative Proposal

Following a first phase of non-exclusive due diligence on Ramsay provided to the Consortium and engagement with Ramsay management, the Consortium has confirmed the key terms of its Indicative Proposal, including price, and that it has not identified any matters that would cause the Consortium to terminate its pursuit of the Indicative Proposal.

The Indicative Proposal remains subject to a number of conditions, including completion of final diligence on Ramsay and access to non-public information regarding Ramsay Santé (a public company of which Ramsay owns 52.8%).

A request has been made to the Ramsay Santé Board of Directors for due diligence. The Ramsay Santé directors considering the request (comprising the directors not representing Ramsay) have sought further information from the Consortium to assess its request. There is no certainty that the Consortium will provide this information or that the Ramsay Santé Board of Directors will grant the Consortium access to due diligence.

Any binding transaction resulting from the Indicative Proposal would be conditional on a number of regulatory approvals, including foreign investment and anti-trust approvals which will impact the time to completion of a transaction.

Alternative Proposal

The Consortium has also proposed an alternative structure (**Alternative Proposal**). Ramsay has been advised that the Alternative Proposal would involve the Consortium acquiring 100% of the shares in Ramsay by way of a scheme of arrangement, with the Consortium retaining a 15.0% interest in Ramsay Santé and Ramsay shareholders receiving the balance of Ramsay's shareholding in Ramsay Santé (approximately 37.8% of the issued shares of Ramsay Santé) as part consideration. Ramsay Santé is a separate public company listed on Euronext. Its three largest shareholders (including Ramsay) own approximately 99% of the issued shares and, on average over the past 12 months, it has traded approximately 0.001% of issued shares per day.

Ramsay shareholders would be able to elect to receive 100% cash consideration of \$88.00 cash per share for their first 5,000 Ramsay shares. Based on the most recently published distribution of shareholders, the consideration for each Ramsay share in excess of 5,000 shares would be:

- A\$78.20 cash; and
- approximately 0.22 Ramsay Santé shares.

In each case, the cash amount would be reduced by the value of any dividends or distributions declared or paid by Ramsay after 31 January 2022.

Based on the closing price of Ramsay Santé shares on 24 August 2022, the implied value of the consideration for holdings in excess of 5,000 shares under the Alternate Proposal is A\$84.93¹ per Ramsay share, less dividends declared or paid after 31 January 2022.

¹ Based on an EURAUD exchange rate of 1.44 as at 24 August 2022.

Based on the most recently published distribution of shareholders, approximately 18% of Ramsay shares would be eligible to receive \$88.00 cash per share and approximately 82% of shares would receive cash and Ramsay Santé shares as consideration.

The Alternative Proposal is not dependent on receiving access to non-public information on Ramsay Santé. Any binding transaction resulting from the Alternative Proposal would still require regulatory approvals, including foreign investment and anti-trust approval.

The Ramsay Board has considered the Alternative Proposal and is unanimously of the view that it is meaningfully inferior to the Consortium's Indicative Proposal of \$88.00 cash per share, less dividends declared or paid by Ramsay after 31 January 2022. In forming this view, the Ramsay Board had regard to both the lower implied value relative to the all-cash proposal, as well as structural challenges, execution complexity and the low liquidity of Ramsay Santé shares. In these circumstances, the Board has determined not to engage further with the Consortium in relation to the Alternative Proposal on these terms.

Ramsay continues to actively engage with the Consortium to progress the Indicative Proposal. The Board will update Ramsay shareholders in due course.

Ramsay shareholders do not need to take any action in relation to the Indicative Proposal at this stage. There is no certainty that the Indicative Proposal will result in a transaction.

Ramsay remains focused on its business, driving its strategy to be a leading integrated healthcare provider of the future and the creation of long-term value for shareholders.

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The release of this announcement has been authorised by the Ramsay Health Care Board of Directors.