CSL Finance Plc (Company Number 4392736)

US$500,000,000 5.106% Senior Guaranteed Notes due 2034
Issue price: 100.000%

US$750,000,000 5.417% Senior Guaranteed Notes due 2054
Issue price: 100.000%

CSL Finance Plc (the ''Issuer''), a public company incorporated with limited liability under the laws of England and Wales with registered number 4392736 (LEI: 2549007CCNBNAF4HBC02), is offering US$500,000,000 aggregate principal amount of 5.106% Senior Guaranteed Notes due 2034 (the ''2034 Notes'') and US$750,000,000 aggregate principal amount of 5.417% Senior Guaranteed Notes due 2054 (the ''2054 Notes'' and, collectively with the 2034 Notes, the ''Notes''). The Issuer is an indirect wholly owned finance subsidiary of CSL Limited (the ''Parent Guarantor'').

The Notes will be issued under an indenture to be dated April 3, 2024 (the ''Indenture''). The 2034 Notes will mature on April 3, 2034 at a price equal to 100% of their principal amount and the 2054 Notes will mature on April 3, 2054 at a price equal to 100% of their principal amount. The Issuer will pay interest on the Notes in arrears with respect to the 2034 Notes on each April 3 and October 3, beginning on October 3, 2024; and with respect to the 2054 Notes on each April 3 and October 3, beginning on October 3, 2024.

The Issuer may redeem some or all of the 2034 Notes and the 2054 Notes at (i) any time on or after the applicable Par Call Date (as defined in ''Description of the Notes and Guarantees—Optional redemption'') for each Note, at a price equal to 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest thereon, if any, to, but excluding, the redemption date and (ii) at any time prior to the applicable Par Call Date for each Note, at the applicable redemption price as described herein under the heading ''Description of the Notes and Guarantees—Optional redemption'', plus accrued and unpaid interest thereon, if any, to, but excluding, the redemption date. If certain tax events occur, the Issuer may redeem the Notes of any series, in whole but not in part, at 100% of their principal amount, plus accrued and unpaid interest if any, to, but excluding, the redemption date. See ''Description of the Notes and Guarantees—Redemption for changes in withholding taxes''. We intend to use the net proceeds of this offering for refinancing existing debt and general corporate purposes. See ''Use of proceeds''. In certain circumstances, holders of the Notes may require the Issuer to repurchase the Notes upon a change of control of the Parent Guarantor in the manner described under the heading ''Description of the Notes and Guarantees—Offer to redeem upon Change of Control Triggering Event''.

The Notes will be unsecured and unsubordinated obligations of the Issuer and will rank equally with the Issuer's existing and future unsecured and unsubordinated debt, except indebtedness mandatorily preferred by applicable law. The Notes will be guaranteed on a joint and several basis by the Parent Guarantor and certain of its subsidiaries, CSLB Holdings Inc. and CSL Finance Pty Ltd (together, the ''Subsidiary Guarantors'' and, collectively with the Parent Guarantor, the ''Guarantors''). See ''Description of the Notes and Guarantees—Guarantees''. The Guarantees will be unsecured and unsubordinated obligations of the Guarantors and will rank equally with all existing and future unsecured and unsubordinated debt of each Guarantor, except indebtedness mandatorily preferred by law.

See "Risk factors" beginning on page 22 for a discussion of certain risks that you should consider in connection with an investment in the Notes.

Neither the Notes nor the Guarantees have been, or will be, registered under the U.S. Securities Act of 1933 (the ''Securities Act''), or the securities laws of any other jurisdiction. The Notes are being offered and sold in the United States (''U.S.'') solely to persons reasonably believed to be qualified institutional buyers (''QIBs'') (as defined in Rule 144A under the Securities Act (''Rule 144A'')) pursuant to Rule 144A and outside the U.S. to persons that are not, and are not acting for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (''Regulation S'')) in reliance on Regulation S. Prospective investors that are QIBs are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For further details about eligible offerees and resale restrictions, see ''Transfer restrictions''.

We intend to apply to the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) (the ''ASX'') for the listing and quotation of the Notes on the ASX as a wholesale debt listing. The ASX assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the ASX are not to be taken as an indication of the merits of the Issuer, the Guarantors or any other subsidiary or associated company of the Issuer, the Notes or the Guarantees. Notes which are listed on the ASX will not be transferred through, or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be ''Approved Financial Products'' for the purposes of that system.

We expect that delivery of the Notes will be made to investors in book-entry form through the facilities of The Depository Trust Company (''DTC'') and its participants, including Clearstream Banking, S.A. (''Clearstream'') and Euroclear Bank SA/NV (''Euroclear''), on or about April 3, 2024.

Joint Lead Managers

BofA Securities **Citigroup** **HSBC** **J.P. Morgan**

Co-Managers

ANZ Securities **ING** **Westpac Banking Corporation**

March 26, 2024

In making your investment decision, you should rely only on the information contained in this Offering Memorandum. We have not, and BofA Securities, Inc., Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, ANZ Securities, Inc., ING Financial Markets LLC and Westpac Banking Corporation (collectively, the "Initial Purchasers") have not, authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it. We are not, and the Initial Purchasers are not, making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front of this Offering Memorandum. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date on the cover of this Offering Memorandum.

In this Offering Memorandum, all references to the ''CSL'', the ''CSL Group'', the ''Group'', ''we'', ''us'' and ''our'' and similar expressions refer to, individually or collectively as the context requires, to CSL Limited (ABN 99 051 588 348) and its controlled entities, including the Issuer. See ''Certain definitions'' below for other defined terms used in this Offering Memorandum.

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Notice to investors

This Offering Memorandum has been prepared by us solely for use in connection with the proposed offering of the Notes and the Guarantees described in this Offering Memorandum. This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. You are authorized to use this Offering Memorandum solely for the purpose of considering the purchase of the Notes. Distribution of this Offering Memorandum to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and to make no copies of this Offering Memorandum or any documents referred to in this Offering Memorandum.

In making an investment decision, prospective investors must rely on their own examination of the Issuer and the Guarantors and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this Offering Memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the Notes under applicable legal investment or similar laws or regulations.

We have furnished the information in this Offering Memorandum as described below. You acknowledge and agree that no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Memorandum is made by the Initial Purchasers or The Bank of New York Mellon (the ''Trustee''). Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers or the Trustee as to the past or future. The Initial Purchasers and the Trustee assume no responsibility or liability for the accuracy or completeness of any such information.

In this Offering Memorandum, we rely on and refer to information and statistics regarding our industry. We obtained the market data from independent industry publications or other publicly available information. Although we believe this information to be reliable, it has not been independently verified by the Issuer, the Guarantors or the Initial Purchasers. See ''Cautionary note regarding industry data'' for more information regarding the industry data contained in this Offering Memorandum.

The Initial Purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Memorandum. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past or future. CSL has furnished the information contained in this Offering Memorandum and the Initial Purchasers assume no responsibility for the accuracy or completeness of such information. The information contained in this Offering Memorandum is as of the date of this Offering Memorandum and is subject to change, completion or amendment without notice. Neither the delivery of this Offering Memorandum at any time nor the offer, sale or delivery of any Note shall under any circumstances create any implication that there has been no change in the information set forth in this Offering Memorandum since the date of this Offering Memorandum.

The distribution of this Offering Memorandum and the offering and sale of the Notes and the Guarantees in certain jurisdictions may be restricted by law. We and the Initial Purchasers require persons into whose possession this Offering Memorandum comes to inform themselves about and to observe any such restrictions. This Offering Memorandum does not constitute an offer of, or an invitation to purchase, any of the Notes and the Guarantees in any jurisdiction in which such offer or sale would be unlawful.

The Issuer reserves the right to withdraw this offering at any time. The Issuer and the Initial Purchasers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or no reason and to allot to any prospective investor less than the full amount of the Notes sought by it. The Initial Purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

In connection with this offering, the Initial Purchasers may purchase and sell the Notes in the open market. These transactions may include short sales, syndicate covering transactions and stabilizing transactions. If the Initial Purchasers commence any of these transactions, they may discontinue them at any time. See ''Plan of distribution'' for further information.

Investors that are, or are acting on behalf of, or are using any assets of, an ''employee benefit plan'' as defined in and subject to the *U.S. Employee Retirement Income Security Act of 1974*, as amended (''ERISA''), a ''plan'' as defined in and subject to Section 4975 of the *U.S. Internal Revenue Code of 1986*, as amended (the ''Code''),

or any entity whose assets are deemed to include ''plan assets'' of any such ''employee benefit plan'' or ''plan'' (collectively, ''Plans'') should consult with their advisors as to the appropriateness of their investment in the Notes and will be deemed by their acquisition of a Note (or any interest therein) to represent that the acquisition and holding of such Note (or any interest therein) will not constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code. Neither the CSL Group nor the Initial Purchasers nor any of their respective affiliates is making an investment recommendation or providing investment advice on which a Plan or the fiduciary making the investment decision for such Plan has relied in connection with the decision to acquire a Note, and they are not acting as a fiduciary (within the meaning of Section 3(21) of ERISA or Section 4975(e)(3) of the Code) to the Plan in connection with the Plan's acquisition of any such Note (unless an applicable prohibited transaction exemption is available to cover the purchase or holding of such Note or the transaction is not otherwise prohibited) and the Plan fiduciary making the decision to acquire such Note is exercising its own independent judgment in evaluating the investment in such Note.

The information set out in those sections of this Offering Memorandum describing clearing and settlement is subject to any change or reinterpretation of the rules, regulations and procedures of DTC, Euroclear and Clearstream currently in effect. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such book-entry interests.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the offer of the Notes pursuant to this Offering Memorandum, including the merits and risks involved. Prospective investors should not construe anything in this Offering Memorandum as legal, business or tax advice nor as ''financial product'' advice for the purposes of Chapter 7 of the Australian *Corporations Act 2001* (Cth) (the ''Corporations Act''). Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the securities under applicable legal investment or similar laws or regulations.

Notice to prospective investors in Australia

This Offering Memorandum does not constitute an offer of or an invitation to purchase or subscribe for the Notes in the Commonwealth of Australia or any of its states or territories (''Australia''), and the Notes may not be offered, sold or delivered in or to any resident of Australia except in accordance with applicable law. Neither this Offering Memorandum, nor any other prospectus or disclosure document (as defined in the Corporations Act) in relation to the Notes or the Guarantees has been, or will be, lodged with the Australian Securities and Investments Commission (''ASIC'') and the Notes may not be offered for issue, sale, or purchase, nor may application for the issue, sale or purchase or any Notes be invited in Australia (including an offer or invitation which is received by a person in Australia), and neither this Offering Memorandum nor any other offering material or advertisement relating to the Notes or Guarantees may be distributed or published in Australia unless, in each case: (i) the aggregate consideration payable on acceptance of the offer or invitation by each offeree or invitee is at least A$500,000 (or the equivalent in another currency, in either case disregarding moneys lent by the person offering the Notes or making the invitation or its ''associates'' (as defined in the Corporations Act)) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or 7.9 of the Corporations Act; (ii) the offer or invitation is not made to a person who is a ''retail client'' within the meaning of section 761G of the Corporations Act; (iii) the offer, invitation or distribution complies with the conditions of the Australian financial services license of the person making the offer, invitation or distribution or an applicable exemption from the requirement to hold such license; (iv) the offer, invitation or distribution complies with all applicable Australian laws, regulations and directives relating to the offer, sale and resale of the Notes in the jurisdiction in which such offer, sale and resale occurs; and (v) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

Notice to prospective investors in the U.S.

The Notes are being offered and sold within the U.S. to QIBs in reliance on Rule 144A and/or outside the U.S. to persons that are not, and are not acting for the account or benefit of, U.S. persons (as defined in Regulation S) in ''offshore transactions'' (as defined in Regulation S) in reliance on Regulation S or another exemption from registration under the Securities Act. Prospective purchasers are hereby notified that sellers of

registered notes may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A. The Notes may be subject to additional selling restrictions. For a description of these and certain further restrictions on offers, sales and transfers of Notes and the distribution of this Offering Memorandum, see ''Plan of distribution''.

None of the Securities and Exchange Commission (the ''SEC''), any state securities commission, or any other regulatory authority has approved or disapproved these securities nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the Guarantees or determined if this Offering Memorandum is truthful or complete.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable securities laws of any state or other jurisdiction of the U.S. pursuant to registration under such laws or an exemption therefrom. As a prospective investor, you should be aware that you may be required to bear the financial risks of an investment in the Notes for an indefinite period of time. Please see the sections in this Offering Memorandum entitled ''Plan of distribution'' and ''Transfer restrictions''.

Notice to prospective investors in the European Economic Area (the "EEA")

This Offering Memorandum is not a prospectus for the purposes of the Prospectus Regulation (as defined below). This Offering Memorandum has been prepared on the basis that any offer of Notes in any Member State of the EEA will only be made to legal entities which are qualified investors under the Prospectus Regulation (''EEA Qualified Investors''). Accordingly, any person making or intending to make an offer in that Member State of Notes which are the subject of the offering contemplated in this Offering Memorandum may only do so with respect to EEA Qualified Investors. Neither the Issuer nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes other than to EEA Qualified Investors. The expression ''Prospectus Regulation'' means Regulation (EU) 2017/1129, as amended.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (''MiFID II''); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the ''Insurance Distribution Directive''), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the ''PRIIPs Regulation'') for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Notice to prospective investors in the United Kingdom ("U.K.")

This Offering Memorandum is not a prospectus for the purposes of the U.K. Prospectus Regulation (as defined below). This Offering Memorandum has been prepared on the basis that any offer of Notes in the U.K. will only be made to legal entities which are qualified investors under the U.K. Prospectus Regulation (''U.K. Qualified Investors''). Accordingly, any person making or intending to make an offer in the U.K. of Notes which are the subject of the offering contemplated in this Offering Memorandum may only do so with respect to U.K. Qualified Investors. Neither the Issuer nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes other than to U.K. Qualified Investors. The expression ''U.K. Prospectus Regulation'' means *Regulation (EU) 2017/1129* as it forms part of domestic law of the U.K.

PROHIBITION OF SALES TO U.K. RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the U.K. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of *Regulation (EU) No 2017/565* as it forms part of domestic law of the U.K.; or (ii) a customer within the meaning of the provisions of the U.K.'s *Financial Services and Markets Act 2000*, as amended (the ''FSMA'') and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the U.K.; or (iii) not a qualified investor as defined in Article 2 of the U.K. Prospectus Regulation. Consequently, no key information document required by

Regulation (EU) No 1286/2014 as it forms part of domestic law of the U.K. (the ''U.K. PRIIPs Regulation'') for offering or selling the Notes or otherwise making them available to retail investors in the U.K. has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the U.K. may be unlawful under the U.K. PRIIPs Regulation.

The communication of this Offering Memorandum and any other document or materials relating to the issue of the Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the FSMA. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the U.K.

This Offering Memorandum and any such other documents and/or materials are for distribution only to persons in the United Kingdom who (i) have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the *Financial Services and Markets Act 2000 (Financial Promotion) Order 2005*, as amended (the ''Financial Promotion Order'')), (ii) fall within Article 49(2)(a) to (d) of the Financial Promotion Order or (iii) are other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as ''relevant persons''). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum and any other document or materials relates will be engaged in only with relevant persons. Any person in the U.K. that is not a relevant person should not act or rely on this Offering Memorandum or any of its contents.

Notification under Section 309B(1)(a) and 309B(1)(c) of the *Securities and Futures Act 2001* (2020 Revised Edition) of Singapore, as modified or amended from time to time (the "SFA") – In connection with Sections 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the ''CMP Regulations 2018''), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Enforceability of civil liabilities

The Issuer is an entity incorporated under the laws of England and Wales. The Parent Guarantor and one of the Subsidiary Guarantors, CSL Finance Pty Ltd, are entities organized under the laws of the Commonwealth of Australia. The directors and of the Issuer are resident in the U.K., Germany and Australia, with most of the officers based in Australia. In the case of CSLB Holdings Inc., a Subsidiary Guarantor, two of the directors are based in the U.S. with the third based in Australia. In the case of CSL Finance Pty Ltd, the other Subsidiary Guarantor, the sole director resides in Australia. A substantial portion of the assets of these entities, and the assets of the directors and officers are located outside the U.S. Therefore, you may not be able to effect service of process within the U.S. upon these entities or persons so that you may enforce judgments of U.S. courts against them in the U.S. based on the civil liability provisions of the U.S. federal securities laws.

To enforce a conclusive and unsatisfied judgment that is enforceable by execution in New York and obtained in relation to the Notes and the Guarantees in a superior court of New York having jurisdiction to give that judgment, it is necessary for the judgment creditor to bring separate proceedings in the appropriate Australian courts founded on the judgment. In addition, there are doubts as to the enforceability in Australia in original actions or in actions for enforcement of judgments of U.S. courts of civil liabilities based on U.S. federal securities laws. Also, judgments of U.S. courts (whether or not such judgments relate to U.S. federal securities laws) may or will not be enforceable in Australia in certain other circumstances, including, among others, where such judgments are contrary to local public policy, rules of natural justice or general principles of fairness or are obtained by fraud or duress, are obtained in circumstances where the judgment debtor did not receive notice of the proceedings in sufficient time to enable the judgment debtor to defend, are not for a fixed or readily ascertainable sum, are not between identical parties and in the same interest, are rendered by a court that did not have jurisdiction according to the private international law rules of the local court, are subject to appeal, dismissal, reversal, setting aside or stay of execution or otherwise not final and conclusive, involve multiple or punitive damages, are in respect of taxes or any revenue law (including for any fiscal penalty) or fine or other penalty or foreign governmental interests or where there has been a prior judgment in another court between the same parties concerning the same issues as are dealt with in the judgment.

Each of (i) the indenture to be dated as of April 3, 2024, and as may be amended and restated from time to time, among the Issuer, the Guarantors and the Trustee, pursuant to which the Notes and the Guarantees will be issued (the ‘‘Indenture’’); (ii) the Notes; and (iii) the Guarantees will be governed by, and construed in accordance with, the laws of the State of New York. The Issuer and each Guarantor has appointed CSLB Holdings Inc. as its authorized agent upon which process may be served in any action or proceeding arising out of or based upon the Indenture, the Notes or the Guarantees, as the case may be, that may be instituted in any U.S. federal or state court having subject matter jurisdiction in the city, county and state of New York, and has irrevocably submitted to the non-exclusive jurisdiction of such courts in any such action or proceeding. See ‘‘Description of the Notes and Guarantees—Governing law’’.

Also, please see ‘‘Independent auditors’’ for a summary of limitation of liability of Ernst & Young and Deloitte Touche Tohmatsu under a professional limitation on liability scheme in Australia.

Available information

Neither the Issuer nor the Guarantors are required to file periodic reports under Section 13(a) or 15(d) of the Exchange Act. At any time when the Issuer or any Guarantor is neither subject to Section 13(a) or Section 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b), the Group will furnish or cause to be furnished, upon request, to any holder or beneficial owner of Notes or a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered pursuant to paragraph (d)(4) of Rule 144A under the Securities Act to facilitate resales of the Notes pursuant to Rule 144A.

The ordinary shares of CSL Limited are listed on the ASX. As an Australian listed entity, CSL Limited files annual reports and half-year reports with the ASX. These documents are not incorporated in this Offering Memorandum.

We will make available to the holders of the Notes, at our expense, at the corporate trust office of the Trustee, copies of the Indenture.

Forward-looking statements

This Offering Memorandum includes forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act and the *Private Securities Litigation Reform Act of 1995*. Some of these forward-looking statements can be identified by the use of words such as ''may'', ''will'', ''should'', ''expect'', ''anticipate'', ''believe'', ''estimate'', ''plan'', ''forecast'', ''intend'', ''target'', ''aim'', ''goal'' and similar expressions in this Offering Memorandum and include statements regarding certain plans, strategies and objectives of management, industry trends and outlook.

Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other important factors include, among others:

- our ability to source human blood plasma;
- the competitive nature of the biotechnology and biopharmaceutical industries;
- our ability to quickly and sufficiently adapt to the current rapid and significant change in the biopharmaceutical industry;
- the loss of market exclusivity and intellectual property protection of our products;
- technological changes in the production of plasma products;
- the impact of significant disruptions in our supply of plasma;
- the impact of global economic conditions;
- various political and geopolitical pressures in the countries in which we operate our business;
- interest rate and foreign exchange risks;
- risks related to the emerging markets in which we operate;
- a significant disruption in our manufacturing operations;
- risks related to manufacturing plasma derived products and our ability to maximize yields or to meet product specifications;
- our ability to continue to adhere to good manufacturing practice regulations at our facilities;
- serious or unexpected side effects from our products resulting in product recalls, requiring us to conduct further clinical trials and jeopardizing our reputation and our ability to continue marketing our products;
- reliance on third parties to conduct aspects of our operations and projects;
- the impact of an interruption to our specialized transportation services in our supply of plasma, causing delays to the delivery of our plasma derived products or resulting in products being destroyed;
- interruptions in our supply chain more generally;
- our ability to attract and retain key management and to attract, retain and motivate qualified personnel, including scientists and other technicians, and their ability to perform their roles to a high level;
- the difficulty to enroll or identify patients for our clinical studies, causing delay or preventing clinical studies of our product candidates;
- risks related to the physical integrity of our facilities or equipment;
- our ability to obtain sufficient insurance coverage for some business risks on reasonable commercial terms;
- the loss of any of our key customers;
- counterparty risk in connection with our contracts and trade with third parties;

- risks in connection with information technology, data privacy, cybersecurity and artificial intelligence;
- our ability to develop new products;
- our ability to deliver or launch new medicines in our pipeline without delays;
- our substantial amount of indebtedness and our funding needs and sources;
- risks associated with our current debt obligations;
- risks related to the financial and other legal and business covenants contained in our debt agreements;
- risks associated with our strategic partnerships;
- risks related to future acquisitions or partnerships, our ability to integrate them successfully into our business, or be adversely affected by regulatory or governmental scrutiny;
- risks related to the seasonality in our sales, revenue and financial performance;
- delays in regulatory approvals and manufacturing difficulties with our influenza products;
- risks related to the complexity of the processes of collecting and storing plasma and the ability of our collection centers to satisfy extensive and ongoing regulatory requirements and oversight and GMP;
- risks related to the process of testing and developing products, which is expensive, complex and heavily regulated, can take years to complete and is uncertain as to outcome;
- risks related to market acceptance to our product candidates among physicians, healthcare payers and patients;
- unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives related to our product candidates that reach commercialization;
- regulatory risk and changes in government policy;
- our ability to adhere to applicable laws, rules and regulations;
- litigation and regulatory scrutiny;
- product liability claims or product recalls involving our products or products we distribute;
- our ability to adhere to increasingly stringent anti-bribery and anti-corruption legislation in the countries in which we operate;
- extensive environmental, health and safety laws and regulations;
- our ability to obtain or renew certain approvals, licenses, permits or certificates;
- our ability to collect and manage data in line with legal and regulatory requirements and our strategic objectives;
- our ability to identify or prevent illegal trade in our medicines;
- changes in tax laws or exposures to additional tax liabilities;
- risks related to animal testing and its compliance with relevant regulations and laws;
- our ability to meet regulatory or stakeholder expectations on environmental impact, including climate change;
- our ability to protect our intellectual property;
- reliance on our unpatented proprietary technology, trade secrets, processes and know-how;
- risks related to the potential infringement of the intellectual property rights of third parties;
- risks related to our in-licensed patent rights and co-ownership of certain patent rights with third parties;
- risks related to our license agreements or collaboration agreements; and
- other factors referred to in this Offering Memorandum, including those discussed under ‘‘Risk factors’’.

We caution that the foregoing list of important factors is not exhaustive. Forward-looking statements are based upon management's good faith assumptions relating to the financial, market, industry, regulatory and other relevant environments and conditions that will exist and affect our business and operations in the future. We cannot give investors any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct, or that our business and operations will not be affected in any substantial manner by other factors not currently foreseen or foreseeable by management or beyond its control. Such factors include, but are not limited to, natural disasters and epidemics, acts of war and terrorism, and escalations in geopolitical tensions.

Accordingly, investors are strongly cautioned not to place undue reliance on any forward-looking statement. These forward-looking statements speak only as of the date of this Offering Memorandum or, where a statement is made with reference to a specific date which precedes the date of this Offering Memorandum, that date, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, except as required by law.

Cautionary note regarding industry data

This Offering Memorandum contains market data and statistics, third-party estimates and other information (including industry forecasts and projections). We have obtained significant portions of this information from research prepared by third parties, including reports and data prepared by government agencies, as well as our analysis of such information.

The industry and market data contained in this Offering Memorandum is based on estimates and assumptions that we believe to be reasonable. These estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the ''Risk factors'' section. Although we believe the third-party market data estimates and projections to be reliable, we have not independently verified such information or the underlying economic assumptions relied upon therein, and we cannot guarantee or assure you as to its accuracy or completeness or as to the accuracy or completeness of any underlying assumptions used in preparing such information.

Investors should note that industry data and statistics are often based on extrapolating from limited data and subject to a range of limitations and possible errors, including errors in data collection and the possibility that relevant data has been omitted. Certain of the data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. As a result, this data is subject to uncertainty and not necessarily reflective of actual market conditions. To the extent the information relates to future events, it is subject to additional risks and uncertainties and may change as a result of various factors as described elsewhere within this Offering Memorandum. In particular, estimates, forecasts and projections involve risks and uncertainties and are subject to change based on factors discussed in the ''Risk factors'' section and elsewhere herein.

References to credit ratings

There are references in this Offering Memorandum to ''credit ratings''. A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the relevant credit rating agency. Each rating should be evaluated independently of any other rating.

Credit ratings are for distribution only to a person (a) who is not a ''retail client'' within the meaning of section 761G of the *Corporations Act 2001 of Australia* and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the *Corporations Act 2001 of Australia*; and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive the Offering Memorandum and anyone who receives the Offering Memorandum must not distribute it to any person who is not entitled to receive it.

Financial information presentation

Basis of presentation

The consolidated financial statements included elsewhere in this Offering Memorandum are of the CSL Group, which comprises the Parent Guarantor and its subsidiaries, including the Issuer (collectively, the ''Group'').

The principal activities of the Group during fiscal year ended June 30, 2023 were the research, development, manufacture, marketing and distribution of biopharmaceutical and allied products.

Our operating model for our three businesses, CSL Behring, CSL Seqirus and CSL Vifor, leverages multifunctional teams that connect with each other to share best practices. Our operating model is based around four key value creation activities: early stage research, product translation, manufacturing, and patient access. Our commercial and functional areas operate at a global level, with the Global Leadership Group responsible for the day-to-day management of the Group and delivery of our strategic objectives.

We disclose financial performance primarily by business. We believe this provides the most meaningful insight into the nature and financial outcomes of our activities and facilitates greater comparability against our industry peers. Information on our operations and financial position and likely developments in our operations in future financial years is set out in ''Management's discussion and analysis of financial condition and results of operations''.

Change in auditors

In line with an observed trend in many jurisdictions towards a tenure limit for audit firms, we completed a competitive external audit tender process during the fiscal years ended June 30, 2021 and June 30, 2022. The Company recommended the appointment of Deloitte Touche Tohmatsu as the Company's external auditor commencing for the year ending June 30, 2024, subject to regulatory and shareholder approval. On October 11, 2023, the Group received such approvals and appointed Deloitte Touche Tohmatsu (''Deloitte'') as its new independent auditor commencing the fiscal year ending June 30, 2024, following the resignation of Ernst & Young.

Therefore, the consolidated financial statements of the Group for the fiscal years ended June 30, 2023, 2022 and 2021 have been audited by Ernst & Young, as stated in their reports for FY2023 and FY2022 appearing herein. Ernst & Young have also reviewed the unaudited consolidated financial statements of the Group as at and for the six-month period ended December 31, 2022, as stated in their report for HY2023 appearing herein. The unaudited consolidated financial statements for the six-month period ended December 31, 2023 have been reviewed by Deloitte, as stated in their report appearing herein. See ''Independent auditors'' for further information.

Historical financial information

The historical consolidated financial information of the Group for the fiscal years ended June 30, 2023, 2022 and 2021 and the half years ended December 31, 2023 and 2022 included in this Offering Memorandum has been extracted from the consolidated financial statements and prepared in accordance with Australian Accounting Standards (''AAS'') and other authoritative pronouncements of the Australian Accounting Standards Board (''AASB''), including interpretations issued by the AASB, and comply with International Financial Reporting Standards (''IFRS'') issued by the International Accounting Standards Board.

AAS and IFRS differ from generally accepted accounting principles in the U.S. (''U.S. GAAP''), and those differences may be material to the financial information contained in this Offering Memorandum. We have not provided a quantitative reconciliation or narrative discussion of these differences in this Offering Memorandum. In making an investment decision, investors must rely on their own examination of our results and consult with their own professional advisors for an understanding of the differences between AAS and IFRS and U.S. GAAP and how those differences might affect the financial information contained in this Offering Memorandum.

Unless the context otherwise requires, references to ''FY2023'', ''FY2022'' and ''FY2021'' in this Offering Memorandum are to the fiscal years ended June 30, 2023, 2022 and 2021, respectively, and references to ''HY2024'' and ''HY2023'' mean the half years ended December 31, 2023 and 2022, respectively.

Significant changes in reporting

We completed the acquisition of Vifor Pharma Ltd and its subsidiaries (''Vifor Pharma'' and subsequently rebranded ''CSL Vifor'') on August 9, 2022 and paid US$11,665 million for 100% of Vifor Pharma shares. We delisted Vifor Pharma from the Swiss Stock Exchange effective December 23, 2022. We accounted for the acquisition as a business combination using the acquisition method of accounting in accordance with AASB 3 ''Business Combinations'' and consequently we recorded the Vifor Pharma assets acquired and liabilities assumed at fair value, with any excess of the purchase price over the fair value of the identifiable assets and liabilities being recognized as goodwill. The purchase price allocation was finalized during the FY2023. See ''Notes to the financial statements'' in the consolidated financial statements for FY2023 for further information.

The financial results of Vifor Pharma consolidated within the Group, as a result, represent the contribution from the acquisition date, and therefore not for a full twelve-month period in FY2023. The acquisition of Vifor Pharma resulted in a change in how we assess our business. Prior to the Vifor Pharma acquisition, we reported two operating segments, CSL Behring and CSL Seqirus and reported our segment results using Segment EBIT and Segment EBITDA. Following the Vifor Pharma acquisition and with effect from FY2023, we have added CSL Vifor as an operating segment and also begun measuring performance using segment operating result, being the revenues and costs directly under the control of the business unit.

Our operating segments from FY2023 (including HY2023) are:

- CSL Behring – manufactures, markets and distributes plasma products, gene therapies and recombinants;
- CSL Seqirus – manufactures, markets and distributes predominantly influenza related products and provides pandemic services to governments; and
- CSL Vifor – manufactures, markets and distributes products in the therapeutic areas of iron deficiency and nephrology.

Our centralized research and development (''R&D'') function builds on its capabilities across the R&D value chain. We continue to make balanced investments in life cycle management and market development of existing and new products. Costs related to R&D are reported separately and are not allocated to the operating segments.

We utilize globally integrated functions to realize economies of scale. The functions include executive office, communications, finance, human resources, legal, information and technology. The costs related to these functions, as well as any other non-business unit related costs (including depreciation and amortization of unallocated assets) are reported as general and administration expenses and are not allocated to the operating segments.

To enable a comparison of prior year performance, ''Segment revenue and expenses'' has been restated using the new segments for the prior year comparatives ended June 30, 2022 and June 30, 2021, and prior six month/half year period ended December 31, 2022.

See ''Management's discussion and analysis of financial condition and results of operations—Overview—Segments'' for further information.

There were no changes in accounting policies during HY2024, FY2023 or FY2022, nor did the introduction of new accounting standards lead to any change in measurement or disclosure in the financial statements. We have not adopted any accounting standards that are issued but not yet effective.

Non-GAAP measures

In addition to the financial statements presented in accordance with AAS and IFRS contained in this Offering Memorandum, certain ''non-GAAP financial measures'' (as defined in Regulation G under the Securities Act) have been included in this Offering Memorandum.

These measures include:

- EBITDA, which means earnings before interest, taxes, depreciation, amortization and impairment;
- NPATA, or underlying net profit after tax, which means the statutory net profit after tax before impairment and amortization of acquired intellectual property (''IP''), business acquisition and integration costs and unwind of the inventory fair value uplift resulting from business acquisitions;

- Net Debt, which means interest-bearing liabilities and borrowings (excluding lease liabilities recognized in accordance with AASB 16) less cash and cash equivalents;
- Underlying operating profit, which means total revenue less cost of sales, selling and marketing expenses directly under the control of the business segment, interest and tax, adjusted to exclude impairment and amortization of acquired IP, business acquisition and integration costs and unwind of the inventory fair value uplift resulting from business acquisitions;
- Segment gross profit, which means total revenue less cost of sales directly under the control of the business segment, adjusted to exclude impairment and amortization of acquired IP, business acquisition and integration costs and the unwind of the inventory fair value uplift resulting from business acquisitions;
- Segment gross profit margin, which means Segment gross profit as a percentage of total segment revenue;
- Segment operating result, which means total revenue less cost of sales and selling and marketing expenses directly under the control of the business segment, adjusted to exclude impairment and amortization of acquired IP, business acquisition and integration costs and unwind of the inventory fair value uplift resulting from business acquisitions;
- Segment operating result %, which means segment operating result as a percentage of total segment revenue; and
- Segment EBITDA, which means statutory net profit for the period before interest, tax, depreciation, amortization and impairment for the respective operating segment where activities, assets and liabilities can be directly attributed to the segment. Results related to the Group's centrally managed functions, tax and net finance costs are not allocated to segments.

We believe that these non-GAAP financial measures provide useful supplemental measures to examine the underlying performance of our business, and management considers these metrics in assessing our operating performance.

In particular, underlying operating profit, EBITDA and NPATA are non-GAAP financial measures that are unaudited but derived from figures within our audited or reviewed financial statements. We present these as supplemental measures of our performance. Underlying operating profit, EBITDA and NPATA should not be considered as alternatives to profit before tax, profit after tax or any other measure of financial performance calculated and presented in accordance with AAS. Underlying operating profit, EBITDA and NPATA are presented because they are key metrics considered by our management to assess our financial performance, and we believe they provide a useful supplemental measure of our operating performance as it permits investors to examine the underlying performance and financial condition of our business with a greater degree of comparability. Underlying operating profit, EBITDA and NPATA have limitations as analytical tools, and investors should not consider them in isolation from, or as a substitute for, analysis of our results of operations. Some of the limitations of underlying operating profit and EBITDA are that: (i) they do not reflect our cash expenditures or future requirements for capital expenditure or contractual commitments; (ii) they do not reflect changes in, or cash requirements for, our working capital needs; (iii) they do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments in respect of our borrowings; (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect that any cash amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and (v) other companies in our industry may calculate these measures differently from how we calculate them, limiting their usefulness as a comparative measure.

The non-GAAP financial measures should not be considered to be an indication of, or alternative to, corresponding measures determined in accordance with AAS. In addition, such measures may not be comparable to similar measures presented by other companies. See ''Summary—Summary historical financial information—Other financial data''.

Exchange controls

Australia

The Australian dollar is convertible into U.S. dollars and other currencies at market-determined rates. Generally, Australians are not restricted from transferring funds from Australia to the credit of non-residents of Australia, but in certain cases are required to: (i) withhold an amount on account of taxes imposed in Australia; or (ii) lodge a report of the details of a transaction.

However, the *Autonomous Sanctions Act 2011* (Cth), the *Autonomous Sanctions Regulations 2011* (Cth), the *Charter of the United Nations Act 1945* (Cth), the *Charter of the United Nations (Dealing with Assets) Regulations 2008*, the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and other Australian legislation, regulations and directions may restrict or prohibit payments, transactions or other dealings with assets having a prescribed connection with certain countries or named persons or entities subject to Australian or international sanctions or identified with terrorism or money laundering. Dealings with any person associated with, acting on behalf of or at the direction of a person that is subject to sanctions or an entity owned or controlled by a person that is subject to sanctions under these Acts and regulations may also be prohibited.

The Australian Department of Foreign Affairs and Trade (the ''Department'') maintains a list of the persons and entities that are directly subject to targeted financial sanctions under a number of these Acts. The list is available to the public at the Department's website at https://www.dfat.gov.au/international-relations/security/sanctions/consolidated-list. This list does not include persons that are subject to sanctions under these Acts because they are acting at the direction of another person that is subject to sanctions or an entity that is owned or controlled by a person that is subject to sanctions.

The persons, entities and assets that are subject to these sanctions will change over time. This website and the information contained on the website is not part of this Offering Memorandum.

Australian laws also require the reporting of certain transactions either to an agency of the Australian Government known as ''AUSTRAC'' or the Australian Federal Police. For example, the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) requires reporting entities to report transactions involving physical currency of A$10,000 or more (or the foreign currency equivalent) and other suspicious transactions to AUSTRAC.

We will not make any payments (including remittances of dividends and interest), and may delay or refuse any request or transaction, if we believe that the payment, request or transaction may be in breach of any laws or cause us to commit or participate in an offence under any law. We may take any action that we reasonably believe is necessary to comply with any laws, including but not limited to disclosing any information that we hold about the investor to service providers whether in Australia or outside Australia, or to any relevant Australian or foreign regulator.

Certain definitions

In this Offering Memorandum, all references to the ''CSL'', the ''CSL Group'', the ''Group'', ''we'', ''us'' and ''our'' and similar expressions refer to, individually or collectively as the context requires, CSL Limited (ABN 99 051 588 348) and its controlled subsidiaries and CSL-operated joint arrangements, taken as a whole. This Offering Memorandum also uses the following defined terms:

- ''Issuer'' refers to CSL Finance Plc;
- ''Parent Guarantor'' refers to CSL Limited;
- ''Subsidiary Guarantors'' refers collectively to CSLB Holdings Inc. and CSL Finance Pty Ltd;
- ''Guarantors'' refers collectively to the Subsidiary Guarantors and the Parent Guarantor;
- ''Guarantees'' refers to the full and unconditional guarantee of the Notes by the Guarantors on the terms set out in the Indenture;
- ''Initial Purchasers'' refers to BofA Securities, Inc., Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, ANZ Securities, Inc., ING Financial Markets LLC and Westpac Banking Corporation; and
- ''Notes'' refers to the US$500,000,000 aggregate principal amount of 5.106% Senior Guaranteed Notes due 2034 and the US$750,000,000 aggregate principal amount of 5.417% Senior Guaranteed Notes due 2054 offered hereby.

Summary

This summary highlights selected information from this Offering Memorandum and may not contain all of the information that may be important to you. This summary does not purport to be complete and is qualified in its entirety by reference to and should be read in conjunction with the more detailed information appearing elsewhere in this Offering Memorandum. You should read this entire Offering Memorandum carefully, including the sections entitled "Risk factors", "Management's discussion and analysis of financial condition and results of operations" and "Business" and the consolidated financial statements and related notes thereto included in this Offering Memorandum before making an investment decision.

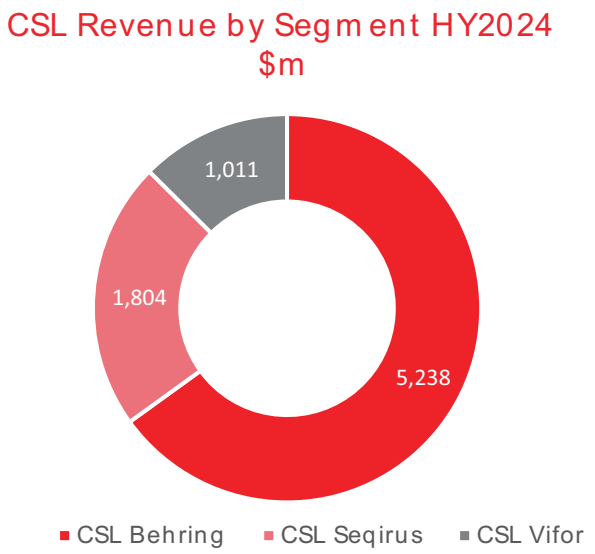
Business overview

We are a global biotechnology leader that develops and delivers innovative medicines that save lives, protect public health and help people with life-threatening medical conditions live full lives. We operate in over 40 countries with over 31,000 employees around the world and compete on the global stage as one of the largest protein-based biotechnology businesses.

Following the completion of the acquisition of Vifor Pharma in August 2022, we have three core businesses: CSL Behring, a leading provider of protein biotherapeutics for the treatment of rare and serious diseases; CSL Seqirus, specializing in influenza and other vaccines and other biologics; and CSL Vifor, specializing in the therapeutic areas of iron deficiency and nephrology.

- *CSL Behring* – CSL Behring is one of the world's largest providers of plasma therapies by revenue, with operations in more than 40 countries. Our work at CSL Behring is driven by our commitment to saving lives and improving the quality of life for people with rare and serious diseases worldwide. CSL Behring manufactures, markets and distributes plasma products, gene therapies and recombinants for treating rare and serious diseases such as hemophilia, von Willebrand disease (''vWD''), primary immune deficiencies (''PID''), chronic inflammatory demyelinating polyneuropathy (''CIDP''), hereditary angioedema (''HAE'') and inherited respiratory disease. CSL Behring's products are also used in cardiac surgery, for burn treatment and for urgent warfarin reversal. CSL Behring uses three strategic scientific platforms of plasma fractionation, recombinant protein technology, and cell and gene therapy to support continued innovation and continually refine ways in which products can address unmet medical needs and help patients lead full lives.
- *CSL Seqirus* – CSL Seqirus is one of the largest influenza vaccine companies in the world by revenue, with operations in more than 15 countries. CSL Seqirus provides a differentiated product portfolio, possesses strong pandemic and pre-pandemic franchises and manages one of the world's largest influenza vaccine manufacturing networks with operations on three continents: North America, Europe and Australia. In addition to providing influenza vaccines worldwide, CSL Seqirus manufactures and distributes a range of unique products in the national interest under contract with the Australian Government and distributes a comprehensive range of other in-licensed vaccines and other pharmaceutical products in Australia and New Zealand.
- *CSL Vifor* – CSL Vifor is a global specialty pharmaceuticals business that is a leader in iron therapies, dialysis, nephrology and rare diseases. CSL Vifor specializes in strategic global partnering, in-licensing and developing, manufacturing and marketing pharmaceutical products for precision healthcare, aiming to help patients around the world lead better, healthier lives. Headquartered in St. Gallen, Switzerland, CSL Vifor also includes our 55% interest in the joint venture company Vifor Fresenius Medical Care Renal Pharma (''VFMCRP'') (with Fresenius Medical Care (''FMC'')).

The chart below shows a summary of our revenue performance in HY2024 by segment:



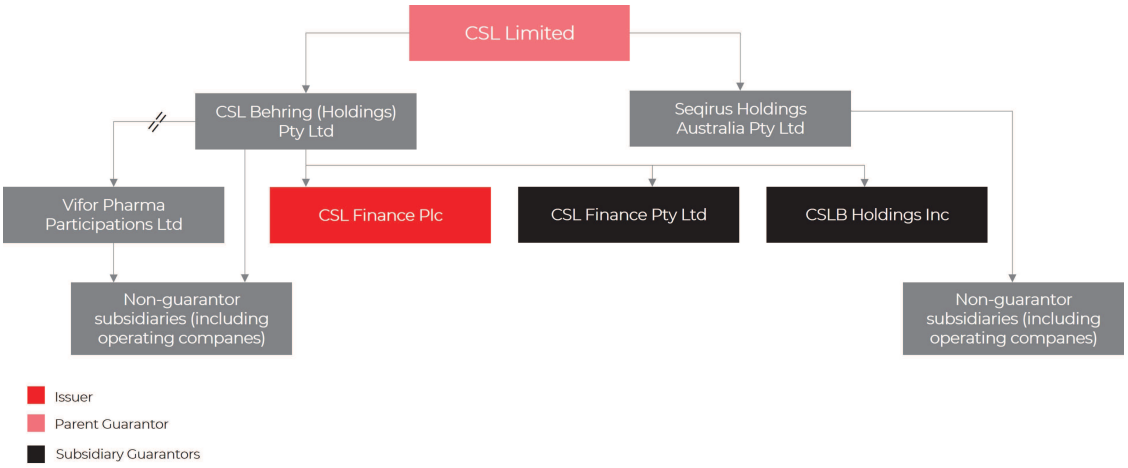
Innovation has been our focus since our beginning in 1916 and continues to be the core of everything we do. We invested US$5.1 billion in R&D expense in the five financial years to and including FY2023 to advance our product pipeline (including US$1.2 billion in FY2023, which was 9% of our annual total operating revenue). In addition, we employed approximately 2,000 employees in R&D as at December 31, 2023 who are dedicated to developing and delivering innovative medicines and vaccines that address unmet medical needs, help prevent infectious disease and protect public health. We have one of the largest plasma collection networks in the world and are highly efficient in our plasma collection and fractionation operations. At December 31, 2023, we had a total of 344 plasma collection centers in the U.S. and its territories, Germany, Hungary and China, which collectively employed over 15,000 people. Our ultimate aim is to deliver safe and effective medicines for our patients.

We believe our business has attributes that distinguish it from many other large pharmaceutical companies. First, many of our key products do not depend on patent-protected exclusivity but instead, benefit from the complexity of their supply chain and/or manufacturing. In particular, our plasma derived therapies depend on a reliable plasma collection network as well as a sophisticated manufacturing process. The plasma product industry is highly regulated, and operating a business that collects plasma and manufactures plasma derived products requires approvals from and compliance with regulations of the U.S. Food and Drug Administration (“FDA”) and the European Medicines Agency (“EMA”), as well as other comparable regulators worldwide. As a result, significant capital is required to develop, equip and maintain the infrastructure required for everyday operations. Additionally, only plasma protein collected from FDA approved plasma collection centers can be marketed in the U.S. and therefore, the security of our plasma supply is protected by virtue of having a well-established network of plasma collection centers in the U.S. Further, CSL Seqirus’ influenza vaccine business is one of very few with the technical and manufacturing capability to produce targeted vaccines for each Northern and Southern hemisphere flu season and deliver them on schedule in the volumes required. Finally, the acquisition of CSL Vifor in August 2022 allows us to build on a heritage and expertise in iron deficiency therapy and grow our presence in nephrology, with a focus on dialysis and rare disease. See “—Our strengths” below.

For HY2024 and FY2023 we had total operating revenue of US$8.1 billion and US$13.3 billion, EBITDA of US$3.0 billion and US$3.9 billion, operating profit of US$2.6 billion and US$3.7 billion, Net Profit after Tax (“NPAT”) of US$1.9 billion and US$2.2 billion, and NPATA attributable to equity holders of CSL of US$2.0 billion and US$2.6 billion, respectively.

Group structure

The following chart summarizes the corporate structure of the Group as at December 31, 2023:



Business segments

CSL Behring

CSL Behring is a global biotherapeutics leader in developing and delivering high-quality medicines that treat people with rare and serious diseases. Focused on serving patients' needs by using the latest technologies, CSL Behring discovers, develops and delivers innovative therapies for people living with conditions in the immunology, hematology, cardiovascular and metabolic, respiratory and transplant therapeutic areas. CSL Behring uses three strategic scientific platforms of plasma fractionation, recombinant protein technology, and cell and gene therapy to support continued innovation and continually refine ways in which products can address unmet medical needs and help patients lead full lives.

CSL Behring accounted for 65% and 70% of overall total operating revenue in HY2024 and FY2023, respectively, selling products in more than 100 countries across Asia Pacific, Europe, Latin America and North America.

CSL Behring manufactures, markets and develops plasma therapies (plasma products and recombinants), receives license and royalty income from the commercialization of intellectual property and undertakes the administrative and corporate function required to support the Group. CSL Behring operates CSL Plasma, one of the world's largest plasma collection networks.

The tables below show a summary of CSL Behring's sales performance in certain key therapies for the periods indicated:

Therapy	HY2024 Operating Revenue (US$ million)	HY2023 Operating Revenue (US$ million)	HY2024 vs. HY2023 Reported Change (%)[1]
Immunoglobulins[2]	2,757	2,227	24%
Albumin	613	585	5%
Hemophilia	662	611	8%
Specialty[3]	976	915	7%
Other[4]	230	219	5%
Total	**5,238**	**4,557**	**15%**

Notes:

(1) Percentages shown as reported.

(2) Includes HIZENTRA®, PRIVIGEN® and other Ig products.

(3) Includes HAEGARDA®, KCENTRA®, ZEMAIRA® and wound healing products.

(4) Includes HPV royalties, hyperimmunes and, in HY2023 only, COVID-19 vaccines.

Therapy	FY2023 Operating Revenue (US$ million)	FY2022 Operating Revenue (US$ million)	FY2023 vs. FY2022 Reported Change (%)[1]	FY2021 Operating Revenue (US$ million)	FY2022 vs. FY2021 Reported Change (%)[1]
Immunoglobulins[2]	4,675	4,024	16%	4,238	(5%)
Albumin	1,109	1,072	3%	1,071	—
Hemophilia	1,193	1,166	2%	1,107	5%
Specialty[3]	1,831	1,792	2%	1,770	1%
Other[4]	482	544	(11%)	388	40%
Total	**9,290**	**8,598**	**8%**	**8,574**	**—**

Notes:

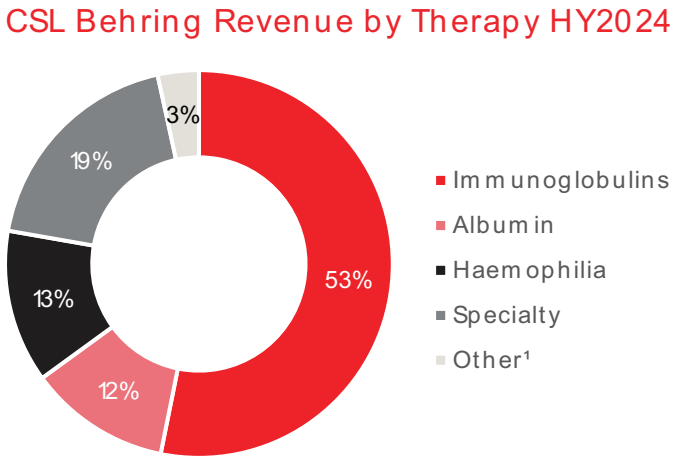
(1) Percentages shown as reported.

(2) Includes HIZENTRA®, PRIVIGEN® and other Ig products.

(3) Includes HAEGARDA®, KCENTRA®, ZEMAIRA® and wound healing products.

(4) Includes HPV royalties, hyperimmunes and COVID-19 vaccines.

The chart below shows a summary of CSL Behring's sales performance in HY2024 by the key therapies listed above.



Note:

(1) Includes sales revenue from HPV royalties and hyperimmunes.

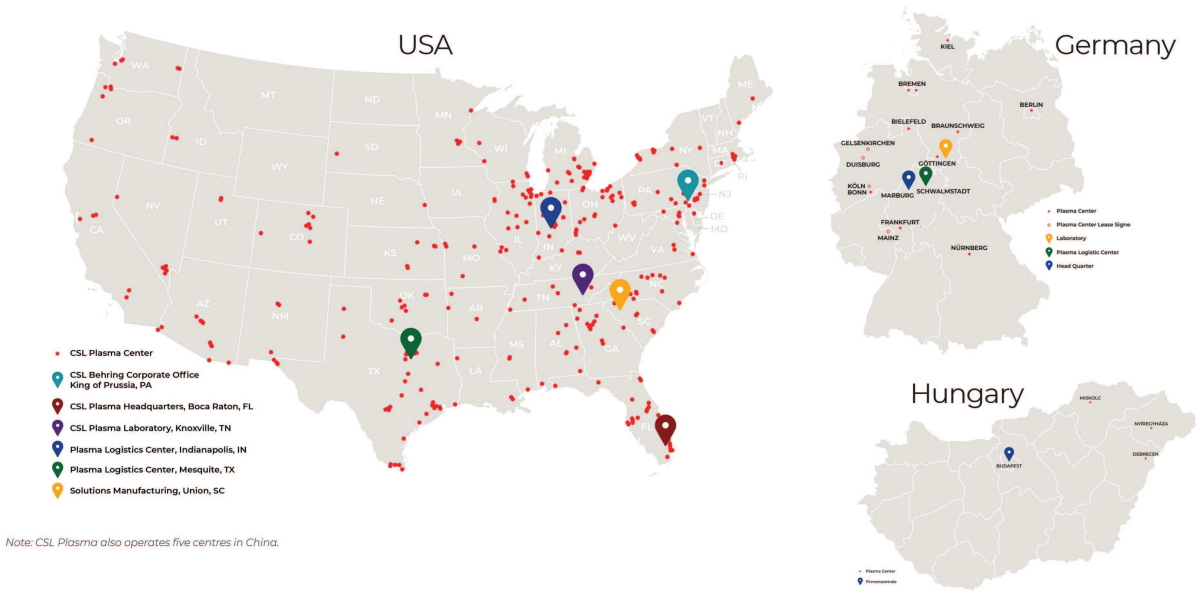
CSL Behring's operational headquarters is located in King of Prussia, Pennsylvania, U.S., and it has manufacturing facilities in Bern, Switzerland; Marburg, Germany; Broadmeadows, Australia; Parkville, Australia; Kankakee, Illinois, U.S.; and Wuhan, China.

CSL Plasma

A division of CSL Behring, CSL Plasma is one of the largest collectors of human blood plasma in the world, obtaining plasma from donors in the U.S. and its territories, Germany, Hungary and China that is used to produce a range of life-saving medicines for patients with serious and rare diseases.

CSL Plasma is headquartered in Boca Raton, Florida, U.S. and operates one of the world's largest networks of plasma collection centers with a total of 344 plasma collection centers, including 12 in Germany, 3 in Hungary, 5 in China and 324 in the U.S. and its territories, which collectively employed over 15,000 employees as at December 31, 2023.

Global Plasma Collection Center Network (at December 31, 2023)



The plasma we collect at our CSL Plasma facilities is the critical raw material CSL Behring uses to manufacture and deliver an array of plasma derived therapies to patients in more than 100 countries.

CSL Plasma operates plasma testing laboratories and logistics centers in the U.S., Germany and China. CSL Behring operates a U.S. manufacturing facility which produces saline and sodium citrate, solutions that CSL Plasma uses in the plasma donation process.

CSL Seqirus

CSL Seqirus was formed from the integration of bioCSL, our former influenza division, with the influenza vaccines business we acquired from Novartis in 2015. CSL Seqirus' vaccine development, differentiated product portfolio and wide-ranging commercial operations in more than 15 countries have made CSL Seqirus one of the largest influenza vaccine companies in the world by revenue.

CSL Seqirus develops, manufactures and commercializes influenza vaccines and, in Australia and New Zealand, distributes a range of in-licensed vaccines and pharmaceuticals. CSL Seqirus' broad range of influenza vaccines include egg-based and cell-based products, as well as a proprietary adjuvant, which enhances a vaccine's efficacy through improving the recipient's immune response. CSL Seqirus has expanded its strategy to develop vaccines targeting adjacent pathogens, such as COVID-19. In 2022, we entered into an agreement with Arcturus Therapeutics, Inc. (''Arcturus'') to in-license self-amplifying mRNA technology for use in COVID-19, influenza, and a number of other respiratory pathogens. CSL Seqirus is also the world's only supplier of a unique range of products made in the national interest for the Australian Government, including antivenoms and Q fever vaccine. As one of the world's leading influenza vaccine providers, CSL Seqirus is a major contributor to the prevention of influenza globally and a partner in pandemic preparedness across three continents through its production facilities in the U.S., U.K. and Australia. Our production of seasonal influenza vaccines for both the northern and southern hemispheres enables us to be in a constant state of readiness to respond to a pandemic emergency.

The tables below show a summary of CSL Seqirus' sales performance by product or service category for HY2024 and FY2023:

Product or service category	HY2024 Operating Revenue (US$ million)	HY2023 Operating Revenue (US$ million)	HY2024 vs. HY2023 Reported Change (%)[1]
Egg-based vaccines	123	123	—
Cell culture vaccines	529	599	(12%)
Adjuvanted egg based vaccines	988	845	17%
Pandemic	85	76	12%
Other (including in-license)	65	86	(25%)
Other income[2]	14	9	56%
Total	**1,804**	**1,738**	**4%**

Notes:

(1) Percentages shown as reported.

(2) Other income is primarily derived from activities that are outside of the ordinary course of business, such as the disposal of property, plant and equipment.

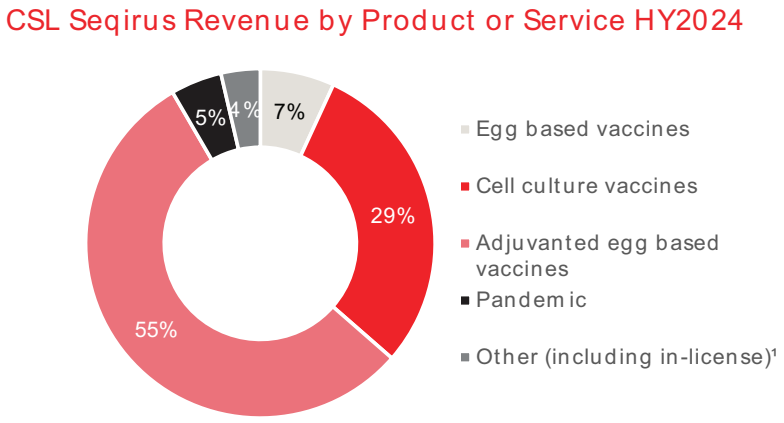
Product or service category	FY2023 Operating Revenue (US$ million)	FY2022 Operating Revenue (US$ million)	FY2023 vs. FY2022 Reported Change (%)[1]	FY2021 Operating Revenue (US$ million)	FY2022 vs. FY2021 Reported Change (%)[1]
Egg based vaccines	148	228	(35%)	308	(26%)
Cell culture vaccines	599	486	23%	439	11%
Adjuvanted egg based vaccines	893	885	1%	629	41%
Other (including in-license)	211	178	19%	176	1%
Pandemic	156	162	(4%)	160	1%
Other income[2]	24	25	(4%)	24	4%
Total	**2,031**	**1,964**	**3%**	**1,736**	**13%**

Notes:

(1) Percentages shown as reported.

(2) Other income is primarily derived from activities that are outside of the ordinary course of business, such as the disposal of property, plant and equipment.

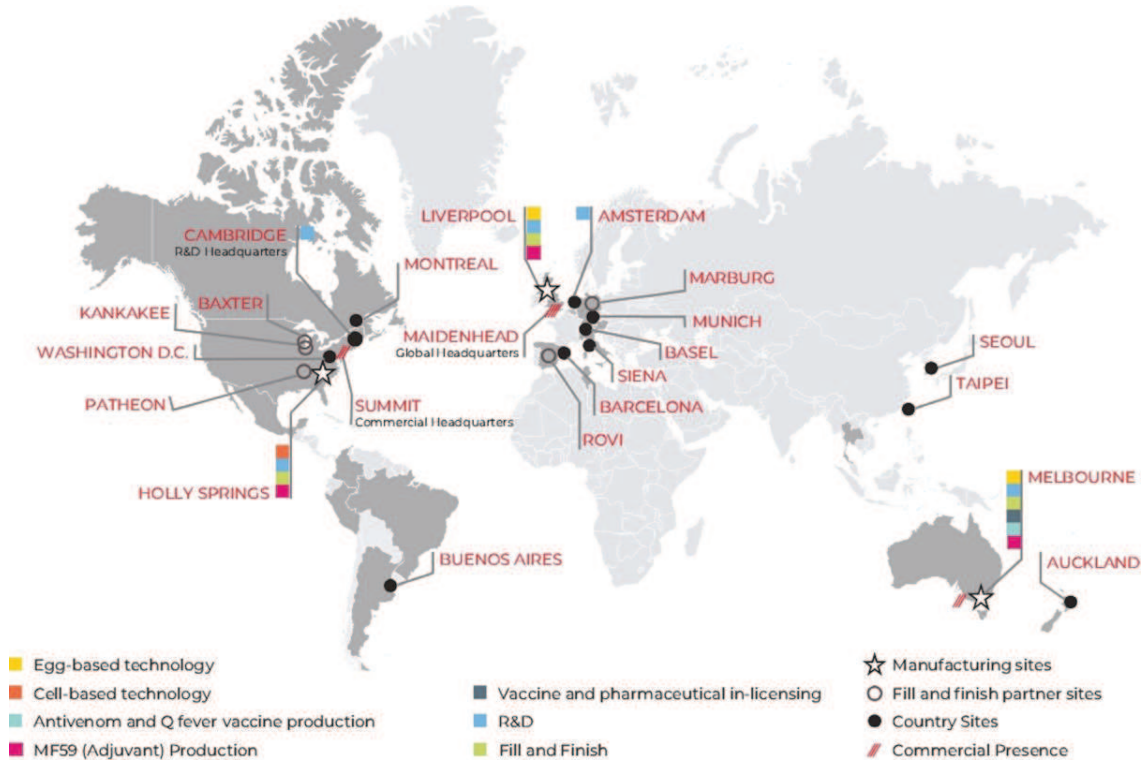
The chart below shows a summary of CSL Seqirus' sales performance in HY2024 by the product or service categories listed above:



Note:

(1) Includes other income realized from activities that are outside of the ordinary business such as the disposal of property, plant and equipment and in-license revenue.

CSL Seqirus operates R&D and commercial sites and manufacturing facilities in a number of locations around the world, as shown on the map below:



CSL Seqirus' manufacturing plants have deep technical expertise in the science and manufacture of influenza vaccines and produce a broad portfolio of products.

CSL Vifor

CSL Vifor is a global specialty pharmaceuticals business that is a leader in iron therapies, dialysis, nephrology and rare diseases. CSL Vifor specializes in strategic global partnering, in-licensing and developing, manufacturing and marketing pharmaceutical products for precision healthcare, aiming to help patients around the world lead better, healthier lives. Headquartered in St. Gallen, Switzerland, CSL Vifor also includes our 55% interest in the joint venture company, VFMCRP with FMC.

The acquisition of CSL Vifor in August 2022 allows us to build on a heritage and expertise in iron deficiency therapy and grow our presence in nephrology, with a focus on dialysis and rare disease. During FY2023, CSL commenced the integration of the CSL Vifor R&D teams and programs into the overall CSL R&D organization and processes. CSL Vifor develops drugs and in-licenses drugs developed by others. CSL Vifor outsources certain of its final stage production processes to contract manufacturing organizations.

CSL Vifor's operational headquarters are in Zurich, Switzerland, and the segment has an increasingly global presence and a broad network of affiliates and partners around the world. As of December 31, 2023, CSL Vifor is present in more than 100 countries and employs approximately 1,700 people around the world.

The table below shows a summary of CSL Vifor's sales performance by product or service category for the periods indicated (since the CSL Vifor acquisition):

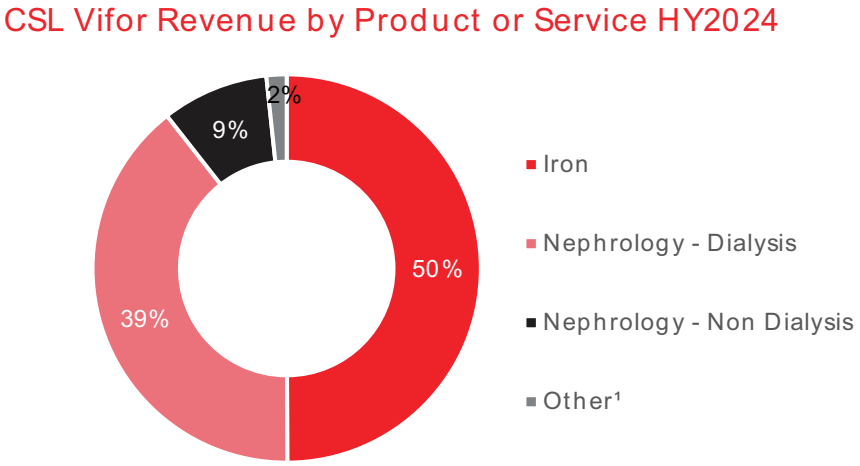
Product or service category	HY2024 Operating Revenue (US$ million)	HY2023[1] Operating Revenue (US$ million)	FY2023[1] Operating Revenue (US$ million)
Iron	505	427	1,009
Nephrology – Dialysis	399	377	771
Nephrology – Non Dialysis	90	55	136
Other[2]	17	30	73
Total	**1,011**	**889**	**1,989**

Notes:

(1) We completed the acquisition of Vifor Pharma (CSL Vifor) on August 9, 2022 and, therefore, the amounts for HY2023 and FY2023 represent the contribution from CSL Vifor from that date onward (approximately 5 months and 11 months, respectively).

(2) Includes other sales revenue and other income including milestone payments received and license income.

The chart below shows a summary of CSL Vifor's sales performance in HY2024 by the product or service categories listed above:



Note:

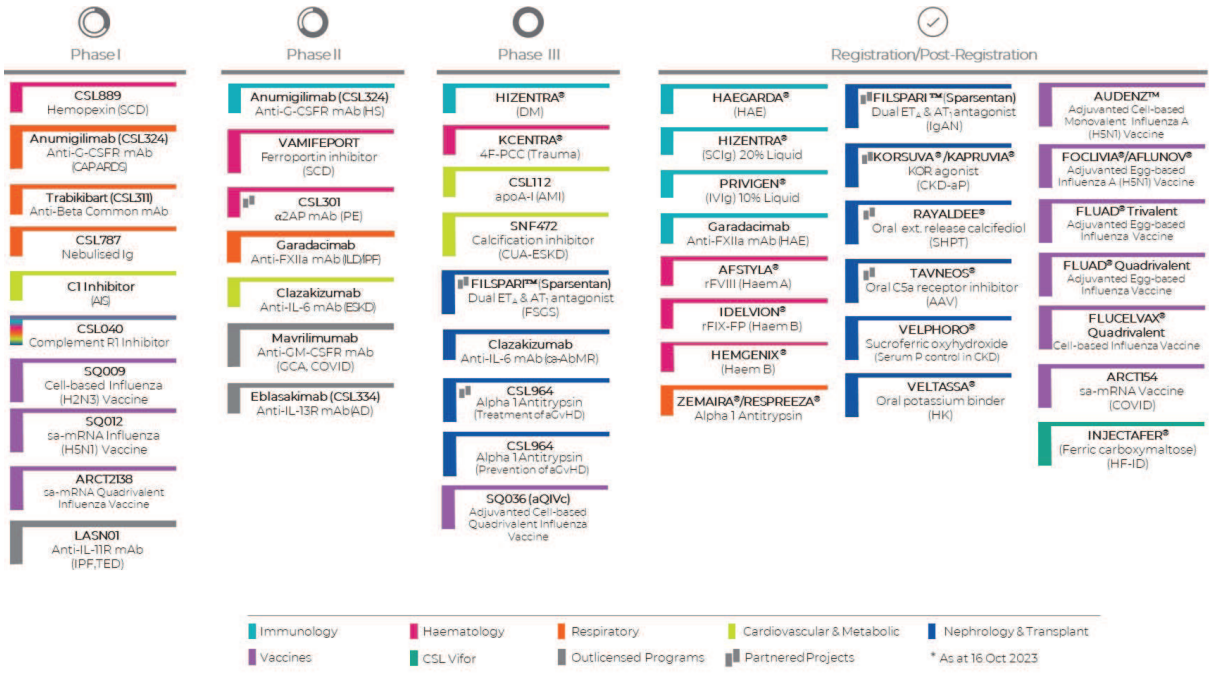
(1) Includes other sales revenue and other income including milestone payments received and license income.

Research and development

Our R&D organization continues to advance as a biotechnology leader by delivering high-quality science and technology through our own high-caliber scientists and innovative collaborations. In FY2023 and FY2022, we invested US$1,235 million and US$1,156 million, respectively, in R&D expense across our businesses, accounting for 9% and 11% of our total operating revenue, respectively.

We have over 2,000 R&D employees in ten countries and R&D centers situated in close proximity to major universities, institutes and biomedical precincts, allowing us to efficiently access external global talent and foster innovation globally. We have an extensive portfolio of innovative products at various stages, as shown in the following chart, which is stated as at October 16, 2023. The status of our R&D portfolio is subject to ongoing changes as each project progresses. As announced on February 11, 2024, the CSL112 clinical trial did not meet its primary efficacy endpoint and, as a result, there are no plans for a near-term regulatory filing, with additional analyses ongoing to understand the complete data and determine next steps.

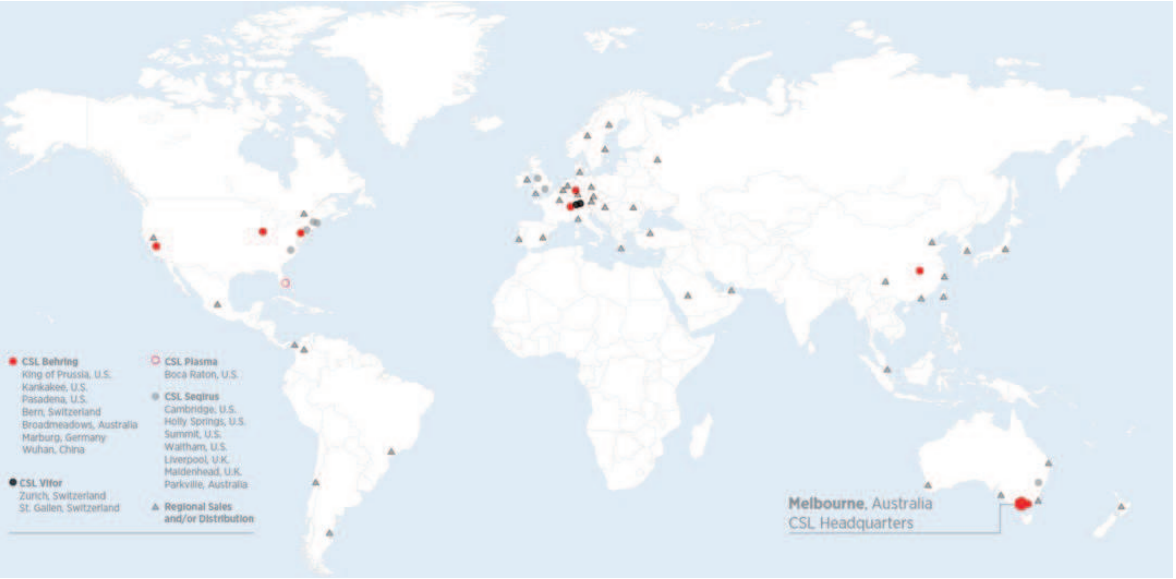
CSL R&D Portfolio FY2024 (as at October 16, 2023)



Locations

Our global headquarters are located in Melbourne, Australia. We currently own or lease manufacturing facilities in eleven sites around the world, five of which have plasma fractionation capabilities.

The map below shows the geographic locations and business purposes of our principal properties as of December 31, 2023.



Our strengths

Diversified global leader – We are one of the largest and fastest growing protein-based biotech businesses globally by revenue. We manufacture and sell innovative medicines that help people with serious and life-threatening conditions live full lives and protect the health of communities around the world. Our CSL Behring division is one of the world's largest producers of plasma-derived products. Our vertically integrated plasma collection network provides secure access to raw materials. Our CSL Seqirus division is one of the largest vaccines providers in the world and a leader in vaccine innovation. Our CSL Vifor division is a global specialty pharmaceuticals business that is a leader in iron therapies, dialysis, nephrology and rare diseases. We have operations in more than 40 countries, manufacturing across six countries and a diverse customer base in over 100 countries.

Defensive industry fundamentals – Our manufacturing businesses are highly regulated, requiring extensive infrastructure and regulatory approvals and ongoing compliance. We operate at a scale that is difficult to replicate, which generates efficiency in our plasma business and enables our vaccine business to produce the required quantities of seasonal influenza vaccine on time. Our markets are large, with the protein therapeutic market estimated at US$41.8 billion of revenue, the influenza vaccine market estimated to be in excess of US$5 billion of revenue and the iron deficiency anemia therapy market estimated at US$4.5 billion of revenue. See ''Industry'' for more information about our markets. Most of our key products do not depend on patent exclusivity but are difficult to replicate due to the complexity and extensive regulation of the supply chain and manufacturing.

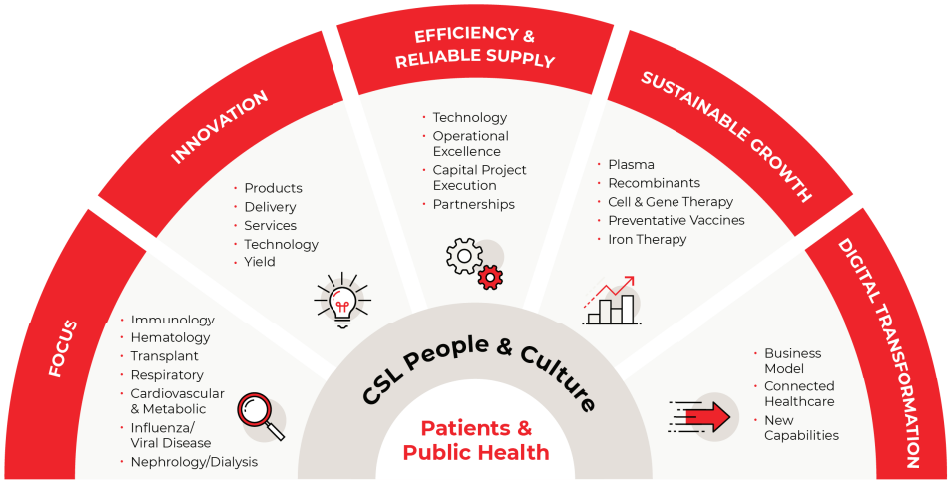
R&D investment and innovation – We typically invest approximately 10% of our revenue in R&D and have over 2,000 R&D employees globally. We have ongoing R&D investment across four strategic scientific platforms – plasma protein technology; recombinant protein technology; cell and gene therapy; and vaccines technology (including cell-based and egg-based vaccines and next-generation vaccine technologies, eg. sa-mRNA). Our strong R&D pipeline includes potential new treatments that use these platforms and align with our leading-edge scientific expertise and commercial capabilities across our six therapeutic areas: immunology; hematology; cardiovascular and metabolic; respiratory; nephrology and transplant; and vaccines. The addition of CSL Vifor allows the R&D team to build on a heritage and expertise in iron deficiency therapy and grow our presence in nephrology, with a focus on dialysis and rare disease.

Strong financial profile and prudent capital structure – We have a track record of delivering growth, strong margins and free cash flow generation. We maintain a conservative balance sheet with net debt to EBITDA of 2.1x and 2.3x at December 31, 2023 and June 30, 2023, respectively, consistent with our solid investment grade rating. See "Management's discussion and analysis of financial condition and results of operations—Liquidity and capital resources—Capital structure". As at June 30, 2023, our average dividend payout ratio for the last three financial years has been 47% of earnings per share.

Highly skilled and technical global workforce – We have a highly skilled and technical global workforce of over 31,000 employees, led by an experienced and stable management team with strong track record of delivering growth and value. We have established processes to promote a culture of regulatory compliance and risk management.

Our strategy

In 2020, we refreshed our strategic vision with what we call our "2030 strategy". We developed our 2030 strategy to build on our success and further serve our patients and enhance public health, which are both at the core of what we do every day. We aim to execute our 2030 strategy through the following five areas: focus; innovation; efficiency and reliable supply; sustainable growth; and digital transformation.



Focus – Our long-term priorities are focused on delivering sustainable and profitable growth. This will allow CSL to continue to provide a reliable supply of our life-saving therapies and to fund innovation that improves the health of patients and the public. We are leaders in protein therapies, influenza vaccines and the treatment of iron deficiency. We have chosen therapeutic areas where we have strong assets and established expertise, such as immunology and hematology, and emerging therapeutic areas where we see opportunities to grow our business, such as nephrology and transplant, respiratory, cardiovascular and metabolic. In the vaccines business, our focus is on continued growth of our cell-based products which we believe will lead to improved outcomes compared to egg-based products, and our innovative vaccines pipeline, which includes advanced technologies such as next-generation mRNA and recombinant antigen production, to address present and emerging viral threats to human health. CSL Vifor provides new opportunities to grow the iron deficiency treatment franchise and in nephrology. CSL has combined CSL Vifor's nephrology focus and CSL Behring's transplant focus into one nephrology and transplant therapeutic area. A number of patient blood management ("PBM") initiatives are underway that will cross between CSL Vifor and CSL Behring businesses. PBM is an evidence based approach to preserve a patient's own blood, enabling the detection and management of anemia and iron deficiency, minimization of blood loss, and an optimization of patient tolerance of post operative anemia. CSL is uniquely positioned in the PBM area to translate evidence based medicine into evidence based practice (see "—Business segments—CSL Vifor—Patient Blood Management ("PBM")" for further information).

Therapeutic area leadership teams, co-led by senior leaders in R&D and Commercial, maximize the benefits of our products in their areas and identify unmet patient needs that can be addressed by our core technology platforms: plasma protein technology, recombinant protein technology, cell and gene therapy and vaccines technology (including cell-based and egg-based vaccines and next-generation vaccine technologies, eg. sa-mRNA).

Innovation – We remain committed to investing in targeted and disruptive R&D innovation to deliver novel therapies to better meet the needs of patients and public health. In our industry, bringing new products to market is lengthy and complex, given the need for extensive testing in the clinic to ensure the safety and efficacy of our product candidates. We understand that true breakthroughs in medicine often arise from challenging conventional thinking and exploring novel approaches and we are constantly seeking out new and unexplored avenues to tackle the most pressing medical challenges. Our R&D portfolio includes promising projects such as garadacimab (Phase III), our anti-FXIIa monoclonal antibody for the potential long-term prophylactic treatment of patients with HAE, alpha-1 antitrypsin (AAT; ZEMAIRA®) (Registration) for the prevention and treatment of acute graft-versus-host disease (GvHD), KCENTRA® (Phase III) for improving survival in trauma patients experiencing life-threatening bleeding, clazakizumab (Phase II) for the treatment of patients with end stage kidney disease, and next-generation vaccine technologies like sa-mRNA and aQIVc to safeguard public health. We are also growing our early stage portfolio, through our in-house capabilities and through collaborations with external partners. Identifying early-stage external innovation opportunities, such as new technologies and assets, is essential for our research portfolio to grow and diversify in the future.

Efficiency and reliable supply – Efficiency and reliable supply is critical for meeting the increasing demand for our core plasma products, such as HIZENTRA® and PRIVIGEN®, and our cell-based influenza vaccine products. As one of the global leaders in plasma fractionation, we look for opportunities to invest in capital projects that will increase our ability to meet the needs of patients. We approach the next decade of growth with an aim to serve more patients through an efficient plasma collection network strategy that requires investments in technology, operational excellence and process improvement. Outside plasma, we are increasing our capacity and optimizing our processes for our cell-based influenza vaccine products.

Sustainable growth – Sustainable growth of our business requires that patients who will benefit most from our therapies have access and that we also capture the value that our products bring to patients. Global demand for our core products is increasing and we are committed to grow our business by maximizing the value of our franchises.

Digital transformation – We see potential in the years ahead to create enhanced value and to better serve our patients through the use of data, connectivity and technologies that can improve our operations and increase our understanding of the patient experience. Today, we are taking the necessary steps to enable digital transformation throughout the business.

Corporate information

Our principal executive offices are located at 655 Elizabeth Street, Melbourne, Victoria 3000, Australia. Our telephone number is +61 3 9389 1911. Our shares are listed on the ASX under the ticker ‘‘CSL’’.

CSL Finance Plc is the issuer of the Notes. The Issuer is a wholly-owned subsidiary of CSL Limited. Its assets consist primarily of intercompany loans to wholly-owned subsidiaries of the Group, and it has no subsidiaries. The registered office address of the Issuer is 4 Milton Road, Haywards Heath, West Sussex, RH16 1AH, U.K. The Issuer’s directors are John Levy, James Smith and Dieter Engstfeld.

Summary historical financial information

The following tables present the summary historical consolidated financial information of the Group for the two most recent financial half years and the three most recent financial years.

The summary consolidated financial information presented below as of December 31, 2023, and for HY2024 and HY2023 has been derived from, and is qualified in its entirety by reference to, our unaudited consolidated interim financial statements and the summary consolidated financial information presented below as of June 30, 2023, 2022 and 2021, and for FY2023, FY2022 and FY2021, has been derived from, and is qualified in its entirety by reference to, our audited consolidated financial statements, in each case included elsewhere in this Offering Memorandum.

The consolidated financial statements of the Group were prepared in accordance with AAS and other authoritative pronouncements of AAS and also comply with IFRS. See ''Notes to the financial statements'' to the consolidated financial statements for FY2023 for further information.

The summary financial information presented in this section should be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements and the unaudited consolidated interim financial statements of the Group and the accompanying notes for the relevant financial years and half years.

You should read this section together with the sections of this Offering Memorandum titled ''Financial information presentation'' and ''Management's discussion and analysis of financial condition and results of operations'' and the consolidated financial statements and related notes thereto.

Summary statement of profit or loss and other comprehensive income information

	Half year ended December 31, 2023	Half year ended December 31, 2022[1]	Year ended June 30, 2023	Year ended June 30, 2022	Year ended June 30, 2021
	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)
Sales and service revenue	7,804	6,943	12,776	10,136	9,980
Influenza pandemic facility reservation fees	85	76	156	162	160
Royalties and license revenue	126	134	242	195	126
Other income	38	31	136	69	44
Total operating revenue	**8,053**	**7,184**	**13,310**	**10,562**	**10,310**
Cost of sales	(3,722)	(3,330)	(6,466)	(4,830)	(4,467)
Gross profit	**4,331**	**3,854**	**6,844**	**5,732**	**5,843**
Research and development expenses	(670)	(593)	(1,235)	(1,156)	(1,001)
Selling and marketing expenses	(717)	(683)	(1,454)	(961)	(980)
General and administration expenses	(331)	(444)	(1,086)	(688)	(732)
Total expenses	**(1,718)**	**(1,720)**	**(3,775)**	**(2,805)**	**(2,713)**
Operating profit	**2,613**	**2,134**	**3,069**	**2,927**	**3,130**
Finance costs	(254)	(206)	(444)	(165)	(171)
Finance income	20	35	38	18	4
Profit before income tax expense	**2,379**	**1,963**	**2,663**	**2,780**	**2,963**
Income tax expense	(459)	(323)	(419)	(525)	(588)
Net profit for the half year/year	**1,920**	**1,640**	**2,244**	**2,255**	**2,375**
- attributable to shareholders of CSL Limited	1,901	1,623	2,194	2,255	2,375
- attributable to non-controlling interests	19	17	50	—	—

	Half year ended December 31, 2023	Half year ended December 31, 2022[(1)]	Year ended June 30, 2023	Year ended June 30, 2022	Year ended June 30, 2021
	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)
Other comprehensive income (OCI)					
Items that may be reclassified subsequently to profit or loss					
Hedging transactions:					
- Changes in fair value	—	—	—	135	—
- Realized in profit or loss	(6)	(7)	(14)	(1)	—
Exchange differences on translation of foreign operations, net of hedges on foreign investments	29	(36)	(17)	(287)	199
Items that will not be reclassified subsequently to profit or loss					
Changes in fair value on equity securities measured through OCI, net of tax	(13)	7	(42)	(7)	—
Actuarial gains on defined benefit plans, net of tax	3	1	1	35	83
Total other comprehensive income/(losses)	**13**	**(35)**	**(72)**	**(125)**	**282**
Total comprehensive income for the half year/year	**1,933**	**1,605**	**2,172**	**2,130**	**2,657**
- attributable to shareholders of CSL Limited	1,914	1,586	2,122	2,130	2,657
- attributable to non-controlling interests	19	19	50	—	—
Earnings per share (based on net profit for the half year/year attributable to CSL Limited shareholders)	**US$**	**US$**	**US$**	**US$**	**US$**
Basic earnings per share	3.94	3.37	4.55	4.81	5.22
Diluted earnings per share	3.92	3.36	4.53	4.80	5.21

Note:

(1) Certain comparative amounts have been reclassified in order to be consistent with the current period's presentation. Reclassifications were made between cost of sales and total expenses and were not material and have not resulted in a change to reported net profit. Previously reported amounts for the half year ended December 31, 2022 were as follows: cost of sales (US$3,320 million), gross profit (US$3,863 million), research and development expenses (US$577 million), selling and marketing expenses (US$669 million), general and administrative expenses (US$484 million) and total expenses (US$1,729 million).

Summary statement of financial position information

	As at December 31, 2023 (US$ million)	As at June 30, 2023 (US$ million)	As at June 30, 2022 (US$ million)	As at June 30, 2021 (US$ million)
ASSETS				
Current assets				
Cash and cash equivalents	1,017	1,548	10,436	1,809
Receivables and contract assets	3,473	2,205	1,657	1,711
Inventories	5,566	5,466	4,333	3,781
Current tax assets	90	31	30	84
Other assets	—	9	5	5
Total current assets	**10,146**	**9,259**	**16,461**	**7,390**
Non-current assets				
Property, plant and equipment	8,036	7,797	7,017	6,434
Right-of-use assets	1,526	1,555	1,292	1,102
Intangible assets	16,467	16,446	2,638	2,670
Deferred tax assets	839	902	518	530
Retirement benefit assets	5	6	5	4
Other financial assets	161	173	403	21
Other non-current assets	124	96	12	6
Total non-current assets	**27,158**	**26,975**	**11,885**	**10,767**
Total assets	**37,304**	**36,234**	**28,346**	**18,157**
LIABILITIES				
Current liabilities				
Trade and other payables	2,897	2,947	2,301	2,089
Interest-bearing liabilities and borrowings	1,420	1,055	4,494	474
Current tax liabilities	132	296	131	313
Provisions	269	310	182	228
Total current liabilities	**4,718**	**4,608**	**7,108**	**3,104**
Non-current liabilities				
Interest-bearing liabilities and borrowings	10,687	11,172	5,165	5,333
Retirement benefit liabilities	208	204	189	287
Deferred tax liabilities	1,547	1,464	670	459
Provisions	495	467	102	108
Other non-current liabilities	487	493	535	485
Total non-current liabilities	**13,424**	**13,800**	**6,661**	**6,672**
Total liabilities	**18,142**	**18,408**	**13,769**	**9,776**
Net assets	**19,162**	**17,826**	**14,577**	**8,381**
Equity				
Contributed equity	537	517	483	(4,505)
Reserves	738	648	590	633
Retained earnings	15,902	14,621	13,504	12,253
Equity attributable to shareholders of CSL Limited	**17,177**	**15,786**	**14,577**	**8,381**
Non-controlling interests	1,985	2,040	—	—
Total equity	**19,162**	**17,826**	**14,577**	**8,381**

Summary statement of cash flows information

	Half year ended December 31, 2023 (US$ million)	Half year ended December 31, 2022 (US$ million)	Year ended June 30, 2023 (US$ million)	Year ended June 30, 2022 (US$ million)	Year ended June 30, 2021 (US$ million)
Cash flows from operating activities					
Profit before income tax expense	2,379	1,963	2,663	2,780	2,963
Adjustments for:					
Depreciation, amortization and impairment	429	381	831	668	590
Inventory provisions	92	89	182	224	208
Share-based payment expense	80	65	139	117	92
Provision for expected credit losses	(3)	(4)	(4)	3	4
Finance costs, net	234	171	406	165	171
(Gain)/loss on disposal of property, plant and equipment	—	—	(57)	1	—
Contingent consideration liabilities reversal	—	—	(32)	(63)	—
Unrealized foreign exchange (gains)/losses	(22)	38	41	(60)	70
Changes in operating assets and liabilities:					
(Increase)/decrease in receivables and contract assets	(1,310)	(778)	28	(45)	37
Increase in inventories	(181)	(348)	(907)	(902)	(368)
Increase/(decrease) in trade and other payables	131	(121)	197	337	455
(Decrease)/increase in provisions and other liabilities	(42)	(23)	51	(102)	56
Proceeds from settlement of treasury lock	—	—	—	135	—
Income tax paid	(500)	(291)	(563)	(457)	(495)
Finance costs, net paid	(218)	(162)	(374)	(172)	(161)
Net cash inflow from operating activities	**1,069**	**980**	**2,601**	**2,629**	**3,622**
Cash flows from investing activities					
Payments for property, plant and equipment	(475)	(570)	(1,228)	(1,079)	(1,196)
Proceeds from sale of property, plant and equipment	—	—	111	—	—
Payments for intangible assets	(227)	(292)	(464)	(169)	(471)
Payments for business acquisition, net of cash acquired	—	(10,534)	(10,534)	(388)	—
Proceeds from sale of financial assets	—	271	271	—	—
Payments for other investing activities	—	1	1	—	(6)
Net cash outflow from investing activities	**(702)**	**(11,124)**	**(11,843)**	**(1,636)**	**(1,673)**
Cash flows from financing activities					
Proceeds from issue of shares	20	14	34	4,988	56
Dividends paid to CSL Limited shareholders	(623)	(569)	(1,085)	(1,039)	(958)
Dividends paid to non-controlling interests	(74)	—	(154)	—	—
Proceeds from borrowings	793	2,525	2,538	4,093	39
Repayment of borrowings	(886)	(647)	(798)	(316)	(471)
Principal payments of lease liabilities	(44)	(38)	(80)	(53)	(64)
Other financing activities	—	1	1	3	(4)
Net cash (outflow)/inflow from financing activities	**(814)**	**1,286**	**456**	**7,676**	**(1,402)**
Net (decrease)/increase in cash and cash equivalents	**(447)**	**(8,858)**	**(8,786)**	**8,669**	**547**
Cash and cash equivalents at the beginning of the half year/year	1,509	10,334	10,334	1,730	1,151
Exchange rate variations on foreign cash and cash equivalent balances	(51)	(18)	(39)	(65)	32
Cash and cash equivalents at the end of the half year/year	**1,011**	**1,458**	**1,509**	**10,334**	**1,730**
Reconciliation of cash and cash equivalents in the statement of cash flows:					
Cash and cash equivalents	1,017	1,508	1,548	10,436	1,809
Bank overdrafts	(6)	(50)	(39)	(102)	(79)
Cash and cash equivalents at the end of the half year/year	**1,011**	**1,458**	**1,509**	**10,334**	**1,730**

Other financial data

	Half year ended December 31, 2023 (US$ million)	Half year ended December 31, 2022 (US$ million)	Year ended June 30, 2023 (US$ million)	Year ended June 30, 2022 (US$ million)	Year ended June 30, 2021 (US$ million)
Sales	7,804	6,943	12,776	10,136	9,980
Other revenue/income	249	241	534	426	330
Total revenue/income	**8,053**	**7,184**	**13,310**	**10,562**	**10,310**
Segment gross profit	**4,494**	**4,042**	**7,250**	**5,734**	**5,843**
Segment operating result	**3,787**	**3,359**	**5,796**	**4,773**	**4,863**
EBITDA	**3,042**	**2,515**	**3,900**	**3,595**	**3,720**
Depreciation/Amortization/Impairment.	(429)	(381)	(831)	(668)	(590)
Net Finance Costs	(234)	(171)	(406)	(147)	(167)
Tax Expense	(459)	(323)	(419)	(525)	(588)
Net Profit after Tax[(2)]	**1,920**	**1,640**	**2,244**	**2,255**	**2,375**
Net Profit after Tax Adjusted (NPATA)[(1)]	**2,070**	**1,877**	**2,747**	**2,381**	**2,391**
Amortization and impairment of acquired intangible assets	(132)	(88)	(235)	(115)	(21)
Unwind of inventory fair value	(31)	(100)	(169)	—	—
Business acquisition and integration costs	(19)	(84)	(184)	(40)	—
Tax impact of the above adjustments	32	35	85	29	5
Net Profit after Tax[(2)]	**1,920**	**1,640**	**2,244**	**2,255**	**2,375**
Total Dividend (US$ per share)	1.19	1.07	2.36	2.22	2.22
Earnings Per Share (US$)	3.94	3.37	4.55	4.81	5.22
Net Debt[(3)(4)]	9,406	9,188	8,980	(2,167)	2,816
Net Debt / EBITDA[(4)(5)(6)]	**2.1**	**2.5**	**2.3**	**(0.6)**	**0.8**

Notes:

(1) NPATA is statutory net profit after tax before impairment and amortization of acquired intellectual property, business acquisition and integration costs and unwind of the inventory fair value uplift. See ''Financial information presentation—Non-GAAP measures'' for further information.

(2) Includes Net Profit after Tax attributable to Non-Controlling Interests.

(3) Net Debt represents interest-bearing liabilities and borrowings (excluding lease liabilities recognized in accordance with AASB 16) less cash and cash equivalents.

(4) FY2022 Net Debt and Net Debt / EBITDA is negative due to the significant cash on hand (US$10,436 million, including US$4,988 million from new equity issuance) ahead of closure of the CSL Vifor acquisition.

(5) HY2024 EBITDA represents a rolling 12-month period from January 1, 2023 to December 31, 2023. This is calculated based on FY2023 EBITDA (US$3,900 million) less HY2023 EBITDA (US$2,515 million) which represents the EBITDA for the 6-month period ended June 30, 2023 plus HY2024 EBITDA (US$3,042 million).

(6) HY2023 EBITDA represents a rolling 12-month period from January 1, 2022 to December 31, 2022. This is calculated based on FY2022 EBITDA (US$3,595 million) less HY2022 EBITDA (US$2,479 million) which represents the EBITDA for the 6-month period ended June 30, 2022 plus HY2023 EBITDA (US$2,515 million).

The offering

The following is a brief summary of the terms of this offering and the terms of the Notes and Guarantees. For a more complete description of the terms of the Notes and Guarantees, and the definitions of certain defined terms used in this section, see "Description of the Notes and Guarantees".

Notes being offered	US$500,000,000 aggregate principal amount of 5.106% Senior Guaranteed Notes due 2034 (the "2034 Notes") and US$750,000,000 aggregate principal amount of 5.417% Senior Guaranteed Notes due 2054 (the "2054 Notes" and, collectively with the 2034 Notes, the "Notes").
Issuer	CSL Finance Plc (LEI 2549007CCNBNAF4HBC02).
Parent Guarantor	CSL Limited.
Subsidiary Guarantors	CSLB Holdings Inc. and CSL Finance Pty Ltd. See "Description of the Notes and Guarantees—Guarantees—Subsidiary Guarantees".
The Offering	The Notes are being offered in the U.S. solely to qualified institutional buyers in reliance on Rule 144A and outside the U.S. to persons that are not, and are not acting for the account or benefit of, U.S. persons (as defined in Regulation S) in accordance with Regulation S under the Securities Act.
Principal amount	US$500,000,000 aggregate principal amount of 5.106% Senior Guaranteed Notes due 2034. US$750,000,000 aggregate principal amount of 5.417% Senior Guaranteed Notes due 2054.
Maturity date	April 3, 2034 for the 2034 Notes April 3, 2054 for the 2054 Notes
Interest rate	The interest rate on the 2034 Notes is 5.106% per annum and the interest rate on the 2054 Notes is 5.417% per annum, each based upon a 360-day year consisting of twelve 30-day months.
Interest payment dates	The Notes will bear interest from April 3, 2024 and will be paid semi-annually in arrears with respect to the 2034 Notes on each April 3 and October 3, beginning on October 3, 2024; and with respect to the 2054 Notes, on each April 3 and October 3, beginning on October 3, 2024.
Guarantees	The Parent Guarantor will fully and unconditionally guarantee the obligations of the Issuer under the Notes, including the payment of the principal of, premium, if any, and interest on the Notes (the "Parent Guarantee"). In addition, each of the Subsidiary Guarantors will fully and unconditionally guarantee, on a joint and several basis, the obligations of the Issuer under the Notes (the "Subsidiary Guarantees" and, together with the Parent Guarantee, the "Guarantees"). See "Description of the Notes and Guarantees—Guarantees".
Ranking	The Notes will constitute unsecured and unsubordinated obligations of the Issuer and will rank at least equally in

	right of payment with all existing and future unsecured and unsubordinated indebtedness of the Issuer (other than obligations mandatorily preferred by applicable law). Each Guarantee will constitute unsecured and unsubordinated obligations of the relevant Guarantor and will rank at least equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of the applicable Guarantor (other than obligations mandatorily preferred by applicable law).
Use of proceeds	The Issuer anticipates that the net proceeds from the issue and sale of the Notes will be US$1,242,125,000 after deducting estimated discounts and commissions and before deducting estimated offering expenses payable by CSL. The Issuer intends to use the net proceeds of the offering for refinancing existing debt and general corporate purposes. See ''Use of proceeds''.
Further issues	The Issuer may from time to time, without notice to or without the consent of the registered holders of the Notes, create and issue additional debt securities having the same terms as and ranking at least equally and ratably in all respects with its Notes sold in this offering, subject to certain limitations as described more fully in ''Description of the Notes and Guarantees—General''.
Additional amounts	In the event that withholding taxes are required to be withheld or deducted from payments on the Notes or under the Guarantees, the Issuer and the Guarantors will, subject to certain exceptions described in this offering memorandum (including an exception for U.S. withholding taxes), pay such additional amounts as will result, after deduction or withholding of such taxes, in the payment of the amounts which would have been payable in respect of such Notes or under the Guarantees had no such withholding or deduction been required. See ''Description of the Notes and Guarantees—Payment of Additional Amounts''.
Redemption for changes in withholding taxes	Each series of the Notes may be redeemed at the option of the Issuer in whole but not in part, at 100% of the principal amount thereof plus accrued interest and any additional amounts due on the date fixed for redemption if certain events occur that would cause the Issuer or any Guarantor to become obligated to pay additional amounts as described under ''Description of the Notes and Guarantees—Redemption for changes in withholding taxes''.
Optional redemption	We may redeem the 2034 Notes and the 2054 Notes at any time prior to maturity. If we elect to redeem the 2034 Notes and the 2054 Notes at any time prior to the applicable Par Call Date (as defined below), in each case, in whole or from time to time in part, we will pay a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the applicable series of Notes to be redeemed matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined herein) plus the applicable Make-Whole Spread set forth in the table below less (b) interest accrued to the date of redemption, and

(2) 100% of the principal amount of the Notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon to the redemption date.

See ''Description of the Notes and Guarantees—Optional redemption''.

For purposes hereof, ''Par Call Date'' in respect of an applicable series of the Notes shall mean the date set forth under the heading ''Par Call Date'' below across from the name of such series of Notes.

Series of Notes	Par Call Date	Make-Whole Spread
2034 Notes	January 3, 2034 (three months prior to the maturity date of such Notes)	+15 bps
2054 Notes	October 3, 2053 (six months prior to the maturity date of such Notes)	+20 bps

Change of control . . . . . Upon a change of control that is accompanied by a ratings downgrade of the Notes so that such Notes cease to have an investment grade rating, each holder of the Notes may require the Issuer to repurchase such holder's Notes, in whole or in part, at a purchase price equal to 101% of the principal amount thereof plus accrued but unpaid interest to the purchase date, as described under ''Description of the Notes and Guarantees—Offer to redeem upon Change of Control Triggering Event''.

Form and denomination . . . . . It is expected that delivery of each series of the Notes will be made on or about April 3, 2024. All Notes sold in the offering will be delivered against payment in immediately available funds. Except as described below, the Notes will be issued only in registered form without coupons and in denominations of US$2,000 principal amount and integral multiples of US$1,000 thereafter.

Notes sold in the U.S. in reliance on Rule 144A will be evidenced by Notes in global form (the ''Restricted Global Notes''), which will be deposited with a custodian for, and registered in the name of a nominee of, DTC. Notes sold outside the U.S. to persons that are not, and

	are not acting for the account or benefit of, U.S. persons (as defined in Regulation S) in reliance on Regulation S will be evidenced by a separate Note in global form (the "Regulation S Global Notes"), which also will be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream.
Transfer restrictions	The Notes and the Guarantees have not been registered under the Securities Act and are subject to restrictions on transfers. See "Notice to investors".
Listing	We intend to apply to the ASX for the listing and quotation of the Notes on the ASX. The ASX assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the ASX are not to be taken as an indication of the merits of the Issuer, the Parent Guarantor or any other subsidiary or associated company of the Issuer, the Notes or the Guarantee. Notes which are listed on the ASX will not be transferred through, or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be "Approved Financial Products" for the purposes of that system.
Restrictive covenants	The Issuer has agreed in the Indenture that governs the Notes to observe certain covenants, including, among other things, a covenant limiting the incurrence of liens. See "Description of the Notes and Guarantees—Limitation on liens".
Indenture Trustee	The Bank of New York Mellon is the trustee under the Indenture.
Governing law	The Notes, the Guarantees and the Indenture will be governed by the laws of the State of New York.
Risk factors	Prospective purchasers of the Notes should consider carefully all of the information set forth in this offering memorandum and, in particular, the information set forth under "Risk factors" before making an investment in the Notes.
Parent Guarantor's Rating	A- (Negative) by S&P; A3 (Stable) by Moody's
Anticipated Ratings of the Notes	A- by S&P; A3 by Moody's
	A security rating is not a recommendation to buy, sell or hold securities in so far as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for a given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances warrant. CSL is under no obligation to update information regarding such ratings should they change over time.

Risk factors

Investors should carefully consider each of the following risk factors and all of the other information set forth in this Offering Memorandum before making any investment decision. The risks described below are not the only risks that we face. Additional risks and uncertainties not presently known to management or that management currently believes to be immaterial may also adversely affect our business. Any of these risks may have a material adverse effect on our business, financial condition, results of operations and cash flows and may materially impact our ability to make payments of interest on, and principal of, the Notes.

Risks relating to our business and industry

A significant portion of our revenue, business operations, financial performance and future growth strategy is dependent on our ability to source human blood plasma.

Blood is made up of red blood cells, white blood cells and platelets, all of which are suspended in a liquid called plasma. Plasma, which makes up the majority of our blood, is a clear-yellow liquid that carries the blood cells and helps transport antibodies, nutrients and waste throughout the body. Plasma is composed of approximately 92% water but also contains proteins, electrolytes, lipids and carbohydrates. Some of the proteins like albumin, immunoglobulin (''Ig''), and anti-hemophilic factor (a protein that helps blood clot) are important ingredients for medical therapies that are used around the world to treat bleeding disorders including hemophilia and vWD, PID, HAE, inherited respiratory disease, and neurological disorders in certain markets. CSL Behring's plasma derived products are also used in cardiac surgery, organ transplantation, burn treatment and to prevent hemolytic diseases in newborns. We obtain plasma from donors at our collection centers using a process called plasmapheresis, in which a machine separates and collects plasma from the donors' blood.

The majority of our revenue depends on our access to plasma, the principal raw material for our plasma derived products. We collect plasma at our plasma collection centers, primarily in the U.S. and its territories, as well as in Germany, Hungary and China. We sourced approximately 97% of our plasma from the U.S. in both HY2024 and FY2023. We also access limited external sources of plasma through third-party supply contracts, primarily from the U.S.

While we believe we have industry-leading safety and quality systems, there is always a risk that donors may experience undesirable or unintended side effects or other adverse reactions or consequences when donating plasma or there could be a lack of adherence to donor safety and quality processes, a malfunction or incorrect use of a plasmapheresis machine or other breakdowns in the plasma collection processes. This could expose us to enforcement action by regulatory authorities, damage to our reputation or could dissuade plasma donors from further donation, thereby adversely impacting our plasma business.

If we are unable to obtain sufficient quantities of plasma, we may be unable to find an alternative cost-effective source of plasma and we would be limited in our ability to maintain current manufacturing levels of plasma derived products. For example, as a result of the COVID-19 pandemic, our plasma collections declined in FY2020, recovering from FY2021 onward. See ''—Risks relating to macroeconomic conditions and operating a global business—A significant disruption in our supply of plasma could have a material adverse effect on our business and our growth plans.''

In addition, in June 2021, U.S. Customs and Border Patrol (''CBP'') reversed its prior practice, which had been in place for several decades, of allowing Mexican nationals to enter the U.S. to donate plasma. Up until then, CSL and other plasma collectors had built a network of centers near the southern borders of Texas, Arizona, and California that had grown to account for an estimated 5-10% of all U.S. plasma collections. In September 2022, we were granted a preliminary injunction by the United States District Court for the District of Columbia that prevents CBP from enforcing this ban that affected Mexican nationals entering the U.S. to donate plasma. While there is currently no indication from CBP or the court that resolution of the substantive case (via settlement or otherwise) is imminent, the parties have continued to extend the preliminary injunction. Nonetheless, and even though plasma donations by Mexican nationals have normalized, any lifting of that injunction or other reversal of that status quo, or any other similar ban arising from the outcomes of the U.S. election in 2024 and beyond or otherwise, preventing plasma donors from crossing from Mexico into the U.S., could adversely impact our plasma collections and we may be unable to increase our plasma collections, consistent with our growth strategy.

Our costs of plasma collection may increase as the volumes of our plasma collections decrease. If our quantities of source plasma decline for any reason, we could experience a substantial decrease in operating revenues and profit margins and a loss of customers. The quality of life of patients relying on our plasma derived products may also be adversely impacted which could have a negative effect on our reputation as a reliable supplier of plasma derived products.

Our future growth and success depend in part on our ability to increase plasma collections. Efforts to increase the collection of plasma will require the ongoing rollout and successful regulatory approval of collection centers, in addition to potentially strengthening acquisition and third-party contracts. The ongoing rollout of collection centers involves rigorous regulatory processes and, if we are unable to manage this risk and ongoing plasma collection challenges, we may lose market share or customer confidence, which could materially and adversely affect our plasma business.

We have historically derived a significant portion of our operating revenues from our Ig and albumin products. In HY2024, our Ig and albumin products accounted for 35% and 8% of our sales and services revenues, respectively, and in FY2023, they accounted for 37% and 9% of our sales revenues, respectively. If any of our Ig or albumin or other plasma derived products were to lose significant sales for any reason, including due to a lack of supply of plasma (among others, such as displacement in the market or becoming the subject of litigation or an adverse governmental ruling requiring us to cease sales or multiple countries implementing plasma self-sufficiency and/or demand containment measures resulting in a decline in purchases of imported Ig or albumin), we would lose a significant and material source of our revenue and our business would be adversely affected. There is no assurance that a significant decrease would not result from plasma procurement and manufacturing issues resulting in lower product availability for sales and changing market conditions, which could have a material adverse effect on our business, financial condition and results of operations.

We face significant competition.

Competition in the biotechnology and biopharmaceutical industries is significant due to the large number of well-funded companies and research institutions in the industry. Many of our competitors have substantially greater financial, technical and other resources, including more personnel and experience in successfully discovering and developing product candidates, obtaining regulatory approvals and commercializing products. As a result, they may be able to devote more funds and more personnel to research and development and new production technologies, as well as to the promotion of their products and business. These competitors may also be able to sustain a deliberate substantial reduction in the price of their products or services for longer periods than we can.

Our competitors may also:

- develop and market products that are less expensive or more effective than any product developed from our product candidates;
- commercialize competing products before we or our licensed partners can launch any products developed from our product candidates;
- file for patent protection within the same or overlapping fields which may subsequently impact or limit the discovery, design, development and/or commercialization of our product candidates;
- operate larger research, discovery and development programs, possess commercial scale manufacturing operations or have substantially greater financial resources than we do;
- initiate or withstand substantial price competition more successfully than we or our licensed partners can;
- have greater success in recruiting skilled technical and scientific workers from the limited pool of available talent;
- more effectively negotiate third-party licenses and strategic relationships or obtain blocking rights; and
- take advantage of acquisition or other opportunities more readily than we can.

The introduction of new competitive products or follow on biologics or emerging technologies or new information about existing products or pricing decisions by us or our competitors may result in reduced product sales and lower prices, even for products protected by patents. There is a changing competitive landscape for

vaccines, new technologies and disruptive therapies, such as gene and cell therapies, and there are numerous products in various stages of development at other biotechnology and biopharmaceutical companies that, if successful (or more successful) in their clinical trials, may compete with our products. This includes Anti-FcRn therapies that may compete with plasma Ig therapy in several autoimmune diseases, although the short- and long-term safety and efficacy of these newer agents compared to plasma Ig is still unknown. Another example is mRNA technology, which is currently being evaluated in third-party pre-clinical studies and clinical trials as a potential platform for influenza vaccination, and if successful, may compete with our influenza vaccine business.

As a result, there is a risk that we may face increased levels of competition and the economics and characteristics of, and the demand for, our plasma and adjacent therapies may be altered, and our platforms and capabilities in vaccines, plasma fractionation, recombinant technology, and cell and gene therapy may be impacted.

There is also continued growth and innovation, including new market entrants, in the competitive global influenza vaccine market, particularly as a consequence of the COVID-19 pandemic. This could adversely affect our operational and financial performance. We compete with a number of companies and institutions focused on candidates that target the same indications for which our product candidates are intended, and other companies may develop a more promising product candidate for a specific application than those that we, or our licensed partners, are able to develop. Our competitors may produce an effective influenza/COVID-19 combination product, which could adversely impact the market share of our influenza vaccines. If our competitors are able to market products that are less expensive, safer or more effective than the future products developed from our product candidates, and these reach the market before our products, or otherwise negatively affect the competitiveness of our product candidates, we may not achieve commercial success and our ability to generate revenue would be impaired, which would have a material adverse effect on our future business, financial condition and results of operations. Our competitors may also be able to offer product bundles or discounts at less expensive price points. For example, there is a risk that certain countries' governments and other purchasers may prefer to purchase their influenza and COVID-19 vaccines from a single provider, or that they may prefer to do business with companies that offer newer, different or multiple vaccine technologies, which could result in lost revenue to CSL Seqirus. There is also a risk that purchasers may prefer to obtain their vaccines from local producers rather than from overseas companies, which could cause CSL Seqirus to lose revenue in our foreign markets and adversely affect our long term strategy and growth.

There is also a risk that we lose business to our competitors within specific patient segments for particular therapies. For example, the overall value of the Ig market may attract companies offering alternatives to plasma derived Ig, including recombinant products or novel mechanisms of action. This includes the first FcRn inhibitor to market, which was the new drug Vyvgart developed by Argenx. We believe that Argenx has the most advanced multi-indication Ig development program, including potentially for CIDP in the future. Successful FcRn drugs, particularly for CIDP, could materially impact our Ig sales. Ig products for the treatment of immune and neurological disorders currently account for a significant percentage of CSL Behring's U.S. revenues. In addition, we may also experience disruptions in our hematology and Alpha 1 business as several companies are conducting clinical trials on gene therapy treatments and other new therapeutic classes which would compete with existing anti-hemophilic factor replacement and Alpha-1 Antitrypsin Deficiency (''AATD'') therapies and/or future gene therapies, including CSL Behring's newly launched Hemophilia B gene therapy HEMGENIX®. Our specialty products may also experience increased competition as prescribing behaviors change and new therapies enter the market. The increased use of direct acting oral anticoagulants and reduced reliance on warfarin may impact sales of KCENTRA®. Our hemophilia and HAE franchises may also face headwinds as competitors introduce new disruptive therapies for the treatment of Hemophilia A and HAE. Additionally, the loss of exclusivity of FERINJECT® (high-dose ferric carboxymaltose (''FCM'')) in Europe in October 2023 resulted in the entry of FCM follow-ons by a number of generic manufacturers. One generic is already approved and others have confirmed filings or are planning trials. If generic, high dose FCM formulations gain a significant market share, it could have a material adverse effect on CSL Vifor's revenue.

Finally, the manufacture of most of our therapies depends on our ability to collect plasma through our plasma collection business. Plasma collection is a competitive market. Our ability to manufacture and sell our products could be affected if another company obtains a competitive edge in the collection of plasma.

The biopharmaceutical industry is currently experiencing a period of rapid and significant change, to which we may fail to quickly and sufficiently adapt.

Several factors have simultaneously converged to produce an extremely dynamic global environment for the biopharmaceutical industry, including, but not limited to: (1) a focus on drug pricing and related cost containment policies in major developed and emerging markets, (2) increasingly aging populations that increase the burden and cost of chronic disease treatment and are straining healthcare systems, (3) increasing regulation to control out-of-pocket costs and the costs of new and innovative medical technologies, (4) rapidly changing government policies toward vaccination and pandemic preparedness and responses, and (5) vaccine resistance from some sectors of the public and fatigue and complacency following the COVID-19 pandemic and the push from governments for multiple and continuing vaccinations, together with politicized resistance to vaccines. Failure to adapt our strategy and operations to quickly and sufficiently meet one or any combination of these converging factors would materially and adversely impact our ability to effectively compete and our financial condition and results of operations.

As our products lose market exclusivity and intellectual property protection, they may be subject to increased competition.

For some of our products, we depend upon patents and regulatory exclusivity periods to provide us with exclusive marketing rights for our products for some period of time. In the biopharmaceutical industry, market exclusivity provides a key opportunity to ensure an innovative product's commercial value is realized.

Loss of patent protection for those of our plasma products which are patent protected may increase the likelihood of competition from plasma derived products produced by our competitors, although our plasma products are not subject to generic or biosimilar competition and the collection and manufacture of plasma is such that replicating plasma products is challenging. Loss of patent protection for our recombinant, vaccine, and other products may open the way for biosimilar versions of that product to be used instead of our products. In the case of products that contribute significantly to our sales, the loss of market exclusivity can have a material adverse effect on our business, cash flow, results of operations, financial condition and prospects.

The market exclusivity of our products may also be impacted by competitive products that are either innovative or biosimilar copies. The risk of biosimilar challenges has been increasing. U.S. law includes an approval pathway for biosimilar versions of innovative biological products. Under the pathway, the FDA may approve products that are similar to (but not exact copies of) innovative biologics on the basis of less extensive data than is required for a full biologic license application. The law provides a mechanism to challenge the patents that protect an innovator's products. Such litigation may begin as early as four years after the innovative biological product is first approved by the FDA. Pathways for biosimilar products also exist in many other markets, including Europe. Competition, including from biosimilars approved for marketing, may result in a decrease in volume of sales of our products, as well as a decrease in prices and lower margins for our products. In addition, approval of a biosimilar that is determined by the relevant regulatory authority to be interchangeable for one of our products may increase the risk of accelerated market penetration by that biosimilar.

Biosimilar versions of products are often sold at lower prices than branded products, as the manufacturer does not have to recoup the significant cost of R&D investment and market development. Expiry or loss of intellectual property rights can materially adversely affect our revenues and financial condition due to the launch of cheaper biosimilar copies of the product in the country where the rights have expired or been lost. For example, the loss of exclusivity of FERINJECT® in Europe in October 2023 resulted in the entry of FCM follow-ons by a number of generic manufacturers. One generic is already approved and others have confirmed filings or are planning trials. If generic, high dose FCM formulations gain a significant market share, it could have a material adverse effect on CSL Vifor's revenue. Additionally, the expiry or loss of patents covering other innovator companies' products may also lead to increased competition and pricing pressure for our own, still-patented products in the same product class due to the availability of lower-priced biosimilar products in that product class.

Generic manufacturers may also take advantage of the failure of certain countries to properly enforce regulatory data protection or other related intellectual property rights and may launch biosimilars during this protected period. This is a particular risk in some emerging markets where appropriate patent protection or other related intellectual property rights may be difficult to obtain or enforce.

The biosimilars market has experienced notable growth since 2017, with approval of several monoclonal antibody biosimilars in the U.S. and Europe. We expect this trend to continue. We anticipate increased regulatory

and legal activity related to the launch and approval of these therapeutics. Regulatory authorities in other territories continue to implement or consider abbreviated approval processes for biosimilars, allowing quicker entry to market for such products and earlier than anticipated competition for patented biologics.

Intellectual property rights protecting our products may be challenged by external parties. Despite our efforts to establish and defend robust patent protection for our products, we bear the risk that courts may decide that our intellectual property rights are limited in scope, invalid or unenforceable and/or that third-parties do not infringe our asserted intellectual property rights. For example, Vifor Pharma has been involved in patent litigation involving its INJECTAFER® product. Vifor Pharma has settled its lawsuit with each of the two defendants. The settlements allow generic versions of Vifor Pharma's INJECTAFER® product to enter the market by July, 2026.

If we are not successful in obtaining, maintaining, defending or enforcing our exclusive rights to market our products, our revenue and margins could be materially adversely affected. In addition, unsuccessful assertion of our intellectual property rights may lead to damages or other liabilities to third-parties that could materially adversely affect our financial performance. Where we assert our intellectual property rights but are ultimately unsuccessful, third-parties may seek damages, alleging, for example, that they have been inappropriately restrained from entering the market. In such cases, we bear the risk of incurring liabilities to those third-parties. Unfavorable resolution of current and potential future patent litigation may require us to make significant provisions in our accounts relating to legal proceedings and/or could materially adversely affect our financial condition or results of operations.

Technological changes in the production of plasma products could render our production process uneconomical and failure to adapt to technological changes and innovation could give other companies a competitive advantage.

Technological advances have accelerated changes in the production of plasma products in recent years. Future technological developments could render our production processes uneconomical and may require us to invest substantial amounts of capital to upgrade our facilities. Such investments could have a material adverse effect on our financial condition and results of operations. In addition, we may not be able to fund such investments from existing funds or raise sufficient capital to make such investments.

In addition, the biopharmaceutical and biotechnology industry are characterized by high levels of innovation occurring at a rapid pace. If we fail to stay at the forefront of technological change, or complete capital upgrades in time to keep pace with demand, we may be unable to compete effectively. Other companies in the industry may develop new technologies or approaches that decrease our ability to compete effectively and eliminate or diminish the potential advantages of our R&D technologies and programs.

The possible appearance of new pathogens could trigger the need for changes in our existing inactivation and production methods, including the administration of new detection tests. Such a development could result in delays in production until the new methods are in place, as well as increased costs that may not be readily passed on to our customers.

Risks relating to the macroeconomic conditions and operating a global business

A significant disruption in our supply of plasma could have a material adverse effect on our business and our growth plans.

The majority of our revenue depends on our access to plasma, the principal raw material for our plasma derived products.

Recently, our plasma collection (through CSL Plasma) was materially and adversely impacted by the COVID-19 pandemic, which resulted in restrictions on the movement of donors and impacted our ability to provide onsite staffing for our plasma centers. Government stimulus packages, particularly in the U.S., also financially disincentivized plasma donation. Consequently, plasma collection volume was reduced during FY2020, FY2021 and FY2022 and the cost of collection, particularly donor compensation, increased, and has remained higher than historical levels. The reduced availability of plasma in turn resulted in reduced production of our Ig products such as PRIVIGEN® and HIZENTRA®, which impacted our supply and revenues for FY2020, FY2021 and FY2022.

Other factors that could disrupt, and in the past may have disrupted our supply of plasma include, but are not limited to:

- *Geographic limits on donors*. Regulators in various markets for plasma derived products, including the U.S., restrict the use of plasma collected from specific countries and regions in the manufacture of plasma derived products. For example, there can be no assurance the regulatory changes in the future would not further restrict the countries in which plasma can be collected, the frequency of collection from donors or the use of collected plasma;
- *New viral strains*. The appearance of new viral strains in donated plasma could contaminate plasma and further reduce the potential donor pool. For example, the appearance of the variant Creutzfeldt-Jakob Disease, or ''mad cow disease'', resulted in the suspension of the use of plasma collected from U.K. residents and concern over the safety of blood products, which has led to increased domestic and foreign regulatory control over the collection and testing of plasma and the disqualification of certain segments of the population from the donor pool, which has the potential to reduce the potential donor pool. Despite safeguards, including the screening of donors and other steps to remove or inactivate viruses and other infectious disease-causing agents, the risk of transmissible disease through plasma derived products cannot be entirely eliminated. If a new infectious disease was to emerge in the human population, the regulatory and public health authorities could impose precautions to limit the transmission of the disease that would impair our ability to procure plasma, manufacture our products or both. Such precautionary measures could be taken before there is conclusive medical or scientific evidence that a disease poses a risk for plasma derived products. In recent years, new testing and viral inactivation methods have been developed that more effectively detect and inactivate infectious viruses in collected plasma. There can be no assurance, however, that such new testing and inactivation methods will adequately screen for, and inactivate, infectious agents in the plasma used in the production of our products;
- *Diminished financial incentive*. Improvements in socioeconomic conditions in the areas in which our plasma collection centers are located, including due to government stimulus packages or a general improvement in economic conditions, could reduce the attractiveness of financial incentives for potential donors, resulting in increased fees paid to donors or a reduction in the number of donors;
- *Increased side effects*. Any increase in side effects experienced by plasma donors could dissuade further donation, whether such experiences are due to being a new donor, having plasma drawn by a new or inexperienced plasma collection technician (phlebotomist) or the use of new or different technologies or techniques at collection centers;
- *Negative publicity or reputational damage*. Any negative publicity about plasma donation, regardless of the veracity of any claims made, could cause reputational damage and reduce plasma donation;
- *Regulatory requirements*. See ''—Risks relating to legal and regulatory matters—The processes of collecting and storing plasma are complex and demanding and our collection centers are required to satisfy extensive and ongoing regulatory requirements and oversight and GMP'';
- *Plasma supply sources*. In recent years, there has been vertical integration in the industry as plasma derived manufacturers have been acquiring plasma collection centers. Any significant disruption in the supply of plasma or an increased demand for plasma may require us to obtain plasma from alternative sources, which may not be available on a timely or cost-effective basis; and
- *Third-party contract suppliers of materials used in plasma collections*. Any major impacts or interruptions to one or multiple third-party suppliers that provide key materials, machines or software used in plasma collections has the potential to impact the ability for plasma centers to operate and could reduce plasma collections.

Our current business plan envisages an increase in the production of plasma derived products, which depends on our ability to increase plasma collections or improve product yield. Our ability to increase plasma collections may, however, be limited and our supply of plasma could be disrupted. A continued or sustained decrease in our supply of plasma, and therefore our supply of Ig products, could materially and adversely affect our business,

financial condition and results of operations. See also ''—Risks relating to our business and industry—A significant portion of our revenue, business operations, financial performance and future growth strategy is dependent on our ability to source human blood plasma'' above.

Our financial performance is generally affected by global economic conditions.

Our results of operations and financial condition are affected by the general economic conditions existing in the U.S., Australia and globally. The U.S., Australian and global economies continue to experience challenging conditions, including inflationary pressures, increased interest rates and volatility in credit and capital markets. A deterioration in the U.S., Australian or global economies may have an adverse effect on our operations and/or financial position and performance. A global economic downturn may further exacerbate pressure from governments and other healthcare payers on medicine prices and volumes of sales in response to pressures on budgets, and may cause a slowdown or a decline in growth in some markets. It is also possible that new risks might emerge as a result of markets experiencing extreme stress or that existing risks may manifest themselves in ways that are not currently foreseeable.

We are also subject to economic risks associated with doing business internationally, including in emerging markets. Our operating revenues outside of Australia made up 92% and 90% of our total operating revenues in FY2023 and FY2022, respectively. The risks associated with our operations outside Australia include:

- fluctuations in currency exchange rates, which may impact our reported financial results and cash;
- changes in medical reimbursement policies and programs;
- increased national self-sufficiency of plasma supply;
- multiple legal and regulatory requirements that are subject to change and that could restrict our ability to manufacture, market and sell our products;
- differing local product preferences and product requirements;
- trade protection measures and import or export licensing requirements;
- international trade disruptions or disputes and sanctions, such as those imposed on Russia following the war in Ukraine;
- difficulty in establishing, staffing and managing operations;
- differing labor regulations;
- potentially negative consequences from changes in or interpretations of tax laws;
- political and economic instability, including as a result of international conflicts, such as the war between Ukraine and Russia, the Israeli-Palestinian conflict and wider hostilities throughout the Middle East, and tensions between the U.S. and China;
- sovereign debt issues;
- price and currency exchange controls, limitations on participation in local enterprises, expropriation, nationalization and other governmental action and regulation;
- inflation, recession and fluctuations in interest rates;
- restrictions on transfers of funds;
- potential deterioration in the economic position and credit quality of certain countries; and
- potential penalties or other adverse consequences for violations of anti-corruption, anti-bribery and other similar laws and regulations, including the U.S. Foreign Corrupt Practices Act (''FCPA'') and the U.K. Bribery Act.

Events contemplated by these risks may, individually or in the aggregate, have a material adverse effect on our revenues and profitability.

Our global operations subject us to various political and geopolitical pressures.

We operate in more than 40 countries, have manufacturing across six countries, and have a customer base in over 100 countries, and are subject to political pressures both globally and in individual countries. Any escalation of international geopolitical disputes could lead to sanctions, such as the unilateral imposition of tariffs, duties, quotas or other non-tariff barriers, inflationary pressures, volatility in the banking sector and interest rates and the constrained availability of goods and services generally. For example, sanctions have been imposed on Russia as a result of the war in Ukraine, in the past, increased tensions between China and Australia have resulted in restrictions being imposed by China in relation to imports of certain Australian products and there may be future global sanctions imposed on Israel as a result of the Israeli-Palestinian conflict. Additionally, recent and ongoing geopolitical conflicts have led to increased global uncertainty, a significant rise in energy costs, and volatility in global financial markets, disruption to global shipping lanes and supply chains, as well as a deterioration in the general security situation globally. An escalation in conflicts and hostilities could adversely impact the sale of medicines and the production process for medicines, including our clinical trials, as well as increase the costs of operating and financing our business activities.

Any combination of these events in countries where we have a large proportion of our revenues or source our raw materials and equipment could have an adverse effect on our financial position and financial performance.

Our global operations subject us to interest rate and foreign exchange risks.

Our financial performance is affected by fluctuations in interest rates and foreign exchange rates because of our international operations, foreign investments and borrowings. Variations in interest rates and foreign currency exchange rates or controls that are not effectively hedged may increase our debt funding costs.

As at December 31, 2023, US$1.2 billion, or 11.1%, of our total borrowings was denominated in currencies other than USD which include Euros, Swiss Francs, Japanese Yen, and Chinese Yuan none of which have been swapped into U.S. dollar obligations. Additionally, as of December 31, 2023, 32.7% of our total borrowings bear interest at a floating rate.

We manage interest rate and currency risk by entering into fixed rate arrangements, natural hedging and using derivative instruments if necessary but there can be no assurance that we will successfully manage our interest rate or foreign exchange risk, that a derivative instrument counterparty will not default on our obligations, or that changes in interest rates or foreign exchange rate fluctuations will not have a material adverse effect on our reported financial position and performance.

We operate in emerging markets which are inherently unpredictable and may have a material adverse impact on our operations and/or financial position and performance.

We face particular challenges in emerging markets, including, but not limited to:

- more volatile economic conditions and/or political environments;
- competition from multinational and local companies with existing market presence;
- difficulties enforcing and protecting intellectual property;
- inadequate protection against crime (including counterfeiting, corruption and fraud);
- unauthorized or unregulated parallel imports;
- the need to impose developed market compliance standards;
- the need to meet a more diverse range of national regulatory, clinical, manufacturing and distribution requirements;
- potential inadvertent breaches of local and international law and the need to manage sanctions and other restrictions that may be imposed in each jurisdiction;
- possible geopolitical risks impacting trade and tariffs across connected markets;
- recruitment of appropriately skilled and experienced personnel;
- difficulty in identifying the most effective sales and marketing channels and routes to market;

- intervention by local or national governments or regulators, restricting market access and/or introducing adverse price controls and price referencing;
- difficulty in managing local arrangements such as co-promotion and co-marketing in terms of performance and adherence to our compliance standards which are often higher than the market standard;
- difficulties in cash repatriation due to strict foreign currency controls, risk of material currency devaluation and lack of hard currency reserves in some emerging markets; and
- complexity derived from direct exports to countries where we do not have a legal entity.

The failure to exploit potential opportunities appropriately in emerging markets or materialization of the risks and challenges of doing business in such markets, including inadequate protection against crime (including counterfeiting, corruption and fraud) or inadvertent breaches of local and international law may materially adversely affect our reputation, business and results of operations.

Risks relating to our operations

A significant disruption in our manufacturing operations could have a material adverse effect on our business and our growth plans.

Our ability to adequately and timely manufacture and supply our products is dependent on the uninterrupted and efficient operation of our facilities and those of our third-party contract suppliers, which may be affected by:

- capacity of plasma collection and fractionation facilities;
- contamination by microorganisms or viruses, or foreign particles from the manufacturing process;
- natural or other disasters, including acts of terrorism, pandemics, earthquakes, major fires or storms;
- strikes, labor disputes or shortages, including the effects of health emergencies (such as novel viruses or pandemics such as the one we recently experienced with COVID-19) or natural disasters;
- compliance with regulatory requirements;
- updates of manufacturing specifications;
- contractual disputes with our suppliers and contract manufacturers;
- timing and outcome of product quality testing;
- power failures and/or other utility failures or disruptions to country or regional power supplies driven by geopolitical conflicts, such as the war between Ukraine and Russia, the ongoing Israeli-Palestinian conflict and wider hostilities throughout the Middle East;
- cyberattacks on our or our supplier's systems;
- breakdown, failure, substandard performance or improper installation or operation of equipment (including our information technology systems and network-connected control systems or those of our contract suppliers or third-party service providers); and/or
- delays in the ability of the FDA or other regulatory authorities to provide us necessary reviews, inspections and approvals.

If any of these or other problems affect production in one or more of our facilities or those of our third-party contract suppliers, or if we do not accurately forecast demand for our products, we may be unable to increase production in our unaffected facilities to meet demand. If the efficient manufacture and supply of our products is interrupted, we may experience delayed shipments, supply constraints, stock-outs, adverse event trends, contract disputes and/or recalls of our products, which could have a material adverse effect on our business, financial condition and results of operations.

Manufacturing plasma derived products is extremely complex and our failure to maximize yields or to meet product specifications may impact our production and profitability.

The manufacture of our plasma derived products is an extremely complex process of fractionation (separating the plasma into component proteins), purification, filling and finishing. Unlike products that rely on chemicals for efficacy such as most pharmaceuticals, biologics such as plasma products are difficult to characterize due to the inherent variability of biological input materials. The manufacture of biologics is characterized by inherent risks and challenges, such as raw material inconsistencies, logistical and sourcing challenges, significant quality control and assurance requirements, manufacturing complexity (including heightened regulatory requirements) and significant manual processing. Our products can become non-releasable or otherwise fail to meet our specifications through a failure of one or more of our product testing, manufacturing, process controls and quality assurance processes. We may detect instances in which an unreleased product was produced without adherence to our manufacturing procedures, which would likely result in our determination that the impacted products should not be released and therefore should be destroyed.

Due to the nature of plasma, there will be variations in the biologic properties of the plasma we collect or purchase for fractionation that may result in fluctuations in the obtainable yield of desired fractions. Lower yields may limit production of our plasma derived products due to capacity constraints. If such batches of plasma with lower yields impact production for extended periods, it may reduce the total capacity of the products we could market and increase our cost of goods sold, thereby reducing our profitability.

Our ability to continue manufacturing and distributing our products depends on our continued adherence to good manufacturing practice regulations at our facilities.

The manufacturing processes for our products are governed by detailed written procedures and governmental regulations that set forth Good Manufacturing Practice (‘‘GMP’’) requirements for blood, blood products and other products. Our quality team monitors compliance with these procedures and regulations, and the conformance of materials, manufacturing intermediates and final products to their specifications. Our failure to adhere to established procedures or regulations, or to meet a specification, could require us to reject and destroy a product or material.

Our adherence to GMP regulations and the effectiveness of our quality systems are periodically assessed through inspections of our facilities by the FDA, EMA and Therapeutic Goods Administration (‘‘TGA’’) and analogous regulatory authorities of other countries. During FY2023, we were subject to 475 regulatory agency inspections around the world, with no critical findings that prevented release of commercial product, and no suspensions or terminations of licenses to market any products in markets in which CSL is active. Nonetheless, if deficiencies are noted during an inspection, we must take action to correct those deficiencies and to demonstrate to the regulatory authorities that our corrections have been effective. If serious deficiencies are noted or if we are unable to prevent recurrences, we may have to recall product or suspend operations until appropriate measures can be implemented. We are also required to report certain deviations from procedures to the relevant regulatory authorities and even if we determine that the deviations were not material, those authorities could require us to take similar measures. Since GMP reflects ever-evolving standards, we regularly need to update our manufacturing processes and procedures to comply with GMP. These changes may cause us to incur costs without improving our profitability or the safety of our products. For example, more sensitive testing assays (if and when they become available) may be required or existing procedures or processes may require revalidation, all of which may be costly and time-consuming and could delay or prevent the manufacturing of a product or launch of a new product.

Despite efforts at compliance, from time to time we or our partners may receive notices of manufacturing, quality-related, or other observations following inspections by regulatory authorities around the world. For example, in September 2021, the FDA inspected the Kankakee manufacturing facility with observations cited by the FDA. Kankakee responded to the FDA in October 2021 with commitments to improve in the areas identified, then received the post inspection letter in March 2022 stating that the response and corrective actions were acceptable with a request for an update on some items. The FDA completed their last inspection in late February/early March 2023 and acknowledged CSL’s final responses in May 2023. This follow up is routinely done at any GMP inspection. We or our partners may receive additional or similar observations, correspondence and claims in the future. If we are unable to resolve these observations and address regulator concerns and claims from partners in a timely fashion, our business, financial condition and results of operations could be adversely affected.

Changes in manufacturing processes, including a change in the location where the product is manufactured or a change of a third-party manufacturer, may require prior regulatory authorities review and approval or revalidation of the manufacturing processes and procedures in accordance with GMP regulations.

Serious or unexpected side effects from our products could result in product recalls, require us to conduct further clinical trials and jeopardize our reputation and our ability to continue marketing our products.

As for all biopharmaceutical products, the use of our products sometimes produces undesirable side effects or adverse reactions or events (collectively, ''adverse events''). For the most part, these adverse events are known, are expected to occur at some frequency and are described in the products' labelling. Known adverse events of a number of our products include allergic or anaphylactic reactions including shock *i.e.*, a sudden drop of blood pressure (hypotension); constriction of airways, with swelling of tongue and throat, resulting in difficulty breathing and wheezing. Additional symptoms include a rapid, weak pulse, skin rash, and nausea and vomiting.

In addition, the use of our products may be associated with serious and unexpected adverse events, or with less serious reactions at a greater than expected frequency. This may be especially true when our products are used in critically ill patient populations. When these unexpected events are reported to us, we must undertake a thorough investigation to determine causality and implications for product safety. These events must also be specifically reported to the applicable regulatory authorities. If our evaluation concludes, or regulatory authorities perceive, that there is an unreasonable risk associated with the product, we would be obligated to withdraw the impacted lot(s) of that product.

If previously unknown adverse events are discovered or if there is an increase in negative publicity regarding known side effects of any of our products, it could significantly reduce demand for the product or require us to take actions that could negatively affect sales, including removing the product from the market, restricting its distribution or applying for labeling changes. Further, in the current environment in which all biopharmaceutical companies operate, we are at risk for product liability and governmental actions related to our products, research and/or marketing activities.

Patient safety is paramount for our ongoing sustainability as a global biotechnology leader and our long-term strategy of efficiency and reliable supply. Patient safety encompasses both the use and administration of our registered products as well as the conduct of our clinical trials. Despite our product quality assurance and pharmacovigilance practices, there is always a risk that patients and trial participants may experience undesirable or unintended side effects or other adverse reactions to therapies. An unexpected adverse event caused by a new product may be recognized only after extensive use of the product, which could expose us to product liability risks, enforcement action by regulatory authorities and damage to our reputation.

In addition, we may face potential quality control issues with our products during the manufacturing process. Any product efficacy or safety concerns, whether or not based on scientific evidence, could result in product withdrawals, recalls, regulatory action of the regulatory authorities (which may only emerge after a product has been extensively marketed), declining sales, reputational damage, increased litigation expense and share price impact, which could have a material adverse impact on our operations, financial position and performance and/or reputation. We have recalled certain products from time to time on a precautionary basis. Once we produce a product, we rely on physicians to prescribe and administer it as we have directed and for the indications described on the labelling. It is not, however, unusual for physicians to prescribe our products for unapproved, or off-label, uses or in a manner that is inconsistent with our directions. To the extent such off-label uses and departures from our administration directions become pervasive and produce results such as reduced efficacy or other adverse effects, the reputation of our products in the marketplace may suffer.

We rely on third parties to conduct aspects of our operations and projects and are exposed to risks related to their activities.

Many of our business-critical operations, including certain R&D processes, manufacturing, packaging, IT systems and services, transportation, logistics, warehousing, human resources, finance, tax and accounting services have been outsourced to third-party providers. We also have a number of third-party collaborations including joint ventures with leading pharmaceutical and biotech companies in which we rely on counterparties for activities such as marketing, developing and/or distributing products. See ''Business—Business segments—Research and Development—Collaboration strategy'' for further information in relation to third-party collaborations. If third parties do not perform as expected or the agreements are terminated for any reason and not replaced with an equivalent arrangement, our financial results could be materially adversely impacted.

We are therefore heavily reliant on these third-parties not just to deliver timely and high quality services, but also to comply with applicable laws and regulations and adhere to the ethical business expectations of third-party providers. The failure of outsource providers to deliver timely services, and to the required level of quality, or the failure of outsource providers to co-operate with each other, could materially adversely affect our financial condition or results of operations. Moreover, the failure of these third-parties to operate in an ethical manner could adversely impact our reputation, both internally and externally, or even result in noncompliance with applicable laws and regulations.

Any change to, interruption of or impact on our supply chain caused by our third-party partners, including price changes, rising or volatile energy costs, malfunctioning or damage to equipment and any delays, which may lead to cancellation of shipments, voluntary or involuntary business interruptions or shutdowns, product shortages, loss of product in the process of being manufactured, withdrawals or suspensions of products from the market, repair costs and potential regulatory action, may have a material adverse impact on our operations, financial position and performance and/or reputation.

Our plasma collection centers rely on disposable goods supplied by third parties and IT systems hosted by third parties. Our plasma collection centers cannot operate without an uninterrupted supply of these disposable goods and the operation of these systems. Alternative sources for key component parts or disposable goods may not be immediately available. And while we have experienced periodic outages of these systems, a material outage would affect our ability to operate our plasma collection centers. Any new equipment or change in supplied materials may require revalidation by us or review and approval by the FDA or foreign regulatory authorities, including the EMA and TGA, which may be time-consuming and require additional capital and other resources. We may not be able to find an adequate alternative supplier in a reasonable time period, or on commercially acceptable terms, if at all. As a result, shipments of affected products may be limited or delayed. Our inability to obtain our key source supplies for the manufacture of products may require us to delay shipments of products, harm customer relationships and force us to curtail operations. For example, in August 2022, CSL Plasma began implementation of the new Rika Plasma Donation System, developed in collaboration with Terumo Blood and Cell Technologies (''Terumo'') to develop and deliver a new plasma collection platform (''Rika''). As at December 31, 2023, more than 30 plasma collection centers were updated with the Rika system and we expect deployment across the remaining U.S. centers to continue over the next 18 months. See ''Business—Business segments—CSL Behring—CSL Plasma'' for further information. Any disruptions in the ongoing Rika rollout, including Terumo's manufacturing and consumables supply chain, software and device reliability could have a material adverse impact on our operations.

We must also constantly monitor the scalability of specialized companies who supply raw materials and bespoke manufacturing equipment to match our business demand and growth objectives, particularly sole-source suppliers or service providers for which we may have no backup. For example, any shortage or failure at one of our sole-source suppliers could impact multiple products due to capacity constraints. Any catastrophic, force majeure or severe weather events at any of our sole-source suppliers or service providers, without suitable backup suppliers or service providers, could result in lost product and disruption to our operations and financial performance and results.

Our business and financial results could also be materially adversely affected by disruptions caused by our failure to successfully manage either the integration of outsourced services or the transition process of insourcing services from third-parties. Although third parties are made aware of our policies (including in respect of anti-bribery and anti-corruption, modern slavery, cybersecurity and data privacy), any material failure by a third-party to comply with relevant laws and regulations may have an adverse effect on our financial position and performance and/or reputation.

Physicians and other healthcare providers and third-party payers in the U.S. and elsewhere play a primary role in the recommendation and prescription of our products. Our arrangements with such persons are subject to industry specific healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our products. Efforts to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations involve substantial costs. If our operations are found to be in violation of any of these current or future laws or any other governmental

regulations that may apply, we may be subject to significant civil, criminal and administrative penalties, damages, fines, exclusion from government funded healthcare programs, such as Medicare and Medicaid in the U.S., and the curtailment or restructuring of our operations, which could have a material adverse impact on our operations and/or financial position and performance.

An interruption to our specialized transportation services may impact our supply of plasma and may cause delays to the delivery of our plasma derived products or result in products being destroyed.

Once we have manufactured our plasma derived products, they must be handled carefully and kept at appropriate temperatures. Not all shipping or distribution channels are equipped to transport plasma. If any of our shipping or distribution channels becomes inaccessible due to accidents, an act of terrorism, pandemic, a strike, earthquake, major fire or storm or any other force majeure event, we may experience disruptions in our continued supply of plasma and other raw materials, delays in our production process or a reduction in our ability to distribute our products directly to our customers.

Our failure, or the failure of third parties that supply, ship or distribute our plasma and plasma derived products, to properly care for our plasma or plasma derived products may require us to destroy raw materials or finished products. While we expect to write off certain amounts of work-in-process inventories in the ordinary course of business due to the complex and delicate nature of plasma, our processes and our products, unanticipated events may lead to write-offs and other costs materially in excess of our expectations. Such write-offs and other costs could cause material fluctuations in our profitability. Furthermore, contamination of our products could cause regulators, healthcare professionals, consumers or other third parties with whom we conduct business to lose confidence in the reliability of our manufacturing procedures, which could adversely affect our sales and profits. In addition, faulty or contaminated products that are unknowingly distributed could result in patient harm, threaten the reputation of our products and expose us to product liability damages and claims.

We are susceptible to interruptions in our supply chain more generally.

Having a sustainable and reliable supply chain is critical for our business operations and the success of our strategy, particularly to achieving consistent and efficient supply. Many of our products are produced using technically complex manufacturing processes and require a supply of highly specialized production materials. For some of our products and production materials, we may rely on a single source of supply. In addition to plasma, we are dependent on a number of key inputs, such as various chemicals, filters and other raw materials and consumables, along with energy, water and other utilities used in the manufacture of our products. For example, we have experienced shortages of substances required for manufacturing drugs and shortages in the supply of components for single use technology (‘‘SUT’’) products which have significantly impacted our ability to manufacture multiple SUT products. This shortage in production of SUT products may have follow-on effects further down the supply chain and could lead to stockouts or interruptions in our production capacity or sterilization capacity.

Additionally, global transportation and logistics challenges, as well as tight labor markets, including as a result of the COVID-19 pandemic, the war between Russia and Ukraine, the ongoing Israeli-Palestinian conflict and wider hostilities throughout the Middle East have caused, and in the future may cause, delays in, and/or increase costs related to, manufacturing and distribution of our products, fuel and energy supplies, disruption to global shipping lanes and supply chains, the construction or other acquisition of collection and manufacturing capacity, procurement activity and supplier or contract manufacturer arrangements. Any major or prolonged disruption to our supply chain could have a material adverse effect on our business, financial condition and results of operations.

Our future success depends on our ability to attract and retain key management and to attract, retain and motivate qualified personnel, including scientists and other technicians, and their ability to perform their roles to a high level.

We are highly dependent on the members of our executive, scientific and technical teams. The loss of the services of any of these persons might impede the achievement of our research, development, operational, managerial and commercialization objectives. In particular, we believe the loss of many members of our senior management team would significantly and negatively impact our business, and that the loss of many scientists or other skilled technical personnel would severely affect the quality of our research, product development and other services. Our ability to recruit and retain our directors, senior management and staff generally, including our scientists, engineers, research and development personnel and other specifically qualified personnel, will depend

on a number of factors, including hiring practices of our competitors, compensation and benefits, work location, work environment and industry economic conditions. The loss of any key personnel or inability to recruit qualified employees could cause disruption to the conduct of our business in the short term and may have a material adverse impact on our operations and/or financial position and performance.

Along with our continued expansion, we have established a highly experienced talent pool with strong execution capabilities. Highly skilled and talented scientists help us keep pace with the latest developments in R&D and manufacturing technologies and methodologies in the pharmaceutical and biotechnology industries, and are therefore critical to our success. Our business operations also rely on personnel possessing highly technical skills for our quality control, compliance, environmental protection, safety and health, IT and marketing.

We intend to continue to attract and retain highly skilled scientists and other technical personnel. However, as there is a limited supply of qualified scientists and R&D personnel with requisite experience and expertise, and such qualified personnel are also highly-sought after by pharmaceutical companies, biotech start-ups and scientific research institutes, particularly as seen during the COVID-19 pandemic, we have had to provide competitive compensation and benefits packages to attract and retain talent. We cannot assure you that we will always be able to hire and retain the requisite number of qualified personnel to keep pace with our anticipated growth while maintaining consistent quality of our services. In addition, we may not always be successful in training our professionals to quickly adapt to technological advances, evolving standards and changing customer needs, and the quality of our services may therefore be severely affected. Any failure to attract, train or retain excellent scientific and technological personnel may materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

GMP regulations require that the personnel we employ and hold responsible for product manufacturing, including, for example, the collection, processing, testing, storage or distribution of blood or blood components be adequate in number, educational background, training (including professional training as necessary) and experience, or a combination thereof, and have capabilities commensurate with their assigned functions, a thorough understanding of the procedures or control operations they perform, the necessary training or experience and adequate information concerning the application of relevant GMP requirements to their individual responsibilities. In order to develop and retain our talent, we provide continuous training programs to our employees. We also offer employee share incentive programs to our key employees and thus provide them with an opportunity to share in the growth of our business. Our failure to attract, retain and motivate qualified personnel and maintain the necessary level of training for such personnel may result in a regulatory violation, affect product quality, require the recall or market withdrawal of affected product or result in a suspension or termination of our license to market our products, or any combination thereof. Additionally, our competitors have poached, and may continue to try to poach, our scientists and skilled technical personnel to support their own operations in particular areas of their businesses. For example, there is a risk that competitors will continue to poach our self-amplifying messenger RNA (‘‘sa-mRNA’’) and legacy business-as-usual vaccine team members from CSL Seqirus, resulting in loss of critical talent across our business functions, damage to our reputation and a material adverse impact to our operating profit. There is also risk that we will have a lack of appropriately skilled staff members at CSL Seqirus which could cause a delay in our delivery of sa-mRNA influenza vaccines at pace with our accelerated timetable for the rollout. Staffing shortages of other skilled employees may cause us to fail to meet demanding deadlines or timetables in the future, which could materially and adversely affect our reputation and financial performance.

The successful delivery of our business objectives is dependent on high levels of engagement, commitment and motivation of our workforce in general. Failure by our employees to engage effectively could lead to disruption in our day-to-day operations, reduced levels of productivity and/or increased levels of voluntary turnover, all of which could lead to a loss of staffing in key positions and create gaps in our knowledge, controls and capabilities, and could ultimately materially adversely affect our reputation, business or results of operations. Additionally, we are exposed to risks associated with human error of our officers and employees (for example, during the conduct of clinical trials or collection and administration of plasma) which could cause serious consequences, including transmission of disease and fatality of the patient, as well as fraudulent behavior of our officers and employees. The occurrence and effect of any such errors could materially adversely affect our business as well as result in regulatory investigations and penalties, litigation, negative publicity and damage to our reputation.

It may be difficult to enroll or identify patients for our clinical studies, which could delay or prevent clinical studies of our product candidates.

Identifying and qualifying patients to participate in clinical studies of our product candidates is critical to our success. The timing of our clinical studies depends on the speed at which we can recruit eligible patients to participate in testing our product candidates. We have experienced delays in some of our clinical studies due to the ultra-rare nature of the diseases we aim to treat, and we may experience similar delays in the future. If patients are unwilling to participate in our gene and cell therapy studies because of negative publicity from adverse events in the biotechnology or gene therapy industries or for other reasons, including competitive clinical studies for similar patient populations, the timeline for recruiting patients, conducting studies, and obtaining regulatory approval of potential products may be delayed. These delays could result in increased costs, delays in advancing our product development, delays in testing the effectiveness of our technology or termination of the clinical studies altogether.

We may not be able to identify, recruit or enroll a sufficient number of patients, or those with required or desired characteristics to achieve diversity in a study, to complete our clinical studies in a timely manner. Patient enrollment is affected by factors including:

- severity of the disease under investigation;
- design of the study protocol;
- size and nature of the patient population;
- eligibility criteria for and design of the study in question;
- perceived risks and benefits of the product candidate under study, including as a result of adverse effects observed in similar or competing therapies;
- proximity and availability of clinical study sites for prospective patients;
- availability of competing therapies and clinical studies;
- efforts to facilitate timely enrollment in clinical studies;
- ability to compensate patients for their time and effort;
- risk that enrolled patients will drop out before completion or not return for post-treatment follow-up;
- inability to obtain or maintain patient informed consents;
- effectiveness of publicity created by clinical trial sites regarding the trial;
- patient referral practices of physicians; and
- ability to monitor patients adequately during and after treatment.

The eligibility criteria of some of our clinical studies will further limit the pool of available study participants. Some of our clinical trials, for example, require patients with rare genetic disorders.

The number and timing of our clinical studies year on year is unpredictable and may vary and fluctuate. For example, COVID-19 had a significant impact on our ability to conduct clinical trials as part of our scientific research. During FY2023, we published 16 clinical trial registrations and 11 clinical trial results. This compares to 3 clinical trial registrations and 15 clinical trial results in FY2022, and 12 clinical trial registrations and nine clinical trial results in FY2021.

Any difficulty in enrolling a sufficient number of patients to conduct our clinical studies as planned could increase our development costs and the time required for completion of clinical trials, and we may need to delay, limit or terminate ongoing or planned clinical studies, any of which would have an adverse effect on our business and prospects.

We face risks based on the physical integrity of our facilities or equipment.

Our operations are affected by risks relating to the physical integrity of our facilities and equipment. Any failure of critical infrastructure, including plasma collection centers, laboratories and fractionation and manufacturing facilities, or the equipment used in conjunction with those facilities, whether such failure is due to deterioration,

maintenance issues or expiration from age, weathering or use, could pose a risk to employee or patient safety, product quality or supply. Any such failure could materially impact our business operations, reputation and financial performance or result in regulatory action. Any shutdown of any of our facilities or prolonged delay or disruption of our operations or logistics would result in a decrease in our revenues and profitability, which could be material.

We may not be able to obtain sufficient insurance coverage for some business risks on reasonable commercial terms.

We have insurance policies in place across our business to protect against major operating and other identified risks or product liability claims or regulatory action. However, not all risks and liabilities are insurable or insured by our existing insurance coverage. There is no assurance that adequate insurance cover for all potential liabilities and losses will be available in the future on commercially viable terms. Product liability, property damage, and business interruption coverage is increasingly expensive and difficult to obtain. Although we have a program of insurance policies designed to protect us and our subsidiaries from claims, and we self-insure a portion of these risks, claims made against our insurance policies could exceed our limits of coverage. Uncovered losses or the payment of a larger deductible may have a material adverse impact on our operations and/or financial position and performance. In general, we may not be able to maintain insurance coverage at a reasonable cost and may not be able to obtain insurance coverage that will be adequate to satisfy any liability that may arise.

If we lose any of our key customers, our business and results of operations may be adversely affected.

We have a large, diverse and loyal customer base. Our largest customers are group purchasing organizations (''GPOs'') in the U.S. We also sell to distributors and wholesalers, hospitals and governments. For FY2023 our top five customers accounted for 37% of our operating revenue and our largest customer accounted for 12% of our operating revenue. We cannot guarantee that we will be able to maintain or strengthen our relationships with our key customers, that our key customers will continue to patronize us, or that if we lose any of our key customers, we are able to replace them in a timely manner. Furthermore, we may not be able to realize all of the anticipated future revenue associated with our contracted future revenue.

We are subject to counterparty risk in connection with our contracts and trade with third parties.

Credit risk results from the risk of default of customers and counterparties to our financial instruments contracts and trade and other receivables. While this risk from financial instruments contracts is mitigated by entering into such contracts with parties of sound credit standing and with whom we have a signed netting agreement, and the credit risk associated with trade and other debtors is mitigated by undertaking transactions with a large number of customers in various countries and reviewing the creditworthiness of customers using trade references and credit reference agencies, we are unable to predict whether these parties will maintain such credit standing or default on their obligations, which may have a material adverse impact on our operations and/or financial position and performance.

We are subject to risks in connection with information technology, data privacy, cybersecurity and artificial intelligence.

Our business operations rely on a number of information technology (''IT'') systems, applications and business processes utilized in the delivery of business functions. These systems support key business functions such as R&D, manufacturing, supply chain, financial and sales capabilities. They provide an important means of safeguarding and communicating data, including critical or strictly confidential information, the confidentiality and integrity of which we rely on. We also rely on the effectiveness of our internal policies, controls and procedures to protect the confidentiality, integrity and availability of information held on our IT systems, as well as the effectiveness of our due diligence, and ongoing oversight of third-party vendors who hold or have access to our data. We use the internet, digital content, social media, mobile applications, the internet of things, artificial intelligence (''AI'') including generative AI, and other forms of new technology to process data and to communicate internally and externally. The accessibility and instantaneous nature of interactions with such media may facilitate or exacerbate the risk of unauthorized data loss or other security incidents or breaches from within our company. Any failure or interruption to our systems and processes, including due to failure to keep pace with industry developments and the capacity of existing systems to effectively accommodate growth, or breach of our cybersecurity measures, could compromise the privacy and security of our patient, donor, employee and other corporate information, and result in significant disruptions to our operations including system outages.

There is a growing trend in cyberthreats against individuals and companies, particularly during the ongoing war between Russia and Ukraine, the ongoing Israeli-Palestinian conflict and wider hostilities throughout the Middle East, and the related increase in geopolitical tensions. We and our vendors could be susceptible to third-party or internal attacks on our information security systems. Such attacks are of ever-increasing levels of sophistication, difficult to detect and are made by groups and individuals with a wide range of motives and expertise, including organized criminal groups, ''hacktivists'', nation states, employees, ex-employees, and others. We occasionally experience intrusions, including as a result of computer-related malware. We may be unable to timely detect and defend against such attacks which could have an adverse effect on our business, result in a loss of revenue and significant legal liability, regulatory penalties, including fines or sanctions. Any unauthorized access to our IT systems (including as a result of cyberattacks computer viruses, malicious code, phishing attacks or human error, misuse or espionage) could result in the unauthorized release or misuse of our confidential, personal, sensitive and/or proprietary information, our employees, patients or plasma donors, which may lead to reputational damage, financial penalties, litigation and compromised relationships with patients and plasma donors.

Maintaining privacy and security of all data including our patients, plasma donors, employees and company data is critical and at the forefront of all that we do. The privacy and security of our patient, donor, employee and any other corporate information may be compromised by breaches of our IT security and unauthorized or inadvertent release of information through human error or espionage. In some cases, such risks may result from the use of legacy operating systems on computers used by our facilities. Data privacy breaches may also occur from the actions of our employees or third-party vendors or contractors who may knowingly or unknowingly allow others to obtain unauthorized access to our systems and data. Any such breaches may have a material adverse impact on our business, financial performance and reputation.

In addition, we must ensure that the personal data which we, or third-party vendors operating on our behalf, hold and process is protected in a manner that complies with increasingly stringent global privacy laws. Globalization also means that it becomes difficult to comply with all local data protection obligations for our websites and mobile apps (e.g., higher standards for obtaining valid consent for certain uses of personal data). In addition, increasing regulatory and legal challenges to international transfers of personal data, for example in relation to transfers of personal data originating in the European Union (''EU'') to countries outside of the EU which the European Commission has not deemed as having ''adequate'' data protection laws may result in personal data no longer being available to locations we are present in, with adverse operational impacts. The increased use of artificial intelligence, genomic data and biometric data poses additional risks to the rights and freedoms of individuals and consequently higher reputational and financial risks. Privacy legislation in various jurisdictions includes obligations to report data protection breaches, whether intentional or inadvertent, to regulators, local media and affected individuals within expedited timeframes. Such expedited reporting, often before the nature and impact of a data breach can be fully understood, could cause reputational damage and a loss of public trust that may be disproportionate to the extent of the breach.

Any significant disruption to, or incidents involving, any of our IT systems (including breaches of data security or cybersecurity, failure to integrate new and existing IT systems) or failure to comply with additional requirements under applicable laws or contractual obligations, including rapidly changing cybersecurity regulations, could harm our reputation, result in regulatory penalties or sanctions and materially adversely affect our financial condition or results of operations.

Inappropriate use of certain media vehicles could also lead to the unauthorized or unintentional public disclosure of confidential information (such as personally identifiable information on employees, donors, healthcare professionals or patients), which may damage our reputation, adversely affect our business or results of operations and expose us to legal risks, penalties or sanctions and/or additional legal obligations. Similarly, the involuntary public disclosure of commercially sensitive information or an information loss could adversely affect our business or results of operations and could result in regulatory penalties or sanctions. In addition, negative posts or comments about us (or, for example, the safety of any of our products) on social media websites or other digital channels could harm our reputation, brand image or goodwill.

As use of generative AI increases, there is a risk of inadvertently sharing sensitive or confidential data externally, which could harm our reputation or cause a loss of competitive advantage. The outputs of AI could also generate inaccurate information leading to incorrect decisions that could adversely affect our business. Regulators globally are looking at or have already commenced work to implement AI regulations, for example in the EU where they

have reached a political agreement on the AI Act, which would be the world's first comprehensive regulation of AI once enacted into legislation. There is a risk of not complying with the EU AI Act or many other countries regulations as they become legislation which could result in fines or extensive administrative burdens which could impact our financial results. There is also a risk of competitors using AI technology for the development of, or for more rapidly developing, new and novel products which could adversely affect our R&D portfolio and ultimately our business and operational results.

Risks relating to our strategy and structure

Failure to develop new products may have a material adverse impact on our operations and/or financial position and performance.

The commercial success of our products and markets, including the development of growth markets, is a critical factor in sustaining or increasing our global product sales. The successful launch of a new biopharmaceutical product involves substantial investment in sales and marketing activities, our digital strategy, launch stocks and other items. We may ultimately be unable to achieve commercial success for various reasons, including difficulties in manufacturing sufficient quantities of the product candidate for development or commercialization in a timely manner, the impact of price control measures imposed by governments and healthcare authorities, the outcome of negotiations with third-party payers, erosion of intellectual property rights (including infringement by third-parties), failure to show a differentiated product profile, lower than expected industry standard success rates in our Phase III programs and changes in prescribing habits. Failure to execute our commercial strategies could materially adversely impact our business and results of operations. If a new product does not succeed as anticipated or its rate of sales growth is slower than anticipated, there is a risk that we may be unable to fully recoup the costs incurred in launching it, which could materially adversely affect our business or results of operations.

For example, we were developing CSL112, a novel human plasma derived apolipoprotein A-I, aimed at reducing the risk of recurrent cardiovascular events during the 90-day high-risk period following a heart attack, the period when the majority of first year recurrent cardiovascular events occur. However, as we announced on February 11, 2024, the Phase III study did not meet its primary efficacy endpoint of major adverse cardiovascular events reduction at 90 days and, as a result, there are no plans for a near-term regulatory filing, with additional analyses ongoing to understand the complete data and determine next steps. We do not expect the CSL112 clinical trial conclusion to have a material impact on our business or financial performance, however there could be other clinical trials in the future that are not successful and could materially and adversely affect our reputation and financial performance.

The commercialization of biologics is often more complex than for small molecule pharmaceutical products, primarily due to differences in the mode of administration, technical aspects of the product, and rapidly changing distribution and reimbursement environments. Due to the complexity of the commercialization process for biologics, the methods of distributing and marketing biologics could materially adversely impact our revenues.

Failure or delay in the delivery or launch of new medicines in our pipeline may have a material adverse impact on our results of operations and long term strategy.

Just as our continued success depends on the development of innovative new drugs, it also depends on our ability to successfully and expeditiously launch them. Launch decisions and dates are primarily driven by our development programs. Once a development program is completed and submitted to health authorities, investments made in the manufacture of pre-launch product stocks, marketing materials and sales force training may result in excess expenses if the product is not approved. Various other factors, including adverse findings in preclinical or clinical studies, regulatory demands, price negotiation, large-scale natural disasters or global pandemics, competitor activity and technology transfer may significantly delay or prevent launch. Differing complex and stringent regulations govern the manufacturing and supply of our products, thus impacting the production and release schedules of such products more significantly.

Particularly, our long term strategy for CSL Seqirus relies on its ability to adapt and innovate rapidly enough to match the evolving vaccine industry landscape, in which mRNA vaccines are currently at the forefront of vaccine development. The COVID-19 pandemic provided unprecedented funding to the global vaccine industry and has seen the extremely rapid advancement of novel technologies, in particular, the application of mRNA as a means of in-situ antigen production which is proving to be particularly fast and effective as a method of vaccination. The short development timeframes (particularly beneficial for a fast response to a pandemic and seasonal strain change), and a potentially less expensive, time consuming and capital-intensive manufacturing process compared

to, for example, egg or cell-based vaccines, mean that the mRNA technology has a high potential to disrupt the existing flu vaccine industry. If CSL Seqirus fails to adapt or does not adapt quickly enough to mRNA technology, it could have a material adverse impact on our results of operations and long term strategy.

The failure of any compound in our late-stage pipeline or in-line products may have a significant negative effect on our business and results of operations. Significant delays to anticipated launch dates of new products could have a material adverse effect on our financial position and/or results of operations. For example, for the launch of products that are seasonal in nature, delays in regulatory approvals or manufacturing difficulties may delay launch to the next season which, in turn, may significantly reduce the return on costs incurred in preparing for the launch for that season. A delayed launch may also lead to increased costs if marketing and sales efforts need to be rescheduled or performed for longer than expected.

In addition to developing products in-house, we seek technology licensing arrangements and strategic collaborations to expand our product portfolio and geographical presence as part of our business strategy. Such licensing arrangements and strategic collaborations are key, enabling us to grow and strengthen the business. The success of such arrangements is largely dependent on the technology and other intellectual property rights we acquire or license, and the resources, efforts and skills of our partners. Disputes or difficulties in our relationships with our collaborators or partners may arise, for example, due to conflicting priorities between parties and may erode or eliminate the benefits of those alliances and collaborations. We experience strong competition from other pharmaceutical companies in respect of licensing arrangements, strategic collaborations, and acquisition targets. Failure to complete collaborative projects in a timely, cost-effective manner may limit our ability to access a greater portfolio of products, intellectual property technology and shared expertise. In addition, failure to perform on the part of parties to external transactions may diminish the future value of those transactions or, in some cases, allow a competitor to beat us to market with a similar or first-in-class product. Delay of launch can also erode the term of patent exclusivity.

In particular, we face significant risks in connection with the launch of HEMGENIX®. In May 2021, we signed a Commercialization and License Agreement with uniQure, a leading gene therapy company, to acquire the exclusive global licensing rights for HEMGENIX® (etranacogene dezaparvovec or Etranadez; formerly AMT-061), an adeno-associated virus vector serotype 5-based (“AAV5”) gene therapy for adult patients with hemophilia B. HEMGENIX® was approved by the FDA in November 2022 and by the EMA in February 2023. Commercial launch is now underway in the U.S., and pre-launch processes have started in many European countries, as well as in U.K., Switzerland and Canada. Risks related to the launch include the readiness of the HTA frameworks and policies which, when associated with a gene therapy, are extremely complex, readiness of hemophilia treatment centers to procure and administer one-time high cost gene therapies in the U.S., risks around national reimbursement from governments and other third-party payers, risks related to potential response and durability guarantees made to national payers outside the U.S. through outcomes-based agreements to secure reimbursement and risks of increasing costs if regulators require extended patient tracking or further clinical data beyond current commitments. Any of these events could lead to loss of revenue or an increase in unanticipated costs and damage to our reputation and could materially and adversely impact our financial performance.

Also in several cases, we are required to make milestone payments well in advance of the commercialization of our products, with no assurance that we will recoup these payments.

We have a substantial amount of indebtedness and our funding needs and sources could restrict our operations.

As of December 31, 2023, we had US$10,417 million of indebtedness, which we have incurred under bank facilities and capital market debt instruments. Our indebtedness also increased significantly due to the CSL Vifor acquisition. Additionally, the Notes offered hereby contain no restrictive covenants on our ability to incur more debt. If new indebtedness is added to our and our subsidiaries’ current debt levels, the related risks that we and they face would be increased, and we may not be able to meet all our debt obligations, including repayment of the Notes, in whole or in part.

We require funds to meet our capital and operating expenditures for growth and maintenance of our operations and refinancing needs. Our funding requirements may be met by way of additional debt financing. The terms of such debt financing may include restrictions which may:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to pursue our growth plans (including acquisitions);

- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund capital and operating expenditures, working capital requirements and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our businesses and our industry; and/or
- place us at a competitive disadvantage compared to our competitors with less debt.

There are risks associated with our current debt obligations and we may require substantial additional financing which may not be available to us on acceptable terms, or at all.

We have debt obligations that rely on access to debt and equity financing to conduct our business. There is a risk that we may not be able to access equity or debt capital markets to support our business objectives, or successfully refinance this indebtedness on commercially favorable terms or at all. Continued and future disruptions in the global financial marketplace, including the bankruptcy or restructuring of financial institutions, could make debt markets less accessible and materially adversely affect the availability of credit already arranged and the availability and cost of credit in the future, adversely affecting our ability to refinance maturing indebtedness. If our product candidates are not successfully developed, do not receive necessary approvals of marketing and sale or do not achieve commercial success, it could adversely affect our revenues and profitability and could impair our ability to meet our debt service obligations or to make principal payments upon maturity.

An inability to obtain additional financing to meet maturing debt obligations could force us to reduce or delay capital expenditure or forgo strategic business opportunities, sell assets, raise additional equity, restructure or refinance existing debt on disadvantageous terms or take other protective measures. Inability to repay indebtedness, or a negative change in our credit ratings that has a material adverse effect on our ability to borrow or our cost of funds, may have a material adverse effect on our operations and/or financial position and performance.

In general, large amounts of R&D investment and spending are necessary in the biopharmaceutical industry, and those amounts increase as product candidates progress to later stages of development. Accordingly, we expect to incur significant expenses to advance the clinical development of our product candidates as well as on other operating expenses. Our future capital requirements will depend on many factors, including:

- our ability to earn milestone or royalty payments on existing out-licensing and other agreements with partners and to establish and maintain additional licensing agreements or partnerships on favorable terms;
- the timing of preclinical studies and clinical trials related to our product pipeline;
- the costs of preparing, filing and prosecuting patent applications and maintaining, enforcing and defending our intellectual property rights;
- the extent to which we acquire or in-license other technologies and intellectual property rights;
- the timing of any payment obligations under our development pipeline-related contracts with business partners, including any obligation to make payments to a partner at a development stage prior to sales or after the commencement of sales, or any obligation to pay joint development costs or to invest in marketing activities after sales start; and
- possible future acquisitions.

Some of these factors affecting our funding needs are outside of our control and there is no assurance that additional funding or refinancing will be available to us on acceptable terms, or at all. If we are unable to obtain funding on commercially reasonable terms, or at all, we will be required to reconsider and curtail R&D activities and planning, which may have a material adverse effect on our results of operations, financial condition and future pipeline viability.

Covenants in our debt agreements contain financial and other legal and business covenants.

Our debt facilities contain financial and other customary legal and business covenants. We are currently in compliance with all such covenants. The Indenture, the Private Placements, the Revolving Credit Facility, the Commercial Paper Program, the KfW Loan and the QDI Bond contain various covenants, with customary caveats, that limit our ability and/or our subsidiaries' ability to, among other things:

- engage in non-arm's length transactions with third parties;
- merge or consolidate with third parties;
- create or permit to exist security interests;
- incur additional debt;
- dispose of our assets;
- engage in a line of business other than existing our core businesses; and
- engage in transactions or with entities in violation of U.S. or other applicable law.

A breach of any of these covenants could result in a default under our debt facilities and/or the Notes. Failure to comply with these covenants could also limit our financial flexibility and enable lenders to accelerate repayment obligations. If that action were to be taken, there is no certainty that we would have access to sufficient cash to meet our repayment obligations or be able to refinance our existing debt on commercially acceptable terms. In those circumstances, we would need to seek waivers or other forms of accommodation from the relevant lenders or procure alternative financing arrangements to refinance our debt obligations, which may have a material adverse impact on our operations and/or financial position and performance. See ''Description of other indebtedness''.

We face risks associated with our strategic partnerships.

We enter into a number of strategic partnerships and collaborations with academic, industry and government bodies as part of our business strategy. We are also dependent on our current and proposed distribution arrangements across Australia, the U.S., Europe and Asia. There is a risk that the current or future distribution or strategic partners or collaborators may terminate their respective arrangements with us. There is no certainty that any of our existing arrangements will be renewed or, if they are renewed, the terms that may apply to the renewal will be favorable. Similarly, there is a risk that our counterparties will be unable to obtain or retain all necessary licenses and permits required to perform their respective obligations under the arrangements. If any of our existing arrangements are terminated or we are unable to enter into formal binding documentation with respect to any current non-binding arrangements, this could have a material adverse effect on our operations, reputation and/or financial position and performance.

We may undertake acquisitions or partnerships that may not be successful, negatively impact our financial condition, fail to integrate successfully into our business, or be adversely affected by regulatory or governmental scrutiny.

In order to expand our operations and global presence, we have undertaken, and may undertake in the future, strategic acquisitions. For example, on June 8, 2020, we acquired 100% of the share capital of Vitaeris Inc. (''Vitaeris''), which has developed clazakizumab, for the treatment of patients with end stage kidney disease. In May 2021, we signed a Commercialization and License Agreement with uniQure, a leading gene therapy company, to acquire the exclusive global licensing rights for HEMGENIX®, an AAV5 gene therapy for adult patients with hemophilia B. On August 9, 2022, we completed the acquisition of 100% of Vifor Pharma, a global specialty pharmaceutical company that is a leader in iron therapies, dialysis, and nephrology and rare diseases. And in December 2022, we closed our Global Collaboration and Licensing Agreement with Arcturus for access to Arcturus' sa-mRNA vaccine platform technology. We devote significant resources to integrating our operations following such acquisitions in order to achieve the anticipated synergies and benefits.

The integration of our acquired subsidiaries or any future acquisitions may expose us to certain risks, such as the incurrence of anticipated and unforeseen costs, expenses and liabilities (including latent or potential liabilities that relate to the time prior to our acquisitions), difficulties in integrating the acquired business in a timely and cost-effective manner or maintaining standard control policies and procedures across our businesses, difficulties in establishing effective management information and financial control systems, and unforeseen legal, regulatory,

contractual or other issues. Furthermore, our potential acquisitions in the future may be adversely affected by regulatory or governmental scrutiny of the target countries. If we fail to successfully integrate recent and potential future acquisitions, or if we encounter any difficulties due to tightened regulatory or governmental scrutiny from targeted countries, there may be an adverse effect on our business, financial condition and results of operations.

We experience some seasonality in our sales, revenue and financial performance.

Our operations and financial results experience some variability depending on the time of year in which they are measured. This variability is most notable for CSL Seqirus, which experiences higher sales during the first half of the fiscal year, which is Northern Hemisphere influenza vaccine season. CSL Seqirus therefore generally has higher revenue and operating profit in the first half of the fiscal year. We expect that CSL Seqirus will experience a loss in the second half of the fiscal year.

We may be impacted by delays in regulatory approvals and manufacturing difficulties with our influenza products.

For our seasonal influenza products, delays in annual regulatory approvals due to influenza strain changes or manufacturing difficulties with new influenza strains may delay our production and sales for the upcoming season which, in turn, may significantly reduce the return on costs incurred in preparing for that season or harm our reputation, brand image or goodwill.

Risks relating to legal and regulatory matters

The processes of collecting and storing plasma are complex and demanding and our collection centers are required to satisfy extensive and ongoing regulatory requirements and oversight and GMP.

Plasma is a raw material that is susceptible to damage and contamination and may contain human pathogens, any of which would render the plasma unsuitable for further manufacturing. Almost immediately after its collection from a donor, plasma is stored and transported at temperatures that are at least -20 degrees Celsius (-4 degrees Fahrenheit). Our failure, or the failure of third parties that supply, ship or distribute our plasma and plasma derived products, to properly care for our plasma or plasma derived products may require us to destroy some raw materials or products. If unsuitable plasma is not identified and discarded prior to its release to our manufacturing processes, it may be necessary to discard intermediate or finished product made from that plasma or to recall any finished product released to the market, resulting in a charge to cost of goods sold. If the volume of plasma or plasma derived products damaged by such failures were to be significant, the loss of that plasma or those plasma derived products could have a material adverse effect on our financial condition and results of operations and our reputation.

In order for plasma to be used in the manufacturing of our products, the individual centers at which the plasma is collected must be licensed and approved by the regulatory authorities, such as the FDA and the EMA, of those countries in which we sell our products. When a new plasma collection center is opened, it must be inspected on an ongoing basis after its approval by the relevant regulatory authorities for compliance with GMP and other regulatory requirements, and these regulatory requirements are subject to change. For example, an FDA final rule, effective May 23, 2016, addressed the collection of blood components, such as plasma, intended for transfusion or further manufacturing use, including requirements with respect to donor education, donor history and donor testing. While we believe that our centers have timely adopted the regulations, which generally reflected our existing approaches, the compliance efforts necessary for evolving requirements, such as these, may increase our costs. An unsatisfactory inspection could prevent a new center from being approved for operation or risk the suspension or revocation of an existing approval.

In order for a plasma collection center to maintain its governmental approval to operate, its operations must continue to conform to GMP and other regulatory requirements. In the event that we determine a plasma collection center did not comply with GMP in collecting plasma, we may be unable to use and may ultimately destroy plasma collected from that center. Additionally, if noncompliance in the plasma collection process is identified after the impacted plasma has been pooled with compliant plasma from other sources, entire plasma pools, in-process intermediate materials and final products could be impacted. Consequently, we could experience significant inventory impairment provisions and write-offs.

We plan to continue to obtain our supplies of plasma for use in our manufacturing processes through collections at our plasma collection centers and through selective acquisitions or remodeling and relocations of existing centers. This strategy is dependent upon our ability to successfully integrate new centers, to obtain FDA and other necessary approvals for any centers not yet approved by the FDA, to maintain GMP compliance in all centers and to attract donors to our centers.

We also provide toll fractionation services for various governments and health authorities globally. These customers supply us with plasma to process in our manufacturing facilities into finished products, which products we then supply back to the customer. These arrangements are governed by individual contracts with each customer. Typically, while title in the plasma supplied for fractionation remains with the customer, risk passes to us while the plasma is in our possession. These stewardship obligations are accompanied by penalties that could be levied against us if we lose or damage our customer's plasma while it is in our possession. Further, to the extent there are issues or down time within our facilities which impede our ability to manufacture and supply toll products in accordance with the contractual requirements, there is a risk that we will be liable for damages or penalties under the relevant contract. In addition, we may not be able to fulfill our contractual tolling arrangements for other unknown reasons and thus could risk losing those arrangements in the future, which may have an adverse effect on our financial condition by reducing profitability and may adversely impact our reputation.

The process of testing and developing products is expensive, complex and heavily regulated, can take years to complete and is uncertain as to outcome.

Before obtaining regulatory approval for the sale of our product candidates or for the marketing of existing products for new indicated uses, we must conduct, at our own expense, extensive preclinical tests to demonstrate the safety of our product candidates in animals and clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Preclinical and clinical testing and trials are expensive, difficult to design and implement, can take many years to complete and uncertain as to outcome. A failure of one or more of our clinical trials can occur at any stage of testing. We may experience numerous unforeseen events during, or as a result of, preclinical testing and the clinical trial process that could delay or prevent our ability to receive regulatory approval or commercialize our product candidates, including, without limitation, the following:

- regulators or institutional review boards may not authorize us to commence a clinical trial or conduct a clinical trial within a country or at a prospective trial site;
- the regulatory requirements for product approvals may not be explicit, may evolve over time and may diverge by jurisdiction;
- our preclinical tests or clinical trials may produce negative or inconclusive results, and we may decide, or we may be required by regulators, to conduct additional preclinical testing or clinical trials or to abandon projects that we had expected to be promising;
- the number of patients required for our clinical trials may be larger than we anticipate, enrollment in our clinical trials may be slower than we anticipate or participants may withdraw from our clinical trials at higher rates than we anticipate, any of which would result in significant delays;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner;
- we may be forced to suspend or terminate our clinical trials if the participants are being exposed to unacceptable health risks or if a participant experiences an unexpected serious adverse event;
- we may be forced to suspend or terminate our clinical trials if clinical study sites operate in sanctioned countries;
- regulators or review boards may require that we hold, suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements;
- undetected or concealed fraudulent activity by a clinical researcher, if discovered, could preclude the submission of clinical data prepared by that researcher, lead to the suspension or substantive scientific review of one or more of our marketing applications by regulatory agencies, and result in the recall of any approved product distributed pursuant to data determined to be fraudulent;
- the cost of our clinical trials may be greater than we anticipate;

- the supply or quality of our product candidates or other materials necessary to conduct our clinical trials may be insufficient or inadequate, as we currently do not have any agreements with third-party manufacturers for the long-term commercial supply of any of our product candidates;
- an audit of preclinical or clinical studies by the FDA or other regulatory authorities may reveal noncompliance with applicable regulations, which could lead to disqualification of the results and the need to perform additional studies. For example, in the ordinary course of our business, we have had many clinical investigator site inspections and some sponsor inspections;
- the effects of our product candidates may not achieve the desired clinical benefits or may cause undesirable side effects, or the product candidates may have other unexpected characteristics; and
- product may become contaminated, compromised or rejected for any reason, including due to sterility assurance deviations.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate or are unable to successfully complete our clinical trials or other testing, or the results of these trials or tests are not positive or are only modestly positive, or there are safety concerns, we may be delayed in or unable to obtain marketing approval or reimbursement for our product candidates, or be unable to obtain approval for indications that are not as broad as intended or have the product removed from the market after obtaining marketing approval. There is a risk that any such failures to achieve regulatory approval will endanger our reputation with key government partners and negatively impact our long term strategy.

Our product development costs will also increase if we experience delays in testing or approvals. We do not know whether any preclinical tests or clinical trials will begin as planned, will need to be restructured or will be completed on schedule, if at all. Significant preclinical or clinical trial delays could also shorten the patent protection period during which we may have the exclusive right to commercialize our product candidates or could allow our competitors to bring products to market before we do, impacting our ability to fully commercialize our products or product candidates as planned. Even if preclinical trials are successful, we still may be unable to commercialize a product due to difficulties in obtaining regulatory approval for its engineering process or problems in scaling that process to commercial production.

In addition, regulatory authorities may suspend, delay or terminate our clinical trials at any time for various reasons, including, but not limited to:

- changes in applicable regulatory policies and regulations;
- failure to design appropriate clinical trial protocols;
- failure to obtain appropriate ethics approval for the clinical trial;
- discovery of serious or unexpected toxicities or side effects experienced by trial participants;
- lack of efficacy of any product during clinical trials;
- unfavorable results from ongoing preclinical studies and clinical trials; and
- failure by us, trial operators, our employees, or contractors to comply with all applicable regulatory requirements relating to the conduct of clinical trials.

Any of the above could have a material adverse effect on our operations and our financial position and performance.

Even where our product candidates receive regulatory approval, we cannot guarantee that they will attain significant market acceptance among physicians, healthcare payers and patients.

Even if we obtain regulatory approval for one of our product candidates, it may not gain or sustain market acceptance among physicians, healthcare payers and patients, which is critical to our commercial success. Market acceptance of any product for which we or our collaboration partners receive regulatory approval depends on a number of factors, including:

- its safety and efficacy, as demonstrated in clinical trials;
- the clinical indications for which the product is approved;

- the timing of market introduction of such product as well as competitive products;
- the scope of regulatory approvals, including its labeling;
- maintaining a continued acceptable safety profile of the product following approval;
- relative ease of administrating the product;
- the prevalence and severity of side effects or adverse events;
- the potential and perceived advantages of such product over alternative treatments, especially with respect to patient subsets that we or our collaboration partners are targeting with such product;
- the safety of such product seen in a broader patient group, including with respect to its use outside the approved indications;
- the cost of treatment in relation to alternative treatments;
- obtaining and maintaining coverage and adequate reimbursement by third-party payers, including government payers; and
- the effectiveness of our and our partners' sales and marketing efforts.

If any of our product candidates is approved but fails to achieve an adequate level of acceptance by physicians, healthcare payers and patients, we may not be able to generate significant revenues or attain profitability in respect of the relevant product, which could also have a material adverse effect on our business, results of operations, financial condition and cash flows.

Additionally, as a condition to granting marketing authorization or approval of a product, the FDA and other regulatory authorities may require additional clinical trials or other post-marketing studies. The results generated in these trials could result in the loss of marketing approval, changes in labeling, and/or new or increased concerns about the side effects, efficacy or safety. Post-marketing studies and clinical trials, whether conducted by us or by others, whether mandated by regulatory agencies or conducted voluntarily, and other emerging data about products, such as adverse event reports, may also adversely affect the availability or commercial potential of our products. Any adverse findings in post-marketing studies could have negative regulatory and commercial implications, which may have a material adverse effect on our business, financial condition and results of operations.

Policymaking around market access is a multi-stakeholder engagement process, which includes governments, payers/insurers, patient advocacy groups, medical societies, and non-governmental organizations. We recognize that if we are not successful in maintaining an economic and reliable supply of our therapies for our stakeholders, it may adversely affect our ability to execute our strategy and to deliver a sustainable product pipeline. In particular, we recognize that macroeconomic pressures on pricing and payers (including barrier taxes) may impair access, growth and new market entries.

Product candidates that reach commercialization may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives.

Regulations that govern marketing approvals, pricing, coverage and reimbursement for new products vary widely from country to country. Current and future legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a product before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some markets, particularly in the EU, prescription pharmaceutical pricing remains subject to continuing governmental control, including possible price reductions, even after initial approval is granted. As a result, we or our collaboration partners might obtain marketing approval for a product in a particular country, but then be subject to price regulations that delay our or our collaboration partner's commercial launch of the product and thus negatively impact the revenues we are able to generate from the sale of the product in that country.

Adverse pricing limitations may hinder our ability to recoup our investment in one or more products, even if our products obtain marketing approval. There is significant uncertainty related to the third-party coverage and reimbursement of newly approved products. Market acceptance and sales of our products will depend significantly on the availability of adequate coverage and reimbursement from third-party payers for our products

and may be affected by existing and future healthcare reform measures. Government and other third-party payers are increasingly attempting to contain healthcare costs by limiting both coverage of and the level of reimbursement for new products and, as a result, they may not cover or provide adequate payment for our products. These payers may conclude that our products are less safe, less effective or less cost-effective than existing or later introduced products, and third-party payers may not approve our products for coverage and reimbursement or may cease providing coverage and reimbursement for these products. Obtaining coverage and reimbursement approval for a product from a government or other third-party payer is a time-consuming and costly process that could require us to provide to the payer supporting scientific, clinical and cost-effectiveness data for the use of our products. We may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement. If reimbursement of our future products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, we may be unable to achieve or sustain profitability.

In the U.S. and certain other relevant jurisdictions, there have been and we expect there will continue to be a number of legislative and regulatory changes to the healthcare system that could impact the profitability from sale of products, including proposals directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. For example, the *Inflation Reduction Act of 2022* (''IRA'') signed into U.S. law on August 16, 2022, includes several provisions that are designed to lower prescription drug costs for people with Medicare and reduce drug spending by the federal government (see ''Regulation—Pricing and reimbursement—Pricing and reimbursement in the U.S.'' for further information). We are not able to predict whether changes will be made in the availability of reimbursement or the rates prescribed by governmental programs or, if they are made, what effect, or the extent of the effect, they could have on our business. However, governmental rate changes and other similar developments could negatively affect our ability to sell our products at all or at an acceptable price level. It is difficult for us to predict the initiatives that may be adopted in the future.

In the U.S., the pricing of pharmaceutical products is influenced by a number of factors, including (1) practices of managed care groups and institutional and governmental purchasers, (2) U.S. federal laws and regulations related to Medicare and Medicaid, including the Medicare Prescription Drug Improvement and Modernization Act and the Patient Protection and Affordable Care Act, and (3) state activities aimed at increasing price transparency. Changes to the healthcare system enacted as part of healthcare reform in the U.S., as well as increased purchasing power of entities that negotiate on behalf of Medicare, Medicaid, and private sector beneficiaries, could result in further pricing pressures. In the U.S., we must also compete to place some of our products on formularies of managed care organizations. Exclusion of a product from a formulary can lead to reduced usage in the managed care organization.

Outside the U.S., in numerous major markets worldwide, the government plays a more significant and direct role in funding healthcare services and determining the pricing and reimbursement of pharmaceutical products, and the associated procurement processes. Consequently, in those markets, we are subject to government decision-making, budgetary actions and procurement processes with respect to our products. In particular, many EU countries have ongoing government-mandated price reductions for many pharmaceutical products, and we anticipate continuing pricing pressures in the EU. Additionally, China has been implementing volume-based procurement policies, a series of centralized reforms being instituted on both a national and regional basis that has resulted in significant price cuts for pharmaceuticals and medical consumables. Differences between countries in pricing regulations could also lead to third-party cross-border trading in our products that results in a reduction in future revenues and operating earnings.

The continuing efforts of governments, insurance companies, managed care organizations and other payers of healthcare services to contain or reduce costs of healthcare in countries where we operate and sell our products may adversely affect the demand for any product for which we may obtain regulatory approval, as well as our ability to set satisfactory prices for our products, to generate revenues, and to achieve and maintain profitability, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

There is also a continued interest across the EU, Australia and the U.S. in the Health Technology Assessment (''HTA'') review process, in which the properties, effects and/or impacts of health technologies and interventions are systematically evaluated. In the EU, there is a risk that medicines may undergo duplicate HTA evaluations, both at an EU level and a country level, which would make the review process substantially less efficient and cause further delay in our operations. In December 2021, the EU adopted a new Regulation on Health Technology Assessment which allows Member States to carry out joint clinical assessments and operate joint

clinical consultations. It is expected that the new Regulation will come into effect in 2025. In the U.K., National Institute for Health and Care Excellence (NICE) is the body in England and Wales, which conducts HTAs and issues guidance on whether a product is considered to be ''cost-effective'' and therefore recommended for use and reimbursement under the national health service. This means that if a positive recommendation has been obtained, then the medicinal product will be widely available to patients in England and Wales. For avoidance of doubt, Scotland and Northern Ireland have their own HTA bodies which will conduct their own assessment. HTA reviews incorporate inherently subjective elements that give HTA organizations wide latitude, often leading to widely varying results in terms of a given therapy's value recognition and access. HTA reviews can also yield markedly different results based on a given country's culture and healthcare financing and delivery systems. In 2021, coinciding with heightened focus on drug pricing reforms, U.S. policymakers expressed a renewed interest in HTA, including as an alternative to foreign reference pricing. As governments and private payers constantly seek lower cost alternatives to innovative products, there is a risk that any prospective U.S. HTA model may become a pure cost-control exercise rather than an actual evaluation of the value of a given innovation. Any of these risks could constrain the prices of our products and materially and adversely affect our revenue and financial results.

We are subject to regulatory risk and changes in government policy.

We are subject to a variety of laws and regulations by a large number of governments and regulatory bodies in multiple jurisdictions, including in respect of competition law, trade restrictions, tariffs, licensing, product quality, safety and efficacy, local regulations and laws that may restrict our ability to collect plasma, manufacture or sell our products and vaccines in relevant markets, environmental protection and sourcing of raw materials, and access to, and reimbursement and pricing for, healthcare products and services. For example, if the FDA changes the frequency at which donors are permitted to donate plasma, it could impede our ability to collect the volumes of plasma we require to meet the demand for our products. Any changes to such laws and regulations may have a material adverse impact on our financial position and performance.

There is also the risk of increased obligations and oversight and of adverse decisions from regulatory authorities, such as the FDA, the EMA, the Therapeutic Goods Administration and the Pharmaceutical Advisory Advertising Board, including regarding whether and when to approve any product, device or biological application that may be filed for any such product candidates and in respect of labelling and other matters that could affect the availability or commercial potential of such product candidates, which may have a material adverse impact on our operations and/or financial position and performance.

Our manufacturing facilities are subject to regulations in many jurisdictions, including periodic inspections by regulatory authorities. The consequences of adverse findings following inspections can be serious, such as the temporary shutdown of such facility, the loss of that facility's license because of alleged non-compliance with applicable requirements, a voluntary or mandatory recall of finished product released to the market, or the destruction of inventory. These consequences are often highly public and may also prompt private products liability lawsuits, additional regulatory enforcement actions, the imposition of substantial fines or penalties by regulatory authorities, and damage to the reputation and public image of the manufacturing facility, or to us, which could have a material adverse impact on our operations, financial position and performance and/or reputation.

Regions that are not self-sufficient in plasma and depend on imports of plasma products may change regulations in order to become self-sufficient. For example, in April 2021, people in the U.K. were permitted to donate blood plasma for medicines for the first time in over 20 years by the NHS Blood and Transplant (''NHSBT'') at 14 sites as part of an initial three-month trial period. These donations to NHSBT were intended to bolster the supply chain and improve the self-sufficiency of the U.K. in producing its own treatments. If this effort grows, and/or spreads to other countries it could reduce demand for our plasma derived products to the extent they can be manufactured domestically in a more cost effective and efficient manner by another company or if collection and manufacturing is undertaken directly by a government-operated or sponsored health service, which could have an adverse impact on our business model, operations and financial results.

Failure to adhere to applicable laws, rules and regulations could result in material repercussions for our business.

Our business operations are subject to a wide range of laws, rules and regulations from governmental and non-governmental bodies around the world. Any failure to comply with these applicable laws, rules and regulations may result in us being investigated by relevant agencies and authorities and/or in legal proceedings being filed against us. Such investigations or proceedings could result in civil and/or criminal sanctions and/or fines or damages. Relevant authorities have wide-ranging administrative powers to deal with any failure to comply with continuing regulatory oversight, whether such failure is our own or that of our contractors or external partners. Moreover, such laws, rules and regulations are subject to change.

Material examples of statutes, rules and regulations impacting business operations include: (i) compliance with GMP regulations; (ii) local, national and international environmental and occupational health and safety laws and regulations; (iii) trade control laws governing our imports and exports including nationally and internationally recognized trade agreements, embargoes, trade and economic sanctions and anti-boycott requirements; (iv) competition and marketing laws; (v) rules and regulations established to promote ethical supply chain management; (vi) financial regulations related to, external financial reporting, taxation and anti-money laundering; (vii) employment practices; (viii) disclosure of payments to healthcare professionals under the U.S. Physician Payments Sunshine Act, relevant U.S. state laws and European Federation of Pharmaceutical Industries and Associations legislation; (ix) appropriate disclosure of community support, patient organization support and product donations; and (x) compliance with human rights and appropriate environmental practices of third-party contractors around the world including the *Australian Modern Slavery Act 2018* (Cth) and the *U.K. Modern Slavery Act*.

Any failure to comply with applicable laws, rules and regulations; manage our liabilities; or adequately anticipate or proactively manage emerging policy and legal developments could materially adversely affect our license to operate, or results of operations; adversely affect our reputation; cause harm to people or the environment; and/or lead to fines or other penalties.

For example, once a product has been approved for marketing by the regulatory authorities, it is subject to continuing control and regulation, such as the manner of its manufacture, distribution, marketing and safety surveillance. If regulatory issues concerning compliance with environmental, current GMP or safety monitoring regulations for pharmaceutical products (often referred to as pharmacovigilance) arise, this could lead to product recalls, loss of product approvals, and seizures, and interruption of production, which could create product shortages and delays in new product approvals, and negatively impact patient access. As another example, violation of laws, rules, regulations or policies in countries subject to trade and economic sanctions could lead to loss of import or export privileges, civil or criminal penalties, or potential reputational harm, any of which could have a material adverse effect on our results of operations, financial condition or business.

We are subject to litigation and regulatory scrutiny which could, in either case, result in adverse consequences to us.

We may be subject to litigation and regulatory scrutiny in the course of our business, including commercial, contractual, patient or plasma donor claims or investigations, product liability claims and allegations related to pharmaceutical marketing practices and contracting strategies, personal injury claims, class actions, occupational health and safety claims, employee claims and government investigations and claims with respect to our material leases and facilities.

The outcome of litigation is inherently uncertain. Even if we are ultimately successful in defending claims against us (or in pursuing claims made by us), reputational harm may be inflicted and substantial legal and associated costs may be incurred that may not be recoverable from other parties, including under insurance coverage, which may have a material adverse impact on our financial position and performance.

The laws governing our conduct in the U.S. are enforceable by criminal, civil and administrative penalties. Violations of laws such as the *Federal Food, Drug and Cosmetic Act of 1938*, the Federal False Claims Act (the ‘‘FCA’’), the *Public Health Service Act* or provisions of the U.S. Social Security Act known as the ‘‘Anti-Kickback Law’’ and the ‘‘Civil Monetary Penalties Law’’, or any regulations promulgated under their authority, may result in jail sentences, fines or exclusion from federal and state programs, as may be determined by Medicare, Medicaid, the Department of Defense, other regulatory authorities and the courts. There can be no

assurance that our activities will not come under the scrutiny of regulators and other government authorities or that our practices will not be found to violate applicable laws, rules and regulations or prompt lawsuits by private citizen ‘‘relators’’ under federal or state false claims laws.

In addition, companies in the U.S., the EU and Canada are generally restricted from promoting approved products for other indications that are not specifically approved by the competent regulatory authorities (e.g., the FDA in the U.S.), nor can companies promote unapproved products. In the U.S., pharmaceutical companies have, to a limited extent, been recognized by the FDA as permitted to disseminate to physicians certain truthful and accurate information regarding unapproved uses of approved products, or results of studies involving investigational products. In addition, in December 2012, a federal appeals court in New York found that the criminal prosecution of a pharmaceutical manufacturer for truthful, non-misleading speech promoting the lawful, off-label use of an FDA-approved drug would violate the manufacturer’s constitutional rights of free speech, and the FDA chose not to appeal that decision. Improper promotion of unapproved drugs or devices or unapproved indications for a drug or device may subject us to warnings from, or enforcement action by, regulatory agencies, harm demand for our products, and subject us to civil and criminal sanctions. Further, sanctions under the FCA have recently been brought against companies accused of promoting off-label uses of drugs, because such promotion induces the use and subsequent claims for reimbursement under Medicare and other federal programs. Similar actions for off-label promotion have been initiated by several states for Medicaid fraud. The Healthcare Reform Law significantly strengthened provisions of the FCA, the anti-kickback provisions of Medicare and Medicaid and other healthcare antifraud provisions, leading to the possibility of greatly increased qui tam suits by relators for perceived violations. In Australia, it is a criminal offence to advertise therapeutic goods for an indication that has not been approved. Violations or allegations of violations of the foregoing restrictions could materially and adversely affect our business.

To market and sell our products in foreign jurisdictions, we must obtain and maintain regulatory approvals and comply with regulatory requirements in such jurisdictions. The approval procedures vary among countries in complexity and timing. We may not obtain approvals from regulatory authorities in any foreign jurisdiction on a timely basis, if at all, which would preclude us from commercializing products in those markets. In addition, some countries, particularly the countries of the EU, regulate the pricing of prescription pharmaceuticals. In these countries, pricing discussions with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost effectiveness of our product candidate to other available therapies. Such trials may be time consuming and expensive and may not show an advantage in efficacy for our products. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, in either the U.S., the EU or Australia, we could be adversely affected.

Product liability claims or product recalls involving our products or products we distribute could have a material adverse effect on our business.

Our business exposes us to the risk of product liability claims. We face an inherent risk of product liability exposure related to the testing of our product candidates in human clinical trials and an even greater risk when we commercially sell any products.

Like many biopharmaceutical manufacturers and plasma fractionators, we may be involved in product liability or related claims relating to our products, including claims alleging the transmission of disease through the use of such products. For example, plasma is a biological matter that is capable of transmitting viruses and pathogens, whether known or unknown. Therefore, our plasma and plasma derived products, if donors are not properly screened or if the plasma is not properly collected, tested, inactivated, processed, stored and transported due to a number of factors, including human error, could cause serious disease and possibly death to the patient. Any transmission of disease through the use of one of our products or third-party products sold by us could result in claims by persons allegedly infected by such products, regulatory investigations and penalties, negative publicity and damage to our reputation.

Our potential product liability also extends to the third-party products that we sell and distribute, and the laws of the jurisdictions where we sell or distribute such products could also expose us to product liability claims for those products. Furthermore, the presence of a defect in a product could require us to carry out a recall of such product.

If we cannot successfully defend ourselves against claims that our product candidates or products caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in any or all of the following:

- decreased demand for our products and any product candidates that we may develop;
- injury to our reputation;
- withdrawal of clinical trial participants;
- costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue; and
- the inability to commercialize any products that we may develop.

A product liability claim or a product recall could result in substantial financial losses, negative reputational repercussions and an inability to retain customers.

We must adhere to increasingly stringent anti-bribery and anti-corruption legislation in the countries in which we operate.

The U.S., the U.K., Australia and many other countries in which we operate have adopted robust anti-bribery and anti-corruption legislation and laws pertaining to the accuracy of our internal books and records, including the U.K. Bribery Act and the FCPA. Under the FCPA, the U.S. has increasingly focused on regulating the conduct by U.S. businesses occurring outside of the U.S., generally prohibiting remuneration to foreign officials for the purpose of obtaining or retaining business. There has also been an increase in cooperation and coordination between regulators across countries with respect to investigation and enforcement. Some of our operations and some of the operations of our third-party intermediaries take place in countries and markets which we consider to be at higher risk in connection with such anti-bribery and anti-corruption laws. Despite taking measures to prevent breaches of applicable anti-bribery and anti-corruption laws by us and associated third-parties, breaches may still occur, potentially resulting in the imposition of significant penalties, such as fines, the requirement to comply with monitoring or self-reporting obligations, or debarment or exclusion from government sales or reimbursement programs, any of which could materially adversely affect our reputation, business or results of operations.

We are subject to extensive environmental, health and safety laws and regulations.

Biopharmaceutical manufacturing and related activities (including but not limited to laboratory activities and plant and equipment maintenance) carry inherent risks such as those associated with the controlled use and the generation, handling, management, storage, treatment and disposal of hazardous substances, wastes and various biological compounds and chemicals, as well as machinery or equipment that could injure our employees or damage the environment. The risk of contamination or injury from these materials cannot be eliminated. Any failure by our employees to follow safety standards, policies or regulations for hazardous activities (including working at heights, using powered industrial trucks, working with electricity, or failing to comply with the ‘‘lock out tag out’’ standard) could potentially have serious consequences, including personal injury, fatality, release of dangerous substances or damage to equipment, facilities or the environment. If an accident, spill or release of any regulated chemicals, substances or wastes occurs, we could be held liable for resulting damages, including for investigation, remediation and monitoring of contamination, including natural resource damages, the costs of which could be substantial.

As owners and operators of real property, we could also be held liable for the presence of hazardous substances as a result of prior site uses or activities, without regard to fault or the legality of the original conduct that caused or contributed to the presence or release of such hazardous substance on, at, under or from our property. We are also subject to numerous environmental, health and workplace safety laws and regulations, including those governing laboratory procedures, exposure to blood-borne pathogens and the handling of biohazardous materials, chemicals and wastes.

Additional or more stringent federal, state, local or foreign laws and regulations affecting our operations may be adopted in the future. We may incur substantial capital costs and operating expenses to comply with any of these laws or regulations and the terms and conditions of any permits required pursuant to such laws and regulations,

including costs to install new or updated pollution control equipment, modify our operations or perform other corrective actions at our respective facilities. Moreover such laws and regulations are subject to change and, in particular, arising from the outcomes of numerous elections during 2024 and beyond, which could result in changes to regulatory policy that could affect our business. In addition, fines and penalties may be imposed in the event that one or more of our employees is injured during the course of their employment, for noncompliance with environmental and health and safety laws and regulations or for the failure to have or comply with the terms and conditions of required environmental permits. This could adversely impact our operations, financial position and performance and/or reputation if not handled appropriately.

Although we maintain workers' compensation insurance to cover the costs and expenses that may be incurred due to injuries to our employees resulting from the use and handling of these materials, chemicals and wastes, this insurance may not provide adequate coverage against potential liabilities.

Our failure to obtain or renew certain approvals, licenses, permits or certificates required for our business may materially and adversely affect our business.

We are subject to certain laws and regulations that require us to obtain and maintain various approvals, licenses, permits and certificates from different authorities to operate our business. See ''Regulation''. We may face sanctions or other enforcement actions if we fail to obtain any such approvals, licenses, permits or certificates as might be necessary for our operations. We could be ordered by the relevant regulatory authorities to cease operation, or may be required to undertake corrective measures requiring capital expenditure or other remedial actions, which could materially and adversely affect our business, financial condition and results of operations. In particular, we are required to obtain and renew licenses to operate our plasma collection centers including local business licenses (annually) and other licenses over two to three year terms and any failure to maintain or renew such licenses would have a material adverse impact on our business and financial performance. See ''Regulation—Plasma collection'' for further information.

In addition, some of these approvals, permits, licenses and certificates are subject to periodic renewal and/or reassessment by the relevant authorities, and the standards of such renewal and/or reassessment may change from time to time. Although we are committed to applying for the renewal and/or reassessment of these approvals, permits, licenses and certificates when required by applicable laws and regulations, we cannot assure you that we can successfully obtain such renewals and/or reassessment. Any failure by us to obtain the necessary renewals and/or reassessment and otherwise maintain all approvals, licenses, permits and certificates necessary to carry out our business at any time could cause severe disruption to our business and prevent us from continuing to carry out our business, which could have a material adverse effect on our business, financial condition and results of operations.

We may also be required to obtain additional approvals, permits, licenses or certificates that were not previously required to operate our existing businesses as a result of new regulations coming into effect, changes to interpretation or implementation of existing laws and regulations. We cannot assure you that we will successfully obtain such approvals, permits, licenses or certificates. Our failure to obtain such additional approvals, permits, licenses or certificates may restrict the conduct of our business, decrease our revenues and/or increase our costs, which could materially reduce our profitability and adversely affect our prospects.

We may fail to collect and manage data in line with legal and regulatory requirements and our strategic objectives.

There has been recent, significant change in global privacy laws, with many countries creating new, or strengthening existing, laws relating to how organizations can collect, process, transmit, store, use and share data that relate to individuals (''personal data''), including the EU General Data Protection Regulation (the ''GDPR''), the *U.K. Data Protection Act*, the *California Consumer Privacy Act* and *California Privacy Rights Act,* the *Personal Information Protection Law of the People's Republic of China* and the Australian *Privacy Act 1988* (Cth). Such laws require us, among other things, to maintain reasonable and appropriate data security measures and to provide timely notice to individuals and/or regulators in the event that personal data is compromised. Non-compliance with these laws may attract significant and material regulatory sanctions and corresponding reputational damage. For example, under the GDPR, fines of up to €20 million or 4% of a company's worldwide annual revenue of the previous fiscal years (whichever is higher) can be imposed. Further, these laws are subject to differing interpretations, and may be inconsistent from jurisdiction to jurisdiction. Many other countries where

we operate are also enforcing their own laws more aggressively and/or adopting tougher new measures, aligning themselves to the updated EU privacy framework. The effects of such laws and regulations are potentially significant and may require us to modify our data processing practices and policies and to incur substantial compliance-related costs and expenses.

We process significant volumes of personal data, including sensitive data relating to health and genomics, which is subject to heightened protections and may attract increased attention under privacy laws. Personal data is used for product development, sales and marketing, and managing its donors, clinical trial patients, employees and contractors. As such, the ability to process personal data in a lawful and compliant manner is essential to achieving our stated business aims.

Despite taking measures designed to ensure compliance with the applicable privacy laws by our personnel and associated third parties, non-compliance may still occur, potentially resulting in the imposition of significant penalties, such as fines, orders to cease sharing or using personal data, or legal action on behalf of impacted individuals. Any of these impacts could materially adversely affect our reputation, business or results of operations, which in turn would further impact patient confidence in sharing further personal data with us. While the management of company-sensitive data (such as intellectual property) is subject to less regulation than personal data, failure to protect such data could similarly lead to a competitive disadvantage and a loss of trust from partners and other stakeholders, and ultimately prevent us from delivering against our strategic objectives. We or our third-party service providers could be adversely affected if legislation or regulations are expanded to require changes in our own or third-party service providers' business practices, or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our own or third-party service providers' business, financial condition and results of operations.

We may fail to identify or prevent illegal trade in our medicines.

The illegal trade in pharmaceuticals is widely recognized by the industry, nongovernmental organizations and governmental authorities to be increasing. Illegal trade includes counterfeiting, theft and illegal diversion (that is, when our products are found in a market where we did not send them and where they are not approved to be sold). There is a risk to public health when illegally traded products enter the supply chain, as well as associated financial risk. Authorities and the public expect us to help reduce opportunities for illegal trade in our products through securing our supply chains, surveillance, investigation and supporting legal action against those found to be engaged in illegal trade. Public loss of confidence in the integrity of pharmaceutical products as a result of illegal trade could materially adversely affect our reputation and financial performance. In addition, undue or misplaced concern about this issue may cause some patients to stop taking their medicines, with consequential risks to their health. If we are found liable for breaches in our supply chains, authorities may take action, financial or otherwise, that could adversely impact the distribution of our products.

Third parties may illegally distribute and sell counterfeit versions of our products, which do not meet our rigorous manufacturing and testing standards. To distributors and patients, counterfeit products may be visually indistinguishable from the authentic version. Counterfeit medicines pose a risk to patient health and safety because of the conditions under which they are manufactured – often in unregulated, unlicensed, uninspected and unsanitary sites – as well as the lack of regulation of their contents. The industry's failure to mitigate the threat of counterfeit medicines could adversely impact our business and reputation by impacting patient confidence in our authentic products, potentially resulting in lost sales, product recalls, and an increased threat of litigation.

Changes in tax laws or exposures to additional tax liabilities could negatively impact our operating results.

Our financial position and performance rely on certain existing taxation treatments. Changes in tax laws or regulations around the world could negatively impact our effective tax rate and results of operations. A change in statutory tax rate in any country would result in the revaluation of our deferred tax assets and liabilities related to that particular jurisdiction in the period in which the new tax law is enacted. Changes to the statutory tax rate may occur at any time, and any related expense or benefit recorded may be material to the fiscal quarter and year in which the law change is enacted. There is also no assurance that regulators will agree with the tax position we have adopted and we may not accurately predict the outcome of our tax audits in various jurisdictions, with the result that the actual outcome of these audits may have an adverse effect on our financial position and performance.

In 2021, the Organization for Economic Cooperation and Development (''OECD'') released Pillar Two Model Rules, which propose to introduce a global minimum corporate tax rate of 15% on large multinational

enterprises. A number of countries in which the Group operates have already implemented these Model Rules in domestic legislation applying to the Group from July 1, 2024, while other countries (including Australia) have agreed to the proposals in-principle but have not yet enacted legislation locally. The potential impact of Pillar Two on the Group may vary depending on the specific provisions and rules implemented by each country that adopts Pillar Two. We are currently evaluating the impact of the Pillar Two rules and will continue to monitor legislative enactment globally.

We conduct business and file tax returns in numerous countries and we address tax audits and disputes with many tax authorities. In connection with the 2015 OECD Base Erosion and Profit Shifting (BEPS) project, companies are required to disclose more information to tax authorities on operations around the world, which may lead to greater audit scrutiny of profits earned in other countries. Any tax authority could take a position on tax treatment that is contrary to our expectations, which could result in tax liabilities in excess of reserves.

Animal testing must comply with relevant regulations and laws and any non-compliance or changes making such regulations and laws more onerous could adversely impact our research and development activities and our business.

Some of our R&D activities utilize animals in the testing of the safety and efficacy of biopharmaceuticals, including non-human primates. The use of laboratory animals at our facilities must be conducted in compliance with applicable laws and regulations in the jurisdictions in which those activities are carried out. If an enforcement agency determines that our equipment, facilities, laboratories or processes do not comply with applicable standards, it may issue an inspection report documenting the deficiencies and setting deadlines for any required corrective actions. For non-compliance, the agency may take action against us that may include fines or confiscation of laboratory animals. Any such non-compliance with legal, regulatory or third-party accreditation requirements may also result in the limitation, termination, suspension or revocation of any licenses, permits, authorizations, assurances, certificates or accreditations necessary for the conduct of our business. Any determination of non-compliance, report or other action by an enforcement agency could adversely affect our business, financial condition and results of operations. Furthermore, contaminations in our animal populations may damage our inventory, harm our reputation and result in decreased sales and cause us to incur additional costs.

In addition, certain special-interest groups object to the use of animals for research purposes. Any threats directed against our animal research activities or any negative media attention could result in reputation damage and impair our ability to operate our business efficiently. In addition, if regulatory authorities were to mandate a significant reduction in safety testing procedures that utilize laboratory animals, as has been advocated by certain groups, our business could be materially and adversely affected.

We may fail to meet regulatory or stakeholder expectations on environmental impact, including climate change.

Climate change could present a growing risk to our operations and financial success in the U.S., Australian, European and global economies. The physical risks that climate change poses to our business may include increasing frequency and severity of extreme heat, floods, water scarcity, storms and other extreme weather events in some regions where we operate, in the medium to longer term. These risks will need to be managed if global temperatures continue to rise. A failure to manage or respond appropriately to risks associated with climate change could adversely impact our operations, financial position and performance and/or reputation.

There is also an increasing global focus from regulators, investors, healthcare providers and broader society regarding measures needed to transition to a lower carbon economy. There remains significant uncertainty regarding the future of climate change initiatives, legislation and regulation and the effects they may have on our business. The full content of proposed legislation and regulation is not yet finally determined and many of the new regulatory initiatives remain subject to governmental and judicial review. Given this uncertainty, the various alternatives proposed and the complex interactions between economic and environmental issues, it is difficult to predict the economic effects of these initiatives. In some markets, regulators or healthcare providers may choose not to approve or reimburse our products if other products with a smaller carbon footprint are available, and some investors may choose not to invest in us if we do not meet their expectations. In addition, carbon taxes and fees may be imposed on us and our suppliers as a way to reduce greenhouse gas (‘‘GHG’’) emissions. Any regulatory controls on GHGs emissions may increase our operational and supply chain costs. Any of these events could have a material adverse impact on our business, financial condition or results of operations.

Risks relating to intellectual property

Our success depends in large part on our ability to protect our intellectual property.

Our success depends in part on our ability to obtain and maintain protection in the U.S., Europe and other countries for the intellectual property covering or incorporated into our technology and products. The patent landscape in the field of biotechnology and biopharmaceuticals generally is highly uncertain and involves complex legal and scientific questions. We may not be able to obtain additional issued patents relating to our technology or products. Even if patents are issued to us or to our licensors, they may be challenged, narrowed, invalidated, held to be unenforceable or circumvented, which could limit our ability to stop competitors from marketing similar products or limit the length of time our products have patent protection. Additionally, some of our patents relate to processes we use to produce our products, not the products as a composition of matter. In many cases, the plasma derived products we produce or develop in the future will not be patentable as a composition of matter. Where our patents relate to formulation or processes, if a competitor is able to design and utilize a formulation or process that does not rely on our protected intellectual property, that competitor could sell a plasma derived or other product similar to one we developed or sell.

Our patents also may not afford us protection against competitors with similar technology. Because patent applications in the U.S. and elsewhere are typically not published until 18 months after their filing, if at all, and because publications of discoveries in the scientific literature often lag behind actual discoveries, neither we nor our licensors can be certain that we or they were the first to make the inventions claimed in our or their issued patents or pending patent applications, or that we or they were the first to file for protection of the inventions set forth in such patent applications. If a third-party has also filed a U.S. patent application covering our product candidates or a similar invention under the old ‘‘first to invest’’ rules then we may be required to participate in an adversarial proceeding, known as an ‘‘interference proceeding’’, declared by the U.S. Patent and Trademark Office to determine priority of invention in the U.S. The costs of these proceedings could be substantial and our efforts in them could be unsuccessful, resulting in a loss of our anticipated U.S. patent position.

Our patents expire at various dates. Our pending and future patent applications may not issue as patents or, if issued, may not issue in a form that will provide us with any competitive advantage. Even if issued, we cannot guarantee that: (i) any of our present or future patents or patent claims or other intellectual property rights will not lapse or be invalidated, circumvented, challenged or abandoned; (ii) our intellectual property rights will provide competitive advantages; (iii) our ability to assert our intellectual property rights against potential competitors or to settle current or future disputes will not be limited by our agreements with third parties; (iv) any of our pending or future patent applications will be issued or have the coverage originally sought; (v) our intellectual property rights will be enforced in jurisdictions where competition may be intense or where legal protection may be weak; or (vi) we will not lose the ability to assert our intellectual property rights against, or to license our technology to, others and collect royalties or other payments. In addition, our competitors or others may design around our protected patents or technologies.

Effective protection of our intellectual property rights may be unavailable, limited or not applied for in some countries. Changes in patent laws or their interpretation in the U.S. and other countries could also diminish the value of our intellectual property or narrow the scope of our patent protection. In addition, the legal systems of certain countries do not favor the aggressive enforcement of patents, and the laws of foreign countries may not protect our rights to the same extent as the laws of the U.S. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. In order to preserve and enforce our patent and other intellectual property rights, we may need to make claims or file lawsuits against third parties. Such lawsuits could entail significant costs to us and divert our management’s attention from developing and commercializing our products.

We, like other companies in the biopharmaceutical industry, may become aware of counterfeit versions of our products becoming available domestically and abroad. Counterfeit products may use different and possibly contaminated sources of materials, such as plasma and other raw materials, and the purification process involved in the manufacture of counterfeit products may raise additional safety concerns, over which we have no control. Any reported adverse events involving counterfeit products that purport to be our products could harm our reputation and the sale of our products in particular and consumer willingness to use our products, including our plasma derived therapeutics in general.

Unauthorized use of our intellectual property may have occurred or may occur in the future. Although we have taken steps to minimize this risk, any failure to identify unauthorized use and otherwise adequately protect our intellectual property would adversely affect our business. For example, any unauthorized use of our trademarks could harm our reputation or commercial interests. Moreover, if we are required to commence litigation related to unauthorized use, whether as a plaintiff or defendant, such litigation would be time-consuming, force us to incur significant costs and divert our attention and the efforts of our management and other employees, which could, in turn, result in lower revenue and higher expenses.

In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how.

We generally seek to protect proprietary information by entering into confidentiality agreements with our employees, consultants, scientific advisors and third parties. These agreements may not effectively prevent disclosure of confidential information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, our trade secrets may otherwise become known or be independently developed by our competitors or other third parties. To the extent that our employees, consultants or contractors use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions, notwithstanding that we routinely rely on contracts covering such engagements. Costly and time-consuming litigation could be necessary to determine and enforce the scope of our proprietary rights, and failure to obtain or maintain confidentiality could adversely affect our competitive business position. We also rely on contractual protections with our customers, suppliers, distributors, employees and consultants and implement security measures designed to protect our confidential information and trade secrets. We cannot assure you that these contractual protections and security measures will not be breached, that we will have adequate remedies for any such breach or that our suppliers, employees or consultants will not assert rights to intellectual property arising out of such contracts.

Since we rely on trade secrets and nondisclosure agreements, in addition to patents, to protect some of our intellectual property, there is a risk that third parties may obtain and improperly utilize our proprietary information to our competitive disadvantage. We may not be able to detect the unauthorized use of such information, prevent such use or take appropriate and timely steps to protect our intellectual property rights.

There is a risk that our intellectual property or information relating to our key manufacturing processes could be subject to theft due to internal data mismanagement, breaches of our IT systems or breaches of our agreements with third parties such as to allow or enable such intellectual property or information to be used in a manner that results in a material diminishment of the intellectual property or information's value, or our ability to collect royalties or sales.

We may be alleged or found to have infringed the intellectual property rights of third parties.

Our products or product candidates may be found to have infringed or be accused of infringing one or more claims of an issued patent or may fall within the scope of one or more claims in a published patent application that may be subsequently issued and to which we do not hold a license or other rights. Third parties may own or control these patents or patent applications in the U.S. and the other countries in which we operate. These third parties could bring claims against us or our collaborators that would cause us to incur substantial expenses and, if successful against us, could cause us to pay substantial damages. Further, if a patent infringement suit were brought against us or our collaborators, we or they could be forced to stop or delay research, development, manufacturing or sales of the product or product candidate that is the subject of the suit.

If we are found to be infringing on the patent rights of a third-party, or in order to avoid or limit potential claims, we or our collaborators may choose or be required to seek a license from a third-party and be required to pay license fees or royalties or both. These licenses may not be available on acceptable terms, or at all. Even if we or our collaborators were able to obtain a license, the rights may be nonexclusive, which could result in our competitors gaining access to the same intellectual property. Ultimately, we could be prevented from commercializing a product, or be forced to cease some aspect of our business operations, if, as a result of actual or threatened patent infringement claims, we or our collaborators are unable to enter into licenses on acceptable terms.

There has been substantial litigation and other proceedings regarding patent and other intellectual property rights in the biopharmaceutical and biotechnology industries. In addition to infringement claims against us, we may become a party to other patent litigation and other proceedings, including interference proceedings declared by

the U.S. Patent and Trademark Office, *inter partes* reviews instituted by the U.S. Patent Trial and Appeal Board and opposition proceedings in the European Patent Office and patent offices in the other countries in which we operate, regarding intellectual property rights with respect to our products. The cost to us of any patent litigation or other proceeding, even if resolved in our favor, could be substantial. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace. Patent litigation and other proceedings may also absorb significant management time.

Many of our employees were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We take steps to ensure that our employees do not use the proprietary information or know-how of others in their work for us. We may, however, be subject to claims that we or these employees have inadvertently or otherwise used or disclosed intellectual property, trade secrets or other proprietary information of any such employee's former employer. Litigation may be necessary to defend against these claims and, even if we are successful in defending ourselves, could result in substantial costs to us or be distracting to our management. If we fail to defend any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, which could have a material adverse effect on our business, financial condition and results of operations.

We have in-licensed certain patent rights and co-own certain patent rights with third parties.

Our rights in certain intellectual property that we have in-licensed or co-own with third parties and the value therein may depend on our third-party licensors' or co-owners', as applicable, performance under our intellectual property agreements with them. If one of these third parties is unable to, or does not, enforce their own rights in such intellectual property or perform under our agreements with them, it could affect our ability to effectively compete in the marketplace and operate our business.

Our in-license agreements for certain patent rights may impose payment and/or other material obligations on us as a licensee. Although we are currently in compliance with all our material obligations under these licenses, if we were to breach any such obligations, our counterparty licensors may be entitled to terminate the licenses. Such termination may restrict, delay or eliminate our ability to develop and commercialize our products, which could adversely affect our business. We cannot guarantee that the third-party patents and technology we license will not be licensed to our competitors. In the future, we may need to obtain additional licenses, renew existing license agreements or otherwise replace existing technology. We are unable to predict whether these license agreements can be obtained or renewed or whether the technology can be replaced on acceptable terms, or at all.

If we breach any of our license agreements or collaboration agreements, it could have a material adverse effect on our commercialization efforts with respect to our technologies and product candidates.

We are reliant on licenses to certain patent rights and proprietary technology from third parties that are important or necessary to the development and commercialization of our technologies and product candidates. For example, in 2021, we acquired the exclusive global licensing rights for HEMGENIX®, and we may enter into additional licenses with other third parties in the future. Any such licenses may not provide exclusive rights to use such intellectual property and technology in all relevant fields of use and in all territories in which we may wish to develop or commercialize our products in the future. As a result, we may not be able to prevent competitors from developing and commercializing competitive products in territories included in all our licenses.

In addition, we may not have the right to control the preparation, filing, prosecution, maintenance, enforcement and defense of patents and patent applications covering the technology that we license from or to third parties. Therefore, we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced, and defended in a manner consistent with the best interests of our business. If these counterparties fail to prosecute, maintain, enforce and defend these patents, our rights may be reduced or eliminated and our ability to develop and commercialize product candidates that are the subject of those agreements could be adversely affected. Furthermore, our owned and in-licensed patents may be subject to a reservation of rights by one or more third parties.

Some of our license agreements also require us to meet development thresholds to maintain the license, including establishing a set timeline for developing and commercializing products. If we fail to comply with the obligations under our license agreements, including payment terms and diligence terms, our counterparties may have the right to terminate our agreements, in which we may lose some of our rights or face other penalties or adverse

consequences under our agreements. Such an occurrence could materially adversely affect the value of the technology or product candidate being developed under one of those agreements. Termination of our license agreements or reduction or elimination of our rights under them may result in our having to negotiate a new or reinstated agreement, which may not be available to us on equally favorable terms, or at all, which may mean we are unable to develop or commercialize the affected product candidate or cause us to lose our rights under the agreement, including our rights to intellectual property or technology important to our development programs.

In addition, disputes may arise regarding intellectual property the subject of a licensing agreement, including:

- the scope of rights that we granted or were granted under the license agreement and other interpretation-related issues;
- the extent to which our technology and processes infringe on intellectual property of the licensor or licensee that is not subject to the licensing agreement;
- the sublicensing of patent and other rights under future collaborative development relationships;
- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the impact of improvements over our ability to continue to develop and exploit our existing technologies; and
- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and the priority of invention of patented technology.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates, which could have a material adverse effect on our business, financial conditions, results of operations and prospects.

Further, the agreements under which we currently license intellectual property or technology from or to third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, increase what we believe to be our financial or other obligations under the relevant agreement or decrease what we believe to be our financial or other entitlements under the relevant agreement, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks relating to the Notes and the Guarantees

The Issuer and CSL Finance Pty Ltd are finance subsidiaries with no independent assets and operations except for the loans they make to other members of the Group and cash holdings. Therefore, the Issuer and CSL Finance Pty Ltd are dependent upon loan repayments and their cash holdings to be able to make payments under the Notes.

The Issuer, CSL Finance Plc, and CSL Finance Pty Ltd, which will initially guarantee the Notes, are wholly-owned finance subsidiaries of CSL Limited. The assets of the Issuer and CSL Finance Pty Ltd consist principally of loans made to other members of the Group and cash holdings, the level of which fluctuate over time. Therefore, the Issuer and CSL Finance Pty Ltd are dependent on loan repayments or intercompany transfers of funds they receive from such entities in order to meet their obligations under the Notes and Subsidiary Guarantee, respectively.

Since the Parent Guarantor and CSLB Holdings Inc. conduct their operations through subsidiaries, your right to receive payments on the Parent Guarantee and Subsidiary Guarantee of the Parent Guarantor and CSLB Holdings Inc., respectively, is dependent on the payment of dividends, interest payments on intercompany loans or other intercompany transfers to the Parent Guarantor and CSLB Holdings Inc. from their respective subsidiaries.

Both CSL Limited and CSLB Holdings Inc. are holding companies and substantially all of their operations are carried on through their respective subsidiaries. Their principal source of income is dividends and interest on intercompany loans they make to their respective subsidiaries and other intercompany transfers, and their ability

to meet their financial obligations is dependent on the level of dividends, loan repayments and other intercompany transfers of funds they receive from their respective subsidiaries. In addition, the ability of the directors of a subsidiary of CSL Limited or CSLB Holdings Inc. to declare dividends or the amount of dividends they may pay will depend on that subsidiary's operating results and will be subject to applicable laws which may limit such payments.

Claims of creditors of such subsidiaries generally have priority to the assets of such subsidiaries over the claims of CSL Limited and CSLB Holdings Inc. as shareholders in such subsidiaries. Consequently, the claims of the holders of the Notes guaranteed by CSL Limited and CSLB Holdings Inc. are structurally subordinated, in the event of the insolvency of CSL Limited or CSLB Holdings Inc., to the claims of the creditors of their respective subsidiaries which are not guarantors (other than to the extent CSL Limited or CSLB Holdings Inc. is itself a creditor of such subsidiaries).

Your right to receive payment under the Notes will effectively rank behind the creditors of our subsidiaries not guaranteeing the Notes.

In addition to the Parent Guarantor, only the Subsidiary Guarantors will initially guarantee the Notes. The provisions of the Indenture which will govern the Notes permit our non-Guarantor subsidiaries to incur indebtedness without having to provide guarantees on the Notes. As at December 31, 2023, Group Members that are not the Issuer or Guarantors had US$311 million of outstanding liabilities. In the event that any of our non-Guarantor subsidiaries become insolvent, liquidate, reorganize, dissolve or otherwise wind up, the assets of that non-Guarantor subsidiary will be used first to satisfy the claims of its creditors. Consequently, claims of the holders of Notes will be structurally subordinated to all of the claims of the creditors of such non-guarantor subsidiary other than intercompany claims of the Issuer or any Guarantor.

For more detail about our funding structure, see ''Management's discussion and analysis of financial condition and results of operations—Liquidity and capital resources''.

As the Notes and the Guarantees are unsecured, your right to receive payment may be adversely affected.

The Notes and the Guarantees will be unsecured. As of December 31, 2023, the Issuer and the Guarantors had no secured indebtedness. The terms of the Notes, as well as the terms of our other indebtedness, permit us to incur significant amounts of secured debt without equally and ratably securing the Notes. To the extent that the Issuer or the Guarantors have granted or in the future grant security interests over their assets, the secured lenders will be entitled to exercise the remedies available to them under applicable laws. Depending on the relevant circumstances and applicable laws, if the Issuer or the Guarantors default on any secured obligations, or after the bankruptcy, liquidation or reorganization of any of them, then any assets that are secured may be used to satisfy the obligations under that secured indebtedness before payment on the Notes or the Guarantees can be made. In such case, there may only be limited assets available to make payments on the Notes or the Guarantees in the event of an acceleration of the Notes. There can be no assurance that there will be sufficient assets to pay amounts due on the Notes or the Guarantees. As a result, you may receive less ratably than any secured lenders of the Issuer or the Guarantors. If there is not enough collateral to satisfy the obligations of the secured indebtedness, then, subject to the provisions of applicable laws, the amounts remaining unpaid on the secured indebtedness would share equally with all unsubordinated unsecured indebtedness.

Your right to receive payments on the Notes or the Guarantees may be adversely affected by laws relating to creditors' rights, fraudulent conveyance, Australian, U.S. and U.K. insolvency laws and similar laws.

The Issuer and certain of the Guarantors are organized under the laws of the Commonwealth of Australia or the U.K., as the case may be, and therefore insolvency proceedings with respect to them would be likely to proceed under, and be governed by, either Australian or U.K. insolvency laws, as applicable. Australian and U.K. insolvency laws are different from the insolvency laws of the U.S. If the Issuer or a non-U.S. Guarantor becomes insolvent or otherwise becomes subject to procedures for reorganization, the treatment and ranking of holders of the Notes and our other creditors and shareholders under Australian and U.K. law may be different from the treatment and ranking of holders of the Notes and our other creditors and shareholders if we were subject to the bankruptcy laws of the U.S. or other jurisdictions. The procedural and substantive provisions of Australian and U.K. insolvency laws afford debtors and unsecured creditors limited protection from the claims and ranking of secured creditors. It will generally not be possible for the Guarantors, the Issuer or unsecured creditors (including the holders of the Notes) to prevent or delay secured creditors from enforcing their security to repay the debts due to them, although under Australian law there are some restrictions on the ability of

secured creditors to enforce their security while a voluntary administrator is appointed to the company. Further, the receivership procedure under Australian law, which is for the benefit primarily of secured creditors, does not require the receiver to consider or obtain the best outcome for all creditors (except that receivers are subject to an obligation to take reasonable care to sell secured assets for not less than market value or, if there is no market value, the best price reasonably obtainable).

Fraudulent conveyance laws or similar provisions or principles have been enacted or exist for the protection of creditors in a number of jurisdictions and Guarantees of the Notes by the Guarantors may be subject to claims that they should be subordinated or avoided in favor of creditors of the Guarantors.

Even if a court determined that a Guarantor was not insolvent at the time the Notes were issued, payments under the Guarantees may constitute fraudulent transfers or unfair preferences, or may be otherwise avoided on other grounds under the laws of the relevant jurisdiction. To the extent that the Guarantee of any of the Guarantors is voided as a fraudulent conveyance or otherwise held to be void, voidable or unenforceable under the laws of the relevant jurisdiction, your claim against that Guarantor could be lost or limited, and you could be required to return payments previously received from any such Guarantor.

Under Australian and U.K. laws, if a liquidator is appointed to a Guarantor, the liquidator would have the power to investigate the validity of past transactions and may seek various court orders, including orders to void certain transactions entered into prior to the winding up of such Guarantor and for the repayment of money. These include transactions entered into within a specified period of the winding up that a court considers uncommercial or that had the effect of preferring a creditor or creditors or otherwise defeating, delaying, obstructing or interfering with the rights of creditors.

In addition to the matters described above, under the laws of the jurisdictions where the Guarantors are organized, the Guarantees given by those other Guarantors may be set aside, subordinated or otherwise avoided by the application of fraudulent conveyance, financial assistance, bankruptcy, insolvency and administration, statutory management or other similar provisions or principles existing under the laws of the relevant jurisdiction, including (but not limited to) as a result of the application of laws in relation to the duties of directors to act in good faith and for proper purposes. Other debts and liabilities of those Guarantors, such as certain employee entitlements or amounts recoverable by statutory authorities, may rank ahead of claims under the Guarantees in the event of administration, insolvency, statutory management or similar proceedings. If one or more of the Guarantees are set aside or otherwise avoided, holders of the Notes could be required to pay (disgorge) payments received under the Guarantees or the Notes and your claim against the Guarantors giving those Guarantees could be lost or limited and it is possible that holders of Notes would only have a claim against the Issuer and any remaining Guarantors.

Service of process, enforcement of judgments and bringing of original actions in the U.S. may be difficult.

The Issuer and certain of the Guarantors are organized under the laws of Australia or U.K., in each case with limited liability. Certain of the directors and executive officers of the Issuer and the Guarantors and certain of the other parties named in this Offering Memorandum reside outside the U.S. A substantial portion of the Issuer's and the Guarantors' assets and the assets of these other persons are located outside the U.S. As a result, it may be difficult or impossible for you to effect service of process for a lawsuit within the U.S. upon such persons, including with respect to matters arising under the Securities Act, or to enforce against any of them in U.S. courts judgments of non-U.S. courts predicated upon, among other things, the civil liability provisions of the federal securities laws of the U.S. or state securities laws. There is doubt as to the enforceability, in original actions in the courts of Australia and U.K., of liabilities predicated solely on the U.S. federal securities laws and as to the enforceability, in the courts of Australia and U.K. or in actions for enforcement, of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of the U.S. federal or state securities laws. See also ''Enforcement of civil liabilities''.

There is no established trading market for the Notes and one may not develop.

The Notes will be new securities for which there currently is no established trading market. There can be no assurance that a liquid market will develop for the Notes, that holders of Notes will be able to sell Notes at a particular time or that the price they receive when they sell will be favorable. The Notes are subject to restrictions on transfer, which are described under the section of this Offering Memorandum titled ''Transfer restrictions''.

Although the Initial Purchasers have advised us that they intend to make a market in the Notes, they are not obligated to do so, and any market making activity with respect to the Notes, if commenced, may be discontinued at any time without notice in their sole discretion. Therefore, an active market for the Notes may not develop or be maintained, which would adversely affect the market price and liquidity of the Notes. In that case, the holders of the Notes may not be able to sell their Notes at a particular time or at a favorable price.

Application is intended to be made to the ASX for the listing and quotation of the Notes on the ASX. However, the offer and sale of the Notes is not conditioned on obtaining a listing of the Notes on the ASX or any other exchange.

We will follow the applicable corporate disclosure standards for debt securities listed on the ASX, which standards may be different from those applicable to debt securities listed in certain other countries.

For so long as the Notes are listed on the ASX, we will be subject to continuing listing obligations in respect of the Notes. The disclosure standards imposed by the ASX may be different from those imposed by securities exchanges in other countries or regions such as the U.S. or the U.K. As a result, the level of information that is available may not correspond to what investors in the Notes are accustomed to.

Use of proceeds

We estimate the net proceeds from this offering, after deducting the Initial Purchasers' discount but before deducting other estimated expenses payable in connection with this offering, will be approximately US$1,242,125,000. We intend to use the net proceeds of the offering to repay (i) the US$500 million principal amount of outstanding borrowings under our bank loan maturing on May 5, 2024 (the ''May 2024 Bank Facility'') and (ii) the US$500 million principal amount of the outstanding borrowings under our bank loans maturing on August 5, 2024 (the ''August 2024 Bank Facility''), with any remainder to be used for general corporate purposes. Both loans bear interest at variable rates. The applicable interest rate on these loans at December 31, 2023 were 5.91% per annum and 6.03% per annum, respectively.

Affiliates of HSBC Securities (USA) Inc. and BofA Securities, Inc. are lenders under the May 2024 Bank Facility and the August 2024 Bank Facility, respectively, and will, therefore, receive a portion of the net proceeds of this offering. See ''Plan of distribution'' for further information.

See ''Capitalization''.

Capitalization

The following table sets forth the capitalization of the Group on a statutory basis as at December 31, 2023, and an as adjusted basis after giving effect to the receipt of the net proceeds from the sale of the Notes offered hereby and the application thereof as described in ''Use of proceeds'', after deducting the Initial Purchasers' discount but before deducting other estimated expenses payable in connection with this offering.

You should read the following table in conjunction with the sections of this Offering Memorandum titled ''Selected historical financial information'' and ''Management's discussion and analysis of financial condition and results of operations'' and our audited consolidated financial statements and related notes included elsewhere in this Offering Memorandum.

	As at December 31, 2023	
	Actual	As adjusted[1]
	(US$ million)	(US$ million)
Cash and cash equivalents[1]	**1,017**	**1,259**
Current borrowings		
Bank overdraft – unsecured	6	6
Bank loans – unsecured[1]	1,158	158
Senior unsecured notes – unsecured	162	162
Lease liabilities	94	94
Total current borrowings[1]	**1,420**	**420**
Non-current borrowings:		
Bank loans – unsecured	1,927	1,927
Senior unsecured notes – unsecured	7,170	7,170
Lease liabilities	1,590	1,590
Notes offered hereby[1]	—	1,242
Total non-current borrowings[1]	**10,687**	**11,929**
Total equity (including non-controlling interests)	**19,162**	**19,162**
Total capitalization[1][2]	**31,269**	**31,511**

Notes:

(1) To give effect to (a) the receipt of estimated net proceeds of US$1,242 million from the Notes offered hereby and (b) the application of US$1,000 million net proceeds of the issuance of the Notes as described under ''Use of proceeds''.

(2) Total capitalization equals the sum of total borrowings and total equity.

Selected historical financial information

The following tables present the selected historical consolidated financial information of the Group for the two most recent financial half years and the three most recent financial years.

The selected consolidated financial information presented below as of December 31, 2023, and for HY2024 and HY2023 has been derived from, and is qualified in its entirety by reference to, our unaudited consolidated interim financial statements and the selected consolidated financial information presented below as of June 30, 2023, 2022 and 2021, and for FY2023, FY2022 and FY2021, has been derived from, and is qualified in its entirety by reference to, our audited consolidated financial statements, in each case included elsewhere in this Offering Memorandum.

The consolidated financial statements of the Group were prepared in accordance with AAS and other authoritative pronouncements of AAS and also comply with IFRS. See ''Notes to the financial statements'' to the consolidated financial statements for FY2023 for further information.

The selected financial information presented in this section should be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements and the unaudited consolidated interim financial statements of the Group and the accompanying notes for the relevant financial years and half years.

You should read this section together with the sections of this Offering Memorandum titled ''Financial information presentation'' and ''Management's discussion and analysis of financial condition and results of operations'' and the consolidated financial statements and related notes thereto.

Selected statement of profit or loss and other comprehensive income information

	Half year ended December 31, 2023 (US$ million)	Half year ended December 31, 2022[1] (US$ million)	Year ended June 30, 2023 (US$ million)	Year ended June 30, 2022 (US$ million)	Year ended June 30, 2021 (US$ million)
Sales and service revenue	7,804	6,943	12,776	10,136	9,980
Influenza pandemic facility reservation fees	85	76	156	162	160
Royalties and license revenue	126	134	242	195	126
Other income	38	31	136	69	44
Total operating revenue	**8,053**	**7,184**	**13,310**	**10,562**	**10,310**
Cost of sales	(3,722)	(3,330)	(6,466)	(4,830)	(4,467)
Gross profit	**4,331**	**3,854**	**6,844**	**5,732**	**5,843**
Research and development expenses	(670)	(593)	(1,235)	(1,156)	(1,001)
Selling and marketing expenses	(717)	(683)	(1,454)	(961)	(980)
General and administration expenses	(331)	(444)	(1,086)	(688)	(732)
Total expenses	**(1,718)**	**(1,720)**	**(3,775)**	**(2,805)**	**(2,713)**
Operating profit	**2,613**	**2,134**	**3,069**	**2,927**	**3,130**
Finance costs	(254)	(206)	(444)	(165)	(171)
Finance income	20	35	38	18	4
Profit before income tax expense	**2,379**	**1,963**	**2,663**	**2,780**	**2,963**
Income tax expense	(459)	(323)	(419)	(525)	(588)
Net profit for the half year/year	**1,920**	**1,640**	**2,244**	**2,255**	**2,375**
- attributable to shareholders of CSL Limited	1,901	1,623	2,194	2,255	2,375
- attributable to non-controlling interests	19	17	50	—	—
Other comprehensive income (OCI)					
Items that may be reclassified subsequently to profit or loss					
Hedging transactions:					
- Changes in fair value	—	—	—	135	—
- Realized in profit or loss	(6)	(7)	(14)	(1)	—
Exchange differences on translation of foreign operations, net of hedges on foreign investments	29	(36)	(17)	(287)	199
Items that will not be reclassified subsequently to profit or loss					
Changes in fair value on equity securities measured through OCI, net of tax	(13)	7	(42)	(7)	—
Actuarial gains on defined benefit plans, net of tax	3	1	1	35	83
Total other comprehensive income/(losses)	**13**	**(35)**	**(72)**	**(125)**	**282**
Total comprehensive income for the half year/year	**1,933**	**1,605**	**2,172**	**2,130**	**2,657**
- attributable to shareholders of CSL Limited	1,914	1,586	2,122	2,130	2,657
- attributable to non-controlling interests	19	19	50	—	—
Earnings per share (based on net profit for the half year/year attributable to CSL Limited shareholders)	**US$**	**US$**	**US$**	**US$**	**US$**
Basic earnings per share	3.94	3.37	4.55	4.81	5.22
Diluted earnings per share	3.92	3.36	4.53	4.80	5.21

Note:

(1) Certain comparative amounts have been reclassified in order to be consistent with the current period's presentation. Reclassifications were made between cost of sales and total expenses and were not material and have not resulted in a change to reported net profit. Previously reported amounts for the half year ended December 31, 2022 were as follows: cost of sales (US$3,320 million), gross profit (US$3,863 million), research and development expenses (US$577 million), selling and marketing expenses (US$669 million), general and administrative expenses (US$484 million) and total expenses (US$1,729 million).

Selected statement of financial position information

	As at December 31, 2023 (US$ million)	As at June 30, 2023 (US$ million)	As at June 30, 2022 (US$ million)	As at June 30, 2021 (US$ million)
ASSETS				
Current assets				
Cash and cash equivalents	1,017	1,548	10,436	1,809
Receivables and contract assets	3,473	2,205	1,657	1,711
Inventories	5,566	5,466	4,333	3,781
Current tax assets	90	31	30	84
Other assets	—	9	5	5
Total current assets	**10,146**	**9,259**	**16,461**	**7,390**
Non-current assets				
Property, plant and equipment	8,036	7,797	7,017	6,434
Right-of-use assets	1,526	1,555	1,292	1,102
Intangible assets	16,467	16,446	2,638	2,670
Deferred tax assets	839	902	518	530
Retirement benefit assets	5	6	5	4
Other financial assets	161	173	403	21
Other non-current assets	124	96	12	6
Total non-current assets	**27,158**	**26,975**	**11,885**	**10,767**
Total assets	**37,304**	**36,234**	**28,346**	**18,157**
LIABILITIES				
Current liabilities				
Trade and other payables	2,897	2,947	2,301	2,089
Interest-bearing liabilities and borrowings	1,420	1,055	4,494	474
Current tax liabilities	132	296	131	313
Provisions	269	310	182	228
Total current liabilities	**4,718**	**4,608**	**7,108**	**3,104**
Non-current liabilities				
Interest-bearing liabilities and borrowings	10,687	11,172	5,165	5,333
Retirement benefit liabilities	208	204	189	287
Deferred tax liabilities	1,547	1,464	670	459
Provisions	495	467	102	108
Other non-current liabilities	487	493	535	485
Total non-current liabilities	**13,424**	**13,800**	**6,661**	**6,672**
Total liabilities	**18,142**	**18,408**	**13,769**	**9,776**
Net assets	**19,162**	**17,826**	**14,577**	**8,381**
Equity				
Contributed equity	537	517	483	(4,505)
Reserves	738	648	590	633
Retained earnings	15,902	14,621	13,504	12,253
Equity attributable to shareholders of CSL Limited	**17,177**	**15,786**	**14,577**	**8,381**
Non-controlling interests	1,985	2,040	—	—
Total equity	**19,162**	**17,826**	**14,577**	**8,381**

Selected statement of cash flows information

	Half year ended December 31, 2023 (US$ million)	Half year ended December 31, 2022 (US$ million)	Year ended June 30, 2023 (US$ million)	Year ended June 30, 2022 (US$ million)	Year ended June 30, 2021 (US$ million)
Cash flows from operating activities					
Profit before income tax expense	2,379	1,963	2,663	2,780	2,963
Adjustments for:					
Depreciation, amortization and impairment	429	381	831	668	590
Inventory provisions	92	89	182	224	208
Share-based payment expense	80	65	139	117	92
Provision for expected credit losses	(3)	(4)	(4)	3	4
Finance costs, net	234	171	406	165	171
(Gain)/loss on disposal of property, plant and equipment	—	—	(57)	1	—
Contingent consideration liabilities reversal	—	—	(32)	(63)	—
Unrealized foreign exchange (gains)/losses	(22)	38	41	(60)	70
Changes in operating assets and liabilities:					
(Increase)/decrease in receivables and contract assets	(1,310)	(778)	28	(45)	37
Increase in inventories	(181)	(348)	(907)	(902)	(368)
Increase/(decrease) in trade and other payables	131	(121)	197	337	455
(Decrease)/increase in provisions and other liabilities	(42)	(23)	51	(102)	56
Proceeds from settlement of treasury lock	—	—	—	135	—
Income tax paid	(500)	(291)	(563)	(457)	(495)
Finance costs, net paid	(218)	(162)	(374)	(172)	(161)
Net cash inflow from operating activities	**1,069**	**980**	**2,601**	**2,629**	**3,622**
Cash flows from investing activities					
Payments for property, plant and equipment	(475)	(570)	(1,228)	(1,079)	(1,196)
Proceeds from sale of property, plant and equipment	—	—	111	—	—
Payments for intangible assets	(227)	(292)	(464)	(169)	(471)
Payments for business acquisition, net of cash acquired	—	(10,534)	(10,534)	(388)	—
Proceeds from sale of financial assets	—	271	271	—	—
Payments for other investing activities	—	1	1	—	(6)
Net cash outflow from investing activities	**(702)**	**(11,124)**	**(11,843)**	**(1,636)**	**(1,673)**
Cash flows from financing activities					
Proceeds from issue of shares	20	14	34	4,988	56
Dividends paid to CSL Limited shareholders	(623)	(569)	(1,085)	(1,039)	(958)
Dividends paid to non-controlling interests	(74)	—	(154)	—	—
Proceeds from borrowings	793	2,525	2,538	4,093	39
Repayment of borrowings	(886)	(647)	(798)	(316)	(471)
Principal payments of lease liabilities	(44)	(38)	(80)	(53)	(64)
Other financing activities	—	1	1	3	(4)
Net cash (outflow)/inflow from financing activities	**(814)**	**1,286**	**456**	**7,676**	**(1,402)**
Net (decrease)/increase in cash and cash equivalents	**(447)**	**(8,858)**	**(8,786)**	**8,669**	**547**
Cash and cash equivalents at the beginning of the half year/year	1,509	10,334	10,334	1,730	1,151
Exchange rate variations on foreign cash and cash equivalent balances	(51)	(18)	(39)	(65)	32
Cash and cash equivalents at the end of the half year/year	**1,011**	**1,458**	**1,509**	**10,334**	**1,730**
Reconciliation of cash and cash equivalents in the statement of cash flows:					
Cash and cash equivalents	1,017	1,508	1,548	10,436	1,809
Bank overdrafts	(6)	(50)	(39)	(102)	(79)
Cash and cash equivalents at the end of the half year/year	**1,011**	**1,458**	**1,509**	**10,334**	**1,730**

Management's discussion and analysis of financial condition and results of operations

The following discussion should be read in conjunction with "Selected historical financial information" and consolidated financial statements, including the notes thereto, included elsewhere in this Offering Memorandum. This section contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set out in "Risk factors" and the "Forward-looking statements" disclaimer.

This management's discussion and analysis of financial condition and results of operations is divided into the following sections:

- *Overview* – a description of our business and our operating segments, the key factors affecting our results of operations and an explanation of our key income statement line items.
- *Results of operations* – a discussion and analysis of the consolidated results of operations of CSL Limited and each of our operating segments, in each case, for HY2024 compared to HY2023, for FY2023 compared to FY2022 and for FY2022 compared to FY2021.
- *Liquidity and capital resources* – an analysis of our cash flows and sources and uses of cash and a summary of our debt and contractual obligations and our off-balance sheet arrangements.
- *Quantitative and qualitative disclosure about market risk* – disclosures regarding our financial market risks.
- *Critical accounting policies and estimates* – a discussion of our accounting policies that require critical judgments and estimates.

Overview

Our business

We are a global biotechnology leader that develops and delivers innovative medicines that save lives, protect public health and help people with life-threatening medical conditions live full lives. We operate in over 40 countries with over 31,000 employees around the world and compete on the global stage as one of the largest protein-based biotechnology businesses.

Following the completion of the acquisition of Vifor Pharma in August 2022, we have three core businesses: CSL Behring, a leading provider of protein biotherapeutics for the treatment of rare and serious diseases; CSL Seqirus, specializing in influenza and other vaccines and other biologics; and CSL Vifor, specializing in the therapeutic areas of iron deficiency and nephrology.

- *CSL Behring* – CSL Behring is one of the world's largest providers of plasma therapies by revenue, with operations in more than 40 countries. Our work at CSL Behring is driven by our commitment to saving lives and improving the quality of life for people with rare and serious diseases worldwide. CSL Behring manufactures, markets and distributes plasma products, gene therapies and recombinants for treating rare and serious diseases such as hemophilia, vWD, PID, CIDP, HAE and inherited respiratory disease. CSL Behring's products are also used in cardiac surgery, for burn treatment and for urgent warfarin reversal. CSL Behring uses three strategic scientific platforms of plasma fractionation, recombinant protein technology, and cell and gene therapy to support continued innovation and continually refine ways in which products can address unmet medical needs and help patients lead full lives.
- *CSL Seqirus* – CSL Seqirus is one of the largest influenza vaccine companies in the world by revenue, with operations in more than 15 countries. CSL Seqirus provides a differentiated product portfolio, possesses strong pandemic and pre-pandemic franchises and manages one of the world's largest influenza vaccine manufacturing networks with operations on three continents: North America, Europe and Australia. In addition to providing influenza vaccines worldwide, CSL Seqirus manufactures and distributes a range of unique products in the national interest under contract with the Australian Government and distributes a comprehensive range of other in-licensed vaccines and other pharmaceutical products in Australia and New Zealand.

- *CSL Vifor* – CSL Vifor is a global specialty pharmaceuticals business that is a leader in iron therapies, dialysis, nephrology and rare diseases. CSL Vifor specializes in strategic global partnering, in-licensing and developing, manufacturing and marketing pharmaceutical products for precision healthcare, aiming to help patients around the world lead better, healthier lives. Headquartered in St. Gallen, Switzerland, CSL Vifor also includes our 55% interest in the joint venture company VFMCRP (with FMC).

Innovation has been our focus since our beginning in 1916 and continues to be the core of everything we do. We invested US$5.1 billion in R&D expense in the five financial years to and including FY2023 to advance our product pipeline (including US$1.2 billion in FY2023, which was 9% of our annual total operating revenue). In addition, we employed approximately 2,000 employees in R&D as at December 31, 2023 who are dedicated to developing and delivering innovative medicines and vaccines that address unmet medical needs, help prevent infectious disease and protect public health. We have one of the largest plasma collection networks in the world and are highly efficient in our plasma collection and fractionation operations. At December 31, 2023, we had a total of 344 plasma collection centers in the U.S. and its territories, Germany, Hungary and China, which collectively employed over 15,000 people. Our ultimate aim is to deliver safe and effective medicines for our patients.

For HY2024 and FY2023 we had total operating revenue of US$8.1 billion and US$13.3 billion, EBITDA of US$3.0 billion and US$3.9 billion, operating profit of US$2.6 billion and US$3.7 billion, NPAT of US$1.9 billion and US$2.2 billion, and NPATA attributable to equity holders of CSL of US$2.0 billion and US$2.6 billion, respectively.

Segments

We disclose our financial performance primarily by business segment, which we believe provides the most meaningful insight into the nature and financial outcomes of our activities. Our three core businesses – CSL Behring, CSL Seqirus and CSL Vifor – also represent our operating segments for financial reporting purposes. The three segments represent strategic business units that offer different products and operate in different industries and markets. They are consistent with the way the Chief Executive Officer (who is the chief operating decision-maker or ''CODM'') monitors and assesses business performance in order to make decisions about resource allocation. Performance assessment is based on the segment operating result, being the revenues and costs directly under the control of the business unit.

We present segment performance on the basis of segment operating results, being the revenues and costs directly under the control of the business unit. Segment information has been adjusted to exclude impairment and amortization of acquired IP, business acquisition and integration costs and the unwind of the inventory fair value uplift resulting from business acquisitions, so that it reflects the underlying performance of the business units and centralized functions.

The Group has a centralized R&D function. Costs related to R&D are reported separately and are not allocated to the operating segments.

We utilize globally integrated functions to realize economies of scale. The functions include executive office, communications, finance, human resources, legal, information and technology. The costs related to these functions, as well as any other non-business unit related costs (including depreciation and amortization of unallocated assets) are reported as General and Administration expenses and are not allocated to the operating segments. Segment EBITDA is defined as statutory net profit for the period before interest, tax, depreciation, amortization and impairment for the respective operating segment where activities, assets and liabilities can be directly attributed to the segment. Results related to the Group's centrally managed functions, impairment and amortization of acquired IP, business acquisition related costs, tax and net finance costs are not allocated to segments.

See ''—Results of operations—Results by business segment'' which includes a table that reconciles the statutory results for key line items impacted by underlying adjustments to the segment report including our NPATA and Segment EBITDA measures.

Key drivers of our financial results

The key factors impacting on the financial performance of the Group are outlined below, with a more detailed analysis of the results of the Group for each period discussed in ‘‘—Results of operations’’ below.

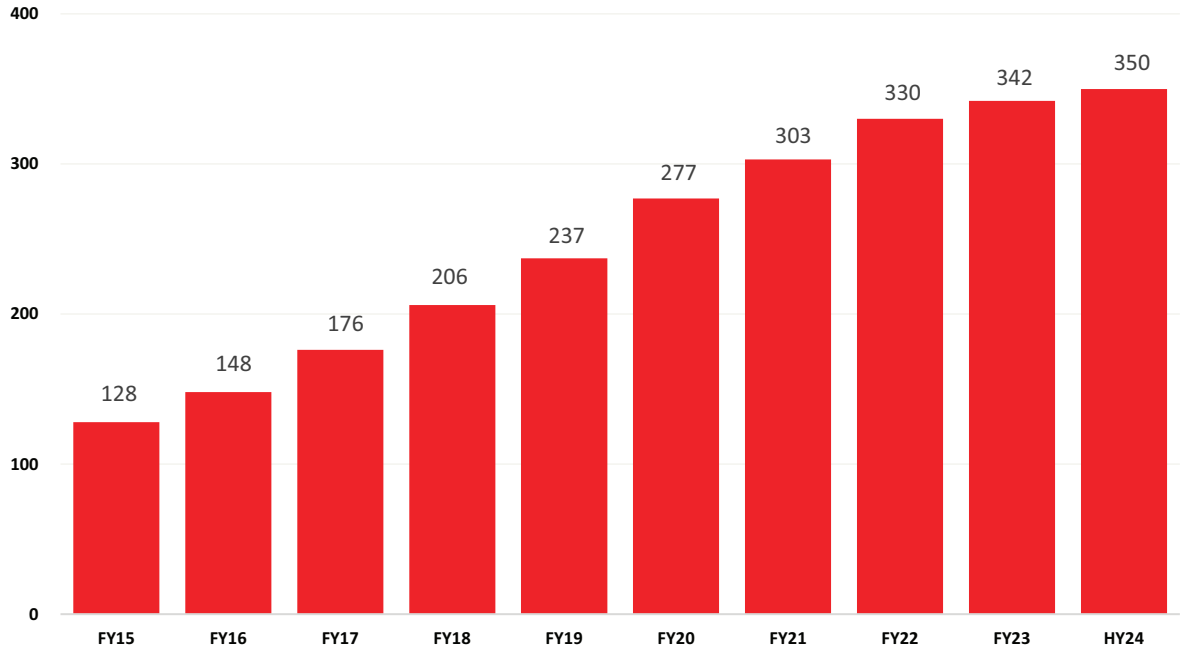
Plasma collection

Human plasma is the critical starting material for our core plasma protein therapeutic products. Plasma is collected at individual centers, tested for safety and sent to our manufacturing facilities for processing into therapeutic products. The plasma collections business is highly regulated and paid collections, upon which we rely significantly, are allowed only in a few jurisdictions, mainly the U.S. and certain countries in Europe.

Our ability to continue to increase our revenue depends substantially on our ability to collect plasma through our plasma collection business. Plasma collection is a competitive market. Our ability to manufacture and sell our products could be affected if another company obtains a competitive edge in the collection of plasma. Our sustained investment in the collections network has resulted in our position as a leader in the number of centers and liters collected. See ‘‘Business—Competition’’ for more information.

We have continued to expand our global plasma collection center network over the years, as shown in the chart below (representing the number of collection centers). As at December 31, 2023, we had a total of 344 plasma collection centers, including 12 in Germany, 3 in Hungary, 5 in China and 324 in the U.S. and its territories. In addition, one of our manufacturing facilities in the U.S. produces saline and sodium citrate, both essential solutions used in the plasma donation process. We plan to continue to invest in new collection centers, as well as laboratory and logistics operations to automate and expand testing and storage capacities. See ‘‘Business—Business segments—CSL Behring—Plasma collection and testing’’ for more information.

Global Plasma Collection Center Network (at period end)



A quality supply of plasma results from safe, compliant and efficient plasma collection and donor management. We believe we have an efficient plasma collection network, which is facilitated by having all of our centers constructed with common characteristics. We prefer to build our own centers rather than acquiring existing facilities, bypassing the need to integrate systems and processes across a number of platforms. In addition, our facilities strive to minimize donor time via integrated donor management systems including electronic biometric identification and check-in and streamlined floor layouts. In FY2023, over 3.5 million responses were received on our donor surveys, with 94% of donors indicating they would be willing to donate again and 91% willing to refer a friend to donate.

Plasma collections were constrained during the pandemic largely due to decreased mobility of donors and government stimulus. However, during FY2023, plasma collections reached record levels, primarily due to improved social mobility post-COVID-19, targeted marketing campaigns and enhanced digital initiatives to attract donors.

Research and development ("R&D")

Our R&D efforts involve advancing high-quality science and technology through our own high-caliber scientists and collaborations with our partners. Our R&D capabilities include expertise in our strategic platforms – plasma protein technology; recombinant protein technology; cell and gene therapy; and vaccines technology (including cell-based and egg-based vaccines and next-generation vaccine technologies, eg. sa-mRNA). Our R&D pipeline includes potential new treatments that utilize these platforms and which align with our advanced scientific technology and commercial capabilities across our six therapeutic areas: immunology; hematology; cardiovascular and metabolic; respiratory; nephrology and transplant; and vaccines.

We conduct R&D activities to support future development of products to serve our patient communities, to enhance our existing products and to develop new therapies. We expense all costs associated with our R&D activities as they are incurred as uncertainty exists up until the point of regulatory approval as to whether an R&D project will be successful. Development costs incurred after regulatory approval are expensed unless they meet the criteria to be recognized as intangible assets.

We also gain control of IP through acquisitions or license arrangements, such as the acquisition of Vifor Pharma discussed below under ''—Acquisitions''. The acquired IP will be capitalized as intangible assets.

R&D expenses were US$670 million for HY2024 (HY2023: US$593 million) and US$1,235 million for FY2023 (FY2022: US$1,156 million; FY2021 US$1,001 million). See ''Business—Research and development'' for further information about our R&D activities.

Regulatory environment and price controls

In order to operate in the biopharmaceutical industry, manufacturers and distributors must comply with extensive regulation by the FDA, the EMA and the equivalent authorities in other jurisdictions in which we manufacture and sell products. In particular, the entire plasma derivatives production chain is highly regulated, from plasma collection, to manufacturing and sales and marketing. As a result, significant investments are required to develop, equip and maintain the necessary storage, fractionation and purification facilities and to develop appropriate sale, marketing and distribution infrastructures. Additionally, only proteins derived from plasma collected at FDA-approved centers can be marketed in the U.S., so securing an adequate supply of U.S. sourced plasma is required to operate in the U.S. We expect these regulatory restrictions to continue. See ''Regulation'' and ''Risk factors—Risks relating to legal and regulatory matters''.

Certain healthcare products, including plasma derivative products, are subject to price controls in many of the markets where they are sold, including Spain and other countries in the EU. The existence of price controls over these products has had adverse effects in the past, and may continue to adversely affect, our ability to maintain or increase our prices and margins. See ''Regulation—Pricing and reimbursement'' and ''Risk factors—Risks relating to legal and regulatory matters—Product candidates that reach commercialization may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives''.

Acquisitions

To expand our operations and global presence and further develop our portfolio of products, services and capabilities, we acquire new technologies, businesses and services and enter into strategic alliances with third parties. We acquire technologies and treatments to expand our offerings to our patients.

On August 9, 2022 we completed the acquisition of Vifor Pharma and paid US$11,665 million for 100% of Vifor Pharma shares. We accounted for the CSL Vifor acquisition as a business combination using the acquisition method of accounting in accordance with AASB 3 ''Business Combinations'' and consequently the Vifor Pharma assets acquired, and liabilities assumed, have been recorded at fair value, with any excess of the purchase price over the fair value of the identifiable assets and liabilities being recognized as goodwill. We finalized the purchase price allocation during the FY2023. See ''Notes to the financial statements'' in the consolidated financial statements for FY2023 for further information.

The financial results of Vifor Pharma consolidated within the Group for FY2023 as a result represent the contribution from the date of the acquisition onward (approximately 11 months), limiting the comparability of FY2023 and prior periods. The financial results of Vifor Pharma consolidated within the Group for HY2023 represent the contribution from the date of the acquisition onward (approximately 5 months), and not for a full six-month period, impacting the comparability of HY2024 and HY2023.

The acquisition of Vifor Pharma resulted in an additional operating segment—CSL Vifor.

Product pipeline and product portfolio

Our revenue and profitability are impacted by the range of our product portfolio. We expect to have an expanded portfolio of key products as a result of our recent acquisitions and will continue to invest in R&D with respect to new product and new indications for existing products. For more information on our product pipeline, see ''Business—Research and development—R&D pipeline''.

Seasonality

Our operations and financial results experience some variability depending on the time of year in which they are measured. This variability is most notable for CSL Seqirus, which experiences higher sales, and therefore has higher revenue and operating profit, during the first half of the fiscal year, which is the Northern Hemisphere influenza vaccine season. Consistent with the seasonal nature of the business, we expect that CSL Seqirus will experience a loss in the second half of the fiscal year.

Influenza vaccines are manufactured based on virus strain recommendations made by the World Health Organization (''WHO'') twice a year (Northern and Southern Hemisphere) based on surveillance of which strains of influenza are circulating at the time. Due to the long lead time manufacturing requirements to produce large quantities of vaccine, CSL Seqirus may start manufacturing vaccines for certain strains (referred to as a ''banker strain'') ahead of the WHO recommendation. The timing of the WHO announcement and accuracy of the determination of the banker strain by CSL Seqirus may affect the speed at which our products are delivered to market. Significant delays to anticipated launch dates of products such as flu vaccines that are seasonal in nature could have a material adverse effect on our financial position and/or results of operations. For these products, delays in regulatory approvals or manufacturing difficulties may delay launch to later in the season or subsequent seasons which, in turn, may significantly reduce anticipated sales. See also ''Risk factors—Risks relating our strategy and structure—Failure or delay in the delivery or launch of new medicines in our pipeline may have a material adverse impact on our results of operations and long term strategy'' and ''Risk factors—Risks relating our strategy and structure—We experience some seasonality in our sales, revenue and financial performance''.

The global economic environment

In addition to the industry-specific factors discussed above, we are exposed to economic cycles. Certain factors in the global economic environment that may impact our global operations include, among other things, global economic conditions, restrictive government actions, changes in IP legal protections and remedies, trade regulations and procedures and actions affecting approval, production, pricing, and marketing of, reimbursement for and access to our products, as well as impacts of political or civil unrest, terrorist activity, unstable governments and legal systems, inter-governmental disputes and public health outbreaks, epidemics and pandemics. Government pressures can lead to negative pricing pressure in markets where governments take an active role in setting prices or access criteria or other means of cost control. At the time of this Offering Memorandum, the Group has not been significantly impacted by the war between Ukraine and Russia and the Israeli-Palestinian conflict. Sales within these geographic locations represented less than 1% of our sales for HY2024.

Other factors

Our financial and operating prospects can also be significantly affected by a number of other internal and external factors such as foreign currency exchange rate fluctuations, capital expenditure, revenue from royalties, depreciation, amortization and impairment, competition, the inability to hire or retain qualified personnel necessary to sustain planned growth, the loss of key senior managers, problems in developing some of the international operations and lack of sufficient capital, among others.

Explanation of key income statement line items

Sales and service revenue

Sales and service revenue (net of returns, discounts, rebates and allowances) is derived from sales and development of plasma therapies (plasma products, gene therapies and recombinants) at CSL Behring, sales of non-plasma biotherapeutic products and development of influenza related products at CSL Seqirus and sales and development of iron deficiency and nephrology therapies at CSL Vifor. Returns includes an estimate on CSL Seqirus sales in respect of the influenza season expected to be subject to return. The estimate is performed with inputs including historical returns and customer sales data amongst other factors.

Influenza pandemic facility reservation fees

Influenza pandemic facility reservation fees relates to revenue received by CSL Seqirus from governments in return for reserved access to influenza manufacturing facilities in the event of a pandemic.

Royalties and license revenue

Royalties and license revenue represents fees for the grant or transfer of the right to use CSL owned IP to licensees. When consideration is based on sales of product by the licensee, revenue is recognized when the customer's subsequent sale of product occurs.

Other income

Other income is derived from net income realized from activities that are outside of the ordinary business, such as the disposal of property, plant and equipment and rental income.

Cost of sales

Cost of sales is the direct costs of producing our products. Cost of sales includes expenses such as costs of raw materials, production of finished drug products, packaging and amortization on manufacturing facilities and intangible assets (and impairment). Cost of sales also includes expenses for handling, transport, logistics and royalties due on net sales.

R&D expenses

R&D expenses primarily comprise costs incurred to support research and development of products to serve our patient communities, to enhance our existing products and to develop new therapies.

Selling and marketing expenses

Selling and marketing expenses mainly comprise marketing and sales related to our products.

General and administration expenses

General and administration expenses mainly comprise enabling functions related to employee benefits and IT as well as facility-related expenses and depreciation and amortization.

Depreciation, amortization and impairment

Depreciation and amortization include depreciation of fixed assets and right-of use assets and amortization of finite life intangible assets. Impairment expense is recognized where an asset's carrying amount exceeds its recoverable amount. Depreciation, amortization and impairment expense is recognized in our income statement in relevant income statement line items by its function according to the activity the corresponding asset is used (cost of sales, research and development, selling and marketing and general and administration). Depreciation, amortization and impairment are shown separately in our segment results.

Finance costs

Finance costs consists of interest expense and borrowing costs, including interest expense related to the AASB 16 *Leases* and unrealized foreign currency differences arising from the revaluation of non-USD denominated debt.

Finance income

Finance income consists of interest income from term deposits, short term money market investments or surplus cash at banks.

Income tax expense

Income tax expense consists of current and deferred taxes.

Results of operations

Comparison of HY2024 to HY2023

	Half year ended December 31, 2023 (US$ million)	Half year ended December 31, 2022[1][2] (US$ million)
Operating revenue		
Sales and service revenue	7,804	6,943
Influenza pandemic facility reservation fees	85	76
Royalties and license revenue	126	134
Other income	38	31
Total operating revenue	**8,053**	**7,184**
Cost of sales	(3,722)	(3,330)
Gross profit	**4,331**	**3,854**
Research and development expenses	(670)	(593)
Selling and marketing expenses	(717)	(683)
General and administration expenses	(331)	(444)
Total expenses	**(1,718)**	**(1,720)**
Operating profit	**2,613**	**2,134**
Finance costs	(254)	(206)
Finance income	20	35
Profit before income tax expense	**2,379**	**1,963**
Income tax expense	(459)	(323)
Net profit for the half year	**1,920**	**1,640**
- net profit attributable to shareholders of CSL Limited	1,901	1,623
- net profit attributable to non-controlling interests	19	17

Notes:

(1) We completed the acquisition of Vifor Pharma (CSL Vifor) on August 9, 2022. The consolidated results of the Group for HY2023 as a result represent the contribution from CSL Vifor from that date onward (approximately 5 months), and not for a full six-month period as with HY2024.

(2) Certain comparative amounts have been reclassified in order to be consistent with the current period's presentation. Reclassifications were made between cost of sales and total expenses and were not material and have not resulted in a change to reported net profit. Previously reported amounts for the half year ended December 31, 2022 were as follows: cost of sales (US$3,320 million), gross profit (US$3,863 million), research and development expenses (US$577 million), selling and marketing expenses (US$669 million), general and administrative expenses (US$484 million) and total expenses (US$1,729 million).

Operating revenue

Operating revenue increased US$869 million, or 12%, to US$8,053 million for HY2024 from US$7,184 million for HY2023, as described below.

Sales and service revenue

Sales and service revenue increased US$861 million, or 12%, to US$7,804 million for HY2024 from US$6,943 million for HY2023, due primarily to:

- at CSL Behring, an increase in sales and service revenue of US$679 million, or 15%, to US$5,093 million in HY2024 compared to US$4,414 million in HY2023 primarily driven by increased global supply of Ig due to higher plasma collections and pricing favorability across all product groups as well as continued strong demand for albumin, IDELVON®, KCENTRA® (four factor pro-thrombin complete concentrate) and HAEGARDA®. The launch of HEMGENIX® delivered an additional US$12 million in HY2024. HY2023 included US$16 million of non-recurring AstraZeneca vaccine sales;

- at CSL Seqirus, an increase in sales and service revenue of US$52 million, or 3%, to US$1,705 million in HY2024 compared to US$1,653 million in HY2023, primarily driven by strong performance of FLUAD® despite an overall reduction in immunization rates and market contraction. This was driven by early supply performance and a preferential recommendation from the Advisory Committee on Immunization Practices (ACIP) in the U.S. This was partly offset by decline in the U.K. and Ireland due to removal of patients aged 50 and above from the U.K. immunization program, impacting FLUCELVAX® (cell-based influenza vaccine); and
- at CSL Vifor, an increase in sales and service revenue of US$130 million, or 15%, to US$1,006 million in HY2024 compared to US$876 million in HY2023 primarily due to an additional month of trading as the Group acquired CSL Vifor in August 2022.

Influenza pandemic facility reservation fees

At CSL Seqirus, influenza pandemic facility reservation fees increased US$9 million, or 12%, to US$85 million for HY2024 from US$76 million for HY2023, primarily driven by the U.K. Advanced Pricing Agreement (''APA'') tender award, and increase in prices largely across U.S. and Australia.

Royalties and license revenue

At CSL Behring and CSL Vifor, royalties and license revenue decreased US$8 million, or 6%, to US$126 million for HY2024 from US$134 million for HY2023, primarily driven by non-recurring CSL Vifor license income from partnering arrangements for KORSUVA® in China in HY2023, partially offset by an increase in royalties received by CSL Behring from GARDASIL® sales made by Merck, resulting from strong demand and increased supply.

Cost of sales

Cost of sales increased US$392 million, or 12%, to US$3,722 million for HY2024 from US$3,330 million for HY2023, due primarily to:

- at CSL Behring, an increase of US$295 million, or 13%, to US$2,621 million in HY2024 compared to US$2,326 million in HY2023, primarily driven by higher commercial sales volumes, predominantly Ig driven, partly offset by lower donor fees in HY2023 that flowed through to lower cost of sales in HY2024 as a result of the inventory cycle within CSL Behring;
- at CSL Seqirus, an increase of US$55 million, or 10%, to US$597 million in HY2024 compared to US$542 million in HY2023, primarily driven by flu sales volume growth year on year, coupled with increased cost of eggs, labor and fixed costs; and
- at CSL Vifor, an increase of US$67 million, or 24%, to US$341 million in HY2024 compared to US$274 million HY2023, primarily driven by an additional month of cost of sales.

HY2024 cost of sales includes US$31 million of inventory fair value uplift (HY2023: US$100 million) and US$132 million of amortization of acquired IP (HY2023: US$88 million).

Gross profit

Gross profit increased US$477 million, or 12%, to US$4,331 million for HY2024 from US$3,854 million for HY2023, due primarily to the reasons described above.

Expenses

Total expenses decreased US$2 million, to US$1,718 million for HY2024 from US$1,720 million for HY2023, due primarily to decreases in general and administration expenses largely offset by increases in R&D and selling and marketing expenses as described below.

R&D expenses

R&D expenses increased US$77 million, or 13%, to US$670 million for HY2024 from US$593 million for HY2023, which includes an increase in R&D investment across vaccines (adjuvanted cell and egg-based vaccines), cross-portfolio spend and higher investment in R&D infrastructure.

Selling and marketing expenses

Selling and marketing expenses increased US$34 million, or 5%, to US$717 million for HY2024 from US$683 million for HY2023, primarily driven by the additional month of expenses for CSL Vifor and increase in labor costs across all three segments.

General and administration expenses

General and administration expenses decreased US$113 million, or 25%, to US$331 million for HY2024 from US$444 million for HY2023, primarily driven by lower CSL Vifor integration and acquisition costs and unfavorable foreign exchange differences reported in HY2023.

Operating profit

Operating profit increased US$479 million, or 22%, to US$2,613 million for HY2024 from US$2,134 million for HY2023, due primarily to the reasons described above.

Profit before income tax expense

Profit before income tax expense increased US$416 million, or 21%, to US$2,379 million for HY2024 from US$1,963 million for HY2023 due primarily to:

- the increase in operating profit as described above, partially offset by:
- a decrease in finance income by US$15 million, or 43%, to US$20 million for HY2024 from US$35 million for HY2023, due primarily to non-recurring prior year benefit from interest income associated with cash held in anticipation for the close of the Vifor Pharma acquisition which occurred on August 9, 2022; and
- an increase in finance costs by US$48 million, or 23%, to US$254 million for HY2024 from US$206 million for HY2023, due primarily to six-month impact of increased debt to fund CSL Vifor acquisition (HY2023 only had five months impact) and higher interest rates on floating rate debt.

Net profit for the half year

Net profit for the period increased US$280 million, or 17%, to US$1,920 million for HY2024 from US$1,640 million for HY2023 due primarily to:

- the increase in profit before income tax expense as described above, which was partially offset by:
- an increase in income tax expense of US$136 million, or 42%, to US$459 million for HY2024 from US$323 million for HY2023. As a result, the effective tax rate for the Group increased from 16.5% in HY2023 to 19.3% in HY2024. The increase in the effective tax rate for HY2024 includes the impact of the increased statutory tax rate in the U.K. (from 19% to 25%, effective April 1, 2023), foreign exchange impacts in HY2024 compared to HY2023 and changes in geographic profit mix.

Results by business segment for HY2024 and HY2023

The table below sets forth our results of operations by business segments for HY2024 and HY2023. See ''—Overview—Segments'' for further information on how we disclose our financial performance by business segment.

	CSL Behring		CSL Seqirus		CSL Vifor		Consolidated Entity	
	Half year ended December 31, 2023	Half year ended December 31, 2022[1]	Half year ended December 31, 2023	Half year ended December 31, 2022[1]	Half year ended December 31, 2023	Half year ended December 31, 2022[1][2]	Half year ended December 31, 2023	Half year ended December 31, 2022[1]
	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)
Sales and service revenue	5,093	4,414	1,705	1,653	1,006	876	7,804	6,943
Influenza pandemic facility reservation fees	—	—	85	76	—	—	85	76
Royalty and license revenue	125	123	—	—	1	11	126	134
Other income	20	20	14	9	4	2	38	31
Total segment revenue	**5,238**	**4,557**	**1,804**	**1,738**	**1,011**	**889**	**8,053**	**7,184**
Segment gross profit[3]	**2,617**	**2,231**	**1,207**	**1,196**	**670**	**615**	**4,494**	**4,042**
Segment gross profit margin%[3]	**50%**	**49%**	**67%**	**69%**	**66%**	**69%**	**56%**	**56%**
Sales and marketing expenses	(396)	(374)	(89)	(93)	(222)	(216)	(707)	(683)
Segment operating result[3]	**2,221**	**1,857**	**1,118**	**1,103**	**448**	**399**	**3,787**	**3,559**
Segment operating result %	**42%**	**41%**	**62%**	**63%**	**44%**	**45%**	**47%**	**47%**
Underlying research and development expenses[3]							(669)	(593)
Underlying general and administrative expenses[3]							(323)	(360)
Underlying operating profit[3]							**2,795**	**2,406**
Finance income							20	35
Finance costs							(254)	(206)
Profit before tax[3]							**2,561**	**2,235**
Income tax expense[3]							(491)	(358)
Underlying profit after tax (NPATA)							**2,070**	**1,877**
Amortization of intangibles (excluding IP)	1	2	14	8	4	5	50	53
Depreciation	147	137	30	30	13	11	247	240
Segment EBITDA[4]	**2,369**	**1,996**	**1,162**	**1,141**	**465**	**415**	**3,042**	**2,515**
NPATA							**2,070**	**1,877**
- Attributable to equity holders of CSL							2,017	1,818
- Attributable to non-controlling interests							53	59

Notes:

(1) Certain comparative amounts have been reclassified in order to be consistent with the current period's presentation. Reclassifications were made between cost of sales, sales and marketing expenses, underlying research and development expenses and underlying general and administrative expenses and were not material and have not resulted in a change to reported underlying operating profit. Previously reported amounts for the Consolidated Entity for the half year ended December 31, 2022 were as follows: segment gross profit (US$4,052 million), underlying research and development expenses (US$577 million), selling and marketing expenses (US$669 million) and underlying general and administrative expenses (US$400 million).

(2) We completed the acquisition of Vifor Pharma (CSL Vifor) on August 9, 2022. The consolidated results of the Group for HY2023 as a result represent the contribution from CSL Vifor from that date onward (approximately five months).

(3) Underlying results are adjusted to exclude impairment and amortization of acquired IP, business acquisition and integration costs and unwind of the inventory fair value uplift. The reconciliation between the underlying and statutory results is disclosed in Note 1 to our HY2024 consolidated financial statements.

(4) The Group's EBITDA includes US$954 million (HY2023: US$1,037 million) of costs that are not allocated to segments. The costs are primarily attributable to centralized activities, being R&D and general and administration. The unallocated depreciation and amortization expenses were US$88 million for HY2024 (HY2023: US$100 million) and relate to non-segment expenditure.

The table below reconciles the statutory results for key line items with the underlying results shown in the segment report:

	Statutory results		Impairment and amortization of acquired intellectual property		Unwind of CSL Vifor inventory fair value		CSL Vifor acquisition and integration costs		Tax impact on the adjustments		Segment/Underlying results	
	HY2024	HY2023	HY2024	HY2023	HY2024	HY2023	HY2024	HY2023	HY2024	HY2023	HY2024	HY2023
	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)
Gross profit	4,331	3,854	132	88	31	100	—	—	—	—	4,494	4,042
Selling and marketing expenses	(717)	(683)	—	—	—	—	10	—	—	—	(707)	(683)
Research and development expenses	(670)	(593)	—	—	—	—	1	—	—	—	(669)	(593)
General and administrative expenses	(331)	(444)	—	—	—	—	8	84	—	—	(323)	(360)
Operating profit	2,613	2,134	132	88	31	100	19	84	—	—	2,795	2,406
Profit before tax	2,379	1,963	132	88	31	100	19	84	—	—	2,561	2,235
NPAT/NPATA	1,920	1,640	132	88	31	100	19	84	(32)	(35)	2,070	1,877

	CSL Behring		CSL Seqirus		CSL Vifor		Intersegment Elimination		Consolidated Entity	
	As at December 31, 2023	As at June 30, 2023	As at December 31, 2023	As at June 30, 2023	As at December 31, 2023	As at June 30, 2023	As at December 31, 2023	As at June 30, 2023	As at December 31, 2023	As at June 30, 2023
	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)
Segment assets	35,189	34,535	8,074	5,908	10,685	10,742	(16,644)	(14,951)	37,304	36,234
Segment liabilities	15,670	15,782	5,359	3,696	2,029	2,155	(4,916)	(3,225)	18,142	18,408

Amortization and depreciation (including acquired IP)

Amortization of acquired IP increased US$44 million, or 50%, to US$132 million in HY2024 compared to US$88 million in HY2023. This increase is primarily driven by the amortization of acquired IP in connection with the acquisition of CSL Vifor. For more information about CSL Vifor acquired IP, see Note 2 ‘‘Business Combinations’’ to our FY2023 consolidated financial statements.

Excluding the above, amortization and depreciation increased US$4 million, or 1%, to US$297 million in HY2024 compared to US$293 million in HY2023. This was primarily due to:

- at CSL Behring, amortization and depreciation increased US$9 million, or 6%, to US$148 million in HY2024 compared to US$139 million in HY2023;
- at CSL Seqirus, amortization and depreciation increased US$6 million, or 16%, to US$44 million in HY2024 compared to US$38 million in HY2023;
- at CSL Vifor, amortization and depreciation increased US$1 million, or 6%, to US$17 million in HY2024 compared to US$16 million in HY2023; and
- depreciation and amortization expenses of US$88 million (HY2023: US$100 million) relate to non-segment expenditure and are unallocated.

The overall increase in amortization and depreciation expense (excluding the amortization of acquired IP discussed above) is due primarily to the continued commissioning of major capital and IT projects. For more information about our capital expenditure programs, see ‘‘—Liquidity and capital resources—Capital expenditure’’ and ‘‘—Cash flows—Cash flows used in investing activities’’ below.

Impairment

We recorded no impairments in HY2024 or HY2023.

Comparison of FY2023 to FY2022

	Year ended June 30, 2023[1] (US$ million)	Year ended June 30, 2022 (US$ million)
Operating revenue		
Sales and service revenue	12,776	10,136
Influenza pandemic facility reservation fees	156	162
Royalties and license revenue	242	195
Other income	136	69
Total operating revenue	**13,310**	**10,562**
Cost of sales	(6,466)	(4,830)
Gross profit	**6,844**	**5,732**
Research and development expenses	(1,235)	(1,156)
Selling and marketing expenses	(1,454)	(961)
General and administration expenses	(1,086)	(688)
Total expenses	**(3,775)**	**(2,805)**
Operating profit	**3,069**	**2,927**
Finance costs	(444)	(165)
Finance income	38	18
Profit before income tax expense	**2,663**	**2,780**
Income tax expense	(419)	(525)
Net profit for the year	**2,244**	**2,255**
- attributable to shareholders of CSL Limited	2,194	2,255
- attributable to non-controlling interests	50	—

Note:

(1) We completed the acquisition of Vifor Pharma (CSL Vifor) on August 9, 2022. The consolidated results of the Group as a result represent the contribution of CSL Vifor from that date onward (approximately 11 months in FY2023), and not for any prior periods. See "Financial information presentation—Historical financial information—Significant changes during FY2023" and Note 2 to our annual consolidated financial statements for FY2023 for further information.

Operating revenue

Operating revenue increased US$2,748 million, or 26%, to US$13,310 million for FY2023 from US$10,562 million for FY2022, as described below.

Sales and service revenue

Sales and service revenue increased US$2,640 million, or 26%, to US$12,776 million for FY2023 from US$10,136 million for FY2022, due primarily to:

- at CSL Behring, an increase in sales and service revenue of US$609 million, or 7%, to US$8,968 million in FY2023 compared to US$8,359 million in FY2022, primarily driven by increased global supply of Ig and positive pricing outcomes across all product groups as well as strong demand for IDELVON® and KCENTRA® in North America. These increases were partly offset by revenue from the manufacture of COVID-19 vaccines contributing to FY2022 only;
- at CSL Seqirus, an increase in sales and service revenue of US$74 million, or 4%, to US$1,851 million in FY2023 compared to US$1,777 million in FY2022, primarily driven by the revenue growth from flu season in the U.K. and North America. Growth in vaccine volumes was impacted by vaccination fatigue across North America and Europe, however, a shift in product mix towards differentiated FLUAD® (adjuvanted influenza vaccine) and FLUCELVAX® (cell-based influenza vaccine) resulted in a more than offsetting favorable price outcome; and
- at CSL Vifor, the new business acquisition contributed approximately 11 months revenue of US$1,957 million since the business was acquired on August 9, 2022.

Influenza pandemic facility reservation fees

At CSL Seqirus, influenza pandemic facility reservation fees decreased US$6 million, or 4%, to US$156 million for FY2023 from US$162 million for FY2022, primarily as a result of unfavorable foreign exchange movements.

Royalties and license revenue

At CSL Behring, royalties and license revenue increased US$20 million, or 10%, to US$215 million for FY2023 from US$195 million for FY2022, primarily due to higher royalties received from GARDASIL® sales made by Merck, resulting from strong demand and increased supply. At CSL Vifor, the new business acquisition contributed 11 months royalties and license revenue of US$27 million, primarily due to the contribution generated from its partnering arrangements for KORSUVA® in China.

Other income

Other income increased US$67 million, or 97%, to US$136 million for FY2023 from US$69 million for FY2022 primarily due to the net gains from the disposal of land and buildings during FY2023.

Cost of sales

Cost of sales increased US$1,636 million, or 34%, to US$6,466 million for FY2023 from US$4,830 million for FY2022, due primarily to:

- at CSL Behring, an increase of US$699 million, or 17%, to US$4,715 million in FY2023 compared to US$4,016 million in FY2022, which was primarily driven by higher donor fees in FY2022 flowing through to higher cost of sales in FY2023. The higher cost of sales was partly offset by lower inventory provisions and improved manufacturing performance, largely driven by improved Ig yield and conversion costs;
- at CSL Seqirus, a decrease of US$45 million, or 6%, to US$767 million in FY2023 compared to US$812 million in FY2022, primarily driven by favorable foreign exchange movements, partly offset by an increase in cost of sales due to volume growth, and higher commercial provisions and inventory write offs due to the Northern Hemisphere flu season being softer than anticipated, resulting in more than expected excess end of season inventory; and
- at CSL Vifor, the newly acquired business generated 11 months cost of sales of US$578 million from the new iron, dialysis, nephrology and rare diseases revenue stream. The cost of sales reported in FY2023 included the amortization of acquired IP of US$229 million and the non-recurring impact of the inventory fair value uplift adjustments of US$169 million resulting from the acquisition.

Gross profit

Gross profit increased US$1,112 million, or 19%, to US$6,844 million for FY2023 from US$5,732 million for FY2022, due primarily to:

- at CSL Behring, a decrease of US$7 million, or 0.2%, to US$4,575 million for FY2023 from US$4,582 million for FY2022, due primarily to an increase in plasma costs and a net unfavorable foreign exchange impact, partly offset by favorable Ig pricing across all regions and the net gain from the disposal of land and buildings in FY2023;
- at CSL Seqirus, an increase of US$112 million, or 10%, to US$1,264 million for FY2023 from US$1,152 million for FY2022, due primarily to an increase in sales of differentiated products offset by higher commercial provisions and inventory write-offs; and
- at CSL Vifor, the new business acquisition contributed US$1,411 million for FY2023 primarily from the acquired iron, dialysis, nephrology and rare diseases products.

Expenses

Total expenses increased US$970 million, or 35%, to US$3,775 million for FY2023 from US$2,805 million for FY2022, due to the reasons discussed below.

R&D expenses

R&D expenses increased US$79 million, or 7%, to US$1,235 million for FY2023 from US$1,156 million for FY2022, primarily driven by the inclusion of CSL Vifor R&D activities of US$136 million (FY2022: nil)

primarily relating to R&D investment across the product portfolio including commercial products, launch brands (Nephrology – TAVNEOS®, KORSUVA® and RAYALDEE®) and pipeline products.

Selling and marketing expenses

Selling and marketing expenses increased US$493 million, or 51%, to US$1,454 million for FY2023 from US$961 million for FY2022, primarily driven by marketing activities in connection with upcoming commercial launches, which included US$490 million incurred by CSL Vifor (FY2022: nil) primarily relating to commercial investments across the brand portfolio.

General and administration expenses

General and administration expenses increased US$398 million, or 58%, to US$1,086 million for FY2023 from US$688 million for FY2022, primarily driven by US$200 million incurred by CSL Vifor (FY2022: nil) primarily relating to acquisition and integration costs incurred associated with the acquisition, and unfavorable foreign exchange outcomes.

Operating profit

Operating profit increased US$142 million, or 5%, to US$3,069 million for FY2023 from US$2,927 million for FY2022, due primarily to the reasons described above.

Profit before income tax expense

Profit before income tax expense decreased US$117 million, or 4%, to US$2,663 million for FY2023 from US$2,780 million for FY2022, due primarily to:

- an increase in operating profit, as described above;
- an increase in finance costs by US$279 million, or 169%, to US$444 million for FY2023 from US$165 million for FY2022, largely due to higher finance costs incurred on interest-bearing liabilities due to a higher debt balance in connection with the acquisition of CSL Vifor; and
- an increase in finance income by US$20 million, or 111%, to US$38 million for FY2023 from US$18 million for FY2022, largely due to higher interest rates and operating cash balances throughout the period (including cash held for the completion of the CSL Vifor acquisition in August 2022).

Net profit for the year

Net profit for the year decreased US$11 million to US$2,244 million for FY2023 from US$2,255 million for FY2022, due primarily to:

- a decrease in profit before income tax expense, as described above, partially offset by:
- a decrease in income tax expense of US$106 million, or 20%, to US$419 million for FY2023 from US$525 million for FY2022. As a result, the effective tax rate for the Group decreased from 18.9% in FY2022 to 15.7% in FY2023. The decrease in the effective tax rate for FY2023 includes tax benefits from changes in geographic profit mix and foreign exchange impacts in FY2023 compared to FY2022.

Results by business segment for FY2023 and FY2022

The table below sets forth our results of operations by business segments for FY2023 and FY2022. See ''—Overview—Segments'' for further information on how we disclose our financial performance by business segment.

	CSL Behring		CSL Seqirus		CSL Vifor		Consolidated Entity	
	Year ended June 30, 2023	Year ended June 30, 2022 Restated[1]	Year ended June 30, 2023	Year ended June 30, 2022 Restated[1]	Year ended June 30, 2023[2]	Year ended June 30, 2022 Restated[1]	Year ended June 30, 2023	Year ended June 30, 2022 Restated[1]
	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)
Sales and service revenue	8,968	8,359	1,851	1,777	1,957	—	12,776	10,136
Influenza pandemic facility reservation fees	—	—	156	162	—	—	156	162
Royalties and license revenue	215	195	—	—	27	—	242	195
Other income	107	44	24	25	5	—	136	69
Total segment revenue	**9,290**	**8,598**	**2,031**	**1,964**	**1,989**	**—**	**13,310**	**10,562**
Segment gross profit[3]	**4,575**	**4,582**	**1,264**	**1,152**	**1,411**	**—**	**7,250**	**5,734**
Segment gross profit margin%[3]	**49%**	**53%**	**62%**	**59%**	**71%**	**—**	**54%**	**54%**
Sales and marketing expenses	(782)	(774)	(182)	(187)	(490)	—	(1,454)	(961)
Segment operating result[3]	**3,793**	**3,808**	**1,082**	**965**	**921**	**—**	**5,796**	**4,773**
Segment operating result %	**41%**	**44%**	**53%**	**49%**	**46%**	**—**	**44%**	**45%**
Underlying research and development expenses[3]							(1,232)	(1,043)
Underlying general and administrative expenses[3]							(907)	(648)
Underlying operating profit[3]							**3,657**	**3,082**
Finance income							38	18
Finance costs							(444)	(165)
Underlying profit before tax[3]							**3,251**	**2,935**
Income tax expense[3]							(504)	(554)
Underlying profit after tax (NPATA)[4]							**2,747**	**2,381**
Amortization of intangibles (excluding IP)	3	3	14	17	9	—	106	95
Depreciation	273	281	60	60	24	—	490	445
Impairment not relating to acquired IP	—	13	—	—	—	—	—	13
EBITDA[5]	**4,069**	**4,105**	**1,156**	**1,042**	**954**	**—**	**3,900**	**3,595**
NPATA							**2,747**	**2,381**
- Attributable to equity holders of CSL							2,610	2,381
- Attributable to non-controlling interests							137	—

Notes:

(1) To enable a comparison of prior year performance, ''Segment revenue and expenses'' has been restated using the new segments for the comparatives to the prior year ended June 30, 2022.

(2) We completed the acquisition of Vifor Pharma (CSL Vifor) on August 9, 2022. The consolidated results of the Group as a result represent the contribution of CSL Vifor from that date onward (approximately 11 months in FY2023), and not for any prior periods. See ''Financial information presentation—Historical financial information—Significant changes during FY2023'' and Note 2 to our annual consolidated financial statements for FY2023 for further information.

(3) Underlying results are adjusted to exclude impairment and amortization of acquired IP, business acquisition and integration costs and unwind of the inventory fair value uplift. The reconciliation between the underlying and statutory results is disclosed in Note 1 to our FY2023 consolidated financial statements.

(4) NPATA is defined as the statutory net profit after tax before impairment and amortization of acquired intellectual property, business acquisition and integration costs and unwind of the inventory fair value uplift. See Note 1 to our FY2023 consolidated financial statements for the reconciliation between NPATA to the statutory NPAT.

(5) EBITDA is defined as statutory net profit for the period before interest, tax, depreciation, amortization and impairment for the respective operating segment where activities, assets and liabilities can be directly attributed to the segment. Results related to the Group's centrally managed functions, impairment and amortization of acquired IP, business acquisition related costs, tax and net finance costs are not allocated to segments. The total unallocated costs at an EBITDA level were US$2,279 million for FY2023 (FY2022: US$1,552 million). The unallocated depreciation, amortization and impairment expenses (including acquired IP amortization and impairment) were US$448 million for FY2023 (FY2022: US$407 million, which included the impairment of Calimmune related in-development IP of US$113 million).

The table below reconciles the statutory results for key line items impacted by underlying adjustments to the segment report:

	Statutory results		Impairment and amortization of acquired intellectual property		Unwind of CSL Vifor inventory fair value		CSL Vifor acquisition and integration costs		Tax impact on the adjustments		Segment/Underlying results	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)
Gross profit	6,844	5,732	235	2	169	—	2	—	—	—	7,250	5,734
Selling and marketing expenses	(1,454)	(961)	—	—	—	—	—	—	—	—	(1,454)	(961)
Research and development expenses	(1,235)	(1,156)	—	113	—	—	3	—	—	—	(1,232)	(1,043)
General and administrative expenses	(1,086)	(688)	—	—	—	—	179	40	—	—	(907)	(648)
Operating profit	3,069	2,927	235	115	169	—	184	40	—	—	3,657	3,082
Profit before tax	2,663	2,780	235	115	169	—	184	40	—	—	3,251	2,935
NPAT/NPATA	2,244	2,255	235	115	169	—	184	40	(85)	(29)	2,747	2,381

	CSL Behring		CSL Seqirus		CSL Vifor		Intersegment Elimination		Consolidated Entity	
	As at June 30, 2023	As at June 30, 2022	As at June 30, 2023	As at June 30, 2022	As at June 30, 2023	As at June 30, 2022	As at June 30, 2023	As at June 30, 2022	As at June 30, 2023	As at June 30, 2022
	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)
Segment assets	34,535	25,882	5,908	3,041	10,742	—	(14,951)	(577)	36,234	28,346
Segment liabilities	15,782	12,665	3,696	1,618	2,155	—	(3,225)	(514)	18,408	13,769
Other segment information – capital expenditure										
Cash payments for property, plant and equipment (PPE)	869	921	326	158	33	—	—	—	1,228	1,079
Cash payments for intangibles	83	162	292	7	89	—	—	—	464	169
Total capital expenditure[1]	**952**	**1,083**	**618**	**165**	**122**	**—**	**—**	**—**	**1,692**	**1,248**

Note:

(1) Capital expenditure excludes PPE and intangible assets acquired in connection with the acquisition of Vifor Pharma. See Note 2 to our FY2023 consolidated financial statements for further details on the impact of the CSL Vifor acquisition.

Amortization, depreciation and impairment

Amortization and impairment of acquired IP increased US$120 million, or 104%, to US$235 million in FY2023 compared to US$115 million in FY2022. FY2023 amortization of acquired IP included US$229 million related to IP acquired in connection with the acquisition of CSL Vifor (FY2022: nil). For more information about CSL Vifor acquired IP, see Note 2 ‘‘Business Combinations’’ to our FY2023 consolidated financial statements.

Amortization and impairment for FY2022 includes US$113 million in impairment for certain intellectual property assets associated with the Calimmune acquisition and US$13 million relating to assets associated with major capital projects which were identified as surplus to requirements as a result of a change in project scope. The net impact of the profit or loss from all Calimmune related adjustments was a loss of US$25 million. There was no impairment expense recognized on acquired IP for FY2023.

Excluding the above, amortization and depreciation has increased US$56 million, or 10%, to US$596 million in FY2023 compared to US$540 million in FY2022. This was primarily due to:

- at CSL Behring, amortization and depreciation has decreased US$8 million, or 3%, to US$276 million in FY2023 compared to US$284 million in FY2022;
- at CSL Seqirus, amortization and depreciation has decreased US$3 million, or 4%, to US$74 million in FY2023 compared to US$77 million in FY2022; and
- at CSL Vifor, amortization and depreciation for FY2023 was US$33 million.

The overall increase in amortization and depreciation expense (excluding acquired IP) is due primarily to the continued commissioning of major capital and IT projects. For more information about our capital expenditure programs, see ''—Liquidity and capital resources—Capital expenditure'' and ''—Cash flows—Cash flows used in investing activities'' below.

Comparison of FY2022 to FY2021

	Year ended June 30, 2022 (US$ million)	Year ended June 30, 2021 (US$ million)
Operating revenue		
Sales and service revenue	10,136	9,980
Influenza pandemic facility reservation fees	162	160
Royalties and license revenue	195	126
Other income	69	44
Total operating revenue	**10,562**	**10,310**
Cost of sales	(4,830)	(4,467)
Gross profit	**5,732**	**5,843**
Research and development expenses	(1,156)	(1,001)
Selling and marketing expenses	(961)	(980)
General and administration expenses	(688)	(732)
Total expenses	**(2,805)**	**(2,713)**
Operating profit	**2,927**	**3,130**
Finance costs	(165)	(171)
Finance income	18	4
Profit before income tax	**2,780**	**2,963**
Income tax expense	(525)	(588)
Net profit for the half year	**2,255**	**2,375**

Operating revenue

Total operating revenue increased US$252 million, or 2%, to US$10,562 million for FY2022 from US$10,310 million for FY2021, due primarily to movements in revenue items from continuing operations as described below.

Sales and service revenue

Sales and service revenue increased US$156 million, or 2%, to US$10,136 million for FY2022 from US$9,980 million for FY2021, due primarily to:

- at CSL Behring, a decrease in sales and service revenue of US$69 million, or 1%, to US$8,359 million in FY2022 compared to US$8,428 million in FY2021. This decrease in sales and service revenue was primarily driven by foreign exchange losses and lower Ig sales as a result of continued supply constraints coupled with a softening of the U.S. market. Demand softness in the U.S. market stemmed from a combination of lower diagnosis in PID brought on by the COVID-19 pandemic (lower viral and bacterial infection rates due COVID-19 restrictions, with frequent viral infections being leading indicators for a diagnosis), lost contracts due to competitors repositioning Ig supply to the U.S., and plasma donor voluntary withdrawal. These revenue reductions were partly offset by increased AstraZeneca vaccine sales due to the commencement of a marketing campaign, and strong performance from IDELVION® and BERIPLEX®/KCENTRA® driven by easing of COVID-19 restrictions; and
- at CSL Seqirus, an increase in sales and service revenue of US$225 million, or 15%, to US$1,777 million in FY2022 compared to US$1,552 million in FY2021, which was driven by the strong flu season in U.K. and Ireland, North America, and Southern Europe. Despite AFLURIA® supply issues, a shift towards differentiated FLUAD® and FLUCELVAX® volumes resulted in overall favorable price and revenue increases from Northern Hemisphere flu sales.

Influenza pandemic facility reservation fees

At CSL Seqirus, influenza pandemic facility reservation fees increased US$2 million, or 1%, to US$162 million for FY2022 from US$160 million for FY2021, largely attributable to the Canada Advance Pricing Arrangement with an increase in the committed dosage from 10 million to 15 million doses.

Royalties and license revenue

At CSL Behring, royalties and license revenue increased US$69 million, or 55%, to US$195 million for FY2022 from US$126 million for FY2021, primarily driven by royalties received from GARDASIL® sales made by Merck, as sales rebounded to pre-COVID-19 levels with strong demand and increased supply.

Other income

Other income increased US$25 million, or 57%, to US$69 million for FY2022 from US$44 million for FY2021, primarily due to the commencement of an operating lease of a recombinant protein facility in Lengnau, Switzerland to Thermo Fischer Scientific during FY2022.

Cost of sales

Cost of sales increased US$363 million, or 8%, to US$4,830 million for FY2022 from US$4,467 million for FY2021, due primarily to:

- at CSL Behring, an increase of US$290 million, or 8%, to US$4,016 million in FY2022 compared to US$3,726 million in FY2021, which was primarily driven by higher donor fees in FY2021 flowing through to higher cost of sales in FY2022, partly offset by lower inventory provisions; and
- at CSL Seqirus, an increase of US$72 million, or 10%, to US$812 million in FY2022 compared to US$740 million in FY2021 primarily due to the significant growth in sales volume in flu vaccines, particularly during the Northern Hemisphere flu season.

Gross profit

Gross profit decreased US$111 million, or 2%, to US$5,732 million for FY2022 from US$5,843 million for FY2021, due primarily to the reasons described above.

Expenses

Total expenses increased US$92 million, or 3%, to US$2,805 million for FY2022 from US$2,713 million for FY2021, due to the reasons discussed below.

R&D expenses

R&D expenses increased US$155 million, or 15%, to US$1,156 million for FY2022 from US$1,001 million for FY2021, primarily driven by R&D investment across transplant (clazakizumab), hematology (Hemgenix, formerly referred to as EtranaDez), immunology (HIZENTRA® SID) and other cross-portfolio spend. R&D expenses in FY2022 also included the impacts of the impairment of certain intellectual property assets associated with the Calimmune acquisition. These increases were coupled with an increase in investment in the development of the sa-mRNA platform and overall increases in R&D operational spend, partly offset by Vitaeris milestone adjustments and lower spend against CSL112 due to COVID-19 restrictions impacting patient recruitment and clinical trials.

Selling and marketing expenses

Selling and marketing expenses decreased US$19 million, or 2%, to US$961 million for FY2022 from US$980 million for FY2021, primarily driven by lower spend on clinical and registration fees, offset by higher professional services for strategic programs to drive and sustain demand upon the easing of COVID-19 restrictions.

General and administration expenses

General and administration expenses decreased US$44 million, or 6%, to US$688 million for FY2022 from US$732 million for FY2021, primarily driven by beneficial foreign exchange movements offset by CSL Vifor acquisition and integration expenses.

Operating profit

Operating profit decreased US$203 million, or 6%, to US$2,927 million for FY2022 from US$3,130 million for FY2021, due primarily to the reasons described above.

Profit before income tax expense

Profit before income tax expense decreased US$183 million, or 6%, to US$2,780 million for FY2022 from US$2,963 million for FY2021, due primarily to:

- a decrease in operating profit, as described above;
- a decrease in finance costs by US$6 million, or 3%, to US$165 million for FY2022 from US$171 million for FY2021, due to a decrease in unrealized foreign exchange on debt, an increase in capitalized borrowing costs, and a decrease in finance costs associated with debt repaid during the year, partly offset by higher finance costs incurred on interest-bearing liabilities in connection with the acquisition of CSL Vifor; and
- an increase in finance income by US$14 million, or 350%, to US$18 million for FY2022 from US$4 million for FY2021, due primarily to higher interest rates and operating cash balances throughout the period. The higher cash balances were primarily held in anticipation of the acquisition of CSL Vifor.

Net profit for the year

Net profit for the year decreased US$120 million, or 5%, to US$2,255 million for FY2022 from US$2,375 million for FY2021, due primarily to:

- a decrease in profit before income tax expense, as described above, partially offset by
- a decrease in income tax expense of US$63 million, or 11%, to US$525 million for FY2022 from US$588 million for FY2021. As a result, the effective tax rate for the Group decreased from 19.8% in FY2021 to 18.9% in FY2022. The decrease in effective tax rate includes tax benefits from changes in geographic profit mix.

Results by business segment for FY2022 and FY2021

The table below sets forth our results of operations by business segments for FY2022 and FY2021. See ''—Overview—Segments'' for information on how we disclose our financial performance by business segment.

	CSL Behring		CSL Seqirus		Consolidated Entity	
	Year ended June 30, 2022 Restated[1]	Year ended June 30, 2021 Restated[1]	Year ended June 30, 2022 Restated[1]	Year ended June 30, 2021 Restated[1]	Year ended June 30, 2022 Restated[1]	Year ended June 30, 2021 Restated[1]
	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)
Sales and service revenue	8,359	8,428	1,777	1,552	10,136	9,980
Influenza pandemic facility reservation fees	—	—	162	160	162	160
Royalties and license revenue	195	126	—	—	195	126
Other income	44	20	25	24	69	44
Total segment revenue	**8,598**	**8,574**	**1,964**	**1,736**	**10,562**	**10,310**
Segment gross profit[2]	**4,582**	**4,848**	**1,152**	**996**	**5,734**	**5,843**
Segment gross profit margin%[2]	**53%**	**57%**	**59%**	**57%**	**54%**	**57%**
Sales and marketing expenses	(774)	(808)	(187)	(172)	(961)	(980)
Segment operating result[2]	**3,808**	**4,040**	**965**	**824**	**4,773**	**4,863**
Segment operating result %	**44%**	**47%**	**49%**	**47%**	**45%**	**34%**
Underlying research and development expenses[2]					(1,043)	(980)
Underlying general and administrative expenses[2]					(648)	(732)
Underlying operating profit[2]					**3,082**	**3,151**
Finance costs					18	4
Finance income					(165)	(171)
Underlying profit before tax[2]					**2,935**	**2,984**
Income tax expense[2]					(554)	(593)
Underlying profit after tax (NPATA)[3]					**2,381**	**2,391**
Amortization of other intangibles (excluding IP)	3	4	17	19	95	95
Depreciation	281	260	60	49	445	399
Impairment not relating to acquired IP	13	73	—	1	13	75
Segment EBITDA[4]	**4,105**	**4,377**	**1,042**	**893**	**3,595**	**3,720**

Notes:

(1) The acquisition of CSL Vifor in August 2022 resulted in a change in how the business is assessed. The operating segments are now being measured based on the segment operating result, being the revenues and costs directly under the control of the business unit. Therefore, ''Segment revenue and expenses'' has been restated using the new segments for the year ended June 30, 2022 and June 30, 2021.

(2) Underlying results are adjusted to exclude impairment and amortization of acquired IP, business acquisition and integration costs and unwind of the inventory fair value uplift. See the table below for a reconciliation of statutory results for key line items impacted by underlying adjustments to the segment report.

(3) NPATA is defined as the statutory net profit after tax before impairment and amortization of acquired intellectual property, business acquisition and integration costs and unwind of the inventory fair value uplift. See the table below for a reconciliation between the underlying and statutory results.

(4) EBITDA is defined as statutory net profit for the period before interest, tax, depreciation, amortization and impairment for the respective operating segment where activities, assets and liabilities can be directly attributed to the segment. Results related to the Group's centrally managed functions, impairment and amortization of acquired IP, business acquisition related costs, tax and net finance costs are not allocated to segments. The total unallocated costs at an EBITDA level were US$1,552 million for FY2022 (FY2021: US$1,550 million). The unallocated depreciation, amortization and impairment expenses (including acquired IP amortization and impairment) were US$407 million for FY2022, which included the impairment of Calimmune related in-development IP of US$113 million (FY2021: US$21 million).

The table below reconciles the statutory results for key line items impacted by underlying adjustments to the segment report:

	Statutory results		Impairment and amortization of acquired IP		CSL Vifor acquisition and integration costs		Tax impacts of the adjustments		Segment/Underlying results	
	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021
	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)
Gross profit	5,732	5,843	2	—	—	—	—	—	5,734	5,843
Selling and marketing expenses	(961)	(980)	—	—	—	—	—	—	(961)	(980)
Research and development expenses	(1,156)	(1,001)	113	21	—	—	—	—	(1,043)	(980)
General and administrative expenses	(688)	(732)	—	—	40	—	—	—	(648)	(732)
Operating profit	2,927	3,130	115	21	40	—	—	—	3,082	3,151
Profit before tax	2,780	2,963	115	21	40	—	—	—	2,935	2,984
NPAT/NPATA	2,255	2,375	115	21	40	—	(29)	(5)	2,381	2,391

	CSL Behring		CSL Seqirus		Intersegment Elimination		Consolidated Entity	
	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021
	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)	(US$ million)
Segment assets	25,882	15,907	3,041	2,574	(577)	(324)	28,346	18,157
Segment liabilities	12,665	8,881	1,618	1,157	(514)	(262)	13,769	9,776
Other segment information-- capital expenditure								
Payments for property, plant and equipment	921	1,049	158	147	—	—	1,079	1,196
Payments for intangibles	162	463	7	8	—	—	169	471
Total capital expenditure	**1,083**	**1,512**	**165**	**155**	**—**	**—**	**1,248**	**1,667**

Amortization, depreciation and impairment

Amortization and impairment of acquired IP has increased by US$94 million, or 448% to US$115 million for FY2022 from US$21 million for FY2021. FY2022 includes US$113 million in impairment for certain IP assets associated with the Calimmune acquisition. The net impact of the profit or loss from all Calimmune related adjustments was a loss of US$25 million.

Excluding the above, amortization and depreciation increased US$46 million, or 9% to US$540 million in FY2022 compared to US$494 million in FY2022. This was primarily due to:

- at CSL Behring, amortization and depreciation increased US$20 million, or 8%, to US$284 million from FY2022 from US$264 million in FY2021.
- at CSL Seqirus, amortization and depreciation increased US$9 million, or 13%, to US$77 million from FY2022 from US$68 million in FY2021.

The overall increase in amortization and depreciation expense is due primarily to the continued commissioning of major capital and IT projects. For more information about our capital expenditure programs, see ‘‘—Liquidity and capital resources—Capital expenditure’’ and ‘‘—Cash flows—Cash flows used in investing activities’’ below.

Impairment (excluding acquired IP)

Impairment (excluding acquired IP) has decreased by US$62 million, or 83%, to US$13 million for FY2022 from US$75 million for FY2021. FY2022 and FY2021 asset impairment relates to assets associated with capital projects that were identified as surplus to requirements as a result of a change in project scope. These adjustments are considered to be non-recurring in nature.

Liquidity and capital resources

Overview

We primarily use cash to fund existing operations, for capital expenditure, to service our debt and to generate returns to shareholders. See ''—Capital expenditures'' below for more details regarding our capital expenditures for the last three and a half years.

We finance our business primarily through cash flows from operations, our cash balances, borrowings from banks and proceeds from issuances of debt and equity securities. We periodically review our capital structure and liquidity position in light of market conditions, expected future cash flows, potential funding requirements for debt refinancing and capital expenditures, the cost of capital, sensitivity analysis reflecting downside scenarios, the impact on our financial metrics and credit ratings, and our ease of access to funding sources.

As of December 31, 2023, we had US$1,547 million (June 30, 2023: US$1,551 million) in undrawn liquidity available under our bank debt facilities and US$750 million (June 30, 2023: US$750 million) under the Commercial Paper Program. See "Description of other indebtedness" for further information regarding our existing indebtedness.

Subsequent to December 31, 2023, on March 4, 2024, we entered into a new Revolving Credit Facility (''RCF'') with a syndicate of 13 banks. This resulted in the refinancing of US$1,500 million in undrawn liquidity available under the previous facility increasing to US$1,750 million under the new facility with a tenor of five years.

We expect our future funding needs to primarily relate to refinancing and servicing our outstanding financial liabilities and financing our capital expenditure. We intend to continue to fund our business needs through cash flows from operations, borrowings from banks and issuances of additional debt and equity securities. Our access to liquidity depends on both our results of operations and on the availability of funding in domestic and international financial markets. Based on our current level of operations and available cash, we believe our cash flows from operations, together with borrowings under our credit facilities and net proceeds from this offering, will provide sufficient liquidity to fund our operations, capital expenditures and other commitments (including existing borrowings) and grow our business for at least the next 12 months.

Cash flows

Set out below is a summary of our cash flows for the periods indicated.

	HY2024 (US$ millions)	HY2023 (US$ millions)	FY2023 (US$ millions)	FY2022 (US$ millions)	FY2021 (US$ millions)
Net cash flows from operating activities	1,069	980	2,601	2,629	3,622
Net cash flows used in investing activities	(702)	(11,124)	(11,843)	(1,636)	(1,673)
Net cash flows from/(used in) financing activities	(814)	1,286	456	7,676	(1,402)
Net (decrease)/increase in cash and cash equivalents	**(447)**	**(8,858)**	**(8,786)**	**8,669**	**547**
Cash and cash equivalents at beginning of the half year/year	1,509	10,334	10,334	1,730	1,151
Exchange rate variations on foreign cash and cash equivalent balances	(51)	(18)	(39)	(65)	32
Cash and cash equivalents at end of the half year/year	**1,011**	**1,458**	**1,509**	**10,334**	**1,730**

Cash flows from operating activities

Net cash inflows provided by operating activities increased US$89 million, or 9%, to US$1,069 million for HY2024 from US$980 million for HY2023. The principal effects on working capital were as follows:

- an increase in cash inflows from an increase in trade and other payables of US$252 million due to higher sales rebates accruals in the U.S. and higher trade creditors in CSL Behring due to timing differences in supplier payments as well as higher sales rebates accruals in CSL Seqirus;
- a decrease in cash inflows from an increase in inventories of US$168 million primarily driven by CSL Behring lower build-up of inventory due to lower plasma costs per liter and lower inventory fair value uplift unwind recognized in connection with the CSL Vifor acquisition; and
- an increase in cash outflows from an increase in receivables and contract assets of US$532 million, principally in CSL Behring as a result of the first-time factoring of debtors, primarily in the U.S. and Japan in June 2023 and strong growth in HY2024 sales revenue compared with HY2023.

Net cash inflows provided by operating activities decreased US$28 million, or 1%, to US$2,601 million for FY2023 from US$2,629 million for FY2022. The principal effects on working capital were as follows:

- an increase in cash inflows from a decrease in receivables and contract assets of US$73 million. Excluding the impact of CSL Vifor, receivables and contract assets decreased by US$250 million and was principally in CSL Behring as a result of the first-time factoring of debtors, primarily in the U.S. and Japan, in June 2023;
- a decrease in cash inflows from a decrease in trade and other payables of US$140 million primarily driven by timing differences in supplier payments and sales rebates across CSL Behring and CSL Seqirus, offset partially by a positive impact from the CSL Vifor acquisition; and
- an increase in cash inflows from an increase in provision and liabilities of US$153 million primarily due to higher provisions for severance in FY2023 compared to FY2022 due to continued integration efforts and bringing our enabling functions together into a single global structure.

Net cash inflows provided by operating activities decreased US$993 million, or 27%, to US$2,629 million for FY2022 from US$3,622 million for FY2021. The principal effects on working capital were as follows:

- an increase in cash outflows from an increase in inventories of US$534 million primarily due to higher plasma costs per litre of US$189 in FY2022 from US$168 in FY2021 and improved volume of plasma collections;
- a decrease in cash inflows from a decrease in trade and other payables of US$118 million due primarily to upfront payments received in connection with the leasing of the Lengnau facility, sales rebate increases and timing differences in supplier payments and sales rebates; and
- an increase in cash outflows from a decrease in provisions and other liabilities of US$158 million due primarily to a decrease in employee provisions across all CSL Behring and CSL Seqirus entities mainly with respect to the timing of annual leave taken at FY2022 compared to FY2021 and restructuring provisions now settled.

Cash flows used in investing activities

Net cash flows used in investing activities amounted to US$702 million for HY2024, US$11,124 million for HY2023, US$11,843 million for FY2023, US$1,636 million for FY2022 and US$1,673 million for FY2021. The most significant investments made in these periods were as follows:

- in HY2024, key capital projects included construction of the CSL Seqirus cell-culture influenza facility in Tullamarine, a stainless-steel downstream project in Lengnau, an AlbuRx Module upgrade and expansion in Broadmeadows and continued investment in opening new plasma collection centers, while other investing cash flows included a US$100 million milestone payment for Hemgenix (first U.S. sale), US$58 million related to milestone payments to Arcturus in connection with the sa-mRNA and US$59 million related to payments for CSL Vifor acquired intellectual property which included further MIRCERA® rights;

- in HY2023, key capital projects included construction of a recombinant facility and stainless-steel downstream project in Lengnau, the CSL Melbourne headquarters and R&D Facilities, the CSL Seqirus cell-culture facility in Tullamarine, the Marburg R&D Building and continued investment in opening new plasma collection centers, US$10,534 million related to payments for business acquisitions, net of cash acquired, primarily for the acquisition of 100% of Vifor Pharma, which we acquired in August 2022; while other investing cash flows included a US$200 million upfront payment to Arcturus in connection with the sa-mRNA technology and US$53 million related to payments for CSL Vifor acquired intellectual property, which included further MIRCERA® rights, and the buy-back of MALTOFER® rights;
- in FY2023, key capital projects included construction of a recombinant facility and stainless-steel downstream project in Lengnau, the CSL Melbourne headquarters and R&D Facilities, the CSL Seqirus cell-culture facility in Tullamarine, the Marburg R&D Building and continued investment in opening new plasma collection centers; US$10,534 million related to payments for business acquisitions, net of cash acquired, primarily for the acquisition of 100% of Vifor Pharma, which we acquired in August 2022, while other investing cash flows included a US$290 million upfront payment to Arcturus in connection with the sa-mRNA technology;
- in FY2022, key capital projects included construction of a recombinant facility in Lengnau, the Marburg R&D Building, CSL Melbourne HQ and R&D facilities, our Biosecurity Facility in Tullamarine and continued investment in opening new plasma collection centers; and
- in FY2021, key capital projects included construction of a recombinant facility in Lengnau, the Marburg R&D Building, expansion of base fractionation facilities in Broadmeadows and Marburg, the Marburg R&D Building, additional Ig modules in Bern and continued investment in opening new plasma collection centers, while other investing cash flows included a US$450 million payment for the uniQure Hemgenix (formerly referred to as EtranaDez) license.

Cash flows from financing activities

In HY2024, net cash flows used in financing activities amounted to US$814 million, primarily due to dividend payouts of US$697 million and net outflows from borrowings (repayments less proceeds) of US$93 million. In HY2023, net cash flows from financing activities amounted to an inflow of US$1,286 million, primarily due to US$1,879 million in net borrowings primarily to fund the CSL Vifor acquisition (US$2.5 billion of bank borrowings drawn down in August 2022 partially offset by repayment of US$476 million bond) offset by US$569 million in dividends paid.

In FY2023, net cash flows from financing activities amounted to an inflow of US$456 million, primarily due to US$1,741 million in net borrowings primarily to fund the CSL Vifor acquisition (US$2.5 billion of bank borrowings drawn down in August 2022, partially offset by repayment of US$476 million bond), offset by US$1,239 million in dividends paid.

In FY2022, net cash flows from financing amounted to an inflow of US$7,676 million, primarily due to US$4,988 million in new equity issuance and US$3,777 million in net borrowings primarily to fund the CSL Vifor acquisition, partially offset by US$1,039 million in dividends paid.

In FY2021, net cash flows used in financing activities were US$1,402 million, primarily due to dividend payouts of US$958 million, comprising a final ordinary dividend distributed in October 2020 and an interim ordinary dividend distributed in April 2021, and the early repayment of borrowings of US$471 million.

Dividends paid to CSL Limited shareholders

Dividends paid to CSL Limited shareholders are paid from the retained earnings and profits of CSL Limited, as the parent entity of the Group. During HY2024, the Group reported profits of US$1,901 million (compared to US$1,623 million in HY2023). Our retained earnings as of December 31, 2023 were US$15,902 million (compared to US$14,621 million as of June 30, 2023). During HY2024, US$623 million was distributed to shareholders by way of a dividend.

The Group determines dividends after period-end and announces them with the results for the period. The Group determines interim dividends in February and pays them in April. The Group determines final dividends in August and pays them in September/October. The Group does not record dividends as a liability at the end of the period to which they relate.

The table below sets forth the dividends to CSL Limited shareholders declared for the periods indicated.

	HY2024 (US$ millions)	HY2023 (US$ millions)	FY2023 (US$ millions)	FY2022 (US$ millions)	FY2021 (US$ millions)
Interim dividend	575	516	516	501	473
Final dividend	—	—	622	569	538

Capital expenditures

The table below sets forth our capital expenditures for the last three fiscal years and for the half years ended December 31, 2023 and 2022. See ''—Cash flows—Cash flows used in investing activities'' above for more details regarding our key capital projects for which these capital expenditures relate.

	HY2024 (US$ millions)	HY2023 (US$ millions)	FY2023 (US$ millions)	FY2022 (US$ millions)	FY2021 (US$ millions)
Payments for property, plant and equipment	475	570	1,228	1,079	1,196
Payments for intangibles	227	292	464	169	471
Total capital expenditure[1]	**702**	**862**	**1,692**	**1,248**	**1,667**

Note:

(1) Capital expenditure excludes PPE and intangible assets acquired in connection with the acquisition of Vifor Pharma. See Note 2 to our FY2023 consolidated financial statements for further details on the impact of the CSL Vifor acquisition.

Capital structure

We aim to maintain a capital structure which reflects the use of a prudent level of debt funding, and target an A band credit rating. The aim of our capital structure is to reduce our cost of capital without adversely affecting the credit margins applied to our debt funding. See ''—Quantitative and qualitative disclosure about market risk—Capital risk management'' below for further discussion of our capital risk management policies.

	HY2024 (US$ millions)	FY2023 (US$ millions)	FY2022 (US$ millions)	FY2021 (US$ millions)
EBITDA	4,427	3,900	3,595	3,720
Net Debt[1][2]	9,406	8,980	(2,167)	2,816
Net Debt / EBITDA[2][3]	**2.1**	**2.3**	**(0.6)**	**0.8**

Notes:

(1) Net Debt represents interest-bearing liabilities and borrowings (excluding lease liabilities recognized in accordance with AASB 16) less cash and cash equivalents.

(2) FY2022 Net Debt and Net Debt / EBITDA is negative due to the significant cash on hand (US$10,436 million including US$4,988 million from new equity issuance) ahead of closing of the CSL Vifor acquisition.

(3) HY2024 EBITDA represents a rolling 12-month period from January 1, 2023 to December 31, 2023. This is calculated based on FY2023 EBITDA (US$3,900 million) less HY2023 EBITDA (US$2,515 million) which represents the EBITDA for the 6-month period ended June 30, 2023 plus HY2024 EBITDA (US$3,042 million).

Debt financing

As of December 31, 2023, we had the following bank facilities, unsecured notes and other secured borrowings:

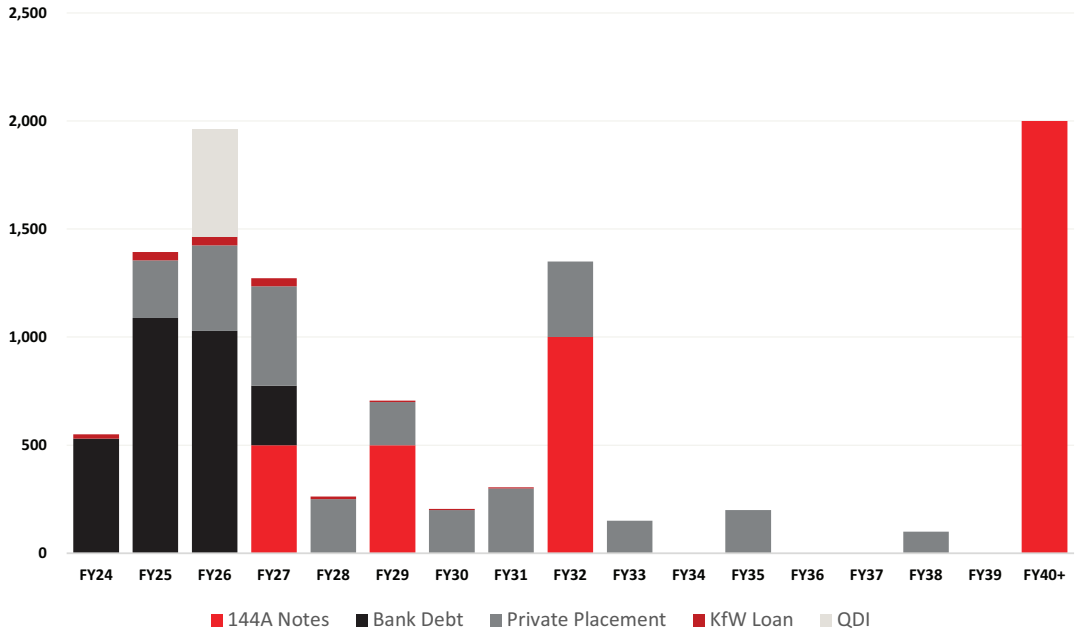
- Five revolving committed bank facilities totaling US$1,648 million. Of these facilities, US$31 million expires in June 2024, and US$1,500 million in February 2025. Interest on the facilities is paid quarterly in arrears at a variable rate. As of December 31, 2023, we had US$1,500 million in undrawn funds available under these facilities;
- US$750 million Commercial Paper Program, of which US$ nil was outstanding as of December 31, 2023. As of December 31, 2023, we had US$750 million available under this facility;
- EUR 147 million committed bank facility (the ''KfW loan''), with quarterly repayments commenced in March 2022 through June 2031;

- US$500 million of Floating Rate Notes (the ‘‘QDI bond’’) due December 12, 2025. At December 31, 2023, the interest rate on the notes was 6.16%;
- US$2,300 million of Senior Unsecured Notes sold in the U.S. Private Placement market. Of these notes, US$100 million mature in March 2025, US$100 million in October 2025, US$150 million in October 2026, US$100 million in November 2026, US$100 million in May 2027, US$250 million in October 2027, US$200 million in October 2028, US$200 million in October 2029, US$300 million in August 2030, US$200 million in October 2031, US$150 million in May 2032, US$150 million in October 2032, US$200 million in May 2035 and US$100 million in October 2037. The notes bear interest at fixed rates. At December 31, 2023, the weighted average interest rate on the notes was 3.1%;
- EUR 250 million of Senior Unsecured Notes sold in the U.S. Private Placement market. Of these notes, EUR 150 million mature in November 2024 and EUR 100 million in November 2026. The notes bear interest at fixed rates. At December 31, 2023, the weighted average interest rate on the notes was 2.0%;
- CHF 250 million of Senior Unsecured Notes sold in the U.S. Private Placement market, maturing in October 2025. The notes bear interest at fixed rates. At December 31, 2023, the interest rate on the notes was 0.96%;
- US$4,000 million of Senior Secured Notes sold in the 144A/Reg S bond market. Of these notes, US$500 million mature in April 2027, US$500 million mature in April 2029, US$1,000 million mature in April 2032, US$500 million mature in April 2042, US$1,000 million mature in April 2052, and US$500 million mature in April 2062. At December 31, 2023, the weighted average interest rate on the notes was 4.43%;
- US$2,500 million of bilateral credit facilities restricted to the acquisition of CSL Vifor. Of these facilities, US$500 million matures in May 2024, US$500 million matures in August 2024, US$500 million matures in February 2025, and US$1,000 million matures in August 2025. At December 31 2023, the weighted average interest rate on these facilities was 6.04%; and
- CNY 1,950 million bilateral credit facility maturing in November 2026, the fixed rate of this facility is 3.78%.

Subsequent to December 31, 2023, on March 4, 2024, we entered into a new Revolving Credit Facility (‘‘RCF’’) with a syndicate of 13 banks. This resulted in the refinancing of US$1,500 million in undrawn liquidity available under the previous facility increasing to US$1,750 million under the new facility with a tenor of five years.

See ‘‘Description of other indebtedness’’ for additional details.

The following chart summarizes our maturity profile of drawn debt on an undiscounted basis by facility as of December 31, 2023 (in US$ million):



The following table analyzes our interest-bearing liabilities and borrowings:

	As of December 31, 2023 (US$ millions)	As of June 30, 2023 (US$ millions)	As of June 30, 2022 (US$ millions)	As of June 30, 2021 (US$ millions)
Current				
Bank overdraft – unsecured	6	39	102	79
Bank loans – unsecured	1,158	563	203	66
Senior notes – unsecured	162	362	150	250
Senior 144A notes – unsecured	—	—	3,959	—
Lease liabilities	94	91	80	79
	1,420	**1,055**	**4,494**	**474**
Non-current				
Bank loans – unsecured	1,927	2,252	180	220
Senior notes – unsecured	3,208	3,351	3,675	3,994
Senior 144A notes – unsecured	3,962	3,961	—	—
Lease liabilities	1,590	1,608	1,310	1,119
	10,687	**11,172**	**5,165**	**5,333**

Note:

(1) Senior 144A notes were reclassified from current to non-current during FY2023 due to the removal of a mandatory redemption feature as a result of the acquisition close of CSL Vifor.

As at December 31, 2023, we had US$1,547 million (FY2023: US$1,551 million) in undrawn liquidity available under our bank debt facilities. We also have a US$750 million (FY2023: US$750 million) commercial paper program. As at December 31, 2023, we had no outstanding commercial paper under the program.

Subsequent to December 31, 2023, on March 4, 2024, we entered into a new RCF, which resulted in an increase in our undrawn liquidity available under the previous facility from US$1,500 million to US$1,750 million with a tenor of five years.

We recognize interest-bearing liabilities and borrowings initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, interest-bearing liabilities and borrowings are stated at amortized cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognized in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless we have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The following table categorizes our financial liabilities into relevant maturity periods as of December 31, 2023, taking into account the remaining period at the reporting date and the contractual maturity date. The amounts disclosed represent principal and interest cash flows, so they may differ from the equivalent reported amounts in the consolidated balance sheet.

As of December 31, 2023, the weighted average contractual maturity date of our financial liabilities (excluding trade and other payables and lease liabilities) was approximately nine years.

	As of December 31, 2023				
	Contractual payments due as at December 31, 2023				
	1 year or less	Between 1 year and 5 years	Over 5 years	Total	Average interest rate
	(US$ millions)	(US$ millions)	(US$ millions)	(US$ millions)	%
Trade and other payables (non-interest bearing)	2,897	—	—	2,897	—
Bank overdraft – unsecured (floating rates)	6	—	—	6	—
Bank borrowings – unsecured (floating rates)	1,250	1,862	—	3,112	5.6%
Bank borrowings – unsecured (fixed rates)	21	130	17	168	1.0%
Senior notes - unsecured (floating rates)	31	529	—	560	6.2%
Senior notes - unsecured (fixed rates)	245	1,641	1,438	3,324	3.7%
Senior 144A notes - unsecured (fixed rates)	177	1,177	5,888	7,242	4.1%
Lease liabilities (fixed rates)	101	312	1,272	1,685	3.6%
	4,728	**5,651**	**8,615**	**18,994**	

We enter leases predominantly for plasma centers, office, buildings, land, manufacturing facilities and warehouses. As of December 31, 2023, 75% of our undiscounted lease contractual payments were due after five years.

Contractual and commercial commitments

The following table summarizes our material commitments for expenditure as of December 31, 2023.

	As of December 31, 2023
	(US$ millions)
Capital Commitments	
Not later than one year	464
Later than one year but not later than five years	49
Total	**513**

Off-balance sheet arrangements

We have no material off-balance sheet arrangements.

Quantitative and qualitative disclosure about market risk

We hold financial instruments that arise from our need to access financing, from our operational activities and as part of our risk management activities.

We are exposed to financial risks associated with our financial instruments. Financial instruments comprise cash and cash equivalents, receivables, contract assets, other financial assets, payables and other liabilities, bank loans and overdrafts, unsecured notes, and lease liabilities.

The primary risks these give rise to are: foreign exchange risk, interest rate risk, credit risk, funding and liquidity risk and capital management risk.

Foreign exchange risk

We are exposed to foreign exchange risk because of our international operations. These risks relate to future commercial transactions, assets and liabilities denominated in other currencies and net investments in foreign operations.

Where possible, we take advantage of natural hedging (i.e., the existence of payables and receivables in the same currency). We also reduce our foreign exchange risk on net investments in foreign operations by denominating external borrowings in currencies that match the currencies of our forecasted sales. We had no material foreign exchange forward contracts as of December 31, 2023, June 30, 2023 and 2022.

Interest rate risk

We are exposed to interest rate risk through our primary financial assets and liabilities.

We mitigate interest rate risk on borrowings principally by entering into fixed rate arrangements, which are not subject to interest rate movements in the ordinary course. If necessary, we also hedge interest rate risk using derivative instruments. As of December 31, 2023, June 30, 2023 and 2022, there were no material outstanding derivative financial instruments hedging interest rate risks.

At June 30, 2023, we estimate that a general movement of one percentage point in the interest rates applicable to investments of cash and cash equivalents would have changed our profit after tax by US$10 million (FY2022: US$10 million). This calculation is based on applying a 1% movement to the total of our cash and cash equivalents at year end.

At June 30, 2023, we estimate that a general movement of one percentage point in the interest rates applicable to our floating rate unsecured bank loans would have changed our profit after tax by US$22 million (FY2022: US$4 million). This calculation is based on applying a 1% movement to the total of our floating rate unsecured bank loans at year end.

Credit risk

We are exposed to credit risk from financial instruments contracts and trade and other receivables. The maximum exposure to credit risk at the applicable reporting date is the carrying amount, net of any provision for impairment inclusive of any lifetime expected credit losses under AASB 9, if applicable, of each financial asset in the balance sheet.

We mitigate credit risk from financial instruments contracts by only entering into transactions with diversified counterparties who have sound credit ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations. We minimize the credit risk associated with trade and other debtors by undertaking transactions with a large number of customers in various countries. We enter into arrangements with distributors to sell products in some markets. For FY2023, our top five customers accounted for 37% of our operating revenue and our largest customer accounted for 12% of our operating revenue. Creditworthiness of customers is reviewed prior to granting credit, using trade references and credit reference agencies.

We only invest our cash and cash equivalent financial assets with diversified financial institutions having a credit rating of at least ‘BBB+’ or better, as assessed by independent rating agencies.

Funding and liquidity risk

We are exposed to funding and liquidity risk from operations and from external borrowing. One type of this risk is credit spread risk, which is the risk that in refinancing our debt, we may be exposed to an increased credit spread. Another type of this risk is liquidity risk, which is the risk of not being able to refinance debt obligations or meet other cash outflow obligations when required.

We mitigate funding and liquidity risks by ensuring that:

- we have sufficient funds on hand to achieve our working capital and investment objectives;

- we focus on improving operational cash flow and maintaining a strong balance sheet;
- short-term liquidity, long-term liquidity and crisis liquidity requirements are effectively managed, minimizing the cost of funding and maximizing the return on any surplus funds through efficient cash management;
- we have adequate flexibility in financing to balance short-term liquidity needs and long-term core funding and in minimizing refinancing risk; and
- we engage regularly with banks to keep updated on market conditions to determine appropriate opportunities to raise new funding.

Additionally, from time to time, we enter into non-recourse receivable factoring arrangements with unrelated entities to optimize cash.

Capital risk management

Our objectives when managing capital are to safeguard our ability to continue as a going concern while providing returns to shareholders and benefits to other stakeholders. Capital is defined as the amount subscribed by shareholders to the Company's ordinary shares and amounts advanced by debt providers to any Group entity.

We aim to maintain a capital structure which reflects the use of a prudent level of debt funding. The aim is to reduce our cost of capital without adversely affecting the credit margins applied to our debt funding. Each year, the Directors determine the dividend by taking into account factors such as profitability and liquidity.

Critical accounting policies and estimates

In preparing our financial statements, management are required to make judgments, estimates and assumptions about reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgment. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. Judgments made by management that have significant effects on our consolidated financial statements and estimates with a significant risk of material adjustment in the next period are disclosed in ''Notes to the financial statements'' to our consolidated financial statements for FY2023, FY2022 and FY2021 as well as below.

Principles of Consolidation

The consolidated financial statements comprise the financial statements of CSL Limited and its subsidiaries. CSL has control of its subsidiaries when it is exposed to, and has the rights to, variable returns from its involvement with those entities and when it has the ability to affect those returns.

Non-controlling interests in the financial results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively.

VFMCRP is the only subsidiary with material non-controlling interests. VFMCRP is registered in St. Gallen, Switzerland. Following the acquisition of Vifor Pharma in FY2022, we own 55% of the share capital and voting rights of VFMCRP, while FMC holds 45% of the share capital and voting rights. The minority shareholder has extensive protection rights. In the event of disagreement, we have the casting vote within a defined escalation process. We elected to recognize the non-controlling interest in VFMCRP at its fair value on acquisition date.

The financial results of the subsidiaries are prepared using consistent accounting policies and for the same reporting period as the parent company. In preparing the consolidated financial statements, all intercompany balances and transactions have been eliminated in full.

Revenue and other income

Revenue is recognized when we satisfy a performance obligation by transferring control of the promised good or service to a customer at an amount that reflects the consideration to which we expect to be entitled in exchange for the goods or services.

Further information about each source of revenue and the criteria for recognition follows.

Sales – Revenue is earned (constrained by variable considerations, which include returns, discounts, rebates and allowances) from the sale of products and services. Sales are recognized when performance obligations are either satisfied over time or at a point in time. Generally, the supply of product under a contract with a customer will represent the satisfaction of a performance obligation at a point in time, which is when control of the product passes to the customer.

Each influenza season, we estimate the portion of CSL Seqirus' vaccine sales that we expect to be subject to product returns. We perform this estimate with inputs including historical returns and customer sales data amongst other factors. In CSL Behring, estimation is involved in recognizing revenue under plasma tolling contracts where we perform fractionation services on third party plasma. We recognize revenue under these contracts over time as the performance obligations are satisfied based upon a percentage of completion of our fractionation services.

Royalties – Revenue from licensees of our IP reflect a right to use the IP as it exists at the point in time in which the license is granted. Where consideration is based on sales of product by the licensee, it is recognized when the customer's subsequent sales of product occurs.

License revenue – Revenue from licensees of our IP reflects the transfer of a right to use the IP as it exists at the point in time in which the license is transferred to the customer. Consideration is highly variable and estimated using the most likely amount method. Subsequently, the revenue is constrained until it is highly probable that a significant revenue reversal will not occur when the uncertainty is resolved. Revenue is recognized as or when the performance obligations are satisfied.

Influenza pandemic facility reservation fees – Revenue from governments in return for access to influenza manufacturing facilities in the event of a pandemic. Contracts are time based and revenue is recognized progressively over the life of the relevant contract, which aligns to the performance obligations being satisfied.

Other income – Other income is realized from activities that are outside of the ordinary business, such as the disposal of property, plant and equipment and rental income.

Revenue from contracts with customers includes amounts in total operating revenue except other income.

Finance costs

Finance costs includes borrowing costs primarily related to:

(i) *Interest expense*: Interest expense is net of gains reclassified to the profit and loss in connection with the Group's treasury lock arrangement. In FY2022, in connection with the 144A senior unsecured notes, the Group entered into a treasury lock (''T-lock'') prior to the completion of the issuance of the notes to hedge against increases in the Base US Treasury Yield until the settlement date for a portion of the notes. The T-lock arrangement was determined to be an effective cash flow hedge and resulted in a gain of US$135 million being recognized in the statement of comprehensive income. This amount is reclassified into finance costs in the same period as the associated interest expense from the notes impacts earnings; and

(ii) *Lease related interest expense*: Lease related interest expense and borrowing costs are recognized as an expense when incurred, except where finance costs are directly attributable to the acquisition or construction of a qualifying asset where they are capitalized as part of the cost of the asset. Any difference between borrowing proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income using the effective interest method.

Our unrealized foreign currency losses and gains on debt are principally related to the EUR 250 million and CHF 250 million senior unsecured notes in the U.S. Private Placement market.

Fair value losses on financial assets primarily relates to our investments in venture funds measured at fair value through profit or loss.

Interest bearing and other financial liabilities

Interest-bearing liabilities and borrowings – We initially recognize interest-bearing liabilities and borrowings at fair value, net of transaction costs incurred. Subsequent to initial recognition, interest-bearing liabilities and borrowings are stated at amortized cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognized in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless we have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Lease liabilities – At the commencement date of the lease, we recognize lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, we use the incremental borrowing rate of the lessee at the lease commencement date if the interest rate implicit in the lease is not readily determinable. We exercise judgement when determining the incremental borrowing rate based on the interest that the lessee would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment, and observable inputs such as market interest rates are used as applicable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by us and payments of penalties for terminating a lease, if the lease term reflects us exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs. Subsequent to initial recognition, lease liabilities are measured at amortized cost. Lease liabilities are remeasured if there is a modification, such as a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Our lease liabilities are inclusive of extension options we are reasonably certain to exercise based upon our judgement. After the lease commencement date, we reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Other financial liabilities – The Group also has foreign currency loans payable that have been designated as a cash flow hedge against forecast sale transactions in foreign currency. An effective hedge is one that meets certain criteria. Gains or losses on the cash flow hedge that relate to the effective portion of the hedge are recognized in equity. Gains or losses relating to the ineffective portion, if any, are recognized in the profit or loss.

Other financial liabilities also includes contingent consideration associated with business combinations. These liabilities are recorded as non-current financial liabilities in the consolidated balance sheet at fair value, which are then remeasured at each subsequent reporting date at fair value through profit and loss. The fair value estimations typically depend on factors such as technical milestones or market performance, and are adjusted for the probability of their likelihood of potential future payments, and are appropriately discounted to reflect the impact of time. Changes in the fair value of contingent consideration liabilities in subsequent periods are recognized in research and development expenses for early-stage products and as cost of sales for currently marketed products. The effect of unwinding the discount over time for contingent consideration carried at fair value is recognized as finance costs.

Employee benefits

Employee benefits include salaries and wages, annual leave and long-service leave, defined benefit and defined contribution plans and share-based payment incentive awards.

Salaries and wages – Include non-monetary benefits, annual leave and long service leave. These are recognized and presented in different ways in the financial statements:

- the liability for annual leave and the portion of long service leave expected to be paid within twelve months is measured at the amount expected to be paid;
- the liability for long service leave and annual leave expected to be paid after one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date;
- the liability for annual leave and the portion of long service leave that has vested at the reporting date is included in the current provision for employee benefits; and

- the portion of long service leave that has not vested at the reporting date is included in the non-current provision for employee benefits.

Defined benefit pension plans – The Group sponsors a range of defined benefit pension plans that provide either a defined lump sum or ongoing pension benefit for its worldwide employees upon retirement, based on years of service and final average salary. Entities of the Group who operate defined benefit plans contribute to the respective plans in accordance with its trust deed, following the receipt of actuarial advice.

Liabilities or assets in relation to these plans are recognized in the balance sheet, measured as the present value of the obligation less the fair value of the pension fund's assets at that date. Present value is based on expected future payments to the reporting date, calculated by independent actuaries using the projected unit credit method. Past service costs are recognized in the statement of comprehensive income on the earlier of the date of plan amendments or curtailment, and the date that we recognize restructuring related costs. Defined benefit plans operated by the Group were in a net plan deficit of US$203 million, US$198 million, US$184 million and US$283 million for HY2024, FY2023, FY2022 and FY2021.

We make contributions to various defined contribution pension plans and our obligation is limited to these contributions.

Equity settled share-based payment expense – The fair value of awards granted are recognized as an employee benefit expense with a corresponding increase in equity. Fair value is independently measured at grant date and recognized over the period during which the employees become unconditionally entitled to the award. Fair value is independently determined using a combination of the Binomial and Black Scholes valuation methodologies, including Monte Carlo simulation, considering the terms and conditions on which the awards were granted. The fair value of the awards granted excludes the impact of any non-market vesting conditions, which are included in assumptions about the number of awards that are expected to vest. At each reporting date, the number of awards that are expected to vest is revised. The employee benefit expense recognized each period considers the most recent estimate of the number of awards that are expected to vest. No expense is recognized for awards that do not ultimately vest, except where the vesting is conditional upon a market condition and that market condition is not met.

Key judgments and estimates – The determination of certain employee benefit liabilities requires an estimation of future employee service periods and salary levels and the timing of benefit payments. These assessments are made based on past experience and anticipated future trends. The expected future payments are discounted using the rate applicable to high quality corporate bonds. Discount rates are matched to the expected payment dates of the liabilities.

Research and development

We conduct R&D activities to support future development of products to serve our patient communities, to enhance our existing products and to develop new therapies.

We expense all costs associated with our R&D activities as incurred as uncertainty exists up until the point of regulatory approval as to whether a R&D project will be successful. Development costs incurred after regulatory approval are expensed unless they meet the criteria to be recognized as an intangible asset.

We also gain control of IP through acquisitions or license arrangements which are capitalized as intangible assets.

Intangible assets

Goodwill – We record any excess of the fair value of the purchase consideration of an acquired business over the fair value of the identifiable net assets as goodwill. Goodwill is initially allocated to a group of cash-generating units but is monitored at the segment level (business unit) level. Goodwill is not amortized but is measured at cost less any accumulated impairment losses. Impairment occurs when a business unit's recoverable amount falls below the carrying value of its net assets.

Intellectual property – IP acquired in a business combination is initially measured at fair value. IP internally developed or acquired separately is initially measured at cost. Following initial recognition, it is carried at cost less any accumulated amortization and impairment. We calculate amortization on a unit-of-production or straight-line basis over periods generally ranging from 5 to 30 years, except where it is considered that the useful economic life is indefinite. Certain IP acquired may be considered to have an indefinite life.

Contingent consideration in connection with the purchase of individual assets outside of business combinations is recognized as a financial liability only when a non-contingent obligation arises (i.e. when milestone is met). The determination of whether the payment should be capitalized or expensed is usually based on the substance of the contingent payment and whether it is expected to give rise to future economic benefits that will flow to CSL. If the milestones paid are for regulatory approval and a sales target, they are likely to meet the capitalization criteria, and would be accumulated into the cost of the intangible.

Changes in the fair value of financial liabilities from contingent consideration should be capitalized or expensed based on the nature of the asset acquired (refer above), except for changes due to interest rate fluctuations and the effect from unwinding discounts. Interest rate effects from unwinding of discounts as well as changes due to interest rate fluctuations are recognized as finance costs.

Software – We capitalize costs incurred in developing or acquiring software, licenses or systems that will contribute future financial benefits. These include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortization is calculated on a straight-line basis over periods generally ranging from 3 to 10 years. IT development costs include only those costs directly attributable to the development phase and are only recognized following completion of technical feasibility, where we have the intention and ability to use the asset.

Software-as-a-Service ("SaaS") arrangements – SaaS arrangements are service contracts providing us with the right to access the cloud provider's application software over the contract period. We apply judgment in determining the nature and the resulting accounting treatment of the costs of SaaS arrangements. We recognize costs incurred to configure or customize, and the ongoing fees to obtain access to the cloud provider's application software, as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognized as intangible software assets and amortized over the useful life of the software.

Tax

Current taxes – Current tax assets and liabilities are the amounts expected to be recovered from (or paid to) tax authorities, under the tax rates and laws in each jurisdiction. These include any rates or laws that are enacted or substantively enacted as at the balance sheet date.

Deferred taxes – We recognize deferred tax liabilities for taxable temporary differences. Deferred tax assets are recognized for deductible temporary differences, carried forward unused tax assets and unused tax losses, only if it is probable that taxable profit will be available to utilize them. The carrying amount of deferred income tax assets is reviewed at the reporting date. If it is no longer probable that taxable profit will be available to utilize them, they are reduced accordingly. Deferred tax is measured using tax rates and laws that are enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or when the deferred income tax liability is settled. Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set-off current tax assets against current tax liabilities and if they relate to the same taxable entity or group and the same taxation authority. Income taxes attributable to amounts recognized in other comprehensive income or directly in equity are also recognized in other comprehensive income or in equity, and not in our consolidated income statement.

CSL Limited and its 100% owned Australian subsidiaries have formed a tax consolidated group effective from July 1, 2003.

Key judgments and estimates – We regularly assess the risk of uncertain tax positions and the recognition and recoverability of deferred tax assets. To do this requires judgments about the application of income tax legislation in jurisdictions in which we operate and the future operating performance of entities with carry forward losses. These judgments and assumptions, which include matters such as the availability and timing of tax deductions and the application of the arm's length principle to related party transactions, are subject to risk and uncertainty. Changes in circumstances may alter expectations and affect the carrying amount of deferred tax assets and liabilities. Any resulting adjustment to the carrying value of a deferred tax item will be recorded as a credit or charge to the statement of comprehensive income.

Inventories

Raw materials – comprise collected and purchased plasma, chemicals, filters and other inputs to production that will be further processed into saleable products but have yet to be allocated to manufacturing.

Work in progress – comprises all inventory items that are currently in use in manufacturing and intermediate products such as pastes generated from the initial stages of the plasma production process.

Finished products – comprise material that is ready for sale and has passed all quality control tests.

Inventories generally have expiry dates and we provide for product that is short-dated. Expiry dates for raw material are no longer relevant once the materials are used in production. The relevant expiry date at this point then becomes that of the resultant intermediate or finished product.

We carry inventories at the lower of cost or net realizable value. Cost includes direct material and labor and an appropriate proportion of variable and fixed overheads. Fixed overheads are allocated on the basis of normal operating capacity.

Net realizable value is the estimated revenue that can be earned from the sale of a product less the estimated costs of both completion and selling. We assess net realizable value of plasma derived products on a basket of products basis given their joint product nature.

Key judgments and estimates – Various factors affect the assessment of recoverability of the carrying value of inventory, including regulatory approvals and future demand for our products. We take these factors into account in determining the appropriate level of provisioning for inventory.

Property, plant and equipment

We record land, buildings, capital work in progress and plant and equipment assets at historical cost less, where applicable, depreciation.

Right-of-use assets are measured at cost, less accumulated depreciation, impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities and restoration obligations recognized less any lease incentives received and initial direct costs.

Depreciation is recognized on a systematic basis over the estimated useful life of the asset (generally between 3 and 50 years) on a straight-line basis.

The unit-of-production depreciation method, based on the expected use or output as the asset is being used, can also be applied during the early stages of operation of manufacturing facilities, as a substantial period of time may be required to ramp up the production and operate at intended capacity.

Our depreciation method for each asset is applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits.

An asset's residual value and useful life is reviewed and adjusted if appropriate at each reporting date. Items of property, plant and equipment are derecognized upon disposal or when no further economic benefits are expected from their use or disposal.

Impairment testing for property, plant and equipment will be performed if an impairment trigger is identified. Gains and losses on disposals of items of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in the statement of comprehensive income when realized.

The cost of improvements to leasehold properties is amortized over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

We principally have leases for plasma centers, office buildings, land, manufacturing facilities and warehouses. Except for short-term leases and leases of low value assets, we recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Unless we are reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

We have also leased a recombinant protein facility in Lengnau to Thermo Fisher Scientific (''TFS''), which has a 20 year term with two five year extension options. The lease has been accounted for as an operating lease and the leased property, plant and equipment continue to be presented in the consolidated balance sheet.

Trade payables, accruals and other payables

Trade payables, accruals and other payables represent the notional amounts owed to suppliers for goods and services provided to us prior to the end of the fiscal year that are unpaid. Trade and other payables are non-interest bearing and have various repayment terms but are usually paid within 30 to 60 days of recognition.

Other financial assets

Other financial assets includes equity securities (publicly traded securities) carried at fair value through other comprehensive income, which are not held for trading. The value of the publicly traded securities depends on the share price quoted on the corresponding stock exchange. Other financial assets also includes investments in venture funds which are not publicly traded carried at fair value through the profit or loss. The value of the venture funds depends on the net asset value of the underlying investments and not directly on a share index.

Contingent assets and liabilities

Litigation – In the ordinary course of business, we are exposed to contingent liabilities related to litigation for breach of contract and other claims. Contingent liabilities occur when the possibility of a future settlement of economic benefits is considered to be less than probable but more likely than remote. If the expected settlement of the liability becomes probable, a provision is recognized. Where appropriate, contingent liabilities are recognized at fair value on acquisition date in connection with a business combination.

Other contingent assets and liabilities –We have entered into collaboration arrangements including in-licensing arrangements with various companies. Such collaboration agreements may require us to make payments on achievement of stages of development, launch or revenue milestones and may include variable payments that are based on unit sales or profit (e.g., royalty and profit share payments). The amount of variable payments under these arrangements are inherently uncertain and difficult to predict given the direct link to future sales, profit levels and the range of outcomes.

We also have certain take or pay arrangements with contract manufacturers or service providers which serve as commercial manufacturers and suppliers for certain products. To the extent a commitment is determined to be onerous, these are provided for within provisions in our consolidated balance sheet.

Key judgments and estimates – A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of uncertain future events not wholly within the control of us. A contingent liability may also be a present obligation arising from past events but is not recognized on the basis that a future settlement of economic benefits is not probable. If the expected settlement of the liability becomes probable, a provision is recognized. The outcomes of litigation are inherently difficult to predict, and judgement has been applied in assessing the likely outcome of legal claims and determining which claims require recognition of a provision or disclosure of a contingent liability.

Contingent liabilities are recognized at fair value within provisions on acquisition date in connection with a business combination after consideration of a range of possible outcomes unless the economic outflows are not possible. A number of pending legal matters have been identified from the acquisition of CSL Vifor, which include matters relating to intellectual property, contractor, competitor and regulatory disputes, product liability claims and various other matters.

We have recorded such contingent liabilities at fair value on the date of the Vifor acquisition, which requires the use of significant judgements, estimates and assumptions and is subject to uncertainty. The key estimates that may have a significant impact on the estimated contingent liability in the future reporting periods include the timing and final amounts of any payments. These uncertainties can also cause reversals in previously recognized liabilities once final settlement is reached.

Regulation

Overview

We are subject to extensive regulation by government authorities in the countries in which we do business. This includes laws and regulations governing pharmaceutical companies, such as the approval, manufacturing and marketing of products, pricing (including discounts and rebates) and health information privacy, among others. These laws and regulations may require administrative guidance for implementation, and a failure to comply could subject us to legal and administrative actions. Enforcement measures may include substantial fines and/or penalties, orders to stop noncompliant activities, criminal charges, warning letters, product recalls or seizures, delays in product approvals, exclusion from participation in government programs or contracts as well as limitations on conducting business in applicable jurisdictions and could result in harm to our reputation and business. Compliance with these laws and regulations requires significant technical expertise and capital investment. While capital expenditures or operating costs for compliance with government regulations cannot be predicted with certainty, we do not currently anticipate they will have a material effect on our capital expenditures or competitive position.

Set forth below is an overview of the key regulatory regimes in the U.S., the EU, the U.K., China and Australia. We also conduct similarly regulated activities outside these jurisdictions where we are subject to similarly extensive laws, regulations and risks. The discussion below is neither a comprehensive summary of these regimes, nor is it a complete list of the laws and regulations that apply to us.

Plasma collection

We collect plasma at centers located in the U.S. and its territories, Germany, Hungary and China. Collection centers are subject to periodic inspections by regulatory authorities, which if noncompliance is alleged, may result in fines, citations, the temporary closing of the centers, loss or suspension of licenses, and/or recall of finished products. In the U.S., the FDA requires a licensing and certification process for each plasma collection center prior to opening and conducts periodic inspections of facilities and processes. Many U.S. states also regulate plasma collection, imposing similar obligations and additional inspections and audits. In Germany, CSL Plasma centers are inspected and certified by the Health Authority in the federal state the plasma center is located (“HA”), which regularly involve members of the competent federal authority (Paul-Ehrlich Institute (“PEI”)) as experts, and in Hungary by the National Public Health Center (“ANTSZ”). In China, the National Health Commission oversees the overall planning and allocation of plasma collection centers based on the demand of manufacturers, in conjunction with provincial authorities who issue plasma collection permits.

CSL Plasma exceeds industry and global government regulations, which apply both to plasma collection and product manufacturing, and periodic audits ensure continued compliance.

In the U.S., CSL Plasma also participates in the National Donor Deferral Registry (“NDDR”). Developed by the Plasma Protein Therapeutic Association (“PPTA”), the NDDR is a nationwide database of plasma donors who have been permanently deferred from donating plasma. By excluding previously deferred plasma donors, this system further ensures the safety of plasma and plasma products. In addition, the Hungarian National Blood Transfusion Service (“HNBTS”) is developing a National Cross Donation Registry (“NCDR”) specifically for Hungary. Validation of the database is in progress and the CSL Plasma team in Hungary is cooperating with the Hungarian authorities to plan and execute the implementation of the register. There is no definite deadline for the implementation.

In the EU, the European Commission proposal from July 2022 for a new EU Regulation on substances of human origin (“SoHO”) is expected to be formally adopted by the European Parliament and the Council during the first quarter of 2024. Subsequent to the trialogue negotiations with the Council and Commission, the European Parliament’s Environment and Health (ENVI) Committee voted on February 14, 2024 in favor of adopting new rules on SoHO. Since no further debates or changes are expected, the SoHO’s entry into force, following plenary adoption and publication of the final legislation in the EU Official Journal in spring 2024, is now intended for 2026 - 2027. This new Regulation will set a relevant framework for plasma collection and fractionation for manufacturing plasma derived medicinal products (“PDMPs”), including provisions on plasma and donor safety and quality standards, and should complement and support ongoing efforts from EU national authorities to increase plasma donations and plasma availability for manufacturing PDMPs. More specifically, the legislation keeps the current level of discretion for national authorities to compensate donors and clarifies that fixed-rate

payments are permissible. In addition, the final text provides for a strict framework for advertising and awareness campaigns, on the grounds of protecting donors' health. Initial suggestions related to potential restrictions of imports of remunerated plasma from third countries, mandatory price disclosure for PDMPs or a specifically PDMPs related obligation to supply have not been included in the final text; however, associated topics may be discussed under the umbrella of donor safety and promoting self-sufficiency in the EU on a Member State level, which are the general principles overarching the SoHO Regulation. Developments will be monitored from the date of entry into force of the SoHO Regulation.

Product development and marketing approval

U.S. regulations

In the U.S., the FDA regulates drugs under the *Federal Food, Drug, and Cosmetic Act of 1938* and its implementing regulations. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant to a variety of administrative or judicial sanctions, such as the FDA's refusal to approve pending New Drug Applications (''NDAs'') or Biologic License Applications (''BLAs'') (to date, the FDA has approved all of our drug products pursuant to a BLA), withdrawal of an approval, imposition of a clinical hold, issuance of warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties.

The process required by the FDA before a drug may be marketed in the U.S. generally involves the following:

- completion of preclinical laboratory tests, animal studies and formulation studies in compliance with the FDA's good laboratory practice (''GLP'') regulations;
- submission to the FDA of an ''Investigational New Drug Application'', which must become effective before human clinical trials may begin;
- approval by an independent institutional review board at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with good clinical practice (''GCP'') requirements to establish the safety and efficacy of the proposed drug product for each indication;
- submission to the FDA of a New Drug Application (''NDA'') or Biologic License Application (''BLA'');
- satisfactory completion of an FDA advisory committee review, if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product is produced to assess compliance with current good manufacturing practice (''cGMP'') requirements and to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity;
- FDA review and approval of the NDA or BLA, including consideration of the views of any FDA advisory committee, prior to commercial marketing or sale of the drug in the U.S.; and
- compliance with any post-approval requirements, including the potential requirement to implement a ''Risk Evaluation and Mitigation Strategies'' program or to conduct a post-approval study.

Assuming successful completion of the required clinical testing, the results of the preclinical and clinical studies, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of an NDA or BLA requesting approval to market the product for one or more indications. The FDA may request additional information rather than accept an NDA or BLA for filing. Under the *Prescription Drug User Fee Act* guidelines that are currently in effect, the FDA has a goal of ten months from the date it accepts the filing to review a standard NDA or BLA and act on the submission. The FDA reviews an NDA or BLA to determine, among other things, whether the drug is safe and effective and whether the facility in which it is manufactured, processed, packaged or held meets standards designed to assure the product's continued safety and quality.

Once the application is submitted, the FDA assigns reviewers from its staff, including experts in biopharmaceutics, chemistry, clinical microbiology, pharmacology/toxicology, and statistics. After a complete review, these content experts then provide written evaluations of the NDA or BLA. These recommendations are consolidated and are used by senior FDA staff in its final evaluation of the NDA or BLA. Based on that final evaluation, the FDA then provides the NDA or BLA's sponsor an approval, or a complete response letter if the NDA or BLA application is not approved. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. If not approved, the complete response letter will state the specific deficiencies in the NDA or BLA which need to be addressed. The sponsor must then submit an adequate response to the deficiencies in order to restart the review procedure. Once the FDA has approved an NDA or BLA, the company can make the new drug available for physicians to prescribe. The drug owner must submit periodic reports to the FDA, including any cases of adverse reactions.

The testing and approval processes require substantial time, effort and financial resources, and each may take several years to complete. Data obtained from clinical activities are not always conclusive and may be susceptible to varying interpretations which could delay, limit or prevent regulatory approval. The FDA may not grant approval on a timely basis or at all. We may encounter difficulties or unanticipated costs in our efforts to secure necessary governmental approvals, which could delay or preclude us from marketing our products. The FDA may limit the indications for use or place other conditions on any approvals that could restrict the commercial application of the products. For some medications, the FDA may limit the approved indications for use of the product and, require that contraindications, warnings or precautions be included in the product labeling.

After regulatory approval of a product is obtained, we are required to comply with a number of post-approval requirements. For example, as a condition of approval of an NDA or BLA, the FDA may require post-marketing testing and surveillance to monitor the product's safety or efficacy. In addition, holders of an approved NDA or BLA are required to keep extensive records, to report certain adverse reactions and production problems to the FDA, to provide updated safety and efficacy information and to comply with requirements concerning advertising and promotional labeling for their products. Additionally, some types of changes to the approved product, such as adding new indications, manufacturing changes, and additional labeling claims, are subject to further testing requirements and FDA review and approval.

Generic drug approvals and changes to drugs that have already been approved are subject to a detailed regulatory scheme pursuant to the *Hatch-Waxman Act of 1984*. Applicants seeking approval of a generic drug typically do so through the abbreviated new drug application (''ANDA''), which relies in whole or in part on the FDA's prior approval of another company's drug product. However, if the original drug or its use is covered by patents, generic marketing approval is effective only after patent protection has expired or if the ANDA applicant certifies that the new product will not infringe the patent of the original drug of the branded manufacturer, or that such patents are invalid (a paragraph IV certification). Once the ANDA application has been accepted for filing by the FDA, the ANDA applicant must also send notice of the paragraph IV certification to the patent and NDA holders, who may then initiate a patent infringement lawsuit in response to the notice. The *Hatch-Waxman Act* provides for a potential 180-day period of generic exclusivity for the first company to submit an ANDA with a paragraph IV certification.

Pharmaceutical companies that have received an FDA approved NDA for a new chemical entity (''NCE'') receive a five-year period of marketing exclusivity during which the FDA cannot approve any application seeking approval of a generic version of that drug. Additionally, the FDA may not license a biosimilar or interchangeable biological product until 12 years after the date on which the reference biological product was first licensed by the FDA. A NCE is a drug that contains a drug substance or an active ingredient that has not been previously approved by the FDA. In case a drug does not qualify as an NCE, certain changes to a drug, if supported by clinical studies essential to the approval conducted or sponsored by the applicant, can secure a three-year period of marketing exclusivity, during which the FDA cannot approve an application for a generic drug that includes the same change. The *Orphan Drug Act of 1983* grants seven years of exclusive marketing rights to a specific drug for a specific orphan indication. The term ''orphan drug'' refers, generally, to a drug that treats a rare disease affecting fewer than 200,000 Americans. Market exclusivity provisions are distinct from patent protection and apply equally to patented and non-patented drug products.

EU regulations

Like the U.S., the EU generally requires both non-clinical and clinical data to support a marketing authorization application for a pharmaceutical product. The conduct of non-clinical and clinical studies is carefully regulated under a number of European directives and regulations and corresponding EU Member State national laws. To the extent that non-clinical research is conducted on animals, the person conducting such research and the research project itself must be authorized by a relevant competent authority, and the establishment where the animal research takes place must also be compliant with the relevant legislation. Before commencement of a clinical trial, the sponsor must obtain authorization from the competent authority/ies in the Member State(s) in which the trial will be conducted. A positive opinion issued by a competent national ethics committee in each of the relevant Member States is an additional pre-requisite to commencing a trial. The European clinical trial legislation also imposes requirements regarding the conduct of the trial itself (which must be conducted in accordance with GCP to generate data acceptable for marketing authorization submission) and safety reporting of adverse events and reactions among other matters. If clinical trials are conducted outside of the EU, they must likewise follow the principles set out in the European legislation if their results are to be submitted in an application for marketing authorization in the EU in order for the data they generate to be accepted. These requirements also apply to bioavailability studies conducted to demonstrate acceptable bioequivalence of generic drugs to innovator products.

The marketing approval process for new pharmaceuticals is comprehensively regulated at both the EU level and the national level in each Member State. There are three main procedures for an application for marketing authorization. First, the ''Centralized Procedure'' is used by the EMA and is mandatory for several therapeutic fields of high medical need such as oncology and biotechnology. In addition, there are the Mutual Recognition Procedure and the Decentralized Procedure, which are both used by Member State national authorities. Under all of the European marketing authorization procedures, the applicant must submit a dossier containing, among other items, data demonstrating the safety, quality and efficacy of the pharmaceutical product.

In the Centralized Procedure, after the dossier is submitted to the EMA, the Committee for Medicinal Products for Human Use (''CHMP'') carries out a scientific evaluation. The CHMP opinion is then transmitted to the European Commission for its opinion, which, if also favorable, results in a binding decision for marketing authorization in all Member States. The Mutual Recognition Procedure and the Decentralized Procedure each aim at facilitating access to the EU single market by relying upon the principle of mutual recognition. Thus, a marketing authorization or the assessment in one EU Member State ought in principle to be recognized by the competent authorities of the other EU Member States (the ''concerned EU Member States''). Under the Mutual Recognition Procedure, a marketing authorization granted in one Member State can be recognized in other Member States whereas under the Decentralized Procedure, a drug product that has not yet been authorized in the EU can be simultaneously authorized in several Member States unless there are grounds for believing that the authorization of the pharmaceutical may present a potential serious risk to public health. Under each procedure, if the application is successful, the concerned EU Member States grant a national marketing authorization for the product. Finally, a company that wishes to license a product in just one Member State may proceed to obtain only a national license under applicable national law.

Simplified procedures apply with regard to the approval of European imports and generics, *i.e.*, drugs which have the same qualitative and quantitative composition in terms of active substance and the same pharmacological form as those of a drug that has already been approved (the ''Reference Medicinal Product''). For the approval of generics, the results of pre-clinical (*i.e.*, pharmacological and toxicological) tests and clinical trials which are normally required to assess the quality, safety and efficacy of a drug before it can be authorized and marketed are replaced by proof of therapeutic equivalence (bio-equivalence) based on appropriate bioavailability studies to the Reference Medicinal Product (guidelines may provide that bioavailability studies may not be required).

The EMA's Pharmacovigilance Risk Assessment Committee (''PRAC'') is responsible for reviewing and making recommendations on product safety issues. ''Pharmacovigilance'' refers to the activities relating to the detection, assessment, understanding and prevention of adverse effects or any other medicine-related problem. Per pharmacovigilance obligations, a marketing authorization holder as well as co-distributors must record all suspected adverse reactions in the EU or in countries outside of the EU which are brought to its attention and report such information via the centralized EudraVigilance database. The marketing authorization holder must

also submit periodic safety updates to the EMA regarding the benefits and risks of the pharmaceutical product. Additionally, the marketing authorization holder must have permanently and continuously at its disposal an appropriately qualified person responsible for pharmacovigilance who resides in the EU.

In order to obtain orphan designation in the EU (similar criteria under U.K. law), the product must fulfill certain challenging criteria. Under Article 3 of *Regulation (EC) 141/2000*, a medicinal product may be designated as an orphan medicinal product if it meets the following criteria: (1) such product is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition where the prevalence of such condition is not more than five in 10,000 persons in the EU when the application is made, or (2) such product is intended for the diagnosis, prevention or treatment of a life-threatening, seriously debilitating or serious and chronic condition for which, absent the benefits derived from orphan status, it is unlikely that the marketing of the medicine would generate sufficient return in the EU to justify the investment needed for its development; and (3) there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the EU or if such a method exists, the product will be of significant benefit to those affected by the condition. Terms as used in the designation criteria detailed, including the definition of the prevalence criteria, the potential return on investment, the existence of other methods of diagnosis prevention or treatment, or what constitutes a significant benefit are, among others, defined in *Regulation (EC) 847/2000*. Once it is established that a product meets the designation criteria, it shall be entered in the Community Register of Orphan Medicinal Products. In the EU, the orphan designation does not mean that the product will automatically retain the orphan designation until the time the marketing authorization for the designated product is granted. A designated orphan medicinal product can be removed from the Community Register of Orphan Medicinal Products in case it is established before the grant of the marketing authorization that the designation criteria are no longer met for the product designated as orphan.

The ten-year period of market exclusivity in the EU, prohibiting acceptance of applications, grant of marketing authorization or extensions of marketing authorizations in respect of similar medicinal products with the same therapeutic indication, can be extended by a further two years if an agreed pediatric investigation plan has successfully been completed for the product and a statement indicating compliance with the agreed completed pediatric investigation plan has been added to the marketing authorization for the product, but can be reduced to a period of six years if the orphan designation criteria are no longer met after the fifth year. Market exclusivity does not apply in case (1) the marketing authorization holder of the original orphan designated product has given consent to the subsequent applicant for a marketing authorization, (2) the marketing authorization holder is unable to assure sufficient quantity of the product to meet the needs of patients with the rare disease or condition, or (3) the subsequent applicant can establish that the second medicinal product, despite similarity to the first product, is safer, more effective or otherwise clinically superior.

On April 26, 2023, the EU Commission adopted a proposal for a new Directive and a new Regulation. If made into law, this proposal will revise and largely replace the existing general pharmaceutical legislation and will affect, among other things, the existing period of regulatory data protection afforded to medicinal products.

U.K. regulations

Upon the U.K.'s withdrawal from the EU, the U.K. incorporated certain EU legislation into U.K. law. New legislation made at an EU level will generally not apply in the U.K., although some new EU legislation will apply in Northern Ireland, subject to the Northern Ireland Protocol (''NI Protocol''). As a consequence of the U.K. leaving the EU, the U.K. national competent authority, the Medicines and Healthcare Products Regulatory Agency (''MHRA'') is no longer bound by new decisions of the European Commission. That said, the current U.K. regulatory framework in relation to clinical trials is derived from a pre-existing European directive. This European directive has since been replaced by a new regulation, which will not apply in Great Britain. Parts of this new European regulation will continue to apply in Northern Ireland (until December 31, 2024; see below). U.K. regulations may continue to diverge from the EU framework (subject to the NI Protocol) to maintain regulatory flexibility going forward. Any changes impacting the ability to conduct trials spanning several EU countries and the U.K. will need to be closely monitored. The U.K. legislation governing the grant of Great Britain marketing authorizations is still broadly aligned with the EU legislation for the time being in terms of application requirements, regulatory incentives etc., although there are some procedural differences (as noted below).

A separate marketing authorization will be required to market medicinal products in Great Britain. New approvals under the EU Centralized Procedure will continue to apply in Northern Ireland. A U.K. marketing

authorization granted by the MHRA can permit the sale or supply of a product in Great Britain, Northern Ireland or in both territories. For two years from January 1, 2021, in relation to Great Britain marketing authorizations, the MHRA may adopt decisions taken by the European Commission on the approval of new marketing authorizations through the EU Centralized Procedure. The MHRA may also rely on marketing authorizations approved in an EU Member State through the decentralized and mutual recognition procedure when granting U.K. or Great Britain marketing authorizations (although in both cases a marketing authorization will only be granted if any Great Britain-specific requirements are met); this possibility is now incorporated under the umbrella of the International Recognition Procedures (described below). Various national procedures are now available to place a medicine on the market in the U.K., including Northern Ireland, with the accelerated national procedure having a maximum timeframe of 150 days (excluding time taken to provide any further information or data required).

The MHRA launched the Innovative Licensing and Access Pathway (''ILAP'') in 2021. ILAP is an accelerated assessment procedure that enables developers with innovative or repurposed products to enter the U.K. market faster. Obtaining an ''Innovation Passport,'' with an associated product-specific Target Development Profile, is the starting point to enter the ILAP. The evidence that a product fulfils the criteria can be derived from non-clinical data.

On January 1, 2024, the MHRA launched an International Recognition Procedure for Great Britain marketing authorization applications whereby the MHRA will, when considering these applications, recognize the approval of medicines by trusted reference regulators in Australia, Canada, Switzerland, Singapore, Japan, U.S. and EU/EEA, following its own assessment. This Procedure can also be used throughout the product lifecycle for post-authorization procedures.

The regulatory data exclusivity and market protection periods in the U.K. are currently in line with those in the EU, as are the orphan drug market exclusivity periods, but the EU – U.K. Trade and Cooperation Agreement provides that the periods for both data and market exclusivity are to be determined by domestic law, so there could be divergence in the future, and indeed there is an ongoing legislative proposal which is likely to result in extensive changes to the EU framework (as part of the ''pharmaceutical strategy'' legislative revision).

The U.K. Government and the EU recently adopted a new agreement, the ''Windsor Framework,'' which will replace the NI Protocol. According to the Windsor Framework, medicinal products intended for the U.K. market including Northern Ireland will be authorized by the MHRA; and will bear a ''U.K. only'' label. This means that medicinal products placed on the market in Northern Ireland will no longer need to be compliant with EU law. These new measures will be implemented from January 1, 2025.

Following the U.K.'s withdrawal from the EU, a national Conditional Marketing Authorization scheme for new medicinal products in Great Britain was introduced by the MHRA, effective from January 1, 2021. The scheme has the same eligibility criteria as the preceding EU scheme and is intended for medicinal products that fulfill an unmet need (such as products treating serious and life-threatening diseases where no satisfactory treatment methods are currently available). The MHRA may grant a Conditional Marketing Authorization where comprehensive clinical data is not yet complete, but it is judged that such data will become available soon. In addition, the MHRA may grant a Great Britain marketing authorization under exceptional circumstances where it is not possible for the applicant to provide comprehensive data on the efficacy and safety under normal conditions of use, because the condition to be treated is rare or because collection of full information is not possible or is unethical (so aligned with this possibility in the EU).

The MHRA also operates schemes to promote early access to medicines for life threatening or seriously debilitating conditions. The early access to medicines scheme (''EAMS'') aims to give patients with life threatening or seriously debilitating conditions access to medicines that do not yet have a marketing authorization when there is a clear unmet medical need. Under the scheme, the MHRA will give a scientific opinion on the benefit/risk balance of the medicine, based on the data available when the EAMS submission was made. This scientific opinion will include a designation that a product is a promising innovative medicine (''PIM''). This designation will give an indication that a product may be eligible for the EAMS based on early clinical data. The PIM designation will be issued after an MHRA scientific meeting. The PIM designation and EAMS do not replace the normal licensing procedures for medicines in the U.K., meaning that PIM designation could be given several years before the product is licensed.

Chinese regulations

The Drug Administration Law of the People's Republic of China (the ''DAL'') is the national law that lays out the overall regulatory framework for the industry, regulating research, development, manufacturing, distribution, packaging, pricing, and advertising activities related to medicine products, as well as entities and individuals engaged in those activities. The DAL authorizes the State Council and the National Medicine Products Administration (''NMPA'') to develop implementing rules for various subject matters under the DAL.

The NMPA requires preclinical data to support registration applications for drugs. Preclinical work, including safety assessment studies, must meet the GLP standards. No NMPA approval is required to conduct preclinical studies. Prior to engaging with the NMPA on research, development and approval, the drug candidate needs to be categorized for registration purposes, which will be confirmed with the NMPA. The applicable category will determine requirements for the drug's clinical trial and marketing authorization application.

All clinical trials conducted in China for the purpose of seeking marketing approvals must be approved by the NMPA and conducted at medical institutions satisfying GCP requirements. The materials required for applying for the Clinical Trial Approval (''CTA'') and the data requirements for the CTA are determined by the registration category of the drug candidate. An implied approval system has been adopted for CTAs. Sponsors can proceed with clinical trials if, after 60 business days, the applicant has not received any objections from the Center for Drug Evaluation of NMPA (''CDE''). The NMPA has taken steps to increase efficiency for approving CTAs, and increased monitoring and enforcement of GCP, including conducting on-site inspections, to ensure data integrity.

Clinical trials conducted in China must be registered and published through the Drug Clinical Trial Information Platform (http://www.chinadrugtrials.org.cn). Applicants are required to pre-register the trial information within one month after obtaining the clinical trial approval to obtain the trial's unique registration number and to complete registration of certain follow-up information before the first subject's enrollment in the trial. Clinical trials sponsored by foreign companies (including their China affiliates) are now subject to an extra layer of approval by the Human Genetic Resources Administration of China (''HGRAC''), in addition to the CTA issued by the NMPA, to the extent Chinese patient biological samples are collected and used in such trials.

The Regulation on the Administration of Human Genetic Resources published in 2019 and the Implementation Rules for the Regulations on the Management of Human Genetic Resources published in 2023 (''HGR Regulations''), regulate collection, preservation, utilization and cross-border transfer of Chinese human genetic resources (''HGR'') and data derived therefrom. HGR information of the HGR Regulations include human gene and genome data, as well as other information and data generated utilizing human genetic resource materials excluding clinical data, imaging data, protein data, or metabolic data. The collection or preservation of China's HGR within China or the provision of China's HGR to overseas recipients must be carried out by Chinese scientific research institutions, institutions of higher learning, medical institutions, or enterprises (hereinafter collectively referred to as the ''Chinese Entity''). An institution established in Hong Kong or Macau that is actually controlled by Chinese capital is regarded as a Chinese Entity. Overseas organizations or institutions established or actually controlled by any overseas organization or individual (collectively, the ''Foreign Entity''), as well as any overseas individual, are prohibited from collecting or preserving China's HGR, and is prohibited from providing China's HGR to any overseas recipient. A Foreign Entity seeking access to China's HGRs for clinical trials of drugs and medical devices in China must do so only through collaborations with Chinese parties, i.e., Chinese hospitals, and approved by HGRAC. The provision or availability of China's HGR information to any Foreign Entity requires prior approval of the Ministry of Science and Technology (''MOST'') and submission of a backup of the information to the MOST, along with a statement of the purpose of the provision of the China HGR, a description of the HGR to be provided, basic information of the Foreign Entity who is receiving the HGR information, and a risk assessment of the potential risks in the provision or availability of the China HGR to the Foreign Entity.

The NMPA may be flexible on accepting foreign clinical data to fully or partially exempt local clinical trials in China. In 2018, the NMPA issued the Technical Guidance Principles on Accepting Foreign Drug Clinical Trial Data (the ''Guidance Principles''), based on which the NMPA may approve an imported drug fully or partially in reliance on foreign clinical data, depending upon to what extent the foreign clinical data can support the NMPA's evaluation on product safety and efficacy, in particular, whether there exist any ethical factors that may affect

drug safety and efficacy in Chinese populations. Upon completion of clinical trials, a sponsor may submit clinical trial data to support the NMPA's issuance of marketing authorization to the drug. Upon its review and approval, the NMPA will issue a drug registration certificate to the applicant, which is in fact the marketing authorization of the drug in China.

The DAL introduced the Marketing Authorization Holder (''MAH'') system, which generally allows the MAH to manufacture its drugs by itself or by a Contract Manufacturing Organization (''CMO''). Subject to approval by the NMPA, a MAH may transfer its marketing authorizations to a third-party. However, blood products, vaccines and other drugs under special regulations cannot be manufactured by a CMO. MAHs are required to establish a quality assurance system and be responsible for the whole process and all aspects of preclinical research, clinical trials, manufacturing and distribution, post-marketing research, adverse drug reaction monitoring and reporting. A foreign MAH is required to engage a local agent to fulfill the MAH's obligations and to be jointly liable with the foreign MAH for the latter's responsibilities under the DAL.

Under the DAL, the MAH is ultimately responsible for pharmacovigilance, including, in particular, establishing pharmacovigilance systems, adverse reaction reporting and monitoring, and product recalls. Distributors and medical institutions are also required to report, in their respective roles, adverse drug reactions that come to their knowledge and assist the MAH in implementing product recalls.

In addition to the DAL and general NMPA regulations, the Regulations on Administration of Blood Products and the Measures for the Administration of Plasmapheresis Centers are the major regulations in China for plasma derived therapies. Under these regulations, blood products (except for human albumin) are prohibited from being imported into China.

Australian regulations

In Australia, the TGA, which is part of the Federal Government Department of Health and Aged Care, is the relevant regulatory authority. The TGA is responsible for regulating the supply, import, export, manufacture and advertising of therapeutic goods in Australia. The governing legislation under which the TGA operates includes the *Therapeutic Goods Act 1989* (Cth) (''TG Act'') and related instruments. The TGA regulates therapeutic goods through pre-market assessment, post-market monitoring and enforcement of standards, licensing of Australian manufacturers and verifying overseas manufacturers' compliance with the same standards as their Australian counterparts. The TGA takes a 'risk-based' approach to regulating therapeutic goods, designed to ensure that stringent regulation is only used where needed. The identified level of risk associated with the use of a therapeutic good determines the amount and type of information required for submission for approval, the degree of scrutiny necessary before the product can be made available in Australia, and the level of safety monitoring once it is available.

Under the TG Act, all drugs being imported into, supplied in, or exported from Australia must be included in the Australian Register of Therapeutic Goods (''ARTG''), unless an exemption applies. Higher risk medicines must be *registered* on the ARTG, which involves a comprehensive assessment by the TGA of the quality, safety and effectiveness of the product. Lower risk medicines that contain pre-approved, low-risk ingredients and that make limited claims can be *listed* on the ARTG and are assessed by the TGA for quality and safety but not efficacy.

There are limited pathways under the TG Act and related instruments via which unapproved medicines may be lawfully supplied in Australia. The Clinical Trial Notification (''CTN'') and CTA schemes provide two of those avenues for supply. Clinical trials conducted using unapproved therapeutic goods (i.e. goods that are not included on the ARTG) are required to make use of the CTN or CTA schemes. Under the CTN scheme, scientific and ethical review is provided by a human research ethics committee (''HREC''), with subsequent notification to the TGA. In the CTA scheme, the TGA has a direct role in the review of trial scientific data and must give an 'approval' for the proposed trial program to go ahead. HREC review is also still required. Clinical trials that do not include an unapproved therapeutic good are not regulated by the TGA, however all proposals to conduct clinical trials in Australia do require ethical review and approval by an HREC.

Other pathways for accessing unapproved medicines in Australia include the Special Access Scheme, the Authorised Prescriber Scheme and the Personal Import Scheme, all of which are regulated by the TGA under the TG Act.

For a therapeutic good to be registered in the ARTG following completion of pre-clinical, clinical and formulation studies in compliance with internationally recognized standards of GCP and other applicable ethics standards, a sponsoring company must lodge an application with the TGA. The regulatory process for evaluation of a prescription medicine consists of eight phases, allowing effective planning and tracking by the TGA:

1) **Pre-submission** by lodging a pre-submission planning form providing the TGA with the necessary information on the scope and scale of an application, including the proposed application type and general information about the quality and non-clinical and clinical evidence to be included in the dossier;

2) **Submission** of an application to register on the ARTG accompanied by an application dossier in common technical document format containing clinical and non-clinical data that supports the safety, quality and efficacy of the product, copies of all labelling, product information and consumer medical information documents (where relevant) and other administrative information;

3) **First round assessment** by evaluators considering all data provided in the dossier;

4) **Consolidated section 31 request response** if there are issues or questions about any component of the application during phase 3 that have not been resolved via informal correspondence between the sponsor and the TGA delegate;

5) **Second round assessment** considering the response provided by the applicant to the section 31 request (if applicable);

6) **Expert advisory review** whereby the TGA delegate may seek independent advice on issues concerning the application (including from the Advisory Committee on Vaccines for registration of vaccines);

7) **Decision** of the TGA delegate to approve (or modify or vary) or reject the application; and

8) **Post-decision** phase to complete administrative and regulatory activities, including registration on the ARTG.

The registration process in Australia is designed to take, on average, 330 calendar days (11 months), however this may vary depending on the type of application and the extent of planning and applicant activity required.

The TGA monitors the safety of medicines following inclusion on the ARTG. Post-market surveillance includes engaging in activities to identify and investigate safety signals, communication to healthcare professionals and consumers and appropriate regulatory action where required, such as suspending or cancelling registration, or narrowing the population in which the medicine can be used. The TGA monitors the safety of medicines via risk management plans submitted by sponsors, adverse event reports through a pharmacovigilance system very similar to that of the EMA in Europe, reviews of published literature and sharing with other regulatory agencies.

Manufacturing

We manufacture our products in advanced facilities in the U.S., EU, U.K., China and Australia under stringent, controlled conditions. Each step of the manufacturing process contributes to the safety of the products. We comply with all government regulations set forth by the countries in which we manufacture and market products.

We market, among other products, biologics that are derived from biological sources (e.g., from human plasma or from cell lines genetically engineered to produce a specific protein). Unique requirements apply specifically to biologics. For example, in order to minimize the risk of infectious disease transmission, human plasma derived products require donor screening and plasma testing, as well as multiple manufacturing steps designed to remove viruses and other infectious agents. Biological products are chemically complex, often depending on a precise structure for their effectiveness (e.g., the specific folding of a molecule). Regulations require us to subject these products to rigorous testing to ensure stability throughout their shelf life. Because biological products cannot withstand conventional sterilization techniques, we must use special processes to ensure sterility. Under applicable regulatory requirements, we must submit detailed documentation to demonstrate appropriate controls over our manufacturing facilities, including associated equipment and supporting utilities such as water supply and climate control.

U.S. regulations

Before approving an NDA or BLA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. The FDA is also responsible for periodic inspections of production facilities and supervision of products. If the FDA finds that a manufacturer has violated FDA regulations, the FDA may issue a ''Warning Letter'' to give a drug manufacturer the opportunity to take voluntary and prompt corrective action before initiating an enforcement action. Non-compliance with and breach of official orders can result in fines, product recalls, suspension of production, import or distribution bans, suspension of NDA or BLA processing, court orders or criminal prosecution. Under certain circumstances, the FDA will revoke approvals that have already been granted.

Also, quality control and manufacturing procedures must continue to conform to cGMP regulations and practices, as well as the manufacturing conditions of approval set forth in the NDA or BLA. The FDA periodically inspects manufacturing facilities to assess compliance with cGMP, which imposes certain procedural, substantive and recordkeeping requirements. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

EU and U.K. regulations

EU regulations also require pharmaceutical products to be manufactured in accordance with the principles of GMP. There are also prescriptive requirements relating to the content and design of the packaging and labelling of pharmaceuticals. These include certain mandatory information which must be stated on the product label, packaging and patient information leaflet. The manufacturer must ensure that all manufacturing operations for pharmaceuticals subject to a marketing authorization are carried out in accordance with the information provided in the application for marketing authorization as accepted by the competent authorities. U.K. regulations mirror EU rules.

If manufacturing activity is undertaken within the EU, a manufacturing authorization from the Member State in which the manufacturing is carried out is required. This authorization must be valid for the category of products concerned and should cover the type of manufacturing activity undertaken (e.g., packaging, etc.). The holder of a manufacturing authorization is obliged to comply with the principles and guidelines of GMP for pharmaceutical products and to use as starting materials only active pharmaceutical ingredients which have been manufactured in accordance with GMP for active substances. Excipients (inactive substances) for use in drug products must also be produced in accordance with appropriate GMP to be determined following a formal risk assessment. As a matter of GMP compliance, the manufacturer must verify via site audits that suppliers and distributors of active substances are each complying with GMP and good distribution practice (''GDP'') principles. Manufacturers are subject to regular inspections by competent authorities to assess their compliance with GMP. The manufacturer must also appoint a named qualified person who is responsible for certifying that individual batches of drug product satisfy the legal requirements.

Manufacturing authorizations must be issued by the Member State authority where the manufacturing activity and plant is located and are holder and site-specific. EU Member State competent authorities may also undertake GMP inspections of manufacturers located in countries outside of the EU which are engaged in the manufacture of pharmaceutical products to be supplied in the EU. An EU-based manufacturer may only import active substances from outside the EU if the active substances have been manufactured in accordance with GMP equivalent to European GMP for active substances and if they are accompanied by a written confirmation from the competent authority of the exporting third country, which as regards the plant manufacturing the exported active substance, confirms that the standards of GMP and control of the plant are equivalent to those in the EU. If the competent authority of the exporting country does not provide sufficient written confirmations, application may instead be made to the competent authority of the manufacturer's country of residence for an inspection of the active substance manufacturer. After such an inspection, that authority can confirm compliance with European GMP and the active substance can be used for manufacture. Alternatively, active substances may be imported from countries on the white list of recognized GMP-equivalent countries operated by the European Commission. From 2019, the European falsified medicines legislation imposes additional obligations on manufacturers regarding certain safety and anti-tamper features to be included on product packaging (where required).

Following the U.K.'s departure from the EU, the ''safety features'' *Delegated Regulation (EU) 2016/161* which forms part of the EU's falsified medicines legislation no longer applies in Great Britain (England, Scotland and Wales) but still applies in Northern Ireland until December 31, 2024.

In the EU, the legal framework defining the quality and safety standards for blood and its components is set out in Directive 2002/98/EC. The Directive covers all steps in the transfusion process from donation, collection, testing, processing, storage and distribution, and will, along with *Directive 2004/23/EC* (for tissues and cells), be repealed once the SoHo Regulation referenced above enters into force. In the U.K., the manufacture of blood products is regulated under the *Blood Safety and Quality Regulations 2005*.

Australian regulations

Manufacturers must comply with the TG Act and demonstrate, during a factory audit, compliance with manufacturing principles, including the relevant codes of GMP. The *Therapeutic Goods (Manufacturing Principles) Determination 2020* (Cth) also requires therapeutic goods other than blood, blood components, hematopoietic stem cells and biologicals to be manufactured in compliance with the PIC/S Guide to Good Manufacturing Practice for Medicinal Products PE 009-15, published by the Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme (jointly referred to as PIC/S) dated May 1, 2021; therapeutic goods that are blood, blood components, hematopoietic stem cell or biologicals are required to be manufactured in accordance with applicable procedures and requirements in the Australian Code of Good Manufacturing Practice. As in other markets, there are also prescriptive requirements relating to the content and design of the packaging and labelling of pharmaceuticals. These include certain mandatory information which must be stated on the product label, packaging and patient information leaflet.

Both sponsors and manufacturers have responsibilities in relation to licensing and certification requirements. Australian manufacturers must hold a manufacturing license for any Australian manufacturing site and Australian sponsors of pharmaceuticals manufactured overseas must hold a GMP certification of the overseas manufacturer, unless it is possible to obtain GMP clearance via the Mutual Recognition Agreement (''MRA'') or Compliance Verification (''CV'') pathways. The onus is on the sponsor to ensure that GMP clearance cannot be obtained via the MRA or CV pathways before applying for GMP certification. Where GMP is recognized via one of these pathways, it may not be necessary for the TGA to inspect an overseas manufacturing site, but where there is no acceptable evidence of GMP, the TGA will inspect the manufacturing site in the country where the product is manufactured. The sponsor must also ensure ongoing monitoring of regulatory actions by overseas authorities for manufacturing sites for which they hold a GMP clearance or certification, that quality agreements are maintained with overseas manufacturers, and that the TGA is notified of any regulatory actions or significant changes to the manufacturing site or any other matters that may impact the GMP compliance of the site.

The same responsibilities and expectations apply to Australian license holders and overseas manufacturers. These broadly include compliance with local and internationally accepted principles, standards and conditions, keeping records and complying with labelling requirements, informing the TGA of any significant changes that may impact operational activities and matters relating to quality, safety or efficacy and effectively implementing corrective and preventative actions as agreed with the TGA. License holders must display publicly at the premises a copy of the license and any relevant conditions and submit a variation application with the TGA in the event of any intended changes to manufacturing steps or the schedule of conditions. Manufacturers are also responsible for making personnel, records and facilities available for inspection by the TGA and providing site access to the TGA at any reasonable time. The TGA applies a risk-based approach to determine the frequency at which a local manufacturer should be inspected, included unannounced inspections.

Chinese regulations

Companies that conduct drug manufacturing activities in China must receive a drug manufacturing license (''DML'') from the provincial agencies of the NMPA, and the DML is dedicated to the manufacturing facilities with specific ''scope of manufacturing''. The DML is subject to renewal every five years; the DML holders are required to comply with China's GMP for the manufacturing activities and are subject to GMP inspections by the NMPA and its local agencies from time to time. In addition, a local MAH in China is also required to have a DML, even though it may engage a CMO for manufacturing. Furthermore, vaccine, blood products and some other biologicals are subject to a batch release requirement imposed by the NMPA, which means the products are subject to NMPA designated testing and inspection before being released for importation or sales in China.

Other manufacturing regulations

Globally, there are numerous pieces of legislation that regulate workplace health and safety. Despite the different legislative regimes applicable in the jurisdictions in which we operate, there are broad similarities in the nature of the obligations imposed. These obligations include a requirement for business operators to ensure, so far as is reasonably practicable, the health and safety of employees (as well as contractors and their employees) by providing a safe work environment, safe systems of work, training and supervision. The penalty imposed for breaching health and safety obligations varies across jurisdictions. The relevant court or regulator will usually decide the penalty after considering the particular circumstances, which can include the seriousness of the offense, the consequences of the offense, the degree of culpability of the alleged offender, and any relevant compliance history. The consequences to us of breaching applicable health and safety legislation may include: (i) investigation, prosecutions and financial penalties; (ii) notices prohibiting unsafe activities or requiring improvements; (iii) increased operating and compliance costs; and (iv) increased workers' compensation insurance premiums.

Pricing and reimbursement

Pricing and reimbursement in the U.S.

In the U.S., pricing and reimbursement for our products depend in part on government regulation. In order to have our products covered by Medicaid, we must offer discounts or rebates on purchases of pharmaceutical products under various federal and state programs. We also must report specific prices to government agencies. The calculations necessary to determine the prices reported are complex and the failure to do so accurately may expose us to enforcement measures. A majority of states use preferred drug lists to manage access to pharmaceutical products under Medicaid, including some of our products. For example, access to our products under the Medicaid and Medicare managed care programs typically is determined by the health plans with which state Medicaid agencies and Medicare contract to provide services to beneficiaries. States seek to control healthcare costs related to Medicaid and other state healthcare programs, including the implementation of supplemental rebate agreements under the Medicaid drug rebate program tied to patient outcomes. In addition, we expect that consolidation and integration among pharmacy chains, wholesalers and pharmacy benefit managers will increase pricing pressures in the industry.

Government and private payers routinely seek to manage utilization and control the costs of our products, and there is considerable public and government scrutiny of pharmaceutical pricing. For example, payers may implement a ''step-edit,'' where they require a potential patient to try and fail on a less expensive therapy before agreeing to pay for a newer, more innovative therapy. Additionally, efforts by states and the federal government to regulate prices or payment for pharmaceutical products, including proposed actions to facilitate drug importation, limit reimbursement to lower international reference prices, require deep discounts, and require manufacturers to report and make public price increases and sometimes a written justification for the increase, could adversely affect our business if implemented. States have also begun to implement laws that provide for administrative processes to review high-cost drugs, commonly called ''Prescription Drug Affordability Boards'' (''PDABs''). The most onerous versions of PDAB legislation set price controls for particularly expensive medications. These boards may also investigate abrupt price increases and act to counterbalance them. In the Fall of 2020, the Trump Administration finalized rules creating an importation pathway from Canada and a payment model to tie Medicare Part B physician reimbursement to international prices. In January 2024, the FDA approved Florida's plan to import drugs from Canada, and other states have submitted plans to FDA for review. In August 2022, the Biden Administration enacted the *Inflation Reduction Act of 2022* (''IRA''), which includes drug pricing provisions that became effective in 2022, and will become effective in 2025 and 2026. Although the legislation has been enacted, questions remain regarding its implementation. The market expects implementation of the IRA will take place through a combination of guidance, program instruction, agreements with manufacturers, and notice-and-comment rulemaking. Key policies related to federal government price negotiations, inflation penalties and Medicare Part D benefit redesign are likely to have a negative impact on industry revenue growth and future innovation, though there remains significant uncertainty over the negotiation provision and the impact of Medicare reforms. We expect to see continued focus on regulating pricing resulting in additional legislation and regulation through the current term of the Biden Administration. In addition, U.S. government action to reduce federal spending on entitlement programs including Medicare and Medicaid may affect payment for our products or services associated with the provision of our products.

Pricing and reimbursement outside the U.S.

Certain governments, including in the different EU Member States, the U.K., China and Australia, provide healthcare at low-to-zero direct cost to consumers at the point of care and have significant power to regulate pharmaceutical prices or patient reimbursement levels to control costs for the government-sponsored healthcare system, particularly under recent global financing pressures. Governments may use a variety of measures including proposing price reform or legislation, cross country collaboration and procurement, price cuts, mandatory rebates, health technology assessments, forced localization as a condition of market access, additional cost containment mechanisms imposed on sales of medicinal products to national health insurances (e.g., ''clawback tax''), revised tender policies for medicinal products and international reference pricing (i.e., the practice of a country linking its regulated medicine prices to those of other countries). In addition, the international patchwork of price regulation, differing economic conditions and incomplete value assessments across countries has led to varying access to quality medicines in many markets and some third-party trade in our products between countries. Several important multilateral organizations, such as the WHO and the Organization for Economic Cooperation and Development, are increasing scrutiny of international pharmaceutical pricing through issuing reports and policy recommendations. In November 2020, the European Commission published its new Pharmaceutical Strategy for Europe which envisions a broad range of new initiatives and legislation including a significant focus on affordability and access to medicines. This strategy has triggered a package of legislative proposals to review the regulatory framework for all pharmaceuticals (including orphan drugs). This was launched in May 2023 by the EU Commission and is currently undergoing the decision making process in the EU Parliament and the Council. Final adoption is not expected prior to early 2026.

In the EU, the implementation of the EU Regulation for Joint Clinical Technology Assessment (EU HTA Regulation), which entered into force in January 2022, will apply in January 2025 for new oncology medicines and advanced therapy medicinal products, which will be assessed at EU level. Starting January 2028, orphan products will be added to the joint work. The European Commission and EU Member States plan to continue the adoption of implementing acts (commenced in 2023) during 2024, which are expected to bring clarity about the process and methodologies for the effective application of the Regulation.

Since 2015, China has abolished its previous government-led pricing system for drugs, and lifted the maximum retail price for most drugs, including drugs reimbursed by government medical insurance funds, patented drugs, and some other drugs. Drug prices are now mainly regulated through the Centralized Procurement mechanism for supply to public hospitals, restructuring medical insurance reimbursement standards and strengthening regulation of medical and pricing practices. In 2019, a volume-based, centralized drug procurement program was introduced by the national government as a pilot program in an effort to further lower drug costs of public hospitals, and is now rolling out to more cities and provinces and includes more drugs. Inclusion to the Chinese National Reimbursement Drug List (''NRDL'') or the provincial reimbursement drug list, and the tier under which a drug will be classified, affect the amounts reimbursable for a drug.

A drug included in the NRDL must be clinically needed, safe, effective, reasonably priced, easy to use, and available in sufficient quantity. Factors that affect the NRDL inclusion may be, for instance, whether the product is used in large volumes and commonly prescribed for clinical use, whether it is considered to be essential in meeting the basic healthcare needs of the general public. Historically, drugs included in the NRDL are typically generic and essential drugs, while innovative drugs similar to our product candidates have been more limited on their inclusion in the NRDL due to cost constraints. Since 2019, innovative drugs are subject to pricing negotiation with the NHSA for the NRDL inclusion, potentially with significant price reduction. For example, human albumin is now listed on the NRDL for specified uses.

Promotion

The promotional practices of pharmaceutical manufacturers and their interaction with purchasers and prescribers of drugs are subject to various legal restrictions and limitations. While regulations vary by jurisdiction, there are certain generally applicable rules. For example, advertising pharmaceuticals prior to marketing approval by the appropriate regulatory authority is prohibited. Similarly, no one may advertise an authorized medicine for uses outside the scope of its marketing authorization (so called ''off-label use''). Additionally, advertising must not be misleading. We are required to ensure that our personnel and distributors comply with such requirements in the course of operating our business. One notable difference in the regulation of pharmaceutical advertisements is in the U.S. where direct to consumer advertisement of prescription-only medications is permitted. We may be subject to an enforcement action or civil liability if we market our products in violation of these rules.

Fraud and abuse

Healthcare fraud and abuse regulations enforced by the different countries may impact our business activities. These healthcare laws and regulations vary significantly from country to country. In essence, they aim to prevent any undue influence on the practice of prescribing products or other procurement decisions by prohibiting the provision of improper economic benefits to healthcare professionals. If a company's operations are found to be in violation of any of these healthcare laws and regulations, it may be subject to penalties, including civil and criminal penalties, damages, fines, exclusion from the reimbursement programs, and the curtailment or re-structuring of its operations. Many of the agencies administering these laws and regulations have increased their enforcement activities in the pharmaceutical sector in past years, in particular in the U.S. and China. Potential investigations and prosecutions in this regard carry the risk of significant civil and criminal penalties. Such laws generally include the following:

- anti-kickback laws prohibit, among other things, pharmaceutical manufacturers and their agents from offering or paying remuneration to induce a healthcare provider to prescribe the manufacturer's products;
- in the U.S., the False Claims Act prohibits, among other things, any individual or entity from knowingly presenting, or causing to be presented, a false claim for payment to the federal government. Manufacturers can be held liable under the False Claims Act even when they do not submit claims directly to government payers if they are deemed to cause the submission of false or fraudulent claims. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act. The False Claims Act also permits a private individual acting as a ''whistleblower'' to bring actions on behalf of the federal government alleging violations of the False Claims Act and to share in any monetary recovery;
- Sunshine Acts require certain manufacturers of drugs, devices, biologics and medical devices to report information related to payments or other transfers of value made to healthcare providers; and
- anti-corruption and bribery laws, including the FCPA; the *U.K. Bribery Act 2010* (as reinforced by the *Economic Crime and Corporate Transparency Bill 2023*, designed to reform corporate criminal liability laws for economic crimes to hold corporations liable in their own right for economic crime); the Anti-Unfair Competition Law and the Criminal Law of China; and the Australian *Criminal Code Act 1995* (Cth) require us to:
    - not be involved in offering, making, requesting or receiving irregular payments or payments in kind to win business or influence a business decision in our favor or which has the intention of preventing a government function from being properly performed;
    - not offer, make, request or receive any bribes, kick-backs, secret commissions or similar payments;
    - keep accurate records of transactions and our financial position;
    - review internal controls and policies to ensure that they sufficiently manage exposure to risk under the various anti-bribery and corruption laws in light of the nature and reach of our business activities; and
    - ensure our employees understand and comply with applicable anti-bribery and corruption regulations. We do this through both online and face-to-face training.

Severe legal penalties may be imposed on us and our officers, employees and agents if we are found to violate anti-bribery or anti-corruption laws, including imprisonment of individuals and substantial fines. In addition to criminal penalties, any benefits obtained by bribery may be forfeited under relevant proceeds of crime legislation, which allow the proceeds of serious offenses to be traced and confiscated by the relevant local authority.

Competition and antitrust laws

As a global leader in the biotechnology industry, compliance with competition and antitrust laws is an important component of our business practices. Competition laws vary from jurisdiction to jurisdiction, but most competition laws contain certain core principles. Generally, competition laws aim to protect consumers by

promoting competition and setting norms and standards of business conduct by market participants. To achieve these goals, competition and anti-trust laws typically prohibit businesses from being involved in collusive behavior or other anti-competitive conduct and govern how businesses deal with their competitors, customers, suppliers and other business partners.

The conduct and practices that are generally prohibited by competition and antitrust laws include:

- cartel conduct between competing businesses, including price fixing, market sharing and collusion in respect of tendering processes;
- setting a minimum price for the resale of goods or services or refusing to supply a customer on the basis that the customer has previously, or intends to, discount the goods or services;
- restriction of territories into which, or customers to whom, a distributor may sell products, subject to certain exceptions;
- acquiring or merging with a business where the effect of the transaction would be to substantially lessen competition in a market for goods or services; and
- where a company already has substantial market power, using that market power for an anti-competitive purpose.

We provide online and face-to-face training to our employees to promote compliance with these laws.

Severe legal penalties may be imposed on us and our officers, employees and agents if we are found to have contravened competition laws, including substantial fines and the imprisonment of individuals. The most serious penalties will generally arise in the case of collusive conduct such as price fixing and bid rigging. In addition to penalties imposed by government regulation, a contravention of competition laws would likely result in us suffering reputational harm, and we could be subject to civil claims and enhanced damages risks with respect to customers or other third parties who suffer loss as a result of the prohibited conduct.

Data privacy and security

The collection and use of personal data by us as part of our business activities is subject to various federal and state privacy and data security laws and regulations, including oversight by various regulatory or other governmental bodies. Such laws and regulations have the potential to affect our business materially and are increasingly being enforced more vigorously. The legislative and regulatory framework for privacy and data protection issues worldwide is rapidly evolving as countries continue to adopt and evolve privacy and data security laws.

In the U.S., pharmaceutical companies may be subject to U.S. federal and state privacy, security and data breach notification laws, which may govern the collection, use, disclosure and protection of health related and other personal information. In the absence of a comprehensive federal data privacy law, states have enacted laws requiring companies to provide individuals with robust disclosures related to the handling of their personal data in addition to more control over how their personal data is used and shared. For sensitive data, such as health data and biometric data, the requirements are even more stringent. Companies face enforcement by state legislators, as well as enforcement and litigation related to personal data handling practices through federal consumer protection legislation.

Outside of the U.S., many countries have privacy and data security laws and regulations concerning the collection and use of personal data, including the EU's GDPR, the *Privacy Act 1988* (Cth) in Australia and the recently implemented Personal Information Protection Law (''PIPL'') in China. GDPR and PIPL in particular impose many requirements for controllers and processors of personal data, including, for example for controllers, high standards for obtaining valid consent from individuals, to process their personal data, more robust disclosures to individuals and a strengthened individual data rights regime, shortened timelines for personal data breach notifications, limitations on retention and secondary use of personal data, requirements pertaining to pseudonymized (i.e. key-coded) data, restrictions on the cross-border transfer of personal data and additional obligations when we contract with third-party processors in connection with the processing of personal data on our behalf. Each of these regimes classify health information as sensitive information and require more stringent obligations around collection and processing. In Australia, we must comply with a complex web of Federal and State based legislation relating to the collection and processing of health data and, in China, the recently

implemented Data Security Law also sets out additional obligations in relation to categories of 'Important Data' which includes health and biometric data, but may also extend beyond personal data. Failure to comply with the requirements of GDPR and the applicable national data protection laws of the EU Member States may result in fines of up to €20 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, and other administrative penalties and may expose us to compensation claims from affected individuals. The U.K. retained its own implementation of the GDPR as national law after the withdrawal of the U.K. from the EU. Failure to comply with the requirements of PIPL may include administrative fines of up to US$7 million or 5% of the data processor's turnover in the preceding year, confiscation of illegal gains, cessation of operation for rectification, or revocation of operating permits or business licenses.

We are subject to a variety of data privacy and cyber security laws in many jurisdictions as stated above, and those listed are illustrative of the legal landscape that make up our data privacy and protection framework.

Artificial Intelligence

We are focusing on foundational measures that will support AI projects to be brought to fruition. The governance of the AI program will continue to evolve as regulators globally enact AI legislation, including the imminent AI Act in the EU. As the first of its kind, the EU AI Act will set the standard for obligations relating to responsible implementation of AI technology as well as fines or extensive administrative burdens which could impact financial results.

The CSL Act

The *Commonwealth Serum Laboratories Act 1961* (Cth), as amended (the ''CSL Act''), imposes certain restrictions on the voting rights of our foreign shareholders and requirements with respect to the citizenship of the CSL Board and Chair, as well as certain restrictions on our operations as they relate to Australian donated plasma and our Broadmeadows site. Under the CSL Act, votes attaching to all shares which comprise a ''significant foreign shareholding'' cannot be counted in respect of the appointment, replacement or removal of more than one third of our directors at any particular time. A ''significant foreign shareholding'', for purposes of the CSL Act, is a holding of voting shares in CSL in which a foreign person has a relevant interest, if the foreign person has relevant interests in at least 5% of CSL's voting shares. In addition, our head office must always be located in Australia, at least two thirds of our directors must at all times be Australian citizens and the chair of our board meetings must also be an Australian citizen. The principal facilities used by the CSL Group to produce products derived from blood or plasma donated by Australians (i.e. the Broadmeadows facility) must always be located in Australia. We may not dispose of or grant any security interest or other interest in the facility without the written approval of the relevant government Minister.

Other governmental regulation

Our operations and many of the products that we manufacture or sell are subject to extensive regulation by numerous other governmental agencies, both within and outside the U.S. In the U.S., apart from the agencies discussed above, our facilities, operations, employees, products (their manufacture, sale, import and export) and services are regulated by the Drug Enforcement Agency, the Environmental Protection Agency, the Occupational Health & Safety Administration, the Department of Agriculture, the Department of Labor, Customs and Border Protection, the Transportation Security Administration, the Department of Commerce, the Department of Treasury, the Department of Justice, the U.S. Office of Foreign Assets Control and others. State agencies also regulate our facilities, operations, employees, products and services within their respective states. Government agencies outside the U.S. also regulate public health, product registration, manufacturing, environmental conditions, labor, exports, imports and other aspects of our global operations. Specifically in the EU, authorities increasingly focus on securing the supply and availability of critical medicines. Failure to comply with applicable law or an adverse decision in lawsuits may result in adverse consequences to us.

Industry

Introduction

CSL Behring is a major producer of human plasma products with operations in plasma fractionation and plasma products, CSL Seqirus is one of the world's largest seasonal influenza vaccination producers, and CSL Vifor is a specialty pharmaceuticals company with a key focus on nephrology, dialysis and iron deficiency.

Plasma Products Industry

The plasma products industry provides treatments aimed at a range of critical life threatening or debilitating diseases and conditions, including hereditary immune deficiencies, autoimmune diseases, blood disorders, acute blood loss and hereditary emphysema.

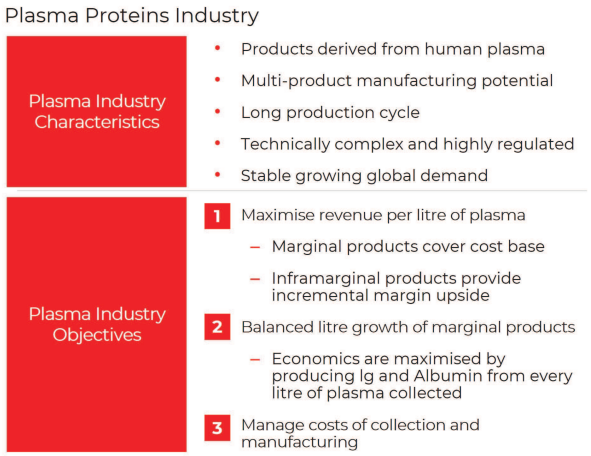
Blood makes up approximately 8% of a human's total body mass (6 – 8 liters in an adult) and is primarily made up of cells and plasma. Plasma contains proteins that are used in a number of treatments. These proteins can be separated from plasma and purified through a variety of chemical and physical fractionation processes into products. The proteins that can be obtained through fractionation include: Ig, human serum albumin and coagulation factors such as factors VIII, IX and von Willebrand factor.

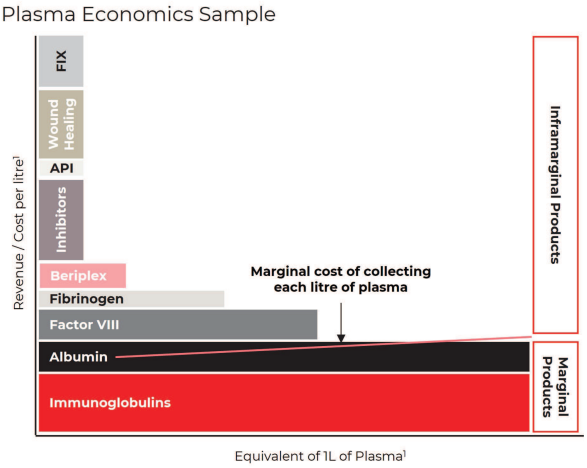
There are two main sources of blood plasma: recovered plasma and sourced plasma.

- **Recovered plasma** is collected through donations of whole blood, generally collected through voluntary unpaid donations, from which plasma can be separated from its cellular components via centrifuge.
- **Sourced plasma** is collected through the process of plasmapheresis, a procedure where only plasma is collected and the cell components of the blood are returned to the donor simultaneously; sourced plasma is typically obtained through paid donations.

There are only five countries that have legalized plasma donor remuneration: Austria, Czech Republic, Germany, Hungary, and the U.S.

The below graph outlines an overview of the plasma industry, its objectives and economics:





Note:

(1) CSL graph is illustrative and not to scale.
In 2022, the worldwide plasma proteins market (without recombinant products) reached US$30.3 billion, a 23.5% increase from 2019, or 7.3% per year. When taking recombinant and non-factor products into account, the market climbed to US$41.8 billion between 2019 and 2022[1].

[1] MRB Worldwide Plasma Proteins Market 2022.

The Plasma Fractionation Process

The plasma fractionation process is complex, highly regulated and requires a significant amount of capital. As such, the market is characterized by high barriers to entry and a limited pool of global market participants, including CSL, Grifols, Octapharma and Takeda.

The plasma fractionation process involves collection, screening and processing of the blood before key proteins can be obtained. It typically takes approximately 9 – 12 months from donor collection to a finished patient treatment.

Plasma Collection Centers

A critical first step of the fractionation process is the initial blood plasma collection. This is a complex process, which requires a well-established healthcare infrastructure, compliance with stringent regulatory protocols and adherence to strict quality and safety standards, including donor screening and viral marker testing.

Larger commercial fractionators typically own networks of source plasma collection centers that supply some or all of their collection needs.

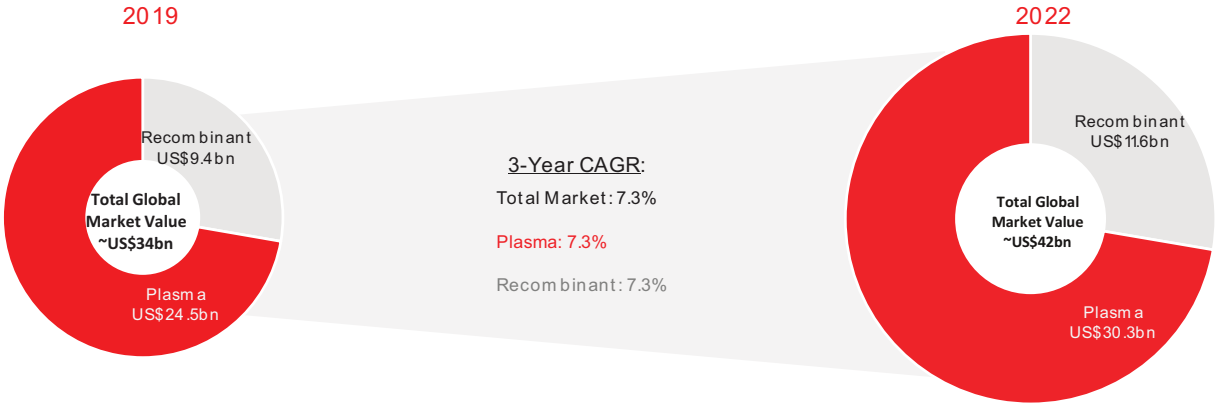
In 2022, there were 1,131 plasma collection centers in the U.S. (from 690 plasma collection centers in 2018), a Compound Annual Growth Rate ("CAGR") of approximately 10% over the past five years. Plasma collection centers growth in Europe increased from 75 centers in 2018 to 186 centers in 2022, representing a CAGR of approximately 20%[2].

Outside of the U.S. and Europe, there are very limited jurisdictions that allow for commercial collection and export of plasma. Each plasma center in both the U.S. and Europe requires certification from the appropriate regulatory agency such as the FDA, to ensure regulatory and quality standards are met. A robust system of standard operating procedures is required to ensure compliance across the plasma collection network, as well as laboratory testing, logistics, and suppliers. In addition, personnel with specialized medical training are required to safely evaluate new donors, perform blood plasma collections, and safely handle the donated plasma. Beyond operational complexity, plasma collection centers require capital to open new centers, and ongoing investment to sustain them.

Plasma Market Size and Key Products

Coagulation factors and Ig are the two biggest products within the plasma protein market, comprising 75%[3] of the total market in 2020. Ig treatments administered by doctors in physician offices and by hospital outpatient departments are eligible for government reimbursement in the U.S.

The chart below illustrates the growth of the plasma derived and recombinant therapeutic market from 2019 to 2022:



Note:

(1) Source: MRB Worldwide Plasma Proteins Market 2020 and 2022.

[2] PPTA, Plasma, 2022 Annual Report.

[3] MRB Plasma Protein Report, February 2022.

Allied Market Research expects growth in the plasma products industry to be driven by increased Ig demand, attributable to the diversified use of Ig products for PID, secondary immune deficiencies (i.e. immuno-suppressed cancer patients), autoimmune diseases and inflammatory diseases[4].

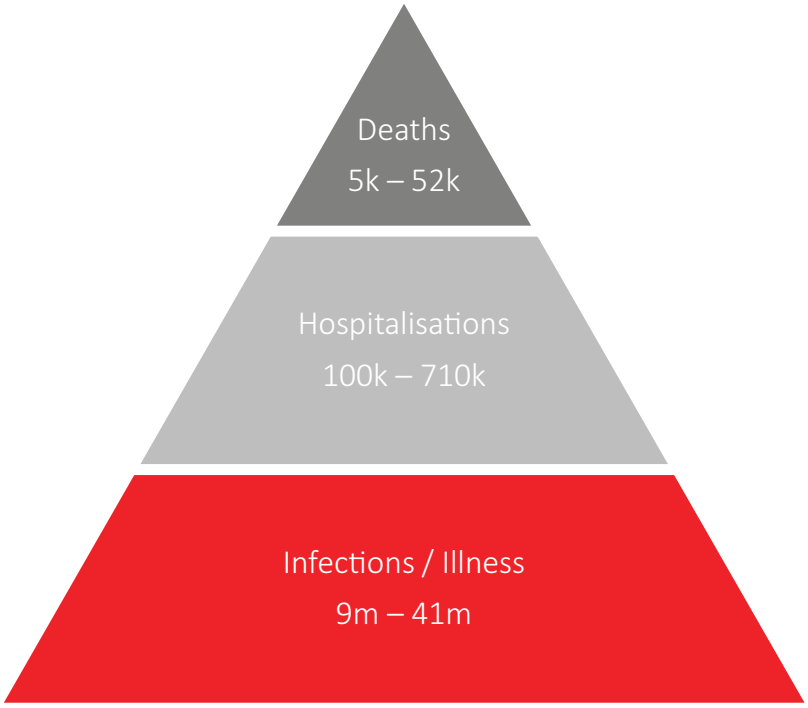
Influenza Vaccination Industry

Influenza (the ''flu'') is a contagious respiratory illness caused by influenza viruses that infects the nose, throat and lungs. Influenza can infect both humans and other species, such as pigs and birds and can spread rapidly from country to country.

The disease also imposes a considerable economic burden on communities due to increased hospital stays and healthcare costs as well as lost economic productivity.

The WHO estimates that influenza leads to respiratory tract infections in 5% to 15%[5] of the global population and severe illness in 3 to 5 million people each year[6]. The U.S. Centers for Disease Control and Prevention (''CDC'') has estimated the flu disease burden by season for the period from 2010 to 2022 includes symptomatic illnesses ranging from a low of 9 million (2011-2012) to a high of 41 million (2017-2018), with hospitalizations ranging from a low of 100,000 (2021 – 2022) to a high of 710,000 (2017-2018), and deaths ranging from a low of 4,900 (2021 – 2022) to a high of 52,000 (2017-2018).[7]

In the U.S., the estimated average annual total economic burden of influenza to the healthcare system and society was US$11.2 billion[8]. In the European Union, a 2014 analysis estimated costs of seasonal influenza at €6 billion to €14 billion annually[9].



[4] Allied Market Research, Plasma Fractionation Market by Product (Albumin, Immunoglobulins, Coagulation factor VIII, and Coagulation factor IX) and Sector (Public Sector and Private Sector): Global Opportunity Analysis and Industry Forecast, 2020–2027, March 2021.

[5] Nature Reviews Microbiology volume 16, pages 47–60 (2018).

[6] WHO, Influenza (Seasonal), 2023 (https://www.who.int/news-room/fact-sheets/detail/influenza-(seasonal)#:~:text=There%20are%20around%20a%20billion, infections%20are%20in%20developing%20countries.).

[7] CDC, Past Seasons Influenza Disease Burden, last reviewed November 22, 2023.

[8] Wayan C W S Putri 1 et al. Vaccine, 2018 Jun 22;36(27):3960-3966. doi: 10.1016/j.vaccine.2018.05.057.

[9] Preaud E, et al. Annual public health and economic benefits of seasonal influenza vaccination: a European estimate. BMC Public Health. 2014;14(1):813

Vaccination Overview

Vaccinations are the primary intervention for preventing influenza and reducing the impact of flu epidemics on a community. Vaccinations can reduce the risk of flu by 40-60%[10]. Among the elderly population, vaccinations can also reduce influenza-related morbidity by approximately 50% and influenza-related mortality by up to 80%[11].

The composition of vaccines administered must be adjusted during each annual flu season due to constant genetic changes in viruses. Accordingly, each flu season, the WHO's Global Influenza Surveillance Network chooses four strains for that year's flu vaccination dependent on circulation.

The CDC recommends annual influenza vaccinations for everyone aged six months or older, as the flu is continually evolving and adapting via new strains.

Vaccine Industry Market Size

In 2022, the adult seasonal influenza vaccine market was estimated to be in excess of US$5 billion[12], reflecting the development of novel vaccine technologies, increasing R&D spending on vaccine technology and increasing levels of government funding.

Each year, approximately 400 million vaccines are supplied across the globe.

Distribution channels

Commercial manufacturers of influenza vaccines typically distribute through multiple channels: directly selling vaccines to retailers (pharmacies, hospitals, etc.), procurement through government tenders, or through distributors who in turn deliver the vaccines to customers.

Iron Deficiency Industry

Iron Deficiency and Iron Deficiency Anemia

Iron is an essential nutrient crucial for cell function and is a key component of hemoglobin and myoglobin. Anemia affects 1.5 billion to 1.7 billion individuals worldwide, with iron deficiency being responsible for 50% of all cases[13], making it the most widespread nutritional deficiency. Iron deficiency impedes the body's response to iron needs, and causes include inadequate absorption, blood loss, and other medical conditions. Conditions like heart failure, renal anemia, surgery, and more are impacted by iron deficiency. Oral iron is the first-line therapy, but in cases of poor absorption or intolerance, IV iron supplementation may be necessary for rapid replenishment of iron stores.[14] [15] [16] [17] [18] [19]

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[10] CDC, Vaccine Effectiveness: How Well Do Flu Vaccines Work?, October 2021.

[11] WHO, Background Paper on Influenza Vaccines and Immunisation, April 1, 2012.

[12] Fortune Business Insights, Influenza Vaccine Market, July 2021.

[13] Grand View Research, Iron Deficiency Anemia Therapy Market Analysis, 2022.

[14] Abbaspour N, Hurrell R, Kelishadi R. Review on iron and its importance for human health. Journal of research in medical sciences : the official journal of Isfahan University of Medical Sciences. 2014;19(2):164-74.

[15] Vos T, Abajobir AA, Abate KH, Abbafati C, Abbas KM, Abd-Allah F, et al. Global, regional, and national incidence, prevalence, and years lived with disability for 328 diseases and injuries for 195 countries, 1990–2016: a systematic analysis for the Global Burden of Disease Study 2016. The Lancet. 2017;390(10100):1211-59

[16] Pasricha SR, Tye-Din J, Muckenthaler MU, Swinkels DW. Iron deficiency. Lancet. 2021;397(10270):233-48.

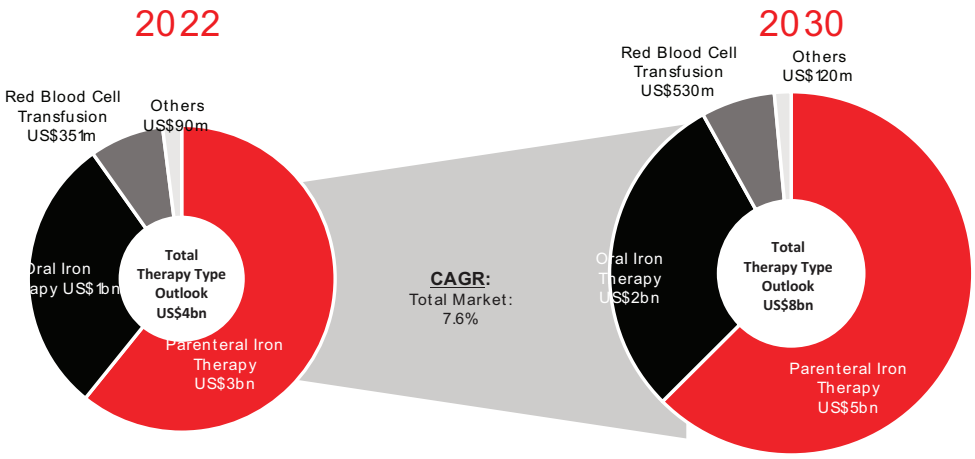
[17] Clark SF. Iron deficiency anemia. Nutr Clin Pract. 2008;23(2):128-41.

[18] Ganz T. Hepcidin and iron regulation, 10 years later. Blood. 2011;117(17):4425-33.

[19] Karaskova E, Pospisilova D, Velganova-Veghova M, Geryk M, Volejnikova J, Holub D, et al. Importance of Hepcidin in the Etiopathogenesis of Anemia in Inflammatory Bowel Disease. Digestive Diseases and Sciences. 2020:1-7.

Iron Deficiency Industry Market Size

The global iron deficiency anemia therapy market size was valued at US$4.49 billion in 2022. The parenteral iron therapy segment held the largest revenue share of 60.81% in 2022[20].



Note:

(1) Source: Grand View Research, Iron Deficiency Anemia Therapy Market Analysis, 2022.

Parenteral iron therapy plays a critical role in treating iron deficiency anemia, especially for patients who are intolerant or unresponsive to oral iron supplements. Based on end-user, the market is segmented into clinics, hospitals, and home healthcare. The hospitals segment dominated the iron deficiency anemia therapy market and held the largest revenue share of 43.67% in 2022. Hospitals are often the primary location for administering intravenous iron therapy, a common method for treating severe cases of iron deficiency anemia. Intravenous administration allows for precise dosage and monitoring, which is critical for patients with severe anemia or those who cannot tolerate oral iron supplements.

The global iron deficiency market is expected to continue growing over the next 10 years and is expected to reach an estimated value of approximately US$8 billion by the end of the forecast period.[21] [22] Market growth is expected to be driven by increasing global prevalence, a heightened awareness amongst patients about effective treatment options, as well as the rising occurrence of chronic diseases such as CKD (defined below), heart failure, gastrointestinal disorders, and cancer, which can lead to iron deficiency, particularly in surgical patients.

Renal Disease Market

Chronic Kidney Disease and End-Stage Renal Disease

Chronic kidney disease (“CKD”) represents a persistent and progressive decline in kidney function, emerging as a major global cause of death and illness. Affecting approximately 11% of the worldwide population, this equates to over 850 million individuals grappling with kidney-related ailments[23]. The incidence of CKD has been on an upward trajectory, witnessing an annual increase of about 8%, predominantly fueled by the rising of concomitant risk factors such as diabetes and hypertension.

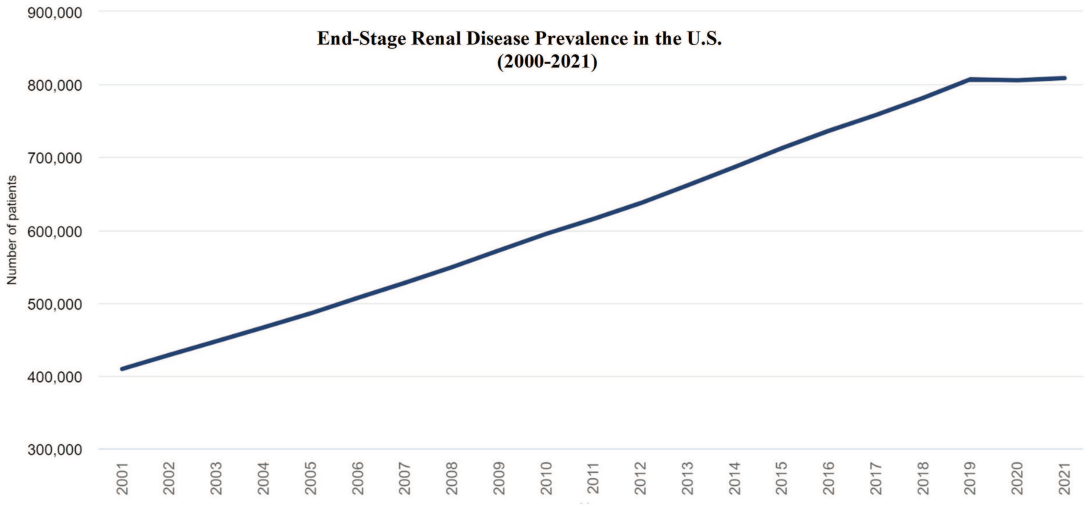
[20] Grand View Research, Iron Deficiency Anemia Therapy Market Analysis, 2022.

[21] Mordor Intelligence, Global Iron-deficiency Anemia Report Therapy Market, 2017.

[22] Research And Markets, Global Iron Deficiency Anemia Therapy Market Analysis & Forecast, 2024.

[23] International Society of Nephrology, 2020.

As CKD advances, or when conventional treatments fail to halt its progression, patients may progress to End-Stage Renal Disease (‘‘ESRD’’), necessitating dialysis. Dialysis is a critical treatment for kidney failure, involving the artificial removal of excess fluids, solutes, and toxins from the blood in individuals whose kidneys are no longer capable of performing these functions naturally. Despite its life-sustaining role, dialysis is linked to significant challenges, including heightened risks of morbidity and mortality.



Notes:

(1) Source: USRDS Annual Report, 2023.[24]

(2) 2020 first decrease recorded in history of the USRDS impacted by increases in patients receiving kidney transplants and dialysis treatments.

Renal Market Size

Globally, the renal market is a significant sector within healthcare. An estimated 15% of American adults, or about 37 million people, are afflicted with CKD, positioning the U.S. at the forefront of the global renal market demand[25]. In 2022, the global market for renal products and services was valued at approximately US$32 billion and is anticipated to expand to US$47.9 billion by 2032[26]. This growth represents a CAGR of 4% over the next decade. This market encompasses a wide range of therapies and products aimed at managing complications and treating kidney diseases, highlighting the increasing need for innovative solutions in the field.

The dialysis sector, a critical component of renal care, illustrates the urgent demand for life-sustaining treatments worldwide. Nearly 3 million individuals globally relied on dialysis in 2022 to manage kidney failure, underscoring the vital role of dialysis in extending life expectancy for patients with ESRD[27]. The market for dialysis services was estimated at US$95 billion in 2022, with projections indicating a growth to over US$150 billion by 2032, at a yearly growth rate of 5%[28] over the next decade.

[24] United States Renal Data System, NIH. Annual Report, 2023.

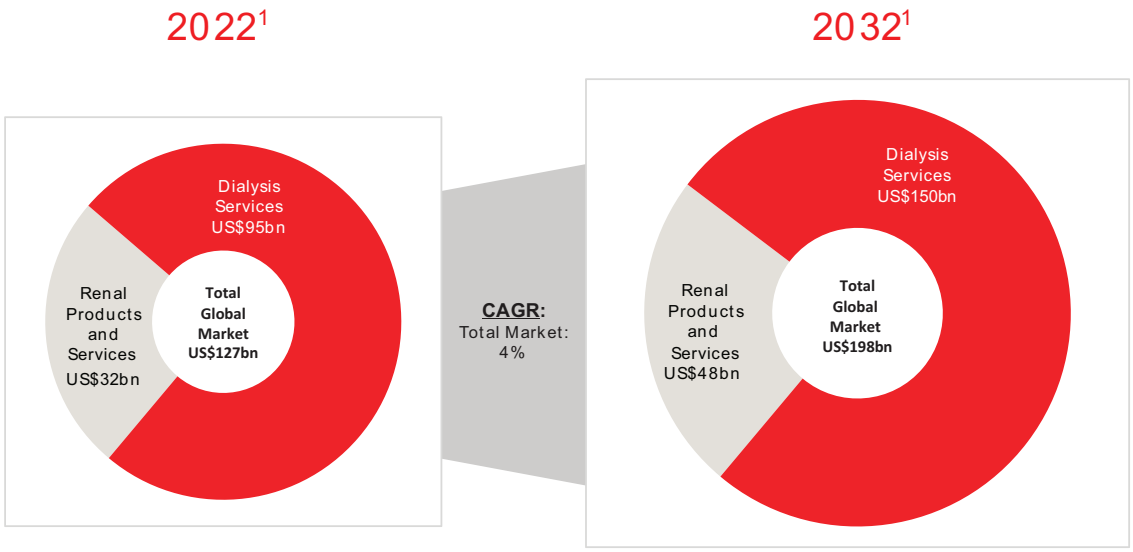
[25] CDC, Chronic Kidney Disease in the United States, 2021.

[26] Allied Market Research. Chronic kidney disease treatment Market Size, Share, Competitive Landscape and Trend Analysis Report by Treatment (Drugs, Dialysis), by End User (Hospital, Dialysis Center, Others): Global Opportunity Analysis and Industry Forecast, 2023.

[27] Bello AK et al., Epidemiology of haemodialysis outcomes. Nature Reviews Nephrology, 2022.

[28] Global Market Insights. Dialysis Market - By Type (Hemodialysis, Peritoneal Dialysis), By Product & Service (Equipment, Consumables, Services), By End-use (In-center Dialysis, Home Dialysis), & Global Forecast. 2023.

This projected expansion reflects not only the growing prevalence of kidney disease but also the advancements in treatment technologies and the increasing accessibility of renal care services globally.



Note:

(1) Source: Allied Market Research. Chronic kidney disease treatment Market Size, Share, Competitive Landscape and Trend Analysis Report by Treatment (Drugs, Dialysis).

Business

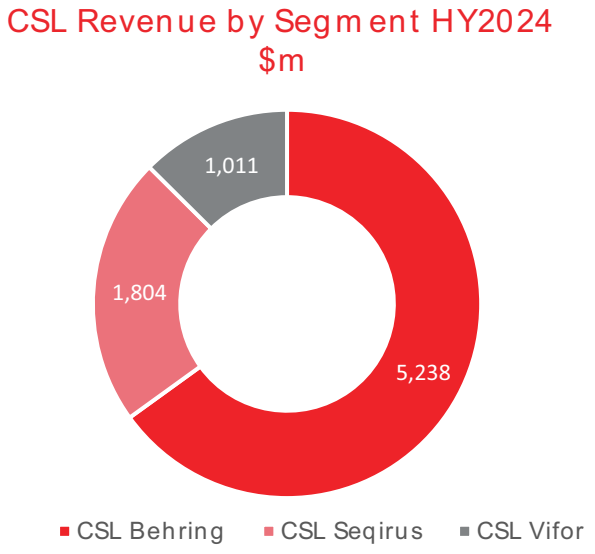
Overview

We are a global biotechnology leader that develops and delivers innovative medicines that save lives, protect public health and help people with life-threatening medical conditions live full lives. We operate in over 40 countries with over 31,000 employees around the world and compete on the global stage as one of the largest protein-based biotechnology businesses.

Following the completion of the acquisition of Vifor Pharma in August 2022, we have three core businesses: CSL Behring, a leading provider of protein biotherapeutics for the treatment of rare and serious diseases; CSL Seqirus, specializing in influenza and other vaccines and other biologics; and CSL Vifor, specializing in the therapeutic areas of iron deficiency and nephrology.

- *CSL Behring* – CSL Behring is one of the world's largest providers of plasma therapies by revenue, with operations in more than 40 countries. Our work at CSL Behring is driven by our commitment to saving lives and improving the quality of life for people with rare and serious diseases worldwide. CSL Behring manufactures, markets and distributes plasma products, gene therapies and recombinants for treating rare and serious diseases such as hemophilia, vWD, PID, CIDP, HAE and inherited respiratory disease. CSL Behring's products are also used in cardiac surgery, for burn treatment and for urgent warfarin reversal. CSL Behring uses three strategic scientific platforms of plasma fractionation, recombinant protein technology, and cell and gene therapy to support continued innovation and continually refine ways in which products can address unmet medical needs and help patients lead full lives.
- *CSL Seqirus* – CSL Seqirus is one of the largest influenza vaccine companies in the world by revenue, with operations in more than 15 countries. CSL Seqirus provides a differentiated product portfolio, possesses strong pandemic and pre-pandemic franchises and manages one of the world's largest influenza vaccine manufacturing networks with operations on three continents: North America, Europe and Australia. In addition to providing influenza vaccines worldwide, CSL Seqirus manufactures and distributes a range of unique products in the national interest under contract with the Australian Government and distributes a comprehensive range of other in-licensed vaccines and other pharmaceutical products in Australia and New Zealand.
- *CSL Vifor* – CSL Vifor is a global specialty pharmaceuticals business that is a leader in iron therapies, dialysis, nephrology and rare diseases. CSL Vifor specializes in strategic global partnering, in-licensing and developing, manufacturing and marketing pharmaceutical products for precision healthcare, aiming to help patients around the world lead better, healthier lives. Headquartered in St. Gallen, Switzerland, CSL Vifor also includes our 55% interest in the joint venture company VFMCRP (with FMC).

The chart below shows a summary of our revenue performance in HY2024 by segment:



Innovation has been our focus since our beginning in 1916 and continues to be the core of everything we do. We invested US$5.1 billion in R&D expense in the five financial years to and including FY2023 to advance our product pipeline (including US$1.2 billion in FY2023, which was 9% of our annual total operating revenue). In addition, we employed approximately 2,000 employees in R&D as at December 31, 2023 who are dedicated to developing and delivering innovative medicines and vaccines that address unmet medical needs, help prevent infectious disease and protect public health. We have one of the largest plasma collection networks in the world and are highly efficient in our plasma collection and fractionation operations. At December 31, 2023, we had a total of 344 plasma collection centers in the U.S. and its territories, Germany, Hungary and China, which collectively employed over 15,000 people. Our ultimate aim is to deliver safe and effective medicines for our patients.

We believe our business has attributes that distinguish it from many other large pharmaceutical companies. First, many of our key products do not depend on patent-protected exclusivity but instead, benefit from the complexity of their supply chain and/or manufacturing. In particular, our plasma derived therapies depend on a reliable plasma collection network as well as a sophisticated manufacturing process. The plasma product industry is highly regulated, and operating a business that collects plasma and manufactures plasma derived products requires approvals from and compliance with regulations of the FDA and the EMA, as well as other comparable regulators worldwide. As a result, significant capital is required to develop, equip and maintain the infrastructure required for everyday operations. Additionally, only plasma protein collected from FDA approved plasma collection centers can be marketed in the U.S. and therefore, the security of our plasma supply is protected by virtue of having a well-established network of plasma collection centers in the U.S. Further, CSL Seqirus' influenza vaccine business is one of very few with the technical and manufacturing capability to produce targeted vaccines for each Northern and Southern hemisphere flu season and deliver them on schedule in the volumes required. Finally, the acquisition of CSL Vifor in August 2022 allows us to build on a heritage and expertise in iron deficiency therapy and grow our presence in nephrology, with a focus on dialysis and rare disease. See ''—Our strengths'' below.

For HY2024 and FY2023 we had total operating revenue of US$8.1 billion and US$13.3 billion, EBITDA of US$3.0 billion and US$3.9 billion, operating profit of US$2.6 billion and US$3.7 billion, NPAT of US$1.9 billion and US$2.2 billion, and NPATA attributable to equity holders of CSL of US$2.0 billion and US$2.6 billion, respectively.

Our history

The Commonwealth Serum Laboratories was established in Australia in 1916 to service the health needs of a nation isolated by war. Over the ensuing years, we provided Australians with rapid access to 20th century medical advances including insulin and penicillin, and vaccines against influenza, polio and other infectious diseases. We were converted into a corporation and renamed in 1991 and we listed on the ASX in 1994.

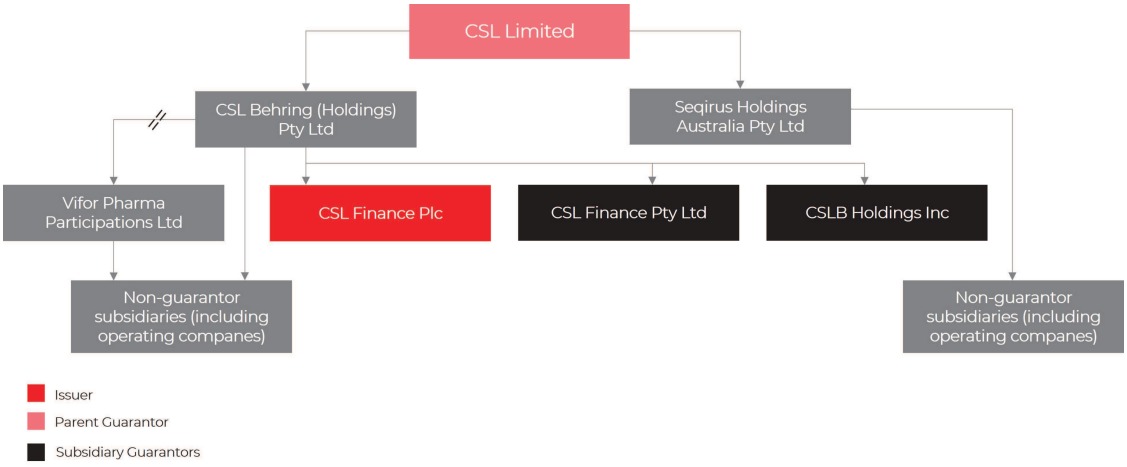
Since then, we have acquired a number of companies, including:

- in 2000, Zentrallaboratorium (''ZLB''), a Swiss-based plasma fractionation business purchased from the Swiss Red Cross;
- in 2001, Nabi, a U.S. plasma collector, which helped to form CSL Plasma (a subsidiary of CSL Behring) which is now one of the world's largest plasma collection companies;
- in 2004, Aventis Behring, which is now known as CSL Behring and has become a global biotechnology leader;
- in 2015, Novartis' influenza vaccine business, now integrated and known as CSL Seqirus, one of the world's largest influenza vaccine companies;
- in 2017, Calimmune, a U.S. biotechnology company focused on the development of ex vivo hematopoietic stem cell (''HSC'') gene therapy;
- in 2018, Wuhan Zhong Yuan Rui De Biologics, a company that manufactures and commercializes plasma derived products for the Chinese domestic market (of which we acquired all outstanding share capital after having acquired an 80% stake in 2017);

- in 2020, Vitaeris, a biopharmaceutical company focused on the development of the anti-interleukin-6 (IL-6) monoclonal antibody, clazakizumab; and
- in 2022, Vifor Pharma, a Swiss-based global specialty pharma company headquartered in Switzerland that is focused on therapies for iron deficiency, dialysis and nephrology and associated rare diseases.

Group structure

The following chart summarizes the corporate structure of the Group as at December 31, 2023:



Our strengths

Diversified global leader – We are one of the largest and fastest growing protein-based biotech businesses globally by revenue. We manufacture and sell innovative medicines that help people with serious and life-threatening conditions live full lives and protect the health of communities around the world. Our CSL Behring division is one of the world's largest producers of plasma-derived products. Our vertically integrated plasma collection network provides secure access to raw materials. Our CSL Seqirus division is one of the largest vaccines providers in the world and a leader in vaccine innovation. Our CSL Vifor division is a global specialty pharmaceuticals business that is a leader in iron therapies, dialysis, nephrology and rare diseases. We have operations in more than 40 countries, manufacturing across six countries and a diverse customer base in over 100 countries.

Defensive industry fundamentals – Our manufacturing businesses are highly regulated, requiring extensive infrastructure and regulatory approvals and ongoing compliance. We operate at a scale that is difficult to replicate, which generates efficiency in our plasma business and enables our vaccine business to produce the required quantities of seasonal influenza vaccine on time. Our markets are large, with the protein therapeutic market estimated at US$41.8 billion of revenue, the influenza vaccine market estimated to be in excess of US$5 billion of revenue and the iron deficiency anemia therapy market estimated at US$4.5 billion of revenue. See "Industry" for more information about our markets. Most of our key products do not depend on patent exclusivity but are difficult to replicate due to the complexity and extensive regulation of the supply chain and manufacturing.

R&D investment and innovation – We typically invest approximately 10% of our revenue in R&D and have over 2,000 R&D employees globally. We have ongoing R&D investment across four strategic scientific platforms – plasma protein technology; recombinant protein technology; cell and gene therapy; and vaccines technology (including cell-based and egg-based vaccines and next-generation vaccine technologies, eg. sa-mRNA). Our strong R&D pipeline includes potential new treatments that use these platforms and align with our leading-edge scientific expertise and commercial capabilities across our six therapeutic areas: immunology; hematology; cardiovascular and metabolic; respiratory; nephrology and transplant; and vaccines. The addition of CSL Vifor allows the R&D team to build on a heritage and expertise in iron deficiency therapy and grow our presence in nephrology, with a focus on dialysis and rare disease.

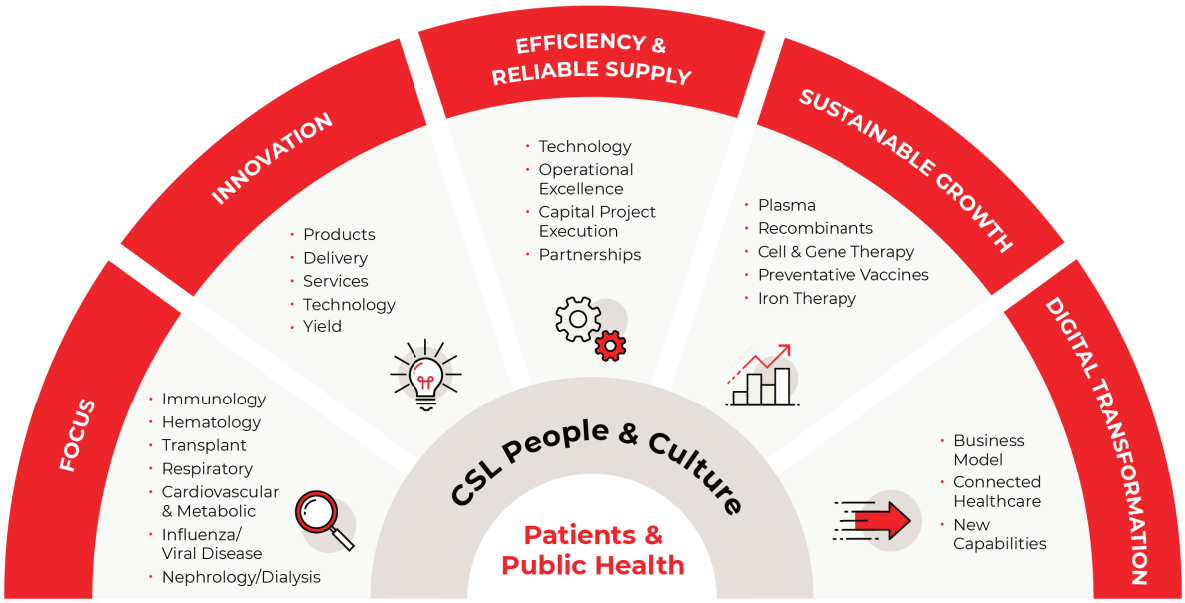
Strong financial profile and prudent capital structure – We have a track record of delivering growth, strong margins and free cash flow generation. We maintain a conservative balance sheet with net debt to EBITDA of

2.1x and 2.3x at December 31, 2023 and June 30, 2023, respectively, consistent with our solid investment grade rating. See "Management's discussion and analysis of financial condition and results of operation—Liquidity and capital resources—Capital structure". As at June 30, 2023, our average dividend payout ratio for the last three financial years has been 47% of earnings per share.

Highly skilled and technical global workforce – We have a highly skilled and technical global workforce of over 31,000 employees, led by an experienced and stable management team with strong track record of delivering growth and value. We have established processes to promote a culture of regulatory compliance and risk management.

Our strategy

In 2020, we refreshed our strategic vision with what we call our "2030 strategy". We developed our 2030 strategy to build on our success and further serve our patients and enhance public health, which are both at the core of what we do every day. We aim to execute our 2030 strategy through the following five areas: focus; innovation; efficiency and reliable supply; sustainable growth; and digital transformation.



Focus – Our long-term priorities are focused on delivering sustainable and profitable growth. This will allow CSL to continue to provide a reliable supply of our life-saving therapies and to fund innovation that improves the health of patients and the public. We are leaders in protein therapies, influenza vaccines and the treatment of iron deficiency. We have chosen therapeutic areas where we have strong assets and established expertise, such as immunology and hematology, and emerging therapeutic areas where we see opportunities to grow our business, such as nephrology and transplant, respiratory, cardiovascular and metabolic. In the vaccines business, our focus is on continued growth of our cell-based products which we believe will lead to improved outcomes compared to egg-based products, and our innovative vaccines pipeline, which includes advanced technologies such as next-generation mRNA and recombinant antigen production, to address present and emerging viral threats to human health. CSL Vifor provides new opportunities to grow the iron deficiency treatment franchise and in nephrology. CSL has combined CSL Vifor's nephrology focus and CSL Behring's transplant focus into one nephrology and transplant therapeutic area. A number of PBM initiatives are underway that will cross between CSL Vifor and CSL Behring businesses. PBM is an evidence based approach to preserve a patient's own blood, enabling the detection and management of anemia and iron deficiency, minimization of blood loss, and an optimization of patient tolerance of post operative anemia. CSL is uniquely positioned in the PBM area to translate evidence based medicine into evidence based practice (see "—Business segments—CSL Vifor—Patient Blood Management ("PBM")" for further information).

Therapeutic area leadership teams, co-led by senior leaders in R&D and Commercial, maximize the benefits of our products in their areas and identify unmet patient needs that can be addressed by our core technology platforms: plasma protein technology, recombinant protein technology, cell and gene therapy and vaccines technology (including cell-based and egg-based vaccines and next-generation vaccine technologies, eg. sa-mRNA).

Innovation – We remain committed to investing in targeted and disruptive R&D innovation to deliver novel therapies to better meet the needs of patients and public health. In our industry, bringing new products to market is lengthy and complex, given the need for extensive testing in the clinic to ensure the safety and efficacy of our product candidates. We understand that true breakthroughs in medicine often arise from challenging conventional thinking and exploring novel approaches and we are constantly seeking out new and unexplored avenues to tackle the most pressing medical challenges. Our R&D portfolio includes promising projects such as garadacimab (Phase III), our anti-FXIIa monoclonal antibody for the potential long-term prophylactic treatment of patients with HAE, alpha-1 antitrypsin (AAT; ZEMAIRA®) (Registration) for the prevention and treatment of acute graft-versus-host disease (GvHD), KCENTRA® (Phase III) for improving survival in trauma patients experiencing life-threatening bleeding, clazakizumab (Phase II) for the treatment of patients with end stage kidney disease, and next-generation vaccine technologies like sa-mRNA and aQIVc to safeguard public health. We are also growing our early stage portfolio, through our in-house capabilities and through collaborations with external partners. Identifying early-stage external innovation opportunities, such as new technologies and assets, is essential for our research portfolio to grow and diversify in the future.

Efficiency and reliable supply – Efficiency and reliable supply is critical for meeting the increasing demand for our core plasma products, such as HIZENTRA® and PRIVIGEN®, and our cell-based influenza vaccine products. As one of the global leaders in plasma fractionation, we look for opportunities to invest in capital projects that will increase our ability to meet the needs of patients. We approach the next decade of growth with an aim to serve more patients through an efficient plasma collection network strategy that requires investments in technology, operational excellence and process improvement. Outside plasma, we are increasing our capacity and optimizing our processes for our cell-based influenza vaccine products.

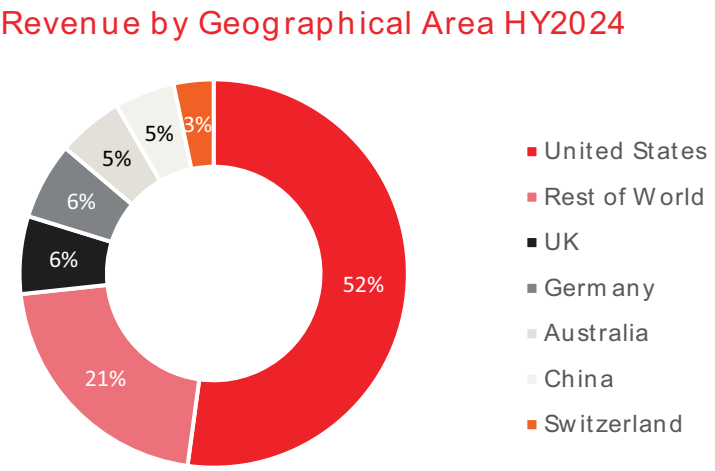
Sustainable growth – Sustainable growth of our business requires that patients who will benefit most from our therapies have access and that we also capture the value that our products bring to patients. Global demand for our core products is increasing and we are committed to grow our business by maximizing the value of our franchises.

Digital transformation – We see potential in the years ahead to create enhanced value and to better serve our patients through the use of data, connectivity and technologies that can improve our operations and increase our understanding of the patient experience. Today, we are taking the necessary steps to enable digital transformation throughout the business.

Business segments

Our business is divided into three segments: CSL Behring, CSL Seqirus and CSL Vifor. We operate predominantly in Australia, the U.S., Germany, the United Kingdom, Switzerland and China. The rest of the our operations are spread across many countries and are collectively disclosed as ‘Rest of World’.

The chart below shows a summary of CSL Behring’s sales performance in HY2024 by the geographical areas listed above.



CSL Behring

Overview

CSL Behring is a global biotherapeutics leader in developing and delivering high-quality medicines that treat people with rare and serious diseases. CSL Behring discovers, develops and delivers innovative therapies for people living with conditions in the immunology, hematology, cardiovascular and metabolic, respiratory and transplant therapeutic areas. CSL Behring uses three strategic scientific platforms of plasma fractionation, recombinant protein technology, and cell and gene therapy to support continued innovation and continually refine ways in which products can address unmet medical needs and help patients lead full lives.

CSL Behring manufactures, markets and develops plasma therapies (plasma products and recombinants), receives license and royalty income from the commercialization of intellectual property and undertakes the administrative and corporate function required to support the Group. CSL Behring operates CSL Plasma, one of the world's largest plasma collection networks.

CSL Behring accounted for 65% and 70% of overall total operating revenue in HY2024 and FY2023, respectively, selling products in more than 100 countries across Asia Pacific, Europe, Latin America and North America.

The tables below show a summary of CSL Behring's sales performance in certain key therapies for the periods indicated:

Therapy	HY2024 Operating Revenue (US$ million)	HY2023 Operating Revenue (US$ million)	HY2024 vs. HY2023 Reported Change (%)[1]
Immunoglobulins[2]	2,757	2,227	24%
Albumin	613	585	5%
Hemophilia	662	611	8%
Specialty[3]	976	915	7%
Other[4]	230	219	5%
Total	**5,238**	**4,557**	**15%**

Notes:

(1) Percentages shown as reported.

(2) Includes HIZENTRA®, PRIVIGEN® and other Ig products.

(3) Includes HAEGARDA®, KCENTRA®, ZEMAIRA® and wound healing products.

(4) Includes HPV royalties, hyperimmunes and, in HY2023 only, COVID-19 vaccines.

Therapy	FY2023 Operating Revenue (US$ million)	FY2022 Operating Revenue (US$ million)	FY2023 vs. FY2022 Reported Change (%)[1]	FY2021 Operating Revenue (US$ million)	FY2022 vs. FY2021 Reported Change (%)[1]
Immunoglobulins[2]	4,675	4,024	16%	4,238	(5%)
Albumin	1,109	1,072	3%	1,071	—
Hemophilia	1,193	1,166	2%	1,107	5%
Specialty[3]	1,831	1,792	2%	1,770	1%
Other[4]	482	544	(11%)	388	40%
Total	**9,290**	**8,598**	**8%**	**8,574**	**—**

Notes:

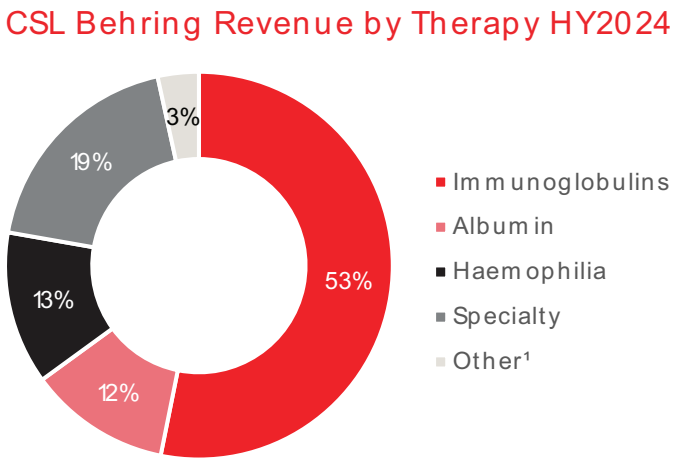
(1) Percentages shown as reported.

(2) Includes HIZENTRA®, PRIVIGEN® and other Ig products.

(3) Includes HAEGARDA®, KCENTRA®, ZEMAIRA® and wound healing products.

(4) Includes HPV royalties, hyperimmunes and COVID-19 vaccines.

The chart below shows a summary of CSL Behring's sales performance in HY2024 by the key therapies listed above.



Note:

(1) Includes sales revenue from HPV royalties and hyperimmunes.

CSL Behring's operational headquarters is located in King of Prussia, Pennsylvania, U.S., and it has manufacturing facilities in Bern, Switzerland; Marburg, Germany; Broadmeadows, Australia; Parkville, Australia; Kankakee, Illinois, U.S.; and Wuhan, China.

Therapeutic areas

CSL Behring's business focuses on five key therapeutic areas which lay the foundation for its robust and diverse product pipeline:

- *Immunology* – Our world-leading immunoglobulin franchise is the cornerstone of our immunology therapeutic area and is focused on developing and delivering products and technologies to serve patients with a range of serious immunologic and neurologic diseases, including primary and secondary immunodeficiencies (PID/SID), CIDP and HAE. Our key products in market include: PRIVIGEN®, HIZENTRA®, BERINERT®/HAEGARDA® and a range of treatments derived from the plasma of someone who has recovered from a disease (''hyperimmunes''). We are also developing key recombinant assets to treat underserved immune-mediated diseases. We continue to build on our strong

40-year legacy in HAE, working to expand on current medicines to provide optimal treatments for the full range of HAE patients. We are developing garadacimab, our monoclonal antibody targeting activated Factor XII (FXIIa), as a prospective long-term prophylactic treatment for patients with HAE.

- *Hematology* – This therapeutic area is focused on easing the burden of disease and improving the lives of patients with rare bleeding disorders. We have made major advances in haemophilia A and B in recent years with the launch of novel recombinant coagulation factor medicines and through the acquisition of exclusive global license rights to commercialize HEMGENIX® (etranacogene dezaparvovec), an AAV5 (adeno-associated virus) gene therapy for the treatment of haemophilia B, which was launched in the U.S. and Europe. Other key products in market include: IDELVION®, AFSTYLA®, HUMATE P®/HAEMATE P®, VONCENTO®/BIOSTATE®, BERIPLEX®/KCENTRA®, RIASTAP®/HEMOCOMPLETTAN®, and albumin. Additionally, R&D efforts are underway to explore new indications in benign hematology as well as novel therapeutics in hemostasis and thrombosis. This includes initiating an important global Phase III study to evaluate the early administration of KCENTRA® (4-factor prothrombin complex concentrate) on survival in trauma patients suffering life-threatening bleeding, and a Phase II study under a licensing agreement with Translational Sciences using CSL301 (α2 anti-plasmin), a chimeric monoclonal antibody as thrombolytic treatment in adults with acute sub-massive pulmonary embolism.

- *Cardiovascular and metabolic* – We are focused on improving and extending the lives of patients with cardiovascular (''CVD'') and metabolic diseases. Many patients with cardiovascular disease also have some degree of renal impairment and we recognize the critical need to address the unique challenges faced by this patient population. We are developing clazakizumab, an anti-interleukin-6 (anti-IL-6) monoclonal antibody, for the reduction of major adverse cardiovascular events (''MACE'') in End Stage Kidney Disease (''ESKD'') dialysis patients.

- *Respiratory* – Chronic respiratory diseases impose an enormous burden on patients and society and are a leading cause of death and disability worldwide. In addition to our existing product for patients with AATD (ZEMAIRA®/RESPREEZA®), we are investigating potential new clinical treatments for respiratory diseases using novel recombinant monoclonal antibodies and plasma-derived therapies to address this need. We are investigating Trabikibart, an anti-beta common monoclonal antibody, for the treatment of severe uncontrolled asthma and severe chronic obstructive pulmonary disease (''COPD''). In idiopathic pulmonary fibrosis, a severe debilitating disease, we have started a clinical development program with garadacimab, the first of our compounds being explored in this disease area. We are investigating CSL787, a plasma-derived, inhaled immunoglobulin for patients with bronchiectasis.

- *Nephrology and transplant* – While advances in transplantation techniques and therapies have markedly improved short-term patient survival, chronic transplant rejection remains one of the greatest limitations to long-term graft and patient survival for both solid organ (e.g., kidney, liver, heart and lung) and HSC transplant recipients and remains an area of high unmet medical need. We are focused on developing therapies to address transplant rejection and while current solid organ focus lies in kidney transplants, this vision encompasses a broader scope to help treat patients undergoing various solid organ transplantations. There is a significant unmet need for more effective, less toxic therapies for GvHD. We are investigating alpha-1 antitrypsin (AAT, ZEMAIRA®) for the prevention and treatment of acute GvHD in two Phase III studies.

Products

CSL Behring discovers, develops and delivers a broad range of products for treating rare and serious diseases such as hemophilia, vWD, PID, CIDP, HAE and inherited respiratory disease. CSL Behring's products are also used in cardiac surgery, for burn treatment and for urgent blood clotting and reversal of the anticoagulant effects of warfarin, a common blood thinner. The table below provides a summary of CSL Behring's product portfolio as at the date of this Offering Memorandum.

Product name	Description	Method of administrations	Therapeutic area	Indication
HIZENTRA®	Plasma derived immune globulin (Human) 20% liquid for the treatment of PID, CIDP, SID[(1)] HIZENTRA® and PRIVIGEN® (below) are a type of immunoglobulin. Immunoglobulins, also known as antibodies, are proteins produced by plasma cells. They control the body's immune response by binding to substances in the body that are recognized as foreign antigens (often proteins on the surface of bacteria or viruses).	Subcutaneous	Immunology	**Chronic Inflammatory Demyelinating Polyradiculoneuropathy ("CIDP")** CIDP is a rare autoimmune disorder that affects the peripheral nerves and may cause permanent nerve damage. The myelin sheath, the protective covering of the nerves, is damaged, which may result in numbness or tingling, muscle weakness, fatigue and other symptoms. CIDP effects can worsen over time, leading to significant activity limitations and a decreased quality of life. CIDP can occur at any age but peak prevalence is between 40 and 60 years of age and is more common in men than in women. **Primary Immune Deficiency ("PID")** PIDs are a group of disorders caused by inherited or genetic defects in the cells and tissues of the immune system. These genetic defects result in poor or absent function in one or more components of the immune system which predisposes affected individuals to increased frequency and severity of infection, autoimmunity, and aberrant inflammation and malignancy. More than 250 different disorders have been genetically identified to date, with new disorders continually being recognized. **Secondary Immune Deficiency ("SID")** SID occurs when the immune system is compromised due to an outside factor such as human immunodeficiency virus (''HIV''), chemotherapy, severe burns or malnutrition.
PRIVIGEN®	Plasma derived immune globulin (Human) 10% liquid for the treatment of PID, CIDP, SID, chronic ITP[(1)]	Intravenous	Immunology	**CIDP** **PID** **SID** **Chronic Idiopathic Thrombocytopenic Purpura ("ITP")** ITP is a rare autoimmune disorder that causes patients to have low platelet levels. Platelets are cell fragments that are found in the blood and normally help the blood to clot. In people with ITP, the body produces antibodies that attack and destroy the platelets. Antibodies are produced by cells of the immune system, and are normally part of our system for fighting infection. Chronic ITP is an ongoing form of ITP that accounts for most ITP seen in adults and is far less common in children. Chronic ITP has similar symptoms to acute ITP, but persists for longer than six months.
HAEGARDA®/ BERINERT® SC	Plasma derived C1 esterase inhibitor concentrate (Human) (C1-INH) for routine prophylaxis to prevent HAE	Subcutaneous	Immunology	**Hereditary Angioedema ("HAE")** HAE is a rare hereditary disease that can cause attacks of swelling, and often pain, in specific parts of the body including the stomach, hands, feet, arms, legs, genitals, throat and face. Depending on the severity of the disease, some people have many attacks each month, while others go months without an attack. People with HAE are missing or have low levels of a protein called C1 esterase inhibitor ("C1-INH"); in some cases, a person's C1-INH levels are sufficient but the protein does not function properly.

Product name	Description	Method of administrations	Therapeutic area	Indication
BERINERT®	Plasma derived C1 esterase inhibitor concentrate (Human) (C1-INH) for the treatment of acute HAE	Intravenous	Immunology	**HAE**
ALBUMINAR®/ ALBUREX®/ ALBURX®/ ALBUMEX®/ Human albumin	High-purity plasma derived albumin for plasma volume replacement	Intravenous	Hematology	**Albumin** is used to treat or prevent shock following serious injury, bleeding, surgery, or burns, by increasing the volume of blood plasma.
AFSTYLA®/ ABSTILLA	Recombinant antihemophilic, long-acting recombinant factor for routine prophylaxis, on-demand treatment and perioperative management of bleeding for adults and children with hemophilia A.	Intravenous	Hematology	**Hemophilia A** Hemophilia is a rare inherited bleeding disorder in which the blood does not clot normally. People with hemophilia bleed more than normal after an injury, surgery or dental procedure. This disorder can be severe, moderate or mild. In severe cases, heavy bleeding occurs after minor injury or even when there is no injury (spontaneous bleeding). Bleeding into the joints, muscles, brain, or organs can cause pain and other serious complications. The disorder is generally passed down from a mother, who is a carrier, to a son, and therefore mainly affects males. Some people with severe hemophilia may have a shortened lifespan due to the presence of other health conditions and rare complications from the disorder. Hemophilia A, or classic hemophilia, is caused by a mutation in the FVIII gene, which leads to having low levels factor VIII, a protein needed to form blood clots.
IDELVION®/ IDELVIAN	Long-acting albumin fusion protein linking recombinant coagulation factor IX with recombinant albumin for routine prophylaxis, on-demand treatment and perioperative management of bleeding for adults and children with hemophilia B.	Intravenous	Hematology	**Hemophilia B** Like hemophilia A, hemophilia B is caused by a genetic mutation which leads to having low levels of a protein needed to form blood clots. Hemophilia B's mutation is in the FIX gene, and the affected factor is factor IX, which requires different treatment.
HAEMATE P®/ HUMATE-P®/ BIOSTATE®/ VONCENTO®	Plasma derived product containing Factor VIII and von Willebrand factor for the treatment of Hemophilia A and vWD; also used as an ITT for inhibitor patients	Intravenous	Hematology	**Hemophilia A** **Immune Tolerance Therapy ("ITT")** In a small number of cases, people with hemophilia A develop an antibody called an inhibitor which binds to FVIII, making it ineffective. One way to remove these antibodies is to give high doses of a plasma derived FVIII. This treatment is called ITT. **von Willebrand's Disease ("vWD")** vWD is an inherited bleeding disorder in which blood does not clot normally. vWD is the most common type of bleeding disorder and generally less severe than hemophilia. People with vWD sometimes experience heavier-than- normal bleeding from injury, surgery, and, in women, menstrual flow and childbirth. vWD is caused by problems with a protein in the blood known as von Willebrand factor ("vWF"), which helps the blood clot. In some cases, the blood has too little vWF. In others, the protein has a defect. vWD impacts both males and females.
KCENTRA® / CONFIDEX® / BERIPLEX® P/N / PROTHROMBINEX® - VF	Plasma derived concentrate of coagulation factors II, VII, IX and X (prothrombin complex) for patients with acquired deficiency of coagulation factors due to vitamin K antagonist (e.g., warfarin) therapy	Intravenous	Hematology	**Prothrombin Complex ("PCC")** PCC is used for the prevention (during surgery) and treatment of bleedings caused by the decreased vitamin K-dependent coagulation factors II, VII, IX and X in the blood. Lack of any of these factors may mean that blood does not clot as quickly as it should. The most common cause of decreased vitamin K-dependent coagulation factors is the use of warfarin as a blood thinner.

Product name	Description	Method of administrations	Therapeutic area	Indication
HEMOCOMPLETTAN® P / RIASTAP®	Plasma derived fibrinogen concentrate for use in inherited (both products) or acquired (HEMOCOMPLETTAN® P only) fibrinogen deficiency	Intravenous	Hematology	**Fibrinogen** is a key protein required for blood clotting. Fibrinogen deficiency can be inherited or acquired due to blood loss during trauma or surgery.
HEMGENIX®	An AAV5 (adeno-associated virus) gene therapy	Intravenous	Hematology	**Hemophilia B** Like hemophilia A, hemophilia B is caused by a genetic mutation which leads to having low levels of a protein needed to form blood clots. Hemophilia B's mutation is in the FIX gene, and the affected factor is factor IX, which requires different treatment from hemophilia A.
ZEMAIRA® / RESPREEZA®	Plasma derived A1-PI to slow progression of emphysema caused by AATD	Intravenous	Respiratory	**Alpha-1 Antitrypsin Deficiency ("AATD")** AATD is a rare inherited condition that increases the risk for serious lung and liver disease such as emphysema and cirrhosis. Alpha-1 Antitrypsin (''AAT'') is a protein that protects the lungs. If AAT proteins are not the correct shape, they may remain in the liver cells and without being able to reach the lungs.

Note:

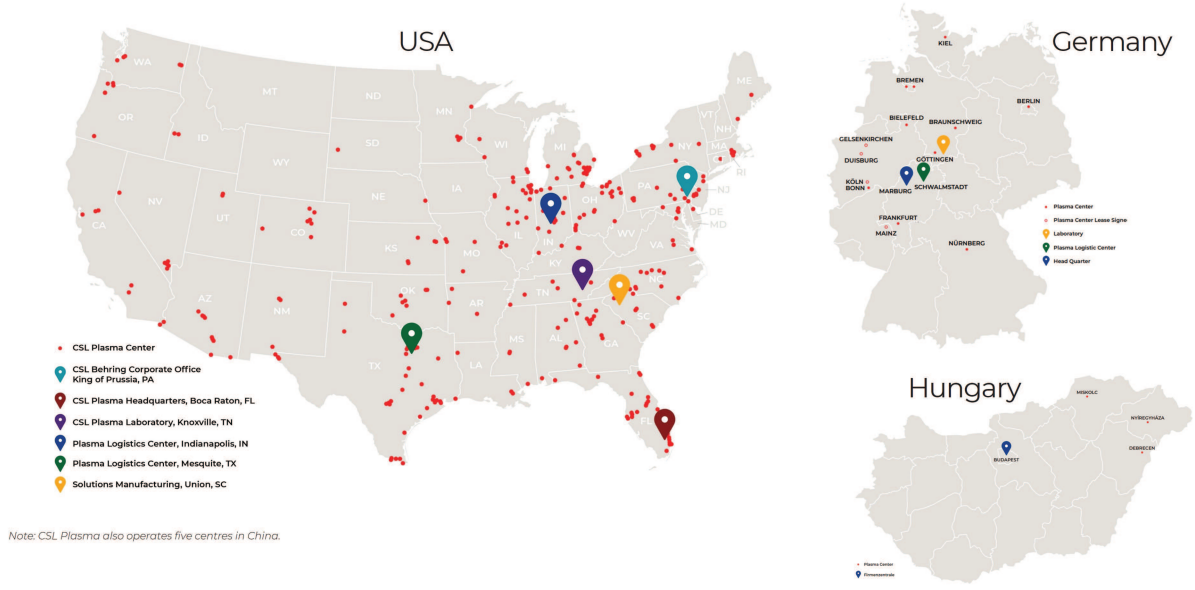
(1) Not all indications are available in all countries (e.g. not indicated for SID in U.S.).

CSL Plasma

A division of CSL Behring, CSL Plasma is one of the largest collectors of human blood plasma in the world, obtaining plasma from donors in the U.S. and its territories, Germany, Hungary and China that is used to produce a range of life-saving medicines for patients with serious and rare diseases.

CSL Plasma is headquartered in Boca Raton, Florida, U.S. and operates one of the world's largest networks of plasma collection centers with a total of 344 plasma collection centers, including 12 in Germany, 3 in Hungary, 5 in China and 324 in the U.S. and its territories, which collectively employed over 15,000 employees as at December 31, 2023.

Global Plasma Collection Center Network (at December 31, 2023)



The plasma we collect at our CSL Plasma facilities is the critical raw material CSL Behring uses to manufacture and deliver an array of plasma derived therapies to patients in more than 100 countries.

CSL Plasma operates plasma testing laboratories and logistics centers in the U.S., Germany and China. CSL Behring operates a U.S. manufacturing facility which produces saline and sodium citrate, solutions that CSL Plasma uses in the plasma donation process.

CSL Plasma continues to invest in opening new collection centers, in addition to laboratory and logistics operations to automate and expand testing and storage capacities. In April 2021, CSL Plasma and Terumo Blood and Cell Technologies (''Terumo'') announced a collaboration to develop and deliver a new plasma collection platform, ''Rika''. Rika is a plasmapheresis device that uses next-generation automated technology to improve the experience of both device operators and donors, compared to its predecessors.

The Rika system achieved regulatory clearance with the FDA in March 2022. CSL Plasma began implementation of the new Rika Plasma Donation System in August 2022 as part of a limited market release at centers starting in the Denver area in the U.S. and, as at December 31, 2023, more than 30 plasma collection centers were updated with the Rika system. Deployment across the remaining U.S. centers is expected to continue over the next 18 months.

In addition, in May 2023 we began working with Terumo on the clinical trial to evaluate an investigational individualized nomogram, which is the target collection volume the device is approved to for each procedure. An individualized nomogram would allow the target collection volume to be better tailored to the individual donor, allowing a greater volume of plasma to be collected from suitable donors than would be the case if a standard nomogram were used. We have recently received FDA approval to use the individualized nomogram, and are working with Terumo to implement it in the Rika system.

The Rika system supports a safe, efficient and improved experience for plasma donors and an improved employee experience including the following features:

- it completes one plasma collection in 35 minutes or less on average, representing a nearly 30% reduction in average donation time for donors; and
- there are not more than 200 milliliters of blood outside the donor's body at one time. This is expected to improve the donor's comfort during the donation and reduce occurrence of a red cell loss deferral (that is, a deferral that is required where more than 250 milliliters of red blood cells are unable to be returned to the donor during a donation or where a donor experiences two occasions within 56 days in which red blood cells are unable to be returned to the donor).

It is designed with an advanced user interface to guide CSL Plasma front-line operators, as well as status indicators that inform donors and employees of donation progress.

Our collaboration with Terumo to develop plasmapheresis technology is consistent with our strategy to continue to improve the donor and operator experience, and remain the plasma donation center of choice for our donors. We continue to explore process improvements and technological advancements in plasma collection to drive efficiency while maintaining donor safety and a sufficient plasma supply.

During the pandemic, plasma collections were constrained largely due to decreased mobility of donors and government stimulus. Stay-at-home orders and extended lockdowns restricted the movement of donors while stimulus packages, particularly in the U.S., had disincentivized individuals to donate plasma. Consequently, collection volume had declined and the cost of collection had increased, due in particular to higher payments to donors as part of the collection process, while increased global demand for plasma derived therapies had increased pressure on worldwide manufacturing and supply chains.

Due to multiple initiatives we have implemented during and since the pandemic, such as instituting measures to protect the safety and optimize the experience of donors and employees in our facilities and accelerating partnering with contract manufacturers, analytical services, logistics providers and other organizations to reduce risk and increase supply reliability, CSL Plasma's plasma volumes have recovered from pandemic levels to record levels.

During FY2023, plasma collections were robust with plasma volumes increasing 31% compared to FY2022 and now at record levels. Improved social mobility post COVID-19, targeted marketing campaigns and enhanced digital initiatives to attract donors all contributed to this growth. The significant increase in plasma supply underpins our ability to manufacture plasma products and enables us to meet the underlying patient demand for core plasma products.

We also enter into contracts in certain countries pursuant to which plasma collected by other organizations is supplied to CSL for fractionation services and manufacturing and the resulting products are distributed back into the country of origin (''tolling contracts''). For example, CSL Behring manufacture a comprehensive portfolio of 15 plasma products for Australia from plasma collected by the Australian Red Cross LifeBlood, including:

- immunoglobulins to treat and prevent infections, and to treat autoimmune diseases and neurological conditions;
- critical care products used to prevent blood loss and shock, to treat severe burns and to replace specific blood proteins;
- coagulation factors to treat bleeding disorders such as hemophilia and vWD, and to reverse the effects of warfarin; and
- hyperimmune immunoglobulins to help protect against infection by life-threatening bacteria or viruses, and to help prevent hemolytic disease of the newborn.

In addition to manufacturing plasma products from Australia's plasma, our facility in Broadmeadows also provides highly specialized plasma fractionation services under tolling contracts with other countries in the region: New Zealand, Hong Kong, Malaysia, Singapore and Taiwan.

In December 2022, we opened our new Plasma Fractionation Facility in Broadmeadows, Victoria. It is the largest of its kind in the Southern Hemisphere. This facility allows us to process up to 9.2 million plasma equivalent liters per annum, a nine-fold increase on the previous capacity, and will process domestic plasma from Australian, New Zealand, Taiwanese, Hong Kong and Malaysian donor plasma, in addition to commercially sourced plasma through CSL Plasma. In March 2023, we opened another facility in Marburg, Germany.

Plasma products supply chain

From plasma donation to therapeutic application, there are four major steps in the supply chain for our plasma products:

- plasma collection and testing;
- transport and logistics;
- further testing and manufacturing; and
- sales, marketing and distribution.

Our operations encompass all levels of the plasma therapies supply chain, from initial plasma collection to distribution of final products. CSL Plasma's operations generally encompass plasma collection, testing, transport and logistics while CSL Behring handles manufacturing, sales, marketing and distribution.

Plasma collection and testing

Plasma is collected from donors using a process known as plasmapheresis. During this process, blood is drawn from a donor's arm and sent through a plasmapheresis device that automatically separates the plasma from the other blood components. Then, the rest of the donor's blood—red cells, white cells and platelets—is returned to the donor's blood circulatory system. CSL Plasma works to minimize donation time using integrated donor management systems including biometric identification confirmation at check-in, streamlined floor layouts, and a culture of efficiency and teamwork. Operations at our plasma collection centers are managed locally to ensure that donors are remunerated for their time and effort at locally determined rates and in a manner that complies with local legal requirements.

For more on the risks associated with our ability to collect plasma, see ''Risk factors—Risks relating to our business and industry—A significant portion of our revenue, business operations, financial performance and future growth is dependent on our ability to source human blood plasma''.

Transport and logistics

CSL Plasma's U.S. Plasma Logistics Centers are located in Indianapolis, Indiana, and Mesquite, Texas in the U.S. and in Schwamstad, Germany. These logistics centers are advanced facilities responsible for receiving, storing and shipping plasma that is donated at our collection centers. The inventory is controlled by sophisticated logistics software that is tied into our donor management computer system. This means we have ''vein to vial''

control, tracing each plasma unit from the initial donation to laboratory test results, to logistics and on to the manufacturing facilities, and ultimately, into the product made from the donated plasma. We use third-party providers to transport plasma between our facilities at the end stage of this process.

Further testing and manufacturing

Once plasma has been donated, we test every donation for pathogens such as HIV, hepatitis A, B and C and parvovirus B19. Additionally, every four months we test for syphilis. If we discover a unit of plasma that cannot be used in the fractionation process due to unfavorable test results, we notify the donor (and applicable public health authorities as required by local law) and remove plasma previously donated by such donor from our inventory. The CSL Plasma Testing Laboratories (''PTLs'') are located in Knoxville, Tennessee, U.S. and Göttingen, Germany. Each PTL employs a combination of licensed technical, non-technical and support personnel. The PTLs test millions of plasma samples each year, ensuring the safety of the plasma. Both serological and Nucleic Acid Testing (''NAT'') are conducted to identify viruses. NAT allows certain viruses to be detected even before a donor displays any symptoms or develops antibodies. This very sensitive screening method can detect viruses earlier than serological testing.

Once further testing is complete, plasma may then be used to manufacture plasma derived therapies. The manufacture of our plasma products is a complex process of:

- *Pooling and fractionation*: Pooling begins with the receipt of frozen plasma which, after testing, is partially thawed and mixed in a pooling tank. As the temperature of the plasma rises slightly above freezing, a centrifuge spins the plasma to separate cryoprecipitate from all other proteins. The fractionation process then separates the specific proteins in the plasma by adjusting temperature, alcohol concentration and pH.
- *Purification*: The solidified fractions then undergo various purification steps depending on the desired final product. Routine samples are collected and tested throughout this stage to ensure the removal of impurities.
- *Viral inactivation*: Several viral inactivation steps such as pasteurization and filtration are then undertaken to ensure that the product is sterile.
- *Filling and finishing*: The fill and finish process involves sterile filtration to remove any contaminants, dispensing formulated bulk product into individual vials, further viral inactivation steps and finally packing into finished product.

For risks associated with the manufacture of plasma derived products, see ''Risk factors—Risks relating to legal and regulatory matters—The processes of collecting and storing plasma are complex and demanding and our collection centers are required to satisfy extensive and ongoing regulatory requirements and oversight and GMP''. For detailed descriptions of our key testing and manufacturing facilities, see ''—Locations'' below.

Sales, marketing and distribution

We have a large and diverse customer base. In FY2023, our top five customers accounted for 37% of our operating revenue and our largest customer accounted for 12% of our operating revenue.

Our reputation in the marketplace and success as a reliable supplier of biopharmaceuticals relies on ensuring our medicines are honestly represented in our interactions with healthcare professionals, consumers and other customers. Promotional Review Committees, comprising cross-functional members, operate across our business units to ensure compliance with all applicable local laws, regulations and accepted industry codes. The committees are responsible for ensuring information on medicines, vaccines and therapy areas is balanced, supported by scientifically valid data and compliant with relevant laws and codes. See ''Regulation'' for further information on our regulatory framework.

We require our sales representatives to be able to highlight the features and benefits of our products as well as technical differences between our products and those of our competitors. This requires a high degree of training as the salesperson has to be able to interact and discuss the differences with doctors, pharmacists and other medical staff. Sales representatives call on physicians, departmental heads, purchasing agents, senior hospital directors and managers. We divide our sales efforts along the lines of our therapeutic areas.

United States

In the U.S., we sell our products primarily through GPOs. GPOs are entities that act as purchasing intermediaries for their members, including hospitals and other healthcare providers. GPOs negotiate the price and volume of our pharmaceutical products, including plasma derivatives, used by their members. The GPOs' large market position and their substantial purchasing volume provide them with significant negotiating power, resulting in price pressures for manufacturers like us. We market our products to the GPOs' members and their clients through focused sales presentations. In addition to GPOs, we also negotiate the price and volume of our pharmaceutical products with Integrated Distribution Networks (''IDNs'') and Specialty Pharmacies (''SPs''). An IDN is an organization that owns and operates a network of one or more healthcare facilities which may include different types of inpatient and outpatient care facilities including hospitals, physician groups, health clinics, ambulatory surgery centers and imaging centers. Like retail pharmacies, SPs dispense medication to patients but focus on the rare or complex diseases that our products treat. Although price and volume are negotiated with GPOs, IDNs and SPs, we sell our products to distributors. The distributors then process orders from and sell and deliver products to the GPO members, IDN members and SPs at the contract price negotiated by those entities. However, we do sell and deliver product directly to certain SPs.

Europe and the United Kingdom

In the EU and the U.K., the majority of CSL Behring's products are sold to hospitals, which are required to make purchases through public tender procedures governed by national tender laws (implementing the EU Public Procurement Directive 2014/24). Tenders for purchase of our pharmaceutical products can be organized by a single hospital, a group of hospitals, or, as the case may be, the local, regional, federal or state authority owning one or a group of hospitals. Tenders are awarded to bidders based on a number of criteria including, but not limited to, the price of the product, scope of the licensed indications, product quality and reliability as a supplier. Product pricing, whether in retail sector transactions or quoted by bidders in tenders) is subject to country specific rules and regulations in the EU Member States and the U.K.

Australia

In Australia, most of our commercial products are procured by the National Blood Authority (''NBA''), a statutory authority that represents the interests of the State and Territory governments, via a limited or open tender process conducted pursuant to the applicable Commonwealth procurement rules. The tender process is designed to ensure value for money, encourage competition, and ensure efficient and effective use of resources. Tenders are awarded to the supplier(s) who submits the most compelling proposal, meeting the objectives of the NBA, where significant weight is given to achieving value for money outcomes. Once we are awarded a tender, we distribute our products in accordance with the terms of the supply contract, usually direct to approved healthcare providers for dispensing in accordance with the applicable scheduling regime.

China

After acquiring Guangzhou Junxin Pharmaceutical Limited in 2018, which holds a Drug Distribution License (''DDL'') granted by Guangdong Provincial Medical Products Administration, we transitioned to a distribution model in China under which we sell our products directly to distributors. The wholesaler-direct model allows us to work more closely with customers and improve efficiencies and transparency in our supply chain. This has expanded our geographic coverage and given us increased penetration into retail pharmacy and lower tier cities and hospitals.

Quality and safety

The safety of our donors, employees and the plasma we collect is of paramount importance and is something we actively monitor on an ongoing basis. To ensure the continuous safety of the donors and the plasma supply, our safety system is integrated into each stage of the plasma collection and development process. Plasma and plasma products undergo rigorous quality controls and inspections throughout every step of the manufacturing process, from the collection of plasma to the final packaging of the finished product, to ensure that our plasma products are of the highest quality and safety. The process starts with plasma center medical staff determining each prospective donor's eligibility to donate plasma in accordance with applicable FDA regulations, and then screening and testing these donors for the presence of various infectious diseases. In the U.S., CSL Plasma participates in the National Donor Deferral Registry, an industry database from which CSL Plasma excludes

previously deferred plasma donors who tested positive for hepatitis B, hepatitis C or HIV. Our manufacturing system includes purification of the desired protein, virus inactivation and prion removal in addition to multiple levels of quality assurance, including both quality control and monitoring.

Our manufacturing, product quality assurance and pharmacovigilance practices aim to ensure the highest standards of safety and the preservation of our reputational integrity. We ensure that our processes and procedures meet good pharmacovigilance practice (''GPV'') and GCP standards and that product information is up-to-date and contains all relevant information to assist healthcare practitioners to appropriately prescribe our products. For clinical trials, participants are informed and acknowledge awareness of the benefits and risks of participation in the trial through use of Informed Consent Forms approved by regulators.

Through our manufacturing and supply processes, we adopt and comply with a broad suite of internationally recognized standards, including GMP, GLP and GDP (together with GPV and GCP, collectively, ''GxP''). We are frequently inspected by independent regulatory authorities ensuring compliance with these standards, and we also undertake our own GMP quality audits of our third-party suppliers.

For risks associated with patient safety and product quality, see ''Risk factors—Risks relating to our operations—Serious or unexpected side effects from our products could result in product recalls, require us to conduct further clinical trials and jeopardize our reputation and our ability to continue marketing our products''.

CSL Seqirus

Overview

CSL Seqirus was formed from the integration of bioCSL, our former influenza division, with the influenza vaccines business we acquired from Novartis in 2015. CSL Seqirus' vaccine development, differentiated product portfolio and wide-ranging commercial operations in more than 15 countries have made CSL Seqirus one of the largest influenza vaccine companies in the world by revenue.

CSL Seqirus develops, manufactures and commercializes influenza vaccines and, in Australia and New Zealand, distributes a range of in-licensed vaccines and pharmaceuticals. CSL Seqirus' broad range of influenza vaccines includes egg-based and cell-based products, as well as a proprietary adjuvant, which enhances a vaccine's efficacy through improving the recipient's immune response. CSL Seqirus has expanded its strategy to develop vaccines targeting adjacent pathogens, such as COVID-19. In 2022, we entered into an agreement with Arcturus to in-license self-amplifying mRNA technology for use in COVID-19, influenza, and a number of other respiratory pathogens. CSL Seqirus is also the world's only supplier of a unique range of products made in the national interest for the Australian Government, including antivenoms and Q fever vaccine. As one of the world's leading influenza vaccine providers, CSL Seqirus is a major contributor to the prevention of influenza globally and a partner in pandemic preparedness across three continents through its production facilities in the U.S., U.K. and Australia. Our production of seasonal influenza vaccines for both the northern and southern hemispheres enables us to be in a constant state of readiness to respond to a pandemic emergency.

The tables below show a summary of CSL Seqirus' sales performance by product or service category for HY2024 and FY2023:

Product or service category	HY2024 Operating Revenue (US$ million)	HY2023 Operating Revenue (US$ million)	HY2024 vs. HY2023 Reported Change (%)[1]
Egg-based vaccines	123	123	—
Cell culture vaccines	529	599	(12%)
Adjuvanted egg based vaccines	988	845	17%
Pandemic	85	76	12%
Other (including in-license)	65	86	(25%)
Other income[2]	14	9	56%
Total	**1,804**	**1,738**	**4%**

Notes:

(1) Percentages shown as reported.

(2) Other income is primarily derived from activities that are outside of the ordinary course of business, such as the disposal of property, plant and equipment.

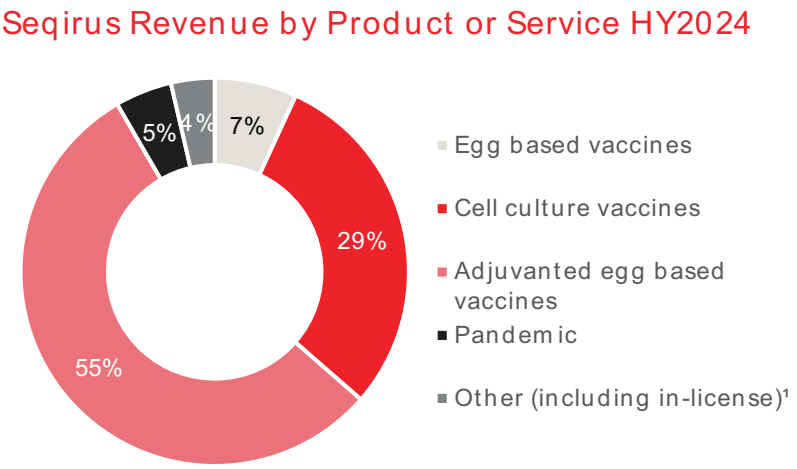
Product or service category	FY2023 Operating Revenue (US$ million)	FY2022 Operating Revenue (US$ million)	FY2023 vs. FY2022 Reported Change (%)[1]	FY2021 Operating Revenue (US$ million)	FY2022 vs. FY2021 Reported Change (%)[1]
Egg based vaccines	148	228	(35%)	308	(26%)
Cell culture vaccines	599	486	23%	439	11%
Adjuvanted egg based vaccines	893	885	1%	629	41%
Other (including in-license)	211	178	19%	176	1%
Pandemic	156	162	(4%)	160	1%
Other income[2]	24	25	(4)%	24	4%
Total	**2,031**	**1,964**	**3%**	**1,736**	**13%**

Notes:

(1) Percentages shown as reported.

(2) Other income is primarily derived from activities that are outside of the ordinary course of business, such as the disposal of property, plant and equipment.

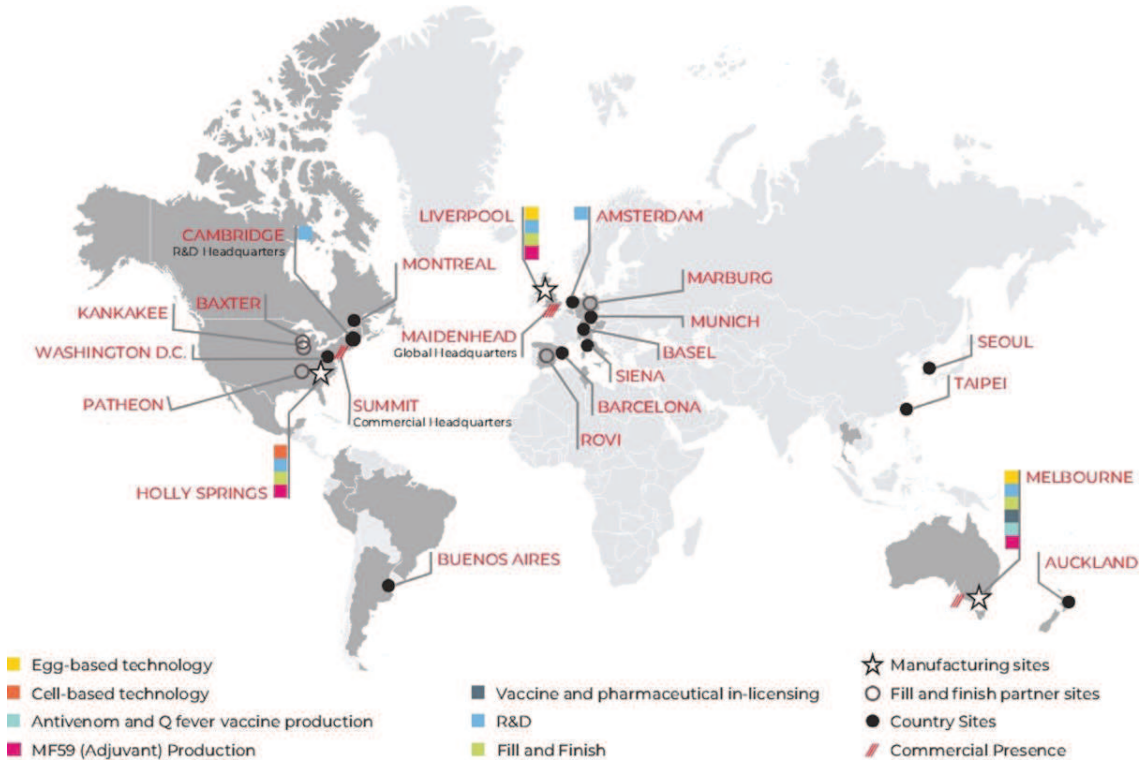
The chart below shows a summary of CSL Seqirus' sales performance in HY2024 by the product or service categories listed above:



Note:

(1) Includes other income realized from activities that are outside of the ordinary business such as the disposal of property, plant and equipment and in-license revenue.

CSL Seqirus operates R&D and commercial sites and manufacturing facilities in a number of locations around the world, as shown on the map below:



CSL Seqirus' manufacturing plants have deep technical expertise in the science and manufacture of influenza vaccines and produce a broad portfolio of products. For detailed descriptions of each key facility, see ''—Locations'' below.

Vaccine technologies

CSL Seqirus utilizes both egg-based and cell-based production technologies to produce influenza vaccines, as well as a proprietary adjuvant. CSL Seqirus is also developing self-amplifying mRNA technology for the use in COVID-19, influenza and other pathogens. The vaccine technologies we use are described below:

Egg-based production

In 1942, CSL began producing a new influenza vaccine using an egg-based method pioneered by the Australian virologist, Macfarlane Burnet. Seasonal production began thereafter and to the present day, egg-based manufacturing continues to be the most common method of influenza vaccine production globally. We expect that egg-based influenza vaccines will continue to be important to maintain global supply, however, new technologies, like cell-based production, adjuvants and self-amplifying messenger RNA are growing platforms that offer benefits compared to egg-based vaccines.

Cell-based production

CSL Seqirus is the one of the largest cell-based influenza vaccine manufacturers in the world. We produce these novel vaccines at our manufacturing facility in Holly Springs, North Carolina, U.S. which was purpose-built in partnership with the U.S. Biomedical Advanced Research and Development Authority (''BARDA'') office within the U.S. Department of Health and Human Services (''HHS'') to combat pandemic threats. The facility harnesses cell-based technology as a modern, efficient and highly scalable alternative to traditional egg-based manufacturing for seasonal influenza vaccine production and rapid pandemic response. To produce a cell-based influenza vaccine, the influenza virus is isolated and grown in cultured cells instead of eggs. Manufacturing in cells produces vaccines that have an exact match to the influenza strains selected by the WHO by avoiding 'egg adaptation', a phenomenon which occurs in egg-based production where the virus adapts during the manufacturing process.

Since acquiring this influenza cell-culture (''FCC'') technology from Novartis in 2015, CSL Seqirus has been able to accelerate production from pilot scale to industrial scale, significantly increasing supply of seasonal influenza vaccines and strengthening the U.S.' capacity to respond to pandemic threats.

Adjuvants

CSL Seqirus also produces an adjuvant, which enhances a vaccine's efficacy by boosting the recipient's immune response and providing broader protection against circulating influenza strains. Our proprietary adjuvant, MF59®, is combined with influenza strains in a vaccine to boost the normally diminished immune response of older adults. This boosted immune response also reduces the amount of antigen needed for each vaccine, enabling us to manufacture more doses, more rapidly, which is beneficial in the event of a pandemic.

Self-amplifying messenger RNA (sa-mRNA)

In November 2023, Japan's Ministry of Health, Labor and Welfare (MHLW) granted approval for ARCT-154, a self-amplifying mRNA (sa-mRNA) COVID-19 vaccine for initial vaccination and booster for adults 18 years and older. ARCT-154, which is licensed by CSL Seqirus from Arcturus, is the world's first approved self-amplifying mRNA (sa-mRNA) vaccine. This technology has the potential to improve upon vaccine efficacy through stronger immune responses, longer duration of response, and more complete activation of the immune system.

Products and services

Developing new and better vaccines across all age groups in expanded markets is a strategic priority for CSL Seqirus. We recognize the need to continue leading in the development and manufacture of influenza vaccines including cell-based technology and investigating the use of self-amplifying mRNA technology for the development of vaccines against many pathogens, including influenza and COVID-19 vaccines.

Through these technologies, CSL Seqirus aims to enhance the immune response of those particularly vulnerable to influenza, COVID-19, and other respiratory pathogens, such as children and older adults. The portfolio includes a number of key investigational products, including a higher dose adjuvanted cell-based influenza vaccine (aQIVc), multiple monovalent and quadrivalent influenza candidates using the sa-mRNA technology and a COVID-19 seasonal booster. In addition, our collaboration with sa-mRNA-focused Arcturus complements our long-term strategy in vaccines with benefits including faster clinical development with higher probability of success; application to additional pathogens including those with pandemic potential; access to an established manufacturing network; and access to lipid nanoparticles and a lipid library with application across vaccines.

Influenza vaccines

Each year, influenza is estimated to cause one billion illnesses, including three to five million cases of severe illness, around the world and between 290,000 to 650,000 deaths.[29] It is estimated that in England and Wales 29,516 deaths in 2018 and 26,398 deaths in 2019 were attributable to influenza infections (and/or influenza-caused pneumonia).[30] In the U.S. alone, the CDC estimates that, from October 1, 2023 through March 9, 2024, influenza resulted in an estimated 29-54 million illnesses and an estimated 20,000-58,000 deaths.[31] The timing and severity of the 2021-2022 influenza (flu) season in the U.S. was different than most seasons before the COVID-19 pandemic. Though relatively mild, there was more activity during the 2021-2022 flu season than during the 2020-2021 flu season, and compared with pre-pandemic seasons, flu activity during the 2021-2022 season was elevated much later into the spring with a historically late second national peak in April 2022.[32]

As a global leader in influenza vaccine development and production, CSL Seqirus produces a broad range of influenza vaccines, including egg-based and cell-based products, and seasonal, pre-pandemic and pandemic influenza vaccines. As a result, our marketed product range varies from country to country to meet the needs of

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[29] WHO. (n.d.). Global Influenza Strategy 2019-2030. Retrieved from https://www.who.int/influenza/Global_Influenza_Strategy_2019_2030_Summary_English.pdf (Accessed March 2024).

[30] Office for National Statistics. (February 24, 2021). Influenza deaths in 2018, 2019 and 2020. Retrieved from https://www.ons.gov.uk/aboutus/transparencyandgovernance/freedomofinformationfoi/influenzadeathsin20182019and2020 (Accessed March 2022).

[31] Centers for Disease Control and Prevention. (n.d.). 2023-2024 U.S. Flu Season: Preliminary In-Season Burden Estimates. Retrieved from https://www.cdc.gov/flu/about/burden/preliminary-in-season-estimates.htm (Accessed March 2024).

[32] Centers for Disease Control and Prevention. (n.d.). 2021-2022 Flu Season Summary. Retrieved from https://www.cdc.gov/flu/season/faq-flu-season-2021-2022.htm (Accessed March 2024).

different populations around the world. In Australia and New Zealand, we also supply a wide range of other in-licensed vaccines and specialty medicines. The table below shows a summary of CSL Seqirus' seasonal influenza vaccine portfolio as of the date of this Offering Memorandum:

Vaccine	Country availability
AFLURIA® Quadrivalent	Inactivated Quadrivalent Influenza Vaccine (split viron) Also marketed as AFLURIA® Quad and AFLURIA® Tetra in various different markets.	Argentina, Australia, Canada, Germany, New Zealand and the U.S.
AFLURIA®	Inactivated Influenza Vaccine (split viron) Also marketed as ENZIRA®, FLUVAX® and NILGRIP® in various different markets.	Argentina
AGRIPPAL®	Influenza Vaccine (surface antigen inactivated) Also marketed as BEGRIPAL®, FLUAZUR®, SANDOVAC®, AGRIFLU®, CHIROFLU® in various different markets.	Argentina, Canada, Colombia and Spain
FLUAD®	Inactivated Influenza Vaccine, Adjuvanted Also marketed as CHIROMAS® in Spain.	Argentina, Australia, Austria, Canada, Italy, Spain, Switzerland, U.K. and the U.S.
FLUAD® Pediatric	Inactivated Influenza Vaccine, Adjuvanted	Germany, Italy, Spain, U.K. and the U.S.
FLUCELVAX® Quadrivalent	Inactivated Influenza Vaccine Also marketed as FLUCELVAX® TETRA▼ or FLUCELVAX® QUAD in various different markets.	Australia, Austria, Canada, Germany, Greece, Italy, Spain, Taiwan, U.K. and the U.S.

Note:

(1) The trademarks marked® are registered by Seqirus UK Limited or its affiliates in one or more jurisdictions, unless indicated otherwise.

There are currently 144 national influenza centers in over 114 countries that conduct year-round surveillance for flu viruses as part of the WHO Global Influenza Surveillance and Response System. This involves testing thousands of flu virus samples from patients. The laboratories send representative viruses to WHO Collaborating Centers for Influenza. Twice a year, the WHO organizes a consultation with the seven WHO Collaborating Centers and representatives of key national laboratories. They review the results and make recommendations on the composition of flu vaccines. These meetings take place in February for selection of the upcoming Northern Hemisphere's seasonal flu vaccines and in September for the Southern Hemisphere's flu vaccines. A similar framework is being established for COVID-19 as that virus settles into an endemic phase requiring seasonal vaccination.

An important factor of CSL Seqirus' strategy is to deliver our seasonal vaccines in time for large vaccination campaigns across the world. Since the vaccine manufacturing process takes many months, CSL Seqirus may start producing certain strains (referred to as a ''banker strain'') in advance of the WHO recommendation. CSL Seqirus closely analyzes global surveillance to make a determination of which banker strain(s) to produce, thus limiting its risk of an incorrect choice and maximizing the speed to delivery of our vaccines. Significant delays to delivery of products such as flu vaccines that are seasonal in nature could have a material adverse effect on our financial position and/or results of operations. For these products, delays in regulatory approvals or manufacturing difficulties may delay launch to later in the season or subsequent seasons which, in turn, may significantly reduce anticipated sales. See also ''Risk factors—Risks relating our strategy and structure—Failure or delay in the delivery or launch of new medicines in our pipeline may have a material adverse impact on our results of operations and long term strategy'' and ''Risk factors—Risks relating our strategy and structure—We experience some seasonality in our sales, revenue and financial performance''.

As a result of the seasonality of influenza vaccines, CSL Seqirus experiences higher sales during the first half of the fiscal year, which is the Northern Hemisphere influenza vaccine season. CSL Seqirus therefore generally has higher revenue and operating profit in the first half of the fiscal year. We expect that CSL Seqirus will experience a loss in the second half of the fiscal year. As a result, the CSL Group's operations and financial results exhibit some variability depending on the time of year in which they are measured.

Pandemic response solutions

An influenza pandemic occurs when a new flu virus emerges for which humans have little or no immunity, allowing the virus to spread rapidly from person to person worldwide.[33] There have been four influenza pandemics between the years 1918 and 2024.[34] As a global leader in influenza vaccine manufacturing, CSL Seqirus works with governments around the world to support pandemic readiness, offering a portfolio of both pandemic vaccines and services which are tailored to rapid response. Our dual production platforms and proprietary MF59® adjuvant technology underpin our commitment to rapidly supply pandemic influenza vaccines when needed. Our adjuvanted, egg-based influenza vaccine FOCLIVIA®, for example, is designed to protect against H5N1 in the event of an influenza pandemic. CSL Seqirus has also developed and licensed AUDENZ®, a pandemic vaccine which combines cell-based and adjuvant technologies into a single vaccine.

Under our agreements signed with governments as well as with the WHO, we reserve pandemic influenza dose capacity so that it can be deployed upon the WHO's declaration of a pandemic. Several governments rely on CSL Seqirus to provide pre-pandemic stockpiles of bulk antigen and MF59® adjuvant that could be quickly combined in the early phase of a global outbreak, or finished product.

We continue to test pre-pandemic candidate vaccines produced on our manufacturing platforms. Our ongoing projects are aimed at accelerating our response, via further surge capacity enhancement.

As a trusted partner to the governments of more than 30 countries throughout the world, CSL Seqirus is the leader in preparedness for pandemic influenza, and is constantly working to expand its offerings to new countries and to address emerging pandemic threats. Key approved CSL Seqirus pandemic vaccines include PANVAX®, FOCLIVIA® and AUDENZ®.

In-licensed vaccines and pharmaceuticals

Drawing on our broad resources and networks, CSL Seqirus assists international partners with commercializing their pharmaceutical and vaccine products in Australia and New Zealand. We offer a flexible partnering approach, with an ability to tailor licensing arrangements to meet the needs of our partners. We have a proven track record of building strong brands and achieving rapid market penetration across a range of therapeutic areas and channels, including general practitioners (''GPs''), specialists and hospitals. We have sales and marketing teams and a dedicated regulatory and health economics team with expertise in securing optimum labelling and pricing in Australian and New Zealand markets.

CSL Seqirus' in-licensing business has helped a number of vaccines and medicines expand their reach into broader markets. REAGILA® (cariprazine) was approved for the treatment of schizophrenia in adult patients, as well as IKERVIS® (ciclosporin eye drops) for severe keratitis in adult patients. Other pharmaceutical products include PALEXIA® (tapentadol) and TRAMAL® (tramadol hydrochloride) for the management of severe pain, RYALTRIS® (fixed dose combination mometasone furoate monohydrate and olopatadine hydrochloride nasal spray) for the treatment of symptoms associated with allergic rhinitis, TEGLUTIK® (riluzole) for the treatment of patients with amyotrophic lateral sclerosis, XADAGO® (safinamide) for Parkinson's disease and CATIONORM®, (cationic nanoemulsion eye drops) for the treatment of dry eye.

CSL Seqirus also commercializes GARDASIL® 9 (human papillomavirus 9-valent, recombinant) vaccine for the prevention of cervical cancer.

Products of national significance (antivenoms and Q fever vaccine)

CSL Seqirus manufactures and distributes a range of unique products of national significance under contract with the Australian Government. CSL Seqirus serves a significant public health need for Australians as the world's only supplier of these unique products, including Q fever vaccine and antivenoms for venomous creatures in Australia and New Zealand. We are committed to reducing the burden of venomous bites and stings through awareness, education and community programs in the Asia Pacific region.

Our two key products in this category are:

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[33] Infectious Disease Society of America. Public Health, Influenza, What is Pandemic Influenza? Infectious Disease Society of America website. https://www.idsociety.org/public-health/influenza/influenza-main-page/what-is-pandemic-influenza (Accessed March 2022).

[34] The World Bank, History of the Influenza Vaccine. Retrieved from https://www.who.int/news-room/spotlight/history-of-vaccination/history-of-influenza-vaccination (Accessed March 2024).

- *Antivenoms* – Australia is home to many of the world's most venomous snakes, spiders and marine animals. CSL Seqirus is the world's sole producer of antivenoms for Australia's most venomous creatures, a community service that CSL began in the 1930s. We also collaborate with global public health partners in both government and industry to provide antivenoms internationally. In Papua New Guinea, for example, CSL Seqirus joined a three-year ''PNG Snakebite Partnership'' in 2018 to help save the lives of people bitten by local venomous snakes.
- *Q fever vaccine* – Q fever is a national notifiable disease in Australia and CSL Seqirus is the world's only manufacturer of Q fever vaccine. Q fever is caused by the bacteria *Coxiella burnetii* and is transmitted to humans by inhalation through direct or indirect contact with infected animals, most commonly cattle, sheep and goats. The illness in humans is usually flu-like, but may sometimes have serious and long-lasting consequences.[35]

Quality and safety

Vaccines are one of humanity's most powerful defenses against the spread of diseases and their devastating consequences. Every day at CSL Seqirus, we work to protect people and communities from seasonal influenza and global pandemic threats. CSL Seqirus is committed to the development, production and marketing of safe and efficacious healthcare products that prevent diseases and enhance quality of life. We achieve this by ensuring our products, processes and services meet the needs of our patients and are in compliance with all relevant specifications and regulations.

Like CSL Behring, CSL Seqirus' processes and procedures comply with the broad suite of GxP standards and CSL Seqirus is frequently inspected by independent regulatory authorities to monitor compliance. See ''—CSL Behring—Quality and Safety''.

For risks associated with patient safety and product quality, see ''Risk factors—Risks relating to our operations—Serious or unexpected side effects from our products could result in product recalls, require us to conduct further clinical trials and jeopardize our reputation and our ability to continue marketing our products''.

CSL Vifor

Overview

CSL Vifor is a global specialty pharmaceuticals business that is a leader in iron therapies, dialysis, nephrology and rare diseases. CSL Vifor specializes in strategic global partnering, in-licensing and developing, manufacturing and marketing pharmaceutical products for precision healthcare, aiming to help patients around the world lead better, healthier lives. Headquartered in St. Gallen, Switzerland, CSL Vifor also includes our 55% interest in the joint venture company, VFMCRP with FMC.

The acquisition of CSL Vifor in August 2022 allows us to build on a heritage and expertise in iron deficiency therapy and grow our presence in nephrology, with a focus on dialysis and rare disease. During FY2023, CSL commenced the integration of the CSL Vifor R&D teams and programs into the overall CSL R&D organization and processes. CSL Vifor develops drugs and in-licenses drugs developed by others. CSL Vifor outsources certain of its final stage production processes to contract manufacturing organizations.

CSL Vifor's operational headquarters are in Zurich, Switzerland, and the segment has an increasingly global presence and a broad network of affiliates and partners around the world. As of December 31, 2023, CSL Vifor is present in more than 100 countries and employs approximately 1,700 people around the world.

The table below shows a summary of CSL Vifor's sales performance by product or service category for the periods indicated (since the CSL Vifor acquisition):

Product or service category	HY2024 Operating Revenue (US$ million)	HY2023[(1)] Operating Revenue (US$ million)	FY2023[(1)] Operating Revenue (US$ million)
Iron	505	427	1,009
Nephrology – Dialysis	399	377	771
Nephrology – Non Dialysis	90	55	136

[35] Australian Government, Department of Health. Australian Immunisation Handbook. Chapter: Q fever. June 6, 2018. Retrieved from: https://immunisationhandbook.health.gov.au/vaccine-preventable-diseases/q-fever (Accessed March 2022).

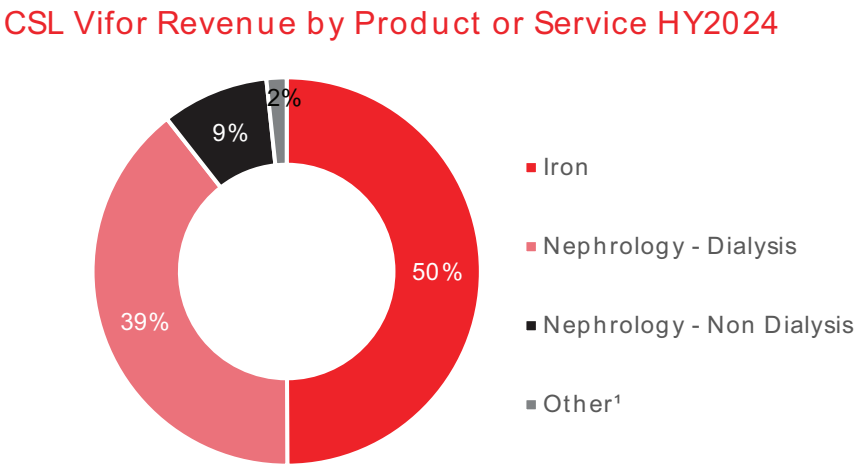
Product or service category	HY2024 Operating Revenue (US$ million)	HY2023[1] Operating Revenue (US$ million)	FY2023[1] Operating Revenue (US$ million)
Other[2]	17	30	73
Total	**1,011**	**889**	**1,989**

Notes:

(1) We completed the acquisition of Vifor Pharma (CSL Vifor) on August 9, 2022 and, therefore, the amounts for HY2023 and FY2023 represent the contribution from CSL Vifor from that date onward (approximately 5 months and 11 months, respectively).

(2) Includes other sales revenue and other income including milestone payments received and license income.

The chart below shows a summary of CSL Vifor's sales performance in HY2024 by the product or service categories listed above:



Note:

(1) Includes other sales revenue and other income including milestone payments received and license income.

Sales, marketing and distribution

CSL Vifor operates in a variety of highly competitive therapy areas and markets, with business partners in 100+ countries across the globe. Over the past two fiscal years and extending into FY2024, the organization has executed multiple product launches across key markets.

Given the promotional sensitivity of our portfolio, our operational model necessitates ample resources to bolster our launch excellence. For that, sales and marketing efforts play a vital role in informing healthcare professionals to assist them to choose the best possible care for their patients.

Sales representatives at the company are responsible for product selling, as well as educational activities on the latest advancements in treatment options for healthcare professionals. They connect healthcare professionals with the knowledge necessary to deliver high quality of care to their patients.

Therapeutic areas and products

CSL Vifor's therapeutic areas and related products are outlined below:

- ***Iron therapies*** – CSL Vifor has pioneered the development of iron-based products and established itself as a global leader in the treatment of iron deficiency, with internationally recognized brands including FERINJECT® (CSL Vifor's flagship IV iron therapy, known as INJECTAFER® in the U.S.), VENOFER® and MALTOFER®.

  Iron is a fundamental mineral needed to produce hemoglobin, a protein in red blood cells that carries oxygen around the body, and a key element of energy metabolism. Iron plays a vital role in the process by which cells make energy. Human cells require iron in order to convert energy from food, and low iron means less energy can be produced, which can cause people to feel tired and fatigued. If iron levels fall too low and are not replenished, the body is unable to produce adequate amounts of

hemoglobin and healthy red blood cells. Iron deficiency is prevalent worldwide[36] and can have significant negative health and lifestyle impacts on those affected. Iron deficiency and iron deficiency anemia affect those suffering from chronic diseases such as chronic heart failure, CKD and inflammatory bowel diseases. Iron deficiency is estimated to affect approximately 50% of people with heart failure[37] while the prevalence of anemia increases across the advancing stages of CKD, with estimates anywhere from 7% to over 50% in the more advanced stages of the disease.[38] Women of reproductive age, particularly those who are pregnant or have recently given birth, are especially susceptible[39]. Despite high prevalence and potentially serious consequences, we believe iron deficiency and iron deficiency anemia remain under-diagnosed and under-treated.

FERINJECT®/INJECTAFER® (ferric carboxymaltose) has a proven record in the treatment of iron deficiency in heart failure[40] patients and iron deficiency anemia in CKD[41] patients. Treatment of iron deficiency in cardio-renal patients[42] with FERINJECT® has resulted not only in improvement in symptoms, quality of life and exercise capacity[43], but also seen to be associated with reduced risk of subsequent hospitalizations in patients with heart failure.[44] FERINJECT® / INJECTAFER® is a leading IV iron therapy with market authorization in 86 countries, more than 25 million patient and years of experience. During HY2024, FERINJECT® was approved in Australia for the treatment of iron deficiency anemia in patients aged 1-13 years; FERINJECT® was listed in the 2023 NRDL in China, with reimbursement as of January 1, 2024. FERINJECT® was granted upgraded recommendations in the 2023 heart failure guidelines of the European Society of Cardiology (ESC) and INJECTAFER® was launched in the U.S. for the treatment of iron deficiency in adult patients with heart failure.

We believe there are significant opportunities to further expand the use of our IV and oral iron products, both in key therapeutic areas and geographically. For example, we aim to improve our medical education practices to better inform clinicians about these treatment options, and are continuing to generate clinical data in areas of high unmet medical need, including those with significant growth potential such as chronic heart failure, CKD and PBM. Iron deficiency and iron deficiency anemia management play a key role in PBM, which is designed to improve surgical and medical outcomes by optimally managing and preserving a patient's own blood. In combination with our established position as a leading iron replacement therapy, these opportunities make FERINJECT®/INJECTAFER® an important strategic growth driver.

The key chemical compounds CSL Vifor uses to treat iron deficiency are developed in its Swiss R&D laboratories in St. Gallen, which is also where the chemical compounds are produced. The researchers in St. Gallen, who specialize in iron chemistry and biology, work on developing novel compounds that have the potential to treat ineffective erythropoiesis, a type of anemia, and iron overload, both conditions associated with iron deficiency diseases like beta-thalassemia.

- ***Dialysis*** – CSL Vifor primarily conducts its operations in the dialysis pharmaceutical market through VFMCRP, a joint company that is 55% owned by Vifor Pharma and 45% by FMC, one of the world's leading providers of products and services for individuals with renal disease. VFMCRP enables us to develop our portfolio of nephrology pharmaceuticals with the input of FMC's skills and clinical experience and FMC's clinical network provides access to a network of facilities, doctors and patients to support clinical trials and market access.

  VFMCRP commercializes erythropoiesis-stimulating agents (''ESAs'') which are products that treat anemia in patients with CKD. VFMCRP's portfolio of both short-acting and long-acting ESAs offer a range of treatment options to support patient needs in the dialysis setting. For example, MIRCERA®, a long-acting ESA, was licensed from F. Hoffmann-La Roche AG in 2015. MIRCERA® is one of CSL

[36] Camaschella, C Blood 2019 133(1): 30-39.

[37] von Haehling et al J Am Coll Cariol HF. 2019 Jan, 7 (1): 36-46.

[38] Stauffer ME & Fan T PLoS One 9: e84943, 2014pmid:24392162.

[39] Hercberg S, et al. Iron deficiency in Europe. Public Health Nutr. 2007;4(2b).

[40] Klip IT et al Am Heart J. 2013 Apr;165(4): 575–582.e3.

[41] Fishbane S et al Clin J Am Soc Nephrol 2009 Jan: 4(1): 57–61.

[42] Klip IT Eur J Heart Fail 2014 doi:10.1002/ejhf.84.

[43] Ponikowski P Eur J Heart Fail 2015 doi: 10.1002/ejhf.229.

[44] Anker, S.,D. (2018). Effects of ferric carboxymaltose on hospitalizations and mortality rates in iron-deficient heart failure patients: an individual patient meta-analysis. Eur J Heart fail. 20(1):125-133. doi: 1002/ejhf.823.

Vifor's key renal anemia therapies and is supplied to over 5,000 dialysis clinics in the U.S. and its territories. RETACRIT®, a short-acting ESA approved by the FDA in May 2018, was the first biosimilar ESA to be approved in the U.S. CSL Vifor licensed the rights to commercialize RETACRIT® in the U.S. dialysis and non-hospital market from Pfizer Inc. in 2015.

VFMCRP also markets VELPHORO®, a non-calcium, iron-based chewable phosphate binder developed for the treatment of hyperphosphatemia in adults with chronic kidney disease undergoing dialysis. At December 31, 2023, VELPHORO® was registered in 51 countries.

VFMCRP also holds a development and licensing agreement with Cara Therapeutics Inc. (''Cara'') for KORSUVA® (difelikefalin), a treatment for moderate-to-severe CKD-associated pruritus (''CKD-aP''). CKD-aP is a systemic itch condition that affects patients undergoing hemodialysis and peritoneal dialysis and is associated with poor quality of life and depression, and is an independent predictor of mortality among hemodialysis patients. VFMCRP holds the right to commercialize KORSUVA® worldwide other than Japan and South Korea. In the U.S., FMC holds the right to sell KORSUVA® to FMC clinics and we have the right to sell it to non-FMC clinics.

- ***Nephrology and rare diseases*** – CSL Vifor, mainly through VFMCRP, helps nephrology patients around the world through a range of innovative products that address kidney disease progression. Its current nephrology portfolio includes marketed and late-stage assets VELTASSA®, TAVNEOS®, RAYALDEE® and sparsentan, as well as clinical assets, vamifeport, SNF472 and INS-3001.

  VELTASSA® (patiromer) offers effective and well-tolerated[45] management of hyperkalemia. Hyperkalemia is a serious medical condition characterized by elevated levels of potassium in the blood and can be associated with life-threatening consequences, increased hospitalizations, and rising healthcare resources and costs. VELTASSA® has demonstrated efficacy from the first dose regardless of the hyperkalemia severity[46] and to sustain serum potassium levels within normokalemia for up to 52 weeks[47]. Its effectiveness with concomitant renin-angiotensin-aldosterone system inhibitors (''RAASi'') in the management of Hyperkalemia in CKD and chronic heart failure patients has been demonstrated by four placebo-controlled trials across comorbidities[48] [49] [50] [51] . Patients with CKD and/or heart failure, especially those treated with RAASi therapy, are at particular risk of developing hyperkalemia. RAASi therapy, which is the cornerstone treatment for CKD and heart failure, is therefore often reduced or discontinued which can compromise cardio-renal protection. VELTASSA® enables patients to manage chronic hyperkalemia, permitting them to stay on optimized doses of life saving RAASi medications. VELTASSA® can control potassium in hemodialysis patients as well[52] [53] [54]. VELTASSA® has been launched in the U.S., in 12 European markets as well as Saudi Arabia, UAE, Kuwait, Australia and Canada.

  TAVNEOS® (avacopan) is an orally-administered, highly selective inhibitor of C5aR1 (the complement C5a receptor), which is central to the underlying inflammatory cycle that drives blood vessel damage in ANCA-associated vasculitis (anti-neutrophil cytoplasmic auto-antibody-associated vasculitis) (''AAV''). TAVNEOS® was developed by ChemoCentryx, Inc., a wholly owned subsidiary of Amgen, and is commercialized outside the U.S. by CSL Vifor or other business partners pursuant to distribution agreements or sub-licenses. In the licensed territories, TAVNEOS® has been approved for the treatment of two main forms of AAV in combination with a rituximab or cyclophosphamide regimen in Japan, the European Union (including Iceland, Liechtenstein and Norway), Canada, Great Britain, Switzerland, Australia, Kuwait, Israel and South Korea. At December 31, 2023 the therapy has been launched in Germany, Austria, Japan, Canada, Great Britain, Switzerland, Luxemburg, France, Spain and Finland.

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[45] Veltassa EU SmPC.

[46] Di Palo KE, et al. JAMA Netw Open. 2022;5(1):e2145236.doi:10.1001/jamanetworkopen.2021.45236.

[47] Bakris GL, et al. JAMA 2015;314(2):151–61.

[48] Butler J, et al. Eur J heart Fail. 2022;24(1):230–238.

[49] Weir MR, et al. N Engl J Med 2015;372(3):211–21.

[50] Agarwal R, et al. Lancet 2019;394:1540–50.

[51] Pitt B, et al. Eur Heart J 2011;32:820–8.

[52] Chatoth DK, et al. Outcomes in End-Stage Renal Disease Patients on Hemodialysis Taking Patiromer for Hyperkalemia. Presented at the American Society of Nephrology Kidney Week 2017; New Orleans, LA, November 2–5, Abstract TH-PO779.

[53] Jaques D. et a. Clinical Kidney Journal, 2022, vol. 15, no. 10, 1908–1914.

[54] Simó VE et al. Austin J Urol. 2023; 9(1): 1079.

RAYALDEE® is an orally administered, extended-release formulation of calcifediol, a prohormone of the active form of vitamin D3, for the treatment of secondary hyperparathyroidism in patients with CKD with vitamin D insufficiency. VFMCRP has an exclusive license agreement with OPKO Health, Inc., to co-develop and commercialize RAYALDEE® in Europe (except Russia), Canada, Australia and Japan. In FY2022, RAYALDEE® was launched in Germany and Switzerland.

The table below provides a summary of CSL Vifor's product portfolio as at the date of this Offering Memorandum.

Product name	Description	Method of administrations	Therapeutic area	Indication
FERINJECT® / INJECTAFER®	FERINJECT® / INJECTAFER® is a leading intravenous (IV) iron therapy with market authorization in 86 countries by the end of December 2023.	Intravenous	Iron therapies	EU: Iron Deficiency (ID) US: Iron Deficiency Anemia (IDA) and ID in Heart Failure JP/CN: only IDA Underlying conditions: inflammatory disorders, blood loss (dialysis), chronic heart failure, CKD, Cancer, increase need in pregnancy
MALTOFER®	MALTOFER® is the originator oral iron polymaltose complex (IPC) and plays an important role in the management of patients with iron deficiency.	Oral	Iron therapies	Oral iron therapy for infants, children, adolescents, and pregnant women suffering from iron deficiency or iron deficiency anemia.
VENOFER®	VENOFER® is the originator intravenous (IV) iron sucrose product.	Intravenous	Iron therapies	Iron deficiency anemia in dialysis and non-dialysis patients with chronic kidney disease
KORSUVA®/KAPRUVIA®(1)(2)	KORSUVA® /KAPRUVIA® (difelikefalin) is the first and only approved therapy in the U.S. and EU for moderate to severe pruritus associated with CKD	Intravenous	Nephrology	Moderate to severe pruritus associated with CKD in adult hemodialysis patients
MIRCERA®	MIRCERA® is a long-acting ESA licensed from F. Hoffmann-La Roche AG since 2015 to treat symptomatic anemia associated with chronic kidney disease.	Intravenous	Nephrology	IV treatment for patients with anemia associated with chronic kidney disease
RAYALDEE®	RAYALDEE® is the only approved medicine to treat SHPT in ND-CKD, unique MoA allowing early and sustainable control of SHPT in ND-CKD patients	Oral	Nephrology	Secondary hyperparathyroidism (''SHPT'') in patients with CKD stage 3 and 4 with vitamin D insufficiency or deficiency
RETACRIT®	RETACRIT® (epoetin alfa-epbx) is biosimilar short-acting ESA, licensed from Pfizer Inc., and approved in the U.S. since 2018 for all indications of its reference drug, epoetin alfa. It is the first and only biosimilar ESA approved for use in the U.S.	Intravenous	Nephrology	IV treatment for patients with anemia associated with chronic kidney disease
TAVNEOS®(3)	TAVNEOS® is a treatment aiming to meet major unmet medical needs in AAV.	Oral	Nephrology	Adult patients with severe, active granulomatosis with polyangiitis (GPA) or microscopic polyangiitis (MPA), the two main forms of AAV; in combination with a rituximab or cyclophosphamide regimen
VELPHORO®	VELPHORO® is a non-calcium, iron-based, chewable phosphate binder approved for the control of phosphate levels in the blood in adults with CKD on dialysis	Oral,3-4x daily	Nephrology	Hyperphosphatemia; Indicated for control of serum phosphorus levels in patients with CKD on hemodialysis

Product name	Description	Method of administrations	Therapeutic area	Indication
VELTASSA®	VELTASSA® offers effective and well-tolerated management of hyperkalemia (HK) in CKD and chronic heart failure patients. Patients with CKD and/or heart failure, especially those treated with RAASi therapy, are at particular risk of developing HK.	Oral, 1x daily	Nephrology	Indicated for the treatment of hyperkalemia

Notes:

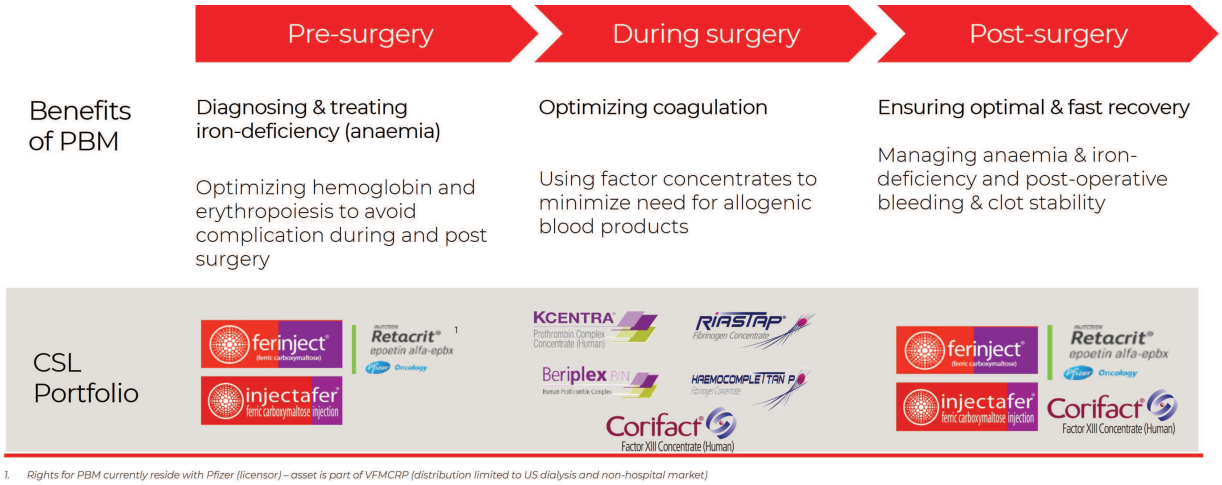
(1) In Europe, KORSUVA® is marketed as KAPRUVIA®.

(2) KORSUVA®/KAPRUVIA® is a registered trademark of Cara.

(3) TAVNEOS® is a registered trademark of ChemoCentryx, Inc., a fully-owned subsidiary of Amgen.

Patient Blood Management ("PBM")

A number of PBM initiatives are underway that will cross between CSL Vifor and CSL Behring businesses. PBM addresses the global health issue needing to reduce whole blood transfusions due to avoidable adverse outcomes, wastage of scarce blood supply, and inefficient health care spend, caused by insufficient screening of iron deficiency and suboptimal intra-operative hemostasis. PBM is an evidence based approach to preserve a patient's own blood, enabling the detection and management of anemia and iron deficiency, minimization of blood loss, and an optimization of patient tolerance of post operative anemia. We are uniquely positioned in PBM to translate evidence based medicine into evidence based practice.



1. Rights for PBM currently reside with Pfizer (licensor) – asset is part of VFMCRP (distribution limited to US dialysis and non-hospital market)

Quality and safety

To ensure that all of its products maintain the highest quality to keep patients safe, CSL Vifor has a well-established and robust quality management system in place, which includes processes in relation to manufacturing and distribution issues, potential falsifications and recall management.

CSL Vifor's Quality Management department oversees the company's operations, ensuring that every part of its supply chain is compliant with respect to applicable laws and regulations as well as relevant GxP standards.

CSL Vifor has resources, systems and targeted measures in place to prevent falsified products from entering the supply chain and reaching patients. CSL Vifor also has specific safety features on its product packages, allowing for authenticity verification along the supply chain and for decommissioning at the point of dispense.

A dedicated project group handles all serialization requirements, improving supply chain integrity, safety and efficiency. When CSL Vifor receives reports or alerts, this triggers a defined internal process that includes informing all relevant stakeholders, including hospitals, pharmacies and authorities. For risks associated with falsified medicines, see "Risk factors—Risks relating to legal and regulatory matters—We may fail to identify or prevent illegal trade in our medicines".

Research and development

Our R&D organization continues to advance as a biotechnology leader by delivering high-quality science and technology through our own high-caliber scientists and innovative collaborations. In FY2023 and FY2022, we invested US$1,235 million and US$1,156 million, respectively, in R&D expense across our businesses, accounting for 9% and 11% of our total operating revenue, respectively. We have over 2,000 R&D employees in ten countries and R&D centers situated in close proximity to major universities, institutes and biomedical precincts, allowing us to efficiently access external global talent and foster innovation globally.

Strategic scientific platforms

To ensure a robust and diverse innovation pipeline based on a foundation of scientific excellence, we continue to strengthen our therapeutic area focus underpinned with robust technical development platforms. We use our four strategic scientific platforms of plasma protein technology, recombinant protein technology, cell and gene therapy and vaccines technology (including cell-based and egg-based vaccines and next-generation vaccine technologies, eg. sa-mRNA) to support continued innovation and continually refine ways in which products can address unmet medical needs, help prevent infectious disease to protect public health, and help patients lead full lives.

Plasma protein technology

As a leading manufacturer and developer of therapeutics derived from human plasma, we are committed to maintaining the highest product safety standards and to continually improve manufacturing effectiveness. Our research programs are focused on developing novel plasma proteins that can be fractionated from plasma with improved efficacy and enhanced convenience.

Plasma is a valuable resource for many current and potentially new biological therapies. We rely upon our donors to provide this life-saving resource and as such, CSL Behring has an obligation to maximize the value of each plasma donation through the development and delivery of important therapies for the benefit of patients. Our yield and reliability programs for donated plasma continue to be an important strategic area of focus for us.

Recombinant protein technology

Recombinant protein technology uses cells, grown in large batches, each as an individual protein production factory. This allows product supply to be reliably scaled (compared to plasma collection), ensuring a robust and resilient supply of products to patients. The capability to further manipulate the sequence of recombinant proteins permits a responsiveness to achieve desired therapeutic goals, such as the ability to replace a patient's own deficient or inactive protein, selectively target specific biological mechanisms, enhance a therapy's potency and improve pharmacokinetics (how quickly it is processed through the body), resulting in more effective, highly targeted medicines with the potential to optimize the route and frequency of delivery.

Cell and gene therapy

Cell and gene therapies are highly innovative, next-generation products that, after decades of research and development, are now starting to improve the lives of patients with serious diseases. For diseases with few effective therapeutic options, such as certain blood cell cancers, or where successful therapy has required a lifetime of regular symptomatic treatment, such as rare inherited genetic deficiencies, they offer the promise of a long-term cure. The fundamental differentiating characteristic of cell and gene therapies is that the patient's own cells are manipulated to produce the disease-correcting protein, either by removing the patient's cells and modifying them or, as with HEMGENIX®, by using molecular machinery derived from viruses to deliver the therapeutic gene to the desired cell type within the patient's body.

Vaccines Technology

CSL Seqirus is focused on developing differentiated vaccines protecting against respiratory viruses, influenza and COVID-19 utilizing innovative technologies, including further advancing our cell-based manufacturing technology, our MF59® adjuvant, and developing the next-generation messenger RNA (mRNA) platform, targeting seasonal and pandemic potential viruses.

Egg-based influenza vaccines have been manufactured for over 50 years and are still the most common type of influenza vaccine. Cell-based manufacturing has a variety of potential advantages in comparison to egg-based manufacturing, including greater efficiency of production and improved matching of the virus strains included in the vaccine to those recommended by the WHO. Our egg-based and cell-based manufacturing capabilities in

three continents produce more than 100 million doses of influenza vaccines annually. Together with our MF59® adjuvant, our influenza vaccines help to meet the needs of different populations around the world. Our ongoing commitment to population protection is evidenced through our innovative vaccines pipeline, which includes next-generation technologies such as next-generation mRNA and recombinant antigen production, to address present and emerging viral threats to human health.

Therapeutic areas

Using the four strategic scientific platforms discussed above, we develop, and aim to continue developing, new treatments that align with CSL's six therapeutic areas: (1) immunology, (2) hematology, (3) cardiovascular and metabolic, (4) respiratory, (5) nephrology and transplant and (6) vaccines. Our goal is to continue to be a leader in immunology and hematology while also striving for future growth in the development of new treatments in the cardiovascular and metabolic, respiratory, nephrology and transplant, and vaccines therapeutic areas.

Immunology

Our immunoglobulin franchise is the cornerstone of the immunology therapeutic area and is focused on developing and delivering trusted products and technologies to serve patients with a range of serious immunologic and neurologic diseases, including primary and secondary immunodeficiencies (PID/SID), CIDP and HAE. The keystone of our long history of providing patients with immunoglobulin products, it continues to optimize the patient experience by developing more convenient and flexible ways to dose and administer existing immunoglobulin products. Key recombinant assets are also progressing in early development to treat underserved immune-mediated diseases. We continue to build on our strong 40-year legacy in HAE, working to expand on current medicines to provide optimal treatments for the full range of HAE patients. Garadacimab, our monoclonal antibody targeting activated Factor XII (FXIIa), is being developed as a prospective long-term prophylactic treatment for patients with HAE. In December 2023, we announced that the FDA had accepted our application for garadacimab as a once-monthly prophylactic treatment for HAE and the EMA has accepted our submission for Marketing Authorization Application (''MAA''). If approved, garadacimab would become the first treatment for HAE in the U.S. and EU to target activated Factor XII (FXIIa).

Hematology

We remain focused on easing the burden of disease and improving the lives of patients with rare bleeding disorders. Major advances have been made in haemophilia A and B in recent years with the launch of novel recombinant coagulation factor medicines. We have also acquired exclusive global license rights to commercialize HEMGENIX® (etranacogene dezaparvovec), an AAV5 (adeno-associated virus) gene therapy for the treatment of haemophilia B, which has been approved in the U.S. and Europe. Additionally, exciting R&D efforts are underway to explore new indications in benign hematology as well as novel therapeutics in hemostasis and thrombosis. This includes initiating an important global Phase III study to evaluate the early administration of KCENTRA® (4-factor prothrombin complex concentrate) on survival in trauma patients suffering life-threatening bleeding, and a Phase II study under a licensing agreement with Translational Sciences using CSL301 (α2 anti-plasmin), a chimeric monoclonal antibody as thrombolytic treatment in adults with acute sub-massive pulmonary embolism.

Cardiovascular and metabolic

We are focused on improving and extending the lives of patients with cardiovascular and metabolic diseases. Many patients with cardiovascular disease also have some degree of renal impairment and we recognize the critical need to address the unique challenges faced by this patient population. Clazakizumab, an anti-interleukin-6 (anti-IL-6) monoclonal antibody, is being developed for the reduction of MACE in ESKD dialysis patients.

The cardiovascular and metabolic therapeutic area is focused on improving and extending the lives of patients with CVD and diabetes.

Respiratory

Respiratory diseases impose an enormous burden on patients and society and are a leading cause of death and disability worldwide.

In addition to our existing product ZEMAIRA®/RESPREEZA® for patients with AAT deficiency (a hereditary condition that can severely affect the function of a patient's lungs), we are investigating potential new clinical

treatments for respiratory diseases using novel recombinant monoclonal antibodies and plasma derived therapies to address this need. We are investigating Trabikibart, an anti-beta common monoclonal antibody, for the treatment of severe uncontrolled asthma and severe chronic obstructive pulmonary disease (COPD). In idiopathic pulmonary fibrosis (IPF), a severe debilitating disease, a clinical development program has started with garadacimab, the first of our compounds being explored in this disease area. CSL787, a plasma-derived, inhaled immunoglobulin is being investigated for patients with bronchiectasis.

Nephrology and Transplant

While advances in transplantation techniques and therapies have markedly improved short-term patient survival, transplant rejection remains one of the greatest limitations to long-term graft and patient survival for both solid organ and hematopoietic stem cell transplant recipients. We are focused on developing therapies to address transplant rejection and, while current solid organ focus lies in kidney transplants, this vision encompasses a broader scope to help treat patients undergoing various solid organ transplantations.

In hematopoietic stem cell transplantation (''HCT''), acute graft-versus-host disease (''GvHD'') is a life-threatening type of rejection where the donor cells attack the recipient; it is a leading cause of mortality and morbidity following transplant. GvHD is a leading cause of mortality and morbidity in allogeneic HCT. Currently, few therapeutic options exist for the prevention of GvHD and all patients undergoing HCT typically receive immunosuppressive medications. These agents also increase the risk of infection and/or contribute to increases in relapse mortality due to enhanced immunosuppression. As such, there is a significant medical need to develop effective, less toxic preventative therapies for acute GvHD. We are currently investigating the potential of our plasma derived product Alpha-1 Antitrypsin (AAT) for the prevention of acute GvHD in patients receiving an allogenic HCT in two Phase III studies.

Vaccines

Developing new and better vaccines across all age groups in expanded markets is a strategic priority for CSL Seqirus. Our R&D activities are focused on developing differentiated vaccines protecting against respiratory viruses, influenza and COVID-19 utilizing innovative technologies including further advancing our cell-based manufacturing technology and our MF59® adjuvant, and developing next-generation messenger RNA (mRNA) platform, targeting seasonal and pandemic potential viruses. Through these technologies, CSL Seqirus aims to enhance the immune response of those particularly vulnerable to influenza and COVID-19 such as children and older adults.

CSL Seqirus's portfolio includes a number of key investigational products, including a higher dose adjuvanted cell-based influenza vaccine (aQIVc), multiple monovalent and quadrivalent influenza candidates using the sa-mRNA technology and a COVID-19 seasonal booster. In addition, our collaboration with sa-mRNA-focused Arcturus complements our long-term strategy in vaccines with benefits including faster clinical development with higher probability of success; application to additional pathogens including those with pandemic potential; access to an established manufacturing network; and access to lipid nanoparticles and a lipid library with application across vaccines.

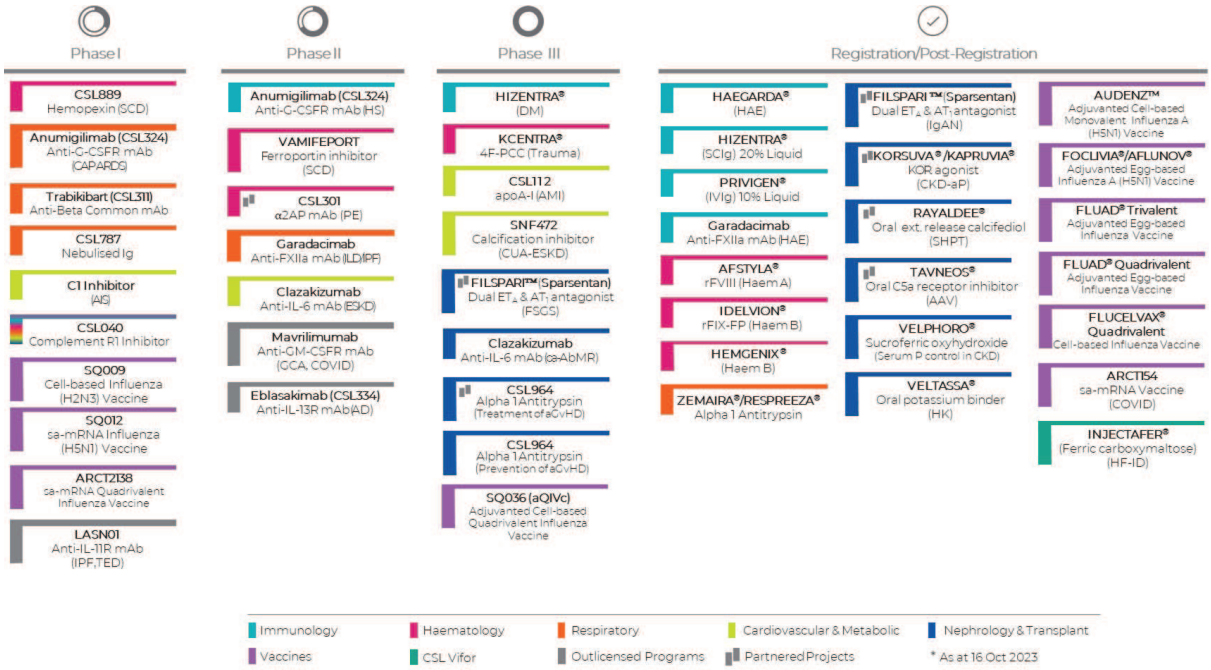
CSL Seqirus has also been researching sa-mRNA for influenza, the next generation of mRNA technology with the potential to prevent influenza more effectively and consistently. When administered, self-amplifying mRNA has the capacity to replicate (or amplify) itself. As a result, far less mRNA may be required in the vaccine formulation to generate equivalent antigen production and an effective immune response. During FY2023, we signed a license agreement with Arcturus for next-generation mRNA vaccine technology and, in September 2023 we announced that the EMA had validated the marketing authorization application for ARCT-154, a next generation mRNA vaccine, for active immunization to prevent COVID-19 caused by SARS-CoV-2 in individuals 18 years of age and older. We anticipate an approval decision by the European Commission in 2024.

R&D pipeline

Looking towards 2030, we are striving to deliver on the current R&D portfolio of medicines and to continue to build a full and innovative pipeline that will make a meaningful difference to the lives of patients with rare and serious diseases. We expect this pipeline to make a substantial contribution to our future revenue well into the following decades.

The chart below shows our R&D portfolio for FY2024 as at October 16, 2023. The status of our R&D portfolio is subject to ongoing changes as each project progresses. As announced on February 11, 2024, the CSL112 clinical trial did not meet its primary efficacy endpoint and, as a result, there are no plans for a near-term regulatory filing, with additional analyses ongoing to understand the complete data and determine next steps.

CSL R&D Portfolio FY2024 (as at October 16, 2023)



New products to market

CSL Behring

CSL Behring continues to broaden the geography and use of our medicines for rare and specialty diseases across the globe within our immunology and hematology therapeutic areas as well as in nephrology and iron deficiencies, and the use of vaccines to help prevent infectious disease and protect public health.

- *Immunology* – Within this portfolio, regulatory indication expansion and new registrations are primarily focused on our subcutaneous immunoglobulin, HIZENTRA®, and our human C1-esterase inhibitor, BERINERT®, each with four new registrations including, importantly, BERINERT® S.C. Injection 2000 in Japan for the treatment of HAE. The new HIZENTRA® registrations supported indications for PID, a chronic disorder in which part of the body's immune system is missing or malfunctioning, and CIDP, a chronically progressive, rare autoimmune disorder that affects the peripheral nerves and may cause permanent nerve damage. With CIDP, the myelin sheath, or the protective covering of the nerves, is damaged, which may result in numbness or tingling, muscle weakness, fatigue and other symptoms, which worsen over time. Additionally, indication expansion was approved for HIZENTRA® for secondary immunodeficiency (''SID'') in Switzerland and Russia. SID is similar to PID; however, SID occurs when the immune system is compromised as a result of disease or due to an environmental factor (e.g., chemotherapy, disease complication).
- *Hematology* – in our hematology therapeutic area, we continue to focus on the expansion of the current portfolio as well as the first registrations of HEMGENIX®, etranacogene dezaparvovec, a one-time gene therapy for the treatment of adults with haemophilia B. During FY2023, we achieved: (i) five new registrations for our recombinant factor VIII product, AFSTYLA®, which is used to control and prevent bleeding episodes in people with haemophilia A; (ii) four new registrations for our human coagulation factor VIII/vWF, HAEMATE® and seven for human albumin; (iii) one new registration for BERIPLEX®, our human prothrombin complex concentrate and one for BERIPLAST® P, our combined human fibrinogen, factor XIII and bovine aprotinin product; (iv) four new registrations for

HAEMOCOMPLETTAN® P, our human fibrinogen concentrate; and (v) three new registrations and expansions for IDELVION®, our recombinant factor IX albumin fusion protein (rFIX-FP) which is used to control and prevent bleeding episodes in people with haemophilia B.

CSL Seqirus

For CSL Seqirus, FLUAD® Quadrivalent, our adjuvanted influenza vaccine, was authorized for persons 65 years and older in Taiwan, Brazil and South Korea.

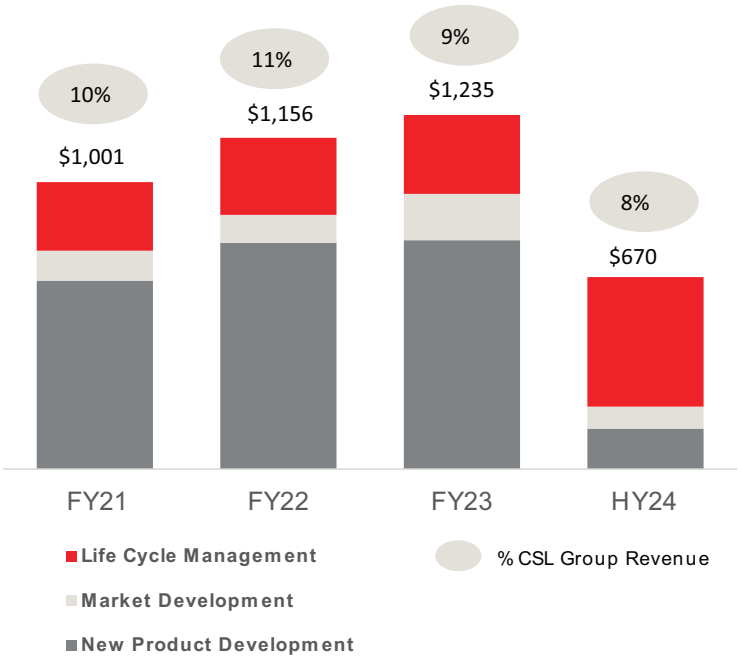
CSL Seqirus received approval for the world's first sa-mRNA vaccines, KOSTAIVE®, in Japan in 2023.

CSL Vifor

For CSL Vifor, during FY2023 we achieved: (i) seven new registrations for KORSUVA® (difelikefalin), for the treatment of moderate to severe pruritus associated with chronic kidney disease in adult patients on hemodialysis; (ii) four new registrations for TAVNEOS® (avacopan) to treat adults with severe active anti-neutrophil cytoplasmic autoantibody-associated vasculitis; (iii) two new registrations for VELPHORO® for the control of serum phosphorus levels in adults with chronic kidney disease on hemodialysis or peritoneal dialysis; (iv) one new registration for VELTASSA® (patiromer sorbitex calcium) for the treatment of high blood potassium; (v) one new registration and two label expansions for FERINJECT® (ferric carboxymaltose); and (vi) one indication expansion for INJECTAFER®, ferric carboxymaltose injection, for the treatment of iron deficiency in patients with heart failure.

R&D investment and expansion

The graph below shows our investment in R&D expense (in US$ millions) across CSL Behring and CSL Seqirus during the three financial years to, and including FY2023, including approximately 11 months of CSL Vifor in FY2023:



We continue to advance our global programs and teams, and expand our R&D footprint. As at December 31, 2023, we have:

- more than 2,000 R&D employees in ten countries, working in integrated teams;
- R&D centers located in leading biomedical locations including in Melbourne, Australia; Shanghai, China; Marburg, Germany; Siena, Italy; Tokyo, Japan; Amsterdam, the Netherlands; Palma de Mallorca, Spain; Bern and Zurich, Switzerland; London, U.K.; Holly Springs, Kankakee, King of Prussia, Pasadena and Waltham, Massachusetts, U.S.; and
- access to worldwide, leading innovation that leverages knowledge from our employees as well as from research and medical institutions/alliances local to our R&D centers.

In Melbourne, Australia, we inaugurated our new CSL global headquarters and center for R&D in March 2023. Situated in the heart of the Melbourne Biomedical Precinct, this facility has 18 stories and houses over 850 employees. The nine levels of leading-edge, world-class laboratories and facilities were completed in June/July 2023. Also located at CSL Melbourne is Australia's first-of-its-kind biotech incubator – Jumar Bioincubator – which was developed in partnership with WEHI and the University of Melbourne with initial investment from Breakthrough Victoria. Jumar Bioincubator is a space for external collaborators, innovators, and start-ups to translate their medical research. CSL Melbourne has over 35,000 square meters of floor space, including purpose-built wet laboratory space and is just 500 meters from the Bio21 Institute, where our early stage research team has been based for over 10 years and will further enable collaboration with other researchers in this multidisciplinary biomedical precinct.

In Marburg, Germany, following three years of construction, the new R&D campus opened its doors in September 2022 and is now home to about 500 R&D employees. In addition, it will host academic partners and collaborators. The R&D campus is almost 40,000 square meters, including 7,400 square meters of laboratory space, 10,300 square meters of working space, a state-of-the-art vivarium and 905 square meters of collaborative laboratory space. As one of the homes for our future innovation, innovative sustainability was a key driver when designing the building.

In Waltham, Massachusetts, in the U.S., our new R&D center officially opened in March 2023, will support our growing R&D portfolio, including the next-generation of mRNA vaccine technology for seasonal and pandemic influenza vaccines. The custom-built facility consists of approximately 13,000 square meters overall with 5,000 square meters of laboratory space, including the first biosafety level 3 laboratory (BSL-3) in Waltham, and the ability to house about 300 full-time employees.

Finally, our new Plasma Fractionation Facility opened in Broadmeadows, Victoria in December 2022. It is the largest of its kind in the Southern Hemisphere. The facility will process domestic plasma from Australian, New Zealand, Taiwanese, Hong Kong and Malaysian donor plasma, in addition to commercially sourced plasma through CSL Plasma.

In addition, our new manufacturing facility under construction in the Melbourne Airport Business Park in Tullamarine is expected to be Australia's latest world-class biotech manufacturing facility and the only cell-based influenza vaccine manufacturing facility in the Southern Hemisphere when it opens in mid-2026. The facility will also manufacture seasonal and pandemic influenza vaccines, CSL Seqirus' proprietary adjuvant MF59® and unique products of national significance important to Australia's public health needs.

Collaboration strategy

Our R&D portfolio focuses on innovation in new products, improved products and manufacturing expertise to ensure our continued growth. When collaboration becomes the driving force behind progress in biomedical ecosystems, it brings benefits to various stakeholders including universities, research institutions, pharmaceutical companies and patients. We continue to identify and build strategic collaborations that align with our therapeutic areas of focus and enhance our chances of bringing forward beneficial disruptive innovation.

Jumar Bioincubator, Australia's preeminent biotech incubator, is situated within our new global headquarters and center for R&D in Melbourne. It is the first and only incubator in Australia co-located with a leading biotechnology company. Jumar Bioincubator is an incorporated joint venture between CSL, the University of Melbourne and The Walter and Eliza Hall Institute of Medical Research (WEHI), also supported by an initial investment from Breakthrough Victoria, an independent company administering the Victorian Government's

A$2 billion Breakthrough Victoria Fund. Operated independently by Cicada Innovations, Jumar Bioincubator offers comprehensive support to biotech start-ups, enabling them to translate biomedical discoveries into commercial outcomes. Spanning two levels of CSL Melbourne, the incubator encompasses 1,400 square meters of purpose-built laboratory space with support facilities and 1,700 square meters of office and collaboration space. Jumar Bioincubator will be able to accommodate up to 40 early-stage companies from around Australia and internationally and will be embedded alongside seven floors of leading-edge laboratory and clinical manufacturing space supporting our own R&D programs. Beyond providing cost-effective, cutting-edge ''wet-lab'' facilities, equipment and office space, Jumar Bioincubator delivers a wide range of services including educational programs on commercialization, facilitated access to investors, industry mentoring, and access to curated service providers.

Identifying early-stage external innovation opportunities, such as new technologies and assets, is essential for our research portfolio to grow and diversify in the future. To expedite the commercialization of promising discoveries that can address unmet patient needs, the Research External Innovation team has established the CSL Research Acceleration Initiative (''RAI'') to form partnerships between CSL and research organizations worldwide. By fostering long-term collaborations with talented academic scientists, the RAI promotes innovation and offers crucial early funding as well as access to our R&D experts. Over the past four years, we have established over 30 new collaborations with entrepreneurial scientists in Australia, Europe, and the U.S. through the RAI. Furthermore, we have strategically partnered with selected incubators, accelerators and venture funders worldwide to expand its access to external innovation. These partnerships include Baselaunch, a Swiss-based venture builder that collaborates with scientists and entrepreneurs across Europe to develop cutting-edge therapeutics. In the U.S., we joined forces with StartX, a global non-profit community consisting of over 800 companies affiliated with Stanford University and the Philadelphia-based Science Center; while in Australia, we are an investor in the Brandon BioCatalyst fund, which provides support for the development and commercialization of early stage biomedical discoveries.

Each year, we work to establish longer term strategic partnerships that will benefit us, our academic partners and our patients:

- CSL and WEHI celebrated an important milestone in May 2023 with the opening of newly refurbished laboratories for the Centre for Biologic Therapies (the ''Centre''). The Centre combines WEHI's expertise with our experience in biologic drug discovery and development and its worldclass human antibody library which will be the engine room of biologics discovery at the Centre. With its new laboratories within the Royal Melbourne Hospital, the Centre provides access to expert biologic discovery and optimization capabilities accelerating drug development into the clinic, ultimately addressing a current gap in Australian medical research. The partners will contribute equal funding to the Centre, with a combined investment of A$10 million over five years.
- CSL and WEHI have also established the CSL WEHI Translational Data Science Alliance which is expected to leverage our expertise in drug development and WEHI's experience in bioinformatics to gain a deeper understanding of biotherapies and patient populations. Through this alliance, our research data science team will work alongside WEHI's highly skilled and world-renowned computational biologists and bioinformaticians, who will contribute innovative data analysis methods to help us advance therapeutics into the clinic. We expect this collaboration to enhance R&D capabilities in bioinformatics, genomics and imaging at both CSL and WEHI through the utilization of advanced technologies, platforms and talent development.
- The Australian Research Council (ARC) Hub for Digital Bioprocess Development is part of the Industrial Transformation Research Hub grant scheme (ITRH Scheme) and has been established to support the biopharmaceutical industry by fostering digital innovation, productivity and competitiveness. It will draw together expertise from the University of Melbourne, University of Technology Sydney and RMIT University, together with CSL, Patheon and Pall and three leading international universities, forming a substantial team. The Hub will bring together an interdisciplinary team of engineers, scientists, and computing specialists to create digitally integrated advanced manufacturing processes and a platform for industry-wide adoption. This will include the development

of novel process and digital models capable of predicting and optimizing manufacturing processes resulting in improved yields, more efficient and flexible processes, and enhanced product stability. The ARC Hub for Digital Bioprocess Development will employ six CSL post-doctoral scientists and over 10 PhD students over a five-year period.

In support of the yearly seasonal influenza vaccine epidemic, CSL Seqirus collaborates with the WHO Collaborating Centre in Melbourne, Australia to prepare vaccine seeds and potency reagents that are made widely available. This is an important contribution to assist with the global effort to prepare for the forthcoming vaccination season.

Influenza remains a significant global health concern and we are committed to collaborating with like-minded partners to advance understanding of the human response to influenza and to discover new and innovative vaccine solutions for this and other respiratory viruses. By collaborating with Arcturus, we have gained access to Arcturus' advanced next-generation mRNA vaccine platform technology, which has shown promising results in a large Phase III study for COVID-19. Through this collaboration the commercialization of a prospective COVID (SARS-CoV-2) vaccine has been significantly advanced and the partnership will continue to drive the development of new vaccines including seasonal influenza sa-mRNA vaccines.

Through these collaborative efforts and initiatives, we expand our global presence and strengthen our connection with innovative scientists, which provide us with a significant competitive advantage in accessing ground breaking discoveries to build a sustainable and diverse R&D portfolio of promising biotherapies across various therapeutic areas.

Clinical trials

We conduct ethical clinical trials and adhere to standards of scientific integrity, patient safety and investigator objectivity in formulating, conducting and reporting our scientific research. The CSL Clinical Quality Management System, which is a combination of business processes and computer systems designed to ensure compliance with these standards, allows us to monitor and effectively oversee the quality of our clinical trials. The system involves, among other things, maintaining a set of written standard operating procedures in which our clinical trial staff are trained, as well as conducting both regulatory authority inspections and internal audits for (GCP, GPV, GMP, GLP and good research laboratory practice (''GRLP'') of our own sites, vendors and internal processes and systems. In FY2023, ten inspections were undertaken by regulatory agencies including the FDA and the Japanese Pharmaceuticals and Medical Devices Agency. All inspections confirmed adherence with GCP requirements, validated the data integrity of our clinical trials and had no impact on clinical trial licenses or operations.

In FY2023, we had 60 clinical trials in operation across all therapeutic areas. Of those, 12 had a first patient enrolled in the trial during the financial year. During FY2023, 16 clinical trial registrations and 11 clinical trial results were posted on an International Committee of Medical Journal Editors (ICMJE), a recognized public clinical trial registry. These were all disclosed in a timely manner and in compliance with our transparency policy. Our policy reflects international requirements and standards including requirements from the International Committee of Medical Journal Editors, WHO guidance and legislative requirements.

We continue to improve clinical trial performance and reduce patient burden of participation. In FY2023, through direct patient feedback, we made multiple protocol modifications during the design stage for several high priority clinical trials. Addressing these protocol design challenges early resulted in a reduction in the number of protocol amendments during the conduct of the clinical trials. Patient insights also helped drive innovation within R&D by enabling us to identify several new capabilities which were incorporated into our clinical trials. Overall, listening to our patient advisory boards resulted in changes which helped reduce the patient burden in our clinical trials; making it more feasible for patients to participate in these studies and thus helping to advance our newer therapies towards those patients in need.

Competition

Our business is conducted in competitive and highly regulated markets. Many of our products face competition from other drugs that treat similar diseases or indications. The principal forms of competition include efficacy, safety, ease of use and cost. Though the means of competition vary among our products, demonstrating the value of our products is a critical factor for success.

We compete with other companies that manufacture and sell products that treat diseases or indications similar to those treated by our major products. These competitors are primarily other global biopharmaceutical companies. Our competitors also may devote substantial funds and resources to R&D and their success in developing competitive products could result in erosion of the sales of our existing products and potential sales of products in development, as well as unanticipated product obsolescence.

To address competitive trends, we continually invest in our core businesses and emphasize innovation, which is underscored by our significant commitment to R&D, as well as our business development transactions, both designed to result in sustainable growth and a strong product pipeline. Our investment in research continues even after drug approval as we seek to further demonstrate the value of our products for the conditions they treat, as well as potential new applications. We educate patients, physicians, payers and global health authorities on the benefits and risks of our medicines and seek to continually enhance the organizational effectiveness of our biopharmaceutical functions, including to accurately and ethically launch and market our products to our customers.

Operating conditions have also shifted as a result of increased global competitive pressures, industry regulation and cost containment. We continue to evaluate, adapt and improve our organization and business practices in an effort to better meet customer and public needs.

Our plasma derived therapies business faces competition for supply of critical materials and also faces competition for demand through alternative products. Our vaccines may face competition from the introduction of alternative vaccines or ''next-generation'' vaccines. Recombinant products, small molecules and other modalities also face intense competition both prior to and after the expiration of their patents, which may adversely affect our future results. For more on the risks posed by our competition, see ''Risk factors—Risks relating to our business and industry—We face significant competition''.

Plasma collections

Human plasma is the critical starting material for our core plasma protein therapeutic products. Plasma is collected at individual centers, tested for safety and sent to our manufacturing facilities for processing into therapeutic products. The plasma collections business is highly regulated and paid collections, upon which we rely significantly, are allowed only in a few jurisdictions, mainly the U.S. and certain countries in Europe.

We operate a network of centers in the U.S., with a smaller number of centers in European countries where paid collections are allowed. Other large manufacturers of plasma protein therapeutics operate their own centers to collect plasma. In addition, there are independent collectors that sell plasma to the manufacturers through forward contracts or spot markets. Our competitors continue to launch new centers and invest in technology to improve the efficiency of their fleets. The saturation of collection centers in desirable locations may constrain the share of plasma donations that we are able to collect, which may increase the cost to us of maintaining a stable supply of plasma.

Regions that are not self-sufficient in plasma and depend on imports of plasma products may change regulations in order to become self-sufficient. For example, in April 2021, people in the U.K. were permitted to donate blood plasma for medicines for the first time in over 20 years by the NHSBT at 14 sites as part of an initial three-month trial period. These donations to NHSBT were intended to bolster the supply chain and improve the self-sufficiency of the U.K. in producing its own treatments. If this effort grows, and/or spreads to other countries it could have an adverse impact on our business model, operations and financial results.

Other plasma manufacturers

In addition to CSL, there are several other scale manufacturers of plasma protein therapeutics, including Grifols, Takeda and Octapharma, along with other smaller global and regional players. These companies compete to sell key immunoglobulin, albumin and inframarginal products. Given the complexity of the supply chain, relatively high cost of goods and large capital expenses, barriers to entry are high and these companies do not typically rely heavily on patent protection.

Non-plasma competition

Other manufacturers are currently marketing, or are developing, non-plasma based alternatives to our plasma products. In some instances, competitors are using different technology to make replacement proteins, including, for example, gene therapy technology which may be used to develop alternatives to our FVIII, factor IX and

other replacement protein therapeutics. In other cases, competitors are taking different mechanistic approaches to treating patients, as is the case for HEMLIBRA® (emicizumab, produced by Roche), a biospecific antibody against factor IXa and factor X that can be self-administered subcutaneously as a prophylactic treatment for hemophilia A. Other potentially disruptive competitor therapies include TAKHZYRO® (lanadelumab, produced by Takeda) which competes against our subcutaneous C1-esterase inhibitor product, HAEGARDA®, anti-FcRn mAbs that could compete against segments of our Ig franchise, and gene therapies in the hemophilia space.

Other vaccine manufacturers

The current global influenza vaccine market is led by three major players with a number of regional manufacturers. However, the competitive landscape will shift in the medium term with the introduction of new players with innovative technologies. Our influenza vaccine business, CSL Seqirus, is one of the largest manufacturers of influenza vaccines in the world. However, Sanofi Pasteur leads in terms of volume, marketing multiple brands across traditional egg-based vaccines and innovative recombinant vaccines. GlaxoSmithKline is also a significant supplier of influenza vaccines, with two standard egg offerings with its current footprint focused on certain North American and European markets.

There are a number of technologies being developed which could markedly change the competitive landscape in the influenza vaccine market over the next decade including mRNA vaccines, adjuvanted recombinant virus-like particles and combination products.

Biosimilars

Certain of our biologic products in our innovative clinical portfolio may face competition in the future from biosimilars (also referred to as follow-on biologics). Biosimilars are versions of biologic medicines that have been developed and proven to be highly similar to the original biologic in terms of safety and efficacy and that have no clinically meaningful differences in safety, purity or potency. Biosimilars have the potential to offer high-quality, lower-cost alternatives to innovative biologic medicines. In the U.S., biosimilars referencing innovative biologic products are approved under the U.S. Public Health Service Act. To date, the FDA has never rejected any of our biologic products pursuant to a BLA.

Suppliers of raw materials

To produce our products, we require a wide variety of raw materials, such as collected and purchased plasma, experiment reagents, and equipment, such as filters. The raw materials and equipment are generally readily available in the market through a number of suppliers in quantities adequate to meet our needs. We carefully select our suppliers based on factors including their qualifications, product selection, quality, reputation, pricing, business scale, technological strengths, quality management capabilities and overall services. In addition, we regularly monitor and review the performance of our suppliers and conduct on-site audits for our key suppliers on an as-needed basis. We have maintained stable relationships with many of our key suppliers.

The cost of plasma, the key raw material used in the production of plasma derived products, has increased over recent years due to our investment toward expanding plasma collection centers in the U.S. and Europe to support growing demand for plasma proteins as well as the trend towards greater incentives to reward donors for their time. We continue to monitor the efficiency of our plasma collection platform. We continue to strengthen and grow the CSL Plasma footprint to support a safe and reliable plasma supply to meet increasing patient demand. A quality supply of raw material results from safe, compliant and efficient plasma collection and donor management. Over FY2022, across 3.5 million surveys completed by CSL Plasma, 94% of donors indicated they would be willing to donate again and 91% would be willing to refer a friend to donate. For more information about plasma collection, see ‘‘—Business segments—CSL Behring—CSL Plasma—Plasma collection’’.

The principal raw materials for our IV therapy products are polymer syringes and glass bottles, which we purchase from various suppliers. We adopt a large-scale centralized purchase system for the regular purchase of raw materials commonly and frequently used in research and development, production and operations. Our procurement team manages the raw materials’ inventory levels by monitoring the status of our ongoing projects and incoming new projects and places orders with suppliers for any inventory that is expected to decline below targeted levels. Our procurement team also procures raw materials and equipment in accordance with our business expansion plan or to replace obsolete equipment on an as-need basis. We have established a complete supplier management system. We monitor and manage suppliers by setting out new supplier selection criteria and implementing a grading management system and evaluation criteria.

We seek to manage the impact of fluctuations in price of raw materials through various measures, such as acquiring raw materials locally to minimize transport costs, managing our stock levels and purchasing materials on consignment when necessary, and continuing to diversify and expand our supplier pool. In HY2024, FY2023, FY2022 and FY2021, our five largest suppliers taken together accounted for 42%, 45%, 44% and 37%, respectively, of our total purchases, while our single largest supplier accounted for 17%, 19%, 14% and 13%, respectively, of our total purchases.

Locations

Our global headquarters are located in Melbourne, Australia. We currently own or lease manufacturing facilities in eleven sites around the world, five of which have plasma fractionation capabilities.

The map and table below show the geographic locations and business purposes of our principal properties as of December 31, 2023.

Location	Facility	Own/Lease	Business Purpose
Liverpool, U.K.	CSL Seqirus manufacturing plant	Own	Production of seasonal influenza vaccine.
Holly Springs, NC, U.S.	CSL Seqirus manufacturing plant	Own	Production of cell-based influenza vaccine and the CSL Seqirus proprietary adjuvant, MF59®.
Waltham, MA, U.S.	CSL Seqirus R&D	Lease	R&D of "next generation" influenza technology
Melbourne, VIC, Australia	CSL global group headquarters and Centre for R&D	Lease	Corporate head office activities, R&D, and clinical scale manufacturing
Parkville, VIC, Australia (which is expected to be closed in 2026).	CSL Seqirus manufacturing plant and CSL Behring R&D and manufacturing	Lease	Production of seasonal influenza vaccine, Q fever vaccine and local antivenoms.
Broadmeadows, VIC, Australia	CSL Behring R&D and manufacturing	Own	Production of immunoglobulins and albumin, critical care products, coagulation factors, hyperimmune immunoglobulins and recombinant products.
North Melbourne, VIC, Australia	CSL Behring Bio21 Global Research and Translational Medicine Hub	Lease	Research including translational medicine, analytical and protein biochemistry, molecular biology and cell line development.
Tullamarine, VIC, Australia (under construction and expected to open in 2026).	CSL Seqirus manufacturing plant	Lease	Manufacture of influenza vaccine, local antivenoms, and local Q fever vaccine
Marburg, Germany	CSL Behring R&D and manufacturing	Own/lease	R&D, manufacture of human albumin, coagulation factors, critical care products and hyperimmunes
Bern, Switzerland.	CSL Behring R&D and manufacturing	Own/lease	R&D and manufacture of immunoglobulins, albumin and anti D hyperimmune

Location	Facility	Own/Lease	Business Purpose
Wuhan City, Hubei Province, China	CSL Behring R&D and manufacturing	Own	Production of albumin, immunoglobulin and hyperimmunes
King of Prussia, PA, U.S. . .	CSL Behring Head Office	Lease	CSL Behring operational head office
Kankakee, IL, U.S..	CSL Behring R&D and manufacturing	Own	Production of A1-PI, albumin and plasma intermediates
Pasadena, CA, U.S.	CSL Behring R&D	Lease	Cell manufacturing product development

Liverpool, U.K.

Our Liverpool plant utilizes egg-based and adjuvant technology for seasonal, pre-pandemic and pandemic vaccines.

The CSL Seqirus Liverpool site is for the manufacture of enhanced influenza vaccines and plays an important part in providing pandemic preparedness and response for the U.K. and other countries in Europe. An egg-based bulk manufacturing facility, the Liverpool site produces seasonal influenza vaccine distributed across the northern and southern hemispheres.

Holly Springs, North Carolina, U.S.

The CSL Seqirus Holly Springs facility is a cell-based influenza vaccine manufacturing facility with advanced technology successfully producing at commercial scale.

This facility was purpose-built in partnership with BARDA to help combat pandemic threats. The public-private partnership is the first in the world to establish cell-based technology as a highly scalable method of production. Additionally, the facility produces the CSL Seqirus proprietary adjuvant, MF59®, which can have a dose-sparing effect, thereby further boosting the output of influenza vaccine during a pandemic emergency. The Holly Springs site has capacity for formulation, fill and finish manufacturing of seasonal influenza vaccines for global markets.

Melbourne, Victoria, Australia

Our new global headquarters and center for R&D opened its doors in FY2023 in Melbourne, Australia, in the heart of the city's biomedical precinct. CSL Melbourne has over 35,000 square meters of floor space, including world-class laboratories and facilities and Australia's first-of-its-kind biotech incubator.

Parkville, Victoria, Australia

Before CSL's privatization, the Commonwealth Serum Laboratories first established its presence in the Parkville suburb of Melbourne in 1916. Our Parkville facility uses egg-based influenza vaccine manufacturing for seasonal, pre-pandemic and pandemic vaccine production to Australia and worldwide markets. The facility also plays a key role in the global fight against influenza by developing candidate vaccine viruses for the WHO in the Asia Pacific region. Further, we also manufacture a range of local Australian antivenoms. Parkville uses egg-based influenza vaccine manufacture for seasonal, pre-pandemic and pandemic vaccine production to Australia and worldwide markets. The facility also plays a key role in the global fight against influenza by developing candidate vaccine viruses for the WHO in the Asia Pacific region. The Parkville facility was sold to the Victorian government during FY2023 and is expected to close during 2026 with the opening of the new CSL Seqirus facility at Tullamarine.

Tullamarine, Victoria, Australia

Upon opening in 2026, Tullamarine will be the Southern Hemisphere's premier cell culture influenza vaccine manufacturing and research facility. CSL Seqirus' latest world-class biotech manufacturing facility will be the only cell-based influenza vaccine manufacturing facility in the Southern Hemisphere. The facility will also manufacture seasonal and pandemic influenza vaccines, CSL Seqirus' proprietary adjuvant MF59® and unique products of national significance important to Australia's public health needs.

Broadmeadows, Victoria, Australia

At our Broadmeadows site, we manufacture a range of plasma derived therapies including immunoglobulins, critical care products, coagulation factors and hyperimmune immunoglobulins. Broadmeadows is also home to our biotech manufacturing facility, in which we produce recombinant protein therapies for use in late-stage clinical development for a range of conditions, and CSL Seqirus' Q fever vaccine facility, which is the world's only manufacturer of a Q fever vaccine. Our original fractionation facility at Broadmeadows opened in 1994 and an additional manufacturing plant has since been added. The most recent addition to the site is a new US$639 million plasma fractionation facility which opened in December 2022. Our Broadmeadows site is subject to certain restrictions under the CSL Act, including a prohibition on disposal of and the granting of a security interest in the facility without the written ministerial approval. See ''Regulation—The CSL Act'' for more information.

Marburg, Germany

Our Marburg location, which dates back to 1904, manufactures plasma derived coagulation therapies used to manage bleeding in patients with bleeding disorders such as hemophilia, along with critical care products and a range of specialty products, such as HAEGARDA® and BERINERT®.

Bern, Switzerland

Our Bern facility, where our plasma derived immunoglobulin products PRIVIGEN® and HIZENTRA® are manufactured, was established in 1949 by the Swiss Red Cross and has a history of pioneering in the field of immunoglobulin therapies. CSL acquired the Bern facility in the year 2000. Since then, we have invested well over US$1 billion in the site.

Wuhan City, Hubei Province, China

We acquired our Wuhan facility in June 2018, when we acquired 100% of the shares in the company that owned and operated the Wuhan site from its former owner. Located in Optics Valley, Wuhan, China, the facility manufactures plasma derived products for the Chinese domestic market, including albumin, Ig for IV injection, as well as several hyperimmune Ig products.

Kankakee, Illinois, U.S.

We acquired the Kankakee site in 2004 as part of our acquisition of Aventis Behring. Kankakee primarily manufactures intermediate products that are shipped worldwide through the CSL manufacturing network. At Kankakee, we manufacture ZEMAIRA®/RESPREEZA®, an A1-PI which is used to treat patients with alpha-1 deficiency and emphysema, and ALBURX®, an albumin product used to treat blood volume loss as a result of trauma or surgery.

Patents and licenses

We seek patent protection, where possible, for our products and projects including those in our R&D pipeline, and as of March 7, 2024 have in excess of 400 patent families under management (encompassing more than 5,500 patents or patent applications across CSL Behring, CSL Seqirus and CSL Vifor) that are either owned, co-owned or licensed. Most of these cover either products as compositions of matter, therapeutic use of products, product formulations, or product manufacturing processes.

The term of patents relating to individual products and projects will vary according to the date of patent filing, and in the U.S. there may sometimes be patent term adjustment added to compensate a patent applicant for delays that occur during patent prosecution. Patent term extensions (“PTE”) may be available in some countries for some patents to compensate for a loss of patent term due to delay in a pharmaceutical product’s approval as a result of regulatory requirements. In Europe such PTEs are in the form of Supplementary Protection Certificates (“SPC”).

In various markets, a period of regulatory or data exclusivity may be provided for drugs upon approval. The scope and term of such exclusivity will vary but, in general, the period will run concurrently with the term of any existing patent rights associated with the drug at the time of approval. The U.S. currently provides 5 years of data exclusivity for small molecule drugs that are new chemical entities and 12 years of market exclusivity for biological products, while Europe provides 10 years of exclusivity (a combination of data and market exclusivity periods) for all drugs subject to a first marketing approval with the possibility of an additional one year of market exclusivity where certain criteria are satisfied. During the data/market exclusivity period, the relevant agency will not authorize the sale of a generic or biosimilar product that seeks to rely on an abbreviated drug application process based on the originally approved product. Many other countries provide similar data/market exclusivity periods of shorter duration than those on Europe. Orphan exclusivity is available in some regions including the U.S. and Europe and provides another form of regulatory exclusivity. This type of exclusivity is available for any indication that satisfies the orphan drug requirements.

The majority of our currently marketed CSL Behring products are plasma derived products and, while subject to competition from plasma derived products produced by other plasma fractionators, they are not open to generic or biosimilar competition. CSL Behring's recombinant protein products are biologicals and, following expiration of all exclusivity periods, could potentially be open to biosimilar competition. All of our currently marketed CSL Seqirus products are related to influenza vaccines and are not subject to generic or biosimilar competition either. Although our CSL Seqirus products are, in some cases, covered by patents, there are several other barriers preventing third parties from easily competing with us in the influenza vaccine market, including the complexity of the required manufacturing processes and the seasonal nature of influenza vaccine production operations and resulting financial performance, and the burden of producing new products each year in a short time frame. Most of CSL Vifor's products are small molecule drugs and following expiration of all exclusivity periods are potentially open to generic competition. For example, a generic version of CSL Vifor's FERINJECT® product has recently been approved in Europe. For more on the risks posed by competition to our FERINJECT® product, see ''Risk factors—Risks relating to our business and industry—We face significant competition'' and ''Risk factors—Risks relating to our business and industry—As our products lose market exclusivity and intellectual property protection, they may be subject to increased competition''.

We maintain a patent department to manage and advise upon all patent related matters with patent attorneys located at or close to a number of our R&D and manufacturing centers including in Melbourne, Australia; Bern and Zurich, Switzerland; Marburg, Germany; Pasadena, California, U.S.; Waltham, MA, U.S.; and Holly Springs, NC, U.S.

Licenses from third parties

We license certain intellectual property rights from third parties in relation to some of our products and projects including some of those in our R&D pipeline. Licenses that relate to the currently marketed CSL Behring, CSL Seqirus, and CSL Vifor products noted above are as follows:

CSL Behring / CSL Seqirus / CSL Vifor Product	3rd Party Entity	License	Description
IDELVION®	Albumedix A/S (Novozymes Delta Limited)	Non-exclusive patent and know-how license agreement dated March 1, 2007	Albumin fusion technology
IDELVION®	Lonza Sales AG	Non-exclusive patent and know-how license agreement dated March 18, 2009	Production Cell line – Multi-product
AFSTYLA®	SK Chemicals Co. Ltd	Exclusive intellectual property and Technology license dated May 18, 2009	Single chain FVIII
PRIVIGEN®/HIZENTRA®	Laboratoire francais du Fractionnement et des Biotechnologies S.A.	Non-exclusive patent license dated November 26, 2013	Immunoglobulin G (IgG) concentrate depleted of anti-A and anti-B antibodies and of polyreactive IgGs
HEMGENIX®	uniQure biopharma BV	Commercialization and license agreement	Exclusive license to AMT-061, now known as HEMGENIX®, a gene therapy for Hemophilia B, and certain variants
MF59	Novartis Ag	Exclusive license to the manufacturing rights for MF59 and its use in the field of influenza	
MF59	Novartis Ag	Exclusive license to the use of MF59 in the field of infectious pathogens	
ARCT-154	Arcturus Therapeutics, Inc.	Collaboration and license agreement	Exclusive license to self-amplifying messenger RNA (sa-mRNA) COVID-19 vaccine technology
KORSUVA/KAPRUVIA®	Cara Therapeutics, Inc.	Exclusive license in field of treating itch associated with pruritis in hemodialysis and peritoneal-dialysis patients.	KORSUVA® approved for moderate to severe pruritis associated with chronic kidney disease in adults undergoing hemodialysis
TAVNEOS®	Amgen/ChemoCentryx, Inc.	Exclusive license in the field of therapeutic, prophylactic and diagnostic uses of the TAVNEOS® product	TAVNEOS® product approved for AAV indication
RAYALDEE®	Opko Health, Inc./EirGen Pharma Limited	Exclusive license in the field of therapeutic and prophylactic uses of the RAYALDEE® product in humans.	RAYALDEE® product approved for secondary hyperparathyroidism in stage 3 or 4 CKD
MIRCERA®	Hoffmann-La Roche Inc.	Exclusive license in U.S. for all indications and uses.	MIRCERA® product approved for anemia associated with CKD

In addition, CSL Seqirus commercializes a number of in-licensed vaccines and pharmaceuticals in Australia and New Zealand. See ‘‘—Business segments—CSL Seqirus—Products and services—In-licensed vaccines and pharmaceuticals’’ section for more details.

Licenses from government authorities

Through licenses, approvals, reviews, inspections and other requirements, government authorities in every country in which we operate extensively regulate the research, development, testing, approval, manufacturing, labelling, post-approval monitoring and reporting, packaging, promotion, storage, advertising, distribution, marketing and export and import of raw materials and healthcare products such as those that we collect, manufacture, sell or are currently developing. See ‘‘Regulation’’ for further information.

Our plasma collection activities are heavily regulated, with each plasma collection center required to undergo a licensing and certification process prior to opening and remain subject to periodic inspections of facilities and processes. Our plasma logistics centers in Dallas, Texas and Whitestown, Indianapolis, all maintain FDA licenses.

Governmental oversight also extends to the manufacturing facilities in our network. For example, each of our facilities is required to be licensed and is subject to applicable regulations and GMP standards of the various therapeutic goods regulatory authorities in the jurisdictions in which they operate. With respect to oversight by the FDA, our CSL Behring plants in Bern, Marburg, Kankakee and Broadmeadows as well as our CSL Seqirus plants in Liverpool, Holly Springs and Parkville, maintain FDA registration and all are subject to FDA standards.

In order to sell our therapies, we must hold appropriate product licenses from applicable therapeutic goods regulatory authorities, such as the FDA in the U.S. We have over 1,500 active regulatory licenses for our therapies and in-licensed products across our CSL Behring, CSL Seqirus, and CSL Vifor business units, which together are registered in over 100 countries globally.

Human Resources

Employees

Our reputation as an employer has been publicly and internationally recognized. In 2023 and 2022, for example, CSL was named in the Forbes top 500 of America's Best Employers, after being recognized in Forbes' ''Global 2000 World's Best Employers'' and Newsweek ''America's Greatest Workplaces for Diversity'' in 2023 and Biospaces's ''2024 Best Places to Work''.

As of December 31, 2023, we had 31,104 full-time equivalent employees, an increase of approximately 8.0% from June 30, 2022. Our employees are primarily based in the U.S. (18,187 full-time equivalent employees as of December 31, 2023), Germany (4,049), Australia (2,960) and Switzerland (2,489). The table below indicates the number of full-time equivalent employees by global function as of December 31, 2023 and as of June 30, 2023, 2022 and 2021:

CSL Global Function	As at December 31, 2023	As at June 30, 2023	As at June 30, 2022	As at June 30, 2021
Behring Operations	8,526	8,324	7,605	6,898
Office of the CEO	12	14	12	13
CSL Plasma	12,700	12,157	13,483	9,863
Information & Technology	431	448	383	541
Commercial operations	1,784	1,749	1,688	1,671
Finance (including External Affairs)	473	474	362	316
Human resources	425	436	375	369
Legal	160	163	127	160
R&D	2,602	2,583	2,258	1,678
CSL Seqirus	2,668	2,660	2,376	2,524
CSL Vifor	1,169	1,391	5	0
Strategy & business development	155	156	133	15
Total	**31,104**	**30,554**	**28,806**	**24,049**

Our average years of service was 5.6 years as at December 31, 2023, and our voluntary and involuntary turnover rates averaged 25.3% and 14.9%, respectively, for the period December 31, 2022 to December 31, 2023.

As at December 31, 2023, 59% of our workforce, 55% of our Board, 32.8% of our senior executives and 45.4% of our people managers identified as female.

Workplace health and safety

We are committed to continuously improving our workplace safety performance with culture-driven, risk-centered methodologies that are focused on preventing workplace injuries and illnesses.

Our historical health and safety performance is as follows:

Total Recordable Injury Frequency Rate (TRIFR)[1] (per million hours worked)	FY2023	FY2022	FY2021
Non-CSL Plasma sites – Target	≤3.5	≤3.5	≤3.5
Non-CSL Plasma sites – Results	0.94	1.39	1.88
CSL Plasma – Target	≤10.8	≤10.8	≤10.8
CSL Plasma – Results	12.10	10.67	11.20
Fatalities (employees and contingent workers)[2][3]	0	0	0

Notes:

(1) Total Recordable Injury Frequency Rate (“TRIFR”) is the rate of injuries resulting in a fatality, lost time from work ≥ one day/shift, and medical treatment beyond first aid calculated as TRIFR = (# Injuries)x(1,000,000)/(Hours Worked). Includes employees and workers directly supervised by an employee. There were no fatalities across our employee and contractor workforce during this reporting period.

(2) Applies globally to all operations and employees, including part-time employees, contracted employees, contingent workers, and temporary employees (or other individuals) whose work is directly supervised by a CSL employee. This includes contingent workers that perform work that is directly related to the company’s core work and provide work direction from the Company. Does not apply to independent contractors: who perform non-core servicing, maintenance or construction related work. Work performed by an independent contractor is not controlled nor directed by CSL and its entities but by the hired party.

(3) FY2023 includes CSL Vifor, Switzerland manufacturing facility and head office following the acquisition in August 2022.

ENABLON®, a cloud-based software solution, has been implemented across the enterprise and is available for all employees, contractors and visitors to use for event reporting, incident investigation, inspections, corrective measures and metrics. We are using ENABLON® to standardize and modernize safety reporting and processes across the organization.

We continue to develop, implement and improve our employee health and safety processes and programs to further promote a strong and inclusive safety culture. In FY2023, we initiated a new global Environmental, Health and Safety (“EHS”) committee to enhance our global health and wellness programs, bringing together health advocates from all over the CSL network to develop a global health and wellness plan for deployment in FY2024. The work in health and wellness will be paired with an investment into our EHS culture and employee engagement processes, to further strength the employee experience in all areas of environmental health, safety and sustainability.

While remaining low compared to industry benchmarks, incident rates for FY2023 in our plasma collection centers closed the year above target. Contributing factors include improved reporting via the deployment of the ENABLON® incident reporting system software, the continued growth of our plasma network, and the increased onboarding (due to turnover) of new employees. Several measures have been implemented to control the increase in non-serious incidents, and the associated impact on CSL Plasma’s safety performance.

Collective bargaining and enterprise agreements

We are party to two Collective Bargaining Agreements (“CBA”) covering 750 employees in Kankakee, the U.S., and covering 360 employees in Liverpool, U.K. There are four Enterprise Agreements (“Eas”) covering 1500 employees in Australia. In some European countries we are also party to Works Council Agreements and industry collective bargaining agreements. Our remaining employees are covered by individual employment contracts or are at-will employees.

Legal and regulatory proceedings

We may from time to time be involved in contractual disputes, legal proceedings, or regulatory investigations arising out of the conduct of our business.

For example, in June 2022, the European Commission opened an investigation into Vifor Pharma’s market conduct in the IV iron market. The Commission has been investigating an alleged case of abuse of a dominant market position. In addition, in January 2024, the U.K. Competition and Markets Authority (“CMA”) launched a similar investigation relating to an alleged abuse of dominance in the U.K. market for IV irons. These investigations remain ongoing.

Related, Pharmacosmos has initiated follow-on damages litigation against certain Vifor Pharma affiliates in the U.K. and in the Netherlands (covering various European countries). We have reached a confidential settlement with Pharmacosmos in relation to the U.K. claims. The settlement does not involve any admission of liability and includes an undisclosed payment to Pharmacosmos. We have also reached a confidential settlement with Pharmacosmos in relation to the Netherlands litigation on similar terms, but subject to a number of pre-conditions.

Currently, we are not subject to any claims, damages or losses which would have a material adverse effect on our financial position or results of operations as a whole. As of the date of this Offering Memorandum, no material litigation, arbitration or administrative proceedings which would have a material adverse effect on our financial position or results of operations as a whole had been threatened against us.

Privacy and cybersecurity

We are committed to continually evolving our information security capabilities and strengthening protections around our most important information assets and critical infrastructure. We have placed business enablement and patient and donor safety at the forefront of our cyber strategy, and have adopted innovative approaches and technologies with the objective of enabling continuous monitoring and assessment of cybersecurity threats, and preventing disruptions to our supply chain, drug development and manufacturing operations. CSL has adopted an approach to data privacy that we believe supports the global scale of our business while also complying with local data protection and privacy laws in each region where we do business. Our data privacy and cybersecurity operations are managed by a dedicated Cybersecurity, Risk & Compliance team.

For more information about cybersecurity and data privacy risks, see ‘‘Risk factors—Risks relating to our operations—We are subject to risks in connection with IT, data privacy and cybersecurity’’.

Insurance

We maintain insurance coverage typical of the industry and the areas in which we operate, including the following types of insurance:

- directors and officers insurance;
- property damage insurance including business interruption;
- products liability and clinical trials insurance;
- general liability insurance; and
- network security/cyber liability insurance.

We believe insurance is carried in amounts typical for the industry relative to our size and operations and in accordance with our contractual and regulatory obligations. Such insurance, however, may contain exclusions and limitations on coverage, may not continue to be available, or may not continue to be available at a reasonable cost. We may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the risks presented.

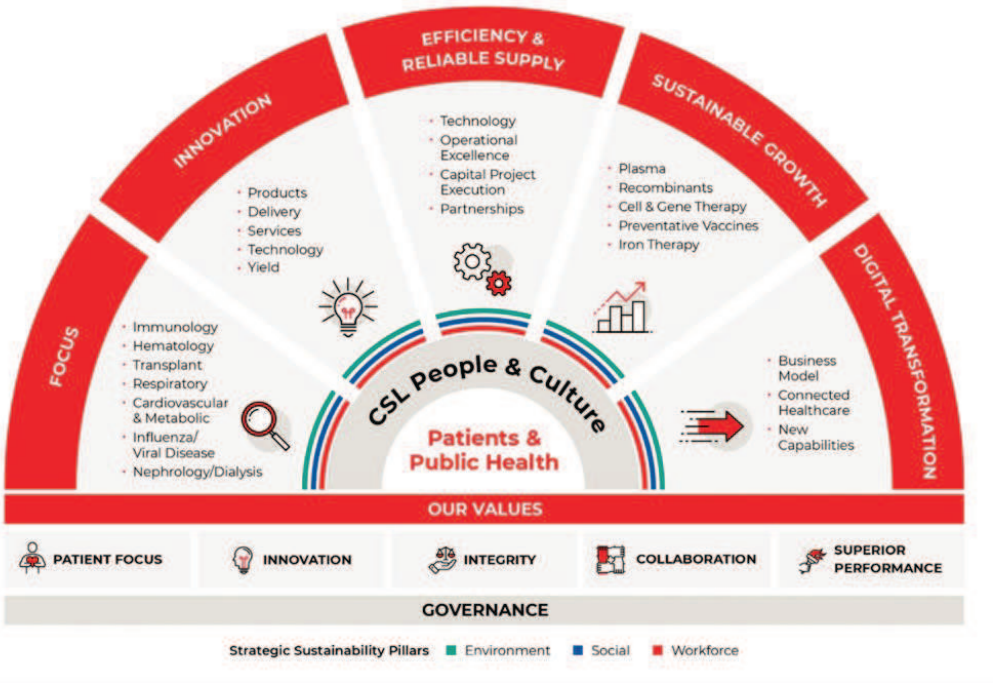
See ‘‘Risk factors—Risks relating to our operations—We may not be able to obtain sufficient insurance coverage for some business risks on reasonable commercial terms’’ for further information on risks associated with our insurance coverage.

Sustainability

We launched our Sustainability Strategy in August 2021, and have identified ten focus areas across three strategic pillars that, over the medium- to long-term, will help us achieve our sustainability objectives. We will reduce environmental impacts across our operations; strengthen societal health through the development of new therapies and the continued supply of life-saving vaccines, plasma and other therapies; and foster a safe, inclusive and rewarding workplace that embraces diversity, equity and inclusion and provides opportunity.

While our strategy directs our focus to areas of specific importance, we will always have a strong foundation of best-practice corporate governance, an area of strength for CSL.

Our Sustainability Strategy supports delivery of our 2030 plan.



The caliber of our Sustainability performance is supported by our inclusion in the FTSE4Good Index Series, an index of companies that demonstrate good sustainability practices. CSL has been included in the index for the last 12 years.

Environmental performance

Our environmental strategy focus areas include:

- integrating sustainability considerations into business decisions;
- reducing carbon emissions;
- minimizing end-to-end production of waste through removal, reduction and recycling; and
- reducing waste and emissions across our supply chain.

In August 2022, we announced emissions reduction targets that aim to serve as a tangible and transparent roadmap by reducing our direct and indirect emissions footprint.

By 2030, we aim to:

- target a reduction of 40% of absolute Scope 1 and 2 emissions against a baseline of the average annual emissions across fiscal years 2019–2021; and
- engage with suppliers who contribute 67% of Scope 3 emissions to set Scope 1 and 2 reduction targets, aligned with science-based targets.

To further demonstrate our commitment to minimizing our impact on climate change, in June 2023 we committed to set near-term company-wide emissions reductions in line with the Science Based Targets initiative (SBTi), paving the way for the validation of our contribution towards minimizing global temperature increases to 1.5˚C.

During FY2023, total Scope 1 and 2 GHG emissions reduced as we moved to increase the proportion of purchased electricity from renewable sources in Europe. This is notwithstanding the acquisition of CSL Vifor and increased production volumes at some locations. There were modest increases across energy and water

consumption, with total waste and the proportion of waste recycled also increasing. This upward trend results from the addition of CSL Vifor and the waste solvent generated at that facility, as well as waste solvent from CSL Behring sites, which is subsequently recycled either onsite or offsite.

Indicator	Unit	FY2022-FY2023[1][2][3] (April to March)	FY2021-FY2022[1][2] (April to March)	FY2020-FY2021[1][2] (April to March)
Scope 1 and 2 greenhouse gas emissions[4]	Metric kilotonnes CO_2-e (KT)	336	347	324
Energy consumption[5]	Petajoules (PJ)	4.21	3.92	3.74
Water consumption	Gigalitres (GL)	4.86	4.67	4.44
Total waste	Metric kilotonnes (KT)	72.00	55.54	59.18
Waste recycling rate[6]	%	44	38	39

Notes:

(1) Our environmental performance includes data from the following operations:

- CSL Seqirus, three manufacturing facilities – Australia, the U.K. and the U.S.;
- CSL Behring, five manufacturing facilities – Australia, Germany, Switzerland, the U.S. and China;
- CSL Vifor, one manufacturing facility – Switzerland;
- CSL Plasma operations, including plasma centers, across China, Germany, Hungary and the U.S. and its territories and two major plasma logistics centers, CSL Plasma laboratory and CSL Plasma's saline manufacturing facility also in the U.S.;
- administrative and R&D operations co-located with our manufacturing facilities; and
- the respective head offices for CSL Behring (King of Prussia, U.S.), CSL Plasma (Boca Raton, U.S.) and CSL Limited (Parkville, Australia).

(2) CSL Plasma uses validated factors to calculate electrical power, gas and water consumption. Utility invoices were used to establish these factors and calculate natural gas, electricity and water consumption for all CSL Plasma centers. Utility invoices were also used for CSL Plasma Logistic centers, CSL Plasma Laboratories and the Union manufacturing facility (U.S.). CSL Plasma uses the contracted waste hauler monthly data to calculate the total yearly waste impact. In the absence of hauler information, a factorial is applied to calculate the estimated waste impact per volume of plasma collected.

(3) Includes CSL Vifor manufacturing facility in Switzerland following acquisition in August 2022.

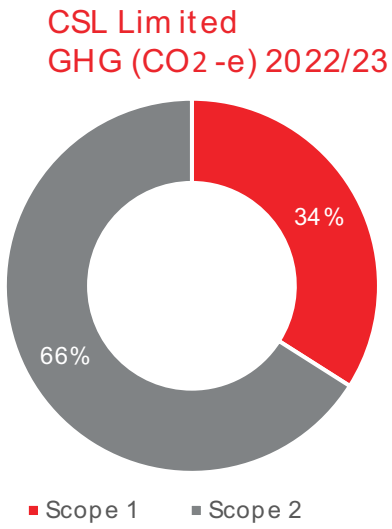
(4) The majority of GHG emitted from our operation is carbon dioxide (CO2). In most jurisdictions GHG emission factors used by us calculate carbon dioxide, nitrous oxide and methane emissions. Total emissions are expressed as carbon dioxide equivalents (CO2-e).

(5) Includes Scope 1 and 2 energy sources. Scope 1 energy sources are fossil energy sources supplied or used onsite, including fleet fuel use. Scope 2 energy sources are electricity and steam supplied to site, as well as chilled water and compressed air.

(6) The recycling rate represents the proportion of total waste generated that is either reused or recycled onsite or offsite.

CSL's Scope 1 and 2 emissions profile

Scope 1 greenhouse gas emissions are direct emissions from our activities. Our Scope 1 emissions primarily come from the combustion of fossil fuels. The greatest proportion of these emissions come from burning natural gas to generate steam at manufacturing facilities. Scope 2 emission are from purchased electricity and to a lesser extent purchased steam, cooling water and compressed air. Manufacturing sites in Germany, Switzerland and the U.K. currently purchase electricity specifically from renewable sources. In 2022/23, 17% of the electricity purchased by us was from renewable sources.



In April 2023, our facility in Wuhan, China, was issued a violation by the environmental protection agency (''EPA'') for failing to meet discharge limits of chemical oxygen demand (COD) as outlined in the site's discharge permit. The penalty issued was US$16,548 (RMB120,000).

Climate change

Climate change affects all aspects of businesses and communities, both directly and indirectly, with the severity varying significantly by region. A warming planet increases the risk of wildfires, rising sea levels, extreme heat, severe weather and droughts. These hazards can have a direct effect on population health and further stress healthcare infrastructure, including the network of global manufacturing facilities and warehouses used by CSL in the production of life-saving medicines and therapies.

We have taken actions to proactively mitigate and adapt to climate change. Recent efforts include undertaking an enterprise-wide climate risk and opportunity assessment in 2022 using the IPCC Sixth Assessment Report (IPCC AR6) across our most critical infrastructure: our manufacturing facilities and warehouses. The assessment focused on a near-term time horizon of 2030, in line with our 2030 Strategy.

We have assessed the impact of climate risk on our financial reporting. The impact assessment principally focuses on key judgement areas, being the valuation and useful lives of intangible and tangible assets and the identification and valuation of provisions and contingent liabilities. No material accounting impacts or changes to judgements or other required disclosures have resulted from the assessment. While the assessment did not have a material impact for the year ended June 30, 2023, this may change in future periods as we regularly update our assessment of the impact of the lower carbon economy.

During FY2023, we have commenced the integration of physical risks into existing operational risk management practices in accordance with the Enterprise Risk Management Framework, so that the facilities can monitor and manage risks as applicable to their location and operations. For transitional risks, rather than managing these at the local level, we have taken an enterprise view as these risks generally span the network of facilities directly owned by us.

In FY2023 we also published an updated Climate Change Statement, reaffirming our aim to reduce emissions to limit global warming to 1.5ºC in line with the Paris Agreement.

Waste and packaging

Our objective is to reduce the amount of waste that is generated throughout the production and use of all products; to reuse and recycle waste as far as possible; and to dispose of the residual waste responsibly. The amount of waste produced and how it is handled varies between our different facilities according to production processes and available disposal options. Compared with the prior year, our waste recycling rate increased by 6% from 38% of total waste in FY2022 to 44% of total waste in FY2023.

A large part of the waste stream is made up of glass, plastics, cardboard, wooden pallets and other types of packaging, which is necessary for ensuring product safety of pharmaceuticals. Disposal of packaging presents particular challenges for pharmaceutical companies because packaging such as single-use plastics, glass syringes and vials that must be disposed of in a safe manner.

Our operations in Europe dispose of almost all waste by recycling or incineration. In Australia, we are a signatory to the Australian Packaging Covenant and reports regularly on plans and progress to minimize waste. There is also a wide variety of waste recycling programs at our U.S. facilities. However, more can be done to reduce waste to landfill across our Australian and U.S. operations and this remains a focus area for us in the near-term.

We are continuing to identify and implement methods to reduce the amount of materials used for the packaging and distribution of its products as detailed following:

- the new function, Packaging Innovation, is dedicated to evaluating and planning the introduction of sustainable materials;
- the use of sustainable materials in packaging development is prescribed in our procedures;
- size reduction of current packaging is also taken into consideration when current packs are adapted; and
- paper patient information leaflets have now been completely removed for our CSL Behring products on the Japanese market. The leaflet removal will now continue for other markets and products from the whole of our organization.

Social sustainability strategy

Our greatest opportunity to contribute to society is through the development of new therapies for serious unmet medical needs and through the continued supply of life-saving vaccines and plasma/protein-based therapies. Our relationship with plasma donors underpins our ability to contribute to our local communities.

Our social strategy focus areas include:

- being trusted by donors through a focus on their experience and wellbeing, and their communities;
- strengthening societal health through access to our existing products and therapies and investment in innovation; and
- enhancing our industry position as a patient-focused and public health leader.

The development, manufacture and supply of high-quality and safe products is critical to our ability to continue to protect public health, save lives and improve the health and wellbeing of patients with rare and serious diseases. We employ an independent quality function that strives to maintain the highest standards through the use of global quality standards and systems. These are reflected in global policies and global and local procedures, as well as global electronic systems to support management of the quality processes.

During FY2023, our quality systems, plasma collection and manufacturing operations were subject to 473 regulatory agency inspections around the world. Of these, 21 GMP regulatory agency inspections took place at our manufacturing facilities and 452 regulatory inspections at our plasma collection centers. These 473 independent inspections resulted in no critical findings that prevented release of commercial product and no suspensions or terminations of licenses to market any products in markets in which CSL is active. These results confirm that the quality systems established globally by us are effective and in line with regulatory agency expectations.

In November 2022, as a precautionary measure, one CSL Behring lot of PRIVIGEN® was recalled from the Canadian market due to a higher rate of allergic/hypersensitivity type reactions. Hypersensitivity and anaphylactic

reactions are a known risk with immunoglobulin products. In June 2023, CSL Behring, in coordination with local health authorities, initiated a recall of one batch of CSL Behring product from the Czech and Saudi Arabian markets due to a media fill failure. In June 2023, one CSL Seqirus lot of Tiger Snake Antivenom was recalled from the Australian market due to a slightly lower out of specification result for potency.

In 2023, there were 11 counterfeit products reported to and confirmed by CSL Behring. CSL Behring is evaluating opportunities to increase the security of packaging solutions to prevent counterfeiting. In addition, CSL Behring is working with health authorities to raise awareness and educate customers on how to identify, handle and report suspected counterfeit products.

During FY2023, we commenced the integration of CSL Vifor into the CSL Group. Over this period, CSL Vifor was subject to two GMP regulatory agency inspections with no critical findings that prevented release of commercial product, no suspensions or terminations of licenses to market any products in markets in which CSL Vifor is active.

In addition, during FY2023, CSL Behring and CSL Seqirus pharmacovigilance and regulatory quality assurance (PVRQA) performed a total of 91 pharmacovigilance (PV) audits: 23 on internal systems and processes across our sites, including affiliates, and 68 on third parties that undertake PV responsibilities on our behalf in various countries all over the world. None of these audits resulted in an outcome which affected our ability to supply product.

CSL Behring also underwent several GMP inspections during FY2023, which focused on patient safety and pharmacovigilance. None of these inspections resulted in an outcome which affected patient safety or resulted in critical findings.

Not only does each CSL Plasma center provide plasma as the foundation of life-saving and life-enhancing therapies, they also contribute positively to local communities, supporting donors and benefitting the surrounding area. For a third year, CSL Plasma provided vouchers to U.S. plasma donors for influenza vaccines at a local pharmacy at no cost during the U.S. autumn and winter seasons. A mature center that has operated for more than three years provides approximately 50 jobs, of which a majority are full-time, and contributes nearly US$6 million per center in employee payroll and donor payments. In August 2022, CSL Plasma began implementation of Rika, a new plasma collection platform, to support a safe, efficient and improved experience for plasma donors and an improved employee experience (see ‘‘Business—Business segments—CSL Behring—CSL Plasma’’ for further information on the Rika system).

Our products provide substantial and meaningful value to patients, healthcare providers, health insurance payers and healthcare systems around the world. We seek to ensure that patients and communities have access to a reliable supply of biopharmaceuticals and vaccines. In FY2022 and FY2023, our investment in humanitarian access programs and product support initiatives totaled US$13.7 million. In the U.S., access programs are critical to patients who are uninsured, underinsured or who cannot afford therapy.

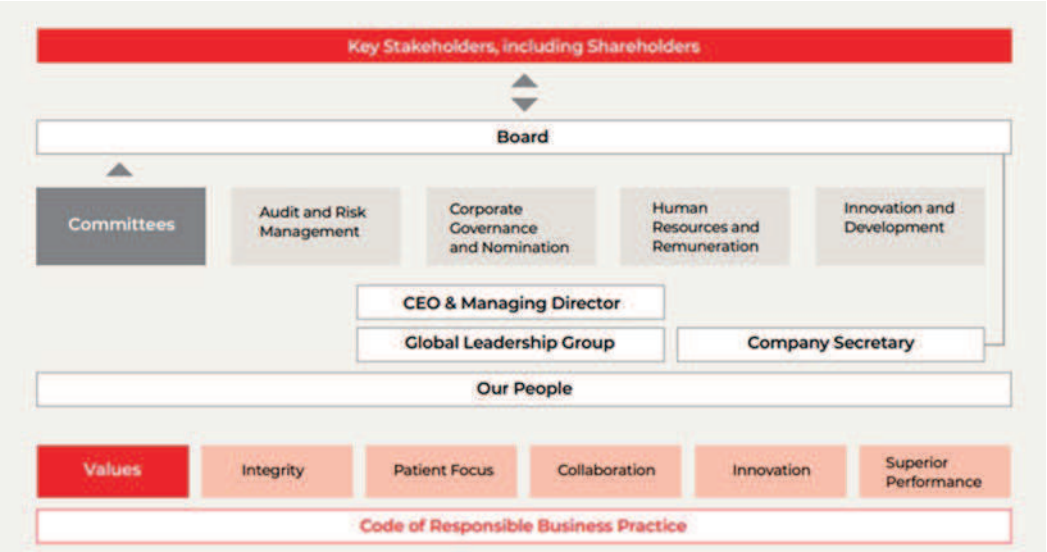
Corporate Governance

Our approach to corporate governance and the role it plays goes well beyond meeting our compliance obligations. We believe that our governance framework fosters our high performing and respectful culture while underpinning our values of Patient Focus, Innovation, Integrity, Collaboration and Superior Performance. The Board has a formal charter documenting its membership, operating procedures and the allocation of responsibilities between the Board and management. Our Board charter is central to our governance framework as it embodies our corporate purpose, strategy and values. In addition to this, we are subject to the *Commonwealth Serum Laboratories Act 1961* (Cth), which is an overarching governance control. See ‘‘Regulation—The CSL Act’’ for more information.

Our Board of Directors is responsible for overseeing the management of the Group and providing strategic direction. It monitors operational and financial performance, strategic human resource matters and approves our budgets and business plans. It is also responsible for overseeing our risk management framework, compliance system and internal control framework, and approving statutory financial reports.

The Board has delegated the day-to-day management of the Group, and the implementation of approved business plans and strategies, to the CEO and Managing Director, who in turn further delegates (as appropriate) to senior management. We have designed our governance processes to ensure that delegation flows through the Board and its committees to the CEO and Managing Director, the GLG and into the organization. The CEO and Managing

Director and GLG have responsibility for the day-to-day management of the Group. Our governance framework also aligns the flow of information and accountability from our people, through the management levels, to the Board and ultimately our shareholders and key stakeholders.



Directors and management

Directors

The following table sets forth certain information regarding our Directors as of the date of this Offering Memorandum.

Name	Age	Title
Brian McNamee	67	Chair and Independent Non-executive Director
Paul McKenzie	58	Chief Executive Officer and Managing Director (Non-independent Executive Director)
Megan Clark	65	Independent Non-executive Director
Andrew Cuthbertson	68	Non-independent Executive Director
Carolyn Hewson	68	Independent Non-executive Director
Samantha Lewis	53	Independent Non-executive Director
Duncan Maskell	62	Independent Non-executive Director
Marie McDonald	67	Independent Non-executive Director
Alison Watkins	61	Independent Non-executive Director
Fiona Mead	54	Company Secretary and Head of Corporate Governance

Brian McNamee, Chair and Independent Non-executive Director

Dr. McNamee has been a Director of CSL Limited since February 2018 and was appointed Chair in October 2018. He is a Member of the Corporate Governance and Nomination Committee, a Member of the Disclosure Committee and a Member of the Innovation and Development Committee.

Dr. McNamee has deep executive experience in the biopharmaceutical industry, with a focus on strategy and creating long-term shareholder value. He has a broad global perspective and understanding of long-term capital projects in the pharmaceutical industry, with proven health, safety, environment and corporate responsibility.

Dr. McNamee was the Chief Executive Officer and Managing Director of CSL from 1990 until 2013. Since leaving his executive role at CSL, he has served as a Senior Advisor to private equity group Kohlberg Kravis Roberts. Dr. McNamee has also pursued a number of private equity and interests in small cap healthcare companies, and in 2014 served on the panel of the Australian Government's Financial System Inquiry. In 2009, he was made an Officer of the Order of Australia for service to business and commerce.

Other directorships and offices (current and recent): Chair of Geoff Ogilvy Foundation (since May 2021) and Former Chair of GenesisCare (from July 2019 to June 2022).

Dr. McNamee holds a Bachelor of Medicine, Bachelor of Surgery from the University of Melbourne. He is a Fellow of the Australian Academy of Technological Sciences.

Paul McKenzie, Chief Executive Officer and Managing Director (Non-independent Executive Director)

Dr. McKenzie has been Chief Operating Officer since June 2019, a Director since December 2022 and was appointed Chief Executive Officer and Managing Director in March 2023. He is a Member of the Innovation and Development Committee.

Dr. McKenzie is an accomplished global leader with diverse biotechnology experience across the industry. Prior to joining CSL, he served as Executive Vice President of Pharmaceutical Operations & Technology at Biogen where he was responsible for asset management, technical development, global manufacturing, supply chain operations, quality, and engineering.

With more than 30 years of experience, Mr. McKenzie also held various senior roles in R&D and manufacturing for Johnson & Johnson, Bristol-Myers Squibb and Merck.

Dr. McKenzie was elected to the National Academy of Engineering in 2020. He has served on numerous professional and academic boards, most recently the Board of Trustees on the Illinois Institute of Technology and the Society for Biological Engineering.

Dr. McKenzie holds a Bachelor of Chemical Engineering from the University of Pennsylvania and a Doctor of Philosophy in Chemical Engineering from Carnegie Mellon University.

Megan Clark, Independent Non-executive Director

Dr. Clark has been a Director of CSL Limited since February 2016. She is the Chair of the Human Resources and Remuneration Committee, a Member of the Corporate Governance and Nomination Committee and a Member of the Innovation and Development Committee.

Dr. Clark has significant executive and non-executive experience across a broad range of sectors including scientific research, health, investment banking and financial services, education and mining. Through her roles, Dr. Clark brings a broad strategic perspective and global experience, with a focus on risk and proven health, safety and environment and technology performance.

Dr. Clark was Chief Executive of the Commonwealth Scientific and Industrial Research Organisation (CSIRO) from 2009 until November 2014. Prior to joining CSIRO, she was a Director at NM Rothschild and Sons (Australia) and held senior positions at BHP, including Vice President Technology and Vice President Health, Safety and Environment.

Other directorships and offices (current and recent): Member of the Australian Advisory Board of the Bank of America (since July 2010), Member of the Global Advisory Council of the Bank of America Corporation (since December 2019), Deputy Chancellor of Monash University (since January 2021), Chair of the Australian Space Agency Advisory Board (since January 2021), Member of the MITRE Australia Advisory Board (since December 2022), Former Head of the Australian Space Agency (from June 2018 to December 2020), Former Director of Care Australia Limited (from May 2015 to June 2020) and Former Director of Rio Tinto Limited and Rio Tinto Plc (from November 2014 to December 2023).

Dr. Clark holds a Bachelor of Science (Honors) from the University of Western Australia and a Doctor of Philosophy from the Queen's University in Canada.

Andrew Cuthbertson, Non-independent Executive Director

Professor Cuthbertson has been a Director of CSL Limited since October 2018 and Non-Executive Director since October 2021. He is the Chair of the Innovation and Development Committee and a Member of the Corporate Governance and Nomination Committee.

Professor Cuthbertson has over 35 years' experience in medical research and biotech development with large biopharmaceutical companies and medical organizations. He also has non-executive director experience.

Professor Cuthbertson joined CSL in April 1997 as the Director of Research. Prior to CSL, he was a Senior Scientist at Genentech Inc, a biotechnology company dedicated to pursuing ground-breaking science to discover and develop medicine for people with life-threatening diseases. After completing medical training at the University of Melbourne and PhD in Immunology at the Walter and Eliza Hall Institute in Australia, Professor Cuthbertson spent five years doing molecular biology research as a staff member at the Howard Florey Institute in Melbourne and the National Institutes of Health in the U.S. In 2016, he was made an Officer of the Order of Australia and appointed Enterprise Professor at the University of Melbourne.

Other directorships and offices (current and recent): Director of the Centre of Eye Research Australia (since March 2017), Director of the Grattan Institute (since January 2019), Member of the Council of the University of Melbourne (since January 2020) and Chair of Scientific Advisory Board for Cumming Centre for Pandemic Therapeutics (since August 2023).

Professor Cuthbertson holds a Bachelor of Medical Science, a Bachelor of Medicine, Bachelor of Surgery and a Doctor of Philosophy, all from the University of Melbourne. He is a Fellow of the Australian Academy of Science, a Fellow of the Australian Academy of Technological Sciences, and a Fellow of the Australian Academy of Health and Medical Sciences.

Carolyn Hewson, Independent Non-executive Director

Ms. Hewson has been a Director of CSL Limited since December 2019. She is the Chair of the Corporate Governance and Nomination Committee, a Member of the Audit and Risk Management Committee and a Member of the Human Resources and Remuneration Committee.

Ms. Hewson is a former investment banker with over 35 years' experience in the finance sector. She was previously an Executive Director of Schroders Australia Limited and has extensive financial markets, risk management and investment management expertise. She has long term non-executive experience in a number of sectors bringing a breadth of experience and insight on strategy, capital management, and portfolio optimization through cycles, financial and non-financial risk, social value, organizational culture and the changing external environment. In 2009, Ms. Hewson was made an Officer in the Order of Australia for her services to the broader community and to business.

Ms. Hewson is currently a Director of Infrastructure SA. She is also a former Director of BHP Group, Stockland Group, BT Investment Management Limited, Westpac Banking Corporation, AGL Energy Limited, the Australian Gas Light Company, CSR Limited, AMP Limited, South Australian Water and the Economic Development Board of South Australia.

Other directorships and offices (current and recent): Director of Infrastructure SA (since January 2019), Director of Reserve Bank of Australia (since April 2021) and Former Member of Federal Government Growth Centres Advisory Committee (from January 2015 to May 2021).

Ms. Hewson holds a Bachelor of Economics (Honors) from the University of Adelaide and a Master of Arts from the University of Cambridge.

Samantha Lewis, Independent Non-executive Director

Ms. Lewis was appointed to the CSL Board in January 2024. She is a Member of the Audit and Risk Management Committee.

Ms. Lewis has extensive financial experience, including as a lead auditor of a number of major Australian listed entities and has significant experience working with clients in the manufacturing, consumer business and energy sectors. In addition to external audits, Ms. Lewis has provided accounting and transactional advisory services to other major organizations in Australia. Ms. Lewis expertise includes accounting, finance, auditing, risk management, corporate governance, capital markets and due diligence.

Prior to becoming a Non-Executive Director, she spent 24 years with Deloitte, including 14 years as a partner.

Other directorships and offices (current and recent): Non-executive Director at Orora Limited (since March 2024), Nine Entertainment Co. Holdings Limited (since March 2017), Australia Pacific Airports Corporation Limited (since October 2022) and Aurizon Holdings Limited (from February 2015 to October 2023).

Ms. Lewis holds a Bachelor of Arts (Honors) from the University of Liverpool, U.K.

Duncan Maskell, Independent Non-executive Director

Professor Maskell has been a Director of CSL Limited since August 2021. He is a Member of the Innovation and Development Committee.

Professor Maskell is the Vice-Chancellor of the University of Melbourne. Prior to this he was Senior Pro-Vice-Chancellor at the University of Cambridge in the U.K. and has also held roles at the University of Oxford, Imperial College London and Wellcome Biotech.

Professor Maskell has extensive experience across the private sector, reflecting his passion for the commercialization of research initiatives. He has co-founded several biotech companies, including Arrow Therapeutics, which was sold to biopharmaceutical company AstraZeneca, and Discuva, which was sold to Summit Therapeutics. He has also served as a Non-executive Director of Genus Plc, a FTSE 250 company.

Other directorships and offices (current and recent): Vice-Chancellor of the University of Melbourne (since October 2018), Director of Melbourne Business School (since October 2018), Director of the Group of Eight Limited (since October 2018), Director of the Walter and Eliza Hall Institute of Medical Research (since March 2023), Former Director of Universities Australia Limited (from October 2018 to June 2023) and Former Director of the Grattan Institute (since November 2018 to August 2023).

Professor Maskell holds a Master of Arts and a Doctor of Philosophy from the University of Cambridge. He is a Fellow of the Academy of Medical Sciences and a Honorary Associate of the Royal College of Veterinary Surgeons.

Marie McDonald, Independent Non-executive Director

Ms. McDonald was appointed to the CSL Board in August 2013. She is a Member of the Audit and Risk Management Committee and a Member of the Human Resources and Remuneration Committee.

Ms. McDonald has significant executive and non-executive experience in a number of sectors including law, medical research, manufacturing and chemicals. Through these roles, she brings experience and insight on financial markets, risk and compliance, and change management.

Ms. McDonald is a former lawyer with over 30 years' experience in the legal sector. She was previously a partner of Ashurst, specializing in mergers and acquisitions and corporate governance. She held the role of National Head of Mergers and Acquisitions and was Chair of the Corporations Committee of the Business Law Section of the Law Council of Australia and a Member of the Australian Takeovers Panel for nine years.

Other directorships and offices (current and recent): Director of Nanosonics Limited (since October 2016), Director of The Walter & Eliza Hall Institute of Medical Research (since October 2016), Director of Nufarm Limited (since March 2017), Member of Melbourne University Law School Foundation Board (since October 2021) and Member of the Law Committee of the AICD (since March 2023).

Ms. McDonald holds a Bachelor of Science (Honors) and a Bachelor of Laws (Honors) from the University of Melbourne.

Alison Watkins, Independent Non-executive Director

Ms. Watkins has been a Director of CSL Limited since August 2021. She is the Chair of the Audit and Risk Management Committee, a Member of the Corporate Governance and Nomination Committee and a Member of the Human Resources and Remuneration Committee.

Ms. Watkins brings deep experience to our Board through the executive and non-executive roles she has held across industries including manufacturing, agriculture, consumer goods, retail and financial services.

Ms. Watkins was most recently the Group Managing Director of ASX listed Coca-Cola Amatil Limited, where she was responsible for operations in Australia, New Zealand, Indonesia and across the South Pacific region.

Other directorships and offices (current and recent): Director of Centre for Independent Studies (since December 2011), Director of Reserve Bank of Australia (since December 2020), Chancellor, University of Tasmania (since July 2021), Director Wesfarmers Limited (since September 2021), Director Geoff Ogilvy Foundation (since September 2022), Director PGA of Australia (since December 2022), Former Group Managing Director of Coca-Cola Amatil Limited (from March 2014 to May 2021) and Former Director of Business Council of Australia (from August 2015 to October 2021).

Ms. Watkins holds a Bachelor of Commerce from the University of Tasmania, is a Fellow of the Institute of Chartered Accountants, the Financial Services Institute of Australasia, and the Australian Institute of Company Directors.

Fiona Mead, Company Secretary and Head of Corporate Governance

Ms. Mead was appointed Company Secretary and Head of Corporate Governance effective June 2018.

Previously, Ms. Mead was the Company Secretary and a member of the Executive Leadership Team at Tabcorp Holdings Limited. Prior to that, she was the Company Secretary at Asciano Limited, and earlier, Assistant Company Secretary at Telstra. Ms. Mead began her career as a lawyer with law firm Ashurst.

Ms. Mead holds a Bachelor of Laws (Honors) and a Bachelor of Commerce from the University of Melbourne. She is a fellow of the Chartered Governance Institute of Australia, Chartered Governance Professional and a Graduate member of the Australian Institute of Company Directors.

Senior management

The following table sets forth certain information regarding our Global Leadership Group as of the date of this Offering Memorandum. See ''—Directors'' for information in relation to our Chief Executive Officer and Managing Director, Paul McKenzie.

Name	Age	Title
Paul McKenzie	58	Chief Executive Officer and Managing Director
Greg Boss	62	Executive Vice President, Legal and General Counsel
Hervé Gisserot	59	Senior Vice President and General Manager CSL Vifor
Mark Hill	63	Executive Vice President and Chief Digital Information Officer
Ken Lim	50	Executive Vice President and Chief Strategy Officer
Joy Linton	58	Chief Financial Officer
Stephen Marlow	52	Senior Vice President and General Manager CSL Seqirus
William Mezzanotte	65	Executive Vice President, Head Research & Development
Roanne Parry	51	Chief Human Resources Officer
Kate Priestman	50	Chief Corporate & External Affairs Officer
Andy Schmeltz	52	Executive Vice President, CSL Behring

Greg Boss, Executive Vice President, Legal and General Counsel

Mr. Boss has served as Group General Counsel since 2009. He is a member of the Executive Global Leadership Group.

Mr. Boss joined CSL in 2001, serving as U.S. General Counsel for CSL's sales and distribution business, ZLB Bioplasma. In this role, he was instrumental in the company's acquisition and integration of industry competitor Aventis Behring, and upon the integration of the two companies in 2004, Mr. Boss assumed the global General Counsel position for the combined business.

In January 2009, Mr. Boss was appointed to the role of Group General Counsel for CSL Limited. He is based in King of Prussia, Pennsylvania, and oversees legal operations globally. In addition, Mr. Boss is responsible for Risk Management, Compliance and Corporate Communications.

Among his industry recognitions as a global leader, Mr. Boss received the World Recognition of Distinguished General Counsel from the Directors Roundtable in 2016 in acknowledgment of his professional accomplishments and passion for ethical leadership. In 2017, Mr. Boss received the Legends in Law award presented by the Burton Foundation.

Prior to joining CSL, Mr. Boss served as Vice President and Senior Counsel for CB Richard Ellis International, a global real estate and financial services firm. Before that, he worked 10 years in private practice, focusing on corporate and securities law, mergers and acquisitions, corporate finance and commercial transactions.

Mr. Boss holds a Juris Doctor degree from the University of Southern California and a Bachelor degree, *cum laude,* in Finance and Business Economics from the University of Southern California School of Business.

Hervé Gisserot, Senior Vice President and General Manager CSL Vifor

Mr. Gisserot was CSL Vifor General Manager since August 2022 and was appointed as Senior Vice President and member of the CSL Global Leadership Group on March 15, 2023.

Mr. Gisserot is responsible for the global CSL Vifor Business unit strategy and operations including leading a team of approximately 2000 professionals focusing on the strategic therapy areas of iron replacement and nephrology. Prior to being appointed to his current role, he was Chief Commercial Officer and member of the Executive Committee of Vifor Pharma.

Mr. Gisserot brings more than 30 years of extensive commercial experience in the healthcare sector in the U.S., Europe, and Asia Pacific. He has served in a number of progressive senior leadership roles at GlaxoSmithKline, Sanofi-Aventis and Fournier Group.

In addition to his role, Mr. Gisserot serves as Chairman of the Board of Directors VFMCRP, as well as, in June 2022, was nominated to the Strategic Committee of Brenus Pharma and, in April 2023, he was nominated as a member of the EFPIA Board.

Mr. Gisserot is a graduate of the Institute of Political Science Paris (IEP) and has completed the General Management program at INSEAD.

Mark Hill, Chief Digital Information Officer

Mr. Hill was appointed Chief Digital Information Officer in October 2020 and leads the enterprise-wide Information & Technology organization, including both the CSL Behring and CSL Seqirus businesses, and its accompanying strategy.

In this role, Mr. Hill plays a key role in how we manage plasma donors, connect with patients, virtually collaborate and drive greater efficiencies in operations and the rest of the CSL organization.

Mr. Hill is a global IT leader with extensive experience in utilizing enabling technology to deliver efficiency, productivity, quality and solutions for patients and public health. Prior to joining CSL, he was Senior Vice President and Chief Information Officer at Gilead Sciences, where he led the IT organization during a period of rapid growth for the company and delivered key initiatives that encouraged collaboration and new ways of working. With more than 30 years of experience, Mr. Hill also held leadership roles with Merck and Schering-Plough earlier in his career.

Mr. Hill holds a Bachelor of Science in Organizational Management from Tusculum College and an Executive MBA in IT Management from Christian Brothers University. Mr. Hill is also a U.S. Army veteran.

Ken Lim, Executive Vice President and Chief Strategy Officer

Mr. Lim was appointed Executive Vice President and Chief Strategy Officer in August 2023.

Mr. Lim is a long-time CSL leader who has served in multiple leadership positions across a range of businesses. Prior to his current role, he held several positions at CSL Seqirus, including Head of Strategy and Finance and interim General Manager.

Mr. Lim joined CSL in 2013 as Vice President of Strategic Projects where he focused on the company's strategy, business development, and mergers and acquisitions. He was involved in several key strategic partnerships and acquisitions, including CSL's acquisition of the Novartis influenza business in 2015 which then became CSL Seqirus.

Before joining CSL, Mr. Lim advised CSL on several strategic initiatives as a Merrill Lynch investment banker, including CSL's purchase of Aventis Behring in 2004 which became CSL Behring. He began his career as a solicitor with Mallesons Stephen Jaques, a large commercial law firm in Australia, where he specialized in corporate law.

Mr. Lim holds a Bachelor of Commerce and Bachelor of Laws (Honors), from Monash University in Melbourne.

Joy Linton, Chief Financial Officer

Ms. Linton was named Chief Financial Officer in October 2020 and leads the Global Finance organization, including both the CSL Behring and CSL Seqirus businesses, and its accompanying strategy.

In this role, Ms. Linton is responsible for managing the financial aspects of CSL's strategy and serves as the company's chief financial steward. Her accountabilities include financial planning, reporting, capital management, tax, treasury, investor relations and leading the global Finance function. She also plays a key role in how CSL continues to evolve its Finance organization and drive greater efficiencies across the company's Enabling Functions and operating model.

Ms. Linton is a global finance leader with extensive experience and a demonstrated track record of success as a global CFO, possessing more than 30 years of experience in complex, highly regulated businesses across healthcare and other industries. Prior to joining CSL, Ms. Linton served as CFO and Executive Director at Bupa, a global health insurance company based in the U.K., and she earlier served as the General Manager of Health Services for Bupa U.K.

Ms. Linton holds a Bachelor of Commerce from the University of Melbourne and is a fellow of the Financial Services Institute of Australasia and a graduate member of the Australian Institute of Company Directors.

Stephen Marlow, Senior Vice President and General Manager of CSL Seqirus

Mr. Marlow was appointed Senior Vice President (SVP) and General Manager of CSL's Vaccine business unit, CSL Seqirus in April 2020, following five years leading CSL Seqirus' Global Operations function from 2015 to 2020.

Prior to this role, Mr. Marlow served as General Manager and SVP of CSL Behring's U.S. Manufacturing Operations, based in Illinois, USA. Further key leadership roles of note during Mr. Marlow's over 20-year career at CSL included responsibility for Supply Chain, International Commercial Operations and Technical Operations for the Influenza franchise. He led the global coordination for the rapid response to the H1N1 pandemic in 2009 and was at the forefront of CSL's global response to the COVID-19 pandemic in 2020.

Mr. Marlow holds an undergraduate degree in Leeds, U.K., a MBA in Melbourne, Australia and is a graduate of the Advanced Management Program at the Melbourne Business School, Australia.

William Mezzanotte, Executive Vice President, Head Research & Development

Dr. Mezzanotte was appointed Head of Research and Development in October 2018 and is responsible for developing and executing CSL's R&D strategy and portfolio, including the identification and development of all R&D platforms, skills and expertise necessary for success.

Dr. Mezzanotte joined CSL Behring in April 2017 as Head of Clinical Development, responsible for clinical science, statistics and clinical operations across the portfolio. Most recently, he had served as Senior Vice President and Head of Development, where he oversaw regulatory, project management, clinical science & operations, plasma, recombinant protein and gene therapy pharmaceutical development activities worldwide.

Prior to CSL, Dr. Mezzanotte was Senior Vice President and Therapeutic Area Head, Respiratory for Boehringer Ingelheim and spent 16 years with AstraZeneca in research and development, assuming roles of increasing leadership and management responsibility across multiple therapeutic areas. Most recently at AstraZeneca he was Senior Vice President and Head of the Respiratory and Inflammation Therapeutic Area.

Dr. Mezzanotte has been directly involved with 30 successful global approvals across 15 different products in 10 distinct therapeutic disease areas and representing five different platform approaches. Across a number of companies, he has established, grown and managed top performing, multinational teams and developed numerous senior leaders.

Dr. Mezzanotte holds an undergraduate degree from Villanova University, a Doctor of Medicine at the University of Pennsylvania and a Master of Public Health degree from Johns Hopkins University. He is board certified in internal medicine, pulmonary medicine, critical care medicine and sleep medicine and currently serves as a member of the Board of Directors of the Philadelphia-based University City Science Center.

Roanne Parry, Chief Human Resources Officer

Ms. Parry was named Chief Human Resources Office in January 2024. In this role, she is accountable for driving CSL's people strategy and continuing the track record of CSL being the employer of choice.

With more than 25 years of global HR leadership experience, Ms. Parry possesses a broad range of demonstrated leadership and expertise, including in organizational development, talent acquisition and management, Total Reward strategies, transformational change, and leadership development.

Previously, Ms. Parry was a Senior Vice President, HR – Research & Development at GSK, working closely with senior leadership to lead the development and execution of its culture transformation strategy, advance Diversity, Equity & Inclusion strategies, and develop a talent strategy to enable better career planning and development efforts.

Ms. Parry holds a Bachelor of Arts degree in Counseling Psychology from the University of South Africa.

Kate Priestman, Chief Corporate & External Affairs Officer

Ms. Priestman was named Chief Corporate & External Affairs Officer in September 2023. In this role, she is accountable for building and enhancing CSL's relationships with governments and other key external stakeholder groups and ensuring the company's reputation and influence as a market-leading global innovator continues to grow.

The Corporate & External Affairs organization encompasses Government Affairs, internal and external communications, policy-development, and corporate reputation; it informs and shapes strategic decision-making and enables CSL to become increasingly anticipatory and resilient within its highly dynamic operating environment.

Ms. Priestman has over 25 years of experience in the biopharma industry, having served in a series of commercial and corporate leadership roles across the sector. Prior to joining CSL, Kate was Senior Vice President of Strategy, Portfolio Management and Global Operations at GSK R&D. In her time at GSK, she also led the European Infectious Disease Business Unit and served in senior roles in communications and corporate strategy. Previously, she held commercial roles at Eli Lilly and Astra Zeneca.

Prior to entering the biopharma industry, Ms. Priestman worked as a broadcast journalist and presenter with the BBC.

Ms. Priestman holds a Bachelor of Arts degree in Philosophy from Nottingham University and continued with studies in the ethics of palliative care. She also serves as a Non-Executive Director of Oxford Nanopore Technologies PLC and is a Trustee of Royal Botanic Gardens Kew.

Andy Schmeltz, Executive Vice President, CSL Behring

Mr. Schmeltz was appointed Executive Vice President, CSL Behring in June 2023 when he joined CSL. In his role, he is responsible for leading the integrated CSL Behring business unit, including CSL Behring commercial operations around the world, Therapeutic Area strategy and commercial development, CSL Plasma collection and innovation, as well as manufacturing, quality and supply chain.

An established cross-functional healthcare leader, Mr. Schmeltz has held various roles across multiple disciplines during his 25-plus years in the industry. Prior to joining CSL, he was with Pfizer for 20 years, most recently as Head of enterprise-wide Commercial Strategy & Innovation, leading investment decisions. For five years, he was global President and General Manager of Pfizer Oncology, where he managed a growing US$12 billion portfolio of medicines. Mr. Schmeltz also spearheaded several acquisitions and integrations during his time at Pfizer.

Mr. Schmeltz began his career in the industry at Abbott Laboratories, serving in a series of progressively more senior roles, including Business Unit Director of the U.S. Immunology Franchise.

Mr. Schmeltz holds a Bachelor of Arts in Economics from Columbia University and a Master of Business Administration degree in Marketing & Finance from the University of Chicago Booth School of Business.

Compensation

The Human Resources and Remuneration Committee of CSL oversees remuneration practices across the organization and at all levels. The Human Resources and Remuneration Committee assesses the appropriateness of policies and practices, reviewing and making recommendations to the Board relating to the overall remuneration framework for the CSL Group, including a framework for setting the remuneration of the Managing Director and the CSL Group's executives. The Human Resources and Remuneration Committee recognizes that the key to achieving sustained performance is to generally align rewards with increasing shareholder returns.

The framework should aim to set remuneration outcomes which:

- are competitive, equitable and designed to attract and retain high quality executives;
- motivate executives to pursue the long-term growth of the CSL Group;
- establish a clear relationship between executive performance and remuneration; and
- are aligned with corporate performance and shareholder interests.

Our remuneration framework combines elements of traditional Fixed Reward (''FR'') (or base salary), Short Term Incentive (''STI'') and Long Term Incentive (''LTI'') plans with enhancements to several design factors to suit our business, a very different business to other companies in Australia, and with a diverse global employee and shareholder base. Our international footprint requires global leadership and, with executives based in different countries, we need to ensure our framework is fair, equitable and market competitive in the countries and industry in which we operate in order to attract and retain highly talented people.

The components of our remuneration framework as of FY2023 are:

	Fixed Reward	Short Term Incentive	Long Term Incentive
Purpose	Attract, retain and engage key talent to deliver our CSL strategy	Reward performance against annual Key Performance Indicators – maintaining a focus on underlying value creation within the business operations is critical to CSL's success and sustainability	Alignment to longer term performance and strategy of CSL, building economic alignment between executives and shareholders over the long term
Structure	Cash – salary and superannuation/pension	Cash	Performance Share Units
Approach	Paid throughout the year and reviewed annually Determined based on the scope, complexity and responsibilities of the role, with consideration of individual experience and performance Reviewed through both an internal and external relativity lens Peer group – global pharmaceutical/ biotechnology peers or a general industry view depending on role (desired positioning at the median)	Paid annually Maximum payout is 200% of executives target STI opportunity (i.e. STI target multiplied by 200%) Outcomes based on business and individual performance measures	Granted annually with vesting following the end of the three year performance period The performance measures are Return on Invested Capital (''ROIC'') – measured over a seven year return period in the year the award vests and Earnings Per Share Growth – measured over the three year performance period For 2024, the ROIC measure will move to a three year forward looking measurement period

For information on the compensation of the Group's directors and key management personnel in FY2023, please see the Remuneration Report included elsewhere in this Offering Memorandum.

Base pay

Base pay is included as part of the FR which may be delivered as a combination of cash and superannuation or pension.

Benefits

We also provide market competitive benefits to attract and retain key talent. Benefits may include, but are not limited to, accident, disability and death insurance, health insurance, car parking and participation in local benefit programs.

Board practices

Role and responsibilities

The Board is responsible for the oversight and strategic direction of CSL. It monitors operational and financial performance, human resources policies and practices, and approves the company's budgets and business plans. It is also responsible for overseeing our risk management, financial reporting and compliance framework. The Board has a formal charter documenting its membership, operating procedures and the appointment of responsibilities between the Board and management. According to our Board Charter, the specific roles of the Board are as follows:

- set CSL's strategic objectives and the risk appetite within which the Board expects CSL's Management Team to operate;
- model and monitor our values and culture of CSL;
- act to protect and enhance our performance and reputation of CSL and to build sustainable value for shareholders;
- select, appoint, remove and evaluate the performance of, determine the remuneration of, and plan succession of, the Managing Director and Chief Executive Officer; and
- oversee the management, performance, and corporate governance frameworks, including ensuring that mechanisms are in place for making timely and balanced disclosure to shareholders and the market regarding our performance and major developments affecting its state of affairs.

In fulfilling these responsibilities, the Board will have regard to the interests of CSL's patients, donors, employees, shareholders, and the global community in which CSL operates.

The Board will also oversee that CSL operates in accordance with its Constitution, its governance framework, all applicable legal and regulatory requirements, and policies.

Board committees, membership and charters

The Board may and has delegated certain matters to Board Committees in fulfilling its responsibilities, as set out in each Committee Charter. The permanent standing Committees of the Board are:

- the Audit and Risk Management Committee;
- the Human Resources and Remuneration Committee;
- the Innovation and Development Committee; and
- the Corporate Governance and Nomination Committee.

The Committees will have access to sufficient resources to carry out their activities effectively.

The Board will determine each Committee's Charter and outline the Committee's role, authority, composition and responsibilities.

The Board may also convene *ad hoc* Board Committees as required.

Audit and Risk Management Committee

The role of the Audit and Risk Management Committee is to assist and advise the Board in discharging its responsibilities in relation to the following:

- oversight of the integrity and quality of interim and annual financial reporting and disclosures;
- identification and management of key risks, financial risks, and regulatory risks;
- oversight of compliance with relevant laws, regulations, standards, and codes; and
- oversight of the adequacy of the internal control framework.

The Audit and Risk Management Committee has responsibility for matters such:

- oversight of systems of risk management, compliance and control;

- oversight of reporting financial information;
- oversight of internal audit function;
- oversight of external audit function; and
- other internal and external audit issues.

The current members of the Audit and Risk Management Committee are Alison Watkins (Chair), Carolyn Hewson, Marie McDonald and Samantha Lewis.

Human Resources and Remuneration Committee

The purpose of the Human Resources and Remuneration Committee is to assist the Board in fulfilling its oversight responsibilities to shareholders in respect of the CSL Group's remuneration policies and practices, executive management succession planning and diversity initiatives.

The Human Resources and Remuneration Committee responsibilities include:

Remuneration policy and framework

- reviewing and making recommendations to the Board relating to the overall remuneration framework for the CSL Group, including a framework for setting the remuneration of the Managing Director and the CSL Group's executives.

  The framework should aim to set remuneration outcomes which:

  (i) are competitive, equitable and designed to attract and retain high quality executives;

  (ii) motivate executives to pursue the long-term growth of the CSL Group;

  (iii) establish a clear relationship between executive performance and remuneration; and

  (iv) are aligned with corporate performance and shareholder interests;
- setting remuneration policies and practices within the overall remuneration framework approved by the Board;
- monitoring the implementation of the CSL Group's overall remuneration framework and assessing its effectiveness in achieving its objectives;

Incentive plans

- reviewing and recommending to the Board the design of any executive equity or cash incentive plans (Incentive Plans) including performance measures and any material amendments to such plans;
- approving minor amendments to any approved Incentive Plan;
- recommending to the Board for approval any award grant under an Incentive Plan to the Managing Director or the Managing Director's direct reports, and approving other award grants under an Incentive Plan to other executives;
- exercising all powers, authorities, discretions and decisions relating to CSL's Incentive Plans, including specifically good leaver treatment, change of control treatment and approving payment and vesting outcomes for incentive awards;

Managing Director and the Managing Director's direct reports

- reviewing and recommending to the Board the remuneration and contract terms for the Managing Director, any changes to these arrangements and any termination arrangements;
- approving the remuneration and remuneration related contract terms of the Managing Director's direct reports at appointment, any changes to these arrangements and any termination arrangements;
- overseeing the CSL Group's executive succession plan, including recommending to the Board the succession plan for the Managing Director;

Non-executive directors

- reviewing and recommending to the Board the remuneration and other benefits of the non-executive directors;
- reviewing and recommending to the Board the remuneration and contract terms for the Chair of the Board;

Advisors

- engaging on behalf of the Company and interacting directly with any remuneration consultant required to assist the Human Resources and Remuneration Committee in matters related to the design of the CSL Group's remuneration system and the implementation of appropriate remuneration levels within the agreed system;

Diversity

- overseeing the establishment of and regular review of the CSL Group's diversity policy;
- on an annual basis, approving measurable objectives for achieving gender diversity and assessing progress towards achieving them;
- reviewing and reporting to the Board at least annually on the relative proportion of women and men within the CSL Group and of the remuneration by gender of CSL Group employees at all levels;

Remuneration report

- review and recommend to the Board the remuneration report prepared in accordance with the *Corporations Act 2001* (Cth) for inclusion in the annual directors' report;
- considering the overall outcome of the annual shareholder vote on the adoption of the remuneration report when reviewing our remuneration policies and practices;

Equity holdings and minimum shareholding guidelines

- monitor equity holdings in CSL by directors, the Managing Director and direct reports to the Managing Director (including unvested equity) to assess conformance with our minimum shareholding guidelines; and

Reporting

- reporting to the Board the findings and recommendations of the Human Resources and Remuneration Committee after each meeting. It is intended that a copy of the minutes of the Human Resources and Remuneration Committee meeting will be included in the Board papers for the Board meeting next following the Human Resources and Remuneration Committee meeting, and the Chairman of the Human Resources and Remuneration Committee will provide a verbal report of the actions of the Committee if required.

The current members of the Human Resources and Remuneration Committee are Megan Clark (Chair), Carolyn Hewson, Marie McDonald and Alison Watkins.

Innovation and Development Committee

The purpose of the Innovation and Development Committee is to assist and advise the Board in discharging its responsibilities in relation to its oversight of our strategy related to research, product development programs and technical capabilities, which includes potential acquisitions and partnerships.

The Innovation and Development Committee will review and assist the Board in its oversight of the sustainability and long term viability of our R&D portfolio and its contribution to our long term growth and success, including but not limited to:

- strategic issues and priorities arising in the R&D portfolio and in each therapeutic area;
- material changes to the R&D portfolio;
- significant development milestones across each therapeutic area, both internal and external;

- major R&D investment decisions both internal and external arising outside of the approved budget or strategic plan;
- the technical aspects of business development and merger and acquisition opportunities;
- an annual review and assessment of the pharmacovigilance and clinical safety framework, including the framework risks and the risk management plans; and
- any specific technical issue that Board requests the Committee to consider.

The current members of the Innovation and Development Committee are Andrew Cuthbertson (Chair), Brian McNamee, Megan Clark and Duncan Maskell.

Corporate Governance and Nomination Committee

The role of the Corporate Governance and Nomination Committee is to develop and recommend corporate governance principles to the Board and to assist the Board in fulfilling its responsibilities relating to the size and composition of the Board, reviewing Board performance and Board and CEO succession planning.

The Corporate Governance and Nomination Committee responsibilities include:

Nomination, evaluation and succession

- monitoring and making recommendations on matters relating to the size and composition of the Board including in relation to compliance with the requirements of the CSL Act;
- regularly assessing the necessary and desirable attributes of Board members including qualifications, experience and other criteria such as diversity, nationality and domicile and making recommendations to the Board as to any adjustments that are found to be necessary;
- establishing a formal and transparent procedure for the selection and appointment of new Directors to the Board;
- overseeing an appropriate induction program for new Directors and assessing the need for and where appropriate, facilitating ongoing director training and education;
- regularly reviewing and assessing the independence of each existing Director, and assessing the independence of any proposed new Director;
- regularly reviewing the Board's (including the Chair of the Board) succession plans to ensure succession is managed and maintained to ensure an appropriate mix of skills, experience, expertise and diversity on the Board;
- regularly reviewing the succession plans and process for the Managing Director and Chief Executive Officer;
- establishing procedures including (where appropriate engaging external consultants) for conducting an annual evaluation of the performance of:

  (i) the Board;

  (ii) individual Directors; and

  (iii) the Board Committees.
- conducting performance evaluations of the Board, Directors and the Board Committees, and reporting the findings of all performance evaluations to the Board;
- making recommendations for the appointment and removal of Directors, including recommending or declining to recommend the re-election by shareholders of any Director;
- making recommendations to the Board as to the membership and leadership of Board Committees;

Corporate Governance & Corporate Responsibility

- reviewing the development of, and recommending to the Board the approval of, the corporate governance policies and principles applicable to us;

- reviewing the development and reporting of our sustainability and corporate responsibility strategy, policies and practices;
- reviewing the development of, and recommending to the Board the approval of, our annual Corporate Governance Statement and related principles contained in our Annual Report or in any other statutory report or document; and
- review compliance with CSL Act and review and recommend amendments as appropriate.

The current members of the Corporate Governance and Nomination Committee are Carolyn Hewson (Chair), Megan Clark, Andrew Cuthbertson, Brian McNamee and Alison Watkins.

Principal shareholders

As at December 31, 2023, HSBC Custody Nominees (Australia) Limited, holding 32.80% of CSL's ordinary shares, J P Morgan Nominees Australia Pty Limited, holding 16.93% of CSL's ordinary shares and Citicorp Nominees Pty Limited, holding 9.33% of CSL's ordinary shares, are substantial shareholders for the purposes of Part 6C.1 of the Corporations Act. On March 20, 2024, we received notice of a change of interests of a substantial shareholder from State Street Corporation, notifying us that State Street Corporation holds 6.05% of CSL's ordinary shares, with the change in State Street Corporation's interests taking place on March 15, 2024. We are not aware (having reviewed the substantial shareholder notices lodged with the ASX or otherwise) of any other holder of more than 5.00% of any class of its voting securities.

There are no arrangements known to us the operation of which may at a subsequent date result in a change in control of CSL.

Related party transactions

For a discussion of related party transactions, see Note 17 to our annual consolidated financial statements for FY2023, which is included in this Offering Memorandum.

Description of other indebtedness

Below is a summary of our other material indebtedness and financing arrangements that will remain outstanding after the issuance of Notes. See "Management's discussion and analysis of financial condition and results of operations—Liquidity and capital resources" for further information. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Capitalized terms used but not defined in this section have the meaning set forth in the relevant agreement.

U.S. Private Placements

We have U.S. debt private placements (each, a ''Private Placement'') pursuant to:

- a note and guarantee agreement dated as of November 8, 2011 (the ''2011 USPP''), under which CSL Limited and CSLB Holdings Inc. originally issued four series of U.S. dollar notes, of which only one remains outstanding as of the date of this Offering Memorandum:
  - (a) US$100,000,000 of 4.26% notes maturing on November 8, 2026;
- a note and guarantee agreement dated as of March 27, 2013 (the ''2013 USPP''), under which CSL Limited and CSLB Holdings Inc. originally issued four series of U.S. dollar notes, of which only one remains outstanding as of the date of this Offering Memorandum:
  - (a) US$100,000,000 of 3.32% notes maturing on March 26, 2025;
- a note and guarantee agreement dated as of November 12, 2014 (the ''2014 Euro USPP''), under which CSL Limited and CSL Finance Pty Limited issued three series of Euro notes, of which two remain outstanding as of the date of this Offering Memorandum:
  - (a) EUR 150,000,000 of 1.93% notes maturing on November 12, 2024; and
  - (b) EUR 100,000,000 of 2.10% notes maturing on November 12, 2026;
- a note and guarantee agreement dated as of October 8, 2015 (the ''2015 CHF USPP''), under which CSL Limited and CSL Finance Pty Ltd issued two series of Swiss Franc notes, of which one remains outstanding as of the date of this Offering Memorandum:
  - (a) CHF 250,000,000 of 0.955% notes maturing on October 8, 2025;
- a note and guarantee agreement dated as of October 8, 2015 (the ''2015 USPP''), under which CSL Limited and CSLB Holdings Inc. issued one series of U.S. dollar notes, which remains outstanding as of the date of this Offering Memorandum:
  - (a) US$100,000,000 of 3.63% notes maturing on October 8, 2025;
- a note and guarantee agreement dated as of October 13, 2016 (the ''2016 USPP''), under which CSL Limited and CSLB Holdings Inc. issued three series of U.S. dollar notes, all of which remain outstanding as of the date of this Offering Memorandum:
  - (a) USS$150,000,000 of 2.87% notes maturing on October 13, 2026;
  - (b) US$200,000,000 of 2.97% notes maturing on October 13, 2028; and
  - (c) US$200,000,000 of 3.12% notes maturing on October 13, 2031;
- a note and guarantee agreement dated as of October 4, 2017 (the ''2017 USPP''), under which CSL Limited, CSLB Holdings Inc. and CSL Finance Pty Ltd issued four series of U.S. dollar notes, all of which remain outstanding as of the date of this Offering Memorandum:
  - (a) US$250,000,000 of 3.17% notes maturing on October 4, 2027;
  - (b) US$200,000,000 of 3.32% notes maturing on October 4, 2029;
  - (c) US$150,000,000 of 3.47% notes maturing on October 4, 2032; and
  - (d) US$100,000,000 of 3.77% notes maturing on October 4, 2037;

- a note and guarantee agreement dated as of May 27, 2020 (the ‘‘2020 USPP’’), under which:
  - (i) CSL Limited and CSLB Holdings Inc. issued four series of U.S. dollar notes, all of which remain outstanding as of the date of this Offering Memorandum:
    - (a) US$100,000,000 of 2.38% notes maturing on May 27, 2027;
    - (b) US$200,000,000 of 2.65% notes maturing on August 27, 2030;
    - (c) US$50,000,000 of 2.73% notes maturing on May 27, 2032; and
    - (d) US$200,000,000 of 2.83% notes maturing on May 27, 2035;
  - (ii) CSL Finance Pty Ltd issued two series of U.S. dollar notes, all of which remain outstanding as of the date of this Offering Memorandum:
    - (a) US$100,000,000 of 2.65% notes maturing on August 27, 2030; and
    - (b) US$100,000,000 of 2.73% notes maturing on May 27, 2032.

Certain covenants

Each Private Placement contains certain customary affirmative and negative covenants that place various restrictions on us, including without limitation on our ability to:

- engage in non-arm’s length transactions with third parties;
- merge or consolidate with third parties;
- create or permit to exist security interests;
- incur additional debt;
- dispose of our assets;
- engage in a line of business other than existing our core businesses; and
- engage in transactions or with entities in violation of U.S. or other applicable law.

We are also subject to certain financial covenants, including maintenance of a certain leverage ratio.

Events of default

Each Private Placement contains certain customary events of default. The noteholders under each Private Placement are entitled to take various actions, including acceleration of all amounts due under the notes and the note purchase agreements in connection with any event of default.

Guarantees

The obligor(s)’ obligations under the 2011 USPP, the 2013 USPP, the 2014 Euro USPP, the 2015 CHF USPP, the 2015 USPP, the 2016 USPP, the 2017 USPP and the 2020 USPP are supported by the guarantees of the Parent Guarantor. Each Private Placement is unsecured.

Rule 144A Notes

We have outstanding Rule 144A/Regulation S notes issued pursuant to an indenture dated as of April 20, 2022, as supplemented by the first supplemental indenture dated as of September 20, 2022 (the ‘‘2022 Rule 144A Notes’’), under which CSL Finance Plc issued six series of U.S. dollar notes, all of which remain outstanding as of the date of this Offering Memorandum:

(a) US$500,000,000 of 3.850% notes maturing on April 27, 2027;

(b) US$500,000,000 of 4.050% notes maturing on April 27, 2029;

(c) US$1,000,000,000 of 4.250% notes maturing on April 27, 2032;

(d) US$500,000,000 of 4.625% notes maturing on April 27, 2042;

(e) US$1,000,000,000 of 4.750% notes maturing on April 27, 2052; and

(f) US$500,000,000 of 4.950% notes maturing on April 27, 2062.

Hedging arrangements

In connection with the 2022 Rule 144A Notes, the Group entered into a treasury lock (''T-lock'') prior to the completion of the issuance of these notes to hedge against increases in the Base U.S. Treasury Yield until the settlement date for a portion of the notes. The T-lock arrangement was determined to be an effective cash flow hedge and resulted in a gain of US$135 million being recognized in OCI in FY2022. This amount is reclassified into finance costs in the same period as the associated interest expense from the 2022 Rule 144A Notes impacts earnings.

Certain covenants

The indenture includes certain customary affirmative and negative covenants that place various restrictions on us.

Events of default

The indenture contains certain customary events of default.

Guarantees

The obligor(s)' obligations under the 2022 Rule 144A Notes are supported by the guarantees of the Parent Guarantor and certain of its subsidiaries, CSLB Holdings Inc. and CSL Finance Pty Ltd. The 2022 Rule 144A Notes are unsecured.

Revolving Credit Facility

We have entered into a Revolving Credit Facility (the ''Revolving Facility'') pursuant to a revolving credit agreement facility dated March 4, 2024.

The Revolving Facility receives the benefit of the Common Terms Deed dated May 6, 2022, as amended on March 4, 2024 (the ''Common Terms Deed''). Under the terms of the Revolving Facility, CSL Finance Pty Ltd is the Australian borrower, CSLB Holdings Inc., is the U.S. Borrower and CSL Finance Plc is the U.K. Borrower with HSBC Bank USA N.A., as administrative agent for the lenders. Pursuant to the Common Terms Deed, CSL Limited, CSL Finance Pty Ltd, CSLB Holdings Inc., and CSL Finance Plc provide a guarantee.

Subject to customary conditions contemplated in the Revolving Facility, the borrowers may draw an amount of up to US$1,750,000,000 (or its equivalent in other currencies). The Revolving Facility is scheduled to mature on March 4, 2029.

Common Terms Deed

The Revolving Facility and the Bilateral Facilities receive the benefit of the Common Terms Deed and lenders under each of the Revolving Facility and Bilateral Facilities are financiers under the Common Terms Deed.

Certain covenants

The Common Terms Deed contains certain customary affirmative and negative covenants that place various restrictions on us (subject to customary exclusions and materiality thresholds), including, without limitation, on our ability to:

- merge or consolidate with third parties (subject to customary exceptions);
- create or permit to exist security interests (other than permitted security interests);
- incur additional debt;
- dispose of our assets where such disposition would be a materially adverse event; and
- engage in transactions or with entities in violation of certain U.S. or other applicable laws.

Events of default

The Common Terms Deed contains certain customary events of default. The financiers under the Common Terms Deed, including the lenders under the Revolving Facility and the lenders under the Bilateral Facilities, are entitled to take various actions, including acceleration of all amounts due under the Revolving Facility or Bilateral Facilities (as applicable) in connection with any event of default, subject to the terms of those provisions.

Guarantees

The borrowers' obligations under the Revolving Facility and the Bilateral Facilities are supported by the guarantee of the Parent Guarantor, CSL Finance Pty Ltd, CSLB Holdings Inc., and CSL Finance Plc under the Common Terms Deed.

The Revolving Facility and the Bilateral Facilities are unsecured.

U.S. Dollar Bilateral Credit Facilities

We have entered into US$2,500,000,000 of Bilateral Credit Facilities which the use of funds was restricted to the CSL Vifor acquisition completed in August 2022. The Bilateral Facilities receive the benefit of the Common Terms Deed.

Under the terms of each Bilateral Credit Facility, CSL Finance Pty Ltd is the borrower. Pursuant to the Common Terms Deed, CSL Limited, CSL Finance Pty Ltd, CSLB Holdings Inc, and CSL Finance Plc provide a guarantee. Westpac Banking Corporation is administrative agent for the lenders.

We have outstanding as of December 31, 2023:

(a) US$500,000,000 bank loan at a variable rate of 5.91% maturing on May 5, 2024;

(b) US$300,000,000 bank loan at a variable rate of 6.03% maturing on August 5, 2024;

(c) US$200,000,000 bank loan at a variable rate of 6.03% maturing on August 5, 2024;

(d) US$500,000,000 bank loan at a variable rate of 6.13% maturing on February 5, 2025;

(e) US$500,000,000 bank loan at a variable rate of 6.00% maturing on August 5, 2025; and

(f) US$500,000,000 bank loan at a variable rate of 6.14% maturing on August 5, 2025.

Certain covenants

The Common Terms Deed contains certain customary affirmative and negative covenants that place various restrictions on us (subject to customary exclusions and materiality thresholds), including, without limitation, on our ability to:

- merge or consolidate with third parties (subject to customary exceptions);
- create or permit to exist security interests (other than permitted security interests);
- incur additional debt;
- dispose of our assets where such disposition would be a materially adverse event; and
- engage in transactions or with entities in violation of certain U.S. or other applicable laws.

Events of default

The Common Terms Deed contains certain customary events of default. The financiers under the Common Terms Deed, including the lenders under the Revolving Facility and the lenders under the Bilateral Facilities, are entitled to take various actions, including acceleration of all amounts due under the Revolving Facility or Bilateral Facilities (as applicable) in connection with any event of default, subject to the terms of those provisions.

Guarantees

The borrowers' obligations under the Revolving Facility and the Bilateral Facilities are supported by the guarantee of the Parent Guarantor, CSL Finance Pty Ltd, CSLB Holdings Inc., and CSL Finance Plc under the Common Terms Deed.

The Revolving Facility and the Bilateral Facilities are unsecured.

Chinese Renminbi Bilateral Credit Facility

We have entered into CNY1,950,000,000 Bilateral Credit Facility which matures on November 27, 2026. The Bilateral Facilities receive the benefit of the Common Terms Deed.

Under the terms of the Bilateral Credit Facility, CSL Finance Pty Ltd is the borrower. Pursuant to the Common Terms Deed, CSL Limited, CSL Finance Pty Ltd, CSLB Holdings Inc, and CSL Finance Plc provide a guarantee. The Hong Kong and Shanghai Banking Corporation is the lender under this facility.

Certain covenants

The Common Terms Deed contains certain customary affirmative and negative covenants that place various restrictions on us (subject to customary exclusions and materiality thresholds), including, without limitation, on our ability to:

- merge or consolidate with third parties (subject to customary exceptions);
- create or permit to exist security interests (other than permitted security interests);
- incur additional debt;
- dispose of our assets where such disposition would be a materially adverse event; and
- engage in transactions or with entities in violation of certain U.S. or other applicable laws.

Events of default

The Common Terms Deed contains certain customary events of default. The financiers under the Common Terms Deed, including the lenders under the Revolving Facility and the lenders under the Bilateral Facilities, are entitled to take various actions, including acceleration of all amounts due under the Revolving Facility or Bilateral Facilities (as applicable) in connection with any event of default, subject to the terms of those provisions.

Guarantees

The borrowers' obligations under the Revolving Facility and the Bilateral Facilities are supported by the guarantee of the Parent Guarantor, CSL Finance Pty Ltd, CSLB Holdings Inc., and CSL Finance Plc under the Common Terms Deed.

The Revolving Facility and the Bilateral Facilities are unsecured.

Commercial Paper Program

We have entered into a currently undrawn private placement of up to US$750,000,000 of short-term promissory notes in the U.S. commercial paper market (the ''Commercial Paper Program'') pursuant to certain Private Placement Memoranda dated October 2018.

Under the terms of the Commercial Paper Program, CSLB Holdings Inc. issues the Commercial Paper Notes and CSL Limited provides a parent guarantee, with each of Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated acting as dealers.

The notes issued under the Commercial Paper Program rank *pari passu* with CSLB Holdings Inc.'s other unsubordinated and unsecured indebtedness and the guarantee ranks *pari passu* with CSL Limited's other senior, unsecured liabilities.

Notes issued under the Commercial Paper Program are subject to a maturity of up to 397 days from the date of issue.

KfW Loan

We have entered into three credit facilities (the ''KfW Loans''). The credit facilities are subsidized for a fixed interest rate period by public budget funds of the German federal government.

- Under the terms of a KfW Loan Credit Facility Agreement dated September 5, 2017, HSBC Trinkaus & Burkhardt AG, as the Bank thereunder, has made available to CSL Behring GmbH, as the Borrower thereunder, an amortizing term loan in the amount of EUR 50,000,000, which was refinanced by KfW as the Development Bank thereunder, at a disbursement rate of 100%. The unamortized principal balance at December 31, 2023 is EUR 19,810,000.

- Under the terms of a KfW Loan Credit Facility Agreement dated September 5, 2017, HSBC Trinkaus & Burkhardt AG, as the Bank thereunder, has made available to CSL Behring GmbH, as the Borrower thereunder, an amortizing term loan in the amount of EUR 200,429,000, which was refinanced by KfW as the Development Bank thereunder, at a disbursement rate of 100%. The unamortized principal balance at December 31, 2023 is EUR 89,578,125.
- Under the terms of a KfW Loan Credit Facility Agreement dated July 13, 2021, HSBC Trinkaus & Burkhardt AG, as the Bank thereunder, has made available to CSL Behring GmbH, as the Borrower thereunder, an amortizing term loan in the amount of EUR 50,000,000, which was refinanced by KfW as the Development Bank thereunder, at a disbursement rate of 100%. The unamortized principal balance at December 31, 2023 is EUR 37,500,000.

Guarantee

The Borrower obligations under the KfW Loans are supported by guarantees of the Parent Guarantor.

The KfW Loans are unsecured.

QDI Bond

We have entered into a private placement of floating rate notes pursuant to a Private Placement Note Deed dated June 12, 2018 and additional Supplemental Private Placement Note Deeds dated December 11, 2020, and June 12, 2023 (the ''QDI Bond'') whereby CSL UK Holdings Limited (the Issuer) has issued US$500,000,000 of Floating Rate Notes due December 12, 2025 to The Hongkong and Shanghai Banking Corporation Limited as sole Noteholder.

Guarantee

The Issuer obligations under the QDI Bond are supported by a guarantee of the Parent Guarantor.

The QDI Bond is unsecured.

Description of the Notes and Guarantees

CSL Finance Plc (the ''Issuer'') will issue US$500,000,000 aggregate principal amount of 5.106% Senior Guaranteed Notes due 2034 (the ''2034 Notes'') and US$750,000,000 aggregate principal amount of 5.417% Senior Guaranteed Notes due 2054 (the ''2054 Notes'' and, collectively with the 2034 Notes, the ''Notes'').

The Notes will be unsecured unsubordinated obligations to be issued under an indenture dated as of April 3, 2024 (the ''Indenture''), among the Issuer, the Original Guarantors (as defined below) and The Bank of New York Mellon, as Indenture Trustee. A copy of the Indenture (which includes the forms of the Notes and the Guarantees) is available for inspection during normal business hours at the office of the Indenture Trustee.

The following summaries of certain provisions of the Indenture, the Notes and the Guarantees do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Indenture, the Notes and the Guarantees, including the definitions therein of certain terms.

Certain terms used in this ''Description of the Notes and Guarantees'' have the meanings set out in ''—Certain definitions'' below.

General

The interest rate on the 2034 Notes is 5.106% per annum and the interest rate on the 2054 Notes is 5.417% per annum. The Notes will bear interest from April 3, 2024 and will be paid semi-annually in arrears with respect to the 2034 Notes, on each April 3 and October 3, beginning on October 3, 2024; and with respect to the 2054 Notes, on each April 3 and October 3, beginning on October 3, 2024 (each an ''Interest Payment Date''), to the person in whose names the Notes are registered at the close of business on March 19 or September 18, with respect to the 2034 Notes, and March 19 or September 18, with respect to the 2054 Notes as the case may be, immediately preceding the relevant Interest Payment Date.

Interest will be paid on the basis of a 360-day year comprised of twelve 30-day months. Any payment of principal or interest required to be made on any date that is not a Business Day will be made on the next succeeding Business Day as if made on the date that payment was due and no interest will accrue on that payment for the period from and after the date that payment was due to the date of payment on the next succeeding Business Day. On the final maturity date of the Notes (or upon earlier redemption or repurchase of a Note as described below), interest will cease to accrue on such Note under the terms of and subject to the conditions in the Indenture.

Unless earlier redeemed in the circumstances set out below, the 2034 Notes will mature on April 3, 2034 at a price equal to 100% of their principal amount and the 2054 Notes will mature on April 3, 2054 at a price equal to 100% of their principal amount.

The 2034 Notes are initially being offered in the principal amount of US$500,000,000 and the 2054 Notes are initially being offered in the principal amount of US$750,000,000. The Issuer may from time to time, without the consent of the holders of the Notes, issue additional notes having the same terms and conditions in all respects as the relevant series of Notes being offered hereby, except for the issue date, the issue price and amount of the first payment of interest thereon (''Additional Notes''). Any additional issuance of notes of each series of Notes issued may be consolidated with and form a single series with the relevant series of outstanding Notes; *provided, however,* that any Additional Notes that are issued under the same CUSIP, ISIN, Common Code or other identifying number as the relevant series of outstanding Notes must be fungible with the relevant series of outstanding Notes for U.S. federal income tax purposes. There is no limit on the aggregate principal amount of Notes that may be outstanding at any time.

The Notes of each series will be issued only in fully registered form and in denominations of US$2,000 and integral multiples of US$1,000 in excess thereof.

The Notes will be direct, unsecured, unsubordinated and unconditional obligations of the Issuer and will rank *pari passu* in right of payment with all other existing and future unsecured and unsubordinated indebtedness of the Issuer, except for indebtedness mandatorily preferred by applicable law. The Guarantees will be direct, unsecured, unsubordinated and unconditional obligations of the Guarantors and will rank *pari passu* in right of payment with all other existing and future unsecured and unsubordinated indebtedness of the applicable Guarantor except for indebtedness mandatorily preferred by law.

The Notes will not be entitled to the benefits of any sinking fund. The Notes are subject to defeasance as described below under ''—Defeasance and covenant defeasance.''

Guarantees and Undertakings

Certain Group Members will provide credit support for the Notes as Guarantors on the following terms.

Guarantees

Parent Guarantee

The Notes will have the benefit of a guarantee (the ''Parent Guarantee'') by CSL Limited (ABN 99 051 588 348), a limited liability company incorporated under the laws of the Commonwealth of Australia (the ''Parent Guarantor''). Pursuant to the Parent Guarantee, the Parent Guarantor will fully and unconditionally guarantee to each holder of a Note authenticated and delivered by the Indenture Trustee the due and punctual payment of the principal of, premium, if any, and interest on such Note (and any Additional Amounts (as hereinafter defined) payable in respect thereof), when and as the same shall become due and payable, whether at stated maturity, by declaration of acceleration, call for redemption or otherwise, in accordance with the terms of such Note and of the Indenture.

Original Subsidiary Guarantees

The Notes will also be guaranteed (the ''Original Subsidiary Guarantees'' and together with the Parent Guarantee, the ''Original Guarantees''), on a joint and several basis, by CSLB Holdings Inc., a company incorporated under the laws of the State of Delaware, and CSL Finance Pty Ltd (ABN 98 089 679 005), a company incorporated under the laws of the Commonwealth of Australia (the ''Original Subsidiary Guarantors'' and together with the Parent Guarantor, the ''Original Guarantors''). Pursuant to the Original Subsidiary Guarantees, the Original Subsidiary Guarantors will fully and unconditionally guarantee to each holder of a Note authenticated and delivered by the Indenture Trustee the due and punctual payment of the principal of, premium, if any, and interest on such Note (and any Additional Amounts (as hereinafter defined) payable in respect thereof), when and as the same shall become due and payable, whether at stated maturity, by declaration of acceleration, call for redemption or otherwise, in accordance with the terms of such Note and of the Indenture.

Relevant Obligors

A ''Relevant Obligor'' for the purposes of the Notes is any Group Member that is an obligor, co-obligor or guarantor, or provides undertakings similar to those of the Undertaking Subsidiaries in the Indenture, under a Material Group Financing.

Springing Guarantees

The Issuer and the Parent Guarantor have covenanted and agreed in the Indenture that if any Group Member that is not a Guarantor or an Undertaking Subsidiary becomes a Relevant Obligor, each such Group Member (a ''Springing Guarantor'' and, together with the Original Subsidiary Guarantors, the ''Subsidiary Guarantors,'' and together with the Original Guarantors, the ''Guarantors'') shall, within 30 days of becoming a Relevant Obligor, enter into a supplemental indenture to the Indenture pursuant to which it shall become a Guarantor and will fully and unconditionally guarantee to each holder of a Note authenticated and delivered by the Indenture Trustee the due and punctual payment of the principal of, premium, if any, and interest on such Note (and any Additional Amounts (as hereinafter defined) payable in respect thereof), when and as the same shall become due and payable, whether at stated maturity, by declaration of acceleration, call for redemption or otherwise, in accordance with the terms of such Note and of the Indenture (the ''Springing Guarantees'' and, together with the Original Guarantees, the ''Guarantees'').

Any supplemental indenture to the Indenture entered into by a Group Member in connection with its provision of a Springing Guarantee may include a limitation on such Group Member's guarantee required or reasonably necessary or appropriate under the law of the jurisdiction in which such Group Member is organized, *provided* that such limitation shall also be contained in any other guarantee provided by such Group Member under a Material Group Financing.

The Indenture does not contain any requirements for any Group Member to guarantee the Notes other than the obligation to ensure that any Group Member that is a guarantor or obligor under a Material Group Financing also provides a guarantee of the Notes, as described above, or becomes an Undertaking Subsidiary, as described below.

Release of Original Subsidiary Guarantees and Springing Guarantees

Any or all of the Subsidiary Guarantors may be released at any time from their respective Guarantees and other obligations under the Indenture and the Notes without the consent of any holder of the Notes. Such release will occur at such time that such Subsidiary Guarantor delivers an Officer's Certificate to the Indenture Trustee (or on such date specified in such certificate being the date on which (ii)(a) or (ii)(b) is to occur (the ''release time'')), upon which the Indenture Trustee may conclusively rely, certifying that (i) the principal amount of the Notes is not due and payable before the stated maturity following an Event of Default (as hereinafter defined) on such date; and, (ii) either (a) such Guarantor is no longer (or at the release time will not be) a Group Member; or (b) such Guarantor, upon release of its obligations under the Indenture and applicable Guarantee and any other obligations released concurrently with such release, will no longer be a Relevant Obligor.

Undertaking Subsidiaries

If, as a result of applicable law (including, without limitation, the U.S. Investment Company Act of 1940, as amended (the ''Investment Company Act'')), any Group Member that is a Relevant Obligor or provides undertakings similar to those of an Undertaking Subsidiary in the Indenture under a Material Group Financing (a ''Parallel Undertaking''), may not be permitted to provide a Guarantee, the Indenture provides that the Parent Guarantor shall cause each such Group Member (each an ''Undertaking Subsidiary''), within 30 days, jointly and severally irrevocably undertake to the Issuer and the Guarantors that it will, to the maximum extent permitted by applicable law, upon demand from any of the Issuer or the Guarantors either (at its option) (i) make loans or advances to the Issuer and the Guarantors or (ii) subscribe for equity in the Issuer and the Guarantors, in either case, in an amount sufficient such that the Issuer or a Guarantor will not default in the payment of any amount owed under the Notes or the applicable Guarantee; *provided* that the amount of such loans or advances or subscription price of such equity will not exceed the principal then outstanding under the Notes and premium, if any, and interest thereon.

The obligations of the Undertaking Subsidiaries will continue until all amounts due and owing under the Notes and the Guarantees have been paid in full or until such Undertaking Subsidiary is released from its obligations pursuant to the Indenture (see ''—Release of Undertaking Subsidiaries''). If an Undertaking Subsidiary is unable to subscribe for equity in the Issuer or a Guarantor, it must make loans or advances to the Issuer or such Guarantor, respectively.

Each of the Issuer and the Guarantors has covenanted and agreed in the Indenture (i) not to amend the Indenture to change the terms relating to such undertakings or release any Undertaking Subsidiary from its obligations described in the preceding two paragraphs unless such Undertaking Subsidiary is not a Group Member or is no longer a Relevant Obligor or no longer provides a Parallel Undertaking, (ii) not to waive or agree to waive the performance of any Undertaking Subsidiary of its obligations as described in the preceding two paragraphs unless a similar waiver has been granted or agreed to under all relevant Material Group Financings and under the terms governing the Parallel Undertaking and (iii) that if it would otherwise default in the payment of any amount it owes under the Notes or the Guarantees, as applicable, it will notify the Indenture Trustee within five (5) Business Days and immediately thereafter make a demand on each Undertaking Subsidiary under an undertaking described above and take all necessary action against them to ensure that such demands are satisfied in full.

Holders of Notes will not have a direct claim against any Undertaking Subsidiaries and must rely on the Issuer and the Guarantors to enforce the obligations of any Undertaking Subsidiaries, which enforcement may be limited or not permitted under applicable law at the relevant time. In addition, the obligations of the Undertaking Subsidiaries may be set off against obligations owed by the Issuer or the Guarantors to the Undertaking Subsidiary.

Release of Undertaking Subsidiaries

Any or all of the Undertaking Subsidiaries may be released at any time from their respective obligations under the Indenture without the consent of any holder of Notes. Such release will occur at such time that such Undertaking Subsidiary delivers an Officer's Certificate to the Indenture Trustee (or on such date specified in such certificate being the date on which (ii)(a) or (ii)(b) is to occur (the ''release time'')), upon which the Indenture Trustee may conclusively rely, certifying that (i) the principal amount of the Notes is not due and payable before the stated maturity following an Event of Default on such date; and (ii) either (a) such

Undertaking Subsidiary is no longer (or at the release time will not be) a Group Member; or (b) such Undertaking Subsidiary, upon release of its obligations under the Indenture and any other obligations released concurrently with such release, will no longer be a Relevant Obligor and no longer provide a Parallel Undertaking.

Guarantors Becoming Undertaking Subsidiaries and Undertaking Subsidiaries Becoming Guarantors

At the time of any issuance of Notes under the Indenture after the date of the Indenture, any Subsidiary Guarantor may become an Undertaking Subsidiary as of such date of issuance by entering into a supplemental indenture to the Indenture on the terms and conditions set out in the Indenture within 30 days. The Issuer must also deliver an Officer's Certificate to the Indenture Trustee certifying that such Guarantor is precluded from being a Guarantor for the issuance of Notes after the date of the Indenture by virtue of applicable law (including, without limitation, the Investment Company Act). Notwithstanding the foregoing, any Undertaking Subsidiary may subsequently become a Guarantor if while the Notes are outstanding such Undertaking Subsidiary may become a Guarantor under applicable law (including, without limitation, the Investment Company Act). In such case, the Undertaking Subsidiary must enter into a supplemental indenture to the Indenture on the terms and conditions set out in the Indenture within 30 days. Upon becoming a Guarantor, an Undertaking Subsidiary shall cease to be an Undertaking Subsidiary and shall cease to be bound by its obligations as an Undertaking Subsidiary.

Ranking

The Notes will:

- be senior, unsecured, unsubordinated obligations of the Issuer;
- rank effectively subordinated in right of payment to all existing and future secured indebtedness of the Issuer to the extent of the value of the assets securing such indebtedness;
- rank *pari passu* in right of payment with all other existing and future senior, unsecured and unsubordinated indebtedness of the Issuer, except for indebtedness mandatorily preferred by applicable law; and
- rank senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated to the Notes.

The Guarantees will:

- be senior, unsecured, unsubordinated obligations of each Guarantor;
- rank effectively subordinated in right of payment to all existing and future secured indebtedness of each Guarantor to the extent of the value of the assets securing such indebtedness;
- rank *pari passu* in right of payment with all other existing and future senior, unsecured and unsubordinated indebtedness of the applicable Guarantor, except for indebtedness mandatorily preferred by applicable law; and
- rank senior in right of payment to all existing and future indebtedness of each Guarantor that is subordinated to the Guarantee of such Guarantor.

The Notes will be structurally subordinated to all present and future liabilities, including trade payables and lease obligations, whether or not secured, of any Group Member that is neither the Issuer nor a Guarantor. There can be no assurance that any Group Member that is neither the Issuer nor a Guarantor will not incur indebtedness in the future and the incurrence of such indebtedness shall not oblige any Subsidiary to provide a guarantee except as described in ''—Guarantees and Undertakings—Guarantees—Springing Guarantees.''

Form

United States offering

All Notes initially sold in the United States or to U.S. persons (as defined in Regulation S) will be restricted Notes (''Restricted Global Notes''). The Restricted Global Notes will be issued in definitive, fully registered form without interest coupons to qualified institutional buyers pursuant to Rule 144A, in the form of beneficial interests in one or more Restricted Global Notes registered in the name of a nominee of The Depository Trust Company (''DTC,'' together with any successor, the ''Depositary''), and will be deposited with the Indenture Trustee as custodian for DTC.

The Restricted Global Notes (and any Notes issued in exchange for them) will be subject to certain restrictions on transfer set forth therein and in the Indenture, and will bear the legend relating to such restrictions set forth under ''Notice to investors'' in this Offering Memorandum.

The international offering

Notes sold to Non-U.S. Persons outside the United States in offshore transactions in reliance on Regulation S will initially be represented by one or more global Notes in definitive, fully registered form without interest coupons (collectively, the ''Regulation S Global Notes'' and together with the Restricted Global Notes, the ''Global Notes'') registered in the name of a nominee of DTC, and will be deposited with the Indenture Trustee as custodian for DTC for the accounts of a common depositary for Euroclear and Clearstream. The Notes will be subject to certain restrictions on transfer set forth therein and will bear the legend relating to such restrictions set forth under ''Notice to investors'' in this Offering Memorandum.

Registration of transfer and exchange

General

Subject to the restrictions on transfer contained in the Indenture, and described below and in ''Transfer restrictions,'' and the limitations applicable to the Global Notes, Notes may be presented for exchange for other Notes of any authorized denominations and of a like tenor and aggregate principal amount or for registration of transfer by the holder thereof or his attorney duly authorized in writing and, if so required by the Issuer, the Parent Guarantor or the Indenture Trustee, with the form of transfer thereon duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Issuer, the Parent Guarantor or the Security Registrar duly executed, at the office of the Security Registrar or at the office of any transfer agent designated by the Issuer or the Parent Guarantor for such purpose. No service charge will be made for any exchange or registration of transfer of Notes, but the Issuer or the Parent Guarantor may require payment of a sum by the holder of a Note sufficient to cover any tax or other governmental charge payable in connection therewith.

Such transfer or exchange will be effected upon the Security Registrar or such transfer agent, as the case may be, receiving required documents of the person making the request. The Security Registrar may decline to accept any request for an exchange or registration of transfer of any Note during the period of 15 days following the closing date of the Notes and 15 days preceding the due date for any payment of interest on, principal of or any other payments on or in respect of the Notes. The Issuer and the Parent Guarantor have appointed The Bank of New York Mellon as Security Registrar. The Issuer and the Parent Guarantor may at any time designate additional transfer agents or rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts; *provided*, *however*, that there shall at all times be a transfer agent in the Borough of Manhattan, The City of New York.

Upon the transfer, exchange or replacement of Restricted Global Notes bearing the legend referred to under ''Transfer restrictions,'' or upon specific request for removal of such legend on a Note, the Indenture Trustee will deliver only Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer, the Parent Guarantor and the Indenture Trustee such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer, the Parent Guarantor or the Indenture Trustee that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Transfers within Global Notes

Subject to the procedures and limitations described below under ''—Global Notes,'' transfers of beneficial interests within a Global Note may be made without delivery to the Issuer, the Parent Guarantor or the Indenture Trustee of any written certifications or other documentation by the transferor or transferee.

Transfers between Global Notes

Prior to the 41st day after the later of the commencement of the offering of the Notes and the date of issuance of the Notes (the ''Restriction Date''), a beneficial interest in a Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in a Restricted Global Note only upon receipt by the Indenture Trustee of a written certification from the transferee or the transferor, as the case may be (in the form provided in the Indenture) to the effect that either:

- such transferee is purchasing the Notes for its own account or for accounts as to which it exercises sole investment discretion and that it and, if applicable, each such account, is a qualified institutional buyer within the meaning of Rule 144A, in each case, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction; or
- the transferor did not purchase such Notes as part of the initial distribution thereof and the transfer is being effected pursuant to and in accordance with an applicable exemption from the registration requirements of the Securities Act and the transferor has delivered to the Indenture Trustee such additional evidence that the Issuer, the Parent Guarantor or the Indenture Trustee may require as to compliance with such available exemption.

On and after the Restriction Date, the restrictions and certifications set forth above shall no longer be required with respect to a Regulation S Global Note.

Beneficial interests in a Restricted Global Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note, whether before, on or after the Restriction Date, only upon receipt by the Indenture Trustee of a written certification from the transferor (in the forms provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S (as applicable) or Rule 144 under the Securities Act (if available), and that, if such transfer occurs prior to the Restriction Date, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Any beneficial interest in any Global Note that is transferred to a person who takes delivery in the form of an interest in the other type of Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other type of Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other type of Global Note for as long as it remains such an interest. Except in the circumstances described below and under ''—Global Notes,'' owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of certificated Notes.

Transfers or Exchanges from Global Notes to Certificated Notes

If DTC or any successor depositary is at any time unwilling or unable to continue as a depositary for the reasons set forth below under ''—Global Notes,'' and a successor depositary is not appointed by the Issuer or the Parent Guarantor within 90 days, the Issuer will issue Notes in certificated form (''Certificated Notes'') in definitive registered form of like tenor in denominations of US$2,000 and integral multiples of US$1,000 in excess thereof in exchange for the Regulation S Global Notes and Restricted Global Notes, as the case may be.

In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by DTC.

Global Notes

The Notes will be represented by one or more definitive, fully registered securities in global form. A Global Note is a special type of indirectly held debt security.

Each Global Note will be deposited with The Bank of New York Mellon, as custodian for DTC, and will be registered in the name of Cede & Co., as nominee of DTC. Any person wishing to own a beneficial interest in the Notes must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with DTC.

As an indirect holder of the Notes, an investor's rights relating to a Global Note will be governed by the account rules of the investor's financial institution and of DTC, as well as general laws relating to securities transfers. None of the Issuer, the Guarantors or the Indenture Trustee will recognize this type of investor as a holder of the Notes under the Indenture and instead will deal only with DTC, which holds the Global Notes.

An investor should be aware that because the Notes are issued only in global form:

- the investor cannot get the Notes registered in his or her own name;
- the investor cannot receive physical certificates for his or her interest in the Notes;
- the investor will be a ''street name'' holder of the Notes and must look to his or her own bank or broker for payments on the Notes and protection of his or her legal rights relating to the Notes;
- the investor may not be able to sell interests in the Notes to certain institutions that are required by law to own their securities in the form of physical certificates; and
- DTC's policies will govern payments, transfers, exchange and other matters relating to the investor's interest in the Global Note. The Issuer, the Guarantors, the Indenture Trustee and the Agents have no responsibility for any aspect of DTC's actions or for its records of ownership interests in the Global Note. The Group, the Indenture Trustee and the Agents also do not supervise DTC in any way.

In a few special situations described below, the Global Notes will terminate and interests in them will be exchanged for physical certificates representing the Notes. After that exchange, the choice of whether to hold the Notes directly or in ''street name'' will be up to the investor. Investors must consult their own bank or brokers to find out how to have their interests in the Notes transferred to their own name so that they will be direct holders of the Notes.

The special situations for termination of the Global Notes are when:

- DTC or its successor notifies the Issuer or the Parent Guarantor that it is unwilling, unable or no longer qualified to continue as depositary for the Notes and no successor depositary has been appointed within 90 days of this notification to them or of their becoming aware of this; or
- an Event of Default with respect to the Notes has occurred and has not been cured.

DTC

DTC has advised as follows:

- DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a ''clearing corporation'' within the meaning of the New York Uniform Commercial Code and a ''clearing agency'' registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for DTC participants and to facilitate the clearance and settlement of transactions among its participants in those securities through electronic book-entry changes in accounts of DTC participants, thereby eliminating the need for physical movement of certificates.
- DTC participants include certain securities brokers and dealers, banks, trust companies and clearing corporations and may in the future include certain other organizations (''DTC participants''). Indirect access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly (''indirect DTC participants'').
- transfers of ownership or other interests in the Notes in DTC may be made only through DTC participants. Indirect DTC participants are required to effect transfers through a DTC participant. DTC has no knowledge of the actual beneficial owners of the Notes. DTC's records reflect only the identity of the DTC participants to whose accounts the Notes are credited, which may not be the beneficial owners. DTC participants will remain responsible for keeping account of their holdings on behalf of their customers and for forwarding all notices concerning the Notes to their customers.
- so long as DTC, or its nominee, is a registered owner of the Global Notes, payments of principal and interest on the Notes will be made in immediately available funds in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe that it will be governed by

standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in ''street name,'' and will be the responsibility of the DTC participants and not of DTC, the Indenture Trustee, the Agents, the Issuer or the Guarantors, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, the Guarantors, the Agents or the Indenture Trustee. Disbursement of payments to DTC participants will be DTC's responsibility, and disbursement of payments to the beneficial owners will be the responsibility of DTC participants and indirect DTC participants.

- because DTC can only act on behalf of DTC participants, who in turn act on behalf of indirect DTC participants, and because owners of beneficial interests in the Notes holding through DTC will hold interests in the Notes through DTC participants or indirect DTC participants, the ability of the owners of beneficial interests to pledge the Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to the Notes, may be limited.
- ownership of interests in the Notes held by DTC will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC, the DTC participants and the indirect DTC participants. The laws of some jurisdictions require that certain persons take physical delivery in definitive form of securities which they own. Consequently, the ability to transfer beneficial interests in the Notes held by DTC is limited to that extent.

Euroclear and Clearstream Positions

Euroclear and Clearstream will hold omnibus positions on behalf of their participants through customers' securities accounts in Euroclear's and Clearstream's names on the books of their respective system depositaries which in turn will hold the positions in customers' securities accounts in the system depositaries' names on the books of DTC. Euroclear and Clearstream are DTC participants.

Same Day Settlement and Payment

Settlement for the Notes must be made by the Initial Purchasers in immediately available funds. All payments of interest on, principal of, or Additional Amounts on, Global Notes will be made in immediately available funds. So long as Notes are represented by a Global Note registered in the name of DTC or its nominee, the Notes will trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in the Notes will be required by DTC to settle in immediately available funds on trading activity in the Notes.

Payment and Paying Agents

The principal of, and any premium or interest on, the Notes will be payable at the office of such Paying Agent or Paying Agents as the Issuer may designate for such purpose from time to time.

The office of the Paying Agent in The City of New York will be designated as the Issuer's sole Paying Agent for payments with respect to the Notes. The Issuer may at any time designate additional Paying Agents or rescind the designation of any Paying Agent or approve a change in the office through which any Paying Agent acts, except that the Issuer will be required to maintain a Paying Agent in each place of payment for the Notes.

All moneys paid by the Issuer or the Guarantors to a Paying Agent for the payment of the principal or of any premium or interest on any Note which remain unclaimed at the end of two years after such principal, premium or interest has become due and payable will be repaid to the Issuer or the Guarantors and the holder of such Note thereafter may look only to the Issuer or the Guarantors for payment thereof.

Payment of Additional Amounts

All payments of, or in respect of, principal of, and any premium and interest on, the Notes, and all payments pursuant to any Guarantee, shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of any taxing authority within Australia, the United Kingdom or any other jurisdiction in which the Issuer or any Guarantor is or becomes a resident for tax purposes (whether by merger, consolidation or otherwise) or through which the Issuer or any Guarantor makes payment on the Notes or any Guarantee or any political subdivision or taxing authority of any of the foregoing having the power to tax (each a ''Relevant Jurisdiction''), unless such withholding or deduction is required by law. In that event, the Issuer or such Guarantor, as applicable, will pay such additional amounts (''Additional Amounts'') as will result (after the withholding or

deduction of such taxes, duties, assessments or governmental charges and any additional taxes, duties, assessments or other governmental charges payable in respect of such Additional Amounts) in the payment to the holder of each Note of the amounts which would have been payable in respect of such Note or Guarantee had no such withholding or deduction been required, except that no Additional Amounts shall be so payable for or on account of:

(1) any withholding, deduction, tax, duties, assessment or other governmental charge imposed by a Relevant Jurisdiction or any political subdivision or taxing authority thereof which would not have been imposed but for the fact that such holder or beneficial owner of the Note:

   (a) was a resident, domiciliary or national of, or engaged in business or maintained a permanent establishment or was physically present in, the Relevant Jurisdiction or otherwise had some connection with the Relevant Jurisdiction other than the mere ownership of, or receipt of payment under, such Note or Guarantee;

   (b) presented such Note or Guarantee (where presentation is required) for payment in the Relevant Jurisdiction, unless such Note or Guarantee could not have been presented for payment elsewhere; or

   (c) presented such Note or Guarantee (where presentation is required) more than thirty (30) days after the date on which the payment in respect of such Note or Guarantee first became due and payable or provided for, whichever is later, except to the extent that the holder of such Note or Guarantee would have been entitled to such Additional Amounts if it had presented such Note or Guarantee for payment on any day within such period of thirty (30) days;

(2) any estate, inheritance, gift, sale, transfer, personal property or similar tax, duties, assessment or other governmental charge or any withholding or deduction on account of such tax, assessment or other governmental charge;

(3) any tax, duties, assessment or other governmental charge which is payable otherwise than by withholding or deduction from payments of (or in respect of) principal of, or any premium and interest on, the Notes or the Guarantees;

(4) any withholding, deduction, tax, duties, assessment or other governmental charge that is imposed or withheld by a Relevant Jurisdiction or any political subdivision or taxing authority thereof by reason of the failure to comply by the holder of such Note or, in the case of a Global Note, the beneficial owner of such Global Note, with a request of the Issuer or any Guarantor or any Paying Agent addressed to such holder or beneficial owner, as the case may be, (a) to provide information concerning the nationality, residence or identity of such holder or such beneficial owner, or an appropriate tax file number, or other number or exemption details, or (b) to make any declaration or other similar claim or satisfy any information or reporting requirement, which, in the case of (a) or (b), is required or imposed by a statute, treaty, regulation or administrative practice of the Relevant Jurisdiction or any political subdivision or taxing authority thereof or therein as a precondition to exemption from all or part of such withholding, deduction, tax, assessment or other governmental charge;

(5) any withholding, deduction, tax, duties, assessment or other governmental charge which is imposed or withheld by reason of the Australian Commissioner of Taxation giving a notice under section 255 of the *Income Tax Assessment Act 1936* or section 260-5 of Schedule 1 to the *Taxation Administration Act 1953* of Australia;

(6) any withholding or deduction with respect to any tax, duties, assessment or other governmental charge imposed by the United States, any state, possession or territory thereof, the District of Columbia or any political subdivision or taxing authority of any of the foregoing;

(7) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (“FATCA”), any current or future Treasury Regulations or rulings promulgated thereunder, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA or any law enacted by such other jurisdiction to give effect to such agreement, or any agreement with the United States Internal Revenue Service under FATCA; or

(8) any combination of items (1), (2), (3), (4), (5), (6) and (7);

nor shall Additional Amounts be paid with respect to any payment in a Relevant Jurisdiction of, or in respect of, the principal of, or any premium or interest on, any such Note or Guarantee to any such holder of the Note or Guarantee who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment on a Note or Guarantee would, under the laws of the Relevant Jurisdiction or any political subdivision or taxing authority thereof or therein, be treated as being derived or received for tax purposes by a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had it been the holder of the Note or Guarantee.

Whenever there is mentioned, in any context, any payment of or in respect of the principal of, or any premium or interest on, any Note (or any payments pursuant to the Guarantee thereof), such mention shall be deemed to include mention of the payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to the Indenture, and any express mention of the payment of Additional Amounts in any provisions of the Indenture shall not be construed as excluding Additional Amounts in those provisions of the Indenture where such express mention is not made. Where Additional Amounts are payable in respect of any interest payments, such Additional Amounts will not be considered to be interest for the purposes of the Indenture.

Certain other additional amounts may be payable in respect of the Notes and the Guarantees as a result of certain consolidations or mergers involving, or conveyances, transfer or leases of properties and assets by, the Issuer or the Parent Guarantor. See ''—Consolidation, merger and sale of assets.''

The obligation to pay Additional Amounts will apply to any successor person to the Issuer or any Guarantor, subject to the same exceptions set forth above.

Redemption for changes in withholding taxes

If, as the result of (i) any change in or any amendment to the laws, treaties, regulations or published tax rulings of any Relevant Jurisdiction or (ii) any change in the official administration, application or interpretation by any court or tribunal, government or government authority of such laws, regulations, treaties or published tax rulings either generally or in relation to a series of the Notes or any Guarantee, which change or amendment becomes effective on or after the original issue date of the Notes or the relevant Guarantee or which change in official administration, application or interpretation shall not have been available to the public prior to such issue date, the Issuer or any Guarantor would be required to pay any Additional Amounts pursuant to the Indenture in respect of interest on the next succeeding Interest Payment Date (assuming, in the case of any Guarantor, a payment in respect of such interest was required to be made by such Guarantor under the Guarantees on such Interest Payment Date, in circumstances in which such Guarantor would be unable, for reasons outside such Guarantor's control, to procure payment by the Issuer) and the obligation to pay Additional Amounts cannot be avoided by the use of commercially reasonable measures available to the Issuer or the Guarantors, the Issuer may, at its option, redeem all (but not less than all) the Notes, upon not less than 10 nor more than 60 days' written notice as provided in the Indenture, at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption; *provided, however*, that:

- no such notice of redemption may be given earlier than 60 days prior to the earliest date on which the Issuer or a Guarantor would be obligated to pay such Additional Amounts were a payment in respect of the Notes or the Guarantees then due; and
- at the time any such redemption notice is given, such obligation to pay such Additional Amounts must remain in effect.

If:

- the Issuer or the Parent Guarantor shall have on any date (the ''Succession Date'') consolidated with or merged into, or conveyed or transferred or leased its properties and assets substantially as an entirety to, any Person (the successor Person in any such transaction being sometimes hereinafter referred to as a ''Successor Person'') which is organized under the laws of any jurisdiction other than the United Kingdom or Australia, any state thereof or territory therein; and
- as the result of (i) any change in or any amendment to the laws, treaties, regulations or published tax rulings of such jurisdiction of organization, or of any political subdivision or taxing authority thereof or therein, affecting taxation, or (ii) any change in the official administration, application or interpretation by any court or tribunal, government or government authority of such jurisdiction of such laws, treaties,

regulations or published tax rulings either generally or in relation to the Notes or the Parent Guarantee, which change or amendment becomes effective on or after the Succession Date or which change in official administration, application or interpretation shall not have been available to the public prior to such Succession Date, such Successor Person would be required to pay any Successor Additional Amounts (as defined under ''—Consolidation, merger and sale of assets'' below) pursuant to the Indenture or the terms of the Notes or the Parent Guarantee in respect of interest on any Notes on the next succeeding Interest Payment Date (assuming, in the case of a Successor Person to the Parent Guarantor, that a payment in respect of such interest were required to be made by such Successor Person to the Parent Guarantor under the Parent Guarantee on such Interest Payment Date in circumstances in which such Successor Person to the Parent Guarantor would be unable, for reasons outside the control of such Successor Person to the Parent Guarantor, to procure payment by the Issuer), and such Successor Additional Amounts cannot be avoided by the use of commercially reasonable measures available to the Issuer or the Parent Guarantor or such Successor Person,

then the Issuer or such Successor Person may, at its option, redeem all (but not less than all) of the Notes, upon not less than 10 nor more than 60 days' written notice as provided in the Indenture, at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption; *provided, however*, that:

- no such notice of redemption may be given earlier than 60 days prior to the earliest date on which a Person would be obligated to pay such Successor Additional Amounts were a payment in respect of the Notes or the Parent Guarantee, as the case may be, then due; and
- at the time any such redemption notice is given, such obligation to pay such Successor Additional Amounts must remain in effect.

Prior to any redemption described above, the Issuer or a Successor Person shall provide the Indenture Trustee with an opinion of independent legal counsel of recognized standing to the effect that Additional Amounts or Successor Additional Amounts (as applicable) would be payable as specified above and a certificate signed by an Authorized Officer stating that the obligation to pay Additional Amounts or Successor Additional Amounts cannot be avoided by taking measures that the Issuer, the Successor Person to the Issuer or the Parent Guarantor or any Successor Person to the Parent Guarantor, as the case may be, believes are commercially reasonable.

Optional redemption

Prior to the applicable Par Call Date (as defined below), the Issuer may redeem any of the 2034 Notes and the 2054 Notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the applicable series of Notes to be redeemed matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus the applicable Make-Whole Spread set forth in the table below less (b) interest accrued to the date of redemption, and

(2) 100% of the principal amount of the Notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon to the redemption date.

For purposes hereof, ''Par Call Date'' in respect of an applicable series of the Notes shall mean the date set forth under the heading ''Par Call Date'' below across from the name of such series of Notes.

Series of Notes	Par Call Date	Make-Whole Spread
2034 Notes	January 3, 2034 (three months prior to the maturity date of such Notes)	+15 bps
2054 Notes	October 3, 2053 (six months prior to the maturity date of such Notes)	+20 bps

On or after the Par Call Date, the Issuer may redeem the 2034 Notes and the 2054 Notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of each Note being redeemed plus accrued and unpaid interest on the applicable series of Notes to be redeemed to, but not including, the date of redemption.

The Issuer's actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error.

Notice of any redemption will be mailed or electronically delivered (or otherwise transmitted in accordance with the depositary's procedures) at least 10 days but not more than 60 days before the redemption date to each holder of Notes to be redeemed.

In the case of a partial redemption, selection of the Notes for redemption will be made pro rata by lot. No Notes of a principal amount of US$2,000 or less will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption that relates to the Note will state the portion of the principal amount of the Note to be redeemed. A new Note in a principal amount equal to the unredeemed portion of the Note will be issued in the name of the holder of the Note upon surrender for cancellation of the original Note. For so long as the Notes are held by DTC (or another depositary), the redemption of the Notes shall be done in accordance with the policies and procedures of the depositary.

Unless the Issuer defaults in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Notes or portions thereof called for redemption.

Offer to redeem upon Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event, unless the Issuer or a Successor Person has exercised its right to redeem the Notes as described under ''—Optional redemption'' or ''—Redemption for changes in withholding taxes,'' the Indenture provides that each holder of the Notes will have the right to require the Issuer to purchase all or a portion of such holder's Notes pursuant to the offer described below (the ''Change of Control Offer''), at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase, subject to the rights of holders of the Notes on the relevant record date to receive interest due on the relevant Interest Payment Date.

Within 30 days following the date upon which the Change of Control Triggering Event occurred, or at the Issuer's option, prior to any Change of Control but after the public announcement of the pending Change of Control, the Issuer will be required to send, by first class mail, a notice to each holder of the Notes, with a copy to the Indenture Trustee, which notice will govern the terms of the Change of Control Offer. Such notice will state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed, other than as may be required by law (the ''Change of Control Payment Date''). The notice, if mailed prior to the date of consummation of the Change of Control, will state that the Change of Control Offer is conditioned on the Change of Control being consummated on or prior to the Change of Control Payment Date. Holders of the Notes electing to have their Notes purchased pursuant to a Change of Control Offer will be required to surrender their Notes, with the form entitled ''Option of Holder to Elect Purchase'' on the reverse of the Note completed, to the Indenture Trustee at the address specified in the notice, or transfer their Notes to the Issuer by book-entry transfer pursuant to the applicable procedures of the Indenture Trustee and the Depositary, prior to the close of business on the third Business Day prior to the Change of Control Payment Date.

The Issuer will not be required to make a Change of Control Offer if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by the Issuer and such third party purchases all the Notes properly tendered and not withdrawn under its offer.

Limitation on Liens

Pursuant to the Indenture, so long as any Notes or the Guarantees remain outstanding, the Parent Guarantor will not, and will not permit any other Group Member to, create, assume, incur or suffer to be created, assumed or incurred or to exist any Lien upon any property or assets, whether now owned or hereafter acquired, of the Parent Guarantor or any other Group Member unless the Notes are equally and ratably secured; *provided, however,* that the foregoing shall not prevent, restrict or apply to any of the following:

(a) any Lien existing at the date of the issuance of the Notes;

(b) any Lien existing on property of a Person immediately prior to such Person being acquired by or being consolidated with or merged into a Group Member, or Liens existing on any property acquired by a

Group Member at the time such property is so acquired, *provided* that no such Lien shall (a) have been created or assumed in contemplation of such acquisition, consolidation or merger or such acquisition of property and (b) extend to any other property of such Group Member;

(c) any Lien in respect of property acquired, constructed or improved by a Group Member after the date of the issuance of the Notes, or in rights relating to such property, which Liens are created at the time of acquisition or completion of construction or improvement of such property or at any time thereafter, to secure Financial Indebtedness assumed or incurred to finance all or any part of the purchase price of the acquisition or cost of construction or improvement of such property; *provided* that the aggregate principal amount of Financial Indebtedness secured by such Lien in respect of any such property shall not exceed the lesser of the cost and the fair market value (as determined in good faith by the board of directors of the Parent Guarantor) of such property and no such Lien shall extend to or cover any other property of such Group Member;

(d) any Lien arising by operation of law (including in favor of a government agency or where evidenced by any agreement) or imposed by a court or tribunal, for sums not yet due or that are being contested in good faith by appropriate proceedings;

(e) a right of title retention in favor of a supplier in the ordinary course of business;

(f) any Lien for taxes, assessments, or governmental charges or levies which are not yet due and payable, or if then due and payable, the amount, applicability or validity of which is contested by a Group Member on a timely basis in good faith and in appropriate proceedings;

(g) any set-off or netting rights and/or consolidation of accounts with respect to balances in bank accounts held by any Group Member and banker's liens with respect to property or assets held by financial institutions, in each case, that arise or are created by operation of law or in the ordinary course of business;

(h) any Lien which secures the Financial Indebtedness of one Group Member owed to another Group Member (other than a Project Finance Subsidiary);

(i) any Lien for any borrowings from bankers or others for the purpose of financing any import or export contract in respect of which any part of the price receivable is guaranteed or insured by any institution carrying on an export credit guarantee or insurance business; *provided* that the Financial Indebtedness secured by any such Lien does not exceed the sum so guaranteed or insured;

(j) any Lien for moneys borrowed from an international or governmental development agency or authority to finance the development of a specific project where such Lien is required by applicable law or practice and where the Lien is created over assets used in or derived from the development of such project;

(k) any Lien created in favor of co-venturers pursuant to any agreement relating to a partnership over interests in or the assets of such partnership for the purpose of securing the payment of obligations arising under that agreement;

(l) any Lien over goods, products, plant or equipment, or documents of title to goods, products, plant or equipment, arising in the ordinary course of business where such Lien secures only the acquisition cost or selling price (and amounts incidental thereto) of such goods, products plant or equipment required to be paid within 180 days;

(m) any Lien incidental to the ordinary conduct of the business of a Group Member or the ownership of its properties and which are not incurred in connection with the incurrence of Financial Indebtedness and which do not in the aggregate materially impair the use of such property in the operation of the business of the Group, or the value of such property for the purpose of such business;

(n) any Lien created by or resulting from any litigation or legal proceeding which is effectively stayed while the underlying claims are being contested in good faith by appropriate proceedings and with respect to which a Group Member has established adequate reserves on its books in accordance with GAAP;

(o) any Lien incurred or deposits made in the ordinary course of business, including but not limited to,

(i) any mechanics', materialmen's, warehousemen's, carriers', workmen's, vendor's or other like Liens, (ii) any Liens securing amounts in connection with worker's compensation, health insurance, unemployment insurance, pensions and other types of social security, (iii) any Liens arising from leases or sub-leases, easements, rights of way, minor survey exceptions, zoning restrictions and other similar charges and encumbrances on real property, in each case, incidental to the ownership of property or assets and not interfering with the ordinary conduct of the business of any Group Member and (iv) any pledges and deposits to secure the performance of bids, tenders, contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and similar obligations;

(p) any Lien on the assets of any Project Finance Subsidiary securing the Financial Indebtedness of such Project Finance Subsidiary;

(q) any Lien on any money or securities deposited with a depositary, custodian or financial institution pursuant to an arrangement to defease any Financial Indebtedness of any Group Member;

(r) any Lien on receivables or the proceeds in connection with any sale of those receivables which is accounted for as Non-Recourse Debt;

(s) any extension, renewal, substitution, replacement, refunding or refinancing (or successive extensions, renewals, substitutions, replacements, refunding or refinancings), in whole or in part, of any Lien referred to in any of the foregoing clauses (a) to (r) of this covenant; *provided* that such Lien shall not extend to any other property and the principal amount of Financial Indebtedness secured by such Lien immediately before giving effect to such extension, renewal, substitution, replacement, refunding or refinancing is not increased; and

(t) Liens securing Financial Indebtedness incurred by a Group Member in addition to those described in subsections (a) through (s) above, *provided* that, upon the incurrence thereof and immediately after giving effect thereto, the aggregate outstanding principal amount of all Financial Indebtedness of the Group secured by Liens pursuant to this clause (t) shall not exceed an amount equal to 15% of Total Assets as of such time.

The foregoing provisions would not necessarily afford holders of the Notes protection in the event of highly leveraged or other transactions involving the Group that may adversely affect holders of the Notes.

Consolidation, merger and sale of assets

The Indenture provides that for so long as any of the Notes or Guarantees are outstanding, neither the Issuer nor a Guarantor may consolidate with or merge into any other Person that is not the Issuer or a Guarantor or convey, transfer or lease all or substantially all of the properties and assets of the Group to any Person that is not the Issuer or a Guarantor, unless:

(1) any Person formed by such consolidation or into which the Issuer or a Guarantor, as the case may be, is merged or to whom the Issuer or the Guarantor, as the case may be, has conveyed, transferred or leased all or substantially all of its properties and assets is a corporation, partnership or trust organized and validly existing under the laws of the jurisdiction governing such Person, and such Person either is the Issuer or the Guarantor or assumes the Issuer's or the Guarantor's obligations, as the case may be, on the Notes and the Guarantees and under the Indenture (including any obligation to pay any Additional Amounts);

(2) immediately after giving effect to the transaction and treating any Financial Indebtedness which becomes an obligation of the Issuer or a Guarantor as a result of such transaction as having been incurred at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing;

(3) any such Person not organized and validly existing under the laws of the United States, any state, possession or territory thereof or the District of Columbia, the United Kingdom or the Commonwealth of Australia or any state or territory thereof shall expressly agree by a supplemental indenture,

(a) to indemnify the holder of each Note and each beneficial owner of an interest therein against (X) any tax, assessment or other governmental charge imposed on such holder or beneficial owner

or required to be withheld or deducted from any payment to such holder or beneficial owner as a consequence of such consolidation, merger, conveyance, transfer or lease, and (Y) any costs or expenses of the act of such consolidation, merger, conveyance, transfer or lease, and

(b) that all payments pursuant to the Notes or the Guarantees in respect of the principal of and any premium and interest on the Notes, as the case may be, shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of organization of such Person or any political subdivision or taxing authority thereof or therein, unless such taxes, duties, assessments or other governmental charges are required by the law of such jurisdiction or any such subdivision or authority to be withheld or deducted, in which case such Person will pay such additional amounts (''Successor Additional Amounts'') as will result (after the withholding or deduction of such taxes, duties, assessments or governmental charges and any additional taxes, duties, assessments or other governmental charges payable in respect of such Successor Additional Amounts) in the payment to each holder of a Note or beneficial owner of the amounts which would have been payable pursuant to the Notes or the Guarantees, as the case may be, had no such withholding or deduction been required, subject to the same exceptions as would apply with respect to the payment by the Issuer or the Guarantors of Additional Amounts in respect of the Notes or the Guarantees (substituting the jurisdiction of organization of such Person for the Relevant Jurisdiction) (see ''—Payment of Additional Amounts''); and

(4) certain other conditions are met.

The Parent Guarantor or any Subsidiary of the Parent Guarantor may also assume the obligations of the Issuer on the Notes if:

- the Parent Guarantor or such Subsidiary, as the case may be, assumes by means of a supplemental indenture, all the obligations of the Issuer under the Notes and the Indenture;
- the Parent Guarantor or such Subsidiary, as the case may be, agrees that, with respect to its assumption of its obligations, as described above under ''Payment of Additional Amounts'', its jurisdiction of organization (or any political subdivision or taxing authority thereof or therein) will be deemed a ''Relevant Jurisdiction'' as defined above under ''Payment of Additional Amounts'';
- immediately prior to or after giving effect to such assumption, no Event of Default and no event that, after notice or lapse of time, would become an Event of Default has occurred and is continuing;
- the Parent Guarantor or such Subsidiary, as the case may be, has delivered certain certificates and opinions to the Indenture Trustee;
- the Parent Guarantor or such Subsidiary, as the case may be, has delivered to the Indenture Trustee an unconditional affirmation by each of the Guarantors and any Undertaking Subsidiary (excluding the Parent Guarantor or any Subsidiary Guarantor if any of them shall have assumed the obligations of the Issuer) of their respective obligations under the Indenture and their respective Guarantees in relation to the new Issuer;
- the Parent Guarantor or such Subsidiary, as the case may be, pays to each holder of a Note and to the Indenture Trustee, all reasonable fees and expenses resulting from such assumption;
- the Parent Guarantor or such Subsidiary, as the case may be, pays to each holder of a Note amounts (the ''Holder Tax Amount'') resulting from any tax liability to, or any tax payable by, any holder of a Note (whether such tax is federal, state, local, foreign, franchise or otherwise) which would not have arisen but for such assumption by such Parent Guarantor or Subsidiary (the ''Holder Tax''), together with interest and penalties, if any, and any additional United States federal, state or local taxes on or measured by income which are imposed on such holder's receipt of the Holder Tax Amount; *provided, however,* that nothing shall obligate the Parent Guarantor or such Subsidiary to indemnify any holder of a Note for any income taxes otherwise payable by such holder notwithstanding any assumption of the obligations of the Issuer on the Notes; *provided, further,* that each holder of a Note hereby agrees to provide reasonable and necessary cooperation and to take all reasonable steps necessary to mitigate or avoid any such Holder Tax Amount, interest, penalties and additional taxes; *and provided, further,* that

where any such Holder Tax is payable by withholding or deduction from payments of, or in respect of, principal of, or any premium or interest on, the Notes or the Guarantees thereof, the obligations of the Parent Guarantor or such Subsidiary, as the case may be, pursuant to this paragraph shall be subject to the same exceptions as would apply with respect to the payment by the Issuer or the Guarantors of Additional Amounts; and

- certain other conditions are met.

Upon any such assumption, the Parent Guarantor or such Subsidiary, as the case may be, shall succeed to and be substituted for, and may exercise every right and power of the Issuer under the Indenture.

The foregoing provisions would not necessarily afford holders of the Notes or beneficial owners' interests therein protection in the event of highly leveraged or other transactions involving the Issuer or the applicable Guarantors that may adversely affect holders of the Notes or beneficial owners' interests therein.

In certain circumstances, an assumption of the obligations of the Issuer under the Notes may be considered for United States federal income tax purposes to be a taxable exchange of the Notes for new notes by the beneficial owners, resulting in recognition of taxable gain or loss for United States federal income tax purposes and other possible adverse tax consequences. United States investors should consult their own tax advisers regarding the United States federal, state, local and other tax consequences of any such assumption.

Events of Default

An ''Event of Default'' with respect to any series of Notes is defined in the Indenture as:

- a default in the payment of any principal of or any premium on the Notes of such series when due, whether at maturity, upon redemption or otherwise and the continuance of such default for a period of two (2) Business Days (other than with respect to the stated maturity date of the Notes);
- a default in the payment of any interest or any Additional Amounts due and payable on the Notes of such series and the continuance of such default for a period of 30 days;
- a default in the performance or breach of any other covenant or warranty of the Issuer, any Guarantor or any Undertaking Subsidiary in the Indenture or in the Notes or the Guarantees of such series and the continuance of such default or breach for a period of 30 days after written notice of such default has been given by the Indenture Trustee or the holders of at least 25% in aggregate principal amount of the Notes of such series outstanding;
- (i) a default in the payment of the principal of, or interest on, premium or make-whole amount of any Financial Indebtedness (other than Non-Recourse Project Finance Debt) of any Group Member under one or more agreements or instruments having an aggregate principal amount exceeding US$200 million (or its equivalent in any other currency or currencies) when and as that Financial Indebtedness becomes due and payable, after the expiration of any applicable grace period or (ii) any other default (other than as set forth in clause (i) above) relating to such Financial Indebtedness under one or more agreements or instruments having an aggregate principal amount exceeding US$200 million (or its equivalent in any other currency or currencies), if the effect is to cause such Financial Indebtedness to become due and payable prior to its stated maturity, except, with respect to clauses (i) and (ii), where the Group Members' liability to make the payment is being contested in good faith or where such Financial Indebtedness is discharged or such acceleration is rescinded;
- a final judgment or judgments or settlement for the payment of money aggregating in excess of US$200 million (or its equivalent in the relevant currency of payment) are rendered against one or more Group Members and which judgments or settlement are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay;
- the Guarantees or the obligations of the Undertaking Subsidiaries in the Indenture are held to be unenforceable or invalid in a judicial proceeding, or are claimed in writing by either the Issuer, any Guarantor or any Undertaking Subsidiary not to be valid and enforceable, or the Guarantees or the obligations of any of the Undertaking Subsidiaries in the Indenture are denied or disaffirmed in writing by any Guarantor or any Undertaking Subsidiary except, in each case, as permitted in accordance with the terms of the Indenture; and

- certain events of bankruptcy or insolvency with respect to the Parent Guarantor or a Significant Subsidiary.

If such an Event of Default (other than certain events of bankruptcy or insolvency) occurs and is continuing, then and in every such case the Indenture Trustee (if written notice of such Event of Default has been delivered to a responsible officer of it) may, or at the direction of the holders of not less than 25% in aggregate principal amount of the outstanding Notes of such series, shall declare the principal amount of all the Notes of such series to be due and payable immediately, by a notice in writing to the Issuer with a copy to the Guarantors. Upon such a declaration, such principal amount and any accrued interest shall become immediately due and payable. If certain Events of Default triggered by certain events of bankruptcy or insolvency occur and are continuing, the principal of, Additional Amounts, if any, and any accrued interest on the outstanding Notes of such series shall become immediately due and payable; provided, however, that any time after a declaration of acceleration with respect to the Notes of such series has been made and before a judgment or decree for payment of money has been obtained by the Indenture Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes of such series may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the non-payment of the accelerated principal or interest, have been cured or waived as provided in the Indenture.

The foregoing provision shall be without prejudice to the rights of each individual holder of the Notes to initiate an action against the Issuer or any Guarantor for payment of any principal, Additional Amounts and/or interest past due on any series of the Notes, as the case may be.

In the case where an Event of Default shall occur and be continuing, the Indenture Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders of the Notes, unless, among other things, such holders shall have offered to the Indenture Trustee indemnity satisfactory to it. Subject to such conditions, the holders of a majority in aggregate principal amount of the outstanding Notes of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee or exercising any trust or power conferred on the Indenture Trustee with respect to the Notes of any series.

No holder of a Note of any series will have any right to institute any proceeding, judicial or otherwise, with respect to the Indenture, or for the appointment of a receiver or a trustee, or for any other remedy thereunder, unless:

- such holder has previously given to a responsible officer of the Indenture Trustee written notice of a continuing Event of Default with respect to the Notes of such series;
- the holders of at least 25% in aggregate principal amount of the outstanding Notes of such series have made written request, and such holder or holders have offered an indemnity to the Indenture Trustee satisfactory to it to institute such proceeding as trustee; and
- the Indenture Trustee has failed to institute such proceeding, and has not received from the holders of a majority in aggregate principal amount of the outstanding Notes of such series a direction inconsistent with such request, within 60 days after receipt of such notice, request and offer.

Such limitations do not apply, however, to a suit instituted by a holder of a Note of any series for the enforcement of payment of the principal of or interest on the Note of such series on or after the applicable due date specified in the Note of such series.

Modification and waiver

There are three types of changes the Issuer can make to the Indenture and the Notes of any series:

Changes requiring unanimous approval

First, there are changes that cannot be made to the Notes of any series without the specific consent of the holders of the Notes of such series. The Issuer cannot make the following types of changes without the specific consent of the holder of each outstanding Note of such series affected thereby:

- change the stated maturity of, or any installment of, the principal or interest on the Notes or the rate of interest on the Notes or change the Issuer's and a Guarantor's obligation to pay Additional Amounts on the Notes, as described above under the section entitled ''—Payment of Additional Amounts'';

- change the place or currency of payment on the Notes;
- impair the right of a holder of Notes to sue for payment;
- reduce the amount of principal payable upon acceleration of the maturity of the Notes following a default;
- reduce any amounts due on the Notes;
- reduce the premium payable upon a Change of Control Triggering Event or, at any time after a Change of Control Triggering Event has occurred, amend, change or modify in any material respect the obligation of the Issuer to make and complete the Change of Control Offer;
- reduce the aggregate principal amount of the Notes the consent of the holders of which is needed to modify or amend the Indenture;
- reduce the aggregate principal amount of the Notes the consent of the holders of which is needed to waive compliance with certain provisions of the Indenture or to waive certain defaults;
- waive the obligation to make a payment of principal of, or interest or premium, if any, on the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the Notes, and a waiver of the payment default that resulted from such acceleration);
- subordinate the Notes or the Guarantees to any other obligation of the Issuer or any Guarantor;
- modify any other aspect of the provisions dealing with modification of, or waiver under, the Indenture in a way that adversely affects holders of outstanding Notes;
- change, in a way that adversely affects holders of outstanding Notes, the Guarantors' payment obligations (including with respect to Additional Amounts) under their Guarantees, other than the release of any Guarantor in accordance with the Indenture; or
- change, in any manner adverse to the holders of the outstanding Notes, the obligations of an Undertaking Subsidiary under the Indenture to make loans or advances to the Issuer and the Guarantors or subscribe for equity in the Issuer and the Guarantors, other than the release of any Undertaking Subsidiary in accordance with the Indenture.

Changes requiring majority approval

With the consent of the holders of not less than a majority in aggregate principal amount of the outstanding Notes of a series affected thereby, the Issuer, the Guarantors, the Undertaking Subsidiaries and the Indenture Trustee may modify the Indenture or the Notes of such series for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the holders of the Notes of such series; *provided* a waiver of a payment default cannot be obtained or any change in respect of the Indenture or the Notes of such series listed under ''—Changes requiring unanimous approval'' cannot be made without the individual consent of each holder of the Notes to the waiver.

Changes not requiring approval

The third type of change does not require any vote or consent by holders of the Notes of any series. This type is limited to clarifications and certain other changes as specified in the Indenture that would not adversely affect holders of the Notes of any series in any material respect or that would conform the terms of the Notes, the Guarantees and the Indenture to the description thereof contained in this ''Description of the Notes and Guarantees.''

Further details concerning voting/consenting

When taking a vote or obtaining a consent, the Issuer will use the principal amount that would be due and payable on the voting date if the maturity of the Notes of a series were accelerated to that date because of an Event of Default.

Notes of a series will not be considered outstanding, and therefore not eligible to vote, if the Issuer has deposited or set aside in trust for you money for their payment or redemption, or if the Notes of a series have been cancelled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation.

The Issuer will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding Notes of a series that are entitled to vote or take other action under the Indenture. In certain limited circumstances, the Indenture Trustee will be entitled to set a record date for action by holders of the Notes of a series. If the Issuer or the Indenture Trustee set a record date for a vote or other action to be taken by holders of the Notes of a series, that vote or action may be taken only by persons who are holders of outstanding Notes of a series on the record date and must be taken within 180 days following the record date or a shorter period that we may specify (or as the Indenture Trustee may specify, if it set the record date). The Issuer may shorten or lengthen (but not beyond 180 days) this period from time to time.

Defeasance and covenant defeasance

The Indenture provides that the Issuer and the Guarantors, at the Issuer's or any Guarantor's option:

- will be deemed to have been discharged from their respective obligations in respect of the Notes of any series (except for the payment of all amounts due and owing to the Indenture Trustee under the Indenture and except for certain obligations to register the transfer of or exchange Notes of such series, to replace stolen, lost, destroyed or mutilated Notes of such series upon satisfaction of certain requirements (including, without limitation, providing such security or indemnity as the Indenture Trustee, the Issuer or such Guarantor may require), to maintain Paying Agents and to hold certain moneys in trust for payment); or
- need not comply with certain restrictive covenants of the Indenture (including those described under ''—Limitation on Liens'' and ''—Consolidation, merger and sale of assets''),

in each case if the Issuer or any Guarantor deposits in trust with the Indenture Trustee (i) money in an amount, (ii) U.S. Government obligations that through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount or (iii) a combination thereof, in each case sufficient to pay all the principal of, and any premium and interest (and any Additional Amounts then known) on, the Notes of such series, on the dates such payments are due in accordance with the terms of the Indenture and the Notes of such series. In the case of discharge pursuant to the first bullet above, the Issuer or applicable Guarantor, as the case may be, is required to deliver to the Indenture Trustee (i) an opinion of counsel stating that (a) the Issuer or such Guarantor, as the case may be, has received from, or there has been published by, the United States Internal Revenue Service, a ruling or (b) since the date of the Indenture, there has been a change in the applicable United States federal income tax law, in either case to the effect that the holders of the Notes of such series and beneficial owners of interests therein will not recognize gain or loss for United States federal income tax purposes as a result of the exercise of the option under the first bullet above and will be subject to United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if such option had not been exercised and (ii) any other documentation that is required to be delivered pursuant to the Indenture. In the case of discharge pursuant to the second bullet above, the Issuer or the applicable Guarantor, as the case may be, is required to deliver to the Indenture Trustee an opinion of counsel stating that the holders of the Notes of such series and beneficial owners of interests therein will not recognize gain or loss for United States federal income tax purposes as a result of the exercise of the option under the second bullet above and will be subject to United States federal income tax on the same amount, in the same manner and at the same times as would have been the case if such option had not been exercised and any other documentation that is required to be delivered pursuant to the Indenture.

Governing law

The Indenture, the Notes and the Guarantees will be governed by and construed in accordance with the laws of the State of New York, excluding choice of law principles of the law of such state that would permit the application of the laws of a jurisdiction other than such state.

Consent to service of process

The Indenture provides that each of the Issuer, the Guarantors and the Undertaking Subsidiaries have irrevocably designated CSLB Holdings Inc. as its authorized agent for service of process in any legal action or proceeding arising out of or relating to the Indenture, the Notes or the Guarantees brought in any federal or state court in the Borough of Manhattan, The City of New York, and the Issuer, the Guarantors and the Undertaking Subsidiaries will each irrevocably submit to the non-exclusive jurisdiction of such courts.

Concerning the Indenture Trustee

The Bank of New York Mellon will be the Indenture Trustee under the Indenture. The Indenture provides that the Issuer and the Guarantors will indemnify the Indenture Trustee against any cost, claim, loss, liability, damage or expense, including the reasonable compensation and the expenses and disbursements of its agents and counsel and the costs of enforcement of indemnity, incurred without negligence, fraud or willful misconduct of the Indenture Trustee in connection with the acceptance or administration of the trust created by the Indenture.

Fraudulent conveyance or transfer considerations

The Issuer's obligations under the Notes will be guaranteed by the Guarantors. The net proceeds from the offering of the Notes will be used as discussed in ''Use of Proceeds.''

Australia

In Australia under the Australian Corporations Act, a guarantee may not be enforceable against a guarantor if the guarantor is being wound up and the guarantee is found by a court, on the application of the company's liquidator, to be voidable by virtue of it being (among other things) an ''uncommercial transaction'' or ''voidable preference'' and an ''insolvent transaction.''

Uncommercial transactions of a company are those which a reasonable person in the company's position would not have entered into having regard to:

(a) the benefits (if any) to the company of entering into the transaction;

(b) the detriment to the company of doing so;

(c) the benefits to other parties of entering into the transaction; and

(d) any other relevant matter.

Unfair preferences are transactions of a company (or to which that company is party) which result in a creditor of the company receiving from the company, in respect of an unsecured debt that the company owes to the creditor, more than the creditor would receive from the company in respect of the debt if the transaction were set aside and the creditor were to prove for the debt in a winding up of the company.

For an uncommercial transaction or an unfair preference to be voidable, it must also be an insolvent transaction. In order for an issue of a guarantee to be an insolvent transaction, the company must have either been insolvent at the time the transaction was entered into or an act was done or an omission was made for the purposes of giving effect to the transaction or become insolvent because of the transaction, act or omission.

A liquidator is empowered to challenge any insolvent and uncommercial transaction of the company where the transaction was entered into, or an act was done, for the purpose of giving effect to it, in the two years prior to the relation back day (which will usually be the date on which any application to the court to wind-up the company was made or where immediately before the winding up order was made the company was under voluntary administration, the date of commencement of the voluntary administration). A liquidator can challenge any unfair preference of the company where the transaction was entered into, or an act was done for the purpose of giving effect to it, in the six months prior to the relation back day.

However, for both uncommercial transactions and voidable preferences, where a related entity of the company is a party to the transaction, the period of challenge is four years prior to the relation back day. If the transaction was entered into for the purpose (or for purposes including the purpose) of defeating, delaying or interfering with the rights of any or all of the creditors of the company on a winding up, the period of challenge is ten years.

United States

Under United States bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee can be voided, or claims under a guarantee may be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- intended to hinder, delay or defraud any present or future creditor or received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee;
- was insolvent or rendered insolvent by reason of such incurrence;

- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

In addition, any payment by that guarantor under a guarantee could be voided and required to be returned to the guarantor or to a fund for the benefit of the creditors of the guarantor.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law. Generally, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

On the basis of historical financial information, recent operating history and other factors, the Issuer and the Guarantors believe that the Guarantees are being incurred for proper purposes and in good faith and that each Guarantor, after giving effect to the Guarantees, will not be insolvent, does not have unreasonably small capital for the business in which it is engaged and has not incurred debts beyond its ability to pay those debts as they mature. There can be no assurance, however, that a court would reach the same conclusions.

England and Wales

Under English insolvency law (specifically section 238 of the *Insolvency Act 1986*), if a company enters administration or goes into liquidation, then the administrator or liquidator, as applicable, has certain powers to, among other things, apply to the court for such order as the court sees fit (including an order to set aside any transaction) to restore the position to what it would have been if the company had not entered into a transaction with any person at an ''undervalue'' (as described in section 238 of the *Insolvency Act 1986*) if the transaction was entered into at a time in the period of two years ending with the 'onset of insolvency' (being the date of commencement of a winding up, application to appoint administrators, or similar). A transaction might be at an ''undervalue'' if the company makes a gift to or otherwise receives no consideration from another party or receives consideration the value of which (in money or money's worth) is significantly less than the value of the consideration given by the company. A court generally will not intervene, however, if the company entered into a transaction in good faith and for the purpose of carrying on its business and, at the time it did so, there were reasonable grounds for believing the transaction would benefit the company.

Additionally, if the liquidator or administrator can show that a ''preference'' (as described in section 239 of the *Insolvency Act 1986*) was given by a company at a time in the period of six months ending with the onset of insolvency (or two years if the preference is to a person who is connected with the company (otherwise than by reason only of being its employee)), a court can make such order as it see fits to restore the position to what it would have been had the preference not been given (including an order to set aside any transaction). Generally, a company gives a preference to a person if it does anything or suffers anything to be done which (in either case) has the effect of putting a person who is one of the company's creditors, sureties or guarantors for any of the company's debts or other liabilities in a position which, in the event of the company's insolvent liquidation, will be better than the position that person would have been in had that thing not been done. A court will not make an order in respect of a preference given to any person unless the company which gave the preference was influenced in deciding to give it by a desire to put that person into a position which, in the event of the company's insolvent liquidation, would be better than the position he would have been in if that thing had not been done. Further, such desire is presumed, unless the contrary is shown, in circumstances where a company which has given a preference to a person connected with the company (otherwise than by reason only of being its employee).

A court will only make an order in respect of a transaction at an undervalue or a preference if, at the time of the relevant transaction or preference, the company (a) is at that time unable to pay its debts within the meaning of

the *Insolvency Act 1986* or (b) becomes unable to pay its debts as a consequence of the transaction or preference, and these requirements are presumed to be satisfied, unless the contrary is shown, in relation to any transaction at an undervalue which is entered into by a company with a person who is connected with the company.

In addition, if it can be shown that a transaction entered into by a company was made at an undervalue and was made for the purpose of putting assets beyond the reach, or otherwise prejudicing the interests, of persons who might claim against it, then the court may make such order as it thinks fit for restoring the position to what it would have been had the transaction not been entered into (including an order to set aside any transaction) and for protecting the interests of ''victims'' of the transaction (as described in section 423 of the *Insolvency Act 1986*). Any person who is such a ''victim'' of the transaction (with the leave of the court), as well as the administrator or liquidator of the company, may assert such a claim. There is no statutory time limit within which a claim must be made, other than relevant limitation periods, and the company need not be insolvent at the time of the transaction or in liquidation or administration.

Certain definitions

As used in this ''Description of the Notes and Guarantees'':

''Agent'' means any or all of the transfer agent, the Paying Agent or the Security Registrar, as applicable.

''Business Day'' means any day other than a Saturday, a Sunday or a day on which commercial banks in New York City; London, England; Sydney, Australia; or Melbourne, Australia are required or authorized to be closed.

''Capital Lease'' means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP; *provided* any obligations of a Person under a lease (whether existing now or entered into in the future) that is not (or would not be) required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP as in effect immediately prior to January 1, 2019, shall not be treated as capital lease solely as a result of the adoption of changes in, or changes in the application of, GAAP (including without limitations AASB 16 or IFRS 16) regardless of when adopted or changed.

''Change of Control'' means the occurrence of any one of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Group to any ''person'' (as that term is used in Section 13(d)(3) of the Exchange Act) other than to a Group Member;

(2) the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any person (including any ''person'' as that term is used in Section 13(d)(3) of the Exchange Act) becomes the ''beneficial owner'' (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of more than 50% of the outstanding Voting Stock of the Parent Guarantor, measured by voting power rather than number of shares; or

(3) the Parent Guarantor consolidates with, or merges with or into, any Person or Persons, or any Person or Persons consolidates with, or merges with or into, the Parent Guarantor, in any such event pursuant to a transaction in which all of the Voting Stock of the Parent Guarantor outstanding immediately prior to such transaction or such other Person(s) is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Parent Guarantor constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving Person(s) immediately after giving effect to such transaction.

''Change of Control Triggering Event'' means if two Rating Agencies (including, if applicable, a Substitute Rating Agency) cease to rate the Notes Investment Grade on any date during the period (the ''Trigger Period'') commencing upon, the earlier of (i) the occurrence of a Change of Control or (ii) 60 days prior to the date of the first public announcement of any Change of Control (or pending Change of Control), and ending 60 days following consummation of such Change of Control (which Trigger Period will be extended following consummation of a Change of Control for so long as any of the Rating Agencies (including, if applicable, a Substitute Rating Agency) has publicly announced that it is considering a possible ratings downgrade). In the event there is one Rating Agency providing a rating for such Notes at the commencement of any Trigger Period, if that Rating Agency (including, if applicable, a Substitute Rating Agency) ceases to rate the Notes Investment

Grade on any date during the Trigger Period, such Notes will be deemed to have ceased to be rated Investment Grade by two Ratings Agencies during that Trigger Period. Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

''Existing USPP Agreements'' means (a) the 2011 USPP, (b) the 2013 USPP, (c) the 2014 Euro USPP, (d) the 2015 CHF USPP, (e) the 2015 USPP, (f) the 2016 USPP, (g) the 2017 USPP, and (h) the 2020 USPP (each as defined in ''Description of other indebtedness''), in each case as the same may be amended, restated, supplemented, refinanced, replaced or modified from time to time.

''Financial Indebtedness'' with respect to any Person means, at any time, without duplication:

(a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property from such Person);

(b) obligations of such Person to pay the deferred purchase or acquisition price of property or services for more than 180 days, other than (i) trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business, and (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and is not paid after becoming due and payable;

(c) debt of others secured by a Lien on the property of such Person, whether or not the respective debt so secured has been assumed by such Person;

(d) Capital Lease obligations of such Person;

(e) obligations of such Person in respect of letters of credit, bankers acceptances, bonds, guaranties, indemnities or similar instruments issued or accepted by banks and other financial institutions for account of such Person supporting obligations that constitute debt (as described in the foregoing clauses (a) through (d)) of others; and

(f) any guarantee by such Person of debt (as described in the foregoing clauses (a) through (e)) of others.

''GAAP'' means generally accepted accounting principles (including International Financial Reporting Standards, as applicable) as in effect from time to time in Australia.

''Group'' means the Parent Guarantor and each Subsidiary, taken together as a whole. ''Group Member'' means a member of the Group.

''Investment Grade'' means (i) a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's); (ii) a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P); or (iii) in the event of the Notes being rated by a Substitute Rating Agency, the equivalent of either (i) or (ii) by such Substitute Rating Agency.

''Lien'' means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person.

''Material Group Financing'' means a Principal Credit Facility or an Existing USPP Agreement.

''Moody's'' means Moody's Investors Service Pty Ltd, a subsidiary of Moody's Corporation, and its successors.

''Non-Recourse Debt'' means any Financial Indebtedness of a Subsidiary on terms that recourse may be had by action against such Subsidiary that is an obligor of such Financial Indebtedness or by enforcement of a security interest over certain assets of such Subsidiary and not by way of action against the Parent Guarantor or any other Subsidiary.

''Non-Recourse Project Finance Debt'' means Financial Indebtedness of a Project Finance Subsidiary on terms that recourse may be had against such Project Finance Subsidiary that is an obligor of such Financial Indebtedness or by enforcement of a security interest over certain assets of such Project Finance Subsidiary and not by way of action against the Parent Guarantor or any other Subsidiary.

''Person'' means any individual, corporation, partnership, joint company, joint venture, joint-stock company, limited liability company, limited liability partnership, trust, unincorporated organization or government or any agency or political subdivision thereof or any other entity.

''Principal Credit Facility'' means (a) the Revolving Credit Facility Agreement (as defined in ''Description of other indebtedness''), as the same may be amended, restated, supplemented, refinanced, replaced or modified from time to time, and (b) the largest bank lending agreement or facility (by aggregate commitments, including both drawn and undrawn commitments in the case of a revolving credit facility) of the Parent Guarantor and its subsidiaries as a whole from time to time that is used to fund the general operations of the Parent Guarantor and its subsidiaries as a whole (but excluding any receivables securitization, receivables factoring or project finance facility), as the same may be amended, restated, supplemented or otherwise modified from time to time.

''Project Finance Subsidiary'' means any Subsidiary of the Parent Guarantor (other than the Issuer, a Subsidiary Guarantor or an Undertaking Subsidiary) (a) all of whose principal assets and business are constituted by the ownership, acquisition, construction, development, exploitation and/or operation of an asset or a project, whether directly or indirectly, and where the sole or principal sources of repayment of its Financial Indebtedness will be such asset or project and the revenues (including insurance proceeds) generated by such asset or project, and (b) the Financial Indebtedness of which is Non-Recourse Project Finance Debt.

''Rating Agency'' means Moody's, S&P or a Substitute Rating Agency.

''S&P'' means Standard & Poor's (Australia) Pty Ltd, a division of S&P Global Inc., and its successors.

''Significant Subsidiary'' means any Subsidiary of the Parent Guarantor that is a ''significant subsidiary'' (as defined in Rule 1-02(w) of Regulation S-X, promulgated under the U.S. Securities Act of 1933).

''Subsidiary'' means, as to any Person, any other Person in which such first Person and/or one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership, joint company or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person and/or one or more of its Subsidiaries (unless such partnership, joint company or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a ''Subsidiary'' is a reference to a Subsidiary of the Parent Guarantor.

''Substitute Rating Agency'' means a ''nationally recognized statistical rating organization'' within the meaning of the Exchange Act engaged by the Parent Guarantor or the Issuer to provide a rating of the Notes in the event that either S&P or Moody's, or a Substitute Rating Agency, has ceased to provide a rating of such Notes for any reason other than as a result of any action or inaction by the Parent Guarantor or the Issuer, and a result thereof there are no longer two Rating Agencies providing ratings of such Notes.

''Total Assets'' means on any given date, the total assets of the Group (excluding any Project Finance Subsidiaries) as shown in the most recent set of audited or reviewed annual or semi-annual financial statements of the Group.

''Treasury Rate'' means, with respect to any redemption date provided under ''—Optional redemption,'' the yield determined by the Issuer in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Issuer after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as ''Selected Interest Rates (Daily) – H.15'' (or any successor designation or publication) (''H.15'') under the caption ''U.S. government securities–Treasury constant maturities–Nominal'' (or any successor caption or heading) (''H.15 TCM''). In determining the Treasury Rate, the Issuer shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the Par Call Date (the ''Remaining Life''); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call

Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third business day preceding the redemption date H.15 TCM is no longer published, the Issuer shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second business day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Issuer shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

‘‘Voting Stock’’ of any specified Person as of any date means the capital stock of such Person that is at the time entitled to vote generally in the election of the board of directors of such Person or, if such Person is a trust established under Australian law, the board of directors of the responsible entity or trustee of such trust.

Taxation

The following statements with regard to certain U.S. federal income tax and Australian income tax consequences of an investment in the Notes are only general summaries. Moreover, these statements do not take into account all the specific circumstances that may be relevant to a particular holder of the Notes. We urge you to consult your own tax advisors concerning the consequences, as they relate to you and your specific circumstances, under Australian and U.S. federal, state and local tax laws, and the laws of any other relevant taxing jurisdiction of investing in the Notes.

U.S. federal income tax considerations

The following is a general discussion of certain anticipated U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes to U.S. Holders (as defined below) that acquire the Notes for cash at their original issue price pursuant to this offer. The summary is based on the Code, U.S. Treasury Regulations, judicial decisions, published positions of the Internal Revenue Service (the ''IRS'') and other applicable authorities, all as in effect as of the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). The discussion does not address all of the tax consequences that may be relevant to a particular person or to persons subject to special treatment under U.S. federal income tax laws (such as dealers in securities, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, life insurance companies, banks and other financial institutions, expatriates, tax-exempt organizations, investors that hold 10% of the stock of the Issuer, or persons that are, or hold their Notes through, partnerships or other pass-through entities), to persons who are not U.S. Holders, to persons whose functional currency is not the U.S. dollar or to persons that hold Notes as part of a straddle, hedge, conversion, synthetic security or constructive sale transaction for U.S. federal income tax purposes, all of whom may be subject to tax rules that differ from those summarized below. Moreover, this discussion does not address any non-U.S., state, or local tax considerations, alternative minimum tax considerations or the Medicare contribution tax on net investment income, or any taxes other than income taxes. This summary deals only with persons who hold the Notes as capital assets within the meaning of the Code (generally, property held for investment). No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of those set forth below. **Holders are urged to consult their tax advisors as to the particular U.S. federal tax consequences to them of acquiring, owning and disposing of the Notes, as well as the effects of state, local and non-U.S. tax laws.**

A ''U.S. Holder'' means a beneficial owner of a Note (as determined for U.S. federal income tax purposes) that is, or is treated as, a citizen or individual resident of the U.S., a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S. or any political subdivision thereof or therein, an estate the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if (i) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If a partnership (including any entity or arrangement treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a holder of a Note, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partners and partnerships are urged to consult their tax advisors as to the particular U.S. federal income tax consequences applicable to them.

We may be obligated to make payments on the Notes in excess of stated interest and principal in the circumstances described under ''Description of the Notes and Guarantees—Offer to redeem upon Change of Control Triggering Event''. These contingencies may implicate the provisions of the Treasury regulations relating to ''contingent payment debt instruments''. However, under applicable U.S. Treasury Regulations, the possibility of one or more contingent payments on the Notes may be disregarded for the purposes of determining whether the Notes provide for one or more contingent payments for U.S. federal income tax purposes if on the date the Notes are issued the possibility of such contingent payments occurring is incidental or remote. We believe, and we intend to take the position for tax purposes, that the possibility that a Change of Control Triggering Event will occur is remote or incidental. Therefore we intend to take the position that these contingencies will not subject the Notes to the special rules governing certain contingent payment debt instruments (which, if

applicable, would affect the timing, amount and character of income with respect to the Notes) and will not otherwise be taken into account for purposes of determining the yield and maturity of the Notes. Our determination in this regard, while not binding on the IRS, is binding on U.S. Holders unless they disclose their contrary position to the IRS. The remainder of this discussion assumes that the standard payment schedule will apply to the Notes and the Notes are not treated as contingent payment debt instruments subject to such rules. U.S. Holders should consult their own tax advisors regarding the risk of the Notes being treated as contingent payment debt instruments.

It is expected that the Notes will not be issued with more than a *de minimis* amount of original issue discount for U.S. federal income tax purposes and the following discussion so assumes.

Payments of interest

Payments of interest on the Notes will be taxable to a U.S. Holder as ordinary interest income at the time such holder receives or accrues such amounts, in accordance with such holder's regular method of tax accounting for U.S. federal income tax purposes. Such interest will generally be treated as foreign source income for U.S. federal income tax purposes. For U.S. foreign tax credit purposes, such interest will generally be treated as ''passive category income''. If any non-U.S. taxes are withheld in respect of any interest payment on the Notes or under a Guarantee, a holder must include the taxes withheld from the interest payment as ordinary income even though such holder does not in fact receive them, and may, subject to certain complex limitations, elect to claim either a deduction or a foreign tax credit for U.S. federal income tax purposes in respect of such non-U.S. taxes. If a U.S. Holder elects to claim a foreign tax credit, rather than a deduction for a particular tax year, such election will apply to all foreign income taxes paid by the holder in that particular year. The rules relating to U.S. foreign tax credits are extremely complex. U.S. Holders are urged to consult their tax advisors regarding the availability of a U.S. foreign tax credit and the application of the U.S. foreign tax credit rules to their particular circumstances.

Sale, redemption or other disposition of the Notes

Upon the sale, redemption or other disposition of the Notes, a U.S. Holder will generally recognize capital gain or loss equal to the difference, if any, between the amount realized upon such sale, redemption or other disposition (other than amounts representing accrued and unpaid interest, which will be subject to tax as ordinary income, as described above, to the extent not previously included in income) and such holder's tax basis in the Notes. A U.S. Holder's tax basis in a Note will generally equal the amount such U.S. Holder paid to acquire the Note. Such gain or loss generally will be U.S. source income or loss for U.S. foreign tax credit purposes and will be long-term capital gain or loss if the Notes were owned by such U.S. Holder for more than one year. Certain non-corporate U.S. Holders (including individuals) are generally taxed at preferential rates where the property is held for more than one year. The deductibility of capital losses by a U.S. Holder is subject to limitations.

Assumption of Obligations

As described in ''Description of the Notes and Guarantees—Consolidation, merger and sale of assets'', the obligations of the Issuer under the Notes may be assumed by the Parent Guarantor or any Subsidiary of the Parent Guarantor. Such assumption of the Issuer's obligations under the Notes may be considered for U.S. federal income tax purposes to be a taxable exchange of the Notes for new notes by the beneficial owners, resulting in recognition of taxable gain or loss for U.S. federal income tax purposes and other possible adverse tax consequences.

U.S. Holders should consult their own tax advisers regarding the U.S. federal, state, local and other tax consequences of any such assumption.

Information reporting and backup withholding

Information returns may be required to be filed with the IRS in connection with payments on the Notes and the proceeds from a sale, exchange or other disposition of the Notes. A U.S. Holder may be subject to backup withholding on these payments and penalties if it fails to provide its taxpayer identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

Information with respect to foreign financial assets

Individuals (and, under proposed Treasury Regulations, certain entities) that own ''specified foreign financial assets'', with an aggregate value in excess of $50,000 at the end of the taxable year or $75,000 at any time during the taxable year (or, for certain individuals living outside the U.S. and married individuals filing joint returns, certain higher thresholds) may be required to file an information report on IRS Form 8938 with respect to such assets with their tax returns. ''Specified foreign financial assets'' include any financial accounts maintained by certain foreign financial institutions, as well as stocks and securities issued by non-U.S. persons, if they are not held in accounts maintained by financial institutions. U.S. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Notes.

Australian Taxation

The following is a general discussion of certain anticipated Australian tax consequences which will generally be applicable guarantee payments by the Australian resident guarantors to a holder who is a resident of the U.S. and is not a resident of Australia for Australian tax purposes and who does not purchase, own, dispose of, or derive the interest on, the Notes in carrying on business at or through a permanent establishment in Australia for Australian tax purposes (the ''Non-Australian Holder''). This summary reflects the current provisions of the *Income Tax Assessment Act 1936* of Australia (the ''Australian Tax Act''), the *Income Tax Assessment Act 1997* of Australia and the *Taxation Administration Act 1953* of Australia.

The matters contained in this summary are not comprehensive of all possible Australian tax considerations that could apply to particular holders. Each holder's individual circumstances will vary and each holder should seek expert advice on all Australian tax considerations that may be applicable to their own circumstances.

Payments under Guarantees by Australian resident Guarantors

The Guarantors may be required to make payments under the Guarantees in the event of default by the Issuer. Such payments by Guarantors resident in Australia may be subject to Australian interest withholding tax depending on whether or not the amounts are characterized as interest or in the nature of interest. If an amount is not so characterized, the Australian resident Guarantors would not have an obligation to deduct interest withholding tax.

Australian interest withholding tax is generally payable at a rate of 10% of the gross amount of interest paid to a Non-Australian Holder, unless an exemption is available. While it is not finally resolved under Australian law whether a payment made under a guarantee falls under this definition of interest, the Australian Taxation Office has issued a Taxation Determination, TD 1999/26, that states that it will regard a payment made by a guarantor (in respect of interest on debentures such as the Notes) as being in the nature of interest and therefore subject to Australian interest withholding tax. Consequently, the Commissioner may seek to collect Australian interest withholding tax on any guarantee payments made by an Australian resident Guarantor to a Non-Australian Holder to the extent that the payments relate to unpaid interest obligations (but not to the extent they relate to unpaid principal amounts). However, there is some doubt as to whether the Taxation Determination applies in the context of the Guarantee and whether the reasoning adopted in the Taxation Determination is strictly correct.

If it is ultimately determined that Australian interest withholding tax applies in these circumstances, a Non-Australian Holder may be entitled to additional amounts which will result, after withholding of such taxes, in the payment of the amounts which would have been payable under the Guarantees had no such withholding been required. See ''Description of the Notes and Guarantees—Payment of Additional Amounts'' for further information.

Other Australian tax matters

Under Australian laws as presently in effect:

- *income tax* – payments of principal and interest to a Non-Australian Holder will not generally be subject to Australian income taxes, unless the payment is made by an Australian resident Guarantor (in which case please see ''—Payments under Guarantees by Australian resident Guarantors'' above);
- *goods and services tax ("GST")* – no liability for GST in Australia will arise from the issue of the Notes, nor from the payment of principal, premium (if any) and interest in respect of the Notes;
- *stamp duty and other taxes* – no ad valorem stamp, issue, registration or similar taxes are payable in Australia in connection with the issue of the Notes. A transfer of or agreement to transfer Notes, executed outside of Australia, will not be subject to Australian stamp duty;
- *supply withholding tax* – any payments made by an Australian resident Guarantor should be made free and clear of the ''supply withholding tax'' imposed under section 12-190 of Schedule 1 to the *Taxation Administration Act 1953* of Australia;
- *garnishee notices* – the ATO has the power to issue notices requiring any person who owes, or who may later owe, money to a taxpayer who has a tax-related liability, to pay to the ATO the money owed to the taxpayer. If an Australian resident Guarantor is served with such a notice in respect of a holder, then the Australian resident Guarantor will comply with that notice and will make any deduction required by that notice and will not be required to pay any additional amount to the holder on account of the amount withheld and paid to the ATO;
- *TFN withholding taxes on payments in respect of the Notes* – a form of withholding tax on the payment of interest on certain securities will be imposed (under section 12-140 of the *Taxation Administration Act 1953* of Australia), unless the relevant investor has quoted a tax file number (''TFN''), in certain circumstances an Australian Business Number (''ABN'') or proof of some relevant exemption (as appropriate). This should only be relevant to the extent that payments are made by an Australian resident Guarantor and, in this case, this section should not apply to any such payments; and
- *additional withholdings from certain payments to non-residents* – section 12-315 of Schedule 1 to the *Taxation Administration Act 1953* of Australia gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. This should only be relevant to the extent that any payments are made by an Australian resident Guarantor. However, the regulations promulgated prior to the date of this offering memorandum are not relevant to any payments in respect of the Notes. Any further regulations should also not apply to repayments of principal under the Notes, or the Guarantee.

U.K. taxation

The following is a general description of certain U.K. tax consequences relating to the Notes and is based on the Issuer's understanding of current U.K. tax law and HM Revenue & Customs (''HMRC'') published practice, both of which may be subject to change, possibly with retrospective effect. It does not purport to be a complete analysis of all U.K. tax considerations relating to the Notes nor does it purport to constitute legal or tax advice. The comments relate only to persons who are the absolute beneficial owners of Notes and who hold Notes as a capital investment, and does not deal with certain classes of persons (such as brokers or dealers in securities and persons connected with the Issuer) to whom special rules may apply. References to ''interest'' refer to interest as that term is understood for U.K. tax purposes.

If you are subject to tax in any jurisdiction other than the U.K. or if you are in any doubt as to your tax position, you should consult an appropriate professional adviser.

The below description of the U.K. withholding tax position assumes that there will be no substitution of the Issuer and does not consider the tax consequences of any such substitution.

Interest on the Notes

Payment of interest on the Notes by the Issuer

Interest on the Notes will be payable without withholding or deduction for or on account of U.K. income tax provided that the Notes are and remain listed on a ''recognized stock exchange'' within the meaning of section 1005 of the *Income Tax Act 2007*. The ASX is a recognized stock exchange for these purposes. Securities such as the Notes will be treated as listed on the ASX for this purpose if they are officially listed in Australia in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the ASX.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of U.K. income tax at the basic rate (currently 20%), unless another relief or exemption applies (for instance, in connection with a direction by HMRC under an applicable double taxation treaty).

Any premium payable on redemption may be treated as a payment of interest for U.K. tax purposes and may accordingly be subject to the withholding tax treatment described above. A discount will not generally be treated as interest for these purposes.

Payments by a Guarantor

If a Guarantor makes any payments which have a U.K. source in respect of interest on the Notes, such payments may be subject to U.K. withholding tax at the basic rate, subject to the availability of other exemptions and reliefs or to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty. However, the U.K. withholding tax treatment of payments by the Guarantors under the terms of the Guarantees which have a U.K. source is uncertain. In particular, such payments by the Guarantors may not be eligible for the exemptions described above in relation to payments of interest.

However, where a Guarantor makes a payment which does not have a U.K. source such payment should not be subject to U.K. withholding tax.

Further U.K. tax issues

Interest on the Notes constitutes U.K. source income for tax purposes and, as such, may be subject to U.K. tax by way of assessment (including self-assessment) even where paid without withholding or deduction.

However, interest with a U.K. source received without withholding or deduction for or on account of U.K. income tax will not be chargeable to U.K. tax on income in the hands of a holder of Notes (other than certain trustees) who is not resident for tax purposes in the U.K. unless (a) that holder of Notes is a company which carries on a trade in the U.K. through a permanent establishment in the U.K. or, if not such a company, carries on a trade, profession or vocation in the U.K. through a branch or agency, and (b) the interest is received in connection with, or the Notes are attributable to, that permanent establishment, branch or agency. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such holders of Notes.

U.K. corporation tax payers

In general, holders of Notes which are within the charge to U.K. corporation tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment.

Other U.K. tax payers

Taxation of chargeable gains

If the Notes constitute ''deeply discounted securities'' for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other) 2005 (as to which, see ''—Taxation of discount'' below), the Notes should also constitute ''qualifying corporate bonds'' within the meaning of Section 117 of the *Taxation of Chargeable Gains Act 1992*, with the result that on a disposal of the Notes neither chargeable gains nor allowable losses should arise for the purposes of U.K. taxation of capital gains.

If the Notes are not ''deeply discounted securities'' they will fall outside the definition of ''qualifying corporate bond'' mentioned above and therefore any disposal of such a Note by an individual holder who is resident for tax

purposes in the U.K. or who carries on a trade, profession or vocation in the U.K. through a branch or agency to which such a Note is attributable may give rise to a chargeable gain or allowable loss for the purposes of U.K. tax on chargeable gains, depending on individual circumstances.

Special rules may apply to individuals who have ceased to be resident in the U.K. and who dispose of their Notes before becoming once again resident in the U.K.

Accrued income profits

On a disposal of Notes by a holder of Notes, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules relating to accrued income profits as set out in Part 12 of the *Income Tax Act 2007* if that holder of Notes is resident in the U.K. or carries on a trade in the U.K. through a branch or agency to which the Notes are attributable. These provisions will not apply if the Notes are deemed to be ''deeply discounted securities'' (as to which, see ''—Taxation of discount'' below).

Taxation of discount

Dependent on, among other things, the discount (if any) at which the Notes are issued, the Notes may be deemed to constitute ''deeply discounted securities'' for the purposes of Chapter 8 of Part 4 of the *Income Tax (Trading and Other Income) Act 2005*. If the Notes are deemed to constitute deeply discounted securities, individual holders of Notes who are resident for tax purposes in the U.K. or who carry on a trade, profession or vocation in the U.K. through a branch or agency to which the Notes are attributable generally will be liable to U.K. income tax on any gain made on the sale or other disposal (including redemption) of the Notes. However, such holders will not be able to claim relief from U.K. income tax in respect of costs incurred on the acquisition, transfer or redemption of, or losses incurred on the transfer or redemption of, the Notes.

Stamp Duty and Stamp Duty Reserve Tax

No U.K. stamp duty or stamp duty reserve tax should be payable on issue of, or on a transfer of, or agreement to transfer, Notes.

Plan of distribution

BofA Securities, Inc., Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, ANZ Securities, Inc., ING Financial Markets LLC and Westpac Banking Corporation are acting as representatives of each of the Initial Purchasers named below. Subject to the terms and conditions set forth in a purchase agreement dated as of March 26, 2024 among the Issuer, the Guarantors and the Initial Purchasers (the ''Purchase Agreement''), we have agreed to sell to the Initial Purchasers, and each of the Initial Purchasers has agreed, severally and not jointly, to purchase from us, the principal amount of Notes set forth opposite its name below.

Initial purchaser	Principal amount of 2034 Notes	Principal amount of 2054 Notes
BofA Securities, Inc.	US$116,667,000	US$180,000,000
Citigroup Global Markets Inc.	116,667,000	180,000,000
HSBC Securities (USA) Inc.	116,667,000	180,000,000
J.P. Morgan Securities LLC	116,667,000	180,000,000
ANZ Securities, Inc.	11,111,000	10,000,000
ING Financial Markets LLC	11,111,000	10,000,000
Westpac Banking Corporation[(1)]	11,110,000	10,000,000
Total	**US$500,000,000**	**US$750,000,000**

Note:

(1) Westpac Banking Corporation is not registered with the SEC in the U.S. as a broker-dealer. To the extent that Westpac Banking Corporation intends to effect sales in the U.S. or to a U.S. person, it will do so only through one or more U.S. registered broker-dealers or as otherwise permitted by applicable U.S. laws and regulations.

Subject to the terms and conditions set forth in the Purchase Agreement, the Initial Purchasers have agreed, severally and not jointly, to purchase all of the Notes sold under the Purchase Agreement if any of these Notes are purchased. If an Initial Purchaser defaults, the Purchase Agreement provides that the purchase commitments of the non-defaulting Initial Purchasers may be increased or the Purchase Agreement may be terminated.

We have agreed to indemnify the several Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Initial Purchasers may be required to make in respect of those liabilities.

The representatives have advised us that the Initial Purchasers propose initially to offer the Notes at the offering price set forth on the cover page of this Offering Memorandum. The price at which the Notes are offered may be changed at any time without notice.

New issue of Notes

The Notes are a new issue of securities with no established trading market. Application is intended to be made to the ASX for the listing and quotation of the Notes on the ASX. If the Notes are listed on the ASX, they will not be transferred through, or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be ''Approved Financial Products'' for the purposes of that system. The offering and settlement of the Notes is conditioned upon obtaining the listing. We do not intend to list the Notes on any national securities exchange in the U.S. We cannot assure you that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering. We have been advised by certain of the Initial Purchasers that they presently intend to make a market in the Notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. In addition, market making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, we cannot assure you as to the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Settlement

We expect that delivery of the Notes will be made against payment therefore on or about the closing date specified on the cover page of this Offering Memorandum, which will be the fifth business day following the date of pricing of the Notes (such settlement being referred to as ''T+5''). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on any date prior to two business days before delivery will be required, by virtue of the fact that the Notes initially settle in T+5, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on any date prior to two business days before delivery should consult their advisors.

No sales of similar securities

We have agreed that we will not, for a period from the date of the purchase agreement with the Initial Purchasers, through and including the date that is the earlier of the date of delivery of the Notes and the termination of the purchase agreement, without first obtaining the prior written consent of the representatives, directly or indirectly, issue, sell, offer to contract or grant any option to sell, pledge, transfer or otherwise dispose of, any debt securities or securities exchangeable for or convertible into debt securities, except for the Notes sold to the Initial Purchasers pursuant to the purchase agreement.

Short positions, stabilizing transactions and penalty bids

In connection with the offering, the Initial Purchasers may purchase and sell Notes in the open market. These transactions may include overallotment, syndicate covering transactions and stabilizing transactions. Overallotment involves sales of the Notes in excess of the principal amount of the Notes to be purchased by the Initial Purchasers in the offering, which creates a short position for the Initial Purchasers. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions consist of certain bids or purchases of the Notes made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress. Any of these activities may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The Initial Purchasers may conduct these transactions in the over-the-counter market or otherwise. If the Initial Purchasers commence any of these transactions, they may discontinue them at any time. Neither the Issuer nor any of the Initial Purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes.

Selling restrictions

Notice to prospective investors in the U.S.

Neither the Notes nor the Guarantees have been, or will be, registered under the Securities Act, or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold only to QIBs in the U.S. in accordance with Rule 144A and outside the U.S. to persons that are not, and are not acting for the account or benefit of, U.S. persons (as defined in Regulation S) in ''offshore transactions'' (as defined in Regulation S) in reliance with Regulation S. Prospective investors that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on eligible offerees and transfers of the Notes, see ''Transfer restrictions''.

Accordingly, in connection with sales outside the U.S., each Initial Purchaser has agreed that, except as permitted by the purchase agreement and as set forth in the section of this Offering Memorandum titled ''Transfer restrictions'', it will not offer or sell the Notes within the U.S. as part of its distribution at any time.

Notice to prospective investors in Australia

Neither this Offering Memorandum, nor any other prospectus or disclosure document (as defined in the Corporations Act) in relation to the Notes or the Guarantees has been, or will be, lodged with, ASIC. Each Initial Purchaser has represented and agreed that it (i) has not offered or invited applications, and will not offer for issue or sale and has not invited, and will not invite applications, for the issue, sale or purchase of any Notes in,

to or from Australia (including an offer or invitation that is received by a person in Australia) and (ii) has not distributed or published, and will not distribute or publish, this Offering Memorandum or any other offering material or advertisement relating to any Notes or Guarantees in Australia, unless in either case (i) or (ii):

(a) the aggregate consideration payable on acceptance of the offer or invitation by each offeree or invitee is at least A$500,000 (or its equivalent in another currency, in either case, disregarding moneys lent by the person offering the Notes or making the invitation or its ''associates'' (as defined in the Corporations Act)) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act and, in each case, is not made to a person who is a ''retail client'' within the meaning of section 761G of the Corporations Act;

(b) the offer, invitation or distribution complied with the conditions of the Australian financial services license of the person making the offer, invitation or distribution or an applicable exemption from the requirement to hold such license;

(c) the offer, invitation or distribution complies with all applicable Australian laws, regulations and directives; and

(d) such action does not require any document to be lodged with ASIC or any other regulatory authority.

Prohibition of Sales to EEA Retail Investors

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purpose of this provision:

(a) the expression ''retail investor'' means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression ''offer'' includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to U.K. Retail Investors

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the U.K. For the purpose of this provision:

(a) the expression ''retail investor'' means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the U.K.; or

  (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the U.K. or

  (iii) not a qualified investor as defined in Article 2 of the U.K. Prospectus Regulation; and

(b) the expression ''offer'' includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other Regulatory Restrictions in the U.K.

Each Initial Purchaser has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the U.K.

Notice to prospective investors in Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 – *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 – *Underwriting Conflicts* (''NI 33-105''), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to prospective investors in Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Memorandum or of any other document relating to the Notes be distributed in the Republic of Italy, except:

A. to qualified investors (*investitori qualificati*), as defined in the Prospectus Regulation and any application provision of Legislative Decree No. 58 of 24 February 1998, as amended (the ''Financial Services Act'') and Italian CONSOB regulations; or

B. in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Memorandum or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the ''Banking Act''); and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, to the extent it is applicable, where no exemption from the rules on public offerings applies under A and B above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the

prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Notice to prospective investors in Switzerland

This Offering Memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (''FinSA'') and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitute a prospectus pursuant to the FinSA, and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to prospective investors in Hong Kong

The Notes have not been and will not be offered or sold in Hong Kong by means of any document other than (i) to ''professional investors'' as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the ''SFO'') and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a ''prospectus'' as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) (the ''C(WUMP)O'') or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and no advertisement, invitation or document relating to the Notes has been or will be issued or has been or will be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to ''professional investors'' as defined in the SFO and any rules made under the SFO.

Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain Initial Purchasers, may be ''capital market intermediaries'' (''CMIs'') subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the ''SFC Code''). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as ''overall coordinators'' (''OCs'') for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Parent Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (''Association'') with the Issuer, the Parent Guarantor, the CMI or the relevant group company (as the case may be). Prospective investors associated with the Issuer, the Parent Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order, prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs).

If a prospective investor is an asset management arm affiliated with any Initial Purchaser, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Initial Purchaser or its group company has more than 50% interest, in which case it will be classified as a ''proprietary order'' and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such ''proprietary order'' may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a ''proprietary order''. If a prospective investor is otherwise affiliated with any relevant Initial Purchaser, such that its order may be considered to be a ''proprietary order'' (pursuant to the SFC Code), such prospective investor should indicate to the relevant Initial Purchaser when placing such order. Prospective

investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a ''proprietary order''. Where prospective investors disclose such information but do not disclose that such ''proprietary order'' may negatively impact the price discovery process in relation to this offering, such ''proprietary order'' is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Initial Purchaser and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Parent Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

Important Notice to CMIs (including private banks) in Hong Kong

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Parent Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Parent Guarantor, the CMI or the relevant group company (as the case may be). CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Parent Guarantor or any CMI (including its group companies) and inform the relevant Initial Purchasers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Memorandum.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place ''X-orders'' into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer, the Parent Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Initial Purchasers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a ''principal'' basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a ''principal'' basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a ''principal'' basis may require the relevant affiliated Initial Purchaser(s) (if any) to categorize it as a proprietary order and apply the ''proprietary orders'' requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any ''Associations'' (as used in the SFC Code);
- Whether any underlying investor order is a ''Proprietary Order'' (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Parent Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The relevant Initial Purchasers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Initial Purchaser with such evidence within the timeline requested.

Notice to prospective investors in Singapore

This Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore, and the offer of the Notes in Singapore is made primarily pursuant to the exemptions under Section 274 and 275 of the SFA. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes have not been or will not be circulated or distributed, nor the Notes have been or will be offered or sold, nor the Notes have been or will be caused to be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor as defined in Section 4A of the SFA (an ''Institutional Investor'') pursuant to Section 274 of the SFA, (ii) to an accredited investor as defined in Section 4A of the SFA (an ''Accredited Investor'') or other relevant person as defined in Section 275(2) of the SFA (a ''Relevant Person'') and pursuant to Section 275(1) of the SFA, or to any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an Accredited Investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an Accredited Investor; or

(b) a trust (where the trustee is not an Accredited Investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an Accredited Investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has subscribed for or acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an Institutional Investor, an Accredited Investor, a Relevant Person, or which arises from an offer referred to in Section 275(1A) of the SFA (in the case of that corporation) or Section 276(4) of the SFA (in the case of that trust);

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

***Notification under Sections 309B(1)(c) of the SFA** – In connection with Sections 309B(1)(a) and 309B(1)(c) of the SFA and the CMP Regulations 2018, the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

Notice to prospective investors in Japan

The Notes have not been and will not be registered under the *Financial Instruments and Exchange Act of Japan* (*Act No. 25 of 1948*, as amended; the ''FIEA'') and accordingly, each Initial Purchaser has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the *Foreign Exchange and Foreign Trade Act* (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to prospective investors in the People's Republic of China (excluding Hong Kong, Macau and Taiwan)

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any securities in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, the ''PRC'') to any person to whom it is unlawful to make the offer or solicitation in the PRC.

Neither the Issuer nor the Guarantors represent that this Offering Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, nor do they assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Guarantors which would permit a public offering of any Notes or distribution of this document in the PRC. Accordingly, the Notes are not being offered or sold within the PRC by means of this Offering Memorandum or any other document. Neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

Notice to prospective investors in the Republic of Korea

The Notes have not been and will not be registered under the *Financial Investment Services and Capital Markets Act* (''FSCMA''). Each Initial Purchaser has represented and agreed that it has not offered, sold or delivered, directly or indirectly, in Korea or to any Korean resident (as such term is defined in the Foreign Exchange Transaction Law) for a period of one (1) year from the date of issuance of the Notes, except (i) to or for the account or benefit of a Korean resident which falls within certain categories of ''professional investors''

as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, in the case that the Notes are issued as bonds other than convertible bonds, bonds with warrants or exchangeable bonds, and where other relevant requirements are further satisfied, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Notice to prospective investors in Taiwan

The Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan, the Republic of China (''Taiwan'') and/or any other regulatory authority of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that requires registration with or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, distribute, give advice regarding or otherwise intermediate the offering and sale of the notes in Taiwan or the provision of information relating to this Offering Memorandum.

Other relationships

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the Initial Purchasers or their affiliates has a lending relationship with us, certain of those Initial Purchasers or their affiliates routinely hedge, and certain other of those Initial Purchasers may hedge, their credit exposure to us in line with their customary risk management policies. Typically, these Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Some of the Initial Purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates, including in a lending, financing, advisory or underwriting capacity. They have received, or may in the future receive, customary fees and commissions for these transactions. Certain of the Initial Purchasers and/or their affiliates are lenders under certain of our existing and proposed corporate and/or senior bank debt facilities. Affiliates of HSBC Securities (USA) Inc. and BofA Securities, Inc. are lenders under the May 2024 Bank Facility and the August 2024 Bank Facility, respectively, and will, therefore, receive a portion of the net proceeds of this offering.

Transfer restrictions

Due to the following restrictions, investors are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of Notes.

Offers and sales by the Initial Purchasers

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered in the U.S. or to, or for the account or benefit of, any U.S. Person, except pursuant to an effective registration statement or in a transaction not subject to the registration requirements of the Securities Act or in accordance with an applicable exemption from the registration requirements thereof. Accordingly, the Notes are being offered and sold hereunder only:

- to QIBs; and
- outside the U.S. to persons that are not, and are not acting for the account or benefit of, U.S. Persons in accordance with Regulation S.

Investors' representations and restrictions on resale

Each purchaser of the Notes will be deemed, in making its purchase, to have represented and agreed as follows (terms used in this section that are defined in Rule 144A or in Regulation S are used in this section as defined in those rules or regulations):

(1) The purchaser either (a)(1) is a QIB, (2) is aware that the sale of the Notes to it is being made in reliance on Rule 144A and (3) is acquiring such Notes for its own account or the account of one or more other QIBs or (b)(1) is not in the U.S. and is not, and is not acting for the account or benefit of, a U.S. Person and (2) is aware that the sale of the Notes to it is being made in reliance on Regulation S;

(2) The purchaser understands that the Notes have not been registered under the Securities Act and they may not be offered, sold or delivered in the U.S. or to, or for the account or benefit of, any U.S. Person except as set forth below;

(3) The purchaser understands and agrees that such Notes are being offered only in a transaction not involving any public offering within the meaning of the Securities Act, and that any future resale, pledge or transfer of such Notes on which the legend set forth below appears, may be made only (A) by such Initial Purchaser (i) to the Issuer, (ii) so long as the Notes remain eligible for resale pursuant to Rule 144A under the Securities Act, to a person who the seller reasonably believes is a QIB acquiring for its own account or for the account of one or more other QIBs in a transaction meeting the requirements of Rule 144A, (iii) in an offshore transaction meeting the requirements of Rule 903 or Rule 904 (as applicable) of Regulation S, or (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available), (resales described in (i)-(iv), ''Safe Harbor Resales'') or (B) by a subsequent purchaser, in a Safe Harbor Resale or pursuant to any other available exemption from the registration requirements under the Securities Act (provided that as a condition to the registration of transfer of any Notes otherwise than in a Safe Harbor Resale, the Issuer, the Guarantors or the Trustee may, in circumstances that any of them deems appropriate, require evidence, in addition to that required pursuant to (4) below, that it, in its absolute discretion, deems necessary or appropriate to evidence compliance with such exemption and with any state securities laws that may be applicable), or (C) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the U.S. or other jurisdictions;

(4) The purchaser will, and each subsequent holder is required to, notify any purchaser of Notes from it of the resale restrictions referred to in (3) above, if then applicable;

(5) The purchaser understands and agrees that (A) the Notes initially offered to QIBs in reliance on Rule 144A will be represented by Restricted Global Notes, and (B) with respect to any transfer of any interest in Restricted Global Notes, (i) if to transferees that take delivery in the form of interests in 144A Global Notes, the Trustee will not require any written certification from the transferor or the transferee, and (ii) if to transferees that take delivery in the form of interests in Regulation S Global

Notes, the Trustee will require written certification from the transferor (in the form(s) provided in the Indenture), the form of which can be obtained from the Trustee, to the effect that the transfer complies with Rule 903 or 904 of Regulation S. Any purported transfer of the Notes in violation of one of the foregoing restrictions shall be void ab initio and of no legal force or effect;

(6) The purchaser understands that the Notes will bear a legend to the following effect unless otherwise agreed by the Issuer:

''NEITHER THIS GLOBAL NOTE NOR ANY BENEFICIAL INTEREST HEREIN HAS BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE ''SECURITIES ACT''), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO CSL FINANCE PLC (THE ''ISSUER''), (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (''RULE 144A'') TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OR BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, OR BY ACQUIRING SUCH BENEFICIAL INTEREST, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER, THE GUARANTORS, THE TRUSTEE AND THE SECURITIES REGISTRAR THAT IT IS (1) A QUALIFIED INSTITUTIONAL BUYER OR (2) NOT IN THE UNITED STATES AND IS NOT, AND IS NOT ACTING FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (K)(2) OF RULE 902 UNDER) REGULATION S UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT''.

(7) If the purchaser is not in the U.S. and is not, and is not acting for the account or benefit of, a U.S. Person, it understands that the Notes offered in reliance on Regulation S initially will be represented by the Regulation S Global Note and that interests therein may be held only through Euroclear or Clearstream through and including the fortieth day after the later of the commencement day of the offering and the closing date of the offering of the Notes; the purchaser further understands that the Regulation S Global Notes will bear a legend to the following effect, unless we determine otherwise in accordance with applicable law:

''THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE ''SECURITIES ACT'') AND MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON, UNLESS SUCH NOTES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE. THE FOREGOING SHALL NOT APPLY FOLLOWING THE EXPIRATION OF FORTY DAYS FROM THE LATER OF (I) THE DATE ON WHICH THESE NOTES WERE FIRST OFFERED AND (II) THE DATE OF ISSUANCE OF THESE NOTES''.

(8) The purchaser acknowledges that the Issuer, the Guarantors, the Initial Purchasers, the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements, and agrees that if any of the acknowledgments, representations or warranties deemed to have been made by it by its purchase of Notes are no longer accurate, it shall promptly notify us, the Initial Purchasers and the Trustee. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing representations, warranties and agreements on behalf of each such account.

Each purchaser of Notes will be deemed to have represented and agreed that it understands that with respect to any transfer of interests in a Regulation S Global Note, on or prior to the 40th day after the later of the commencement of the offering and the issue date for the Notes, as described under ''Description of the Notes and Guarantees—Registration of transfer and exchange'', if to a transferee who takes delivery in the form of an interest in a 144A Global Note, the Trustee will require written certification from the transferee or transferor, as the case may be, (in the form(s) provided in the Indenture) to the effect that (i) such transferee is purchasing the Notes for its own account or for accounts as to which it exercises sole investment discretion and that it and, if applicable, each such account is a QIB, in each case, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the U.S. or any other jurisdiction or (ii) the transferor did not purchase such Notes as part of the initial distribution thereof and the transfer is being effected pursuant to and in accordance with an applicable exemption from the registration requirements of the Securities Act and the transferor has delivered to the Trustee such additional evidence that the Issuer or the Trustee may require as to compliance with such available exemption.

For further discussion of the requirements (including the presentation of transfer certificates) under the Indenture to effect exchanges or transfers of interests in Global Notes, see ''Description of the Notes and Guarantees—Registration of transfer and exchange''.

The Issuer recognizes that none of DTC, Euroclear or Clearstream in any way undertakes to, and none of DTC, Euroclear or Clearstream shall have any responsibility to, monitor or ascertain the compliance of any transactions in the Notes with any exemptions from registration under the Securities Act or of any other state or federal securities law.

Legal matters

The validity of the issuance of the Notes and the Guarantees offered hereby will be passed upon for the CSL Group by Sidley Austin, Sydney, Australia as to certain matters of New York law, by Sidley Austin LLP, London, United Kingdom as to certain matters of English law and by Allens, Melbourne, Australia as to certain matters of Australian law. Certain legal matters of New York law in connection with this offering will be passed upon for the Initial Purchasers by Allen & Overy, Sydney, Australia.

Independent auditors

The consolidated financial statements of the Group as of and for each of the two years ended June 30, 2023 and June 30, 2022, which contains comparative financial information as of and for the year ended June 30, 2021, included in this Offering Memorandum, have been audited by Ernst & Young, independent auditors, as stated in their reports appearing herein.

The consolidated financial statements of the Group as of December 31, 2022 and for the six-month period ended December 31, 2022 included in this Offering Memorandum have been reviewed by Ernst & Young, independent auditors, as stated in their report appearing herein. With respect to the unaudited consolidated financial information of the Group for the six-month periods ended December 31, 2022 included elsewhere in this Offering Memorandum, Ernst & Young reported that they have applied limited procedures in accordance with professional standards for a review of such information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The consolidated financial statements of the Group as of December 31, 2023 and for the six-month period ended December 31, 2023 included in this Offering Memorandum have been reviewed by Deloitte, independent auditors, as stated in their report appearing herein. With respect to the unaudited consolidated financial information of the Group for the six-month period ended December 31, 2023, included elsewhere in this Offering Memorandum, Deloitte reported that they have applied limited procedures in accordance with professional standards for a review of such information, and that the procedures performed in a review are substantially less than those performed in an audit. Accordingly, they did not express an audit opinion on the unaudited consolidated financial information and the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The liability of Ernst & Young and Deloitte, in relation to the performance of their professional services provided to our Group including without limitation, Ernst & Young audits and Deloitte reviews of our Group's consolidated financial statements described above, is limited under the Chartered Accountants Australia and New Zealand Scheme (the ''Accountants Scheme'') approved by the New South Wales Professional Standards Council or such other applicable scheme approved pursuant to the *Professional Standards Act 1994 (NSW)* (the ''Professional Standards Act''). Specifically, the Accountants Scheme limits the liability of an accountant to a maximum amount of A$75 million for audit work and A$20 million for other work. The Accountants Scheme does not limit liability for breach of trust, fraud or dishonesty. Legislation providing for apportionment of liability also applies. These limitations of liability may limit enforcement in Australian courts of any judgment under U.S. or other foreign laws rendered against Ernst & Young or Deloitte based on, or related to, its audit of the consolidated financial statements of the Group. The Accountants Scheme commenced on October 8, 2019 and will remain in force for a period of five years (unless it is revoked, extended or ceases in accordance with the Professional Standards Act). The Professional Standards Act and the Accountants Scheme have not been subject to relevant judicial consideration and, therefore, how the limitations will be applied by courts and the effect of the limitations on the enforcement of foreign judgments is untested.

Annex A—Glossary of terms

A1-PI	Alpha1-Proteinase Inhibitor
A$ or AUD	Australian dollars
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
AAT	Alpha-1 Antitrypsin
AATD	Alpha-1 Antitrypsin Deficiency
AAV	ANCA-associated vasculitis
AAV5	Adeno-associated virus vector serotype 5-based
ANDA	Abbreviated new drug application
ARTG	Australian Register of Therapeutic Goods
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BLA	Biologic License Application
CBP	Customs and Border Patrol
CHF	Swiss Francs
CIDP	Chronic inflammatory demyelinating polyneuropathy
CKD	Chronic kidney disease
CMO	Contract Manufacturing Organization
Code	*U.S. Internal Revenue Code of 1986*
Corporations Act	*Australian Corporations Act 2001* (Cth)
CTA	Clinical trial approval
CTN	Clinical trial notification
CVD	Cardiovascular disease
DAL	*The Drug Administration Law of the People's Republic of China*
DML	Dug manufacturing license
EAMS	Early access to medicines scheme
EEA	European Economic Area
EMA	European Medicines Agency
ERISA	*U.S. Employee Retirement Income Security Act of 1974*
ESAs	Eythropoiesis-stimulating agents
ESKD	End Stage Kidney Disease
EU	European Union
FCA	*Federal False Claims Act*
FCPA	*U.S. Foreign Corrupt Practices Act*
FDA	U.S. Food and Drug Administration
FMC	Fresenius Medical Care
Financial Promotion Order	*Financial Services and Markets Act 2000 (Financial Promotion) Order 2005*
Financial Services Act	*Legislative Decree No. 58 of 24 February 1998*, as amended
FR	Fixed Reward
Fresenius Partnership	Joint company between Vifor Pharma and FMC through which the parties market, develop and distribute kidney disease therapies through their joint company, Vifor Medical Care Renal Pharma
FSMA	*U.K.'s Financial Services and Markets Act 2000*, as amended
GCP	Good clinical practice
GDPR	EU General Data Protection Regulation
GHG	Greenhouse gas
GLP	Good laboratory practice
GMP	Good manufacturing practice
GPOs	Group purchasing organizations
GPV	Good pharmacovigilance practice

GST	Goods and services tax
H5N1	Influenza A virus
HA	Health Authority in the federal state the plasma center is located
HAE	Hereditary angioedema
HCT	Hematopoietic stem cell transplantation
HGR	Human genetic resources
HGRAC	Human Genetic Resources Administration of China
HIPAA	*Health Insurance Portability and Accountability Act*
HIV	Human immunodeficiency virus
HMRC	HM Revenue & Customs
HREC	Human research ethics committee
HSC	Hematopoietic stem cell
HTA	Health Technology Assessment
IDNs	Integrated Distribution Networks
IFRS	International Financial Reporting Standards
Ig	Immunoglobulin
Insurance Distribution Directive	*Directive (EU) 2016/97*
IPCC	Intergovernmental Panel on Climate Change
IRS	Internal Revenue Service
IT	Information technology
ITP	Idiopathic thrombocytopenic purpura
IV	Intravenous
MACE	Major adverse cardiovascular events
MAH	Marketing Authorization Holder
MHRA	Medicines and Healthcare Products Regulatory Agency
MiFID II	*Directive 2014/65/EU*, as amended
NCE	New chemical entity
NDA	New Drug Application
NHSBT	NHS Blood and Transplant
NMPA	National Medicine Products Administration
NRDL	Chinese National Reimbursement Drug List
PCC	Prothrombin complex
PID	Primary immune deficiency
PIM	Promising innovative medicine
PIPL	Personal Information Protection Law
PBM	Patient blood management
PPTA	Plasma Protein Therapeutics Association
Professional Standards Act	*Professional Standards Act 1994*
Prospectus Regulation	*Regulation (EU) 2017/1129*, as amended
PTLs	CSL Plasma Testing Laboratories
R&D	Research and development
RAASi	Renin-angiotensin-aldosterone system inhibitors
SaaS	Software as a Service
sa-mRNA	Self-amplifying messenger RNA
Securities Act	*U.S. Securities Act of 1933*
SFA	*Securities and Futures Act*
SID	Secondary immune deficiency
STI	Short Term Incentive
SUT	Single use technology
Terumo	Terumo Blood and Cell Technologies
TG Act	*Therapeutic Goods Act 1989* (Cth)

TGA	Therapeutic Goods Administration
TRIFR	Total Recordable Injury Frequency Rate
U.K.	United Kingdom
U.K. Prospectus Regulation	*Regulation (EU) 2017/1129* as it forms part of domestic law in the U.K.
U.S.	United States
US$	U.S. dollars
VFMCRP	Vifor Fresenius Medical Care Renal Pharma
Vifor Pharma	Vifor Pharma Ltd
Vitaeris	Vitaeris Inc.
vWD	von Willebrand's Disease
WHO	World Health Organization

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CSL Limited

ABN: 99 051 588 348

ASX Half Year Information 31 December 2023

Lodged with the ASX under Listing Rule 4.2A.

Directors' Report

The Board of Directors of CSL Limited is pleased to present their report on the consolidated entity for the half-year ended 31 December 2023.

Directors

The following persons were Directors of CSL Limited during the whole of the half-year and up to the date of this report:

- Dr Brian McNamee, AO (Chair)
- Dr Paul McKenzie (Managing Director and Chief Executive Officer)
- Dr Megan Clark, AC
- Professor Andrew Cuthbertson, AO
- Ms Carolyn Hewson AO
- Professor Duncan Maskell
- Ms Marie McDonald
- Ms Alison Watkins AM

Ms Samantha Lewis was appointed to the Board as a Non-Executive Director on 1 January 2024. Mr Bruce Brook retired from the Board of Directors on 11 October 2023.

Review of Operations

For the half-year ended 31 December 2023, total revenue for the Group was US$8.05 billion, up 12% (11% at constant currency) when compared to the prior comparable period.

Reported net profit after tax was US$1.90 billion, up 17% (20% at constant currency) when compared to the prior comparative period. This includes one-offs costs associated with the acquisition of CSL Vifor.

Underlying Net Profit after tax and before amortisation (NPATA)[1] attributable to CSL shareholders was US$2.02 billion, up 13% at constant currency.

CSL Behring

Total revenue was $5,238 million, up 14%[2] when compared to the prior comparable period.

Immunoglobulin (Ig) product sales of $2,757 million, increased 23%[2] with strong growth recorded across all geographies driven by global plasma supply and patient demand.

PRIVIGEN® / INTRAGRAM® (Immune Globulin Intravenous (Human), 10% Liquid) sales grew 27%[2] as the momentum from the prior year continued in improving product availability and patient diagnosis rates.

HIZENTRA® (Immune Globulin Subcutaneous (Human), 20% Liquid) sales were up 18%[2] driven by patient diagnosis rates. HIZENTRA® continues to be the clear market leader for subcutaneous immunoglobulin.

Underlying demand for Ig continues to be strong due to significant patient needs in core indications – namely Primary Immune Deficiency, Secondary Immune Deficiency and Chronic Inflammatory Demyelinating Polyneuropathy (CIDP).

Albumin sales of $613 million, were up 8%[2].

Sales were strong in emerging markets with solid growth in the US and Europe. Growth in China was modest, tempered by competitive pressure.

Haemophilia product sales of $662 million increased 8%[2].

IDELVION®, CSL Behring's novel long-acting recombinant factor IX product achieved growth of 7%[2] and continues to be the market leader in key markets.

HEMGENIX®, the first and only gene therapy for haemophilia B was successfully launched in the US in FY23 and patient referrals have been accelerating.

[1] Underlying results are adjusted to exclude impairment and amortisation of acquired intellectual property, business acquisition and integrations costs and unwind of the inventory fair value uplift.

[2] Constant currency (CC) removes the impact of exchange rate movements, facilitating the comparability of operational performance.

The haemophilia A market continued to be competitive resulting in a modest decline in sales for AFSTYLA®, a novel recombinant factor VIII product.

Plasma-derived haemophilia products, however, achieved growth of 8%[2] driven by HUMATE® / HAEMATE®, therapies for the treatment of patients with von Willebrand disease.

Specialty products sales of $976 million, were up 6%[2] led predominately by demand for KCENTRA® and HAEGARDA®.

KCENTRA® (4 factor prothrombin complex concentrate) recorded sales growth of 12%[2], as it continues to further penetrate the warfarin reversal market in the US.

HAEGARDA®, our therapy for patients with Hereditary Angioedema, increased 9%[2], driven by the continued shift from on-demand to prophylaxis treatment and a strong performance in the UK and Europe.

Garadacimab (Anti-FXIIa) for HAE, was filed for regulatory approval in the US and EU.

Plasma Collections

Plasma collections remain strong. The cost of collections, which includes donor compensation and labour, continued to trend down.

A new roll out plan for the RIKA plasmapheresis devices was developed. Deployment across the US fleet is expected over the next 18 months. In addition, results from an individualised nomogram trial conducted by our supplier have been submitted for regulatory approval.

CSL Seqirus

Total revenue of $1,804 million, was up 2%[2] driven by the adjuvanted influenza vaccine FLUAD®, which increased by 14%[2].

This growth was achieved against a backdrop of reduced rates of immunisation and highlights the strength of CSL Seqirus' differentiated product portfolio.

During the period:

- Self-amplifying mRNA vaccine for COVID was approved by Japan's Ministry of Health, Labour and Welfare
- aQIVc, a next generation influenza vaccine combining adjuvant technology with cell-based manufacturing, enrolled its last patient in the Phase III clinical study in January 2024.

CSL Vifor

Total revenue was $1,011 million. The prior comparable period included only 5 months revenue following the acquisition of Vifor Pharma in August 2022.

During the period:

- Preparations were made for the transitioning iron market.
- There was strong performance from the long-acting erythropoiesis-stimulating agent MIRCERA®
- TAVNEOS® was successfully launched in multiple European countries.

While the strategic potential of the business remains strong, we have dampened our near-term growth aspirations for CSL Vifor.

Expense Performance

Research and development (R&D) expenses were $669 million[1], up 11%[2] when compared to the prior comparable period. The increase in expenses reflects higher costs associated with the progression of the R&D portfolio and investment in R&D infrastructure.

Selling and marketing expenses (S&M) were $707 million[1], up 2%[2] in comparison to the prior comparable period. An additional month of CSL Vifor and an increase in labour costs accounts for the increase in S&M expenses while other S&M expenses were held in line with the prior comparable period.

General and administrative (G&A) expenses were $323 million[1], down 7%[2] due to favourable foreign exchange differences and efficiencies generated from the centralisation of the group's Enabling Functions.

Depreciation and amortisation (D&A) expense (excluding acquired intellectual property) was $297 million, up 1%[2].

Net finance costs were $234 million[1], up 32%[2]. The increase in net finance costs was due to the debt associated with the acquisition of Vifor Pharma and higher interest rates.

Financial position

Cashflow from operations was $1,069 million, up 9%. The increase was driven by higher profitability and overall growth in sales. This was partly offset by higher payments for income tax and interest.

Cash outflow from investing was $702 million, down significantly when compared to the prior comparable period as payment for the acquisition of Vifor Pharma was made in the prior period.

CSL's balance sheet remains in a strong position with net assets of $19,162 million.

Current assets increased by 10% to $10,146 million. The main driver was an increase in receivables due to the increase in sales and the seasonality of CSL Seqirus.

Non-current assets increased by 1% to $27,158 million in comparison to the previous year.

Current liabilities increased by 2% to $4,718 million. The increase in interest-bearing liabilities and borrowings (bank debt) was offset by the decrease in trade and other payables and current tax liabilities.

Non-current liabilities decreased by 3% to $13,424 million. The decrease was due to the reclassification of certain bank borrowings as current, coupled with repayment across the Group's debt portfolio including the private placement senior notes.

Outlook

CSL has reaffirmed its previous guidance. CSL's underlying profit, NPATA is expected to be in the range of approximately $2.9 billion to $3.0 billion at constant currency[2], representing growth over FY24 of approximately 13-17%[2,3].

CSL is in a strong position to deliver annualised double-digit earnings growth over the medium term.

The strong growth in the immunoglobulins franchise is expected to continue as patient demand remains strong.

There are a number of initiatives underway in plasma collections that are improving efficiencies and processing times, supporting continued expansion in CSL Behring's gross margin.

The transformational gene therapy product for haemophilia B patients, HEMGENIX®, is attracting significant interest from patients and health care professionals and patient referrals have accelerated.

CSL Seqirus has performed well in a challenging season. However, due to the seasonality of this business it is anticipated to post a loss in the second half of the fiscal year.

CSL Vifor is operating within an evolving iron market. While there are challenges for near-term growth, the business is well positioned for iron competition in the EU and further geographic expansion. The focus remains on unlocking value by leveraging capabilities across the CSL Group[4].

Further information

Additional details about CSL's results are included in the company's 4D statement, investor presentation slides and webcast, all of which can be found on CSL's website www.csl.com A glossary of medical terms can also be found on the website.

[3] % growth rates excludes the one-off gain from the sale of property in FY23 (NPATA $44m).

[4] Key variables that could cause actual results to differ materially include: the success and timing of research and development activities; decisions by regulatory authorities regarding approval of our products as well as their decisions regarding label claims; competitive developments affecting our products; the ability to successfully market new and existing products; difficulties or delays in manufacturing; ability to collect plasma; trade buying patterns and fluctuations in interest and currency exchange rates; legislation or regulations that affect product production, distribution, pricing, reimbursement, access or tax; acquisitions and divestitures; research collaborations; litigation or government investigations; and CSL's ability to protect its patents and other intellectual property.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on the next page.

Rounding of amounts

The amounts contained in this report and in the financial report have been rounded to the nearest hundred thousand dollars (where rounding is applicable) unless specifically stated otherwise under the relief available to the Company under ASIC Corporations Instrument 2016/191. The Company is an entity to which the Corporations Instrument applies.

Subsequent events

On 12 February 2024, the Group announced the top line results from the AEGIS-II clinical trial for CSL112. The study did not meet its primary efficacy endpoint of major adverse cardiovascular events (MACE) reduction at 90 days. As a result, there are no plans for a near-term regulatory filing. The read out of the results constitute a non-adjusting subsequent event for the consolidated interim financial statements. Management does not expect the event to have a material impact.

Other than as disclosed elsewhere in the financial report, there are no matters or circumstances which have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

This report has been made in accordance with a resolution of the Directors.

Dr Brian McNamee AO
Chair

Dr Paul McKenzie
Managing Director and Chief Executive Officer

12 February 2024

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
477 Collins Street
Melbourne, VIC, 3000
Australia

Phone: +61 3 9671 7000
www.deloitte.com.au

12 February 2024

The Board of Directors
CSL Limited
655 Elizabeth Street
Melbourne, VIC, 3000

Dear Board Members

Auditor's Independence Declaration to CSL Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of CSL Limited.

As lead audit partner for the review of the financial statements of CSL Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Andrew Griffiths

A V Griffiths
Partner
Chartered Accountants

Consolidated Statement of Comprehensive Income

For the Half Year Ended 31 December 2023

	Notes	Consolidated Entity December 2023 US$m	December 2022 US$m
Sales and service revenue		**7,804**	6,943
Influenza pandemic facility reservation fees		**85**	76
Royalties and license revenue		**126**	134
Other income		**38**	31
Total operating revenue	**2**	**8,053**	7,184
Cost of sales		**(3,722)**	(3,330)
Gross profit		**4,331**	3,854
Research and development expenses		**(670)**	(593)
Selling and marketing expenses		**(717)**	(683)
General and administration expenses		**(331)**	(444)
Total expenses		**(1,718)**	(1,720)
Operating profit (EBIT)		**2,613**	2,134
Finance costs	2	**(254)**	(206)
Finance income		**20**	35
Profit before income tax expense		**2,379**	1,963
Income tax expense	3	**(459)**	(323)
Net profit for the period		**1,920**	1,640
Other comprehensive income (OCI)			
Items that may be reclassified subsequently to profit or loss			
Hedging transactions realised in profit and loss		**(6)**	(7)
Exchange differences on translation of foreign operations, net of hedges on foreign investments		**29**	(36)
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value on equity securities measured through OCI, net of tax		**(13)**	7
Actuarial gains on defined benefit plans, net of tax		**3**	1
Total other comprehensive income/(losses)		**13**	(35)
Total comprehensive income for the period		**1,933**	1,605
Net profit for the period attributable to:		**1,920**	1,640
- Shareholders of CSL Limited		**1,901**	1,623
- Non-controlling interests		**19**	17
Total comprehensive income for the period attributable to:		**1,933**	1,605
- Shareholders of CSL Limited		**1,914**	1,586
- Non-controlling interests		**19**	19
Earnings per share (based on net profit attributable to CSL Limited shareholders for the period)		**US$**	US$
Basic earnings per share	5	**3.94**	3.37
Diluted earnings per share	5	**3.92**	3.36

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Certain comparative amounts have been reclassified in order to be consistent with the current period's presentation.

Consolidated Balance Sheet

As at 31 December 2023

	Notes	Consolidated Entity December 2023 US$m	Consolidated Entity June 2023 US$m
CURRENT ASSETS			
Cash and cash equivalents		**1,017**	1,548
Receivables and contract assets		**3,473**	2,214
Inventories	4	**5,566**	5,466
Current tax assets		**90**	31
Total Current Assets		**10,146**	9,259
NON-CURRENT ASSETS			
Property, plant and equipment		**8,036**	7,797
Right-of-use assets		**1,526**	1,555
Intangible assets		**16,467**	16,446
Deferred tax assets		**839**	902
Retirement benefit assets		**5**	6
Other financial assets		**161**	173
Other non-current assets		**124**	96
Total Non-Current Assets		**27,158**	26,975
TOTAL ASSETS		**37,304**	36,234
CURRENT LIABILITIES			
Trade and other payables		**2,897**	2,947
Interest-bearing liabilities and borrowings	6	**1,420**	1,055
Current tax liabilities		**132**	296
Provisions		**269**	310
Total Current Liabilities		**4,718**	4,608
NON-CURRENT LIABILITIES			
Interest-bearing liabilities and borrowings	6	**10,687**	11,172
Retirement benefit liabilities		**208**	204
Deferred tax liabilities		**1,547**	1,464
Provisions		**495**	467
Other non-current liabilities		**487**	493
Total Non-Current Liabilities		**13,424**	13,800
TOTAL LIABILITIES		**18,142**	18,408
NET ASSETS		**19,162**	17,826
EQUITY			
Contributed equity	5	**537**	517
Reserves		**738**	648
Retained earnings		**15,902**	14,621
Equity attributable to shareholders of CSL Limited		**17,177**	15,786
Non-controlling interests		**1,985**	2,040
TOTAL EQUITY		**19,162**	17,826

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2023

	Equity attributable to shareholders of CSL Limited											
	Contributed Equity		Other reserves		Retained earnings		Total shareholders' equity		Non-controlling interests		Total equity	
	US$m		US$m		US$m		US$m		US$m		US$m	
	December 2023	December 2022	December 2023	December 2022	December 2023	December 2022	December 2023	December 2022	December 2023	December 2022	December 2023	December 2022
As at the beginning of the period	**517**	483	**648**	590	**14,621**	13,504	**15,786**	14,577	**2,040**	–	**17,826**	14,577
Profit for the period	**–**	–	**–**	–	**1,901**	1,623	**1,901**	1,623	**19**	17	**1,920**	1,640
Other comprehensive income/(losses)	**–**	–	**10**	(38)	**3**	1	**13**	(37)	**–**	2	**13**	(35)
Total comprehensive (losses)/income	**–**	–	**10**	(38)	**1,904**	1,624	**1,914**	1,586	**19**	19	**1,933**	1,605
Transfer of gain on disposal of equity investments at fair value through OCI to retained earnings	**–**	–	**–**	(8)	**–**	8	**–**	–	**–**	–	**–**	–
Transactions with owners in their capacity as owners												
Share-based payments	**–**	–	**80**	68	**–**	–	**80**	68	**–**	–	**80**	68
Dividends	**–**	–	**–**	–	**(623)**	(569)	**(623)**	(569)	**(74)**	–	**(697)**	(569)
Share issues	**20**	14	**–**	–	**–**	–	**20**	14	**–**	–	**20**	14
Acquisition of CSL Vifor	**–**	–	**–**	–	**–**	–	**–**	–	**–**	2,186	**–**	2,186
As at the end of the period	**537**	497	**738**	612	**15,902**	14,567	**17,177**	15,676	**1,985**	2,205	**19,162**	17,881

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2023

	Notes	Consolidated Entity December 2023 US$m	Consolidated Entity December 2022 US$m
Cash Flows from Operating Activities			
Profit before income tax expense		**2,379**	1,963
Adjustments for:			
Depreciation and amortisation		**429**	381
Inventory provisions		**92**	89
Share-based payment expense		**80**	65
Provision for expected credit losses		**(3)**	(4)
Finance costs, net		**234**	171
Unrealised foreign exchange (gains)/losses		**(22)**	38
Changes in operating assets and liabilities:			
Increase in receivables and contract assets		**(1,310)**	(778)
Increase in inventories		**(181)**	(349)
Increase/(decrease) in trade and other payables		**131**	(121)
Decrease in provisions and other liabilities		**(42)**	(22)
Income tax paid		**(500)**	(291)
Finance costs, net paid		**(218)**	(162)
Net cash inflow from operating activities		**1,069**	980
Cash flows from Investing Activities			
Payments for property, plant and equipment		**(475)**	(570)
Payments for intangible assets		**(227)**	(292)
Payments for business acquisition, net of cash acquired		**–**	(10,534)
Proceeds from sale of financial assets		**–**	272
Net cash outflow from investing activities		**(702)**	(11,124)
Cash flows from Financing Activities			
Proceeds from issue of shares		**20**	14
Dividends paid to CSL Limited shareholders	5	**(623)**	(569)
Dividends paid to non-controlling interests		**(74)**	–
Proceeds from borrowings		**793**	2,526
Repayment of borrowings		**(886)**	(647)
Principal payments of lease liabilities		**(44)**	(38)
Net cash (outflow)/inflow from financing activities		**(814)**	1,286
Net decrease in cash and cash equivalents		**(447)**	(8,858)
Cash and cash equivalents at the beginning of the period		**1,509**	10,334
Exchange rate variations on foreign cash and cash equivalent balances		**(51)**	(18)
Cash and cash equivalents at the end of the period		**1,011**	1,458
Reconciliation of cash and cash equivalents in the statement of cash flows:			
Cash and cash equivalents		**1,017**	1,508
Bank overdrafts		**(6)**	(50)
Cash and cash equivalents at the end of the period		**1,011**	1,458

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Half Year Ended 31 December 2023

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About this Report

About this Report

Notes to the financial statements

Corporate information

CSL Limited ("CSL") is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This financial report covers the financial statements for the consolidated entity consisting of CSL and its subsidiaries (together referred to as the Group). The financial report was authorised for issue in accordance with a resolution of directors on 12 February 2024.

A description of the nature of the Group's operations and its principal activities is included in the directors' report.

a. Basis of preparation

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. The half year financial report should be read in conjunction with the annual financial report of CSL Limited as at 30 June 2023.

It is also recommended that the half year financial report be considered together with any public announcements made by CSL Limited and its controlled entities during the half year ended 31 December 2023 in accordance with the continuous disclosure obligations arising under ASX listing rules.

This half year financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, International Financial Reporting Standards (IFRS) and the Corporations Act 2001. The interim financial statements were prepared in accordance with AASB 134. It presents information on a historical cost basis, except for certain financial instruments, which have been measured at fair value. Amounts have been rounded off to the nearest million dollars.

The report is presented in US Dollars, because this currency is the pharmaceutical industry standard currency for reporting purposes. It is also the predominant currency of the Group's worldwide sales and operating expenses.

b. Principles of consolidation

The consolidated financial statements comprise the financial statements of CSL and its subsidiaries as at 31 December 2023. CSL has control of its subsidiaries when it is exposed to, and has the rights to, variable returns from its involvement with those entities and when it has the ability to affect those returns.

Non-controlling interests in the financial results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively.

b. Principles of consolidation (continued)

The financial results of the subsidiaries are prepared using consistent accounting policies and for the same reporting period as the parent company.

In preparing the consolidated financial statements, all intercompany balances and transactions have been eliminated in full. The Group has formed a trust to administer the Group's employee share scheme. This trust is consolidated as it is controlled by the Group.

c. Foreign currency

While the presentation currency of the Group is US dollars, entities in the Group may have other functional currencies, reflecting the currency of the primary economic environment in which the relevant entity operates. The parent entity, CSL Limited, has a functional currency of US dollars. Any exchange differences arising from the translation of a foreign operation previously recognised in other comprehensive income are not reclassified from equity to profit or loss until the disposal of the operation.

If an entity in the Group has undertaken transactions in foreign currency, these transactions are translated into that entity's functional currency using the exchange rates prevailing at the dates of the transactions. Where the functional currency of a subsidiary is not US dollars, the subsidiary's assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income and in the foreign currency translation reserve in equity.

d. Significant changes in current reporting period

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2023.

There were no changes in accounting policies during the half year ended 31 December 2023, nor did the introduction of new accounting standards lead to any change in measurement or disclosure in these financial statements.

The Group continues to apply the mandatory temporary exemption regarding the recognition of deferred tax assets and liabilities related to Pillar Two income taxes in accordance with AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules.

The Group has not adopted any accounting standards that are issued but not yet effective.

Note 1: Segment Information

The Group's segments represent strategic business units that offer different products and operate in different industries and markets. They are presented consistent with the way the CEO who is the chief operating decision-maker (CODM) monitors and assesses business performance to make resource allocation decisions. The operating segments are measured based on the segment operating result, being the revenues and costs directly under the control of the business unit.

Segment information is presented to the CODM based on the underlying performance of the business units and centralised functions, which has been adjusted to exclude impairment and amortisation of acquired intellectual property (IP), business acquisition and integration costs and the unwind of the inventory fair value uplift resulting from business acquisitions. Underlying net profit after tax (NPATA) represents the statutory net profit after tax before impairment and amortisation of acquired IP, business acquisition and integration costs and the unwind of the inventory fair value uplift.

The Group's operating segments are:

CSL Behring – manufactures, markets and distributes plasma products, gene therapies and recombinants.

CSL Seqirus – manufactures, markets and distributes predominantly influenza related products and provides pandemic services to governments.

CSL Vifor – manufactures, markets and distributes products in the therapeutic areas of iron deficiency and nephrology. The Group acquired CSL Vifor in August 2022 and therefore, the prior period segments results of CSL Vifor do not represent a full six-month period.

The Group's centralised research and development ("R&D") function builds on its capabilities across the R&D value chain. The Group continues to make balanced investments in life cycle management and market development of existing and new products. Costs related to R&D are reported separately and are not allocated to the operating segments.

The Group utilises globally integrated functions to realise economies of scale. The functions include executive office, communications, finance, human resources, legal, information & technology. The costs related to these functions, as well as any other non-business unit related costs (including depreciation and amortisation of unallocated assets) are reported as General and Administration expenses and are not allocated to the operating segments.

Segment EBITDA is defined as statutory net profit for the period before interest, tax, depreciation, amortisation and impairment for the respective operating segment where activities, assets and liabilities can be directly attributed to the segment. Results related to the groups centrally managed functions, impairment and amortisation of acquired IP, business acquisition related costs, tax and net finance costs are not allocated to segments. Our segment results are therefore presented on an underlying basis.

Note 1: Segment Information continued

US$m	CSL Behring		CSL Seqirus		CSL Vifor		Consolidated Entity	
	December 2023	December 2022	December 2023	December 2022	December 2023	December 2022	December 2023	December 2022
Sales and service revenue	**5,093**	4,414	**1,705**	1,653	**1,006**	876	**7,804**	6,943
Influenza pandemic facility reservation fees	**–**	–	**85**	76	**–**	–	**85**	76
Royalty and license revenue	**125**	123	**–**	–	**1**	11	**126**	134
Other income	**20**	20	**14**	9	**4**	2	**38**	31
Total segment revenue	**5,238**	4,557	**1,804**	1,738	**1,011**	889	**8,053**	7,184
Segment gross profit	**2,617**	2,231	**1,207**	1,196	**670**	615	**4,494**	4,042
Segment gross profit %	**50.0%**	49.0%	**66.9%**	68.8%	**66.3%**	69.2%	**55.8%**	56.3%
Underlying selling and marketing expenses	**(396)**	(374)	**(89)**	(93)	**(222)**	(216)	**(707)**	(683)
Segment operating result	**2,221**	1,857	**1,118**	1,103	**448**	399	**3,787**	3,359
Segment operating result %	**42.4%**	40.8%	**62.0%**	63.5%	**44.3%**	44.9%	**47.0%**	46.8%
Underlying research and development expenses							**(669)**	(593)
Underlying general and administrative expenses							**(323)**	(360)
Underlying operating profit							**2,795**	2,406
Finance costs							**(254)**	(206)
Finance income							**20**	35
Underlying profit before tax							**2,561**	2,235
Underlying income tax expense							**(491)**	(358)
Underlying profit after tax (NPATA)							**2,070**	1,877
Amortisation of other intangibles (excluding IP)[1]	**1**	2	**14**	8	**4**	5	**50**	53
Depreciation[1]	**147**	137	**30**	30	**13**	11	**247**	240
EBITDA[2]	**2,369**	1,996	**1,162**	1,141	**465**	415	**3,042**	2,515
NPATA							**2,070**	1,877
- Attributable to equity holders of CSL							**2,017**	1,818
- Attributable to non-controlling interests							**53**	59

Certain comparative amounts have been reclassified in order to be consistent with the current period's presentation.

The CSL Seqirus business is subject to seasonality resulting from sales for the northern hemisphere influenza vaccine season. CSL Seqirus therefore has higher revenue and segment operating result in the first half of the financial year.

[1] Depreciation and amortisation expenses of $88m (2022: $100m) relate to non-segment expenditure and are unallocated.
[2] The Group's EBITDA includes $954m (2022: $1,037m) of costs that are not allocated to segments. The costs are primarily attributable to centralised activities being R&D and general and administration.

Note 1: Segment Information continued

The table below reconciles the statutory results for key line items impacted by underlying adjustments to the segment report.

Half year ended 31 December (US$m)	Statutory results		Impairment and amortisation of acquired IP		Unwind of CSL Vifor inventory fair value		CSL Vifor acquisition and integration costs		Tax impacts of the adjustments		Segment/ Underlying results	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Gross profit	**4,331**	3,854	**132**	88	**31**	100	**–**	–	**–**	–	**4,494**	4,042
Selling and marketing expenses	**(717)**	(683)	**–**	–	**–**	–	**10**	–	**–**	–	**(707)**	(683)
Research and development expenses	**(670)**	(593)	**–**	–	**–**	–	**1**	–	**–**	–	**(669)**	(593)
General and administrative expenses	**(331)**	(444)	**–**	–	**–**	–	**8**	84	**–**	–	**(323)**	(360)
EBIT / Operating profit	**2,613**	2,134	**132**	88	**31**	100	**19**	84	**–**	–	**2,795**	2,406
Profit before tax	**2,379**	1,963	**132**	88	**31**	100	**19**	84	**–**	–	**2,561**	2,235
NPAT / NPATA	**1,920**	1,640	**132**	88	**31**	100	**19**	84	**(32)**	(35)	**2,070**	1,877
NPAT / NPATA attributable to CSL shareholders	**1,901**	1,623	**102**	64	**21**	76	**19**	84	**(26)**	(29)	**2,017**	1,818
Basic earnings per share / NPATA per share (US$)	**3.94**	3.37	**0.21**	0.13	**0.04**	0.16	**0.04**	0.17	**(0.05)**	(0.06)	**4.18**	3.77

Certain comparative amounts have been reclassified in order to be consistent with the current period's presentation.

	CSL Behring		CSL Seqirus		CSL Vifor		Intersegment Elimination		Consolidated Entity	
US$m	December 2023	June 2023	December 2023	June 2023	December 2023	June 2023	December 2023	June 2023	December 2023	June 2023
Segment assets	**35,189**	34,535	**8,074**	5,908	**10,685**	10,742	**(16,644)**	(14,951)	**37,304**	36,234
Segment liabilities	**15,670**	15,782	**5,359**	3,696	**2,029**	2,155	**(4,916)**	(3,225)	**18,142**	18,408

Inter-segment sales

Inter-segment sales are carried out on an arm's length basis.

Geographical areas of operation

The Group operates predominantly in Australia, the USA, Germany, the United Kingdom, Switzerland and China. The rest of the Group's operations are spread across many countries and are collectively disclosed as 'Rest of World'.

Half year ended 31 December	Australia		United States		Germany		UK		Switzerland		China		Rest of World		Total	
	US$m		US$m		US$m		US$m		US$m		US$m		US$m		US$m	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total operating revenue	**441**	456	**4,200**	3,792	**516**	396	**521**	515	**268**	211	**404**	410	**1,703**	1,404	**8,053**	7,184

Note 2: Revenue and Expenses

Recognition and measurement of revenue and other income

Revenue is recognised when the Group satisfies a performance obligation by transferring control of the promised good or service to a customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for the goods or services. Revenue from contracts with customers includes amounts in total operating revenue except other income. Other income is realised from activities that are outside of the ordinary business, such as the disposal of property, plant and equipment and rental income.

The table below shows a summary of the Group's operating revenue by product or service category for the half years ended 31 December 2023 and 2022:

Revenue	December 2023 US$m	December 2022 US$m
CSL Behring		
Immunoglobulins	**2,757**	2,227
Albumin	**613**	585
Haemophilia	**662**	611
Specialty	**976**	915
Other	**210**	199
CSL Seqirus		
Egg based vaccines	**123**	123
Cell culture vaccines	**529**	599
Adjuvanted egg based vaccines	**988**	845
Pandemic	**85**	76
Other (including in-license)	**65**	86
CSL Vifor		
Iron	**505**	427
Nephrology - Dialysis	**399**	377
Nephrology - Non Dialysis	**90**	55
Other	**13**	28
Total revenue from contracts with customers	**8,015**	7,153
Other income	**38**	31
Total operating revenue	**8,053**	7,184

The table below shows a summary of the Group's operating expenses by category for the half years ended 31 December 2023 and 2022:

	December 2023 US$m	December 2022 US$m
Borrowing costs	**214**	169
Lease related interest expense	**28**	19
Unrealised foreign exchange losses on debt	**8**	12
Fair value losses on financial assets	**4**	6
Total finance costs	**254**	206
Depreciation of property, plant and equipment (PPE) and right-of-use assets	**247**	240
Amortisation of acquired intellectual property	**132**	88
Amortisation of other intangibles (excluding IP)	**50**	53
Total depreciation and amortisation	**429**	381
Write-down of inventory	**92**	89
Employee benefits expense	**1,793**	1,667
Foreign exchange (gains)/losses[3]	**(18)**	45

[3] Foreign exchange (gains)/losses related to translational currency effects are recorded net within administration expenses in the statement of comprehensive income.

Note 2: Revenue and Expenses continued

Recognition and measurement of expenses

Expenses includes finance costs which represents interest expense and borrowing costs, including lease related interest expense. Lease related interest expense and borrowing costs are recognised as an expense when incurred, except where finance costs are directly attributable to the acquisition or construction of a qualifying asset where they are capitalised as part of the cost of the asset.

Unrealised foreign currency losses on debt is principally related to the Group's EUR250m and CHF250m senior unsecured notes in the US Private Placement market. The foreign currency risk related to this debt was partially hedged as a cash flow hedge.

Fair value losses on financial assets primarily relates to the Group's investments in venture funds measured at fair value through profit or loss. The resulting changes in fair value are recognised directly in profit or loss within finance costs at each reporting period.

Goods and Services Tax (GST) and other foreign equivalents: Revenues, expenses and assets are recognised net of GST, except where GST is not recoverable from a taxation authority, in which case it is recognised as part of an asset's cost of acquisition or as part of the expense.

Note 3: Tax

	December 2023 US$m	December 2022 US$m
Reconciliation between tax expense and pre-tax net profit		
The reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before income tax	**2,379**	1,963
Income tax calculated at 30% (2022: 30%)	**714**	589
Effects of different rates of tax on overseas income	**(233)**	(191)
Research and development incentives	**(51)**	(42)
Under/(over) provision in prior year	**13**	(18)
Revaluation of deferred tax balances	**6**	1
Other non-deductible expenses/(non-assessable revenue)	**10**	(16)
Income tax expense	**459**	323

Note 4: Inventories

	December 2023 US$m	June 2023 US$m
Raw materials	**1,869**	1,592
Work in progress	**2,107**	2,119
Finished goods	**1,590**	1,755
Total inventories	**5,566**	5,466

Note 5: Shareholder Returns

(a) Dividends paid to CSL Limited shareholders

Dividend Paid	December 2023 US$m	December 2022 US$m
Final ordinary dividend of US$1.29 per share, 10% franked at 30% tax rate, paid on 4 October 2023 for FY23 (prior year: US$1.18 per share, 10% franked at 30% tax rate, paid on 5 October 2022 for FY22)	**623**	569
Dividend determined, but not paid at the end of the half year:		
Interim ordinary dividend of US$1.19 per share, unfranked, expected to be paid on 3 April 2024 for HY24, based on shares on issue at reporting date. The actual amount will depend on the number of shares on issue at dividend record date (prior year: US$1.07 per share, unfranked, paid on 5 April 2023 for HY23)	**575**	516

Note 5: Shareholder Returns continued

(b) Earnings per Share attributable to CSL Limited shareholders

CSL's basic and diluted EPS are calculated using the Group's net profit attributable to CSL Limited shareholders for the period of $1,901m (2022: $1,623m). Diluted EPS differs from Basic EPS as the calculation takes into account potential ordinary shares arising from employee share plans operated by the Group.

	December 2023	December 2022
Basic EPS	**US$3.94**	US$3.37
Weighted average number of ordinary shares	**482,829,777**	482,038,107
Diluted EPS	**US$3.92**	US$3.36
Adjusted weighted average number of ordinary shares, represented by:	**484,984,333**	483,627,675
Weighted average number of ordinary shares	**482,829,777**	482,038,107
Plus:		
Employee performance rights	**2,593**	2,552
Global employee share plan	**26,331**	25,531
Performance and restricted share units	**2,125,632**	1,561,485

(c) Contributed Equity

The following table illustrates the movement in the Group's contributed equity.

	Number of shares	US$m
Opening balance	**482,369,261**	**517**
Shares issued to employees:		
Retain and Grow Plan (for nil consideration)	**556,093**	**–**
Executive Performance & Alignment Plan (for nil consideration)	**28,883**	**–**
Global Employee Share Plan (GESP)	**139,020**	**20**
Closing balance as at 31 December 2023	**483,093,257**	**537**

The Group's contributed equity consists of the following balances:

	December 2023 US$m	June 2023 US$m
Ordinary shares issued and fully paid	**5,042**	5,022
Share buy-back reserve	**(4,505)**	(4,505)
Total contributed equity	**537**	517

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. No gain or loss is recognised in the profit or loss and the consideration paid to acquire the shares, including any directly attributable transaction costs net of income taxes is recognised directly as a reduction in equity.

Ordinary shares receive dividends as declared and, in the event of winding up the company, participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the company.

Share buy-backs were undertaken at higher prices than the original subscription prices which had reduced the historical balance for ordinary share contributed equity to nil. The share buy-back reserve was created to reflect the excess value of shares bought over the original amount of subscribed capital.

Note 6: Financial Instruments

The following table analyses the Group's interest-bearing liabilities and borrowings:

Interest-bearing liabilities and borrowings	December 2023 US$m	June 2023 US$m
Current		
Bank overdraft – unsecured	**6**	39
Bank borrowings – unsecured	**1,158**	563
Senior notes – unsecured	**162**	362
Lease liabilities	**94**	91
	1,420	1,055
Non-current		
Bank borrowings – unsecured	**1,927**	2,252
Senior notes – unsecured	**3,208**	3,351
Senior 144A notes – unsecured	**3,962**	3,961
Lease liabilities	**1,590**	1,608
	10,687	11,172

As at 31 December 2023, the Group had $1,547m (June 2023: $1,551m) in undrawn liquidity available under its bank debt facilities and $750m (June 2023: $750m) under the commercial paper program.

The Group also had the following financial assets and liabilities measured at fair value:

Financial assets/(liabilities) measured at fair value		December 2023 US$m	June 2023 US$m
Publicly traded securities - fair value through other comprehensive income	Level 1	**17**	30
Venture fund assets - fair value through profit or loss	Level 3	**116**	118
Contingent consideration assets (earn-out receivable)	Level 3	**26**	25
Contingent consideration liabilities from business combinations	Level 3	**(243)**	(242)

There were no transfers between Level 1 and Level 2 during the period, or any transfers into Level 3.

Note 7: Commitments and Contingencies

(a) Capital commitments

Commitments in relation to capital expenditure contracted but not provided for in the financial statements are payable as follows:

	December 2023 US$m	June 2023 US$m
Not later than one year	**464**	411
Later than one year but not later than five years	**49**	84
Total	**513**	495

(b) Contingent assets and liabilities

Litigation

In the ordinary course of business, the Group is exposed to contingent liabilities related to litigation for breach of contract and other claims. Contingent liabilities occur when the possibility of a future settlement of economic benefits is considered to be less than probable but more likely than remote. If the expected settlement of the liability becomes probable, a provision is recognised.

Contingent liabilities are recognised at fair value on acquisition date within provisions in connection with a business combination. Fair value is determined after consideration of a range of possible outcomes unless the economic outflows are not possible. Recognised contingent liabilities recorded within provisions as at 31 December 2023 includes liabilities assumed in connection with the acquisition of CSL Vifor.

Note 7: Commitments and Contingencies continued

Other contingent assets and liabilities

The Group has entered into collaboration arrangements, including in-licensing arrangements with various companies. Such collaboration agreements may require the Group to make payments on achievement of stages of development, launch or revenue milestones and may include variable payments that are based on unit sales or profit (e.g. royalty and profit share payments). The amount of variable payments under the arrangements are inherently uncertain and difficult to predict, given the direct link to future sales, profit levels and the range of outcomes.

The maximum potential future milestone payments could amount to $7,807m in the event each related product reached its full commercial potential (June 2023: $7,952m). These amounts are undiscounted and are not risk-adjusted, assuming all products currently in development are successful and all possible performance objectives are met.

The Group also has certain take or pay arrangements with contract manufacturers or service providers which serve as commercial manufacturers and suppliers for certain products. To the extent a commitment is determined to be onerous, these are provided for within provisions in the consolidated balance sheet.

Note 8: Subsequent Events

On 12 February 2024, the Group announced the top line results from the AEGIS-II clinical trial for CSL112. The study did not meet its primary efficacy endpoint of major adverse cardiovascular events (MACE) reduction at 90 days. As a result, there are no plans for a near-term regulatory filing. The read out of the results constitute a non-adjusting subsequent event for the consolidated interim financial statements. Management does not expect the event to have a material impact.

Other than as disclosed elsewhere in these statements, there are no matters or circumstances which have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

Directors' Declaration

In the opinion of the directors:

a) the interim financial statements and notes of the Group are in accordance with the *Corporations Act 2001* (Cth), including:

   i. giving a true and fair view of the financial position of the Group as at 31 December 2023 and the performance of the Company for the half year ended 31 December 2023; and

   ii. complying with Australian Accounting Standards including AASB 134 Interim Financial Reporting and *Corporations Regulations 2001* (Cth).

b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Dr Brian McNamee AO
Chair

Dr Paul McKenzie
Managing Director and Chief Executive Officer

12 February 2024

Deloitte Touche Tohmatsu
ABN 74 490 121 060
477 Collins Street
Melbourne, VIC, 3000
Australia

Phone: +61 3 9671 7000
www.deloitte.com.au

Independent Auditor's Review Report to the Members of CSL Limited

Conclusion

We have reviewed the half-year financial report of CSL Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with *ASRE 2410 Review* of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Andrew Griffiths

Genevra Cavallo

A V Griffiths
Partner
Chartered Accountants
Melbourne, 12 February 2024

Genevra Cavallo
Partner
Chartered Accountants
Melbourne, 12 February 2024

CSL Limited

ABN: 99 051 588 348

ASX Half Year Information 31 December 2022

Lodged with the ASX under Listing Rule 4.2A.

Directors' Report

The Board of Directors of CSL Limited is pleased to present their report on the consolidated entity for the half-year ended 31 December 2022.

Directors

The following persons were Directors of CSL Limited during the whole of the half-year and up to the date of this report:

- Dr Brian McNamee AO (Chair)
- Mr Paul Perreault (Managing Director and Chief Executive Officer)
- Mr Bruce Brook
- Dr Megan Clark AC
- Professor Andrew Cuthbertson AO
- Ms Carolyn Hewson AO
- Professor Duncan Maskell
- Ms Marie McDonald
- Ms Alison Watkins AM

Dr Paul McKenzie was appointed to the Board as an Executive Director on 13 December 2022.

Review of Operations

For the half-year ended 31 December 2022, total revenue for the Group was US$7.184 billion, up 19% (25% at constant currency[1]) when compared to the prior comparable period. Reported net profit after tax attributable to CSL shareholders was US$1.623 billion, down 8% (steady at constant currency[1]) when compared to the prior comparative period. This includes one-off costs associated with the acquisition of Vifor Pharma AG (CSL Vifor). Underlying profit (NPATA[2]) attributable to CSL shareholders was US$1.818 billion, up 10% at constant currency[1].

CSL Behring

Total revenue of US$4.556 billion was up 11% at constant currency[1] when compared to the prior comparable period.

Immunoglobulin (Ig) product sales of US$2.227 billion increased 19% at constant currency[1] driven by the significant increase in plasma supply and strong growth across all geographies especially in Europe and emerging markets.

PRIVIGEN®, the Company's intravenous Ig product, increased 22% and HIZENTRA®, the Company's subcutaneous Ig product, increased by 17%.

Albumin sales of $585 million were up 11% at constant currency[1] compared to the prior comparable period. Strong growth was recorded in the United States and Europe driven by improved supply. Albumin growth in China was constrained by COVID.

[1] Constant currency removes the impact of exchange rate movements to facilitate comparability of operational performance. Amounts have been restated at the exchange rates applicable to the prior period.

[2] NPATA is defined as the statutory net profit after tax before impairment and amortisation of acquired intellectual property, business acquisition and integration costs and acquisition accounting related adjustments

Haemophilia product sales of US$611 million increased 12% at constant currency[1].

Recombinant haemophilia products grew 21% at constant currency[1] driven by IDELVION®, CSL Behring's novel long-acting recombinant factor IX products for the treatment of haemophilia B. Sales of IDELVION® increased by 22% due to higher patient demand as social mobility increases and increased utilisation in Japan.

Plasma derived haemophilia products declined 3% at constant currency[1] due to competitive pressures offset to some extent by an increase in HUMATE®, which is a leading product in the United States for the treatment of vWF (von Willebrand disease).

Specialty product sales of US$915 million grew 5% at constant currency[1] compared to the prior comparable period with strong growth in KCENTRA® (4 factor pro-thrombin complex concentrate) which increased by 8% at constant currency[1] as hospital demand returned to pre-pandemic levels.

Plasma Collections

Plasma collections continued to grow strongly and were up 36% for the period.

This was the result of targeted marketing efforts and enhanced digital initiatives to attract donors.

CSL Seqirus

Total revenue of $US1.738 billion grew strongly, up 9% at constant currency[1] driven by increased sales of seasonal influenza vaccines against a backdrop of reduced immunization rates. Seqirus continued to benefit from its differentiated and high value product portfolio – FLUAD® (adjuvanted influenza vaccine) and FLUCELVAX® (cell-based influenza vaccine).

CSL Vifor

The acquisition of Vifor Pharma was successfully completed on 9 August 2022 and CSL Vifor contributed approximately 5 months of financial results during the period with revenue of US$889 million.

Outlook

The strong growth in plasma collections and in the immunoglobulins franchise is expected to continue.

HEMGENIX® will be launched in the US, a new gene therapy product approved for the treatment of Haemophilia B patients.

Seqirus is expected to deliver another profitable year. Consistent with the seasonal nature of the business, however, it is anticipated that Seqirus will make a loss in the second half of the year.

The integration of CSL Vifor is well advanced and the delivery of the synergies are on track.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the next page.

Rounding of amounts

The amounts contained in this report and in the financial report have been rounded to the nearest hundred thousand dollars (where rounding is applicable) unless specifically stated otherwise under the relief available to the Company under ASIC Corporations Instrument 2016/191. The Company is an entity to which the Corporations Instrument applies.

Subsequent events

From the end of the reporting period to the date of this report, no matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group.

This report has been made in accordance with a resolution of the directors.

Dr Brian McNamee AO
Chair

Paul Perreault
Managing Director and Chief Executive Officer

13 February 2023

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Building a better working world

Auditor's Independence Declaration to the Directors of CSL Limited

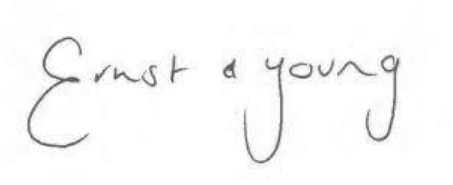
As lead auditor for the audit of the half-year financial report of CSL Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CSL Limited and the entities it controlled during the financial period.



Ernst & Young

Kylie Bodenham
Partner
13 February 2023

Consolidated Statement of Comprehensive Income

For the Half Year Ended 31 December 2022

	Notes	Consolidated Entity December 2022 US$m	Consolidated Entity December 2021 US$m
Sales and service revenue		**6,942.8**	5,807.8
Influenza pandemic facility reservation fees		**75.7**	82.2
Royalties and license revenue		**133.5**	120.6
Other income		**31.5**	30.6
Total operating revenue		**7,183.5**	**6,041.2**
Cost of sales		**(3,320.3)**	(2,592.7)
Gross profit		**3,863.2**	**3,448.5**
Research and development expenses	6	**(576.5)**	(485.8)
Selling and marketing expenses		**(668.6)**	(431.5)
General and administration expenses		**(483.8)**	(316.5)
Total expenses		**(1,728.9)**	**(1,233.8)**
Operating profit		**2,134.3**	**2,214.7**
Finance costs	3	**(205.7)**	(71.2)
Finance income		**34.7**	0.9
Profit before income tax expense		**1,963.3**	**2,144.4**
Income tax expense	4	**(323.1)**	(384.1)
Net profit for the period		**1,640.2**	**1,760.3**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Hedging transactions - realised in profit or loss	3	**(6.7)**	–
Exchange differences on translation of foreign operations, net of hedges on foreign investments		**(36.0)**	(102.3)
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value on equity securities measured through other comprehensive income, net of tax		**6.5**	–
Actuarial gains on defined benefit plans, net of tax		**0.5**	19.8
Total other comprehensive losses		**(35.7)**	**(82.5)**
Total comprehensive income for the period		**1,604.5**	**1,677.8**
Net profit for the period attributable to:		**1,640.2**	**1,760.3**
- Shareholders of CSL Limited		**1,623.2**	1,760.3
- Non-controlling interests		**17.0**	–
Total comprehensive income for the period attributable to:		**1,604.5**	**1,677.8**
- Shareholders of CSL Limited		**1,585.2**	1,677.8
- Non-controlling interests		**19.3**	–
Earnings per share (based on net profit attributable to CSL Limited shareholders for the period)		**US$**	**US$**
Basic earnings per share	9	**3.37**	3.85
Diluted earnings per share	9	**3.36**	3.84

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 December 2022

	Notes	Consolidated Entity December 2022 US$m	Consolidated Entity June 2022 US$m
CURRENT ASSETS			
Cash and cash equivalents	12	**1,507.9**	10,436.4
Receivables and contract assets		**2,996.4**	1,657.2
Inventories	5	**5,057.3**	4,333.0
Current tax assets		**35.9**	29.9
Other financial assets		**4.1**	4.2
Total Current Assets		**9,601.6**	16,460.7
NON-CURRENT ASSETS			
Property, plant and equipment	8	**7,424.4**	7,016.6
Right-of-use assets	8	**1,315.8**	1,292.0
Intangible assets	7	**16,257.2**	2,638.1
Deferred tax assets		**527.5**	517.5
Retirement benefit assets		**3.1**	5.4
Other receivables		**83.3**	12.8
Other financial assets		**234.7**	402.9
Total Non-Current Assets		**25,846.0**	11,885.3
TOTAL ASSETS		**35,447.6**	28,346.0
CURRENT LIABILITIES			
Trade and other payables		**2,559.0**	2,301.2
Interest-bearing liabilities and borrowings	10	**1,216.4**	4,494.0
Current tax liabilities		**359.3**	131.5
Provisions		**195.1**	181.5
Total Current Liabilities		**4,329.8**	7,108.2
NON-CURRENT LIABILITIES			
Interest-bearing liabilities and borrowings	10	**10,902.2**	5,163.8
Retirement benefit liabilities		**201.8**	189.0
Deferred tax liabilities		**1,266.1**	670.1
Provisions		**353.7**	101.7
Other non-current liabilities		**512.9**	535.7
Total Non-Current Liabilities		**13,236.7**	6,660.3
TOTAL LIABILITIES		**17,566.5**	13,768.5
NET ASSETS		**17,881.1**	14,577.5
EQUITY			
Contributed equity	9	**497.3**	483.8
Reserves		**612.4**	590.3
Retained earnings		**14,566.1**	13,503.4
Equity attributable to shareholders of CSL Limited		**15,675.8**	14,577.5
Non-controlling interests	2	**2,205.3**	–
TOTAL EQUITY		**17,881.1**	14,577.5

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2022

	Equity attributable to shareholders of CSL Limited											
	Contributed Equity		Other reserves		Retained earnings		Total shareholders' equity		Non-controlling interests		Total equity	
	US$m		US$m		US$m		US$m		US$m		US$m	
	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021
As at the beginning of the period	**483.8**	(4,504.6)	**590.3**	633.2	**13,503.4**	12,252.7	**14,577.5**	8,381.3	**–**	–	**14,577.5**	8,381.3
Profit for the period	**–**	–	**–**	–	**1,623.2**	1,760.3	**1,623.2**	1,760.3	**17.0**	–	**1,640.2**	1,760.3
Other comprehensive (losses)/income	**–**	–	**(38.5)**	(102.3)	**0.5**	19.8	**(38.0)**	(82.5)	**2.3**	–	**(35.7)**	(82.5)
Total comprehensive (loss)/income for the period	**–**	–	**(38.5)**	(102.3)	**1,623.7**	1,780.1	**1,585.2**	1,677.8	**19.3**	–	**1,604.5**	1,677.8
Transfer of gain on disposal of equity investments at fair value through OCI to retained earnings	**–**	–	**(8.0)**	–	**8.0**	–	**–**	–	**–**	–	**–**	–
Transactions with owners in their capacity as owners							**–**					
Share-based payments	**–**	–	**68.6**	53.7	**–**	–	**68.6**	53.7	**–**	–	**68.6**	53.7
Dividends	**–**	–	**–**	–	**(569.0)**	(537.7)	**(569.0)**	(537.7)	**–**	–	**(569.0)**	(537.7)
Share issues	**13.5**	4,458.1	**–**	–	**–**	–	**13.5**	4,458.1	**–**	–	**13.5**	4,458.1
Acquisition of CSL Vifor (Note 2)	**–**	–	**–**	–	**–**	–	**–**	–	**2,186.0**	–	**2,186.0**	–
As at the end of the period	**497.3**	(46.5)	**612.4**	584.6	**14,566.1**	13,495.1	**15,675.8**	14,033.2	**2,205.3**	–	**17,881.1**	14,033.2

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2022

	Notes	Consolidated Entity December 2022 US$m	Consolidated Entity December 2021 US$m
Cash Flows from Operating Activities			
Profit before income tax expense		**1,963.3**	2,144.4
Adjustments for:			
Depreciation and amortisation		**381.5**	264.2
Inventory provisions		**88.7**	180.9
Share-based payment expense		**65.4**	51.9
Provision for expected credit losses		**(3.5)**	1.0
Finance costs, net		**171.0**	71.2
Loss on disposal of property, plant and equipment		**–**	3.1
Unrealised foreign exchange losses/(gains)		**38.0**	(32.0)
Changes in operating assets and liabilities:			
Increase in receivables and contract assets		**(778.4)**	(544.6)
Increase in inventories		**(347.8)**	(246.3)
Decrease in trade and other payables		**(121.4)**	(109.9)
Decrease in provisions and other liabilities		**(23.5)**	(45.7)
Income tax paid		**(290.9)**	(228.7)
Finance costs, net paid		**(161.9)**	(82.6)
Net cash inflow from operating activities		**980.5**	1,426.9
Cash flows from Investing Activities			
Payments for property, plant and equipment		**(569.9)**	(525.0)
Payments for intangible assets		**(293.2)**	(24.8)
Payments for business acquisition, net of cash acquired	2	**(10,533.7)**	–
Proceeds from sale of financial assets	2	**271.4**	–
Other investing activities		**1.0**	(3.6)
Net cash outflow from investing activities		**(11,124.4)**	(553.4)
Cash flows from Financing Activities			
Proceeds from issue of shares		**13.5**	4,458.1
Dividends paid	9	**(569.0)**	(537.7)
Proceeds from borrowings	10	**2,525.3**	79.8
Repayment of borrowings	10	**(646.8)**	(297.4)
Principal payments of lease liabilities	10	**(38.2)**	(35.6)
Other financing activities		**0.9**	(1.7)
Net cash inflow from financing activities		**1,285.7**	3,665.5
Net (decrease)/increase in cash and cash equivalents		**(8,858.2)**	4,539.0
Cash and cash equivalents at the beginning of the period		**10,334.4**	1,730.1
Exchange rate variations on foreign cash and cash equivalent balances		**(18.5)**	(19.7)
Cash and cash equivalents at the end of the period		**1,457.7**	6,249.4
Reconciliation of cash and cash equivalents in the statement of cash flows:			
Cash and cash equivalents		**1,507.9**	6,334.3
Bank overdrafts		**(50.2)**	(84.9)
Cash and cash equivalents at the end of the period		**1,457.7**	6,249.4

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Half Year Ended 31 December 2022

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About this Report

About this Report

Notes to the financial statements:

Corporate information

CSL Limited ("CSL") is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This financial report covers the financial statements for the consolidated entity consisting of CSL and its subsidiaries (together referred to as the Group). The financial report was authorised for issue in accordance with a resolution of directors on 13 February 2023.

A description of the nature of the Group's operations and its principal activities is included in the directors' report.

a. Basis of preparation

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. The half year financial report should be read in conjunction with the annual financial report of CSL Limited as at 30 June 2022.

It is also recommended that the half year financial report be considered together with any public announcements made by CSL Limited and its controlled entities during the half year ended 31 December 2022 in accordance with the continuous disclosure obligations arising under ASX listing rules.

This half year financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, International Financial Reporting Standards (IFRS) and the Corporations Act 2001. The interim financial statements were prepared in accordance with AASB 134. It presents information on a historical cost basis, except for certain financial instruments, which have been measured at fair value. Amounts have been rounded off to the nearest hundred thousand dollars.

The report is presented in US Dollars, because this currency is the pharmaceutical industry standard currency for reporting purposes. It is the predominant currency of the Group's worldwide sales and operating expenses.

b. Principles of consolidation

The consolidated financial statements comprise the financial statements of CSL and its subsidiaries as at 31 December 2022. CSL has control of its subsidiaries when it is exposed to, and has the rights to, variable returns from its involvement with those entities and when it has the ability to affect those returns.

Non-controlling interests in the financial results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively.

The financial results of the subsidiaries are prepared using consistent accounting policies and for the same reporting period as the parent company.

b. Principles of consolidation (continued)

In preparing the consolidated financial statements, all intercompany balances and transactions have been eliminated in full. The Group has formed a trust to administer the Group's employee share scheme. This trust is consolidated as it is controlled by the Group.

c. Foreign currency

While the presentation currency of the Group is US dollars, entities in the Group may have other functional currencies, reflecting the currency of the primary economic environment in which the relevant entity operates. The parent entity, CSL Limited, has a functional currency of US dollars. Any exchange differences arising from the translation of a foreign operation previously recognised in other comprehensive income are not reclassified from equity to profit or loss until the disposal of the operation.

If an entity in the Group has undertaken transactions in foreign currency, these transactions are translated into that entity's functional currency using the exchange rates prevailing at the dates of the transactions. Where the functional currency of a subsidiary is not US dollars, the subsidiary's assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income and in the foreign currency translation reserve in equity.

d. Significant changes in current reporting period

During the half year ended 31 December 2022, the Group completed the acquisition of Vifor Pharma AG ("CSL Vifor"). Refer to Note 2 for details of this acquisition.

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2022.

There were no changes in accounting policies during the half year ended 31 December 2022, nor did the introduction of new accounting standards lead to any change in measurement or disclosure in these financial statements.

The Group has not adopted any accounting standards that are issued but not yet effective. Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided in the annual financial report.

Note 1: Segment Information

The Group's segments represent strategic business units that offer different products and operate in different industries and markets. They are consistent with the way the CEO who is the chief operating decision-maker ("CODM") monitors and assesses business performance in order to make decisions about resource allocation.

The acquisition of CSL Vifor in August 2022 (Note 2) has resulted in a new operating segment during the current period. The global transformation of the Group's research and development ("R&D") and enabling functions has resulted in the centralisation of management of each of these functions at a global level. To enable a comparison of prior period performance, "Segment revenue and expenses" has been restated using the new segments for the half year 31 December 2021 reporting period.

Performance assessment is based on the segment operating result being the revenues and costs directly under the control of the business unit. The Group's centrally managed administrative and corporate functional costs (General and Administration costs) required to support the Group are not allocated to each of the business units and do not constitute a separate operating business. These include global functions being executive office, communications, finance, human resources, legal, information & technology as well as any other non business unit related costs including depreciation and amortisation of unallocated assets.

The Group's centralised R&D function builds on its capabilities across the R&D value chain, from discovery research to pharmacovigilance to its currently marketed therapies. The Group continues to make balanced investments in life cycle management and market development of existing and new products.

The Group's operating segments are:

CSL Behring – manufactures, markets and distributes plasma therapies (plasma products and recombinants).

CSL Seqirus – manufactures, markets and distributes predominantly influenza related products and provides pandemic services to governments.

CSL Vifor – manufactures, markets and distributes products in the therapeutic areas of iron deficiency, dialysis and nephrology and rare diseases.

Segment information is presented as reviewed by the CODM on a regular basis, being the underlying performance of the businesses. A reconciliation of the segment results to the IFRS financials is provided within this note.

Note 1: Segment Information (continued)

US$m	CSL Behring		CSL Seqirus		CSL Vifor[1]		Consolidated Entity	
	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021
Sales and service revenue	**4,414.0**	4,216.1	**1,653.2**	1,591.7	**875.6**	–	**6,942.8**	5,807.8
Influenza pandemic facility reservation fees	–	–	**75.7**	82.2	–	–	**75.7**	82.2
Royalty and license revenue	**122.8**	120.6	–	–	**10.7**	–	**133.5**	120.6
Other income	**19.7**	19.5	**9.1**	11.1	**2.7**	–	**31.5**	30.6
Total segment revenue	**4,556.5**	4,356.2	**1,738.0**	1,685.0	**889.0**	–	**7,183.5**	6,041.2
Segment gross profit[2]	**2,238.5**	2,352.5	**1,197.8**	1,096.0	**615.5**	–	**4,051.8**	3,448.5
Segment gross profit %[2]	**49.1%**	54.0%	**68.9%**	65.0%	**69.2%**	–	**56.4%**	57.1%
Sales and marketing expenses	**(363.3)**	(352.1)	**(90.0)**	(79.4)	**(215.3)**	–	**(668.6)**	(431.5)
Segment operating result[2]	**1,875.2**	2,000.4	**1,107.8**	1,016.6	**400.2**	–	**3,383.2**	3,017.0
Segment operating result %	**41.2%**	45.9%	**63.7%**	60.3%	**45.0%**	–	**47.1%**	49.9%
Research and development expenses							**(576.5)**	(485.8)
General and administrative expenses[2]							**(399.7)**	(299.8)
Operating profit (EBIT)[2]							**2,407.0**	2,231.4
Finance costs							**(205.7)**	(71.2)
Finance income							**34.7**	0.9
Profit before tax[2]							**2,236.0**	2,161.1
Income tax expense[2]							**(358.5)**	(384.1)
NPATA[3]							**1,877.5**	1,777.0
Amortisation of acquired intellectual property (IP)[4]							**(88.3)**	–
Acquisition accounting adjustments[5]							**(100.3)**	–
Acquisition and integration costs[6]							**(84.1)**	(16.7)
Income tax credit on above adjustments							**35.4**	–
Statutory net profit after tax							**1,640.2**	1,760.3
Amortisation of intangibles (excluding IP)	**2.1**	1.5	**7.9**	8.7	**5.3**	–	**53.3**	47.2
Depreciation	**137.1**	146.4	**29.6**	27.5	**11.3**	–	**239.9**	217.0
EBITDA[7]	**2,014.4**	2,148.3	**1,145.3**	1,052.8	**416.8**	–	**2,515.8**	2,478.9
NPATA[3]							**1,877.5**	1,777.0
- Attributable to equity holders of CSL							**1,818.3**	1,777.0
- Attributable to non-controlling interests							**59.2**	–
Statutory net profit after tax (NPAT)							**1,640.2**	1,760.3
- Attributable to equity holders of CSL							**1,623.2**	1,760.3
- Attributable to non-controlling interests							**17.0**	–

The CSL Seqirus business is subject to seasonality resulting from sales for the northern hemisphere influenza vaccine season. CSL Seqirus therefore has higher revenue and segment operating result in the first half of the financial year.

[1] CSL acquired CSL Vifor in August 2022 (Note 2) and as a result the results represent the profit contribution from that date onward, therefore not for a full six-month period as with other segments.
[2] Underlying results are adjusted to exclude impairment and amortisation of acquired IP, business acquisition and integration costs and acquisition accounting related adjustments. The reconciliation between the underlying and statutory results is presented below.
[3] NPATA is defined as the statutory net profit after tax before impairment and amortisation of acquired intellectual property, business acquisition and integration costs and acquisition accounting related adjustments. The reconciliation between NPATA to the statutory NPAT is presented below.
[4] The amortisation of acquired IP in 1H23 is attributable to CSL Vifor ($86.6m) and CSL Behring ($1.7m). Amortisation of IP is reported within cost of sales within the statutory consolidated statement of comprehensive income and is excluded from underlying results.
[5] The acquisition accounting adjustments represent the unwind of the inventory fair value uplift recognised upon the acquisition of CSL Vifor. The unwind is reported within cost of sales within the statutory consolidated statement of comprehensive income and is excluded from underlying results. The inventory fair value uplift recognised on the date of acquisition ($222.4m) is expected to be expensed over approximately the first 12 months post-acquisition, in line with the sale of products.
[6] The acquisition and integration costs are associated with the acquisition of CSL Vifor (Note 2).
[7] EBITDA is defined as statutory net profit for the period before interest, tax, depreciation, amortisation and impairment for the respective operating segment where activities, assets and liabilities can be directly attributed to the segment. Results related to the groups centrally managed functions, impairment and amortisation of acquired IP, business acquisition related costs, tax and net finance costs are not allocated to segments. The total unallocated costs at an EBITDA level were $1,060.7m for the half year ended 31 December 2022 (2021: $722.2m). The unallocated depreciation and amoritsation expenses (including acquired IP amortisation) were $188.2m for the half year ended 31 December 2022 (2021: $80.1m).

Note 1: Segment Information (continued)

Half year ended 31 December (US$m)	Statutory results 2022	Statutory results 2021	Adjustments 2022	Adjustments 2021	Underlying results[2,3] 2022	Underlying results[2,3] 2021	Nature of adjustments
Gross profit	**3,863.2**	3,448.5	**188.6**	–	**4,051.8**	3,448.5	• IP amortisation[4] • Acquisition accounting adjustments[5]
Operating profit	**2,134.3**	2,214.7	**272.7**	16.7	**2,407.0**	2,231.4	• Acquisition and integration costs[6]
Profit before tax	**1,963.3**	2,144.4	**272.7**	16.7	**2,236.0**	2,161.1	• Consistent with adjustments made to operating results
NPAT / NPATA[3]	**1,640.2**	1,760.3	**237.3**	16.7	**1,877.5**	1,777.0	• Consistent with adjustments made to profit before tax, net of tax impact
NPAT / NPATA[3] attributable to CSL shareholders	**1,623.2**	1,760.3	**195.1**	16.7	**1,818.3**	1,777.0	• Share of NPATA[3] adjustments attributable to CSL's shareholders (after non-controlling interests)
Basic earnings / NPATA[3] per share (US$)	**3.37**	3.85	**0.40**	0.04	**3.77**	3.89	• Calculated based on NPATA[3] attributable to CSL's shareholders divided by the weighted average number of shares during the period (2022: 482,038,107; 2021: 456,751,255).

	CSL Behring		CSL Seqirus		CSL Vifor		Intersegment Elimination		Consolidated Entity	
US$m	December 2022	June 2022	December 2022	June 2022	December 2022	June 2022	December 2022	June 2022	December 2022	June 2022
Segment assets	**35,635.3**[8]	25,881.6	**5,735.9**	3,041.3	**9,144.7**	–	**(15,068.3)**	(576.9)	**35,447.6**	28,346.0
Segment liabilities	**15,457.5**	12,665.1	**3,544.8**	1,618.1	**1,906.5**	–	**(3,342.3)**	(514.7)	**17,566.5**	13,768.5

Inter-segment sales

Inter-segment sales are carried out on an arm's length basis and reflect current market prices.

Geographical areas of operation

The Group operates predominantly in Australia, the USA, Germany, the United Kingdom, Switzerland and China. The rest of the Group's operations are spread across many countries and are collectively disclosed as 'Rest of World'.

Half year ended 31 December	Australia US$m		United States US$m		Germany US$m		UK US$m		Switzerland US$m		China US$m		Rest of World US$m		Total US$m	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
External operating revenue	**455.5**	525.0	**3,791.7**	3,032.5	**396.4**	412.0	**514.4**	430.4	**210.8**	131.0	**410.4**	405.2	**1,404.3**	1,105.1	**7,183.5**	6,041.2

Note 2: Business Combination

The Group received all necessary regulatory clearances and completed the acquisition of CSL Vifor on 9 August 2022. The Group paid $11,665.1m for 100% of CSL Vifor shares (includes shares acquired as at 30 June 2022). The Group has delisted Vifor Pharma AG from the Swiss Stock Exchange effective 23 December 2022.

The acquisition of CSL Vifor adds near-term value along with a clear path to long-term sustainable growth. It also adds a strong management team, along with a high-value and complementary portfolio of products and market leading position in the nephrology and iron deficiency spaces.

The acquisition has been accounted for as a business combination using the acquisition method of accounting in accordance with AASB 3 'Business Combinations' and consequently the CSL Vifor assets acquired, and liabilities assumed, have been recorded at fair value, with any excess of the purchase price over the fair value of the identifiable assets and liabilities being recognised as goodwill. The acquisition accounting remains provisional at 31 December 2022 and subsequent adjustments may arise within 12 months of the acquisition date to finalise the acquisition accounting to consider all facts and circumstances that existed at the date of acquisition.

[8] The acquisition of CSL Vifor resulted in the recognition of goodwill provisionally valued on acquisition date of $6,687.1m (Note 2). Goodwill is reported within the CSL Behring segment for the half year ended 31 December 2022 as management is evaluating the goodwill allocation across the Group's cash generating units. It is expected that the allocation process will be finalised by the end of this financial year and reported in the 2023 annual financial statements at which time the Goodwill will be allocated to the segments which are expected to realise the synergies from the acquisition.

Note 2: Business Combination (continued)

The purchase consideration, and provisional fair values of the net assets acquired and goodwill at the date of acquisition are:

Provisional fair value as at the date of acquisition	US$m
Cash and cash equivalents	743.7
Receivables and contract assets (note a)	526.9
Inventories (note b)	515.8
Current tax assets	6.9
Property, plant and equipment (note c)	182.4
Right-of-use assets (note c)	39.8
Intangible assets excluding goodwill (note e)	6,776.8
Deferred tax assets (note i)	120.7
Other financial assets (note d)	524.1
Trade and other payables	(480.1)
Interest bearing liabilities and borrowings	(630.2)
Current tax liabilities	(58.9)
Provisions (note f)	(280.7)
Deferred tax liabilities (note i)	(814.0)
Other non-current liabilities	(9.2)
Net identifiable assets acquired	**7,164.0**
Less: Non-controlling interests (NCI) (note g)	(2,186.0)
Add: Goodwill (note h)	6,687.1
Provisional fair value of net assets acquired	**11,665.1**
Consideration paid in the year ended 30 June 2022	387.7
Consideration paid in the half year ended 31 December 2022	11,277.4
Total purchase consideration	**11,665.1**

Key Judgements and Estimates

As part of the CSL Vifor acquisition in the half year ended 31 December 2022, the Group identified the assets (comprising principally launched products and post pre-clinical stage) and liabilities acquired. Attributing fair values to assets acquired and liabilities assumed as part of business combinations is considered to be a key judgement. The purchase price allocation was performed with assistance from an independent valuer to advise on the valuation techniques and key assumptions in the valuation, in particular in respect of the valuation of the intangible assets and inventory.

(a) Acquired trade receivables

The fair value of acquired trade receivables is $422.2m, which approximates the gross contractual amount for trade receivables due.

(b) Inventories

The fair value of inventories, which includes raw materials, work in progress and finished goods related to the launched products was estimated at $515.8m. Acquired inventories includes a fair value adjustment related to work in progress and finished goods and was calculated as the estimated selling price less costs to complete and sell the inventory, associated margins on these activities and holding costs. The fair value adjustment is expected to be expensed over approximately the first 12 months post-acquisition, in line with the sale of products.

(c) Property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets principally comprises manufacturing facilities and office space and was fair valued using a market approach.

(d) Other financial assets

Other financial assets principally comprises securities (strategic investments and venture funds). Subsequent to acquisition date and prior to the half year ended 31 December 2022, the Group sold certain securities within the Group's portfolio for $271.4m. There was no impact on the profit or loss for the period from this sale.

Note 2: Business Combination (continued)

(e) Intangible assets (excluding goodwill)

The estimated fair value and useful lives of intangible assets at the date of acquisition were as follows:

Fair value as at the date of acquisition	US$m	Useful lives (years)
Launched products	6,201.2	19 - 40
Products in development	495.5	Not amortised
Other intangibles	80.1	5 - 10
Total	**6,776.8**	

The fair value attributed to intangible assets was $6,776.8m and primarily represents intellectual property rights over launched products $6,201.2m and products under development $495.5m. These were fair valued using the multi-period excess earnings method, which uses a number of estimates regarding the amount and timing of future cash flows. The key assumptions in the cash flows are sales forecast, peak year sales, revenue erosion curves and probability of success. Future milestones have been included in the valuation of the intangible assets (as a deduction of cash flows). Products in development are amortised from the date of commercialisation with the useful life being determined at that date.

(f) Provisions

Provisions assumed include provisions for employee benefits, asset retirement obligations and onerous contracts. Provisions also include the estimated fair value of contingencies recognised on acquisition date relating to various claims and disputes with third parties in each case where there is a possible, but not probable, future financial exposure, and involve an assessment of the likelihood of several scenarios in relation to those matters.

(g) Non-controlling interests

In connection with the acquisition of CSL Vifor, during the half year ended 31 December 2022, the Group acquired 55% of the share capital and voting rights of Vifor Fresenius Medical Care Renal Pharma ("VFMCRP"). Fresenius Medical Care ("FMC") holds the remaining 45% of share capital and voting rights. VFMCRP is the only company the Group has a significant non-controlling interest in. The company is registered in St. Gallen, Switzerland. The minority shareholder has extensive protection rights. In the event of disagreement, the Group has the casting vote within a defined escalation process.

For the non-controlling interests in Vifor Fresenius Medical Care Renal Pharma (subsidiary of CSL Vifor), the Group elected to recognise the non-controlling interests at its fair value. The fair value was estimated by applying an income approach. The fair value estimates are based on an assumed discount rate, long-term sustainable growth rate and a control premium discount.

(h) Goodwill

Where the fair value of the consideration paid for a business acquisition exceeds the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is treated as goodwill. The goodwill is attributable to future business growth opportunities, an assembled workforce and synergies expected to be realised from the Group's acquisition of CSL Vifor. Management is evaluating the allocation of goodwill across CSL's group of cash generating units, this will be finalised in the second half of the financial year and be reported in the 2023 annual financial statements. The value of goodwill is provisional and subsequent adjustments may arise within 12 months of the acquisition date to finalise the acquisition accounting to take into account all facts and circumstances that existed at the date of acquisition.

(i) Deferred tax

The net deferred tax position reflected an adjustment of $693.3m primarily related to the deferred tax impact of the fair value uplifts on intangible assets, inventories, property, plant and equipment ("PPE"), and contingent liabilities as described above.

(j) Revenue and profit contribution

CSL Vifor contributed revenues of $889.0m and segment contribution of $400.2m to the Group for the period from 9 August 2022 to 31 December 2022.

If the acquisition had occurred on 1 July 2022, consolidated pro-forma revenue and segment contribution for the half year ended 31 December 2022 would have been $1,026.4m and $446.7m respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

- Differences in accounting policies between the Group and the subsidiary, and
- Additional depreciation and amortisation that would have been charged assuming the fair value adjustments to PPE and intangible assets had applied from 1 July 2022, together with the consequential tax effects.

(k) Acquisition and integration costs

During the half year ended 31 December 2022, the Group has incurred $84.1m of acquisition and integration planning costs (pre-tax) in connection with the transaction that are recognised as general and administrative expenses.

Note 3: Expenses

	December 2022 US$m	December 2021 US$m
Finance costs	**174.8**	52.0
Lease related interest expense	**19.4**	15.8
Unrealised foreign currency losses on debt	**11.5**	3.4
Total finance costs	**205.7**	71.2
Depreciation of PPE and right-of-use assets	**239.9**	217.0
Amortisation of intangibles	**141.6**	47.2
Total depreciation and amortisation	**381.5**	264.2
Write-down of inventory	**88.7**	180.9
Employee benefits expense	**1,666.7**	1,354.7

Recognition and measurement of expenses

Total finance costs: Includes interest expense and borrowing costs, including lease related interest expense. Lease related interest expense and borrowing costs are recognised as an expense when incurred, except where finance costs are directly attributable to the acquisition or construction of a qualifying asset where they are capitalised as part of the cost of the asset. Capitalised interest for qualifying assets during the half year ended 31 December 2022 was $13.0m (2021: $11.9m). Interest-bearing liabilities and borrowings are stated at amortised cost. Any difference between borrowing proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the borrowing period using the effective interest method. Unrealised foreign currency (gains)/losses on debt is primarily related to EUR350m and CHF400m of senior unsecured notes in the US Private Placement market. The foreign currency risk related to this debt was partially hedged as a cash flow hedge.

Finance costs recognised for the half year ended 31 December 2022, are net of a $6.7m gain reclassified to the profit and loss in connection with the 144A senior unsecured notes and the settlement of a treasury lock ("T-lock") arrangement (2021: Nil). The gain from the T-lock arrangement is reclassified into finance costs in the same period as the associated interest expense from the notes impacts earnings.

Goods and Services Tax (GST) and other foreign equivalents: Revenues, expenses and assets are recognised net of GST, except where GST is not recoverable from a taxation authority, in which case it is recognised as part of an asset's cost of acquisition or as part of the expense.

Note 4: Tax

	December 2022 US$m	December 2021 US$m
Reconciliation between tax expense and pre-tax net profit		
The reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before income tax	**1,963.3**	2,144.4
Income tax calculated at 30% (2021: 30%)	**589.0**	643.3
Effects of different rates of tax on overseas income	**(190.6)**	(199.8)
Research and development incentives	**(41.9)**	(38.4)
Over provision in prior year	**(17.8)**	(35.9)
Revaluation of deferred tax balances	**1.1**	3.7
Other (non-assessable income)/non-deductible expenses	**(16.7)**	11.2
Income tax expense	**323.1**	384.1

Note 5: Inventories

	December 2022 US$m	June 2022 US$m
Raw materials	**1,754.1**	1,515.2
Work in progress	**1,708.9**	1,599.5
Finished goods	**1,594.3**	1,218.3
Total inventories	**5,057.3**	4,333.0

Note 6: Research and Development

The Group conducts research and development activities to support future development of products to serve our patient communities, to enhance our existing products and to develop new therapies.

All costs associated with our research and development activities are expensed as incurred as uncertainty exists up until the point of regulatory approval as to whether a research and development project will be successful. At the point of approval, the total cost of development has largely been incurred. Development costs incurred after regulatory approval are expensed unless they meet the criteria to be recognised as intangible assets.

The Group also gains control of intellectual property ("IP") through acquisitions or license arrangements. In certain circumstances the acquired IP will be capitalised, dependent on the phase of development.

For the half year ended 31 December 2022, the research and development costs, net of recoveries, were $576.5m (2021: $485.8m).

Note 7: Intangible Assets

During the half year ended 31 December 2022, the Group acquired intangible assets of $13,755.7m (2021: $100.4m) These assets include $13,463.9m acquired on 9 August 2022 through the acquisition of CSL Vifor (Note 2).

In November 2022, the Group entered into a collaboration and license agreement with Arcturus Therapeutics Holdings Inc ("Arcturus Therapeutics") to access their late stage self-amplifying mRNA (sa-mRNA) vaccine platform technology. The transaction closed in December 2022 and an upfront payment of $200m was paid to Arcturus, which has been recognised as an intangible asset in line with the group's accounting policies as disclosed in the June 2022 annual report. The arrangement requires the Group to make payments on achievement of certain regulatory and commercial milestones, as well as royalties and future profit share arrangements (Note 11).

Note 8: Property, Plant and Equipment

During the half year ended 31 December 2022, the Group acquired property, plant and equipment and right-of-use assets of $670.1m (2021: $494.8m). These assets include $222.2m acquired on 9 August 2022 through the acquisition of CSL Vifor (Note 2).

Note 9: Shareholder Returns

(a) Dividends

Dividend Paid	December 2022 US$m	December 2021 US$m
Final ordinary dividend of US$1.18 per share, 10% franked at 30% tax rate, paid on 5 October 2022 for FY22 (prior year: US$1.18 per share, 10% franked at 30% tax rate, paid on 30 September 2021 for FY21)	**569.0**	537.7
Dividend determined, but not paid at the end of the half year:		
Interim ordinary dividend of US$1.07 per share, unfranked, expected to be paid on 5 April 2023 for HY23, based on shares on issue at reporting date. The actual amount will depend on the number of shares on issue at dividend record date (prior year: US$1.04 per share, unfranked, paid on 6 April 2022 for FY22)	**516.0**	501.0

(b) Earnings per Share attributable to CSL Limited shareholders

CSL's basic and diluted EPS are calculated using the Group's net profit attributable to CSL Limited shareholders for the period of $1,623.2m (2021: $1,760.3m). Diluted EPS differs from Basic EPS as the calculation takes into account potential ordinary shares arising from employee share plans operated by the Group.

	December 2022	December 2021
Basic EPS	**US$3.37**	US$3.85
Weighted average number of ordinary shares	**482,038,107**	456,751,255
Diluted EPS	**US$3.36**	US$3.84
Adjusted weighted average number of ordinary shares, represented by:	**483,627,675**	458,113,319
Weighted average number of ordinary shares	**482,038,107**	456,751,255
Plus:		
Employee performance rights	**2,552**	2,398
Global Employee Share Plan	**25,531**	21,938
Performance and restricted share units	**1,561,485**	1,337,728

Note 9: Shareholder Returns (continued)

(c) Contributed Equity

The following table illustrates the movement in the Group's contributed equity.

	Number of shares	US$m
Opening balance	**481,706,266**	**483.8**
Shares issued to employees:		
Retain and Grow Plan (for nil consideration)	**351,828**	**–**
Executive Performance & Alignment Plan (for nil consideration)	**68,052**	**–**
Global Employee Share Plan (GESP)	**90,047**	**13.5**
Closing balance as at 31 December 2022	**482,216,193**	**497.3**

The Group's contributed equity consists of the following balances:

	December 2022 US$m	June 2022 US$m
Ordinary shares issued and fully paid	**5,001.9**	4,988.4
Share buy-back reserve	**(4,504.6)**	(4,504.6)
Total contributed equity	**497.3**	483.8

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. No gain or loss is recognised in the profit or loss and the consideration paid to acquire the shares, including any directly attributable transaction costs net of income taxes is recognised directly as a reduction in equity.

Ordinary shares receive dividends as declared and, in the event of winding up the company, participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the company.

Share buy-backs were undertaken at higher prices than the original subscription prices which had reduced the historical balance for ordinary share contributed equity to nil. The share buy-back reserve was created to reflect the excess value of shares bought over the original amount of subscribed capital.

Note 10: Financial Instruments

For the half year ended 31 December 2022, the Group received gross proceeds from the Group's borrowings of $2,525.3m. These proceeds included $2,500.0m associated with the bilateral credit facilities entered into in the prior year which were drawn down in the current period in connection with the acquisition of CSL Vifor (Note 2).

The Group also made repayments in borrowings and principal payments of lease liabilities totalling $685.0m which included the repayment of senior unsecured notes assumed as part of the acquisition of CSL Vifor (Note 2) of $477.6m. The remainder of repayments made during the period, were under the Group's private placement and banking facilities. The difference between the cash flow statement movement and the movement in interest bearing liabilities in the consolidated balance sheet is attributable to exchange rate variations, amortisation of borrowing costs and lease liability movements.

Note 10: Financial Instruments (continued)

The following table analyses the Group's financial liabilities:

Interest-bearing liabilities and borrowings	December 2022 US$m	June 2022 US$m
Current		
Bank overdraft – unsecured	**50.2**	102.0
Bank borrowings – unsecured	**61.2**	202.7
Senior notes – unsecured	**1,012.4**	150.0
Senior 144A notes – unsecured[9]	**–**	3,959.2
Lease liabilities	**92.2**	73.5
Other borrowings – secured	**0.4**	6.6
	1,216.4	4,494.0
Non-current		
Bank borrowings – unsecured[10]	**2,767.7**	179.2
Senior notes – unsecured	**2,832.6**	3,675.3
Senior 144A notes – unsecured[9]	**3,958.1**	–
Lease liabilities	**1,330.1**	1,301.3
Other borrowings – secured	**13.7**	8.0
	10,902.2	5,163.8

As at balance date, the Group had $1,547.8m (June 2022: $4,042.8m) in undrawn liquidity available under its bank debt facilities and $750.0m (June 2022: $750.0m) under the commercial paper program.

Note 11: Commitments and Contingencies

(a) Capital Commitments

Commitments in relation to capital expenditure contracted but not provided for in the financial statements are payable as follows:

	December 2022 US$m	June 2022 US$m
Not later than one year	**501.6**	403.2
Later than one year but not later than five years	**92.5**	83.3
Total	**594.1**	486.5

The Company has also entered into a lease for a building, currently under construction in Melbourne, as the new global headquarters. The lease is expected to commence prior to the year ending 30 June 2023 with an initial term of 20 years and annual lease costs of approximately $14.0m.

(b) Contingent assets and liabilities

Litigation

In the ordinary course of business, the Group is exposed to contingent liabilities related to litigation for breach of contract and other claims. Contingent liabilities occur when the possibility of a future settlement of economic benefits is considered to be less than probable but more likely than remote. If the expected settlement of the liability becomes probable, a provision is recognised. Where appropriate, contingent liabilities are recognised on acquisition date in connection with a business combination (Note 2).

Other contingent assets and liabilities

The Group has entered into collaboration arrangements, including in-licensing arrangements with various companies. Such collaboration agreements may require the Group to make payments on achievement of stages of development, launch or revenue milestones and may include variable payments that are based on unit sales or profit (e.g. royalty and profit share payments). The amount of variable payments under the arrangements are inherently uncertain and difficult to predict, given the direct link to future sales, profit levels and the range of outcomes.

The maximum potential future milestone payments could amount to $8,989.6m in the event each related product reached its full commercial potential (June 2022: $2,050.0m). The increase in potential milestone payments during the half year includes commitments assumed from the acquisition of CSL Vifor (Note 2) and the collaboration and license agreement with Arcturus Therapeutics (Note 7). These amounts are undiscounted and are not risk-adjusted, assuming all products currently in development are successful and all possible performance objectives are met.

[9] The 144A senior unsecured notes were issued in FY22 in connection with the CSL Vifor acquisition. These notes were reclassified to non-current during the half year ended 31 December 2022 as a result of the removal of a mandatory redemption feature following the close of the acquisition (Note 2).
[10] Non-current unsecured bank borrowings includes $2,500m in bilateral credit facilities secured in FY22 and drawn down during the half year ended 31 December 2022 following the close of the acquisition (Note 2).

Note 11: Commitments and Contingencies (continued)

The Group also has certain take or pay arrangements with contract manufacturers or service providers which serve as commercial manufacturers and suppliers for certain products. To the extent a commitment is determined to be onerous, these are provided for within provisions in the consolidated balance sheet.

Note 12: Cash and Cash Equivalents

	December 2022 US$m	June 2022 US$m
Reconciliation of cash and cash equivalents		
Cash at bank and on hand	**1,248.6**	1,531.0
Cash deposits	**259.3**	8,905.4
Total cash and cash equivalents	**1,507.9**	10,436.4

Note 13: Subsequent Events

Other than as disclosed elsewhere in these statements, there are no matters or circumstances which have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

Directors' Declaration

In the opinion of the Directors:

a) the financial statements and notes of the Company and of the Group are in accordance with the Corporations Act 2001 (Cth), including:

   i. giving a true and fair view of the Company's and Group's financial position as at 31 December 2022 and of their performance for the half year ended on that date of the consolidated entity; and

   ii. complying with Australian Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Dr Brian McNamee
Chair

Paul Perreault
Managing Director and Chief Executive Officer

13 February 2023

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

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Independent Auditor's Review Report to the Members of CSL Limited

Conclusion

We have reviewed the accompanying half-year financial report of CSL Limited (the Company) and its subsidiaries (collectively the Group), which comprises the Consolidated Balance Sheet as at 31 December 2022, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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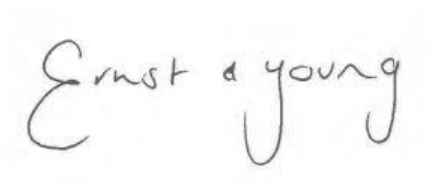
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Ernst & Young

Kylie Bodenham
Partner
Melbourne
13 February 2023

CSL Limited

ABN: 99 051 588 348

ASX Full Year Information 30 June 2023

Lodged with the ASX under Listing Rule 4.3A.

Directors' Report

The Board of Directors of CSL Limited (CSL) is pleased to present their report on the consolidated entity for the year ended 30 June 2023.

The information referred to below forms part of and is to be read in conjunction with this Directors' Report:

- the Chair and CEO messages (from page 2);
- Our Company (from page 8);
- CSL's Performance and Strategy (from page 20);
- CSL's Material Risks (from page 26);
- CSL's Future Prospects (from page 28);
- CSL's Governance (from page 60);
- the Remuneration Report (from page 85); and
- the Auditor's Independence Declaration (page 80).

1. Principal activities, strategy and operating model

The principal activities of the consolidated entity during the financial year were the research, development, manufacture, marketing and distribution of biopharmaceutical products and vaccines.

CSL is a leader in global biotechnology, and develops and delivers innovative medicines that save lives, protect public health and help people with life-threatening medical conditions to live full lives. CSL's 2030 Strategy is delivered through its five strategic objectives: Focus; Innovation; Efficiency & Reliable Supply; Sustainable Growth; and Digital Transformation. More detail on CSL's performance against its 2030 strategic objectives can be found in CSL's Performance and Strategy.

CSL's operating model for its businesses leverage multifunctional teams that connect with each other to share best practice. CSL's operating model is based around four key value creation activities: early stage research, product translation, manufacturing, and patient access. CSL's commercial and functional areas operate globally, with the Global Leadership Group responsible for the day-to-day management of the Group and delivery of CSL's strategic objectives. More detail on CSL's operations can be found in Our Company and CSL's Performance and Strategy.

CSL completed the acquisition of CSL Vifor on 9 August 2022. The acquisition of CSL Vifor adds near-term value along with a clear path to long-term sustainable growth. It also adds a strong management team, along with a high-value and complementary portfolio of products and market leading position in the nephrology and iron deficiency spaces. Further details on CSL Vifor acquisition can be found in Note 2 (Business Combination) of the Financial Statements.

2. Operating and financial review

CSL discloses its financial performance by segment information. The Group's segments represent strategic business units that offer different products and operate in different industries and markets. This provides the most meaningful insight into the nature and financial outcomes of CSL's activities and is consistent with the way in which the CEO monitors and assess business performance and resource allocation decisions. Information on the operations and financial position for CSL and likely developments in the CSL Group's operations in future financial years is set out in the Operating and Financial Review (OFR). Further details on CSL's segment reporting can be found in Note 1 (Segment Information) of the Financial Statements.

3. Directors

The directors who served at any time during 2022/23 or up until the date of this Directors' Report were Dr Brian McNamee AO, Dr Paul McKenzie, Mr Paul Perreault, Mr Bruce Brook, Dr Megan Clark AC, Professor Andrew Cuthbertson AO, Ms Carolyn Hewson AO, Professor Duncan Maskell, Ms Marie McDonald and Ms Alison Watkins AM.

Further details of the current directors are set out in the Governance section of CSL's 2022/2023 Annual Report or on CSL.com. These details include the period for which each director held office up to, and including, the date of this Directors' Report, their qualifications, independence, experience and particular responsibilities, the directorships held in other listed companies since 1 July 2020 and the period for which each directorship has been held.

Dr Paul McKenzie was appointed as an Executive Director of CSL with effect from 13 December 2022 and appointed as CEO and MD with effect from 6 March 2023. Mr Paul Perreault retired from the Board of Directors on 5 March 2023.

4. Company Secretary

Ms Fiona Mead, BCom/LLB (Hons) FGIA, GAICD, was appointed and commenced in the position of Company Secretary and Head of Corporate Governance on 4 June 2018 and continues in office as at the date of this report.

Ms Mead was previously the company secretary and a member of the executive leadership team at Tabcorp Holdings Limited. Prior to that, she was the company secretary at Asciano Limited. Ms Mead also served as assistant company secretary at Telstra Corporation. Fiona began her career as a lawyer with law firm Ashurst.

5. Director's attendance at meetings

The Board meets as often as necessary to fulfil its role. Directors are required to allocate time to CSL to perform their responsibilities effectively, including adequate time to prepare for Board meetings. During the reporting year, the Board met nine times, with all of those meetings held in Australia.

Members of the Global Leadership Group and other members of senior management attend Board meetings by invitation.

Director attendance at Board and standing Board committee meetings during 2022/23 is set out in Table 1 below.

Table 1: 2022/23 Director Attendance at Board and Committee meetings

	Board of Directors		Audit and Risk Management Committee		Human Resources and Remuneration Committee		Innovation and Development Committee		Corporate Governance and Nomination Committee	
	A	B	A[1]	B	A[2]	B	A	B	A	B
B McNamee	9	9		7*		6*	4	4	5	5
B Brook	9	9	7	7		1*		4*	5	5
C Hewson	9	9	7	7	6	6		4*	5	5
M Clark	9	9		7*	6	6	4	4	5	5
A Cuthbertson	9	9		7*		6*	4	4	5	5
M McDonald	9	9	7	7	6	6		4*		
D Maskell	9	9		6*		2*	4	4		
A Watkins	9	9	7	7	6	6		4*		
P McKenzie[3]	5	5		4		2*				
P Perreault[4]	4	4		5*		4*	4	4*		

A Number of meetings held whilst a member.

B Number of meetings attended. Board Committee meetings are open to all directors to attend. Where a director attended a meeting of a committee of which they were not a member, it is indicated with an asterisk*.

1. One of the Audit and Risk Management Committee meetings was held jointly with the Human Resources and Remuneration Committee.
2. One of the Human Resources and Remuneration Committee meetings was held jointly with the Audit and Risk Management Committee.
3. Dr Paul McKenzie was appointed to the CSL Board on 13 December 2022.
4. Mr Paul Perreault retired from the CSL Board effective 5 March 2023.

6. Dividends

On 14 August 2023, the directors resolved to pay a final dividend of US$1.29 per ordinary share to be paid on 4 October 2023, 10% franked, bringing dividends per share in respect of the 2023 financial year to US$2.36 per share. In accordance with determinations by the directors, CSL does not operate a dividend investment plan.

Dividends paid during the year were as follows:

Dividend	Date paid	Franking per share	Amount per share US$	Total dividend US$
Final dividend for year ended 30 June 2022	05 October 2022	10% franked at 30% tax rate	1.18 cents	$569m
Interim dividend for year ended 31 December 2022	05 April 2023	Unfranked	1.07 cents	$516m

Dividends are determined after period-end and announced with the results for the period. Interim dividends are typically determined in February and paid in April. Final dividends are typically determined in August and paid in October. Dividends determined but not yet paid are not recorded as a liability at the end of the period to which they relate.

7. Developments in operations in future years and expected results

The OFR sets out information on CSL's business strategies and prospects for future financial years and refers to likely developments in CSL's operations and the expected results of those operations in future financial years. Certain information is excluded because it is likely to result in material detriment or unreasonable prejudice to the Group.

8. Significant changes and subsequent events

CEO Transition

On 13 December 2022, CSL announced the appointment of Dr Paul McKenzie as Managing Director and Chief Executive Officer of CSL with effect from 6 March 2022, upon the retirement of Mr Paul Perreault.

CSL Vifor acquisition

On 9 August 2022, CSL completed the acquisition of CSL Vifor. See Note 2 (Business Combination) and Note 11 (Financial Risk Management) of the Financial Statements for further details.

Other than as disclosed in the Directors' Report (which includes the OFR) and information as disclosed in Note 24 (Subsequent Events) of the Financial Statements, the directors are not aware of:

- any significant changes in the consolidated entity's state of affairs during the year or to the Group's principal activities during the year; or
- any other matter or circumstance which has arisen since the end of the financial year which has significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

9. Environmental regulation and compliance

To meet industry and regulatory standards at our facilities, CSL uses an Environmental, Health and Safety (EHS) Management System. This system covers compliance with government regulations and commitments for continuous improvement of health and safety in the workplace, as well as minimising the negative effects of operations on the environment.

In 2022/23, CSL improved global alignment across several key EHS programs. This included updating the Global EHS audit and governance program and the development of standardised global processes to identify and control activities, where the absence or failure to use a control could expose employees to serious injury or fatality. The focus on the identification and standardised control of EHS risk across the CSL network will continue in 2023/24.

CSL continues to mature our overall environmental sustainability program, imbedding environmental considerations into our work practices. Key environmental principles are driven by processes like our EHS by Design program (and the operational identification of environmental aspects and impacts), in alignment with ISO 14001 principles, to further reduce CSL's potential impact on the environment and our local communities.

Our Australian subsidiaries continue to be classified as an established licensee in respect of CSL's self-insurance license as granted by the Safety, Rehabilitation and Compensation Commission with an eight-year license extension granted in 2023.

The following notices were provided to CSL by local government agencies in 2022/23:

- In 2022, CSL Seqirus, Holly Springs (United States) received a Notice of Violation (lowest level of violation with no monetary impact) from the state Department of Environmental Quality (DEQ). The notice was associated with some minor labelling and administrative document updates.
- In 2022, CSL Plasma (United States) received an Occupational Safety and Health Administration (OSHA) Citation: Other than serious, with non-monetary violation for non-contiguous blood borne pathogen procedure.
- In 2023, CSL Plasma (United States) received an OSHA Citation: Other than serious, with a US$600 fine for failing to report an employee hospitalisation within the required time frame.
- In 2023 CSL's facility in Pasadena (United States) received a violation with no monetary impact from the local fire department, for a flammable cabinet in one of the research labs that did not have an automatic closure device.
- In 2023, CSL's facility in Wuhan (China) was issued a violation by the environmental protection authority for failing to meet discharge limits of chemical oxygen demand (COD) as outlined in the site's discharge permit. The penalty issued was US$16,548 (RMB120,000).

CSL has met its reporting obligations under the Australian Government's *National Greenhouse and Energy Reporting Act 2007* and Victorian Government's Industrial Waste Management Policy (National Pollutant Inventory).

Additional EHS performance details, including workplace safety, can be found in CSL's People on page 40 and Environment on page 46.

10. Directors' shareholdings and interests

The interests of the directors in the shares, options and performance rights of CSL are set out in the Remuneration Report – Tables 11 and 12 for executive key management personnel (KMP) and Tables 16 and 17 for non-executive directors. The Group's Securities Dealing Policy prohibits KMP from entering into transactions which limit exposure to risk in relation to securities granted under CSL's equity incentive schemes. From time to time the Company Secretary makes inquiries of KMP as to their compliance with this policy.

11. Performance rights and options

As at 30 June 2023, the number of unissued ordinary shares in CSL under options and under performance rights are set out in Note 6 (People Costs) and Note 19 (Detailed Information – Shareholder Returns) of the Financial Statements. Holders of options or performance rights do not have any right, by virtue of the options or performance rights, to participate in any share issue by CSL or any other body corporate or in any interest issued by any registered managed investment scheme.

The number of options and performance rights exercised during the financial year and the exercise price paid to acquire fully paid ordinary shares in CSL is set out in Note 6 (People Costs) of the Financial Statements. Since the end of the financial year, no shares were issued under CSL's Performance Rights Plan.

Since the end of the financial year, 2,124 Restricted Share Units have been forfeited due to participant cessation of employment.

There has been no change to the information contained in Note 18 (Detailed Information – People Costs) to the Financial Statements or Note 19 (Detailed Information – Shareholder Returns).

12. Indemnification of directors and officers

During the financial year, the insurance and indemnity arrangements discussed below were in place concerning directors and officers of the consolidated entity.

CSL has entered into a Director's Deed with each director regarding access to Board papers, indemnity and insurance. Each deed provides:

1. an ongoing indemnity to the relevant director against liability incurred by that director as an officer of CSL or a related body corporate. The indemnity is given to the extent permitted by law and to the extent and for the amount that the relevant director is not otherwise entitled to be, and is not actually, indemnified by another person or out of the assets of a corporation, where the liability is incurred in or arising out of the conduct of the business of that corporation or in the discharge of the duties of the director in relation to that corporation;

2. that CSL will purchase and maintain an insurance policy which covers directors against liability as a director and officer of CSL. Coverage will be maintained for a minimum of seven years following the cessation of office for each director; and
3. the relevant director with a right of access to Board papers in connection with any relevant proceedings.

In addition to the Director's Deeds, Rule 95 of CSL's constitution requires CSL to indemnify each 'officer' of CSL and of each wholly owned subsidiary of CSL out of the assets of CSL 'to the relevant extent' against any liability incurred by the officer in or arising out of the conduct of the business of CSL or in the conduct of the business of such wholly owned subsidiary of CSL or in the discharge of the duties of the officer, unless incurred in circumstances which the Board resolves do not justify indemnification. Further details are set out in the Constitution, available on CSL.com (We Are CSL > Corporate Governance).

No payment has been made to indemnify a current or former director or officer during or since the financial year.

CSL paid insurance premiums in respect of a contract insuring each individual director of CSL and each full time executive officer, director and secretary of CSL and its controlled entities, against certain liabilities and expenses (including liability for certain legal costs) arising as a result of work performed in their respective capacities, to the extent permitted by law. It is a condition of the insurance contract that no details of the premiums payable or the nature of the liabilities insured are disclosed.

In addition, CSL Behring, as the employing entity, indemnifies both the former and current CEO if they are subject to additional tax on their remuneration in any jurisdiction other than the United States. Under this indemnity, CSL agrees to reimburse the CEO for the net difference between US and foreign tax liabilities after taking into account any credits available to the CEO in the United States. To the extent that this is an additional benefit, the reimbursement will be grossed up by CSL before payment.

No payment has been made in respect of this indemnity during or since the financial year.

13. Indemnification of auditors

To the extent permitted by law, CSL has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year. No insurance premiums were paid for Ernst & Young during the financial year.

14. Auditor independence and non-audit services

CSL may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with CSL and/or the consolidated entity are important.

Details of the amounts paid or payable to the entity's auditor, Ernst & Young, for non-audit services provided during the year are set out below. The directors, in accordance with the advice received from the Audit and Risk Management Committee, are satisfied that the provision of non-audit services is compatible with, and did not compromise, the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth) for the following reasons:

1. all non-audit services have been reviewed by the Audit and Risk Management Committee to confirm that they do not affect the impartiality and objectivity of the auditor; and
2. none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision making capacity for CSL, acting as an advocate for CSL or jointly sharing economic risks and rewards.

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) accompanies and forms part of this report.

Note 20 (Auditor Remuneration) of the Financial Statements shows the fees that were paid or were payable for services provided by CSL's auditor and by the auditor's related practices for the 2022/23 financial year.

In line with an observed trend in many jurisdictions towards a tenure limit for audit firms, CSL completed its competitive external audit tender process during FY2021/22. The Company has recommended the appointment of Deloitte Touche Tohmatsu as the Company's external auditor commencing for the year ending 30 June 2024, subject to regulatory and shareholder approval.

15. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest million dollar (where rounding is applicable) unless specifically stated otherwise under the relief available to the Company under ASIC Corporations Instrument 2016/191. CSL is an entity to which the Instrument applies.

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Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's independence declaration to the directors of CSL Limited

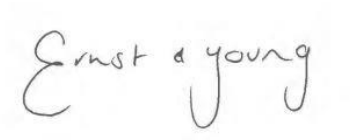
As lead auditor for the audit of the financial report of CSL Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CSL Limited and the entities it controlled during the financial year.



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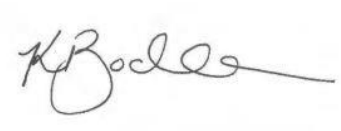

Kylie Bodenham
Partner
14 August 2023

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

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Independent Limited Assurance Report to the Management and Directors of CSL Limited

Our Conclusion

Ernst & Young ('EY', 'we') were engaged by CSL Limited ('CSL') to undertake a limited assurance engagement as defined by Australian Auditing Standards, hereafter referred to as a 'review', over the Subject Matter defined below for the year ended 30 June 2023. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria defined below.

What our review covered

We reviewed CSL's preparation and application of its materiality process against the Global Reporting Initiative (GRI) 2016 Standards' Materiality Principle for defining reporting content, as included in CSL's 2023 Annual Report ('the Report') and online at https://www.csl.com/sustainability/governance/stakeholder-engagement-and-material-topics.

We also reviewed the Selected Disclosures, listed below, as disclosed in CSL's Report, for the year ended 30 June 2023.

Material topic	Selected Disclosures	Page Reference
Health, safety and wellbeing	1. Total Recordable Incident Frequency Rate (TRIFR), non-plasma 2. Total Recordable Incident Frequency Rate (TRIFR), plasma 3. Fatalities	1. 45, 73 2. 45, 73 3. 45, 73
Product safety and quality	1. Regulatory audits, Plasma 2. Good Manufacturing Practice (GMP) manufacturing regulatory audits 3. Critical findings in Plasma and Manufacturing regulatory inspections that prevent release of commercial product 4. Safety related product recalls	1. 20, 53, 73 2. 20, 53, 73 3. 53 4. 53, 73
Communities we operate in	1. Economic value generated 2. Economic value distributed	1. 73 2. 20, 53, 73
Accessible & affordable healthcare	Humanitarian aid/product assistance	20, 55, 73
Innovation & R&D	Total R&D investment	10, 20, 21, 73
Talent recruitment, development and retention	Employee Opinion Survey Results	20, 44, 73

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Donors	Plasma Donor Survey Results for: 1. % of plasma donors willing to donate again 2. % of plasma donors wiling to refer a friend 3. Self-reported occupational status	1. 57, 73 2. 57 3. 57
Diversity, equity and inclusion	1. Workforce total 2. Generational diversity profile for all employees 3. Female and male breakdown across the following employee categories: All employees, Board members, Senior Executives, and People Managers	1. 8, 22, 23, 24, 40, 73 2. 41 3. 20, 40, 73
Energy & emissions	1. Scope 1 & 2 emissions 2. Scope 1 & 2 emissions baseline (FY19-FY21) 3. Energy consumed 4. Scope 3 emissions baseline (FY19-FY21)	1. 47, 73 2. 48 3. 47, 73 4. 48

Criteria applied by CSL

CSL applied the following Criteria:

- In preparing and applying its materiality process, CSL applied the GRI 2016 Standard's Materiality Principle for defining report content
- In preparing the Selected Disclosures, CSL applied its own custom criteria, as defined throughout the Annual Report
- In preparing Selected Disclosures (Energy & emissions), CSL applied its own custom criteria, informed by the Greenhouse Gas (GHG) protocol and National Greenhouse and Energy Reporting Regulations 2008 ("NGER Regulations")

Key responsibilities

EY's responsibility and independence

Our responsibility is to express a conclusion on the Subject Matter based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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CSL's responsibility

CSL's management is responsible for selecting the Criteria, and for presenting the materiality process, identified material topics and Selected Disclosures in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and the terms of reference for this engagement as agreed with CSL on 13 July 2023. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Selected Disclosures and related information and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- Assessed the Report for disclosure of the materiality process and the coverage of identified topics in line with the GRI principle of materiality for defining report content
- Conducted interviews with key personnel at the corporate level and selected sites to understand CSL's process for collecting, collating, and reporting the Selected Disclosures during the reporting period
- Understand processes and controls supporting preparation and presentation of the Selected Disclosures
- Undertook analytical review procedures to support the reasonableness of the data
- Performed recalculations of Selected Disclosures to check reported quantities
- Tested, on a sample basis, underlying source information to check the accuracy of the data
- Assessed Selected Disclosures against regulatory body websites to confirm accuracy and completeness of reporting
- Tested aggregation of site-based Selected Disclosures and transcription to the Report
- Reviewed the presentation of the Selected Disclosures within the Annual Report

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our review conclusion.

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Inherent limitations

Procedures performed in a review engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a review engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to assessing aggregation or calculation of data within IT systems.

The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Other matters

We have not performed assurance procedures in respect of any information relating to prior reporting periods, including those presented in the Subject Matter, other than for baseline data as stated in the subject matter above. Our report does not extend to any disclosures or assertions made by CSL relating to future performance plans and/or strategies disclosed in CSL's 2023 Annual Report or supporting disclosures online.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of CSL, or for any purpose other than that for which it was prepared. Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

Ernst & Young

Ernst & Young

M. Fricke

Meg Fricke
Partner
Melbourne
14 August 2023

16. Remuneration Report

Dear Fellow Shareholder,

On behalf of the Board of Directors, I am pleased to present CSL's Remuneration Report (Report) for the financial year ended 30 June 2023 (2023). This Report contains detailed information regarding CSL's Key Management Personnel (KMP) for 2023.

CSL plays a critical role in the global community – providing life-saving therapies to people with serious disease, and vaccines that protect public health. The Board is proud of the entire CSL team for delivering on this promise during 2023.

Delivering on our Promise in 2023

Under the leadership of our former Chief Executive Officer and Managing Director (CEO), Mr Paul Perreault, and our CEO, Dr Paul McKenzie, CSL remained focused on its promise to patients and public health and delivered:

- NPATA[1] attributable to CSL Limited shareholders of US$2,610m;
- Cashflow from Operations (CFO) of US$2,601m;
- An annual Return on Invested Capital (ROIC) of 12.2%;
- Earnings per Share (EPS) based on net profit attributable to CSL Limited shareholders of US$4.55;
- Strong plasma collection growth and 12 new plasma centres opened;
- Continued growth in the Research and Development pipeline progression;
- HEMGENIX® launched in the US and EU;
- New registrations across all therapeutic areas;
- A licence agreement signed with Arcturus Therapeutics for late-stage self-amplifying mRNA vaccine technology;
- Completion and progression of capacity and capital expansion projects; and
- Significant progress on embedding long-term sustainability approaches and governance with all targets achieved.

We also welcomed Vifor Pharma to the CSL Group, adding a complementary portfolio of products and a market leading position in the nephrology and iron deficiency fields. The integration is substantially complete and the cost synergies are well on track.

KMP Changes

As announced in December 2022, Dr McKenzie was appointed as an Executive Director on 13 December 2022 and commenced as CEO on 6 March 2023. Details of Dr McKenzie's CEO arrangements can be found in section 2.2 of the Report. Mr Perreault stepped down as CEO on 5 March 2023 and from that date ceased to be KMP. He remains with the company as a strategic advisor until he retires on 6 September 2023. Details of Mr Perreault's termination arrangements can be found in section 2.2 of the Report.

We are also pleased to welcome Mr Andrew Schmeltz who joined CSL on 30 June 2023 in the role of Executive Vice President CSL Behring. Mr Schmeltz will become KMP during 2024.

Finally, Mr Bruce Brook has indicated that he will retire from the Board during the 2024 financial year after serving four terms as a Non-Executive Director (NED).

2023 CEO Remuneration Outcomes

On appointment to his role as CEO, Dr McKenzie's remuneration package comprised:

- Fixed Reward of US$1,750,000;
- A short term incentive (STI) target of 120% of Fixed Reward; and
- A long term incentive (LTI) target held at 425% of Fixed Reward.

These amounts result in a Total Target Direct Compensation that is 10% lower than for the former CEO.

For the full 2023 performance year, Dr McKenzie will receive a STI payment of US$1,376,890 (51% of maximum opportunity) for performance across both the Chief Operating Officer and CEO roles.

As the ROIC performance targets set for LTI awards tested in 2023 were not all met, there was only partial vesting of Dr McKenzie's awards.

The 2023 'realised' remuneration for Dr McKenzie was US$4,351,551.

As communicated in the 2022 Report, Mr Perreault received a Fixed Reward increase of 3.5% effective 1 September 2022 taking this to US$1,866,654. There was no change to his STI target and he received an increase in his LTI target to 450% from 400% of Fixed Reward. For the period he was KMP, Mr Perreault will receive a STI payment of US$1,537,182 and has 2023 'realised' remuneration of US$6,040,346, including partial vesting on LTI outcomes.

Board Adjustments Applied to Remuneration

STI

The Board reviews the quality of earnings and risk management outcomes each year. This year the Board made some adjustments to NPATA and CFO for matters not anticipated at the time of target setting, which resulted in a net adjustment downward to STI outcomes. The NPATA vesting outcome was at target and the CFO outcome was below target. Further detail is provided in section 5.2. The Leading and Managing Modifier was not applied in 2023.

LTI

Looking forward, there are three unvested LTI awards that were granted to Executives prior to the acquisition of Vifor Pharma (granted over calendar years 2019 to 2021). These will be tested in calendar years 2023 and 2024. At the time of the grants, performance hurdle targets against the metrics of ROIC and EPS growth were set based on the financial projections undertaken at the time and did not consider a material acquisition. The Board has determined that it will keep these performance targets and what is measured constant and will take into account CSL Vifor performance when considering overall vesting outcomes. Further detail is provided in section 10.3. All grants made after the acquisition include the contribution of CSL Vifor.

The Board also retains discretion to adjust outcomes to take account of company performance, individual performance and alignment with the shareholder experience.

1 NPATA is defined as the statutory net profit after tax before impairment and amortisation of acquired intellectual property, business acquisition and integration costs and the unwind of the inventory fair value uplift.

Remuneration Framework Changes Introduced in 2023

As disclosed last year, the following changes were made to the STI plan in 2023:

- Introduction of a global sustainability measure with a weighting of 5%. This measure was introduced to focus our Executives on establishing a robust program governance process, reducing CO_2 emissions, incorporating sustainable design in our new facilities, and engaging with our supply partners to achieve a low emission supply chain; and
- To align with our financial guidance approach, the NPAT STI metric was replaced with NPATA. The Board believes this measure provides shareholders with improved transparency on the underlying performance of the business.

Remuneration in 2024

Executive KMP

As discussed in prior year Reports and across investor meetings, the Board continues to review and adjust the reward of Executive KMP to drive positioning towards the median of our global pharmaceutical/biotechnology peer group.

For 2024, the Board has determined that in line with our global workforce:

- Dr McKenzie will receive a 3.5% increase to Fixed Reward and no change to his STI or LTI target. This increase positions Dr McKenzie at 74% of the median of our global pharmaceutical/biotechnology peer group; and
- Ms Joy Linton, our Chief Financial Officer, will receive an increase to Fixed Reward of 3.95%, inclusive of the superannuation guarantee increase applied at 1 July 2023. Ms Linton will have no change to her STI and LTI targets. Ms Linton's position against the global pharmaceutical/biotechnology peer group will be 70% of the median.

NED fees

Following benchmarking against ASX12 NED remuneration, there will be an increase in fees of 3% for all Board and Committee roles, effective 1 July 2023. The increase enables CSL to offer a competitive fee to attract and retain experienced directors. The total amount payable to NEDs will remain within the existing fee pool approved by shareholders on 12 October 2016.

Remuneration Framework Changes in 2024

In 2023, we received feedback from our shareholders and external stakeholders regarding the LTI ROIC measure. We value your feedback and from 2024 the ROIC performance period will change from seven years (four year look back/ three year forward look) to a three-year forward looking performance period. The ROIC gateway performance measure, which was previously introduced to address concerns about the impact of the four year look back, will not apply to the new three year forward looking measure.

Additionally, an adjustment will be made to the EPS growth LTI metric – we will move from NPAT to NPATA to align with the financial guidance we provide externally.

Review of the Executive Remuneration Framework in 2024

In competing for talent in a global market, it is critical that we have a remuneration framework that attracts and retains high quality talent to deliver on our strategy and deliver results.

In 2024, the Board will continue to evaluate the Executive KMP remuneration framework to ensure it remains competitive with our global pharmaceutical/biotechnology peers. A key focus will be the further review of our LTI program. As we talk to our stakeholders over the coming months, we will further share our thinking and seek feedback.

Thank you to my fellow HRRC members and thank you for supporting CSL and the patients we serve around the world.

Dr Megan Clark AC
Chair
Human Resources and Remuneration Committee

Contents

Independent Audit of the Report

The Remuneration Report for the year ended 30 June 2023 (Report) has been audited by Ernst & Young (EY). Please see page 167 of the Financial Statements for EY's report.

1. CSL Key Management Personnel

This Report sets out remuneration information for CSL's Key Management Personnel (KMP) which includes Non-Executive Directors (NEDs), the Executive Director (i.e. the Chief Executive Officer and Managing Director (CEO)) and those key senior executives who have authority and responsibility for planning, directing and controlling the activities of CSL during the financial year (together with the Executive Director, referred to as Executive KMP). The CSL KMP during the financial year ended 30 June 2023 (2023) and changes to KMP are outlined in Table 1. Each of the KMP listed in Table 1 held their position for the full reporting period, unless stated otherwise.

On 6 March 2023, Dr Paul McKenzie commenced as CEO, succeeding Mr Paul Perreault. Dr McKenzie was appointed an Executive Director on 13 December 2022.

On 5 March 2023, Mr Perreault stepped down as CEO and ceased to be KMP from that date. Mr Perreault will remain with CSL as a strategic advisor until his retirement in September 2023.

On 30 June 2023, CSL welcomed Mr Andrew Schmeltz who was appointed to the position of Executive Vice President CSL Behring, overseeing Commercial Development and Operations, Therapeutic Area Strategy, Market Access, Plasma Strategy and Operations, Supply Chain, Operations, Manufacturing, Procurement, Planning, Safety, and Quality across the CSL Behring business. Given the significant remit of Mr Schmeltz's role, he will become KMP during 2024 and all remuneration details will be presented in CSL's 2024 Remuneration Report.

In 2024, Mr Bruce Brook will retire from the Board after serving four terms as a NED.

Table 1: CSL Key Management Personnel in 2023

Non-Executive Directors
Chairman – Dr Brian McNamee AO
Mr Bruce Brook
Dr Megan Clark AC
Professor Andrew Cuthbertson AO
Ms Carolyn Hewson AO
Professor Duncan Maskell
Ms Marie McDonald
Ms Alison Watkins AM

Executive KMP
Executive Director and Chief Executive Officer and Managing Director (CEO) – Dr Paul McKenzie – from 6 March 2023
Executive Director and Chief Operating Officer (COO) – Dr Paul McKenzie – 13 December 2022 to 5 March 2023
COO – Dr Paul McKenzie – 1 July 2022 to 12 December 2022
Chief Financial Officer – Ms Joy Linton

Former Executive Key Management Personnel
Executive Director and Chief Executive Officer and Managing Director (CEO) – Mr Paul Perreault – 1 July 2022 to 5 March 2023

2. 2023 Key Management Personnel Remuneration Outcomes at a Glance

Paul McKenzie	• Received an increase to Fixed Reward (FR) of 3.5% at 1 September 2022 (for his COO role). On appointment to his role of CEO, an increase of 72% was applied effective 6 March 2023 • A short term incentive (STI) payment of US$1,376,890 – 51% of maximum opportunity (apportioned across the COO and CEO roles) • Long term incentive (LTI) vesting based on performance of US$1,634,350 (face value at vesting date) • 'Realised' remuneration in 2023 of US$4,351,551 (reflects performance across COO and CEO roles)
Joy Linton	• Received an increase to FR of 3.7% at 1 September 2022 (inclusive of the superannuation guarantee increase) • STI of US$946,395 was paid – 53% of maximum opportunity • LTI vesting based on performance of US$1,003,581 (face value at vesting date) • 'Realised' remuneration in 2023 of US$2,994,327
Paul Perreault	• Received an increase to FR of 3.5% increase effective 1 September 2022 • STI of US$1,537,182 was paid – 50% of maximum opportunity (for the period of the year as Executive KMP) • LTI vesting based on performance of US$3,148,999 (face value at vesting date) • 'Realised' remuneration in 2023 of US$6,040,346 (for period of year as Executive KMP)
NEDs	• An increase of 3% was applied to all Board and Committee fees effective 1 July 2022 (within the existing fee cap)

2.1 2023 Executive KMP Realised Remuneration

The table below discloses the 'realised' remuneration for the year ended 30 June 2023 in US Dollars (US$). This is a voluntary disclosure which the Board believes presents a simple and transparent view of what the Executive KMP's actual take-home pay was in 2023. These outcomes are aligned with the Executive KMP's and CSL's performance during 2023, as well as being aligned to CSL's longer term performance. See section 6 Table 10 for the Statutory Remuneration disclosure that has been prepared in accordance with the Australian accounting standards. The details for Mr Perreault reflect his period as Executive KMP.

Table 2: Executive KMP 'Realised' Remuneration (Received or Available as Cash) in 2023

Executive	2023 Total Fixed Received US$[2]	2023 STI US$[3]	LTI Vested in 2023 US$[4]	Total Reward Reward US$	Total LTI Reward Received (valued at grant date) US$[5]	LTI Growth in Value (due to share price growth) US$[6]
Period Earned	2023	2023	2019 – 2023	2019 – 2023	2019 – 2023	2019 – 2023
P McKenzie	1,340,311	1,376,890	1,634,350	4,351,551	1,446,967	187,383
J Linton	1,044,351	946,395	1,003,581	2,994,327	901,287	102,294
Former Executive KMP						
P Perreault[7]	1,354,165	1,537,182	3,148,999	6,040,346	2,806,440	342,559

2 Includes base salary, retirement/superannuation benefits, and other benefits such as insurances, relocation and allowances paid in 2023.
3 Relates to STI earned in 2023 and will be paid in September 2023 (refer to section 5.3).
4 Value of LTI vested at 1 September 2022 and 1 March 2023 that became unrestricted (refer to section 5.4). The value at vest has been determined by multiplying the number of vested units by the closing share price on the date of vest. This has been converted to US$ at an average exchange rate for the 2023 financial year of 1.48733. The awards for J Linton were commencement benefits earned in 2021 given Ms Linton commenced employment with CSL in 2021.
5 The value at grant has been determined by multiplying the number of vested units by the closing share price on the date of grant. This has been converted to US$ at an average exchange rate for the 2023 financial year of 1.48733.
6 This figure shows the increase in market value of the LTI awards due to share price growth between the grant date and the vesting date. The increase in value of the awards is calculated by multiplying the number of vested and/or exercised awards by the difference between the share price of CSL shares on the grant date and the vesting date or exercise date (as applicable). This has been converted to US$ at an average exchange rate for the 2023 financial year of 1.48733.
7 The 'realised' remuneration for P Perreault is for the period 1 July 2022 to 5 March 2023 being the period P Perreault was Executive KMP.

2.2 CEO Arrangements

Incoming CEO

Dr McKenzie commenced as CSL's CEO on 6 March 2023, succeeding Mr Perreault. Dr McKenzie's remuneration arrangements are described in this Report and a summary of Dr McKenzie's terms of employment were notified to the ASX on 13 December 2022. Dr McKenzie's employment terms are largely consistent with those of Mr Perreault, except that Dr McKenzie's starting CEO salary and LTI target opportunity are lower than Mr Perreault's and therefore Dr McKenzie has a lower Total Target Direct Compensation (TDC) in dollar terms. Dr McKenzie is a United States (US) based executive and under his employment contract CSL has agreed to indemnify him for any additional non-US tax payable on his remuneration.

Outgoing CEO

Mr Perreault stepped down from his role as CEO on 5 March 2023. Mr Perreault will remain with CSL as a strategic advisor, to assist in an orderly transition, until he retires on 6 September 2023. Mr Perreault will continue to receive his base salary, pension contributions, statutory leave entitlements and applicable benefits up to the date of his retirement from CSL. Mr Perreault was employed for the entire 2023 financial year and remained eligible to receive his STI award for 2023.

On cessation of employment, consistent with plan rules, Mr Perreault's unvested LTI awards under the 2021, 2022 and 2023 Executive Performance and Alignment Plan will be pro-rated to reflect the portion of service performed during the relevant performance periods and will remain on foot to be assessed in the ordinary course, subject to satisfaction of the applicable performance conditions. Mr Perreault is not eligible to receive a STI payment or LTI grant in respect of 2024.

In accordance with the terms of Mr Perreault's employment contract, CSL intends to enforce the 12-month non-compete covenant and will make a payment to Mr Perreault equivalent to 12-months of his base salary at the time of retirement, scaled back to the maximum amount payable under his termination benefits cap. This amount is expected to be US$1.9 million and is not included in the Statutory Remuneration disclosure in section 6 Table 10.

Similar to Dr McKenzie, Mr Perreault is a US based executive and under his employment contract CSL has agreed to indemnify him for any additional non-US tax payable on his remuneration.

3. Global Remuneration Framework

3.1 Global Total Rewards Principles

To deliver on CSL's promise to patients and to protect public health, CSL relies on its people and, maintaining a strong supply of global talent. CSL's Total Rewards Principles enable us to attract, engage and retain talent, provide flexibility to address talent challenges in various markets and allow CSL to compete with other large global pharmaceutical companies. We motivate our people to deliver their best performance by enabling an approach that integrates market competitive and differentiated reward programs that align to CSL's strategy and business objectives.

Common Global Structure

- We leverage a market-based approach to offer competitive rewards, balancing both a global and local view
- We align employee and shareholder interests, and consider community expectations
- We benchmark ourselves against the life sciences industry*
- We have a single pay design for all senior executives

Effort Matters

- We celebrate and recognise both the effort that is required along the way as well as the real results created by our employees

Results and Behaviours

- We are committed to a pay for performance culture based on both role requirements and how the individual performs
- Living our CSL Values is a non-negotiable expectation

Holistic Approach to Well-Being

- We foster an environment of well-being that is multi-dimensional – physical, emotional, financial and social health

Internal Equity, Inclusive Culture

- We reward fairly and competitively
- We strive and monitor for equal pay for equal work

Simplicity and Clarity

- We aim to create easy to understand programs and policies so people value and use them
- We are committed to transparency in our communications – internally and externally

*CSL Plasma is benchmarked against the Retail Industry

3.2 Remuneration Framework

CSL's remuneration framework includes reward components of Fixed Reward (or base salary (FR)), and variable reward in the form of STI and LTI. These traditional elements are enhanced with several design factors to directly reflect the complexity of CSL's business, a very different business to other companies in Australia, and with a diverse global employee and shareholder base. CSL's international footprint requires global leadership and, with executives based in different countries, there is a need to put in place a framework that is fair, equitable and market competitive in the countries and industry in which CSL operates in order to attract and retain highly talented people.

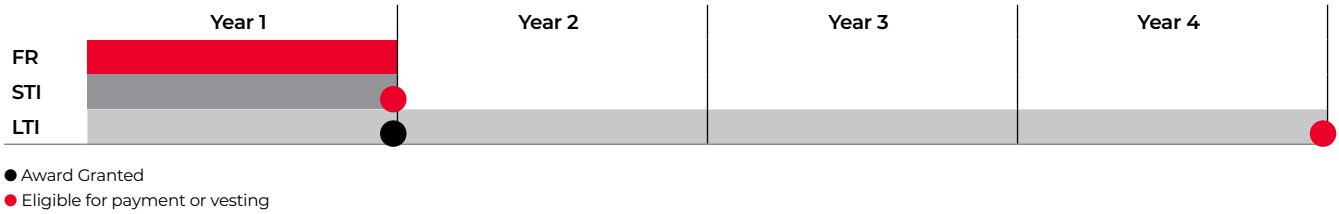
3.2.1 2023 Remuneration Framework Elements for Executive KMP

	Fixed Reward (FR)	Short Term Incentive (STI)	Long Term Incentive (LTI)
Purpose	Attract, retain and engage key talent to deliver our CSL strategy	Reward performance against annual Key Performance Indicators (KPIs) – maintaining a focus on underlying value creation within the business operations is critical to CSL's success and sustainability	Alignment to the longer term performance and strategy of CSL, building economic alignment between Executive KMP and shareholders over the long term
Structure	Cash – salary and superannuation/pension	Cash	Performance Share Units
Approach	Paid throughout the year and reviewed annually Determined based on the scope, complexity and responsibilities of the role, with consideration of individual experience and performance Reviewed through both an internal and external relativity lens Peer group – global pharmaceutical/ biotechnology peers or a general industry view depending on role (desired positioning at the median)	Paid annually Maximum payout is 200% of an Executive KMP's target STI opportunity (i.e. STI target multiplied by 200%) Outcomes based on business (65%) and individual performance measures (35%)	Granted annually with vesting following the end of the three year performance period The performance measures are Return on Invested Capital – measured over a seven year return period in the year the award vests (70%) and Earnings Per Share Growth – measured over the three year performance period (30%) For 2024, the ROIC measure will move to a three year forward looking measurement period
Peer Group	The global pharmaceutical/biotechnology industry peer group serves as a primary reference group for remuneration benchmarking, created such that CSL falls in the middle of the group with respect to market capitalisation and revenue. The group represents global industry peers and is updated annually. The peer group in 2023 included: AbbVie Inc.; Amgen Inc.; AstraZeneca PLC; Bausch Health Companies Inc.; Bayer Aktiengesellschaft; Biogen Inc.; Bristol-Myers Squibb Company; Eli Lilly and Company; GlaxoSmithKline plc; Gilead Sciences Inc.; Grifols, S.A.; Merck Kommanditgesellschaft auf Aktien; Moderna Inc.; Novo Nordisk A/S; Regeneron Pharmaceuticals, Inc.; Takeda Pharmaceutical Company; UCB SA and Vertex Pharmaceuticals Incorporated. For the 2024 year, Novartis AG. has been added and UCB SA has been removed In addition, two general industry reference groups representing Australia and North America also help us appropriately reward senior talent and may be used as a primary, or hybrid, data set for certain Executive KMP dependent on role and location (the Chief Financial Officer for example)		
Risk Management	Before determining remuneration outcomes and vesting, the Board assesses alignment with risk management outcomes to hold executives accountable for effective risk management – both financial and non-financial. In addition, all variable reward is subject to the Malus and Clawback Policy and the Board has full discretion over the outcome of any variable reward payment and vesting The Board has the discretion to apply a 'Leading and Managing' modifier to STI and LTI outcomes – formally recognising the importance of CSL's culture including leadership behaviours, values, diversity objectives, sustainability and management of risk. The modifier allows the Board to adjust in exceptional circumstances upwards by up to 20% or downwards by up to 50% of annual STI earned, and/or LTI opportunity granted. The modifier is also available to adjust STI and LTI outcomes for risk management outcomes under our formal risk/ consequence management framework. The Board has discretion in all circumstances, including a significant risk management failure, to reduce awards and/or vesting outcomes further, including to zero		
Malus and Clawback	Executive KMP STI and LTI arrangements are subject to malus and clawback provisions that enable the Board to adjust both vested and unvested awards as appropriate. The circumstances include material misstatement or omission in financial statements, fraud, dishonesty, adverse risk management outcomes, violation of any material law or regulation, material violation of CSL's Code of Conduct or any other policy governing the conduct of employees or any other serious and wilful misconduct. See section 9 for further details on CSL's Malus and Clawback Policy		
Shareholding Requirement	Executive KMP must hold CSL shares equal to 100% of FR (300% for the CEO) within five years from the date of appointment to their role		
Benefits	CSL provides market competitive benefits to attract and retain key talent. Benefits may include, but are not limited to, accident, disability and death insurance, health insurance, car parking, global parental and caregiver leave, select vaccinations and participation in local benefit programs		

The Board retains discretion across all elements of the remuneration framework.

3.2.2 Remuneration Delivery Timeline

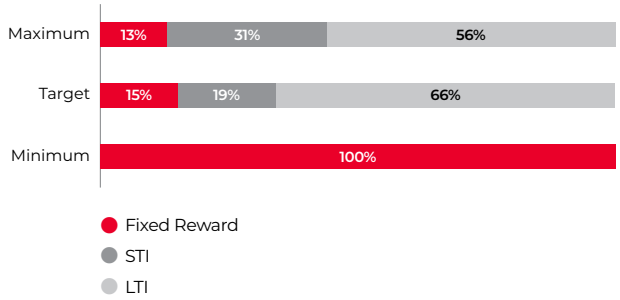
The diagram below illustrates how the components of the 2023 Executive KMP remuneration are delivered over a four year period.



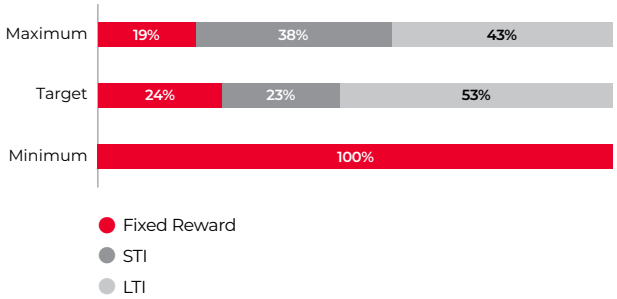
3.2.3 Pay Mix

The following diagrams set out the remuneration mix for Executive KMP in 2023. The majority of the target reward mix is variable reward (STI and LTI) and is at risk. This creates strong alignment between Executive KMP rewards and shareholder interests and is aligned to our pay for performance philosophy, focusing efforts on driving growth and long term performance and sustainability.

Remuneration Mix – P McKenzie (CEO)



Remuneration Mix – J Linton (Chief Financial Officer)



The diagram above does not include sign-on grants awarded to Ms Linton on 1 April 2021, some of which vested in 2023.

As at the date Mr Perreault ceased to be Executive KMP, Mr Perreault had a target reward mix comprising 15% FR, 18% STI and 67% LTI. Prior to his appointment as CEO, Dr McKenzie held the role of COO and had a target reward mix comprising 16% FR, 16% STI and 68% LTI. Dr McKenzie did not receive additional remuneration for his role as Executive Director between 13 December 2022 and his appointment to CEO on 6 March 2023.

3.2.4 Short Term Incentive (STI)

Rewarding performance over an annual period, the STI program is designed to drive business performance and create sustainable shareholder value. The KPIs on which Executive KMP are assessed and rewarded are deliberately challenging and over and above the normal expectations of their role.

The key features of the STI program for the year ended 30 June 2023 (to be paid in September 2023) are detailed below.

Feature	Description		
Performance Period	Annual award aligned with the financial year – 1 July 2022 to 30 June 2023		
Award	Cash		
Performance Measures	Each Executive KMP has a maximum of seven KPIs. The KPIs are made up of two financial measures, common to all participants – Net Profit after Tax and before Amortisation (NPATA) and Cash Flow from Operations (CFO), a sustainability measure, plus up to four individual business building KPIs. Hurdles are set at threshold, target and maximum levels of performance with a significant difference between each performance level to ensure a challenging but meaningful incentive is provided for target performance. The performance measures are chosen to ensure Executive KMP are focused on the achievement of the CSL strategy, delivery of business results and CSL's success and sustainability		
	Financial	**Sustainability**	**Individual**
	Profitable financial growth is the foundation of CSL's long-term sustainability. It evidences our competitive advantage, and aligns employee and shareholder objectives. The financial performance measures are NPATA measured at constant currency and CFO measured at the reported rate	Ensuring a global shared focus on our long-term sustainability and global footprint consistent with our CSL purpose and values, from 1 July 2022 a CSL Group sustainability metric has been applied to the STI component of variable reward. Objectives include establishing a robust program governance process, undertaking global initiatives that reduce CO_2 emissions, incorporating sustainable design up front in our new facilities, and engaging our supply partners to achieve a low emissions supply chain	Individual performance hurdles align with strategic priorities, encourage appropriate decision making, and balance performance in financial and non-financial priorities. The individual performance measures are based on individual responsibilities and categories including business unit performance, achievement of strategic objectives and improvement in operations, risk management, compliance, people, health and safety, ESG and quality
Performance Measure Weighting	The weighting of the measures for Dr McKenzie and Mr Perreault are NPATA 35%, CFO 25%, Sustainability 5% and Individual 35%. For Ms Linton, the weighting of the measures are NPATA 30%, CFO 30%, Sustainability 5% and Individual 35%		
Executive KMP STI Targets	Set as a percentage of FR, target opportunity in 2023 was: • Dr McKenzie – 100% for the period 1 July 2022 to 5 March 2023 and 120% for the period 6 March 2023 to 30 June 2023 (an increase was applied on Dr McKenzie's appointment to the CEO role) • Ms Linton – 100% • Mr Perreault – 120%		
Vesting	50% earned on threshold level performance, increasing on a straight line basis with 100% earned at target level performance and 200% on achievement of maximum level performance (capped at 200%). The STI Outcome percentages are then multiplied by the KPI weighting and individual STI opportunity (as disclosed in Table 4 in section 5.3) to determine the payment amount		
Cessation of Employment	A 'qualified leaver' (for example someone who retires or is made redundant) may receive a pro-rata payment paid in the ordinary course based on the portion of the Performance Period worked, subject to Performance Measures being met. If the Executive KMP is not a 'qualified leaver', no payment will be made unless the Board determines otherwise		
Malus and Clawback	STI arrangements are subject to malus and clawback provisions that enable the Board to adjust outcomes as appropriate. The circumstances include material misstatement or omission in financial statements, fraud, dishonesty, adverse risk management outcomes, violation of any material law or regulation, material violation of CSL's Code of Conduct or any other policy governing the conduct of employees or any other serious and wilful misconduct. See section 9 for further details on CSL's Malus and Clawback Policy		

3.2.5 Long Term Incentive (LTI)

CSL's LTI plan is designed to align executives' equity interests with those of our shareholders by rewarding sustainable Return on Invested Capital (ROIC) and Earnings per Share (EPS) growth outcomes.

This approach ensures a focus on the sustainable long-term growth of the organisation and delivering returns to our shareholders. Vesting of awards will only occur where company performance has been strong over the performance period. When target performance is achieved, it follows that executives' LTI should vest – targets are therefore set that require excellent outcomes for shareholders, both absolutely and relative to the performance of CSL's global peers.

Granted annually with vesting after three years, in 2023 (grant date of 1 November 2022), CSL's LTI plan adopts two key performance measures of ROIC (weighted 70%) and EPS growth (weighted 30%). The three year single point vesting approach aligns with the approach taken by CSL's global pharmaceutical/biotechnology peers – a group with which CSL competes to attract and retain talent.

ROIC

CSL's Research and Development (R&D) cycle requires sustained investment over the longer term, as do major capital capacity projects, which are often multi-year investments needed to support the future growth of the organisation. Developing a new life-saving product can take more than ten years from scientific inception through to manufacturing and commercialisation. Economic returns are then generated in subsequent years.

To date, CSL adopted a seven-year average ROIC to measure real achievement against this metric as a fair representation of the R&D and capital investment profile. This calculation spans four years of historical ROIC performance and three years of projected ROIC performance, thereby placing the forward 'at-risk' years into the context of the overall investment cycle.

The ROIC calculation is Reported EBIT x (1- Effective Tax Rate)/(Average Equity + Average Net Debt) where Net debt equals cash, less interest-bearing liabilities and Average Equity and Average Net Debt is the average of the opening position on 1 July and closing position on 30 June of the respective financial year.

The Board establishes a new ROIC hurdle target for each annual grant. This process considers both the CSL budget and longer-term forecast annual ROIC over the term of the grant, together with the historical annual ROIC achieved that will form part of the performance assessment over the testing period. Historical performance of the peer group and market consensus are also considered.

EPS Growth

EPS growth is a measure that aligns executive LTI outcomes with the returns experienced by shareholders. The EPS growth target is assessed as compound annual growth with a base of the most recent financial year's EPS and a target based on CSL's estimation of EPS growth over the three-year performance period. EPS is calculated as EPS = CSL reported net profit in USD/ Weighted average number of shares on issue.

The Board determines the EPS growth hurdle based on past, current and expected EPS performance over the performance period and, historical performance of our peer group. A review against market consensus is also undertaken to ensure the target set is aligned with expected outcomes and appropriate vesting occurs.

The key features of CSL's LTI program for our 2023 awards, granted 1 November 2022, are as follows.

Feature	Description
Summary	A conditional 'right' to a CSL share or at the Board's discretion in exceptional circumstances, a cash equivalent payment. No price is payable by the Executive KMP on grant or vesting of rights. Shares are allocated (or cash paid) on vesting without the need for exercise by an Executive KMP
Security	Performance Share Unit (PSU)
Grant Methodology	To determine the number of PSUs issued, a five day volume weighted average share price preceding the grant date is used. The LTI opportunity for each Executive KMP is divided by the calculated allocation price to determine the number of securities granted
Performance Measure and Weighting	• Tranche 1 – ROIC 70% • Tranche 2 – EPSg 30%
ROIC Gateway Performance Measure	No vesting will occur in Tranche 1 unless an Investment Hurdle Rate (IHR) is achieved in the year of testing (30 June 2025). The IHR is the minimum return CSL requires on its investments to ensure it is making sound investment decisions and appropriately managing risk
Performance Period	• Tranche 1 ROIC – Seven year average 1 July 2018 to 30 June 2025 • Tranche 2 EPSg – 1 July 2022 to 30 June 2025
Performance Target	• Tranche 1 ROIC – Threshold at 17.0% and Target at 18.2% • Tranche 2 EPSg – Threshold at 10.2% and Target at 14.1%
Executive KMP LTI Target Opportunity[8]	• Dr McKenzie – 425% of FR • Ms Linton – 225% of FR • Mr Perreault – 450% of FR[9]
Vesting Schedule	50% earned on threshold level performance, increasing on a straight line basis with 100% earned at target level performance (maximum vesting capped at 100%). The Board has the discretion to adjust vesting outcomes
Vesting Date	1 September 2025
Retesting	No retest of any tranche
Cessation of Employment	A 'qualified leaver' (for example someone who retires or is made redundant) retains a pro-rated number of PSUs based on time elapsed since grant date. Retained PSUs will remain subject to original terms and conditions including satisfaction of performance conditions at the test date. If an Executive KMP is not a 'qualified leaver', all unvested PSUs will lapse unless the Board determines otherwise
Change of Control	In the event of a change of control, the Board, in its absolute discretion, may determine that some or all of the PSUs vest having regard to the performance of CSL during the performance period to the date of the change of control event. Vesting may occur at the date of the change of control event or an earlier vesting date as determined by the Board
Dividends and Voting Rights	No dividends or dividend equivalents are paid on unvested PSUs. Executive KMP are only eligible for dividends once shares have been allocated following vesting of any PSUs. PSUs do not carry any voting rights prior to vesting and allocation of shares
Malus and Clawback	LTI arrangements are subject to malus and clawback provisions that enable the Board to adjust unvested and vested awards as appropriate. The circumstances include material misstatement or omission in financial statements, fraud, dishonesty, adverse risk management outcomes, violation of any material law or regulation, material violation of CSL's Code of Conduct or any other policy governing the conduct of employees or any other serious and wilful misconduct. See section 9 for further details on CSL's Malus and Clawback Policy

8 Also maximum opportunity.
9 As outlined in section 2.2, upon cessation of employment, Mr Perreault's 2023 LTI PSUs will be pro-rated for the portion of the performance period employed. He will not receive his maximum opportunity.

3.2.6 Leading and Managing Modifier

The Board, taking into consideration recommendations from the CEO for Executive KMP, and the Human Resources and Remuneration Committee (HRRC) for the CEO, has the discretion to apply a 'Leading and Managing' modifier to both the STI and LTI opportunity – allowing for recognition of extraordinary contribution in exceptional circumstances or significant leadership failure across sustainability, risk management, culture and diversity. Applied to the overall STI outcome or LTI target opportunity, there can be an increase of up to 20% or a decrease of up to 50% applied. In 2023, the modifier was not applied.

In addition to consideration during the determination of KPI outcomes, the modifier is also utilised for the assessment of the appropriate management of risk – both financial and non-financial. In consultation with the Audit and Risk Management Committee (ARMC), the HRRC uses a principles based approach to ensure alignment between remuneration outcomes and performance. This enables management to bring awareness to behaviours that encourage unacceptable levels of risk, discourage those behaviours, and promote behaviours that encourage acceptable levels of risk. It also enables the Board to recognise and appropriately address both acceptable and unacceptable behaviours. In the event of a significant risk management failure, the Board has the discretion to adjust STI and LTI outcomes downwards, including to zero.

3.2.7 Sign On Arrangements

As set out in the 2021 Remuneration Report, 13,647 sign on restricted share units (RSUs) were granted to Ms Linton on 1 April 2021, as partial compensation for time-based benefits forfeited on leaving her previous employer. Of these, 5,097 RSUs vested in 2023 and the remaining 396 are due to vest on 1 March 2024.

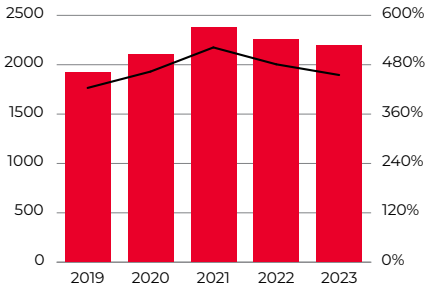
Each RSU is a conditional right to receive a share in CSL (or at the Board's discretion in exceptional circumstances, a cash equivalent payment). No price is payable by Ms Linton on the grant or vesting of RSUs awarded as a sign on award. RSUs are time based awards. Further information as to the terms of the sign on RSUs are set out in the 2021 Remuneration Report.

4. CSL Performance and Shareholder Returns

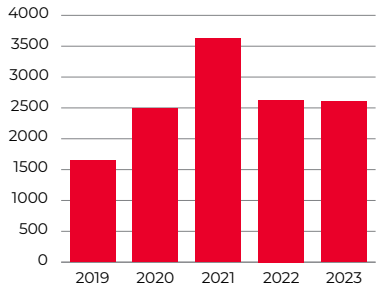
4.1 Financial Performance from 2019 to 2023

The following graphs summarise key financial performance over the past five financial years[10] and as applicable, have been considered in both STI and LTI outcomes over the period.

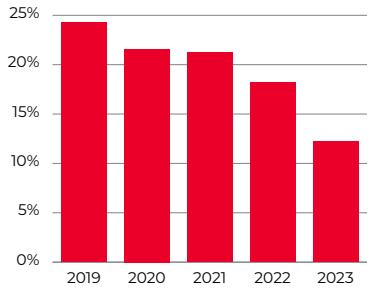
Net Profit After Tax/ Earnings Per Share (USD)



Cash Inflow From Operating Activities (millions USD)

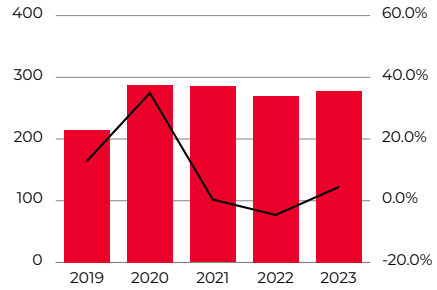


Annual Return on Invested Capital

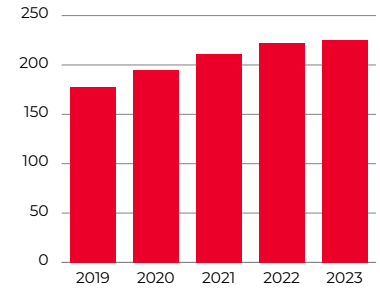


● Net Profit After Tax (millions) – USD
— Earnings Per Share (cents) – USD

Closing Share Price (at 30 June AUD)/ **Total Shareholder Return**



Total Dividends Per Share (cents USD)



● Closing Share Price (dollars) – AUD
— Total Shareholder Return (12 month %) – AUD

10 2023 Net Profit After Tax (NPAT) represents net profit for the year attributable to shareholders of CSL Limited, as reported in the financial statements.

5. Executive Key Management Personnel Outcomes in 2023

5.1 2023 Target Remuneration

P McKenzie

Effective 1 September 2022, the Board determined that Dr McKenzie, in his role of COO, would receive a 3.5% increase to FR, taking his FR to US$1,015,680. Dr McKenzie's STI target remained at 100% of FR and he received an increase to his LTI target to 425% of FR. Dr McKenzie's TDC was US$6,348,000.

On appointment to the role of CEO, the Board increased Dr McKenzie's FR by 72% to US$1,750,000, increased his STI target to 120% of FR and kept his LTI target at 425% of FR. Effective 6 March 2023, Dr McKenzie's TDC was US$11,287,500.

J Linton

In 2023, the Board determined that Ms Linton would receive an increase to FR of 3.7%. This increase was inclusive of the superannuation guarantee increase from 10% to 10.5%. Taking into consideration both the global pharmaceutical/biotechnology and Australian general industry peer groups, skill, experience and internal relativity, Ms Linton's STI target was increased from 85% to 100% of FR and her LTI target was increased from 175% to 225% of FR. These changes resulted in a TDC of US$3,827,036.

P Perreault

In 2023, the Board determined that Mr Perreault would receive an increase to FR of 3.5%, no change to his STI target and an increase to his LTI target to 450% of FR. These increases resulted in a TDC of US$12,506,579.

5.2 CSL and Executive KMP Performance

In 2023, CSL has continued to demonstrate resilience in its results, delivering a strong performance within a challenging operating environment. CSL's focus on improving efficiencies across its global network of manufacturing sites has helped reduce the impact of inflation and currency headwinds and focus remains on executing on CSL's strategy of delivering innovative medicines to our patients. As a result, our NPATA landed in line with expectations and at the top end of market guidance, while CFO was down slightly on the prior year.

Introduced in 2023, outcomes against the new Sustainability measure exceeded expectations with an overall maximum outcome awarded. The following diagram sets out the achievements.

Portfolio	**Establish a robust program governance process,** including reporting, monitoring and verification that is transparent and aligned with our network strategy. An agile process that focuses on doing the right thing in the right place at the right time	✓ Established sustainability portfolio and mechanisms to identify and prioritise initiatives ✓ Established and launched program management governance ✓ Reporting, monitoring and verification plans implemented
Program Governance		
Energy Initiatives (Scope 1)	**Undertake global initiatives that reduce CO_2 emissions** to meet our 40% reduction target by 2030 and aligned with SBTi; Increase renewable energy supplies at select global manufacturing sites	✓ SBTi filing prepared, with Board endorsement for SBTi validation obtained ✓ Converted Marburg manufacturing site to 100% renewable electricity supply ✓ Commenced conversion process of the Kankakee manufacturing site to renewable energy supply ✓ Developed business case for Australia power purchase agreement
Renewable Power (Scope 2)		
New Facilities (Scope 1 & 2)	**Incorporate sustainable design up front in our new facilities** that will ensure long term success as our business grows	✓ Finalised energy efficiency initiatives to be included in the Australia Tullamarine site design ✓ Finalised supplier engagement plan
Supplier Engagement (Scope 3)	Engage **our supply partners to achieve a low emissions supply chain,** working with our suppliers to follow our lead in their Scope 1 & 2 and join us on this journey	✓ Developed and launched supply standards and communication materials for supplier outreach

In determining the outcomes for Executive KMP, the Board reviewed the quality of earnings and risk management outcomes across the year to ensure STI outcomes were appropriately aligned with the overall performance of the company and the experience of CSL's shareholders. In consideration of one-off items not anticipated at the time of target setting, the Board's review resulted in a downward adjustment to the NPATA outcome and an upwards adjustment to the CFO outcome. Overall, this resulted in an average reduction in KMP STI outcomes by 4.1%.

The Leading and Managing Modifier was not used in 2023. The Board made no adjustments under the Malus and Clawback Policy and no risk management, behaviour or compliance issues involving Executive KMP were identified during the joint consultation between the HRRC and ARMC.

The following performance outcomes were achieved resulting in an average overall STI payment outcome of 102% of target level opportunity across the Executive KMP (see Table 4). The minimum STI earned as a percentage of target level opportunity was 101% and the maximum was 105% – the latter was 53% of the maximum STI outcome that could be achieved. Table 3 summarises the achievements on the individual KPIs of the Executive KMP. Additional KPIs, which were also integral to the achievement of individual performance, were considered by the Board when assessing Executive KMP performance and remain confidential for commercial reasons.

Table 3: Achievements in 2023

Measure and Commentary	Threshold 50%	Target 100%	Maximum 200%
CSL Group Outcomes			
NPATA · NPATA outcome at target	100%		
CFO · CFO outcome slightly below target	90%		
Sustainability · Maximum Sustainability outcome	200%		
Individual Outcomes			
P McKenzie	95%		
J Linton	109%		
P Perreault	95%		
People · Improvement in safety metrics · Succession planning milestones met · Strong progress against the 2023 diversity, inclusion and equity targets furthering progress to attainment of FY25 and FY30 goals · For the second year in a row CSL was ranked among the best employers in America, according to Forbes and Statista			
Innovation · First patient dosed with FDA approved HEMGENIX® in the US, the first gene therapy for haemophilia B · Ongoing disciplined management of the R&D pipeline of new products from clinical development to Phase III · Global collaboration and licence agreement signed with Arcturus Therapeutics for access to late-stage next generation mRNA platform technology · New state-of-the-art research and development centres opened in Marburg, Germany and Waltham, United States · CSL's new Global Headquarters and Centre for R&D opened in Melbourne, Australia			
Focus · Integration of CSL Vifor and cost synergies on track			
Efficiency and Reliable Supply · 12 new plasma collection centres opened · Successful reopening of US border centres · Strong growth in plasma collections but Cost per Litre slightly below target · Delay in the plasmapheresis platform rollout · Manufacturing yield improvements above targets set · Capacity and capital expansion projects on target			
Digital Transformation · Transformation of the CSL Plasma App resulting in much higher usage by donors · Ongoing maturing of cyber resiliency and capability			

5.3 STI Outcomes by Executive KMP in 2023

Table 4 details the STI outcomes for Executive KMP as a result of the performance results set out in Table 3.

Table 4: STI Outcomes in 2023

Executive	Value of STI Earned US$	Target STI Opportunity as a % of FR	Maximum STI Opportunity as a % of FR	STI Earned as % of Target Opportunity	STI Earned as % of Maximum Opportunity[11]	STI Earned as % of FR
P McKenzie – CEO	679,883	120%	240%	101%	51%	121%
P McKenzie – COO	697,007	100%	200%	101%	50%	101%
J Linton	946,395	100%	200%	105%	53%	105%
Former Executive KMP						
P Perreault[12]	1,537,182	120%	240%	101%	50%	121%

5.4 LTI Outcomes by Executive KMP in 2023

5.4.1 LTI Awards Tested in 2023

In 2023, in the course of annual performance testing, four LTI grants were tested. The table below shows the performance of CSL against the targets. Vesting occurred in September 2022 and March 2023.

Table 5: LTI Awards Tested in 2023

Grant Date	Security	Tranche	Performance Period	Performance Outcome	Vesting Outcome
1 September 2018	PSU	4	1 July 2015 – 30 June 2022	Seven year ROIC at 23.2%	0%[13]
1 September 2019	PSU	3	1 July 2015 – 30 June 2022	Seven year ROIC at 23.2%	70%[14]
1 September 2020	PSU	2	1 July 2015 – 30 June 2022	Seven year ROIC at 23.2%	100%
1 April 2021	RSU	3	1 April 2021 – 1 March 2023	Individual performance and time condition	100%

5.4.2 Fair Value of Equity Awards Granted, Vested and Lapsed Equity in 2023

The table below details the fair value at the date of grant for all LTI awards granted, vested and lapsed to Executive KMP as remuneration in 2023. The values are shown in Australian Dollars (A$).

Table 6: Grant Fair Value

Security	Tranche	Grant Date	Vest Date	Expiry Date	Fair Value per Security at Grant A$
PSU	4	1 Sep 2018	1 Sep 2022	1 Oct 2024	216.13
PSU	3	1 Sep 2019	1 Sep 2022	1 Oct 2029	228.14
PSU	2	1 Sep 2020	1 Sep 2022	1 Sep 2025	284.81
PSU	1	1 Nov 2022	1 Sep 2025	1 Sep 2027	267.12
PSU	2	1 Nov 2022	1 Sep 2025	1 Sep 2027	267.12
RSU	3	1 Apr 2021	1 Mar 2023	1 Apr 2026	261.26

5.4.3 Summary of Executive KMP Equity Granted, Vested and Lapsed in 2023

The table below summarises the details of equity awards granted, vested and lapsed in US$ for each Executive KMP. For awards granted, the maximum number of securities that may vest is shown. For accounting purposes, the maximum value of each grant is the fair value of the equity granted multiplied by the number of equity instruments granted, or remaining each year. Ultimately, the maximum face value of the equity awards will be equal to the number of securities granted multiplied by the CSL share price at the time of vesting. The minimum number of securities and the value of the equity awards is zero if the equity award is fully lapsed. Details of the performance and service criteria applying to awards granted in prior years are summarised in section 10 and prior Remuneration Reports corresponding to the reporting period in which the awards were granted.

11 Any STI that was not earned was automatically forfeited.
12 In 2023 P Perreault was an Executive KMP for the period 1 July 2022 to 5 March 2023.
13 The tranche has lapsed – there is no retest.
14 The remaining 30% of the tranche has lapsed – there is no retest.

Table 7: Movement in Equity in 2023

Executive	Security	Tranche	Grant Date	Vesting Date	Fair Value at Grant US$	Face Value at Grant US$[15]	Granted During the Year	Vested	Lapsed	Face Value at Vest – Vested Award US$[16]	Face Value at Lapse – Lapsed Award US$[17]
P McKenzie	PSU	3	1 Sep 2019	1 Sep 2022	755,134	797,270	4,923	–	4,923	–	972,432
	PSU	3	1 Sep 2019	1 Sep 2022	252,018	266,080	1,643	1,151	492	227,355	97,184
	PSU	3	1 Sep 2019	1 Sep 2022	706,049	745,447	4,603	3,223	1,380	636,634	272,589
	PSU	2	1 Sep 2020	1 Sep 2022	746,814	738,607	3,900	3,900	–	770,361	–
	PSU	1	1 Nov 2022	1 Sep 2025	2,685,514	2,847,779	14,953	–	–	–	–
	PSU	2	1 Nov 2022	1 Sep 2025	1,151,037	1,220,585	6,409	–	–	–	–
J Linton[18]	RSU	3	1 Apr 2021	1 Mar 2023	895,324	901,287	5,097	5,097	–	1,003,581	–
	PSU	1	1 Nov 2022	1 Sep 2025	1,292,560	1,370,659	7,197	–	–	–	–
	PSU	2	1 Nov 2022	1 Sep 2025	553,877	587,344	3,084	–	–	–	–
Former Executive KMP											
P Perreault[19]	PSU	4	1 Sep 2018	1 Sep 2022	1,473,238	1,430,956	9,363	–	9,363	–	1,849,459
	PSU	3	1 Sep 2019	1 Sep 2022	1,699,090	1,793,897	11,077	7,754	3,323	1,531,636	656,387
	PSU	2	1 Sep 2020	1 Sep 2022	1,567,926	1,550,696	8,188	8,188	–	1,617,363	–
	PSU	1	1 Nov 2022	1 Sep 2025	5,215,138	5,530,248	29,038	–	–	–	–
	PSU	2	1 Nov 2022	1 Sep 2025	2,235,084	2,370,134	12,445	–	–	–	

5.4.4 Executive KMP 2024 Equity Vesting Opportunity

Three awards will be tested in 2024. The following tables set out a preview of these awards with Table 9 providing the specific grant details for each Executive KMP. The face value in Table 8 is provided in A$.

Table 8: LTI Awards to be Tested in 2024

Grant Date	Security	Performance Measure	Face Value of a CSL Share at Date of Grant A$
1 September 2019	PSU	ROIC	240.87
1 September 2020	PSU	ROIC	281.68
1 April 2021	RSU	Individual performance and time condition	263.00

Table 9: Executive KMP LTI Opportunity to be Tested in 2024

Executive	Number of Performance Share Units	Number of Restricted Share Units
P McKenzie	8,504	–
J Linton	–	396
Former Executive KMP		
P Perreault[20]	19,263	–

15 Securities granted multiplied by the closing CSL share price on the date of grant. The A$ value was converted to US$ at an average exchange rate for the 2023 financial year of 1.48733.
16 Securities vested multiplied by the closing CSL share price on the date of vest. All awards were automatically exercised on vesting. The A$ value was converted to US$ at an average exchange rate for the 2023 financial year of 1.48733.
17 Securities lapsed multiplied by the closing CSL share price on the date of lapse. The A$ value was converted to US$ at an average exchange rate for the 2023 financial year of 1.48733.
18 The RSU award represents sign on RSUs as partial compensation of benefits forfeited with previous employer.
19 Shareholder approval for the grant of PSUs on 1 November 2022 and any shares to be issued at the time of vesting to P Perreault, was obtained under ASX Listing Rule 10.14 at the 2022 Annual General Meeting.
20 On cessation of employment in September 2023, as per the Performance Rights Plan Rules, P Perreault will retain a pro-rated number of PSUs based on time elapsed since grant date. Retained PSUs will remain subject to original terms and conditions including satisfaction of performance conditions as at the test date.

6. Executive Key Management Personnel Statutory Remuneration Tables

Remuneration is reported in US$, unless otherwise stated. This is consistent with the presentation currency used by CSL.

6.1 Executive KMP Remuneration 2022 and 2023

Table 10: Statutory Remuneration Disclosure – Executive KMP

		Short Term Benefits			Post Employment	Other Long Term
Executive	Year[21]	Cash Salary and Fees[23]	Cash Bonus US$[24]	Non-Monetary US$[25]	Super US$	Long Service Leave US$
P McKenzie – CEO and Managing Director	**2023**	**1,280,851**	**1,376,890**	**70,669**	**23,257**	**–**
	2022	965,230	1,273,770	67,972	16,802	–
J Linton – Chief Financial Officer[26]	**2023**	**846,516**	**946,395**	**46,836**	**186,096**	**21,242**
	2022	874,803	1,149,742	81,479	25,689	21,583
Former Executive KMP						
A Cuthbertson – Senior Advisor to CEO[27]	**2023**	**–**	**–**	**–**	**–**	**–**
	2022	128,811	–	–	4,550	2,855
P Perreault – CEO and Managing Director[28]	**2023**	**1,251,196**	**1,537,182**	**84,712**	**14,000**	**–**
	2022	1,733,962	3,029,931	92,441	18,300	–
TOTAL	**2023**	**3,378,563**	**3,860,467**	**202,217**	**223,353**	**21,242**
	2022	3,702,806	5,453,443	241,892	65,341	24,438

21 The A$ compensation paid during the years ended 30 June 2022 and 30 June 2023 have been converted to US$. For the 30 June 2023 compensation, this has been converted to US$ at an average exchange rate for the 2023 financial year of 1.48733. For the 2022 compensation, this has been converted to US$ at an average exchange rate for the 2022 financial year of 1.37359. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the exchange rates. No termination benefits were paid in 2023.

22 The PSUs and RSUs have been valued using the Black Scholes option valuation methodology. These valuations were undertaken by Deloitte and PricewaterhouseCoopers. The amounts disclosed have been determined by allocating the value of the PSUs and RSUs over the period from grant date to vesting date in accordance with applicable accounting standards. Share based payments have been converted to US$ at an average exchange rate for the 2023 financial year of 1.48733. There were no Performance Rights or Options expensed or outstanding in 2022 or 2023.

23 Includes cash salary, cash allowances and short term compensated absences, such as annual leave entitlements accrued but not taken during the year.

24 The STI cash bonus in respect of 2023 is scheduled to be paid in September 2023. The STI cash component of the cash bonus received in 2022 was paid in full in September 2022 for all Executive KMP as previously disclosed, with no adjustment.

25 Includes any health benefits, insurances benefits and other short-term employee benefits. For International Assignees and domestic and international relocations, this may include personal tax advice, health insurance, removalists, temporary accommodation and other expatriate assignment benefits.

26 J Linton commenced as Executive KMP on 5 March 2021 and was granted RSUs on 1 April 2021 as a component of her sign on arrangements (as partial compensation for time-based equity forfeited at her previous employer). 5,097 RSUs vested on 1 March 2023 and 396 RSUs are due to vest on 1 March 2024. Details are set out in the 2021 Remuneration Report.

27 In 2022 A Cuthbertson was an Executive KMP for the period 1 July 2021 to 1 October 2021.

28 In 2023 P Perreault was an Executive KMP for the period 1 July 2022 to 5 March 2023. The full year fixed reward for P Perreault was US$1,856,133, the full year cash STI payment was US$2,262,385 and the full year share based payment expense was US$3,654,625.

Share Based Payments[22]			
Performance Share Units US$	Restricted Share Units US$	Total US$	% Performance Related
1,657,943	**–**	**4,409,610**	**69%**
2,577,351	–	4,901,125	79%
924,455	**334,835**	**3,306,375**	**67%**
699,401	1,540,207	4,392,904	77%
–	**–**	**–**	**– %**
(97,619)	–	38,597	(253)%
1,691,820	**–**	**4,578,910**	**71%**
4,987,494	–	9,862,128	81%
4,274,218	**334,835**	**12,294,895**	**69%**
8,166,627	1,540,207	19,194,754	79%

6.2 Executive KMP Shareholdings

Details of fully paid ordinary shares held directly, indirectly or beneficially by each Executive KMP, including their related parties, are provided in Table 11. Details of Options, Performance Rights, PSUs and RSUs held directly, indirectly or beneficially by each Executive KMP, including their related parties, are provided in Table 12. Any amounts are presented in US$. Following the vesting of awards, any trading undertaken by Executive KMP was subject to the Group Securities Dealing Policy (outlined in section 9.6). Approved trading disclosed was actioned in accordance with the Policy, including forced trades to cover CSL tax withholding obligations.

Table 11: Executive KMP Shareholdings

Executive	Opening Balance at 1 July 2022	Number of Shares Acquired on Exercise of Options, Performance Rights, PSUs or RSUs during year US$	Vesting and Value of Shares Acquired on Exercise of Options, Performance Rights, PSUs or RSUs during year US$[29]	Number of (Shares Sold)/ Purchased	Closing Balance at 30 June 2023
P McKenzie	20,674	8,274	1,634,350	(8,251)	20,697
J Linton	11,547	5,097	1,003,581	(5,000)	11,644
Former Executive KMP					
P Perreault[30]	166,301	15,942	3,148,999	(16,942)	165,301

There have been no movements in shareholdings of Executive KMP between 30 June 2023 and the date of this Report.

Table 12: Executive KMP Option, Performance Right, Performance Share Unit and Restricted Share Unit Holding

								Closing Balance as at 30 June 2023	
Executive	Security	Opening Balance as at 1 July 2022	Number Granted	Number Exercised	Number Lapsed[31]	Closing Balance as at 30 June 2023	Number Vested During Year	Vested[32]	Unvested
P McKenzie	PSU	42,590	21,362	8,274	6,795	48,883	8,274	–	48,883
J Linton	PSU	7,276	10,281	–	–	17,557	–	–	17,557
	RSU	5,493	–	5,097	–	396	5,097	–	396
Former Executive KMP									
P Perreault[33]	PSU	87,719	41,483	15,942	12,686	100,574	15,942	–	100,574

29 The value of PSUs and RSUs at the exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of securities exercised during 2023. The A$ value was converted to US$ at an average exchange rate for the year of 1.48733.

30 The closing balance for P Perreault is as at 5 March 2023 being the date P Perreault ceased to be Executive KMP.

31 The number that lapsed represents the portion of the 2019 LTI (Tranche 4 granted 1 September 2018) and the 2020 LTI (Tranche 3 granted 1 September 2019) that did not vest.

32 Vested awards are exercisable to the Executive KMP. There are no vested and unexercisable awards.

33 The closing balance for P Perreault is at 5 March 2023 being the date P Perreault ceased to be Executive KMP.

7. Remuneration in 2024

7.1 Executive KMP Remuneration Changes in 2024

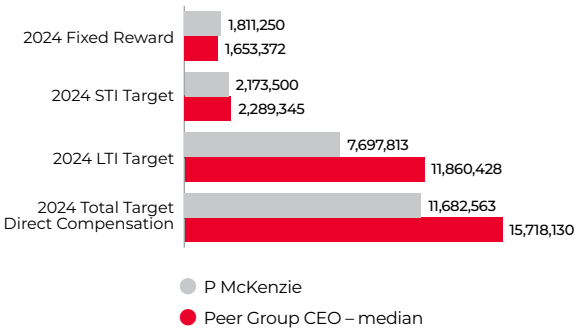
CSL competes for talent in a global market and we need to attract and retain high calibre executives in a highly competitive global pharmaceutical and biotechnology industry. The unique skill set with specialised pharmaceutical and biotechnology expertise and experience that CSL requires is critical to enable the company to deliver on its strategy, promise to patients and deliver sustainable returns to shareholders.

The Board determines any increases to reward for Executive KMP based on position in market with the pharmaceutical/biotechnology peer group, individual performance, role responsibilities and internal relativity. When comparing Executive KMP TDC to the reward of peers within the pharmaceutical/biotechnology peer group, all lag the median – specifically on the LTI component – resulting in TDC that is below the median.

2024 Target Remuneration – P McKenzie

In 2024, the Board has determined that Dr McKenzie will receive a 3.5% increase to FR, resulting in a 1 September 2023 figure of US$1,811,250. There will be no change to the STI or LTI targets, remaining at 120% and 425% of FR respectively. Dr McKenzie's TDC will be US$11,682,563 and this is a position of 74% against the median TDC of the pharmaceutical/biotechnology peer group.

2024 P McKenzie Target Remuneration and Peer Group Comparison – US$



2024 Target Remuneration – J Linton

In keeping in line with the approach taken for all Executives, in 2024, the Board has determined that Ms Linton will have an increase to FR only. Effective 1 July 2023, Ms Linton's FR will be increased by 0.45% for the Australian superannuation guarantee increase from 10.5% to 11% and from 1 September 2023 will be increased by 3.5%. There will be no change to STI and LTI targets resulting in a TDC of US$3,978,203. The change for 2024 positions Ms Linton at 70% of the median TDC of the pharmaceutical/biotechnology peer group.

2024 J Linton Target Remuneration and Peer Group Comparison – US$

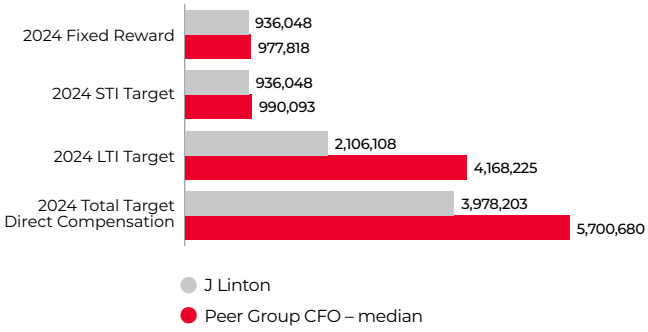


Table 13 sets out the changes to Executive KMP reward for 2024 (effective 1 September 2023) and a comparison with the changes made for 2023 (effective 1 September 2022).

Table 13: Changes to Executive KMP Reward 2023 and 2024

Executive	Year	% change in FR	% change in STI $ opportunity at target	% change in LTI $ opportunity at target	Total Reward Adjustment %	Total Reward Adjustment US$
P McKenzie	**2024**	**3.50%**	**3.50%**	**3.50%**	**3.50%**	**395,063**
	2023	3.50%	3.50%	25.68%	17.61%	950,669
J Linton	**2024**	**3.95%**	**3.95%**	**3.95%**	**3.95%**	**151,168**
	2023	3.70%	22.29%	33.65%	22.72%	769,592
Former Executive KMP						
P Perreault	**2024**	**– %**	**– %**	**– %**	**– %**	**–**
	2023	3.50%	3.50%	16.44%	11.85%	1,324,696

7.2 LTI Framework Changes in 2024

In 2024, a change to the EPS calculation will be introduced. NPAT will be replaced by NPATA as the Board believes this measure provides shareholders with improved transparency of the underlying performance of CSL and aligns with the profit measure being provided as financial guidance externally and, also used to determine the dividend and STI outcomes.

The Board values and has listened to the investor feedback received and will be amending the ROIC performance period and target setting approach. From 2024, this will move from a seven year performance period (four year look back/three year forward look) to three year forward looking. This forward looking performance period is also in line with market practice across our global pharmaceutical/biotechnology peer group and aligns with the approach taken on the EPS hurdle. The ROIC gateway performance measure, which was previously introduced to address concerns about the impact of the four year look back, will not apply to the three year forward looking ROIC metric.

The Board will continue to review the types of equity delivered under our LTI program and will also review target LTI quantum for Executive KMP so that CSL can continue to attract and retain global talent and remain competitive with our global peers.

8. Non-Executive Director Remuneration

8.1 NED Fee Policy

Feature	Description
Strategic Objective	CSL's NED fee arrangements are designed to appropriately compensate suitably qualified directors, with the requisite experience and expertise, for their Board responsibilities and contribution to Board committees. In the 2023 year, the Board had four Committees for which fees were payable
Maximum Aggregate Fees Approved by Shareholders	The current maximum aggregate fee pool of A$4,000,000 was approved by shareholders on 12 October 2016 and has applied from this date. Actual NED fees paid during the 2023 year (including superannuation contributions, NED Rights Plan sacrifice amounts and Committee fees) are within this agreed limit, and totalled A$3,018,869. NEDs may be reimbursed for reasonable expenses incurred by them in the course of discharging their duties and this reimbursement is not included within this limit
Remuneration Reviews	The Board in conjunction with the HRRC, reviews NED fees on an annual basis in line with general industry practice. Fees are set with reference to the responsibilities and time commitments expected of NEDs along with consideration to the level of fees paid to NEDs of comparable Australian companies
Independence	To ensure independence and impartiality is maintained, NEDs do not receive any performance related remuneration
NED Equity	The NEDs participate in the NED Rights Plan – introduced to enable NEDs to build up meaningful levels of equity more quickly. Under the plan, NEDs sacrifice at least 20% of their pre-tax base fee in return for a grant of Rights, each Right entitling a NED to acquire one CSL share at no additional cost. The number of Rights granted is equivalent to the fee sacrificed divided by the prevailing market price of CSL shares at that time. Rights are allocated in two tranches and vesting occurs following the disclosure of half year and full year financial results following the grant of Rights. For Australian based NEDs, shares are allocated at vesting of the Rights and are then subject to a nominated restriction period of three to fifteen years. For overseas based NEDs, shares are allocated at the end of the nominated three to fifteen year restriction period. At the end of the nominated restriction period the NED is able to access their shares. No price is payable on vesting and exercise of rights. Shares are automatically allocated without the need for exercise by a NED. As this is a salary sacrifice plan, no performance conditions apply to the Rights. The shares are purchased on-market. Additional shares may be purchased by NEDs on-market at prevailing share prices in accordance with CSL's Securities Dealing Policy
Shareholding Requirement	NEDs must hold CSL shares equal to 100% of their Board base fee within five years from the date of appointment to the Board
Post-Employment Benefits	Superannuation contributions are made in accordance with legislation and are included in the reported base fee and are not additional to the base fee. NEDs are not entitled to any compensation on cessation of appointment
Contracts	NEDs are appointed under a letter of appointment and are subject to ordinary election and rotation requirements as stipulated in the ASX Listing Rules and CSL Limited's constitution

8.2 NED Fees in 2023

The following table provides details of current Board and Committee fees from 1 July 2022 and increases to be applied at 1 July 2023. As a truly global business, our NED fee structure allows attraction and recruitment of appropriately skilled directors. The Board continues to monitor the practice of global Australian listed companies and those listed in European and US markets to ensure a competitive structure and fee arrangement is in place.

In 2023, after reviewing ASX12 comparative Board fees, the Board determined to increase Board and Committee fees by 3% from 1 July 2023. This increase is below the global weighted average budget for employees and is within the maximum aggregate remuneration that may be paid to all NEDs, as agreed by shareholders at the 2016 AGM. These increases ensure market competitive fees and allow CSL to attract and retain high quality NEDs.

Table 14: NED Fees 2023 and 2024

		2023 Fees		2024 Fees
Board Chairman Fee		A$896,100		A$923,000
Board NED Base Fee		A$252,600		A$260,000
Committee Fees	**Committee Chair**	**Committee Member**	**Committee Chair**	**Committee Member**
Audit & Risk Management	A$72,100	A$35,300	A$74,250	A$36,350
Corporate Governance & Nomination	A$31,000	A$15,550	A$31,950	A$16,000
Human Resources & Remuneration	A$61,800	A$31,000	A$63,650	A$31,950
Innovation & Development	A$59,900	A$31,000	A$61,700	A$31,950

The Chairman of the Board does not receive Committee fees in addition to his Board Chairman fee.

A travel allowance of A$15,000 per annum is in place for those NEDs who reside outside of Australia and travel to and from Australia to attend Board and Committee meetings. Where no travel is undertaken in a quarter, no allowance is paid. In 2023, no allowance was paid.

8.3 Non-Executive Share Purchases

During 2023, CSL completed two on-market purchases of shares for the purposes of the NED Rights Plan. A total of 2,822 shares were purchased during the reporting period and the average price paid per share was A$295.12.

8.4 Non-Executive Director Statutory Remuneration Tables

Remuneration is reported in US$, unless otherwise stated. This is consistent with the presentation currency used by CSL.

8.4.1 Non-Executive Director Remuneration 2022 and 2023

Table 15: Statutory Remuneration Disclosure – Non-Executive Directors

		Short Term Benefits	Post Employment		Share Based Payments	
Non-Executive Director	Year	Cash Salary and Fees US$[34]	Superannuation US$	Retirement Benefits US$	Rights US$[35]	Total
B McNamee – Chairman	**2023**	**464,986**	**17,005**	**–**	**119,228**	**601,219**
	2022	489,543	17,158	–	125,313	632,014
B Brook	**2023**	**120,837**	**6,028**	**–**	**97,275**	**224,140**
	2022	178,358	8,579	–	51,686	238,623
M Clark	**2023**	**191,711**	**17,005**	**–**	**33,551**	**242,267**
	2022	202,267	17,158	–	35,290	254,715
A Cuthbertson[36]	**2023**	**151,123**	**18,490**	**–**	**50,681**	**220,294**
	2022	117,973	15,015	–	33,844	166,832
C Hewson	**2023**	**133,332**	**17,005**	**–**	**83,932**	**234,269**
	2022	140,877	17,158	–	88,508	246,543
D Maskell[37]	**2023**	**54,788**	**17,005**	**–**	**115,541**	**187,334**
	2022	60,806	20,021	–	85,480	166,307
M McDonald	**2023**	**154,958**	**8,502**	**–**	**50,410**	**213,870**
	2022	171,831	–	–	52,966	224,797
A Watkins[38]	**2023**	**136,479**	**18,490**	**–**	**58,269**	**213,238**
	2022	121,065	20,021	–	49,819	190,905
TOTAL	**2023**	**1,408,214**	**119,530**	**–**	**608,887**	**2,136,631**
	2022	1,482,720	115,110	–	522,906	2,120,736

8.4.2 Non-Executive Director Shareholdings

Details of fully paid ordinary shares held directly, indirectly or beneficially by each NED, including their related parties, is provided in Table 16. Any amounts are presented in US$. Details of Rights held directly, indirectly or beneficially by each NED, including their related parties, is provided in Table 17. Following the vesting of awards, any trading undertaken by NEDs was subject to the Group Securities Dealing Policy (outlined in section 9.6).

34 The A$ compensation paid and share based payments during the years ended 30 June 2022 and 30 June 2023 have been converted to US$. For the 2023 compensation, this has been converted to US$ at an average exchange rate for the 2023 financial year of 1.48733. For the 2022 compensation, this has been converted to US$ at an average exchange rate for the 2022 financial year of 1.37359. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the A$/US$ exchange rates. No long term or termination benefits were paid in 2023.

35 As disclosed in the section 8.1, NEDs participate in the NED Rights Plan under which NEDs are required to take at least 20% of their after-tax base fees (excluding superannuation guarantee contributions) in the form of Rights. Rights are granted upfront and are expensed over the period of grant to vest. The Fair Value per Right at the grant date of 25 August 2022 was A$292.74 for Tranche 1 (vests 20 February 2023) and A$290.97 for Tranche 2 (vests 21 August 2023).

36 In 2022 A Cuthbertson was a NED for the period 2 October 2021 to 30 June 2022.

37 In 2022 D Maskell was a NED for the period 18 August 2021 to 30 June 2022.

38 In 2022 A Watkins was a NED for the period 18 August 2021 to 30 June 2022.

Table 16: Non-Executive Director Shareholdings

KMP	Opening Balance as at 1 July 2022	Number of Shares Acquired on Vesting and Exercise of Rights during year	Value of Shares Acquired on Exercise of Rights during year US$[39]	Number of (Shares Sold)/ Purchased	Closing Balance at 30 June 2023
Non-Executive Director					
B McNamee	162,362	588	117,440	(16,370)	146,580
B Brook	6,122	377	75,414	–	6,499
M Clark	4,013	166	33,155	270	4,449
A Cuthbertson	111,752	1,333	263,854	(22,822)	90,263
C Hewson	1,241	414	82,688	–	1,655
D Maskell	209	508	101,531	–	717
M McDonald	3,614	249	49,733	–	3,863
A Watkins	1,955	271	54,144	1,000	3,226

There have been no movements in shareholdings of NEDs between 30 June 2023 and the date of this Report.

Table 17: Non-Executive Director Rights Holdings

KMP	Security	Opening Balance at 1 July 2022	Number Granted[40]	Face Value of Rights Granted US$[41]	Fair Value of Rights Granted US$[42]	Number Exer-cised[43]	Value of Rights Exer-cised US$[44]	Number Lapsed	Closing Balance at 30 June 2023	Number Vested During Year	Closing Balance at 30 June 2023 Vested[45]	Closing Balance at 30 June 2023 Unves-ted[46]
Non-Executive Director												
B McNamee	Right	284	608	118,475	119,306	588	117,440	–	304	588	–	304
B Brook	Right	120	514	100,157	100,861	377	75,414	–	257	377	–	257
M Clark	Right	80	171	33,321	33,555	166	33,155	–	85	166	–	85
A Cuthbertson[47]	Right	120	257	50,079	50,431	249	49,733	–	128	249	–	128
	PSU	4,480	–	–	–	1,084	214,121	(2,235)	1,161	1,333	–	1,161
C Hewson	Right	200	428	83,400	83,985	414	82,688	–	214	414	–	214
D Maskell	Right	208	600	116,916	117,736	508	101,531	–	300	508	–	300
M McDonald	Right	120	257	50,079	50,431	249	49,733	–	128	249	–	128
A Watkins	Right	121	300	58,458	58,869	271	54,144	–	150	271	–	150

39 The value at exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of Rights exercised during 2023. The A$ value was converted to US$ at an average rate for the year of 1.48733.

40 The number of Rights granted is determined by dividing the NEDs elected percentage of pre-tax base fee (minimum 20%) by the five day volume weighted average price (VWAP) at which CSL shares were traded on the ASX ending on (and including) the last ASX trading day prior to the date of grant of the Rights being 24 August 2022 of A$294.46. The Rights were granted on 25 August 2022 in two tranches. Tranche one had a vesting date of 20 February 2023 and tranche two vests 21 August 2023.

41 The value at grant date has been determined by the share price at the close of business on the grant date of 25 August 2022 being A$289.82 multiplied by the number of Rights granted during 2023. The A$ value was converted to US$ at an average exchange rate for the year of 1.48733. The Rights have an expiry date fifteen years from the start of the financial year in which the Rights were granted.

42 The value of Rights is calculated based on an assessment of the fair market value of the instruments in accordance with the accounting standards (refer to Note 18 in the Financial Statements). The fair value of each Right granted on 25 August 2022 was Tranche 1: A$292.74 and Tranche 2: A$290.97 multiplied by the number of Rights granted during 2023.

43 Vesting and exercise occurred in relation to Tranche 2 of the 2022 grant and Tranche 1 of the 2023 grant. All Rights eligible vested at 100% during the year. No Rights eligible to vest were lapsed.

44 The value at exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of Rights exercised during 2023. The A$ value was converted to US$ at an average exchange rate for the year of 1.48733. Australian based NEDs have Rights exercised at the vesting date and a holding lock is placed on the shares for a period of three to fifteen years as elected by the NED.

45 Vested Rights are exercisable to the NED at the end of the nominated restriction period. All vested Rights are currently unexercisable until the end of the nominated restriction period.

46 Unvested Rights represent Tranche 2 of the 2023 grant that will vest on 21 August 2023, following the release of full year financial results.

47 All PSUs held by A Cuthbertson in his capacity as a member of the Company's Executive KMP until 1 October 2021 are disclosed in prior year Remuneration Reports.

9. Remuneration Governance

The following diagram illustrates CSL's remuneration governance framework.

CSL Board:
The Board is responsible for the oversight and strategic direction of CSL. It monitors operational and financial performance, human resources policies and practices, and approves the company's budgets and business plans. It is also responsible for overseeing CSL's risk management, financial reporting and compliance framework.

The Board reviews, makes comment on and, as appropriate, approves remuneration recommendations from the HRRC. The Board approves the remuneration and remuneration outcomes for the CEO and NEDs and approves the policies and processes that govern both.

HRRC:
The HRRC has oversight of all aspects of remuneration at CSL. The Board has delegated responsibility to the HRRC for reviewing and making recommendations to the Board with regard to:

- Executive remuneration design;
- Approval of awards to the CEO;
- Senior executive succession planning;
- The design and implementation of CSL incentive plans (including equity based arrangements);
- The remuneration and other benefits applicable to NEDs; and
- The CSL diversity policy and measurable objectives for achieving gender diversity.

The HRRC is able to approve the remuneration of Executive KMP (excluding the CEO).

Members
Dr Megan Clark AC (Chair), Ms Carolyn Hewson AO, Ms Marie McDonald and Ms Alison Watkins AM.

ARMC:
The ARMC assists the Board in the governance of CSL's financial reporting and disclosures, risk identification, management and compliance, and oversees and monitors ESG performance.

The ARMC advises the HRRC on any material risk management and financial matters that may impact remuneration outcomes.

External Remuneration Advisers:
The Board and the HRRC may seek and consider advice directly from external advisors, who are independent of management.

In 2023 the HRRC engaged the services of Aon Consulting in the US, and EY in Australia. Under engagement and communication protocols adopted by CSL, the market data and other advice were provided directly to the HRRC by both Aon Consulting and EY. Neither Aon Consulting nor EY provided Remuneration Recommendations during the 2023 financial year.

Joint HRRC and ARMC meetings:
The Committees meet jointly at least annually to review and consider relevant risk management matters in the determination of the Executive KMP remuneration outcomes.

9.1 HRRC Activities

During 2023, the HRRC met on six occasions. The attendance of the HRRC members at those meetings can be found in the Directors' Report of the 2023 Annual Report available on CSL.com.

Activities undertaken include:

- Review of the executive remuneration framework;
- Review and consideration of investor feedback received across the year;
- Appointment of external remuneration advisors;
- Review of senior executive appointments and remuneration arrangements;
- Review of STI and LTI arrangements, and reward outcomes for senior executives;
- Review of the CSL diversity objectives and report, and gender pay review and progress against diversity objectives;
- Review of talent and succession planning for senior executives;
- Review of long term remuneration strategy and global trends in remuneration;
- Review of NED remuneration; and
- Review of the HRRC Charter and HRRC performance.

Full responsibilities of the HRRC are outlined in its Charter (reviewed annually) – available at http://www.csl.com.au/about/governance.htm

9.2 Remuneration Determination

The Board has discretion across each element of Executive KMP reward and considers business performance, individual performance and shareholder experience before setting and approving reward outcomes.

Remuneration Recommendations – Reviewed on an annual basis, the CEO makes a recommendation to the HRRC for Executive KMP, with the HRRC recommending to the Board for the CEO, any change to FR and STI and LTI targets for the year ahead. Recommendations take into consideration market conditions, position in market within the global pharmaceutical/biotechnology peer group, individual performance, role responsibilities and internal relativity. Remuneration is reviewed in the context of Total Reward. There is a higher proportion of Total Reward in the form of performance related variable pay.

STI Outcomes – A formal review of Executive KMP progress against KPIs is conducted twice annually by the CEO and annually by the Board for the CEO. Regular performance conversations are held during the year. Following the full year performance review, the CEO makes recommendations in respect of Executive KMP to the HRRC. The HRRC and the Board assess individual performance against KPIs at the end of the financial year, and approve the actual STI payments to be made. The Board determines the outcomes for the CEO, based on recommendations from the HRRC, who are informed by the Chairs of the Board and HRRC. The Board believes this is the most appropriate method of assessment.

LTI Outcomes – The HRRC assesses performance against the hurdle measures set at grant by the Board. Following this, the HRRC undertakes a review to ensure the remuneration outcomes are aligned with overall business performance and the shareholder experience and then submits outcomes to the Board for approval. The Board believes this is the most appropriate method of assessment.

Board Discretion – Prior to approving CEO remuneration outcomes and before finalising all other Executive KMP outcomes, the Board holistically assesses the outcomes and considers whether there are any circumstances warranting application of the Malus and Clawback Policy. It also considers the 'Leading and Managing' modifier and ensures that the interaction of remuneration outcomes is in alignment with risk management outcomes for the year and that any material risk issues and behaviours and/or compliance breaches are addressed. The Board's assessment is informed by the review undertaken by the HRRC in conjunction with the ARMC. The Board has discretion to determine final vesting outcomes to ensure outcomes are in line with CSL performance, market reported financial outcomes and the experience of our shareholders. Discretion may be exercised to either increase or reduce vesting outcomes, which includes reducing to zero.

New Hires and Internal Promotions – The Remuneration Framework set out in section 3.2 applies to the remuneration arrangements for any newly hired or promoted Executive KMP, ensuring a market competitive Total Reward offering. In the case of external hires, the HRRC and Board may determine that it is appropriate for a commencement benefit to be offered. Commencement benefits in the form of cash and/or equity can be made to compensate for remuneration being forfeited from a former employer. For any foregone equity awards, CSL equity will typically be used as compensation. Awards may be discounted to take into consideration any performance conditions on the award at the former employer and the HRRC will determine the appropriate service and performance conditions on the CSL award within the CSL framework. For internal promotions, the HRRC may determine that an award of equity should be made to ensure an appropriate Total Reward package. This is typically done as hurdled equity under the LTI framework described in section 3.2.5.

9.3 Contractual Provisions for Executive KMP

Executive KMP are employed on individual service contracts that outline the terms of their employment, which include:

Duration of Contract	Notice Period Employee	Notice Period CSL*	Termination Payment
No fixed term	Six months	Six months	12 months

*CSL may also terminate at any time without notice for serious misconduct and/or breach of contract. CSL may also make payment in lieu of notice

The CEO is a US based executive and, under the CEO's employment contract, CSL has agreed to indemnify the CEO if he is subject to additional tax on his remuneration in any jurisdiction other than the US.

9.4 Other Transactions

No loans were made, guaranteed or secured, directly or indirectly by CSL or any of its subsidiaries, to any Executive KMP or their related parties during 2023.

No loans were made to NEDs during 2023. To the extent that there were transactions between the Company and an organisation with which a NED may be connected or associated, those transactions were all on normal commercial arms' length terms, immaterial, and the relevant NED had no involvement in any procurement or other Board decision-making related to the transaction.

9.5 Malus and Clawback Policy

CSL operates a Malus and Clawback Policy. 'Malus' means adjusting or cancelling all or part of an individual's variable reward as a consequence of a materially adverse development occurring prior to payment (in the case of cash incentives) and/or prior to vesting (in the case of equity incentives). 'Clawback' means seeking recovery of a benefit paid or given to take into account a materially adverse development that only comes to light after payment or award, including shares delivered post vesting.

The Board, in its discretion, may apply the policy to any incentive provided to a senior executive, including a former senior executive, upon the occurrence (or the discovery of the occurrence) of any of the following events or conduct:

- material misstatement, omission or error in the financial statements of a Group company or the CSL Group leading to a senior executive receiving a benefit greater than the amount that would have been received had such misstatement, omission or error not occurred;
- fraud or dishonesty to CSL or any Group company;
- wilful engagement in conduct which is, or might reasonably be expected to be, injurious to CSL or any Group company, monetarily or otherwise, including, but not limited to, its reputation or standing in its industry;
- intentional act that is materially adverse to the best interests of CSL or any Group company;
- violation of any material law or regulation;
- adverse risk management outcomes; and/or
- material violation of CSL's Code of Conduct or any other policy governing the conduct of employees of CSL or any Group company or any agreement or covenant entered into between a senior executive and CSL or any Group company.

In 2023, following a joint review of reward outcomes by both the HRRC and the ARMC, there was no application of the Malus and Clawback Policy.

9.6 Securities Dealing

The CSL Securities Dealing Policy prohibits employees from using price protection arrangements (e.g. hedging) in respect of CSL securities, or allowing them to be used. The Policy also provides that no CSL securities can be used in connection with a margin loan. Upon vesting of an award, an employee may only deal in their CSL securities in accordance with the Policy. A breach of the Policy may result in disciplinary action. A copy of the Policy is available at http://www.csl.com.au/about/governance.htm.

9.7 Minimum Shareholding Guideline

To be met within a target of the first five years of appointment, or within five years for current incumbents, and to be held whilst in the role at CSL, the following levels of vested equity must be held:

- CEO: Three times base salary;
- Executive KMP: One times base salary; and
- NEDs: One times Board base fee.

As at 30 June 2023, all KMP hold, or are on track to hold, the minimum shareholding requirement within the relevant time period.

10. Additional Employee Equity Programs and Legacy Plan Information

In addition to the Executive Performance and Alignment Plan LTI program described earlier in this Report, CSL operates two additional employee equity programs – the Global Employee Share Plan and the Retain and Grow Plan. An overview of those programs is provided below.

10.1 Global Employee Share Plan

CSL's Global Employee Share Plan (GESP) provides all employees the opportunity to share in the ownership of our company and share in our future.

Operating across two six month contribution periods, an employee can elect to make post tax salary contributions between A$365 and A$12,000 per six month period. The employee then receives shares at a 15% discount to the applicable market rate over the five day period up to and including the first and last ASX trading days of the six month period, whichever is the lower. Shares are then held in restriction for a period of one or three years as determined upfront by the employee. The shares may be issued or purchased on market.

To participate in GESP an employee must have at least six months service at the start of the contribution period. Participation is open to permanent full or part time and fixed term contract employees and excludes Executive Directors.

10.2 Retain and Grow Plan

The CSL Group Retain and Grow Plan (RGP) LTI program is designed to attract, motivate and retain key talent across the organisation. RGP provides eligible employees with longer-term share ownership in CSL, enabling them to share in the company's success and any capital growth.

The RGP recognises those individuals in management roles (Manager to Senior Vice President) across the CSL Group. Awards under the RGP are not guaranteed and the CSL Board will review participation on an annual basis.

Key plan elements are as follows

- A conditional 'right' to a CSL share (i.e. full value instrument) or at the Board's discretion, a cash equivalent payment. No price is payable by the participant on grant or vesting of rights. Shares are automatically allocated (or cash automatically paid) without the need for exercise by a participant;
- The security granted is a RSU;
- LTI opportunity set as % of local salary (converted to A$ at grant);
- Number of RSUs determined using face value (five day weighted average share price);
- Individual performance hurdle – must not fail to meet performance expectations;
- 33% of RSUs will vest on the first and second anniversaries of the Issue Date, with the remaining 34% vesting on the third anniversary;
- There is no retesting of awards;
- On cessation of employment a 'qualified leaver' (such as retirement or redundancy) will retain a pro-rated number of RSUs based on time elapsed since grant date, subject to original terms and conditions. If a participant is not a 'qualified leaver', all unvested awards will be forfeited unless the Board determines otherwise;
- In the event of a change of control, the Board, in its absolute discretion, may determine that some or all of the awards vest having regard to the performance of the participant during the vesting period to the date of the change of control event. Vesting may occur at the date of the change of control event or an earlier vesting date as determined by the Board; and
- No dividends or dividend equivalents are paid on unvested awards. Participants are only eligible for dividends once shares have been allocated following vesting of any RSUs. RSUs do not carry any voting rights prior to vesting and allocation of shares.

Our Senior Vice President and Vice President employees participate in both the Executive Performance and Alignment PSU (described in section 3.2.5) and RGP LTI Plans with a higher portion of awards aligned to the executive plan.

The RGP is also used for commencement benefits, retention and recognition awards at all levels of the organisation. The difference to the annual program is the vesting schedule, which is reviewed and determined on a case by case basis.

10.3 Key Characteristics of Prior Financial Year Performance Share Unit Grants

The following table provides information on the key characteristics of the LTI programs on foot during the 2023 reporting period. The 2019 (granted 1 September 2018), 2020 (granted 1 September 2019) and 2021 (granted 1 September 2020) PSU LTI awards have the same key characteristics as the 2023 (granted 1 November 2022) award disclosed in section 3.2.5 with the exception of the hurdle, performance period, performance targets and vesting dates as outlined in Table 18. The ROIC component of the 2022 award (granted 1 September 2021) also aligns with the above, and an EPSg measure was added, weighted 30% of the award. Details are also included in Table 18 with remaining terms aligning with the detail provided in section 3.2.5.

For the three unvested LTI awards that were granted to Executives prior to the acquisition of Vifor Pharma – 2020 tranche 4 (granted 1 September 2019), 2021 tranches 3 and 4 (granted 1 September 2020) and the 2022 award (granted 1 September 2021) – that will be tested in calendar years 2023 and 2024, the Board has determined that it will make an adjustment to the financial results that will be used to determine vesting.

At the time of the grants, performance hurdle targets against the metrics of ROIC and EPS growth, were set based on the financial projections undertaken at that time and did not consider a material acquisition. The Board has determined that it will not adjust the performance targets and will exclude the impact of CSL Vifor from the audited financial results of the CSL Group to determine the testing outcomes. This will involve the exclusion of the CSL Vifor contribution to Earnings before Interest and Tax (for the ROIC calculation) and NPAT (for the EPS calculation) and the adjustment of debt and equity (for ROIC) to remove the funding specific to the Vifor Pharma acquisition. EPS will be calculated by excluding the shares issued to fund the acquisition from the denominator of the EPS calculation and using NPAT excluding CSL Vifor from the numerator. However, the Board will take into account CSL Vifor performance when considering the overall vesting outcomes.

All grants made after the acquisition include the contribution of CSL Vifor.

The Board also retains discretion to adjust vesting outcomes considering company performance, individual performance and shareholder experience.

Table 18: Key Characteristics of Prior Financial Year PSU Grants

Grant Date	Tranche	Performance Measure	Performance Period	Performance Target	Vesting Date
1 Sep 2018	4	ROIC	1 July 2015 – 30 June 2022	Threshold – 24% Target – 27%	1 September 2022
1 Sep 2019	3	ROIC	1 July 2015 – 30 June 2022	Threshold – 22% Target – 25%	1 September 2022
1 Sep 2019	4	ROIC	1 July 2016 – 30 June 2023		1 September 2023
1 Sep 2020	2	ROIC	1 July 2015 – 30 June 2022	Threshold – 20% Target – 23%	1 September 2022
1 Sep 2020	3	ROIC	1 July 2016 – 30 June 2023		1 September 2023
1 Sep 2020	4	ROIC	1 July 2017 – 30 June 2024		1 September 2024
1 Sep 2021	1	ROIC	1 July 2017 – 30 June 2024	Threshold – 20% Target – 21.4%	1 September 2024
1 Sep 2021	2	EPSg	1 July 2021 – 30 June 2024	Threshold – 5% Target – 8.3%	1 September 2024

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2023

	Notes	Consolidated Entity 2023 US$m	2022 US$m
Sales and service revenue		**12,776**	10,136
Influenza pandemic facility reservation fees		**156**	162
Royalties and license revenue		**242**	195
Other income		**136**	69
Total operating revenue	3	**13,310**	10,562
Cost of sales		**(6,466)**	(4,830)
Gross profit		**6,844**	5,732
Research and development expenses	7	**(1,235)**	(1,156)
Selling and marketing expenses		**(1,454)**	(961)
General and administration expenses		**(1,086)**	(688)
Operating profit		**3,069**	2,927
Finance costs	3	**(444)**	(165)
Finance income		**38**	18
Profit before income tax expense		**2,663**	2,780
Income tax expense	4	**(419)**	(525)
Net profit for the year		**2,244**	2,255
Other comprehensive income (OCI)			
Items that may be reclassified subsequently to profit or loss			
Hedging transactions			
– Changes in fair value	12	**–**	135
– Realised in profit and loss	12	**(14)**	(1)
Exchange differences on translation of foreign operations, net of hedges on foreign investments	12	**(17)**	(287)
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value on equity securities measured through OCI, net of tax	12	**(42)**	(7)
Actuarial gains on defined benefit plans, net of tax	19	**1**	35
Total other comprehensive losses		**(72)**	(125)
Total comprehensive income for the year		**2,172**	2,130
Net profit for the year attributable to:		**2,244**	2,255
– Shareholders of CSL Limited		**2,194**	2,255
– Non-controlling interests		**50**	–
Total comprehensive income for the year attributable to:		**2,172**	2,130
– Shareholders of CSL Limited		**2,122**	2,130
– Non-controlling interests		**50**	–
Earnings per share (based on net profit attributable to CSL Limited shareholders for the year)		**US$**	US$
Basic earnings per share	10	**4.55**	4.81
Diluted earnings per share	10	**4.53**	4.80

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 30 June 2023

	Notes	Consolidated Entity 2023 US$m	Consolidated Entity 2022 US$m
CURRENT ASSETS			
Cash and cash equivalents	14	**1,548**	10,436
Receivables and contract assets	15	**2,205**	1,657
Inventories	5	**5,466**	4,333
Current tax assets		**31**	30
Other financial assets	11	**9**	5
Total Current Assets		**9,259**	16,461
NON-CURRENT ASSETS			
Property, plant and equipment	9	**7,797**	7,017
Right-of-use assets	9	**1,555**	1,292
Intangible assets	8	**16,446**	2,638
Deferred tax assets	4	**902**	518
Retirement benefit assets	18	**6**	5
Other receivables	15	**96**	12
Other financial assets	11	**173**	403
Total Non-Current Assets		**26,975**	11,885
TOTAL ASSETS		**36,234**	28,346
CURRENT LIABILITIES			
Trade and other payables	15	**2,947**	2,301
Interest-bearing liabilities and borrowings	11	**1,055**	4,494
Current tax liabilities		**296**	131
Provisions	16	**310**	182
Total Current Liabilities		**4,608**	7,108
NON-CURRENT LIABILITIES			
Interest-bearing liabilities and borrowings	11	**11,172**	5,165
Retirement benefit liabilities	18	**204**	189
Deferred tax liabilities	4	**1,464**	670
Provisions	16	**467**	102
Other non-current liabilities	15	**493**	535
Total Non-Current Liabilities		**13,800**	6,661
TOTAL LIABILITIES		**18,408**	13,769
NET ASSETS		**17,826**	14,577
EQUITY			
Contributed equity	12	**517**	483
Reserves	12	**648**	590
Retained earnings	19	**14,621**	13,504
Equity attributable to shareholders of CSL Limited		**15,786**	14,577
Non-controlling interests	23	**2,040**	–
TOTAL EQUITY		**17,826**	14,577

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

	Equity attributable to shareholders of CSL Limited											
	Contributed Equity US$m		Other reserves US$m		Retained earnings US$m		Total shareholders' equity US$m		Non-controlling interests US$m		Total equity US$m	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
As at the beginning of the year	**483**	(4,505)	**590**	633	**13,504**	12,253	**14,577**	8,381	**–**	–	**14,577**	8,381
Profit for the year	**–**	–	**–**	–	**2,194**	2,255	**2,194**	2,255	**50**	–	**2,244**	2,255
Other comprehensive (losses)/income	**–**	–	**(73)**	(160)	**1**	35	**(72)**	(125)	**–**	–	**(72)**	(125)
Total comprehensive (losses)/income	**–**	–	**(73)**	(160)	**2,195**	2,290	**2,122**	2,130	**50**	–	**2,172**	2,130
Transactions with owners in their capacity as owners												
Share-based payments	**–**	–	**138**	117	**–**	–	**138**	117	**–**	–	**138**	117
Dividends	**–**	–	**–**	–	**(1,085)**	(1,039)	**(1,085)**	(1,039)	**(154)**	–	**(1,239)**	(1,039)
Share issues	**34**	4,988	**–**	–	**–**	–	**34**	4,988	**–**	–	**34**	4,988
Acquisition of CSL Vifor (Note 2)[1]	**–**	–	**(7)**	–	**7**	–	**–**	–	**2,144**	–	**2,144**	–
As at the end of the year	**517**	483	**648**	590	**14,621**	13,504	**15,786**	14,577	**2,040**	–	**17,826**	14,577

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

1 Prior to acquisition close in August 2022, the Group commenced buying Vifor's shares on-market. These shares were carried at fair value through OCI and the subsequent fair value gain was transferred to retained earnings on acquisition date.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2023

	Notes	Consolidated Entity 2023 US$m	2022 US$m
Cash Flows from Operating Activities			
Profit before income tax expense		**2,663**	2,780
Adjustments for:			
Depreciation, amortisation and impairment		**831**	668
Inventory provisions		**182**	224
Share-based payment expense		**139**	117
Provision for expected credit losses		**(4)**	3
Finance costs, net		**406**	165
(Gain)/Loss on disposal of property, plant and equipment		**(57)**	1
Contingent consideration liabilities reversal		**(32)**	(63)
Unrealised foreign exchange losses/(gains)		**41**	(60)
Changes in operating assets and liabilities:			
Decrease/(increase) in receivables and contract assets		**28**	(45)
Increase in inventories		**(907)**	(902)
Increase in trade and other payables		**197**	337
Increase/(decrease) in provisions and other liabilities		**51**	(102)
Proceeds from settlement of treasury lock		**–**	135
Income tax paid		**(563)**	(457)
Finance costs, net paid		**(374)**	(172)
Net cash inflow from operating activities		**2,601**	2,629
Cash flows from Investing Activities			
Payments for property, plant and equipment		**(1,228)**	(1,079)
Proceeds from sale of property, plant and equipment		**111**	–
Payments for intangible assets		**(464)**	(169)
Payments for business acquisition, net of cash acquired	2	**(10,534)**	(388)
Proceeds from sale of financial assets		**272**	–
Net cash outflow from investing activities		**(11,843)**	(1,636)
Cash flows from Financing Activities			
Proceeds from issue of shares		**34**	4,988
Dividends paid to CSL Limited shareholders	10	**(1,085)**	(1,039)
Dividends paid to non-controlling interests	23	**(154)**	–
Proceeds from borrowings		**2,539**	4,093
Repayment of borrowings		**(798)**	(316)
Principal payments of lease liabilities		**(80)**	(50)
Net cash inflow from financing activities		**456**	7,676
Net (decrease)/increase in cash and cash equivalents		**(8,786)**	8,669
Cash and cash equivalents at the beginning of the financial year		**10,334**	1,730
Exchange rate variations on foreign cash and cash equivalent balances		**(39)**	(65)
Cash and cash equivalents at the end of the year		**1,509**	10,334
Reconciliation of cash and cash equivalents in the statement of cash flows:			
Cash and cash equivalents		**1,548**	10,436
Bank overdrafts		**(39)**	(102)
Cash and cash equivalents at the end of the year		**1,509**	10,334

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Year Ended 30 June 2023

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About this Report

Notes to the financial statements:

Corporate information

CSL Limited (CSL) is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This financial report covers the financial statements for the consolidated entity consisting of CSL and its subsidiaries (together referred to as the Group). The financial report was authorised for issue in accordance with a resolution of directors on 15 August 2023.

A description of the nature of the Group's operations and its principal activities is included in the directors' report.

a. Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the *Australian Accounting Standards Board, International Financial Reporting Standards (IFRS)* and the *Corporations Act 2001*. It presents information on a historical cost basis, except for certain financial instruments, which have been measured at fair value. Amounts have been rounded off to the nearest million dollars.

The report is presented in US dollars, because this currency is the pharmaceutical industry standard currency for reporting purposes. It is the predominant currency of the Group's worldwide sales and operating expenses.

b. Principles of consolidation

The consolidated financial statements comprise the financial statements of CSL and its subsidiaries as at 30 June 2023. CSL has control of its subsidiaries when it is exposed to, and has the rights to, variable returns from its involvement with those entities and when it has the ability to affect those returns. A list of significant controlled entities (subsidiaries) at year end is contained in Note 17.

Non-controlling interests in the financial results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively. Further details about the Group's non-controlling interest is contained in Note 23.

The financial results of the subsidiaries are prepared using consistent accounting policies and for the same reporting period as the parent company.

In preparing the consolidated financial statements, all intercompany balances and transactions have been eliminated in full. The Group has formed a trust to administer the Group's employee share plan. This trust is consolidated as it is controlled by the Group.

c. Foreign currency

While the presentation currency of the Group is US dollars, entities in the Group may have other functional currencies, reflecting the currency of the primary economic environment in which the relevant entity operates. The parent entity, CSL Limited, has a functional currency of US dollars.

If an entity in the Group has undertaken transactions in foreign currency, these transactions are translated into that entity's functional currency using the exchange rates prevailing at the dates of the transactions.

Where the functional currency of a subsidiary is not US dollars, the subsidiary's assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates. The resulting exchange differences are recognised in other comprehensive income (OCI) and in the foreign currency translation reserve in equity.

d. Other accounting policies

Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

e. Key judgements and estimates

In the process of applying the Group's accounting policies, a number of judgements and estimates of future events are required. Material judgements and estimates are found in the following notes:

The Group has assessed the impact of climate risk on its financial reporting. The impact assessment principally focuses on key judgement areas, being the valuation and useful lives of intangible and tangible assets and the identification and valuation of provisions and contingent liabilities. No material accounting impacts or changes to judgements or other required disclosures have resulted from the assessment. While the assessment did not have a material impact for the year ended 30 June 2023, this may change in future periods as the Group regularly updates its assessment of the impact of the lower carbon economy.

f. The notes to the financial statements

The notes to these financial statements have been organised into logical groupings to help users find and understand the information they need. Where possible, related information has been provided in the same place. More detailed information (for example, valuation methodologies and certain reconciliations) has been placed at the rear of the document and cross-referenced where necessary. CSL has also reviewed the notes for materiality and relevance and provided additional information where it is helpful to an understanding of the Group's performance.

g. Significant changes in the current year

The Group completed the acquisition of Vifor Pharma Ltd (CSL Vifor) on 9 August 2022. The financial results of CSL Vifor consolidated within the Group as a result represent the contribution from that date onward, and therefore not for a full twelve month period. Refer to Note 2 for details of this acquisition.

There were no significant changes in accounting policies during the year ended 30 June 2023, nor did the introduction of new accounting standards lead to any change in measurement or disclosure in these financial statements.

The Group has not adopted any accounting standards that are issued but not yet effective. Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided in the annual financial report.

Our Current Performance

Note 1: Segment Information

The Group's segments represent strategic business units that offer different products and operate in different industries and markets. They are presented consistent with the way the CEO who is the chief operating decision-maker (CODM) monitors and assesses business performance to make resource allocation decisions.

The acquisition of CSL Vifor in August 2022, resulted in a change in which the business is monitored and assessed. The operating segments are now being measured based on the segment operating result, being the revenues and costs directly under the control of the business unit.

The Group's operating segments are:

CSL Behring – manufactures, markets and distributes plasma products, gene therapies and recombinants.

CSL Seqirus – manufactures, markets and distributes predominantly influenza related products and provides pandemic services to governments.

CSL Vifor – manufactures, markets and distributes products in the therapeutic areas of iron deficiency and nephrology.

The Group's centralised research and development ('R&D') function builds on its capabilities across the R&D value chain. The Group continues to make balanced investments in life cycle management and market development of existing and new products. Costs related to R&D are reported separately and are not allocated to the operating segments.

The Group utilises globally integrated functions to realise economies of scale. The functions include executive office, communications, finance, human resources, legal, information & technology. The costs related to these functions, as well as any other non-business unit related costs (including depreciation and amortisation of unallocated assets) are reported as General and Administration expenses and are not allocated to the operating segments.

To enable a comparison of prior year performance, 'Segment revenue and expenses' has been restated using the new segments for the prior year comparatives ended 30 June 2022.

Segment information is presented as reviewed by the CODM on a regular basis, being the underlying performance of the businesses. A reconciliation of the segment results to the AASB financials is provided within this note.

Note 1: Segment Information continued

	CSL Behring		CSL Seqirus		CSL Vifor[2]		Consolidated Entity	
US$m	2023	2022	2023	2022	2023	2022	2023	2022
Sales and service revenue	**8,968**	8,359	**1,851**	1,777	**1,957**	–	**12,776**	10,136
Influenza pandemic facility reservation fees	**–**	–	**156**	162	**–**	–	**156**	162
Royalty and license revenue	**215**	195	**–**	–	**27**	–	**242**	195
Other income	**107**	44	**24**	25	**5**	–	**136**	69
Total segment revenue	**9,290**	8,598	**2,031**	1,964	**1,989**	–	**13,310**	10,562
Segment gross profit[3]	**4,575**	4,582	**1,264**	1,152	**1,411**	–	**7,250**	5,734
Segment gross profit %[3]	**49.2%**	53.3%	**62.2%**	58.7%	**70.9%**	–	**54.5%**	54.3%
Sales and marketing expenses	**(782)**	(774)	**(182)**	(187)	**(490)**	–	**(1,454)**	(961)
Segment operating result[3]	**3,793**	3,808	**1,082**	965	**921**	–	**5,796**	4,773
Segment operating result %	**40.8%**	44.3%	**53.3%**	49.1%	**46.3%**	–	**43.5%**	45.2%
Research and development expenses[3]							**(1,232)**	(1,043)
General and administrative expenses[3]							**(907)**	(648)
Operating profit (EBIT)[3]							**3,657**	3,082
Finance costs							**(444)**	(165)
Finance income							**38**	18
Profit before tax[3]							**3,251**	2,935
Income tax expense[3]							**(504)**	(554)
NPATA[4]							**2,747**	2,381
Amortisation and impairment of acquired intellectual property (IP)[5]							**(235)**	(115)
Unwind of inventory fair value uplift[6]							**(169)**	–
Acquisition and integration costs[7]							**(184)**	(40)
Income tax credit on above adjustments							**85**	29
Statutory net profit after tax (NPAT)							**2,244**	2,255
Amortisation of intangibles (excluding IP)	**3**	3	**14**	17	**9**	–	**106**	95
Depreciation	**273**	281	**60**	60	**24**	–	**490**	445
Impairment not relating to acquired IP	**–**	13	**–**	–	**–**	–	**–**	13
EBITDA[8]	**4,069**	4,105	**1,156**	1,042	**954**	–	**3,900**	3,595
NPATA[4]							**2,747**	2,381
– Attributable to equity holders of CSL							**2,610**	2,381
– Attributable to non-controlling interests							**137**	–
Statutory net profit after tax (NPAT)							**2,244**	2,255
– Attributable to equity holders of CSL							**2,194**	2,255
– Attributable to non-controlling interests							**50**	–

2 CSL acquired CSL Vifor in August 2022 (Note 2) and as a result the financial results represent the profit contribution from that date onward, therefore not for a full twelve month period as with other segments.
3 Underlying results are adjusted to exclude impairment and amortisation of acquired IP, business acquisition and integration costs and unwind of the inventory fair value uplift. The reconciliation between the underlying and statutory results has been disclosed.
4 NPATA is defined as the statutory net profit after tax before impairment and amortisation of acquired intellectual property, business acquisition and integration costs and unwind of the inventory fair value uplift. The reconciliation between NPATA to the statutory NPAT has been disclosed.
5 The amortisation of acquired IP for the year ended 30 June 2023 is attributable to CSL Vifor ($229m) and CSL Behring ($6m), of which $181m is attributable to CSL Limited shareholders. Amortisation and impairment of commercialised IP and in-development IP is reported within cost of sales and research and development expenses respectively within the statutory consolidated statement of comprehensive income and is excluded from underlying results.
6 The unwind of the inventory fair value uplift represents the purchase price allocation adjustment recognised upon the acquisition of CSL Vifor. The unwind is reported within cost of sales within the statutory consolidated statement of comprehensive income and is excluded from underlying results. The inventory fair value uplift recognised on the date of acquisition ($200m) has been substantially unwound during the year ended 30 June 2023 ($169m, of which $122m is attributable to CSL Limited shareholders).
7 The acquisition and integration costs are associated with the acquisition of CSL Vifor (Note 2).
8 EBITDA is defined as statutory net profit for the period before interest, tax, depreciation, amortisation and impairment for the respective operating segment where activities, assets and liabilities can be directly attributed to the segment. Results related to the groups centrally managed functions, impairment and amortisation of acquired IP, business acquisition related costs, tax and net finance costs are not allocated to segments. The total unallocated costs at an EBITDA level were $2,279m for the year ended 30 June 2023 (2022: $1,552m). The unallocated depreciation, amortisation and impairment expenses (including acquired IP amortisation and impairment) were $448m for the year ended 30 June 2023 (2022: $407m, which included the impairment of Calimmune related in-development IP of $113m).

Note 1: Segment Information continued

Reconciliation of statutory results to underlying results

Year ended 30 June (US$m)	Statutory results 2023	Statutory results 2022	Adjustments 2023	Adjustments 2022	Underlying results[3] 2023	Underlying results[3] 2022	Nature of adjustments
Gross profit	**6,844**	5,732	**406**	2	**7,250**	5,734	• $235m (2022: $2m) amortisation of acquired IP (commercialised) of which $181m is attributable to CSL Limited shareholders (2022: $2m)[5] • $169m (2022: nil) unwind of inventory fair value uplift of which $122m is attributable to CSL Limited shareholders (2022: nil)[6] • $2m (2022: nil) acquisition and integration costs attributable to the CSL Limited shareholders
Operating profit	**3,069**	2,927	**588**	155	**3,657**	3,082	Consistent with adjustments to gross profit coupled with the following: • Impairment of acquired IP (in development). Adjustments were nil for 2023 (2022: $113m attributable to CSL Limited shareholders)[5] • $182m (2022: $40m) acquisition and integration costs attributable to CSL Limited shareholders[7]
Profit before tax	**2,663**	2,780	**588**	155	**3,251**	2,935	• Consistent with adjustments made to operating results
NPAT/NPATA[4]	**2,244**	2,255	**503**	126	**2,747**	2,381	• Consistent with adjustments made to profit before tax, net of tax impact including $71m attributable to CSL Limited shareholders (2022: $29m)
NPAT/NPATA[4] attributable to CSL Limited shareholders	**2,194**	2,255	**416**	126	**2,610**	2,381	• Share of NPATA[4] adjustments attributable to CSL Limited shareholders (after non-controlling interests)
Basic earnings/ NPATA[4] per share (US$)	**4.55**	4.81	**0.86**	0.27	**5.41**	5.08	• Calculated based on NPATA[4] attributable to CSL Limited shareholders divided by the weighted average number of shares during the period (2023: 482,173,148; 2022: 468,754,857)

Segment assets and liabilities

Segment assets for the year ended 30 June 2023 include goodwill acquired in connection with the acquisition of CSL Vifor which has been allocated across the Group's segments (Note 2).

	CSL Behring US$m		CSL Seqirus US$m		CSL Vifor US$m		Intersegment Elimination US$m		Consolidated Entity US$m	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Segment assets	**34,535**	25,882	**5,908**	3,041	**10,742**	–	**(14,951)**	(577)	**36,234**	28,346
Segment liabilities	**15,782**	12,665	**3,696**	1,618	**2,155**	–	**(3,225)**	(514)	**18,408**	13,769
Other segment information – capital expenditure										
Cash payments for property, plant and equipment (PPE)	**869**	921	**326**	158	**33**	–	**–**	–	**1,228**	1,079
Cash payments for intangibles	**83**	162	**292**	7	**89**	–	**–**	–	**464**	169
Total capital expenditure[9]	**952**	1,083	**618**	165	**122**	–	**–**	–	**1,692**	1,248

9 Capital expenditure excludes PPE and intangible assets acquired in connection with the acquisition of CSL Vifor (Note 2).

Note 1: Segment Information continued

Geographical areas of operation

The Group operates predominantly in Australia, the United States, Germany, the United Kingdom, Switzerland and China. The rest of the Group's operations are spread across many countries and are collectively disclosed as 'Rest of World'. Inter-segment sales are carried out on an arm's length basis and reflect current market prices.

	Australia US$m		United States US$m		Germany US$m		UK US$m		Switzerland US$m		China US$m		Rest of World US$m		Total US$m	
Geographic areas	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
External operating revenue	**1,045**	1,022	**6,563**	5,124	**869**	781	**717**	596	**488**	281	**779**	745	**2,849**	2,013	**13,310**	10,562
PPE, right-of-use assets and intangible assets (excluding goodwill)	**1,918**	1,374	**4,284**	3,825	**1,273**	1,232	**329**	331	**9,478**	2,568	**80**	85	**357**	345	**17,719**	9,760

Note 2: Business Combinations

The Group completed the acquisition of CSL Vifor on 9 August 2022 and paid $11,665m for 100% of CSL Vifor shares (includes shares acquired in the prior year ended 30 June 2022). The Group delisted Vifor Pharma Ltd from the Swiss Stock Exchange effective 23 December 2022.

The acquisition has been accounted for as a business combination using the acquisition method of accounting in accordance with *AASB 3 'Business Combinations'* and consequently the CSL Vifor assets acquired, and liabilities assumed, have been recorded at fair value, with any excess of the purchase price over the fair value of the identifiable assets and liabilities being recognised as goodwill. The purchase price allocation was finalised during the year ended 30 June 2023. The purchase consideration, and fair values of the net assets acquired and goodwill at the date of acquisition are as follows:

Fair value as at the date of acquisition	US$m
Cash and cash equivalents	743
Receivables and contract assets (note a)	527
Inventories (note b)	459
Current tax assets	7
Property, plant and equipment (note c)	179
Right-of-use assets	40
Intangible assets excluding goodwill (note e)	6,706
Deferred tax assets (note i)	101
Other financial assets (note d)	525
Trade and other payables	(488)
Interest bearing liabilities and borrowings	(630)
Current tax liabilities	(59)
Provisions (note f)	(434)
Deferred tax liabilities (note i)	(759)
Net identifiable assets acquired	**6,917**
Less: Non-controlling interests (NCI) (note g)	(2,144)
Add: Goodwill (note h)	6,892
Fair value of net assets acquired	**11,665**
Consideration paid in the prior year ended 30 June 2022	388
Consideration paid in the year ended 30 June 2023	11,277
Total purchase consideration	**11,665**

Note 2: Business Combinations continued

Key Judgements and Estimates

As part of the CSL Vifor acquisition in the year ended 30 June 2023, the Group identified the assets (comprising principally launched products and post pre-clinical stage) and liabilities acquired. Attributing fair values to assets acquired and liabilities assumed as part of business combinations is considered to be a key judgement. The purchase price allocation was performed with assistance from an independent valuer to advise on the valuation techniques and key assumptions in the valuation, in particular in respect of the valuation of the intangible assets and inventory.

(a) Acquired trade receivables

The fair value of acquired trade receivables is $422m, which approximates the gross contractual amount for trade receivables due.

(b) Inventories

The fair value of inventories, which includes raw materials, work in progress and finished goods related to the launched products was estimated at $459m. Acquired inventories includes a fair value adjustment related to work in progress and finished goods and was calculated as the estimated selling price less costs to complete and sell the inventory, associated margins on these activities and holding costs.

(c) Property, plant and equipment

Property, plant and equipment principally comprises manufacturing facilities and office space. Property, plant and equipment was fair valued using a market approach.

(d) Other financial assets

Other financial assets principally comprises investments in publicly traded securities (carried at fair value through OCI 'FVTOCI') and venture funds (carried at fair value through the profit or loss 'FVTPL'). Valuation methods and assumptions used have been disclosed in Note 11(e).

(e) Intangible assets (excluding goodwill)

The fair value and useful lives of intangible assets at the date of acquisition were as follows:

Fair value as at the date of acquisition	US$m	Useful lives (years)
Commercialised products	6,494	19 – 30
Products in development	115	Not amortised
Other intangible assets (software, brand name and customer assets)	97	5 – 20
Total intangible assets (excluding goodwill)	**6,706**	

Product related intangible assets are fair valued using the multi-period excess earnings method, which uses a number of estimates regarding the amount and timing of future cash flows. The key assumptions in the cash flows are sales forecast, peak year sales, revenue erosion curves and probability of success. Future milestones have been included in the valuation of product related intangibles (as a deduction of cash flows).

(f) Provisions (including recognised contingent liabilities)

Provisions assumed include provisions for employee benefits, asset retirement obligations and onerous contracts. Provisions also include the estimated fair value of potential contingent liabilities assumed on acquisition date relating to various claims and disputes with third parties in each case where there is a possible, but not probable, future financial exposure, and involve an assessment of the likelihood of several scenarios in relation to those matters.

Key Judgements and Estimates

A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of uncertain future events not wholly within the control of the Group. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that a future settlement of economic benefits is not probable. If the expected settlement of the liability becomes probable, a provision is recognised. The outcomes of litigation are inherently difficult to predict, and judgement has been applied in assessing the likely outcome of legal claims and determining which claims require recognition of a provision or disclosure of a contingent liability.

Contingent liabilities are recognised at fair value within provisions on acquisition date in connection with a business combination after consideration of a range of possible outcomes unless the economic outflows are not possible. A number of pending legal matters have been identified from the acquisition of CSL Vifor, which include matters relating to intellectual property, contractor, competitor and regulatory disputes, product liability claims and various other matters.

Management has recorded such contingent liabilities at fair value on the date of the Vifor acquisition, which requires the use of significant judgements, estimates and assumptions and is subject to uncertainty. The key estimates that may have a significant impact on the estimated contingent liability in the future reporting periods include the timing and final amounts of any payments. These uncertainties can also cause reversals in previously recognised liabilities once final settlement is reached.

(g) Non-controlling interests

In connection with the acquisition of CSL Vifor, the Group acquired 55% of the share capital and voting rights of Vifor Fresenius Medical Care Renal Pharma (VFMCRP). For the non-controlling interests in VFMCRP, the Group elected to recognise the non-controlling interests at its fair value on acquisition date. The fair value was estimated by applying an income approach. The fair value estimates are based on an assumed discount rate, long-term sustainable growth rate and a control premium discount.

Further detail on the Group's non-controlling interests are disclosed in Note 23.

(h) Goodwill

Where the fair value of the consideration paid for a business acquisition exceeds the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is treated as goodwill. The goodwill is attributable to future business growth opportunities, an assembled workforce and synergies expected to be realised from the Group's acquisition of CSL Vifor.

The acquisition of CSL Vifor resulted in the recognition of goodwill of $6,892m. Goodwill has been allocated to each of the relevant cash generating units (CGUs) which are expected to realise the synergies from the acquisition. The recoverability of goodwill is monitored at the segment (business unit) level, represented by CSL Behring ($4,281m), CSL Seqirus ($911m) and CSL Vifor ($1,700m).

(i) Deferred tax

The net deferred tax liability recognised of $658m principally related to the deferred tax impact of the fair value uplifts on intangible assets, inventories, property, plant and equipment and recognised contingent liabilities.

(j) Revenue and profit contribution

CSL Vifor contributed revenues of $1,989m and segment contribution of $921m to the Group for the period from 9 August 2022 to 30 June 2023. If the acquisition had occurred on 1 July 2022, consolidated pro-forma revenue and segment contribution for the year ended 30 June 2023 would have been $2,126m and $1,045m respectively.

(k) Acquisition and integration costs

During the year ended 30 June 2023, the Group has incurred $184m of acquisition and integration planning costs (pre-tax) in connection with the transaction that are primarily recognised as general and administrative expenses.

Note 3: Revenue and Expenses

Recognition and measurement of revenue and other income

Revenue is recognised when the Group satisfies a performance obligation by transferring control of the promised good or service to a customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for the goods or services. Revenue from contracts with customers includes amounts in total operating revenue. Further information about each source of revenue from contracts with customers and the revenue recognition criteria follows.

Sales: Revenue is earned (constrained by variable considerations, which include returns, discounts, rebates and allowances) from the sale of products and services. Sales are recognised when performance obligations are either satisfied over time or at a point in time. Generally the supply of product under a contract with a customer will represent the satisfaction of a performance obligation at a point in time, which is when control of the product passes to the customer.

Key Judgements and Estimates

Significant estimates on CSL Seqirus sales returns is performed in respect of the influenza season expected to be subject to return. The estimate is performed with inputs including historical returns and customer sales data amongst other factors. With respect to CSL Behring, for contracts where the customer controls the plasma (tolling contracts) and the Group provides fractionation services, the Group recognises revenue over time as the performance obligations are satisfied based upon a percentage of completion of our fractionation services.

Royalties: Revenue from licensees of CSL intellectual property reflect a right to use the intellectual property as it exists at the point in time in which the licence is granted. Where consideration is based on sales of product by the licensee, it is recognised when the customer's subsequent sales of product occurs.

License revenue: Revenue from licensees of CSL intellectual property reflects the transfer of a right to use the intellectual property as it exists at the point in time in which the licence is transferred to the customer. Consideration is highly variable and estimated using the most likely amount method. Subsequently, the estimate is constrained until it is highly probable that a significant revenue reversal will not occur when the uncertainty is resolved. Revenue is recognised as or when the performance obligations are satisfied.

Influenza pandemic facility reservation fees: Revenue from governments in return for access to influenza manufacturing facilities in the event of a pandemic. Contracts are time-based and revenue is recognised progressively over the life of the relevant contract, which aligns to the performance obligations being satisfied.

Other income: Other income is realised from activities that are outside of the ordinary business, such as the disposal of property, plant and equipment and rental income.

Revenue from contracts with customers includes amounts in total operating revenue except other income.

Note 3: Revenue and Expenses continued

The table below shows a summary of the Group's operating revenue by product or service category for the years 30 June 2023 and 30 June 2022:

Revenue	2023 US$m	2022 US$m
CSL Behring		
Immunoglobulins	**4,675**	4,024
Albumin	**1,109**	1,072
Haemophilia	**1,193**	1,166
Specialty	**1,831**	1,792
Other	**375**	500
CSL Seqirus		
Egg based vaccines	**148**	228
Cell culture vaccines	**599**	486
Adjuvanted egg based vaccines	**893**	885
Pandemic	**156**	162
Other (including in-license)	**211**	178
CSL Vifor		
Iron	**1,009**	–
Nephrology – Dialysis	**771**	–
Nephrology – Non Dialysis	**136**	–
Other	**68**	–
Total revenue from contracts with customers	**13,174**	10,493
Other income	**136**	69
Total operating revenue	**13,310**	10,562

Expenses	2023 US$m	2022 US$m
Borrowing costs	**374**	143
Lease related interest expense	**36**	35
Unrealised foreign currency losses/(gains) on debt	**22**	(13)
Fair value losses on financial assets	**12**	–
Total finance costs	**444**	165
Depreciation of property, plant and equipment (PPE) and right-of-use assets	**490**	445
Amortisation of intangibles	**341**	97
Impairment expense	**–**	126
Total depreciation, amortisation and impairment expense	**831**	668
Write-down of inventory	**182**	224
Employee benefits expense	**3,513**	2,804
Foreign exchange currency losses/(gains)[10]	**127**	(58)

10 Foreign exchange currency losses/(gains) are recorded net within administration expenses in the statement of comprehensive income.

Note 3: Revenue and Expenses continued

Recognition and measurement of expenses

Total finance costs: Includes borrowing costs primarily related to interest expense net of a $14m gain reclassified to the profit and loss (2022: $1m) in connection with Group's treasury lock arrangement and lease related interest expense. Lease related interest expense and borrowing costs are recognised as an expense when incurred, except where finance costs are directly attributable to the acquisition or construction of a qualifying asset where they are capitalised as part of the cost of the asset. Capitalised interest for qualifying assets during the year ended 30 June 2023 was $61m (2022: $27m). The weighted average interest rate applicable to capitalised borrowing costs during the year was 3.4% (2022: 2.4%). Any difference between borrowing proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income using the effective interest method.

Unrealised foreign currency losses/(gains) on debt is principally related to the Group's EUR250m and CHF400m senior unsecured notes in the US Private Placement market. The foreign currency risk related to this debt was partially hedged as a cash flow hedge.

Fair value losses on financial assets primarily relates to the Group's investments in venture funds measured at fair value through profit or loss (Note 11(e)). The resulting changes in fair value are recognised directly in profit or loss within finance costs at each reporting period.

Goods and Services Tax (GST) and other foreign equivalents: Amounts are recognised net of GST, except where GST is not recoverable from a taxation authority, in which case it is recognised as part of an asset's cost or expense.

Note 4: Tax

	2023 US$m	2022 US$m
a. Income tax expense recognised in the statement of comprehensive income		
Current tax expense		
Current year	**648**	354
Deferred tax (recovery)/expense		
Origination and reversal of temporary differences	**(209)**	223
Total deferred tax (recovery)/expense	**(209)**	223
Over provided in prior years	**(20)**	(52)
Income tax expense	**419**	525
b. Reconciliation between tax expense and pre-tax net profit		
Accounting profit before income tax	**2,663**	2,780
Income tax calculated at 30% (2022: 30%)	**799**	834
Effects of different rates of tax on overseas income	**(282)**	(247)
Research and development incentives	**(74)**	(63)
Over provision in prior year	**(20)**	(52)
Revaluation of deferred tax balances	**23**	18
Other (non-assessable income)/non-deductible expenses	**(27)**	35
Income tax expense	**419**	525
c. Income tax recognised directly in equity		
Share-based payments	**1**	–
Income tax benefit recognised in equity	**1**	–
d. Deferred tax assets and liabilities		
Deferred tax asset	**902**	518
Deferred tax liability	**(1,464)**	(670)
Net deferred tax liability	**(562)**	(152)
The composition of the Group's net deferred tax assets and liabilities are attributable to:		
Inventories	**326**	135
Property, plant and equipment	**(405)**	(352)
Intangible assets	**(1,006)**	(215)
Trade and other payables	**124**	160
Recognised carry-forward tax losses	**213**	3
Retirement liabilities, net	**41**	23
Receivables and contract assets	**(3)**	(98)
Interest-bearing liabilities	**64**	50
Provisions and other liabilities	**61**	88
Other	**23**	54
Net deferred tax liability	**(562)**	(152)
e. Movement in net deferred tax liability during the year		
Opening balance	**(152)**	70
Net deferred tax liabilities recognised on acquisition of CSL Vifor (Note 2)	**(658)**	–
Credit/(charged) to profit before tax	**237**	(212)
Charged to other comprehensive income (OCI)	**(17)**	–
Credit/(charged) to equity	**28**	(10)
Closing balance	**(562)**	(152)

Note 4: Tax continued

Current taxes

Current tax assets and liabilities are the amounts expected to be recovered from (or paid to) tax authorities, under the tax rates and laws in each jurisdiction. These include any rates or laws that are enacted or substantively enacted as at the balance sheet date.

Deferred taxes

Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, carried forward unused tax assets and unused tax losses, only if it is probable that taxable profit will be available to utilise them.

The carrying amount of deferred income tax assets is reviewed at the reporting date. If it is no longer probable that taxable profit will be available to utilise them, they are reduced accordingly.

Deferred tax is measured using tax rates and laws that are enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or when the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set-off current tax assets against current tax liabilities and if they relate to the same taxable entity or group and the same taxation authority.

Income taxes attributable to amounts recognised in OCI or directly in equity are also recognised in OCI or in equity, and not in the consolidated income statement.

CSL Limited and its 100% owned Australian subsidiaries have formed a tax consolidated group effective from 1 July 2003.

Key Judgements and Estimates

The risk of uncertain tax positions, and recognition and recoverability of deferred tax assets, are regularly assessed. To do this requires judgements about the application of income tax legislation in jurisdictions in which the Group operates and the future operating performance of entities with carry forward losses. These judgements and assumptions, which include matters such as the availability and timing of tax deductions and the application of the arm's length principle to related party transactions, are subject to risk and uncertainty. Changes in circumstances may alter expectations and affect the carrying amount of deferred tax assets and liabilities. Any resulting adjustment to the carrying value of a deferred tax item will be recorded as a credit or charge to the statement of comprehensive income.

Note 5: Inventories

	2023 US$m	2022 US$m
Raw materials	**1,592**	1,515
Work in progress	**2,119**	1,600
Finished goods	**1,755**	1,218
Total inventories	**5,466**	4,333

Raw Materials

Raw materials comprise collected and purchased plasma, chemicals, filters and other inputs to production that will be further processed into saleable products but have yet to be allocated to manufacturing.

Work in Progress

Work in progress comprises all inventory items that are currently in use in manufacturing and intermediate products such as pastes generated from the initial stages of the plasma production process.

Finished Products

Finished products comprise material that is ready for sale and has passed all quality control tests.

Inventories generally have expiry dates and the Group provides for product that is short-dated. Expiry dates for raw material are no longer relevant once the materials are used in production. The relevant expiry date at this point then becomes that of the resultant intermediate or finished product.

Inventories are carried at the lower of cost or net realisable value. Cost includes direct material and labour and an appropriate proportion of variable and fixed overheads. Fixed overheads are allocated on the basis of normal operating capacity.

Net realisable value is the estimated revenue that can be earned from the sale of a product less the estimated costs of both completion and selling.

The Group assesses net realisable value of plasma derived products on a basket of products basis given their joint product nature.

Key Judgements and Estimates

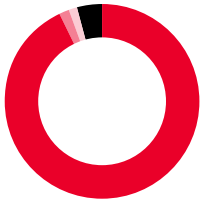
Various factors affect the assessment of recoverability of the carrying value of inventory, including regulatory approvals and future demand for the Group's products. These factors are taken into account in determining the appropriate level of provisioning for inventory.

Note 6: People Costs

(a) Employee Benefits

Employee benefits include salaries and wages, annual leave and long-service leave, defined benefit and defined contribution plans and share-based payments incentive awards.

People Cost 2023 – US$3,513m



- Salaries and wages **$3,265m**
- Defined benefit plan expense **$55m**
- Defined contribution plan expense **$54m**
- Equity settled share-based payments expense (LTI) **$139m**

People Cost 2022 – US$2,804m

- Salaries and wages **$2,597m**
- Defined benefit plan expense **$42m**
- Defined contribution plan expense **$48m**
- Equity settled share-based payments expense (LTI) **$117m**

Salaries and wages

Wages and salaries include non-monetary benefits, annual leave and long service leave. These are recognised and presented in different ways in the financial statements:

- The liability for annual leave and the portion of long service leave expected to be paid within twelve months is measured at the amount expected to be paid.
- The liability for long service leave and annual leave expected to be paid after one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.
- The liability for annual leave and the portion of long service leave that has vested at the reporting date is included in the current provision for employee benefits.
- The portion of long service leave that has not vested at the reporting date is included in the non-current provision for employee benefits.

Defined benefit plans

	2023 US$m	2022 US$m
Expenses recognised in the statement of comprehensive income are as follows:		
Current service costs	**51**	42
Net interest cost	**4**	3
Past service costs	**–**	(3)
Total included in employee benefits expense	**55**	42

Defined benefit pension plans provide either a defined lump sum or ongoing pension benefits for employees upon retirement, based on years of service and final average salary.

Liabilities or assets in relation to these plans are recognised in the balance sheet, measured as the present value of the obligation less the fair value of the pension fund's assets at that date.

Present value is based on expected future payments to the reporting date, calculated by independent actuaries using the projected unit credit method. Past service costs are recognised in statement of comprehensive income on the earlier of the date of plan amendments or curtailment, and the date that the Group recognises restructuring related costs.

Detailed information about the Group's defined benefit plans is in Note 18(a).

Key Judgements and Estimates

The determination of certain employee benefit liabilities requires an estimation of future employee service periods and salary levels and the timing of benefit payments. These assessments are made based on past experience and anticipated future trends. The expected future payments are discounted using the rate applicable to high quality corporate bonds. Discount rates are matched to the expected payment dates of the liabilities.

Defined contribution plans

The Group makes contributions to various defined contribution pension plans and the Group's obligation is limited to these contributions. The amount recognised as an expense for the year ended 30 June 2023 was $54m (2022: $48m).

Equity settled share-based payment expense

Share-based payment expenses arise from plans that award long-term incentives. Detailed information about the terms and conditions of the share-based payment arrangements is presented in Note 18(b).

Note 6: People Costs continued

Outstanding share-based payment equity instruments

The number and weighted average exercise price for each share-based payment plan outstanding is as follows. All plans are settled by physical delivery of shares at the time of vesting date except for instruments that may be settled in cash at the discretion of the Board.

	Retain and Grow Plan (RGP)		Executive Performance and Alignment Plan (EPA)		Non-Executive Director Plan (NED)		Global Employee Share Plan (GESP)		Total
	Number	Weighted average exercise price (A$)	Number	Weighted average exercise price (A$)	Number	Weighted average exercise price (A$)	Number	Weighted average exercise price (A$)	Number
Outstanding at the beginning of the year	930,579	–	404,108	–	1,253	–	98,752	221.94	1,434,692
Granted during year	902,407	–	216,255	–	3,135	–	263,809	242.60	1,385,606
Exercised during year[11]	(398,775)	–	(68,052)	–	(2,822)	–	(210,903)	238.70	(680,552)
Forfeited during year	(96,314)	–	(61,413)	–	–	–	–	–	(157,727)
GESP true-up[12]	–	–	–	–	–	–	(8,705)	221.94	(8,705)
Closing balance at the end of the year	**1,337,897**	**–**	**490,898**	**–**	**1,566**	**–**	**142,953**	**236.55**	**1,973,314**

The share price at the dates of exercise (expressed as a weighted average) by equity instrument type, is as follows:

	2023	2022
RGP	**A$295.73**	A$308.97
EPA	**A$295.99**	A$309.08
NED	**A$296.74**	A$281.18
GESP	**A$293.98**	A$303.87

(b) Key Management Personnel Disclosures

The remuneration of key management personnel is disclosed in Section 17 of the Directors' Report and has been audited.

Total compensation for key management personnel

	2023 US$	2022 US$
Total of short term remuneration elements	**8,849,461**	10,880,861
Total of post employment elements	**342,883**	180,451
Total of other long term elements	**21,242**	24,438
Total share-based payments	**5,217,940**	10,229,740
Total of all remuneration elements	**14,431,526**	21,315,490

11 During the year ended 30 June 2023, 14,721 (RGP) and 14 (GESP) of the rights exercised were issued out of treasury stock that was purchased on-market in the prior year. For the NED Rights Plan, all shares are purchased on-market.

12 The fair value of GESP equity instruments is estimated based on the assumptions prevailing on the grant date. In accordance with the terms and conditions of the GESP plan, shares are issued at 15% discount to the lower of the ASX market price on the first and last dates of the contribution period.

Our Future

Note 7: Research and Development

The Group conducts research and development activities to support future development of products to serve our patient communities, to enhance our existing products and to develop new therapies. All costs associated with our research and development activities are expensed as incurred as uncertainty exists up until the point of regulatory approval as to whether a research and development project will be successful. Development costs incurred after regulatory approval are expensed unless it meets the criteria to be recognised as an intangible asset.

The Group also gains control of intellectual property (IP) through acquisitions or license arrangements which are capitalised as intangible assets (Note 8).

For the year ended 30 June 2023, research and development costs recognised in the statement of comprehensive income, were $1,235m (2022: $1,156m).

Note 8: Intangible Assets

	Goodwill US$m		Intellectual property and other intangible assets US$m		Software US$m		Intangible work in progress US$m		Total US$m	
Year	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Cost	**8,079**	1,187	**8,379**	1,133	**833**	786	**193**	120	**17,484**	3,226
Accumulated amortisation	**–**	–	**(558)**	(190)	**(480)**	(398)	**–**	–	**(1,038)**	(588)
Net carrying amount	**8,079**	1,187	**7,821**	943	**353**	388	**193**	120	**16,446**	2,638
Net carrying amount at the beginning of the year	**1,187**	1,188	**943**	936	**388**	469	**120**	78	**2,638**	2,671
Additions[13]	**–**	–	**452**	126	**15**	7	**76**	64	**543**	197
Acquisition of CSL Vifor (Note 2)	**6,892**	–	**6,660**	–	**32**	–	**14**	–	**13,598**	–
Transfers	**–**	–	**–**	–	**19**	24	**(19)**	(24)	**–**	–
Amortisation for the year	**–**	–	**(235)**	(2)	**(106)**	(95)	**–**	–	**(341)**	(97)
Impairment for the year	**–**	–	**–**	(113)	**–**	–	**–**	–	**–**	(113)
Currency translation differences	**–**	(1)	**1**	(4)	**5**	(17)	**2**	2	**8**	(20)
Net carrying amount at the end of the year	**8,079**	1,187	**7,821**	943	**353**	388	**193**	120	**16,446**	2,638

13 Key additions during the year includes development milestones paid in connection with the Group's licensing arrangements including with Arcturus Therapeutics Holdings Inc ('Arcturus Therapeutics') (Note 13) and the launch of Hemgenix.

Note 8: Intangible Assets continued

Goodwill

Any excess of the fair value of the purchase consideration of an acquired business over the fair value of the identifiable net assets is recorded as goodwill. During the year ended 30 June 2023, the Group acquired CSL Vifor resulting in the recognition of goodwill valued on acquisition date of $6,892m. Goodwill is initially allocated to a group of cash-generating units but is monitored at the segment (business unit) level. Goodwill acquired during the year ended 30 June 2023 relates to the acquisition of CSL Vifor (Note 2). The aggregate carrying amounts of goodwill by segment are as follows:

	2023 US$m	2022 US$m
CSL Behring	**5,468**	1,187
CSL Seqirus	**911**	–
CSL Vifor	**1,700**	–
Closing balance of goodwill as at 30 June	**8,079**	1,187

Goodwill is not amortised but is measured at cost less any accumulated impairment losses. Impairment occurs when a business unit's recoverable amount falls below the carrying value of its net assets. The results of the impairment test show that each business unit's recoverable amount exceeds the carrying value of its net assets, inclusive of goodwill. Consequently, there is no goodwill impairment as at 30 June 2023 (2022: Nil). A change in assumptions significant enough to lead to impairment is not considered a reasonable possibility.

Intellectual property

Intellectual property acquired in a business combination is initially measured at fair value. Intellectual property internally developed or acquired separately is initially measured at cost. Following initial recognition, it is carried at cost less any accumulated amortisation and impairment. Amortisation is calculated on a unit-of-production or straight-line basis over periods generally ranging from 5 to 30 years, except where it is considered that the useful economic life is indefinite. Certain intellectual property acquired may be considered to have an indefinite life.

Contingent consideration in connection with the purchase of individual assets outside of business combinations is recognised as a financial liability only when a non-contingent obligation arises (i.e. when milestone is met). The determination of whether the payment should be capitalised or expensed is usually based on the substance of the contingent payment and whether it is expected to give rise to future economic benefits that will flow to the Group. If the milestones paid are for regulatory approval and a sales target, they are likely to meet the capitalisation criteria, and would be accumulated into the cost of the intangible.

Changes in the fair value of financial liabilities from contingent consideration should be capitalised or expensed based on the nature of the asset acquired (refer above), except for changes due to interest rate fluctuations and the effect from unwinding discounts. Interest rate effects from unwinding of discounts as well as changes due to interest rate fluctuations are recognised as finance costs.

Software

Costs incurred in developing or acquiring software, licences or systems that will contribute future financial benefits are capitalised. These include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 10 years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, where the Group has the intention and ability to use the asset.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. The Group applies judgement in determining the nature and the resulting accounting treatment of the costs of SaaS arrangements.

Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software.

Recognition and measurement

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life of the asset on a straight-line or unit-of-production basis. Significant software intangible assets are amortised over the useful life of up to ten years. The amortisation period and method is reviewed at each financial year end at a minimum. Intangible assets with indefinite useful lives are not amortised. The useful life of these intangibles is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable.

Note 8: Intangible Assets continued

Impairment of intangible assets

Assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life (including goodwill) or not yet ready for use are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired.

An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units), other than goodwill that is monitored at the segment level.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units, and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

Key Judgements and Estimates

The Group's impairment assessment requires significant judgement. Determining whether goodwill, indefinite lived intangibles and in development intangibles have been impaired requires estimation of the recoverable amount of cash generating units based on value-in-use calculations. The calculations use cash flow projections based on operating budgets and a ten-year strategic business plan, after which a terminal value, based on our view of the longer term growth profile of the business unit is applied. Cash flows have been discounted using an implied pre-tax discount rate of 9.4% (2022: 9.0%) which is calculated with reference to external analyst views, long-term government bond rates and the Group's pre-tax cost of debt.

The determination of cash flows over the life of an asset requires judgement in assessing the future demand for the Group's products, climate related impacts, any changes in the price and cost of those products and of other costs incurred by the Group.

Factors considered in the exercise of our judgement include the progress of the research project, time to market and the anticipated competitive landscape. These factors require judgement and may change in future periods, the impairment analysis takes into account the latest available information.

Note 9: Property, Plant and Equipment

	Land US$m		Buildings US$m		Leasehold improvements US$m	
	2023	2022	2023	2022	2023	2022
Cost	**65**	36	**2,284**	1,819	**666**	597
Accumulated depreciation	**–**	–	**(305)**	(297)	**(206)**	(182)
Net carrying amount	**65**	36	**1,979**	1,522	**460**	415
Movement						
Net carrying amount at the start of the year	**36**	40	**1,522**	711	**415**	389
Transfers	**–**	–	**502**	879	**79**	56
Additions[14]	**–**	–	**10**	2	**1**	1
Acquisition of CSL Vifor (Note 2)	**42**	–	**48**	–	**3**	–
Disposals	**(13)**	(4)	**(31)**	(2)	**(9)**	–
Depreciation for the year	**–**	–	**(61)**	(51)	**(30)**	(27)
Impairment for the year	**–**	–	**–**	–	**–**	–
Currency translation differences	**–**	–	**(11)**	(17)	**1**	(4)
Net carrying amount at the end of the year	**65**	36	**1,979**	1,522	**460**	415

Property, plant and equipment

Land, buildings, capital work in progress and plant and equipment assets are recorded at historical cost less, where applicable, depreciation.

Right-of-use assets are measured at cost, less accumulated depreciation, impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities and restoration obligations recognised less any lease incentives received and initial direct costs.

Depreciation is recognised on a systematic basis over the estimated useful life of the asset, generally on a straight-line basis.

Buildings	5 – 50 years
Plant and equipment	3 – 40 years
Leasehold improvements	3 – 25 years
Right-of-use assets	
– Plasma centres	5 – 40 years
– Office and warehouses	1 – 39 years
– Land	40 – 101 years

The unit-of-production depreciation method, based on the expected use or output as the asset is being used, may be applied during the early stages of operation of manufacturing facilities, as a substantial period of time may be required to ramp up the production and operate at intended capacity. This method is to be applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits.

Assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. Items of property, plant and equipment are derecognised upon disposal or when no further economic benefits are expected from their use or disposal.

Impairment testing for property, plant and equipment will be performed if an impairment trigger is identified.

Gains and losses on disposals of items of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in the statement of comprehensive income when realised.

Leasehold improvements

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

14 Key capital investments made during the year includes the CSL Melbourne Headquarters, a new cell-based influenza vaccine manufacturing facility in Tullamarine, Australia, continued investment in the Group's R&D facilities including in Marburg, Germany and Waltham, United States and new plasma centres.

Plant and Equipment US$m		Right-of-use assets US$m		Capital work in progress US$m		Total US$m	
2023	2022	2023	2022	2023	2022	2023	2022
4,900	4,078	**2,134**	1,849	**2,771**	3,082	**12,820**	11,461
(2,378)	(2,116)	**(579)**	(557)	**–**	–	**(3,468)**	(3,152)
2,522	1,962	**1,555**	1,292	**2,771**	3,082	**9,352**	8,309
1,962	1,667	**1,292**	1,102	**3,082**	3,628	**8,309**	7,537
789	615	**–**	–	**(1,370)**	(1,550)	**–**	–
24	9	**372**	301	**1,065**	1,084	**1,472**	1,397
68	–	**40**	–	**18**	–	**219**	–
(11)	(4)	**(26)**	–	**–**	(2)	**(90)**	(12)
(297)	(277)	**(102)**	(90)	**–**	–	**(490)**	(445)
–	–	**–**	–	**–**	(13)	**–**	(13)
(13)	(48)	**(21)**	(21)	**(24)**	(65)	**(68)**	(155)
2,522	1,962	**1,555**	1,292	**2,771**	3,082	**9,352**	8,309

Right-of-use assets

The Group principally has leases for plasma centres, office buildings, land, manufacturing facilities and warehouses.

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The Group accounting policy for lease liabilities has been disclosed in Note 11(d).

Unless the Group is reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Other arrangements

CSL has leased a recombinant protein facility in Lengnau to Thermo Fisher Scientific (TFS), which has a 20 year term with two five year extension options. The lease has been accounted for as an operating lease and the leased property, plant and equipment continue to be presented in the balance sheet. The total future operating lease payments due from TFS (excluding extension options and variable lease payments) were $448m as at 30 June 2023 (2022: $454m).

Returns, Risk & Capital Management

Note 10: Shareholder Returns

(a) Dividends paid to CSL Limited shareholders

Dividends paid to CSL Limited shareholders are paid from the retained earnings and profits of CSL Limited, as the parent entity of the Group (Note 22). During the year, the parent entity reported profits of $931m (2022: $507m). The parent entity's retained earnings as at 30 June 2023 were $6,169m (2022: $6,323m). During the financial year $1,085m was distributed to shareholders by way of a dividend, with a further $622m being determined as a dividend payable subsequent to the balance date.

Dividend Paid to CSL Limited shareholders	2023 US$m	2022 US$m
Final ordinary dividend of US$1.18 per share, 10% franked at 30% tax rate, paid on 5 October 2022 for FY22 (prior year: US$1.18 per share, unfranked, paid on 30 September 2021 for FY21)	**569**	538
Interim ordinary dividend of US$1.07 per share, unfranked, paid on 5 April 2023 for FY23 (prior year: US$1.04 per share, unfranked, paid on 6 April 2022 for FY22)	**516**	501
Total dividends paid to CSL Limited shareholders	**1,085**	1,039
Dividend determined, but not paid at year end to CSL Limited shareholders:		
Final ordinary dividend of US$1.29 per share, 10% franked at 30% tax rate, expected to be paid on 4 October 2023 for FY23, based on shares on issue at reporting date. The aggregate amount of the proposed dividend will depend on actual number of shares on issue at dividend record date (prior year: US$1.18 per share, 10% franked at 30% tax rate, paid on 5 October 2022 for FY22)	**622**	568

The distribution in respect of the 2023 financial year represents a US$2.36 dividend for FY23 on each ordinary share held.

(b) Earnings per Share attributable to CSL Limited shareholders

CSL's basic and diluted EPS are calculated using the Group's net profit attributable to CSL Limited shareholders for the year of $2,194m (2022: $2,255m). Diluted EPS differs from Basic EPS as the calculation takes into account potential ordinary shares arising from employee share plans operated by the Group.

	2023	2022
Basic EPS	**US$4.55**	US$4.81
Weighted average number of ordinary shares	**482,173,148**	468,754,857
Diluted EPS	**US$4.53**	US$4.80
Adjusted weighted average number of ordinary shares, represented by:	**483,886,450**	470,117,188
Weighted average number of ordinary shares	**482,173,148**	468,754,857
Plus:		
Employee Share Plans (Note 6 and 18)	**1,713,302**	1,362,331

(c) Contributed Equity

The following table illustrates the movement in the Group's contributed equity. Refer to Note 12 for further details.

	2023		2022	
	Number of shares	US$m	Number of shares	US$m
Opening balance	**481,706,266**	**483**	455,125,994	(4,505)
Shares issued to employees (Note 6 and 18):				
Performance Rights Plan (for nil consideration)	**–**	**–**	8,350	–
Retain and Grow Plan (for nil consideration)	**384,054**	**–**	294,020	–
Executive Performance & Alignment Plan (for nil consideration)	**68,052**	**–**	148,615	–
Global Employee Share Plan (GESP)	**210,889**	**34**	94,488	9
Shares issued through Institutional Placement	**–**	**–**	23,076,924	4,442
Shares issued through Share Purchase Plan	**–**	**–**	2,957,875	537
Closing balance	**482,369,261**	**517**	481,706,266	483

Note 11: Financial Risk Management

CSL holds financial instruments that arise from the Group's need to access financing, from the Group's operational activities and as part of the Group's risk management activities. The Group is exposed to financial risks associated with its financial instruments. Financial instruments comprise cash and cash equivalents, receivables, contract assets, other financial assets, payables and other liabilities, bank loans and overdrafts, unsecured notes, and lease liabilities.

The primary risks these give rise to are:

- Foreign exchange risk
- Interest rate risk
- Credit risk
- Funding and liquidity risk
- Capital management risk

Source of Risk	Risk Mitigation
a. Foreign Exchange Risk	
The Group is exposed to foreign exchange risk because of its international operations. These risks relate to future commercial transactions, assets and liabilities denominated in other currencies and net investments in foreign operations.	Where possible CSL takes advantage of natural hedging (i.e. the existence of payables and receivables in the same currency). The Group also reduces its foreign exchange risk on net investments in foreign operations by denominating external borrowings in currencies that match the currencies of its foreign investments.
b. Interest Rate Risk	
The Group is exposed to interest rate risk through its primary financial assets and liabilities.	The Group mitigates interest rate risk on borrowings principally by entering into fixed rate arrangements, which are not subject to interest rate movements in the ordinary course. If necessary, CSL also hedges interest rate risk using derivative instruments. As at 30 June 2023 and 2022, there were no material outstanding derivative financial instruments hedging interest rate risks.
c. Credit Risk	
The Group is exposed to credit risk from financial instruments contracts and trade and other receivables. The maximum exposure to credit risk at reporting date is the carrying amount, net of any provision for impairment inclusive of any lifetime expected credit losses under AASB 9, if applicable, of each financial asset in the balance sheet.	The Group mitigates credit risk from financial instruments contracts by only entering into transactions with counterparties who have sound credit ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations. The Group minimises the credit risk associated with trade and other debtors by undertaking transactions with a large number of customers in various countries. The Group enters into arrangements with distributors to sell products in some markets. Certain distributors may contribute to 10% or more revenue of the Group. Creditworthiness of customers is reviewed prior to granting credit, using trade references and credit reference agencies.
d. Funding and Liquidity Risk	
The Group is exposed to funding and liquidity risk from operations and from external borrowing. One type of this risk is credit spread risk, which is the risk that in refinancing its debt, CSL may be exposed to an increased credit spread. Another type of this risk is liquidity risk, which is the risk of not being able to refinance debt obligations or meet other cash outflow obligations when required. Liquidity and re-financing risks are not significant for the Group, as CSL has a prudent gearing level and strong cash flows.	The Group mitigates funding and liquidity risks by ensuring that: • The Group has sufficient funds on hand to achieve its working capital and investment objectives • The Group focuses on improving operational cash flow and maintaining a strong balance sheet • The Group from time to time enters into non-recourse receivable factoring arrangements with unrelated entities to optimise cash • Short-term liquidity, long-term liquidity and crisis liquidity requirements are effectively managed, minimising the cost of funding and maximising the return on any surplus funds through efficient cash management • The Group has adequate flexibility to balance short-term liquidity needs, long-term core funding and in minimise refinancing risk
e. Capital Risk Management	
The Group's objectives when managing capital are to safeguard its ability to continue as a going concern while providing returns to shareholders and benefits to other stakeholders. Capital is defined as the amount subscribed by shareholders to the Company's ordinary shares and amounts advanced by debt providers to any Group entity.	The Group aims to maintain a capital structure, which reflects the use of a prudent level of debt funding. The aim is to reduce the Group's cost of capital without adversely affecting the credit margins applied to the Group's debt funding. Each year the Directors determine the dividend taking into account factors such as profitability and liquidity.

Note 11: Financial Risk Management continued

Risk management approach

The Group uses sensitivity analysis (together with other methods) to measure the extent of financial risks and decide if they need to be mitigated. If so, the Group's policy is to use derivative financial instruments, such as foreign exchange contracts and interest rate swap and forward contracts, to support its objective of achieving financial targets while seeking to protect future financial security. The aim is to reduce the impact of short-term fluctuations in currency or interest rates on the Group's earnings. Derivatives are exclusively used for this purpose and not as trading or other speculative instruments.

a. Foreign Exchange Risk

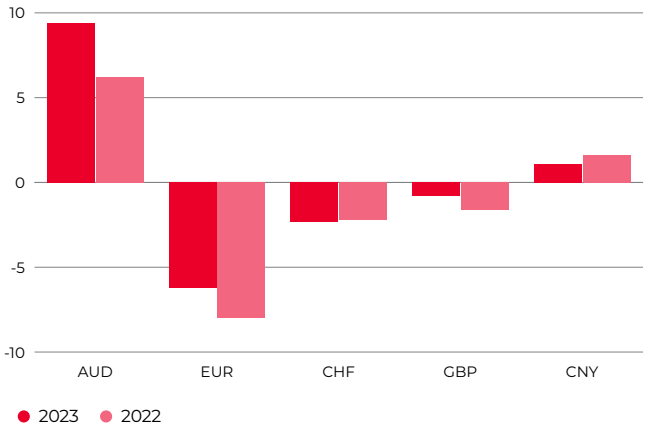
The objective is to match the contracts with committed future cash flows from sales and purchases in foreign currencies to protect the Group against exchange rate movements. The Group reduces its foreign exchange risk on net investments in foreign operations by denominating external borrowings in currencies that match the currencies of forecasted sales. There are no material outstanding foreign exchange forward contracts at 30 June 2023 and 2022.

Sensitivity analysis – USD values

Profit after tax – sensitivity to general movement of 1%

Monetary items, including financial asset and liabilities, denominated in currencies other than the functional currency of an operation are revalued at the end of each reporting period to US dollar equivalents and the associated gain or loss is taken to the profit or loss. The following chart is based on decreasing the actual rate of US Dollars to AUD, EUR, CHF, GBP and CNY as at 30 June 2023 and 2022 by 1% and applying these adjusted rates to the net monetary assets/liabilities denominated in foreign currency of various Group entities. Amounts shown are rounded to the nearest US$m.

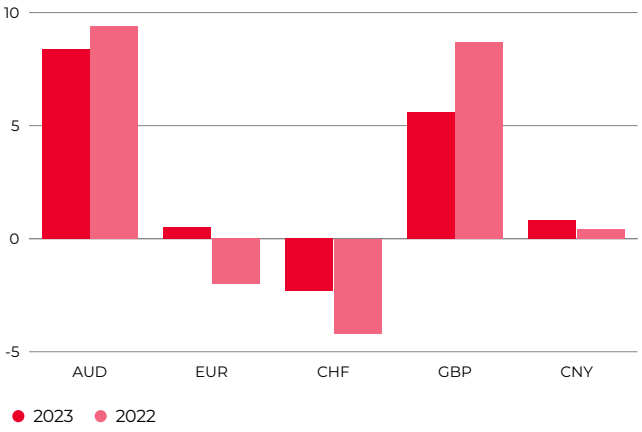
FX Sensitivity on Profit after tax (US$m)



Equity – sensitivity to general movement of 1%

Where the functional currency of a subsidiary is not US dollars, the subsidiary's assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates. All resulting exchange differences are recognised in the foreign currency translation reserve in equity. The following chart is based on decreasing the actual exchange rate of US Dollars to AUD, EUR, CHF, GBP and CNY as at 30 June 2023 and 2022 by 1% and applying these adjusted rates to the net assets/liabilities (excluding investments in subsidiaries) of the foreign currency denominated financial statements of various Group entities. Amounts shown are rounded to the nearest US$m.

FX Sensitivity on Equity (US$m)



b. Interest Rate Risk

As at 30 June 2023, it is estimated that a general movement of one percentage point in the interest rates applicable to investments of cash and cash equivalents would have changed the Group's profit after tax by approximately $10m (2022: $10m). This calculation is based on applying a 1% movement to the total of the Group's cash and cash equivalents at year end.

As at 30 June 2023, it is estimated that a general movement of one percentage point in the interest rates applicable to floating rate unsecured bank loans would have changed the Group's profit after tax by approximately $22m (2022: $4m). This calculation is based on applying a 1% movement to the total of the Group's floating rate unsecured bank loans at year end.

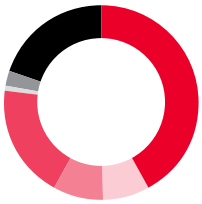
Note 11: Financial Risk Management continued

c. Credit Risk

The Group only invests its cash and cash equivalent financial assets with financial institutions having a credit rating of at least 'BBB+' or better, as assessed by independent rating agencies.

	Floating Rate[15]		Non-Interest Bearing		Total		Average Closing Interest Rate	
	US$m		US$m		US$m		%	
	2023	2022	2023	2022	2023	2022	2023	2022
Financial assets and contract assets								
Cash and cash equivalents	**1,548**	10,436	**–**	–	**1,548**	10,436	**2.24%**	0.86%
Receivables and contract assets (excluding prepayments)	**–**	–	**2,001**	1,496	**2,001**	1,496	**–**	–
Other financial assets	**–**	–	**182**	407	**182**	407	**–**	–
	1,548	10,436	**2,183**	1,903	**3,731**	12,339		

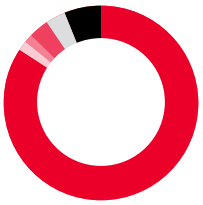
Credit quality of financial assets
30 June 2023 (US$m)



- Financial Institutions* **$1,572m**
- Governments **$291m**
- Hospitals **$306m**
- Buying Groups **$704m**
- Publicly traded securities **$30m**
- Venture fund assets **$94m**
- Other **$734m**

* $1,548m of the assets held with financial institutions are held as cash or cash equivalents and $24m of other financial assets. Financial assets held with non-financial institutions include $2,001m of trade and other receivables.

Credit quality of financial assets
30 June 2022 (US$m)



- Financial Institutions* **$10,462m**
- Governments **$224m**
- Hospitals **$151m**
- Buying Groups **$399m**
- Publicly traded securities **$381m**
- Other **$722m**

* $10,436m of the assets held with financial institutions are held as cash or cash equivalents and $26m of other financial assets. Financial assets held with non-financial institutions include $1,496m of trade and other receivables.

Government or government-backed entities (such as hospitals) often account for a significant proportion of trade receivables. As a result, the Group carries receivables from a number of Southern European governments. The credit risk associated with trading in these countries is considered on a country-by-country basis and the Group's trading strategy is adjusted accordingly. The factors taken into account in determining the credit risk of a particular country include recent trading experience, current economic and political conditions and the likelihood of continuing support from agencies such as the European Central Bank.

The following table analyses trade receivables and contract assets that are past due and, where required, the associated provision for expected credit losses (Note 15). All other financial assets are less than 30 days overdue.

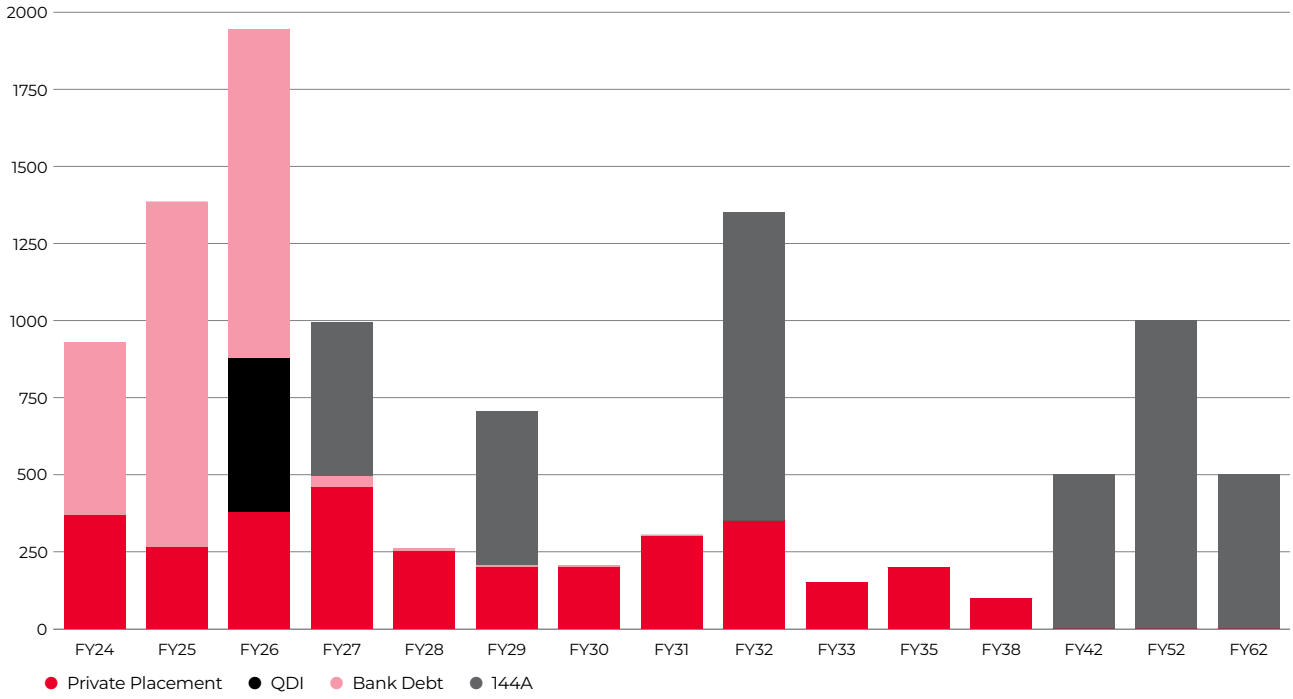
	Gross		Provision		Net	
Trade receivables and contract assets	2023 US$m	2022 US$m	2023 US$m	2022 US$m	2023 US$m	2022 US$m
current	**1,468**	1,083	**(5)**	(9)	**1,463**	1,074
less than 30 days overdue	**55**	21	**–**	–	**55**	21
between 30 and 90 days overdue	**38**	40	**–**	–	**38**	40
more than 90 days overdue	**51**	24	**(7)**	(8)	**44**	16
	1,612	1,168	**(12)**	(17)	**1,600**	1,151

15 Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date. All interest rates on floating rate financial assets are subject to reset within the next six months.

Note 11: Financial Risk Management continued

d. Funding and Liquidity Risk

The following chart summarises the Group's maturity profile of debt on an undiscounted basis by facility (US$m).



The following table analyses the Group's interest-bearing liabilities and borrowings:

Interest-bearing liabilities and borrowings	2023 US$m	2022 US$m
Current		
Bank overdraft – unsecured	**39**	102
Bank borrowings – unsecured[16]	**563**	203
Senior notes – unsecured	**362**	150
Senior 144A notes – unsecured[17]	**–**	3,959
Lease liabilities	**91**	80
	1,055	4,494
Non-current		
Bank borrowings – unsecured[16]	**2,252**	180
Senior notes – unsecured	**3,351**	3,675
Senior 144A notes – unsecured[17]	**3,961**	–
Lease liabilities	**1,608**	1,310
	11,172	5,165

16 Unsecured bank borrowings includes $2,500m in bilateral credit facilities drawn down during the year ended 30 June 2023 following the acquisition close of CSL Vifor (Note 2). $500m of these unsecured bank borrowings are classified within current liabilities.
17 The 144A senior unsecured notes were reclassified to non-current during the year ended 30 June 2023 aligned to the removal of a mandatory redemption feature in connection with the acquisition of CSL Vifor (Note 2).

Interest-bearing liabilities and borrowings

Interest-bearing liabilities and borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, interest-bearing liabilities and borrowings are stated at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate of the lessee at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The Group exercises judgement when determining the incremental borrowing rate based on the interest that the lessee would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment, and observable inputs such as market interest rates are used as applicable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. Subsequent to initial recognition, lease liabilities are measured at amortised cost. Lease liabilities are remeasured if there is a modification, such as a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group's lease liabilities are inclusive of extension options the Group is reasonably certain to exercise based upon our judgement as at the lease commencement date. After the lease commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption, which relates to leases such as office photocopiers, gas storage cylinders, and other miscellaneous low value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Contractual maturities of financial liabilities

The following table categorises the financial liabilities into relevant maturity periods, taking into account the remaining period at the reporting date and the contractual maturity date. The weighted average contractual maturity date of financial liabilities (excluding trade and other payables and lease liabilities) as at 30 June 2023 is 9 years (2022: 12 years). The amounts disclosed represent principal and interest cash flows, so they may differ from the equivalent reported amounts in the balance sheet.

Note 11: Financial Risk Management continued

	Contractual payments due as at 30 June									
	1 year or less US$m		Between 1 year and 5 years US$m		Over 5 years US$m		Total US$m		Weighted average interest rate %	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Trade and other payables (non-interest bearing)	**2,947**	2,301	**–**	–	**–**	–	**2,947**	2,301	**–**	–
Bank overdraft – unsecured (floating rates)[18]	**39**	102	**–**	–	**–**	–	**39**	102	**–**	–
Bank borrowings – unsecured (floating rates)[18]	**661**	63	**2,192**	–	**–**	–	**2,853**	63	**5.5%**	2.0%
Bank borrowings – unsecured (fixed rates)	**40**	39	**127**	149	**17**	28	**184**	216	**1.0%**	1.0%
Senior notes – unsecured (floating rates)[18]	**13**	13	**518**	506	**–**	–	**531**	519	**5.9%**	2.5%
Senior notes – unsecured (fixed rates)	**450**	359	**1,602**	1,772	**1,660**	1,965	**3,712**	4,096	**2.8%**	2.8%
Senior 144A notes – unsecured (fixed rates)[19]	**177**	177	**1,187**	1,210	**5,968**	6,154	**7,332**	7,541	**4.1%**	4.1%
Lease liabilities (fixed rates)	**105**	86	**309**	288	**1,296**	1,018	**1,710**	1,392	**3.6%**	3.0%
	4,432	3,140	**5,935**	3,925	**8,941**	9,165	**19,308**	16,230		

Available debt facilities

As at 30 June 2023, the Group had the following available debt facilities (undiscounted and excludes bank overdrafts and lease liabilities):

- Five revolving committed bank facilities totalling $1,604m, which includes $1,551m in undrawn funds (2022: $1,604m which included $1,543m in undrawn funds)
- Bilateral credit facility restricted to the acquisition of CSL Vifor (Note 2) totalling $2,500m (2022: $2,500m undrawn)
- Senior unsecured notes in the the US private placement market totalling $3,217m (2022: $3,435m)
- Senior unsecured notes in the 144A US private placement market totalling $4,000m (2022: $4,000m)
- Senior unsecured notes in the Hong Kong market (QDI) totalling $500m (2022: $500m)
- Commercial paper program totalling US$750m undrawn (2022: $750m undrawn)
- Other bank facilities totalling $262m (2022: $216m)

The Group is in compliance with all debt covenants as at 30 June 2023.

e. Fair value of financial assets and financial liabilities

The carrying value of financial assets and liabilities approximates fair value, with the exception of the Group's fixed interest rate debt. The following methods and assumptions were used to determine the fair values of financial assets and liabilities.

Cash

The carrying value of cash equals fair value, due to the liquid nature of cash.

Receivables, contract assets and payables

Carrying value of receivables, contract assets and payables with a remaining life of less than one year is deemed to equal fair value.

Other financial assets

Other financial assets includes equity securities (publicly traded securities) carried at fair value through OCI (FVTOCI) which are not held for trading. The value of the publicly traded securities depends on the share price quoted on the corresponding stock exchange. Other financial assets also includes investments in venture funds which are not publicly traded carried at fair value through the profit or loss (FVTPL). The value of the venture funds depends on the net asset value of the underlying investments and not directly on a share index.

Interest-bearing and other financial liabilities

The carrying amount of the interest-bearing liabilities approximates the fair value, with the exception of the Group's fixed interest rate debt. At 30 June 2023, the total fixed rate debt (excluding lease liabilities) has a carrying amount of $7,353m (FY22: $7,605m) and a fair value of $6,684m (FY22: $7,300m). Fair value is calculated based on the discounted expected principal and interest cash flows, using rates currently available for debt of similar terms, credit risk and remaining maturities.

The Group also has foreign currency loans payable that have been designated as a cash flow hedge against forecast sale transactions in foreign currency. An effective hedge is one that meets certain criteria. Gains or losses on the cash flow hedge that relate to the effective portion of the hedge are recognised in equity. Gains or losses relating to the ineffective portion, if any, are recognised in the profit or loss. Other financial liabilities also includes contingent consideration liabilities from business combinations.

18 Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date. All interest rates on floating rate financial liabilities are subject to reset within the next six months.
19 Contractual payments due within 1 year from 30 June 2023 related to the senior unsecured 144A notes represents interest payments only.

Note 11: Financial Risk Management continued

Key Judgements and Estimates

Contingent consideration liabilities are valued with reference to our judgement of the expected probability and timing of potential future milestone payments, based upon level 3 inputs under the fair value hierarchy, which is then discounted to a present value using appropriate discount rates with reference to the Group's incremental borrowing rates.

Valuation of financial instruments

Financial instruments measured and carried at fair value are categorised as follows:

- Level 1: Items traded with quoted prices in active markets for identical liabilities
- Level 2: Items with significantly observable inputs other than quoted prices in active markets
- Level 3: Items with unobservable inputs (not based on observable market data)

There were no transfers between Level 1 and Level 2 during the year, or any transfers into Level 3.

Financial assets/(liabilities) measured at fair value		2023 US$m	2022 US$m
Publicly traded securities – FVTOCI[20]	Level 1	**30**	381
Venture fund assets – FVTPL	Level 3	**94**	–
Contingent consideration assets (earn-out receivable)	Level 3	**25**	–
Contingent consideration liabilities from business combinations	Level 3	**(242)**	(269)

Note 12: Equity and Reserves

(a) Contributed Equity

	2023 US$m	2022 US$m
Ordinary shares issued and fully paid	**5,022**	4,988
Share buy-back reserve	**(4,505)**	(4,505)
Total contributed equity	**517**	483

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Where the Group reacquires its own shares, those shares are cancelled. No gain or loss is recognised in the statement of comprehensive income and the consideration paid to acquire the shares, including transaction costs net of income taxes is recognised directly as a reduction in equity.

Ordinary shares receive dividends as declared and, in the event of winding up the company, participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the company.

Share buy-backs were undertaken at higher prices than the original subscription prices which reduced the historical balance for ordinary share contributed equity to nil. The share buy-back reserve was created to reflect the excess value of shares bought over the original amount of subscribed capital. Information relating to changes in contributed equity is set out in Note 10.

20 Prior to acquisition close in August 2022, the Group commenced buying Vifor's shares on-market. These shares were carried at fair value through OCI and the subsequent fair value gain was transferred to retained earnings on acquisition date.

Note 12: Equity and Reserves continued

(b) Movement in Reserves

	Share-based payments reserve (i)		Foreign currency translation reserve (ii)		Hedge reserve (iii)		Other reserves (iv)		Total	
US$m	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	**544**	427	**(81)**	206	**134**	–	**(7)**	–	**590**	633
Share-based payment expense, net of tax	**138**	117	**–**	–	**–**	–	**–**	–	**138**	117
Net exchange gains/(losses) on translation of foreign subsidiaries, net of hedging reserve	**–**	–	**(17)**	(287)	**–**	–	**–**	–	**(17)**	(287)
Acquisition of CSL Vifor (Note 2)[21]	**–**	–	**–**	–	**–**	–	**(7)**	(7)	**(7)**	(7)
Change in fair value of investments valued through OCI	**–**	–	**–**	–	**–**	–	**(42)**	–	**(42)**	–
Fair value of cash flow hedge	**–**	–	**–**	–	**–**	135	**–**	–	**–**	135
Reclassification to profit and loss	**–**	–	**–**	–	**(14)**	(1)	**–**	–	**(14)**	(1)
Closing balance	**682**	544	**(98)**	(81)	**120**	134	**(56)**	(7)	**648**	590

Nature and purpose of reserves

i. Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of awards issued to employees.

ii. Foreign currency translation reserve

Where the functional currency of a subsidiary is not US dollars, its assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates.

All resulting exchange differences are recognised in OCI and in the foreign currency translation reserve in equity. Exchange differences arising from borrowings designated as hedges of net investments in foreign entities are also included in this reserve.

iii. Hedge reserve

The hedge reserve recognises the effective portion of gains and losses on derivatives that are designated and qualify as hedges. Amounts are subsequently reclassified into the profit and loss as appropriate. The hedge reserve includes the cash flow hedge reserve associated with the T-lock which settled during the prior year ended 30 June 2022.

iv. Other reserves

The Group has elected to recognise changes in the fair value of the investments in publicly traded securities through OCI (excluding dividend income) (Note 11(e)). These changes are accumulated within the other reserves. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised (or triggered by a change of control including the acquisition of CSL Vifor).

21 Prior to acquisition close in August 2022, the Group commenced buying Vifor's shares on-market. These shares were carried at fair value through OCI and the subsequent fair value gain was transferred to retained earnings on acquisition date.

Note 13: Commitments and Contingencies

(a) Capital Commitments

Commitments in relation to capital expenditure contracted but not provided for in the financial statements are payable as follows:

	Capital Commitments	
	2023 US$m	2022 US$m
Not later than one year	**411**	403
Later than one year but not later than five years	**84**	83
Total	**495**	486

(b) Contingent assets and liabilities

Litigation

In the ordinary course of business, the Group is exposed to contingent liabilities related to litigation for breach of contract and other claims. Contingent liabilities occur when the possibility of a future settlement of economic benefits is considered to be less than probable but more likely than remote. If the expected settlement of the liability becomes probable, a provision is recognised. Where appropriate, contingent liabilities are recognised at fair value on acquisition date in connection with a business combination (Note 2).

Other contingent assets and liabilities

The Group has entered into collaboration arrangements, including in-licensing arrangements with various companies. Such collaboration agreements may require the Group to make payments on achievement of stages of development, launch or revenue milestones and may include variable payments that are based on unit sales or profit (e.g. royalty and profit share payments). The amount of variable payments under the arrangements are inherently uncertain and difficult to predict, given the direct link to future sales, profit levels and the range of outcomes.

The maximum potential unrecognised future milestone payments could amount to $7,952m in the event each related product reached its full commercial potential (2022: $2,050m). These amounts are undiscounted and are not risk-adjusted, which include all such possible payments that can arise assuming all products currently in development are successful and all possible performance objectives are met.

The increase in potential milestone payments during the year includes commitments assumed from the acquisition of CSL Vifor (Note 2) and the collaboration and license agreement with Arcturus Therapeutics. The arrangement with Arcturus Therapeutics was entered into by the Group during the year in order to access their late stage self-amplifying mRNA (sa-mRNA) vaccine platform technology. Payments in connection with the transaction was paid to Arcturus during the year ended 30 June 2023, which has been recognised as an intangible asset (Note 8). The arrangement requires the Group to make payments on achievement of certain regulatory and commercial milestones, as well as royalties and future profit share arrangements.

The Group also has certain take or pay arrangements with contract manufacturers or service providers which serve as commercial manufacturers and suppliers for certain products. To the extent a commitment is determined to be onerous, these are provided for within provisions in the consolidated balance sheet.

Efficiency of Operation

Note 14: Cash and Cash Equivalents

	2023 US$m	2022 US$m
Cash at bank and on hand	**996**	1,531
Cash deposits	**552**	8,905
Total cash and cash equivalents[22]	**1,548**	10,436

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. They are made up of:

- Cash on hand.
- At call deposits with banks or financial institutions.
- Investments in money market instruments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the cash flow statement, cash at the end of the financial year is net of bank overdraft amounts.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and financing activities that are recoverable from or payable to a taxation authority are presented as part of operating cash flows.

Note 15: Receivables, Contract Assets and Payables

(a) Receivables and contract assets

	2023 US$m	2022 US$m
Current		
Trade receivables	**1,424**	966
Contract assets	**188**	202
Less: Provision for expected credit losses	**(12)**	(17)
Carrying amount of trade receivables and contract assets[23]	**1,600**	1,151
Other receivables	**305**	332
Prepayments	**300**	174
Carrying amount of current receivables and contract assets[23]	**2,205**	1,657
Other receivables	**96**	12
Carrying amount of non-current receivables and contract assets[23]	**96**	12

Receivables are initially recorded at their transaction price and are generally due for settlement within 30 to 60 days from date of invoice. Collectability is regularly reviewed at an operating unit level.

A provision for expected credit losses (ECL) is recognised based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. When a trade receivable for which a provision for expected credit loss has been recognised becomes uncollectible in a subsequent period, it is written off against the provision.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

22 Prior year cash and cash equivalents as at 30 June 2022 included $8,939m in proceeds raised in connection with the acquisition of CSL Vifor (Note 2).
23 The carrying amount disclosed above is a reasonable approximation of fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable disclosed above. Refer to Note 11 for more information on the risk management policy of the Group and the credit quality of trade receivables.

Note 15: Receivables, Contract Assets and Payables continued

As at 30 June 2023, the Group had a provision for expected credit losses of $12m (2022: $17m).

	2023 US$m	2022 US$m
Opening balance as at 1 July	**17**	24
Allowance utilised/written back	**(5)**	(6)
Currency translation differences	**–**	(1)
Closing balance at 30 June	**12**	17

Key Judgements and Estimates

In applying the Group's accounting policy to trade and other receivables with governments and related entities in South Eastern Europe as set out in Note 11, significant judgement is involved in assessing the expected credit loss of trade or other receivable amounts. Matters considered include recent trading experience, current economic and political conditions and the likelihood of continuing support from agencies such as the European Central Bank.

As at 30 June 2023, receivables totalling $286m (2022: $16m) had been sold as part of the Group's non-recourse receivable factoring arrangements. The receivables were derecognised upon sale as substantially all risks and rewards associated with the receivables passed to the purchaser.

Contract assets and deferred revenue (contract liabilities): The completion of performance obligations often differs from contract payment schedules. A contract asset is initially recognised for revenue earned from satisfying a performance obligation. However, the receipt of consideration is conditional upon the full satisfaction of the performance obligation within the contract. Upon completing the full performance obligation, the amount recognised as contract assets is reclassified to trade receivables. Amounts billed in accordance with customer contracts, but where the Group had not yet provided a good or service, are recorded and presented as part of deferred revenue. Deferred revenue is recognised as revenue when the Group performs under the contract.

Other current receivables are recognised and carried at the nominal amount due upon an unconditional right to payment. Non-current receivables are recognised and carried at amortised cost. They are non-interest bearing and have various repayment terms.

(b) Trade and other payables

	2023 US$m	2022 US$m
Current		
Trade payables	**820**	592
Accruals and other payables	**2,127**	1,709
Carrying amount of current trade and other payables	**2,947**	2,301
Non-current		
Accruals and other payables	**251**	266
Contingent consideration associated with business combinations	**242**	269
Carrying amount of other non-current liabilities	**493**	535

Trade payables, accruals and other payables: Represents the notional amounts owed to suppliers for goods and services provided to the Group prior to the end of the financial year that are unpaid. Trade and other payables are non-interest bearing and have various repayment terms but are usually paid within 30 to 60 days of recognition.

Receivables and payables include the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, taxation authorities is included in other receivables or payables in the balance sheet.

Contingent consideration associated with business combinations: The Group's recognised contingent consideration principally relates to Vitaeris and CSL Vifor's past business combinations. These liabilities are recorded as non-current financial liabilities at fair value, which are then remeasured at each subsequent reporting date at fair value through profit and loss.

The fair value estimations typically depend on factors such as technical milestones or market performance, and are adjusted for the probability of their likelihood of potential future payments, and are appropriately discounted to reflect the impact of time. Refer to Note 11 for further details on the fair value measurement. As at 30 June 2023, the maximum amount of undiscounted potential future milestone payments relating to historical business combinations are $470m (2022: $470m).

Changes in the fair value of contingent consideration liabilities in subsequent periods are recognised in research and development expenses for early-stage products and as cost of sales for currently marketed products. The effect of unwinding the discount over time for contingent consideration carried at fair value is recognised as finance costs.

Note 16: Provisions

	Employee benefits		Other		Total	
	US$m	US$m	US$m	US$m	US$m	US$m
	2023	2022	2023	2022	2023	2022
Current						
Carrying amount at the start of the year	**172**	212	**10**	16	**182**	228
Acquisition of CSL Vifor (Note 2)	**11**	–	**67**	–	**78**	–
Utilised/Transfers	**(65)**	(59)	**(9)**	(14)	**(74)**	(73)
Additions	**126**	31	**4**	9	**130**	40
Currency translation differences	**2**	(12)	**(8)**	(1)	**(6)**	(13)
Carrying amount at the end of the year	**246**	172	**64**	10	**310**	182
Non-current						
Carrying amount at the start of the year	**41**	48	**61**	60	**102**	108
Acquisition of CSL Vifor (Note 2)	**9**	–	**347**	–	**356**	–
Utilised/Transfers	**(2)**	(6)	**(1)**	–	**(3)**	(6)
Additions	**6**	3	**1**	5	**7**	8
Currency translation differences	**6**	(4)	**(1)**	(4)	**5**	(8)
Carrying amount at the end of the year	**60**	41	**407**	61	**467**	102

Provisions are recognised when all three of the following conditions are met:

- The Group has a present or constructive obligation arising from a past transaction or event
- It is probable that an outflow of resources will be required to settle the obligation
- A reliable estimate can be made of the obligation.

Provisions are not recognised for future operating losses. Provisions recognised reflect our best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to settle the obligation at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions for employee benefits includes the liability for leave entitlements, related on costs and restructuring costs where required. Other provisions include provisions for asset retirement obligations and onerous contracts. Other provisions also include the estimated fair value of potential contingent liabilities assumed on business acquisition date relating to various claims and disputes with third parties in each case where there is a possible, but not probable, future financial exposure, and involve an assessment of the likelihood of several scenarios in relation to those matters.

Other Notes

Note 17: Related Party Transactions

Ultimate controlling entity and subsidiaries

The ultimate controlling entity is CSL Limited, otherwise described as the parent company. The following table lists the Group's material subsidiaries including those acquired in connection with the acquisition of CSL Vifor during the year ended 30 June 2023 (Note 2).

		Percentage owned (%)	
Company	Country of Incorporation	2023	2022
CSL Limited	Australia		
Subsidiaries of CSL Limited:			
CSL Innovation Pty Ltd	Australia	**100**	100
CSL Behring (Australia) Pty Ltd	Australia	**100**	100
CSL Behring LLC	USA	**100**	100
CSL Plasma Inc	USA	**100**	100
CSL Behring GmbH	Germany	**100**	100
CSL Behring AG	Switzerland	**100**	100
CSL Behring Lengnau AG	Switzerland	**100**	100
CSLB Holdings Inc	USA	**100**	100
CSL Finance Plc	UK	**100**	100
CSL Behring Holdings Limited	UK	**100**	100
CSL Behring (Holdings) Pty Ltd	UK	**100**	100
CSL Finance Pty Ltd	Australia	**100**	100
Seqirus Pty Ltd	Australia	**100**	100
Seqirus UK Limited	UK	**100**	100
Seqirus Vaccines Limited	UK	**100**	100
Seqirus USA Inc	USA	**100**	100
Seqirus Inc	USA	**100**	100
Vifor Pharma Participations Ltd[24]	Switzerland	**100**	–
Vifor (International) Ltd	Switzerland	**100**	–
Vifor Fresenius Medical Care Renal Pharma Ltd	Switzerland	**55**	–

Related party transactions

All transactions with subsidiaries have been eliminated on consolidation.

24 Vifor Pharma Ltd was merged into Vifor Pharma Participations Ltd effective 14 June 2023.

Note 18: Detailed Information – People Costs

(a) Defined benefit plans

The Group sponsors a range of defined benefit pension plans that provide either a lump sum or ongoing pension benefit for its worldwide employees upon retirement. Entities of the Group who operate defined benefit plans contribute to the respective plans in accordance with the Trust Deeds, following the receipt of actuarial advice. The surplus/deficit for each defined benefit plan operated by the Group is as follows:

	2023 US$m			2022 US$m		
Pension Plan	Plan Assets	Accrued benefit	Plan surplus/ (deficit)	Plan Assets	Accrued benefit	Plan surplus/ (deficit)
Funded:						
CSL Pension Plan (Australia) – provides a lump sum benefit upon exit	**15**	**(13)**	**2**	15	(14)	1
CSL Behring AG Pension Plan (Switzerland) – provides an ongoing pension[25]	**674**	**(674)**	**–**	621	(621)	–
CSL Vifor Pension Plan (Switzerland) – provides an ongoing pension[25]	**453**	**(453)**	**–**	–	–	–
CSL Behring Union Pension Plan (USA) – provides an ongoing pension	**41**	**(37)**	**4**	45	(41)	4
Unfunded:						
CSL Behring GmbH Supplementary Pension Plan (Germany) – provides an ongoing pension	**–**	**(150)**	**(150)**	–	(138)	(138)
CSL Behring Innovation GmbH Supplementary Pension Plan (Germany) – provides an ongoing pension	**–**	**(25)**	**(25)**	–	(23)	(23)
bioCSL GmbH Pension Plan (Germany) – provides an ongoing pension	**–**	**(2)**	**(2)**	–	(3)	(3)
CSL Behring KG Pension Plan (Germany) – provides an ongoing pension	**–**	**(14)**	**(14)**	–	(12)	(12)
CSL Plasma GmbH Pension Plan (Germany) – provides an ongoing pension	**–**	**–**	**–**	–	–	–
CSL Behring KK Retirement Allowance Plan (Japan) – provides a lump sum benefit upon exit	**–**	**(11)**	**(11)**	–	(11)	(11)
CSL Behring S.A. Pension Plan (France) – provides a lump sum benefit upon exit	**–**	**(1)**	**(1)**	–	(1)	(1)
CSL Behring S.p.A Pension Plan (Italy) – provides a lump sum benefit upon exit	**–**	**(1)**	**(1)**	–	(1)	(1)
Total	**1,183**	**(1,381)**	**(198)**	681	(865)	(184)

In addition to the plans listed, CSL Behring GmbH, CSL Behring Innovation GmbH and Seqirus GmbH employees are members of multi-employer plans administered by an unrelated third party. CSL Behring GmbH, CSL Behring Innovation GmbH, Seqirus GmbH and their employees make contributions to the plans and receive pension entitlements on retirement. Participating employers may have to make additional contributions in the event that the plans have insufficient assets to meet their obligations. However, there is insufficient information available to determine this amount on an employer by employer basis. The contributions made by CSL Behring GmbH, CSL Behring Innovation GmbH and Seqirus GmbH are determined by the Plan Actuary and are designed to be sufficient to meet the obligations of the plans based on actuarial assumptions. Contributions made by CSL Behring GmbH, CSL Behring Innovation GmbH and Seqirus GmbH are expensed in the year in which they are made.

25 The CSL Behring AG and CSL Vifor pension plans have asset surplus' not recognised on the basis that future economic benefits are not available to the entity in the form of a reduction in future contributions or a cash refund. The plan assets have been recognised up to the asset ceiling limit.

Movements in accrued benefits and assets

During the financial year the value of accrued benefits increased by $516m, mainly attributable to:

- CSL Vifor accrued benefits assumed on acquisition date of $424m;
- Service costs charged to the profit and loss of $53m;
- Interest costs of $24m, from the discount rate on benefit obligations and anticipated benefit payments;
- Employee contributions of $24m;
- Unfavourable foreign currency movements of $68m taken directly to the Foreign Currency Translation Reserve;
- Offsetting these movements were decreases from:
  - Benefits paid by the plans of $48m;
  - Actuarial adjustments, generating a decrease in accrued benefits of $33m.

During the financial year, plan assets increased by $502m, mainly attributable to:

- CSL Vifor plan assets acquired on acquisition date of $424m;
- Employer and employee contributions of $69m and investment returns that increased plan assets by $21m;
- Favourable foreign currency movements of $56m taken directly to the Foreign Currency Translation Reserve;
- Favourable asset ceiling movements of $9m;
- Offsetting these movements were decreases from:
  - Benefits paid by the plans of $44m;
  - Actuarial adjustments, generating a decrease in plan assets of $34m.

The major categories of total plan assets are as follows:	2023 US$m	2022 US$m
Cash	**9**	27
Instruments quoted in active markets:		
Equity instruments	**551**	252
Bonds	**354**	246
Unquoted investments – property	**341**	200
Other assets	**103**	32
Asset ceiling adjustment[25]	**(175)**	(76)
Total Plan Assets	**1,183**	681

The actuarial assumptions, expressed as weighted averages, at the reporting dates are:	2023 %	2022 %
Discount rate	**2.3%**	2.0%
Future salary increases	**2.7%**	2.3%
Future pension increases	**0.3%**	0.4%

The variable with the most significant impact on the defined benefit obligation is the discount rate applied in the calculation of accrued benefits. A decrease in the average discount rate applied to the calculation of accrued benefits of 0.25% would increase the defined benefit obligation by $43m. An increase in the average discount rate of 0.25% would reduce the defined benefit obligation by $41m.

The defined benefit obligation will be discharged over an extended period as members exit the plans. The plan actuaries have estimated that the following payments will be required to satisfy the obligation. The actual payments will depend on the pattern of employee exits from the Group's plans.

Estimated defined benefit plan payments (actuarial assumption) as at 30 June:	2023 US$m	2022 US$m
Within one year	**76**	48
Between two and five years	**293**	175
Between five and ten years	**360**	84
Beyond ten years	**652**	558

Note 18: Detailed Information – People Costs continued

(b) Share-based payments

Long Term Incentives

A face value equity allocation methodology, being a five day volume weighted average share price based on the market price of a CSL share at the time of grant, is used to determine the number of units granted to a participant under each of the shared based payment plans, which are as follows:

- The Executive Performance and Alignment Plan (EPA) grants Performance Share Units (PSU) to qualifying executives. Vesting is subject to continuing employment, satisfactory performance and the achievement of absolute return measures. The return measures include EPS growth and seven-year average Return on Invested Capital (ROIC).
- The Retain and Grow Plan (RGP) grants Restricted Share Units (RSU) to qualifying employees, participation in the RGP plan is broader than in the EPA plan. Vesting is subject to continuing employment and satisfactory performance.

EPA and RGP grants made prior to 1 September 2021 vest in equal tranches on the first, second, third and fourth anniversaries of the grant. EPA grants made from 1 September 2021 vest on the third anniversary. RGP grants made from 1 September 2021 vest in equal tranches on the first, second and third anniversaries of the grant. For EPA and RGP commencement benefit awards, vesting dates will vary. There have been no changes to the grant terms of any existing instruments.

The fair value of the awards granted is estimated at the date of grant using an adjusted form of the Black-Scholes model, considering the terms and conditions upon which the PSUs and RSUs were granted. There is no exercise price payable on PSUs and RSUs. The following grants were issued during the year ended 30 June 2023:

Date of grant	PSUs	RSUs
1 September 2022	411	781,314
1 November 2022	210,065	–
1 March 2023	5,779	121,093

The relevant tranche of PSUs will exercise upon vesting between September 2024 and September 2025. The relevant tranche of RSUs will exercise upon vesting between September 2023 and September 2025.

The Non-Executive Directors Plan

The Non-Executive Directors (NED) pay a minimum of 20% of their pre-tax base fee in return for a grant of rights, each right entitling a NED to acquire one CSL share at no cost (shares purchased on market). There is a nominated restriction period of three to fifteen years, after which the NED will have access to their shares. On 25 August 2022, 3,135 rights were granted under the NED Rights Plan with vesting through to August 2023.

Global Employee Share Plan

The Global Employee Share Plan (GESP) allows employees to make contributions from post-tax salary up to a maximum of A$12,000 (or equivalent) per six month contribution period. Employees receive shares at a 15% discount to the applicable market rate over the five day period up to and including the first and last ASX trading days of the six month period, whichever is the lower.

Recognition and measurement

The fair value of awards granted are recognised as an employee benefit expense with a corresponding increase in equity. Fair value is independently measured at grant date and recognised over the period during which the employees become unconditionally entitled to the award.

Fair value is independently determined using a combination of the Binomial and Black-Scholes valuation methodologies, including Monte Carlo simulation, considering the terms and conditions on which the awards were granted. The fair value of the awards granted excludes the impact of any non-market vesting conditions, which are included in assumptions about the number of awards that are expected to vest.

At each reporting date, the number of awards that are expected to vest is revised. The employee benefit expense recognised each period considers the most recent estimate of the number of awards that are expected to vest. No expense is recognised for awards that do not ultimately vest, except where the vesting is conditional upon a market condition and that market condition is not met. The Group does not have any awards with a market condition as at 30 June 2023.

Note 18: Detailed Information – People Costs continued

Valuation assumptions and fair values of equity instruments granted

The model inputs for share-based payments granted during the year ended 30 June 2023 included:

	Fair Value (A$)	Share Price (A$)	Exercise Price (A$)	Expected Volatility[26]	Life Assumption	Expected Dividend Yield	Risk-free Interest Rates
Performance Share Units (by grant date)[27]							
1 September 2022 – Tranche 1	$286.27	$293.38	–	25.00%	24 months	1.23%	3.01%
1 November 2022 – Tranche 1	$267.12	$276.69	–	25.00%	34 months	1.25%	3.26%
1 March 2023 – Tranche 1	$285.54	$297.10	–	22.50%	30 months	1.60%	3.51%
Restricted Share Units (by grant date)							
1 September 2022 – Tranche 1	$291.59	$293.38	–	25.00%	6 months	1.23%	2.99%
1 September 2022 – Tranche 2	$289.80	$293.38	–	25.00%	12 months	1.23%	2.99%
1 September 2022 – Tranche 3	$288.91	$293.38	–	25.00%	15 months	1.23%	2.99%
1 September 2022 – Tranche 4	$288.03	$293.38	–	25.00%	18 months	1.23%	3.01%
1 September 2022 – Tranche 5	$286.27	$293.38	–	25.00%	24 months	1.23%	3.01%
1 September 2022 – Tranche 6	$284.52	$293.38	–	25.00%	30 months	1.23%	3.23%
1 September 2022 – Tranche 7	$282.78	$293.38	–	25.00%	36 months	1.23%	3.23%
1 March 2023 – Tranche 1	$294.90	$297.10	–	22.50%	6 months	1.50%	3.71%
1 March 2023 – Tranche 2	$292.71	$297.10	–	22.50%	12 months	1.50%	3.71%
1 March 2023 – Tranche 3	$290.11	$297.10	–	22.50%	18 months	1.60%	3.51%
1 March 2023 – Tranche 4	$287.82	$297.10	–	22.50%	24 months	1.60%	3.51%
1 March 2023 – Tranche 5	$285.54	$297.10	–	22.50%	30 months	1.60%	3.51%
Rights (by grant date)							
25 August 2022 – Tranche 1	$292.74	$294.46	–	25.00%	6 months	1.21%	2.94%
25 August 2022 – Tranche 2	$290.97	$294.46	–	25.00%	12 months	1.21%	2.94%
GESP (by grant date)[28]							
2 September 2022 – Tranche 1	$72.13	$295.99	$223.86	25.00%	6 months	1.23%	2.99%
3 March 2023 – Tranche 1	$43.26	$293.02	$249.76	22.50%	6 months	1.50%	3.71%

Note 19: Detailed Information – Shareholder Returns

	Consolidated Entity	
	2023 US$m	2022 US$m
Retained earnings		
Opening balance	**13,504**	12,253
Net profit for the year	**2,194**	2,255
Dividends paid to CSL Limited shareholders	**(1,085)**	(1,039)
Transfer of gain on disposal of equity investments at fair value through OCI to retained earnings	**7**	–
Actuarial gain on defined benefit plans	**2**	40
Deferred tax expense on actuarial gain/loss on defined benefit plans	**(1)**	(5)
Closing balance	**14,621**	13,504

26 Expected volatility is based on historical volatility (based on the remaining life assumption of each equity instrument, adjusted for expected changes).
27 PSUs are subject to an EPS growth and ROIC performance measure.
28 Fair value of GESP shares is estimated based on the assumptions prevailing on the grant date. In accordance with the terms and conditions of the GESP plan, shares are issued at a 15% discount to the lower of the ASX market price on the first and last dates of the contribution period.

Note 20: Auditor Remuneration

The following fees were paid or were payable for services provided by CSL's auditor and by the auditor's related practices. For the year ended 30 June 2023, fees include audit and non-audit services provided to CSL Vifor from acquisition date in August 2022 and as such are not included in the 30 June 2022 comparative fees.

AUDIT SERVICES – Ernst & Young Australia	2023 US$	2022 US$
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**2,872,343**	2,402,268
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm		
– Assurance services over the 144a bond issuance	**–**	326,152
– Sustainability assurance	**174,810**	106,873
– Agreed-upon procedures and other audit engagements	**101,653**	146,124
Fees for other services		
Training	**60,000**	39,000
Due diligence	**–**	150,295
Remuneration advisory	**373,823**	190,832
Total fees to Ernst & Young (Australia)	**3,582,629**	3,361,544
AUDIT SERVICES – Ernst & Young Overseas Member Firms		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**4,752,475**	3,678,633
Fees for assurance services that are required by legislation to be provided by the auditor	**12,254**	2,721
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm		
– Agreed-upon procedures and other audit engagements	**107,103**	147,474
Fees for other services	**591,635**	35,127
Total fees to overseas member firms of Ernst & Young (Australia)	**5,463,467**	3,863,955
Total audit and other assurance services	**8,020,638**	6,810,245
Total non-audit services	**1,025,458**	415,254
Total auditor's remuneration	**9,046,096**	7,225,499

Note 21: Deed of Cross Guarantee

A deed of cross guarantee was executed between CSL Limited and some of its wholly-owned entities, namely CSL Behring (Holdings) Pty Ltd, CSL Finance Pty Ltd, Seqirus (Australia) Pty Ltd, CSL Innovation Pty Ltd, Seqirus Pty Ltd, CSL Behring (Australia) Pty Ltd, Seqirus Holdings Australia Pty Ltd and CSL IP Investments Pty Ltd. Under this deed, each company guarantees the debts of the others. By entering into the deed, these specific wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 2016/785 (as amended) issued by the Australian Securities and Investments Commission.

The entities that are parties to the deed represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by CSL Limited, they also represent the 'Extended Closed Group'. A consolidated income statement and a summary of movements in consolidated retained profits for the years ended 30 June 2023 and 2022 and a consolidated balance sheet as at each date for the Closed Group is set out below.

	Consolidated Closed Group	
Income Statement	2023 US$m	2022 US$m
Sales and service revenue	**1,124**	1,181
Other income	**79**	16
Total operating revenue	**1,203**	1,197
Cost of sales	**(813)**	(801)
Gross profit	**390**	396
Dividend income	**1,257**	935
Finance income	**16**	9
Research and development expenses	**(161)**	(157)
Selling and marketing expenses	**(60)**	(64)
General, administration and other expenses	**(125)**	(165)
Finance costs	**(58)**	(45)
Profit before income tax expense	**1,259**	909
Income tax credit/(expense)	**22**	(28)
Profit for the year	**1,281**	881

Note 21: Deed of Cross Guarantee continued

Balance Sheet	Consolidated Closed Group 2023 US$m	2022 US$m
CURRENT ASSETS		
Cash and cash equivalents	**24**	2,292
Receivables and contract assets	**699**	562
Inventories	**279**	232
Total Current Assets	**1,002**	3,086
NON-CURRENT ASSETS		
Other receivables	**265**	3,021
Other financial assets	**19,541**	14,641
Property, plant and equipment	**1,881**	1,334
Deferred tax assets	**131**	85
Intangible assets	**16**	20
Retirement benefit assets	**2**	2
Total Non-Current assets	**21,836**	19,103
TOTAL ASSETS	**22,838**	22,189
CURRENT LIABILITIES		
Trade and other payables	**1,330**	1,344
Provisions	**61**	67
Interest-bearing liabilities and borrowings	**167**	158
Other current liabilities	**–**	4
Total Current Liabilities	**1,558**	1,573
NON-CURRENT LIABILITIES		
Trade and other payables	**664**	404
Interest-bearing liabilities and borrowings	**1,512**	1,331
Provisions	**44**	44
Other non-current liabilities	**22**	24
Total Non-Current Liabilities	**2,242**	1,803
TOTAL LIABILITIES	**3,800**	3,376
NET ASSETS	**19,038**	18,813
EQUITY		
Contributed equity	**517**	484
Reserves	**437**	441
Retained earnings	**18,084**	17,888
TOTAL EQUITY	**19,038**	18,813

Summary of movements in retained earnings of the Consolidated Closed Group	2023 US$m	2022 US$m
Retained earnings at beginning of the financial year	**17,888**	18,048
Net profit	**1,281**	881
Actuarial gain/(loss) on defined benefit plans, net of tax	**–**	(2)
Dividends paid to CSL Limited shareholders	**(1,085)**	(1,039)
Retained earnings at the end of the financial year	**18,084**	17,888

Note 22: Parent Entity Information

Information relating to CSL Limited (parent entity)

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:	2023 US$m	2022 US$m
Profit for the year	**931**	507
Total comprehensive income	**931**	507
Current assets	**375**	351
Total assets	**11,438**	7,089
Current liabilities	**460**	314
Total liabilities	**4,806**	337
Contributed equity	**517**	483
Reserves	**(54)**	(54)
Retained earnings	**6,169**	6,323
Net assets/Total equity	**6,632**	6,752

(b) Guarantees entered into by the parent entity

The parent entity provides certain financial guarantees in the ordinary course of business. No liability is recognised in relation to these guarantees as the fair value of the guarantees is immaterial. These guarantees are mainly related to the external debt facilities of the Group. In addition, the parent entity provides letters of comfort to indicate support for certain controlled entities to the amount necessary to enable those entities to meet their obligations as and when they fall due, subject to certain conditions (including that the entity remains a controlled entity).

(c) Contingent liabilities of the parent entity

The parent entity did not have any material contingent liabilities as at 30 June 2023 and 2022. For information about guarantees given by the parent entity, please refer above and to Note 21.

(d) Contractual commitments for the acquisition of property, plant and equipment

The parent entity did not have any material contractual commitments for the acquisition of property, plant and equipment as at 30 June 2023 and 2022.

Note 23: Non-Controlling Interests

VFMCRP is the only Group's subsidiary with material non-controlling interests. VFMCRP is registered in St. Gallen, Switzerland. Following the acquisition of CSL in August 2022 (Note 2), the Group owns 55% of the share capital and voting rights of VFMCRP, while Fresenius Medical Care (FMC) holds 45% of the share capital and voting rights. The minority shareholder has extensive protection rights. In the event of disagreement, the Group has the casting vote within a defined escalation process.

Summarised financial information (before any intercompany eliminations) of VFMCRP:	2023 US$m
Statement of Comprehensive Income information:	
Net sales	**786**
Other income	**24**
Operating profit (EBIT)	**120**
Net profit	**112**
Other comprehensive income (OCI)	**–**
Balance Sheet information:	
Current assets	**757**
Non-current assets	**2,986**
Current liabilities	**201**
Non-current liabilities	**392**
Equity before appropriation of earnings	**3,150**
Statement of Cash flows information:	
Cash flows from operating activities	**387**

VFMCRP paid dividends of $154m during the year ended 30 June 2023 to FMC (2022: Nil), which included the non-controlling's share of the proceeds received by VFMCRP ($173m) from the sale of investment in shares.

Note 24: Subsequent Events

Other than as disclosed elsewhere in these statements, there are no matters or circumstances which have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

Note 25: Amendments to Accounting Standards and Interpretations

(a) Amendments to accounting standards and interpretations adopted by the Group

The Group has adopted the following amendment to the accounting standards. This change did not have a material impact on the Group's accounting policies nor did it require any restatement.

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
  - – Reference to the Conceptual Framework – Amendments to AASB 3 Business Combinations
  - – Property, Plant and Equipment – Proceeds before Intended Use
  - – Onerous Contracts – Cost of Fulfilling a Contract
  - – Derecognition of financial liabilities – Amendments to AASB 9 Financial Instruments

(b) Amendments to accounting standards and interpretations not yet effective for the Group

A number of other accounting standards and interpretations have been issued and will be applicable in future periods. While these remain subject to ongoing assessment, no significant impacts have been identified to date. These standards have not been applied in the preparation of these Financial Statements.

Applicable to the Group for the year ending 30 June 2024:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2022-7 Amendments to Australian Accounting Standards – Editorial Corrections and Repeal of Superseded and Redundant Standards
- AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules

Applicable to the Group for the year ending 30 June 2025 or after:

- AASB 2014-10, AASB 2015-10, AASB 2017-5 and AASB 2021-7 Amendments to Australian Accounting Standards
  - – Amendments to AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures and Editorial Corrections
- AASB 2020-1, AASB 2020-6 and AASB 2022-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
  - – Amendments to AASB 101 Presentation of Financial Statements including non-current liabilities with covenants
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

Directors' Declaration

1) In the opinion of the Directors:

   a) the Financial Statements and notes of the Company and of the Group are in accordance with the *Corporations Act 2001* (Cth), including:

      i. giving a true and fair view of the financial position of the Company and the Group as at 30 June 2023, and the performance of the Company and the Group for the year ended 30 June 2023; and

      ii. complying with Australian Accounting Standards and *Corporations Regulations 2001* (Cth).

   b) there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

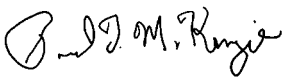
2) About this Report (a) in the notes to the Financial Statements confirms that the financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

3) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* (Cth) for the financial period ended 30 June 2023.

4) In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 21 (Deed of Cross Guarantee) of the Financial Statements will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee dated 3 February 2017.

This declaration is made in accordance with a resolution of the directors.

Brian McNamee AO
Chairman



Paul McKenzie
Managing Director

Melbourne
14 August 2023

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

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Independent auditor's report to the members of CSL Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of CSL Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Existence and valuation of inventories

Why significant	How our audit addressed the key audit matter
At 30 June 2023, the Group holds inventories of $5,466 million which are recorded at the lower of cost and net realisable value. The Group's accounting for inventories is complex due to the nature of products being manufactured requiring multiple inputs into the determination of cost and the need to ensure the effect of inventory sales within the Group is appropriately considered in the determination of cost. Provisions may be recognised in relation to all components of inventories, including raw materials, work in progress and finished goods in considering whether inventories are carried at the lower of cost and net realisable value. The Group considers a number of factors when determining the appropriate level of inventory provisioning, including expiry dates, current selling prices and achieved margins. Due to the significant value of inventories, global distribution, intra-group transactions and the judgements involved in determining whether inventory is carried at the lower of cost and net realisable value, the existence and valuation of inventories was considered a key audit matter. The Group's disclosures with respect to inventories are included in Note 5 of the financial report.	We have assessed the carrying value of inventories, including the determination of cost and provisions required to ensure inventory is carried at the lower of cost and net realisable value at 30 June 2023. We assessed the appropriateness of the determination of inventory cost by assessing the accuracy of the standard cost approach used by the Group and assessing the recognition of variances from those standard costs. We assessed the elimination of any unrealised profits on sales of inventories between group entities and resultant tax consequences by the Group. We assessed whether inventory is recognised at the lower of cost and net realisable value at period end by comparing the inventory value measured at cost to evidence supporting net realisable value such as the current selling prices and achieved margins. We considered whether the Group's inventory provisioning policy appropriately identified and considered the obsolescence and expiration of inventory. We assessed the mathematical accuracy of the Group's provisioning calculations, recalculated inventory provisions in line with Group policy and considered any specific inventory valuation risks identified through our inventory cost, NRV and observation procedures. We assessed the Group's stock taking procedures which included attendance at periodic cycle counts or through attendance at year-end inventory stocktakes in locations with significant inventory holdings. We remained alert for obsolescence issues during our observation of physical inventories. We have assessed the Group's disclosures with respect to inventories in Note 5 of the financial report.

CSL Vifor Acquisition

Why significant	How our audit addressed the key audit matter
On 9 August 2022, the Group received the final regulatory approval for the acquisition of Vifor Pharma Group (now CSL Vifor) and obtained control effective from that date. The total consideration paid by the Group amounted to $11,665 million as disclosed in Note 2. Accounting for this transaction required the Group to exercise significant judgement to determine the fair value of acquired assets and liabilities assumed, in particular the identification and valuation of intangible assets and inventory. The Group's disclosures with respect to this acquisition are included in Note 2 of the financial report.	We read the underlying transaction agreements to gain an understanding of the key terms and conditions and assessed whether the Group accounting treatment appropriately reflected these transaction conditions and complied with the requirements of Australian Accounting Standards. We assessed the appropriateness of the criteria used for the determination of the acquisition date and the total consideration paid. We considered the values ascribed by the Group to the assets acquired and liabilities assumed at acquisition date. With the assistance of our valuation specialists, we assessed the: ▸ reasonableness of the valuation assumptions used by the internal and external experts in their determination of fair value of the acquired assets and liabilities

Why significant	How our audit addressed the key audit matter
	▸ competence, qualifications and objectivity of the internal and external experts; and ▸ whether the fair values were appropriately recorded in the financial report. We recalculated the value of residual goodwill and assessed the reasonableness of the Group's allocation of goodwill to its cash generating units. Our tax specialists in Australia and Switzerland considered the Group's accounting for the taxation impacts of the transaction. We assessed the adequacy of the financial report disclosures in Note 2.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that at is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

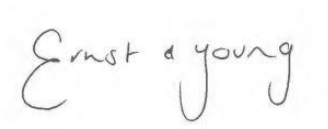
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of CSL Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young

Kylie Bodenham
Partner
Melbourne
14 August 2023

CSL Limited

ABN: 99 051 588 348

ASX Full Year Information 30 June 2022

Lodged with the ASX under Listing Rule 4.3A.

Directors' Report

The Board of Directors of CSL Limited (CSL) has pleasure in presenting their report on the consolidated entity for the year ended 30 June 2022.

1. Principal activities, strategy and operating model

The principal activities of the consolidated entity during the financial year were the research, development, manufacture, marketing and distribution of biopharmaceutical products and vaccines.

CSL is a leader in global biotechnology, and develops and delivers innovative medicines that save lives, protect public health and help people with life-threatening medical conditions to live full lives. CSL's strategy is delivered through its five strategic objectives for 2030: focus; innovation; efficiency and reliable supply; sustainable growth; and digital transformation. More detail on CSL's performance against its 2030 strategic objectives can be found in Performance and Strategy.

CSL's operating model for its businesses leverage multifunctional teams that connect to share best practice. CSL's operating model is based around four key value creation activities: early stage research, product translation, manufacturing and patient access. CSL's commercial and functional areas operate at a global level, with the Global Leadership Group responsible for the day-to-day management of the group and delivery of CSL's strategic objectives. More detail on CSL's operations can be found in Our Company and Performance and Strategy.

On 9 August, CSL acquired Vifor Pharma (Vifor). As at the date of this report, the integration of Vifor to align with CSL's operating model is underway. Further details on the Vifor business and the acquisition can be found on page 5 of this report and Note 2 and Note 23 of the Financial Statements.

2. Operating and financial review

CSL discloses financial performance primarily by business. This provides the most meaningful insight into the nature and financial outcomes of CSL's activities and facilitates greater comparability against industry peers. Information on the operations and financial position for CSL and likely developments in the Group's operations in future financial years is set out in the Operating and Financial Review (OFR). The OFR consists of the Chair and CEO messages (including the Vifor Acquisition), Our Performance and Strategy, Our Company, Our Material Risks, Our Future Prospects and Our Governance accompanying this Directors' Report.

3. Directors

The directors who served at any time during 2021/22 or up until the date of this Directors' Report were Dr Brian McNamee AO, Mr Paul Perreault, Professor Andrew Cuthbertson AO, Mr Bruce Brook, Ms Carolyn Hewson AO, Dr Megan Clark AC, Ms Marie McDonald, Professor Duncan Maskell and Ms Alison Watkins AM.

Further details of the current directors are set out in the Governance section of CSL's 2021/2022 Annual Report or on CSL.com. These details include the period for which each director held office up to the date of this Directors' Report, their qualifications, independence, experience and particular responsibilities, the directorships held in other listed companies since 1 July 2019 and the period for which each directorship has been held.

Professor Duncan Maskell and Ms Alison Watkins were appointed as a Non-executive Directors of CSL with effect from 18 August 2021.

4. Company Secretary

Ms Fiona Mead, BCom/LLB (Hons) FGIA, GAICD, was appointed and commenced in the position of Company Secretary and Head of Corporate Governance on 4 June 2018 and continues in office as at the date of this report. Ms Mead was previously the company secretary and a member of the executive leadership team at Tabcorp Holdings Limited. Prior to that, she was the company secretary at Asciano Limited. Ms Mead also served as assistant company secretary at Telstra Corporation.

5. Director's attendance at meetings

The Board meets as often as necessary to fulfil its role. Directors are required to allocate time to CSL to perform their responsibilities effectively, including adequate time to prepare for Board meetings. During the reporting year, the Board met 10 times, with all of those meetings held in Australia.

Members of the Global Leadership Group and other members of senior management attend Board meetings by invitation. Attendance at Board and standing Board committee meetings during 2021/22 is set out in Table 1 below. Due to COVID-19 restrictions, the directors also leveraged virtual technologies to participate in focused sessions on the CSL Group's operations inside and outside Australia and meet with local management.

Table 1: 2021/22 Director Attendance at Board and Committee meetings

	Board of Directors		Audit and Risk Management Committee		Securities and Market Disclosure Committee		Human Resources and Remuneration Committee		Innovation and Development Committee		Corporate Governance and Nomination Committee	
	A	B	A[1]	B	A	B	A[2]	B	A	B	A	B
B McNamee	10	10		5*	3	3		7*	4	4	4	4
B Brook	10	10	5	5				2*		4*	4	4
C Hewson	10	10	5	5			7	7		4*	4	4
M Clark	10	10		4*			7	7	4	4	4	4
A Cuthbertson	10	10		4*				7*	4	4	2	2 2*
M McDonald	10	10	5	5			7	7		4*		
D Maskell	9	8		1*				1*	4	4		
A Watkins	9	9	3	3			5	5		4*		
P Perreault	10	10		5*	3	3		7*	4	4*		4*

A Number of meetings held whilst a member.

B Number of meetings attended. Board Committee meetings are open to all directors to attend. Where a director attended a meeting of a committee of which they were not a member, it is indicated with an asterisk*.

1. One of the Audit and Risk Management Committee meetings was held jointly with the Human Resources and Remuneration Committee.
2. One of the Human Resources and Remuneration Committee meetings was held jointly with the Audit and Risk Management Committee.

6. Dividends

On 16 August 2022, the directors resolved to pay a final dividend of US $1.18 per ordinary share, 10% franked, bringing dividends per share for 2022 to US $2.22 per share. In accordance with determinations by the directors, CSL does not operate a dividend investment plan.

Dividends paid during the year were as follows:

Dividend	Date paid	Franking per share	Amount per share US$	Total dividend US$
Final dividend for year ended 30 June 2021	30/09/2021	10% franked at 30% tax rate	1.18 cents	$537.7m
Interim dividend for year ended 30 June 2022	06/04/2022	Unfranked	1.04 cents	$501.0m

Dividends are determined after period-end and announced with the results for the period. Interim dividends are determined in February and paid in April. Final dividends are determined in August and paid in October. Dividends determined are not recorded as a liability at the end of the period to which they relate.

7. Developments in operations in future years and expected results

The OFR sets out information on CSL's business strategies and prospects for future financial years, and refers to likely developments in CSL's operations and the expected results of those operations in future financial years. Certain information regarding developments in operations in future years and expected results of those operations is excluded because it is likely to result in material prejudice to the Group.

8. Significant changes and subsequent events

Other than as disclosed in the OFR, the directors are not aware of any significant changes in the consolidated entity's state of affairs during the year or to the Group's principal activities during the year.

Other than the acquisition of Vifor (see Vifor Acquisition on page 5 of this report and Note 2 and Note 11 of the Financial Statements) and information as disclosed in Note 23 of the Financial Statements, the directors are not aware of any other matter or circumstance which has arisen since the end of the financial year which has significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

9. EHS and sustainability performance

CSL has an Environmental, Health and Safety (EHS) Management System that ensures its facilities operate to industry and regulatory standards. This system includes compliance with government regulations and commitments for continuous improvement of health and safety in the workplace, as well as minimising the effect of operations on the environment. As part of our commitment to continuously improving our EHS performance, a global review of our management system against ISO 14001 and 45001 was conducted this financial year with implementing an update to the system planned for FY2022/23.

Development, implementation and improvement of employee health and safety processes and programs continue to focus on enhancement of a strong and inclusive safety culture. Our Australian operations continue classification as an established licensee in respect to CSL's self-insurance licence as granted by the Safety, Rehabilitation and Compensation Commission.

CSL continues to operate in compliance with domestic and foreign laws, regulating environmental, health and safety obligations. Including all applicable emissions and waste generation and disposal requirements. Government agency audits and facility inspections monitor CSL environmental, health and safety performance. No material findings were identified over the reporting period.

In 2021, CSL, Parkville (Australia) submitted a remediation feasibility study and clean-up plan for identified groundwater contamination to the environmental authority in response to an EPA clean up notice. The EPA confirmed the site has complied with the notice requirements. CSL continues to monitor and engage with EPA on the next steps to close out this issue.

As part of compliance and continuous improvement in regulatory and voluntary environmental performance, CSL continues to report on key environmental aspects, including energy consumption, emissions, water use and management of waste as part of CSL's annual reporting on CSL.com (see Corporate Responsibility) and submission to the CDP (previously known as Carbon Disclosure Project). CSL has met its reporting obligations under the Australian Government's National Greenhouse and Energy Reporting Act (2007) and Victorian Government's Industrial Waste Management Policy (National Pollutant Inventory).

Continuously monitoring environmental health and safety performance, climate change risks, and control measures means that CSL is ready for new and emerging regulatory requirements. CSL's environmental performance is particularly important and relevant to select stakeholders and CSL reaffirms its commitment to continue to participate in initiatives such as CDP's (climate change and water disclosures) to help inform investors of its environmental management approach and performance.

Additional EHS performance details, including workplace safety, can be found in Our People on page 41.

10. Directors' shareholdings and interests

The interests of the directors in the shares, options and performance rights of CSL are set out in the Remuneration Report – Tables 11 and 12 for executive key management personnel (KMP) and Tables 17 and 18 for Non-Executive Directors. It is contrary to Board policy for KMP to limit exposure to risk in relation to these securities. From time to time the Company Secretary makes inquiries of KMP as to their compliance with this policy.

11. Directors' interests in contracts

Section 13 of this report sets out particulars of the Director's Deed entered into by CSL with each director in relation to access to Board papers, indemnity and insurance.

12. Performance rights and options

As at 30 June 2022, the number of unissued ordinary shares in CSL under options and under performance rights are set out in Note 6 and Note 19 of the Financial Statements. Holders of options or performance rights do not have any right, by virtue of the options or performance rights, to participate in any share issue by CSL or any other body corporate or in any interest issued by any registered managed investment scheme. The number of options and performance rights exercised during the financial year and the exercise price paid to acquire fully paid ordinary shares in CSL is set out in Note 6 of the Financial Statements. Since the end of the financial year, no shares were issued under CSL's Performance Rights Plan. Since the end of the financial year, there has been no change to the information contained in Note 8 or Note 19 to the Financial Statements. Since the end of the financial year, 6,378 Restricted Share Units have been forfeited due to participant cessation of employment. There has been no change to the information contained in Note 18 to the Financial Statements.

13. Indemnification of directors and officers

During the financial year, the insurance and indemnity arrangements discussed below were in place concerning directors and officers of the consolidated entity.

CSL has entered into a Director's Deed with each director regarding access to Board papers, indemnity and insurance. Each deed provides:

- an ongoing indemnity to the relevant director against liability incurred by that director as an officer of CSL or a related body corporate. The indemnity is given to the extent permitted by law and to the extent and for the amount that the relevant director is not otherwise entitled to be, and is not actually, indemnified by another person or out of the assets of a corporation, where the liability is incurred in or arising out of the conduct of the business of that corporation or in the discharge of the duties of the director in relation to that corporation;
- that CSL will purchase and maintain an insurance policy which covers directors against liability as a director and officer of CSL and its directors. Coverage will be maintained for a minimum of seven years following the cessation of office for each director; and
- the relevant director with a right of access to Board papers in connection with any relevant proceedings.

In addition to the Director's Deeds, Rule 95 of CSL's constitution requires CSL to indemnify each 'officer' of CSL and of each wholly owned subsidiary of CSL out of the assets of CSL 'to the relevant extent' against any liability incurred by the officer in or arising out of the conduct of the business of CSL or in the conduct of the business of such wholly owned subsidiary of CSL or in the discharge of the duties of the officer, unless incurred in circumstances which the Board resolves do not justify indemnification. Further details are set out in the Constitution, available on CSL.com (Our Company > Corporate Governance).

CSL paid insurance premiums in respect of a contract insuring each individual director of CSL and each full time executive officer, director and secretary of CSL and its controlled entities, against certain liabilities and expenses (including liability for certain legal costs) arising as a result of work performed in their respective capacities, to the extent permitted by law.

14. Indemnification of auditors

To the extent permitted by law, CSL has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year. No insurance premiums were paid for Ernst & Young during the financial year.

15. Auditor independence and non-audit services

CSL may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with CSL and/or the consolidated entity are important.

Details of the amounts paid or payable to the entity's auditor, Ernst & Young, for non-audit services provided during the year are set out below. The directors, in accordance with the advice received from the Audit and Risk Management Committee, are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

1. all non-audit services have been reviewed by the Audit and Risk Management Committee to confirm that they do not affect the impartiality and objectivity of the auditor; and
2. none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision making capacity for CSL, acting as an advocate for CSL or jointly sharing economic risks and rewards.

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* accompanies this report.

Ernst & Young and its related practices received or are due to receive the following amounts for the provision of non-audit services to CSL and its subsidiaries in respect to the year ended 30 June 2022:

AUDIT SERVICES – Ernst & Young Australia	2022 US$	2021 US$
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**2,402,268**	1,956,994
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm		
– Assurance services over the 144a bond issuance	**326,152**	–
– Sustainability assurance	**106,873**	66,819
– Agreed-upon procedures and other audit engagements	**146,124**	90,045
Fees for other services		
Training	**39,000**	80,000
Due diligence	**150,295**	211,449
Remuneration advisory	**190,832**	357,646
Total fees to Ernst & Young (Australia)	**3,361,544**	2,762,953
AUDIT SERVICES – Ernst & Young Overseas Member Firms		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**3,678,633**	3,556,179
Fees for assurance services that are required by legislation to be provided by the auditor	**2,721**	13,845
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm		
– Agreed-upon procedures and other audit engagements	**147,474**	77,009
Fees for other services	**35,127**	35,224
Total fees to overseas member firms of Ernst & Young (Australia)	**3,863,955**	3,682,257
Total audit and other assurance services	**6,810,245**	5,760,891
Total non-audit services	**415,254**	684,319
Total auditor's remuneration	**7,225,499**	6,445,210

The role of the Audit and Risk Management Committee of the CSL Board of Directors (ARMC) is to oversee the integrity and quality of half-year and full-year financial reporting and disclosures. A key responsibility arising from this role is the appointment of the Company's independent auditor, including the selection, review and evaluation of the audit signing partner(s) and the negotiation of audit fees.

In accordance with its Charter and with CSL's commitment to best practice corporate governance practices, the ARMC regularly reviews the performance of the Company's independent auditor.

Matters considered in reviewing the performance of the Company's independent auditor in the 2022 financial year included:

a. the professional qualifications and effectiveness of the auditor, the audit signing partner(s) and other key engagement partners;

b. the auditor's historical and recent performance on the Company's audit, including the extent and quality of their communications with the ARMC;

c. an analysis of the auditor's known legal risks and significant proceedings that may impair its ability to perform CSL's annual audit;

d. the appropriateness of the auditor's fees;

e. the auditor's independence policies and its processes for maintaining its independence and objectivity;

f. the auditor's tenure as the Company's independent auditor and its depth of understanding of the Company's global business, operations and systems, accounting policies and practices, including the potential effect on the financial statements of the major risks and exposures facing the Company, and internal control over financial reporting; and

g. the auditor's capability, expertise and efficiency in handling the breadth and complexity of CSL's global operations.

The current audit signing partner for CSL's auditor, Ernst & Young is Ms Kylie Bodenham.

In line with an observed trend in many jurisdictions towards a tenure limit for audit firms, CSL completed its competitive external audit tender process during FY2021/22. The Company has recommended the appointment of Deloitte Touche Tohmatsu as the Company's external auditor commencing for the year ending 30 June 2024, subject to regulatory and shareholder approval.

16. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest hundred thousand dollars (where rounding is applicable) unless specifically stated otherwise under the relief available to the Company under ASIC Corporations Instrument 2016/191. CSL is an entity to which the Instrument applies.

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Building a better working world

Auditor's Independence Declaration to the Directors of CSL Limited

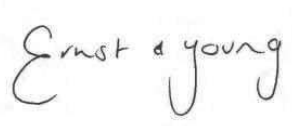
As lead auditor for the audit of the financial report of CSL Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CSL Limited and the entities it controlled during the financial year.



Ernst & Young

Kylie Bodenham
Partner
16 August 2022

17. Remuneration Report

Dear Fellow Shareholder,

On behalf of the Board of Directors, I am pleased to present CSL's Remuneration Report (Report) for the financial year ended 30 June 2022 (2022). This Report contains detailed information regarding CSL's Key Management Personnel (KMP) for 2022.

CSL plays a critical role in the global community – providing life-saving therapies to people with serious disease, and vaccines that protect public health. The Board is proud of the entire CSL team for delivering on this during 2022.

Delivering on our Promise in 2022

Under the leadership of our Chief Executive Officer and Managing Director (CEO), Mr Paul Perreault, CSL has again shown resilience in its 2022 results.

Remaining focused on our promise to patients and public health means we have delivered:

- Net Profit after Tax (NPAT) of US$2,254.7m, in line with expectations;
- An increase in Revenue of 2% to US$10,561.9m;
- Cashflow from Operations (CFO) of US$2,628.7m;
- An annual Return on Invested Capital (ROIC) of 18.1%;
- Earnings per Share (EPS) of US$4.81;
- Significant growth in Research and Development (R&D) investment and R&D pipeline progression;
- 27 new plasma centres opened, taking the global total to 330; and
- Completion of the acquisition of Vifor Pharma AG (Vifor) on 9 August 2022.

2022 Key Management Personnel Changes

Ms Alison Watkins AM and Professor Duncan Maskell joined the Board as Non-Executive Directors (NED) in August 2021.

In October 2021, Professor Andrew Cuthbertson AO retired from his role as Executive Director and Senior Advisor to the CEO. We are pleased to retain Professor Cuthbertson's extensive experience in medicine, science, research and development and he was re-elected by shareholders as a non-independent NED.

2022 CEO Remuneration Outcomes

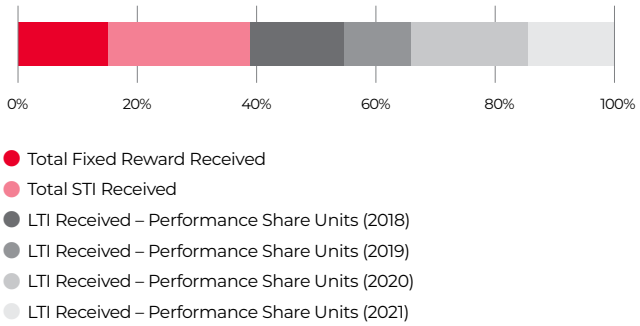
In 2022, Mr Perreault received an increase in Fixed Reward of 3%, taking this to US$1,803,530 effective 1 September 2021. Mr Perreault's short term incentive (STI) target was held at 120% of Fixed Reward and his long term incentive (LTI) target remained at 400% of Fixed Reward.

Mr Perreault will receive a STI payment of US$3,029,931 for performance in 2022. The outcome is 140% of Mr Perreault's target reflecting below target performance on NPAT, a strong above target CFO outcome and an individual performance outcome that was above target. Mr Perreault also led the team in the successful US$11.7b acquisition of Vifor throughout 2022 which was completed shortly following the end of the financial year, adding a growth pillar to CSL. Details of these outcomes can be found in section 6 of the Report.

In 2022, LTI awards granted to Mr Perreault over the period October 2017 to September 2020 had partial vesting and he received shares worth US$7,775,435 (based on the face value of the award at the date of vesting). Further detail can be found in sections 6.4 and 8.2.

The 2022 'realised' remuneration for Mr Perreault was US$12,710,883 and was a 72% decrease from 2021 (full detail is provided in section 8.2, Table 13). This lower outcome was driven by the end of legacy LTI Option and Performance Right awards (granted at fair value) that had previously vested through until 2021, and saw significant growth in value over the period from grant to vesting.

2022 CEO Realised Remuneration



Board Discretion Applied to Remuneration

The Board reviewed the quality of earnings, impact of COVID-19 and risk management outcomes across the year. As the Vifor acquisition was not contemplated at the time of setting the targets at the start of the financial year, the Board used its discretion to remove the Vifor acquisition costs and benefits (including favourable hedging activities) for the calculation of STI outcomes. Further detail is provided in section 6.1. The Leading and Managing Modifier was not applied in 2022.

Remuneration Framework Changes Introduced in 2022

As communicated last year, following a review of the remuneration framework aimed at ensuring a fit for purpose design, alignment to our Total Reward Principles and responding to feedback from our investors, in 2022 the following changes were introduced:

- ***Maximum STI*** – Increase of the maximum STI payout from 150% to 200% of STI target opportunity – driving our pay for performance philosophy, incentivising for outperformance and aligning to our global pharmaceutical/biotechnology peers;
- ***LTI Performance Measures*** – Introduction of a second LTI measure of EPS growth – aligned to shareholder experience. This second measure ensures focus on long term sustainable earnings growth and is aligned to market practice and investor expectations; and

- ***LTI Vesting Period*** – Removal of vesting of awards at years one, two and four to a single point, three year vest. Responding to investor feedback, this also aligns with the approach taken by our global pharmaceutical/biotechnology peers.

During 2022, the Human Resources and Remuneration Committee (HRRC) reviewed the Malus and Clawback Policy to ensure appropriate provisions were included and the policy was in line with market practice. Changes were made to further strengthen and articulate the circumstances for which an adjustment may be made.

Remuneration in 2023

As discussed in prior year Reports and across investor meetings, the Board continues to review and adjust the reward of Executive KMP to drive reward positioning towards the median of our global pharmaceutical/biotechnology peer group.

For 2023, the Board has determined that Mr Perreault will receive a 3.5% increase to Fixed Reward, no change in STI target and an increase in his LTI target to 450%, from 400% of Fixed Reward. This change to LTI target is a step towards bringing our CEO's Total Target Reward to the median of our global pharmaceutical/biotechnology peer group, positioning him at 81% of the median (or 50th percentile) in 2023.

For our remaining Executive KMP, in 2023 an increase to Fixed Reward of 3.7% and 3.5% will be applied to Ms Joy Linton, our Chief Financial Officer and Dr Paul McKenzie, our Chief Operating Officer, respectively. There will be alignment of the STI targets across the Executive team and Ms Linton's STI target will increase to 100% of Fixed Reward. As we continue to drive towards median Total Target Reward among our global pharmaceutical/biotechnology peers, both Ms Linton and Dr McKenzie will have an increase to LTI targets. Ms Linton's target will increase to 225% of Fixed Reward and Dr McKenzie to 425% of Fixed Reward.

Following benchmarking against ASX12 and ASX25 NED remuneration, there will be an increase in fees of 3% for all Board and Committee roles, effective 1 July 2022. The increase enables CSL to offer a competitive fee to attract and retain experienced directors.

Embedding Environment, Social and Governance in our Remuneration in Framework

Effective 1 July 2022, we will introduce a global sustainability measure into our STI plan. In 2023 the measure will include milestones that:

- Establish a robust program governance process;
- Undertake global initiatives that reduce CO_2 emissions;
- Incorporate sustainable design in our new facilities: and
- Engage with our supply partners to achieve a low emission supply chain.

The measure, with a 5% weighting, will be in addition to measures already included in the individual key performance indicators for Executive KMP and Executives. In addition to the financial measures of NPAT and CFO, this will ensure collective focus and accountability on our long term sustainability and global footprint. The weighting of the two financial measures for Executive KMP remains unchanged. The weighting of the individual objective component will be reduced. See section 4 for more detail.

In competing for talent in a global market, it is critical that we have a remuneration framework that attracts and retains high quality talent to deliver on our strategy and deliver results. The Board believes that our current design meets this requirement. However, we keep this under review each year.

We appreciate the feedback received from investors. As we evolve our executive remuneration framework we will continue to review our program both from a competitive design perspective and ensuring an appropriate target quantum for Executives that positions us at the median of our global pharmaceutical/biotechnology peer group. The Board will review sustainability on an annual basis to determine the appropriate weighting, measure, target and alignment to either STI or LTI. As we look to Board succession we will need to ensure our NED fee pool is set at the appropriate level.

Thank you to my fellow HRRC members and thank you for supporting CSL and the patients we serve around the world.

Dr Megan Clark AC
Chair
Human Resources and Remuneration Committee

Contents

Independent Audit of the Report

The Remuneration Report (Report) has been audited by Ernst & Young (EY). Please see page 142 of the Financial Statements for EY's report.

1. CSL Key Management Personnel

This Report sets out remuneration information for CSL's Key Management Personnel (KMP) which includes Non-Executive Directors (NEDs), the Executive Director (i.e. the Chief Executive Officer and Managing Director (CEO)) and those key senior executives who have authority and responsibility for planning, directing and controlling the activities of CSL during the financial year (together with the Executive Director, herein referred to as Executive KMP). The CSL KMP during the financial year ended 30 June 2022 (2022) and changes to KMP are outlined in Table 1. Each of the KMP listed in Table 1 held their position for the full reporting period, unless stated otherwise.

Table 1: CSL Key Management Personnel in 2022

Non-Executive Directors
Chairman Dr Brian McNamee AO
Mr Bruce Brook
Dr Megan Clark AC
Professor Andrew Cuthbertson AO – appointed 2 October 2021
Ms Carolyn Hewson AO
Professor Duncan Maskell – appointed 18 August 2021
Ms Marie McDonald
Ms Alison Watkins AM – appointed 18 August 2021

Executive Key Management Personnel
Executive Director and Chief Executive Officer and Managing Director (CEO) Mr Paul Perreault
Chief Financial Officer Ms Joy Linton
Chief Operating Officer (COO) Dr Paul McKenzie

Former Executive Key Management Personnel
Executive Director and Senior Advisor to the CEO Professor Andrew Cuthbertson AO – retired as an Executive 1 October 2021

2. 2022 Key Management Personnel Remuneration Outcomes at a Glance

CEO		• A 3% increase to Fixed Reward (FR) • A short term incentive (STI) payment of US$3,029,931 – 70% of maximum opportunity • Partial long term incentive (LTI) vesting during the year of US$7,775,435 (face value at vesting date) • Received 'realised' remuneration of US$12,710,883
Other Executive KMP	J Linton (Chief Financial Officer)	• Received an increase to FR of 3.4% (inclusive of the superannuation guarantee increase) • STI of US$1,149,742 was paid – 72% of maximum opportunity • LTI vesting of US$2,361,849 (face value at vesting date) • 'Realised' remuneration in 2022 of US$4,473,431
	P McKenzie (COO)	• Received an increase to FR of 3% • STI of US$1,273,770 was paid – 65% of maximum opportunity • Partial LTI vesting of US$3,453,773 (face value at vesting date) • 'Realised' remuneration in 2022 of US$5,788,887
NEDs	The Board and Committee Chair roles received an average increase to fees of 4.2% and an average 2.8% was applied to Board and Committee member fees (within the existing fee cap)	

3. Global Remuneration Framework

3.1 Global Total Rewards Principles

To deliver on our promise to patients and to protect public health, we rely on our people and we need to ensure a strong supply of global talent. Our Total Rewards Principles enable us to attract, engage and retain talent, provide us with the flexibility to address talent challenges in various markets and allow us to compete with other large global pharmaceutical companies. We motivate our people to deliver their best performance by enabling an approach that integrates market competitive and differentiated reward programs that align to CSL's strategy and business objectives.

Common Global Structure

- We leverage a market-based approach to offer competitive rewards, balancing both a global and local view
- We align employee and shareholder interests, and consider community expectations
- We benchmark ourselves against the life sciences industry*
- We have a single pay design for all senior executives

Effort Matters

- We celebrate and recognise both the effort that is required along the way as well as the real results created by our employees

Results and Behaviours

- We are committed to a pay for performance culture based on both role requirements and how the individual performs
- Living our CSL Values is a non-negotiable expectation

Holistic Approach to Well-Being

- We foster an environment of well-being that is multi-dimensional – physical, emotional, financial and social health

Internal Equity, Inclusive Culture

- We reward fairly and competitively
- We strive and monitor for equal pay for equal work

Simplicity and Clarity

- We aim to create easy to understand programs and policies so people value and use them
- We are committed to transparency in our communications – internally and externally

*CSL Plasma is benchmarked against the Retail Industry

3.2 Remuneration Framework

CSL's remuneration framework combines elements of traditional Fixed Reward (or base salary), STI and LTI plans with enhancements to several design factors to suit CSL's business, a very different business to other companies in Australia, and with a diverse global employee and shareholder base. Our international footprint requires global leadership and, with executives based in different countries, we need to ensure our framework is fair, equitable and market competitive in the countries and industry in which we operate in order to attract and retain highly talented people.

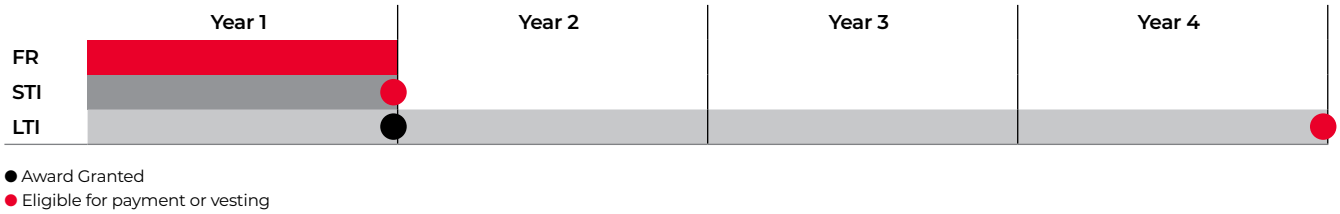
3.2.1 2022 Remuneration Framework Elements for Executive KMP

	Fixed Reward (FR)	Short Term Incentive (STI)	Long Term Incentive (LTI)
Purpose	Attract, retain and engage key talent to deliver our CSL strategy	Reward performance against annual Key Performance Indicators (KPIs) – maintaining a focus on underlying value creation within the business operations is critical to CSL's success and sustainability	Alignment to the longer term performance and strategy of CSL, building economic alignment between Executive KMP and shareholders over the long term
Structure	Cash – salary and superannuation/pension	Cash	Performance Share Units
Approach	Paid throughout the year and reviewed annually Determined based on the scope, complexity and responsibilities of the role, experience and performance Reviewed through both an internal and external relativity lens Peer group – global pharmaceutical/ biotechnology peers or a general industry view depending on role (desired positioning at the median)	Paid annually Maximum payout is 200% of an Executive KMP's target STI opportunity (i.e. STI target multiplied by 200%) Outcomes based on business (60%) and individual performance measures (40%)	Granted annually with vesting following the end of the three year performance period The performance measures are Return on Invested Capital – measured on a seven year rolling return in the year the award vests (70%) and Earnings Per Share Growth – measured over the three year life of the award (30%)
Peer Group	The global pharmaceutical/biotechnology industry peer group serves as a primary reference group for remuneration benchmarking, created such that CSL falls in the middle of the group with respect to market capitalisation and revenue. The group represents global industry peers and is updated annually. The peer group in 2022 included: AbbVie Inc.; Alexion Pharmaceuticals, Inc.; Allergan plc; Amgen Inc.; AstraZeneca PLC; Bausch Health Companies Inc.; Bayer Aktiengesellschaft; Biogen Inc.; BioMarin Pharmaceutical Inc.; Bristol-Myers Squibb Company; Eli Lilly and Company; GlaxoSmithKline plc; Gilead Sciences Inc.; Grifols, S.A.; Merck Kommanditgesellschaft auf Aktien; Novo Nordisk A/S; Regeneron Pharmaceuticals, Inc.; Takeda Pharmaceutical Company; UCB SA and Vertex Pharmaceuticals Incorporated. For the 2023 year, Moderna Inc. has been added and Alexion Pharmaceuticals, Inc. and Allergan plc were removed In addition, two general industry reference groups representing Australia and North America also help us appropriately reward senior talent and may be used as a primary, or hybrid, data set for certain Executive KMP dependent on role and location		
Risk Management	Before determining remuneration outcomes and vesting, we assess alignment with risk management outcomes to hold executives accountable for effective risk management – both financial and non-financial. In addition, all variable reward is subject to the Malus and Clawback Policy and the Board has full discretion over the outcome of any variable reward payment and vesting The Board has the discretion to apply a 'Leading and Managing' modifier to STI and LTI outcomes – formally recognising the importance of CSL's culture including leadership behaviours, values, diversity objectives, sustainability and management of risk. The modifier allows for the Board to adjust in exceptional circumstances upwards by up to 20% or downwards by up to 50% of annual STI earned, and/or LTI opportunity granted. The modifier is also available to adjust STI and LTI outcomes for risk management outcomes under our formal risk/ consequence management framework. The Board has a discretion in all circumstances, including a significant risk management failure, to reduce awards and/or vesting outcomes further, including to zero		
Malus and Clawback	Executive KMP STI and LTI arrangements are subject to malus and clawback provisions that enable the Board to adjust both vested and unvested awards as appropriate. The circumstances include material misstatement or omission in financial statements, fraud, dishonesty, adverse risk management outcomes, violation of any material law or regulation, material violation of CSL's Code of Conduct or any other policy governing the conduct of employees or any other serious and wilful misconduct		
Shareholding Requirement	Executive KMP must hold CSL shares equal to 100% of FR (300% for the CEO) within five years from the date of appointment to their role		
Benefits	We also provide market competitive benefits to attract and retain key talent. Benefits may include, but are not limited to, accident, disability and death insurance, health insurance, car parking, global parental and caregiver leave, select vaccinations and participation in local benefit programs		

The Board retains discretion across all elements of the remuneration framework.

3.2.2 Remuneration Delivery Timeline

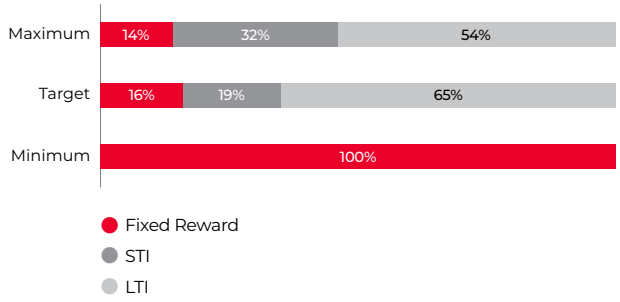
The diagram below illustrates how the components of the 2022 Executive KMP remuneration are delivered over a four year period.



3.2.3 Pay Mix

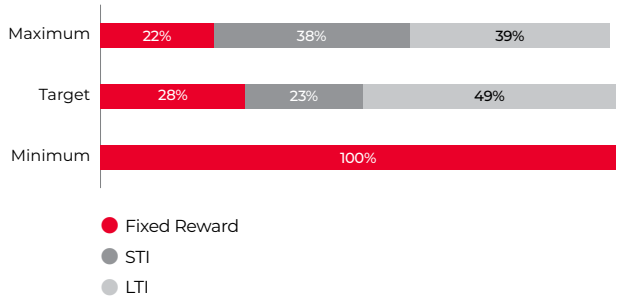
The following diagrams set out the remuneration mix for Executive KMP in 2022. The majority of the target reward mix is variable reward (STI and LTI) and is at risk. This better aligns Executive KMP rewards with shareholder interests and is aligned to our pay for performance philosophy, focusing efforts on driving growth and long term performance and sustainability. For his period of employment in 2022, Professor Cuthbertson was not eligible for variable reward under the executive remuneration framework due to the nature of his advisory role.

Remuneration Mix – P Perreault (CEO)

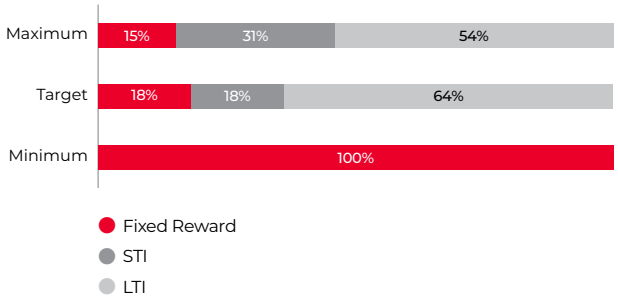


Remuneration Mix – A Cuthbertson (Senior Advisor to CEO)

Remuneration Mix – J Linton (Chief Financial Officer)



Remuneration Mix – P McKenzie (COO)



From a market alignment perspective, within our global pharmaceutical/biotechnology peer group our Executive KMP reward is generally competitive in the elements of FR and STI. LTI remains below market comparators for all roles, including the CEO, resulting in Total Target Direct Compensation (FR + target STI + target LTI) below the median (refer to section 8 for detail).

3.2.4 Short Term Incentive (STI)

Rewarding performance over an annual period, the STI program is designed to drive business performance and the creation of shareholder value. The KPIs on which Executive KMP are assessed and rewarded are challenging and not just duties expected in the normal course of their role.

In 2022, following a review of the STI program, the Board approved the increase of the maximum payout opportunity from 150% of target to 200%. This change ensures a more competitive offering, aligning to our global pharmaceutical/biotechnology peers and also incentivises outperformance, driving a pay for performance culture. Maximum reward will only be earned for truly outstanding performance. The change also addresses attraction and retention issues in key growth markets, including the U.S.

In the 2022 financial year, sustainability metrics continued to form part of Executive KMP individual KPIs. When the Board assessed the STI outcomes for Executive KMP they reviewed the sustainability outcomes of the organisation and considered the application of discretion through the 'Leading and Managing' modifier to address any underperformance for the organisation – the Board deemed no adjustment was required in 2022.

The key features of the STI program for the year ended 30 June 2022 (to be paid in September 2022) are detailed below.

Feature	Description	
Performance Period	Annual award aligned with the financial year – 1 July 2021 to 30 June 2022	
Award	Cash	
Performance Measures	Each Executive KMP has a maximum of six KPIs. The KPIs are made up of two financial measures, common to all participants – Net Profit after Tax (NPAT) and Cash Flow from Operations (CFO), plus up to four individual business building KPIs. Hurdles are set at threshold, target and maximum levels of performance and there is significant difference between under achieve/achieve/over achieve targets and measures, so that a challenging but meaningful incentive is provided for target performance. The performance measures are chosen to ensure Executive KMP are focused on the achievement of the CSL strategy, delivery of business results and CSL's success and sustainability	
	Financial	**Individual**
	Financial growth is the foundation of long term sustainability and evidences our competitive advantage, whilst pursuing profitable growth, and aligns employee and shareholder objectives. The financial performance measures are NPAT measured at constant currency and CFO measured at the reported rate	Individual performance hurdles align with strategic priorities, encourage appropriate decision making, and balance performance in non-financial priorities. The individual performance measures are based on individual responsibilities and categories include divisional performance, achievement of strategic objectives and improvement in operations, risk management, compliance, people, health and safety, ESG and quality
Performance Measure Weighting	The weighting of the measures for Mr Perreault and Dr McKenzie is NPAT 35%, CFO 25% and Individual 40%. For Ms Linton, the weighting of measures is NPAT 30%, CFO 30% and Individual 40%	
Executive KMP STI Targets	Set as a percentage of FR, target opportunity in 2022 was: • Mr Perreault – 120% • Ms Linton – 85% • Dr McKenzie – 100%	
Vesting	50% earned on threshold level performance, increasing on a straight line basis with 100% earned at target level performance and 200% on achievement of maximum level performance (capped at 200%). The STI Outcome percentages are then multiplied by the KPI weighting and individual STI opportunity (as disclosed in Table 3 in section 6.2) to determine the payment amount	
Cessation of Employment	A 'qualified leaver' (for example someone who retires or is made redundant) may receive a pro-rata payment paid in the ordinary course based on the portion of the Performance Period worked, subject to Performance Measures being met. If the Executive KMP is not a 'qualified leaver', no payment will be made unless the Board determines otherwise	

For the 2023 financial year (2023), a global sustainability measure for which all Executives will be held accountable will be added, in addition to any relevant individual sustainability KPI measures. The weighting in 2023 will be 5%, reflecting CSL's sustainability roadmap as baseline targets are set for future measurement (section 4 provides more detail on this measure for 2023). Each Executive KMP and Global Leadership Group member will also continue to have sustainability objectives that form part of their workplans and expected role deliverables, in most cases, not rewarded through STI.

3.2.5 Long Term Incentive (LTI)

In 2022, two changes were made to the LTI plan, reflecting feedback received from investors and to encourage alignment of executives' equity interests with shareholders over the longer term.

We introduced a second performance measure of Earnings Per Share growth (EPSg) to complement the current Return on Invested Capital (ROIC) measure. This change also responded to investor feedback on our single metric. The EPSg measure is weighted 30% of the LTI and the ROIC measure is weighted 70%.

We also moved from tranche vesting over a four year period to single point vesting following the end of a three year performance period. This approach aligns with the most prevalent approach taken by our global pharmaceutical/biotechnology peers and also responds to investor feedback regarding the previous vesting schedule.

When our target performance is achieved, we want our executives' LTI to vest – we set targets that require excellent outcomes for shareholders both absolutely and relative to the performance of our global peers. The LTI plan also rewards and assists us in retaining our talent. The key features of the program for 2022 LTI awards, granted 1 September 2021, are as follows.

Feature	Description
Summary	A conditional 'right' to a CSL share or at the Board's discretion in exceptional circumstances, a cash equivalent payment. No price is payable by the Executive KMP on grant or vesting of rights. Shares are allocated (or cash paid) on vesting without the need for exercise by an Executive KMP
Security	Performance Share Unit (PSU)
Grant Methodology	To determine the number of PSUs issued, a five day volume weighted average share price is used. The LTI opportunity for each Executive KMP is divided by the calculated allocation price to determine the number of securities granted
Performance Measure	• Tranche 1 – ROIC 70% • Tranche 2 – EPSg 30%
ROIC Gateway Performance Measure	No vesting will occur in Tranche 1 unless an Investment Hurdle Rate (IHR) is achieved in the year of testing. The IHR is the minimum return CSL requires on its investments to ensure it is making sound investment decisions and appropriately managing risk and covering its cost base
Performance Period	• Tranche 1 ROIC – Seven year average 1 July 2017 to 30 June 2024 • Tranche 2 EPSg – 1 July 2021 to 30 June 2024
Performance Target	• Tranche 1 ROIC – Threshold at 20.0% and Target at 21.4% • Tranche 2 EPSg – Threshold at 5.0% and Target at 8.3%
Executive KMP LTI Target Opportunity[1]	• Mr Perreault – 400% of FR • Ms Linton – 175% of FR • Dr McKenzie – 350% of FR
Vesting Schedule	50% earned on threshold level performance, increasing on a straight line basis with 100% earned at target level performance (maximum vesting capped at 100%). The Board has the discretion to adjust vesting outcomes
Vesting Date	1 September 2024
Retesting	No retest of any tranche
Cessation of Employment	A 'qualified leaver' (for example someone who retires or is made redundant) retains a pro-rated number of PSUs based on time elapsed since grant date. Retained PSUs will remain subject to original terms and conditions including satisfaction of performance conditions at the test date. If an Executive KMP is not a 'qualified leaver', all unvested PSUs will lapse unless the Board determines otherwise
Change of Control	In the event of a change of control, the Board, in its absolute discretion, may determine that some or all of the PSUs vest having regard to the performance of CSL during the performance period to the date of the change of control event. Vesting may occur at the date of the change of control event or an earlier vesting date as determined by the Board
Dividends and Voting Rights	No dividends or dividend equivalents are paid on unvested PSUs. Executive KMP are only eligible for dividends once shares have been allocated following vesting of any PSUs. PSUs do not carry any voting rights prior to vesting and allocation of shares

3.2.6 Leading and Managing Modifier

The Board, taking into consideration recommendations from the CEO for Executive KMP, and the Human Resources and Remuneration Committee (HRRC) for the CEO, has the discretion to apply a 'Leading and Managing' modifier to both the STI and LTI opportunity – allowing for recognition of extraordinary contribution in exceptional circumstances or significant leadership failure across sustainability, risk management, culture and diversity. Applied to the overall STI outcome or LTI target opportunity, there can be an increase of up to 20% or a decrease of up to 50% applied. In 2022, the modifier was not applied.

In addition to consideration during the determination of KPI outcomes, the modifier is also utilised for the assessment of the appropriate management of risk – both financial and non-financial. In consultation with the Audit and Risk Management Committee (ARMC), the HRRC uses a principles approach to ensure alignment between remuneration outcomes and performance. This enables management to bring awareness to behaviours that encourage unacceptable levels of risk and discourage those behaviours, promotes behaviours that encourage acceptable levels of risk and enables the Board to recognise and appropriately address both acceptable and unacceptable behaviours. In the event of a significant risk management failure, the Board has the discretion to adjust STI and LTI outcomes downwards, including to zero.

1 Also maximum opportunity.

4. Remuneration Framework Changes in 2023

Sustainability changes – CSL is committed to a healthier world. Our vision is a sustainable future for our employees, communities, patients and donors, inspired by innovative science and a values-driven culture. In 2021 we adopted a sustainability strategy that is based on the three pillars of Environment, Social and Sustainable Workforce, and for the focus areas prioritised under each of the three pillars, in 2022 we have developed a number of actions to validate data sets and baselines.

Ensuring a global shared focus on our long term sustainability and global footprint consistent with our CSL purpose and values, from 1 July 2022 a CSL Group sustainability metric has been applied to the STI component of variable reward. Weighted at 5% (noting there will be a reduction in the individual KPI weighting of 5% to include this KPI), all Executives will be held accountable for objectives shown below that are in support of CSL's goal of reducing carbon emissions by 2030. Detailed milestones and outcomes will be disclosed in the 2023 Remuneration Report.

Portfolio	**Establish a robust program governance process,** including reporting, monitoring and verification that is transparent and aligned with our network strategy. An agile process that focuses on doing the right thing in the right place at the right time
Program Governance	
Energy Initiatives (Scope 1)	**Undertake global initiatives that reduce CO_2 emissions** to meet our 40% reduction target by 2030 and aligned with SBTi; Increase renewable energy supplies at select global manufacturing sites
Renewable Power (Scope 2)	
New Facilities (Scope 1 & 2)	**Incorporate sustainable design up front in our new facilities** that will ensure long term success as our business grows
Supplier Engagement (Scope 3)	Engage **our supply partners to achieve a low emissions supply chain,** working with our suppliers to follow our lead in their scope 1 & 2 and join us on this journey

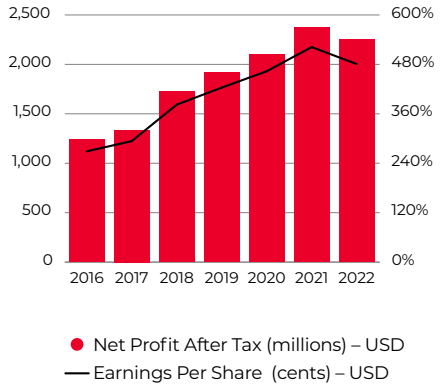
The Board will review on an annual basis to determine the appropriate weighting, measure, target and component of variable reward to align sustainability to (i.e. STI or LTI).

5. CSL Performance and Shareholder Returns

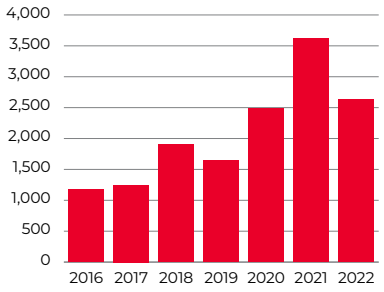
5.1 Financial Performance from 2016 to 2022

The following graphs[2] summarise key financial performance over the past seven financial years. We have disclosed over a seven year period to align with our ROIC LTI performance measurement period.

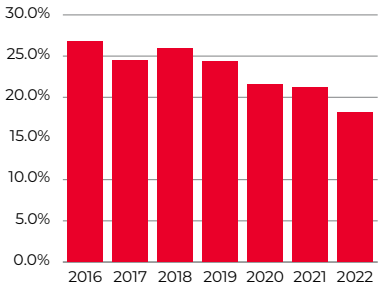
Net Profit After Tax/ Earnings Per Share (USD)



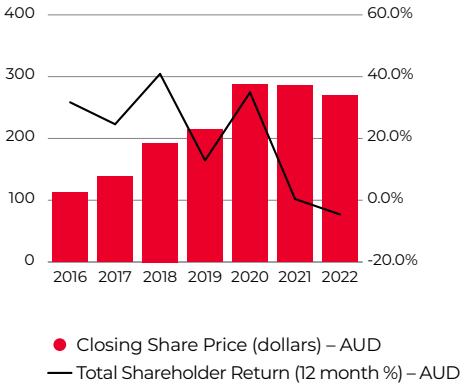
Cash Inflow From Operating Activities (millions USD)



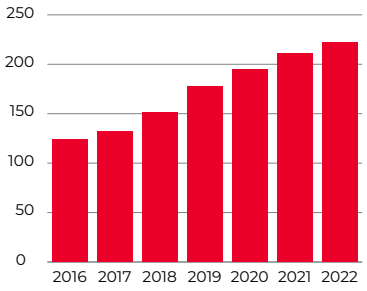
Annual Return on Invested Capital



Closing Share Price (at 30 June AUD)/ **Total Shareholder Return**



Total Dividends Per Share (cents USD)



2 The 2016 Annual Return on Invested Capital figure includes the gain on acquisition of Novartis' global influenza vaccine business of US$176.1m. The opening share price on 1 July 2017 was A$138.03. The Total Shareholder Return outcome at 30 June 2022 was -4.60%. The Total Dividends per Share is the actual total dividends paid within the financial year.

6. Executive Key Management Personnel Outcomes in 2022

6.1 CSL and Executive KMP Performance

In 2022, CSL has demonstrated resilience in its results, delivering solid performance outcomes. As expected, NPAT was down from the prior year, reflecting lower plasma collection in 2021. However, the outcome was in line with expectations and at the top end of market guidance. We continue to progress our research and development pipeline and have grown investment in this area over the year ensuring innovation for a sustainable business. Revenue increased 3.5% at constant currency. CFO was also down on prior year due to higher plasma costs and strong plasma collection during 2022. CFO did however exceed target through strong underlying cash earnings and good working capital management.

The NPAT at 30 June 2022 resulted in performance below target and our CFO achieved an above target performance outcome. The Board reviewed the quality of earnings, including the impact of COVID-19 across supply and inventory, and risk management outcomes across the year. As the Vifor Pharma AG (Vifor) acquisition was not contemplated at the time of setting the targets at the start of the financial year, the Board used its discretion to adjust the outcomes of both NPAT and CFO associated with the Vifor acquisition net costs. The CFO outcome was also adjusted to remove the impact of the favourable cash inflow resulting from the Treasury hedging activity associated with the Vifor acquisition. The Leading and Managing Modifier was not used in 2022.

The following performance outcomes were achieved resulting in an average overall STI payment outcome of 125% of target level opportunity across the Executive KMP (see Table 3). The minimum STI earned as a percentage of target level opportunity was 105% and the maximum was 140% – the latter was 70% of the maximum STI outcome that could be achieved. Additional objectives, which were also integral to the achievement of individual performance, were considered by the Board when assessing Executive KMP performance. However, these remain confidential for commercial reasons.

Table 2: Achievements in 2022

Measure and Commentary	Threshold 50%	Target 100%	Maximum 200%
Financials			
· NPAT			
· CFO			
People			
· Completion of the organisational transformation across the Enabling Functions providing a sustainable base and improved scalability			
· Transformation of an integrated global R&D business			
· Strong progress against the 2022 diversity, inclusion and equity targets furthering progress to attainment of FY25 and FY30 goals			
· Recognised by Forbes magazine as one of America's best employers			
· Recognised as one of Australia and New Zealand's Best Places to Work by The Australian Financial Review			
· Launch of the CSL Promising Futures scholarship program			
Innovation			
· Agreement to acquire Vifor – acquisition completed in August 2022			
· 24 product registrations or new indications for serious disease across the CSL Group portfolio			
· Garadacimab Phase III study enrolment completed for HAE			
· CSL112 (ApoA-1) Phase III study (AEGIS-II) progressing with >80% enrolment achieved and 3rd interim analysis completed			
· Pre-clinical assessment of next generation, self-amplifying mRNA vaccine in season and pandemic influenza			
· FLUCELVAX® Quadrivalent approvals – US and Argentina 6m+ indication, Australia 2y+ extension and New Zealand 9y+ extension			
· FLUAD® Quadrivalent Phase III study in adults 50-64y enrolment completed			
· EtranaDez (Haem B gene therapy) primary end point achieved in HOPE-B study with MAA (EU) and BLA (US) submitted			
· Completed manufacturing of the AstraZeneca COVID-19 vaccine in Australia			
Focus			
· Collaboration with StartX as an Innovation Partner to support entrepreneurs in the StartX community as they commercialise innovative technologies and develop novel therapeutics			
· Collaboration with WEHI and the University of Melbourne to create a biotech start-up incubator in CSL's new global headquarters in Melbourne			
· Lengnau mechanical completion and transition to Thermo Fisher Scientific management			

Measure and Commentary	Threshold 50%	Target 100%	Maximum 200%
Efficiency and Reliable Supply			
• 27 plasma centres opened taking the global total to 330 • US regulatory clearance received for the new plasmapheresis platform with rollout to be completed by the end of 2023 • Progress against key milestones on our quality system integration initiative • Record volume of ~135 million doses distributed in our 2022 influenza campaign • Fill and finish capacity expansion projects at our Liverpool and Holly Springs sites completed • Progression of capital expansion projects including the new cell culture influenza vaccine facility in Australia • New safety system live across all locations • Above target delivery against the IG roadmap			
Digital Transformation			
• Progression of the converged enterprise network strategy across CSL and Seqirus • Initiation of our next generation Donation Management System initiative • Enhanced CSL Plasma Donor app with new functionality • Significantly enhanced partnership with Capgemini • Milestones achieved in our digital transformation to build capabilities in digital experiences, and insights and analytics			

6.2 STI Outcomes by Executive KMP in 2022

The financial performance of CSL (NPAT and CFO) makes up the majority weighting of the KPIs for Executive KMP – 60%, incentivising the delivery of strong financial performance.

Achievements that contributed to the outcomes detailed in Table 3 below can be found in Table 2 of this Report. The Board made no adjustments under the Malus and Clawback Policy and no risk management, behaviour or compliance issues involving Executive KMP were identified during the joint consultation between the HRRC and ARMC.

Table 3: STI Outcomes in 2022

Executive	Value of STI Earned US$	Target STI Opportunity as a % of FR	Maximum STI Opportunity as a % of FR	STI Earned as % of Target Opportunity	STI Earned as % of Maximum Opportunity[3]	STI Earned as % of FR	Financial Performance Outcome	Individual Performance Outcome
P Perreault	3,029,931	120%	240%	140%	70%	168%	Between Target and Maximum	Between Target and Maximum
J Linton	1,149,742	85%	170%	105%	72%	122%	Between Target and Maximum	Between Threshold and Target
P McKenzie	1,273,770	100%	200%	130%	65%	130%	Between Target and Maximum	Between Threshold and Target

3 Any STI that was not earned was automatically forfeited.

6.2.1 CEO 2022 STI Achievement and Outcome

The Board considered the following highlights when determining the STI outcome for Mr Perreault.

Table 4: CEO STI Outcomes in 2022

Measure and Commentary	Weight	Threshold 50%	Target 100%	Maximum 200%	% of Maximum Opportunity
Financials		US$2,125m	US$2,361m	US$2,597m	
· Solid adjusted NPAT result against target	35%				47.5%
· Strong adjusted CFO outcome exceeding target	25%				96.5%
		US$2,028m	US$2,253m	US$2,591m	
Stabilise plasma business fundamentals and return to sustainable growth · Plasma collection improvement on 2021 · US regulatory clearance received for the new plasmapheresis platform and progression of the partnership with Terumo – delay of implementation due to supply chain constraints · Transformation of an integrated global R&D function across CSL and Seqirus · Execution of merger and acquisition deals with significant achievement on the Vifor acquisition	20%				65.0%
Deliver growth and efficiency initiatives and build a robust pipeline of safe and effective life-saving medicines · Above target outcomes on IG roadmap · Improvement in all safety metrics over prior year – TRIFR improvement across most functions/sites · Readiness for new product launches across the end to end supply chain and commercial operations · Significant progress on the sustainability strategy and roadmap · Lengnau mechanical completion and transition to Thermo Fisher Scientific management	10%				87.5%
People and Culture · Key succession plan milestones advanced · Diversity, Equity and Inclusion objectives delivered ensuring trending toward achievement of longer term goals	10%				75.0%

6.3 LTI Outcomes by Executive KMP in 2022

6.3.1 LTI Awards Tested in 2022

In 2022, in the course of annual performance testing, five LTI grants were tested. The table below shows the performance of CSL against the targets with vesting occurring in September 2021 and March 2022.

Table 5: LTI Awards Tested in 2022

Grant Date	Security	Tranche	Performance Period	Exercise Price A$	Performance Outcome	Vesting Outcome
1 October 2017	PSU	4	1 July 2014 – 30 June 2021	–	Seven year ROIC at 25.1%	68.33%[4]
1 September 2018	PSU	3	1 July 2014 – 30 June 2021	–	Seven year ROIC at 25.1%	68.33%[5]
1 September 2019	PSU	2	1 July 2014 – 30 June 2021	–	Seven year ROIC at 25.1%	100%
1 September 2020	PSU	1	1 July 2014 – 30 June 2021	–	Seven year ROIC at 25.1%	100%
1 April 2021	PSU	1	1 July 2014 – 30 June 2021	–	Seven year ROIC at 25.1%	100%
1 April 2021	RSU	1	1 April 2021 – 1 March 2022	–	Individual performance	100%

6.3.2 Fair Value of Awards Granted, Vested and Lapsed Equity in 2022

The table below details the fair value at the date of grant for all awards granted[6], vested and lapsed in 2022. The values are shown in Australian Dollars (A$).

Table 6: Grant Fair Value

Security	Tranche	Grant Date	Vest/Lapse Date	Expiry Date	Fair Value at Grant A$
PSU	4	1 Oct 2017	1 Sep 2021	1 Oct 2024	124.60
PSU	3	1 Sep 2018	1 Sep 2021	1 Oct 2024	219.41
PSU	4	1 Sep 2018	1 Oct 2021	1 Oct 2024	216.13
PSU	2	1 Sep 2019	1 Sep 2021	1 Oct 2029	230.50
PSU	3	1 Sep 2019	1 Oct 2021	1 Oct 2029	228.14
PSU	4	1 Sep 2019	1 Oct 2021	1 Oct 2029	225.80
PSU	1	1 Sep 2020	1 Sep 2021	1 Sep 2025	287.79
PSU	1	1 Apr 2021	1 Sep 2021	1 Apr 2026	265.48
PSU	1	1 Sep 2021	1 Sep 2024	1 Sep 2026	302.44
PSU	2	1 Sep 2021	1 Sep 2024	1 Sep 2026	302.44
Restricted Share Unit (RSU)	1	1 Apr 2021	1 Sep 2021	1 Apr 2026	265.48
RSU	2	1 Apr 2021	1 Mar 2022	1 Apr 2026	264.08

6.3.3 Summary of Executive KMP Granted, Vested and Lapsed Equity in 2022

The table below summarises the details of equity awards granted, vested and lapsed in US Dollars (US$) for each Executive KMP. For awards granted, the maximum number of securities that may vest is shown. For accounting purposes, the maximum value of each grant is the fair value of the equity granted multiplied by the number of equity instruments granted, or remaining each year. Ultimately, the maximum value of the equity awards will be equal to the number of securities granted multiplied by the CSL share price at the time of vesting. The minimum number of securities and the value of the equity awards is zero if the equity award is fully lapsed. Details of the performance and service criteria applying to awards granted in prior years are summarised in section 11 and prior Remuneration Reports corresponding to the reporting period in which the awards were granted.

The April 2021 grants were awarded to Ms Linton as a commencement benefit, providing a more competitive reward offering and compensating for a pro-rata portion of the loss of cash settled LTI awards held by Ms Linton at her cessation of employment with Bupa. Further detail is disclosed in the 2021 Remuneration Report.

4 The remaining 31.67% of this tranche has lapsed – there is no retest.
5 The remaining 31.67% of this tranche has lapsed – there is no retest.
6 The grant date of PSUs granted to P Perreault was 13 October 2021. Shareholder approval for the grant of PSUs and any shares to be issued at the time of vesting, was obtained under ASX Listing Rule 10.14 at the 2021 Annual General Meeting.

Table 7: Movement in Equity in 2022

Executive	Security	Tranche	Grant Date	Vesting Date	Exercise Price A$	Fair Value at Grant US$	Face Value at Grant US$[7]	Granted	Vested	Lapsed	Face Value at Vest – Vested Award US$[8]	Face Value at Lapse – Lapsed Award US$[9]
P Perreault	PSU	4	1 Oct 2017	1 Sep 2021	–	1,180,425	1,269,098	13,013	8,892	4,121	2,000,844	927,292
	PSU	3	1 Sep 2018	1 Sep 2021	–	1,495,436	1,549,280	9,362	6,398	2,964	1,439,654	666,948
	PSU	2	1 Sep 2019	1 Sep 2021	–	1,832,164	1,942,441	11,077	11,077	–	2,492,504	–
	PSU	1	1 Sep 2020	1 Sep 2021	–	1,715,523	1,679,101	8,188	8,188	–	1,842,433	–
	PSU	1	1 Sep 2021	1 Sep 2024	–	4,876,594	4,983,659	22,148	–	–	–	–
	PSU	2	1 Sep 2021	1 Sep 2024	–	2,089,969	2,135,853	9,492	–	–	–	–
A Cuthbertson	PSU	4	1 Oct 2017	1 Sep 2021	–	191,310	205,681	2,109	1,442	667	324,473	150,086
	PSU	3	1 Sep 2018	1 Sep 2021	–	357,326	370,192	2,237	1,529	708	344,050	159,312
	PSU	4	1 Sep 2018	1 Sep 2021	–	351,828	370,027	2,236	–	465	–	97,791
	PSU	2	1 Sep 2019	1 Sep 2021	–	354,458	375,792	2,143	2,143	–	482,209	–
	PSU	3	1 Sep 2019	1 Sep 2021	–	355,932	375,792	2,143	–	595	–	125,130
	PSU	4	1 Sep 2019	1 Sep 2021	–	352,117	375,617	2,142	–	981	–	206,307
J Linton	PSU	1	1 Apr 2021	1 Sep 2021	–	632,974	627,061	3,275	3,275	–	736,928	–
	PSU	1	1 Sep 2021	1 Sep 2024	–	1,121,388	1,146,007	5,093	–	–	–	–
	PSU	2	1 Sep 2021	1 Sep 2024	–	480,658	491,211	2,183	–	–	–	–
	RSU	1	1 Apr 2021	1 Sep 2021	–	414,767	410,893	2,146	2,146	–	482,885	–
	RSU	2	1 Apr 2021	1 Mar 2022	–	1,155,070	1,150,346	6,008	6,008	–	1,142,036	–
P McKenzie	PSU	2	1 Sep 2019	1 Sep 2021	–	1,210,906	1,265,383	7,216	4,931	2,285	1,109,555	514,162
	PSU	2	1 Sep 2019	1 Sep 2021	–	761,348	807,173	4,603	4,603	–	1,035,749	–
	PSU	2	1 Sep 2019	1 Sep 2021	–	316,746	335,811	1,915	1,915	–	430,906	–
	PSU	1	1 Sep 2020	1 Sep 2021	–	817,115	799,767	3,900	3,900	–	877,563	–
	PSU	1	1 Sep 2021	1 Sep 2024	–	2,329,967	2,381,122	10,582	–	–	–	–
	PSU	2	1 Sep 2021	1 Sep 2024	–	998,526	1,020,449	4,535	–	–	–	–

6.3.4 Executive KMP 2023 Equity Vesting Opportunity

Four awards will be tested in 2023. The following tables set out a preview of these awards with Table 9 providing the specific grant details for each Executive KMP. The face value in Table 8 is provided in A$.

Table 8: LTI Awards to be Tested in 2023

Grant Date	Security	Performance Measure	Exercise Price A$	Face Value of a CSL Share at Date of Grant A$
1 September 2018	PSU	ROIC	–	227.31
1 September 2019	PSU	ROIC	–	240.87
1 September 2020	PSU	ROIC	–	281.68
1 April 2021	RSU	Individual Performance	–	263.00

Table 9: Executive KMP LTI Opportunity to be Tested in 2023

Executive	Number of Performance Share Units	Number of Restricted Share Units
P Perreault	28,628	–
J Linton	–	5,097
P McKenzie	15,069	–

7 Securities granted multiplied by the closing CSL share price on the date of grant. The A$ value was converted to US$ at an average exchange rate for the 2022 financial year of 1.37359.
8 Securities vested multiplied by the closing CSL share price on the date of vest. All awards were automatically exercised on vesting. The A$ value was converted to US$ at an average exchange rate for the 2022 financial year of 1.37359.
9 Securities lapsed multiplied by the closing CSL share price on the date of lapse. The A$ value was converted to US$ at an average exchange rate for the 2022 financial year of 1.37359.

7. Executive Key Management Personnel Statutory Remuneration Tables

Remuneration is reported in US$, unless otherwise stated. This is consistent with the presentation currency used by CSL.

7.1 Executive KMP Remuneration 2021 and 2022

Table 10: Statutory Remuneration Disclosure – Executive KMP

		Short Term Benefits				Post Employment
Executive	Year[11]	Cash Salary and Fees[12]	Cash Bonus US$[13]	Cash Sign On US$	Non-Monetary US$[14]	Super US$
P Perreault – CEO and Managing Director	**2022**	**1,733,962**	**3,029,931**	**–**	**92,441**	**18,300**
	2021	1,697,123	1,807,032	–	95,083	20,300
J Linton – Chief Financial Officer[15]	**2022**	**874,803**	**1,149,742**	**–**	**81,479**	**25,689**
	2021	281,781	288,464	78,220	122,927	6,786
P McKenzie – Chief Operating Officer	**2022**	**965,230**	**1,273,770**	**–**	**67,972**	**16,802**
	2021	989,079	1,028,970	–	70,140	22,123
Former Executive KMP						
A Cuthbertson – Senior Advisor to CEO[16]	**2022**	**128,811**	**–**	**–**	**–**	**4,550**
	2021	505,666	483,067	–	32,648	18,579
TOTAL	**2022**	**3,702,806**	**5,453,443**	**–**	**241,892**	**65,341**
	2021	3,473,649	3,607,533	78,220	320,798	67,788

10 The Performance Rights have been valued using a combination of the Binomial and Black Scholes option valuation methodologies including Monte Carlo simulation as at the grant date adjusted for the probability of hurdles being achieved. The Performance Share Units and Restricted Share Units have been valued using the Black Scholes option valuation methodology. These valuations were undertaken by Deloitte and PricewaterhouseCoopers. The amounts disclosed have been determined by allocating the value of the Performance Rights, Performance Share Units and Restricted Share Units over the period from grant date to vesting date in accordance with applicable accounting standards. Share based payments have been converted to US$ at an average exchange rate for the 2022 financial year: A$ – 1.37359. There were no Options expensed or outstanding in 2021 or 2022.

11 The A$ compensation paid during the years ended 30 June 2021 and 30 June 2022 have been converted to US$. For the 30 June 2022 compensation, this has been converted to US$ at an average exchange rate for the 2022 financial year: A$ – 1.37359. For the 2021 compensation, this has been converted to US$ at an average exchange rate for the 2021 financial year: A$ – 1.34557. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the exchange rates. No termination benefits were paid in 2022.

12 Includes cash salary, cash allowances and short term compensated absences, such as annual leave entitlements accrued but not taken during the year.

13 The cash bonus in respect of 2022 is scheduled to be paid in September 2022. The cash component of the cash bonus received in 2021 was paid in full in September 2021 for all Executive KMP as previously disclosed, with no adjustment.

14 Includes any health benefits, insurances benefits and other benefits. For International Assignees and domestic and international relocations, this may include personal tax advice, health insurance, removalists, temporary accommodation and other expatriate assignment benefits.

15 In 2021 J Linton was an Executive KMP for the period 5 March 2021 to 30 June 2021.

16 In 2022 A Cuthbertson was an Executive KMP for the period 1 July 2021 to 1 October 2021.

Other Long Term	Share Based Payments[10]				
Long Service Leave US$	Performance Rights US$	Performance Share Units US$	Restricted Share Units US$	Total US$	% Performance Related
–	**–**	**4,987,494**	**–**	**9,862,128**	**81%**
–	(66,026)	6,570,910	–	10,124,423	82%
21,583	**–**	**699,401**	**1,540,207**	**4,392,904**	**77%**
6,840	–	384,315	708,425	1,877,757	74%
–	**–**	**2,577,351**	**–**	**4,901,125**	**79%**
–	–	3,684,975	–	5,795,287	81%
2,855	**–**	**(97,619)**	**–**	**38,597**	**(253)%**
11,603	(14,490)	723,043	–	1,760,117	68%
24,438	**–**	**8,166,627**	**1,540,207**	**19,194,754**	**79%**
18,443	(80,516)	11,363,243	708,425	19,557,584	80%

7.2 Executive KMP Shareholdings

Details of shares held directly, indirectly or beneficially by each Executive KMP, including their related parties, are provided in Table 11. Details of Options, Performance Rights, Performance Share Units and Restricted Share Units held directly, indirectly or beneficially by each Executive KMP, including their related parties, are provided in Table 12. Any amounts are presented in US$. Following the vesting of awards, any trading undertaken by Executive KMP was subject to the Group Securities Dealing Policy (outlined in section 10.6). Approved trading disclosed was actioned in accordance with the Policy, including forced trades to cover CSL tax withholding obligations.

Table 11: Executive KMP Shareholdings

Executive	Balance at 1 July 2021	Number of Shares Acquired on Exercise of Options, Performance Rights, PSUs or RSUs during year US$	Value of Shares Acquired on Exercise of Options, Performance Rights, PSUs or RSUs during year US$[17]	Number of (Shares Sold)/ Purchased	Balance at 30 June 2022
P Perreault	163,241	34,555	7,775,435	(31,495)	166,301
J Linton	–	11,429	2,361,849	118	11,547
P McKenzie	10,651	15,349	3,453,773	(5,326)	20,674
Former Executive KMP					
A Cuthbertson[18]	106,579	5,114	1,150,732	–	111,693

There have been no movements in shareholdings of Executive KMP between 30 June 2022 and the date of this Report.

Table 12: Executive KMP Option, Performance Right, Performance Share Unit and Restricted Share Unit Holding

								Balance as at 30 June 2022	
Executive	Security	Balance as at 1 July 2021	Number Granted	Number Exercised	Number Lapsed	Balance as at 30 June 2022	Number Vested During Year	Vested[19]	Unvested
P Perreault	PSU	97,719	31,640	34,555	7,085	87,719	34,555	–	87,719
J Linton	PSU	3,275	7,276	3,275	–	7,276	3,275	–	7,276
	RSU	13,647	–	8,154	–	5,493	8,154	–	5,493
P McKenzie	PSU	45,107	15,117	15,349	2,285	42,590	15,349	–	42,590
Former Executive KMP									
A Cuthbertson[20]	PSU	13,010	–	5,114	3,416	4,480	5,114	–	4,480

17 The value of Performance Share Units and Restricted Share Units at the exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of securities exercised during 2022. The A$ value was converted to US$ at an average exchange rate for the year of 1.37359.
18 The closing balance for A Cuthbertson is at 1 October 2021 being the date A Cuthbertson ceased to be Executive KMP.
19 Vested awards are exercisable to the Executive KMP. There are no vested and unexercisable awards.
20 The closing balance for A Cuthbertson is at 1 October 2021 being the date A Cuthbertson ceased to be Executive KMP.

8. 2022 and 2023 Executive Key Management Personnel Remuneration

8.1 CEO Target Remuneration

The Board determines any increases to reward for the CEO based on his performance and relative to external benchmarks. When comparing Mr Perreault's total reward to the reward of CEOs across the pharmaceutical/biotechnology peer group, Mr Perreault lags the median – specifically on the LTI component, currently sitting at 81% of the Total Target Direct Compensation median.

8.1.1 2022 CEO Target Remuneration

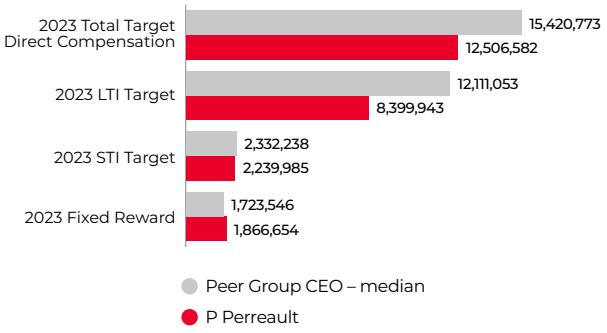
In 2022, the Board determined that Mr Perreault would receive a 3% increase to FR, taking this to US$1,803,530. Mr Perreault's STI percentage remained set at 120% of his FR for target performance and his maximum payout opportunity capped at 240% of his FR for outstanding performance. This maximum opportunity was increased from 180% in the prior year due to the framework change where the Board increased the maximum STI opportunity to 200% of target from 150%. There was no increase applied to his LTI target, remaining at 400% of FR (also maximum opportunity). However, given FR has increased the monetary value of the maximum opportunity has increased.

8.1.2 2023 CEO Target Remuneration

In 2023, the Board has determined that Mr Perreault will receive a 3.5% increase to FR – US$1,866,654 effective 1 September 2022. There will be no change to Mr Perreault's STI target, remaining at 120% with a maximum opportunity of 240%. An increase in the LTI target from 400% of FR to 450% of FR has been applied – this is also the maximum opportunity. These changes increase Mr Perreault's Total Target Direct Compensation from US$11,181,886 to US$12,506,582.

Mr Perreault's target reward for 2023 is displayed below, along with the 2023 comparison to CEOs in our pharmaceutical/biotechnology peer group.

2023 CEO Target Remuneration and Peer Group Comparison – US$

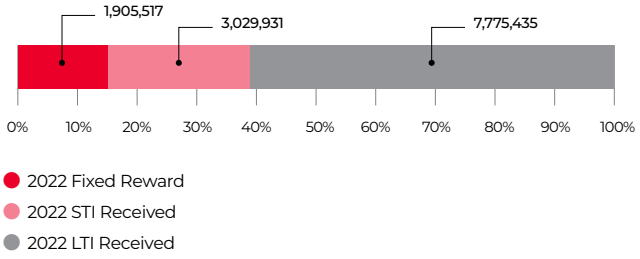


8.2 2022 Executive KMP Realised Remuneration

8.2.1 2022 CEO Realised Remuneration

Below we have disclosed the CEO 'realised' remuneration. This is a voluntary disclosure which the Board believes is simple and affords a transparent view of what the CEO's actual take-home pay was in 2022. These outcomes are aligned with the CEO's and CSL's performance during 2022, as well as being aligned to CSL's longer term performance. This information has not been prepared in accordance with the Australian accounting standards. See section 7.1 Table 10 for the Statutory Remuneration disclosure that has been prepared in accordance with the Australian accounting standards.

2022 CEO Realised Remuneration – USD



Mr Perreault's total 'realised' remuneration for 2022 was US$12,710,883 and this is a 72% decrease from the prior year. The decrease was as a result of legacy Option and Performance Right LTI plans ceasing in 2021. All LTI awards that vested in 2022 were granted under the framework introduced in 2017.

8.2.2 2022 Executive KMP Realised Remuneration

Table 13 shows the 'realised' remuneration of Executive KMP for the year ended 30 June 2022 in US$, providing a simple and transparent view of what Executive KMP actual take home pay was in 2022.

Table 13: Executive KMP 'Realised' Remuneration (Received or Available as Cash) in 2022

Executive	2022 Total Fixed Reward US$[21]	2022 STI US$[22]	LTI Vested in 2022 US$[23]	Total Reward Received US$	Total LTI Reward Received (valued at grant date) US$[24]	LTI Growth in Value (due to share price growth) US$[25]
Period Earned	2022	2022	2018 – 2022	2018 – 2022	2018 – 2022	2018 – 2022
P Perreault	1,905,517	3,029,931	7,775,435	12,710,883	5,547,518	2,227,917
J Linton	961,840	1,149,742	2,361,849	4,473,431	2,188,300	173,549
P McKenzie	1,061,344	1,273,770	3,453,773	5,788,887	2,807,441	646,332

8.3 2022 and 2023 Executive KMP Remuneration Adjustments

CSL competes for talent in a global market and we need to attract and retain high calibre executives in a highly competitive global pharmaceutical and biotechnology industry. The unique skill set with specialised pharmaceutical and biotechnology expertise and experience that we require is critical to enable us to deliver on our strategy, promise to patients and deliver returns to our shareholders.

Table 14 sets out the changes to Executive KMP reward for 2022 (effective 1 September 2021) and 2023 (effective 1 September 2022). As noted earlier in this Report, a global pharmaceutical/biotechnology peer group is used for external benchmarking[26]. We align reward with the median of this peer group. The below rewards position our Executive KMP more competitively in the market, at or below the median for total reward. The increases also take into consideration the skills and experience of Executive KMP. For Ms Linton, the annual salary review increase is 3.25% and the remaining 0.45% is the superannuation guarantee increase that was effective 1 July 2022. In determining reward, the Board considers internal pay relativity across the full Global Leadership Group.

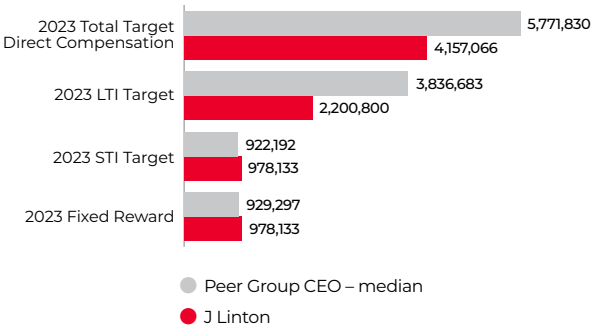
Table 14: Adjustments to Executive KMP Reward 2022 and 2023

Executive	Year	% change in FR	% Change in STI $ Opportunity at Target	% Change in LTI $ Opportunity at Target	Total Reward Adjustment %	Total Reward Adjustment US$
P Perreault	**2023**	**3.50%**	**3.50%**	**16.44%**	**11.85%**	**1,324,696**
	2022	3.00%	3.00%	3.00%	3.00%	325,686
J Linton	**2023**	**3.70%**	**22.29%**	**33.65%**	**22.72%**	**769,592**
	2022	3.40%	3.40%	3.40%	3.40%	113,706
P McKenzie	**2023**	**3.50%**	**3.50%**	**25.68%**	**17.61%**	**950,669**
	2022	3.00%	3.00%	3.00%	3.00%	157,207

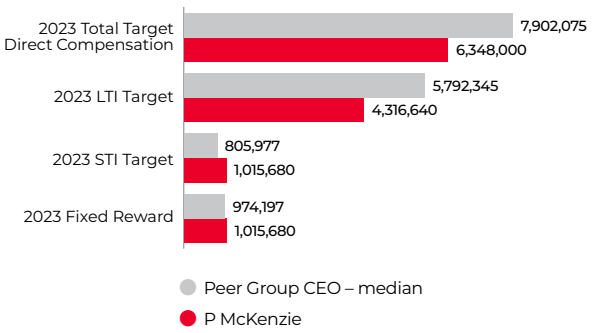
8.4 2023 Executive KMP Target Remuneration and Peer Group Comparison

The target reward for both Ms Linton and Dr McKenzie for 2023 are displayed below, along with the 2023 comparison to their respective peers in our pharmaceutical/biotechnology peer group. The peer group comparison for Mr Perreault is detailed in section 8.1.2 above.

2023 J Linton Target Remuneration and Peer Group Comparison – US$



2023 P McKenzie Target Remuneration and Peer Group Comparison – US$



21 Includes base salary, retirement/superannuation benefits, and other benefits such as insurances, relocation and allowances paid in 2022.
22 Relates to STI earned in 2022 and will be paid in September 2022 (refer to section 6.2).
23 Value of LTI vested at 1 September 2021 and 1 March 2022 that became unrestricted (refer to section 6.4). The value at vest has been determined by multiplying the number of vested units by the closing share price on the date of vest. This has been converted to US$ at an average exchange rate for the 2022 financial year of 1.37359. The awards for J Linton were commencement benefits earned in 2021 given Ms Linton commenced employment with CSL in 2021.
24 The value at grant has been determined by multiplying the number of vested units by the closing share price on the date of grant. This has been converted to US$ at an average exchange rate for the 2022 financial year of 1.37359.
25 This figure shows the increase in market value of the LTI awards due to share price growth between the grant date and the vesting date. The increase in value of the awards is calculated by multiplying the number of vested and/or exercised awards by the difference between the share price of CSL shares on the grant date and the vesting date or exercise date (as applicable). This has been converted to US$ at an average exchange rate for the 2022 financial year of 1.37359.
26 Two general industry reference groups, being Australia and North America, are also used for benchmarking of certain Executive KMP roles.

9. Non-Executive Director Remuneration

9.1 NED Fee Policy

Feature	Description
Strategic Objective	CSL's NED fee arrangements are designed to appropriately compensate suitably qualified directors, with appropriate experience and expertise, for their Board responsibilities and contribution to Board committees. In the 2022 year, the Board had four Committees for which fees were payable
Maximum Aggregate Fees Approved by Shareholders	The current maximum aggregate fee pool of A$4,000,000 was approved by shareholders on 12 October 2016 and has applied from this date. Actual NED fees paid during the 2022 year (including superannuation contributions, NED Rights Plan sacrifice amounts and Committee fees) are within this agreed limit, and totalled A$2,944,126. NEDs may be reimbursed for reasonable expenses incurred by them in the course of discharging their duties and this reimbursement is not included within this limit
Remuneration Reviews	The Board in conjunction with the HRRC, reviews NED fees on an annual basis in line with general industry practice. Fees are set with reference to the responsibilities and time commitments expected of NEDs along with consideration to the level of fees paid to NEDs of comparable Australian companies
Independence	To ensure independence and impartiality is maintained, NEDs do not receive any performance related remuneration
NED Equity	The NEDs participate in the NED Rights Plan – introduced to enable NEDs to build up meaningful levels of equity more quickly. Under the plan, NEDs sacrifice at least 20% of their pre-tax base fee in return for a grant of Rights, each Right entitling a NED to acquire one CSL share at no additional cost. The number of Rights granted is equivalent to the fee sacrificed divided by the prevailing market price of CSL shares at that time. Rights are allocated in two tranches and vesting occurs following the disclosure of half year and full year financial results following the grant of Rights. For Australian based NEDs, shares are allocated at vesting of the Rights and are then subject to a nominated restriction period of three to fifteen years. For overseas based NEDs, shares are allocated at the end of the nominated three to fifteen year restriction period. At the end of the nominated restriction period the NED is able to access their shares. No price is payable on vesting and exercise of rights. Shares are automatically allocated without the need for exercise by a NED. As this is a salary sacrifice plan, no performance conditions apply to the Rights. The shares are purchased on-market. Additional shares may be purchased by NEDs on-market at prevailing share prices in accordance with CSL's Securities Dealing Policy
Shareholding Requirement	NEDs must hold CSL shares equal to 100% of their Board base fee within five years from the date of appointment to their role
Post-Employment Benefits	Superannuation contributions are made in accordance with legislation and are included in the reported base fee and are not additional to the base fee. NEDs are not entitled to any compensation on cessation of appointment
Contracts	NEDs are appointed under a letter of appointment and are subject to ordinary election and rotation requirements as stipulated in the ASX Listing Rules and CSL Limited's constitution

9.2 NED Fees in 2022

The following table provides details of current Board and Committee fees from 1 July 2021. As a truly global business, our NED fee structure allows us to attract and recruit appropriately skilled directors.

In 2022, after reviewing both ASX12 and ASX25 comparative Board fees, the Board determined to increase Board and Committee fees by 3% from 1 July 2022. This increase is within the maximum aggregate remuneration that may be paid to all NEDs, as agreed by shareholders at the 2016 AGM, meaning that further shareholder approval to increase these fees was not required. These increases ensure market competitive fees and allow us to attract and retain high quality NEDs.

Table 15: NED Fees 2022 and 2023

		2022 Fees		2023 Fees
Board Chairman Fee		A$870,000		A$896,100
Board NED Base Fee		A$245,250		A$252,600
Committee Fees	**Committee Chair**	**Committee Member**	**Committee Chair**	**Committee Member**
Audit & Risk Management	A$70,000	A$34,250	A$72,100	A$35,300
Corporate Governance & Nomination	A$30,100	A$15,100	A$31,000	A$15,550
Human Resources & Remuneration	A$60,000	A$30,100	A$61,800	A$31,000
Innovation & Development	A$58,150	A$30,100	A$59,900	A$31,000

A travel allowance of A$15,000 per annum is in place for those NEDs who reside outside of Australia and travel to and from Australia to attend Board and Committee meetings. Where no travel is undertaken in a quarter, no allowance is paid. In 2022, no allowance was paid.

9.3 Non-Executive Share Purchases

During 2022, CSL completed two on-market purchases of shares for the purposes of the NED Rights Plan. A total of 1,957 shares were purchased during the reporting period and the average price paid per share was A$286.66.

9.4 Non-Executive Director Statutory Remuneration Tables

Remuneration is reported in US$, unless otherwise stated. This is consistent with the presentation currency used by CSL.

9.4.1 Non-Executive Director Remuneration 2021 and 2022

Table 16: Statutory Remuneration Disclosure – Non-Executive Directors

		Short Term Benefits	Post Employment		Share Based Payments	
Non-Executive Director	Year	Cash Salary and Fees US$[27]	Superannuation US$	Retirement Benefits US$	Rights US$[28]	Total
B McNamee – Chairman	**2022**	**489,543**	**17,158**	**–**	**125,313**	**632,014**
	2021	471,611	16,123	–	120,767	608,501
B Brook	**2022**	**178,358**	**8,579**	**–**	**51,686**	**238,623**
	2021	186,907	16,123	–	37,492	240,522
M Clark	**2022**	**202,267**	**17,158**	**–**	**35,290**	**254,715**
	2021	200,432	16,123	–	34,982	251,537
A Cuthbertson[29]	**2022**	**117,973**	**15,015**	**–**	**33,844**	**166,832**
	2021	–	–	–	–	–
C Hewson	**2022**	**140,877**	**17,158**	**–**	**88,508**	**246,543**
	2021	140,471	16,123	–	109,237	265,831
D Maskell[30]	**2022**	**60,806**	**20,021**	**–**	**85,480**	**166,307**
	2021	–	–	–	–	–
M McDonald	**2022**	**171,831**	**–**	**–**	**52,966**	**224,797**
	2021	166,922	4,031	–	52,574	223,527
A Watkins[31]	**2022**	**121,065**	**20,021**	**–**	**49,819**	**190,905**
	2021	–	–	–	–	–
Former Non-Executive Director						
A Hussain[32]	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	185,291	87	–	37,532	222,910
C O'Reilly[33]	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	45,206	–	–	29,286	74,492
P Soriot[34]	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	76,875	103	–	13,312	90,290
TOTAL	**2022**	**1,482,720**	**115,110**	**–**	**522,906**	**2,120,736**
	2021	1,473,715	68,713	–	435,182	1,977,610

9.4.2 Non-Executive Director Shareholdings

Details of shares held directly, indirectly or beneficially by each NED, including their related parties, is provided in Table 17. Any amounts are presented in US$. Details of Rights held directly, indirectly or beneficially by each NED, including their related parties, is provided in Table 18. Following the vesting of awards, any trading undertaken by NEDs was subject to the Group Securities Dealing Policy (outlined in section 10.6).

27 The A$ compensation paid and share based payments during the years ended 30 June 2021 and 30 June 2022 have been converted to US$. For the 2022 compensation, this has been converted to US$ at an average exchange rate for the 2022 financial year: A$ – 1.37359. For the 2021 compensation, this has been converted to US$ at an average exchange rate for the 2021 financial year: A$ – 1.34557. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the A$/US$ exchange rates. No long term or termination benefits were paid in 2022.
28 As disclosed in the section 9.1, NEDs participate in the NED Rights Plan under which NEDs are required to take at least 20% of their after-tax base fees (excluding superannuation guarantee contributions) in the form of Rights. Rights are granted upfront and are expensed over the period of grant to vest. The Fair Value per Right at the grant date of 26 August 2021 was A$304.00 for Tranche 1 (vests 21 February 2022) and A$302.62 for Tranche 2 (vests 22 August 2022). For the award made to A Cuthbertson on 4 October 2021, the Fair Value for Tranche 1 was A$292.17 and for Tranche 2 was A$290.69.
29 In 2022 A Cuthbertson was a NED for the period 2 October 2021 to 30 June 2022.
30 In 2022 D Maskell was a NED for the period 18 August 2021 to 30 June 2022.
31 In 2022 A Watkins was a NED for the period 18 August 2021 to 30 June 2022.
32 In 2021 A Hussain was a NED for the period 1 July 2020 to 25 June 2021.
33 In 2021 C O'Reilly was a NED for the period 1 July 2020 to 14 October 2020.
34 In 2021 P Soriot was a NED for the period 19 August 2020 to 31 January 2021.

Table 17: Non-Executive Director Shareholdings

KMP	Balance as at 1 July 2021	Number of Shares Acquired on Exercise of Rights during year	Value of Shares Acquired on Exercise of Rights during year US$[35]	Number of (Shares Sold)/ Purchased	Balance at 30 June 2022
Non-Executive Director					
B McNamee	161,681	563	117,930	118	162,362
B Brook	5,604	200	41,225	318	6,122
M Clark	3,405	160	33,550	448	4,013
A Cuthbertson[36]	111,693	59	11,320	–	111,752
C Hewson	764	403	84,523	74	1,241
D Maskell[37]	–	209	40,099	–	209
M McDonald	3,255	241	50,553	118	3,614
A Watkins[38]	1,715	122	23,407	118	1,955

There have been no movements in shareholdings of NEDs between 30 June 2022 and the date of this Report.

Table 18: Non-Executive Director Right Holdings

KMP	Security	Balance at 1 July 2021	Number Granted[39]	Face Value of Rights Granted US$[40]	Fair Value of Rights Granted US$[41]	Number Exer-cised[42]	Value of Rights Exer-cised US$[43]	Number Lapsed	Balance at 30 June 2022	Number Vested During Year	Balance at 30 June 2022	
											Vest-ed[44]	Unve-sted[45]
Non-Executive Director												
B McNamee	Right	278	569	127,628	125,644	563	117,930	–	284	563	–	284
B Brook	Right	80	240	53,833	52,995	200	41,225	–	120	200	–	120
M Clark	Right	80	160	35,888	35,331	160	33,550	–	80	160	–	80
A Cuthbertson[46]	Right	–	179	37,443	37,945	59	11,320	–	120	59	–	120
	PSU	4,480	–	–	–	–	–	–	4,480	–	–	4,480
C Hewson	Right	202	401	89,945	88,548	403	84,523	–	200	403	–	200
D Maskell[47]	Right	–	417	93,534	92,081	209	40,099	–	208	209	–	208
M McDonald	Right	121	240	53,833	52,995	241	50,553	–	120	241	–	120
A Watkins[48]	Right	–	243	54,505	53,659	122	23,407	–	121	122	–	121

35 The value at exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of Rights exercised during 2022. The A$ value was converted to US$ at an average rate for the year of 1.37359.
36 The opening balance for A Cuthbertson is at 2 October 2021 being the date A Cuthbertson became a NED. All equity held by A Cuthbertson in his capacity as a member of the Company's Executive KMP until 1 October 2021 is disclosed elsewhere in this Report.
37 The opening balance for D Maskell is at 18 August 2021 being the date D Maskell became a NED.
38 The opening balance for A Watkins is at 18 August 2021 being the date A Watkins became a NED.
39 The number of Rights granted is determined by dividing the NEDs elected percentage of pre-tax base fee (minimum 20%) by the five day volume weighted average price (VWAP) at which CSL shares were traded on the ASX ending on (and including) the last ASX trading day prior to the date of grant of the Rights being 25 August 2021 of A$305.37. The Rights were granted on 26 August 2021 in two tranches. Tranche 1 had a vesting date of 21 February 2022 and Tranche 2 vests 22 August 2022. For the grant to A Cuthbertson on 4 October 2021, the VWAP was A$293.32.
40 The value at grant date has been determined by the share price at the close of business on the grant date of 26 August 2021 being A$308.10 multiplied by the number of Rights granted during 2022. For the grant to A Cuthbertson on 4 October 2021, the closing share price was A$287.33. The A$ value was converted to US$ at an average exchange rate for the year of 1.37359. The Rights have an expiry date fifteen years from the start of the financial year in which the Rights were granted.
41 The value of Rights is calculated based on an assessment of the fair market value of the instruments in accordance with the accounting standards (refer to Note 18 in the Financial Statements). The fair value of each Right granted on 26 August 2021 was Tranche 1: A$304.00 and Tranche 2: A$302.62 multiplied by the number of Rights granted during 2022. For the grant to A Cuthbertson, the fair value for Tranche 1 was A$292.17 and Tranche 2 was A$290.69.
42 Vesting and exercise occurred in relation to Tranche 2 of the 2021 grant and Tranche 1 of the 2022 grant. All Rights eligible vested at 100% during the year. No Rights eligible to vest were lapsed.
43 The value at exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of Rights exercised during 2022. The A$ value was converted to US$ at an average exchange rate for the year of 1.37359. Australian based NEDs have Rights exercised at the vesting date and a holding lock is placed on the shares for a period of three to fifteen years as elected by the NED.
44 Vested Rights are exercisable to the NED at the end of the nominated restriction period. All vested Rights are currently unexercisable until the end of the nominated restriction period.
45 Unvested Rights represent Tranche 2 of the 2022 grant that will vest on 22 August 2022, following the release of full year financial results.
46 The opening balance for A Cuthbertson is at 2 October 2021 being the date A Cuthbertson became a NED. All equity held by A Cuthbertson in his capacity as a member of the Company's Executive KMP until 1 October 2021 is disclosed elsewhere in this Report.
47 The opening balance for D Maskell is at 18 August 2021 being the date D Maskell became a NED.
48 The opening balance for A Watkins is at 18 August 2021 being the date A Watkins became a NED.

10. Remuneration Governance

The following diagram illustrates CSL's remuneration governance framework.

CSL Board:
The Board is responsible for the oversight and strategic direction of CSL. It monitors operational and financial performance, human resources policies and practices, and approves the company's budgets and business plans. It is also responsible for overseeing CSL's risk management, financial reporting and compliance framework.

The Board reviews, makes comment on and, as appropriate, approves remuneration recommendations from the HRRC. The Board approves the remuneration and remuneration outcomes for the CEO and Non-Executive Directors and approves the policies and processes that govern both.

HRRC:
The HRRC has oversight of all aspects of remuneration at CSL. The Board has delegated responsibility to the HRRC for reviewing and making recommendations to the Board with regard to:

- Executive remuneration design;
- Approval of awards to the CEO;
- Senior executive succession planning;
- The design and implementation of any incentive plan (including equity based arrangements);
- The remuneration and other benefits applicable to NEDs; and
- The CSL diversity policy and measurable objectives for achieving gender diversity.

The HRRC is able to approve the remuneration of Executive KMP (excluding the CEO).

Members
Dr Megan Clark AC (Chair), Ms Carolyn Hewson AO, Ms Marie McDonald and Ms Alison Watkins AM.

ARMC:
The ARMC assists the Board in the governance of CSL's financial reporting and disclosures, risk identification and management, and compliance, and oversees and monitors ESG performance.

The ARMC advises the HRRC on any material risk management and financial matters that may impact remuneration outcomes.

External Remuneration Advisers:
The Board and the HRRC may seek and consider advice directly from external advisers, who are independent of management.

In 2022 the HRRC engaged the services of Aon Consulting in the U.S., and EY in Australia. Under engagement and communication protocols adopted by CSL, the market data and other advice were provided directly to the HRRC by both Aon Consulting and EY. Neither Aon Consulting nor EY provided Remuneration Recommendations during the 2022 financial year.

Joint HRRC and ARMC meetings:
The Committees meet jointly at least annually to review and consider relevant risk management matters in the determination of the Executive KMP remuneration outcomes.

10.1 HRRC Activities

During 2022, the HRRC met formally on seven occasions. Activities undertaken include:

- Review of the executive remuneration framework;
- Review and consideration of investor feedback received across the year;
- Appointment of external remuneration advisers;
- Review of senior executive appointments and remuneration arrangements;
- Review of STI and LTI arrangements, and reward outcomes for senior executives;
- Review of the CSL diversity objectives and report, and gender pay review and progress against diversity objectives;
- Review of talent and succession planning for senior executives;
- Review of long term remuneration strategy and global trends in remuneration;
- Review of NED remuneration; and
- Review of the HRRC Charter and HRRC performance.

Full responsibilities of the HRRC are outlined in its Charter (reviewed annually). The Charter is available at http://www.csl.com.au/about/governance.htm

10.2 Remuneration Determination

The Board has discretion across each element of Executive KMP reward and considers business performance, individual performance and shareholder experience before setting and approving reward outcomes.

Remuneration Recommendations – Reviewed on an annual basis, the CEO makes a recommendation to the HRRC for Executive KMP, with the HRRC recommending to the Board for the CEO, any change to FR and STI and LTI targets for the year ahead. Recommendations take into consideration market conditions, position in market within the global pharmaceutical/biotechnology peer group, individual performance, role responsibilities and internal relativity. Remuneration is reviewed in the context of Total Reward. There is a higher proportion of Total Reward in the form of performance related variable pay.

STI Outcomes – A formal review of Executive KMP progress against KPIs is conducted twice annually by the CEO and annually by the Board for the CEO. Regular performance conversations are held during the year. Following the full year performance review, the CEO makes recommendations in respect of Executive KMP to the HRRC. The HRRC and the Board assess individual performance against KPIs at the end of the financial year, and approve the actual STI payments to be made. The Board determines the outcomes for the CEO, based on recommendations from the HRRC, who are informed by the Chairs of the Board and HRRC. The Board believes this is the most appropriate method of measurement.

LTI Outcomes – The HRRC assesses performance against the hurdle measures set at grant by the Board. Following this, the HRRC undertakes a review to ensure the remuneration outcomes are aligned with overall business performance and the shareholder experience and then submits outcomes to the Board for approval. The Board believes this is the most appropriate method of measurement.

Board Discretion – Prior to approving CEO remuneration outcomes and before finalising all other Executive KMP outcomes, the Board holistically assesses the outcomes and considers whether there are any circumstances warranting application of the Malus and Clawback Policy. It also considers the 'Leading and Managing' modifier and ensures that the interaction of remuneration outcomes is in alignment with risk management outcomes for the year and that any material risk issues and behaviours and/or compliance breaches are addressed. The Board's assessment is informed by the review undertaken by the HRRC in conjunction with the ARMC. The Board has discretion to determine final vesting outcomes to ensure outcomes are in line with CSL performance, market reported financial outcomes and shareholder outcomes. Discretion may be exercised to either increase or reduce vesting outcomes, which includes reducing to zero.

In 2022, the Board reviewed the quality of earnings, impact of COVID-19 and risk management outcomes across the year. As the Vifor acquisition was not contemplated at the time of setting the targets at the start of the financial year, the Board used its discretion to adjust the outcomes of both NPAT and CFO associated with the Vifor acquisition net costs. The CFO outcome was also adjusted to remove the impact of the favourable cash inflow resulting from the Treasury hedging activity associated with the Vifor acquisition.

New Hires and Internal Promotions – The Remuneration Framework as set out in section 3.2 applies to the remuneration arrangements for any newly hired or promoted Executive KMP, ensuring a market competitive Total Reward offering. In the case of external hires, the HRRC and Board may determine that it is appropriate for a commencement benefit to be offered. Commencement benefits in the form of cash and/or equity can be made to compensate for remuneration being forfeited from a former employer. For any foregone equity awards, CSL equity will typically be used as compensation. Awards may be discounted to take into consideration any performance conditions on the award at the former employer and the HRRC will determine the appropriate service and performance conditions on the CSL award within the CSL framework. For internal promotions, the HRRC may determine that an award of equity should be made to ensure an appropriate Total Reward package. This is typically done as hurdled equity under the LTI framework described in section 3.2.5.

10.3 Contractual Provisions for Executive KMP

Executive KMP are employed on individual service contracts that outline the terms of their employment, which include:

Duration of Contract	Notice Period Employee	Notice Period CSL*	Termination Payment
No fixed term	Six months	Six months	12 months

*CSL may also terminate at any time without notice for serious misconduct and/or breach of contract.

10.4 Other Transactions

No loans were made, guaranteed or secured, directly or indirectly by CSL or any of its subsidiaries, to any Executive KMP or their related parties during 2022.

No loans were made to NEDs during 2022. To the extent that there were transactions between the Company and an organisation with which a NED may be connected or associated, those transactions were all on normal commercial arms' length terms, immaterial, and the relevant NED had no involvement in any procurement or other Board decision-making related to the transaction.

10.5 Malus and Clawback Policy

CSL operates a Malus and Clawback Policy. 'Malus' means adjusting or cancelling all or part of an individual's variable reward as a consequence of a materially adverse development occurring prior to payment (in the case of cash incentives) and/or prior to vesting (in the case of equity incentives). 'Clawback' means seeking recovery of a benefit paid to take into account a materially adverse development that only comes to light after payment, including shares delivered post vesting.

The Board, in its discretion, may apply the policy to any incentive provided to a senior executive, including a former senior executive, upon the occurrence (or the discovery of the occurrence) of any of the following events or conduct:

- material misstatement, omission or error in the financial statements of a Group company or the CSL Group leading to a senior executive receiving a benefit greater than the amount that would have been received had such misstatement, omission or error not occurred,
- fraud or dishonesty to CSL or any Group company,
- wilful engagement in conduct which is, or might reasonably be expected to be, injurious to CSL or any Group company, monetarily or otherwise, including, but not limited to, its reputation or standing in its industry,
- intentional act that is materially adverse to the best interests of CSL or any Group company,
- violation of any material law or regulation,
- adverse risk management outcomes, and/or
- material violation of CSL's Code of Conduct or any other policy governing the conduct of employees of CSL or any Group company or any agreement or covenant entered into between a senior executive and CSL or any Group company.

In 2022, following a joint review of reward outcomes by both the HRRC and the ARMC, there was no application of the policy.

10.6 Securities Dealing

The CSL Securities Dealing Policy prohibits employees from using price protection arrangements (e.g. hedging) in respect of CSL securities, or allowing them to be used. The Policy also provides that no CSL securities can be used in connection with a margin loan. Upon vesting of an award, an employee may only deal in their CSL securities in accordance with the Policy. A breach of the Policy may result in disciplinary action. A copy of the Policy is available at http://www.csl.com.au/about/governance.htm.

10.7 Minimum Shareholding Guideline

To be met within a target of the first five years of appointment, or within five years for current incumbents, and to be held whilst in the role at CSL, the following levels of vested equity must be held:

- CEO: Three times base salary;
- Executive KMP: One times base salary; and
- NEDs: One times Board base fee.

As at 30 June 2022, all KMP hold, or are on track to hold, the minimum shareholding requirement within the relevant time period.

11. Additional Employee Equity Programs and Legacy Plan Information

In addition to the Executive Performance and Alignment Plan LTI program described earlier in this Report, CSL operates two additional employee equity programs – the Global Employee Share Plan and the Retain and Grow Plan. An overview of those programs is provided below.

During 2022, CSL completed two on-market purchases of shares for the purposes of employee share plan awards described below. A total of 126,056 shares were purchased during the reporting period and the average price paid per share was A$267.60.

11.1 Global Employee Share Plan

CSL's Global Employee Share Plan (GESP) provides all employees the opportunity to share in the ownership of our company and share in our future.

Operating across two six month contribution periods, an employee can elect to make post tax salary contributions between A$365 and A$12,000 per six month period. The employee then receives shares at a 15% discount to the applicable market rate over the five day period up to and including the first and last ASX trading days of the six month period, whichever is the lower. Shares are then held in restriction for a period of one or three years as determined upfront by the employee. The shares may be issued or purchased on market.

To participate in GESP an employee must have at least six months service at the start of the contribution period. Participation is open to permanent full or part time and fixed term contract employees and excludes Executive Directors.

11.2 Retain and Grow Plan

The CSL Group Retain and Grow Plan (RGP) LTI program is designed to attract, motivate and retain key talent across the organisation. RGP provides eligible employees with longer-term share ownership in CSL, enabling them to share in the company's success and any capital growth.

The RGP recognises those individuals in management roles (Manager to Senior Vice President) across the CSL Group. Awards under the RGP are not guaranteed and the CSL Board will review participation on an annual basis.

Key plan elements are as follows

- A conditional 'right' to a CSL share (i.e. full value instrument) or at the Board's discretion, a cash equivalent payment. No price is payable by the participant on grant or vesting of rights. Shares are automatically allocated (or cash automatically paid) without the need for exercise by a participant;
- The security granted is a RSU;
- LTI opportunity set as % of local salary (converted to A$ at grant);
- Number of RSUs determined using face value (five day weighted average share price);
- Individual performance hurdle – must not fail to meet performance expectations;
- 33% of RSUs will vest on the first and second anniversaries of the Issue Date, with the remaining 34% vesting on the third anniversary;
- There is no retesting of awards;
- On cessation of employment a 'qualified leaver' (such as retirement or redundancy) will retain a pro-rated number of RSUs based on time elapsed since grant date, subject to original terms and conditions. If a participant is not a 'qualified leaver', all unvested awards will be forfeited unless the Board determines otherwise;
- In the event of a change of control, the Board, in its absolute discretion, may determine that some or all of the awards vest having regard to the performance of the participant during the vesting period to the date of the change of control event. Vesting may occur at the date of the change of control event or an earlier vesting date as determined by the Board; and
- No dividends or dividend equivalents are paid on unvested awards. Participants are only eligible for dividends once shares have been allocated following vesting of any RSUs. RSUs do not carry any voting rights prior to vesting and allocation of shares.

Our Senior Vice President and Vice President employees participate in both the Executive Performance and Alignment PSU (described in section 3.2.5) and RGP LTI Plans with a higher portion of awards aligned to the executive plan.

The RGP is also used for commencement benefits, retention and recognition awards at all levels of the organisation. The difference to the annual program is the vesting schedule, which is reviewed and determined on a case by case basis.

11.3 Key Characteristics of Prior Financial Year Performance Share Unit Grants

The following table provides information on the key characteristics of the LTI programs on foot during the 2022 reporting period. The 2018 (granted October 2017), 2019 (granted September 2018), 2020 (granted September 2019) and 2021 (granted September 2020) PSU LTI awards have the same key characteristics as the 2021 award disclosed in section 3.2.5 with the exception of the hurdle, performance period, performance targets and vesting dates as outlined below.

Table 19: Key Characteristics of Prior Financial Year PSU Grants

Grant Date	Tranche	Performance Measure	Performance Period	Performance Target	Vesting Date
1 Oct 2017	4	ROIC	1 July 2017 – 30 June 2024	Threshold – 24% Target – 27%	1 September 2021
1 Sep 2018	3				
1 Sept 2019	2			Threshold – 22% Target – 25%	
1 Sep 2020	1			Threshold – 20% Target – 23%	

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2022

	Notes	Consolidated Entity 2022 US$m	2021 US$m
Sales and service revenue		**10,136.3**	9,979.5
Influenza pandemic facility reservation fees		**162.2**	160.1
Royalties and license revenue		**194.6**	125.7
Other income		**68.8**	44.7
Total operating revenue	3	**10,561.9**	10,310.0
Cost of sales		**(4,829.6)**	(4,466.7)
Gross profit		**5,732.3**	5,843.3
Research and development expenses	7	**(1,156.2)**	(1,001.4)
Selling and marketing expenses		**(960.7)**	(980.2)
General and administration expenses		**(688.0)**	(731.7)
Total expenses		**(2,804.9)**	(2,713.3)
Operating profit		**2,927.4**	3,130.0
Finance costs	3	**(165.2)**	(170.8)
Finance income		**17.4**	3.9
Profit before income tax expense		**2,779.6**	2,963.1
Income tax expense	4	**(524.9)**	(588.1)
Net profit for the year		**2,254.7**	2,375.0
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Hedging transactions			
– Changes in fair value	12	**134.7**	–
– Realised in profit and loss	12	**(1.0)**	–
Exchange differences on translation of foreign operations, net of hedges on foreign investments	12	**(286.9)**	198.9
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains on defined benefit plans, net of tax	19	**34.7**	83.4
Changes in fair value on equity securities measured through other comprehensive income, net of tax	12	**(6.6)**	–
Total other comprehensive (losses)/income		**(125.1)**	282.3
Total comprehensive income for the year		**2,129.6**	2,657.3
Earnings per share (based on net profit for the year)		**US$**	US$
Basic earnings per share	10	**4.81**	5.22
Diluted earnings per share	10	**4.80**	5.21

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 30 June 2022

	Notes	Consolidated Entity 2022 US$m	2021 US$m
CURRENT ASSETS			
Cash and cash equivalents	14	**10,436.4**	1,808.8
Receivables and contract assets	15	**1,657.2**	1,711.2
Inventories	5	**4,333.0**	3,780.6
Current tax assets		**29.9**	84.3
Other financial assets	11	**4.2**	4.8
Total Current Assets		**16,460.7**	7,389.7
NON-CURRENT ASSETS			
Property, plant and equipment	9	**7,016.6**	6,434.3
Intangible assets	8	**2,638.1**	2,669.7
Right-of-use assets	9	**1,292.0**	1,101.7
Deferred tax assets	4	**517.5**	529.5
Other receivables	15	**12.8**	6.6
Other financial assets	11	**402.9**	21.5
Retirement benefit assets	18	**5.4**	3.9
Total Non-Current Assets		**11,885.3**	10,767.2
TOTAL ASSETS		**28,346.0**	18,156.9
CURRENT LIABILITIES			
Trade and other payables	15	**2,301.2**	2,089.4
Interest-bearing liabilities and borrowings	11	**4,494.0**	473.8
Current tax liabilities		**131.5**	313.0
Provisions	16	**181.5**	227.4
Total Current Liabilities		**7,108.2**	3,103.6
NON-CURRENT LIABILITIES			
Interest-bearing liabilities and borrowings	11	**5,163.8**	5,333.1
Retirement benefit liabilities	18	**189.0**	286.4
Deferred tax liabilities	4	**670.1**	459.4
Provisions	16	**101.7**	107.8
Other non-current liabilities	15	**535.7**	485.3
Total Non-Current Liabilities		**6,660.3**	6,672.0
TOTAL LIABILITIES		**13,768.5**	9,775.6
NET ASSETS		**14,577.5**	8,381.3
EQUITY			
Contributed equity	12	**483.8**	(4,504.6)
Reserves	12	**590.3**	633.2
Retained earnings	19	**13,503.4**	12,252.7
TOTAL EQUITY		**14,577.5**	8,381.3

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2022

	Contributed Equity US$m		Other reserves US$m		Retained earnings US$m		Total US$m	
	2022	2021	2022	2021	2022	2021	2022	2021
As at the beginning of the year	**(4,504.6)**	(4,561.0)	**633.2**	336.3	**12,252.7**	10,752.3	**8,381.3**	6,527.6
Profit for the year	**–**	–	**–**		**2,254.7**	2,375.0	**2,254.7**	2,375.0
Other comprehensive (losses)/income	**–**	–	**(159.8)**	198.9	**34.7**	83.4	**(125.1)**	282.3
Total comprehensive (loss)/income for the year	**–**	–	**(159.8)**	198.9	**2,289.4**	2,458.4	**2,129.6**	2,657.3
Transactions with owners in their capacity as owners								
Share-based payments	**–**	–	**116.9**	98.0	**–**	–	**116.9**	98.0
Dividends	**–**	–	**–**	–	**(1,038.7)**	(958.0)	**(1,038.7)**	(958.0)
Share issues	**4,988.4**	56.4	**–**	–	**–**	–	**4,988.4**	56.4
As at the end of the year	**483.8**	(4,504.6)	**590.3**	633.2	**13,503.4**	12,252.7	**14,577.5**	8,381.3

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2022

	Notes	Consolidated Entity 2022 US$m	2021 US$m
Cash Flows from Operating Activities			
Profit before income tax expense		**2,779.6**	2,963.1
Adjustments for:			
Depreciation, amortisation and impairment		**668.3**	589.6
Inventory provisions		**223.8**	208.3
Share-based payment expense		**116.8**	91.8
Provision for expected credit losses		**3.4**	3.5
Finance costs		**165.2**	170.8
Loss/(gain) on disposal of property, plant and equipment		**1.3**	(0.3)
Contingent consideration liabilities reversal	1	**(62.5)***	–
Unrealised foreign exchanges (gains)/losses		**(60.2)**	70.4
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables and contract assets		**(44.6)**	36.5
Increase in inventories		**(902.3)**	(367.7)
Increase in trade and other payables		**337.3***	454.9
(Decrease)/increase in provisions and other liabilities		**(102.7)**	56.4
Income tax paid		**(457.1)**	(494.5)
Finance costs paid		**(172.3)**	(160.9)
Proceeds from settlement of treasury lock	3	**134.7**	–
Net cash inflow from operating activities		**2,628.7**	3,621.9
Cash flows from Investing Activities			
Payments for property, plant and equipment		**(1,078.8)**	(1,196.3)
Payments for intangible assets		**(168.9)**	(470.8)
Payments for equity securities	2	**(387.7)**	–
Payments for other investing activities		**(0.7)**	(6.1)
Net cash outflow from investing activities		**(1,636.1)**	(1,673.2)
Cash flows from Financing Activities			
Proceeds from issue of shares		**4,988.4**	56.4
Dividends paid	10	**(1,038.7)**	(958.0)
Proceeds from borrowings	11	**4,092.7**	38.7
Repayment of borrowings	11	**(316.4)**	(470.9)
Principal payments of lease liabilities		**(52.6)**	(64.5)
Other financing activities		**2.5**	(3.5)
Net cash inflow/(outflow) from financing activities		**7,675.9**	(1,401.8)
Net increase in cash and cash equivalents		**8,668.5**	546.9
Cash and cash equivalents at the beginning of the financial year		**1,730.1**	1,151.3
Exchange rate variations on foreign cash and cash equivalent balances		**(64.2)**	31.9
Cash and cash equivalents at the end of the year		**10,334.4**	1,730.1
Reconciliation of cash and cash equivalents in the statement of cash flows:			
Cash and cash equivalents		**10,436.4**	1,808.8
Bank overdrafts		**(102.0)**	(78.7)
Cash and cash equivalents at the end of the year		**10,334.4**	1,730.1

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

* These numbers have been revised from those published on 17 August 2022.

Notes to the Financial Statements

For the Year Ended 30 June 2022

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About this Report

Notes to the financial statements:

Corporate information

CSL Limited ("CSL") is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This financial report covers the financial statements for the consolidated entity consisting of CSL and its subsidiaries (together referred to as the Group). The financial report was authorised for issue in accordance with a resolution of directors on 16 August 2022.

A description of the nature of the Group's operations and its principal activities is included in the directors' report.

a. Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the *Australian Accounting Standards Board, International Financial Reporting Standards (IFRS)* and the *Corporations Act 2001*. It presents information on a historical cost basis, except for certain financial instruments, which have been measured at fair value. Amounts have been rounded off to the nearest hundred thousand dollars.

The report is presented in US dollars, because this currency is the pharmaceutical industry standard currency for reporting purposes. It is the predominant currency of the Group's worldwide sales and operating expenses.

b. Principles of consolidation

The consolidated financial statements comprise the financial statements of CSL and its subsidiaries as at 30 June 2022. CSL has control of its subsidiaries when it is exposed to, and has the rights to, variable returns from its involvement with those entities and when it has the ability to affect those returns. A list of significant controlled entities (subsidiaries) at year end is contained in Note 17.

The financial results of the subsidiaries are prepared using consistent accounting policies and for the same reporting period as the parent company.

In preparing the consolidated financial statements, all intercompany balances and transactions have been eliminated in full. The Group has formed a trust to administer the Group's employee share plan. This trust is consolidated as it is controlled by the Group.

c. Foreign currency

While the presentation currency of the Group is US dollars, entities in the Group may have other functional currencies, reflecting the currency of the primary economic environment in which the relevant entity operates. The parent entity, CSL Limited, has a functional currency of US dollars.

If an entity in the Group has undertaken transactions in foreign currency, these transactions are translated into that entity's functional currency using the exchange rates prevailing at the dates of the transactions. Where the functional currency of a subsidiary is not US dollars, the subsidiary's assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income and in the foreign currency translation reserve in equity.

d. Other accounting policies

Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

e. Key judgements and estimates

In the process of applying the Group's accounting policies, a number of judgements and estimates of future events are required. Material judgements and estimates are found in the following notes:

CSL also has a practice of periodically conducting climate change risk assessments. This year we concluded an enterprise-wide risk assessment of our manufacturing facilities, CSL Plasma operations and key warehouse and third-party logistics infrastructure, some directly owned by CSL.

The Group has assessed the impact of climate risk on its financial reporting. The impact assessment was primarily focused on the valuation and useful lives of intangible assets and the identification and valuation of provisions and contingent liabilities, as these are judged to be the key areas that could be impacted by the current reasonably foreseeable climate risks. No material accounting impacts or changes to judgements or other required disclosures were noted. While the Group's assessment did not have a material impact for the year ended 30 June 2022, this may change in future periods as the Group regularly updates its assessment of the impact of the lower carbon economy.

f. The notes to the financial statements

The notes to these financial statements have been organised into logical groupings to help users find and understand the information they need. Where possible, related information has been provided in the same place. More detailed information (for example, valuation methodologies and certain reconciliations) has been placed at the rear of the document and cross-referenced where necessary. CSL has also reviewed the notes for materiality and relevance and provided additional information where it is helpful to an understanding of the Group's performance.

g. Significant changes in current reporting period

The consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2021.

There were no significant changes in accounting policies during the year ended 30 June 2022, nor did the introduction of new accounting standards lead to any change in measurement or disclosure in these financial statements.

The Group has not adopted any accounting standards that are issued but not yet effective. Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided in the annual financial report.

Our Current Performance

Note 1: Segment Information

The Group's segments represent strategic business units that offer different products and operate in different industries and markets. They are consistent with the way the CEO (who is the chief operating decision-maker) monitors and assesses business performance in order to make decisions about resource allocation. Performance assessment is based on EBIT (earnings before interest and tax) and EBITDA (earnings before interest, tax, depreciation, amortisation and impairment). These measures are different from the profit or loss reported in the consolidated financial statements which is shown after net interest and tax expense. This is because decisions that affect net interest expense and tax expense are made at the Group level. It is not considered appropriate to measure segment performance at the net profit after tax level.

The Group's operating segments are:

- **CSL Behring** – manufactures, markets, and distributes plasma therapies (plasma products and recombinants), conducts early-stage research on plasma and non-plasma therapies, excluding influenza, receives licence and royalty income from the commercialisation of intellectual property and undertakes the administrative and corporate function required to support the Group.
- **CSL Seqirus** – manufactures and distributes non-plasma biotherapeutic products and develops influenza related products.

	CSL Behring US$m		CSL Seqirus US$m		Consolidated Entity US$m	
	2022	2021	2022	2021	2022	2021
Sales and service revenue	**8,359.6**	8,427.8	**1,776.7**	1,551.7	**10,136.3**	9,979.5
Influenza pandemic facility reservation fees	**–**	–	**162.2**	160.1	**162.2**	160.1
Royalty and license revenue	**194.6**	125.7	**–**	–	**194.6**	125.7
Other income	**44.2**	20.3	**24.6**	24.4	**68.8**	44.7
Total segment revenue	**8,598.4**	8,573.8	**1,963.5**	1,736.2	**10,561.9**	10,310.0
Segment gross profit	**4,579.9**	4,847.6	**1,152.4**	995.7	**5,732.3**	5,843.3
Segment gross profit %	**53.3%**	56.5%	**58.7%**	57.3%	**54.3%**	56.7%
Segment EBIT	**2,192.7**	2,646.9	**734.7**	483.1	**2,927.4**	3,130.0
Consolidated operating profit					**2,927.4**	3,130.0
Finance costs					**(165.2)**	(170.8)
Finance income					**17.4**	3.9
Consolidated profit before tax					**2,779.6**	2,963.1
Income tax expense					**(524.9)**	(588.1)
Consolidated net profit after tax					**2,254.7**	2,375.0
Amortisation	**67.4**	66.6	**29.4**	29.3	**96.8**	95.9
Depreciation	**375.9**	343.4	**69.8**	56.0	**445.7**	399.4
Impairment[1]	**125.8**	93.3	**–**	1.0	**125.8**	94.3
Segment EBITDA	**2,761.8**	3,150.2	**833.9**	569.4	**3,595.7**	3,719.6

	CSL Behring US$m		CSL Seqirus US$m		Intersegment Elimination US$m		Consolidated Entity US$m	
	2022	2021	2022	2021	2022	2021	2022	2021
Segment assets	**25,881.6**	15,907.3	**3,041.3**	2,573.3	**(576.9)**	(323.7)	**28,346.0**	18,156.9
Segment liabilities	**12,665.1**	8,881.2	**1,618.1**	1,156.3	**(514.7)**	(261.9)	**13,768.5**	9,775.6
Other segment information – capital expenditure								
Payments for property, plant and equipment ("PPE")	**921.3**	1,048.7	**157.5**	147.6	**–**	–	**1,078.8**	1,196.3
Payments for intangibles	**161.6**	463.1	**7.3**	7.7	**–**	–	**168.9**	470.8
Total capital expenditure	**1,082.9**	1,511.8	**164.8**	155.3	**–**	–	**1,247.7**	1,667.1

1 During the year ended 30 June 2022, the Group impaired certain intellectual property assets associated with the Calimmune acquisition ($112.6m). The Group also derecognised the related contingent consideration liabilities ($62.5m) for amounts payable to former shareholders of Calimmune as well as the reversal of the related deferred tax liabilities ($25.3m). The net impact to the profit or loss from all related adjustments was a loss of $24.8m.

Note 1: Segment Information continued

Geographical areas of operation

The Group operates predominantly in Australia, the USA, Germany, the United Kingdom, Switzerland and China. The rest of the Group's operations are spread across many countries and are collectively disclosed as 'Rest of World'.

Geographic areas	Australia US$m		United States US$m		Germany US$m		UK US$m		Switzerland US$m		China US$m		Rest of World US$m		Total US$m	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
External operating revenue	**1,022.1**	859.1	**5,123.5**	4,983.5	**781.2**	854.1	**596.1**	579.5	**281.5**	307.0	**744.6**	650.9	**2,012.9**	2,075.9	**10,561.9**	10,310.0
PPE, right-of-use assets and intangible assets	**1,420.5**	1,435.4	**3,950.3**	3,543.8	**1,232.7**	1,087.7	**331.1**	417.3	**3,099.3**	2,792.9	**481.6**	483.9	**431.2**	444.7	**10,946.7**	10,205.7

Note 2: Business Acquisition

Acquisition of Vifor Pharma AG ("Vifor")

On 13 December 2021, the Group entered into a definitive agreement to launch an all-cash public tender offer to acquire 100% of Vifor, which was subject to regulatory approvals. Vifor is a Swiss based, global specialty pharmaceutical company with a world-leading iron replacement platform for treatment of diseases such as iron deficiency anaemia. Through its extensive dialysis portfolio, Vifor has built a strong presence in renal diseases which continues to benefit from the introduction of novel therapies impacting disease progression. A cornerstone of Vifor's growth strategy has been its strategic partnerships, which have allowed the company to both broaden its portfolio and provide patients access to the treatments they need.

Following closing of the tender offer, the Group commenced buying Vifor's shares on-market. As at 30 June 2022, the Group had purchased 3.3% of Vifor's shares for $387.7m with a fair value of $381.1m, recorded as non-current other financial assets in the balance sheet. These securities are carried at fair value through other comprehensive income ("OCI") as discussed in Note 11(e) and Note 12(b).

The Group has secured funding for the acquisition of Vifor as follows:

- Completion of a AUD$6,300m ($4,500m) Equity Placement in December 2021 and a AUD$750m ($537m) Share Purchase Plan in February 2022 (Note 12(b));
- Issuance of $4,000m in 144A senior unsecured notes ranging from 5 – 40 years, in April 2022 (Note 11(d));
- $2,500m in bilateral credit facilities secured in May 2022 and drawn down subsequent to 30 June 2022 in August 2022 (Note 11(d)); and
- Cash and other bank facilities.

During the year ended 30 June 2022, the Group has incurred $27.7m in net finance costs (pre tax) associated with acquisition financing. The Group has also incurred $40.0m of acquisition and integration planning costs (pre tax) in connection with the transaction that are recognised as general and administrative expenses.

Subsequent to 30 June 2022, the Group has received all necessary regulatory clearances and completed the acquisition of Vifor on 9 August 2022. The Group has paid $11,441.9m for 98% of Vifor shares (includes Vifor's shares acquired as at 30 June 2022) and will proceed with cancellation of the remaining publicly held Vifor shares, in accordance with Swiss takeover rules. The Group will also apply for the delisting of Vifor shares on the SIX. The total consideration for 100% of Vifor shares is expected to be approximately $11,648.1m.

The net book value of the group of assets acquired and the fair values of the identifiable assets and liabilities, of the business combination at the date of acquisition have not been finalised as the acquisition occurred close to the date these financial statements were authorised for release. The acquired assets and liabilities includes publicly listed debt of CHF (Swiss Franc) 465.0m as at the acquisition close. Funds raised in anticipation of the acquisition are adequate to meet the need to repay the debt when it falls due in September 2022. The purchase price accounting for the acquisition will be determined within 12 months from the date of acquisition. At the date of this report, it is not possible to provide a range of outcomes or a reliable estimate of all fair values and obligations. Preliminary purchase price accounting estimates will be completed before the Group's statutory accounts for the half year ending 31 December 2022 are completed.

Note 3: Revenue and Expenses

Recognition and measurement of revenue

Revenue is recognised when the Group satisfies a performance obligation by transferring control of the promised good or service to a customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for the goods or services.

Further information about each source of revenue from contracts with customers and the criteria for recognition follows.

Sales: Revenue is earned (constrained by variable considerations, which include returns, discounts, rebates and allowances) from the sale of products and services. Sales are recognised when performance obligations are either satisfied over time or at a point in time. Generally the supply of product under a contract with a customer will represent the satisfaction of a performance obligation at a point in time, which is when control of the product passes to the customer.

Note 3: Revenue and Expenses continued

Key Judgements and Estimates

Significant estimates on CSL Seqirus sales returns is performed in respect of the influenza season expected to be subject to return. The estimate is performed with inputs including historical returns and customer sales data amongst other factors. For contracts where the customer controls the plasma (tolling contracts) and the Group provides fractionation services – the Group recognises revenue over time as the performance obligations are satisfied based upon a percentage of completion of our fractionation services.

Royalties: Revenue from licensees of CSL intellectual property reflect a right to use the intellectual property as it exists at the point in time in which the licence is granted. Where consideration is based on sales of product by the licensee, it is recognised when the customer's subsequent sales of product occurs.

License revenue: Revenue from licensees of CSL intellectual property reflects the transfer of a right to use the intellectual property as it exists at the point in time in which the licence is transferred to the customer. Consideration is highly variable and estimated using the most likely amount method. Subsequently, the estimate is constrained until it is highly probable that a significant revenue reversal will not occur when the uncertainty is resolved. Revenue is recognised as or when the performance obligations are satisfied.

Influenza pandemic facility reservation fees: Revenue from governments in return for access to influenza manufacturing facilities in the event of a pandemic. Contracts are time-based and revenue is recognised progressively over the life of the relevant contract, which aligns to the performance obligations being satisfied.

Other Income: Other income is derived from net income realised from activities that are outside of the ordinary business, such as the disposal of property, plant and equipment and rental income.

Revenue from contracts with customers includes amounts in total operating revenue except other income.

Expenses	2022 US$m	2021 US$m
Finance costs	**142.8**	128.6
Lease related interest expense	**35.2**	30.1
Unrealised foreign currency (gains)/losses on debt	**(12.8)**	12.1
Total finance costs	**165.2**	170.8
Depreciation of PPE and right-of-use assets (Note 9)	**445.7**	399.4
Amortisation of intangibles (Note 8)	**96.8**	95.9
Impairment expenses (Notes 8 and 9)[2]	**125.8**	94.3
Total depreciation, amortisation and impairment expense	**668.3**	589.6
Write-down of inventory	**223.8**	208.3
Employee benefits expense	**2,802.9**	2,781.6

Recognition and measurement of expenses

Total finance costs: Includes interest expense and borrowing costs, including lease related interest expense. Lease related interest expense and borrowing costs are recognised as an expense when incurred, except where finance costs are directly attributable to the acquisition or construction of a qualifying asset where they are capitalised as part of the cost of the asset. Capitalised interest for qualifying assets during the year ended 30 June 2022 was $26.7m (2021: $7.3m). The weighted average interest rate applicable to capitalised borrowing costs during the year was 2.4% (2021: 1.0%). Interest-bearing liabilities and borrowings are stated at amortised cost. Any difference between borrowing proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the borrowing period using the effective interest method. Unrealised foreign currency (gains)/losses on debt is primarily related to EUR350m and CHF400m of senior unsecured notes in the US Private Placement market. The foreign currency risk related to this debt was partially hedged as a cash flow hedge.

In connection with the 144A senior unsecured notes (Note 2), the Group entered into a treasury lock ("T-lock") prior to the completion of the issuance of the notes to hedge against increases in the Base US Treasury Yield until the settlement date for a portion of the notes. The T-lock arrangement was determined to be an effective cash flow hedge and resulted in a gain of $134.7m being recognised in the statement of comprehensive income. This amount will be reclassified into finance costs in the same period as the associated interest expense from the notes impacts earnings. For the year ended 30 June 2022, $1.0m was reclassified into finance costs.

Goods and Services Tax (GST) and other foreign equivalents: Revenues, expenses and assets are recognised net of GST, except where GST is not recoverable from a taxation authority, in which case it is recognised as part of an asset's cost of acquisition or as part of the expense.

2 During the year ended 30 June 2022, the Group impaired certain intellectual property assets associated with the Calimmune acquisition ($112.6m). The net impact to the profit or loss from all Calimmune related adjustments was a loss of $24.8m (refer to Note 1 for further details).

Note 4: Tax

	2022 US$m	2021 US$m
a. Income tax expense recognised in the statement of comprehensive income		
Current tax expense		
Current Year	**353.6**	442.2
Deferred tax expense/(recovery)		
Origination and reversal of temporary differences	**222.8**	127.5
Total deferred tax expense	**222.8**	127.5
(Over)/under provided in prior years	**(51.5)**	18.4
Income tax expense	**524.9**	588.1
b. Reconciliation between tax expense and pre-tax net profit		
The reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before income tax	**2,779.6**	2,963.1
Income tax calculated at 30% (2021: 30%)	**833.9**	888.9
Effects of different rates of tax on overseas income	**(247.6)**	(217.1)
Research and development incentives	**(62.7)**	(69.1)
(Over)/under provision in prior year	**(51.5)**	18.4
Revaluation of deferred tax balances	**17.7**	(19.8)
Other non-deductible expenses/(non-assessable revenue)	**35.1**	(13.2)
Income tax expense	**524.9**	588.1
c. Income tax recognised directly in equity		
Deferred tax benefit		
Share-based payments	**0.1**	6.2
Income tax benefit recognised in equity	**0.1**	6.2
d. Deferred tax assets and liabilities		
Deferred tax asset	**517.5**	529.5
Deferred tax liability	**(670.1)**	(459.4)
Net deferred tax asset	**(152.6)**	70.1
Deferred tax balances reflect temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income		
Inventories	**134.6**	291.8
Property, plant and equipment	**(352.4)**	(301.5)
Intangible assets	**(215.2)**	(253.4)
Trade and other payables	**160.4**	93.1
Recognised carry-forward tax losses	**3.0**	95.7
Retirement liabilities, net	**23.1**	55.2
Receivables and contract assets	**(97.5)**	(83.4)
Other assets	**–**	2.8
Interest-bearing liabilities	**50.3**	57.7
Other liabilities and provisions	**88.3**	68.5
Tax bases not in net assets for share-based payments	**17.9**	8.8
Total recognised in the statement of comprehensive income	**(187.5)**	35.3
Amounts recognised in equity		
Share-based payments	**34.9**	34.8
Net deferred tax asset	**(152.6)**	70.1

Note 4: Tax continued

	2022 US$m	2021 US$m
e. Movement in temporary differences during the year		
Opening balance	**70.1**	191.0
Charged to profit before tax	**(213.4)**	(97.5)
Charged to other comprehensive income	**0.3**	(17.2)
Charged to equity	**(9.6)**	(6.2)
Closing balance	**(152.6)**	70.1
Unrecognised deferred tax assets		
Tax losses with no expiry date[3]	**0.4**	0.4

Current taxes

Current tax assets and liabilities are the amounts expected to be recovered from (or paid to) tax authorities, under the tax rates and laws in each jurisdiction. These include any rates or laws that are enacted or substantively enacted as at the balance sheet date.

Deferred taxes

Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, carried forward unused tax assets and unused tax losses, only if it is probable that taxable profit will be available to utilise them.

The carrying amount of deferred income tax assets is reviewed at the reporting date. If it is no longer probable that taxable profit will be available to utilise them, they are reduced accordingly.

Deferred tax is measured using tax rates and laws that are enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or when the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set-off current tax assets against current tax liabilities and if they relate to the same taxable entity or group and the same taxation authority.

Income taxes attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or in equity, and not in the income statement.

CSL Limited and its 100% owned Australian subsidiaries have formed a tax consolidated group effective from 1 July 2003.

Key Judgements and Estimates

The risk of uncertain tax positions, and recognition and recoverability of deferred tax assets, are regularly assessed. To do this requires judgements about the application of income tax legislation in jurisdictions in which the Group operates and the future operating performance of entities with carry forward losses. These judgements and assumptions, which include matters such as the availability and timing of tax deductions and the application of the arm's length principle to related party transactions, are subject to risk and uncertainty. Changes in circumstances may alter expectations and affect the carrying amount of deferred tax assets and liabilities. Any resulting adjustment to the carrying value of a deferred tax item will be recorded as a credit or charge to the statement of comprehensive income.

3 Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available for utilisation in the entities that have recorded these losses.

Note 5: Inventories

	2022 US$m	2021 US$m
Raw materials	**1,515.2**	1,309.1
Work in progress	**1,599.5**	1,249.6
Finished goods	**1,218.3**	1,221.9
Total inventories	**4,333.0**	3,780.6

Raw Materials

Raw materials comprise collected and purchased plasma, chemicals, filters and other inputs to production that will be further processed into saleable products but have yet to be allocated to manufacturing.

Work in Progress

Work in progress comprises all inventory items that are currently in use in manufacturing and intermediate products such as pastes generated from the initial stages of the plasma production process.

Finished Products

Finished products comprise material that is ready for sale and has passed all quality control tests.

Inventories generally have expiry dates and the Group provides for product that is short-dated. Expiry dates for raw material are no longer relevant once the materials are used in production. The relevant expiry date at this point then becomes that of the resultant intermediate or finished product.

Inventories are carried at the lower of cost or net realisable value. Cost includes direct material and labour and an appropriate proportion of variable and fixed overheads. Fixed overheads are allocated on the basis of normal operating capacity.

Net realisable value is the estimated revenue that can be earned from the sale of a product less the estimated costs of both completion and selling. The Group assesses net realisable value of plasma derived products on a basket of products basis given their joint product nature.

Key Judgements and Estimates

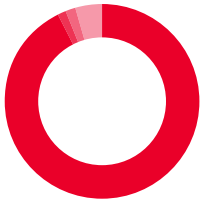
Various factors affect the assessment of recoverability of the carrying value of inventory, including regulatory approvals and future demand for the Group's products. These factors are taken into account in determining the appropriate level of provisioning for inventory.

Note 6: People Costs

(a) Employee Benefits

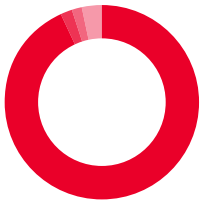
Employee benefits include salaries and wages, annual leave and long-service leave, defined benefit and defined contribution plans and share-based payments incentive awards.

People Cost 2022 – US$2,802.9m



- Salaries and wages **$2,597.0m**
- Defined benefit plan expense **$41.5m**
- Defined contribution plan expense **$47.6m**
- Equity settled share-based payments expense (LTI) **$116.8m**

People Cost 2021 – US$2,781.6m



- Salaries and wages **$2,595.1m**
- Defined benefit plan expense **$53.8m**
- Defined contribution plan expense **$43.0m**
- Equity settled share-based payments expense (LTI) **$89.7m**

Salaries and wages

Wages and salaries include non-monetary benefits, annual leave and long service leave. These are recognised and presented in different ways in the financial statements:

- The liability for annual leave and the portion of long service leave expected to be paid within twelve months is measured at the amount expected to be paid.
- The liability for long service leave and annual leave expected to be paid after one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.
- The liability for annual leave and the portion of long service leave that has vested at the reporting date is included in the current provision for employee benefits.
- The portion of long service leave that has not vested at the reporting date is included in the non-current provision for employee benefits.

Note 6: People Costs continued

Defined benefit plans

	2022 US$m	2021 US$m
Expenses recognised in the income statement are as follows:		
Current service costs	**42.3**	52.3
Net interest cost	**3.0**	1.4
Past service costs	**(3.8)**	0.1
Total included in employee benefits expense	**41.5**	53.8

Defined benefit pension plans provide either a defined lump sum or ongoing pension benefits for employees upon retirement, based on years of service and final average salary.

Liabilities or assets in relation to these plans are recognised in the balance sheet, measured as the present value of the obligation less the fair value of the pension fund's assets at that date.

Present value is based on expected future payments to the reporting date, calculated by independent actuaries using the projected unit credit method. Past service costs are recognised in income on the earlier of the date of plan amendments or curtailment, and the date that the Group recognises restructuring related costs.

Detailed information about the Group's defined benefit plans is in Note 18(a).

Key Judgements and Estimates

The determination of certain employee benefit liabilities requires an estimation of future employee service periods and salary levels and the timing of benefit payments. These assessments are made based on past experience and anticipated future trends. The expected future payments are discounted using the rate applicable to high quality corporate bonds. Discount rates are matched to the expected payment dates of the liabilities.

Defined contribution plans

The Group makes contributions to various defined contribution pension plans and the Group's obligation is limited to these contributions. The amount recognised as an expense for the year ended 30 June 2022 was $47.6m (2021: $43.0m).

Equity settled share-based payment expense

Share-based payment expenses arise from plans that award long-term incentives. Detailed information about the terms and conditions of the share-based payment arrangements is presented in Note 18(b).

Note 6: People Costs continued

Outstanding share-based payment equity instruments

The number and weighted average exercise price for each share-based payment plan outstanding is as follows. All plans are settled by physical delivery of shares except for instruments that may be settled in cash at the discretion of the Board.

	Performance Rights		Retain and Grow Plan (RGP)		Executive Performance and Alignment Plan (EPA)		Non-Executive Director Plan (NED)		Global Employee Share Plan (GESP)		Total
	Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price	Number
Outstanding at the beginning of the year	8,350	A$0.00	801,366	A$0.00	426,121	A$0.00	1,333	A$0.00	99,212	A$229.74	1,336,382
Granted during year	–	A$0.00	539,110	A$0.00	183,972	A$0.00	2,449	A$0.00	188,405	A$223.07	913,936
Exercised during year[4]	(8,350)	A$0.00	(315,709)	A$0.00	(148,680)	A$0.00	(2,529)	A$0.00	(184,141)	A$225.78	(659,409)
Forfeited during year	–	A$0.00	(94,188)	A$0.00	(57,305)	A$0.00	–	A$0.00	–	A$0.00	(151,493)
GESP true-up[5]	–	A$0.00	–	A$0.00	–	A$0.00	–	A$0.00	(4,724)	A$229.74	(4,724)
Closing balance at the end of the year	**–**	**A$0.00**	**930,579**	**A$0.00**	**404,108**	**A$0.00**	**1,253**	**A$0.00**	**98,752**	**A$221.94**	**1,434,692**
Exercisable at the end of the year	–	A$0.00	–	A$0.00	–	A$0.00	–	A$0.00	–	A$0.00	–

The share price at the dates of exercise (expressed as a weighted average) by equity instrument type, is as follows:

	2022	2021
Performance Rights	**A$297.02**	A$290.92
RGP	**A$308.97**	A$280.98
EPA	**A$309.08**	A$281.68
GESP	**A$303.87**	A$263.25

(b) Key Management Personnel Disclosures

The remuneration of key management personnel is disclosed in section 17 of the Directors' Report and has been audited.

Total compensation for key management personnel

	2022 US$	2021 US$
Total of short term remuneration elements	**10,880,861**	9,280,941
Total of post employment elements	**180,451**	142,694
Total of other long term elements	**24,438**	26,173
Total share-based payments	**10,229,740**	11,751,250
Total of all remuneration elements	**21,315,490**	21,201,058

4 During the year ended 30 June 2022, 21,689 (RGP), 65 (EPA) and 89,653 (GESP) of the rights exercised were purchased on market.
5 The fair value of GESP equity instruments is estimated based on the assumptions prevailing on the grant date. In accordance with the terms and conditions of the GESP plan, shares are issued at 15% discount to the lower of the ASX market price on the first and last dates of the contribution period.

Our Future

Note 7: Research and Development

The Group conducts research and development activities to support future development of products to serve our patient communities, to enhance our existing products and to develop new therapies.

All costs associated with our research and development activities are expensed as incurred as uncertainty exists up until the point of regulatory approval as to whether a research and development project will be successful. At the point of approval, the total cost of development has largely been incurred. Development costs incurred after regulatory approval are expensed unless it meets the criteria to be recognised as intangible assets.

The Group also gains control of Intellectual Property (IP) through acquisitions or licence arrangements. In certain circumstances the acquired IP will be capitalised, dependant on the phase of development.

For the year ended 30 June 2022, the research and development costs, net of recoveries, were $1,156.2m (2021: $1,001.4m). Further information about the Group's research and development activities can be found on the CSL website.

Note 8: Intangible Assets

	Goodwill US$m		Intellectual Property US$m		Software US$m		Intangible work in progress US$m		Total US$m	
Year	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Cost	**1,187.3**	1,188.1	**1,133.0**	1,131.1	**785.6**	789.8	**119.9**	77.7	**3,225.8**	3,186.7
Accumulated amortisation	**–**	–	**(189.9)**	(195.6)	**(397.8)**	(321.4)	**–**	–	**(587.7)**	(517.0)
Net carrying amount	**1,187.3**	1,188.1	**943.1**	935.5	**387.8**	468.4	**119.9**	77.7	**2,638.1**	2,669.7
Movement										
Net carrying amount at the beginning of the year	**1,188.1**	1,187.2	**935.5**	509.5	**468.4**	460.9	**77.7**	133.4	**2,669.7**	2,291.0
Additions	**–**	–	**126.0**	450.0	**6.6**	8.1	**64.8**	31.3	**197.4**	489.4
Transfers from intangible capital work in progress	**–**	–	**–**	–	**24.1**	84.1	**(24.1)**	(84.1)	**–**	–
Transfers (to)/from property, plant and equipment	**–**	–	**–**	–	**–**	–	**–**	(0.9)	**–**	(0.9)
Reclassification due to SaaS accounting policy change (see annual financial report at 30 June 2021)	**–**	–	**–**	(5.1)	**–**	(10.3)	**–**	(1.2)	**–**	(16.6)
Amortisation for the year	**–**	–	**(2.3)**	(0.9)	**(94.5)**	(95.0)	**–**	–	**(96.8)**	(95.9)
Impairment for the year[6]	**–**	–	**(112.6)**	(19.9)	**–**	–	**–**	–	**(112.6)**	(19.9)
Currency translation differences	**(0.8)**	0.9	**(3.5)**	1.9	**(16.8)**	20.6	**1.5**	(0.8)	**(19.6)**	22.6
Net carrying amount at the end of the year	**1,187.3**	1,188.1	**943.1**	935.5	**387.8**	468.4	**119.9**	77.7	**2,638.1**	2,669.7

6 During the year ended 30 June 2022, the Group impaired certain intellectual property assets associated with the Calimmune acquisition ($112.6m). The net impact to the profit or loss from all Calimmune related adjustments was a loss of $24.8m (refer to Note 1 for further details).

Note 8: Intangible Assets continued

Goodwill

Any excess of the fair value of the purchase consideration of an acquired business over the fair value of the identifiable net assets (minus incidental expenses) is recorded as goodwill.

Goodwill is initially allocated to each of the cash-generating units but is monitored at the segment (business unit) level. The aggregate carrying amounts of goodwill allocated to each business unit are as follows:

	2022 US$m	2021 US$m
CSL Behring	**1,187.3**	1,188.1
Closing balance of goodwill as at 30 June	**1,187.3**	1,188.1

Goodwill is not amortised but is measured at cost less any accumulated impairment losses. Impairment occurs when a business unit's recoverable amount falls below the carrying value of its net assets.

The results of the impairment test show that each business unit's recoverable amount exceeds the carrying value of its net assets, inclusive of goodwill. Consequently, there is no goodwill impairment as at 30 June 2022 (2021: Nil).

A change in assumptions significant enough to lead to impairment is not considered a reasonable possibility.

Intellectual property

Intellectual property acquired in a business combination is initially measured at fair value. Intellectual property acquired separately is initially measured at cost. Following initial recognition, it is carried at cost less any accumulated amortisation and impairment. Amortisation is calculated on a unit-of-production or straight-line basis over periods generally ranging from 5 to 20 years, except where it is considered that the useful economic life is indefinite. Certain intellectual property acquired may be considered to have an indefinite life.

Contingent consideration in connection with the purchase of individual assets outside of business combinations is recognised as a financial liability only when a non-contingent obligation arises (i.e. when milestone is met). The determination of whether the payment should be capitalised or expensed is usually based on the reason for the contingent payment. If the contingent payment is based on regulatory approvals received (i.e. development milestone), it will generally be capitalised as the payment is incidental to the acquisition so the asset may be made available for its intended use. If the contingent payment is based on period volumes sold (i.e. sales related milestone), it will generally be expensed.

Changes in the fair value of financial liabilities from contingent consideration should be capitalised or expensed based on the nature of the asset acquired (refer above), except for changes due to interest rate fluctuations and the effect from unwinding discounts. Interest rate effects from unwinding of discounts as well as changes due to interest rate fluctuations are recognised as finance costs.

Software

Costs incurred in developing or acquiring software, licences or systems that will contribute future financial benefits are capitalised. These include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 10 years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, where the Group has the intention and ability to use the asset.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. The Group applies judgement in determining the nature and the resulting accounting treatment of the costs of SaaS arrangements.

Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software.

Recognition and measurement

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life of the asset on a straight-line basis. Significant software intangible assets are amortised over the useful life of up to ten years. The amortisation period and method is reviewed at each financial year end at a minimum. Intangible assets with indefinite useful lives are not amortised. The useful life of these intangibles is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable.

Note 8: Intangible Assets continued

Impairment of intangible assets

Assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life (including goodwill) or not yet ready for use are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired.

An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units), other than goodwill that is monitored at the segment level.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units, and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

Key Judgements and Estimates

The impairment assessment process requires significant judgement. Determining whether goodwill, indefinite lived intangibles and work in progress intangibles have been impaired requires estimation of the recoverable amount of the cash generating units based on value-in-use calculations. The calculations use cash flow projections based on operating budgets and a ten-year strategic business plan, after which a terminal value, based on our view of the longer term growth profile of the business is applied. Cash flows have been discounted using an implied pre-tax discount rate of 9.0% (2021: 8.0%) which is calculated with reference to external analyst views, long-term government bond rates and the company's pre-tax cost of debt.

The determination of cash flows over the life of an asset requires judgement in assessing the future demand for the Group's products, climate related impacts, any changes in the price and cost of those products and of other costs incurred by the Group.

Factors considered in the exercise of our judgement include the progress of the research project, time to market and the anticipated competitive landscape. These factors require judgement and may change in future periods, the impairment analysis takes into account the latest available information.

Note 9: Property, Plant and Equipment

	Land US$m		Buildings US$m		Leasehold improvements US$m	
	2022	2021	2022	2021	2022	2021
Cost	**35.5**	39.5	**1,818.9**	964.3	**597.4**	546.0
Accumulated depreciation	**–**	–	**(297.2)**	(253.4)	**(181.9)**	(157.0)
Net carrying amount	**35.5**	39.5	**1,521.7**	710.9	**415.5**	389.0
Movement						
Net carrying amount at the start of the year	**39.5**	38.7	**710.9**	561.7	**389.0**	324.8
Transferred from capital work in progress/intangible assets	**–**	–	**879.1**	157.2	**56.7**	79.8
Additions[7]	**–**	0.4	**2.4**	0.5	**0.7**	2.8
Disposals	**(3.5)**	–	**(1.5)**	–	**(0.3)**	(0.1)
Depreciation for the year	**–**	–	**(50.8)**	(29.2)	**(26.9)**	(20.7)
Impairment for the year[8]	**–**	–	**–**	–	**–**	–
Currency translation differences	**(0.5)**	0.4	**(18.4)**	20.7	**(3.7)**	2.4
Net carrying amount at the end of the year	**35.5**	39.5	**1,521.7**	710.9	**415.5**	389.0

Property, plant and equipment

Land, buildings, capital work in progress and plant and equipment assets are recorded at historical cost less, where applicable, depreciation.

Right-of-use assets are measured at cost, less accumulated depreciation, impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities and restoration obligations recognised less any lease incentives received and initial direct costs.

Depreciation is recognised on a systematic basis over the estimated useful life of the asset, generally on a straight-line basis.

Buildings	5 – 40 years
Plant and equipment	3 – 30 years
Leasehold improvements	5 – 25 years
Right-of-use assets	
– Plasma centres	5 – 40 years
– Office and warehouses	1 – 39 years
– Land	40 – 101 years

The unit-of-production depreciation method, based on the expected use or output as the asset is being used, may be applied during the early stages of operation of manufacturing facilities, as a substantial period of time may be required to ramp up the production and operate at intended capacity. This method is to be applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits.

Assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. Items of property, plant and equipment are derecognised upon disposal or when no further economic benefits are expected from their use or disposal.

Impairment testing for property, plant and equipment will be performed if an impairment trigger is identified.

Gains and losses on disposals of items of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in the statement of comprehensive income when realised.

40% of the Holly Springs facility, acquired with the Novartis Influenza business, was legally owned by the US Government prior to 1 July 2021. CSL has full control of the asset and 100% of the value of the facility is included in the consolidated financial statements. During the year ended 30 June 2022, full legal title transferred to CSL following the completion of the Final Closeout Technical Report.

Leasehold improvements

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

7 Key capital projects during the year included the recombinant protein facility in Lengnau, the Marburg R&D Building, the CSL Melbourne Headquarters and R&D facilities and the Biosecurity Facility in Melbourne.
8 During the year ended 30 June 2022, the Group recorded an impairment expense of $13m for assets associated with major capital projects which have been identified as surplus to requirements as a result of the change in project scope for these projects.

Plant and Equipment US$m		Right-of-use assets US$m		Capital work in progress US$m		Total US$m	
2022	2021	2022	2021	2022	2021	2022	2021
4,078.4	3,603.4	**1,848.8**	1,587.6	**3,081.6**	3,627.8	**11,460.6**	10,368.6
(2,116.1)	(1,936.3)	**(556.8)**	(485.9)	**–**	–	**(3,152.0)**	(2,832.6)
1,962.3	1,667.1	**1,292.0**	1,101.7	**3,081.6**	3,627.8	**8,308.6**	7,536.0
1,667.1	1,588.3	**1,101.7**	939.4	**3,627.8**	2,852.5	**7,536.0**	6,305.4
614.6	266.5	**–**	–	**(1,550.4)**	(502.6)	**–**	0.9
9.7	49.0	**301.0**	238.8	**1,083.6**	1,318.5	**1,397.4**	1,610.0
(4.4)	(4.1)	**(0.2)**	–	**(1.6)**	(8.1)	**(11.5)**	(12.3)
(277.5)	(272.4)	**(90.5)**	(77.1)	**–**	–	**(445.7)**	(399.4)
–	–	**–**	–	**(13.2)**	(74.4)	**(13.2)**	(74.4)
(47.2)	39.8	**(20.0)**	0.6	**(64.6)**	41.9	**(154.4)**	105.8
1,962.3	1,667.1	**1,292.0**	1,101.7	**3,081.6**	3,627.8	**8,308.6**	7,536.0

Right-of-use ("ROU") assets

The Group primarily has leases for plasma centres, office buildings, warehouses, land and vehicles.

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The Group accounting policy for lease liabilities has been discussed in Note 11(d).

Unless the Group is reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Other arrangements

In May 2020, CSL entered into a strategic partnership with Thermo Fisher Scientific ("TFS") which included a lease of a recombinant protein facility in Lengnau. The lease commenced during the year ended 30 June 2022 and has a 20 year term with two five year extension options. The lease has been accounted for as an operating lease and the leased property, plant and equipment continue to be presented in the balance sheet. The total future operating lease payments receivable from TFS (excluding extension options) were $454.1m at 30 June 2022.

Returns, Risk & Capital Management

Note 10: Shareholder Returns

(a) Dividends

Dividends are paid from the retained earnings and profits of CSL Limited, as the parent entity of the Group. (Refer to Note 22 for the parent entity's retained earnings). During the year, the parent entity reported profits of $506.8m (2021: $106.1m). The parent entity's retained earnings as at 30 June 2022 were $6,322.6m (2021: $6,854.4m). During the financial year $1,038.7m was distributed to shareholders by way of a dividend, with a further $568.4m being determined as a dividend payable subsequent to the balance date.

Dividend Paid	2022 US$m	2021 US$m
Paid: Final ordinary dividend of US$1.18 per share, 10% franked at 30% tax rate, paid on 30 September 2021 for FY21 (prior year: US$1.07 per share, unfranked, paid on 9 October 2020 for FY20)	**537.7**	484.7
Paid: Interim ordinary dividend of US$1.04 per share, unfranked, paid on 6 April 2022 for FY22 (prior year: US$1.04 per share, unfranked, paid on 1 April 2021 for FY21)	**501.0**	473.3
Total paid	**1,038.7**	958.0
Dividend determined, but not paid at year end:		
Final ordinary dividend of US$1.18 per share, 10% franked at 30% tax rate, expected to be paid on 5 October 2022 for FY22, based on shares on issue at reporting date. The aggregate amount of the proposed dividend will depend on actual number of shares on issue at dividend record date (prior year: US$1.18 per share, 10% franked at 30% tax rate, paid on 30 September 2021 for FY21)	**568.4**	537.0

The distribution in respect of the 2022 financial year represents a US$2.22 dividend paid for FY22 on each ordinary share held. These dividends are approximately 46.2% of the Group's basic earnings per share ('EPS') of US$4.81.

(b) Earnings per Share

CSL's basic and diluted EPS are calculated using the Group's net profit for the year of $2,254.7m (2021: $2,375.0m).

	2022	2021
Basic EPS	**US$4.81**	US$5.22
Weighted average number of ordinary shares	**468,754,857**	454,865,604
Diluted EPS	**US$4.80**	US$5.21
Adjusted weighted average number of ordinary shares, represented by:	**470,117,188**	456,203,803
Weighted average number of ordinary shares	**468,754,857**	454,865,604
Plus:		
Employee Share Plans (refer to Notes 6 and 18)	**1,362,331**	1,338,199

Diluted EPS differs from Basic EPS as the calculation takes into account potential ordinary shares arising from employee share plans operated by the Group.

(c) Contributed Equity

The following table illustrates the movement in the Group's contributed equity. Refer to Note 12 for further details.

	2022		2021	
	Number of shares	US$m	Number of shares	US$m
Opening balance	**455,125,994**	**(4,504.6)**	454,048,707	(4,561.0)
Shares issued to employees via (Notes 6 and 18):				
Performance Options Plan	**–**	**–**	308,186	24.4
Performance Rights Plan (for nil consideration)	**8,350**	**–**	197,646	–
Retain and Grow Plan (for nil consideration)	**294,020**	**–**	253,126	–
Executive Performance & Alignment Plan (for nil consideration)	**148,615**	**–**	138,369	–
Global Employee Share Plan (GESP)	**94,488**	**8.7**	179,960	32.0
Shares issued through Institutional Placement (Note 2)[9]	**23,076,924**	**4,442.4**	–	–
Shares issued through SPP (Note 2)[8]	**2,957,875**	**537.3**	–	–
Closing balance	**481,706,266**	**483.8**	455,125,994	(4,504.6)

9 Proceeds from shares issued through the Institutional Placement and SPP are presented net of $40.6m in transaction costs.

Note 11: Financial Risk Management

CSL holds financial instruments that arise from the Group's need to access financing, from the Group's operational activities and as part of the Group's risk management activities. The Group is exposed to financial risks associated with its financial instruments. Financial instruments comprise cash and cash equivalents, receivables, contract assets, other financial assets, payables and other liabilities, bank loans and overdrafts, unsecured notes, and lease liabilities.

The primary risks these give rise to are:

- Foreign exchange risk
- Interest rate risk
- Credit risk
- Funding and liquidity risk
- Capital management risk

Source of Risk	Risk Mitigation
a. Foreign Exchange Risk	
The Group is exposed to foreign exchange risk because of its international operations. These risks relate to future commercial transactions, assets and liabilities denominated in other currencies and net investments in foreign operations.	Where possible CSL takes advantage of natural hedging (i.e. the existence of payables and receivables in the same currency). The Group also reduces its foreign exchange risk on net investments in foreign operations by denominating external borrowings in currencies that match the currencies of its foreign investments.
b. Interest Rate Risk	
The Group is exposed to interest rate risk through its primary financial assets and liabilities.	The Group mitigates interest rate risk on borrowings primarily by entering into fixed rate arrangements, which are not subject to interest rate movements in the ordinary course. If necessary, CSL also hedges interest rate risk using derivative instruments (including the T-lock entered into and settled during the year as disclosed in Note 3 and Note 12). As at 30 June 2022, no derivative financial instruments hedging interest rate risk were outstanding (2021: Nil).
c. Credit Risk	
The Group is exposed to credit risk from financial instruments contracts and trade and other receivables. The maximum exposure to credit risk at reporting date is the carrying amount, net of any provision for impairment inclusive of any lifetime expected credit losses under AASB 9, if applicable, of each financial asset in the balance sheet.	The Group mitigates credit risk from financial instruments contracts by only entering into transactions with counterparties who have sound credit ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations. The Group minimises the credit risk associated with trade and other debtors by undertaking transactions with a large number of customers in various countries. The Group enters into arrangements with distributors to sell products in some markets. Certain distributors may contribute to 10% or more revenue of the Group. Creditworthiness of customers is reviewed prior to granting credit, using trade references and credit reference agencies. As at 30 June 2022, the Group was holding larger than normal cash balances to fund the acquisition of Vifor (Note 2). The cash balances were held with appropriately rated counterparties in accordance with board approved policy.
d. Funding and Liquidity Risk	
The Group is exposed to funding and liquidity risk from operations and from external borrowing. One type of this risk is credit spread risk, which is the risk that in refinancing its debt, CSL may be exposed to an increased credit spread. Another type of this risk is liquidity risk, which is the risk of not being able to refinance debt obligations or meet other cash outflow obligations when required. Liquidity and re-financing risks are not significant for the Group, as CSL has a prudent gearing level and strong cash flows.	The Group mitigates funding and liquidity risks by ensuring that: • The Group has sufficient funds on hand to achieve its working capital and investment objectives • The Group focuses on improving operational cash flow and maintaining a strong balance sheet • Short-term liquidity, long-term liquidity and crisis liquidity requirements are effectively managed, minimising the cost of funding and maximising the return on any surplus funds through efficient cash management • It has adequate flexibility in financing to balance short-term liquidity requirements and long-term core funding and minimise refinancing risk
e. Capital Risk Management	
The Group's objectives when managing capital are to safeguard its ability to continue as a going concern while providing returns to shareholders and benefits to other stakeholders. Capital is defined as the amount subscribed by shareholders to the Company's ordinary shares and amounts advanced by debt providers to any Group entity.	The Group aims to maintain a capital structure, which reflects the use of a prudent level of debt funding. The aim is to reduce the Group's cost of capital without adversely affecting the credit margins applied to the Group's debt funding. Each year the Directors determine the dividend taking into account factors such as profitability and liquidity.

Note 11: Financial Risk Management continued

Risk management approach

The Group uses sensitivity analysis (together with other methods) to measure the extent of financial risks and decide if they need to be mitigated. If so, the Group's policy is to use derivative financial instruments, such as foreign exchange contracts and interest rate swap and forward contracts, to support its objective of achieving financial targets while seeking to protect future financial security. The aim is to reduce the impact of short-term fluctuations in currency or interest rates on the Group's earnings. Derivatives are exclusively used for this purpose and not as trading or other speculative instruments.

a. Foreign Exchange Risk

The objective is to match the contracts with committed future cash flows from sales and purchases in foreign currencies to protect the Group against exchange rate movements. The Group reduces its foreign exchange risk on net investments in foreign operations by denominating external borrowings in currencies that match the currencies of its foreign investments. The total value of forward exchange contracts in place at reporting date is nil (2021: Nil).

Sensitivity analysis – USD values

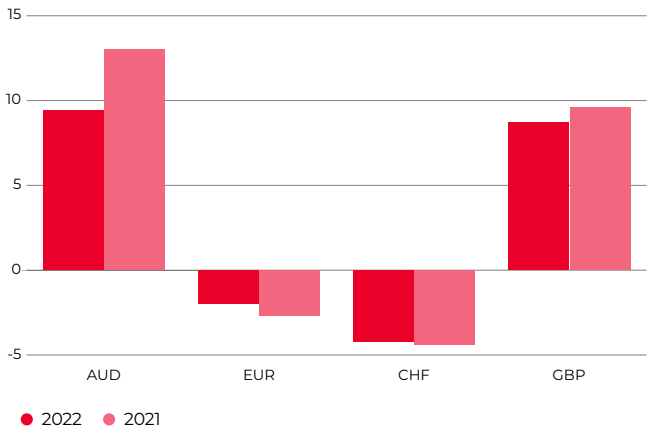
Profit after tax – sensitivity to general movement of 1%

A movement of 1% in the USD exchange rate against AUD, EUR, CHF and GBP would not generate a material impact to profit after tax.

Equity – sensitivity to general movement of 1%

Any movement is recorded in the Foreign Currency Translation Reserve. The below chart is based on decreasing the actual exchange rate of US Dollars to AUD, EUR, CHF and GBP as at 30 June 2022 and 2021 by 1% and applying these adjusted rates to the net assets (excluding investments in subsidiaries) of the foreign currency denominated financial statements of various Group entities. Amounts shown are in US$m.

FX Sensitivity on Equity (US$m)



b. Interest Rate Risk

At 30 June 2022, it is estimated that a general movement of one percentage point in the interest rates applicable to investments of cash and cash equivalents would have changed the Group's profit after tax by approximately $9.5m (2021: $12.7m). This calculation is based on applying a 1% movement to the total of the Group's cash and cash equivalents at year end (excluding debt and equity proceeds in connection with the acquisition of Vifor as disclosed in Note 2).

At 30 June 2022, it is estimated that a general movement of one percentage point in the interest rates applicable to floating rate unsecured bank loans would have changed the Group's profit after tax by approximately $3.6m (2021: $3.9m). This calculation is based on applying a 1% movement to the total of the Group's floating rate unsecured bank loans at year end.

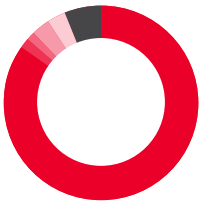
Note 11: Financial Risk Management continued

c. Credit Risk

The Group only invests its cash and cash equivalent financial assets with financial institutions having a credit rating of at least 'BBB+' or better, as assessed by independent rating agencies.

	Floating Rate[10]		Non-Interest Bearing		Total		Average Closing Interest Rate	
	US$m		US$m		US$m		%	
	2022	2021	2022	2021	2022	2021	2022	2021
Financial assets and contract assets								
Cash and cash equivalents	**10,436.4**	1,808.8	**–**	–	**10,436.4**	1,808.8	**0.86%**	0.02%
Receivables and contract assets (excluding prepayments)	**–**	–	**1,496.0**	1,570.3	**1,496.0**	1,570.3	**–**	–
Other financial assets[11]	**–**	–	**407.1**	26.3	**407.1**	26.3	**–**	–
	10,436.4	1,808.8	**1,903.1**	1,596.6	**12,339.5**	3,405.4		

Credit quality of financial assets
(30 June 2022 in US$m)



- Financial Institutions* **$10,462.4m**
- Governments **$224.2m**
- Hospitals **$150.8m**
- Buying Groups **$398.8m**
- Publicly traded securities **$381.1m**
- Other **$722.2m**

* $10,436.4m of the assets held with financial institutions are held as cash or cash equivalents and $26.0m of other financial assets. Financial assets held with non-financial institutions include $1,496.0m of trade and other receivables.

Credit quality of financial assets
(30 June 2021 in US$m)

- Financial Institutions* **$1,835.1m**
- Governments **$240.1m**
- Hospitals **$207.1m**
- Buying Groups **$457.9m**
- Publicly traded securities **$0m**
- Other **$665.2m**

* $1,808.8m of the assets held with financial institutions are held as cash or cash equivalents and $26.3m of other financial assets. Financial assets held with non-financial institutions include $1,570.3m of trade and other receivables.

The Group has not renegotiated any material collection/repayment terms of any financial assets in the current financial year.

Government or government-backed entities (such as hospitals) often account for a significant proportion of trade receivables. As a result, the Group carries receivables from a number of Southern European governments. The credit risk associated with trading in these countries is considered on a country-by-country basis and the Group's trading strategy is adjusted accordingly. The factors taken into account in determining the credit risk of a particular country include recent trading experience, current economic and political conditions and the likelihood of continuing support from agencies such as the European Central Bank.

The following table analyses trade receivables that are past due and, where required, the associated provision for expected credit losses (refer to Note 15). All other financial assets are less than 30 days overdue.

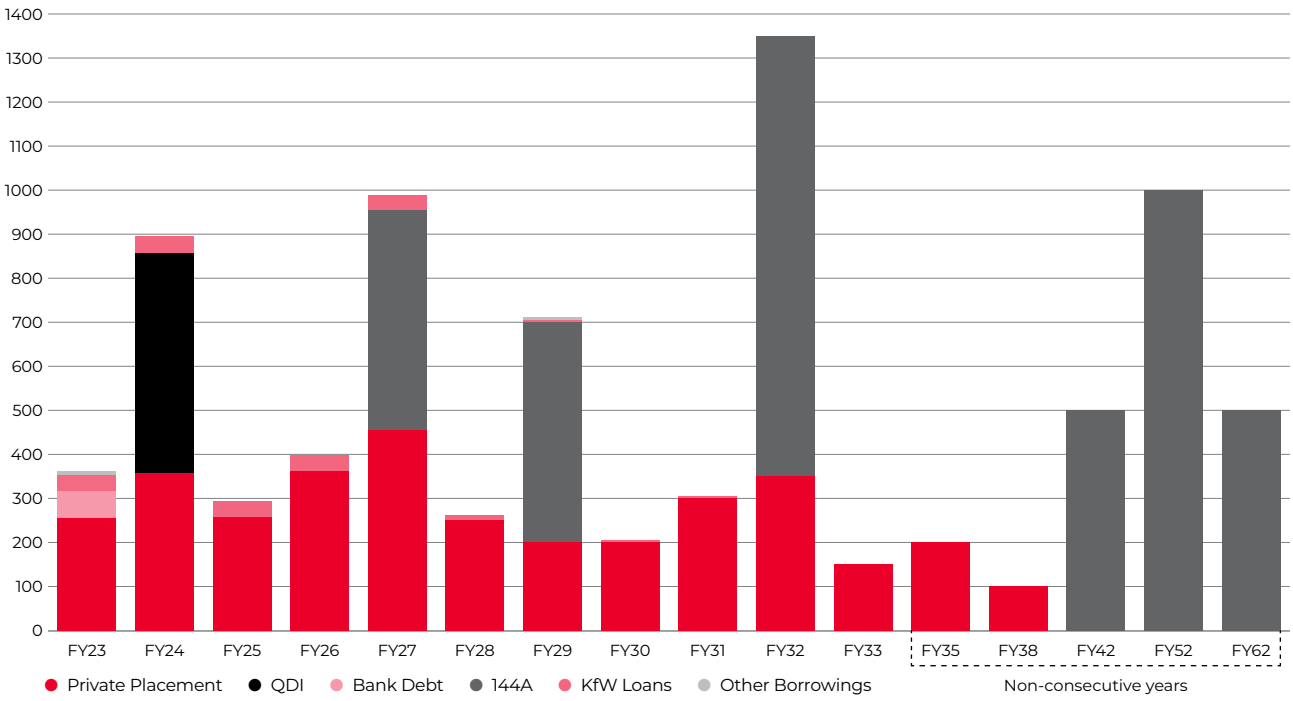
	Gross		Provision		Net	
Trade receivables and contract assets	2022 US$m	2021 US$m	2022 US$m	2021 US$m	2022 US$m	2021 US$m
current	**1,083.0**	1,140.3	**(8.7)**	(9.6)	**1,074.3**	1,130.7
less than 30 days overdue	**20.5**	33.1	**–**	–	**20.5**	33.1
between 30 and 90 days overdue	**40.2**	16.5	**–**	–	**40.2**	16.5
more than 90 days overdue	**24.1**	41.6	**(8.2)**	(13.9)	**15.9**	27.7
	1,167.8	1,231.5	**(16.9)**	(23.5)	**1,150.9**	1,208.0

10 Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date. All interest rates on floating rate financial assets and liabilities are subject to reset within the next six months.
11 Other financial assets includes $381.1m in Vifor shares measured at fair value through OCI (Note 2 and Note 12).

Note 11: Financial Risk Management continued

d. Funding and Liquidity Risk

The following chart summarises the Group's maturity profile of debt on an undiscounted basis by facility (US$m). The chart includes the maturity profile of the $4,000.0m in 144A senior unsecured notes excluding its mandatory redemption feature that existed at 30 June 2022 (Note 11(d)). The mandatory redemption feature required repayment of the 144A senior unsecured notes if the acquisition of Vifor had not completed by 31 December 2022. This mandatory redemption feature was removed subsequent to 30 June 2022 following the acquisition of Vifor (Note 2).



The following table analyses the Group's financial liabilities:

Interest-bearing liabilities and borrowings	2022 US$m	2021 US$m
Current		
Bank overdraft – unsecured	**102.0**	78.7
Bank borrowings – unsecured	**202.7**	66.2
Senior notes – unsecured	**150.0**	250.0
Senior 144A notes – unsecured[12]	**3,959.2**	–
Lease liabilities	**73.5**	77.8
Other borrowings – secured	**6.6**	1.1
	4,494.0	473.8
Non-current		
Bank borrowings – unsecured	**179.2**	220.0
Senior notes – unsecured	**3,675.3**	3,993.9
Lease liabilities	**1,301.3**	1,104.6
Other borrowings – secured	**8.0**	14.6
	5,163.8	5,333.1

12 The $3,959.2m in 144A senior unsecured notes, which are net of transaction costs of $40.8m, were issued on 27 April 2022 with the proceeds to be used to partially fund the acquisition of Vifor (Note 2) and for general corporate purposes. These notes were classified as current at 30 June 2022 due to the existence of a mandatory redemption feature at balance sheet date in the event the acquisition did not complete. Subsequent to 30 June 2022, the mandatory redemption feature was removed following the acquisition of Vifor (Note 2) and the notes that have contractual maturities beyond 12 months will be subsequently reclassified as non-current.

Interest-bearing liabilities and borrowings

Interest-bearing liabilities and borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, interest-bearing liabilities and borrowings are stated at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate of the lessee at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The Group exercises judgement when determining the incremental borrowing rate based on the interest that the lessee would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment, and observable inputs such as market interest rates are used as applicable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. Subsequent to initial recognition, lease liabilities are measured at amortised cost. Lease liabilities are remeasured if there is a modification, such as a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group's lease liabilities are inclusive of extension options the Group is reasonably certain to exercise based upon our judgement as at the reporting date. Lease extension options that the Group is not reasonably certain to exercise as at the reporting date are appropriately excluded from the lease liabilities. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption, which relates to leases such as office photocopiers, gas storage cylinders, and other miscellaneous low value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Contractual maturities of financial liabilities

The following table categorises the financial liabilities into relevant maturity periods, taking into account the remaining period at the reporting date and the contractual maturity date. The weighted average contractual maturity date of financial liabilities (excluding trade and other payables and lease liabilities) has increased from 6 years as at 30 June 2021 to 12 years as at 30 June 2022. The amounts disclosed represent principal and interest cash flows, so they may differ from the equivalent reported amounts in the balance sheet.

Note 11: Financial Risk Management continued

	Contractual payments due as at 30 June									
	1 year or less US$m		Between 1 year and 5 years US$m		Over 5 years US$m		Total US$m		Weighted average interest rate %	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Trade and other payables (non-interest bearing)	**2,301.2**	2,089.4	**–**	–	**–**	–	**2,301.2**	2,089.4	**–**	–
Bank borrowings – unsecured (floating rates)[13]	**62.7**	31.2	**–**	36.4	**–**	–	**62.7**	67.6	**2.0%**	1.8%
Bank borrowings – unsecured (fixed rates)	**38.8**	38.1	**149.4**	148.7	**27.7**	40.8	**215.9**	227.6	**1.0%**	1.0%
Bank overdraft – unsecured (floating rates)[13]	**102.0**	78.7	**–**	–	**–**	–	**102.0**	78.7	**–**	–
Senior unsecured notes (fixed rates)	**358.8**	350.7	**1,771.8**	1,343.6	**1,964.5**	2,768.7	**4,095.1**	4,463.0	**2.8%**	2.8%
Senior unsecured 144A notes (fixed rates)[14]	**177.4**	–	**1,209.5**	–	**6,153.6**	–	**7,540.5**	–	**4.1%**	–
Senior unsecured notes (floating rates)[13]	**12.6**	5.0	**506.3**	507.6	**–**	–	**518.9**	512.6	**2.5%**	1.0%
Lease liabilities (fixed rates)	**79.2**	108.7	**283.3**	365.1	**1,011.9**	1,095.6	**1,374.4**	1,569.4	**3.0%**	2.9%
Other borrowings (fixed rates)	**7.3**	7.4	**4.4**	5.6	**5.7**	6.1	**17.4**	19.1	**5.1%**	5.2%
	3,140.0	2,709.2	**3,924.7**	2,407.0	**9,163.4**	3,911.2	**16,228.1**	9,027.4		

Available debt facilities

As at 30 June 2022, the Group had the following available interest-bearing liabilities and borrowings (undiscounted and excludes bank overdrafts and lease liabilities):

Unsecured

- Five revolving committed bank facilities totalling US$1,604.0m, which includes US$1,542.5m in undrawn available funds
- Senior unsecured notes in the US private placement market totalling US$3,435.0m
- Senior unsecured notes in the 144A US private placement market totalling US$4,000.0m
- Unsecured notes in the Hong Kong market ("QDI") totalling US$500.0m
- Commercial paper program totalling US$750.0m which remains undrawn and available
- Bank facility ("KFW") totalling US$216.3m

In addition to the above, the Group entered into US$2,500.0m in bilateral credit facilities (floating rate) in May 2022 with proceeds restricted to the acquisition of Vifor (Note 2). Subsequent to 30 June 2022, the Group has completed the acquisition of Vifor (Note 2) and has drawn down the available $2,500.0m in August 2022.

Secured

- Other secured borrowings totalling US$13.1m

The Group is in compliance with all debt covenants as at 30 June 2022.

e. Fair value of financial assets and financial liabilities

The carrying value of financial assets and liabilities is materially the same as the fair value. The following methods and assumptions were used to determine the net fair values of financial assets and liabilities.

Cash

The carrying value of cash equals fair value, due to the liquid nature of cash.

Receivables, contract assets and payables

Carrying value of receivables, contract assets and payables with a remaining life of less than one year is deemed to equal fair value.

Other financial assets

Other financial assets includes equity securities carried at fair value through other comprehensive income which are not held for trading. The publicly traded securities held in connection with the acquisition of Vifor (refer to Note 2 and Note 12(b)) are measured at fair value calculated based on quoted prices (unadjusted) in an active market.

Interest-bearing liabilities

Fair value is calculated based on the discounted expected principal and interest cash flows, using rates currently available for debt of similar terms, credit risk and remaining maturities.

13 Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date. All interest rates on floating rate financial assets and liabilities are subject to reset within the next six months.
14 Contractual maturities of financial liabilities excludes the mandatory redemption feature included within the 144A senior unsecured notes. Refer to Note 11(d) for detail regarding this redemption feature.

Note 11: Financial Risk Management continued

Other financial liabilities

The Group also has foreign currency loans payable that have been designated as a cash flow hedge against forecast sale transactions in foreign currency. An effective hedge is one that meets certain criteria. Gains or losses on the cash flow hedge that relate to the effective portion of the hedge are recognised in equity. Gains or losses relating to the ineffective portion, if any, are recognised in the statement of comprehensive income. Other liabilities also includes contingent consideration liabilities from business combinations.

Key Judgements and Estimates

Contingent consideration liabilities are valued with reference to our judgement of the expected probability and timing of potential future milestone payments, based upon level 3 inputs under the fair value hierarchy, which is then discounted to a present value using appropriate discount rates with reference to the Group's incremental borrowing rates.

Valuation of financial instruments

For financial instruments measured and carried at fair value, the Group uses the following to categorise the method used:

- Level 1: Items traded with quoted prices in active markets for identical liabilities
- Level 2: Items with significantly observable inputs other than quoted prices in active markets
- Level 3: Items with unobservable inputs (not based on observable market data)

There were no transfers between Level 1 and Level 2 during the year, or any transfers into Level 3.

Financial assets/(liabilities) measured at fair value		2022 US$m	2021 US$m
Publicly traded securities (Note 2)	Level 1	**381.1**	–
Contingent consideration liabilities from business combinations (Note 15)[15]	Level 3	**(268.6)**	(345.8)

Note 12: Equity and Reserves

(a) Contributed Equity

	2022 US$m	2021 US$m
Ordinary shares issued and fully paid	**4,988.4**	–
Share buy-back reserve	**(4,504.6)**	(4,504.6)
Total contributed equity	**483.8**	(4,504.6)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Where the Group reacquires its own shares, for example as a result of a share buy-back, those shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid to acquire the shares, including any directly attributable transaction costs net of income taxes is recognised directly as a reduction in equity.

Ordinary shares receive dividends as declared and, in the event of winding up the company, participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the company.

Share buy-backs were undertaken at higher prices than the original subscription prices which reduced the historical balance for ordinary share contributed equity to nil. The share buy-back reserve was created to reflect the excess value of shares bought over the original amount of subscribed capital. Information relating to changes in contributed equity is set out in Note 10.

15 During the year ended 30 June 2022, the Group derecognised contingent consideration liabilities ($62.5m) for amounts payable to former shareholders of Calimmune. The net impact to the profit or loss from all related adjustments associated with the Calimmune acquisition (including impairment expense disclosed in Note 1 and Note 3) was a loss of $24.8m.

Note 12: Equity and Reserves continued

(b) Movement in Reserves

	Share-based payments reserve (i)		Foreign currency translation reserve (ii)		Hedge reserve (iii)		Other reserves (iv)		Total	
US$m	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	**426.7**	328.7	**206.5**	7.6	**–**	–	**–**	–	**633.2**	336.3
Share-based payment expense	**116.8**	91.8	**–**	–	**–**	–	**–**	–	**116.8**	91.8
Net exchange gains/(losses) on translation of foreign subsidiaries, net of hedging reserve	**–**	–	**(286.9)**	198.9	**–**	–	**–**	–	**(286.9)**	198.9
Change in fair value of investments valued through OCI	**–**	–	**–**	–	**–**	–	**(6.6)**	–	**(6.6)**	–
Fair value of cash flow hedge	**–**	–	**–**	–	**134.7**	–	**–**	–	**134.7**	–
Reclassification to profit and loss	**–**	–	**–**	–	**(1.0)**	–	**–**	–	**(1.0)**	–
Deferred tax	**0.1**	6.2	**–**	–	**–**	–	**–**	–	**0.1**	6.2
Closing balance	**543.6**	426.7	**(80.4)**	206.5	**133.7**	–	**(6.6)**	–	**590.3**	633.2

Nature and purpose of reserves

i. Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of awards issued to employees.

ii. Foreign currency translation reserve

Where the functional currency of a subsidiary is not US dollars, its assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates.

All resulting exchange differences are recognised in other comprehensive income and in the foreign currency translation reserve in equity. Exchange differences arising from borrowings designated as hedges of net investments in foreign entities are also included in this reserve.

iii. Hedge reserve

The hedge reserve recognises the effective portion of gains and losses on derivatives that are designated and qualify as hedges. Amounts are subsequently reclassified into the profit and loss as appropriate. The hedge reserve includes the cash flow hedge reserve associated with the T-lock which settled during 30 June 2022 (refer to Note 3).

iv. Other reserves

Other reserves includes equity securities purchased in connection with the acquisition of Vifor (refer to Note 2 and Note 11(e)). The Group has elected to recognise changes in the fair value of these investments in equity securities in OCI (excluding dividend income). These changes are accumulated within the other reserves within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Note 13: Commitments and Contingencies

(a) Capital Commitments

Commitments in relation to capital expenditure contracted but not provided for in the financial statements are payable as follows:

	Capital Commitments	
	2022 US$m	2021 US$m
Not later than one year	**403.2**	520.0
Later than one year but not later than five years	**83.3**	24.3
Total	**486.5**	544.3

The Company entered into a lease for a building, currently under construction in Melbourne, as the new global headquarters. The lease is expected to commence in 2023 with an initial term of 20 years and annual lease costs of approximately $15.0m.

(b) Contingent assets and liabilities

Litigation

In the ordinary course of business, the Group is exposed to contingent liabilities related to litigation for breach of contract and other claims. Contingent liabilities occur when the possibility of a future settlement of economic benefits is considered to be less than probable but more likely than remote. If the expected settlement of the liability becomes probable, a provision is recognised.

Other contingent assets and liabilities

The Group has entered into collaboration arrangements, including in-licensing arrangements with various companies. Such collaboration agreements may require the Group to make payments on achievement of stages of development, launch or revenue milestones and may include variable payments that are based on unit sales (e.g. royalty payments). The amount of royalties payable under the arrangements are inherently uncertain and difficult to predict, given the direct link to future sales and the range of outcomes.

The maximum amount of unrecognised potential future commitments for such payments associated with uniQure and Momenta licensing arrangements amount to $2,050.0m (2021: $2,105.0m). These amounts are undiscounted and are not risk-adjusted, which include all such possible payments that can arise assuming all products currently in development are successful and all possible performance objectives are met.

Efficiency of Operation

Note 14: Cash and Cash Equivalents

	2022 US$m	2021 US$m
Cash at bank and on hand	**1,531.0**	1,426.0
Cash deposits	**8,905.4**	382.8
Total cash and cash equivalents[16]	**10,436.4**	1,808.8

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. They are made up of:

- Cash on hand.
- At call deposits with banks or financial institutions.
- Investments in money market instruments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the cash flow statement, cash at the end of the financial year is net of bank overdraft amounts.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and financing activities that are recoverable from or payable to a taxation authority are presented as part of operating cash flows.

Note 15: Receivables, Contract Assets and Payables

(a) Receivables and contract assets

	2022 US$m	2021 US$m
Current		
Trade receivables	**965.8**	997.0
Contract assets	**202.0**	234.5
Less: Provision for expected credit losses	**(16.9)**	(23.5)
	1,150.9	1,208.0
Other receivables	**332.3**	355.7
Prepayments	**174.0**	147.5
Carrying amount of current receivables and contract assets	**1,657.2**	1,711.2
Non-Current		
Long term deposits/other receivables	**12.8**	6.6
Carrying amount of non-current receivables and contract assets[17]	**12.8**	6.6

Receivables are initially recorded at their transaction price and are generally due for settlement within 30 to 60 days from date of invoice. Collectability is regularly reviewed at an operating unit level.

A provision for expected credit losses (ECL) is recognised based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. When a trade receivable for which a provision for expected credit loss has been recognised becomes uncollectible in a subsequent period, it is written off against the provision.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

16 Cash and cash equivalents as at 30 June 2022 includes $8,938.9m in debt and equity proceeds received for the acquisition of Vifor (Note 2).
17 The carrying amount disclosed above is a reasonable approximation of fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable disclosed above. Refer to Note 11 for more information on the risk management policy of the Group and the credit quality of trade receivables.

Note 15: Receivables, Contract Assets and Payables continued

Contract assets and deferred revenue (contract liabilities): The completion of performance obligations often differs from contract payment schedules. A contract asset is initially recognised for revenue earned from satisfying a performance obligation; however, the receipt of consideration is conditional upon the full satisfaction of the performance obligation within the contract. Upon completing the full performance obligation, the amount recognised as contract assets is reclassified to trade receivables. Amounts billed in accordance with customer contracts, but where the Group had not yet provided a good or service, are recorded and presented as part of deferred revenue. Deferred revenue is recognised as revenue when the Group performs under the contract.

Other current receivables are recognised and carried at the nominal amount due upon an unconditional right to payment. Non-current receivables are recognised and carried at amortised cost. They are non-interest bearing and have various repayment terms.

As at 30 June 2022, the Group had a provision for expected credit losses of $16.9m (2021: $23.5m).

	2022 US$m	2021 US$m
Opening balance as at 1 July	**23.5**	25.3
Allowance utilised/written back	**(5.6)**	(2.3)
Currency translation differences	**(1.0)**	0.5
Closing balance at 30 June	**16.9**	23.5

Non-trade receivables do not include any impaired or overdue amounts and it is expected they will be received when due. The Group does not hold any collateral in respect to other receivable balances.

Key Judgements and Estimates

In applying the Group's accounting policy to trade and other receivables with governments and related entities in South Eastern Europe as set out in Note 11, significant judgement is involved in assessing the expected credit loss of trade or other receivable amounts. Matters considered include recent trading experience, current economic and political conditions and the likelihood of continuing support from agencies such as the European Central Bank.

(b) Trade and other payables

	2022 US$m	2021 US$m
Current		
Trade payables	**591.8**	523.0
Accruals and other payables	**1,709.4**	1,566.4
Carrying amount of current trade and other payables	**2,301.2**	2,089.4
Non-current		
Accruals and other payables	**267.1**	139.5
Contingent consideration associated with business combinations	**268.6**	345.8
Carrying amount of other non-current liabilities	**535.7**	485.3

Trade payables, accruals and other payables: Represents the notional amounts owed to suppliers for goods and services provided to the Group prior to the end of the financial year that are unpaid. Trade and other payables are non-interest bearing and have various repayment terms but are usually paid within 30 to 60 days of recognition.

Receivables and payables include the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, taxation authorities is included in other receivables or payables in the balance sheet.

Contingent consideration associated with business combinations: The Group recognised contingent consideration associated with the past business combinations for Vitaeris and Calimmune as non-current financial liabilities at fair value, which is then remeasured at each subsequent reporting date at fair value through profit and loss.

The fair value estimations typically depend on factors such as technical milestones or market performance, and are adjusted for the probability of their likelihood of potential future payments, and are appropriately discounted to reflect the impact of time. Refer to Note 11 for further details on the fair value measurement. As at 30 June 2022, the maximum amount of undiscounted potential future milestone payments relating to historical business combinations are $470.0m (2021: $795.0m), of which $268.6m (2021: $345.8m) is reflected as a contingent consideration liability at fair value. The reduction in the undiscounted potential future milestone payments and contingent consideration liability at fair value is largely due to the impairment of certain intellectual property assets associated with the Calimmune acquisition (Note 8).

Changes in the fair value of contingent consideration liabilities in subsequent periods are recognised in research and development expenses for early-stage products and as cost of sales for currently marketed products. The effect of unwinding the discount over time for contingent consideration carried at fair value is recognised as finance costs.

Note 16: Provisions

	Employee benefits		Other		Total	
	US$m	US$m	US$m	US$m	US$m	US$m
	2022	2021	2022	2021	2022	2021
Current						
Carrying amount at the start of the year	**211.7**	156.1	**15.7**	0.8	**227.4**	156.9
Utilised	**(58.8)**	(47.2)	**(14.6)**	(0.2)	**(73.4)**	(47.4)
Additions	**30.5**	97.2	**9.3**	15.5	**39.8**	112.7
Currency translation differences	**(11.7)**	5.6	**(0.6)**	(0.4)	**(12.3)**	5.2
Carrying amount at the end of the year	**171.7**	211.7	**9.8**	15.7	**181.5**	227.4
Non-current						
Carrying amount at the start of the year	**47.9**	41.7	**59.9**	–	**107.8**	41.7
Utilised	**(5.7)**	(2.9)	**–**	–	**(5.7)**	(2.9)
Additions	**2.6**	8.2	**4.6**	34.6	**7.2**	42.8
Reclassification from accruals	**–**	–	**–**	25.0	**–**	25.0
Currency translation differences	**(3.6)**	0.9	**(4.0)**	0.3	**(7.6)**	1.2
Carrying amount at the end of the year	**41.2**	47.9	**60.5**	59.9	**101.7**	107.8

Provisions are recognised when all three of the following conditions are met:

- The Group has a present or constructive obligation arising from a past transaction or event
- It is probable that an outflow of resources will be required to settle the obligation
- A reliable estimate can be made of the obligation.

Provisions are not recognised for future operating losses. Provisions recognised reflect our best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to settle the obligation at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Other provisions includes the provision for asset retirement obligations and onerous contracts. Detailed information about employee benefits is presented in Note 6.

Other Notes

Note 17: Related Party Transactions

Ultimate controlling entity and subsidiaries

The ultimate controlling entity is CSL Limited, otherwise described as the parent company. The following table lists the Group's material subsidiaries.

		Percentage owned (%)	
Company	Country of Incorporation	2022	2021
CSL Limited	Australia		
Subsidiaries of CSL Limited:			
CSL Innovation Pty Ltd	Australia	**100**	100
CSL Behring (Australia) Pty Ltd	Australia	**100**	100
CSL Behring LLC	USA	**100**	100
CSL Plasma Inc	USA	**100**	100
CSL Behring GmbH	Germany	**100**	100
CSL Behring AG	Switzerland	**100**	100
CSL Behring Lengnau AG	Switzerland	**100**	100
CSLB Holdings Inc	US	**100**	100
CSL Finance Plc	UK	**100**	100
CSL Finance Pty Ltd	Australia	**100**	100
Seqirus Pty Ltd	Australia	**100**	100
Seqirus UK Limited	UK	**100**	100
Seqirus Vaccines Limited	UK	**100**	100
Seqirus USA Inc	USA	**100**	100
Seqirus Inc	USA	**100**	100

Related party transactions

All transactions with subsidiaries have been eliminated on consolidation.

Note 18: Detailed Information – People Costs

(a) Defined benefit plans

The Group sponsors a range of defined benefit pension plans that provide either a lump sum or ongoing pension benefit for its worldwide employees upon retirement. Entities of the Group who operate defined benefit plans contribute to the respective plans in accordance with the Trust Deeds, following the receipt of actuarial advice. The surplus/deficit for each defined benefit plan operated by the Group is as follows:

	June 2022 US$m			June 2021 US$m		
Pension Plan	Plan Assets	Accrued benefit	Plan surplus/ (deficit)	Plan Assets	Accrued benefit	Plan surplus/ (deficit)
CSL Pension Plan (Australia) – provides a lump sum benefit upon exit	**15.8**	**(13.5)**	**2.3**	19.0	(18.6)	0.4
CSL Behring AG Pension Plan (Switzerland) – provides an ongoing pension[18]	**620.4**	**(620.4)**	**–**	755.7	(760.1)	(4.4)
CSL Behring Union Pension Plan (USA) – provides an ongoing pension	**45.3**	**(42.2)**	**3.1**	66.8	(63.3)	3.5
CSL Behring GmbH Supplementary Pension Plan (Germany) – provides an ongoing pension	**–**	**(138.0)**	**(138.0)**	–	(207.2)	(207.2)
CSL Behring Innovation GmbH Supplementary Pension Plan (Germany) – provides an ongoing pension	**–**	**(22.6)**	**(22.6)**	–	(34.1)	(34.1)
bioCSL GmbH Pension Plan (Germany) – provides an ongoing pension	**–**	**(2.5)**	**(2.5)**	–	(3.2)	(3.2)
CSL Behring KG Pension Plan (Germany) – provides an ongoing pension	**–**	**(12.0)**	**(12.0)**	–	(19.0)	(19.0)
CSL Plasma GmbH Pension Plan (Germany) – provides an ongoing pension	**–**	**(0.4)**	**(0.4)**	–	(0.4)	(0.4)
CSL Behring KK Retirement Allowance Plan (Japan) – provides a lump sum benefit upon exit	**–**	**(11.4)**	**(11.4)**	–	(15.3)	(15.3)
CSL Behring S.A. Pension Plan (France) – provides a lump sum benefit upon exit	**–**	**(1.4)**	**(1.4)**	–	(1.9)	(1.9)
CSL Behring S.p.A Pension Plan (Italy) – provides a lump sum benefit upon exit	**–**	**(0.7)**	**(0.7)**	–	(0.9)	(0.9)
Total	**681.5**	**(865.1)**	**(183.6)**	841.5	(1,124.0)	(282.5)

In addition to the plans listed, CSL Behring GmbH, CSL Behring Innovation GmbH and Seqirus GmbH employees are members of multi-employer plans administered by an unrelated third party. CSL Behring GmbH, CSL Behring Innovation GmbH, Seqirus GmbH and their employees make contributions to the plans and receive pension entitlements on retirement. Participating employers may have to make additional contributions in the event that the plans have insufficient assets to meet their obligations. However, there is insufficient information available to determine this amount on an employer by employer basis. The contributions made by CSL Behring GmbH, CSL Behring Innovation GmbH and Seqirus GmbH are determined by the Plan Actuary and are designed to be sufficient to meet the obligations of the plans based on actuarial assumptions. Contributions made by CSL Behring GmbH, CSL Behring Innovation GmbH and Seqirus GmbH are expensed in the year in which they are made.

18 The CSL Behring AG Pension Plan (Switzerland) has a surplus of $75.6m that is not recognised, on the basis that future economic benefits are not available to the entity in the form of a reduction in future contributions or a cash refund. The plan assets have been recognised up to the asset ceiling limit.

Note 18: Detailed Information – People Costs continued

Movements in accrued benefits and assets

During the financial year the value of accrued benefits decreased by $258.9m, mainly attributable to:

- Benefits paid by the plans of $91.9m;
- Actuarial adjustments, due primarily to changes in assumptions at the end of the year than originally anticipated by the actuary, generating a decrease in accrued benefits of $162.9m. These adjustments do not affect the profit and loss as they are recorded in other comprehensive income;
- Favourable foreign currency movements of $63.0m which are taken directly to the Foreign Currency Translation Reserve;
- Offsetting these movements were increases from:
  - Service cost charged to the profit and loss of $42.9m, representing the increased benefit entitlement of members, arising from an additional year of service and salary increases;
  - Interest costs of $7.2m, representing the discount rate on benefit obligation and anticipated monthly benefit payments; and
  - Contributions made by employees of $13.4m.

Plan assets decreased by $160m during the financial year. The decrease is mainly attributable to the following factors:

- Benefits paid by the plans of $87.2m;
- Actuarial adjustments due primarily to changes in assumptions at the end of the year than originally anticipated by the actuary and experience adjustments, generating a decrease in plan assets of $5.0m;
- Changes in the asset ceiling[18] resulting in the derecognition of plan assets of $75.6m;
- Unfavourable foreign currency movements of $37.0m which are taken directly to the Foreign Currency Translation Reserve; and
- Offsetting these movements were increases from contributions made by employer and employee that increased plan assets by $40.4m and investment returns increased plan assets by $4.3m.

The major categories of total plan assets are as follows:	2022 US$m	2021 US$m
Cash	**24.1**	63.0
Instruments quoted in active markets:		
Equity instruments	**225.8**	313.0
Bonds	**224.0**	290.6
Unquoted investments – property	**177.7**	169.7
Other assets	**29.9**	5.2
Total Plan Assets	**681.5**	841.5

The principal actuarial assumptions, expressed as weighted averages, at the reporting dates are:	2022 %	2021 %
Discount rate	**2.0%**	0.7%
Future salary increases	**2.2%**	2.1%
Future pension increases	**0.4%**	0.5%

The variable with the most significant impact on the defined benefit obligation is the discount rate applied in the calculation of accrued benefits. A decrease in the average discount rate applied to the calculation of accrued benefits of 0.25% would increase the defined benefit obligation by $27.6m. An increase in the average discount rate of 0.25% would reduce the defined benefit obligation by $25.8m.

The defined benefit obligation will be discharged over an extended period as members exit the plans. The plan actuaries have estimated that the following payments will be required to satisfy the obligation. The actual payments will depend on the pattern of employee exits from the Group's plans.

Within one year	$48.3m (2021: $50.9m)
Between two and five years	$175.0m (2021: $185.0m)
Between five and ten years	$83.8m (2021: $215.6m)
Beyond ten years	$558.2m (2021: $672.4m)

Note 18: Detailed Information – People Costs continued

(b) Share-based payments

Long Term Incentives

A face value equity allocation methodology, being a volume weighted average share price based on the market price of a CSL share at the time of grant, is used to determine the number of units granted to a participant under each of the shared based payment plans, which are as follows:

- The Executive Performance and Alignment Plan ("EPA") grants Performance Share Units ("PSU") to qualifying executives. Vesting is subject to continuing employment, satisfactory performance and the achievement of absolute return measures. The return measures include EPS growth and a seven-year rolling average Return on Invested Capital ("ROIC").
- The Retain and Grow Plan ("RGP") grants Restricted Share Units ("RSU") to qualifying employees, participation in the RGP plan is broader than in the EPA plan. Vesting is subject to continuing employment and satisfactory performance.

EPA and RGP grants made prior to 1 September 2021 will vest in equal tranches on the first, second, third and fourth anniversaries of the grant. EPA grants made from 1 September 2021 will vest on the third anniversary. RGP grants made from 1 September 2021 will vest in equal tranches on the first, second and third anniversaries of the grant. For RGP commencement benefit awards, vesting dates will vary.

There have been no changes to the terms of grant of any existing instruments.

The fair value of the awards granted is estimated at the date of grant using an adjusted form of the Black-Scholes model, considering the terms and conditions upon which the PSUs and RSUs were granted. There is no exercise price payable on PSUs and RSUs.

The following grants were issued during the year ended 30 June 2022:

Date of grant	PSUs	RSUs
1 September 2021	183,972	512,003
1 March 2022	–	27,107

The relevant tranche of PSUs will exercise upon vesting on 1 September 2024. The relevant tranche of RSUs will exercise upon vesting between September 2021 and March 2025.

The Non-Executive Directors Plan

The Non-Executive Directors ("NED") pay a minimum of 20% of their pre-tax base fee in return for a grant of Rights, each Right entitling a NED to acquire one CSL share at no cost (shares purchased on market). There is a nominated restriction period, of three to fifteen years, after which the NED will have access to their shares.

On 26 August 2021 and 4 October 2021, 2,449 Rights were granted under the NED vesting on 21 February 2022 and 22 August 2022.

Global Employee Share Plan

The Global Employee Share Plan ("GESP") allows employees to make contributions from after tax salary up to a maximum of A$6,000 per six month contribution period. The employees receive the shares at a 15% discount to the applicable market rate, as quoted on the ASX on the first day or the last day of the six-month contribution period, whichever is lower.

Recognition and measurement

The fair value of awards granted are recognised as employee benefit expense with a corresponding increase in equity. Fair value is independently measured at grant date and recognised over the period during which the employees become unconditionally entitled to the award.

Fair value is independently determined using a combination of the Binomial and Black-Scholes valuation methodologies, including Monte Carlo simulation, considering the terms and conditions on which the awards were granted. The fair value of the awards granted excludes the impact of any non-market vesting conditions, which are included in assumptions about the number of awards that are expected to vest.

At each reporting date, the number of awards that are expected to vest is revised. The employee benefit expense recognised each period considers the most recent estimate of the number of awards that are expected to vest. No expense is recognised for awards that do not ultimately vest, except where the vesting is conditional upon a market condition and that market condition is not met. The Group does not have any awards with a market condition as at 30 June 2022.

Note 18: Detailed Information – People Costs continued

Valuation assumptions and fair values of equity instruments granted

The model inputs for share-based payments granted during the year ended 30 June 2022 included:

	Fair Value	Share Price	Exercise Price	Expected Volatility[19]	Life Assumption	Expected Dividend Yield	Risk-free Interest Rates
	(A$)	(A$)	(A$)				
Performance Share Units (by grant date)[20]							
1 September 2021 – Tranche 1	$302.44	$310.84	Nil	29.32%	36 months	0.91%	0.01%
Restricted Share Units (by grant date)							
1 September 2021 – Tranche 1	$310.84	$310.84	Nil	N/A	0 months	N/A	N/A
1 September 2021 – Tranche 2	$309.44	$310.84	Nil	18.82%	6 months	0.91%	0.01%
1 September 2021 – Tranche 3	$308.02	$310.84	Nil	21.57%	12 months	0.91%	0.01%
1 September 2021 – Tranche 4	$306.63	$310.84	Nil	34.29%	18 months	0.91%	0.01%
1 September 2021 – Tranche 5	$305.22	$310.84	Nil	31.48%	24 months	0.91%	0.01%
1 September 2021 – Tranche 6	$303.84	$310.84	Nil	29.72%	30 months	0.91%	0.10%
1 September 2021 – Tranche 7	$302.44	$310.84	Nil	29.32%	36 months	0.91%	0.19%
1 September 2021 – Tranche 8	$299.70	$310.84	Nil	26.96%	48 months	0.91%	0.42%
1 March 2022 – Tranche 1	$263.92	$263.92	Nil	N/A	0 months	N/A	N/A
1 March 2022 – Tranche 2	$262.44	$263.92	Nil	28.27%	6 months	1.11%	1.02%
1 March 2022 – Tranche 3	$261.00	$263.92	Nil	24.25%	12 months	1.11%	1.02%
1 March 2022 – Tranche 4	$259.54	$263.92	Nil	24.08%	18 months	1.11%	1.02%
1 March 2022 – Tranche 5	$258.10	$263.92	Nil	32.99%	24 months	1.11%	1.02%
1 March 2022 – Tranche 6	$256.65	$263.92	Nil	30.94%	30 months	1.11%	1.26%
1 March 2022 – Tranche 7	$255.24	$263.92	Nil	29.54%	36 months	1.11%	1.50%
1 March 2022 – Tranche 8	$253.81	$263.92	Nil	29.19%	42 months	1.11%	1.59%
Rights (by grant date)							
26 August 2021 – Tranche 1	$304.00	$305.37	Nil	19.27%	6 months	0.91%	0.02%
26 August 2021 – Tranche 2	$302.62	$305.37	Nil	21.69%	12 months	0.91%	0.02%
4 October 2021 – Tranche 1	$292.17	$293.32	Nil	19.32%	5 months	1.02%	0.05%
4 October 2021 – Tranche 2	$290.69	$293.32	Nil	21.24%	11 months	1.02%	0.05%
GESP (by grant date)[21]							
3 September 2021 – Tranche 1	$76.72	$303.87	$227.15	18.82%	6 months	0.91%	0.01%
4 March 2022 – Tranche 1	$33.97	$258.30	$224.33	28.27%	6 months	1.11%	1.02%

Note 19: Detailed Information – Shareholder Returns

	Consolidated Entity	
	2022 US$m	2021 US$m
Retained earnings		
Opening balance	**12,252.7**	10,752.3
Net profit for the year	**2,254.7**	2,375.0
Dividends	**(1,038.7)**	(958.0)
Actuarial gain on defined benefit plans	**40.2**	100.6
Deferred tax expense on actuarial gain/loss on defined benefit plans	**(5.5)**	(17.2)
Closing balance	**13,503.4**	12,252.7

19 Expected volatility is based on historical volatility (based on the remaining life assumption of each equity instrument, adjusted for expected changes).
20 PSUs are subject to an EPS growth and ROIC performance measure.
21 Fair value of GESP shares is estimated based on the assumptions prevailing on the grant date. In accordance with the terms and conditions of the GESP plan, shares are issued at a 15% discount to the lower of the ASX market price on the first and last dates of the contribution period.

Note 20: Auditor Remuneration

During the year, the following fees were paid or were payable for services provided by CSL's auditor and by the auditor's related practices:

AUDIT SERVICES – Ernst & Young Australia	2022 US$	2021 US$
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**2,402,268**	1,956,994
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm		
– Assurance services over the 144a bond issuance	**326,152**	–
– Sustainability assurance	**106,873**	66,819
– Agreed-upon procedures and other audit engagements	**146,124**	90,045
Fees for other services		
Training	**39,000**	80,000
Due diligence	**150,295**	211,449
Remuneration advisory	**190,832**	357,646
Total fees to Ernst & Young (Australia)	**3,361,544**	2,762,953
AUDIT SERVICES – Ernst & Young Overseas Member Firms		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**3,678,633**	3,556,179
Fees for assurance services that are required by legislation to be provided by the auditor	**2,721**	13,845
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm		
– Agreed-upon procedures and other audit engagements	**147,474**	77,009
Fees for other services	**35,127**	35,224
Total fees to overseas member firms of Ernst & Young (Australia)	**3,863,955**	3,682,257
Total audit and other assurance services	**6,810,245**	5,760,891
Total non-audit services	**415,254**	684,319
Total auditor's remuneration	**7,225,499**	6,445,210

Note 21: Deed of Cross Guarantee

A deed of cross guarantee was executed between CSL Limited and some of its wholly-owned entities, namely CSL Behring (Holdings) Pty Ltd, CSL Finance Pty Ltd, Seqirus (Australia) Pty Ltd, CSL Innovation Pty Ltd, Seqirus Pty Ltd, CSL Behring (Australia) Pty Ltd, Seqirus Holdings Australia Pty Ltd, CSL IP Investments Pty Ltd and Amrad Pty Ltd (deregistered subsequent to 30 June 2022). Under this deed, each company guarantees the debts of the others. By entering into the deed, these specific wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 2016/785 (as amended) issued by the Australian Securities and Investments Commission.

The entities that are parties to the deed represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by CSL Limited, they also represent the 'Extended Closed Group'. A consolidated income statement and a summary of movements in consolidated retained profits for the year ended 30 June 2022 and 30 June 2021 and a consolidated balance sheet as at each date for the Closed Group is set out below.

	Consolidated Closed Group	
Income Statement	2022 US$m	2021 US$m
Sales revenue	**1,180.7**	1,244.4
Cost of sales	**(800.6)**	(652.0)
Gross profit	**380.1**	592.4
Dividend income	**1,371.9**	667.3
Interest income	**9.0**	2.2
Research and development expenses	**(157.1)**	(139.4)
Selling and marketing expenses	**(64.1)**	(60.2)
General and administration expenses	**(54.7)**	(110.7)
Finance costs	**(44.7)**	(32.9)
Sundry expenses	**(94.0)**	(116.8)
Profit before income tax expense	**1,346.4**	801.9
Income tax expense	**(28.7)**	(51.8)
Profit for the year	**1,317.7**	750.1

Note 21: Deed of Cross Guarantee continued

Balance Sheet	Consolidated Closed Group 2022 US$m	2021 US$m
CURRENT ASSETS		
Cash and cash equivalents	**2,292.4**	334.7
Receivables and contract assets	**561.3**	584.5
Inventories	**232.1**	267.4
Total Current Assets	**3,085.8**	1,186.6
Non-Current Assets		
Other receivables	**3,020.7**	39.6
Other financial assets	**14,641.8**	14,644.2
Property, plant and equipment	**1,333.5**	1,230.5
Deferred tax assets	**84.7**	77.0
Intangible assets	**20.0**	25.3
Retirement benefit assets	**2.3**	0.4
Total Non-Current assets	**19,103.0**	16,017.0
Total Assets	**22,188.8**	17,203.6
Current Liabilities		
Trade and other payables	**1,344.2**	1,087.0
Provisions	**67.2**	69.1
Interest-bearing liabilities and borrowings	**157.9**	–
Other current liabilities	**3.9**	49.9
Total Current Liabilities	**1,573.2**	1,206.0
Non-Current Liabilities		
Trade and other payables	**403.7**	112.9
Interest-bearing liabilities and borrowings	**1,330.9**	1,509.3
Provisions	**44.2**	46.9
Other non-current liabilities	**23.6**	26.1
Total Non-Current Liabilities	**1,802.4**	1,695.2
Total Liabilities	**3,375.6**	2,901.2
Net Assets	**18,813.2**	14,302.4
Equity		
Contributed equity	**483.8**	(3,476.6)
Reserves	**4.9**	(268.7)
Retained earnings	**18,324.5**	18,047.7
TOTAL EQUITY	**18,813.2**	14,302.4

Summary of movements in retained earnings of the Consolidated Closed Group	2022 US$m	2021 US$m
Retained earnings at beginning of the financial year	**18,047.7**	18,258.4
Net profit	**1,317.7**	750.1
Actuarial losses on defined benefit plans, net of tax	**(2.2)**	(2.8)
Dividends paid	**(1,038.7)**	(958.0)
Retained earnings at the end of the financial year	**18,324.5**	18,047.7

Note 22: Parent Entity Information

Information relating to CSL Limited ("the parent entity")

(a) Summary financial information

	2022 US$m	2021 US$m
The individual financial statements for the parent entity show the following aggregate amounts:		
Current assets	**350.7**	373.6
Total assets	**7,088.0**	6,333.1
Current liabilities	**314.2**	342.5
Total liabilities	**336.6**	4,038.3
Contributed equity	**483.8**	(4,504.6)
Foreign currency translation reserve	**(55.0)**	(55.0)
Retained earnings	**6,322.6**	6,854.4
Net assets/Total equity	**6,751.4**	2,294.8
Profit for the year	**506.8**	106.1
Total comprehensive income	**506.8**	106.1

(b) Guarantees entered into by the parent entity

The parent entity provides certain financial guarantees in the ordinary course of business. No liability has been recognised in relation to these guarantees as the fair value of the guarantees is immaterial. These guarantees are mainly related to all external debt facilities of the Group. In addition, the parent entity provides letters of comfort to indicate support for certain controlled entities to the amount necessary to enable those entities to meet their obligations as and when they fall due, subject to certain conditions (including that the entity remains a controlled entity).

(c) Contingent liabilities of the parent entity

The parent entity did not have any material contingent liabilities as at 30 June 2022 or 30 June 2021. For information about guarantees given by the parent entity, please refer above and to Note 21.

(d) Contractual commitments for the acquisition of property, plant and equipment

The parent entity did not have any material contractual commitments for the acquisition of property, plant and equipment as at 30 June 2022 or 30 June 2021.

Note 23: Subsequent Events

Other than the impact of the acquisition of Vifor (Note 2 and Note 11), there are no other matters or circumstances which have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

Note 24: Amendments to Accounting Standards and Interpretations

(a) Amendments to accounting standards and interpretations adopted by the Group

The Group has adopted the following amendment to the accounting standards. This change did not have a material impact on the Group's accounting policies nor did it require any restatement.

- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*

(b) Amendments to accounting standards and interpretations not yet effective for the Group

A number of other accounting standards and interpretations have been issued and will be applicable in future periods. While these remain subject to ongoing assessment, no significant impacts have been identified to date. These standards have not been applied in the preparation of these Financial Statements.

Applicable to the Group for the year ending 30 June 2023:

- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*

  – Reference to the Conceptual Framework – Amendments to AASB 3 Business Combinations

  – Property, Plant and Equipment – Proceeds before Intended Use

  – Onerous Contracts – Cost of Fulfilling a Contract

Applicable to the Group for the year ending 30 June 2024:

- *AASB 2020-1 and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

  – Classification of Liabilities as Current or Non-current – Amendments to AASB 101 Presentation of Financial Statements

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Directors' Declaration

1) In the opinion of the Directors:

   a) the financial statements and notes of the company and of the Group are in accordance with the Corporations Act 2001 (Cth), including:

      i. giving a true and fair view of the company's and Group's financial position as at 30 June 2022 and of their performance for the year ended on that date; and

      ii. complying with Australian Accounting Standards and Corporations Regulations 2001.

   b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

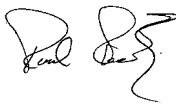
2) About this Report (a) in the notes to the financial statements confirms that the financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

3) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 (Cth) for the financial period ended 30 June 2022.

4) In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 21 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee dated 3 February 2017.

This declaration is made in accordance with a resolution of the directors.

Brian McNamee AO
Chairman



Paul Perreault
Managing Director

Melbourne
16 August 2022

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Building a better working world

Independent Auditor's Report to the Members of CSL Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of CSL Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Repor*t section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

1. Existence and valuation of inventories

Why significant	How our audit addressed the key audit matter
At 30 June 2022, the Group holds inventories of $4,333.0 million which are recorded at the lower of cost and net realisable value. The Group's accounting for inventories is complex due to the nature of products being manufactured requiring multiple inputs into the cost which leads to a risk that gross inventories may be incorrectly valued. Provisions can be recognised for all components of inventories, including raw materials, work in progress and finished goods. The Group considers a number of factors when determining the appropriate level of inventory provisioning, including regulatory approvals and future demand for the Group's products. In addition, the geographic footprint of the Group and the movements and sale of inventory between the Group's operations means both the existence of inventories and the valuation of inventories is a key audit matter. This includes considering whether any mark up of inventories from sales within the Group is appropriately eliminated in the consolidated financial statements. The Group's disclosures with respect to inventories is included in Note 5 of the financial report.	We have assessed the carrying value of inventories, including the determination of cost and provisions for obsolescence and those that ensure inventory is carried at the lower of cost and net realisable value at 30 June 2022. The existence of inventories has been addressed through our assessment of the internal controls which included attendance at periodic cycle counts or through attendance at year-end inventory stocktakes in locations with significant stock holdings. We remained alert for obsolescence issues during our observation of physical inventories. We assessed the appropriateness of the determination of inventory cost by assessing the accuracy of the standard cost approach used by the Group and assessing the recognition of variances from standard costs. We assessed whether inventory is recognised at the lower of cost or net realisable value at period end by comparing the inventory value measured at cost to evidence supporting net realisable value such as the current selling price of the products and achieved margins. We assessed whether the provisions for obsolescence calculated by the Group reflect known quality issues and commercial considerations including product expiration, market demand, and manufacturing plans, as well as their compliance with Australian Accounting Standards. We assessed the elimination of any unrealised profits on transactions between group entities and resultant tax consequences by the Group. We have assessed the Group's disclosures with respect to inventories in Note 5 of the financial report.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the Audit of the Remuneration Report

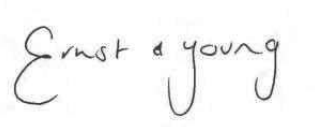
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of CSL Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young

Kylie Bodenham
Partner
Melbourne
16 August 2022

THE ISSUER

CSL Finance Plc
4 Milton Road
Haywards Heath, West Sussex
RH16 1AH
U.K.

INITIAL PURCHASERS

BofA Securities, Inc.
One Bryant Park
New York, New York 10036
United States of America

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013
United States of America

HSBC Securities (USA) Inc.
452 Fifth Avenue
New York, New York 10018
United States of America

J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179
United States of America

ANZ Securities, Inc.
277 Park Avenue, 31st Floor
New York, New York 10172
United States of America

ING Financial Markets LLC
1133 Avenue of the Americas
New York, New York 10036
United States of America

Westpac Banking Corporation
Level 39, 575 Fifth Avenue
New York, New York 10017
United States of America

LEGAL ADVISORS TO THE ISSUER

As to U.S. law
Sidley Austin
Level 10
7 Macquarie Place
Sydney, NSW 2000
Australia

As to English law
Sidley Austin LLP
70 St. Mary Axe
London EC3A 8BE
U.K.

As to Australian law
Allens
Level 37
101 Collins Street
Melbourne, VIC 3000
Australia

LEGAL ADVISORS TO THE INITIAL PURCHASERS

As to U.S. law
Allen & Overy
Level 25
85 Castlereagh Street
Sydney, NSW 2000
Australia

INDEPENDENT AUDITORS

Ernst & Young
8 Exhibition Street
Melbourne, VIC 3000
Australia

Deloitte Touche Tohmatsu
477 Collins Street
Melbourne, VIC 3000
Australia

TRUSTEE, PRINCIPAL PAYING AGENT, TRANSFER AGENT AND REGISTRAR

The Bank of New York Mellon
240 Greenwich Street
New York, New York 10286
United States of America


CSL™