

Tuesday, 21 December 2021

LETTER RECEIVED FROM CRESCENT CAPITAL PARTNERS

Australian Clinical Labs Limited (ASX: ACL) (**ACL** or the **Company**) provides the market with a copy of the attached letter which it has received today from a shareholder, Crescent Capital Partners.

– ENDS –

This announcement was authorised for release to ASX by the Board of Directors of ACL.

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About Australian Clinical Labs

ACL is a leading Australian private provider of pathology services. Our 86 NATA accredited laboratories perform a diverse range of pathology tests each year for a range of clients including doctors, specialists, patients, hospitals and corporate clients. ACL is one of the largest private hospital pathology businesses nationally. ACL is focused on its mission of combining talented people, and medical and scientific leadership, with innovative thinking and technologies to empower decision making that saves and improves patients' lives.

21 December 2021

Update on Crescent Capital Partners' shareholding status and escrow arrangement

As part of the IPO of Australian Clinical Labs ("ACL"), Crescent Capital Partners ("Crescent") entered into a long-term escrow arrangement with respect to the shares held by its fund, with these shares being released from voluntary escrow proportionately (1/3) at the release of the:

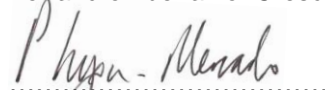
- 31 December 2021 Interim report (results to be released in February 2022);
- 30 June 2022 Annual report (results to be released in August 2022); and
- 31 December 2022 Interim report (results to be released in February 2023).

To ensure a fully informed market:

1. Crescent's interest in ACL is owned by Crescent Capital Partners V ("Crescent V"), a private equity fund which ultimately matures in 2027. Crescent is not compelled to liquidate Crescent V's holding in any investments prior to its maturity. After 2027, Crescent can seek an extension to continue to manage outstanding investments on behalf of its existing Crescent V investors. Inclusive of ACL, Crescent V currently has 5 investments which collectively are not expected to be fully realised until 2025 to 2027.
2. Crescent has a high level of conviction around the ongoing performance and value of ACL as can be seen by the long escrow period agreed at the time of the IPO. This level of conviction has only been reinforced since the time of listing, with the ongoing financial momentum in the business due to the company's considerable investment in labs, systems, and people in the 6 years prior to listing, and recent corporate activity as can be seen with the recent acquisition of Medlab.
3. Crescent has no intention to seek further liquidity of Crescent V's shareholding at this current time and will not enter into any block trade or share sale of any of Crescent V's shares when the first tranche is released from escrow at the company's interim results release (February 2022). Outside of any corporate activity associated with ACL, this position will not be reviewed before the 2nd half of the 2022 calendar year, and it should not be interpreted that post this date any sale of shares is imminent given that Crescent is happy to be a long-term shareholder in the company.
4. Crescent believes that:
 - a. COVID-19 and future variants of the virus such as the recent Omicron variant, will be a permanent fixture in our lives and that pathology companies will remain at the forefront of any medical and societal response to assessing the impact of the virus on the community.
 - b. There remains a considerable latent level of undiagnosed medical conditions as a result of nearly 2 years of COVID-19. Crescent's view is that future pathology volumes will be elevated on a multi-year basis as a result regardless of COVID-19 testing.

Any statements of opinion in this release are Crescent's own views. Crescent does not speak for, or represent, ACL.

For and on behalf of Crescent



Peter Lyon-Mercado
Partner