



Managed by
HCW Funds Management Limited
(ACN 104 438 100; AFSL 239882)
as responsible entity of the
HealthCo Healthcare and Wellness REIT (ARSN 652 057 639)

ASX RELEASE

30 March 2023

The Manager
Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam,

Notice under section 1012DAA(2)(f) of the *Corporations Act 2001* (Cth)

This notice is given by HCW Funds Management Limited (ACN 104 438 100) (**Responsible Entity**) as responsible entity of HealthCo Healthcare and Wellness REIT (ARSN 652 057 639) (**HCW**) under section 1012DAA(2)(f) of the *Corporations Act 2001* (Cth) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Corporations Act**).

The Responsible Entity has today announced a pro rata accelerated non-renounceable entitlement offer (the **Entitlement Offer**) of 1 new fully paid ordinary unit in HCW (**New Unit**) for every 1.90 fully paid ordinary unit in HCW held as at 7.00pm (Sydney time) on 3 April 2023 (**Record Date**). The Entitlement Offer includes the issue of up to 1 additional New Unit (**Bonus Unit**) for every 28 New Units issued, subject to eligible unitholders holding a number of units in excess of their holding on the Record Date, on the date which is 6 months after the date of issue of New Units under the retail component of the Entitlement Offer.

The Responsible Entity confirms the following:

- (a) the New Units and Bonus Units will be offered for issue by the Responsible Entity without disclosure to investors under Part 7.9 of the Corporations Act and without a product disclosure statement for the New Units and Bonus Units being prepared or lodged with ASIC;
- (b) this notice is being given under section 1012DAA(2)(f) of the Corporations Act;
- (c) as a disclosing entity, the Responsible Entity (as the issuer of the New Units) is subject to regular reporting and disclosure obligations;
- (d) as at the date of this notice, the Responsible Entity has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to HCW; and

Level 7
Gateway Building
1 Macquarie Place
Sydney, NSW, 2000
1300 466 326
info@hmccapital.com.au
424908691-v2\AP_DMS

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- (ii) sections 674 and 674A of the Corporations Act as it applies to HCW;
- (e) as at the date of this notice, there is no excluded information of the type referred to in sections 1012DAA(8) and 1012DAA(9) of the Corporations Act; and
- (f) the potential effect that the issue of New Units and Bonus Units will have on the control of HCW, and the consequences of that effect, will depend on a number of factors, including investor demand, existing unitholdings and the number of Bonus Units ultimately issued. However, given:
 - (i) the structure of the Entitlement Offer as a pro rata issue; and
 - (ii) the underwriting arrangements in place for the Entitlement Offer and the current level of holders of substantial holdings (based on substantial holding notices that have been given to HCW and lodged with ASX on or prior to the date of this notice),

the Responsible Entity does not expect that the Entitlement Offer will have a material effect on the control of HCW and, as such, does not expect any material consequences to flow from that.

Home Consortium Developments Pty Limited (**HCDPL**), a wholly owned subsidiary of HMC Capital Limited (**HMC**), has committed to take up to its \$48 million entitlement under the Entitlement Offer via a sub-underwriting arrangement and sub-underwrite \$75 million of the retail component of the Entitlement Offer. HMC (via HCDPL) will be paid a commitment fee of 1.0% on the number of sub-underwritten units in respect of the retail component of the Entitlement Offer only and otherwise on the terms of the sub-underwriting agreement.

HMC currently has a voting power of 20.9% in HCW. If HCDPL is required to take up its full sub-underwriting commitment, it and its associates' voting power will amount to 28%. If HCDPL is not required to take up its full sub-underwriting commitment, its voting power in HCW will be reduced proportionally, down to a minimum voting power of 12% in HCW (assuming no sub-underwriting is required).

The sub-underwriting agreement contains a clause that will apply where HMC is required to subscribe for units under its sub-underwriting commitments and where, to do so, HMC would breach the takeovers provision in the Corporations Act. In that instance, HCW will not issue units to HMC (as sub-underwriter) to the extent it would cause HMC to breach the takeovers provisions in the Corporations Act. HMC (and the joint lead managers that are parties to the sub-underwriting agreement) will still have an obligation to pay HCW for those units at settlement but they will only be issued to HMC at a time when it can receive those units without breaching the takeovers prohibition in the Corporations Act (because, for example, HMC can rely on the 3% "creep" exemption or HCW unitholders approve the acquisition by HMC of those units).

Yours sincerely



Andrew Selim
General Counsel and Company Secretary

Authorised for release by the Board of the Responsible Entity.