

ASX Announcement

12 June 2024

Entitlement Offer opens and Offer Booklet now available

On Monday 3 June 2024, Australian Unity Limited (Australian Unity) announced that it was conducting a non-underwritten 1 for 3 pro rata non-renounceable entitlement offer of new mutual capital instruments (MCIs) (Entitlement Offer), along with a non-underwritten placement to wholesale investors (Placement). As announced to the ASX on Tuesday 4 June 2024, the Placement raised \$70 million.

The Entitlement Offer opens today Wednesday 12 June 2024 and is expected to close at 5.00pm (AEST) on Friday 21 June 2024 (Offer Period).

Attached is a copy of the Offer Booklet which will be made available to eligible MCI holders today, together with a personalised Entitlement and Acceptance Form. A copy of each document can be accessed by eligible MCI holders online at www.australianunity.com.au/mci2024.

Also attached is a copy of the letter that is being sent to eligible MCI holders notifying them of the Entitlement Offer and providing instructions on how to participate (including how to access the Offer Booklet and their personalised Entitlement and Acceptance Forms).

The Offer Booklet and the Entitlement and Acceptance Form contain important information about the Entitlement Offer including how eligible MCI holders in Australia and New Zealand can apply to participate in the Entitlement Offer. Eligible MCI holders should read both in their entirety, as well as any announcements released by Australian Unity, before making any investment decision.

Australian Unity Offer Information Line

MCI holders can contact the Australian Unity Offer Information Line on 1800 500 095 at any time between 8.30am to 5.30pm (AEST), Monday to Friday during the Offer Period for more information. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

-end-

ASX code:

AYU

Securities on Issue:

AYUPA – 3,434,000

AYUHC – 321,157

AYUHD – 2,070,000

AYUHE – 2,558,050

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 entity

This announcement has been authorised for release by the Board of Australian Unity Limited.

For further information:

Penny Bold

Senior Manager – Communications

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AUSTRALIAN UNITY LIMITED

ABN 23 087 648 888

Offer Booklet

**1 for 3 pro rata non-renounceable entitlement offer
of mutual capital instruments in Australian Unity Limited
at an issue price of \$72.50 per New MCI**

Entitlement Offer closes at 5.00pm (AEST) on Friday 21 June 2024 (unless extended). Valid applications must be received before that time.

If you are an Eligible MCI Holder, this Offer Booklet together with the personalised Entitlement and Acceptance Form which accompanies it are important documents that require your immediate attention. These documents should be read in their entirety. This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions. You can also contact the Australian Unity Offer Information Line on 1800 500 095 between 8.30am and 5.30pm (AEST) on Monday to Friday if you have any questions.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

IMPORTANT NOTICES

This Offer Booklet has been issued by Australian Unity Limited (ABN 23 087 648 888) (**Australian Unity**).

This Offer Booklet is dated 12 June 2024, and relates to the Entitlement Offer, which is part of the Offer by Australian Unity to raise up to approximately \$83 million. The Offer comprises the Entitlement Offer and the Placement. Capitalised terms in this section have the meaning given to them in this Offer Booklet.

The Entitlement Offer is made pursuant to Section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73). This Offer Booklet is not a prospectus or a product disclosure statement under the Corporations Act and has not been lodged with ASIC. This Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus or product disclosure statement. As a result, it is important for you to read and understand the publicly available information in relation to Australian Unity and the Entitlement Offer (for example, the information available on Australian Unity's website at www.australianunity.com.au or on ASX's website at www.asx.com.au) prior to deciding whether to accept your Entitlement and apply for New MCIs. The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

Please contact your professional adviser or the Australian Unity Offer Information Line on 1800 500 095 between 8.30am and 5.30pm (AEST) on Monday to Friday if you have any questions.

This Offer Booklet should be read in its entirety (including the accompanying Entitlement and Acceptance Form) before you decide to participate in the Entitlement Offer. In particular, the Investor Presentation in Section 4 of this Offer Booklet details important factors and risks that could affect the financial and operating performance of Australian Unity. Please refer to Appendix B: 'Key Risks' of the Investor Presentation for details. When making an investment decision in connection with the Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in Section 6 of this Offer Booklet).

In addition to reading this Offer Booklet in conjunction with Australian Unity's other periodic and continuous disclosure announcements including the Investor Presentation and Australian Unity's announcements to the ASX and on its website, you should conduct your own independent review, investigations and analysis of Australian Unity and the New MCIs and obtain any professional advice you require to evaluate the merits and risks of an investment in Australian Unity before making any investment decision.

By returning an Entitlement and Acceptance Form or otherwise paying for your New MCIs through BPAY®¹ in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Offer Booklet.

No overseas offering

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Offer Booklet does not constitute an offer to Ineligible MCI Holders.

This Offer Booklet is not to be distributed in, and no offer of New MCIs is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New MCIs, or otherwise permit the public offering of the New MCIs, in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this Offer Booklet, you should observe such restrictions and should seek your own advice on such

restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New MCIs is subject to all requisite authorities and clearances being obtained for Australian Unity to lawfully receive your Application Monies.

New Zealand

The New MCIs are not being offered to the public within New Zealand other than to existing MCI Holders of Australian Unity with registered addresses on the Australian Unity register in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States disclaimer

None of the information in this Offer Booklet (including the ASX Announcements, Investor Presentation and the accompanying Entitlement and Acceptance Form) constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet (or any part of it), the accompanying ASX Announcements and Investor Presentation nor the accompanying Entitlement and Acceptance Form may be released or distributed, directly or indirectly, to persons in the United States.

The Entitlements and the New MCIs have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (U.S. **Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up or exercised by, and the New MCIs may not be offered or sold to, directly or indirectly, persons in the United States or persons that are acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of persons in the United States). The Entitlements and the New MCIs to be offered and sold in the Entitlement Offer may only be offered and sold in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

Definitions, time and currency

Defined terms used in this Offer Booklet are contained in Section 7. All references to time are to Australian Eastern Standard Time (AEST), unless otherwise indicated.

All references to '\$' are AUD unless otherwise noted.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New MCIs. Section 6 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Entitlement Offer for Eligible MCI Holders. The guide does not take account of the individual circumstances of particular Eligible MCI Holders and does not constitute tax advice. Australian Unity recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Privacy

Australian Unity collects information about each Applicant for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's MCI holding in Australian Unity.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Australian Unity (directly or through the Registry). Australian Unity collects, holds and will use that information to assess your Application. Australian Unity collects your personal information to process and administer your MCI holding in Australian Unity and to provide related services to you. Australian Unity may disclose your personal information for purposes related to your MCI holding in Australian Unity, including to the Registry, Australian Unity's related bodies corporate, agents, contractors and third party service providers, including mailing houses and

¹ Registered to BPAY Pty Ltd ABN 69 079 137 518

professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Australian Unity holds about you. To make a request for access to your personal information held by (or on behalf of) Australian Unity, please contact Australian Unity through the Registry.

Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of Victoria, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Victoria, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Offer Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Offer Booklet may not be relied upon as having been authorised by Australian Unity or any of its officers.

Past performance

Investors should note that Australian Unity's past performance, including past MCI price performance, cannot be relied upon as an indicator of (and provides no guarantee or guidance as to) Australian Unity's future performance including Australian Unity's future financial position or MCI price performance.

Future performance

This Offer Booklet contains certain "forward looking statements" with respect to the financial condition, results of operations, projects and business of Australian Unity and certain plans and objectives of the management of Australian Unity. Forward looking statements include those containing words such as: "anticipate", "believe", "expect", "estimate", "should", "will", "plan", "could", "may", "intends", "guidance", "project", "forecast", "target", "likely" and other similar expressions, and include, but are not limited to, statements regarding the outcome and effects of the Entitlement Offer. Any forward looking statements, opinions and estimates provided in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Australian Unity and the Joint Lead Manager Parties (defined below). This includes any statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements may include projections, guidance on future revenues, earnings, dividends and estimates.

These forward-looking statements contained in this Offer Booklet involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and geopolitical tensions, including the conflict in Ukraine, Israel and Gaza. Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither Australian Unity, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of Australian Unity. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Offer Booklet in light of those disclosures.

The forward looking statements are based on information available to Australian Unity as at the date of this Offer Booklet. Except as required by law or regulation (including the Listing Rules), Australian Unity is under no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

None of the Joint Lead Manager Parties have authorised, approved or verified any forward-looking statements.

Joint Lead Managers

Acacia Partners Pty Ltd (ABN 85 662 816 748), E&P Corporate Advisory Pty Limited (ABN 21 137 980 520), Morgans Financial Limited (ABN 49

010 669 726) and National Australia Bank Limited (ABN 12 004 044 937) (the **Joint Lead Managers**) have acted as lead managers to the Entitlement Offer. Neither the Joint Lead Managers nor their respective affiliates, related bodies corporate (as that term is defined in the Corporations Act), or shareholders nor any of their respective directors, employees, officers, representatives, agents, affiliates, partners, consultants and advisers (together the **Joint Lead Manager Parties**), nor the advisers to Australian Unity or any other person, has authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Offer Booklet (or any other materials released by Australian Unity) and, none of them makes or purports to make any statement in this Offer Booklet and there is no statement in this Offer Booklet which is based on any statement by any of them.

The Joint Lead Manager Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from Australian Unity.

The Joint Lead Manager Parties are involved in a wide range of financial services and businesses that may include (without limitation) some or all of securities issuing, securities trading, brokerage activities, provision of retail, business, private, commercial and investment banking, investment management, corporate finance, credit and derivatives trading and research products and services or the provision of finance out of which conflicting interests or duties may arise.

In the ordinary course of these activities, each of the Joint Lead Manager Parties may at any time hold long or short positions, and may trade or otherwise effect transactions or take or enforce security, for its own account or the accounts of customers or investors, in debt, equity or hybrid securities or senior loans or financial products of any member of the Australian Unity Group (being Australian Unity and its subsidiaries) or any other party that may be involved in the Offer, and may finance the acquisition of those securities and/or financial products and take or enforce security over those securities and/or financial products. The Joint Lead Manager Parties may receive fees for, or profits and other financial benefits from, those activities.

In particular, it should be noted that National Australia Bank Limited is also a lender to members of the Australian Unity Group or funds managed by members of the Australian Unity Group and has provided various facilities and other financial accommodation to members of the Australian Unity Group with maturities falling prior to the maturity date of the MCIs being offered under the Offer and as such its interests may conflict with the interests of the holders of MCIs.

Disclaimer

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Australian Unity and the Joint Lead Managers. To the maximum extent permitted by law and except to the extent caused by its fraud, gross negligence or wilful misconduct, each of Australian Unity and the Joint Lead Managers and each of their respective affiliates disclaim any duty or liability in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, the Joint Lead Manager Parties disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and the information in this Offer Booklet being inaccurate or due to information being omitted from this Offer Booklet, whether by way of negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Offer Booklet.

The Joint Lead Manager Parties take no responsibility for any part of this Offer Booklet or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any loss or damage whatsoever arising from the use of any part of this Offer Booklet or otherwise arising in connection with it.

The Joint Lead Manager Parties make no recommendation as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and by returning an Entitlement and Acceptance Form or otherwise paying for your New MCIs through BRAY in accordance with the instructions on the Entitlement and Acceptance Form, you represent, warrant and agree that you have not relied on any statements made by the Joint Lead Manager Parties in relation to the New MCIs or the Entitlement Offer generally.

Risks

Refer to Appendix B: 'Key Risks' of the Investor Presentation included in Section 4 of this Offer Booklet for a summary of general and specific risk factors that may affect Australian Unity. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Entitlement Offer.

No cooling off

Cooling off rights do not apply to an investment in New MCIs. You cannot withdraw an Application once it has been accepted.

Trading New MCIs

Australian Unity will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New MCIs they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Australian Unity or the Registry or otherwise, or who otherwise trade or purport to trade New MCIs in error or which they do not hold or are not entitled to.

No Entitlements trading

Entitlements are non-renounceable and cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by Australian Unity, its officers or its related bodies corporate in connection with the Entitlement Offer.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

Letter from the Chair

12 June 2024

Dear MCI Holder

I am writing to advise you of Australian Unity's intention to raise capital by way of a combination of an Entitlement Offer to existing Australian Unity MCI Holders and a wholesale Placement.

On behalf of the Board, I am very pleased to be able to offer you an opportunity to participate in this Entitlement Offer.

The proceeds of the Entitlement Offer will form part of Australian Unity's ongoing capital management strategy. They are intended to be used to enhance resilience and provide balance sheet flexibility to support Australian Unity's activities that enable real wellbeing for our members, customers and community, in the areas of Health, Wealth and Care. For example, proceeds may be used to repay debt facilities, which were utilised to fund the recent acquisition of the *myHomecare* Group.

As you may know, on the two occasions when Australian Unity previously issued MCIs—December 2020 and November 2021—market interest rates in Australia were at historic lows. Since then, interest rates have risen markedly.

Because the Australian Unity MCI has features like those of a fixed interest security, the traded capital value of those MCIs has fallen as market interest rates have risen.

Notwithstanding the understandable behaviour of the trading price of MCIs in the context of rising interest rates, the Board is very aware that most MCI Holders have overall experienced capital value declines, reflected in the trading price.

The Board is pleased to offer MCI Holders a pro rata 1 for 3, discounted Entitlement Offer, on a non-renounceable basis at the Offer Price of \$72.50, an 11.60 percent discount to the closing price of MCIs on 31 May 2024, before the announcement of the Entitlement Offer and Placement.

The issue of new MCIs on the terms outlined in this Offer Booklet would represent a grossed-up running yield of 9.85 percent on the Offer Price².

Eligible MCI Holders who take up their full entitlement may also apply for Additional New MCIs in excess of their entitlement under the Oversubscription Facility. Additional MCIs will only be available under the Oversubscription Facility to the extent that there is any shortfall. The allocation of Additional MCIs will be subject to the availability of Additional MCIs and any scale-back will be in Australian Unity's absolute discretion having regard to the pro rata Entitlement of Eligible MCI Holders who apply for Additional MCIs.

The Board thanks you for your continued support of Australian Unity and commends this Offer Booklet to you. It sets out this opportunity for you in more detail and covers the key risks of investments in these securities.

Yours faithfully



Lisa Chung AM

Chair

Australian Unity Limited

² Gross rate 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. The gross rate will change if Australian Unity's corporate tax rate changes in the future.

Overview of the Entitlement Offer

You are invited to participate in the Entitlement Offer which will comprise a 1 for 3 pro rata non-renounceable entitlement offer of new MCIs at an Offer Price of \$72.50 per New MCI to raise gross proceeds of up to approximately \$83 million. Australian Unity MCIs currently trade on the ASX under the code "AYUPA".

Details of the Entitlement Offer and Placement

The Entitlement Offer is being conducted in conjunction with Placement of New MCIs to wholesale investors as announced on Monday 3 June 2024. The Offer Price is the same as the offer price for New MCIs under the Placement.

Neither the Placement nor the Entitlement Offer are underwritten.

As announced on Monday 3 June 2024, Australian Unity aims to raise approximately \$75 million through the Entitlement Offer and Placement (together, the Equity Raising), with the ability to raise more or less. The non-underwritten Entitlement Offer, with a theoretical maximum of approximately \$83 million, has an uncertain outcome. Australian Unity targeted to raise \$50 million under the Placement to reduce the risk of raising substantially less than \$75 million through the Equity Raising.

On Tuesday 4 June 2024, Australian Unity announced that the Placement was substantially oversubscribed. Australian Unity therefore determined to increase the targeted Placement amount of \$50 million to \$70 million.

Under the Entitlement Offer, Eligible MCI Holders (as defined in Section 5.1) are being offered the opportunity to subscribe for 1 New MCI for every 3 existing MCI held on the Record Date of 7.00pm (AEST) on Thursday 6 June 2024.

As noted above, Eligible MCI Holders who take up their full Entitlement may also apply for Additional MCIs in excess of their Entitlement under the Oversubscription Facility.

Australian Unity reserves the right to place any New MCIs that are not subscribed for under the Entitlement Offer, including under the Oversubscription Facility, with wholesale investors at the Offer Price. To the extent any New MCIs are not subscribed for under the Entitlement Offer (including the Oversubscription Facility), Australian Unity may decide to acquire MCIs to fulfil its obligations under its long term variable compensation award scheme for employees.

Key features and risks of MCIs³

Key features of the Australian Unity MCIs include:

- Perpetual, fully paid mutual capital instruments;
- Face Value of \$100.00;
- Discretionary, non-cumulative, semi-annual dividends, expected to be fully franked; and
- Dividend rate of 5.00 percent per annum, based on the Offer Price of \$72.50, this equates to a cash running yield (assuming discretionary dividends are paid in full) of 6.90 percent per annum and a grossed-up running yield of 9.85 percent per annum (that is, including franking)⁴.

Given the unique nature of MCIs, it is important that investors understand and consider carefully the key risks associated with an investment of this type. These include, but are not limited to:

- *Permanent capital:* Australian Unity MCIs are perpetual shares with no rights for holders to require repurchase or redemption by Australian Unity.
- *Market price volatility:* Due to the perpetual nature of Australian Unity MCIs, the market price is likely to be more sensitive to changes in interest rates than would be the case for a comparable investment of fixed term.
- *Discretionary, non-cumulative Dividends:* Dividends on Australian Unity MCIs are discretionary and non-cumulative. This means that there is no guarantee that Australian Unity MCIs will provide investors with a regular return.

³ Defined terms have the meanings per the Terms of Australian Unity MCIs (refer Section 8 Appendix).

⁴ Gross rate 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. The gross rate will change if Australian Unity's corporate tax rate changes in the future.

- *Voting*: Reflecting Australian Unity's status as a mutual entity, the Constitution enshrines a limit of one vote per member for any member of Australian Unity.

A summary of the key risks of MCIs and an investment in Australian Unity can be found in the accompanying Investor Presentation.

Further information

This Offer Booklet contains important information about the Entitlement Offer and Australian Unity's business under the following headings:

- Key dates;
- Summary of options available to you;
- Actions required by you (including instructions on how to participate in the Entitlement Offer if you choose to do so);
- Australian taxation considerations;
- ASX announcements (including the Investor Presentation, which provides information on Australian Unity, including information relating to the use of proceeds of the Entitlement Offer, and a summary of the key risks associated with an investment in Australian Unity); and
- Additional information.

How to apply

Accompanying this Offer Booklet is your personalised Entitlement and Acceptance Form which contains details of your Entitlement. It is important that you determine whether to take up or do nothing in respect of your Entitlement. The Entitlement Offer is non-renounceable, which means your Entitlement will not be tradeable on ASX or any other exchange, they cannot be sold, and they cannot be privately transferred or otherwise disposed of. This means if you choose to do nothing, your Entitlement will lapse and you will receive no value for your Entitlement.

The Entitlement Offer closes at 5.00pm (AEST) on Friday 21 June 2024. To participate, you need to ensure that you have completed your Application by paying the Offer Price multiplied by the number of New MCIs you are applying for by BPAY before this time in the manner described in this Offer Booklet.

Please carefully read this Offer Booklet in its entirety before you invest and consult your stockbroker, solicitor, accountant or other professional adviser before making your investment decision. In particular, you should read and consider the "Key risks" section of the Investor Presentation included in Section 4 of this Offer Booklet which contains a summary of some of the key risks associated with an investment in Australian Unity.

If you have any questions in respect of the Entitlement Offer please call the Australian Unity Offer Information Line on 1800 500 095 at any time from 8.30am to 5.30pm (AEST), Monday to Friday. Please consult your stockbroker, accountant or other professional adviser before making your investment decision.

Summary of the Entitlement Offer

Entitlement Offer	
Ratio	1 New MCI for every 3 Existing MCIs
Offer Price	\$72.50 per New MCI
Size	Up to approximately 1,144,667 New MCIs under the Entitlement Offer
Gross proceeds	Up to approximately \$83 million

Key dates

Activity	Date
Announcement of the Entitlement Offer, Placement and trading halt	Monday 3 June 2024
Placement bookbuild	Monday 3 June – Tuesday 4 June 2024
Announcement of results of Placement	Tuesday 4 June 2024
MCIs recommence trading	Wednesday 5 June 2024
Record Date for Entitlement Offer (7.00pm AEST)	Thursday 6 June 2024
Entitlement Offer opens	Wednesday 12 June 2024
Offer Booklet and Entitlement and Acceptance Form made available to Eligible MCI Holders	Wednesday 12 June 2024
Entitlement Offer closes (5.00pm AEST)	Friday 21 June 2024
Settlement of the Entitlement Offer and Placement	Thursday 27 June 2024
Issue of New MCIs under the Entitlement Offer and Placement	Friday 28 June 2024
New MCIs under the Entitlement Offer and Placement commence trading on ASX on a normal settlement basis	Monday 1 July 2024
Despatch of holding statements for New MCIs issued under the Entitlement Offer and Placement	Monday 1 July 2024

There will be no deferred trading of New MCIs to be issued under the Entitlement Offer. This Timetable above is indicative only and may change. All dates and times are AEST. Australian Unity reserves the right to amend any or all of these dates and times subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, Australian Unity reserves the right to extend the closing date for the Entitlement Offer, to accept late Applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date of New MCIs. Australian Unity also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New MCIs. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Enquiries

If you have any doubt about whether you should participate in the Entitlement Offer, you should seek professional financial advice from your stockbroker, solicitor, accountant or other professional adviser before making any investment decision.

If you have questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement or have lost your Entitlement and Acceptance Form and would like a replacement form, please contact the Australian Unity Offer Information Line on 1800 500 095 between 8.30am and 5.30pm (AEST) Monday to Friday during the Entitlement Offer Period.

Table of contents

1	Summary of options available to you.....	10
2	How to apply	11
2.1	Overview	11
2.2	Placement.....	11
2.3	Entitlement Offer	11
2.4	Your Entitlements	11
2.5	Consider the Entitlement Offer carefully in light of your particular investment objectives and circumstances.....	12
2.6	Options available to you.....	12
2.7	Option 1: If you wish to take up all or part of your Entitlements	12
2.8	Option 2: If you wish to take up all of your Entitlements and apply for Additional MCIs... ..	13
2.9	Option 3: Do nothing and let your Entitlements lapse.....	13
2.10	Ineligible MCI Holders	14
2.11	Offer Booklet availability.....	14
3	Payment.....	15
3.1	Payment by BPAY	15
3.2	If you are unable to pay by BPAY	15
3.3	Entitlement and Acceptance Form is binding.....	16
3.4	Brokerage and stamp duty.....	18
3.5	Notice to nominees and custodians	18
3.6	Withdrawal of the Entitlement Offer.....	18
3.7	Enquiries	19
4	ASX Announcements and Investor Presentation	20-63
5	Additional information.....	64
5.1	Eligibility of MCI Holders.....	64
5.2	Ranking of New MCIs.....	64
5.3	Allotment	64
5.4	Reconciliation	64
5.5	Rounding of Entitlements	65
5.6	Underwriting arrangements	65
5.7	Joint Lead Managers	65
5.8	Continuous disclosure	65
6	Australian taxation consequences.....	66
6.1	General.....	66
6.2	Issue of Entitlements	66
6.3	Exercise of Entitlements and applying for additional New MCIs	67
6.4	Lapse of Entitlements	67
6.5	Taxation in respect of dividends on New MCIs.....	67
6.6	Disposal of New MCIs or Additional MCIs.....	68
6.7	GST.....	69
6.8	Stamp duty.....	69
6.9	Tax file numbers.....	70
7	Definitions.....	71
8	Appendix.....	74
8.1	Terms of Australian Unity MCIs	74
9	Corporate information	85

1 Summary of options available to you

If you are an Eligible MCI Holder (as defined in Section 5.1) you may take any one of the following actions:

1. take up all or part of your Entitlements (see Section 2.7 of this Offer Booklet);
2. take up all of your Entitlements and apply for Additional MCIs under the Oversubscription Facility (see Section 2.8 of this Offer Booklet); or
3. do nothing, in which case your Entitlements will lapse and you will receive no value for your lapsed Entitlements (see Section 2.9 of this Offer Booklet).

If you are an MCI Holder that is not an Eligible MCI Holder, you are an **Ineligible MCI Holder**. Ineligible MCI Holders will not be able to participate in the Entitlement Offer.

Options available to you	Key considerations
1. Take up all or part of your Entitlements (see Section 2.7)	<ul style="list-style-type: none"> • You may elect to purchase New MCIs at the Offer Price (see Section 2.7 for instructions on how to take up your Entitlements). • The New MCIs will be fully paid and rank equally in all respects with Existing MCIs. • The Entitlement Offer closes at 5.00pm (AEST) on Friday 21 June 2024. • If you only take up part of your Entitlements, those Entitlements not taken up will lapse and you will not receive any payment or value for them. • If you do not take up your Entitlements in full, your MCI holding in Australian Unity will be diluted as a result of the Entitlement Offer and the Placement.
2. Take up all of your Entitlements and apply for Additional MCIs (see Section 2.8)	<ul style="list-style-type: none"> • You may elect to purchase New MCIs at the Offer Price (see Section 2.7 for instructions on how to take up your Entitlements). • The New MCIs will be fully paid and rank equally in all respects with Existing MCIs. • The Entitlement Offer closes at 5.00pm (AEST) on Friday 21 June 2024. • If you take up all of your Entitlements, you may also apply for Additional MCIs under the Oversubscription Facility (see Section 2.8 for instructions on how to apply for Additional MCIs). There is no guarantee that you will be allocated any Additional MCIs.
3. Do nothing and allow your Entitlements to lapse (see Section 2.9)	<ul style="list-style-type: none"> • If you do not take up your Entitlements, you will not be allocated New MCIs and your Entitlements will lapse. • Your entitlement to participate in the Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred. • If you do not take up your Entitlements, you will not receive any payment or value for your Entitlements and your percentage MCI holding in Australian Unity will also be diluted as a result of the Entitlement Offer and the Placement.

Please carefully read this Offer Booklet in its entirety and consult your stockbroker, solicitor, accountant or other professional adviser before making your investment decision. In particular, you should read and consider Appendix B: 'Key Risks' of the Investor Presentation (enclosed in Section 4), which contains a summary of some of the key risks associated with an investment in Australian Unity.

2 How to apply

2.1 Overview

Australian Unity may raise up to approximately \$83 million under the Entitlement Offer. The Placement, which is being undertaken in conjunction with the Entitlement Offer, raised approximately \$70 million (see further Australian Unity's ASX announcement dated 4 June 2024).

Australian Unity is offering Eligible MCI Holders the opportunity to subscribe for 1 New MCI for every 3 Existing MCIs held on the Record Date. The Offer Price per New MCI is \$72.50.

The Entitlement Offer is an offer under which Eligible MCI Holders have access to this Offer Booklet, together with a personalised Entitlement and Acceptance Form (also available online via www.australianunity.com.au/mci2024), and are being invited to take up all or part of their Entitlements. In addition, Eligible MCI Holders who take up their full Entitlements may also participate in the Oversubscription Facility by applying for Additional MCIs in excess of their Entitlements, at the Offer Price.

The Entitlement Offer is non-renounceable.

The Entitlement Offer is managed by the Joint Lead Managers. The Entitlement Offer is not underwritten. Further details on the Entitlement Offer are set out below.

Please refer to the ASX Announcements and the Investor Presentation set out in Section 4 for information on the purpose of the Entitlement Offer and Placement, the application of the proceeds of the Entitlement Offer and Placement and for information on Australian Unity's business, performance and strategy. You should also consider other publicly available information about Australian Unity, including information available at www.asx.com.au and www.australianunity.com.au.

2.2 Placement

On 3 June 2024, Australian Unity announced a Placement at the Offer Price of \$72.50 per New MCI. The Placement raised approximately \$70 million and settlement of the Placement is expected to occur on Thursday 27 June 2024. Please see Australian Unity's ASX announcement dated 4 June 2024 for further information about the Placement. New MCIs to be issued under the Placement are expected to be issued on Friday 28 June 2024 and commence trading on the ASX on Monday 1 July 2024.

Australian Unity reserves the right to place any New MCIs that are not subscribed for under the Entitlement Offer, including under the Oversubscription Facility, with wholesale investors at the Offer Price. To the extent any New MCIs are not subscribed for under the Entitlement Offer (including the Oversubscription Facility), Australian Unity may decide to acquire MCIs to fulfil its obligations under its long term variable compensation award scheme for employees.

2.3 Entitlement Offer

Under the Entitlement Offer, Eligible MCI Holders are invited to apply for 1 New MCI for every 3 Existing MCIs held as at the Record Date at the Offer Price of \$72.50 per New MCI.

The Offer Price under the Entitlement Offer is the same as for the Placement.

The Entitlement Offer opens on Wednesday 12 June 2024 and will close at 5.00pm (AEST) on Friday 21 June 2024.

2.4 Your Entitlements

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New MCI for every 3 Existing MCIs you held as at the Record Date

(with fractional entitlements rounded up, if necessary, to the nearest whole number of New MCIs).

If you have more than one registered holding of MCIs, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

You can also view details of your Entitlements online at www.australianunity.com.au/mci2024.

New MCIs issued under the Entitlement Offer will be fully paid and rank equally in all respects with Existing MCIs.

Eligible MCI Holders should be aware that an investment in Australian Unity involves risks. The key risks identified by Australian Unity are set out in Appendix B from page 27 of the Investor Presentation (enclosed in Section 4).

2.5 Consider the Entitlement Offer carefully in light of your particular investment objectives and circumstances

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus, provided certain conditions are satisfied. This Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New MCIs offered under the Entitlement Offer. As a result, it is important for you to read carefully and understand the information on Australian Unity and the Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlements or do nothing in respect of your Entitlements. In particular, please refer to this Offer Booklet and other announcements by Australian Unity made available at www.asx.com.au (including announcements which may be made by Australian Unity after publication of this Offer Booklet).

Please consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to Appendix B: 'Key Risks' of the Australian Unity Investor Presentation included in Section 4 of this Offer Booklet.

2.6 Options available to you

If you are an Eligible MCI Holder, you may take any of the following actions. Each of these options may have a materially different outcome on any value you receive in respect of your Entitlements.

1. Take up all or part of your Entitlements (see Section 2.7); or
2. Take up all of your Entitlements and apply for Additional MCIs (see Section 2.8); or
3. Do nothing and let your Entitlements lapse (see Section 2.9).

Australian Unity reserves the right to reject any Application that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is **5.00pm (AEST) on Friday 21 June 2024** (however, that date may be varied by Australian Unity, in accordance with the Listing Rules and the Offer Management Agreement).

2.7 Option 1: If you wish to take up all or part of your Entitlements

If you wish to take up all or part of your Entitlements, please pay your Application Monies via BPAY by following the instructions set out on your personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (AEST) on 21 June 2024. If you are unable to pay by BPAY, please refer to Section 3.2 below.

If you take up and pay for all or part of your Entitlements before the close of the Entitlement Offer, it is expected that you will be issued New MCIs on Friday 28 June 2024. Australian Unity's decision on the number of New MCIs to be issued to you will be final.

If you only take up part of your Entitlements, those Entitlements not taken up will lapse and you will not receive any payment or value for them. You will also not be entitled to apply for Additional MCIs. If you do not take up your Entitlements in full, your MCI holding in Australian Unity will be diluted as a result of the Entitlement Offer and Placement.

Australian Unity also reserves the right (in its absolute discretion) to reduce the number of New MCIs issued to Eligible MCI Holders, or persons claiming to be Eligible MCI Holders, if Australian Unity believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to Australian Unity's satisfaction (see Section 5.4).

2.8 Option 2: If you wish to take up all of your Entitlements and apply for Additional MCIs

Eligible MCI Holders who apply to take up all of their Entitlements are able to apply for New MCIs in excess of their Entitlements as set out in their personalised Entitlement and Acceptance Form.

If you wish to take up all of your Entitlements and apply for Additional MCIs, please pay your Application Monies (for your full Entitlement and the amount you wish to subscribe for Additional MCIs) via BPAY by following the instructions set out on your personalised Entitlement and Acceptance Form. Any Application Monies received for more than your full Entitlement of New MCIs will be treated as applying for as many Additional MCIs as it will pay for in full. Payment is due by no later than 5.00pm (AEST) on 21 June 2024. If you are unable to pay by BPAY, please refer to Section 3.2 below.

If you apply to take up all of your Entitlement, you may also apply for Additional MCIs under the Oversubscription Facility. Any Application Monies received for more than your full Entitlement of New MCIs will be treated as applying for as many Additional MCIs as it will pay for in full.

If you take up and pay for all of your Entitlements plus Additional MCIs before the close of the Entitlement Offer, it is expected that you will be issued New MCIs on Friday 28 June 2024. Australian Unity's decision on the number of New MCIs to be issued to you will be final.

Australian Unity also reserves the right (in its absolute discretion) to reduce the number of New MCIs issued to Eligible MCI Holders, or persons claiming to be Eligible MCI Holders, if Australian Unity believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to Australian Unity's satisfaction (see Section 5.4).

Any New MCIs referable to Entitlements not taken up by the Closing Date may be made available to those Eligible MCI Holders who took up their full Entitlement and applied for Additional MCIs. Additional MCIs will only be allocated to Eligible MCI Holders if available and subject to the Corporations Act, Listing Rules and other applicable laws and regulations. If Eligible MCI Holders apply for more Additional MCIs than available, Australian Unity will scale back applications for Additional MCIs in its absolute discretion having regard to the pro rata Entitlement of Eligible MCI Holders who apply for Additional MCIs. There is no assurance that you will be allocated any Additional MCIs.

2.9 Option 3: Do nothing and let your Entitlements lapse

If you do nothing, you will not be allocated New MCIs and your Entitlements will lapse. Your entitlement to participate in the Entitlement Offer is non-renounceable, which means your Entitlements are non-transferable and cannot be sold or traded on ASX or any other exchange, nor can they be privately transferred.

Any New MCIs referable to Entitlements that you do not take up will be offered to Eligible MCI Holders who apply for Additional MCIs in excess of their Entitlements.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New MCIs had you taken up your Entitlement and you will not receive any value

for your Entitlement. Your interest in Australian Unity will also be diluted to the extent that New MCIs are issued under the Entitlement Offer and Placement.

2.10 Ineligible MCI Holders

Ineligible MCI Holders are MCI Holders as at the Record Date who are not Eligible MCI Holders.

2.11 Offer Booklet availability

Eligible MCI Holders in Australia and New Zealand can obtain a copy of this Offer Booklet during the period of the Entitlement Offer by accessing the Offer Website at www.australianunity.com.au/mci2024 or by calling the Australian Unity Offer Information Line on 1800 500 095 between 8.30am and 5.30pm (AEST) Monday to Friday, during the Entitlement Offer Period.

A replacement personalised Entitlement and Acceptance Form can be requested by accessing the Offer Website at www.australianunity.com.au/mci2024 or calling the Australian Unity Offer Information Line on 1800 500 095 between 8.30am and 5.30pm (AEST) Monday to Friday, during the Entitlement Offer Period.

If you access the electronic version of this Offer Booklet, you should ensure that you download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the ASX website and the Offer Website will not include an Entitlement and Acceptance Form. You can download a personalised Entitlement and Acceptance Form from the Offer Website by using your Security Reference Number (**SRN**) or Holder Identification Number (**HIN**) as shown on your Issuer Sponsored/CHESS statements.

This Offer Booklet (including the accompanying personalised Entitlement and Acceptance Form) may not be distributed or released to, or relied upon by, persons in the United States.

3 Payment

Payment should be made using BPAY.

Cash, cheque and money order payments will not be accepted. Receipts for payment will not be issued.

Australian Unity will treat you as applying for as many New MCIs as your payment will pay for in full up to your Entitlement, and, in respect of any excess amount, applying for as many Additional MCIs as it will pay for in full.

Any Application Monies received for more than your final allocation of New MCIs will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to Applicants on any Application Monies received or refunded. Refund amounts, if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the register (the registered address of the first-named in the case of joint holders). If you wish to advise or change your banking instructions with the Registry you may do so by going to www.linkmarketservices.com.au and updating your banking instructions by 5.00pm (AEST) on 21 June 2024.

3.1 Payment by BPAY

For payment by BPAY, please follow the instructions on the personalised Entitlement and Acceptance Form or on the Offer Website (www.australianunity.com.au/mci2024). You can only make payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

If you are paying by BPAY, please make sure you use the specific Biller Code and your unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form or accessible on the Offer Website. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlements in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Please note that by paying by BPAY:

- a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.3;
- b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New MCIs which is covered in full by your Application Monies; and
- c) if you pay more than what is required to subscribe for your full Entitlement, you will be taken to have applied for Additional MCIs (if any), to the extent of the excess.

It is your responsibility to ensure that your BPAY payment is received by the Registry by no later than 5.00pm (AEST) on 21 June 2024. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

3.2 If you are unable to pay by BPAY

If you are unable to pay by BPAY, you can contact the Australian Unity Offer Information Line on 1800 500 095 between 8.30am and 5.30pm (AEST) on Monday to Friday to determine if there is another means available to make your payment.

Australian Unity strongly encourages payments by BPAY if possible.

Entitlement and Acceptance Forms and Application Monies will not be accepted at Australian Unity's registered or corporate offices, or other offices of the Registry.

3.3 Entitlement and Acceptance Form is binding

A payment made through BPAY or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New MCIs on the terms and conditions set out in this Offer Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New MCIs. Australian Unity's decision whether to treat an Application as valid or whether to reject it for being invalid is final.

By making a payment by BPAY or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you have received and read, and understand this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet, Australian Unity's constitution and the MCI Terms;
- (c) you authorise Australian Unity to register you as the holder(s) of New MCIs allotted to you under the Entitlement Offer;
- (d) to the best of your knowledge, having made due enquiries, all details and statements in the personalised Entitlement and Acceptance Form are complete, accurate and up to date;
- (e) you represent and warrant that to the best of your knowledge, having made due enquiries, you are in compliance with any restriction that applies to MCI holdings in Australian Unity (including restrictions arising under legislation, the requirements of a regulatory authority or under Australian Unity's constitution) (**Ownership Restrictions**) and you will not cease to be in compliance with the Ownership Restrictions (or any other applicable law or regulation), if you acquire New MCIs allotted to you under the Entitlement Offer;
- (f) if you are a natural person, you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (g) you accept that there is no cooling off period under the Entitlement Offer and that once Australian Unity receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY, you may not withdraw your Application or funds provided except as allowed by law;
- (h) you agree to apply for and be issued up to the number of New MCIs specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY, at the Offer Price;
- (i) you authorise Australian Unity, the Joint Lead Managers, the Registry and their respective officers, employees or agents to do anything on your behalf reasonably necessary for New MCIs to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (j) you acknowledge and agree that:
 - (i) determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Australian Unity and/or the Joint Lead Managers;

- (ii) to the maximum extent permitted by law and except in the case of its fraud, gross negligence or wilful misconduct (or that of its employees, officers, agents or contractors) each of Australian Unity, its affiliates, and each of the Joint Lead Manager Parties disclaim any duty or liability in respect of that determination and the exercise or otherwise of that discretion;
- (k) you declare that you were the registered holder(s) at the Record Date of the MCIs indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (l) the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New MCIs are suitable for you given your investment objectives, financial situation or particular needs;
- (m) this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Australian Unity and is given in the context of Australian Unity's past and ongoing continuous disclosure announcements to ASX;
- (n) you acknowledge the statement of risks in Appendix B: 'Key Risks' of the Investor Presentation (included in Section 4 of this Offer Booklet), and that an investment in Australian Unity is subject to risks;
- (o) none of Australian Unity, its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, nor any of the Joint Lead Manager Parties, guarantees the performance of the New MCIs or the performance of Australian Unity, nor do they guarantee the repayment of capital from Australian Unity;
- (p) you agree to provide (and direct your nominee or custodian to provide) any reasonably requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of MCIs on the Record Date;
- (q) you authorise Australian Unity to correct any minor or easily rectified errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (r) to the best of your knowledge, having made due enquiries, you are eligible to participate in the Entitlement Offer;
- (s) you are an Eligible MCI Holder;
- (t) you acknowledge that the Entitlements and the New MCIs have not been, and will not be, registered under the U.S. Securities Act or under the laws of any state or other jurisdiction of the United States and that, accordingly the Entitlements may not be taken up or exercised by a person in the United States and the New MCIs may not be offered or sold, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons are acting for the account or benefit of a person in the United States);
- (u) you are not in the United States and you are not acting for the account or benefit of any persons in the United States;
- (v) you acknowledge that you are purchasing the New MCIs in an "offshore transaction" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act;
- (w) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any country outside Australia and New Zealand;

- (x) if in the future you decide to sell or otherwise transfer the New MCIs, you will only do so in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, including in regular way transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- (y) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting an Application is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information or materials relating to the Offer Booklet to any such person; and
- (z) you make all other representations and warranties set out in this Offer Booklet.

3.4 Brokerage

No brokerage fee is payable by Eligible MCI Holders who accept their Entitlements.

3.5 Notice to nominees and custodians

The Entitlement Offer is being made to all Eligible MCI Holders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Entitlement Offer, may also be able to participate in the Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing MCIs, provided that the applicable beneficiary would satisfy the criteria for an Eligible MCI Holder.

Nominees and custodians who hold MCIs as nominees or custodians will have received, or will shortly receive, a letter from Australian Unity. Nominees and custodians should carefully consider the contents of that letter and note in particular that the Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold Existing MCIs who would not satisfy the criteria for an Eligible MCI Holder; or
- (b) MCI Holders who are not eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

In particular, persons acting as nominees or custodians for other persons may not take up Entitlements on behalf of, or send this Offer Booklet (or any part of it) or any other documents relating to the Entitlement Offer to, any person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to take up or exercise Entitlements and may receive no value for any such Entitlements held.

Australian Unity is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of MCIs or Entitlements. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Australian Unity is not able to advise on foreign laws.

3.6 Withdrawal of the Entitlement Offer

Subject to applicable law, Australian Unity reserves the right to withdraw the Entitlement Offer at any time before the issue of New MCIs, in which case Australian Unity will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Australian Unity will not entitle you to receive any interest, and that any interest earned in respect of Application Monies will belong to Australian Unity.

3.7 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Australian Unity Offer Information Line on 1800 500 095 at any time from 8.30am to 5.30pm (AEST) on Monday to Friday, before the Entitlement Offer closes at 5.00pm (AEST) on Friday 21 June 2024. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

You can also find details about the Entitlement Offer on the Offer Website (www.australianunity.com.au/mci2024).

Eligible MCI Holders should be aware that an investment in Australian Unity involves risks. The key risks identified by Australian Unity are set out in Appendix B from page 27 of the Investor Presentation (in Section 4).

4 ASX Announcements and Investor Presentation

ASX Announcement

3 June 2024

Trading update, outlook and equity raising

Today Australian Unity Limited (Australian Unity) has announced a non-underwritten 1 for 3 pro rata non-renounceable entitlement offer of mutual capital instruments (MCIs) (Entitlement Offer) and accompanying non-underwritten placement to wholesale investors (Placement) (together, the Equity Raising). The proceeds from the Equity Raising will form part of Australian Unity's ongoing capital management strategy and are intended to be used to enhance resilience and provide balance sheet flexibility to support Australian Unity's core vision to enable real wellbeing for our members, customers and community through our portfolio of commercial, sustainable businesses. To this end, proceeds may be used to repay debt facilities that were utilised to fund the recent acquisition of *myHomecare* Group as well as transaction costs.

Trading update and outlook

Australian Unity has lodged an investor presentation (Investor Presentation) today which provides a trading update and outlook statement. Please refer to the Investor Presentation for further information.

Equity Raising

The Entitlement Offer is being conducted in conjunction with the Placement. Australian Unity aims to raise approximately \$75.0 million through the Equity Raising, with the ability to raise more or less.¹

The offer price for the Entitlement Offer and Placement is the same, being \$72.50 per new MCI (New MCI) (Offer Price). The Offer Price of \$72.50 per New MCI represents an approximate 11.60 percent discount to the closing price of \$82.00 on Friday, 31 May 2024.

At the Offer Price (assuming discretionary Dividends are paid in full), the cash running yield will be 6.90 percent per annum and the grossed-up running yield will be 9.85 percent per annum² for New MCIs.

¹ The non-underwritten Entitlement Offer, with a theoretical maximum of \$83.0 million, has an uncertain outcome. The Placement is intended to reduce the risk of raising substantially less than \$75.0 million through the Equity Raising.

² Gross rate is based upon Australian Unity's current corporate tax rate of 30 percent 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. The gross rate will change if Australian Unity's corporate tax rate changes in the future.

ASX code:

AYU

Securities on Issue:

AYUPA – 3,434,000

AYUHC – 321,157

AYUHD – 2,070,000

AYUHE – 2,558,050

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 entity

The New MCIs issued under the Entitlement Offer and Placement will rank equally with existing MCIs on issue.

Placement

The Placement is non-underwritten and is targeting proceeds of approximately \$50.0 million.

New MCIs issued under the Placement will not carry rights to participate in the Entitlement Offer.

Entitlement Offer

Australian Unity will undertake a non-underwritten 1 for 3 pro rata non-renounceable entitlement offer of New MCIs under the Entitlement Offer. If all of the entitlements are taken up, the Entitlement Offer will raise approximately \$83.0 million.

The Entitlement Offer is expected to open on Wednesday, 12 June 2024 and close at 5:00pm (AEST) on Friday, 21 June 2024. Further details about the Entitlement Offer will be set out in an offer booklet (Offer Booklet) which Australian Unity expects to despatch to eligible MCI holders and lodge with the ASX on Wednesday, 12 June 2024.

Eligible MCI holders with a registered address in Australia or New Zealand as at 7:00pm (AEST) on Thursday, 6 June 2024 (Record Date) will be invited to participate in the Entitlement Offer in accordance with the terms and conditions outlined in the Offer Booklet.

Eligible MCI holders are encouraged to read the Offer Booklet in its entirety and should seek financial advice if they are uncertain of whether or not to participate. Eligible MCI holders should read and consider the Investor Presentation and in particular, the key risks section of the Investor Presentation.

Eligible MCI holders can choose to take up all, part or none of their entitlement.

Eligible MCI holders who take up their full entitlement may also apply for additional New MCIs in excess of their entitlement (subject to scale back, at Australian Unity's discretion).

The Chair, Group Managing Director and Chief Financial Officer, who are all existing MCI holders, have committed to take up their pro rata entitlements under the Entitlement Offer.

Timetable for Equity Raising

Activity	Date
Announcement of the Entitlement Offer, Placement and trading halt	Monday, 3 June 2024
Placement bookbuild	Monday, 3 June – Tuesday, 4 June 2024
Announcement of results of Placement and MCIs recommence trading	Wednesday, 5 June 2024
Entitlement Offer Record Date (7.00pm AEST)	Thursday, 6 June 2024
Entitlement Offer opens	Wednesday, 12 June 2024
Offer Booklet and Entitlement and Acceptance Forms made available to eligible MCI holders	Wednesday, 12 June 2024
Entitlement Offer closes (5.00pm AEST)	Friday, 21 June 2024
Settlement of Entitlement Offer and Placement	Thursday, 27 June 2024
Allotment of New MCIs under the Entitlement Offer and Placement	Friday, 28 June 2024
New MCIs issued under the Entitlement Offer and Placement commence trading on ASX on a normal settlement basis	Monday, 1 July 2024
Despatch of holding statements for New MCIs issued under the Entitlement Offer and Placement	Monday, 1 July 2024

There will be no deferred trading of MCIs to be issued under the Entitlement Offer. These dates are indicative only and are subject to change. All times and dates are in reference to Australian Eastern Standard Time (AEST). Australian Unity reserves the right, subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend this indicative timetable. In particular, Australian Unity reserves the right to extend the Equity Raising timetable and to withdraw or vary the Entitlement Offer without prior notice. Any extension of the Equity Raising timetable will have a consequential effect on the date for the allotment and issue of New MCIs.

Further information

Further details of the Equity Raising are set out in the Investor Presentation lodged with ASX today. The Investor Presentation also contains important information including key risks and foreign selling restrictions with respect to the Equity Raising.

-end-

This announcement has been authorised for release by:

The Board of Australian Unity Limited

For further information:

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Senior Manager – Communications

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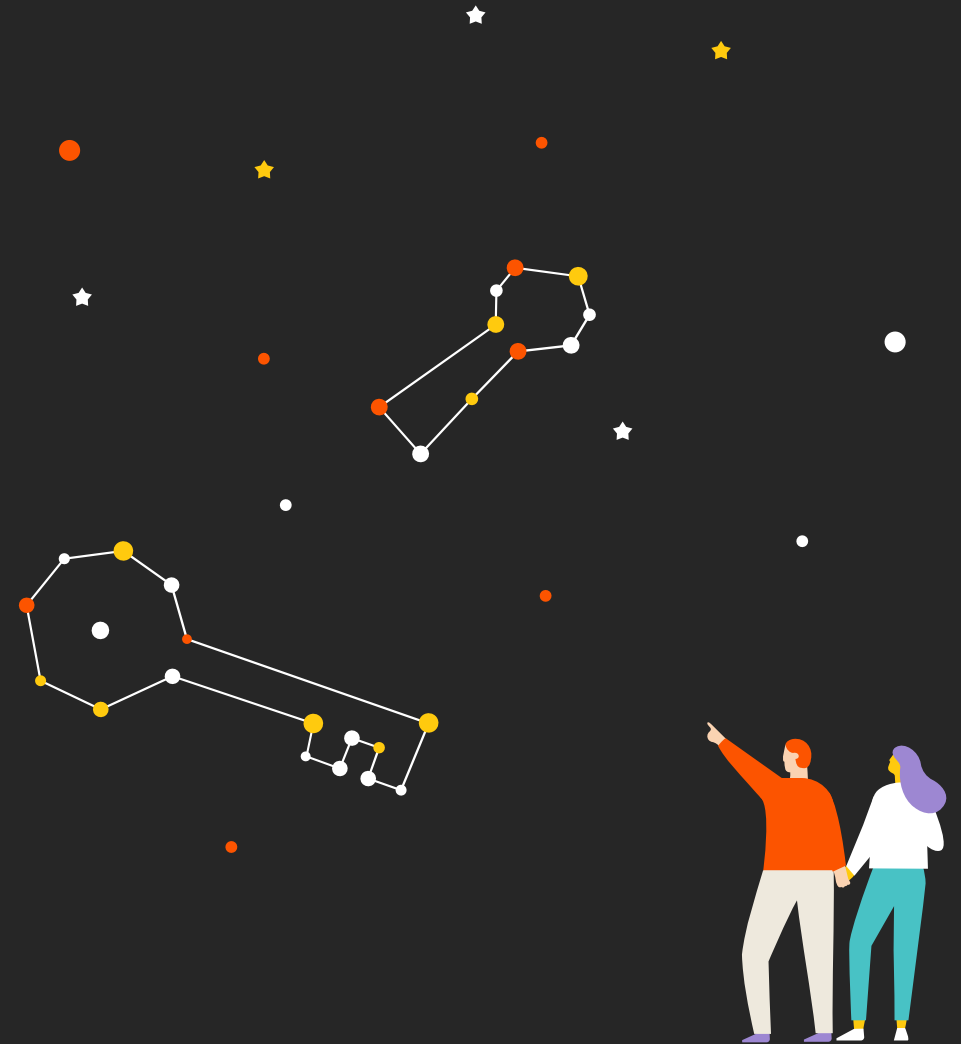
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This announcement is not financial product advice and has not taken into account your objectives, financial situation or needs. This announcement has been prepared for release in Australia. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer or solicitation would be illegal. The New MCIs have not been, and will be not, registered under the U.S. Securities Act of 1933 (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New MCIs may not be offered or sold to, directly or indirectly, any person in the United States or any person that is, or is acting for the account or benefit of, any person in the United States except 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 securities law of any state or other jurisdiction of the United States.

Nothing contained in this announcement shall form the basis of any contract or commitment, or constitute investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

Equity raising Investor presentation

3 June 2024



Important notice and disclaimer

- The information contained in this presentation ("Information") dated 3 June 2024 has been prepared by Australian Unity Limited ABN 23 087 648 888 ("Company" or "Australian Unity") in connection with a proposed pro rata non-renounceable entitlement offer ("Entitlement Offer") and accompanying placement to wholesale investors ("Placement") of Australian Unity mutual capital instruments ("MCIs") (together the "Offer" or "Equity Raising"). The Offer is being made under section 708AA of the *Corporations Act 2001* (Cth) ("Corporations Act") as modified by Australian Securities and Investments Commission ("ASIC") Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73.
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- This Information is for information purposes only and is a summary only. It should be read in conjunction with Australian Unity's most recent financial report and Australian Unity's other periodic and continuous disclosure information lodged with the Australian Securities Exchange ("ASX"), which is available at www.asx.com.au. You should consider and read these in full before deciding whether to invest in MCIs.
- This Information is intended only for those persons to whom it is delivered by, or on behalf of, the Company and is of a general nature and is not complete. This Information is not investment or financial product advice or any recommendation (nor tax, accounting or legal advice) and is not intended to be used as the basis for making an investment decision. This Information does not form the basis of any contract or commitment and it is not intended to induce or solicit any person to engage in, or refrain from engaging in, any transaction. In providing this presentation, the Company has not considered the objectives, financial position or needs of any particular recipients. If you are in any doubt as to whether to invest in MCIs, you should seek professional guidance from your financial planner, stockbroker, solicitor, accountant or other independent and qualified professional adviser before deciding to invest.
- The Information is current as at the date of this presentation, remains subject to change without notice, and will not be updated or otherwise revised to reflect Information that subsequently becomes available, or circumstances existing or changes occurring after that date. No other party has made a statement in, or authorised, permitted or caused the issue, submission, despatch or provision of this presentation. The Information does not purport to be complete, does not necessarily contain all information which a prospective investor would consider material, and should not form the basis of any investment decision.
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- This presentation is not a prospectus, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with ASIC or any foreign regulator).

Important notice and disclaimer

- The entitlement offer booklet for the Offer will be available following its lodgement with ASX. Any eligible MCI holder in Australia or New Zealand who wishes to participate in the Offer should consider the entitlement offer booklet before deciding whether to apply under the Offer. Anyone who wishes to apply under the Offer will need to apply in accordance with the instructions contained in the entitlement offer booklet and the entitlement and acceptance form.
- An investment in MCIs is subject to known and unknown risks, some of which are beyond the control of the Company and its directors and officers. The Company does not guarantee any particular rate of return or the performance of Australian Unity nor does it guarantee any particular tax treatment. You should have regard to the risk factors outlined in Appendix B of this presentation when making your investment decision. Cooling off rights do not apply to the acquisition of MCIs.
- All financial information in this presentation is in Australian dollars (\$) and AUD unless otherwise stated. This presentation includes certain pro forma financial information. Any such pro forma financial information provided in this presentation is for illustrative purposes only and is not represented as being indicative of the Company's views on its, or anyone else's, future financial position or performance. In addition, the pro forma financial information in this presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should be aware that certain financial measures included in this presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the standardised meaning prescribed under AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although the Company believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this presentation.
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- Acacia Partners Pty Ltd (ABN 85 662 816 748), E&P Corporate Advisory Pty Limited (ABN 21 137 980 520), Morgans Financial Limited (ABN 49 010 669 726) and National Australia Bank Limited (ABN 12 004 044 937) are acting as joint lead managers to the Offer (“Joint Lead Managers”). None of the Company or the Joint Lead Managers, nor any of their respective related bodies corporate, MCI holders (in the case of the Company only), members or affiliates, nor any of their respective officers, directors, partners, employees, representatives, affiliates, agents, consultants or advisers (each a “Limited Party”) guarantees or makes any representations or warranties, express or implied, as to or takes responsibility for, the accuracy, reliability, completeness or fairness of the Information. No Limited Party makes any representation that this presentation is complete or that it contains all information that a prospective investor may require in evaluating a possible investment in the Company. To the maximum extent permitted by law, (a) each Limited Party (i) disclaims any and all responsibility and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any direct, indirect, consequential or contingent loss or damage arising from this presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this presentation; (ii) disclaims any obligations or undertakings to release any updates or revisions to the information in this presentation to reflect any change in expectations or assumptions; (iii) does not make any representation or warranty, express or implied, as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this presentation or that this presentation contains all material information about the Company or that a prospective investor or purchaser may require in evaluating a possible investment in MCIs, or likelihood of fulfilment of any forward looking statement or any event or results expressed or implied in any forward looking statement; and (iv) disclaims any fiduciary relationship between them and the recipients of this presentation or the participants in the Offer, and (b) you agree to release and indemnify each Limited Party from and against all claims, actions, demands, remedies or other matters, whether in tort, contract or under law or otherwise, arising from, or which may arise from, or in connection with, the provision of, or any purported reliance on, the Information or this presentation and you covenant that no claim or allegations will be made against any of the Limited Parties in relation to the Information or this presentation. No recommendation is made as to whether any person should participate in the Offer. You acknowledge and agree that determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of Australian Unity and the Joint Lead Managers and each of Australian Unity and the Joint Lead Managers disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.
- The Limited Parties are involved in a wide range of financial services and businesses that may include (without limitation) some or all of securities issuing, securities trading, brokerage activities, provision of retail, business, private, commercial and investment banking, investment management, corporate finance, credit and derivatives trading and research products and services or the provision of finance out of which conflicting interests or duties may arise.
- In the ordinary course of these activities, each of the Limited Parties may at any time hold long or short positions, and may trade or otherwise effect transactions or take or enforce security, for its own account or the accounts of customers or investors, in debt, equity or hybrid securities or senior loans or financial products of any member of the Australian Unity Group (being Australian Unity and its subsidiaries) or any other party that may be involved in the Offer, and may finance the acquisition of those securities and/or financial products and take or enforce security over those securities and/or financial products. The Limited Parties may receive fees for, or profits and other financial benefits from, those activities.
- In particular, it should be noted that National Australia Bank Limited is also a lender to members of the Australian Unity Group or funds managed by members of the Australian Unity Group and has provided various facilities and other financial accommodation to members of the Australian Unity Group with maturities falling prior to the maturity date of the MCIs being offered under the Offer and as such its interests may conflict with the interests of the holders of MCIs.

Contents

	Page
Executive summary	6
Transformation agenda	7
FY24 trading update and outlook	13
Pro forma financial information	18
Equity raising details	21
Appendices	
<i>Appendix A: FY24 Trading update supplement</i>	25
<i>Appendix B: Key risks</i>	27
<i>Appendix C: Offer restrictions</i>	36



Executive summary

<p>Equity raising</p>	<ul style="list-style-type: none"> • Non-underwritten 1 for 3 pro rata non-renounceable entitlement offer (Entitlement Offer), and accompanying placement to wholesale investors targeting proceeds of approximately \$50m (Placement) of Australian Unity mutual capital instruments (MCIs) (together, the Equity Raising) • Offer price of \$72.50 per New MCI represents an 11.60 percent discount to the closing price of \$82.00 on 31 May 2024 • Australian Unity aims to raise approximately \$75m through the Equity Raising, with the ability to raise more or less. The non-underwritten Entitlement Offer, with a theoretical maximum of approximately \$83m, has an uncertain outcome. The Placement is intended to reduce the risk of raising substantially less than \$75m through the Equity Raising • At the Offer Price (assuming discretionary Dividends are paid in full), the cash running yield will be 6.90 per cent per annum and the grossed-up running yield will be 9.85 per cent per annum² for New MCIs • Proceeds from the Equity Raising will form part of Australian Unity’s ongoing capital management strategy and are intended to be used to enhance resilience and provide balance sheet flexibility to support Australian Unity’s core vision to enable real wellbeing for our members, customers and community through our portfolio of commercial, sustainable businesses. To this end, proceeds may be used to repay debt facilities that were utilised to fund the recent acquisition of <i>myHomecare Group (myHomecare)</i> as well as transaction costs
<p>Transformation agenda</p>	<ul style="list-style-type: none"> • Transformation process began in FY23 and will continue through to FY26. Objectives include maximising Community & Social Value (CSV) contributions as well as enhancing financial sustainability and recurring cash profits over the long term • FY24 activities include \$285m <i>myHomecare</i>³ and \$41m <i>IOOF Ltd (IOOF)</i> life bonds acquisitions, divestment of Advice, agreement to divest Australian Unity Property Limited (including Diversified Property Fund), Future of Healthcare Fund management rights and Altius Asset Management, and numerous efficiency and capability investments • Transformation has improved portfolio diversification and reduced structural reliance on earnings from the Health Insurance business
<p>FY24 trading update</p>	<ul style="list-style-type: none"> • FY24 Adjusted EBITDA expected to be ~\$63m compared to FY23 Adjusted EBITDA of \$162m • Movement largely driven by acquisition, divestment and transformation related costs, as well as non-recurring items within the Health Insurance business including the release of \$71m of Deferred Claims Liability (DCL) in FY23⁴ • Earnings remain exposed to the timing of execution of divestment transactions, property and investment market valuations, policy settings in the care economy and variability in risk insurance claims experience • The actual level of Health Insurance net claims, including the quarterly risk equalisation, can vary from expected. This is normally within a range of +/-1% (~\$6m) of total annual net claims⁵
<p>Outlook</p>	<ul style="list-style-type: none"> • Earnings expected to substantially recover to FY23 levels in FY25 as a result of realisation of transformation and broader restructuring benefits, lower transformation costs, organic growth in human services businesses and full-year contributions from FY24 acquisitions with annualised revenues of ~\$431m and ~\$39m of Adjusted EBITDA from FY25 • Improved quality of cash earnings and substantial acceleration of CSV from FY25 onwards

1. Adjusted EBITDA: adjusted earnings before tax, depreciation and amortisation, interest expense and investment income.

2. Gross rate 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. The gross rate will change if Australian Unity’s corporate tax rate changes in the future.

3. On a debt and cash free basis.

4. The DCL relates to health insurance claims deferred due to restrictions imposed on elective surgery and access to ancillary benefits in response to the COVID-19 pandemic.

5. Under legislation, all private health insurers must participate in the Risk Equalisation Special Account in which all private health insurers share the cost of the eligible claims of members aged 55 years and over, and claims meeting the high-cost claim criteria.

Transformation agenda



Australian Unity overview

Our purpose

To positively impact the wellbeing of millions

Our vision

To enable real wellbeing for our members, customers and community through our portfolio of commercial, sustainable businesses

Areas of operation

Health, wealth & care

Organisational pillars

Providing health, wealth and care products and services that deliver real wellbeing. Australian Unity focuses on opportunities that deliver relevance, diversification and growth across four organisational pillars



Member & customer focus

We develop our products and services to support the changing wellbeing needs of our members and customers



Sustainable financial performance

The strength and scale of our operations allows us to generate sustainable financial performance with a greater positive impact for the future



Community & Social Value (CSV)

Our portfolio seeks to maximise positive community and social value, which is measured through *Our Impact Report*



People wellbeing & capability

We seek to ensure our people have the right skills, mindset, capability and culture to support our ambition, and enable them by supporting their wellbeing

Transformation objectives

Australian Unity is transforming to enable real wellbeing for members, customers and community through a portfolio of commercial, sustainable businesses

Key transformation agenda objectives

1

Maximise CSV contributions over the long term

- Optimise portfolio to achieve strategic potential and drive growth of CSV over the long term
- Position portfolio to deliver products and services aligned with strong megatrends and macroeconomic factors through a growing focus on wellbeing, impacts of an ageing population on demand for quality care, growing social infrastructure needs and intergenerational wealth transfer

2

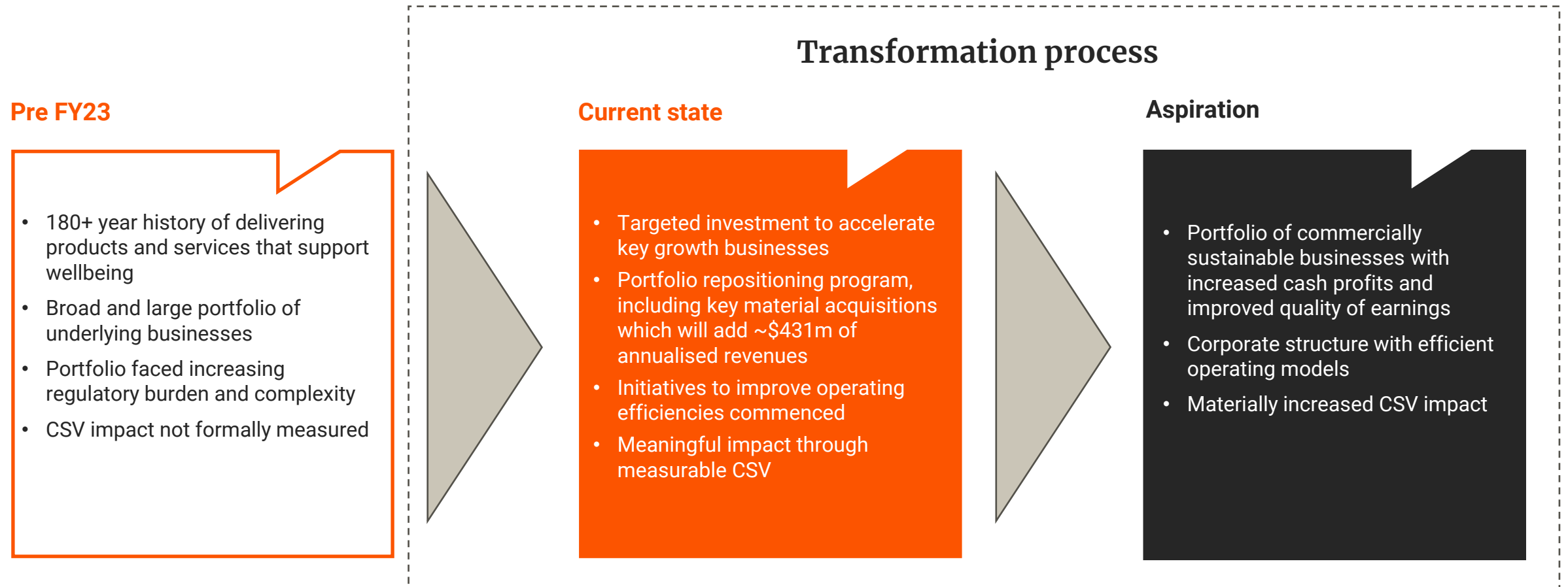
Enhance financial sustainability and recurring cash profits over the medium to long term

- Reposition and sharpen the focus of the portfolio, with emphasis on sustainable cash profit and improved quality of earnings
- Improve scalability, efficiency and effectiveness of corporate structure

The transformation activities support Australian Unity's ability and intention to make scheduled MCI dividend payments

Transformation agenda – stages of implementation

Transformation commenced in FY23 and will continue to progress through to FY26



Transformation agenda – FY24 progress

A year of significant change, with material strategic investment and portfolio optimisation

Strategic programs and investment

- Continued to reorganise and optimise business platforms (Home Health, Wealth & Capital Markets, Residential Aged Care, Retail)
- Commenced corporate efficiency program, including initiatives listed below, which is expected to generate greater than \$25m of savings per annum
- Upgraded Private Health processing system with material multi-year investment from FY24
- Commenced Home Health transformation including design and implementation of a new operating model and supporting systems with \$25.2m invested to date
- Commenced Life & Super transformation including new registry system, automation and reduced operational expenditure with \$9.9m invested to date
- Invested materially in human resources systems to support scalability, logistics competitiveness and growth in human services operations
- Invested additional \$50m in Australian Unity Healthcare Property Trust (HPT) to facilitate the withdrawal of Northwest interests, bringing total balance sheet investment to ~\$129m
- Invested a further \$3.3m in cybersecurity
- Evolved the *Our Impact Report*

Portfolio optimisation

- Accelerated key portfolio opportunities in targeted businesses including Home Health, Social Infrastructure and Life & Super including:
 - \$285m *myHomecare* acquisition¹
 - \$41m *IOOF* life bonds acquisition
 - \$17m Social Infrastructure funds support (Specialist Disability Accommodation and Purpose-Built Student Accommodation)
 - \$13m Herston Stage 9 acquisition for precinct optimisation
- Divested Advice and agreed to divest:
 - Australian Unity Property Limited (including Diversified Property Fund)
 - Future of Healthcare Fund management rights
 - Altius Asset Management

1. On a debt and cash free basis.

Transformation agenda – FY25 onwards

Transformation to continue with the following key areas of execution focus

<p>Integrate and optimise recent acquisitions</p>	<ul style="list-style-type: none"> • Integrate <i>myHomecare</i> business into the newly transformed Home Health operating model • Integrate <i>IOOF</i> into Life & Super business as part of overarching Life & Super transformation, including new registry system, automation and reduced operating costs
<p>Improve Health Insurance competitive positioning</p>	<ul style="list-style-type: none"> • Build on positive momentum to improve price competitiveness and value proposition to deliver net policyholder growth • Upgrade core system, expand value proposition and improve digital automation and artificial intelligence capabilities
<p>Accelerate Social Infrastructure agenda</p>	<ul style="list-style-type: none"> • Accelerate Social Infrastructure opportunities, including HPT, Childcare, Student Accommodation, Specialist Disability Accommodation, Residential Aged Care/Retirement Villages and continue development at Herston Quarter
<p>Evolve financial wellbeing proposition</p>	<ul style="list-style-type: none"> • Execute digital strategy, develop customer focused delivery model, evolve financial products and services and enable direct to consumer distribution • Review the Australian Unity banking business to assess how members can most sustainably access these services in the future
<p>Transform technology for scale and efficiency</p>	<ul style="list-style-type: none"> • Implement new operating model to deliver a material reduction in technology operating costs and improve speed to market • Invest in customer data and deliver digital experiences to customers and members at scale • Continue to strengthen cybersecurity

FY24 trading update and outlook



FY24 trading update

A range of items including acquisition, divestment and transformation related costs are expected to materially impact earnings in FY24 while strengthening the quality and diversification of earnings into the future¹

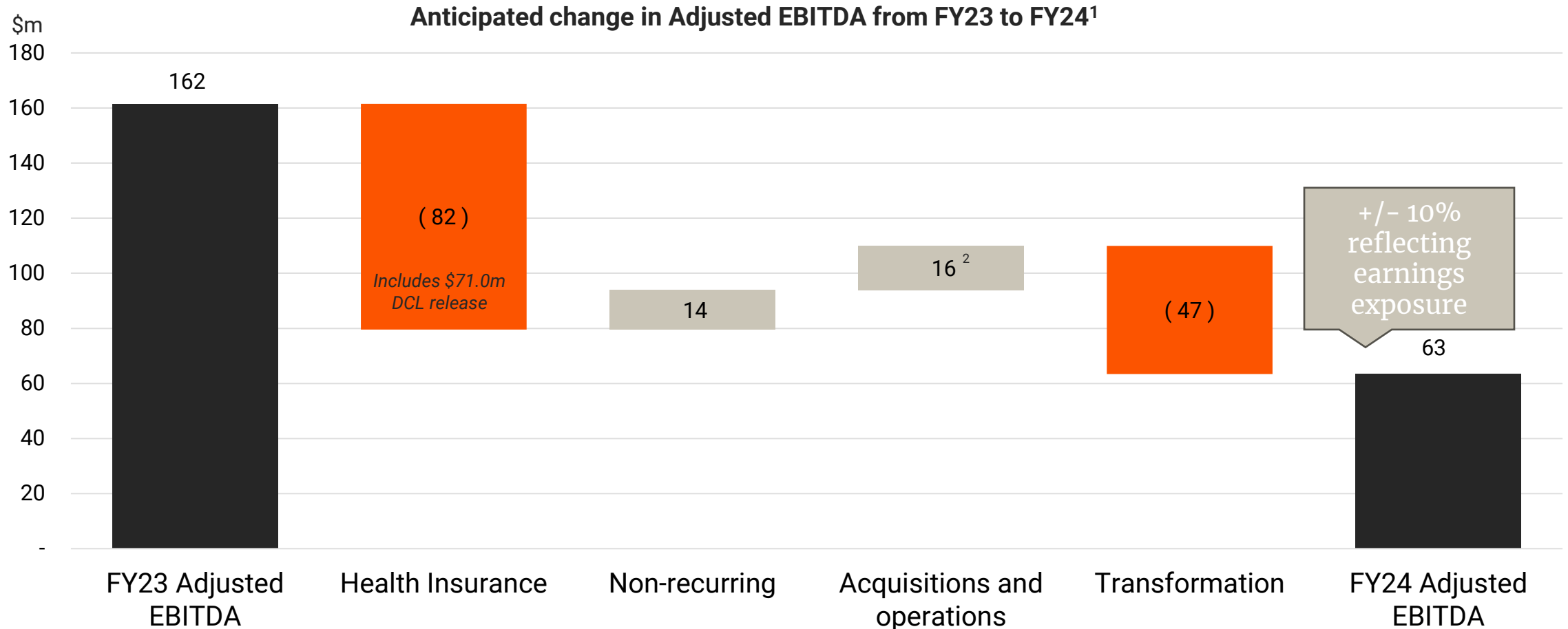
- Underlying business performance sound, with positive growth from Home Health, Life & Super, Residential Aged Care, Retirement Villages and Trustees businesses
- FY24 Adjusted EBITDA expected to be materially lower than FY23 Adjusted EBITDA as a result of:
 - A number of non-recurring items within the Health Insurance business including:
 - the release of a \$71.0m Deferred Claims Liability (DCL) in FY23 which arose as a result of COVID-19
 - a strategic decision to reduce premium indexation for policyholders, as opposed to simply providing cash givebacks, in FY24
 - Material acquisition, divestment and integration related costs being incurred in FY24, without the benefit of full year acquisition earnings
 - On an annualised basis, *myHomecare* and *IOOF* acquisitions expected to generate ~\$431 million in revenues and ~\$39 million of Adjusted EBITDA from FY25
 - Other transformation related initiatives implemented in FY24, with net benefit realisation expected in future periods
 - Non-recurring or one-off operational costs and adjustments relating to items such as litigation, development profits and divestments
- Earnings for Australian Unity remain exposed to the timing of execution of divestment transactions, property and investment market valuations, policy settings in the care economy and variability in risk insurance claims experience
 - The actual amount of Health Insurance net claims, including the quarterly risk equalisation, can vary from expected. This is normally within a range of +/-1% (~\$6 million) of total annual net claims³

1. Refer to Appendix A Trading Update Supplement for further information on these items and their expected impact.

2. Adjusted EBITDA: adjusted earnings before tax, depreciation and amortisation, interest expense and investment income.

3. Under legislation, all private health insurers must participate in the Risk Equalisation Special Account in which all private health insurers share the cost of the eligible claims of members aged 55 years and over, and claims meeting the high-cost claim criteria.

FY24 trading update



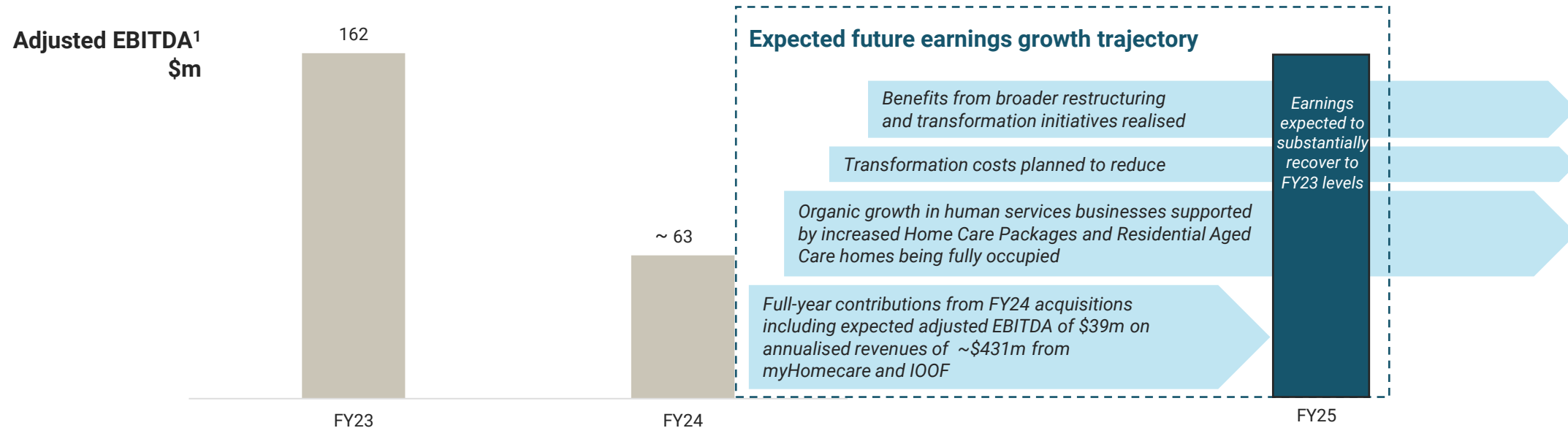
For further information on key underlying material items please refer to Appendix A – FY24 trading update supplement

1. Adjusted EBITDA: adjusted earnings before tax, depreciation and amortisation, interest expense and investment income.
2. Includes 3-month contribution from myHomecare acquisition and 8-month contribution from IOOF acquisition.

Outlook

Transformation supports earnings substantially recovering to FY23 levels in FY25

On a run-rate basis, FY25 earnings planned to substantially recover to FY23 levels, inclusive of ongoing transformation, with further planned improvements in FY26



Transformation agenda also expected to result in an improved quality of cash earnings in the future

- ✓ Strong underlying fundamentals for portfolio businesses in growth markets
- ✓ Improved stability, resilience and repeatability of revenue and earnings profiles
- ✓ Reduced revenue seasonality and improved growth potential across the portfolio
- ✓ Sound and diversified cash earnings to support future bond interest payments and mutual capital instrument dividends

1. Adjusted EBITDA: adjusted earnings before tax, depreciation and amortisation, interest expense and investment income.

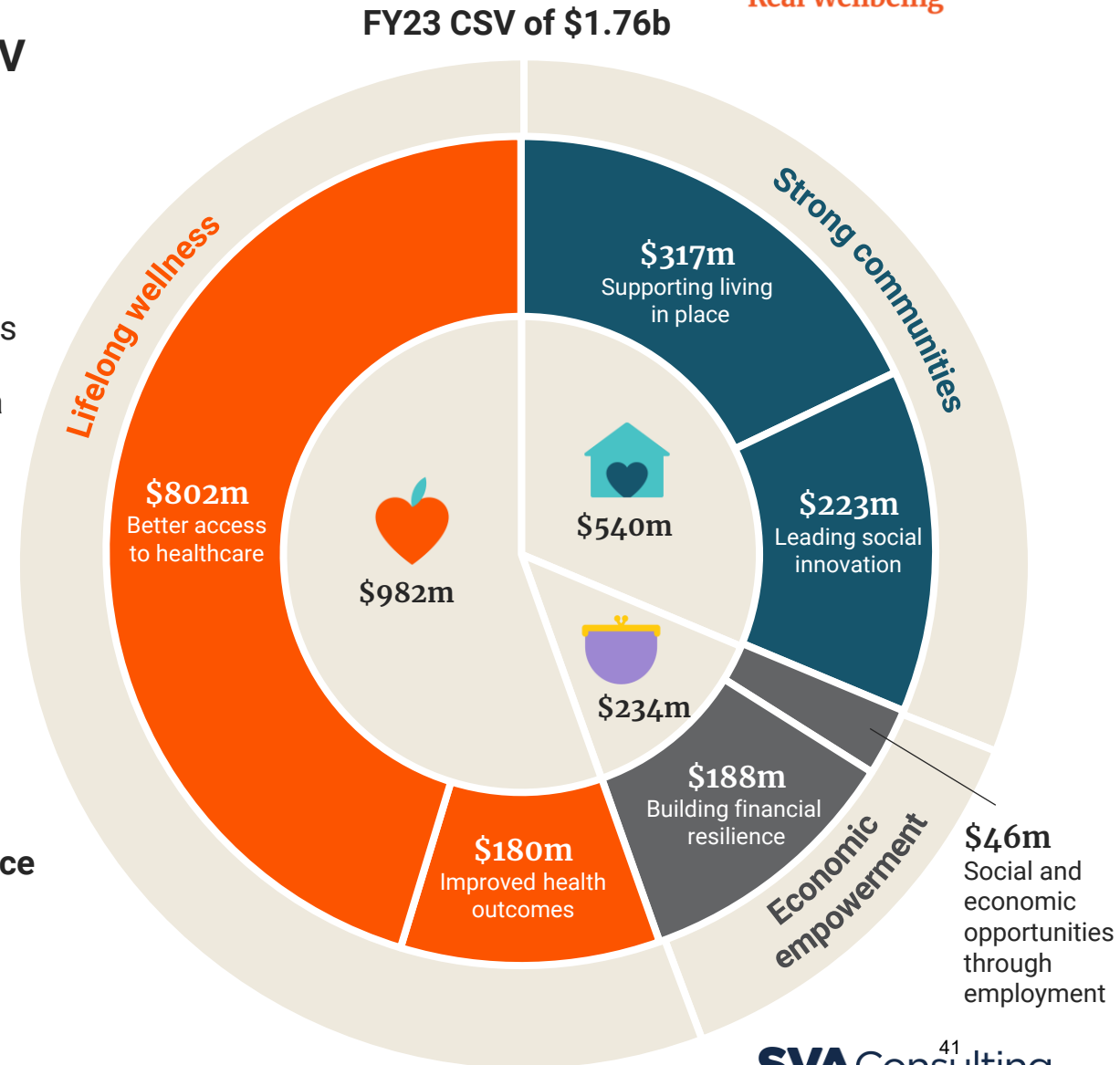
Community & Social Value (CSV)

Transformation to support substantial acceleration of CSV from FY25 onwards

FY24 CSV will be influenced by transformation:

- Significant uplift in Lifelong Wellness and Strong Communities from acquisition of *myHomecare* which services a large number of customers
- *IOOF* acquisition will increase the Economic Empowerment impact area via the onboarding of >30,000 customers
- Further investment in HPT will increase Australian Unity's support of Better Access to Healthcare. However, construction costs are impacting CSV benefit in FY24
- Advice divestment has resulted in ~\$140 million of CSV in FY23 not recurring going forward however, Australian Unity expects that the new owner will be able to enhance CSV outside Australian Unity

In FY24 it is expected that Home Care Services, HPT and Health Insurance will be the largest drivers of CSV



Pro forma financial information



Pro forma balance sheet

Consolidated balance sheet (\$'M)	As at 31 December 2023 ^{1,2}	MHC Acquisition ³	Dividends Declared and Paid	Equity Raising ⁴	Pro forma combined
Cash and equivalents	1,080	(98)	(9)	73	1,046
Financial assets at fair value	3,675	-	-	-	3,675
Loans and advances	1,288	-	-	-	1,288
Investment properties	2,114	-	-	-	2,114
Other assets	1,220	309	-	-	1,529
Total assets	9,377	211	(9)	73	9,652
Borrowings	1,932	77	-	-	2,009
Benefit fund liabilities	3,656	-	-	-	3,656
Other liabilities	2,625	138	-	-	2,763
Total liabilities	8,213	215	-	-	8,428
Net assets	1,164	(4)	(9)	73	1,224
Member's balances	256	-	-	-	256
MCI	342	-	-	73	415
Reserves	24	-	-	-	24
Retained earnings	542	(4)	(9)	-	529
Total equity	1,164	(4)	(9)	73	1,224

The pro forma consolidated balance shows the impact of the Offer on the 31 December 2023 balance sheet

The following adjustments have been made:

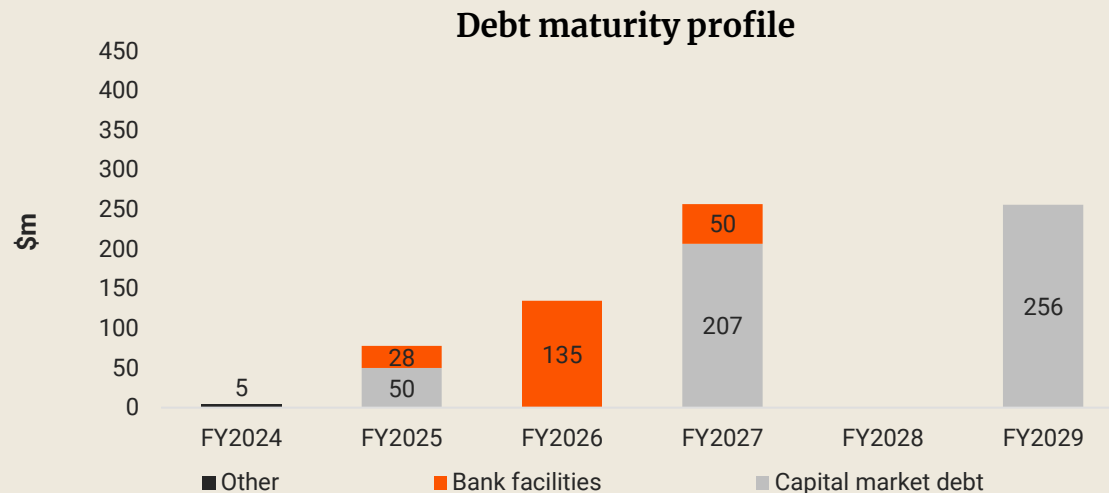
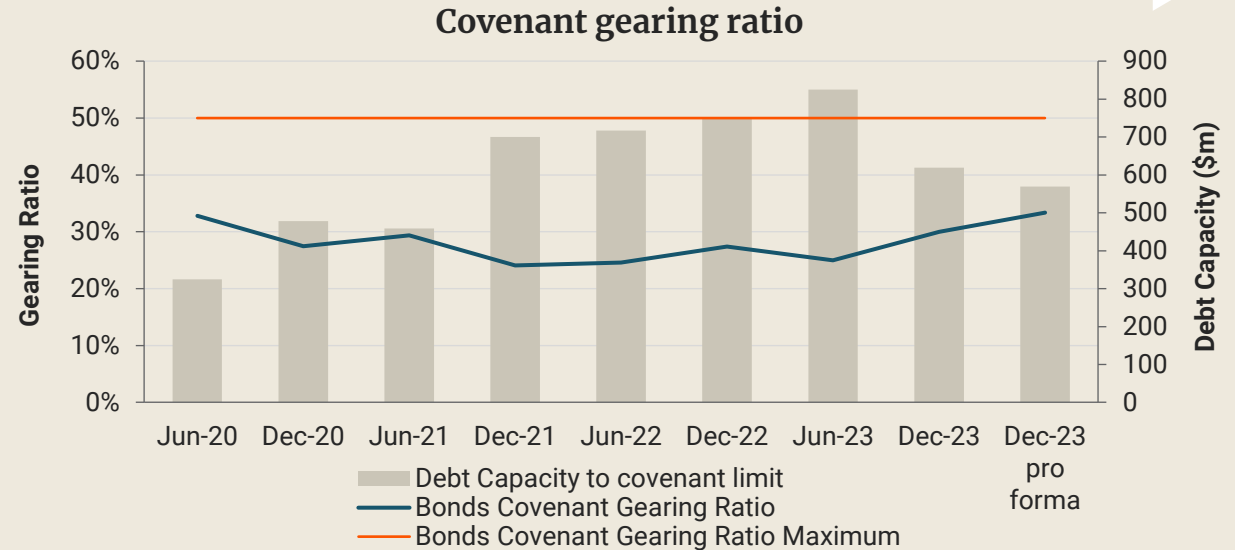
- Acquisition of *myHomecare (MHC)*³
 - The difference between the cash acquisition payment of \$161m (of which \$70m is deferred) and the acquired net tangible operating assets equal to \$(93)m of MHC has been allocated to goodwill in Other assets. A formal purchase price allocation exercise is still to be undertaken
 - Cash settlement of debt like items assumed as part of the transaction and transaction costs
- Impact of the interim dividend on MCIs paid in April 2024
- Impact of the Equity Raising from issuing MCIs of \$75m net of expected transaction costs of \$2m

Notes

1. The consolidated balance sheet is based on the reviewed half year accounts for the 6 months ended 31 December 2023.
2. The 31 December balance sheet reflects the acquisition of IOOF Ltd and its investment bonds business in October 2023 (and is subject to completion of purchase price allocation exercise).
3. The MHC acquisition does not include the finalisation of customary net debt and working capital transaction adjustments which are yet to be determined in accordance with the sale contract.
4. Australian Unity aims to raise approximately \$75m through the Equity Raising. The non-underwritten Entitlement Offer, with a theoretical maximum of approximately \$83m, has an uncertain outcome. The Placement is intended to reduce the risk of raising substantially less than \$75m through the Equity Raising.

Pro forma gearing

- Following the Equity Raise, Australian Unity's FY24 gearing ratio is expected to increase from 30.0 percent at 31 December 2023 to 33.4 percent on a pro forma basis adjusting for *myHomecare* acquisition, dividends paid and the Equity Raising
- \$102m of cash holdings and \$75m of bank facilities were used to fund the initial payment for the *myHomecare* acquisition
- Australian Unity Limited had \$87m of available cash holdings as at 30 April 2024
- Australian Unity Limited had undrawn bank facilities of \$110m as at 30 April 2024
 - In addition to the above, there was \$11m undrawn of the Herston Quarter limited recourse facility
- Australian Unity expects to have sufficient financial flexibility and liquidity to fund its transformational business activities, and maintain resilience to external market factors



Equity raising details



Equity Raising details

Offer structure and size	<ul style="list-style-type: none"> Non-underwritten Equity Raising aiming to raise approximately \$75 million,¹ with the ability to raise more or less, comprising: <ul style="list-style-type: none"> a 1 for 3 pro-rata non-renounceable entitlement offer to raise gross proceeds of up to approximately \$83 million (Entitlement Offer) a placement to wholesale investors targeting proceeds of approximately \$50 million (Placement)
Use of proceeds	<ul style="list-style-type: none"> The proceeds of the Equity Raising will form part of Australian Unity's ongoing capital management strategy and are intended to be used to enhance resilience and provide balance sheet flexibility to support Australian Unity's core vision to enable real wellbeing for our members, customers and community through our portfolio of commercial, sustainable businesses. To this end, proceeds may be used to repay debt facilities that were utilised in order to fund the recent acquisition of <i>myHomecare</i> as well as transaction costs
Offer price	<ul style="list-style-type: none"> Offer price of \$72.50 per New MCI (Offer Price) represents an 11.60 percent discount to the closing price of \$82.00 on 31 May 2024 At the Offer Price (assuming discretionary Dividends are paid in full), the cash running yield will be 6.90 per cent per annum and the grossed-up running yield will be 9.85 per cent per annum² for New MCIs
Placement	<ul style="list-style-type: none"> The Placement will be conducted on Monday, 3 June and Tuesday, 4 June 2024
Entitlement Offer	<ul style="list-style-type: none"> The Entitlement Offer is expected to open on Wednesday, 12 June and close on Friday, 21 June 2024 Eligible MCI Holder residing in Australia or New Zealand on the Record Date may participate in the Entitlement Offer Eligible MCI holders who take up their full entitlement may also apply for additional New MCIs in excess of their entitlement (subject to scale back, at Australian Unity's discretion) Australian Unity reserves the right to place any New MCIs that are not subscribed for under the Entitlement Offer, including under the Oversubscription Facility, with wholesale investors at the Offer Price
Record date	<ul style="list-style-type: none"> 7:00pm (Melbourne time) on Thursday, 6 June 2024 (Record Date)
Ranking	<ul style="list-style-type: none"> New MCIs issued under the Equity Raising will rank equally with existing MCIs on issue
Director and executive participation	<ul style="list-style-type: none"> The Chair, Group Managing Director and Chief Financial Officer, who are all existing MCI holders, have committed to take up their pro rata entitlements under the Entitlement Offer

1. The non-underwritten Entitlement Offer, with a theoretical maximum of approximately \$83m, has an uncertain outcome. The Placement is intended to reduce the risk of raising substantially less than \$75m through the Equity Raising.

2. Gross rate 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. The gross rate will change if Australian Unity's corporate tax rate changes in the future.

Equity Raising timetable

Events	Dates
Announcement of Entitlement Offer, Placement and trading halt	Monday, 3 June 2024
Placement bookbuild	Monday, 3 June – Tuesday, 4 June 2024
Announcement of results of Placement and MCIs recommence trading	Wednesday, 5 June 2024
Entitlement Offer Record Date (7.00pm AEST)	Thursday, 6 June 2024
Entitlement Offer opens (Offer Booklet and Entitlement and Acceptance Forms made available to Eligible MCI holders)	Wednesday, 12 June 2024
Entitlement Offer closes (5.00pm AEST)	Friday, 21 June 2024
Settlement of Entitlement Offer and Placement	Thursday, 27 June 2024
Allotment of New MCIs under the Entitlement Offer and Placement	Friday, 28 June 2024
New MCIs issued under the Entitlement Offer and Placement commence trading on ASX on a normal settlement basis	Monday, 1 July 2024

Appendices



A. FY24 trading update supplement

FY24 platform highlights

Home Health	Residential Aged Care	Retail	Wealth & Capital Markets
<ul style="list-style-type: none"> Acquired <i>myHomecare</i> business for \$285 million¹, with total integration costs of \$31.5 million anticipated across FY24-25 Commenced operating model transformation, with \$25.2 million invested to date Strong momentum from <i>myHomecare</i> acquisition in FY25 Positive market outlook with growing demand from ageing population and emerging private paid market Strategic strengthening of Health Services business with strong out of hospital care opportunities available across private and public hospitals 	<ul style="list-style-type: none"> Completed strategic review of Residential Aged Care Occupancy levels across the 11 mature facilities achieved an average of 97.4% which is 3% higher than sector top quartile (30 June 2023: 97.0%) Achieved full selldown of the new Walmsley facility in Victoria within 16 months Trading up of The Alba with occupancy now 60%. Projected selldown of this new facility currently on track for completion by December 2024 Strong revenue growth through higher government funding, optimised grant opportunities and indexation/price increases on additional services Effective cost management strategies Reduced external agency staff expenditure by 88% through enhanced workforce strategies to attract and retain staff (\$7m) 	<p>Health Insurance</p> <ul style="list-style-type: none"> Finalised material multi-year pandemic related items in Health Insurance Health Insurance claims returned closer to long-term trend levels, after being depressed for a number of years due to COVID-19 related factors Health insurance premium givebacks including low premium rise of 1.42% (market increase 3.03%²), and 12-month deferral of April 23 increase Strong focus on growth strategies has achieved net policyholder growth of +261 from June 2023 to March 2024⁴, a significant turnaround from -3,580 for the same period last year The overall number of policyholders increased to 162,555 at March 2024⁴, up from 162,294 at June 2023 and 161,971 at December 2023 Customer NPS +32.0 (July 2023 to March 2024) <p>Bank</p> <ul style="list-style-type: none"> Reviewing Australian Unity Bank involving an exploration of strategic options 	<ul style="list-style-type: none"> <i>IOOF</i> acquired in October 2023 Divested the Advice business Agreed to divest Australian Unity Property Limited (including Diversified Property Fund), Future of Healthcare Fund management rights, and Altius Asset Management Grew reach of Social Infrastructure funds including Specialist Disability Accommodation and Childcare, while leveraging Purpose-built Student Accommodation at Herston to establish a further fund in the same sector Advanced discussions with key tenants to realise further value on the Herston Quarter precinct Northwest proceedings were settled. Additional investment by Australian Unity Group in HPT Launched initial digital service delivery for key direct to consumer products

1. On a debt and cash free basis.

2. Health.gov.au.

3. Adjusted EBITDA: adjusted earnings before tax, depreciation and amortisation, interest expense and investment income.

4. Net policyholder numbers reflect those reported to APRA for the quarter ended March 2024.

A. FY24 trading update supplement

Expected net movement of key material items between FY23 and FY24 Adjusted EBITDA¹ (\$m)

Health Insurance	(82.0)
Non-recurring release of DCL in FY23	(71.0)
Incremental health insurance premium givebacks in FY24	(16.6)
Underwriting profit improvement in FY24	5.6
Non-recurring	14.3
Non-recurring costs including litigation	5.3
Non-recurring development profit (The Alba) and recoveries from external parties in FY24	9.0
Acquisitions and operations	16.1
<i>IOOF</i> operations (for 8 months to 30 June 2024)	4.9
<i>myHomecare</i> operations (for 3 months to 30 June 2024)	8.0
Lower agency costs in Residential Aged Care (for year ending 30 June 2024)	7.5
Retirement Village Property Fund	(3.9)
Other items	(0.4)
Transformation	(46.6)
Non-recurring Dental divestment profit in FY23	(16.0)
Incremental transformation & integration costs for Home Health in FY24	(24.8)
Restructure costs relating to simplification across the Australian Unity Group in FY24	(12.8)
<i>IOOF</i> integration costs in FY24	(1.0)
Diversified Property Fund intended divestment in FY24	5.5
Other (operational outsourcing, corporate efficiency, other transformation, Advice divestment, net of FY23 integration)	2.5

Expected net movement of key material items between FY23 and FY24 Profit Before Tax (\$m)

Non-recurring intangibles write-down in FY23	7.0
Increase in interest expense due to Australian Unity Bonds Series E and acquisition funding costs in FY24, offset by less interest on RVINs as RVIN Series 6 matured in July 2023	(10.0)
Increase in AASB16 notional interest on refundable accommodation deposits (RADs) relating to new facilities trading-up in FY24	(4.1)
Other expenses from FY23 not recurring in FY24 (litigation costs)	5.0

1. Adjusted EBITDA: adjusted earnings before tax, depreciation and amortisation, interest expense and investment income.

B. Key risks

This Appendix B includes some of the key risks associated with any investment in Australian Unity. Australian Unity is subject to a variety of risk factors. Some of these are specific to its business activities, some of these are associated with Australian Unity MCIs specifically while others are of a more general nature. Individually, or in combination, these risk factors may affect the future operating and financial performance of Australian Unity, its investment returns and the value of an investment in Australian Unity MCIs.

The risks listed in this Appendix B are not an exhaustive list of risks associated with an investment in Australian Unity, either now or in the future, and this information should be considered in conjunction with all other information in this presentation. Many of the risks described below are outside the control of Australian Unity, its directors and management. There is no guarantee that Australian Unity will achieve its stated objectives or that any forward looking statements or forecasts of Australian Unity will eventuate.

This Appendix B discusses the key risks attaching to an investment in Australian Unity MCIs, which may affect the future operating and financial performance of Australian Unity and the value of Australian Unity MCIs. Before investing in Australian Unity MCIs, you should consider whether that investment is suitable for you having regard to publicly available information (including this presentation), your personal circumstances and following consultation with financial or other professional advisers. Additional risks and uncertainties that Australian Unity is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Australian Unity's operating and financial performance.

Business risks

Risk	Risk description
Transformation agenda	<ul style="list-style-type: none"> Australian Unity is continuing to undertake a significant transformation process which will continue to progress through to FY26. The transformation process involves strategic programs, investments and portfolio optimisation, including both acquisitions and divestments. The achievement of the expected benefits of the transformation process, including acquisition and divestment activity, such as cost reductions, realisation of synergies and efficiencies and growth in sustainable recurring cash earnings, may take longer to be realised, cost more than planned or not be realised to the extent expected. That may adversely impact revenue and earnings in FY24, FY25 and beyond.
Availability of a skilled and experienced workforce	<ul style="list-style-type: none"> Australian Unity relies on skilled and experienced employees to service members and customers. If Australian Unity is unable to access appropriately skilled people or retain current employees, Australian Unity may experience workforce constraints that adversely impact the provision of service, growth plans and financial performance. Australian Unity is currently experiencing this risk in its care workforce due largely to competition for talent and changes to sector workforce dynamics and government funding models.
Cyber security threats	<ul style="list-style-type: none"> Australian Unity's businesses are reliant on technology to deliver its products and services. To provide these products and services, Australian Unity handles large amounts of customer, member and employee data. Cyber security risk is on the rise due to increasing dependence on technology and the growing frequency, sophistication and severity of attacks. If its systems fail to detect and prevent cyber-attacks, Australian Unity could experience unauthorised access or loss of confidential information or business disruption as a result of system unavailability.

B. Key risks

Business risks (cont.)

Risk	Risk description
Deteriorating economic conditions	<ul style="list-style-type: none"> ▪ The increasing risks associated with deteriorating economic conditions including potential recession, enduring inflation and increased operating costs, and a tightened fiscal environment could result in restrained Government spending and impact Australian Unity's business operations and financial performance. For example, current inflationary pressures are leading to rising medical, construction, operational and staffing costs. ▪ Adverse economic conditions may also impact the returns Australian Unity achieves on its investments, occupancy levels in residential aged care and sales of residential villages and the level of credit defaults experienced in Australian Unity Bank's loan portfolio.
Changes to government policy	<ul style="list-style-type: none"> ▪ Many of Australian Unity's businesses operate in sectors that are dependent on government funding. Changes to government funding levels or structures may impact the profitability or viability of certain businesses. Funding decisions may be volatile or unpredictable in times of political uncertainty.
Convergence of major change	<ul style="list-style-type: none"> ▪ The amount and timing of significant changes in the business – including changes to operating models, the integrations of acquired businesses, embedding new technologies and processes – may create risks to successful execution of strategy and may result in employee burnout and other risks.
Adapting Australian Unity's products, services and technology	<ul style="list-style-type: none"> ▪ Australian Unity operates in markets where customer product demands are rapidly changing and preferences have been shifting to digital channels. The operation of Australian Unity's technology is an important part of how Australian Unity delivers services to customers. If Australian Unity is not successful in adapting its products, services and technology to meet changing customer preferences, and deliver reliable and efficient services, it may lose customers to its competition or fail to meet growth ambitions, which may adversely affect its financial performance.
Providing quality clinical and care services	<ul style="list-style-type: none"> ▪ Australian Unity provides high-trust services such as health and aged care services in the community. Poor quality clinical services may arise from inadequate policies and procedures, lack of training and supervision or other situational factors. ▪ The health, clinical safety and wellbeing outcomes of customers may be impacted if clinical practices are not designed or delivered to best practice standards. A severe event or series of events could result in mistreatment, injury or death to Australian Unity's customers, sanctions from regulators, reduced government funding, reputational damage and remediation costs.
Access to capital	<ul style="list-style-type: none"> ▪ Australian Unity is a mutual entity limited by shares and guarantee. Australian Unity is unable to issue ordinary shares to raise new capital but can raise capital via the issuance of MCIs, although MCIs are a novel instrument and there is no established deep market. Australian Unity also relies on external debt markets for a portion of its funding. ▪ Changes in the economic and market conditions and increased debt serviceability could result in reduced access to capital, difficulty in raising equity or increased costs of funding. This could negatively affect Australian Unity's capital position and its ability to fund business initiatives.

B. Key risks

Business risks (cont.)

Risk	Risk description
Liquidity demands	<ul style="list-style-type: none"> There is a risk that Australian Unity's liquidity and funding plans fail to operate effectively, or there may be factors outside Australian Unity's control which could adversely affect these plans. Australian Unity's liquid investments held to support liquidity needs may not be readily converted to cash, or levels of liquidity may not be sufficient to respond to a circumstance where liquidity demands exceed forecasts. For example, an event that simultaneously leads to a funding need in a number of regulated entities or operating entities may place significant demands on the liquidity and funding position.
Reliance on third parties	<ul style="list-style-type: none"> Australian Unity's business model increasingly relies on Australian Unity partnering with third party providers. If these third parties are not aligned to Australian Unity's purpose and objectives, or fail to deliver services in accordance with contractual arrangements, it may impact Australian Unity's services, reputation, and compromise the achievement of strategic objectives.
Workplace injuries or conditions	<ul style="list-style-type: none"> Australian Unity has a large workforce that could be exposed to workplace injuries or illness. Given the variability of locations, conditions and types of care delivered, Australian Unity's workforce may be subject to muscular or skeletal injuries, slips, trips, falls, driving accidents, mental stress or occupational violence and assault. Workplace injuries can impact Australian Unity's ability to service customers, retain employees, and can increase its costs.
Exposure to external events	<ul style="list-style-type: none"> With the diversity of Australian Unity's businesses, it is exposed to a variety of external events and factors, such as financial market volatility, government interventions or changes to funding policy, business disruptions through pandemics or extreme weather events (such as drought, bushfire, flood and storm), evolving ESG expectations and other community issues. Australian Unity may also make strategic or investment decisions that do not achieve the expected outcomes. If Australian Unity does not identify, understand or respond to its environment and make the right decisions, it may impact Australian Unity's ability to execute its strategy.
Regulatory complexity and change	<ul style="list-style-type: none"> Australian Unity operates a wide range of business activities which are subject to different laws and regulatory requirements and licence conditions. As regulatory standards and expectations are constantly changing, increased regulation and supervision could adversely affect Australian Unity's business activities. This could require changes to Australian Unity's business model, products or services and the incurrence of significant costs to implement change. Australian Unity may also face regulatory action and reputational damage if Australian Unity does not comply.
Growing Australian Unity's Community & Social Value	<ul style="list-style-type: none"> Community & Social Value (CSV) as a measure of wellbeing outcomes is a core component of Australian Unity's corporate purpose. Changes to Australian Unity's business composition or decisions which do not sufficiently increase CSV or fail to optimise Australian Unity's opportunities to increase CSV, may impact Australian Unity's ability to meet these objectives.

B. Key risks

Risks associated with Australian Unity MCIs specifically¹

Risk	Risk description
Perpetual instruments with no set maturity	<ul style="list-style-type: none"> Australian Unity MCIs are perpetual instruments and have no set maturity date. Holders are unable to request or require Repurchase of Australian Unity MCIs. As a result, Holders should be prepared to hold their Australian Unity MCIs for an indefinite period of time. Holders may seek to realise their investment in Australian Unity MCIs by selling on ASX but there is no guarantee that they will be able to do so, or do so at a price acceptable to them, and the price may be less than the Offer Price. Brokerage may also be payable if Holders sell their Australian Unity MCIs on ASX.
Subordinated ranking in a winding-up of Australian Unity	<ul style="list-style-type: none"> Australian Unity MCIs are not debt instruments. Holders will rank behind all creditors of Australian Unity, including holders of Australian Unity Bonds, but ahead of the interests of Non-Shareholder Members. Australian Unity MCIs may rank equally with, behind or ahead of, other series of mutual capital instruments or other securities issued by Australian Unity in the future. In the event of a winding-up of Australian Unity, Holders will be entitled to the Face Value for each Australian Unity MCI held and any Dividends which are due but unpaid. If there is a shortfall of funds on a winding-up of Australian Unity to pay the amounts above, Holders will not receive a full return of capital, and may not receive any payment of the amount to which they would otherwise be entitled.
The Dividend Rate is fixed whereas interest rates may vary	<ul style="list-style-type: none"> The Dividend Rate for the discretionary Dividend on Australian Unity MCIs is a fixed rate. Future market interest rates are influenced by a number of factors and may fluctuate over time. Investors in Australian Unity MCIs will not benefit from any increase in market interest rates via an increase in Dividends as they would under a floating rate instrument. If there is an increase in market interest rates, there is a risk that Australian Unity MCIs may become a less attractive investment compared to investments where the rates of return are based on a floating rate. As a result, in a rising interest rate market, the price at which Australian Unity MCIs trade may be expected to decline.
The value of imputation credits may change	<ul style="list-style-type: none"> Under the current dividend imputation system, the quantum of imputation credits associated with a Dividend is based on the prevailing corporate tax rate. If the corporate tax rate was reduced, the value of imputation credits and therefore of the Dividend received by Holders would decline.
The payment of any Dividends on Australian Unity MCIs is discretionary	<ul style="list-style-type: none"> Australian Unity MCIs are not debt instruments and Dividends are not the same as interest payments. The payment of any Dividends is discretionary and subject to the Directors in their absolute discretion determining that Australian Unity pay the Dividend or part of the Dividend. Australian Unity may not pay a Dividend unless to do so is fair and reasonable to its members, including Non-Shareholder Members, as a whole and the payment of Dividends may be restricted by law. Based on these factors there is a risk that a Dividend may not be paid or not paid in full. Dividends are non-cumulative and therefore Australian Unity is not required to make up any unpaid Dividend in subsequent periods. Australian Unity will not be liable to Holders in respect of an unpaid Dividend.

1. Defined terms have the same meaning as per the Terms of Issue.

B. Key risks

Risks associated with Australian Unity MCIs specifically¹ (cont.)

Risk	Risk description
Ability to pay Dividends on Australian Unity MCIs	<ul style="list-style-type: none"> The ability of Australian Unity to pay Dividends is dependent on its financial performance. Australian Unity's ability to pay a fully or partly-franked Dividend is also contingent on it generating a taxable profit. Financial performance and profits may fluctuate, making the reliable forecasting and payment and franking of Dividends difficult and unpredictable. No guarantee can be given concerning the future earnings of Australian Unity, nor the earnings or return on investment of its portfolio of businesses. As a strategic objective of Australian Unity is to deliver sustainable performance, there may be periods in respect of which Dividends may be low or are not paid at all.
Australian Unity MCIs may be suspended or delisted	<ul style="list-style-type: none"> The Terms contain certain obligations on Australian Unity to use reasonable endeavours to ensure that the Australian Unity MCIs remain quoted on ASX (or another securities exchange) while they are on issue. There is a risk that trading in Australian Unity MCIs could be suspended or could cease to be quoted in certain circumstances, including if Australian Unity fails to comply with applicable Listing Rules. As a result of any such suspension or cessation of quotation, the liquidity of Australian Unity MCIs may be substantially impacted. Holders do not have a right to require the Repurchase of the Australian Unity MCIs in these circumstances.
Volatility in the market price of the Australian Unity MCIs	<ul style="list-style-type: none"> The market price of Australian Unity MCIs may fluctuate due to various factors, including investor perceptions, worldwide economic conditions, interest rates, credit spreads, movements in the market price of other equity or debt issued by Australian Unity or the mutual industry, and factors that may affect Australian Unity's financial position and trading results and other factors beyond the control of Australian Unity and its Directors. Australian Unity MCIs may trade at a market price below the Offer Price. As a result, Holders who wish to sell their Australian Unity MCIs may be unable to do so at an acceptable price (if at all). Markets are volatile and the volatility of markets may change from time to time. Volatility risk is the potential for fluctuations in the price of securities, sometimes markedly and over a short period. During periods of elevated volatility investors typically seek higher returns, which may impact the price at which Australian Unity MCIs are traded. Unlike most debt and hybrid securities, Australian Unity MCIs are perpetual securities. As a consequence, the market price of Australian Unity MCIs is likely to be more sensitive to changes in interest rates than would be the case for a comparable investment of a fixed term.
Liquidity of the Australian Unity MCIs	<ul style="list-style-type: none"> Australian Unity MCIs issued under this Equity Raising will be quoted on ASX with existing Australian Unity MCIs under the ASX code AYUPA. However, there is no certainty that the market will be liquid. Insufficient liquidity may have a severely adverse effect on the market price of Australian Unity MCIs; the market price may be less than the Offer Price. Holders who wish to sell their Australian Unity MCIs may not be able to do so easily, at all, or at an acceptable price. The extent of liquidity may also affect the volatility of the market price of Australian Unity MCIs. Australian Unity does not guarantee the market price or liquidity of any Australian Unity equity or debt securities, including the MCIs, and there is a risk that you may lose some or all of the money you invested.

1. Defined terms have the same meaning as per the Terms of Issue.

B. Key risks

Risks associated with Australian Unity MCIs specifically¹ (cont.)

Risk	Risk description
Tax consequences for Holders	<ul style="list-style-type: none"> ▪ Holders should be aware that future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in Australian Unity MCIs, or the holding and disposal of Australian Unity MCIs.
Australian Unity depends on transfers of funds from other members of the Australian Unity Group to meet its financial obligations	<ul style="list-style-type: none"> ▪ As a non-operating holding company, Australian Unity is reliant upon intercompany transfers of funds from other members of the Australian Unity group to meet its financial obligations. ▪ The ability of these entities to make payments to Australian Unity may be restricted by, among other things, applicable laws as well as agreements to which those entities may be a party, including capital adequacy requirements. Therefore, Australian Unity's ability to make Dividend payments in respect of the Australian Unity MCIs may be limited. ▪ In addition, if a subsidiary of Australian Unity is wound up, the claims of Australian Unity on its subsidiaries in respect of its investment in those subsidiaries may rank behind the claims of creditors of those subsidiaries. It follows that the assets of Australian Unity available to pay Holders are limited to what remains after the payment of the claims of creditors of those subsidiaries.
Australian Unity may Repurchase Australian Unity MCIs under certain circumstances	<ul style="list-style-type: none"> ▪ Australian Unity has the right to Repurchase Australian Unity MCIs in accordance with a Repurchase Notice given at any time if: <ul style="list-style-type: none"> - a Tax Event occurs; or - a Regulatory Event occurs; or - a Demutualisation Event occurs. If a Demutualisation Event occurs, Australian Unity will be required to Repurchase Australian Unity MCIs before the Demutualisation takes effect. ▪ There is a risk that the Repurchase Amount may be less than the then current market value of Australian Unity MCIs, or the timing of such Repurchase may not accord with a Holder's individual financial circumstances or tax position.
Future incurrence of liabilities and future issuance of securities, including additional Australian Unity MCIs	<ul style="list-style-type: none"> ▪ While Australian Unity MCIs are on issue, there are no restrictions on Australian Unity incurring any debt or other obligations ranking ahead of Australian Unity MCIs, except other classes of mutual capital instruments which rank ahead of Australian Unity MCIs on the return of capital and payment of dividends on the winding-up of Australian Unity. There are also no restrictions on Australian Unity issuing additional Australian Unity MCIs or further instruments that rank equally with Australian Unity MCIs. There is a risk that the incurrence of any such debt obligations or other obligations ranking ahead of Australian Unity MCIs or the issue of further instruments, including any class of mutual capital instruments that rank equally with Australian Unity MCIs may reduce the amount available to pay Dividends, the amount (if any) recoverable by Holders on a winding-up of Australian Unity, or have an adverse impact on the market price of Australian Unity MCIs or the liquidity of that market. There is also a risk that Australian Unity's ability to service the payment of Dividends on the Australian Unity MCIs may be impacted if Australian Unity were to issue additional Australian Unity MCIs.
The Terms may be amended in certain circumstances	<ul style="list-style-type: none"> ▪ The Terms may be amended if the amendment has been approved by a Special Resolution and, in limited cases, without the need for any approval of Holders. There is a risk that such amendments will occur, and that some Holders may not agree with those amendments.

B. Key risks

Risks associated with Australian Unity MCIs specifically¹ (cont.)

Risk	Risk description
Limited impact of voting rights	<ul style="list-style-type: none"> Reflecting Australian Unity's status as a mutual entity the Constitution enshrines a limit of one vote per member for any member of Australian Unity. This approach will also apply to Holders, so that a Holder will only have one vote at a general meeting of Australian Unity regardless of the number of Australian Unity MCIs which they hold. In addition, Holders will not be entitled to vote on a Demutualisation of Australian Unity, on a proposal to wind up Australian Unity or on a resolution which seeks to amend these voting limitations. Holders will have only one vote at a general meeting of Australian Unity, even if they are also a Non Shareholder Member. Where a Holder is a joint holder of an Australian Unity MCI, only the first person named in the Register as a joint Holder is a member of Australian Unity and entitled to vote at a general meeting of Australian Unity. There is a risk as a consequence of these limited voting rights that a Holder or Holders as a class of members of Australian Unity will not be able to influence matters requiring Australian Unity member approval in a manner proportionate to their economic investment in Australian Unity.
Interests of Holders may not be the same as the interests of other Australian Unity members	<ul style="list-style-type: none"> Being a mutual entity, Australian Unity is governed by, and for the benefit of, all of its members. While Holders are members, only eligible customers and employees are able to become Non-Shareholder Members of Australian Unity. The interests of Non Shareholder Members may at times conflict with the interests of the Holders. The Constitution provides that the Board will, subject to Australian Unity complying with its obligations under the Terms, give preference to the interests of Non Shareholder Members over the interests of the holders of mutual capital instruments. Decisions may be made, either by the Board or by a vote of Non Shareholder Members, that may negatively impact the interests of Holders, including resulting in a lower or no Dividends being paid, and/or a reduction in the price at which the Australian Unity MCIs trade, or the Repurchase of Australian Unity MCIs in accordance with the Terms.
General economic and financial market conditions	<ul style="list-style-type: none"> General economic conditions (both domestic and international), long-term inflation rates, exchange rate movements, interest rate movements and movements in the general market for ASX and internationally listed securities, changes in domestic or international fiscal, monetary, regulatory and other government policies, changes in investor perceptions, geo-political conditions and the Australian Unity Group's financial position and earnings may adversely impact Australian Unity's ability to declare and pay Dividends to Holders, and may affect the market price of the Australian Unity MCIs. As a result of the above-mentioned factors, Australian Unity is unable to forecast the market price for the Australian Unity MCIs and they may trade on ASX at a price that is below the Offer Price.

1. Defined terms have the same meaning as per the Terms of Issue.

B. Key risks

General risks

Risk	Risk description
Market risks	<ul style="list-style-type: none"> ▪ Market risk is the risk of an adverse event in the financial markets that may result in a loss of earnings for Australian Unity and the Australian Unity Group. ▪ Market risk includes exposures to liquidity or funding risk (that is, being unable to meet financial obligations as they fall due, or over-reliance on a funding source whereby market or environmental changes limit access to that funding source and thereby increase overall funding costs or cause difficulty in raising funds). ▪ Market risk also includes interest rate risk (that is, the potential for a change in interest rates to have an adverse impact on the interest-related earnings of Australian Unity) and currency risk (that is, risks caused by fluctuations in foreign exchange rates).
Asset price risk	<ul style="list-style-type: none"> ▪ Australian Unity's balance sheet includes material investment in property and other asset classes. The market value of these classes of asset may fluctuate and such fluctuations may result in impairment charges being recognised against those assets. Property assets, in particular retirement communities and aged care assets, are by their nature illiquid investments. Therefore, it may not be possible for the Australian Unity Group to dispose of assets in a timely manner. To the extent that the Australian Unity Group invests in properties for which there may only be a limited number of willing buyers, the realisable value of those assets may be less than the full value indicated by the Australian Unity Group's expectations of future cash flows from the relevant properties.
Litigation	<ul style="list-style-type: none"> ▪ From time to time, the Australian Unity Group may be exposed to litigation or disputes with various parties, such as contractual counterparties, competitors, members and customers. Litigation and disputes may include, but are not limited to, customer/member claims, and disputes in relation to material investments, operations, products, memberships or other contracts. ▪ Losses, liability or legal expenses as a result of litigation proceedings could have a material adverse effect on the Australian Unity Group's business and financial performance and its ability to pay Dividends. Additionally, litigation involving the Australian Unity Group can also damage its reputation. Whilst the Australian Unity Group holds professional liability insurance and may from time to time make certain provisions against the possibility of adverse outcomes, there is no guarantee that the insurance will be sufficient to cover all potential claims or that the provisioned amounts (if any) will adequately cover any such loss suffered or liability incurred.
Taxation	<ul style="list-style-type: none"> ▪ The Australian Unity Group is subject to taxation legislation in the various jurisdictions in which it has operations and conducts business. Any significant change in taxation law or its interpretation and application by an administrative body could have an adverse effect on the results of its operations. As appropriate, the Australian Unity Group manages taxation risk by obtaining opinions from taxation specialists and/or rulings from revenue authorities. The Australian Unity Group employs a proactive approach to managing potential disputes with revenue authorities. Either directly or in conjunction with professional and industry bodies, the Australian Unity Group also engages in consultation with revenue authorities in relation to potential changes in law.
Climate change	<ul style="list-style-type: none"> ▪ The Australian Unity Group may be exposed to risks relating to climate change, both by way of physical risks to its property assets and potential risks associated with a transition to a low carbon economy.

B. Key risks

General risks (cont.)

Risk	Risk description
Reputational risk	<ul style="list-style-type: none"> Issues of a varying nature may emerge that would give rise to reputational risk and cause harm to the Australian Unity Group's business dealings and prospects. These issues include appropriately dealing with potential conflicts of interest, legal and regulatory requirements, issues of ethics, money laundering laws, trade sanctions legislation, privacy, information security, wage review, sales and trading practices and conduct by companies in which the Australian Unity Group holds strategic interests. Failure to address these issues appropriately could give rise to additional legal risk, subject Australian Unity and its subsidiaries to regulatory actions, fines and penalties, or harm the reputation of Australian Unity among its members, customers, employees and Holders.
Changes in Australian Accounting Standards	<ul style="list-style-type: none"> The Australian Unity Group is subject to the usual business risks that there may be changes in Australian Accounting Standards which have an adverse financial impact on Australian Unity or the Australian Unity Group.
Legal investment considerations may restrict certain investments	<ul style="list-style-type: none"> The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult their legal advisers to determine whether and to what extent (i) the MCIs are legal investments for them; and (ii) other restrictions apply to the purchase or any proposed use as collateral of the Australian Unity MCIs. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Australian Unity MCIs under any applicable risk-based capital or similar rules.
Strategic decisions and corporate activities	<ul style="list-style-type: none"> Australian Unity regularly considers a range of corporate opportunities, including acquisitions, divestments, joint ventures, and investments. The pursuit of corporate opportunities inherently involves risks, including the risk that Australian Unity overvalues an acquisition or investment, or under-values a divestment, as well as exposure to reputational damage. Australian Unity may also encounter difficulties in integrating or separating businesses, including the failure to realise expected synergies, disruption to operations, diversion of management resources, or higher than expected costs. These risks and difficulties may ultimately have an adverse impact on Australian Unity's financial performance and position. Additionally, Australian Unity may incur unexpected financial losses following an acquisition, joint venture, or investment if the business it invests in does not perform as planned or causes unanticipated changes to Australian Unity's risk profile. There can also be no assurance that customers, employees, suppliers, counterparties, and other relevant stakeholders will remain with an acquired business following the transaction, and any failure to retain such stakeholders may have an adverse impact on Australian Unity's overall financial performance and position.
Offer risk	<ul style="list-style-type: none"> There is a risk that the amount of proceeds that may be raised by Australian Unity may be adversely impacted by one or more events which may or may not be within the control of Australian Unity including in respect of the Offer not proceeding in part or in its entirety, particularly as the Offer is not underwritten.

C. Offer restrictions

Offer restrictions

This presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (“FMC Act”).

The New MCIs may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.



ASX Announcement

4 June 2024

Successful completion of Placement component of Equity Raising

Australian Unity Limited (Australian Unity) is pleased to announce the successful completion of its non-underwritten placement to wholesale investors (Placement) of new mutual capital instruments (New MCIs), which along with its non-underwritten 1 for 3 pro rata non-renounceable entitlement offer of New MCIs (Entitlement Offer) forms its equity raising (Equity Raising) as previously announced on Monday 3 June 2024.

The Placement was well supported by a range of existing MCI holders together with new investors and was substantially oversubscribed at the targeted Placement amount of \$50.0 million. Australian Unity has therefore determined to increase the size of the Placement to \$70.0 million. The increased Placement will result in the issue of approximately 965,518 New MCIs.

Settlement of the New MCIs to be issued under the Placement is expected to occur on Thursday 27 June 2024, with the issue of those New MCIs expected to occur on Friday 28 June 2024 and normal trading on ASX expected to commence on Monday 1 July 2024.

Australian Unity's MCIs (ASX: AYUPA) and Series C, Series D and Series E Bonds (ASX: AYUHC, AYUHD and AYUHE respectively) are expected to resume trading on the ASX at market opening tomorrow, Wednesday 5 June 2024.

Entitlement Offer

The Entitlement Offer is expected to open on Wednesday 12 June 2024 and close at 5:00pm (AEST) on Friday 21 June 2024. Further details about the Entitlement Offer will be set out in an offer booklet which Australian Unity expects to make available to eligible MCI holders and lodge with the ASX on Wednesday 12 June 2024.

Further information

Further details of the Equity Raising are set out in the Investor Presentation and other ASX announcements lodged with ASX on Monday 3 June 2024. The Investor Presentation also contains important information including key risks and foreign selling restrictions with respect to the Equity Raising.

ASX code:

AYU

Securities on Issue:

AYUPA – 3,434,000

AYUHC – 321,157

AYUHD – 2,070,000

AYUHE – 2,558,050

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 entity

-end-

This announcement has been authorised for release by the Board of Australian Unity Limited.

For further information:

Penny Bold

Senior Manager - Communications

T: 1300 408 776

E: media@australianunity.com.au

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement is not financial product advice and has not taken into account your objectives, financial situation or needs. This announcement has been prepared for release in Australia. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer or solicitation would be illegal. The New MCIs have not been, and will be not, registered under the U.S. Securities Act of 1933 (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New MCIs may not be offered or sold to, directly or indirectly, any person in the United States or any person that is, or is acting for the account or benefit of, any person in the United States except 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 securities law of any state or other jurisdiction of the United States.

Nothing contained in this announcement shall form the basis of any contract or commitment, or constitute investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

5 Additional information

5.1 Eligibility of MCI Holders

The Entitlement Offer is being offered to Eligible MCI Holders only.

Eligible MCI Holders are MCI Holders on the Record Date who:

- (a) have an address on the Australian Unity register in Australia or New Zealand;
- (b) are not in the United States and are not acting for the account or benefit of a person in the United States;
- (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer;

provided that, if an MCI Holder (including a nominee or custodian) is acting for the account or benefit of a person in the United States, it may not participate in the Entitlement Offer on behalf of such a person.

MCI Holders who are not Eligible MCI Holders are Ineligible MCI Holders.

Australian Unity has determined that it is unreasonable to extend the Entitlement Offer to Ineligible MCI Holders because of the small number of such MCI Holders, the number and value of MCIs that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand. Australian Unity may (in its absolute discretion) extend the Entitlement Offer to MCI Holders who have registered addresses outside Australia and New Zealand (except the United States) in accordance with applicable law.

5.2 Ranking of New MCIs

The New MCIs issued under the Entitlement Offer will be fully paid and rank equally with Existing MCIs.

5.3 Allotment

Australian Unity will apply for quotation of the New MCIs on the ASX in accordance with Listing Rule requirements. If the ASX does not grant quotation of the New MCIs, Australian Unity will repay all Application Monies (without interest).

Subject to approval being granted, it is expected that trading of New MCIs to be issued under the Entitlement Offer will commence on a normal basis on Monday 1 July 2024.

It is the responsibility of Applicants to determine the number of New MCIs allotted and issued to them prior to trading in the New MCIs. The sale by an Applicant of New MCIs prior to receiving their holding statement is at the Applicant's own risk.

5.4 Reconciliation

In any entitlement offer, investors may believe that they own more Existing MCIs on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible MCI Holders have the opportunity to receive their full Entitlement.

Australian Unity may need to issue a small quantity of additional New MCIs to ensure all Eligible MCI Holders have the opportunity to receive their appropriate allocation of New MCIs. The price at which these New MCIs would be issued, if required, is the same as the Offer Price.

Australian Unity also reserves the right to reduce the number of Entitlements or New MCIs allocated to Eligible MCI Holders or persons claiming to be Eligible MCI Holders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible MCI Holders.

5.5 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New MCIs.

5.6 Underwriting arrangements

The Entitlement Offer and Placement are not underwritten. The Joint Lead Managers are acting as joint lead managers of the Entitlement Offer and Placement.

Australian Unity has entered into an Offer Management Agreement with the Joint Lead Managers in respect of the Entitlement Offer and Placement.

5.7 Joint Lead Managers

Neither of the Joint Lead Managers nor any of the other Joint Lead Manager Parties have authorised or caused the issue of this Offer Booklet and they do not take responsibility for any statements made in this Offer Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, each Joint Lead Manager Party disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Joint Lead Manager Parties make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information and you represent, warrant and agree that you have not relied on any statements made by the Joint Lead Manager Parties in relation to the New MCIs or the Entitlement Offer generally.

The engagement of the Joint Lead Managers by Australian Unity is not intended to create any agency, fiduciary or other relationship between a Joint Lead Manager and the MCI Holders or any other investor.

5.8 Continuous disclosure

Australian Unity is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half yearly reports.

Australian Unity is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, Australian Unity has an obligation under the Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Australian Unity MCIs. That information is available to the public from the ASX.

6 Australian taxation consequences

6.1 General

This section does not constitute financial product advice as defined in the Corporations Act and is confined to taxation issues and is only one of the matters you need to consider when making a decision about your investments.

Below is a general summary of the Australian income tax (including capital gains tax (CGT)), goods and services tax (GST) and stamp duty implications of the Entitlement Offer for Eligible MCI Holders:

- who are Australian resident individuals, complying superannuation entities, trusts, partnerships and corporate investors; and
- hold their MCIs and New MCIs, or Additional MCIs, on capital account.

The comments do not apply to Eligible MCI Holders who:

- are not a resident for Australian income tax purposes;
- are exempt from Australian income tax;
- hold their MCIs and New MCIs, or Additional MCIs, as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading);
- acquired their MCIs or New MCIs for the purpose of resale at a profit;
- are subject to the 'TOFA provisions' in Division 230 of the Income Tax Assessment Act 1997 in relation to the MCIs or New MCIs, or Additional MCIs; or
- acquired the Entitlements pursuant to any employee share scheme.

This summary is general in nature, does not take into account individual circumstances of particular Eligible MCI Holders and is not intended to be an authoritative or complete statement of all potential tax implications for each investor or relied upon as tax advice. The precise implications of ownership or disposal will depend upon each investor's specific circumstances. Australian tax laws are complex. Eligible MCI Holders should seek advice from an appropriate professional adviser in relation to the tax implications of the Entitlement Offer based on their own individual circumstances.

The comments below are based on the Australian tax legislation and administrative practice in force as at 9.00am (AEST time) on the date of this Offer Booklet and do not take into account tax legislation of any country other than Australia. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time.

Australian Unity and its officers, employees, taxation advisers or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

6.2 Issue of Entitlements

The issue of the Entitlements should not in itself result in any amount being included in the assessable income of an Eligible MCI Holder.

6.3 Exercise of Entitlements and applying for additional New MCIs

New MCIs will be acquired where an Eligible MCI Holder exercises all or part of its Entitlement under the Entitlement Offer. Additional MCIs will be acquired where the Eligible MCI Holder acquires additional New MCIs.

An Eligible MCI Holder should not derive any assessable income, or make any capital gain or capital loss at the time of exercising its Entitlement under the Entitlement Offer.

For Australian CGT purposes, New MCIs should be taken to have been acquired on the day that an Eligible MCI Holder exercises its Entitlements and Additional MCIs will be taken to have been acquired on the date the Additional MCIs were issued to the Eligible MCI Holder. The cost base of each New MCI should be equal to the Offer Price (plus certain non-deductible incidental costs the Eligible MCI Holder incurs in acquiring the New MCIs).

6.4 Lapse of Entitlements

If an Eligible MCI Holder does not accept all or part of its Entitlements in accordance with the instructions set out above in Section 2, then that Entitlement will lapse. The Eligible MCI Holder will not receive any consideration for an Entitlement that is not taken up. There should be no Australian tax implications for an Eligible MCI Holder from the lapse of the Entitlements.

6.5 Taxation in respect of dividends on New MCIs

Any future dividends or other distributions made in respect of New MCIs and Additional MCIs should be subject to the same income taxation treatment as dividends or other distributions made on MCIs held in the same circumstances.

It is possible for a dividend to be fully franked, partly franked or unfranked. Franking credits broadly represent the extent to which Australian corporate tax has been attributed to the dividend. It should be noted that the concept of a dividend for Australian income tax purposes is very broad and can include payments that are made in respect of such things as off-market MCI buy-backs. Please refer to the section below on MCIs being held at risk in relation to the availability of franking credits.

Australian resident individuals and complying superannuation entities

Any dividends paid by Australian Unity on a New MCI, or an Additional MCI, will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend together with any franking credit attached to that dividend in their assessable income in the year the dividend is paid.

Subject to the comments below regarding MCIs being held 'at risk', such investors should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income, the investor should be entitled to a tax refund equal to the excess.

To the extent that the dividend is unfranked, the investor will generally be taxed at his or her prevailing marginal rate on the dividend received (with no tax offset).

Corporate investors

Corporate investors are required to include both the dividend and any associated franking credit in their assessable income. Subject to the comments below regarding MCIs being held 'at risk', corporate investors are then entitled to a tax offset up to the amount of the franking credit attached to the dividend. Excess franking credits received by corporate investors will not give rise to a refund entitlement for a company, but can be converted into carry forward tax losses instead.

An Australian resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credits attached to the distribution received. This will allow the corporate investor to pass the franking credits on to its investor(s) on the subsequent payment of franked dividends.

Trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include both the dividend and any associated franking credit (where the MCIs are relevantly held 'at risk') in determining the net income of the trust or partnership.

The relevant beneficiary or partner may be entitled to a tax offset equal to the franking credits included in the beneficiary's or partner's share of the net income of the trust or partnership.

MCIs held at risk

The benefit of franking credits can be denied where an investor is not a 'qualified person', in which case the investor will not need to include the amount of the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a 'qualified person', two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, an investor is required to hold New MCIs, and Additional MCIs, 'at risk' for more than 45 days continuously (which is measured as the period commencing the day after the MCIs were acquired and ending on the 45th day after the New MCIs become ex-dividend) in order to qualify for franking benefits, including franking credits. This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed \$5,000.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to the dividend. The related payment rule requires the investor to have held the New MCIs at risk for the continuous 45 day period as above but within the period commencing on the 45th day before, and ending on the 45th day after the day the New MCIs become ex-dividend.

Investors should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

There are specific integrity rules that prevent taxpayers from obtaining a tax benefit from additional franking credits where dividends are received as a result of 'dividend washing' arrangements. MCI Holders should consider the impact of these rules given their own personal circumstances.

6.6 Disposal of New MCIs or Additional MCIs

The disposal of New MCIs or Additional MCIs, should constitute a disposal for CGT purposes for most Australian resident investors.

On disposal of a New MCI or an Additional MCI, an Eligible MCI Holder should make a capital gain if the capital proceeds received on disposal exceed the total cost base of the New MCI. An Eligible MCI Holder should make a capital loss if the capital proceeds are less than the total reduced cost base of the New MCI or Additional MCI. In the case of an arm's length on-market sale, the capital proceeds should generally equal the cash proceeds from the sale. The CGT cost base of the New MCIs and Additional MCIs is broadly the amount paid to acquire the New MCIs and Additional MCIs plus any transaction/incidental costs.

Where the Eligible MCI Holder is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as realising any capital gain arising from the disposal (in their proportionate shares).

A CGT discount may be applied against any capital gain (after reduction of the capital gain by applicable capital losses) where:

- the Eligible MCI Holder which realises the capital gain is an individual, complying superannuation entity or trustee;
- the New MCIs or Additional MCIs have been held for at least 12 months (not including the date of acquisition or disposal for CGT purposes); and
- certain other requirements have been satisfied.

Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than trustees of a complying superannuation entity) may be reduced by 50 percent, after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one third, after offsetting current year or prior year capital losses.

If the Eligible MCI Holder who realises the capital gain and is entitled to the CGT discount is the trustee of a trust (other than the trustee of a complying superannuation entity), the CGT discount may flow through to the beneficiaries of the trust, provided those beneficiaries are not companies. Eligible MCI Holders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

Capital losses may only be offset against capital gains realised in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income. As with capital gains, where the Eligible MCI Holder realising the capital loss is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as realising the capital loss (in their proportionate shares).

6.7 GST

The rights received under the Entitlement as well as the taking up of the New MCIs and Additional MCIs should be classified as an “input taxed financial supply” for Australian GST purposes. Accordingly, Australian GST should not be payable in respect of amounts paid for the acquisition of the New MCIs or Additional MCIs.

No GST should be payable in respect of dividends paid to Eligible MCI Holders.

An Australian resident Eligible MCI Holder registered for GST may not be entitled to claim full input tax credits in respect of GST on expenses incurred relating to the acquisition, redemption or disposal of the MCIs or New MCIs or Additional MCIs (e.g. lawyers’ and accountants’ fees).

Investors should seek their own tax advice on the impact of GST in their own particular circumstances.

6.8 Stamp duty

Stamp duty should not be payable by Eligible MCI Holders in respect of receiving rights under the Entitlement, the taking up of New MCIs under the Entitlement Offer or Additional MCIs provided that all acquisitions occur when all of the securities in Australian Unity are quoted on the market operated by ASX and no MCI Holder (together with interests of associated persons and interests acquired under associated transactions) holds an interest of 90 percent or more in Australian Unity.

6.9 Tax file numbers

An investor is not required to quote their tax file number (TFN) to Australian Unity. However, if a TFN (or certain exemption details) is not provided, Australian withholding tax may be required to be deducted by Australian Unity from dividends at the maximum marginal tax rate plus the Medicare levy. An investor who holds MCIs or New MCIs as part of an enterprise may quote its Australian Business Number instead of its TFN.

Eligible MCI Holders may be able to claim an income tax credit/refund (as applicable) in their income tax returns in respect of any tax withheld.

7 Definitions

\$ or cents means Australian dollars or cents.

ABN means Australian Business Number.

AEST means Australian Eastern Standard Time.

Additional MCIs means MCIs that may be applied for by Eligible MCI Holders in excess of their Entitlement.

Applicant means an Eligible MCI Holder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

Application Monies means the aggregate amount payable for the New MCIs applied for through BPAY or in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and the securities exchange operated by it.

ASX Announcements means the initial announcement in relation to the Entitlement Offer and the Placement released to the ASX on Monday 3 June 2024 as well as the Placement completion announcement released to the ASX on Tuesday 4 June 2024, incorporated in Section 4 of this Offer Booklet.

Australian Unity means Australian Unity Limited (ABN 23 087 648 888).

Australian Unity Offer Information Line means 1800 500 095. The offer information line will be answered live and operate between 8.30am and 5.30pm (AEST) on Monday to Friday during the Entitlement Offer Period.

BPAY means BPAY Pty Ltd (ABN 69 079 137 518).

Business Day has the same meaning as in the Listing Rules.

CGT means capital gains tax.

Closing Date means 5.00pm (AEST) on Friday 21 June 2024, the day the Entitlement Offer closes (however, that date may be varied by Australian Unity, in accordance with the Listing Rules and the Offer Management Agreement).

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means the unique Customer Reference Number on the personalised Entitlement and Acceptance Form.

Eligible MCI Holder has the meaning given in Section 5.1.

Entitlement means the right to subscribe for 1 New MCI for every 3 Existing MCIs held by Eligible MCI Holders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Offer Booklet.

Entitlement Offer means the pro rata non-renounceable entitlement offer of New MCIs to Eligible MCI Holders made pursuant to this Offer Booklet.

Entitlement Offer Period means the period from Wednesday 12 June 2024 to 5.00pm (AEST) on Friday 21 June 2024.

Existing MCIs means the MCIs already on issue on the Record Date.

GST means goods and services tax, as defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

HIN means Holder Identification Number.

Ineligible MCI Holder means an MCI Holder (or beneficial holder of MCIs) other than an Eligible MCI Holder.

Investor Presentation means the presentation to investors in relation to the Entitlement Offer and Placement released to the ASX on 3 June 2024, incorporated in Section 4 of this Offer Booklet.

Joint Lead Managers means Acacia Partners Pty Ltd (ABN 85 662 816 748), E&P Corporate Advisory Pty Limited (ABN 21 137 980 520), Morgans Financial Limited (ABN 49 010 669 726) and National Australia Bank Limited (ABN 12 004 044 937).

Joint Lead Manager Parties means each Joint Lead Manager and each of the Joint Lead Managers' affiliates, related bodies corporate (as that term is defined in the Corporations Act) and shareholders, and each of their respective directors, employees, officers, representatives, agents, affiliates, partners, consultants and advisers.

Listing Rules means the official listing rules of ASX.

MCI means a fully paid mutual capital instrument in Australian Unity.

MCI Holder means a holder of MCIs.

MCI Terms means the terms of issue of MCIs.

New MCIs means MCIs to be allotted and issued under the Entitlement Offer.

Offer means the Entitlement Offer and the Placement.

Offer Booklet means this document (including, for the avoidance of doubt, the ASX Announcements and Investor Presentation).

Offer Management Agreement means the offer management agreement between Australian Unity and the Joint Lead Managers.

Offer Price means \$72.50 per New MCI.

Offer Website means the offer website which can be accessed at www.australianunity.com.au/mci2024.

Oversubscription Facility means the opportunity for Eligible MCI Holders who take up all of their Entitlement to also apply for Additional MCIs in excess of their Entitlement.

Permitted Jurisdiction means Australia New Zealand and any other jurisdiction as agreed between the Joint Lead Managers and Australian Unity.

Placement means the placement to wholesale investors that raised approximately \$70 million at the Offer Price as announced on Tuesday 4 June 2024.

Record Date means 7.00pm (AEST) on 6 June 2024.

Registry means Link Market Services Limited (ABN 54 083 214 537).

SRN means Securityholder Reference Number.

TFN means Tax File Number.

Timetable means the indicative table set out in the “Key dates” section of this Offer Booklet.

U.S. Securities Act means the U.S. Securities Act of 1933, as amended.

8 Appendix

8.1 Terms of Australian Unity MCIs

1 Terms

These Terms set out the general terms and conditions of MCIs.

2 Face value and issue price

- (a) The face value of each MCI is \$100 (Face Value).
- (b) The issue price of each MCI will be determined by the Directors in their absolute discretion and may be the Face Value, more than the Face Value or less than the Face Value.
- (c) MCIs must be issued fully paid.

3 Dividend

3.1 Dividend

Subject to these Terms (including, but not limited to, clause 3.3), the Dividend payable on each MCI for each Dividend Period is payable in arrears on each Dividend Payment Date and is calculated according to the following formula:

$$\text{Dividend} = \frac{(\text{Dividend Rate} \times \text{Face Value} \times N)}{365}$$

where

Dividend Rate means 5.00 percent per annum; and

N means, in respect of a Dividend Period, the number of days in that Dividend Period.

3.2 Adjustment to calculation of a Dividend for franking

If any Dividend is not franked to 100% under Part 3-6 of the Tax Act, the Dividend will be calculated according to the following formula:

$$\text{Dividend} = \frac{D}{1 - [T * (1 - F)]}$$

where

D means the Dividend calculated under clause 3.1;

T means the Australian corporate tax rate applicable to the franking account of Australian Unity on the relevant Dividend Payment Date (expressed as a decimal); and

F means the franking percentage (as defined in Part 3-6 of the Tax Act) applicable to the franking account of Australian Unity on the relevant Dividend Payment Date (expressed as a decimal).

3.3 Dividends are discretionary and non-cumulative

- (a) Notwithstanding any other provision of these Terms, the payment of any Dividend is discretionary and subject to the Directors in their absolute discretion determining that Australian Unity pay the Dividend.
- (b) The Directors may in their absolute discretion determine that Australian Unity pay only part of a Dividend.
- (c) The Directors may in their absolute discretion determine that Australian Unity pay an Optional Dividend.
- (d) Australian Unity must notify the Exchange at least five Business Days before the relevant Record Date (or, if later, as soon as the Directors determine that Australian Unity will not pay the Dividend) if payment of any Dividend will not be made.
- (e) Dividends are non-cumulative. If all or any part of a Dividend is not paid, Australian Unity has no liability to pay that Dividend, or any part of that Dividend, and a Holder has no claim or entitlement against Australian Unity or any other person in respect of the non-payment. No interest or other amount accrues on any unpaid Dividend, or any unpaid part of a Dividend, and a Holder has no claim or entitlement in respect of interest or any other amount on any unpaid Dividend or any unpaid part of a Dividend.

3.4 Payment

- (a) A Dividend or Optional Dividend is only payable to the person registered at 7:00pm (Melbourne time) on the Record Date for that Dividend or Optional Dividend as the Holder.
- (b) Any amount which is payable to a Holder in respect of an MCI will, unless Australian Unity determines otherwise, be paid by direct credit into a nominated account at an Australian financial institution.
- (c) If a Holder fails to nominate an account for the purpose of clause 3.4(b) or the payment into the nominated account fails, the amount may be deposited by Australian Unity into a bank account maintained by Australian Unity or the Registry until the Holder nominates an account, or in the case of a failure of the nominated account, an alternative account. An amount so deposited shall be taken to have been duly paid to the Holder and shall not bear interest. Any interest accruing on any such account shall be paid to Australian Unity.
- (d) If any payment:
 - (1) is due on a day which is not a Business Day, then the due date for payment will be the next Business Day; or
 - (2) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the next day on which banks are open for general banking business in that place.No additional amount is payable in respect of any delay in payment.
- (e) For the purposes of making any payment in respect of a Holder's aggregate holding of MCIs, any fraction of a cent will be disregarded.
- (f) A payment made under this clause 3.4 to any one joint Holder of an MCI will discharge Australian Unity's liability to all joint Holders of that MCI.

3.5 Dividend restriction

- (a) If any Dividend is not paid to Holders in full on the relevant Dividend Payment Date, then, subject to clause 3.5(b), Australian Unity must not, without the approval of a Special Resolution:
 - (1) declare or determine or pay a dividend; or
 - (2) return any capital or undertake any buy-backs or repurchases,in relation to any mutual capital instruments (as that term is defined in the Corporations Act) or other security or share of Australian Unity which ranks equally with or behind MCIs in respect of a return of capital on the winding up of Australian Unity, unless the amount of any unpaid Dividend is paid in full within five Business Days of that Dividend Payment Date. If, on a subsequent Dividend Payment Date a Dividend is paid in full, or if all MCIs have been Repurchased or otherwise cease to be on issue, then these restrictions cease to apply.
- (b) Clause 3.5(a) does not restrict Australian Unity paying any dividend, returning any capital or undertaking any buy-back or repurchases which Australian Unity is legally obliged to pay, return, complete or undertake at the time that the relevant Dividend is not paid to Holders in full on the relevant Dividend Payment Date.

3.6 Deductions and gross-up

- (a) All payments made by Australian Unity in respect of MCIs must be made without any withholding or deduction in respect of Taxes, unless the withholding or deduction is required by law or permitted by this clause 3.6.
- (b) Australian Unity may deduct from any Dividend, Optional Dividend or other amount payable to a Holder in respect of an MCI, the amount of any withholding or other Tax required by any law, treaty, regulation or official administrative pronouncement to be deducted in respect of such amount. If any withholding or deduction arises, Australian Unity will not be required to pay any further amounts on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder for or in respect of any such withholding or deduction.
- (c) Australian Unity will pay the full amount deducted under clause 3.6(b) to the relevant revenue authority within the time allowed for such payment without incurring penalty under the applicable law or otherwise.

Terms of Australian Unity MCIs *continued*

3.7 Determination final

Australian Unity's determination of all dates, rates and amounts under these Terms is, in the absence of wilful default, bad faith or manifest error, final and binding on Australian Unity, the Registry and each Holder.

3.8 Calculations

For the purposes of any calculations required under these Terms:

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%);
- (b) all figures must be rounded to four decimal places (with 0.00005 being rounded up to 0.0001); and
- (c) all amounts that are due and payable must be rounded to the nearest one Australian cent (with one half of an Australian cent being rounded up to one Australian cent).

4 Repurchase

4.1 Repurchase Notice

- (a) Australian Unity may, subject to clause 4.1(b), issue a Repurchase Notice.
- (b) A Repurchase Notice may only be issued:
 - (1) at any time after a Tax Event or Regulatory Event occurs; or
 - (2) at the same time as, or at any time after, the issue by Australian Unity of a notice of meeting which contains a resolution seeking Member approval of a Demutualisation.
- (c) A Repurchase Notice issued as a consequence of a Tax Event or a Regulatory Event is irrevocable.

4.2 Repurchase Date

- (a) The Repurchase Notice must set out the proposed Repurchase Date or details of the manner in which Australian Unity will determine the Repurchase Date, which in the case of a Repurchase that will result from a Demutualisation Event must be a date after the Demutualisation Event has occurred, but before the Demutualisation has occurred.
- (b) On the Repurchase Date:
 - (1) the Final Dividend Payment (if any) will at the absolute discretion of the Directors be paid to the Holder;
 - (2) each MCI will be Repurchased by Australian Unity for the Repurchase Amount which will be paid to the Holder; and
 - (3) the MCIs will be cancelled and all rights conferred by the MCIs will cease.
- (c) A payment made under this clause 4.2 to any one joint Holder of an MCI will discharge Australian Unity's liability to all joint Holders of that MCI.

4.3 Holder approval

- (a) If Australian Unity has determined that the Repurchase is to be effected by a buy-back of MCIs, each Holder is taken irrevocably to offer to sell all of its MCIs to Australian Unity on the Repurchase Date for the Repurchase Amount of each MCI (Holder Offer).
- (b) Australian Unity may accept a Holder Offer by giving notice to the Holder. Australian Unity or any other Appointed Person may receive Australian Unity's acceptance of the Holder Offer and execute the relevant agreement on behalf of the Holder.
- (c) If Australian Unity has determined that the Repurchase is to be effected by a capital reduction and cancellation of MCIs, each Holder is taken irrevocably to agree to the capital reduction and the cancellation of all of its MCIs on the Repurchase Date for the Repurchase Amount of each MCI.
- (d) If Australian Unity determines to Repurchase MCIs, each Holder must:
 - (1) vote in favour (subject to compliance with the law and to the extent that the Holder is entitled to do so) or otherwise abstain from any required resolution;
 - (2) provide all documentation and execute any authorisation or power necessary; and
 - (3) take all other action necessary or desirable, to effect the Repurchase.

4.4 Final Dividend

For the avoidance of doubt, Repurchase may occur even if Australian Unity does not pay the Final Dividend Payment.

4.5 Warranty

Each Holder is deemed, when MCIs are Repurchased, to warrant and represent to Australian Unity that the Holder owns such MCIs, that such MCIs are free and unencumbered and that the Holder has not sold, alienated, donated or otherwise disposed of such MCIs.

5 MCI general rights

5.1 Ranking

- (a) MCIs rank equally amongst themselves in all respects.
- (b) Australian Unity may issue further mutual capital instruments (as that term is defined in the Corporations Act) on such terms as the Directors determine, including, but not limited to, different (but not in priority to MCIs) dividend rights, buy-back and capital reduction rights to MCIs, provided that those mutual capital instruments do not rank in priority to MCIs in respect of a payment of Dividends or a return of capital on the winding-up of Australian Unity. Such an issue does not constitute a variation or cancellation of the rights attached to MCIs and does not require the approval of Holders.
- (c) Australian Unity must not issue any mutual capital instruments (as that term is defined in the Corporations Act) which rank in priority to MCIs in respect of a payment of Dividends or a return of capital on the winding-up of Australian Unity, without first obtaining the approval of Holders by a Special Resolution. Such an issue does not constitute a variation of the rights attached to MCIs.

5.2 No set-off

- (a) Australian Unity has no right to set-off any amounts owing by it to a Holder in respect of MCIs against any claims owing by the Holder to Australian Unity.
- (b) No Holder has any right to set-off any amounts owing by it to Australian Unity or a member of the Australian Unity Group against any claims owing by Australian Unity or another member of the Australian Unity Group to such Holder.

5.3 Winding-up

On the winding-up of Australian Unity, Holders will be entitled to receive out of the assets of Australian Unity available for distribution to shareholders of Australian Unity, in respect of each MCI held, a cash payment (Winding-Up Amount) equal to:

- (a) the amount of any Dividend due but unpaid; and
- (b) the Face Value,

before any return of capital or distribution is made to holders of ordinary shares or any other class of securities or shares ranking behind MCIs, or to Non Shareholder Members. A payment made under this clause 5.3 to any one joint Holder of an MCI will discharge Australian Unity's liability to all joint Holders of that MCI.

5.4 Shortfall on winding-up of Australian Unity

If, upon a return of capital on the winding-up of Australian Unity, there are insufficient funds to pay in full the amounts referred to in clause 5.3 and any amounts payable in respect of any other shares in Australian Unity ranking as to such distribution equally with the MCIs on a winding-up of Australian Unity, Holders and the holders of any such other shares will share in any distribution of assets of Australian Unity in proportion to the amounts to which they respectively are entitled.

5.5 No participation in surplus assets

MCIs do not confer on Holders any further right to participate in the surplus assets of Australian Unity on the winding-up of Australian Unity beyond payment of the Winding-Up Amount.

5.6 Participation in new issues

MCIs confer no rights to subscribe for new securities of Australian Unity or to participate in any bonus issues of securities of Australian Unity.

5.7 No other rights

MCIs do not confer on Holders any right to participate in profits or property except as set out in these Terms.

6 Voting rights

- (a) Holders may attend and speak at the AGM and Special General Meetings.
- (b) An MCI does not entitle its Holder to vote on a Demutualisation, on a proposal to wind up Australian Unity or on a resolution referred to in rule 3.4(l) of the Constitution.
- (c) Each Holder has one vote only on a resolution at the AGM or a Special General Meeting. For the avoidance of doubt, if a Holder is also a Non Shareholder Member the Holder has one vote only.
- (d) The provisions of the Constitution relating to general meetings apply, with necessary changes, to any meeting of Holders as if that meeting were a general meeting except that:
 - (1) a quorum is at least 2 Holders present in person or by proxy and entitled to vote or, if there is only one Holder entitled to vote at that meeting, that Holder;
 - (2) any resolution at the meeting must be decided on a poll;
 - (3) on a poll, every Holder present and entitled to vote has one vote for each MCI held as at the Record Time; and
 - (4) if more than one joint Holder tenders a vote in respect of the relevant MCI, the vote of the joint Holder named first in the Register who tenders a vote, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Holders.
- (e) Australian Unity may suspend the voting rights of any Holder if Australian Unity reasonably determines that the Holder:
 - (1) is holding MCIs in whole or part for, on account of, to the benefit of or on behalf of any person; or
 - (2) has exercised, is exercising or is proposing to exercise any vote of an MCI for, on account of, to the benefit of or on behalf of any person,such that that person is able to directly or indirectly control or influence the exercise of more than one vote at the AGM or a Special General Meeting.

7 Non-resident Holders

- (a) Where MCIs are held by or on behalf of a person resident outside Australia, then, despite anything to the contrary contained in these Terms, it is a condition precedent to any right of the Holder to receive payment of any money in respect of those MCIs, that all necessary Authorisations (if any) which may then be required are obtained by the Holder at the cost of the Holder and any other statutory requirements are satisfied.
- (b) Where Australian Unity is not satisfied that all necessary Authorisations and other statutory requirements have been obtained or otherwise satisfied, any amount that would be otherwise payable to the non-resident Holder will be deposited by Australian Unity into an account in Australian Unity's name established for that purpose and held by Australian Unity until Australian Unity is satisfied that all necessary Authorisations and other statutory requirements have been obtained or otherwise satisfied. An amount so deposited shall be taken to have been duly paid to the Holder and shall not bear interest. Any interest accruing on any such account shall be paid to Australian Unity.
- (c) For the purposes of clause 7(a), **Authorisation** includes any consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, approval, direction, declaration, authority or exemption from, by or with any government or any Governmental Agency.

8 Indemnity

- (a) Whenever in consequence of:
 - (1) the death of a Holder;
 - (2) the non-payment of any Tax payable by a Holder;
 - (3) the non-payment of any stamp duty or other duty by the legal personal representative of a Holder or its estate; or
 - (4) any other thing in relation to MCIs or a Holder,

Terms of Australian Unity MCIs *continued*

any law of any country or place, imposes or purports to impose any liability of any nature whatever on Australian Unity to make any payment to any Governmental Agency, Australian Unity will, if it suffers a loss in respect of that liability, be indemnified by that Holder and its legal personal representative, and any monies paid by Australian Unity in respect of that liability may be recovered from that Holder and/or the Holder's legal personal representative as a debt due to Australian Unity which will have a lien in respect of those monies upon MCIs held by that Holder or its legal personal representative and upon any monies payable in relation to such MCIs.

- (b) Nothing in clause 8(a) will prejudice or affect any right or remedy which any such law may confer or purport to confer on Australian Unity.

9 Power of attorney

Each Holder irrevocably:

- (a) appoints Australian Unity, each of its Authorised Officers and any liquidator, administrator or statutory manager of Australian Unity (each an Appointed Person) severally to be the attorney of the Holder with power in the name and on behalf of the Holder to do all such acts and things including signing all documents or transfers as may in the opinion of the Appointed Person be necessary or desirable to be done in order for the Holder to observe or perform the Holder's obligations under these Terms, including, but not limited to, effecting, recording or perfecting the Repurchase of any MCI or exercising any voting power in relation to any consent or approval required for the Repurchase of any MCI; and
- (b) authorises and directs Australian Unity to make such entries in the Register, including amendments and additions to the Register, which Australian Unity considers necessary or desirable to record the Repurchase of any MCI and to record that on that Repurchase the Holder ceases to be registered as the holder of the MCI.

The power of attorney given in this clause 9 is given for valuable consideration and to secure the performance by the Holder of the Holder's obligations under these Terms and is irrevocable.

10 Title and transfer of MCIs

- (a) Each entry in the Register of a person as a Holder constitutes:
 - (1) conclusive evidence of that person's:
 - (a) absolute ownership of that MCI;
 - (b) entitlement to the other benefits given to Holders under these Terms in respect of MCIs; and
 - (2) an undertaking by Australian Unity to pay Dividends and any other amount in accordance with these Terms, subject to correction of the Register for fraud or error.
- (b) Except as required by law or otherwise in accordance with these Terms, Australian Unity and the Registry must treat the person whose name is entered in the Register as a Holder as the absolute owner of that MCI. This clause applies despite any notice of ownership, trust or interest in that MCI. No recognition of any trust, encumbrance or interest shall be entered on the Register.
- (c) Where two or more persons are entered in the Register as joint Holders, they are taken to hold that MCI as joint tenants with rights of survivorship. The Registry is not bound to register more than three persons as joint Holders of any MCI.
- (d) No certificates will be issued to Holders unless Australian Unity is required to provide certificates by any applicable law or regulation.
- (e) A Holder may transfer MCIs:
 - (1) while MCIs are registered with CHESSE, in accordance with the rules and regulations of CHESSE; or
 - (2) at any other time:
 - (A) by a proper transfer under any other applicable computerised or electronic system recognised by the Corporations Act; or
 - (B) by any proper or sufficient instrument of transfer of marketable securities under applicable law, provided such instrument is delivered to the Registry with any evidence the Registry reasonably requires to prove title to or the right to transfer MCIs.
- (f) Title to MCIs passes when details of the transfer are entered in the Register.
- (g) MCIs may be transferred in whole but not in part.

Terms of Australian Unity MCIs *continued*

- (h) Australian Unity must comply with all Transfer Regulations and any other relevant obligations imposed on it in relation to the transfer of MCIs.
- (i) Australian Unity must not charge any fee on the transfer of MCIs.
- (j) The Holder is responsible for any stamp duty or other similar taxes which are payable in any jurisdiction in connection with a transfer, assignment or other dealing with MCIs.
- (k) Upon registration and entry of the transferee in the Register, the transferor ceases to be entitled to future benefits under these Terms in respect of the transferred MCIs.
- (l) Subject to Transfer Regulations, Australian Unity may determine that transfers of some or all MCIs will not be registered during any period reasonably specified by it.
- (m) Subject to clause 10(l), Australian Unity may only refuse to register a transfer of MCIs if permitted by, or if such registration would contravene or is forbidden by, Transfer Regulations or the Terms.
- (n) If Australian Unity refuses to register a transfer, Australian Unity must give the lodging party notice of the refusal and the reasons for it within five Business Days after the date on which the transfer was delivered to the Registry.
- (o) A person who becomes entitled to an MCI because of a Transmission Event may, on producing any evidence Australian Unity or the Registry may request to prove that person's entitlement to the MCI, choose:
 - (1) to be registered as the holder of the MCI by signing and giving Australian Unity or the Registry a written notice stating that choice; or
 - (2) to nominate some other person to be registered as the transferee of the MCI by executing or effecting in some other way a transfer of the MCI to that other person.

11 Amendments to the Terms

11.1 Amendment without consent

Subject to complying with all applicable laws, Australian Unity may, without the authority, assent or approval of Holders, amend these Terms where the amendment or addition is, in the opinion of Australian Unity:

- (a) made to cure any ambiguity, correct any manifest error or correct or supplement any defective provision of these Terms;
- (b) of a formal, minor or technical nature;
- (c) necessary or expedient for the purpose of
 - (1) enabling MCIs to be listed for quotation, or to retain quotation, on any securities exchange or to be offered for subscription or for sale under the laws for the time being in force in any place; or
 - (2) complying with the provisions of any statute, the requirements of any statutory authority, the Listing Rules or the listing or quotation requirements of any securities exchange on which Australian Unity may propose to seek a listing or quotation of MCIs; or
- (d) not materially prejudicial to the interests of Holders as a whole.

For the purposes of determining whether an amendment is not materially prejudicial to the interests of Holders as a whole, the taxation consequences to Holders (or any class of Holders) and other special consequences which are personal to a Holder (or any class of Holders) do not need to be taken into account.

11.2 Amendment by Special Resolution

Without limiting clause 11.1, Australian Unity may **amend** or add to these Terms if the **amendment** or addition has been approved by a Special Resolution.

11.3 Meaning of amend

In clauses 11.1 and 11.2, **amend** includes modify, cancel, alter or add to and **amendment** has a corresponding meaning.

12 Quotation

Australian Unity must use all reasonable endeavours and furnish all documents, information and undertakings as may be reasonably necessary in order to procure and maintain, at its own expense, quotation for MCIs on the Exchange.

13 Notices

Where Australian Unity is required to give a notice in relation to any act, matter or determination, the accidental omission to give that notice does not affect the validity of that act, matter or determination.

14 Governing law

14.1 Governing law

These Terms are governed by the law in force in the State of Victoria, Australia.

14.2 Jurisdiction

Australian Unity submits to the non-exclusive jurisdiction of the courts of the State of Victoria, Australia for the purpose of any legal proceedings arising out of the Terms.

15 Definitions and interpretation

15.1 Definitions

The following expressions shall have the following meanings:

AGM has the same meaning as in the Constitution.

APRA means the Australian Prudential Regulation Authority.

ASX means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of the ASX and the operating rules of ASX Clear Pty Limited.

Australian Unity means Australian Unity Limited (ABN 23 087 648 888).

Australian Unity Group means the group of companies comprising Australian Unity and each of its Subsidiaries.

Authorised Officer means each director and secretary of Australian Unity and any person delegated, on the authority of the Directors, to exercise the power of attorney conferred by clause 9.

Business Day means a day which is (i) a business day within the meaning of the ASX Listing Rules, and (ii) for the purposes of calculation or payment of a Dividend, a date on which banks are open for general business in Melbourne.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

Constitution means the constitution of Australian Unity as amended.

Corporations Act means the Corporations Act 2001 (Cth).

Demutualisation has the same meaning as in the Constitution.

Demutualisation Event means when the Members pass a resolution authorising the entry into, implementation of or carrying out of a Demutualisation by Australian Unity.

Directors means some or all of the directors of Australian Unity acting as a board.

Dividend means a dividend in the amount determined in accordance with clause 3.1 and 3.2.

Dividend Payment Date means in respect of each MCI 15 April and 15 October each year, and also the Repurchase Date. If any of these Dividend Payment Dates is not a Business Day, then the payment will be made in accordance with clause 3.4(d). The first Dividend Payment Date is 15 April 2021.

Terms of Australian Unity MCIs *continued*

Dividend Period means each period commencing on (and including) a Dividend Payment Date and ending on (but excluding) the next Dividend Payment Date, whether or not a Dividend is paid on that date. However:

- (a) the first Dividend Period commences on (and includes) the Issue Date;
- (b) the first Dividend Period for an MCI issued after the Issue Date commences on (and includes) the previous Dividend Payment Date and ends on (but excludes) the next Dividend Payment Date, unless Australian Unity in its absolute discretion determines otherwise; and
- (c) the final Dividend Period ends on (but excludes) the Repurchase Date.

Dividend Rate has the meaning given in clause 3.1.

Exchange means ASX or such other body that is determined by the Directors to be Australian Unity's primary securities exchange for the purposes of this definition.

Face Value has the meaning given in clause 2.

Final Dividend Payment means the Dividend calculated for the final Dividend Period ending on the Repurchase Date, whether or not that Dividend is paid.

Governmental Agency means any government or any government department, governmental, semi-governmental, administrative, fiscal, judicial, investigative, review or regulatory body, department, commission, authority, tribunal, agency, stock exchange or entity in any jurisdiction relevant to Australian Unity.

Holder means a person whose name is entered in the Register as the holder of an MCI and, in the case of joint Holders for the purpose of clause 6(c), means the person named first in the Register.

Issue Date means the first date on which MCIs are issued.

Listing Rules means the listing rules of the Exchange as they apply to the company.

MCI means a fully paid mutual capital instrument (as that term is defined in the Corporations Act) in the capital of Australian Unity issued on these Terms.

Member has the same meaning as in the Constitution.

Non Shareholder Member has the same meaning as in the Constitution.

Optional Dividend means any amount additional to a Dividend that the Directors in their absolute discretion determine to pay to Holders as a dividend.

Record Date means, for the payment of a Dividend:

- (a) the date that is eight calendar days prior to the relevant Dividend Payment Date; or
 - (b) such other date as determined by Australian Unity in its absolute discretion and notified to the Exchange;
- or in either case such other date as may be required by, or agreed with, the Exchange.

The Record Date for the payment of an Optional Dividend is the date prior to the payment of the Optional Dividend that is determined by Australian Unity in its absolute discretion and which Australian Unity notifies to Holders by issuing an announcement to the Exchange not less than five Business Days before the record date.

Record Time means:

- (a) in the case of a meeting for which the caller of the meeting has decided, under the Corporations Act, that MCIs are to be taken to be held by the persons who held them at a specified time before the meeting: that time; and
- (b) in any other case, 48 hours before the relevant meeting, or, if this time would fall on a trading day, 7:00pm (Melbourne time) on that day or such other time specified in the ASX Settlement Operating Rules.

Register means the register of MCIs maintained by the Registry and includes any CHESS sub-register (as defined in the Listing Rules).

Terms of Australian Unity MCIs *continued*

Registry means Link Market Services Limited (ABN 54 083 214 537) or any other registry that maintains the Register.

Regulatory Event means any amendment to, clarification of, or change (including any announcement of a prospective amendment, clarification or change) in, any law or regulation, the Listing Rules, or a statement, order or directive from APRA or any Governmental Agency, or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment, clarification, change or interpretation is effective or pronouncement, action or decision is announced on or after the first Issue Date, and the Directors in their absolute discretion determine that:

- (a) additional requirements in connection with the MCIs would be imposed on Australian Unity or the Australian Unity Group which the Directors in their absolute discretion determine, might have a material adverse effect on Australian Unity, the Australian Unity Group or Non Shareholder Members;
- (b) to have any of the MCIs outstanding would be unlawful or impractical; or
- (c) Australian Unity would be exposed to a more than *de minimis* increase in its costs in connection with MCIs.

Repurchase means the buy back, or cancellation through a capital reduction of MCIs, at Australian Unity's discretion.

Repurchase Amount means:

- (a) in all Repurchases other than a Repurchase that has resulted from a Demutualisation Event, the Face Value; and
- (b) in a Repurchase that has resulted from a Demutualisation Event, the Face Value plus a 1% premium to the Face Value.

Repurchase Date means the date referred to in clause 4.2.

Repurchase Notice means the notice that may be issued by Australian Unity under clause 4.1.

Special General Meeting has the same meaning as in the Constitution.

Special Resolution means a resolution that has been passed by at least 75% of the votes cast by Holders entitled to vote on the resolution.

Subsidiaries has the meaning given to that term in Division 6 of Part 1.2 of the Corporations Act.

Tax means:

- (a) any tax, including GST, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; or
- (b) any income, stamp or transaction duty, tax or charge,

which is assessed, levied, imposed or collected by any Governmental Agency and includes, but is not limited to, any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of the above.

Tax Act means the *Income Tax Assessment Act 1936* of Australia or the *Income Tax Assessment Act 1997* of Australia, as the case may be.

Terms of Australian Unity MCIs *continued*

Tax Event means the receipt by Australian Unity of an opinion from a reputable legal counsel or other tax adviser, experienced in such matters to the effect that, as a result of:

- (a) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations thereunder) of any jurisdiction or any political sub-division or taxing authority thereof or therein affecting taxation;
- (b) any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) (**Administrative Action**); or
- (c) any amendment to, clarification of, or change (including any announced prospective change) in, the pronouncement that provides for a position with respect to an Administrative Action that differs from the theretofore generally accepted position,

(in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification, change (including any announced prospective change) or Administrative Action is made known), which is effective on or after the Issue Date, there is a risk that:

- (d) Australian Unity would be exposed to more than a *de minimis* increase in its costs (including any amount of taxes, duties, assessments, costs or other government charges, the loss of any deductions or grossing-up for withholding tax) in relation to MCIs;
- (e) an additional franking debit will arise in the franking account of Australian Unity in respect of any Dividend; or
- (f) any Dividend will not be a frankable distribution (within the meaning of Division 202 of the Tax Act).

Terms means these terms of issue of MCIs.

Transfer Regulation means the Listing Rules, ASX Settlement Operating Rules, the rules and regulations of CHESSE, the Corporations Act and any rules or regulations made under or pursuant to them.

Transmission Event has the same meaning as in the Constitution.

15.2 Interpretation

- (a) Unless otherwise specified in these Terms, notices may be given by Australian Unity to a Holder in the manner prescribed by the Constitution for the giving of notices and the relevant provisions of the Constitution apply with all necessary modification to notices to Holders.
- (b) Definitions and interpretation under the Constitution will also apply to these Terms unless the contrary intention is expressed.
- (c) Unless otherwise specified, a reference to a clause is a reference to a clause of these Terms.
- (d) Unless the contrary intention appears, an expression in these Terms that deals with a matter dealt with by a provision of the Listing Rules or the ASX Settlement Operating Rules has the same meaning as in that provision.
- (e) Headings (including those in brackets at the beginning of clauses) are for convenience only and do not affect the interpretation of these Terms.
- (f) Australian dollars, dollars, \$, A\$ or cent are references to the lawful currency of Australia.
- (g) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (h) The singular includes the plural and vice versa.
- (i) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

9 Corporate information

Australian Unity

271 Spring Street
Melbourne VIC 3000

www.australianunity.com.au

Australian Unity Offer Information Line

Australia: 1800 500 095

Open 8.30am to 5.30pm (AEST) on Monday to Friday, before the Entitlement Offer closes at 5.00pm (AEST) on Friday 21 June 2024.

Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Joint Lead Managers

Acacia Partners Pty Ltd
Level 45, 55 Collins Street
Melbourne VIC 300

E&P Corporate Advisory Pty Limited
171 Collins Street
Melbourne VIC 3000

Morgans Financial Limited
Level 29, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

National Australia Bank Limited
Level 6, 2 Carrington Street
Sydney NSW 200

Australian Legal Adviser

Herbert Smith Freehills
Level 24, 80 Collins Street
Melbourne VIC 3000

12 June 2024

Australian Unity Limited
ABN 23 087 648 888

Dear MCI holder

AUSTRALIAN UNITY NON-RENOUNCEABLE ENTITLEMENT OFFER

On Monday 3 June 2024, Australian Unity Limited (ABN 23 087 648 888) (**Australian Unity**) announced a non-underwritten 1 for 3 pro rata non-renounceable entitlement offer of mutual capital instruments (**MCI**s) (**Entitlement Offer**) and accompanying non-underwritten placement to wholesale investors (**Placement**) (together, the **Equity Raising**).

The proceeds from the Equity Raising will form part of Australian Unity's ongoing capital management strategy and are intended to be used to enhance resilience and provide balance sheet flexibility to support Australian Unity's core vision to enable real wellbeing for our members, customers and community through our portfolio of commercial, sustainable businesses. To this end, proceeds may be used to repay debt facilities that were utilised to fund the recent acquisition of myHomecare Group.

As announced on Tuesday 4 June 2024, the Placement raised approximately \$70 million and settlement of the Placement is expected to occur on Thursday 27 June 2024.

This letter is to notify you that the Entitlement Offer is now open and to provide you with instructions as to how to obtain a copy of the Offer Booklet and your personalised Entitlement and Acceptance Form.

Details of the Entitlement Offer

The offer price for the Entitlement Offer and Placement is the same, being \$72.50 per new MCI (**New MCI**) (**Offer Price**). The Offer Price of \$72.50 per New MCI represents an approximate 11.60 percent discount to the closing price of \$82.00 on Friday 31 May 2024. At the Offer Price (assuming discretionary Dividends are paid in full), the cash running yield will be 6.90 percent per annum and the grossed-up running yield will be 9.85 percent per annum¹ for New MCIs.

If all of the entitlements are taken-up, the Entitlement Offer will raise approximately \$83 million.

If you are an Eligible MCI Holder, you are able to subscribe for 1 new MCI for every 3 existing MCIs held at 7.00pm (AEST) on Thursday 6 June 2024 (**Record Date**) (**Entitlement**).

How to obtain a copy of the Offer Booklet and your personalised Entitlement and Acceptance Form

The terms and conditions of the Entitlement Offer are provided in the Offer Booklet. You should read the Offer Booklet and your personalised Entitlement and Acceptance Form carefully and in their entirety before deciding whether to participate in the Entitlement Offer.

¹ Gross rate 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. The gross rate will change if Australian Unity's corporate tax rate changes in the future.

You can obtain a copy of the Offer Booklet and your personalised Entitlement and Acceptance Form at <http://www.australianunity.com.au/mci2024> or by calling the Australian Unity Offer Information Line on 1800 500 095 from 8.30am to 5.30pm (AEST), Monday to Friday.

The Entitlement Offer is scheduled to close at **5.00pm (AEST) on Friday 21 June 2024**. Payment in cleared funds must be received before this time.

Capitalised terms used but not defined in this letter have the meaning given in the Offer Booklet.

Eligible MCI Holders

Eligible MCI Holders are those persons who:

- are registered as holders of existing MCIs as at the Record Date;
- have an address on the Australian Unity register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States;
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer, provided that, if an MCI holder (including a nominee or custodian) is acting for the account or benefit of a person in the United States, it may not participate in the Entitlement Offer on behalf of such a person.

MCI holders who are not Eligible MCI Holders are Ineligible MCI Holders and are consequently unable to participate in the Entitlement Offer. Notwithstanding the above, Australian Unity may (in its absolute discretion) agree to extend the Entitlement Offer to certain institutional MCI holders who have registered addresses outside Australia and New Zealand (except the United States) in accordance with applicable law.

Action required by Eligible MCI Holders

If you are an Eligible MCI Holder you may take one of the following actions:

1. Take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement, please pay your application monies via BPAY® by following the instructions set out on your personalised Entitlement and Acceptance Form.

2. Take up all of your Entitlement and apply for Additional MCIs

If you wish to take up all of your Entitlement and apply for additional MCIs in excess of your Entitlement, please pay your application monies (for your full Entitlement and the amount you wish to subscribe for in excess of your Entitlement) via BPAY® by following the instructions set out on your personalised Entitlement and Acceptance Form.

3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements

If you do not wish to take up all or any part of your Entitlement, do not take any further action and all or that part of your Entitlement will lapse.

Further information

If you have any queries regarding the Entitlement Offer, please contact your professional adviser, refer to <http://www.australianunity.com.au/mci2024> or please call the Australian Unity Offer Information Line on 1800 500 095 from 8.30am to 5.30pm (AEST), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

Thank you for your continued support of Australian Unity.

Yours faithfully

A handwritten signature in cursive script that reads "Lisa Chung".

Lisa Chung AM
Chair
Australian Unity Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This document is not financial product advice and has not taken into account your objectives, financial situation or needs. This announcement has been prepared for release in Australia. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer or solicitation would be illegal. The New MCIs have not been, and will be not, registered under the U.S. Securities Act of 1933 (U.S. **Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New MCIs may not be offered or sold to, directly or indirectly, any person in the United States or any person that is, or is acting for the account or benefit of, any person in the United States except 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 securities law of any state or other jurisdiction of the United States. Nothing contained in this announcement shall form the basis of any contract or commitment, or constitute investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.