Australian Unity
Real Wellbeing

# Tax Transparency Report

2026

# Message from the Chief Financial Officer

I am pleased to present Australian Unity Limited's (Australian Unity) Tax Transparency Report for the financial year ended 30 June 2026. This report details our tax profile, our tax contributions and insights into how we managed our tax obligations during the year in review.

This report shows that the Australian Unity Consolidated Group paid $46.9 million of taxes and $156.7 million of taxes were collected and remitted.

As one of Australia's longest standing Mutuals and Social Enterprises good financial and governance practices are embedded into the foundations of our organisation.

Our decision to be a signatory to the Australian Board of Taxation's voluntary Tax Transparency Code (TTC) and the voluntary release of this report is one of the ways that we demonstrate our commitment to transparency to our members, customers and stakeholders.

This report complements our 2026 Annual Report which can be found on our online investor centre at: **australianunity.com.au/investor-centre**.

**Darren Mann**
Group Executive Finance & Strategy
and Chief Financial Officer

## About Australian Unity

Established in 1840, we are Australia's first wellbeing company, delivering health, wealth and care services for our members and the community.

As a social enterprise, we're motivated by our purpose to positively impact the wellbeing of millions. We reinvest profits to deliver products and services sustainably that matter most to our members, customers and the Australian community.

For us, Real Wellbeing encompasses the whole experience of life. It's about feeling supported in your health, connected with your community and empowered to live life on your terms.

## Australian Unity's Tax Profile

Australian Unity is a company limited by shares and guarantee, however, no ordinary shares have been issued. In 2019, Australian Unity made the necessary amendments to its constitution to allow for the issue of mutual capital instruments (MCI), a perpetual instrument that mutuals can issue. As at the date of this report, Australian Unity has 7,693,618 MCIs on issue. The holders of Australian Unity MCIs are expected to receive fully franked fixed rate dividend payments semi-annually, noting that payment of dividends is within the Australian Unity board's discretion.

Australian Unity and its wholly owned Australian controlled entities have formed a Tax Consolidated Group. As a mutual, while maintaining our purpose to positively impact the wellbeing of millions of Australians, we are subject to taxation on our activities and gains derived from the investment portfolio held on behalf of our life insurance policyholders. Tax paid by Australian Unity on mutual benefit fund income that is derived from policyholders is not available to frank dividends payable to holders of Australian Unity MCIs. However, tax paid on non-policyholder income will generate franking credits that are available to frank dividends payable to holders of the MCIs.

## Our approach to tax

We take our tax obligations seriously. Our approach to tax is predicated on integrity and transparency, which are the overarching principles governing the Australian Unity Group Tax Risk Management Framework (Framework) endorsed by our board. These principles also govern our tax governance, reporting and strategy.

Key elements of our approach to tax include:

- Complying with all applicable tax laws from Federal to State;
- Applying the highest standards of compliance to meet our obligations under tax legislation and a low tolerance for failing to comply with our taxation obligations;
- Adopting a balanced risk appetite to tax structuring on a range of transactions and activities across the enterprise, which involves accepting a reasonable degree of preliminary risk that is subject to risk mitigation strategies and a robust control environment; and
- Maintaining a professional and transparent relationship with the Australian Taxation Office (and the relevant state tax revenue authorities) on any review activities that are being undertaken and with early engagement on major transactions.

The General Manager of Taxation & Tax Counsel reports on the effectiveness of the design and operation of the Framework annually and escalates tax matters in accordance with the Framework to the Audit Committee.

The Australian Unity Tax Team embeds risk management in all of our critical business activities, functions, processes and systems through the following mechanisms:

- Risk assessments: we regularly assess known, new and emerging risks and if concerns are raised external advice is sought;
- Risk controls: we put controls in place over material risks, and periodically assess the design and operational effectiveness of those controls and rectify any deficiencies; and
- Reputational risk we assess the materiality of a risk based on the degree of financial and non-financial impacts, including community, reputational and legal impacts.

We assess the tolerability of a tax-related risk based on a combination of residual risk and control effectiveness. In addition, tax governance reviews and testing around the effectiveness of Australian Unity's income tax and GST controls are conducted by an independent specialist on a regular basis.

In accordance with the corporate tax transparency disclosure requirements for public companies, Australian Unity publishes details of its subsidiaries and tax residency in its annual financial statements. As a public country-by-country (CbC) reporting entity, Australian Unity has also submitted its first public CbC report in respect of the 30 June 2025 income year.

## Income taxes disclosed in the Consolidated Financial Statements

Income taxes are disclosed at Note 8 to the Consolidated Financial Statements of Australian Unity's FY2026 and FY2025 Annual Reports. It sets out the reconciliation of accounting profit to income tax expense and contains income tax payable:

| **Reconciliation of income tax expense/(income) to prima facie tax payable** *(see Note 8 of Australian Unity's Consolidated Financial Statements)* | **FY2026 $'000** | **FY2025 $'000** |
|---|---|---|
| Profit/(loss) before income tax from continuing operations | **(148,656)** | 109,237 |
| Less: profit in benefit funds | **(60,406)** | (95,227) |
| Profit/(loss) before income tax and benefit funds | **(209,062)** | 14,010 |
| Profit/(loss) before income tax from discontinued operations | **(1,025)** | (3,889) |
| **Profit/(loss) before income tax for the year** | **(210,087)** | 10,121 |
| Tax at the Australian tax rate of 30% | **(63,026)** | 3,036 |
| Non-assessable income | **(14,549)** | (10,290) |
| Other assessable amounts | **5,074** | 83 |
| Non-deductible expenditure | **21,788** | 1,880 |
| Other deductible expenditure | **(2,134)** | (1,185) |
| Under/(over) provision in prior years | **(1,404)** | (539) |
| Tax credits | **(6)** | (275) |
| Other adjustments | **(665)** | (9,150) |
| Tax in benefit funds | **60,406** | 95,227 |
| **Income tax expense/(income)** | **5,484** | 78,787 |
| **Reconciliation of income tax expense/(income) to income tax payable/(recoverable)** | | |
| Income tax expense/(income) | **5,484** | 78,787 |
| Temporary differences: deferred tax | **(39,281)** | (82,657) |
| Adjustments for current tax of prior periods and other adjustments | **1,407** | (566) |
| **Income tax payable/(recoverable)** *(see current tax expense/(income) at Note 8 of Australian Unity's Consolidated Financial Statements)* | **(32,390)** | (4,436) |

Further information in relation to the breakdown of Australian Unity's effective tax rate (ETR) is outlined in the section below. The key differences between Australian Unity's ETR of nil per the Consolidated Financial Statements and the corporate tax rate of 30% for FY2026 can be attributed to the following key factors:

### Items increasing income tax expense and ETR

- **Non-deductible expenditure:** attributed to expenditure and outgoings incurred on certain life insurance products issued before 1 January 2003 which are not subject to tax under the tax law, non-deductible losses on the revaluation and impairment of various investments, non-deductible expenses associated with various investments/divestments, non-deductible entertainment and non-deductible penalties/fines;
- **Tax in benefit funds:** attributed to the tax paid on returns from investments held on behalf of life insurance policyholders; and
- **Other assessable income:** attributed to capital gains arising from the disposal of retirement villages.

### Items decreasing income tax expense and ETR

- **Non-assessable income:** attributed to the following:
  - Management fee income on certain life insurance products issued before 1 January 2003 which are not subject to tax under the tax law;
  - Receipt of loan amounts from residents on entering a retirement village which are non-assessable;
- **Other deductible expenditure:** attributed to expenditure incurred for lease repayments to residents on leaving a retirement village;
- **Tax credits:** represents the franking credits receivable from external investments and foreign income tax offsets; and
- **Under/(over) provision in prior years:** represents over provision relating to various prior year adjustments.

## Effective tax rate

The ETR is calculated as income tax expense divided by accounting profit. For comparability, as required under the TTC guidance, prior year assessments and tax return under/overs are to be excluded. The ETR has been calculated to be nil due to the group's accounting loss position in the current year.

| Effective tax rate | FY2026 $'000 Per Annual Report | FY2026 $'000 Adjustment for one-off | FY2025 $'000 Per Annual Report | FY2025 $'000 Adjustment for one-off |
|---|---|---|---|---|
| Income tax expense/(income) per Annual Report | **5,484** | **5,484** | 78,787 | 78,787 |
| Adjustments for (under)/over provision in prior years* | **–** | **1,404** | – | 539 |
| Income tax expense/(income) after adjustment for one-off items | **–** | **6,888** | – | 79,326 |
| Profit/(loss) before income tax | **(149,681)** | **(149,681)** | 105,348 | 105,348 |
| **Effective tax rate %**** | **0%** | **0%** | 75% | 75% |

* Adjustments for (under)/over provision are primarily due to the differences between the income tax return and income tax provision.

** This includes an ETR of 100% attributable to benefit fund policyholders, where both the income tax expense and profit before tax relating to the benefit fund policyholders are $60,406k for FY2026 and $95,227k for FY2025, as shown in the reconciliation section above. The tax payable (after tax offsets and credits of $6k) for the corporate group (excluding the benefit funds) was calculated to be nil for both FY2026 and FY2025. In this regard, the ETR has been disclosed as nil for FY2026, noting that the ETR for FY2025 was 75%.

## Australian tax return information published by the ATO

The ATO has published FY2024 Australian tax information for large public companies (Australian public tax entities with total income of $100 million or more) in October 2025. The following table of Australian Unity's FY2024 tax return information was reported by the ATO.

| Australian Unity Limited ABN: 23 087 648 888 | FY2024 Tax Return $'000 |
|---|---|
| Total income | 2,191,128 |
| Taxable income† | 23,884 |
| 30% on taxable income | 7,165 |
| Franking credits | (11,321) |
| Foreign tax credits | (1,979) |
| Other credit adjustment | (72) |
| **Income tax refundable††** | **(6,207)** |

† Taxable income is calculated based on accounting profit (total income less total expenses) adjusted for allowable tax differences provided for under Australian income tax law.

†† Australian Unity's prima facie tax payable is 30% of taxable income, however a tax refundable position has resulted mainly due to refundable franking credits received.

## Total tax contribution summary

The following tables and chart provide a summary of Australian Unity's contribution to the Australian tax system (both Federal and State taxes) in FY2026 and FY2025.

| Total taxes borne by Australian Unity | FY2026 $'000s | FY2025 $'000s |
|---|---|---|
| Corporate income tax‡ | **-** | - |
| Employer - payroll tax‡‡ | **42,324** | 41,578 |
| Non recoverable GST‡‡‡ | **3,945** | 4,558 |
| Fringe benefits tax | **636** | 420 |
| **Total** | **46,905** | 46,556 |

‡ As per tax provision at 30 June, Australian Unity is in a tax refundable position in FY2026 due to a taxable loss position for the group and refundable franking credits. Accordingly, a nil tax payable has been disclosed for the AUL tax consolidated group.

‡‡ Our operations employ approximately 9,715 employees. This includes 922 Plena employees who joined Australian Unity in September 2025.

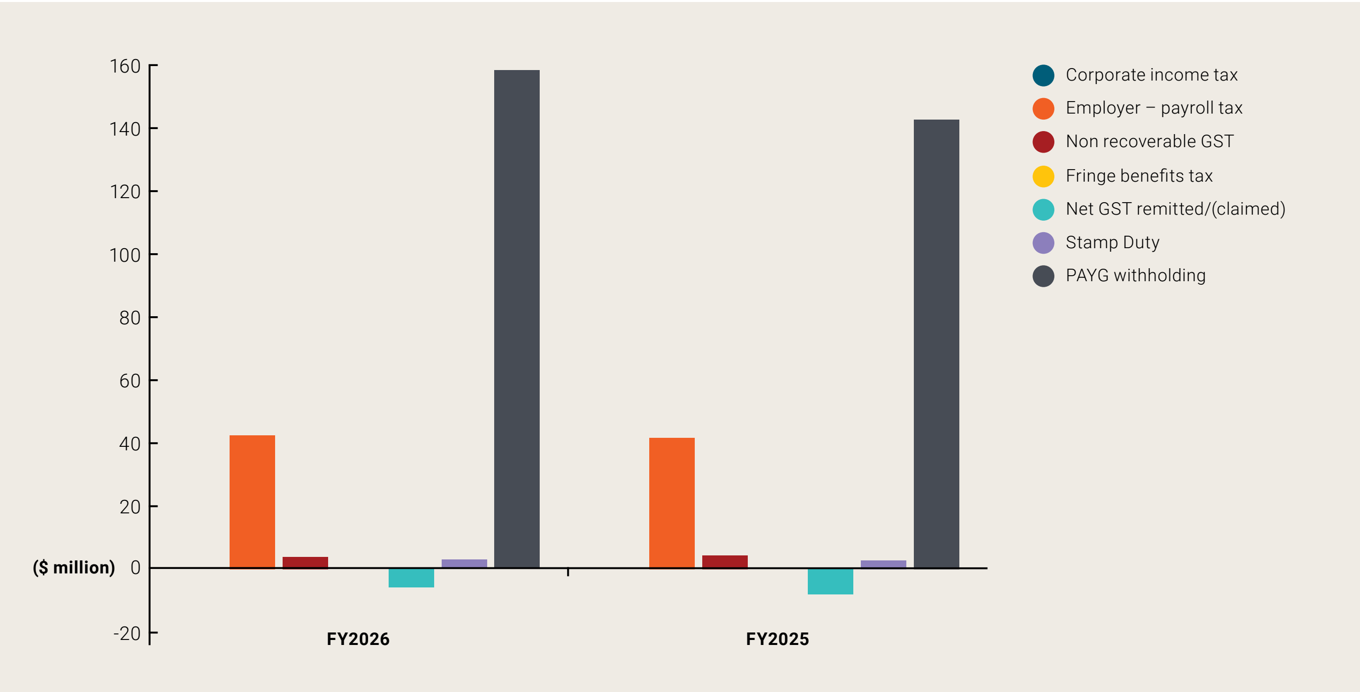
‡‡‡ This amount represents the GST paid by Australian Unity in relation to making input taxed supplies (i.e. financial supplies and retirement village accommodation) that are not recoverable from the ATO.

| Total taxes collected and remitted by Australian Unity | FY2026 $'000s | FY2025 $'000s |
|---|---|---|
| GST collected | **50,787** | 46,162 |
| GST claimed§ | **(56,377)** | (54,298) |
| Net GST remitted/(claimed) | **(5,590)** | (8,136) |
| Stamp duty§§ | **3,640** | 2,937 |
| PAYG withholding§§§ | **158,663** | 142,449 |
| **Total** | **156,713** | 137,250 |

§ The decrease in net GST claimed in FY2026 can be attributable to an increase in taxable supplies arising from the acquisition of the Plena Group.

§§ Majority of stamp duty paid relates to the purchasing and selling of properties by Australian Unity.

§§§ The increase in PAYG withholding remitted to the ATO in FY2026 was primarily attributable to the Plena Group acquisition.




This report should be read in conjunction with the Australian Unity 2026 Annual Report: australianunity.com.au/investor-centre

# For Real Wellbeing Since 1840

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