

ASX Announcement

11 October 2021

Australian Unity Limited announces follow-on offer of mutual capital instruments

Australian Unity Limited (Australian Unity) today announces a follow-on offer of Australian Unity mutual capital instruments (Australian Unity MCIs) (the Offer). The company is seeking to raise \$160 million, with the ability to raise more or less, at an Issue Price of \$103 per Australian Unity MCI.

The Offer forms part of Australian Unity's ongoing capital management strategy with the proceeds of the Offer to be used to support its ongoing efforts to pursue growth opportunities which are aligned with its core purpose of enabling people to thrive. 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. A portion of the proceeds will be used to repay debt facilities that were utilised for a number of recent strategic investments in social infrastructure. 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 sectors in which we operate.

Australian Unity MCIs issued under the Prospectus are expected to be quoted on ASX under the ASX code 'AYUPA', along with existing Australian Unity MCIs on issue.

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:

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

Australian Unity Group Managing Director, Rohan Mead said:

“Australian Unity was delighted with investors’ support for our first Australian Unity MCI issue last year.

This latest Offer will further enable us to grow our diversified but thematically-linked portfolio of products and services that provides member, customer and community value and is supportive of personal and community wellbeing.”

The Offer opens today and is expected to close on 29 October 2021.

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 is 5.00 per cent per annum; and
- assuming that discretionary Dividends are paid in full, the running yield of Australian Unity MCIs issued under this Offer is expected to be 4.85 per cent per annum or 6.93 per cent per annum on a gross basis.¹ This is because the Issue Price of each Australian Unity MCI issued under this Offer (\$103) is higher than the Face Value of each Australian Unity MCI (\$100).

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 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 the Dividends paid on Australian Unity MCIs are fully franked and 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.

However, we encourage potential applicants to access the Prospectus and apply online at www.australianunity.com.au/mci.

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 \$5,150. Please refer to the attached indicative Offer timetable for details of Offer open and close times.

Australian Unity has made a target market determination for Australian Unity MCIs as required under section 994B of the *Corporations Act 2001* (Cth) (Target Market Determination). A copy of the Target Market Determination is available at www.australianunity.com.au/mci.

Acacia Partners Pty Ltd has been appointed as Arranger to the Offer, and Acacia Partners Pty Ltd, E&P Corporate Advisory Pty Limited, Morgans Financial Limited and National Australia Bank Limited have been appointed as Joint Lead Managers to the Offer. Bell Potter Securities Limited and Westpac Institutional Bank have been appointed as Co-Managers to the Offer.

Capitalised terms used in this announcement and not otherwise defined have the meaning given to them in the Prospectus.

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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

1800 810 827

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

Important notice

An offer of Australian Unity MCIs for issue is being made by Australian Unity Limited, pursuant to a prospectus dated 11 October 2021 (Prospectus). The Prospectus is available and may be obtained at www.australianunity.com.au/mci or by calling the Australian Unity MCI Offer Information Line on 1800 810 827 (Monday to Friday – 8.30am to 5.30pm AEDT). Offers of Australian Unity MCIs will be made in or accompanied by a copy of the Prospectus. You should consider the Prospectus in deciding whether to acquire Australian Unity MCIs. If you wish to apply for Australian Unity MCIs, you must complete an application form that is in or which accompanies the Prospectus.

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This announcement has been prepared for publication in Australia and may not be distributed or released in the United States. This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this announcement nor anything attached to this 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 2021
Record date for determining Eligible Securityholders (7:00pm) for the Securityholder Offer	23 September 2021
Lodgement of Prospectus with ASIC and opening date of the Offer (Opening Date)	11 October 2021
Bookbuild to determine the Allocations to Syndicate Brokers and Institutional Investors	15 October 2021
Closing date of the Offer (Closing Date)	29 October 2021
Issue Date	3 November 2021
Holding Statements despatched by the Registry	4 November 2021
Australian Unity MCIs under the Prospectus begin trading on ASX on a normal settlement basis	8 November 2021
Key dates for the Australian Unity MCIs	
First Dividend Payment Date for Australian Unity MCIs issued under the Prospectus	15 April 2022

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.