

ASX Announcement

30 October 2023

Australian Unity Bonds Series E Investor Presentation

Australian Unity Limited today announced an offer of a new series of simple corporate bonds: Australian Unity Bonds Series E – Tranche 1 (the **Offer**).

A copy of the Australian Unity Bonds Series E Investor Presentation follows.

-end-

This announcement has been authorised for distribution to the ASX by the board.

For more information contact:

Australian Unity Bonds Information Line
1300 135 403 (within Australia)
Monday to Friday 8:30am to 5:30pm

ASX code:

AYU

Securities on Issue:

AYUPA – 3,434,000

AYUHC – 1,150,192

AYUHD – 2,070,000

Issuer:

Australian Unity Limited

ACN 087 648 888

Enquiries:

Australian Unity Registry

1300 554 474

Contact details:

Australian Unity Limited

271 Spring Street

Melbourne VIC 3000

Tel: 13 29 39

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

Australian Unity Limited

Investor presentation

Offer of Australian Unity Bonds Series E – Tranche 1



Important notice and disclaimer

- The information contained in this presentation ("Information") has been prepared by Australian Unity Limited ABN 23 087 648 888 ("Company" or "Australian Unity") in connection with a proposed offer of Australian Unity Bonds – Series E ("Offer" and "Bonds"). The Offer is being made under an offer specific prospectus and base prospectus which were lodged with the Australian Securities and Investments Commission ("ASIC") on 30 October 2023 (together the "Prospectus").
- You should consider and read the Prospectus in full (including information incorporated by reference) before deciding whether to invest in the Bonds. The Prospectus is available at www.australianunity.com.au/bonds. Applications for the Bonds can only be made once the Offer opens.
- The distribution of this presentation in jurisdictions outside Australia may be restricted by law and persons who come into possession of this presentation should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This presentation does not constitute an offer in any place which, or to any person to whom, it would not be lawful to make such an offer or receive this presentation.
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- This presentation is not a disclosure document under Chapter 6D of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act and has not been lodged with ASIC.
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- This presentation may contain certain forward-looking statements and comments about future events, including the Company's expectations about the performance of the Company's business. Forward-looking statements can generally be identified by the use of forward-looking words such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. A number of important factors could cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, and many of these factors are beyond the Company's control. Forward-looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of the Company. As such, undue reliance should not be placed on any forward-looking statement.
- By attending a presentation or briefing or receiving this presentation, you acknowledge and agree that (a) you understand the contents of this notice and that you agree to abide by its terms and conditions; and (b) the Company and the Limited Parties are relying on you complying with the contents of this notice and its terms and conditions and on the truth and accuracy of the representations, warranties, undertakings and acknowledgements given by you.

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Australian Unity has made a Target Market Determination (“TMD”) for the Bonds as required under s994B of the Corporations Act.

The TMD describes the class of Retail Investors for whom an investment in the Bonds is likely to be consistent with their particular investment objectives, financial situation and needs.

A copy of the TMD is available at www.australianunity.com.au/bonds



Section 1

Overview of the Offer



Overview of the Offer¹

Issuer	<ul style="list-style-type: none"> Australian Unity Limited ABN 23 087 648 888 ("Australian Unity")
Securities	<ul style="list-style-type: none"> Australian Unity Bonds Series E – Tranche 1 which are interest paying, unsubordinated and unsecured debt securities ("Bonds") The Bonds are being offered under the simple corporate bonds regime in the Corporations Act
Offer size	<ul style="list-style-type: none"> \$180 million, with the ability to raise more or less, subject to a minimum Offer size of \$50 million
Use of net proceeds	<ul style="list-style-type: none"> Net proceeds of the Offer will be used to refinance Australian Unity Bonds Series C that are repurchased through the Reinvestment Offer and for general corporate purposes
Maturity Date	<ul style="list-style-type: none"> 15 December 2028
Interest Payment Dates	<ul style="list-style-type: none"> The first Interest Payment Date will be 14 January 2024 to align with Australian Unity Bonds Series D interest payment dates. This means that the number of days in the first interest period will be less than for subsequent interest periods. Interest will be paid quarterly in arrears on the following dates in each year as well as on the Maturity Date, or any earlier Redemption Date: <ul style="list-style-type: none"> - 14 January - 14 April - 14 July - 14 October If any of these scheduled dates is not a Business Day, then the Interest Payment Date will be the next Business Day. Holders are not entitled to any additional payment in respect of that delay

1. This is a brief summary of the Bonds terms and conditions only. Potential investors should refer to the Base Prospectus and Offer Specific Prospectus for the full terms.

Overview of the Offer

Interest Rate	<ul style="list-style-type: none"> Floating Interest Rate The Interest Rate is the sum of the Market Rate plus the Margin
Margin	<ul style="list-style-type: none"> The Margin is expected to be in the range of 2.50 percent to 2.70 percent per annum The Margin will be determined by Australian Unity following the completion of the Bookbuild. The Margin will be announced by Australian Unity on or around the Opening Date. The Margin may be outside the range specified above
Offer structure	<ul style="list-style-type: none"> The Offer comprises the Reinvestment Offer, the Priority Offer, the Broker Firm Offer and the Institutional Offer
Bookbuild	<ul style="list-style-type: none"> Expected to take place on 3 November 2023
Arranger	<ul style="list-style-type: none"> Acacia Partners
Joint Lead Managers	<ul style="list-style-type: none"> Acacia Partners, ANZ Securities, Commonwealth Bank of Australia, E&P Corporate Advisory, National Australia Bank, Morgans and Westpac Institutional Bank
Credit Rating and Product Complexity Indicator	<ul style="list-style-type: none"> The Bonds have been assigned a BBB+ long-term Credit Rating and a 'Green' Product Complexity Indicator by Australia Ratings
Listing	<ul style="list-style-type: none"> Australian Unity has applied for the quotation of the Bonds on ASX It is expected that the Bonds will be quoted under the ASX code "AYUHE"

1. This is a brief summary of the Bonds terms and conditions only. Potential investors should refer to the Base Prospectus and Offer Specific Prospectus for the full terms.

Ranking of Bonds and other debt on issue

Type of instrument		Existing debt obligations and equity and amounts drawn as at 30 June 2023, adjusted for the amount to be raised under the Offer (\$180m) ²			
<div>Higher ranking</div> <div>↑</div> <div>↓</div> <div>Lower ranking</div>	Secured debt	Employee entitlements – None ³			
	Unsubordinated unsecured debt	Bank debt	AYUHC	AYUHD	Bonds, if issued
		\$19.1m	\$46.0m ²	\$207.0m	\$180.0m ²
	Subordinated and unsecured debt	None – \$0.0m			
	Preferred equity	Australian Unity MCIs – \$343.4m ⁴			
	Ordinary equity	Members' balances, reserves, retained profits – \$846.2m			

- Australian Unity currently has no secured debt or unsecured debt which ranks ahead of the Bonds. However, the Bonds place only limited restrictions on Australian Unity granting security for other indebtedness
- Certain Subsidiaries of Australian Unity have external borrowings. The debt of Australian Unity's Subsidiaries is generally non-recourse to Australian Unity. Notwithstanding this, any default at a Subsidiary level, including any ADI, may still have important consequences for Australian Unity
- Most of Australian Unity's claims on its Subsidiaries rank behind creditors of those Subsidiaries and the Bonds are not guaranteed by a Subsidiary so no Holder has a claim on any Subsidiary
- Australian Unity's Subsidiary external indebtedness is set out in the debt maturity profile on slide 14

1. This is a brief summary of the Bonds terms and conditions only. Potential investors should refer to the Base Prospectus and Offer Specific Prospectus for the full terms.

2. Discretion is reserved for the Offer size to be greater or lesser than this amount. Assumes \$69 million of Bonds allocated under the Reinvestment Offer and the cancellation of the same amount of AYUHC.

3. As a non-operating holding company Australian Unity does not have direct employees.

4. Calculated on the basis of the number of Australian Unity MCIs on issue at a face value of \$100.

Section 2

Overview of Australian Unity



Overview of Australian Unity

Mutual wellbeing company with a commitment to members, customers and community

- Established in 1840, a member-owned company with more than 370,000 members and some 7,500 employees
- Diversified but thematically-linked portfolio of health, wealth and care businesses that provides member, customer and community value that supports personal and community wellbeing

Australian Unity Group portfolio

Diversified portfolio of thematically-linked businesses, segmented into four business platforms

	Retail	Wealth & Capital Markets	Home Health	Specialist Care
Principal activities	<ul style="list-style-type: none"> • Health insurance • Banking 	<ul style="list-style-type: none"> • Social infrastructure • Funds management • Life & Super • Advice • Trustees 	<ul style="list-style-type: none"> • Delivery of clinical and home care services • Hospital substitution¹ • Chronic disease management² • Mental health programs 	<ul style="list-style-type: none"> • Residential aged care
FY23 Segment Revenue (\$m)	746.0	207.4	424.0	255.5
FY23 Adjusted EBITDA³ (\$m)	130.6	15.5	45.4	56.9

1. Home Health delivers hospital substitution programs through the provision of services for hospital and/or rehabilitation in the home. Services provided include nursing (i.e. wound care, intravenous antibiotics), physiotherapy, occupational therapy, personal care (i.e. showering), domestic assistance (i.e. cleaning) and meals for people who can be treated outside of the hospital.
2. Home Health's Remedy Healthcare, through a joint venture with Ramsay Health Plus, has developed and tested new virtual heart failure programs. These programs include remote monitoring of patients through modern medical technology platforms and care coordination by a clinical team.
3. Adjusted EBITDA is the measure the Australian Unity Group uses in assessing the operating performance of its business segments. This measurement basis excludes the effects of tax, depreciation and amortisation, interest expense and investment income. It also excludes material non-recurring expenditure and shared services costs which totaled \$86.9m in FY23.

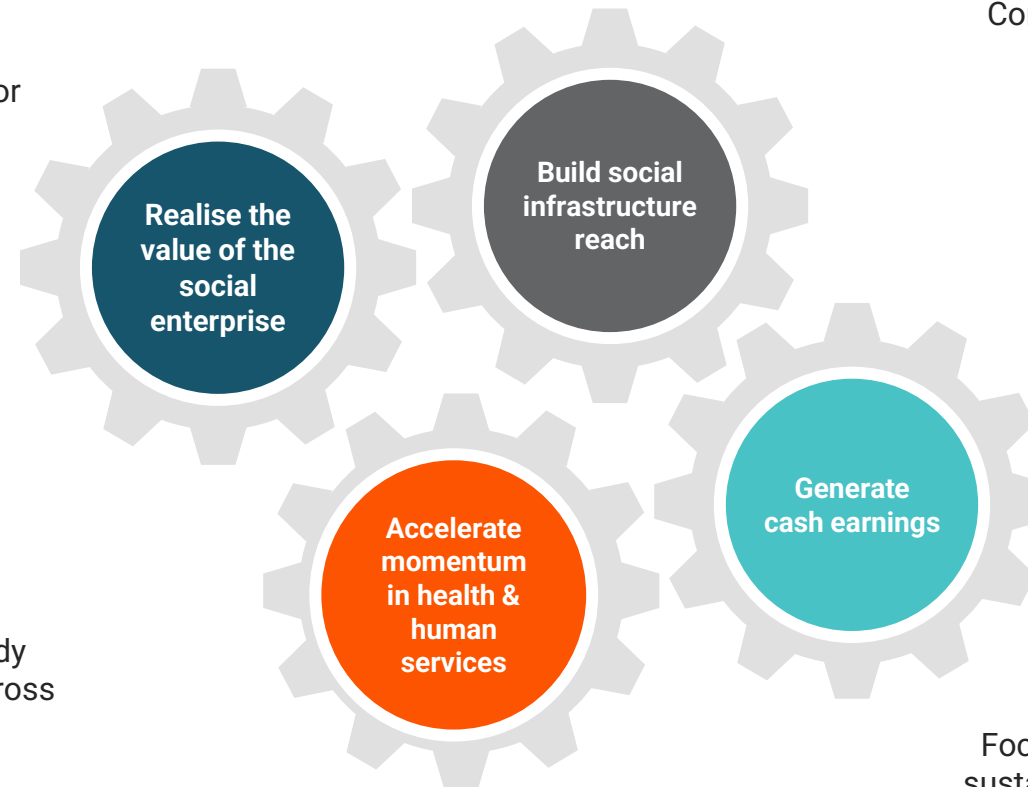
FY2023 priorities

Realise the value of the social enterprise

Create the building blocks to form deeper relationships with members, based on improving wellbeing outcomes and superior interaction with the Group

Accelerate momentum in health and human services

Continuation of the program of work already underway to leverage the opportunities across the Continuum of Care



Build social infrastructure reach

Continuing to realise and extend our presence within the social infrastructure realm

Generate cash earnings

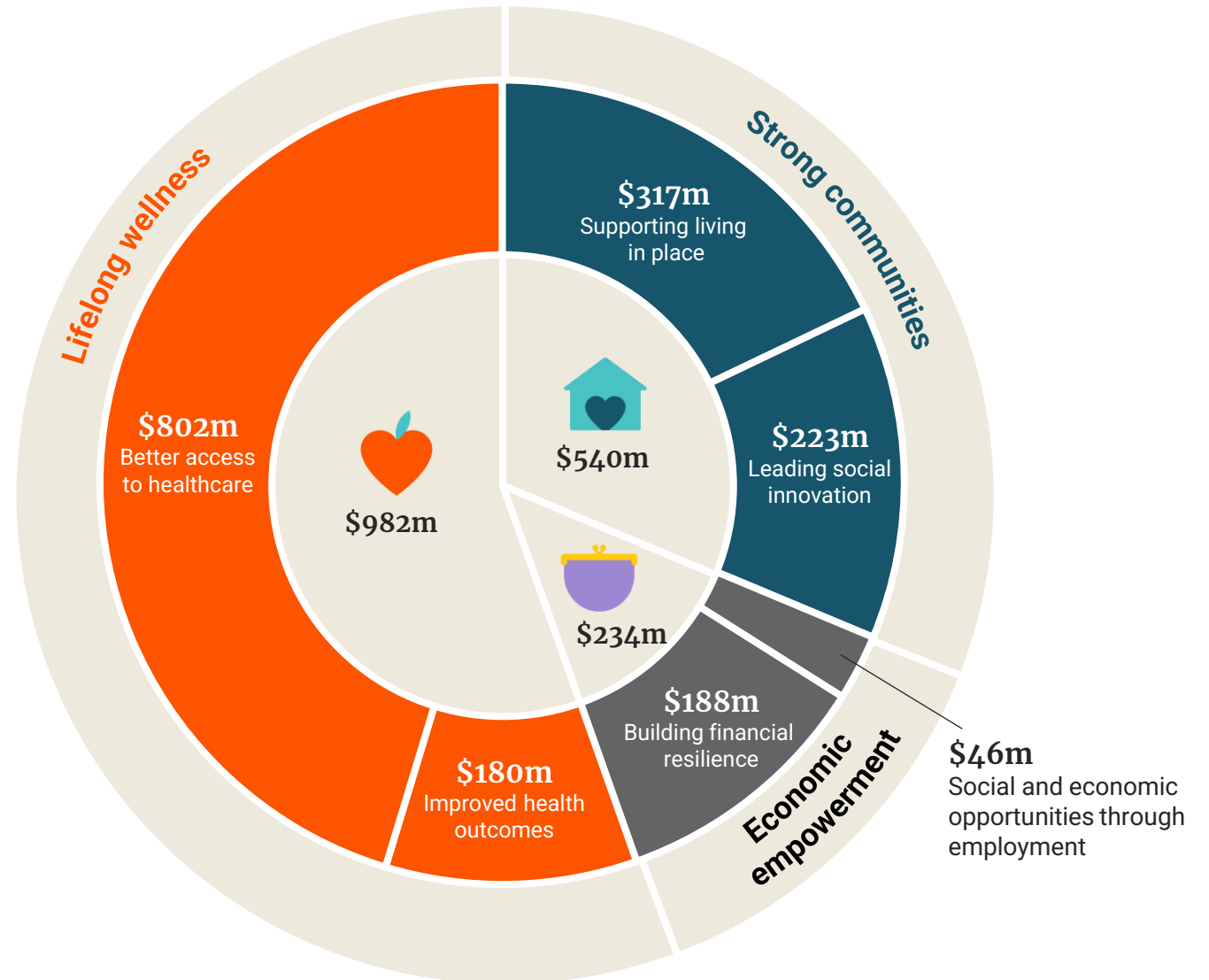
Focus will remain on maximising the sustainable, repeatable cash earnings of the Group

Community & social value FY23

SVA Consulting

\$1.76b in total community and social value for FY23

Priority outcomes	FY23 (\$m)	FY22 (\$m)
Better access to healthcare	802	699
Improved health outcomes	180	221
Building financial resilience	188	184
Opportunities through employment	46	53
Leading social innovation	223	122
Supporting living in place	317	353
Total	1,756	1,632



Relevant financial ratios

- The table below sets out certain key financial ratios that Australian Unity considers relevant to its financial position. These ratios differ to those described in regulation 6D.2.06 of the Corporations Regulations¹

Financial ratio ¹		FY21	FY22	FY23
Covenant Gearing Ratio^{2,3} =	$\frac{\text{Gearing Ratio Debt}}{\text{Gearing Ratio Debt} + \text{Gearing Ratio Equity}}$	29.4%	25.3%	25.0%
Australian Unity Interest Cover Ratio =	$\frac{\text{Adjusted EBITDA for Australian Unity Interest Cover Ratio}^4}{\text{Adjusted interest expense}^5}$	4.7x	5.4x	8.0x
ADI Tier 1 Capital Ratio		15.5%	15.0%	16.2%

- The Covenant Gearing Ratio applies as a term of the Bonds. So long as any Bonds are outstanding, Australian Unity will ensure that, on each 30 June and 31 December occurring after the Issue Date, the Covenant Gearing Ratio is not greater than 50 percent
- Australian Unity excludes all Lease Liabilities from Gearing Ratio Debt because Australian Unity considers that the leases it enters are operational in nature. This is consistent with the approach taken in Australian Unity's other unsubordinated unsecured debt such as its bank debt, the Australian Unity Bonds Series C and Australian Unity Bonds Series D
- Assuming the Offer raises \$180 million, there will be no material impact on the net assets of Australian Unity as the net cash raised (after transaction costs of \$3.7 million) from the issue of the Bonds will be used initially to repay existing debt or held in cash, which may then be invested in a manner consistent with Australian Unity Group's strategy. The subsequent application of cash to undetermined future investments may result in a higher Covenant Gearing Ratio

- A worked example of how the prescribed ratios and adjusted ratios are calculated is available on Australian Unity's website www.australianunity.com.au/bonds.
- Gearing Ratio Debt equals Total Liabilities plus consolidated guarantees minus ADI guarantees, Benefit Fund policyholder liabilities, ADI interest bearing liabilities, other (non-interest bearing liabilities), AUL Cash, interest bearing liabilities which are Junior Ranking Obligations and Lease Liabilities.
- Lease Liabilities are subtracted from Total Liabilities. Should Lease Liabilities not be subtracted from Total Liabilities then the Covenant Gearing Ratio would be 36.5% in FY21, 31.4% in FY22, and 30.5% in FY23.
- Adjusted EBITDA for Australian Unity Interest Cover Ratio equals net profit after tax plus adjusted interest expense and depreciation and amortisation, less Benefit Fund net profit after tax.
- Notional interest on leases and related accounts are subtracted as a notional adjustment. If notional interest on leases and related accounts were not subtracted, the Australian Unity Interest Cover Ratio would be 3.2x for FY21, 3.1x for FY22, and 3.5x at FY23.

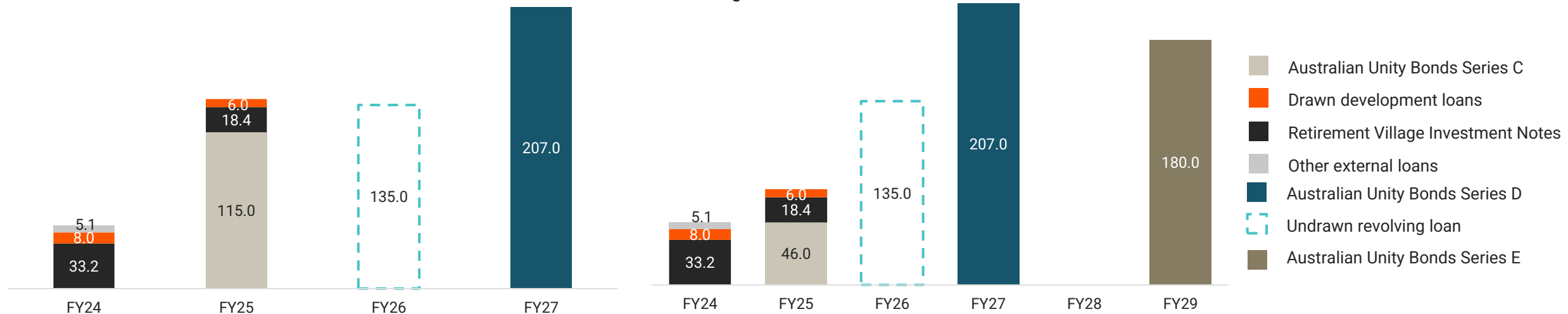
Existing debt facilities and debt maturity profile

The first chart below sets out the maturity profile of Australian Unity and its Subsidiary external debt facility drawings, including capital markets debt, as at 30 June 2023. The second chart below shows the adjusted debt maturity profile of Australian Unity and its Subsidiaries following the offer, based on the assumptions described in the Offer Specific Prospectus

Debt maturity profile (drawn \$m)¹

Prior to the Offer

Following the Offer



- On 28 August 2023, Australian Unity entered into an additional \$50 million sustainability-linked revolving loan. This loan remains undrawn and will mature in August 2026
- As at 16 October 2023, the drawn amount on revolving loan facilities maturing in FY26, was \$69 million²

1. Assumes \$180 million raised under the Offer with \$69 million of Bonds allocated under the Reinvestment Offer.

2. All other things being equal, if this \$69.0 million was drawn as at 30 June 2023, the FY23 Covenant Gearing Ratio would have been 28.4% as opposed to 25.0% as stated on slide 13.

Section 3

Key risks



Key risks

A detailed outline of risks relating to the Bonds and the Australian Unity Group's business is contained in Section 4 of the Base Prospectus and Section 3 of the Offer Specific Prospectus. All potential investors should read both the Base Prospectus and the Offer Specific Prospectus in full before deciding whether to invest in the Bonds and they should not rely on this presentation. A summary of certain key risks associated with the Bonds is set out as follows.

Market price of the Bonds	<ul style="list-style-type: none">The market price of the Bonds may fluctuate due to various factors including general movements in interest rates, credit margins, the Australian and international investment markets, international economic conditions, changes in inflation rates and inflationary expectations, the market price of any other Australian Unity debt, factors that affect Australian Unity's financial position and performance or credit worthiness, global geo-political events and hostilities, investor perceptions and other factors beyond the control of Australian Unity and its Directors
Liquidity of the Bonds	<ul style="list-style-type: none">Australian Unity has applied for the Bonds to be quoted on ASX. However, the Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may be less liquid than the market for other securities
The Bonds may be suspended or delisted	<ul style="list-style-type: none">There is a risk that trading in the Bonds could be suspended or that the Bonds could cease to be quoted on the ASX in certain circumstances, including if Australian Unity fails to comply with applicable listing rules
Changes in the Interest Rate payable	<ul style="list-style-type: none">The Interest Rate will fluctuate (both increase and decrease) over time with movement in the Market Rate
Australian Unity may default on payment of Face Value or Interest	<ul style="list-style-type: none">Depending upon its performance and financial position, Australian Unity's cash flows and capital resources may not be sufficient to pay some or all of the Face Value or Interest due on the Bonds as and when payable under the Bond terms
The Bonds have limited Events of Default and rights to redemption	<ul style="list-style-type: none">The only circumstances in which the Trustee¹ may (including under the direction of the Holders) accelerate payment of the Bonds are where Australian Unity fails to make a payment on the Bonds (which is not remedied within 10 Business Days after the due date), fails to comply with other obligations under the Terms or the Trust Deed (which is not remedied for 30 Business Days after the Trustee has given notice of the failure), becomes insolvent, or ceases or suspends the conduct of all of its business. Other than the put option arising from a Change of Control Event described in Section 2.1.3 of the Base Prospectus, Holders will have no right to require Australian Unity to Redeem the Bonds, including where the Bonds are no longer admitted to quotation on a stock exchange (although Australian Unity does have an obligation to use its reasonable endeavours to maintain the quotation of the Bonds on a stock exchange)

1. Refer to slide 26 for further information on the role of the Trustee.

Key risks (cont.)

A summary of certain key risks associated with the Australian Unity Group's business is set out as follows.

Availability of a skilled and experienced workforce	<ul style="list-style-type: none"> Australian Unity is reliant on its valued employees and the skills and experience they possess to effectively service its members and customers. If Australian Unity can't access appropriately skilled people or effectively retain its current employees, Australian Unity may experience workforce constraints that adversely impact the provision of service, growth plans and financial performance. Australian Unity is currently experiencing this risk as of the date of this presentation in its care workforce due largely to competition for talent and changes to sector workforce dynamics and government funding models
Changing customer expectations	<ul style="list-style-type: none"> Australian Unity operates in markets where customer expectations are changing rapidly and preferences are shifting to digital engagement channels. The operation of Australian Unity's technology is an important part of how it delivers services to customers. If Australian Unity is not successful in adapting its products, services and technology to meet changing customer preferences, it may lose customers which may adversely impact its financial performance
Cyber security threats	<ul style="list-style-type: none"> Australian Unity's businesses are reliant on technology to deliver its products and services. To provide these products and services, Australian Unity handles large amounts of customer, member and employee data. Cyber security threats are on the rise with growing frequency, sophistication and severity. If the systems Australian Unity have to detect and prevent cyber-attacks fail, it could experience unauthorised access, modification or loss of confidential information or business disruption due to system unavailability
Providing quality clinical and care services	<ul style="list-style-type: none"> Australian Unity provides high-trust services such as health and aged care services in the community. Poor quality clinical services may arise from inadequate policies and procedures, lack of training and supervision or other situational factors. A severe event or series of events could result in mistreatment, injury or death to Australian Unity's customers, sanctions from regulators, reduced government funding, reputational damage and remediation costs
Workplace hazards and risks	<ul style="list-style-type: none"> Australian Unity has a large workforce that could be exposed to workplace injuries or illness. Given the variability of its business activities, locations, conditions and types of care delivered, there is a broad range of risks and hazards that may impact Australian Unity's employees, including manual tasks, ergonomics, slips, trips, falls, driving, mental health and occupational violence. Workplace injuries can impact Australian Unity's ability to service customers, its ability to retain employees, and increase its costs
Economic conditions	<ul style="list-style-type: none"> Australian Unity may be exposed to local and global conditions which could impact its financial performance. For example, as at the date of this presentation, inflationary pressures are leading to rising medical, construction, operational and staffing costs

Section 4

Offer information



Offer structure

Reinvestment Offer

- Offer available to Eligible AYUHC Holders
- You are an Eligible AYUHC Holder if you:
 - were a registered holder of AYUHC as at 7pm (AEST) on 25 October 2023;
 - are a Wholesale Investor, or a Retail Investor (as defined in the Offer Documents) and you are in the Target Market;
 - are shown on the Register of holders of AYUHC as having an address in Australia (or another jurisdiction to which Australian Unity determines to extend the Reinvestment Offer); and
 - Australian Unity is satisfied that you are not in the United States or a United States person, or acting as a nominee for, or for the account or benefit of, a US person, and are not otherwise prevented from receiving the offer under the laws of any jurisdiction

Priority Offer

- Offer available to Eligible Members and Eligible Securityholders of Australian Unity, with a registered address in Australia
- You are an Eligible Member if you:
 - were a financial member of Australian Unity within the meaning of the Australian Unity Constitution (including Australian Unity Mutual Capital Instrument holders) on 20 September 2023; and
 - are a Wholesale Investor, or a Retail Investor (as defined in the Offer Documents) and you are in the Target Market.
- You are an Eligible Securityholder if you:
 - were a registered holder of Australian Unity Bonds Series C ("AYUHC") or Australian Unity Bonds Series D ("AYUHD") as at 7pm (AEST) on 25 October 2023; and
 - are a Wholesale Investor, or a Retail Investor (as defined in the Offer Documents) and you are in the Target Market
- The Maximum Application Value for applications under the Priority Offer is \$50,000 (unless otherwise approved by Australian Unity)

Broker Firm Offer

- Offer available to investors with a registered address in Australia who are clients of a Syndicate Broker, including Eligible Members and Eligible Securityholders of Australian Unity

Institutional Offer

- Offer available to Institutional Investors

Key dates for the Offer and Bonds

Key dates for the Offer

Record date for determining Eligible Members for the Priority Offer	20 September 2023
Record date for determining Eligible AYUHC Holders (7:00pm AEST) for the Reinvestment Offer	25 October 2023
Record date for determining Eligible Securityholders (7:00pm AEST) for the Priority Offer	25 October 2023
Lodgement of Offer Documents with ASIC	30 October 2023
Bookbuild to determine Margin and Allocations to Syndicate Brokers and Institutional Investors	3 November 2023
Opening Date for the Offer and lodgement of replacement Offer Specific Prospectus with ASIC	7 November 2023
Closing Date for the Reinvestment Offer, Priority Offer and Broker Firm Offer	17 November 2023
Issue Date	28 November 2023
Holding Statements despatched by the Registrar	29 November 2023
Bonds commence trading on ASX on normal settlement basis	1 December 2023

Key dates for the Bonds

First Interest Payment Date ¹	14 January 2024
Tenor	Approximately 5 years
Maturity Date	15 December 2028

Note: the key dates above are indicative only and may change without notice.

1. Interest is scheduled to be paid on the quarterly Interest Payment Dates, until the Maturity Date or any earlier Redemption Date. If any of these scheduled dates is not a Business Day, then the Interest Payment Date will be the next Business Day. Holders are not entitled to any additional payment in respect of that delay.

Key contacts

Name	Title	Phone	Email
Australian Unity Limited			
Darren Mann	Group Executive Finance & Strategy and Chief Financial Officer	+61 3 8682 6039	dmann@australianunity.com.au
Adam Vise	General Manager Strategy & Impact and Group Treasurer	+61 3 8682 6821	avise@australianunity.com.au
Acacia Partners – Arranger & Joint Lead Manager			
Damian Pretty	Director	+61 416 250 512	dpretty@acaciapartners.com.au
ANZ Securities – Joint Lead Manager			
Tariq Holdich	Director, Capital Markets	+61 2 9226 6946	tariq.holdich@anz.com
Commonwealth Bank of Australia – Joint Lead Manager			
Alexandra Morelli	Director, Hybrid and Regulatory Capital	+61 2 9303 1190	alexandra.morelli@cba.com.au
E&P Corporate Advisory – Joint Lead Manager			
Carlee Szakiel	Director, Corporate Advisory	+61 3 9631 9821	carlee.szakiel@eandp.com.au
National Australia Bank – Joint Lead Manager			
Stefan Visser	Director, Hybrids & Equity Capital Markets	+61 2 7226 8389	stefan.visser@nab.com.au
Morgans – Joint Lead Manager			
Steven Wright	Executive Director	+61 7 3334 4941	steven.wright@morgans.com.au
Westpac Institutional Bank – Joint Lead Manager			
Robert Moulton	Executive Director, DCM & Syndicate	+61 7 3033 6310	rmoulton@westpac.com.au

Appendices

Appendix A. Key terms and conditions¹

Issuer	<ul style="list-style-type: none"> Australian Unity Limited ABN 23 087 648 888 (“Australian Unity”)
Series / Tranche	<ul style="list-style-type: none"> Australian Unity Bonds Series E – Tranche 1
Bonds	<ul style="list-style-type: none"> Interest paying, unsubordinated and unsecured debt obligations, issued by Australian Unity Each Bond is issued on and subject to the provisions of the Trust Deed and the Terms
Offer size	<ul style="list-style-type: none"> \$180 million in aggregate, with the ability to raise more or less, subject to a minimum offer size of \$50 million
Interest Rate	<ul style="list-style-type: none"> Floating Interest Rate The Interest Rate is the sum of the Market Rate plus the Margin
Market Rate	<ul style="list-style-type: none"> BBSW Rate for a three month period
Margin	<ul style="list-style-type: none"> The Margin is expected to be in the range of 2.50 percent to 2.70 percent per annum The Margin will be determined by the Issuer following the completion of the Bookbuild. The Margin will be announced by Australian Unity on or around the Opening Date The Margin may be outside the range specified above
Interest Payment Dates	<ul style="list-style-type: none"> The first Interest Payment Date will be 14 January 2024 to align with Australian Unity Bonds Series D interest payment dates. This means that the number of days in the first interest period will be less than for subsequent interest periods. Interest will be paid quarterly in arrears on the following dates in each year as well as on the Maturity Date, or any earlier Redemption Date: <ul style="list-style-type: none"> - 14 January - 14 April - 14 July - 14 October If any of these scheduled dates is not a Business Day, then the Interest Payment Date will be the next Business Day. Holders are not entitled to any additional payment in respect of that delay

1. This is a brief summary of the Bonds terms and conditions only. Potential investors should refer to the Base Prospectus and Offer Specific Prospectus for the full terms. References to defined terms which are not otherwise defined in this Investor Presentation take the meaning given to those terms in the Base Prospectus and Offer Specific Prospectus.

Appendix A. Key terms and conditions (cont.)

Credit Rating and Product Complexity Indicator	<ul style="list-style-type: none"> Bonds have been assigned a BBB+ long-term Credit Rating by Australia Ratings, although Australian Unity itself is not rated by Australia Ratings. Australia Ratings has also assigned a 'Green' Product Complexity Indicator to the Bonds
Term	<ul style="list-style-type: none"> Approximately 5 years
Maturity Date	<ul style="list-style-type: none"> 15 December 2028
Early Redemption at Australian Unity's option	<ul style="list-style-type: none"> Australian Unity will only have the right (but not the obligation) to Redeem the Bonds prior to the Maturity Date following the occurrence of a Tax Event or a Change of Control Event or where a Clean Up Condition subsists
Early Redemption rights for Holders	<ul style="list-style-type: none"> Holders of Bonds have the right to vote to require Redemption prior to the Maturity Date following the occurrence of a Change of Control Event. Redemption in these circumstances requires a Holder Resolution to be passed in favour of Redemption. Holders have no right to require Redemption before the Maturity Date in any other circumstances
Not deposit liabilities, protected accounts or policy liabilities	<ul style="list-style-type: none"> The Bonds are not deposit liabilities or protected accounts of Australian Unity Bank under the Banking Act and are not policy liabilities with any member of the Australian Unity Group under the Life Insurance Act
Negative pledge	<ul style="list-style-type: none"> While any Bonds remain outstanding, Australian Unity will not secure any "Relevant Indebtedness" without according the same security (or an equal ranking security) to the Bonds. Some security interests are excluded from the negative pledge – including any security interests in respect of syndicated or term loan arrangements within the limit described in Section 2.1.4 of the Base Prospectus "Relevant Indebtedness" broadly means debt securities issued by Australian Unity (including Bonds of another Series) which are, or are capable of being, quoted on a stock exchange and indebtedness owing under syndicated or term loan arrangements
Covenant Gearing Ratio	<ul style="list-style-type: none"> While any Bonds remain outstanding, Australian Unity will ensure that, on each 30 June and 31 December occurring after the Issue Date, the Covenant Gearing Ratio is not greater than 50 percent

Appendix A. Key terms and conditions (cont.)

Restrictions on Subsidiary Indebtedness

- While any Bonds remain outstanding, Australian Unity will ensure that no Subsidiary of Australian Unity incurs Financial Indebtedness (other than in certain circumstances set out below)
- “Financial Indebtedness” is defined broadly in Clause 12.4 of the Base Terms
- The restriction does not apply to the following:
 - Limited Recourse Debt;
 - Financial Indebtedness owed by one member of the Australian Unity Group to another member of the Australian Unity Group;
 - any Financial Indebtedness of an entity which becomes a member of the Australian Unity Group after the Issue Date which was incurred or agreed to be incurred before the entity became a member of the Australian Unity Group;
 - any other present or future Financial Indebtedness not referred to above provided the aggregate principal amount is not more than 10 percent of Total Equity;
 - Subsidiaries which are, broadly, trusts funded by the public or external investors and in respect of which an Australian Unity Group entity does not have a “controlling interest”. A person has a “controlling interest” in a trust or other entity if the person owns beneficially more than 50% of issued units in the trust or other entity (regardless of whether those units or interests have voting rights);
 - any ADI that is a member of the Australian Unity Group (which, as at the date of this presentation, means Australian Unity Bank);
 - any present or future Retirement Village Investment Notes issued by Australian Unity Finance Limited (“AUFL”) provided the recourse of the holders of those notes is limited to the assets of AUFL and Australian Unity Retirement Living Investments Limited;
 - any subordinated capital notes from time to time issued by Australian Unity Health Limited, provided the outstanding aggregate principal amount of such notes does not exceed \$60 million;
 - \$5.1 million in loans between Australian Unity Support Foundation Limited (previously known as Grand United Centenary Centre Limited) and Australian Unity Retirement Living Management Pty Ltd (“AURLM”) made on or about 31 August 2012;
 - any present or future Financial Indebtedness incurred by Herston Company Pty Limited (or any of its Subsidiaries) in connection with the Herston Projects, provided the outstanding aggregate principal amount of such indebtedness does not exceed \$60 million; and
 - any present or future Financial Indebtedness owing by Australian Unity Home Care Service Pty Ltd (“AUHCS”) or AURLM in respect of government funding provided to AUHCS or AURLM (as the case may be) in connection with the provision of homecare or disability care services by AUHCS or AURLM (as the case may be)
- “Limited Recourse Debt” is Financial Indebtedness of certain Subsidiaries of Australian Unity which is incurred in relation to the purchase, construction, development or operation of an asset where the financier’s recourse is limited to those assets (or the income or cashflow from those assets) or shares or units issued by that entity or those entities, and the financier otherwise has no guarantee from any member of the Australian Unity Group (as defined in Clause 12.4 of the Base Terms) which is not involved in the purchase, construction, development or operation of such asset, or any security over any other assets of the Australian Unity Group, and includes a refinancing of any such Financial Indebtedness
- This restriction is intended to limit the extent to which the Holders are structurally subordinated to other creditors of the Australian Unity Group

Appendix A. Key terms and conditions (cont.)

Ranking on winding-up	<ul style="list-style-type: none"> A Holder's claim will rank equally with holders of other Series of Bonds, and equally with claims of all other unsubordinated and unsecured creditors (other than any obligations preferred by mandatory provisions of applicable law, including employee entitlements and secured creditors). A Holder's claim will rank ahead of all holders of subordinated instruments and Mutual Capital Instruments, and members of Australian Unity Holders' claims are subject to structural subordination which is explained in the Base Prospectus
Face Value	<ul style="list-style-type: none"> \$100 per Bond
Minimum application	<ul style="list-style-type: none"> 20 Bonds for applicants under the Offer (\$2,000)
Fees and charges	<ul style="list-style-type: none"> No fees, charges, brokerage, commission or stamp duty is payable by you on your application for the Bonds. You may be required to pay brokerage if you sell your Bonds after the Bonds are quoted on ASX
Listing	<ul style="list-style-type: none"> Australian Unity has applied for the quotation of Bonds on ASX It is expected that the Bonds will be quoted under the code "AYUHE"
Trustee	<ul style="list-style-type: none"> The Trustee for the Bonds is Certane CT Pty Ltd (ABN 12 106 424 088) The Trustee holds on trust (for the benefit of Holders of the Bonds) the right to enforce Australian Unity's obligations in respect of the Bonds The Trustee has a number of powers under the Trust Deed including the power to call meetings of the Holders and provide information to the Holders The Trustee is not responsible for monitoring any breach of the Trust Deed, the occurrence of any Event of Default under the Terms, Australian Unity's compliance with the Trust Deed or Australian Unity's businesses except as required by law the Trustee has a statutory duty to exercise reasonable diligence to ascertain: <ul style="list-style-type: none"> (a) whether the property of Australian Unity that is or should be available (whether by way of security or otherwise) will be sufficient to repay the amount deposited or lent when it becomes due; and (b) whether Australian Unity has committed any breach of the Terms, the provisions of the Trust Deed or Chapter 2L of the Corporations Act The Trustee does not guarantee any obligations of the Issuer, including repayment of the Face Value of the Bonds or the payment of Interest on the Bonds

Appendix B. Comparison of AYUHC and the Bonds¹

Feature	AYUHC ²	Bonds
Issuer	• Australian Unity Limited	• Australian Unity Limited
Guarantor	• None	• None
Legal form	• Unsecured debt obligations	• Unsecured debt obligations
Issue Price	• \$100 per AYUHC	• \$100 per Bond
Term	• 5 years	• Approximately 5 years
Early redemption (at Issuer's option)	• Yes, for taxation reasons, on a change of control or if less than 10% remain on issue	• Yes, for taxation reasons, on a change of control or if less than 10% remain on issue
Margin	• 2.00%	• Expected to be in the range of 2.50% - 2.70%
Interest rate	• Floating	• Floating
Interest payments	• Mandatory, not deferrable	• Mandatory, not deferrable
Payment frequency	• Quarterly	• Quarterly
Transferable	• Yes – quoted on ASX	• Yes – to be quoted on ASX

1. This is a brief summary of the Bonds terms and conditions only. Potential investors should refer to the Base Prospectus and Offer Specific Prospectus for the full terms.

2. Australian Unity Bonds Series C – Tranche 1 issued in 2019 by Australian Unity.

Appendix B. Comparison of AYUHC and Bonds (cont.)¹

Feature	AYUHC ²	Bonds
Gearing covenant	<ul style="list-style-type: none"> • 50% 	<ul style="list-style-type: none"> • 50%
Negative pledge	<ul style="list-style-type: none"> • Yes (but it only applies to similar capital markets indebtedness and indebtedness under syndicated or term loan arrangements) 	<ul style="list-style-type: none"> • Yes (but it only applies to similar capital markets indebtedness and indebtedness under syndicated or term loan arrangements)
Restrictions on subsidiary indebtedness	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Yes
Holder early redemption rights	<ul style="list-style-type: none"> • Only on a change of control of Australian Unity (and provided that a holder resolution is passed in favour of requiring redemption) 	<ul style="list-style-type: none"> • Only on a change of control of Australian Unity (and provided that a Holder Resolution is passed in favour of requiring redemption)
Aggregate principal amount of bonds required to be represented in order for a meeting of holders to pass a special resolution	<ul style="list-style-type: none"> • Two thirds of the aggregate principal amount of AYUHC (where a special quorum is required), otherwise 50% of aggregate principal amount of AYUHC, with lower thresholds applicable for meetings previously adjourned because of lack of quorum 	<ul style="list-style-type: none"> • Greater than 50% of the aggregate principal amount of Bonds (where a Special Quorum is required), otherwise 25% of aggregate principal amount of Bonds, with lower thresholds applicable for meetings previously adjourned because of lack of quorum
Credit rating assigned by Australia Ratings	<ul style="list-style-type: none"> • BBB+ 	<ul style="list-style-type: none"> • BBB+
Product complexity indicator assigned by Australia Ratings	<ul style="list-style-type: none"> • Green 	<ul style="list-style-type: none"> • Green

1. This is a brief summary of the Bonds terms and conditions only. Potential investors should refer to the Base Prospectus and Offer Specific Prospectus for the full terms.

2. Australian Unity Bonds Series C – Tranche 1 issued in 2019 by Australian Unity.

