

ASX Announcement

7 November 2023

Australian Unity Bonds Series E – Reinvestment Offer letter

Australian Unity Limited announced an offer of a new series of simple corporate bonds: Australian Unity Bonds Series E – Tranche 1 on 30 October 2023 (the **Offer**).

A copy of the Reinvestment Offer letter follows, which will be sent to registered holders of Australian Unity Bonds Series C listed on the register with an Australian address as at 7pm on 25 October 2023.

-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

8 November 2023

Reinvestment Offer Reference Number:

Priority Offer Reference Number:

IID:

SRN/HIN:

Australian Unity Limited
ABN 23 087 648 888

271 Spring Street
MELBOURNE VIC 3000

T 13 29 39 Australia Wide
F 03 8682 5555
W australianunity.com.au

[insert name]

[address 1]

[address 2]

Dear [insert name]

Reinvestment Offer and Priority Offer for Australian Unity Bonds Series E

On 30 October 2023, Australian Unity Limited (**Australian Unity**) announced an offer of new simple corporate bonds – referred to as Australian Unity Bonds Series E (**Bonds**). The Bonds are being offered under a Base Prospectus and Offer Specific Prospectus (together, the **Offer Documents**) which are available at www.australianunity.com.au/bonds.

As a holder of Australian Unity Bonds Series C issued in 2019 (**AYUHC**), I am writing to inform you of a potential opportunity to:

- realise your investment in AYUHC early by having some or all of your AYUHC purchased by Australian Unity with a portion of the proceeds reinvested to subscribe for an equivalent number of Bonds (**Reinvestment Offer**); and/or
- increase your investment by applying for Bonds under a priority offer (**Priority Offer**).

The Reinvestment Offer and the Priority Offer opened on 7 November 2023 and are expected to close on 17 November 2023 (**Offer Period**).

Key features of the Bonds

The Bonds are simple corporate bonds that provide quarterly interest payments over an approximate term of 5 years. Key features of the Bonds include:

- Each Bond has a Face Value of \$100.
- The Bonds are unsecured and unsubordinated debt securities.
- The Interest Rate will be the floating Market Rate plus a fixed Margin of 2.50 percent per annum.
- On 15 December 2028 (**Maturity Date**), Holders of the Bonds will receive the Face Value plus the final payment of Interest unless the Bonds are redeemed early in the circumstances set out in the Offer Documents.
- The Bonds are expected to be quoted on ASX and trade under the code “AYUHE”.

Full details of the Bonds are contained in the Offer Documents.

Target Market for the Bonds

Under the ‘design and distribution’ laws, Australian Unity was required to make a target market determination in respect of the Bonds (**TMD**). The TMD describes, among other things, the class of Retail Investors that comprises the target market for the Bonds (**Target Market**). The TMD is available at www.australianunity.com.au/bonds.

As part of the steps that Australian Unity is taking to ensure that the Bonds are reasonably likely to be distributed to investors who are within the Target Market, if you wish to apply under the Reinvestment Offer or the Priority Offer, you must complete an online pre-application assessment to help Australian

Unity determine if you are eligible to participate. If you do not complete the pre-application assessment satisfactorily, your application will not be accepted.

Key details on the Reinvestment Offer and the Priority Offer

As noted above, the Reinvestment Offer is an opportunity for Eligible AYUHC Holders to have some or all of their AYUHC purchased by Australian Unity with a portion of the proceeds received applied directly to the subscription of an equivalent number of Bonds.

The Reinvestment Offer is not a simple rollover into a similar investment. AYUHC and the Bonds, while having several similar features, have some different benefits and risks, which must be evaluated independently. Those differences are outlined in the Offer Documents and include:

- a different margin. The margin for AYUHC is 2.00 percent per annum. The Margin for the Bonds is higher than the margin for AYUHC and is 2.50 percent per annum; and
- a different maturity date. The maturity date for AYUHC is 15 December 2024 and the Maturity Date for the Bonds is 15 December 2028.

If your application to participate in the Reinvestment Offer is accepted, your participating AYUHC will be sold to Australian Unity who will reinvest a portion of the sale proceeds in the Bonds. You will receive one Bond for each AYUHC sold as both have a face value of \$100. You will also receive a cash payment for each AYUHC sold, comprising the Accrued Interest Amount as compensation for the interest AYUHC holders would have received in respect of the AYUHC sold under the Reinvestment Offer for the period from 14 October 2023 to 27 November 2023.

You are an Eligible AYUHC Holder if:

- you were a registered holder of AYUHC as at 7:00pm on 25 October 2023;
- you are a Wholesale Investor, or a Retail Investor and you are in the Target Market;
- you 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 US 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.

Options for Eligible AYUHC Holders

Option 1

Apply under the Reinvestment Offer to sell all or some of your AYUHC to fund your subscription for Bonds.

In addition to participating in the Reinvestment Offer, Eligible AYUHC Holders wishing to increase their investment in Australian Unity may apply for Bonds under the Priority Offer. If applying under both the Reinvestment Offer and the Priority Offer, you will be required to complete two separate applications and to make your subscription payment in respect of the Priority Offer via BPAY®. Applications under the Priority Offer must be for a minimum of 20 Bonds, which is a minimum investment of \$2,000 and for no more than the Maximum Application Value, being \$50,000 (unless otherwise approved by Australian Unity).

Details on how to apply are set out in the Offer Documents. You can apply directly to Australian Unity or through a Syndicate Broker. Speak to your Syndicate Broker for information on how to apply through them.

To apply directly to Australian Unity, you must:

- complete the pre-application assessment available at www.australianunity.com.au/bonds. If you do not complete the pre-application assessment satisfactorily, your application will not be accepted; and
- apply using the electronic application form available at www.australianunity.com.au/bonds. To complete the application form, you will need your relevant reference number provided above.

Before deciding whether to apply for the Bonds under the Reinvestment Offer or the Priority Offer, you should read the Offer Documents in full and speak to a qualified financial adviser to assist you to determine if the Bonds are suitable for you.

Option 2

Choose to sell or dispose of your AYUHC on market at the prevailing market price (in which case you may have to pay brokerage) which may be higher or lower than the price you would receive if you were to sell all your AYUHC to Australian Unity through the Reinvestment Offer and use the proceeds as you determine.

Option 3

Take no action. You are not required to participate in the Reinvestment Offer, or to sell your AYUHC on market and as such, you are not required to take any action. If you take no action, you will continue to hold your AYUHC and will receive quarterly interest payments until your AYUHC mature on 15 December 2024, at which time Australian Unity must redeem all outstanding AYUHC for \$100 per AYUHC plus any outstanding interest due.

Further information

For more information about the Reinvestment Offer or the Priority Offer, visit www.australianunity.com.au/bonds or call the Australian Unity Bonds Information Line on 1300 135 403 (Monday to Friday - 8:30am to 5:30pm).

Finally, I would like to take this opportunity to thank you for your investment and support of Australian Unity.

Yours sincerely



Lisa Chung AM
Chair
Australian Unity Limited

IMPORTANT INFORMATION

Australian Unity Limited is currently offering Bonds as outlined in the Offer Documents. This communication is not a recommendation, financial advice or an offer to apply for the Bonds. The offer is made in the Offer Documents. The information provided here is general only and does not consider your specific investment objectives, financial situation or individual needs.

Investing in Bonds carries inherent risks, including potential loss of income and principal invested, as well as risks related to Australian Unity. No member of the Australian Unity Group guarantees the value, performance, or repayment of your investment, nor a specific rate of return. The Bonds are unsecured notes for the purposes of section 283BH of the Corporations Act.

Capitalised terms used but not defined in this communication have the meaning given to them in the Offer Documents.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This communication is intended for Australian publication only and should not be distributed or released in the United States or in any other jurisdiction where it would be unlawful to do so. It does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product. In particular, it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Bonds are not and will not be registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act) or the securities laws of any state or jurisdiction of the United States. Accordingly, the Bonds may not be offered or sold, directly or indirectly, to persons in the United States unless they are registered under the U.S. Securities Act (which Australian Unity has no intention or obligation to do) or are offered and sold under an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.