

HEALIUS LIMITED (ASX:HLS)
ANNUAL GENERAL MEETING 2022
CHAIR'S SPEECH

Having covered the procedural matters, I would now like to take a moment to speak about your Board and say a few words on this topic.

As you are aware, Rob Hubbard, our previous chair, has sadly stepped away from the Board due to health reasons.

Dr Paul Jones also announced his retirement this month effective at the end of this AGM.

On behalf of the Board, I would like to express our enormous gratitude to both of them for their steadfast guidance, invaluable insights and considered approach throughout a period of considerable change at Healius.

They leave behind a great legacy. Your Company has a good balance sheet, a streamlined portfolio, and multiple growth pathways.

We have a dedicated team and a clear focus on sustainability, underscored by our role in ensuring Australians have access to quality healthcare irrespective of their circumstances.

It is a privilege to be appointed as the new Chair and I am committed to helping Healius build on the achievements under Rob's tenure, for the benefit of all stakeholders.

Together with Sally Evans who chairs our People and Governance Committee, I will look to fill the two vacancies on the Healius Board over the next 12-24 months, informed by an assessment of the current and optimal mix of skills and experience that your Board should have. We will undertake this assessment shortly.

I like the cadence of a new director each year in terms of Board renewal. It is a good opportunity to bring in some different skills and different perspectives.

As the new Chair, I am turning my mind to executive succession planning. This is a priority for your Board.

Over the past three years, we have come through a period of transition in terms of portfolio, strategy, and technology, as well as managing the near-term imperatives of COVID-19.

Now we must look to establish the leadership team which will best steer your Company in the next phase of its evolution. We will update the market when appropriate.

So let me make some observations on our vision and strategy for Healius.

Our vision is to create sustainable value through the provision of comprehensive diagnosis in support of clinical decision-making across the national healthcare system.

This is why we are here, to make Australians healthy.

Our strategy rests on three pillars:

1. On delivering precise insights for screening, diagnosis and therapy,
2. On providing patients and clinicians with superior healthcare experiences, and
3. On creating value by investing in new and growing clinical domains.

This strategy is underpinned by key drivers including:

1. The increasing importance of screening and diagnosis in reducing downstream healthcare costs,
2. The growing autonomy and choice of individuals as healthcare consumers, and
3. The rapid expansion of innovations in technology and treatment of disease.

We are building a digital future for diagnostics, changing for the better the service experience for our patients and referrers.

We are focusing on the highest-burden disease groups including cancer and cardiovascular diseases. As an example, in August we announced a partnership with a US company, C2N Diagnostics and we will soon be offering their blood test to help in the evaluation of Alzheimer's disease.

Making Australians healthier and reducing the cost burden to society is the essence of your Company's vision.

Let me move to capital management and shareholder returns.

Your Company remains committed to a target gearing ratio of 1.7 to 2.2x. We have been below this over the past two years with the high level of COVID-19 screening.

We will look to selectively invest where our money is best used:

1. in our SIP, digital and innovation programs,
2. in M&As to improve our existing footprint and where we see value accretion, and
3. in shareholder returns.

As you are aware we carried out a \$200 million buyback in calendar year 2021 funded by the sale of the Medical Centres at the end of 2020.

In March this year we announced another, more tactical, buyback of up to \$100 million and we have bought back around \$41 million to-date.

In addition, our dividends have grown strongly over the last two years mirroring our performance, with 13.25 cents per share declared in 2021 and 16 cents per share in 2022 and they were fully franked.

We would like to continue to grow dividends in real terms but, with profits fluctuating around COVID testing, this may be difficult in the short-term.

Nevertheless, your Board will remain focused on the returns it makes to shareholders.

We have set our payout at 50-70% of reported profits and we will continue to ensure the discipline of a strong payout ratio is instilled in the Company's capital management.

Over the past year, we have set our Sustainability aspiration and identified five priority areas.

1. Our success is underpinned by our ability to attract and retain the right talent, providing them with the right tools and support to deliver the best possible outcomes.
2. We recognise that climate change is a global issue requiring the collective effort of every person, business, community, and government. While not a major emitter of greenhouse gases, our priorities are centred around:
 - Reducing our carbon footprint
 - Reducing single-use plastics, and
 - Disposal of medical waste.

3. In terms of our customers and in line with our vision, Healius aims to permanently change for the better how consumers access diagnostic care in Australia.

Your Company considers information security and safeguarding the health data in our system to be a priority.

We are executing a programme of 30+ strategies to further mitigate cyber security threats, including:

- Modernising our firewalls,
- Segmenting our networks to reduce exposure to attacks, and
- Implementing an industry-leading security management solution.

4. Our ongoing commitment to offer bulk-billing for many of our services, enables all Australians to access the care they need, irrespective of their circumstances.

Our contribution to our communities goes beyond this to charitable outreach at a national and local level and support of clinical university placements.

We are also committed to supporting human rights by aiming to eliminate any modern slavery from our operations.

5. We are currently using the Sustainable Development Goals developed by the United Nations as the framework for our FY 2022 Sustainability Report.

You can read more about our sustainability initiatives in our 2022 Sustainability Report online.

Before I hand over to Malcolm, I would like to extend my thanks and gratitude to the entire Healius team, especially those working on the front line, who have demonstrated their unequivocal commitment to service during the **COVID-19** pandemic.

It's been another extraordinary year and I thank them for their dedication and resilience.

Finally, I thank you, our shareholders, for your continued support and look forward to delivering again in financial year 2023.

ENDS