

ASX Announcement

19 May 2021

Australian Unity agrees to buy Greengate residential communities portfolio

Health, wealth and care group Australian Unity aims to accelerate the growth of its aged care and retirement living portfolio with its agreement to purchase Greengate Partnership Pty Ltd (Greengate).

Greengate owns and manages three recently-built and fully operational, vertical co-located retirement village and residential aged care precincts—two in Sydney (Maroubra and Kogarah) and one in Brisbane (Woolloongabba).

The Greengate portfolio also includes a prime development site in the Brisbane suburb, Auchenflower that has approval for a vertical retirement village and residential aged care precinct.

The three operational sites will add 253 independent living units (ILUs) and 225 residential aged care (RAC) beds to the Australian Unity portfolio, while the development site is expected to deliver about 88 ILUs and 110 RAC beds. Australian Unity currently owns and operates 21 retirement villages and seven residential aged care homes across NSW and Victoria, comprising 2,496 ILUs and 786 RAC beds.

Announcing the proposed purchase, Australian Unity's Executive General Manager Residential Communities, Beverly Smith said that the transaction was consistent with the company's growth strategy.

"The proposed purchase reflects our confidence in aged care as a sector where we can add real value for our members, customers and the broader Australian community—and further underlines the important role mutual organisations can take in delivering high quality, member-focused aged care and retirement living," Ms Smith said.

"On top of increasing demand for quality care from an ageing population, the recent Aged Care Royal Commission will result in greater support for more ageing-in place options. This presents opportunities for providers such as Australian Unity, which can demonstrate strength across the continuum of care, in both in-home and residential settings.

ASX code:

AYU

Securities on Issue:

AYUPA – 1,200,000

AYUHC – 1,150,192

AYUHD – 2,070,000

Issuer:

Australian Unity Limited

ACN 087 648 888

Enquiries:

Australian Unity Registry

1300 554 474

Contact details:

Australian Unity Limited

271 Spring Street

Melbourne VIC 3000

Tel: 13 29 39

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

“As with most of the existing Australian Unity portfolio, the Greengate precincts offer continuum of care options.

“Greengate’s aged care residences also operate on the small household model endorsed by the Royal Commission, which makes them compatible with Australian Unity’s Better Together® model of care.

“We look forward to meeting the Greengate customers and their families, as well as Greengate’s team members, and welcoming them to Australian Unity.”

Ms Smith said that the proposed purchase will also accelerate Australian Unity’s plans to grow its presence in Queensland. Australian Unity is the master developer of one of Australia’s largest social infrastructure programs—the Herston Quarter healthcare precinct in Brisbane. Australian Unity is pleased to be able to broaden its operations in Queensland.

Under the agreement, Australian Unity will pay approximately \$65 million, net of cash acquired and subject to adjustments in accordance with the purchase agreement.

Completion of the transaction is subject to relevant third party contractual consents being obtained.

The transaction will be primarily financed from existing internal funds. These include proceeds from the inaugural issue of \$120 million of Australian Unity Mutual Capital Instruments (MCI) in December 2020. The proceeds of the MCI issue were intended to be used to support growth opportunities such as this acquisition in the area of important social infrastructure.

-end-

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

Melinda Honig
General Counsel and Company Secretary
T: +61 3 8682 6819

If securityholders or other interested parties require further information please contact:

Michael Moore
General Manager – Public Affairs & Communications
T: 1300 408 776
E: media@australianunity.com.au