

ASX Announcement

25 October 2023

Australian Unity Limited – Chair and Group Managing Director Address

Please find **attached** the Chair and Group Managing Director's addresses for Australian Unity Limited's Annual General Meeting, which will be delivered today.

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

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Securities on Issue:
AYUPA – 3,434,000
AYUHC – 1,150,192
AYUHD – 2,070,000

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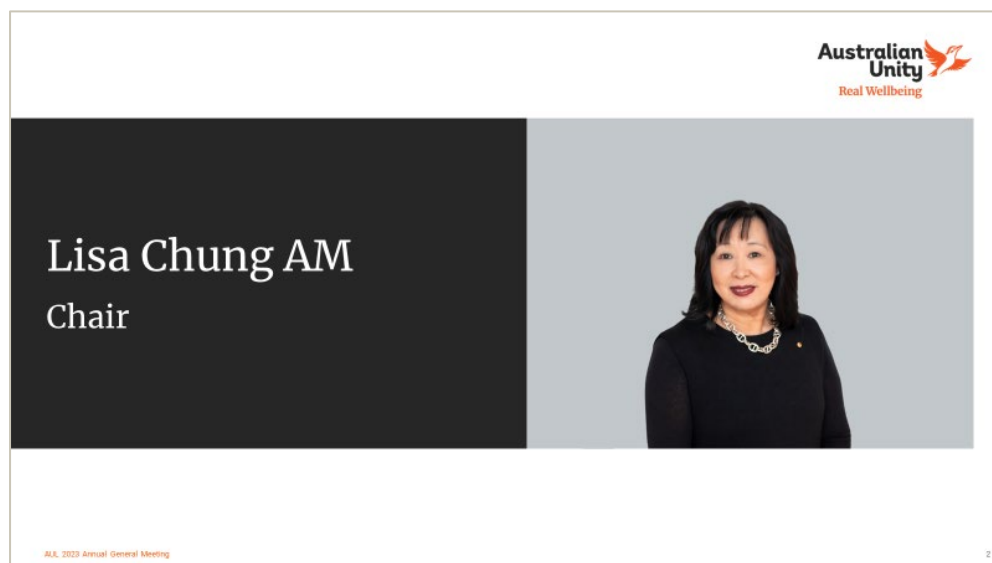
The listing of Australian Unity Securities on the ASX does not affect Australian Unity Limited's status as a mutual entity

Australian Unity Annual General Meeting, 25 October 2023



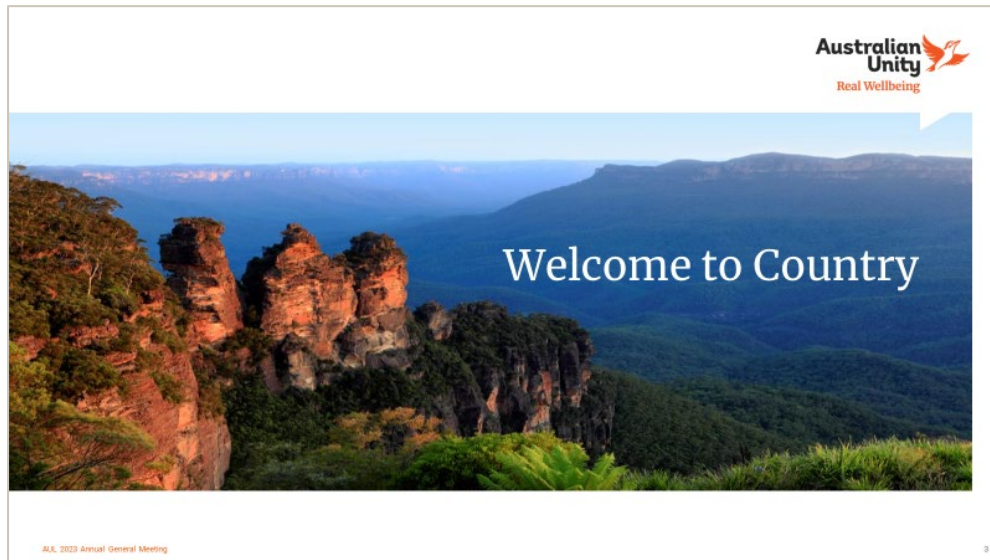
Lisa Chung AM, Chair

Good afternoon and welcome to the 2023 Annual General Meeting of Australian Unity Limited.

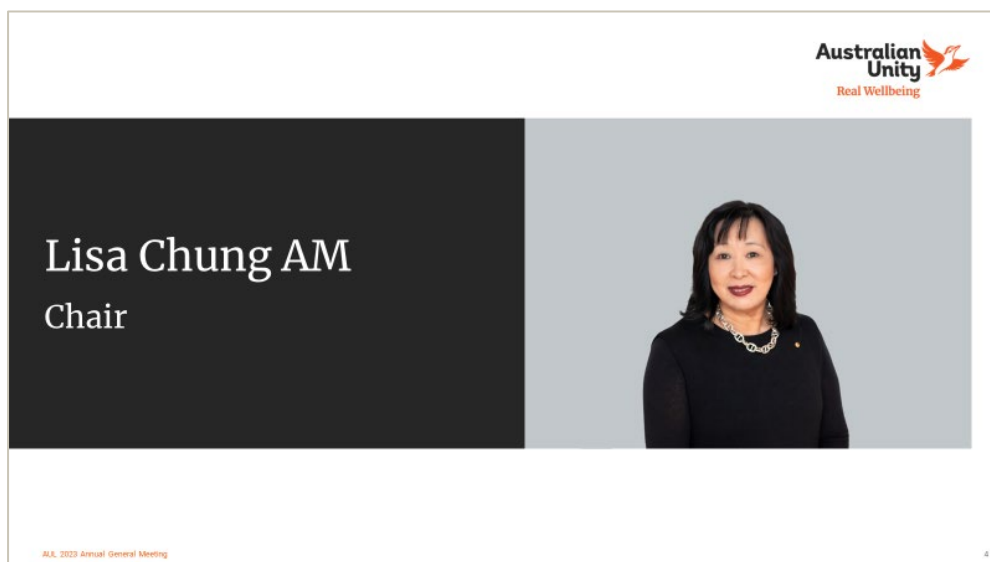


My name is Lisa Chung. I am the Chair of the Company and of this meeting.

Before I officially declare the 2023 Annual General Meeting of Australian Unity Limited open, I would like to introduce Wurundjeri (WERE-UN-JERRY) man Colin Hunter Junior. Colin will perform a Welcome to Country.



Thank you, Colin.



Thank you everyone for making the time to be here today.

Before we begin, can I please ask that you turn off your mobile phones.

In the event of an emergency evacuation, please listen for any announcements and act on instructions given by the fire wardens.

Exit signs will lead you to the closest exits and stairs, and the external assembly area is at the northern end of the Royal College of Surgeons gardens across the road from this building.

This AGM is being broadcast live, which allows members who can't be here in person to watch the proceedings.

A recording of the meeting will also be available to watch on our website, so members can catch up later.

To help those who may have specific questions about our products or services, or questions about individual policies, we have representatives from across the business available in the foyer after this meeting.

This includes stands for our private health insurance, banking, and life and super businesses. I encourage you to have a chat to our team if you do have specific questions.

I now turn to the formal matters of this meeting.

First, I can confirm that a quorum is present. Therefore, I formally declare the 2023 Annual General Meeting of Australian Unity Limited open.

Secondly, I would like to introduce my fellow directors who are present in person at this AGM today:

- Melinda Cilento, who was appointed Deputy Chair with effect from 26 October last year, and who is Chair of the People, Culture & Remuneration Committee and a member of the Investment and the Risk & Compliance Committees;
- Dr Helen Nott, Chair of the Audit Committee, and a member of the Risk & Compliance Committee;

- Julien Playoust, Chair of the Investment Committee and a member of the Audit, Risk & Compliance, and People, Culture & Remuneration Committees;
- Paul Kirk, who is a member of the Investment Committee; and
- Lucinda Brogden AM, who is a member of the Risk & Compliance, and Audit Committees.

I also acknowledge director, Su McCluskey, Chair of the Risk & Compliance Committee and a member of the Audit, and People, Culture & Remuneration Committees who is unfortunately an apology for the meeting as she has work commitments and is travelling overseas.

You will hear from Melinda and Julien later in the meeting as they are standing for re-election at this AGM. I am also standing for re-election.

Rohan Mead, our Group Managing Director will shortly outline the major activities and achievements of the Company during the year.

We are joined by Melinda Honig, our Company Secretary, General Counsel and Chief Risk Officer.

We also have members of our Group Leadership Team with us today, including Darren Mann, Group Executive of Finance & Strategy and the Chief Financial Officer.

We have the CEOs of our four business divisions:

- Prue Bowden, CEO of Home Health;
- Christine Yates, CEO of Retail;
- David Lumb, CEO of Specialist Care; and
- Esther Kerr, CEO of Wealth & Capital Markets.

We also welcome the Company's auditor and representatives from the Company's regulators and advisers.

Thirdly, I advise that the Notice of Meeting has been given in accordance with the Company's Constitution and copies are available both on our website and on the stands at the back of this room.

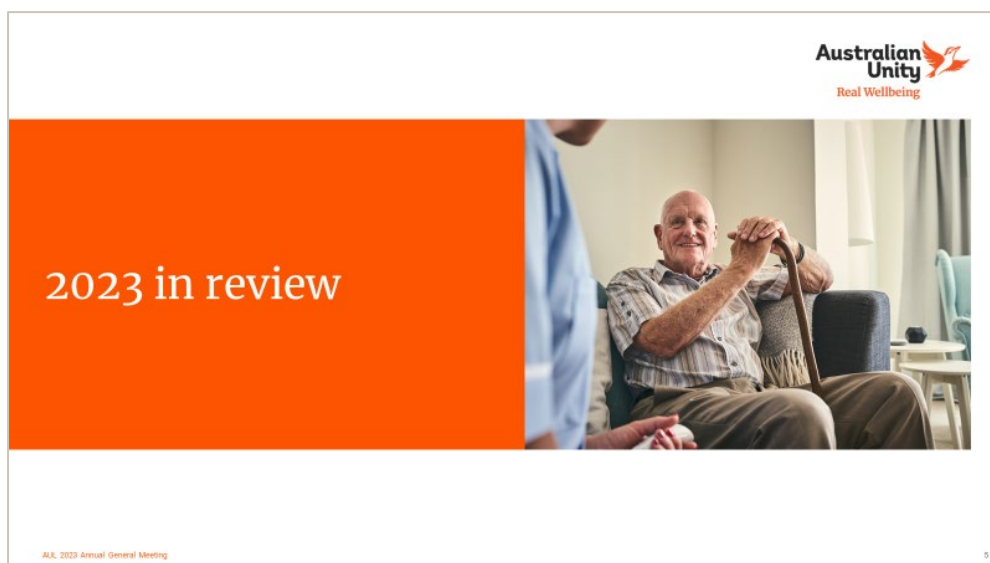
I will, accordingly, take the Notice of Meeting as read.

The minutes of the 2022 Annual General Meeting of Australian Unity Limited have been reviewed by the board and recorded as a true and correct record, in accordance with the *Corporations Act*.

The minutes are tabled and there are copies available with our Company Secretary should any member wish to see them.

Today, we have a number of formal items of business to cover, which are set out in the Notice of Meeting.

Before we move to these items, I'd like to offer you some thoughts about the Group as we progress into the 2024 financial year.



This AGM represents my first as Chair, which has coincided with a year in which we have seen social and economic shifts occurring faster than ever.

While it has been pleasing to see the continued unwinding of pandemic restrictions during 2022 and 2023, we have nevertheless experienced a year of significant and rapid change.

In this post-pandemic era, our economy continues to face ripple effects in the form of considerable market disruption.

Like many across Australia, and indeed the world, we have felt inflation and interest rate pressures, labour shortages, and the effects of significant policy interventions in industry settings.

We also remain cognisant of the heightened geo-political instability across parts of the world and the potential impacts on financial markets.

Despite this volatility over this last year, it has been pleasing to see the many ways the Group has continued to deliver on our commitment to building a sustainable portfolio of businesses to help realise our long-term strategy and ambition to be Australia's most trusted wellbeing company.

Our formal financial results were sound, with improvements over the prior corresponding period.

Total revenues were \$2.10 billion, up 27.1 percent on the prior period and profit after tax was \$56.8 million, up 24.2 percent.

Our Group Managing Director, Rohan Mead, will provide more detail on the financial results of our various businesses—but before he does, I would like to mention the significant recognition and amplification of our efforts to deliver social impact to the community.

Reporting on social impact is a developing area and one that is likely to take some years to mature.

Historically, social priorities such as the provision of care services and social infrastructure development have been awarded less importance in the private sector than pure economic outcomes, but our community and regulators are calling for a stronger focus, recognition and accountability of corporate sector contributions and leadership in these areas.

I believe more balanced prioritisation is essential for a strong care economy, and as a Group, we see our impact on the wellbeing of individuals and communities as a key driver of our social and financial success.

Measuring and reporting on this impact, in addition to our traditional financial assessments, reinforce our commitment and accountability in delivering positive wellbeing and impact for our members, customers and the community.

To measure the value that we create, we continue to assess our work using our Community & Social Value Framework, which we developed three years ago.

We continue to make significant progress in refining this framework in order to measure movements in our year-on-year impact, identify opportunities and to embed delivering impact into our key strategic and business decisions.

Our CSV Framework attributes a dollar value to the social impact achieved through our health, wealth and care products and services.

I am very pleased to advise that in the 2023 financial year, we delivered \$1.76 billion in community and social value. This is an outstanding achievement.

It has also been pleasing to see that we received recognition for the second year in a row by the *Australian Financial Review* as a leader in sustainability.

The Group published its third *Our Impact* report in September, which describes in greater detail the depth of this work.

We think of ourselves as one of Australia's first social enterprises and believe that our Group has an important role and responsibility to deliver, fund and complement government efforts in providing social support and care delivery and supporting financial wellbeing for our members, customers and the broader community.

Organisations such as ours were built around providing social and community services, such as health care access – which our predecessor organisations came together to deliver 150 years before the advent of Medicare.

We will continue to fulfill the role of innovator in sectors high on the community's list of social needs, including aged and health care, specialist accommodation, and early childhood education and care.

Social impact is naturally front of mind as a wellbeing company, however we are also mindful of our environmental impact.

In the year under review, we have drawn on expertise from environmental experts to develop initiatives to minimise our carbon footprint and work towards achieving our net zero ambitions.

This year, the board was also proud to champion the Group's solid corporate governance and risk management efforts.

Emphasis was placed on operational resilience, risk culture and appetite in relation to decision making and disclosure of key governance information and policies—including through our new online Investor centre.

During the year we proudly joined Reconciliation Australia's 'Yes' campaign, along with more than 150 other organisations and Reconciliation Action Plan partners.

While fully respecting that the referendum outcome did not support the introduction of a Voice to Parliament, we remain steadfast in our commitment to reconciliation.

This is of particular importance to me, given our history and current operations as a large employer of Aboriginal and Torres Strait Islander peoples and as a provider of culturally tailored care to First Nations customers through our Aboriginal Home Health business.

Through our business activities, employees and customers, and our ongoing efforts to promote reconciliation detailed in our Stretch-level Reconciliation Action Plan, the Group will continue to stand with First Nations communities to realise the sentiments articulated in the Uluru Statement from the Heart.

As the Group implements a range of changes to support its ability to capture current and future growth opportunities, we are committed to continuing to review the board, its composition and its succession needs to support our strategic direction.

I would like to extend my sincere thanks to all of my fellow directors for their support throughout my first year as Chair of the board. I am grateful, too, for the support Melinda has provided me during her first year as Deputy Chair.

Australian Unity is among Australia's most regulated organisations, operating a diverse portfolio of businesses across very different sectors.

This variety of sectors means that our directors need a significant breadth of regulatory knowledge that allows them to effectively govern our organisation and deliver superior outcomes on behalf of you, our members.

I take this opportunity to acknowledge the significant commitment our directors make in their roles on the Board.

Over the last year, we held 27 formal meetings associated with the board and our governance committees and each of these often involved multiple days of meetings, consideration of submissions, reports and papers, and the active application of regulatory knowledge across our business platform areas.

Our directors also continue to engage in many informal and important operational activities and decision-making opportunities, across our business platforms.

Beyond their statutory duties, our directors bring their diverse experiences, knowledge and personal motivations to their roles, which extends to being champions of our organisation.

It is a pleasure to have the opportunity to lead a board of directors of this calibre, but more importantly of their commitment to the organisation.

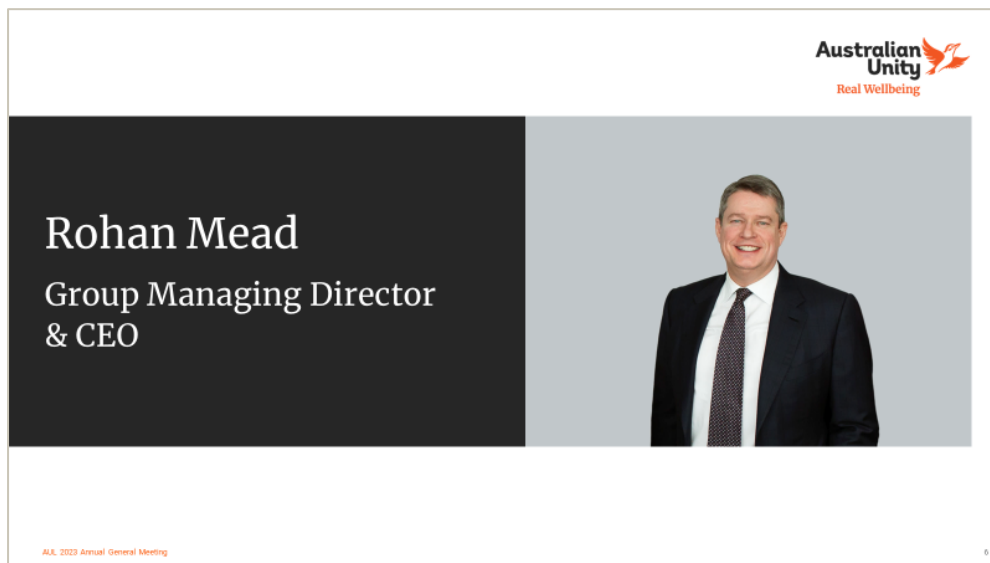
I also thank our Group Managing Director, Rohan Mead, the executive and management teams, and all Australian Unity employees for their significant efforts and support this year.

I also want to take a moment to personally acknowledge and sincerely thank Peter Promnitz who retired from his position as Chair of the board at the conclusion of the 2022 AGM.

And finally, I thank all of you, our members for your ongoing support of the Company and of our commitment to building a better society for all Australians.

I'll now hand over to Rohan and I will be back later to continue with the formal business of the meeting.

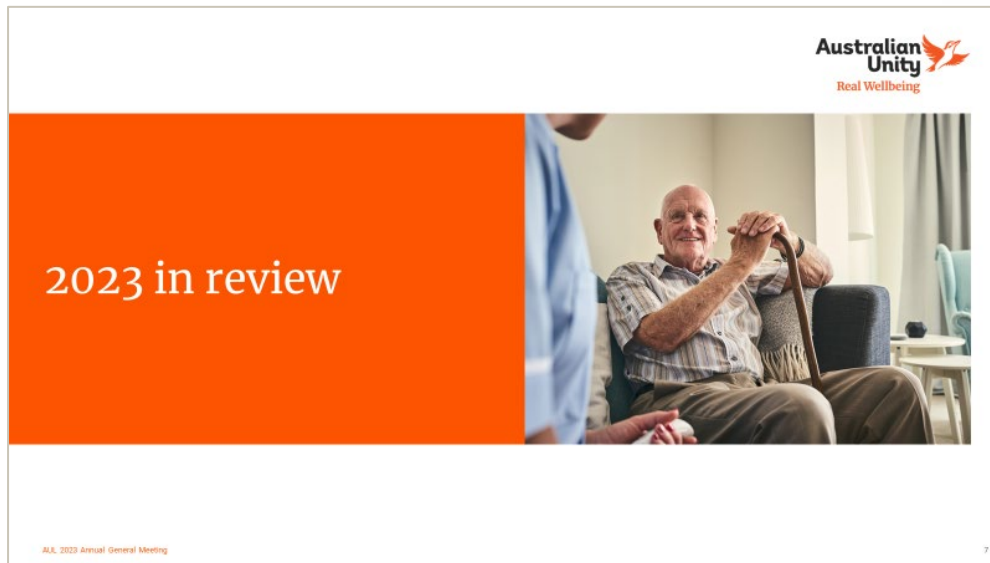
Rohan Mead, Group Managing Director & CEO



Thank you, Lisa. I would also like to extend a special welcome to everyone who has joined us today.

I also acknowledge the Traditional Owners of the land on which I'm speaking, the Wurundjeri (WERE-UN-JERRY) people of the Kulin nation. I pay my respects to Elders past, present and emerging, and express my gratitude for their custodianship of our lands and seas for more than 65,000 years.

I would also note the commitment and accountabilities of the directors of our organisation who must each day confront a veritable forest of regulatory and legal requirements which they must guide the organisation through.



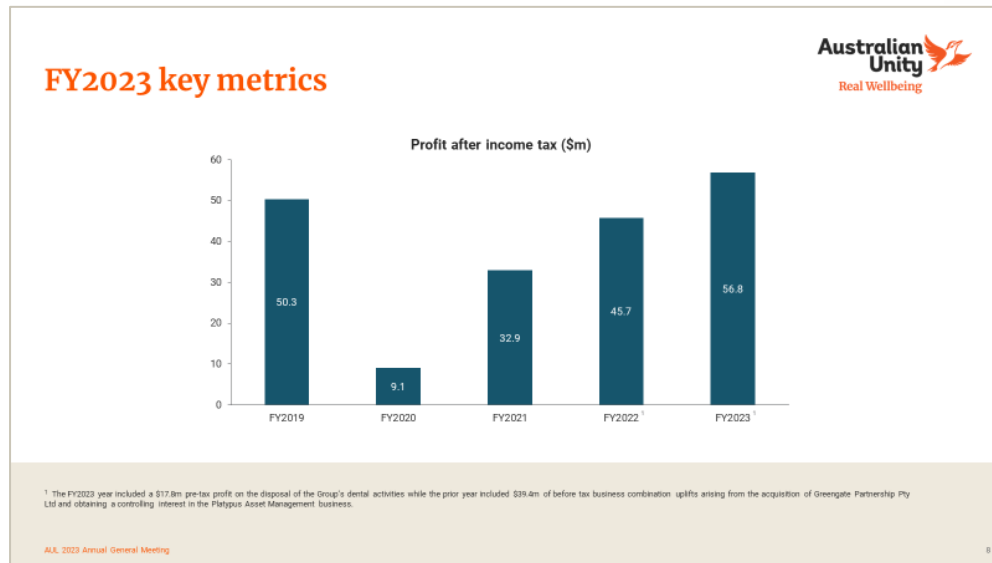
Members, I am pleased to report on the Australian Unity Group performance in FY23 and I thank my colleagues here today from across the Group's operations who have helped deliver these results.

The year in review saw an intensification of the economic and social infrastructure challenges that have emerged over the past few years and continue to impact businesses like ours across Australia, and globally.

This included steeply rising demand for care services, pressure on financial sustainability and the ongoing—and uncertain—changes to regulatory and funding policy, including those following the Aged Care Royal Commission.

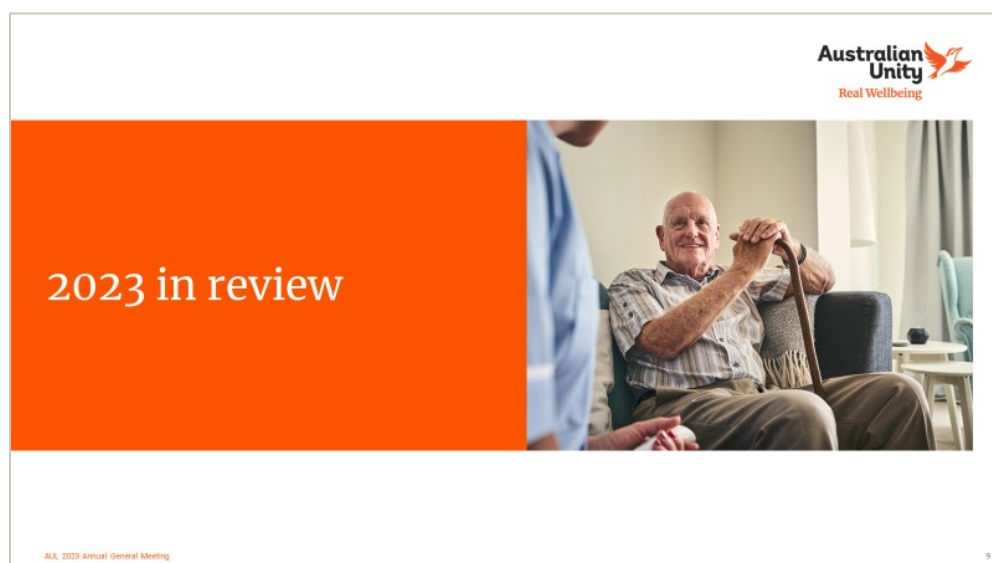
Reflecting on this dynamic environment and our own organisation shape, during the year we reviewed our operations to seek to support long-term growth strategies, prioritise areas for investment and growth, and deliver commercial sustainability and community and social value.

This review led to a structural realignment across our now four platform areas, and it has been pleasing to watch our teams embrace and engage with these new arrangements and ways of working.



Alongside these successful operational changes, the year under review was one of solid financial performance with—as the Chair mentioned previously—a \$56.8 million net profit after tax, which was a 24.2 percent improvement on the prior year.

Included in the 2023 result was a \$17.8 million pre-tax profit on the disposal of the Group's dental activities, while the prior year included a \$39.4 million pre-tax business combination uplift arising from both the Greengate acquisition and the Platypus Asset Management business acquisition completion.



I would like to note and emphasise that we continue to examine how we provide ongoing support to private health insurance policyholders as a consequence of disrupted, but gradually normalising claims patterns arising from and after the COVID-19 pandemic.

We announced with our 2023 financial results in August of this year, our plans for a further deferral of the 2023 premium increase until 1 April 2024.

This deferral adds to the package of financial support and relief measures previously provided to support our PHI policyholders through the pandemic, and is in recognition of the impact of restrictions on access to some healthcare services. The deferral will bring the total support measures to some \$98 million.

Celebrating the opening of our Walmsley and The Alba aged care residences was a highlight this year, marking the completion of two of our largest seniors living precincts.

We also achieved record occupancy in our mature aged care residences and retirement villages—demonstrating a marked come-back after some of the lows of the COVID-19 years.

In reshaping our new Specialist Care portfolio, we went to the market to review operating options for our residential aged care business.

This review did not identify any alternative marketplace approaches suited to support the operation of Australian Unity's Better Together[®] model of residential aged care on an ongoing and sustainable basis.

In June 2023, we confirmed that our involvement in this sector would continue with no changes planned for day-to-day operations and with renewed focus on revised commercial structures to improve sustainability for these important services and facilities.

During the period, the Group divested the Disability Services business unit, with the transition of customers and care workers to another dedicated disability services provider in December 2022.

On 30 June 2023, our five dental clinics became part of National Dental Care, a highly regarded dental network operating across Australia. Under this arrangement, Australian Unity health insurance policyholders will now have access to NDC's extensive national network of over 70 dental clinics.

Supported by our reshaped operations, the Group continued to generate substantial investment in social infrastructure for early childhood education, purpose-built student accommodation and specialist disability accommodation during the period.

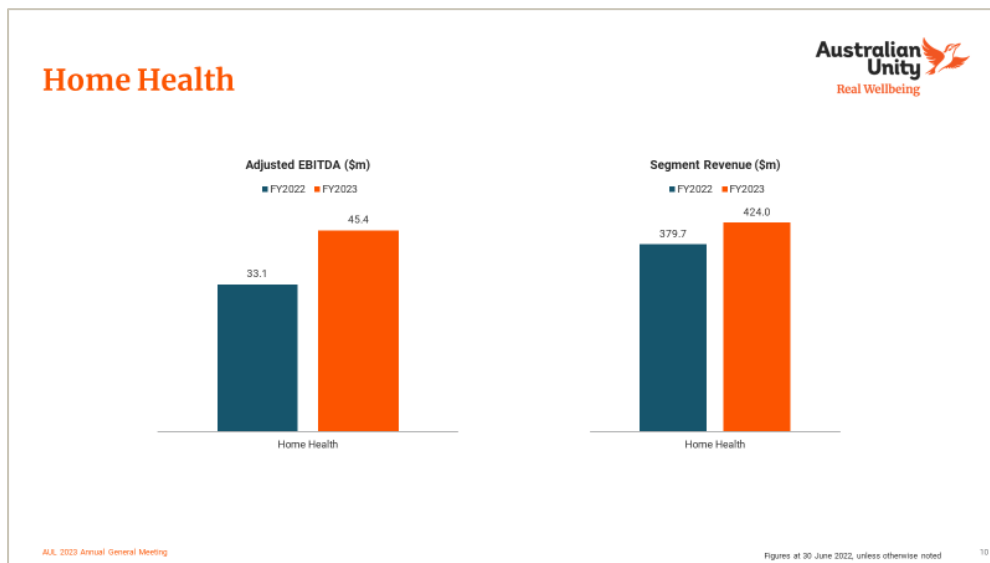
Additionally, we successfully raised funds from a wide array of stakeholders and sources for our sector-leading hospital fund—the Healthcare Property Trust.

I am pleased to advise that the litigation relating to this trust—brought on by NorthWest Healthcare Australia RE Limited—was settled in July of this year.

As part of that settlement, Australian Unity has agreed to assist NorthWest to divest its holdings on the register.

Amidst the many challenges of operating in a turbulent environment, we continued to progress our strategy of developing a portfolio of valued health, wealth and care products and services for members across our four business platforms.

HOME HEALTH

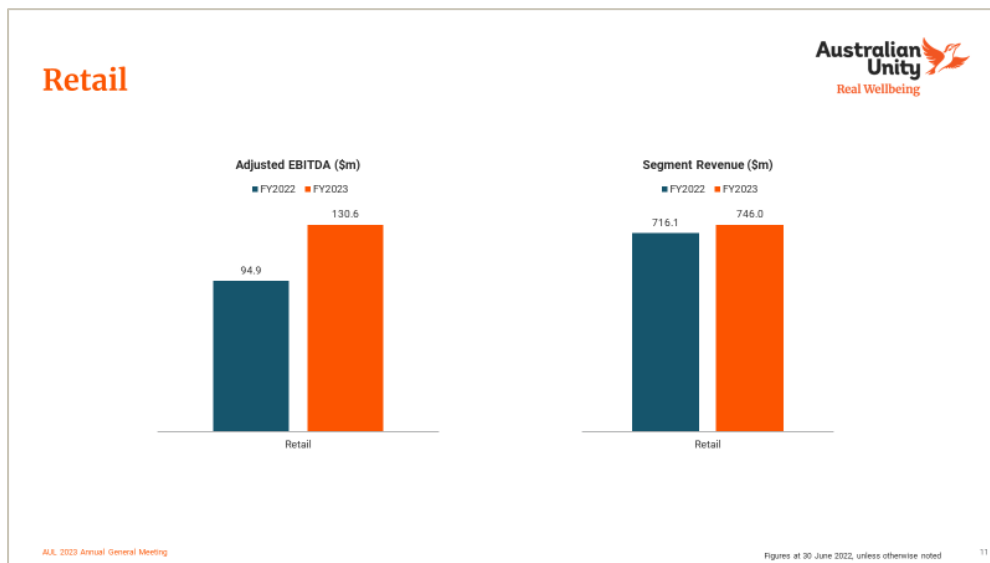


During the year, we focused on putting into place our Home Health operating platform.

The Home Health business developed encouragingly—improving its patient and outcome-focused healthcare services and importantly, grew its workforce numbers in a difficult, post-pandemic environment in the care economy.

The platform recorded a solid financial gain with an adjusted EBITDA of \$45.4 million, representing an increase of 36.8 percent on the prior corresponding period.

RETAIL



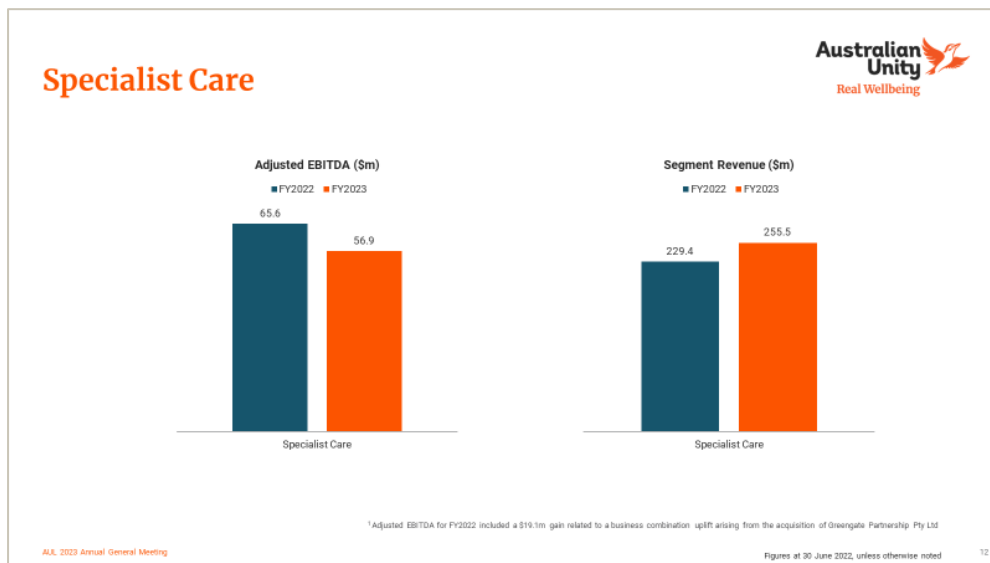
The Retail platform delivered a strong result for the year, with an adjusted EBITDA of \$130.6 million—37.6 percent higher than the prior year.

We deferred the implementation of the 2023 premium increase, as I have mentioned, from 1 April 2023 to 1 November 2023. And in August, as also noted, announced a planned further deferral of this premium increase until 1 April 2024. Further consumer support measures for eligible PHI policyholders will be considered by the board.

The PHI liability relating to claims deferred due to COVID-19 government restrictions on private elective surgery was reduced from \$71.0 million at 30 June 2022 to nil at 30 June 2023.

Australian Unity Bank Limited achieved solid lending growth with \$254.1 million of loans funded.

SPECIALIST CARE

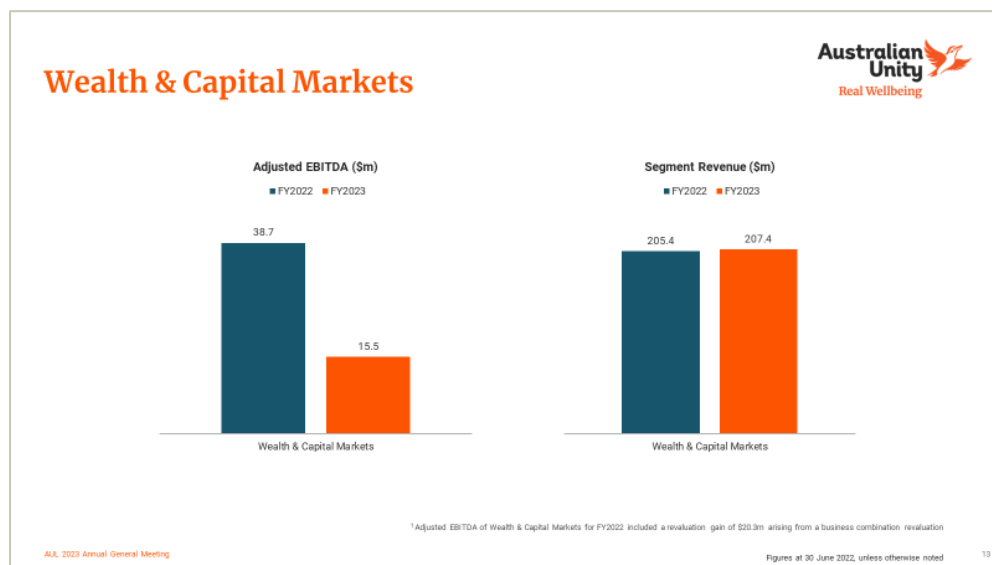


While results in the Specialist Care platform improved over the year, it saw a decline in adjusted EBITDA of 13.2 percent to \$56.9 million on the prior year.

As mentioned, the previous year included a \$19.1 million gain related to a business combination uplift arising from the acquisition of Greengate and its three established integrated retirement and aged care communities in Sydney and Brisbane.

Adjusting for this one-off gain, underlying adjusted EBITDA increased by 22.6 percent from the prior year.

WEALTH & CAPITAL MARKETS



During the year, we also took the opportunity to implement a revised and more focused operating model for the Wealth & Capital Markets platform.

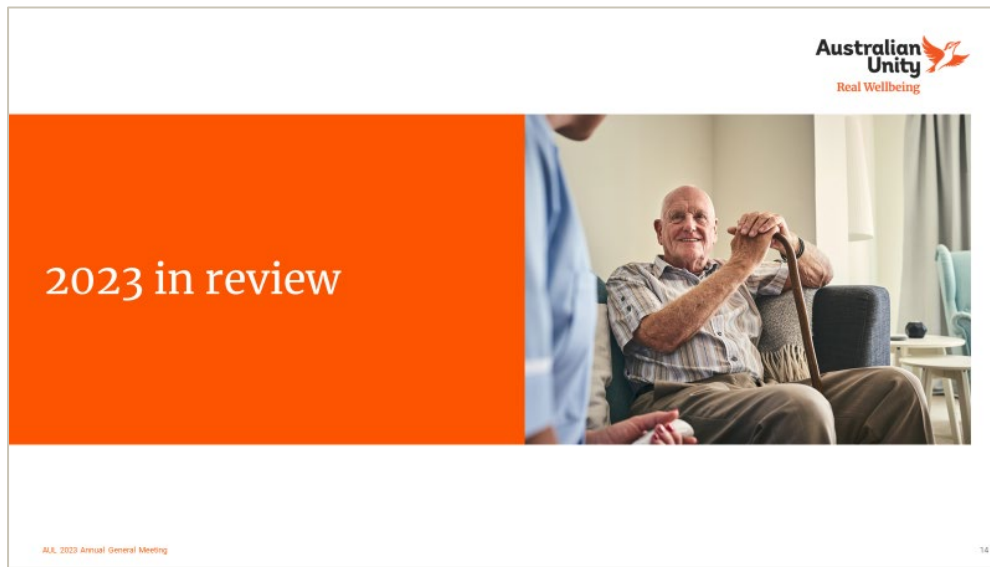
The platform recorded a reduction in adjusted EBITDA of 59.9 percent to \$15.5 million compared to the prior corresponding period.

As mentioned in the Group's profit result, the previous year included a \$20.3 million gain related to the revaluation of the platform's investment in the Platypus Asset Management business on acquisition of a controlling interest.

Adjusting for this one-off gain, underlying adjusted EBITDA reduced by \$2.9 million or 15.6 percent from the prior year due to an increase in operating expenses associated with restructuring the target operating model for this platform.

On 24 July 2023, the Group announced that it had entered into an agreement to acquire all the shares of friendly society IOOF Limited and its approximate \$1.1 billion investment bond business from the Insignia Financial group.

This acquisition is in line with the Group's growth strategy to extend the provision of innovative products and services and it will also further strengthen our position as the market leader in investment bonds with legal completion having concluded and operational integration now commencing.



Members, I am pleased to report that despite the volatility seen throughout the 2023 financial year, our operations adapted positively, with solid results.

Our longer-term plans are to continue to evolve as a social enterprise—one that is commercial in nature, consistent with our roots as a friendly society, and one that is an increasingly trusted and relevant source of products and services demanded by the community.

We will continue to measure our social impact as well as our formal financial results. Our challenge is to seize the opportunities before us and to realise their potential for all stakeholders.

While we have a strong focus on the services dynamics of the economy, there are equal challenges for the Australian community in having access to critical infrastructure—be it childcare, aged care, specialist disability accommodation, healthcare services—in key and vulnerable areas.

We plan to continue to grow our participation in the provision of such critical social and community infrastructure in the years ahead to support the proper functioning of the care economy.

In doing so, we will seek to maintain a resilient balance sheet that provides operational flexibility as we pursue the development of our business portfolio and accelerate towards our vision of becoming Australia's most trusted wellbeing company.

In reflecting on the potential growth, Australian Unity is giving consideration to an offer of Simple Corporate Bonds, including a potential offer to holders of Australian Unity Bonds Series C to roll their investment into a new instrument.

Net proceeds of such an issue would be used for general corporate purposes including the repayment of debt.

No decision has been made to proceed with any offer, and any offer would be subject to appropriate market conditions being maintained.

Any offer would be made under a '2-part' Simple Corporate Bonds prospectus and if any transaction were to proceed, investors wishing to participate would need to apply using an application form accompanying the prospectus.

I echo the Chair's reflections on our Group's reconciliation agenda and our support for a Yes vote in the Referendum on a Voice to Parliament.

While a disappointing outcome, I reflect positively on the opportunity that this referendum brought our organisation and the wider Australian community to learn more about reconciliation and the more than 65,000-years of our nation's extraordinary cultural heritage.

We maintain our unwavering commitment to delivering our Reconciliation Action Plan and will continue to seek opportunities to make real and meaningful contributions to reconciliation and in general, the practical implementation of the Uluru Statement from the Heart.

As noted by the Chair, we saw a number of changes to the board of Australian Unity in the year under review. I sincerely thank our non-executive director and previous Chair, Peter Promnitz, for his counsel during his directorship and mentoring as Chair.

On behalf of the management team, I thank Lisa Chung for her dedication to her new role as Chair, along with Melinda Cilento as Deputy Chair. I also thank all directors for their guidance over the year.

I thank my management and staff colleagues for their diligent work to reshape our operations. Work that will affect the ongoing provision of valuable services to our members, customers and communities.

And finally, thank you to all of our members.

Thank you and I'll now hand back to the Chair.

End of Group Managing Director's address