AUSTRALIAN Clinicallabs

Takeover Offer for Healius: Creating Australia’s largest pathology provider

March 2023

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This presentation sets out summary information about ACL's Offer, ACL, Healius and the Merged Group. Further, detailed information regarding the Offer is set out in ACL's announcement to the ASX on the date of this presentation entitled "Takeover Offer for Healius Limited" (**Offer Announcement**) and in ACL's Bidder's Statement in respect of the Offer (**Bidder's Statement**), which ACL lodged with ASIC, and which was released to the ASX, today (20 March 2023). The Bidder's Statement sets out important information for Healius Shareholders, including the key reasons why Healius Shareholders should accept the Offer and more detailed information in respect of the summary information in this presentation (including more detail on, and supporting information for, the summary information in this presentation). Healius Shareholders should read the Offer Announcement and the Bidder's Statement in their entirety in conjunction with this presentation and should not read this presentation in substitution for the Offer Announcement and/or the Bidder's Statement.

Key investment highlights

ACL believes that the merger of ACL and Healius will create Australia's largest pathology provider, operating across pathology and imaging with expected enhanced scale and profitability

Larger, more diversified earnings base	• Expected to create **Australia's largest pathology provider** with more approved collection centres (ACCs) than any other provider[1] • Complementary networks expected to enable **more efficient service delivery** • Better positioned to pursue future organic and inorganic growth opportunities
Material synergy potential	• Expected to unlock approximately **$95m of Expected Cost Synergies**[2] (~95% of Healius' FY23 EBIT)[3] • Synergy delivery expected **within four years of completion** (>50% in first two years) • Key areas: lab consolidation, logistics optimisation, procurement benefits and back-office and support consolidation
De-risks operational turnaround of Healius	• ACL's management team has **consistently delivered superior financial performance** to Healius • Healius Group Cost Reset initiative implies **potential annualised EBIT savings of $95m (Potential Operational Improvement Benefit)**[4] • Previous cost initiatives announced by Healius have had **limited impact on margins** and have faced implementation delays • ACL is **well-equipped to de-risk Healius' operational turnaround** with deep acquisition and turnaround experience
Significant value creation	• **Potential Merged Group pro forma FY23 EBIT of $361m**[5] including Expected Cost Synergies and the Potential Operational Improvement Benefit • **Potential value uplift of $2.1bn** if the Merged Group trades at the current blended forward EV/EBIT multiple of 17.5x[6] • Equates to a **90% increase in the value per Healius Share** implied by the Offer Consideration • ACL believes that the Merged Group will be approaching the threshold for inclusion in the S&P/ASX 100 index over time[7]

(1) As at the time that the Merged Group is created (if the Offer is successful). (2) Approximately $95m of Expected Cost Synergies represents the mid-point of an estimated range of $78m to $113m. Refer to the Bidder's Statement for further information. The realisation of the Expected Cost Synergies is expected to lead to one-off cash costs of approximately $70m in total, which are expected to be incurred progressively over the four-year integration period after completion of the Proposed Merger. (3) Based on the average broker forecast FY23 EBIT for Healius (details of which are set out in the Bidder's Statement). (4) See Appendix C of this presentation for further detail on the Potential Operational Improvement Benefit. (5) EBIT presented on a post AASB 16 basis. Merged Group pro forma FY23 EBIT based on realising the Expected Cost Synergies and the Potential Operational Improvement Benefit, and adding this to the average broker forecast FY23 EBIT for Healius and the midpoint of the ACL FY23 EBIT guidance range. Refer to the Bidder's Statement for further detail. (6) Blended forward EV/EBIT multiple based on the post AASB 16 enterprise value (based on the volume weighted average price (VWAP) of Healius Shares and ACL Shares on the ASX for the period from (and including) 28 February 2023 (being the date after which Healius released its 1H23 Report to the ASX) to the Last Practicable Date (which was Friday 17 March 2023, being the last trading day on the ASX before the date of the Offer Announcement) and average broker forecasts for FY24 EBIT for Healius and ACL as at the Last Practicable Date. However, whether ACL will achieve such a trading multiple after the Proposed Merger is dependent on a range of factors, and no assurance can be provided that ACL will achieve this blended EV/EBIT multiple after Successful Offer Completion or at any time after that. See section 8.4(m) of the Bidder's Statement for more information. (7) Based on the implied market capitalisation of the Merged Group (based on the VWAP of Healius Shares and ACL Shares on the ASX for the period from (and including) 28 February 2023 to the Last Practicable Date) (assuming achievement of the Expected Cost Synergies and Potential Operational Improvement Benefit). The Bidder's Statement contains more information on the basis for ACL's calculation of the implied market capitalisation of the Merged Group.

Offer summary

Under ACL's Offer, each Healius Shareholder is entitled to receive 0.74 ACL Shares for every 1 Healius Share held[1]

Offer Consideration	• Healius Shareholders are entitled to receive **0.74 ACL Shares for every 1 Healius Share held[1]** • ACL's Offer represents a nil-premium merger based on the volume weighted average price (VWAP) of Healius Shares and ACL Shares on the ASX for the period from (and including) 28 February 2023 (being the date after which Healius released its 1H23 Report[2] to the ASX) to the Last Practicable Date (Post-Results Healius VWAP and Post-Results ACL VWAP)[3] • Merged Group ownership immediately after completion of the Offer: **68% Existing Healius Shareholders / 32% Existing ACL Shareholders[4]**
Structure	• **Off-market takeover** for all of the Healius Shares by ACL
Key conditions[5]	• **90% minimum acceptance condition** • Australian Competition and Consumer Commission **(ACCC) clearance** for the Proposed Merger, which ACL believes it has **good prospects of securing** • **Foreign Investment Review Board** (FIRB) approval • **ACL Shareholder approval** under the applicable ASX Listing Rule(s) • Certain conditions relating to the **financial performance of Healius in FY23** • Healius not publicly making certain statements regarding the Healius Group not achieving a specified EBIT margin after FY23 • Healius' net debt plus current tax liabilities less current tax assets not exceeding, or being likely to exceed, specified amounts • **No material adverse change** in respect of Healius or market fall during the Offer period • Other conditions relating to Healius' financial condition, contracts and corporate actions, and the conduct of the Healius Group's business, during the Offer period
Merged Group governance	• Senior management of the Merged Group is not yet finalised, but anticipated to predominantly comprise members from ACL's senior management, and may include certain members from Healius' senior management • ACL intends to review the composition of the Board of the Merged Group and may consider the appointment of a number of current Healius Directors as ACL Directors

Note: The key terms and conditions of the Offer are set out in the Offer Announcement. The Bidder's Statement contains the full details (including the full terms and conditions) of the Offer. (1) Ineligible Foreign Shareholders and Small Parcel Shareholders that accept the Offer will not receive ACL Shares. Instead, if they accept the Offer, they will be paid a cash amount after the sale of the ACL Shares that they would otherwise have been entitled to receive under the Offer, as set out in subsection 1 (Offer Consideration) of Attachment 1 (Key Terms of the Offer) of the Offer Announcement and more fully described in the Bidder's Statement. (2) Healius' Appendix 4D – Half Year Report for the financial half-year that ended on 31 December 2022. (3) Being $2.72 in respect of Healius Shares and $3.66 in respect of ACL Shares. The Offer also represents (i) a nil premium merger based on the 10-day VWAP (to and including the Last Practicable Date) of Healius Shares and ACL Shares on the ASX (being $2.73 in respect of Healius Shares and $3.69 in respect of ACL Shares), and (ii) a 4.2% discount to the closing price of Healius Shares on the ASX on the Last Practicable Date (being $2.78) based on the closing price of ACL Shares on the ASX on the Last Practicable Date (being $3.60). (4) The assumptions that ACL has made in calculating these indicative Merged Group ownership percentages are set out in the Bidder's Statement. (5) Offer Conditions are set out in full in Attachment 2 (Offer Conditions) of the Offer Announcement and the Bidder's Statement.

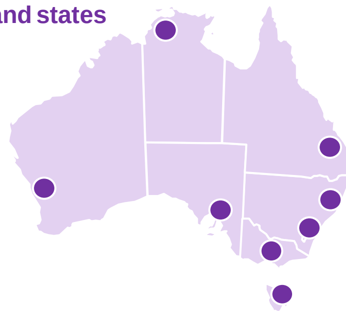
Largest pathology provider in Australia with a comprehensive national footprint

Complementary networks provide diverse platform for growth, supported by the Merged Group's improved financial strength

Operational scale to capture network efficiencies

Merged Group will be a more efficient and sustainable pathology provider with a continued commitment to current bulk-billing practices

- **#1 by ACC count in all mainland states**
- **Approx. 3,400+ ACCs**
- **Approx. 171 laboratories**
- **Approx. 24 brands**
- **160+ hospitals serviced**



	Labs			Collection Centres		
	healius	Australian Clinical Labs	Merged Group	healius	Australian Clinical Labs	Merged Group
NSW / ACT	26	11	**37**	732	444	**1,176**
VIC	29	28	**57**	534	470	**1,004**
SA	1	26	**27**	33	155	**188**
NT	2	1	**3**	18	13	**31**
WA	10	7	**17**	205	172	**377**
QLD	26	2	**28**	543	72	**615**
TAS	2	0	**2**	22	0	**22**
Total	**96**	**75**	**171**	**2,087**	**1,326**	**3,413**

Financial scale to drive investment and growth

Excludes Expected Cost Synergies and the Potential Operational Improvement Benefit

	healius	Australian Clinical Labs	Pro Forma Merged Group
LTM December 2022 Revenue	$1,838m	$818m	**$2,656m**
LTM December 2022 EBIT	$139m	$123m	**$262m**
Gearing (as at 31 December 2022)	3.0x	0.4x	**1.9x**

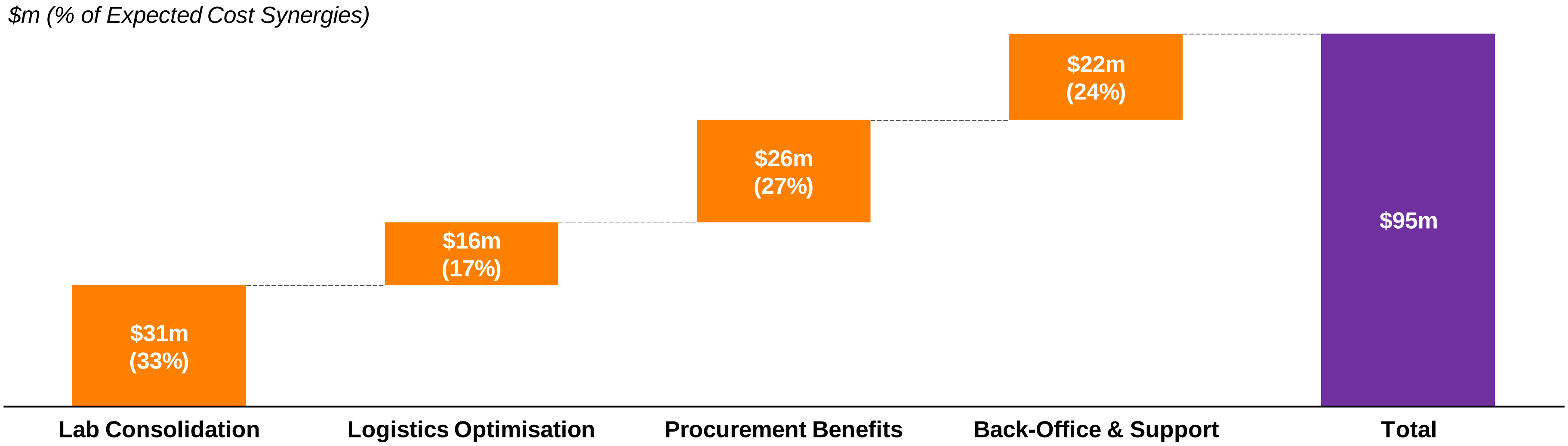
- ✓ Increased financial size and more flexible balance sheet
- ✓ Better positioned to pursue future organic and inorganic growth opportunities
- ✓ Compelling platform for expansion

Note: Refer to section 7 of the Bidder's Statement for further detail on the profile of the Merged Group.

Significant cost synergy opportunities

The Proposed Merger is expected to unlock approximately $95m of Expected Cost Synergies, with an estimated net value of between $1.3 and $1.6bn[1]

Estimated Expected Cost Synergies (gross, run-rate basis)[2]



Expected timing

Within two years post completion

✓ **$55m+ of $95m** captured within the first two years post completion

Two to four years post completion

✓ Remaining **$40m of $95m** realised over the following two years

(1) Range reflects the Expected Cost Synergies capitalised at the blended forward multiples of Healius and ACL. See Appendix B of this presentation for further detail and the Bidder's Statement. (2) The realisation of the Expected Cost Synergies is expected to lead to one-off cash costs of approximately $70m in total, which are expected to be incurred progressively over the four-year integration period after completion of the Proposed Merger.

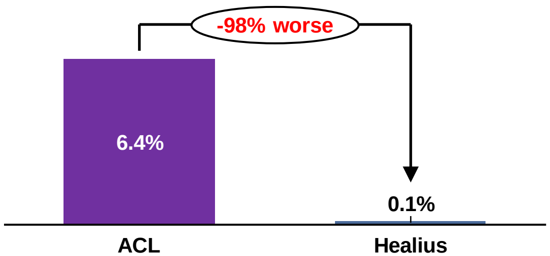
ACL
Healius

Superior track record of performance and shareholder returns

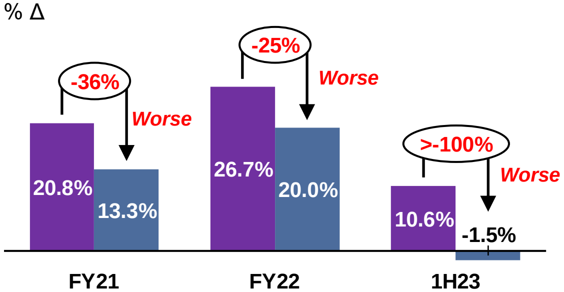
Since listing, ACL has consistently delivered superior performance to Healius despite its smaller scale. This outperformance extends beyond operating metrics to shareholder returns and balance sheet management

Growth & Profitability

Non-COVID Revenue CAGR (1H20 - 1H23)
% Δ



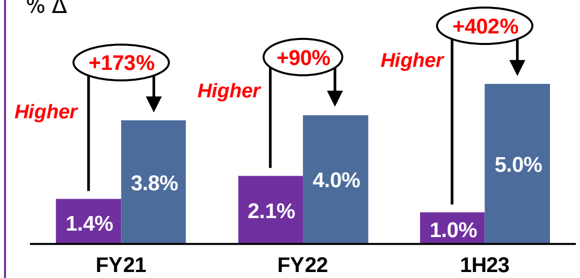
Group EBIT Margin
% Δ



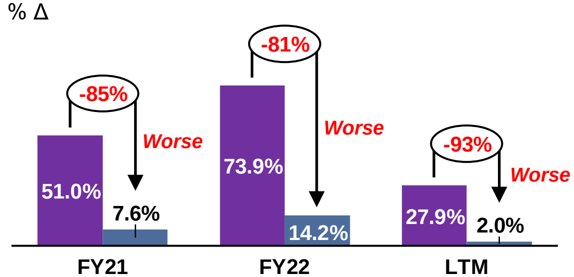
✓ **Superior growth and margins**
✓ **Consistent delivery vs guidance**

Investment & Capital Allocation

CAPEX / Revenue
% Δ



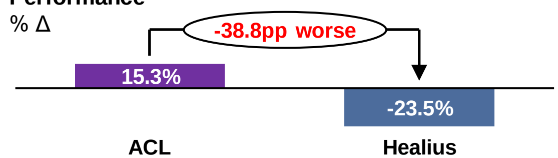
Return on Capital Employed[1]
% Δ



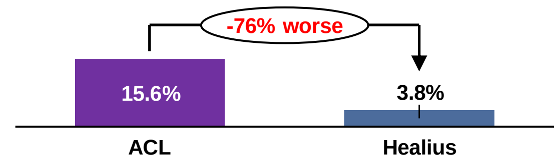
✓ **Lower CAPEX**
✓ **Superior return on capital employed**

Shareholder Returns & Balance Sheet

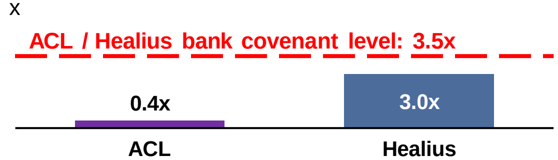
S&P/ASX 200 Health Care Index Relative Performance[2]
% Δ



Dividend Yield (FY22 to 1H23)
% Δ



Gearing (as at 31 December 2022)
x



✓ **Higher dividends and total returns**
✓ **Stronger balance sheet**

Note: Refer to the "Why You Should Accept the Offer" section of the Bidder's Statement for further detail. (1) Return on capital employed is calculated as EBIT divided by the average capital employed (total assets – current liabilities) over the corresponding period. Figures presented on a statutory basis, except for ACL's return on capital employed for FY21, which is displayed on a statutory pro-forma basis to adjust for IPO costs incurred in this year. Last twelve months (LTM) displayed instead of 1H23, given the metric return on capital employed requires a whole year of EBIT to compare against the balance sheet items that comprise the capital employed. LTM is calculated as 2H22 and 1H23 EBIT divided by the average capital employed over this period. (2) From 30 June 2021 to the Last Practicable Date.

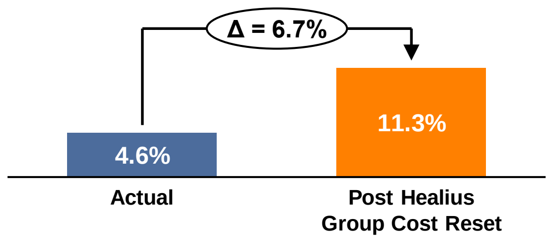
De-risks Healius' operational turnaround (1/2)

While Healius has outlined a cost reset that implies a run-rate underlying EBIT margin uplift of 6.7%, the company has an unsuccessful track record of operational initiatives. There is $1.4 to $1.7bn of value at-risk in delivering the cost reset[1]

1 Operational targets

Healius Group Cost Reset implies approximately $95m in potential annualised EBIT savings relative to FY23

Healius 1H23 underlying EBIT margin (%)



Potential Operational Improvement Benefit

I. Healius' 1H23 cost reset guidance implies a run-rate EBIT margin of 11.3%, with $95m upside relative to FY23 EBIT of $100m[2]

II. This implies $1.4 to $1.7bn of value at-risk when capitalised at the blended forward multiples of Healius and ACL (see Appendix C of this presentation for further detail)

2 Healius' unsuccessful track record

However, similar past initiatives have had repeated delays and margin deterioration in 1H23 does not support purported gains

Laboratory Information System (LIS)

Announced 2018	Delivered?
$100m investment program for a new LIS, funded via an equity capital raising	✖ Repeated changes to program, timing and expected benefit, with minimal disclosure on progress

Sustainable Improvement Program (SIP) I

Announced 2019	Delivered?
$70m of cost savings over a three-to-four year period	✖ Announced $58m of cost savings related to continuing operations, margin decline in 1H23 from FY19 does not support stated benefits

Sustainable Improvement Program (SIP) II

Announced 2020	Delivered?
300bps sustainable margin improvement on FY19 underlying EBIT margin by FY23	✖ Announced $67m of cost savings delivered, but 1H23 EBIT margin below FY19 and 1H20

(1) Range reflects the Potential Operational Improvement Benefit capitalised at the blended forward multiples of Healius and ACL. See Appendix C of this presentation for further detail. (2) Based on the average broker forecast FY23 EBIT for Healius (details of which are set out in the Bidder's Statement). The described impact to FY23 financial performance is illustrative to show the annualised EBIT contribution of the Potential Operational Improvement Benefit.

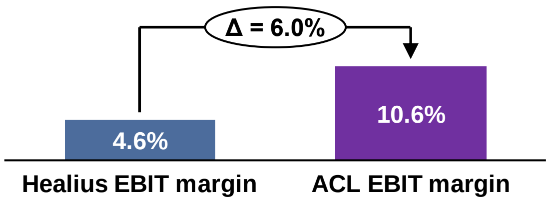
De-risks Healius' operational turnaround (2/2)

Access to ACL's management, systems and capabilities is expected to de-risk the operational turnaround at Healius, with an estimated $1.4 to $1.7bn of potential value at-risk[1]

3 ACL's superior cost control

Despite its smaller scale, ACL has consistently delivered higher margins due to superior cost control

1H23 underlying EBIT margin (%)



ACL believes its cost discipline is largely attributable to…

- **I** Its management team, with experience in successfully managing costs while maintaining service quality
- **II** Its performance driven culture, focused on operational best practice and excellence in customer and clinical service

4 Proven ACL track record

ACL has a proven track record of delivering operational improvement initiatives, such as:

- Implementing a single national Laboratory Information System
- Delivering a complex core database upgrade
- Adopting state-of-the-art robotic laboratory equipment

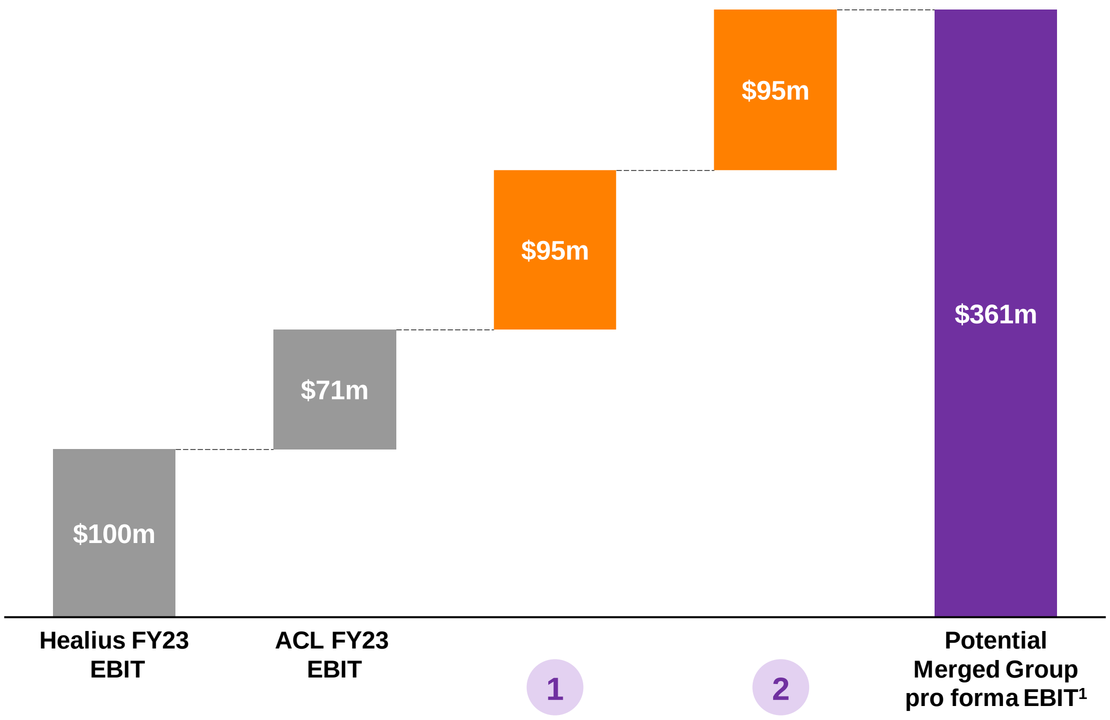
✓ **~890bps EBIT margin expansion between 1H20 (pre-COVID) and 1H23**

(1) Range reflects the Potential Operational Improvement Benefit capitalised at the blended forward multiples of Healius and ACL. See Appendix C of this presentation for further detail.

Potential Merged Group pro forma FY23 EBIT

If the Merged Group can achieve Expected Cost Synergies and the Potential Operational Improvement Benefit, this implies pro forma FY23 EBIT of $361m[1]

Potential Merged Group pro forma FY23 EBIT



Key value drivers

1 Expected Cost Synergies

- ACL believes the Merged Group will benefit from cost consolidation and procurement savings
- Approximately $95m of annual recurring pre-tax cost savings
- Equates to approximately 95% of Healius' FY23 EBIT

2 Potential Operational Improvement Benefit

- Reflects potential EBIT uplift from delivery of the Healius Group Cost Reset as announced at Healius' 1H23 results. See Appendix C of this presentation for further detail
- ACL believes the Proposed Merger de-risks the delivery of the required operational turnaround of Healius

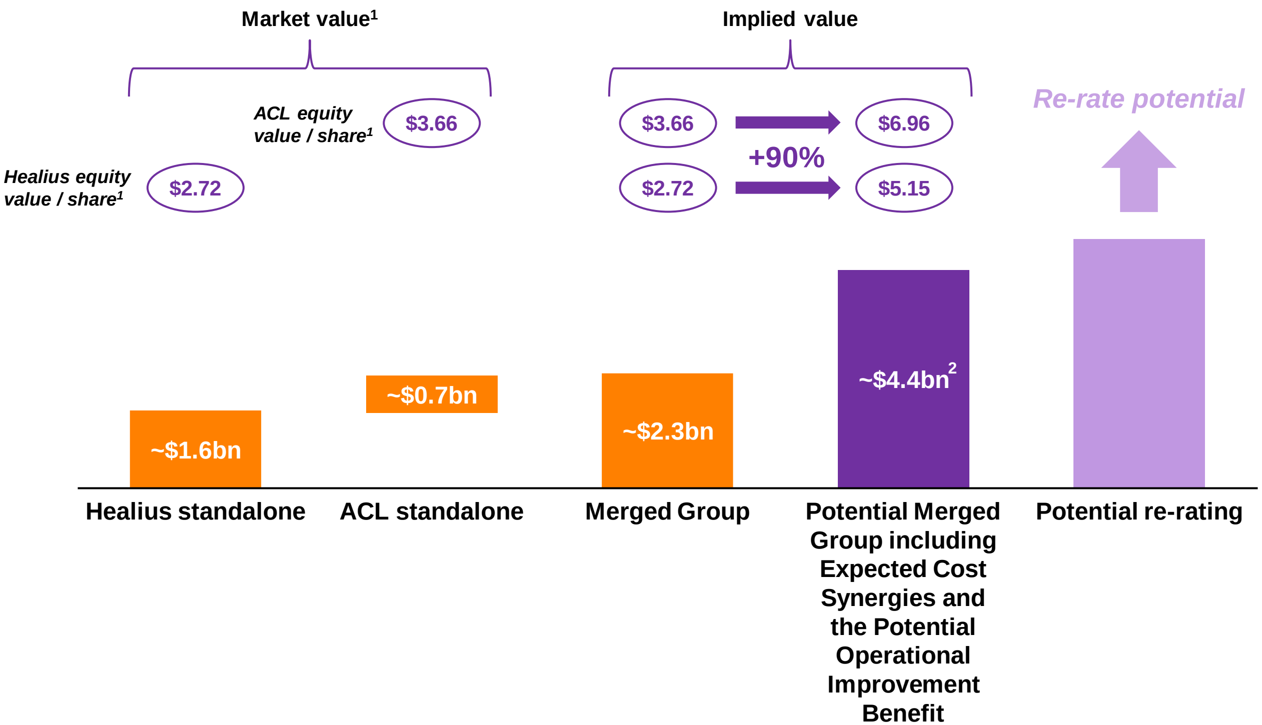
(1) EBIT presented on a post AASB 16 basis. Potential Merged Group pro forma FY23 EBIT based on realising the Expected Cost Synergies and the Potential Operational Improvement Benefit in FY23, and adding this to the average broker forecast FY23 EBIT for Healius and the midpoint of the ACL FY23 EBIT guidance range. The Bidder's Statement contains more information on: (i) the average broker forecast for Healius, including a summary of the selection criteria, number, range and date of the broker forecasts used; and (ii) the basis for the calculation of the potential Merged Group pro forma FY23 EBIT. See the Offer Announcement and Bidder's Statement for ACL's FY23 EBIT guidance. Note that the Merged Group Pro Forma Historical Financial Information shown in section 7 of the Bidder's Statement does not incorporate the Potential Operational Improvement Benefit.

Significant potential value creation for shareholders

Under the terms of the Offer, the Merged Group has the potential to deliver equity value uplift of $2.1bn, or +90% relative to the combined market value of Healius Shares and ACL Shares[1]

~$2.1bn potential uplift in Merged Group equity value

Merged Group equity value build up



Drivers of potential re-rating

- ✓ Greater earnings diversification
- ✓ Enhanced scale
- ✓ Improved balanced sheet strength
- ✓ Greater ability to pursue organic and inorganic growth opportunities
- ✓ Greater capacity to invest in bringing new testing methodologies to Australia
- ✓ Enhanced liquidity
- ✓ Potential for S&P/ASX100 index inclusion over time

(1) Based on the Post-Results Healius VWAP and Post-Results ACL VWAP. (2) Merged Group equity value calculated by capitalising the potential Merged Group pro forma FY23 EBIT (post AASB 16) of $361m at the blended forward EV/EBIT (post AASB 16) multiple of Healius and ACL of 17.5x, less lease liabilities and net debt as at 31 December 2022, and incremental net debt for one-off costs to achieve of $70m. Blended forward EV/EBIT multiple based on the post AASB 16 enterprise value (based on the Post-Results Healius VWAP and Post-Results ACL VWAP) and average broker FY24 EBIT multiples for Healius and ACL as at the Last Practicable Date. The Bidder's Statement contains more information on: (i) these average broker FY24 EBIT multiples; and (ii) the basis for the calculation of the blended forward EV/EBIT multiple. However, whether ACL will achieve such a trading multiple after the Proposed Merger is dependent on a range of factors, and no assurance can be provided that ACL will achieve this blended EV/EBIT multiple after Successful Offer Completion or at any time after that. See section 8.4(m) of the Bidder's Statement for more information.

Deeply experienced team

ACL is led by a stable team with deep acquisition integration and operational transformation experience across the pathology industry and beyond

7+ years at ACL;
30+ years in Healthcare

Michael Alscher

Non-Executive Chair

- ✓ Chairman of ACL's predecessor since 2015
- ✓ Founder of Australia's largest private equity investor in healthcare[1]
- ✓ Chair & Director at several healthcare companies
- ✓ Decades of experience in acquiring and integrating businesses

7+ years at ACL;
30+ years in Healthcare

Melinda McGrath

CEO and Executive Director

- ✓ CEO of ACL's predecessor since 2015
- ✓ 15+ years in Pathology (including 7 years at Healius)
- ✓ Oversaw the integration of five ACL acquisitions
- ✓ Designed and led ACL's organisational restructure and transformation

12+ years at ACL;
20+ years in Pathology

James Davison

CFO

- ✓ Joined ACL's predecessor in 2011 before appointment as CFO in 2015
- ✓ Previous experience includes senior financial roles with Australia Diagnostics Group and Healius
- ✓ In-depth knowledge of international pathology markets

7+ years at ACL;
25+ years in Business Transformation

Anthony Friedli

COO

- ✓ Over 25 years of business transformation experience
- ✓ Previously a Managing Director within a consulting firm specialising in business transformation
- ✓ Held various other management roles and led transformation programs across several industries

On average, each member of ACL's 12-person senior leadership team (SLT) has 15 years of pathology experience and 24 years of healthcare industry experience. Several also have imaging experience. The SLT has been highly stable, with an average 8 years of tenure at ACL and its predecessors. 11 of the 12 SLT members have been with the business for 5+ years

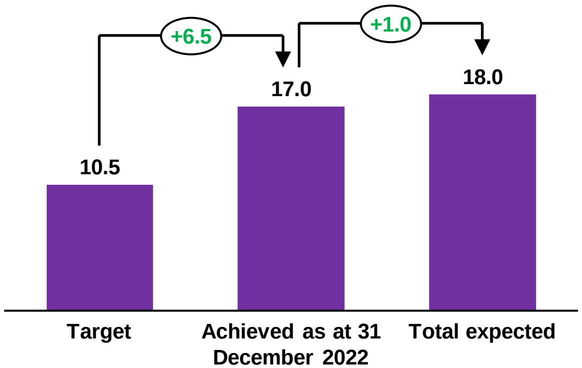
(1) By number of investments.

Strong acquisition pedigree

ACL management has deep acquisition experience, successfully integrating five acquisitions since 2015 and consistently achieving or exceeding planned synergies on time and on budget to drive material value creation for shareholders

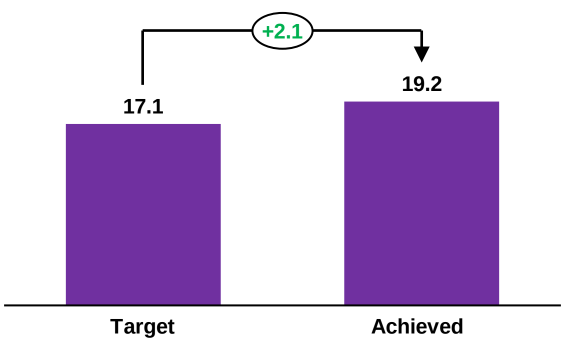
Post AASB 16 EBIT Synergies: Target vs Actual, *A$m*

Medlab (2021)



- $10.5m target synergies announced to be achieved within 18-24 months in late 2021
- Synergy target significantly exceeded with $17m in synergies achieved by 31 December 2022, only 12 months after completion, with $1m in further savings expected to be achieved
- Now $21m EBIT on a run-rate basis as at 31 December 2022, implying a multiple of 3.1x on its acquisition price, supporting significant shareholder value creation

St John of God Health Care's pathology business & Perth Pathology (2016)



- Target synergies of $17.1m was exceeded by $2.1m
- $13.8m achieved within 18 months of acquisition, and remainder achieved within the following year

Stakeholder outcomes & ESG benefits

ACL expects that the Merged Group will deliver stronger outcomes for doctors and patients and deliver ESG benefits

1 Enhanced investment in doctor and patient services

Increased free cash flow and balance sheet strength achieved through the Proposed Merger is expected to enable acceleration of investments to enhance and expand range of patient and doctor services, including:

- Investment in developing and bringing new diagnostic tests to Australia
- Enhancing personalised medicine applications and developments
- Fully automated, end-to-end paperless diagnostic solutions for enhanced doctor and patient experience, including real-time sample tracking and enhanced results personalisation
- Creation of diagnostic centres of excellence around key areas and new technologies

2 More Sustainable Regional Services

Optimising the combined laboratory networks will enhance regional access and provide more sustainable regional services

3 Lower Carbon Footprint

The combination of Healius and ACL is expected to create a more environmentally sustainable business through:

- Lab consolidations, reductions in purchased electricity and refrigerants from optimised laboratory networks
- A reduced national courier network (by as much as 200 cars), equating to 1,100 tonnes of carbon reduction per year

The combination of Healius and ACL is expected to create a more efficient, sustainable diagnostics provider in Australia with improved alleys to high-quality, accessible and bulk-billed services. ACL has made five acquisitions in seven years, has continued its focus on bulk-billing following these acquisitions and is committed to continuing current bulk-billing practices in the future

Relative contribution of Healius and ACL to the Merged Group

ACL
Healius

The ACL Board believes that the Offer Consideration results in a fair distribution of value based on the relative contribution of Healius to the Merged Group

Reference metrics	Relative contribution to Merged Group (Healius)	Relative contribution to Merged Group (ACL)	Relevant metric: Healius	Relevant metric: ACL	Standalone value per share: Healius	Standalone value per share: ACL	Implied exchange ratio
ACL Offer	68%	32%					0.74 x
Average Broker Target Prices[1]	66 %	34 %	$2.75	$4.04	$2.75	$4.04	**0.68 x**
1H23 EBITDA	64 %	36 %	$177m	$100m	$0.31	$0.49	**0.63 x**
1H23 EBIT	51 %	49 %	$40m	$39m	$0.07	$0.19	**0.36 x**
1H23 EBITDA less CAPEX	58 %	42 %	$134m	$96m	$0.23	$0.47	**0.49 x**

(1) Refer to the Bidder's Statement for further detail on the Average Broker Target Prices.

Key takeaways

In summary, the merger of ACL and Healius will create Australia's largest pathology business, operating across pathology and imaging with expected enhanced scale and profitability

- Proposed Merger is expected to **unlock approximately $95m of Expected Cost Synergies**, with delivery expected within four years of completion and more than 50% expected to be achieved within the first two years
- It will **de-risk the required operational turnaround at Healius** via access to the management team of ACL, which has **consistently delivered superior financial performance to Healius**
- Based on Healius' recent announcements, ACL has calculated that the **Potential Operational Improvement Benefit implies an annualised EBIT impact of $95m** which is in addition to the Expected Cost Synergies
- The Proposed Merger will support **significant potential value creation**:
  - **Potential Merged Group pro forma FY23 EBIT of $361m,** including Expected Cost Synergies and the Potential Operational Improvement Benefit
  - **Potential value uplift of $2.1bn** if the Merged Group trades at the current blended EV/EBIT multiple of 17.5x
  - The Merged Group potentially approaching the threshold for **inclusion in the S&P/ASX 100 index** over time

Appendix A: Offer Conditions

The Offer is subject to a number of conditions, which are set out in full in Attachment 2 (*Offer Conditions*) to the Offer Announcement and the Bidder's Statement. These conditions include (but are not limited to):

- **90% Minimum Acceptance Condition:** ACL acquiring a Relevant Interest in at least 90% (by number) of all of the Healius Shares (on a fully diluted basis);
- **FIRB Condition:** either ACL receiving FIRB approval without conditions (or subject only to certain standard tax conditions), or FIRB ceasing to be empowered to make an order or decision in respect of the acquisition of the Healius Shares under the Offer;
- **ACCC Clearance Condition:** ACCC confirming to ACL that it will not conduct a public review of the acquisition of Healius Shares under the Offer, or that it does not intend to oppose, intervene or seek to prevent the acquisition of Healius Shares under the Offer (on an unconditional basis);
- **ACL Shareholder Approval Condition:** ACL receiving necessary ACL Shareholder approvals under ASX Listing Rule 7.1 for the issue of ACL Shares as Offer Consideration, and such approval remaining valid until, and not expiring before, the end of the Offer Period;
- **Announcements regarding Healius' expected FY23 financial performance:** Healius not making a public announcement that (or to the effect that) its underlying EBIT, reported EBIT and/or profit for the year from continuing operations (in each case for FY23) will be, or is expected or likely to be, less than specified amounts;
- **Healius' FY23 financial results:** Healius releasing its audited financial statements and annual report for FY23 and those documents stating (or otherwise showing) that the Healius Group's free cashflow less growth capex, underlying EBIT, reported EBIT and profit for the year from continuing operations (in each case for FY23) are no less than, and the Healius Group's net debt plus current tax liabilities less current tax assets is no more than, specified amounts;
- **No material adverse change:** No event, change, matter or thing has had, will have, or is reasonably likely to have, the effect of a diminution in the value (whether now or in the future) of the net assets of the Healius Group;
- **No market fall:** Between the Announcement Date and the end of the Offer period, the S&P/ASX 200 does not fall by 10% or more from its level at the close of trading on the trading day immediately prior to the Announcement Date;
- **Healius post-FY23 EBIT margin:** Between the Announcement Date and the end of the Offer period, Healius does not make any public announcements regarding its EBIT margin which compromises, or appears to compromise, the assumptions contained in the Bidder's Statement; and
- Other conditions relating to Healius' financial condition, contracts and corporate actions, and the conduct of the Healius Group's business, during the Offer period.

Note: Capitalised terms used, but not otherwise defined, on this page have the meanings given to them in the Bidder's Statement. Offer Conditions are set out in full in Attachment 2 (Offer Conditions) of the Offer Announcement and in the Bidder's Statement.

Appendix B: Expected Cost Synergies

High end of value range of $1.6bn based on capitalising the Expected Cost Synergies of $95m at the blended FY24 EV/EBIT multiple of 17.5x. Low end of value range of $1.3bn based on capitalising the post-tax Expected Cost Synergies at the blended FY24 P/E multiple of 20.3x

Expected Cost Synergies Value		
Expected Cost Synergies	A	**$95m**
Blended forward P/E multiple	B	20.3x
Capitalised value of post-tax EBIT uplift (low)	(1 – 30%) x A x B	**$1.3bn**
Blended forward EV/EBIT multiple	C	17.5x
Capitalised value of EBIT uplift (high)	A x C	**$1.6bn**

Note: High value of $1.6bn calculated by capitalising the Expected Cost Synergies of $95m at the blended FY24 EV/EBIT multiple of 17.5x (based on the Post-Results Healius VWAP and Post-Results ACL VWAP). Low value of $1.3bn calculated by tax effecting the Expected Cost Synergies of $95m at a tax rate of 30% (being the Australian corporate tax rate), and then capitalising the post-tax Expected Cost Synergies at the blended FY24 P/E multiple of 20.3x (based on the Post-Results Healius VWAP and Post-Results ACL VWAP). The high and low net values both include a deduction for one-off costs to achieve the Expected Cost Synergies of $70m. Blended forward EV/EBIT multiple based on the post AASB 16 enterprise value (based on the Post-Results Healius VWAP and Post-Results ACL VWAP) and average broker FY24 EBIT multiples for Healius and ACL as at the Last Practicable Date. The Bidder's Statement contains more information on: (i) these average broker FY24 EBIT multiples; and (ii) the basis for the calculation of the blended forward EV/EBIT multiple. However, whether ACL will achieve such a trading multiple after the Proposed Merger is dependent on a range of factors, and no assurance can be provided that ACL will achieve this blended EV/EBIT multiple after Successful Offer Completion or at any time after that. See section 8.4(m) of the Bidder's Statement for more information.

Appendix C: Potential Operational Improvement Benefit

High end of value range of $1.7bn based on capitalising the Potential Operational Improvement Benefit of $95m at the blended FY24 EV/EBIT multiple of 17.5x. Low end of value range of $1.4bn based on capitalising the post-tax Potential Operational Improvement Benefit at the blended FY24 P/E multiple of 20.3x

Healius standalone financials		
1H23 underlying EBIT		$40m
Add: Cost-out savings		$58m
1H23 post Healius Group Cost Reset EBIT	A	**$98m**
1H23 revenue	B	$864m
1H23 post Healius Group Cost Reset EBIT margin	A / B	**11.3%**
Potential Operational Improvement Benefit		
FY23 revenue (based on average broker forecast)		$1,720m
Implied FY23 EBIT at 11.3% margin		$195m
Less: FY23 EBIT (based on average broker forecast)		$(100)m
Potential Operational Improvement Benefit	C	**$95m**
Potential Operational Improvement Benefit Value		
Blended forward P/E multiple	D	20.3x
Capitalised value of post-tax EBIT uplift (low)	(1 – 30%) x C x D	**$1.4bn**
Blended forward EV/EBIT multiple	E	17.5x
Capitalised value of EBIT uplift (high)	C x E	**$1.7bn**

Note: ACL estimates that the potential Merged Group equity value of $4.4bn also includes between $1.4 and $1.7bn of "at-risk" value contingent on the successful delivery of Healius' operational turnaround, calculated as the Potential Operational Improvement Benefit of $95m capitalised at blended forward multiples of Healius and ACL. High value of $1.7bn calculated by capitalising the Potential Operational Improvement Benefit of $95m at the blended FY24 EV/EBIT multiple of 17.5x (based on the Post-Results Healius VWAP and Post-Results ACL VWAP). Low value of $1.4bn calculated by tax effecting the Potential Operational Improvement Benefit of $95m at a tax rate of 30% (being the Australian corporate tax rate), and then capitalising the post-tax Potential Operational Improvement Benefit the blended FY24 P/E multiple of 20.3x (based on the Post-Results Healius VWAP and Post-Results ACL VWAP).The Bidder's Statement contains more information on: (i) these average broker FY24 EBIT multiples; and (ii) the basis for the calculation of the blended forward EV/EBIT multiple. However, whether ACL will achieve such a trading multiple after the Proposed Merger is dependent on a range of factors, and no assurance can be provided that ACL will achieve this blended EV/EBIT multiple after Successful Offer Completion or at any time after that. See section 8.4(m) of the Bidder's Statement for more information.

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Further information relating to Healius' business may be included in Healius' target's statement, which Healius must provide to its shareholders in response to the Offer.

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