

ASX Announcement

24 December 2020

Australian Unity Limited announces completion of Australian Unity mutual capital instruments offer raising \$120 million

Australian Unity Limited (Australian Unity) has successfully completed its offer of Australian Unity mutual capital instruments (Australian Unity MCIs), raising a total of \$120 million (the Offer). The Offer has resulted in Australian Unity issuing 1,200,000 Australian Unity MCIs at \$100 each.

The Offer forms part of Australian Unity's ongoing capital management strategy, with the proceeds to be used for a range of opportunities across the Australian Unity Group. These include pursuing near-term growth opportunities within individual businesses as well as investing capital across the Australian Unity Group where third-party funding has been historically utilised. The use of proceeds may also extend to merger and acquisition opportunities across the Australian Unity Group operating platforms—including 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.

Trading on ASX

Australian Unity MCIs were issued today, 24 December 2020, and are expected to begin trading on a normal settlement basis on the ASX on 4 January 2021. Australian Unity MCIs will trade under the ASX code 'AYUPA'.

Australian Unity MCIs will be quoted on the ASX as a debt security. Australian Unity and the Australian Unity MCIs will be subject to the Listing Rules set out in Listing Rule 1.10. The following additional ASX Listing Rules will apply to Australian Unity as the issuer of Australian Unity MCIs and to the Australian Unity MCIs – Listing Rules 3.8A, 3.9, 3.10.6, 3.10.8, 3.10.9, 3.17A, 4.2A.1, 4.7.1, 4.10.18, 4.10.22, 7.8, 7.29 and 7.33.

Allocation policy

All valid applications received under the Member Offer and Securityholder Offer were accepted in full, save for a reduction of a *de minimis* amount under the Securityholder Offer.

ASX code:

AYU

Securities on Issue:

AYUPA – 1,200,000
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

Allocations to Syndicate Brokers and Institutional Investors were determined following the bookbuild completed on 2 December 2020.

Member Offer and Securityholder Offer applicants can confirm their allocations of Australian Unity MCIs by calling the Australian Unity MCI Offer Information Line (details below). Broker Firm applicants can confirm their allocations with their Syndicate Broker.

Holding statements

CHES confirmations and issuer sponsored holding statements stating the number of Australian Unity MCIs issued to each successful applicant will be despatched on 30 December 2020.

All successful applicants are responsible for determining and confirming the number of Australian Unity MCIs allocated to them prior to selling any Australian Unity MCIs. Applicants who sell Australian Unity MCIs before receiving their CHES confirmation or issuer sponsored holding statement do so at their own risk.

Dividend Rate

The Dividend Rate is 5.00 per cent per annum. The Dividend Rate grossed up for franking credits is 7.14 per cent per annum.¹

Capitalised terms used in this announcement and not otherwise defined have the meaning given to them in the replacement Prospectus dated 7 December 2020.

-end-

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

Rohan Mead (Group Managing Director), Darren Mann (Group Executive – Finance & Strategy) and Melinda Honig (Group Executive – Governance)

T: + 61 3 8682 6819

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.

If securityholders or other 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