

ASX RELEASE

1 April 2025

HMC CAPITAL PARTNERS FUND I DECLARES ~\$300 MILLION INTERIM FY25 DISTRIBUTION & ANNOUNCES LAUNCH OF NEW HMC CAPITAL PARTNERS FUND II

KEY HIGHLIGHTS

- HMC Capital to receive ~\$150m distribution from HMCCP Fund I following realisation of substantial profit from portfolio investments in Sigma Healthcare and Ingenia Communities
- HMC balance sheet further strengthened with nil drawn debt expected in April 2025 following receipt of the HMCCP distribution and \$675m of committed and undrawn funding lines
- The HMCCP distribution and return of capital to HMC is consistent with our strategy to recycle capital and generate a strong return on equity across our investment platforms
- Intention to launch HMCCP Fund II as a closed end private equity strategy which will invest in high conviction listed and unlisted investments via proposed re-structure of HMCCP Fund I

FY25 TRADING UPDATE

- Based on HMC year-to-date performance, annualised FY25 operating EPS (pre-tax) is currently tracking at 70 cents. FY25 operating EPS is not impacted by the announced HMCCP Fund I distribution which will be recorded in the cash flow statement¹
- DPS guidance of 12.0 cents reaffirmed

HMCCP Fund I interim distribution

HMC Capital Limited (**ASX: HMC**) today announces that HMC Capital Partners Fund I (HMCCP Fund I) has declared an interim FY25 distribution totalling ~\$300m. As the largest investor in HMCCP Fund I, HMC will receive a distribution of ~\$150m in mid-April 2025 and will retain an ongoing investment valued at c.\$230m².

The interim distribution will be payable to HMCCP Fund I unitholders and reflects the significant realised gains on the HMCCP Fund I investments in Sigma Healthcare (Sigma) and Ingenia Communities (Ingenia).

HMCCP Fund I was the best performing Australian equity fund in 2024 as ranked by Morningstar, delivering more than 55% net returns in CY24. For those investors who supported the initial HMCCP Fund I fund-raising in August 2022, this represents a dividend of ~80% of their initial investment in less than 3 years, while retaining their ongoing HMCCP Fund I investment valued at ~\$1.24/unit³.

Sigma was the seed investment for HMCCP Fund I and generated an unlevered IRR in excess of 100% and a 3.4x MOIC. In line with its investment approach, HMCCP Fund I played an active role as a significant shareholder in Sigma during the period of its investment, including:

- supporting Sigma management in relation to their successful bid for a \$3bn supply contract with Chemist Warehouse announced in June 2023; and

1. Trading update methodology consistent with prior FY25 announcements. Adopts the gross fair value movement of HMCCP and financial assets as at 31-Mar-25 plus the annualised operating earnings YTD Feb-25 (excl. HMCCP / Equity investment fair value movements) plus the establishment of DigiCo REIT including one-off transaction income, recurring funds management fees and co-investment income and impact of the \$300m Institutional Placement announced on 24-Oct-24. Past performance should not be taken as an indicator of future performance and fair value gains remain unrealised.

2. Based on estimated 31-Mar-25 NAV for Trust B, adjusted for declared distribution. Distribution expected to be paid on or around 15-Apr-25.

3. Based on estimated 31-Mar-25 NAV for Trust A and C, adjusted for declared interim distribution. Past performance is not a reliable indicator of future performance.

- developing the innovative structure to merge Sigma and Chemist Warehouse and supporting the Sigma Board and management team as a strategic adviser throughout the transaction negotiations⁴.

As an active shareholder, HMCCP Fund I has assisted Ingenia implement the following value enhancing initiatives, including:

- significant management and board renewal including the appointment of a high calibre CEO with deep operational experience;
- enhanced strategic focus on high ROE and higher growth core land lease business;
- improved discipline on capital allocation and overheads; and
- greater transparency with investors on opportunity to improve development margins through improved operational efficiencies.

The partial realisation of HMCCP Fund I's investment in Ingenia follows a successful 2-year investment period which has delivered a 24% unlevered IRR.

Intention to launch HMCCP Fund II

HMC Capital, in consultation with the Trustees of HMCCP Fund I, has undertaken a review to consider the optimal strategy to continue to deliver strong investment performance for investors. Performance to date has demonstrated our ability to deliver outsized and uncorrelated returns from high conviction investments, with HMCCP Fund I delivering a 32% annualised return, net of fees, from inception to 31 March 2025⁵.

The review has concluded that, having regard to HMC's unique skills and competitive advantages:

- the HMCCP Fund I should target a concentrated portfolio of our highest conviction opportunities rather than seeking to diversify into 8 – 10 positions; and
- expanding HMCCP Fund I's mandate to invest in unlisted assets materially increases the fund's investment universe and ability to arbitrage public and private markets.

As a result of this review, the Trustees of HMCCP Fund I have determined to re-weight future investments towards unlisted opportunities and our highest conviction strategic stakes in listed entities where we see material upside and/or the potential for corporate M&A activity.

Reflecting the proposed change in future investment focus, unitholder approval will be sought to amend the trust deed and certain fund terms to reflect a more traditional private equity fund structure including:

- increasing the performance fee hurdle from 7% to 9%;
- changing from an open-ended structure with limited quarterly liquidity to a closed-end structure⁶ to reflect the changing nature of the underlying investments over time; and
- changing the fund name to HMC Capital Partners Fund II.

HMC Capital has a pipeline of unlisted opportunities under review for Fund II, including participation in the potential opportunity to acquire and recapitalise Healthscope. It is intended that any participation in a Healthscope investment would be conducted through HMCCP Fund II.

- Following payment of the distribution, HMCCP Fund I will have a cash balance in excess of \$100m to fund future investment opportunities.

Refer to the attached HMCCP Fund I investor letter for further information on the proposed changes and next steps for HMCCP Fund I unitholders.

4. On a no fee basis.

5. Based on estimated 31-Mar-25 NAV for Trust A and C (subject to confirmation by external administrator). Inception date 31 August 2022. Past performance is not a reliable indicator of future performance.

6. 5-year term with 2 x 12-month extension options.

HMC Managing Director and CEO, David Di Pilla, said "HMC Capital Partners Fund I has proven our ability to deliver outsized and uncorrelated returns for investors by applying a private equity mindset to investing in listed equities. We are excited about the upcoming launch of our second private equity vehicle which will target both listed and unlisted opportunities. We have refined the strategy and structure of Fund II to maximise potential returns for investors. HMCCP Fund II will target our highest conviction investments in a more traditional closed-end private equity fund structure."

HMC Balance Sheet and Liquidity Position

Following receipt of the declared distribution of ~\$150m from HMCCP Fund I in April 2025, HMC is expected to have nil drawn debt and retains \$675m of committed and undrawn funding lines.

- The HMCCP Fund I distribution and return of capital to HMC is consistent with our strategy to recycle capital and generate a strong return on equity across our investment platforms.

HMC's strengthened balance sheet will support the group's growth initiatives. This includes the establishment of HMC's inaugural Energy Transition Fund which is on-track to settle on the highly strategic Neon Victoria portfolio in Jul-25 and Dec-25.

- HMC is currently in the process of fundraising with multiple domestic super funds and international institutional investors in due diligence.
- As previously stated, HMC Capital intends to make a \$100m equity investment in the Energy Transition Platform.

This announcement is approved for release by the HMC Capital Board.

For further information, please contact:

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About HMC Capital

HMC Capital is a leading ASX-listed diversified alternative asset manager focused on real estate, private equity, energy transition, digital infrastructure and private credit. We manage approximately \$19bn on behalf of institutional, high net worth and retail investors. We have a highly experienced and aligned team with deep investment and operational expertise. Our point of difference is our ability to execute large, complex transactions. This has underpinned our rapid FUM growth and track record of generating outsized returns for our investors.

Important Notice - Forward-Looking Statements and Disclaimer

This announcement contains certain forward-looking statements, which may include indications of, and guidance on, future earnings, financial position and performance. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of HMC Capital. Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based.

No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this announcement. The forward-looking statements are based only on information available to HMC Capital as at the date of this announcement. Except as required by applicable laws or regulations, HMC Capital does not undertake any obligation to provide any additional or updated information or revise the forward-looking statements or other statements in this announcement, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.

To the extent that this announcement relates to HMC Capital Partners Fund I, that information is provided by HMC Capital Limited as a corporate authorised representative of HMC Capital AFSL 1 Pty Ltd AFSL 291466.

No fees or commissions are payable under the corporate authorised representative arrangement with HMC Capital AFSL 1 Pty Ltd, including to us or our associates. HMC Capital AFSL 1 Pty Ltd and the trustees of HMC Capital Partners Fund I are subsidiaries of HMC Capital Limited. HMC Capital Limited and HMC Capital AFSL 1 Pty Ltd can be contacted on 1300 466 326.

This announcement does not take into account any person's objectives, financial situation or needs and because of that, you should, before acting on the information in this announcement, consider its appropriateness, having regard to your objectives, financial situation and needs. You should obtain and consider the HMC Capital Partners Fund II information memorandum before making any decision about whether to acquire HMC Capital Partners Fund II units.

HMC Capital Partners Fund I – Interim Distribution Declared and Proposed Change to Fund Strategy and Terms

- HMC Capital Partners Fund I (“Fund I”) has performed strongly, delivering a 32% annualised return since inception to 31 March 2025¹
- Fund I has today declared an interim distribution of \$0.805/unit, which will be paid on or around 15 April 2025 to investors who hold Fund I units on the record date²
- Following a review, HMC Capital has today announced an intention to pivot the fund investment strategy towards unlisted opportunities and our best and highest conviction listed stakes, and that it will seek unitholder approval for associated changes to the trust deed and fund terms

Dear Investor,

HMC Capital is writing to inform you of a number of important updates to the HMC Capital Partners Fund I that have been announced today.

Declaration of inaugural distribution

Following the successful exit from its Sigma Healthcare (Sigma) stake and the partial realisation of gains from our investment in Ingenia Communities (Ingenia), Fund I has declared an interim FY25 distribution of ~\$300m. This equates to a distribution per unit of \$0.805 for investors in Trust A and C who hold units on the record date (being 7 April 2025).

Sigma was the seed investment for Fund I and has generated exceptional returns – delivering an unlevered IRR for Fund I in excess of 100% and 3.4x money multiple. Given the strong performance of Ingenia over the period of our investment, we have also elected to undertake a partial sell-down of this holding to realise gains. We continue to have high conviction in the long-term megatrends supporting land lease communities and the strategic plan currently being executed on by Ingenia. We therefore continue to hold a c.5% stake in Ingenia alongside our ~9% holding in Lifestyle Communities.

The distribution declared today delivers the realised gains from these investments directly into the hands of Fund I investors and is testament to the effectiveness of the investment team’s highly active investment approach. Following payment of the distribution, Fund I will have a cash balance in excess of \$100m to fund future investment opportunities.

¹ As at 31 March 2025, based on estimated NAV which remains subject to finalisation by external fund administrator. Performance figures are calculated net of fees and costs. Past performance is not a reliable indicator of future performance

² Distribution per unit for Trust A and Trust C. Record date of 7 April 2025

For those investors who supported the initial HMC Capital Partners Fund I fund-raising in August 2022, the interim distribution represents a dividend of c. 80% of their initial investment in less than 3 years, while retaining their ongoing Fund I investment valued at ~\$1.24/unit³.

The distribution is expected to be paid on or around 15 April 2025. Please check your bank account details are updated in the Automic portal at <https://investor.automic.com.au/> to ensure no delay in receiving the distribution.

A Distribution Reinvestment Plan (DRP) is available for investors who wish to reinvest all or part of their distribution in additional Fund I units. Units issued under the DRP will be subject to a **5% discount** to the 31 March 2025 NAV adjusted for the interim distribution. This discount will be funded by HMC Capital and will not result in any dilution for non-participating investors.

Unitholders wishing to participate in the DRP should update their election via the Automic portal by **5pm Sydney time on Wednesday 9th April 2025⁴**.

Please contact the unit registry Automic by email at hmc@automicgroup.com.au if you require assistance with the investor portal.

Review of the HMC Capital Partners Fund I strategy

Following the realisation of Fund I's investment in Sigma, HMC Capital, in consultation with the Fund Trustees, has undertaken a review of Fund I and the optimal strategy to deliver repeatable and strong investment performance for investors.

The review has concluded that, having regard to HMC Capital's unique skills and competitive advantages:

- the fund should target a concentrated portfolio of our highest conviction opportunities rather than seeking to diversify into 8 – 10 positions;
- the fund will continue to invest in strategic stakes in ASX-listed entities, however the focus will now be a smaller number of opportunities; and
- expanding the fund's mandate to invest in unlisted assets materially increases the fund's investment universe and ability to arbitrage public and private markets.

Reflecting the change in future investment focus, unitholder approval is being sought to amend the trust deed and certain fund terms to reflect a more traditional private equity fund structure including:

³ Based on estimated 31-Mar-25 NAV for Trust A and C (subject to finalisation by external fund administrator), adjusted for declared interim distribution. Past performance is not a reliable indicator of future performance

⁴ Update your election via the "Reinvestment Plans" button on the investor portal at <https://investor.automic.com.au/>

- increasing the performance fee hurdle from 7% to 9%;
- changing from an open-ended structure with limited quarterly liquidity to a closed-end structure with a 5-year term⁵ to reflect the changing nature of the underlying investments over time; and
- changing the fund name to HMC Capital Partners Fund II (Fund II).

A comparison of the key changes to fund terms is set out in the appendix. HMCCP Fund I unitholder approval for the proposed changes to fund terms will be sought in May 2025.

HMC Capital Partners Fund II Represents a Compelling Investment Proposition

HMC Capital's point of difference is our ability to execute large, complex transactions as evidenced by our track record, including the Sigma/Chemist Warehouse merger and the acquisition of the Masters Home Improvement real estate portfolio from Woolworths. We believe the proposed changes and relaunch of the strategy as Fund II would provide a greater opportunity to capitalise on these skills, and to deliver and exceed targeted returns for Fund II investors.

An investment in Fund II (subject to HMCCP Fund I unitholder approval for the proposed changes to the trust deed and fund terms) will be a truly differentiated offering that will allow wholesale investors the opportunity to participate directly in our best ideas:

- ✓ Leverages HMC Capital's unique skill set and capability to generate returns via true value add investment approach
- ✓ Flexible mandate that allows the manager to execute on highest conviction opportunities across both listed and unlisted assets
- ✓ Deep network via broader HMC Capital platform provides access to a range of transactions across buyouts (including public-to-private), corporate carve-outs and the provision of capital to fund growth or deleveraging
- ✓ Pipeline of unlisted opportunities under review, including participating in the potential opportunity to acquire and recapitalise Healthscope alongside co-investors
- ✓ True alignment between manager and fund investors, with HMC Capital maintaining a significant ~\$230m ongoing investment in Fund II

Transition from Fund I to Fund II

Fund I unitholder approval will be sought for the proposed changes to the trust deed and certain fund terms – the approval will be a special resolution, meaning that the changes will require at least 75% of total votes cast across all of the trusts comprising Fund I in favour in order for the resolutions to be passed. A Notice of Meeting and Explanatory Memorandum will

⁵ With 2 x 12-month extension options

be sent to unitholders in the coming weeks in advance of a Meeting of Unitholders in May. These documents will provide further detail on the proposed changes as well as instructions on how to participate in the Unitholder meeting and lodge your proxy online.

Subject to this Fund I unitholder approval, the proposed changes to strategy and fund terms are intended to come into effect from 1 July 2025.

Recognising that not all existing Fund I investors may wish to remain invested in Fund II, the Fund I trustees have determined to allow redemptions in excess of the 5% quarterly cap for the 30 June 2025 redemption window. Subject to unitholder approval for the proposed changes to the trust deed and certain fund terms, the redemption request deadline will be extended to 31 May 2025 (from 31 March 2025) and the cap will be increased to 30% of Trust A and C units on issue..

Existing HMCCP Fund I investors will be offered an incentive to maintain their investment, by way of **2% bonus units** to be issued to Unitholders who remain invested in Fund II. Further detail on the bonus unit offer will be provided with the Notice of Meeting.

Wholesale client investors will also be offered the opportunity to invest in Fund II over the next ~6 months. Once Fund II reaches final close, it will be closed for any further applications.

If you wish to discuss the proposed changes or have any questions, please reach out to invest@hmccapital.com.au

Thank you again for your trust and partnership.

Yours Sincerely,



Victoria Hardie
Head of Private Equity
HMC Capital



David Di Pilla
Managing Director and Group CEO
HMC Capital

Appendix: Summary of proposed changes to fund terms

Please note, further detail on the proposed changes will be provided in the Notice of Meeting and Explanatory Memorandum to be provided to unitholders in the coming weeks.

HMCCP Fund Overview	Fund I	Fund II
Structure	Open ended (evergreen)	Closed (5 years) ⁶
Target assets	Listed (25% unlisted cap)	Listed and unlisted
Management fee	1.0% p.a of NAV	1.0% p.a of NAV
Performance fee	7% hurdle over 20% ⁷	9% hurdle over 20% ⁸
Liquidity	Quarterly (5% cap)	As investments are realised

⁶ 5-year term with 2 x 12-month extension options

⁷ Paid annually

⁸ Paid at end of fund term