



HealthCo Healthcare and Wellness REIT
ARSN 652 057 639
HCW Funds Management Limited
ACN 104 438 100, AFSL 239882

ASX RELEASE

26 April 2023

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SUCCESSFUL COMPLETION OF UNDERWRITTEN RETAIL ENTITLEMENT OFFER

HealthCo Healthcare & Wellness REIT (**ASX: HCW**) announces the successful completion of its 1 for 1.90 underwritten accelerated non-renounceable entitlement offer of fully paid units in HCW (**New Units**) raising approximately \$231 million (**Entitlement Offer**). The Entitlement Offer was announced to ASX on Thursday, 30 March 2023, alongside a \$89 million Institutional Placement, which together have raised a total of \$320 million.

As previously announced, the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), and the institutional placement were completed on 18 April 2023 and together raised approximately \$208 million. The retail component of the Entitlement Offer (**Retail Entitlement Offer**) which closed at 5.00pm (Sydney time) on Thursday, 20 April 2023 raised approximately \$113 million and was well supported by unitholders who subscribed for 35.2 million New Units, representing a take up of approximately 42% of New Units available under the Retail Entitlement Offer.¹ Those retail unitholders that applied for New Units in excess of their entitlement were allocated those New Units in full. New Units not taken up by retail unitholders have been allocated to institutions who acted as sub-underwriters to the Retail Entitlement Offer, as well as Home Consortium Developments Pty Ltd (**HCDPL**), a subsidiary of HMC Capital Limited (**HMC Capital; ASX: HMC**) in accordance with its sub-underwriting commitment.

As previously announced, the proceeds of the Entitlement Offer will be applied principally to fund the acquisition of a 100% interest in four mental health / rehabilitation hospitals and approximately 50% interest in a further seven acute care hospitals via an investment in a newly established unlisted healthcare and life sciences fund managed by HMC Capital.

HCW Senior Portfolio Manager, Sam Morris said, *“The capital raising was strongly supported by both existing and new unitholders. The proceeds from the raising will be deployed into the transformational acquisition of the Healthscope hospital portfolio. The acquisition is consistent with HCW’s strategy to invest in institutional grade healthcare real estate which can deliver secure and growing income streams. Post the transaction, HCW will benefit from the significant increase in portfolio scale, quality and development upside.”*

New Units issued under the Retail Entitlement Offer will rank equally with existing HCW units. The New Units issued under the Retail Entitlement Offer are expected to be allotted on Friday, 28 April 2023 and to

¹ Including applications for additional units under the Oversubscription Facility. Excluding applications for units under the Oversubscription Facility, the take up rate was approximately 41%.

commence trading on the ASX on Monday, 1 May 2023. Holding statements are expected to be dispatched on or around 1 May 2023.

Unitholders or any investors who are issued with New Units are reminded of their entitlement to receive, without further action, up to 1 bonus unit (**Bonus Unit**) for every 28 New Units issued to them, provided the Eligible Unitholder or investor holds a number of Units in excess of their Record Date Holding on 30 October 2023. The issue of Bonus Units is subject to HCW unitholders approving the selective buy-back from HCDPL of a number of HCW units equivalent to the number of Bonus Units to be issued. Retail Unitholders should refer to HCW's announcement dated 30 March 2023, and the Retail Offer Booklet dated 6 April 2023, for further information on the proposed issue of Bonus Units.

As a result of the takeovers prohibitions in the Corporations Act 2001 (Cth) and the retail sub-underwriting allocation made to HCDPL under the Retail Entitlement Offer, which equates to approximately 32 million units, HMC and its associates would have a relevant interest in more than 20% of the units in HCW on the issue date for the Retail Entitlement Offer if it were to acquire its allocation of units in full. This would result in HMC Capital and its associates acquiring a voting power in excess of the takeovers threshold in the *Corporations Act 2001* (Cth) unless HCW unitholder approval were obtained (or another exception was available).

HMC is exploring entering into a cash settled swap referencing its full retail sub-underwriting allocation, so as to retain economic exposure to those units and align its interests with those of HCW unitholders from completion of the Entitlement Offer. A summary of the material terms of any swap will be disclosed shortly after completion of the Entitlement Offer.

Additionally, HCW will seek unitholder approvals for the acquisition by HMC and its associates of HCW units equivalent to (i) HCDPL's sub-underwriting allocation and (ii) HMC Capital's acquisition fee in respect of the acquisition announced on 30 March 2023, with such approvals to be considered at a HCW unitholder meeting expected to take place in June 2023. Assuming those approvals are obtained and the acquisitions made by HMC, HMC's voting power in HCW would increase to approximately 23%.

This announcement is authorised for release by the Board of the Responsible Entity.

For further information, please contact:

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About HealthCo Healthcare & Wellness REIT

HealthCo Healthcare & Wellness REIT is a Real Estate Investment Trust listed on the ASX focused on owning healthcare and wellness property assets. The REIT's objective is to provide exposure to a diversified portfolio underpinned by healthcare sector megatrends, targeting stable and growing distributions, long-term capital growth and positive environmental and social impact.

Not for distribution or release in the United States

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General

In addition, this announcement is subject to the same “Important Notices and Disclaimer” as appears on slides 4 to 6 of the Investor Presentation dated 30 March 2023 with any necessary contextual changes.