

ASX Announcement

27 November 2020

Australian Unity Limited announces offer of mutual capital instruments

Australian Unity Limited (Australian Unity) announces an offer of Australian Unity mutual capital instruments (Australian Unity MCIs) (the Offer).

Australian Unity is seeking to raise \$100 million, with the ability to raise more or less. The Offer forms part of Australian Unity's ongoing capital management strategy with the proceeds of the Offer to be used for a range of opportunities across the Australian Unity Group. These include pursuing near-term growth opportunities within the individual businesses as well as investing capital across the Australian Unity Group where third-party funding has historically been utilised. The use of proceeds may also extend to merger and acquisition opportunities across the Australian Unity Group operating platforms—to increase investment in social infrastructure and to help support business consolidations in important mutual sectors such as private health insurance, banking and friendly societies.

Application has been made for Australian Unity MCIs to be quoted on the ASX and trade under the code 'AYUPA'.

The Offer comprises:

- a Member Offer – an offer to Eligible Members of Australian Unity with a registered address in Australia;
- a Securityholder Offer – an offer to Eligible Securityholders of the Australian Unity Group with a registered address in Australia;
- a Broker Firm Offer – an offer to clients of Syndicate Brokers, with a registered address in Australia; and
- an Institutional Offer – an offer to certain institutional investors.

ASX code:

AYU

Securities on Issue:

AYUHB – 713,257
AYUHC – 1,150,192
AYUHD – 2,070,000

Issuer:

Australian Unity Limited
ACN 087 648 888

Enquiries:

Australian Unity Registry
1300 554 474

Contact details:

Australian Unity Limited
271 Spring Street
Melbourne VIC 3000
Tel: 13 29 39

The listing of Australian Unity Securities on the ASX does not affect Australian Unity Limited's status as a mutual organisation

Australian Unity Managing Director, Rohan Mead said:

“Australian Unity is delighted to issue Australia’s inaugural mutual capital instrument and to provide eligible investors with the opportunity to invest in Australian Unity. The Offer will support Australian Unity’s ongoing and sustainable growth as it continues to provide health, wealth and care products and services that deliver both community and social value.”

The Offer is expected to open on 11 December 2020.

The key features of Australian Unity MCIs include:

- Australian Unity MCIs are perpetual, fully paid mutual capital instruments;
- each Australian Unity MCI has a face value of \$100;
- the holders of Australian Unity MCIs are expected to receive fixed rate Dividend Payments to be paid semi-annually in arrears;
- Dividends will be discretionary and non-cumulative;
- the Dividend Rate for Australian Unity MCIs will be determined under the Bookbuild and is expected to be in the range of 5.00 per cent to 5.25 per cent per annum; and
- the Dividends are expected to be fully franked. The Dividend Rate grossed up for franking credits is expected to be in the range of 7.14 per cent to 7.50 per cent per annum¹.

The Offer is being made under a Prospectus, which was lodged with the Australian Securities and Investments Commission (ASIC) today. Investors should read the Prospectus, including the Replacement Prospectus (details below), carefully and in its entirety, including the key risks section of the Prospectus which sets out the risks associated with an investment in Australian Unity MCIs and Australian Unity’s business, before making a decision whether to invest in Australian Unity MCIs.

The Prospectus can be accessed online at www.australianunity.com.au/mci. Instructions on how to apply under the Offer are contained in the Prospectus. During the Offer Period a paper copy of the Prospectus may be requested, free of charge, by contacting the Australian Unity MCI Offer Information Line (details below).

¹ This is based upon Australian Unity’s current corporate tax rate of 30 per cent and assumes that investors are able to fully benefit from attaching imputation credits. This gross rate will change if Australian Unity’s corporate tax rate changes in the future.

A Replacement Prospectus, which will include the Dividend Rate for Australian Unity MCIs, is expected to be lodged with ASIC on 11 December 2020.

Applications for Australian Unity MCIs will only be accepted during the Offer Period. Applications must be for a minimum of 50 Australian Unity MCIs, which is a minimum investment of \$5,000. Please refer to the attached indicative Offer timetable for details of Offer open and close times.

Acacia Partners Pty Ltd has been appointed as Financial Adviser to the Offer, and Acacia Partners Pty Ltd, Morgans Financial Limited and National Australia Bank Limited have been appointed as Arrangers and Joint Lead Managers to the Offer. Bell Potter Securities Limited has been appointed as Co-Manager to the Offer.

Capitalised terms used in this announcement and not otherwise defined have the meaning given to them in the Prospectus or Replacement Prospectus (as applicable).

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This announcement has been authorised for distribution to the ASX by:

The Board of Australian Unity Limited

T: + 61 3 8682 6819

If interested parties require further information please contact:

Michael Moore

General Manager – Public Affairs & Communications

T: 1300 408 776

E: media@australianunity.com.au

Australian Unity MCI Offer Information Line

1300 494 861

Monday to Friday 8:30am to 5:30pm

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announcement shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Australian Unity MCIs have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Australian Unity MCIs may not be offered or sold, directly or indirectly, to persons in the United States unless they have been registered under the U.S. Securities Act (which Australian Unity has no intention or obligation to do or procure) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

Indicative Offer timetable

Key dates for the Offer	
Record date for determining Eligible Members for the Member Offer	23 September 2020
Record date for determining Eligible Securityholders (7:00pm) for the Securityholder Offer	22 October 2020
Lodgement of Prospectus with ASIC	27 November 2020
Bookbuild to determine the Dividend Rate and Allocations to Syndicate Brokers and Institutional Investors	11 December 2020
Announcement of Dividend Rate and lodgement of the Replacement Prospectus with ASIC	11 December 2020
Opening date of the Offer (Opening Date)	11 December 2020
Closing date of the Offer (Closing Date)	21 December 2020
Issue Date	24 December 2020
Holding Statements despatched by the Registry	30 December 2020
Australian Unity MCIs begin trading on ASX on a normal settlement basis	4 January 2021
Key dates for the Australian Unity MCIs	
First Dividend Payment Date	15 April 2021

Dates may change

The key dates for the Offer are indicative only and subject to change without notice. Australian Unity may, in consultation with the Joint Lead Managers, vary the timetable, including to close the Offer early, extend the Offer to accept late Applications (either generally or in particular cases), or to withdraw the Offer at any time prior to Issue (in all cases, subject to law). If any of the dates are changed, subsequent dates may also change.