

ASX ANNOUNCEMENT

9 September 2022

Shine Justice Ltd (SHJ) Agreement to settle historic Australian J&J/Ethicon Mesh Class Actions

Shine Justice Ltd announces the execution of a heads of agreement to settle the class action brought by Shine Lawyers on behalf of the group members represented by Kathryn Gill, Diane Dawson and Ann Sanders (**Applicants**) against Ethicon Sàrl, Ethicon, Inc. and Johnson & Johnson Medical Pty Limited (**Respondents**). Group members were surgically implanted with, and suffered significant and sometimes severe and life-altering complications from, defective medical devices (including vaginal mesh and tape implants) manufactured and sold by the Respondents (**Mesh Class Action 1**).

The Applicants' claims were upheld by the Federal Court of Australia (**Court**) in November 2019 when the Respondents were found liable in negligence and for breaches of the *Trade Practices Act 1974* (Cth) and the *Competition and Consumer Act 2010* (Cth) and unanimously by the Full Court of the Federal Court of Australia in March 2021. An application by the Respondents for special leave to appeal to the High Court of Australia was refused by that court in November 2021.

In April 2021, Shine Lawyers filed a second class action on behalf of women with complications arising on or after 4 July 2017 (**Mesh Class Action 2**), with allegations substantially the same in both class actions.

The heads of agreement relates to both Mesh Class Action 1 and Mesh Class Action 2.

It is agreed to settle the actions for AUD\$300 million, subject to approval by the Court. This amount is in addition to amounts previously ordered by the Court in respect of damages for the Applicants, costs and relevant interest.

The settlement will not impact Shine Justice Ltd's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) to date as revenue has been progressively brought to account in accordance with the relevant accounting standards. Subject to the timing of the Court's approval, cash is expected to be positively impacted in FY23 as a result of the reimbursement of work in progress. Administration of individual claims may now proceed, which is expected to take several years, resulting in positive revenue and cash from FY23.

Managing Director & CEO Simon Morrison welcomed the settlement, saying 'We are pleased to resolve this historic Australian action. Our Class Actions team has advocated on behalf of our clients for almost a decade. No amount of compensation can ever replace what our clients have lost, but this outcome will provide vindication and closure for their claims'.

The market will be updated with any further material developments.

Authorised for release by the Managing Director & CEO



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