

30 July 2021

Letter to Shareholders re Scheme of Arrangement

The attached letter advising of the recently announced Scheme of Arrangement for the acquisition of all of the issued capital in the Company will be sent out to shareholders today.

Authorised by:
Bruce Paterson
Company Secretary

28 July 2021

Dear shareholders

SCHEME OF ARRANGEMENT FOR ACQUISITION OF JAPARA

On Tuesday the 27th July, Japara Healthcare Limited (**Japara**) announced that it had entered into a Scheme Implementation Deed with Little Company of Mary Health Care Ltd (**Calvary**) for the acquisition of all of the issued shares in Japara by way of scheme of arrangement (**Scheme**).

Calvary is a charitable Catholic not-for-profit organisation with public and private hospitals, retirement and aged care facilities and community care centres across Australia.

Japara shareholders (**Shareholders**) will be given the opportunity to vote on the Scheme at a Scheme meeting which is currently expected to be held in October 2021. If the Scheme is approved and implemented, Shareholders will receive total cash consideration of \$1.40 per share. This is a premium of 75% to the last undisturbed closing price of Japara shares on 29 April 2021 of \$0.80, being the trading date before Japara's announcement that it had received an indicative non-binding acquisition proposal from Calvary.

The Japara Board has concluded that the Scheme is in the best interests of Shareholders and unanimously recommends that Shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert concluding (and continuing to conclude) that the Scheme is fair and reasonable and in the best interests of Shareholders. Subject to those same qualifications, Japara's Directors each intend to vote all Japara shares held or controlled by them in favour of the Scheme at the Scheme meeting.

In making its assessment of the Scheme, the Japara Board considered a number of alternatives including a competing proposal and standalone value creation from the execution of Japara's existing strategy. After careful consideration of the future opportunities for Japara, along with sector and regulatory uncertainty, and execution risks, the Board has determined that the Scheme delivers compelling value to Shareholders.

A Scheme Booklet containing information relating to the Scheme, the reasons for the Japara Board's recommendation, the Independent Expert's Report and details of the Scheme meeting is expected to be dispatched to Shareholders in September 2021.

No action is required to be taken by Shareholders at the present time in relation to the Scheme.

A copy of Japara's ASX release announcing the Scheme and the Scheme Implementation Deed entered into with Calvary are available on Japara's investor centre website at: <https://investor.japara.com.au/Investor-Centre/?page=Scheme-of--arrangement>.

Please refer to the ASX release and Scheme Implementation Deed for more details on the Scheme. A shareholder contact line will be made available for further enquiries.

Yours sincerely



Linda Bardo Nicholls AO
Chairman, Japara Healthcare Limited