

## ASX Announcement (ASX: HLS)

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### Update on Tax Case for Financial Years 2003 to 2007

Healius Limited (“Healius”) today announced that, in litigation relating to the tax treatment of lump sum payments made by Healius to healthcare practitioners, the Full Court of the Federal Court of Australia has today decided for the Commissioner of Taxation (“Commissioner”).

By way of background, Healius (then “Primary Health Care Limited”) was advised in 2015 that lump sum payments made by Healius to healthcare practitioners for the financial years 2010 to 2014 were tax deductible for the company.

Healius subsequently lodged out-of-time objections for the financial years 2003 to 2007 in order to claim similar tax deductions for those financial years.<sup>1</sup> The Federal Court ultimately allowed those objections to be lodged out of time, meaning the Commissioner was required to determine the objections.

Following the Commissioner’s determination to disallow these objections, Healius commenced legal proceedings in the Federal Court which culminated in a decision in favour of Healius in November 2019.

The Commissioner appealed that decision and the matter was heard by the Full Court in August this year. Today the Full Court has upheld the Commissioner’s appeal.

Healius is currently reviewing the Full Court’s judgment and considering its options, including whether to apply to the High Court of Australia for special leave to appeal the Full Court’s decision.

Aside from legal costs which are not expected to be material, Healius is not required to pay any further amounts to the Australian Taxation Office as a consequence of today’s decision.

### ENDS

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*For over 30 years Healius has been one of Australia’s leading healthcare companies with a commitment to supporting quality, affordable and accessible healthcare for all Australians. Today Healius has three main businesses – pathology, medical centres and imaging - and three emerging businesses – dental, IVF and day hospitals. Through its unique footprint of centres and 13,000 employees, Healius provides diagnostic services to consumers and their referring practitioners, as well as enabling a range of independent healthcare professionals to deliver patient care in partnership with Healius’ nurses and support staff.*

*Release of this announcement has been authorised by the Disclosure Committee.*

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<sup>1</sup> Healius was in a loss-making position for taxation purposes during FY 2008 and FY 2009.