

Friday, 14 May 2021

AUSTRALIAN CLINICAL LABS LIMITED

PRE-QUOTATION DISCLOSURE

The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with the official quotation and conditional and deferred settlement trading of fully paid ordinary shares (**Shares**) in Australian Clinical Labs Limited (ACN 645 711 128) (**ACL** or the **Company**) (ASX:ACL).

Capitalised terms used, but not been otherwise defined, have the meaning given to them in the prospectus lodged by ACL and ACL SaleCo Limited (ACN 638 177 646) (**SaleCo**) with the Australian Securities and Investments Commission on 28 April 2021 (**Prospectus**).

1 Basis of allocation and procedures determining allocations

The basis for allocation of Shares under the Offer and the procedures by which Applicants can determine their precise allocations is set out below:

The allocation of Shares between the Institutional Offer and the Retail Offer (including the Broker Firm Offer, the Priority Offer, the Priority Employee Discount Offer, the Employee Gift Offer and the Employee Offer) was determined by agreement between the Company and the Joint Lead Managers, having regard to the allocation policy outlined in the Prospectus.

- (a) **Institutional Offer:** The allocation of Shares among bidders in the Institutional Offer was determined by agreement between the Joint Lead Managers, ACL and SaleCo. ACL, the Joint Lead Managers and SaleCo had absolute discretion regarding the basis of allocation of Shares among Institutional Investors. Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Joint Lead Managers.
- (b) **Broker Firm Offer:** The allocation of Shares to Brokers have been determined by agreement between the Joint Lead Managers, ACL and SaleCo. Shares that have been allocated to Brokers for allocation to their Australian and New Zealand resident retail clients will be issued or transferred to the Applicants nominated by those Brokers (subject to the right of ACL, SaleCo and the Joint Lead Managers to reject, aggregate or scale back Applications). It was a matter for each Broker as to how they allocated Shares among their retail clients, and they (and not ACL, SaleCo or the Joint Lead Managers) are responsible for ensuring that retail clients who have received a firm allocation from them receive the relevant Shares. Applicants under the Broker Firm Offer should confirm their allocation through the Broker from whom they received their allocation.
- (c) **Priority Offer:** The allocation of Shares under the Priority Offer was made at the absolute discretion of the Company. Applicants under the Priority have been advised of their allocations.
- (d) **Priority Employee Discount Offer:** Eligible Priority Employees who submitted a valid Application for Shares under the Priority Employee Discount Offer were guaranteed the allocation of up to \$50,000 worth of Shares (rounded down to the nearest whole Share at the Offer Price).
- (e) **Employee Gift Offer:** Eligible Employees who submitted a valid Application for Shares under the Employee Gift Offer were guaranteed an allocation of \$1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price), being 250 Shares.
- (f) **Employee Offer:** Eligible Priority Employees, Eligible Employees and Eligible Casual Employees who submitted a valid Application for Shares under the Employee Offer were guaranteed a minimum allocation of \$500 worth of Shares (rounded down to the nearest whole Share based on the Offer Price). Total allocations under the Employee Offer were capped at a maximum of \$2 million worth of Shares (rounded down to the nearest whole Share based on the Offer Price). Applicants under the Employee Offer will be advised of their precise allocation when they receive the holding statement from the Company or alternatively, they can contact the ACL Offer Information Line (as set out below).

Applicants can also telephone the ACL Offer Information Line on 1800 882 147 (toll free within Australia) or +61 1800 882 147 (outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday (excluding public holidays).

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If Shares are sold before receiving a holding statement, Successful Applicants do so at their own risk.

2 Conditions for the conditional market

The conditions for the conditional market as outlined in the Prospectus and the date by which each of these conditions must be satisfied as required by ASX Operating Rules – Procedure 3330.2(a) are:

Condition	Time for satisfaction
Settlement under the Underwriting Agreement	Tuesday, 18 May 2021
The Company has issued New Shares and SaleCo has transferred existing Shares to successful Applicants under the Offer	Wednesday, 19 May 2021

3 The issue price and sale price and number of ordinary shares to be issued and transferred under the Offer

- (a) The Offer Price for each Share under the Offer (except for the Priority Employee Discount Offer) is \$4.00. Applicants under the Priority Employee Discount Offer paid a discounted price of 85% of the Offer Price, being \$3.40 per Share.
- (b) The total number of Shares allocated under each part of the Retail Offer and the Institutional Offer and the IPO Shares is:

Institutional Offer	86,324,732
Broker Firm Offer	13,750,000
Priority Offer	1,666,750
Priority Employee Discount Offer	332,058
Employee Gift Offer	183,500
Employee Offer	116,071

Total Shares issued or transferred under the Offer	102,373,111
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At Completion of the Offer, there will be a total of 201,834,015 Shares on issue.

The Company confirms that at the time of Completion of the Offer, it will have a free float of at least 20% as shown below:

Total Escrowed Shares	98,626,394
Total Shares held by Directors which are not subject to voluntary escrow	422,500
Free Float Shares	103,284,277
Free float	50.93%

4 Intended despatch date

- (a) The intended date for the despatch of:
- (i) in relation to all holdings on the CHESS sub-register, a notice from ACL under ASX Settlement Operating Rule 8.9.1;
 - (ii) in relation to all other holdings, issuer sponsored holding statements; and
 - (iii) any refund money,
- is Thursday, 20 May 2021.

5 SunDoctors Consideration Shares

ACL has confirmed that it intends to proceed with the issue of 18,688,342 Shares as consideration for the acquisition of SunDoctors by ACL FinCo Pty Ltd (ACN 645 713 373), which is expected to complete immediately after Settlement on 18 May 2021.

6 Voluntary escrow

The following is a breakdown of the number of Shares subject to voluntary escrow and the escrow period applied to those Shares. For details of the material terms of the voluntary escrow arrangements, including any exceptions to the restrictions on disposal, please refer to Sections 7.15 and 9.7 of the Prospectus.

Total securities subject to escrow	Shares with H1 FY22 Release ¹	Shares with FY22 Release ²	Shares with H1 FY23 Release ³
98,626,394	32,875,462	32,875,462	32,875,470

- 1 The period of escrow will end at 4.30pm on the date that the Company has released its preliminary half-year financial statements (being the Company's Appendix 4D) for the half year ended 31 December 2021.
- 2 The period of escrow will end at 4.30pm on the date that the Company has released to the ASX its preliminary final report (being the Company's Appendix 4E) for the financial year ending 30 June 2022.
- 3 The period of escrow will end at 4.30pm on the date that the Company has released its preliminary half-year financial statements (being the Company's Appendix 4D) for the half year ended 31 December 2022.

7 Capital structure

ACL's capital structure as at Completion is set out as follows:

Class	Number
Shares	201,834,015

8 ASX waivers

ASX has granted ACL a waiver from ASX Listing Rule 10.14 on the terms set out below.

Basis for Waiver Decision

Listing Rule 10.14

Listed entities are required to obtain the prior approval of security holders for an issue of equity securities to related parties, even if pursuant to their participation in an employee incentive scheme. This rule is directed at preventing related parties from obtaining securities on advantageous terms and increasing their holding proportionate to the holdings of other security holders' interests by supplementing the related party provisions of the Corporations Act (and any related party provisions applying to foreign entities under relevant legislation).

Facts and Reasons for granting the waiver

ACL has applied for admission to the official list of ASX. It intends to issue performance rights to the CEO and executive director under the terms of an employee incentive plan. Under Listing Rule 10.14, security holders may approve an issue of securities to a director pursuant to an employee incentive scheme for a period of up to 3 years. A waiver from Listing Rule 10.14 is granted on the basis that where a future issue of equity securities to a director under a scheme is disclosed in an initial listing document, persons who subscribe under the IPO with notice of the future issue of securities to the related party, may be taken effectively to have consented to the issue, and it is unnecessary to submit the issue to a security holders' meeting for approval. The disclosure of the details of the future issue must be adequate and consistent with the information that would be required under Listing Rules 10.15 in a notice of meeting. Accordingly, a waiver from listing rule 10.14 is granted as the prospectus contains adequate disclosure about the proposed issue of the performance rights to the executive director and the performance rights are to be issued within three years of ACL's admission to the official list, which is consistent with the requirements of Listing Rule 10.15.

9 Institutional Bookbuild

ACL confirms that in relation to the funds raised pursuant to the institutional bookbuild under the Institutional Offer (**Institutional Bookbuild**):

- (a) the number of Shares allocated under the Institutional Bookbuild is 86,324,732 at a price of \$4.00 per Share (**Bookbuild Price**);
- (b) no promoters or related parties of the Company will be taking up a material number of securities;
- (c) no concessionary fee or other arrangements have been entered into which have had the result that the effective transfer price paid by some allottees differs materially from the Bookbuild Price announced by ACL;
- (d) no arrangements have been entered into which have had the result that some allottees receive a material benefit for agreeing to participate in the Institutional Bookbuild at the Bookbuild Price announced by ACL and which is not received by other allottees; and
- (e) no arrangements have been entered into with associates of ACL or the bookrunner to avoid a shortfall, or the appearance of a shortfall, in the Institutional Bookbuild.

10 Further information

In addition to the documents already described in this announcement, the following documents will be released on the ASX Market Announcements Platform at the same time as this pre-quotation disclosure:

- (a) **ASX listing application:** the Company's Appendix 1A (Application for Admission to the ASX Official List) and Information Form and Checklist;

- (b) **Prospectus:** the Prospectus lodged with ASIC by the Company and SaleCo on 28 April 2021;
- (c) **Constitution:** the Company's constitution;
- (d) **Audited accounts for Clinical Laboratories:** the audited accounts for Clinical Laboratories Pty Ltd (ACN 006 823 089) (**Clinical Laboratories**) for the full years ended 30 June 2018, 30 June 2019 and 30 June 2020 and the reviewed accounts for Clinical Laboratories the half year ended 31 December 2020;
- (e) **Audited accounts for SunDoctors:** the audited accounts for Southern Sun Clinics Pty Ltd (ACN 601 434 511) (**SunDoctors**) for the full years ended 24 June 2018, 30 June 2019 and 28 June 2020 and the reviewed accounts for SunDoctors the half year ended 27 December 2020;
- (f) **Incentive plan:** the full terms and conditions of the Company's long-term variable remuneration plan rules;
- (g) **Corporate governance statement:** the Company's corporate governance statement, disclosing the extent to which ACL will follow, as at the date of its admission to the Official List, the recommendations set by the ASX Corporate Governance Council;
- (h) **Securities trading policy:** the Company's securities trading policy;
- (i) **Indicative distribution schedule of shareholders:** an indicative distribution schedule of the numbers of holders in each class of securities to be quoted, setting out the number and percentage of holders in the following categories:
 - 1 – 1,000
 - 1,001 – 5,000
 - 5,001 – 10,000
 - 10,001 – 100,000
 - 100,001 and over; and
- (j) **Indicative statement of the 20 largest shareholders:** an indicative statement setting out the names of the 20 largest holders of ACL. The statement sets out an indicative list of the names of the 20 largest holders of ACL Shares, being the only class of securities of ACL to be quoted on the ASX, and the number and percentage of ACL Shares held by those holders.