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

ASX RELEASE

6 April 2023

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION OR RELEASE IN THE UNITED STATES

HEALTHCO HEALTHCARE & WELLNESS REIT DISPATCHES RETAIL ENTITLEMENT OFFER BOOKLET

HealthCo Healthcare & Wellness REIT (**ASX: HCW**) confirms that the retail entitlement offer booklet (**Retail Offer Booklet**) and personalised entitlement and acceptance form in connection with the 1 for 1.90 underwritten accelerated non-renounceable entitlement offer of fully paid units in HCW (**Entitlement Offer**), as announced to ASX on Thursday, 30 March 2023, will be dispatched to eligible retail unitholders today.

A letter to ineligible retail unitholders notifying them of the Entitlement Offer and their ineligibility to participate has also been dispatched.

Copies of the letter to all unitholders, the Retail Offer Booklet and the letter to ineligible retail unitholders are attached to this announcement. Eligible retail unitholders can also access the Retail Offer Booklet and their personalised entitlement and acceptance form online at https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) opens today, Thursday, 6 April 2023 and closes at 5.00pm (Sydney time) on Thursday, 20 April 2023.

Eligible retail unitholders should carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer.

Unitholders with questions should contact their stockbroker, solicitor, accountant, financial adviser or other professional adviser before making an investment decision. For further information on the Retail Entitlement Offer, Unitholders may contact the HCW Offer Information Line on 1300 650 320 (within Australia) or +61 1300 650 320 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday or visit https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/.

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

This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the ***Securities Act****), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the Securities Act (which HealthCo Healthcare & Wellness REIT has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.*

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.

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

6 April 2023

Dear Unitholder,

On behalf of the Board of HCW Funds Management Limited (**HFML**), the Responsible Entity of HealthCo Healthcare and Wellness REIT (**HCW**), I am pleased to invite you to participate in HCW's recently announced accelerated 1 for 1.90 non-renounceable entitlement offer of New Units at an offer price of $1.35 per New Unit, to raise gross proceeds of approximately $231 million (**Entitlement Offer**).

As announced on 31 March 2023, the institutional tranche of the Entitlement Offer (**Institutional Entitlement Offer**) and the institutional placement to wholesale clients and sophisticated investors (**Placement**) raised approximately $208 million through the issue of approximately 154 million New Units at $1.35 per New Unit and was supported by both new investors and existing eligible unitholders.

The New Units will be entitled to the distribution for the quarter ending 31 March 2023 and will rank equally in all respects with existing units from the date of allotment. The New Units will be taken into account in the calculation of entitlements to Bonus Units on the Bonus Unit Determination Date of 30 October 2023.

Eligible Unitholders or any investors who are issued New Units (including those that participated in the Placement) will also be eligible to receive, without any further action, up to 1 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 the Bonus Unit Determination Date. To be eligible for the full entitlement of Bonus Units, that holding must equal or exceed the aggregate of (i) the Record Date Holding, plus (ii) the number of New Units issued to that Eligible Unitholder or investor. Each Bonus Unit will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date. The issue of Bonus Units is subject to Unitholders approving the Selective Buy-Back described in the Retail Entitlement Offer Booklet (**Offer Booklet**).

The Offer Booklet relates to the Retail Entitlement Offer. Under the Retail Entitlement Offer, Eligible Retail Unitholders have the opportunity to invest at the same price as Eligible Institutional Unitholders who participated in the Institutional Entitlement Offer. Your Entitlement is set out in your personalised Entitlement and Acceptance Form which accompanies this Offer Booklet. It is important that you determine whether to take up in whole or part, or do nothing, in respect of your Entitlement and whether to apply for New Units in excess of your Entitlement.

The Retail Entitlement Offer includes an Oversubscription Facility, pursuant to which Eligible Retail Unitholders who take up all of their Entitlement (and who are not a Related Party of HCW) may apply for up to 25% of their Entitlement, in addition to their Entitlement, as Additional New Units.

New Units issued through the Retail Entitlement Offer, including the Bonus Units, will rank equally with existing Units on issue. New Units (but not any Bonus Units) will be entitled to the distribution for the quarter ending 31 March 2023.

Entitlements under the Entitlement Offer are non-renounceable and will not be tradeable on ASX or otherwise transferable. If you do not take up your Entitlement in full, you will not receive any value in respect of that part of the Entitlement that you do not take up.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Thursday, 20 April 2023.

To Participate:

1. Visit https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/
2. Enter your Shareholder validation information (refer below).
3. Download and carefully read a copy of the Offer Booklet and your personalised Application Form, which includes:
    a. BPAY® payment details, if you wish to pay via BPAY®; and
    b. The contact details of the Registry, Link Market Services Limited, if you wish to make a payment via EFT.
4. Make payment before the Closing Date of the Retail Entitlement Offer.

You will be required to provide the following validation information to download your Application Form:

- Securityholder Reference Number (SRN) or Holder Identification Number (HIN) or Employee ID
- Surname/Company Name
- Country
- Postcode (if applicable)

If you apply and pay your Application Monies before 5.00pm (Sydney time) on Friday, 14 April 2023 via BPAY®, a number of New Units not exceeding your Entitlement will be issued to you on Tuesday, 18 April 2023, which is the same date that New Units will be issued under the Institutional Entitlement Offer.

When payment is made via BPAY®, you do not need to return your Application Form.

Cash payments and cheques will not be accepted.

If you are unable to pay by BPAY, please contact the HCW Offer Information Line on 1300 650 320 to receive the EFT details. When paying by EFT you must return a copy of your online application confirmation email or your personalised application form and use your SRN/HIN as your payment reference number. Failure to complete the above steps may result in your funds not being matched to a valid application and rejected.

If you have any questions in respect of the Retail Entitlement Offer, please call the HCW Offer Information Line on 1300 650 320 (within Australia) or +61 1300 650 320 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday, or you can visit https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/ before the Retail Entitlement Offer closes at 5.00pm (Sydney time) on Thursday, 20 April 2023. If you have any questions in relation to whether an investment in HCW through the Retail Entitlement Offer is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

On behalf of the Board, we invite you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully

Joseph Carrozzi AM
Chair

HealthCo Healthcare and Wellness REIT (ASX: HCW)

ARSN 652 057 639

Campbelltown Private Hospital

Nepean Private Hospital

Knox Private Hospital

Northpark Private Hospital

RETAIL ENTITLEMENT OFFER BOOKLET

HCW Funds Management Limited as responsible entity of HealthCo Healthcare and Wellness REIT is undertaking a 1 for 1.90 accelerated non-renounceable entitlement offer of fully paid ordinary units in HCW at an offer price of $1.35 per New Unit.

Eligible Unitholders who are issued New Units will also be eligible to receive, without any further action, up to 1 Bonus Unit for every 28 New Units issued, provided the Eligible Unitholder holds a number of Units in excess of their Record Date Holding on Monday, 30 October 2023.

Each Bonus Unit will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date.

The Retail Entitlement Offer opens on Thursday, 6 April 2023 and closes at 5.00pm (Sydney time) on Thursday, 20 April 2023.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Offer Booklet is not a product disclosure statement under the Corporations Act and has not been lodged with ASIC. Please call your stockbroker, solicitor, accountant, financial adviser or other professional adviser if you have any questions. If you have any questions on the Entitlement Offer, you can call the HCW Offer Information Line on 1300 650 320 (within Australia) or +61 1300 650 320 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday, or visit https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/.

IMPORTANT NOTICES

Nature of this Offer Booklet

This Offer Booklet has been prepared and issued by HCW Funds Management Limited (ACN 104 438 100, AFSL 239882) (**HFML**) as responsible entity of HealthCo Healthcare and Wellness REIT (ARSN 652 057 639) (**HCW**) and is dated 6 April 2023. Defined terms and abbreviations used in this Offer Booklet are detailed in the glossary of terms in Section 7.

The Entitlement Offer is being made in Australia pursuant to section 1012DAA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) which allow entitlement offers to be made to investors without a product disclosure statement. This Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a product disclosure statement or other disclosure document under the Corporations Act. The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Offer Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. This Offer Booklet is not a product disclosure statement or other disclosure document under the Corporations Act and has not been lodged with ASIC.

By paying for your New Units through BPAY® in accordance with the instructions on your personalised Entitlement and Acceptance Form or online at https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Offer Booklet.

Neither the Underwriters, nor any of their related bodies corporate or affiliates, nor any of their respective directors, officers, partners, employees, representatives, contractors, consultants, agents or advisers (each and **Underwriter Party**, and together, the **Underwriter Parties**) has authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Offer Booklet and there is no statement in this Offer Booklet which is based on any statement made by the Underwriters or by any Underwriters Party. To the maximum extent permitted by law, each Underwriters Party expressly disclaims all duties and liabilities (including for fault, negligence and negligent misstatement) in respect of, and makes no representations or warranties regarding, and takes no responsibility for, any part of this Offer Booklet or any action taken by you on the basis of the information in this Offer Booklet, and makes no representation or warranty as to the fairness, currency, accuracy, reliability or completeness of this Offer Booklet or any statements included in this Offer Booklet. The Underwriter Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from HCW.

No overseas offering

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Offer Booklet does not constitute an offer to Ineligible Retail Unitholders and may not be distributed in the United States and the New Units may not be offered or sold, directly or indirectly, to persons in the United States.

This Offer Booklet is not to be distributed in, and no offer of New Units is to be made, in countries other than Australia and New Zealand unless HFML, in its discretion, is satisfied that the Retail Entitlement Offer may be made in compliance with all applicable laws.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Units, or otherwise permit the public offering of the New Units, in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Units is subject to all requisite authorities and clearances being obtained for HFML to lawfully receive your Application Monies.

New Zealand disclaimer

The New Units are not being offered or sold to the public within New Zealand other than to existing Unitholders with registered addresses in New Zealand to whom the offer of New Units is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Offer booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This Offer Booklet is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States disclaimer

This Offer Booklet and any accompanying ASX Announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States.

Neither this Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the Entitlements nor the New Units offered in the Retail Entitlement Offer have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the Entitlements may not be taken up by, and the New Units may not be offered, sold or resold to persons in the United States or persons who are acting for the account or benefit of a person in the United States unless they have been registered under the U.S. Securities Act or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws. The Entitlements and the New Units to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

References to "you" and "your Entitlement"

In this Offer Booklet, references to "you" are references to Eligible Retail Unitholders (as defined in Section 6.2) and references to "your Entitlement" (or "your Entitlement and Acceptance Form") are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Unitholders.

Times and dates

Times and dates in this Offer Booklet are indicative only and may be subject to change. All and dates refer to Sydney time. Refer to the "Key Dates" section of this Offer Booklet for more details.

Currency

Unless otherwise stated, all references to "$" and dollar values in this Offer Booklet are in Australian dollars (AUD).

Privacy

HFML collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the applicant's holding in HCW.

By applying for your New Units, you will be providing personal information to HFML (directly or through the Registry). HFML collects, holds and will use that information to assess your application. HFML collects your personal information to process and administer your unitholding in HCW and to provide related services to you. HFML may disclose your personal information for purposes related to your unitholding in HCW, including to the Registry, HFML's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that HFML holds about you. To make a request for access to your personal information held by (or on behalf of) HFML, please contact HFML through the Registry.

Governing law

This Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the applications are governed by the law of New South Wales, Australia. Each applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

Future performance and forward-looking statements

This Offer Booklet contains certain "forward-looking statements", including but not limited to projections and guidance on the future performance of HCW and the outcome and effects of the Entitlement Offer. Forward-looking statements can generally be identified by the use of forward-looking words such as "expect", "anticipate", "likely", "intend", "propose", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance", "potential", and other similar expressions within the meaning of securities laws of applicable jurisdictions.

The forward-looking statements contained in this Offer Booklet are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of HFML, its Directors and management and the Underwriter Parties, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the "Key Risks" section of the Investor Presentation included in Section 5 for a summary of certain general and HCW specific risk factors that may affect HCW. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including one or more of the key risk factors in Section 5. Investors should consider the forward-looking statements contained in this Offer Booklet in light of those disclosures. The forward-looking statements are based on information available to HCW as at the date of this Offer Booklet. None of the Underwriter Parties have authorised, approved or verified any forward-looking statements or any other statements included in this Offer Booklet.

Except as required by law or regulation (including the ASX Listing Rules), HFML undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Past performance

Investors should note that past performance, including the past unit price performance of HCW and the pro forma historical information in the Investor Presentation included in Section 5, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future HCW performance including future unit price performance. The pro forma historical information is not represented as being indicative of the HCW's views on its future financial condition and/or performance.

Risks

Refer to the "Key Risks" section of the Investor Presentation included in Section 5 for a summary of certain risk factors that may affect HCW.

Trading in New Units

HFML, its affiliates and related bodies corporate and the Underwriter Parties have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Units they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by HFML or the Registry or failure to maintain your updated details with the Registry or otherwise, or who otherwise trade or purport to trade New Units in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

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SUMMARY OF THE ENTITLEMENT OFFER

Entitlement Offer	Date
Ratio	1 New Unit for every 1.90 Units held
Bonus Ratio	1 Bonus Unit for every 28 New Units issued
Offer Price for New Units	$1.35 per New Unit
Issue price for Bonus Units	Nil
Size (excluding Bonus Units)	Approximately 171 million New Units
Gross proceeds	Approximately $231 million

CAPITAL STRUCTURE

Subject to rounding of fractional Entitlements, the capital structure of HCW following the issue of New Units under the Placement and Entitlement Offer is expected to be as follows:

	No.
Units on issue as at 30 March 2023 (announcement of the Placement and Entitlement Offer)	325,693,475
New Units to be issued under the Placement	65,619,419
New Units to be issued under the Entitlement Offer	171,417,619
Maximum number of Bonus Units to be issued[1]	8,465,608
Total Units on issue (expected) following completion of the Placement and Entitlement Offer	562,730,513

KEY DATES

Event	Date
Announcement of the Placement and Entitlement Offer	Thursday, 30 March 2023
Record Date (7.00pm Sydney time)	**Monday, 3 April 2023**
Retail Entitlement Offer opens Offer Booklet lodged with ASX Offer Booklet and Entitlement and Acceptance Form made available	**Thursday, 6 April 2023**
Early Retail Acceptance Due Date (5.00pm Sydney time)	Friday, 14 April 2023
Settlement of the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Date	Monday, 17 April 2023
Issue of New Units under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Date	Tuesday, 18 April 2023
Despatch of holding statements for New Units issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Date	Wednesday, 19 April 2023

[1] The issue of Bonus Units is subject to Unitholders approving the Selective Buy-Back (refer to Section 2.4 for further details).

Event	Date
Retail Entitlement Offer closes (5.00pm Sydney time)	**Thursday, 20 April 2023**
Announcement of results of Retail Entitlement Offer	Wednesday, 26 April 2023
Settlement of the Retail Entitlement Offer	Thursday, 27 April 2023
Allotment and issue of New Units under the Retail Entitlement Offer	**Friday, 28 April 2023**
Normal trading on ASX for New Units issued under the Retail Entitlement Offer commences	Monday, 1 May 2023
Despatch of holding statements for New Units issued under the Retail Entitlement Offer	Monday, 1 May 2023
Estimated date of Extraordinary General Meeting	June 2023
Bonus Unit Determination Date	Monday, 30 October 2023
Expected Bonus Unit issue date	By Tuesday, 21 November 2023

Note: The timetable above is indicative only and may change. HFML reserves the right to amend any of these dates and times without notice, subject to the consent of the Underwriters and otherwise in accordance with the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, HFML reserves the right to extend the Closing Date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. The commencement of quotation of New Units is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Units. You cannot withdraw your application once it has been accepted. Eligible Retail Unitholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens to ensure their application is received by the Registry in time.

Enquiries

If you have any questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser before making an investment decision. For further information on the Entitlement Offer, you can call the HCW Offer Information Line on 1300 650 320 (within Australia) or +61 1300 650 320 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday or visit https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/.

LETTER FROM CHAIR

6 April 2023

Dear Unitholder,

On behalf of the Board of HCW Funds Management Limited (**HFML**), the Responsible Entity of HealthCo Healthcare and Wellness REIT (**HCW**), I am pleased to invite you to participate in HCW's recently announced accelerated 1 for 1.90 non-renounceable entitlement offer of New Units at an offer price of $1.35 per New Unit, to raise gross proceeds of approximately $231 million (**Entitlement Offer**).

As announced on 31 March 2023, the institutional tranche of the Entitlement Offer (**Institutional Entitlement Offer**) and the institutional placement to wholesale clients and sophisticated investors (**Placement**) raised approximately $208 million through the issue of approximately 154 million New Units at $1.35 per New Unit and was supported by both new investors and existing eligible unitholders.

The New Units will be entitled to the distribution for the quarter ending 31 March 2023 and will rank equally in all respects with existing units from the date of allotment. The New Units will be taken into account in the calculation of entitlements to Bonus Units on the Bonus Unit Determination Date of 30 October 2023.

Eligible Unitholders or any investors who are issued New Units (including those that participated in the Placement) will also be eligible to receive, without any further action, up to 1 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 the Bonus Unit Determination Date. To be eligible for the full entitlement of Bonus Units, that holding must equal or exceed the aggregate of (i) the Record Date Holding, plus (ii) the number of New Units issued to that Eligible Unitholder or investor. Each Bonus Unit will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date. The issue of Bonus Units is subject to Unitholders approving the Selective Buy-Back (refer to Section 2.4 for further details).

The proceeds of the Placement and 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 its investment in a newly established unlisted fund managed by HMC Capital. Refer to HCW's announcements to ASX on Thursday, 30 March 2023 for further details.

This Offer Booklet relates to the Retail Entitlement Offer. Under the Retail Entitlement Offer, Eligible Retail Unitholders have the opportunity to invest at the same price as Eligible Institutional Unitholders who participated in the Institutional Entitlement Offer. Your Entitlement is set out in your personalised Entitlement and Acceptance Form which accompanies this Offer Booklet. It is important that you determine whether to take up in whole or part, or do nothing, in respect of your Entitlement and whether to apply for New Units in excess of your Entitlement.

The Offer Price of $1.35 per New Unit represents, having regard to an implied discount for Eligible Unitholders who receive their maximum number of Bonus Units and the maximum number of Bonus Units are issued, a:

- 5.3% discount to the Theoretical Ex-Rights Price of $1.39 on Wednesday, 29 March 2023 (being the last trading day before announcement of the Entitlement Offer);
- 8.9% discount to the last trading price of $1.4275 on 29 March 2023; and
- 15.9% discount to the 30-day volume weighted average price of $1.55 on 29 March 2023.

The Retail Entitlement Offer includes an Oversubscription Facility, pursuant to which Eligible Retail Unitholders who take up all of their Entitlement (and who are not a Related Party of HCW) may apply for up to 25% of their Entitlement, in addition to their Entitlement, as Additional New Units.

New Units issued through the Retail Entitlement Offer, including the Bonus Units, will rank equally with existing Units on issue. New Units (but not any Bonus Units) will be entitled to the distribution for the quarter ending 31 March 2023.

Macquarie Capital (Australia) Limited (ABN 79 123 199 548) and J.P. Morgan Securities Australia Limited (ABN 61 003 245 234) are acting as joint lead managers and underwriters to the Entitlement Offer (subject to the terms of the Underwriting Agreement) (**Underwriters**). The issue of Bonus Units is not underwritten nor will the Underwriters have any role in relation to the offer of the Bonus Units. Any New Units which are not validly subscribed for by Eligible Retail Unitholders pursuant to their Entitlement or under the Oversubscription Facility, may be taken up by the Underwriters and/or their sub-underwriters on the terms and subject to the conditions of the Underwriting Agreement.

Entitlements under the Entitlement Offer are non-renounceable and will not be tradeable on ASX or otherwise transferable. If you do not take up your Entitlement in full, you will not receive any value in respect of that part of the Entitlement that you do not take up.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Thursday, 20 April 2023.

If you would like to exercise your Entitlement to maintain your proportionate holding in HCW, or to apply for New Units in excess of your Entitlement, you will need to pay your Application Monies using BPAY® by following the instructions set out on your personalised Entitlement and Acceptance Form available online at https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/, so that they are received by the Registry by 5.00pm (Sydney time) on Thursday, 20 April 2023. If you apply and pay your Application Monies before 5.00pm (Sydney Time) on Friday, 14 April 2023 (**Early Retail Acceptance Due Date**) via BPAY®, a number of New Units not exceeding your Entitlement will be issued to you on Tuesday, 18 April 2023, which is the same date that New Units will be issued under the Institutional Entitlement Offer.

Please carefully read this Offer Booklet in its entirety and consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser before making your investment decision. In particular, you should read and consider the "Key Risks" section of the Investor Presentation included in Section 5, which contains a summary of some of the key risks associated with an investment in HCW.

If you have any questions in respect of the Retail Entitlement Offer, please call the HCW Offer Information Line on 1300 650 320 (within Australia) or +61 1300 650 320 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday, or you can visit https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/ before the Retail Entitlement Offer closes at 5.00pm (Sydney time) on Thursday, 20 April 2023.

On behalf of the Board, we invite you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully

Joseph Carrozzi AM
Chair

1. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Unitholder you may take either of the following actions:

1. take up all of your Entitlement;
2. take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for the lapsed part of your Entitlement; or
3. do nothing and let all of your Entitlement lapse and you will receive no value for the lapsed Entitlement.

If you are a Unitholder that is not an Eligible Retail Unitholder you are an **Ineligible Retail Unitholder**. Refer to Section 3.8 for more detail on Ineligible Retail Unitholders.

Options available to you	Key considerations
1. Take up all of your Entitlement	If you wish to take up all of your Entitlement, you may elect to purchase all of the New Units at the Offer Price specified in your personalised Entitlement and Acceptance Form (see Section 3.4 for instructions on how to take up your Entitlement). The New Units will rank equally in all respects with existing Units and will be entitled to the distribution for the quarter ending 31 March 2023. The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Thursday, 20 April 2023. If Eligible Retail Unitholders apply and pay their Application Monies before the Early Retail Acceptance Due Date via BPAY®, their New Units will be issued on Tuesday, 18 April 2023, which is the same date that New Units will be issued under the Institutional Entitlement Offer.
2. Take up part of your Entitlement	If you wish to take up only part of your Entitlement, you may elect to subscribe for a lesser number of New Units at the Offer Price, than the number of New Units specified in your personalised Entitlement and Acceptance Form (see Section 3.4 for instructions on how to take up your Entitlement). The New Units will rank equally in all respects with existing Units and will be entitled to the distribution for the quarter ending 31 March 2023. If you only take up part of your Entitlement, the part of your Entitlement not taken up will lapse and you will not receive any payment or value for that part of your Entitlement. If you do not take up your Entitlement in full, your percentage unitholding in HCW will be reduced as a result of dilution by the New Units issued under the Entitlement Offer. The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Thursday, 20 April 2023. If Eligible Retail Unitholders apply and pay their Application Monies before the Early Retail Acceptance Due Date via BPAY®, their New Units will be issued on Tuesday, 18 April 2023, which is the same date that New Units will be issued under the Institutional Entitlement Offer.

Options available to you	Key considerations
3. Take up all of your Entitlement and apply for Additional New Units	You may elect to take up all of your Entitlement and you may apply for Additional New Units up to an additional 25% of your Entitlement via the Oversubscription Facility, unless you are a Related Party of HCW, (see section 3.4 for instructions on how to subscribe for Additional New Units). Additional New Units will only be allocated to you if there is a sufficient number of New Units not taken up by Eligible Retail Unitholders pursuant to their full Entitlements or from New Units that would have been offered to Ineligible Unitholders if they had been eligible to participate in the Retail Entitlement Offer. If you apply for Additional New Units, there is no guarantee you will be allocated any. HFML will scale back applications for Additional New Units in its absolute discretion having regard to the pro rata Entitlement of Eligible Retail Unitholders who apply for Additional New Units. The Additional New Units will rank equally in all respects with existing Units and will be entitled to the distribution for the quarter ending 31 March 2023.
4. Do nothing and let all of your Entitlement lapse	If you do nothing with respect to all of your Entitlement, you will not be allocated any New Units and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred. By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Units had you taken up your Entitlement and you will not receive any payment or value for your Entitlement. Although you will continue to own the same number of Units, your percentage unitholding in HCW will be reduced as a result of dilution by the New Units issued under the Entitlement Offer.

2. OVERVIEW OF THE ENTITLEMENT OFFER

2.1 Entitlement Offer

The Entitlement Offer is an offer of approximately 171 million New Units at the Offer Price of $1.35 per New Unit, to raise approximately $231 million. All Eligible Unitholders are entitled to subscribe for 1 New Unit for every 1.90 Units held at the Record Date, being 7.00pm (Sydney time) on Monday, 3 April 2023.

Eligible Unitholders or any investors who are issued New Units (including those that participated in the Placement) will also be eligible to receive, without any further action, up to 1 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 the Bonus Unit Determination Date. To be eligible for the full entitlement of Bonus Units, that holding must equal or exceed the aggregate of (i) the Record Date Holding, plus (ii) the number of New Units issued to that Eligible Unitholder or investor. Each Bonus Unit will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date. The issue of Bonus Units is subject to, amongst others, Unitholders approving the Selective Buy-Back (refer to Section 2.4 for further details).

The proceeds of the Placement and 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 its investment in a newly established unlisted fund managed by HMC Capital. Refer to HCW's announcements to ASX on Thursday, 30 March 2023 for further details.

The Entitlement Offer has two components:

- the **Institutional Entitlement Offer** - Eligible Institutional Unitholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Unitholders as well as Entitlements of Ineligible Institutional Unitholders at the Offer Price was carried out, which raised approximately $119 million; and
- the **Retail Entitlement Offer** (to which this Offer Booklet relates) - Eligible Retail Unitholders will be given the opportunity to take up all or part of their Entitlement to raise approximately $112 million. Eligible Retail Unitholders who take up their full Entitlement may also apply for additional New Units in excess of their Entitlement up to a maximum of 25% of their Entitlement.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements do not trade on ASX nor can they be sold, transferred or otherwise disposed of. New Units issued under the Retail Entitlement Offer will be issued at the same price as New Units issued under the Institutional Entitlement Offer. In addition, Unitholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.

The Entitlement Offer is underwritten by the Underwriters in accordance with the terms of the Underwriting Agreement (see Section 6.3 for more details). For the avoidance of doubt, the offer of Bonus Units will not be underwritten, nor will the Underwriters have any role in relation to the offer of Bonus Units.

2.2 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Unitholders (as defined in Section 2.3) are being offered the opportunity to subscribe for 1 New Unit for every 1.90 existing Units held as at the Record Date, being 7.00pm (Sydney time) on Monday, 3 April 2023, at the Offer Price of $1.35 per New Unit.

The Retail Entitlement Offer includes an Oversubscription Facility, pursuant to which Eligible Retail Unitholders who take up all of their Entitlement (and who are not a Related Party of HCW) may apply for up to 25% of their Entitlement, in addition to their Entitlement, as Additional New Units.

The Retail Entitlement Offer opens on Thursday, 6 April 2023. The Offer Booklet will be available to Eligible Retail Unitholders on Thursday, 6 April 2023 at https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/. The Retail Entitlement Offer will close at 5.00pm (Sydney time) on Thursday, 20 April 2023. If

Eligible Retail Unitholders apply and pay their Application Monies before the Early Retail Acceptance Due Date via BPAY®, their New Units (up to their Entitlement) will be issued on Tuesday, 18 April 2023, which is the same date that New Units will be issued under the Institutional Entitlement Offer.

The Retail Entitlement Offer is being made pursuant to section 1012DAA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) which allows the Entitlement Offer to be offered without a product disclosure statement, provided certain conditions are satisfied.

As a result, the Retail Entitlement Offer is not being made under a product disclosure statement and it is important for Eligible Retail Unitholders to read and understand the information on HCW and the Retail Entitlement Offer made publicly available by HCW, prior to taking up all or part of their Entitlement. In particular, please refer to the materials enclosed in Section 5, HCW's interim and annual reports, other announcements made available at https://www2.asx.com.au/ (including HCW's half-yearly report which was released to ASX on Friday, 17 February 2023) and all other parts of this Offer Booklet carefully before making any decisions in relation to your Entitlement.

2.3 Eligible Retail Unitholders

The Retail Entitlement Offer constitutes an offer to **Eligible Retail Unitholders** only, being a Unitholder who:

- is registered as a holder of Units as at the Record Date, being 7.00pm (Sydney time) on Monday, 3 April 2023;
- as at the Record Date, has a registered address on the HCW unit register that is in Australia or New Zealand, or is a Unitholder that HFML has otherwise determined is eligible to participate;
- is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds Units for the account or benefit of such person in the United States);
- was not invited to participate in the Institutional Entitlement Offer and was not treated as an Ineligible Institutional Unitholder; and
- is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a product disclosure statement or other formal offer document to be lodged or registered.

All Unitholders who are not Eligible Retail Unitholders are Ineligible Retail Unitholders. Ineligible Retail Unitholders will not be entitled to participate in the Retail Entitlement Offer.

HFML has determined that it would be unreasonable on this occasion to extend the Retail Entitlement Offer to Ineligible Retail Unitholders, having regard to the number of Units held by Ineligible Retail Unitholders, the number and value of New Units that they would be offered, and the costs of complying with the legal and regulatory requirements which would apply to an offer of Units.

HFML, in its absolute discretion, reserves the right to determine whether a Unitholder is an Eligible Retail Unitholder and therefore able to participate in the Retail Entitlement Offer, or an Ineligible Retail Unitholder and therefore unable to participate in the Retail Entitlement Offer. HFML disclaims all liability to the maximum extent permitted by law in respect of the determination as to whether a security holder is an Eligible Retail Unitholder or an Ineligible Retail Unitholder.

2.4 Bonus Units

Eligible Unitholders or any investors who are issued New Units (including those that participated in the Placement) will also be eligible to receive, **without any further action**, up to 1 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 the Bonus Unit Determination Date.[2] To be eligible for the full entitlement of Bonus Units, that holding must equal or exceed the aggregate of:

- the number of Units they held on the Record Date (**Record Date Holding**); plus
- the number of New Units issued to that Eligible Unitholder or investor (together with the Record Date Holding, the **Full Entitlement Holding**).

Eligible Unitholders or investors who, on the Bonus Unit Determination Date, hold at least their Full Entitlement Holding, will receive 100% of their Bonus Units. Eligible Unitholders or investors who, on the Bonus Unit Determination Date, hold a number of Units that is less than their Full Entitlement Holding, but in excess of their Record Date Holding, will receive a number of Bonus Units which is proportionally lower (rounded down to the nearest whole Bonus Unit) than the amount they would have received had they held their Full Entitlement Holding. Eligible Unitholders or investors who, on the Bonus Unit Determination Date, hold a number of Units equal to or less than their Record Date Holding will not receive any Bonus Units.

The number of Bonus Units an Eligible Unitholder or investor is entitled to receive will be determined by the following formula:

$$A = \frac{(B - C)}{28}$$

Where:

A = The number of Bonus Units to be issued, which will not exceed the number of New Units issued to the Eligible Unitholder or investor divided by 28, rounded down to the nearest whole number.

B = The Eligible Unitholder's or investor's unitholding as at the Bonus Unit Determination Date, being Monday, 30 October 2023.

C = The Eligible Unitholder's or investor's Record Date Holding.

No Bonus Units will be allocated to an Eligible Unitholder or investor if the number of units held by them on the Bonus Unit Determination Date is less than the number they held on the Record Date.

For example, an Eligible Unitholder or investor that has a holding of 100,000 Units on the Record Date and subscribes for their full entitlement under the Retail Entitlement Offer will be issued 52,631 New Units. That Eligible Unitholder or investor will be entitled to be issued up to 1,879 Bonus Units for no additional cost, provided they hold at least 152,631 Units on the Bonus Unit Determination Date.

Taking the same example, set out in the table below are some illustrative examples if the same Eligible Unitholder or investor has increased or decreased their total holding of Units as at the Bonus Unit Determination Date:

Assuming a Record Date Holding of 100,000 Units and a subscription for 52,631 New Units	Total Units held at the Bonus Unit Determination Date				
	200,000	152,631	128,000	107,000	≤ 100,000
Bonus Units to be issued	1,879	1,879	1,000	250	0

Each Bonus Unit will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date. Bonus Units will rank equally with existing Units on issue.

[2] The issue of Bonus Units is subject to the Selective Buy-Back (discussed below) being approved by the requisite majority at the upcoming Unitholders Extraordinary General Meeting to be held in June 2023 and satisfaction of other applicable conditions (as summarised in Section 6.4).

Assuming Eligible Unitholders or investors are issued their full entitlement of Bonus Units, the Offer Price of $1.35 per New Unit is effectively discounted to $1.30, representing approximately a 3.6% discount to the Offer Price.

In applying for New Units, you are also applying for any Bonus Units to which you may become entitled on the Bonus Unit Determination Date.

Persons acting as a nominee, trustee or custodian for Eligible Unitholders or investors will be eligible to receive Bonus Units for their underlying beneficial holders. In order to ensure accurate allocation of Bonus Units, such persons must provide full details of their underlying beneficial holders' holdings when taking up Entitlements and applying for New Units. If full and accurate details are not provided, proper allocation to the underlying beneficial holders may not be possible and may instead be allocated to the nominee, trustee or custodian directly.

The issue of the Bonus Units is being supported (funded) by HMC Capital, which has agreed to sell back to HFML, for nominal consideration, a number of Units held by HCDPL (a wholly-owned subsidiary of HMC Capital) equal to the number of Bonus Units that are issued, as determined on the Bonus Unit Determination Date (**Selective Buy-Back**). The Selective Buy-Back is subject to Unitholder approval by a special majority resolution to be sought at an Extraordinary General Meeting of Unitholders to be held in June 2023. The issue of the Bonus Units is subject to the Selective Buy-Back being approved by the requisite majority and satisfaction of other applicable conditions (as summarised in Section 6.4).

3. HOW TO APPLY

3.1 Your Entitlement

Your Entitlement is set out in your personalised Entitlement and Acceptance Form available from https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/ and has been calculated as 1 New Unit for every 1.90 existing Units you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded down to the nearest whole number of New Units.

Eligible Unitholders or any investors (including those that participated in the Placement) who are issued New Units will also be eligible to receive, without any further action, up to 1 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 the Bonus Unit Determination Date. To be eligible for the full entitlement of Bonus Units, that holding must equal or exceed the aggregate of (i) the Record Date Holding, plus (ii) the number of New Units issued to that Eligible Unitholder or investor. Each Bonus Unit will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date. The issue of Bonus Units is subject to Unitholders approving the Selective Buy-Back (refer to Section 2.4 for further details). In applying for New Units, you are also applying for any Bonus Units to which you may become entitled on the Bonus Unit Determination Date.

If you have more than one registered holding of Units, you will have a separate Entitlement for each separate holding.

New Units and Bonus Units issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing fully paid ordinary units on issue in HCW. New Units (but not any Bonus Units) will be entitled to the distribution for the quarter ending 31 March 2023.

See Sections 6.2 and 6.16 for information on restrictions on participation.

3.2 Important Information

You should read the following information carefully and in its entirety before making a decision about your Entitlement:

- this Offer Booklet;
- ASX Announcements, including the Investor Presentation[3] (and in particular the 'Key Risks" section of the Investor Presentation);
- your personalised Entitlement and Acceptance Form; and
- other information made publicly available by HCW.

If you have any questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser before making any investment decision. For further information on the Entitlement Offer, you can call the HCW Offer Information Line on 1300 650 320 (within Australia) or +61 1300 650 320 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday or visit https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/.

3.3 Oversubscription facility and Additional New Units

Eligible Retail Unitholders who take up all of their Entitlement and who are not a Related Party of HCW may apply for up to 25% of their Entitlement in addition to their Entitlement, as Additional New Units pursuant to the Oversubscription Facility. Subject to applicable legal and regulatory requirements, this means that, in total,

[3] The enclosed ASX Announcements, including the Investor Presentation are current as at Thursday, 30 March 2023. There may be other announcements that have been made by HCW after Thursday, 30 March 2023 and before the Retail Entitlement Offer closes on Thursday, 20 April 2023 that may be relevant to your consideration of whether to take part in the Retail Entitlement Offer. Therefore, it is prudent that you check whether any further announcements have been made by HCW before submitting your application.

you may apply for up to 125% of your Entitlement (comprising the New Units under your Entitlement plus the Additional New Units).

Eligible Retail Unitholders who apply for Additional New Units may be offered some or all (as the case may be) of the New Units comprising the Retail Shortfall. Please note that Additional New Units will only be allocated to you if there is a sufficient number of New Units not taken up by Eligible Retail Unitholders pursuant to their full Entitlement or from New Units that would have been offered to Ineligible Retail Unitholders if they had been eligible to participate in the Retail Entitlement Offer. If you apply for Additional New Units, there is no guarantee you will be allocated any. HFML will scale back applications for Additional New Units in its absolute discretion having regard to the pro rata Entitlement of Eligible Retail Unitholders who apply for Additional New Units. HFML does not guarantee that there will be any Retail Shortfall. HFML confirms that no Related Party of HCW will participate in, or be issued any, Additional New Units arising from any Retail Shortfall.

HML will only issue Units under the Retail Entitlement Offer where the directors of HFML are satisfied, in their discretion, that the issue of such Units will not increase a Unitholder's voting power in contravention of the takeover prohibitions pursuant to the Corporations Act.

Additional New Units issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing fully paid ordinary units on issue in HCW. Additional New Units will be entitled to the distribution for the quarter ending 31 March 2023.

3.4 Options available to you

If you are an Eligible Retail Unitholder, you may take either of the following actions:

1. take up all or part of your Entitlement and let the remainder lapse;
2. provided you are not a Related Party of HCW, take up all of your Entitlement and also apply for up to 25% of your Entitlement, in addition to your Entitlement, as Additional New Units pursuant to the Oversubscription Facility; or
3. do nothing and let all of your Entitlement lapse.

Eligible Retail Unitholders who do not participate fully in the Retail Entitlement Offer will have their percentage holding in HCW reduced.

If you wish to take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement, please pay your Application Monies for the relevant number of New Units in your Entitlement via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form available online at https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/, so that they are received by the Registry by no later than 5.00pm (Sydney time) on Thursday, 20 April 2023.

If Eligible Retail Unitholders apply and pay their Application Monies before the Early Retail Acceptance Due Date via BPAY®, their New Units will be issued on Tuesday, 18 April 2023, which is the same date that New Units will be issued under the Institutional Entitlement Offer.

If you take up and pay for all or part your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Units on Friday, 28 April 2023, unless your acceptance is received before the Early Retail Acceptance Date. HFML's decision on the number of New Units to be issued to you will be final.

If you do not take up all of your Entitlement, the relevant part of your Entitlement will lapse and you will receive no benefit. Those New Units will form part of the Retail Shortfall which may be allocated to Eligible Retail

Unitholders who applied for Additional New Units under the Oversubscription Facility (if any) or be acquired by the Underwriters.

HFML also reserves the right (in its absolute discretion) to reduce the number of New Units issued to Eligible Retail Unitholders or persons claiming to be Eligible Retail Unitholders, if HFML believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to HFML's satisfaction (see Section 6.8).

If you wish to take up all of your Entitlement and apply for Additional New Units

If you wish to take up all of your Entitlement and apply for Additional New Units pursuant to the Oversubscription Facility, please pay your Application Monies for the relevant number of New Units (being the number of New Units you are taking up under your Entitlement and the number of Additional New Units you wish to take up) via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form available online at https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/, so that they are received by the Registry by no later than 5.00pm (Sydney time) on Thursday, 20 April 2023.

If Eligible Retail Unitholders apply and pay their Application Monies before the Early Retail Acceptance Due Date via BPAY®, their New Units (up to their Entitlement) will be issued on Tuesday, 18 April 2023, which is the same date that New Units will be issued under the Institutional Entitlement Offer.

If you take up and pay for all your Entitlement and Additional New Units before the close of the Retail Entitlement Offer, it is expected that you will be issued New Units on Friday, 28 April 2023, unless your acceptance is received before the Early Retail Acceptance Date. HFML's decision on the number of New Units to be issued to you will be final.

HFML also reserves the right (in its absolute discretion) to reduce the number of New Units issued to Eligible Retail Unitholders or persons claiming to be Eligible Retail Unitholders, if HFML believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to HFML's satisfaction (see Section 6.8).

If you wish to let all or part of your Entitlement lapse

If you do nothing with respect to your Entitlement, your Entitlement will lapse and you will receive no benefit.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Units had you taken up your Entitlement. Although you will continue to own the same number of Units, your percentage unitholding in HCW will be diluted.

3.5 Payment

You can pay in the following ways:

1. by BPAY®; or
2. by EFT, if you are an Eligible Retail Unitholder in New Zealand or Australia who does not have an account that supports BPAY® transactions.

Cash payments and cheques will not be accepted. Receipts for payment will not be issued.

HFML will treat you as applying for as many New Units as your payment will pay for in full.

Any Application Monies received for more than your final allocation of New Units will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form available online at https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific biller code and your unique customer reference number on your personalised Entitlement and Acceptance Form available online at https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the reference number specific to that holding. If you do not use the correct reference number specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

1. you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.7; and
2. if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Units which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Registry by no later than 5.00pm (Sydney time) on Thursday, 20 April 2023. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make your payment.

Payment by EFT

If you are a Unitholder in New Zealand or Australia who does not have an account that supports BPAY® transactions, please make sure you use your Shareholder Reference Number or Holder Identification Number as your reference for your EFT, as displayed on your personalised Entitlement and Acceptance Form available online via https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/. If you have multiple holdings and consequently have more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the Shareholder Reference Number or Holder Identification Number specific to that holding. If you do not use the correct unique Shareholder Reference Number or Holder Identification Number, your Application will not be recognised as valid. Please also return your online application confirmation to CapitalMarkets@linkmarketservices.com.au in addition to your EFT payment.

It is your responsibility to ensure that your EFT payment is received by the Registry by no later than 5.00pm (Sydney time) on Thursday, 20 April 2023. You should be aware that your financial institution may implement earlier cut off times with regards to electronic payment and you should therefore take this into consideration when making payment.

3.6 Mail or hand delivery

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at HCW's registered offices or other offices of the Registry. No cash payments or cheques will be accepted.

3.7 Representations by acceptance

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY® or EFT, you will be deemed to have represented to HFML that you:

- for the benefit of HFML, HCW, the Underwriters and their respective related bodies corporate and affiliates, did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Unitholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- acknowledge that you have read and understand this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Offer Booklet, and HCW's constitution;
- authorise HFML to register you as the holder(s) of New Units (including any Additional New Units, if applicable) and Bonus Units allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that there is no cooling-off period under the Retail Entitlement Offer and that once HFML receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY® or EFT, you may not withdraw your application or funds provided, except as allowed by law;
- agree to apply for and be issued up to the number of New Units (including any Additional New Units, if applicable) specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY® or EFT, at the Offer Price per New Units (including any Additional New Units, if applicable);
- agree to apply for and be issued up to the number of Bonus Units which you may be entitled to receive as determined on the Bonus Unit Determination Date, for nil consideration;
- authorise HFML, the Underwriters, the Registry and their respective officers or agents to do anything on your behalf necessary for New Units (including any Additional New Units, if applicable) and Bonus Units to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- acknowledge and agree that:
  - determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and Retail Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of HFML and/or the Underwriters;
  - each of HFML and the Underwriters, and each of their respective related bodies corporate and affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- declare that you were the registered holder(s) at the Record Date of the Units indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Units (including any Additional New Units, if applicable) or Bonus Units are suitable for you given your investment objectives, financial situation or particular needs;

- acknowledge that this Offer Booklet is not a product disclosure statement or a prospectus, does not contain all of the information that you may require in order to assess an investment in HCW and is given in the context of HCW's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation included in Section 5 and that investments in HCW are subject to risk;
- acknowledge that none of HFML, the Underwriters, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of HCW, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Units on the Record Date;
- authorise HFML to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- are an Eligible Retail Unitholder and that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Units (including any Additional New Units, if applicable) and Bonus Units, and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- are not in the United States and you are not acting for the account or benefit of a person in the United States (to the extent such person holds Units for the account or benefit of such person in the United States);
- understand and acknowledge that none of the Entitlements, New Units (including any Additional New Units, if applicable) or Bonus Units have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. Notwithstanding the foregoing, the Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. None of the Entitlements, New Units (including any Additional New Units, if applicable) or Bonus Units may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- are subscribing for or purchasing New Units (including any Additional New Units, if applicable) or Bonus Units in an 'offshore transaction' (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- have not and undertake that you will not send this Offer Booklet, the Entitlement and Acceptance Form, or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia;
- if acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person; and
- you make all other representations and warranties set out in this Offer Booklet.

3.8 Entitlements of Ineligible Retail Unitholders

In compliance with ASX Listing Rule 7.7.1 and section 1012DAA (including section 9A) of the Corporations Act, HFML has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Unitholders because of the small number of such Unitholders, the number and value of Units that they hold and the cost of complying with the applicable regulations in jurisdictions outside of Australia and New Zealand, but it reserves its right to do so (subject to compliance with relevant laws).

3.9 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Unitholders who accept their Entitlement. No stamp duty is payable for subscribing for New Units (including any Additional New Units, if applicable) or Bonus Units under the Retail Entitlement Offer.

3.10 Enquiries

If you have any questions on the Entitlement Offer, please contact the HCW Offer Information Line on 1300 650 320 (within Australia) or +61 1300 650 320 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday, or visit https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

4. AUSTRALIAN TAX CONSIDERATIONS

4.1 Introduction

This is a general summary of the Australian taxation consequences of the Retail Entitlement Offer for Eligible Retail Unitholders that hold their Units on capital account for Australian income tax purposes. The categories of Unitholders considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships. This summary does not consider the consequences for Unitholders who:

- hold existing Units, New Units, Bonus Units or Entitlements in a business of securities trading, dealing in securities or otherwise hold their existing Units, New Units, Bonus Units or Entitlements on revenue account or as trading stock;
- acquired existing Units in respect of which the Entitlements are issued under an employee securities scheme;
- are subject to the 'Taxation of Financial Arrangements' provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to their holding of Units, New Units, Bonus Units or Entitlements; or
- are tax residents of any jurisdiction other than Australia.

The information contained in this summary is of a general nature and is not intended to address the circumstances of any particular individual or entity.

This summary is based upon the legislation and established interpretation of legislation as at the date of this Offer Booklet, but is not intended to be an authoritative or complete statement of the law as relevant to the circumstances of each Unitholder.

As the taxation implications of the Retail Entitlement Offer will depend upon a Unitholder's particular circumstances, Unitholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Unitholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Retail Entitlement Offer that are not covered by this summary. Such Unitholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Retail Entitlement Offer in any jurisdictions that are relevant to them.

Neither HFML, the Underwriters nor any of their respective officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Retail Entitlement Offer.

4.2 Income tax consequences of Entitlements

a) Issue of Entitlements

The issue of Entitlements to Australian resident Unitholders should not, of itself, give rise to any amount of assessable income or capital gain for Unitholders.

b) Exercise of Entitlements

The exercise of Entitlements should not, of itself, result in any amount being included in a Unitholder's assessable income and should not give rise to any capital gain under the CGT provisions.

Eligible Retail Unitholders that exercise their Entitlements will receive New Units. New Units will be taken to have been acquired for CGT purposes on the day on which the Entitlements were exercised.

The CGT cost base of each New Unit acquired will be the sum of the amount paid to exercise the corresponding Entitlement (i.e. the Offer Price) and certain incidental costs of acquiring the New Units. If the Unitholder receives Bonus Units, the cost base of the Bonus Unit will be adjusted (see below).

c) Lapse of Entitlement

If an Eligible Retail Unitholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse. There should be no adverse taxation implications for an Eligible Retail Unitholder from the lapse of the Entitlement.

4.3 Income tax consequences of receiving Bonus Units

a) Issue of Bonus Units

The issue of Bonus Units to Unitholders should not, of itself, give rise to any amount of assessable income or capital gain for Unitholders.

b) Cost base of Bonus Units

Bonus Units issued to an Eligible Retail Unitholder should be regarded for CGT purposes as bonus units issued in respect of the Unitholder's New Units. As such, the CGT cost base of the Unitholder's Bonus Units should be calculated by apportioning the cost base of the Unitholder's New Units over the New Units and the Bonus Units. As an illustrative example, assume that a Unitholder exercised their Entitlements and acquired 100 New Units with total CGT cost base of $135.00. Assume that the Unitholder receives 3 Bonus Units. In this example, the Unitholder should apportion the $135.00 cost base of their New Units over their 100 New Units and 3 Bonus Units received, such that each New Unit and Bonus Unit has a cost base of $1.31 (being $135.00 ÷ 103 units).

Eligible Retail Unitholders who receive Bonus Units will be taken to have acquired their Bonus Units for CGT purposes on the day on which the Unitholder exercised their Entitlements to acquire their New Units.

4.4 Income tax consequences of New Units and Bonus Units

a) Distributions on New Units and Bonus Units

Distributions paid to Eligible Retail Unitholders in relation to their New Units and any Bonus Units should generally be subject to the same income tax treatment as distributions in relation to existing units held in HCW in the same circumstances.

b) Disposal of New Units and Bonus Units

The New Units and Bonus Units should constitute CGT assets for CGT purposes.

Any future sale of New Units and Bonus Units will constitute a disposal for CGT purposes. A capital gain will arise if the capital proceeds on disposal exceed the CGT cost base of the Unit. A capital loss will arise if the capital proceeds on disposal are less than the reduced CGT cost base of the Unit.

Unitholders may be able to apply carried forward or current year losses to reduce their capital gain on disposal. The ability to utilise losses is dependent on meeting the relevant tests.

Non-corporate Unitholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is available where the New Units or Bonus Units have been held (or deemed to have been held) for more than 12 months or more prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual Unitholder and a one-third reduction of a capital gain for an Australian tax resident complying superannuation entity Unitholder (including generally where a flow through trust or partnership distributes to such Unitholders), after offsetting any current or carried forward losses.

In relation to trusts or partnerships including limited partnerships, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries or partners, subject to certain requirements being satisfied.

4.5 Non-resident CGT withholding

Specific rules can apply to the disposal of certain taxable Australian property under contracts entered into on or after 1 July 2016, whereby, a 12.5% non-final withholding tax may be applied. However, the new rules should not apply to the disposal of a New Unit or Bonus Unit on ASX (in accordance with a specific exemption).

4.6 Provision of Tax File Number (TFN) or Australian Business Number (ABN)

Australian tax legislation imposes withholding tax at the highest marginal rate (currently 45% plus a Medicare levy of 2%) on the payment of distributions on certain types of investments, such as the unfranked part of any dividend, where no TFN or ABN (if applicable) has been provided and no exemption applies. Australian tax resident Unitholders may be able to claim a tax credit/refund (as applicable) in respect of any tax withheld on dividends in their income tax returns.

Unitholders that have not previously provided their TFN or ABN (if applicable) to the Registry may wish to do so prior to the close of the Retail Entitlement Offer to ensure that withholding tax is not deducted from any future distribution payable to them.

A Unitholder is not obliged to provide their TFN, or where relevant, ABN to HCW.

4.7 Other Australian taxes

GST and stamp duty should not generally be payable in relation to the issue, sale, or exercise of Entitlements, nor in relation to the acquisition of New Units or Bonus Units.

Eligible Retail Unitholders may however be restricted in their ability to claim input tax credits in relation to costs incurred in relation to their acquisition of the New Units or Bonus Units (such as costs relating to professional advice obtained by Unitholders regarding the Entitlement). This will depend on each Eligible Retail Unitholder's particular circumstances and as such this should be reviewed by Unitholders prior to making any claim.

5. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION

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

ASX RELEASE

30 March 2023

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION OR RELEASE IN THE UNITED STATES

TRANSFORMATIVE ACQUISITION OF HEALTHSCOPE PRIVATE HOSPITAL PORTFOLIO AND $320 MILLION UNDERWRITTEN EQUITY RAISING

HealthCo Healthcare & Wellness REIT (**ASX: HCW**) today announces that it has entered into arrangements alongside a newly established Unlisted Fund (**Unlisted Fund**) to acquire from Medical Properties Trust, Inc (**NYSE: MPW**), a 100% interest in 11 private hospitals (the **Healthscope Hospital Portfolio**) leased to Healthscope for a purchase price of $1,200m[1].

KEY HIGHLIGHTS

- $1.2bn[1] acquisition ($730m[1] HCW share) secured on attractive terms with HMC Capital Limited (**ASX: HMC**) working jointly with Healthscope to negotiate a compelling transaction for all parties
  - Key lease terms amended which materially improve the tenant covenant and rental growth
  - Attractive 5.8% implied NOI yield[2] with a forecast unlevered IRR of >9%[3]
- Transformational acquisition which significantly improves the income security, scale & quality of HCW's portfolio, underpinned by the 16-year WALE[4], absolute net lease[5] and CPI-linked escalations[6]
  - New Unlisted Fund provides complementary funding partner for HCW to unlock ~$1bn of accretive development opportunities[7] post acquisition with a target ungeared ROIC of 6-8%
- HCW acquiring a 100% interest in 4 hospitals for $256m (**Tranche 1**); and a ~50% equity interest in the Unlisted Fund, which will acquire 7 hospitals for $944m (**Tranches 2 & 3**) (**HCW Acquisition**)
- $320m underwritten Equity Raising (**Equity Raising**) comprising a $89m institutional placement (**Placement**) and a $231m 1 for 1.90 pro rata Accelerated Non-Renounceable Entitlement Offer (**Entitlement Offer**)
- Strong support from HMC by committing to take up to $123m in the Entitlement Offer (including $75m of sub-underwriting), an HMC funded bonus unit (**Bonus Unit**) and an improved cost structure for HCW
- Attractive financial returns driving 7% FFO accretion on pro forma forecast 4Q FY23 FFO of 7.5cpu[8], with pro forma look through gearing maintained at midpoint of 30-40% target range[9]
- FY23 DPU guidance upgraded from 7.5 to 7.6cpu, implying a 5.9%[10] yield on 4Q FY23 annualised DPU
- Increased free float and liquidity. HCW expected to be eligible for future S&P/ASX300 index inclusion

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[1] Excludes transaction costs.
[2] Based on 100% of the Healthscope Hospital Portfolio and includes incremental rent and capex on projects under construction. Passing yield of 5.3% assuming base rent only.
[3] Unlevered IRR of >9% based on 5yr assumed hold period and consistent entry & exit cap rates.
[4] Weighted by Net Operating Income (NOI).
[5] An absolute net lease is a lease basis under which the landlord bears zero costs associated with the property. The tenant pays property outgoings, repairs and maintenance, maintenance and replacement capital including structural repairs.
[6] Subject to 4% cap and 1.5% collar per annum.
[7] Represents estimated end value on a 100% basis.
[8] Accretion calculated assuming estimated first 12-months of FFO from the Transaction is added to HCW pre-transaction annualised forecast 4Q FY23 FFO/unit of 7.5cpu.
[9] Pro-forma look through gearing expected to be 36.0% post completion of the HCW Acquisition, Equity Raising and $125m of Identified Asset Sales. Excluding all asset sales, pro-forma look through gearing is expected to be at the upper end of the 30-40% target range.
[10] Distribution per unit yield at the Issue Price. Annualised 4Q FY23 DPU of 8.0cpu expected to be fully FFO covered on a pro-forma basis.

ACQUISITION OF THE HEALTHSCOPE HOSPITAL PORTFOLIO

Healthscope Hospital Portfolio

The $1.2bn[15] acquisition ($730m[16] HCW share) has been secured on attractive terms with the purchase price representing an implied acquisition NOI yield of 5.8%[11] and an unlevered internal rate of return of >9%[12].

The portfolio represents critical healthcare infrastructure in Australia's major capital cities and benefits from long term absolute net leases (16-year initial term plus 8 x 10 year options) with Australia's second largest private hospital operator.

As part of the transaction, HMC worked jointly with Healthscope to amend key lease terms which have resulted in material improvements for both parties including:

- **Strengthened covenant:** Base rent reset, operator EBITDAR rent coverage of >2.0x[13]
- **Inflation protection:** Base rent escalations renegotiated from 2.5% fixed to CPI-linked[14]
- **Accretive developments**: $255m[18] of committed projects to be rentalised at the greater of 6% or 300bps spread to 10-year Australian government bond yield

Key portfolio metrics	Healthscope Hospital Portfolio[15]	Health Co.[16]
Portfolio value	$1,200m	$730m
Licensed beds	1,435	882
WALE (years)[17]	>16 years *Additional 8 x 10-year lease expiry options*	
Portfolio cap rate	5.1%	
Portfolio acquisition NOI yield[11]	5.8%	
Unlevered IRR[12]	>9%	
Committed capex pipeline[18]	$255m	
Total capex pipeline[18]	>$400m	
Lease escalations[14]	CPI linked	
Lease structure[19]	Absolute net	

[11] Acquisition NOI yield of 5.8% is based on 100% of the Healthscope Hospital Portfolio and includes incremental rent and capex on projects under construction. Passing yield of 5.3% assuming base rent only.
[12] Unlevered IRR of >9% based on 5 year assumed hold period and consistent entry and exit cap rates.
[13] At the facility level.
[14] Subject to 4.0% cap and 1.5% collar per annum.
[15] Reflects 100% of the $1.2bn Hospital Portfolio excluding transaction costs.
[16] Reflects HCW's 100% interest in Tranches 1 & 2 excluding transaction costs.
[17] Weighted by Net Operating Income (NOI).
[18] Estimated end value on a 100% basis assuming yield (greater of 6% or 300bps spread to 10-year Aus 10yr bond yield) rentalised at core portfolio cap rate of 5.1%.
[19] An absolute net lease is a lease basis under which the landlord bears zero costs associated with the property. The tenant pays property outgoings, repairs and maintenance, maintenance and replacement capital including structural repairs.

Acquisition structure and timing

The Healthscope Hospital Portfolio is being acquired in three tranches by HCW and a newly established Healthcare and Life Sciences Unlisted Fund managed by HMC. Tranches 1 and 2 will be settled upfront with Tranche 3 completing on a deferred basis as outlined below:

HCW Direct

- **Tranche 1:** HCW to directly acquire 4 mental health / rehabilitation hospitals for $256m with expected settlement in May-23

Unlisted Fund

- **Tranche 2:** Unlisted Fund to acquire 3 acute care hospitals for $474m with expected settlement in May-23. The Unlisted Fund will be initially capitalised with HCW owning 100% of the equity ($261m[20]) with HCW's ownership reducing to ~50% post settlement of Tranche 3; and
- **Tranche 3:** Unlisted Fund to acquire remaining 4 acute care hospitals for $470m with expected settlement in Jul-Sep 2023[21]. The deferred settlement provides up to 6 months for HMC to complete an unlisted institutional fund raising of $259m[22] (50% of equity in the Unlisted Fund). HMC will backstop the Tranche 3 equity requirement using its increased balance sheet liquidity and debt facility of $350m+[23].
  - HMC is in active discussions with multiple domestic and global institutional investors who are undertaking due diligence

Upon settlement of Tranche 3 in Jul-Sep 2023, HCW will ultimately have interests in 11 hospital assets valued at no less than $730m (**HCW Acquisition**) comprising:

- A direct 100% interest in 4 mental health / rehabilitation hospitals valued at $256m (**Tranche 1**); and
- A ~50% equity interest in the Unlisted Fund, which will own 7 acute care hospitals valued at $944m (**Tranches 2 & 3**)

For additional information on the Healthscope Hospital Portfolio acquisition and broader transaction, please refer to the separately released investor presentation.

OFFER FUNDING

Equity Raising

The HCW Acquisition will be funded through an underwritten $320m equity raising, comprising a $89m institutional placement (**Placement**) and a $231m 1 for 1.90 pro rata accelerated non renounceable entitlement offer (**Entitlement Offer**) at an issue price of $1.35 (**Issue Price**) per unit (**New Unit**).

The New Units (but not any Bonus Units) will be entitled to the distribution of 1.875cpu, which is expected to be declared for the quarter ending 31 March 2023.

HMC will support the Equity Raising by committing to participate in the institutional component of the Entitlement Offer for up to $48m which represents its full entitlement from its 20.9% investment in HCW.

[20] Unlisted Fund to be levered at 45%. Equity contribution excludes transaction costs and acquisition of vendor's existing $35m interest rate swap.
[21] HMC has the ability to defer settlement of Tranche 3 until Sep-23.
[22] Equity contribution excludes transaction costs and acquisition of vendor's existing $35m interest rate swap.
[23] HMC has received indicative commitments from new financiers to increase the debt capacity of HMC from $275m to $350m+. HMC has also received indicative commitments from a number of existing senior facility providers to increase the tenor to July 2024.

In addition, HMC Capital has committed to subscribe for up to $75m of any shortfall in the retail component of the Entitlement Offer.

The $1.35 Issue Price[24] represents a:

- 5.3% discount to TERP[25] of $1.39 on 29 March 2023 (including Bonus Unit issue)
- 8.9% discount to the last trading price of $1.4275 on 29 March 2023 (including Bonus Unit issue)
- 15.9% discount to the 30-day VWAP[26] of $1.55 on 29 March 2023 (including Bonus Unit issue)

Eligible Unitholders who are issued with New Units and investors issued with shortfall units or units in the Placement will also be entitled to receive, without any further action, up to 1 Bonus Unit for every 28 New Units issued, subject to the conditions below:

- Unitholders / Investors must, on the date 6 months after the Retail Entitlement Offer issue date (**Bonus Unit Determination Date**), hold a number of Units exceeding their holding as at the Record Date (**Record Date Holding**). To be eligible for the full entitlement of Bonus Units, that holding must equal or exceed the aggregate of (**Full Entitlement Holding**) (i) the Record Date Holding and (ii) the number of New Units issued to that Unitholder / Investor under the Equity Raising.
- Unitholders / Investors who hold more than their Record Date Holding but less than their Full Entitlement Holding will receive a number of Bonus Units which is proportionally lower than their full Bonus Unit entitlement (see worked example below).
- A new Unitholder coming into HCW through the Equity Raising will, for the purposes of the Bonus Unit entitlement calculation, be deemed to hold zero Units on the Record Date. As a consequence, in order to qualify for their full Bonus Unit entitlement, they need only hold a number of Units equal to the number of New Units they acquired in the issue.
- No Bonus Units will be allocated to a Unitholder / Investor if the number of Units held by them on the Bonus Unit Determination Date is less than their Record Date Holding.

For example, a Unitholder with 100,000 Existing Units would be issued 72,779 New Units (assuming the Unitholder took-up their full pro-rata in the Placement and Entitlement Offer) and be entitled to up to 2,599 Bonus Units.

Bonus Units will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date and will rank equally with existing Units on their issue date. The issue of the Bonus Units is being funded by HMC, which has agreed to sell back, for a nominal consideration, a number of Units it holds equal to the number of Bonus Units that are to be issued, as determined on the Bonus Unit Determination Date (**Selective Buy-Back**). As a consequence, the issue of Bonus Units will not be dilutive to HCW Unitholders. The Selective Buy-Back is subject to Unitholder approval by a special majority resolution to be sought at an Extraordinary General Meeting of Unitholders to be held at a later time. The issue of the Bonus Units is subject to the Selective Buy-Back being approved by the requisite majority (75%) of HCW Unitholders.

The Equity Raising (but not the issue of Bonus Units) is underwritten by Macquarie Capital (Australia) Limited and J.P. Morgan Securities Australia Limited.

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[24] Assumes the maximum number of Bonus Units are issued.
[25] Theoretical Ex Rights Price.
[26] Volume Weighted Average Price.

Debt

HCW has underwritten debt commitments of $550m in place to refinance and upsize its current debt facilities to acquire the Tranche 1 assets directly[30]

- Facility limit increased from $400m to $550m
- Margin reduced by 20bps, and
- ICR covenant reduced to >1.75x.

In addition, HCW increased its hedging profile in March-23 by entering into interest rate swaps with a combined nominal value of $175m, replacing the arrangements in place as at H1 FY23

- 49% of post transaction pro-forma debt hedged

The Unlisted Fund has underwritten debt commitments of $550m in place to acquire the Tranche 2 and Tranche 3 assets and will have initial gearing of 45%.

Asset sales

HCW has committed to undertake a minimum of $125m of asset sales, expected to be contracted for sale by the time of settlement of the HCW Acquisition (**Identified Asset Sales**). This is to ensure an appropriate level of gearing is maintained with reference to HCW's 30-40% target range.

IMPROVED BASE MANAGEMENT FEE STRUCTURE

HMC has agreed to improve HCW's cost structure following the significant increase in the scale of the entity post the acquisition. Base management fees will step down from 0.65% to 0.55% on incremental GAV >$800m.

FINANCIAL IMPACTS

- Proforma forecast 4Q FY23 FFO per unit of 8.0 cents which implies 7% accretion vs. existing 4Q FY23 run rate FFO of 7.5cpu[31]
  - HCW remains on track to achieve previously provided FY23 FFO guidance per unit of 7.1 cents[32] absent of the HCW Acquisition and Equity Raising
- FY23 DPU guidance upgraded from 7.5cpu to 7.6cpu (4Q FY23 DPU of 2.0 cents), which HCW expects to be FFO covered on a pro forma basis[33]
  - Annualised 4Q FY23 DPU of 8.0cpu[34] implying a distribution yield of 5.9% at the Issue Price
- Gearing maintained at the midpoint of the 30-40% target range
  - Pro forma 31 December 2022 look through gearing of 36.0% post transaction[35] and post completion of Identified Asset Sales

[30] HCW pro forma headroom post refinance and prior to settlement of Tranche 1 assets is $340m.
[31] Accretion calculated assuming estimated first 12 months of FFO from the Transaction is added to HCW pre transaction annualise d 4Q FY23 FFO/unit of 7.5cpu.
[32] Including this transaction, statutory FFO guidance reduces to 6.9cpu due to timing.
[33] Including this transaction, statutory FFO guidance reduces to 6.9cpu due to timing. Initial distributions post acquisition will be partially debt funded due to lease incentives.
[34] Annualised 4Q FY23 DPU of 8.0cpu expected to be fully FFO covered on a pro-forma basis. Initial distributions post HCW Acquisition, Equity Raising and $125m of Identified Asset Sales will be partially debt funded due to lease incentives.
[35] Gearing reduces to 32.8% post $75m of additional asset sales (via balance sheet selldown or selldown to Unlisted Fund). Excluding all asset sales, pro forma look through gearing is expected to be at the upper end of the 30-40% target range.

HCW Senior Portfolio Manager, Sam Morris said, *"Today's announcement marks a significant milestone in HCW's strong growth trajectory since IPO less than 2 years ago. An acquisition of this scale and quality is a rare opportunity to invest in an integrated network of private hospitals that serve as critical healthcare infrastructure. The result is a materially transformed HealthCo as it relates to income security, scale & quality of the portfolio, which is positioned to benefit from favourable long-term industry fundamentals.*

"Our partnership with Healthscope has resulted in a much more compelling transaction with HCW benefiting from a significantly improved tenant covenant and rental growth upside via CPI-linked indexation and higher development returns. We expect the increase in free float and liquidity following the equity raising will result in HCW satisfying eligibility requirements for future S&P/ASX300 index inclusion."

HCW Chair, Joseph Carrozzi said, *"This acquisition transforms HCW into Australia's largest diversified healthcare REIT with greater exposure to critical healthcare infrastructure in Australia's major capital cities. HCW is well positioned to continue to unlock significant value and growth via its enlarged ~$1bn development pipeline post this transaction. Importantly, the establishment of the unlisted fund provides HCW with a strategic and complementary funding partner for major healthcare development opportunities."*

ADDITIONAL INFORMATION

Additional information about the acquisitions and the Entitlement Offer, including certain risks, are contained in the investor presentation released to the ASX today.

Investor and analyst briefing teleconference call

A briefing for investors will take place via a conference call at 9:00am AEDT (Sydney time) on Thursday, 30th March 2023.

Participants must pre-register for the conference call.

Pre-registration link: https://s1.c-conf.com/diamondpass/10029682-8qk9wi.html

Following pre-registration, participants will receive the teleconference details and a unique access passcode.

INDICATIVE TIMETABLE

Event	2023
Announcement of Equity Raising	Thursday, 30 March 2023
Institutional Placement and Entitlement Offer bookbuild	Thursday, 30 March 2023
Announcement of results of the Placement and Institutional Entitlement Offer	Friday, 31 March 2023
HCW units recommence trading	Friday, 31 March 2023
Entitlement Offer Record Date (7:00pm AEDT)	Monday, 3 April 2023
Retail Entitlement Offer opens	Thursday, 6 April 2023
Early Retail Acceptance due date (5:00pm AEDT)	Friday, 14 April 2023
Settlement of New Units issued under the Placement and Institutional Entitlement Offer and Early Retail Acceptances	Monday, 17 April 2023
Allotment and trading of New Units issued under the Placement and Institutional Entitlement Offer and Early Retail Acceptances	Tuesday, 18 April 2023
Retail Entitlement Offer closes (5:00pm AEDT)	Thursday, 20 April 2023
Announcement of results of the Retail Entitlement Offer	Wednesday, 26 April 2023
Settlement of New Units issued under the Retail Entitlement Offer	Thursday, 27 April 2023
Allotment of New Units issued under the Retail Entitlement Offer	Friday, 28 April 2023
Commencement of trading of New Units issued under the Retail Entitlement Offer	Monday, 1 May 2023
Record date for distribution	Tuesday, 2 May 2023
Estimated date of Extraordinary General Meeting	June 2023
Bonus Unit Determination Date (7.00pm, Sydney time)	Monday 30 October 2023
Bonus Unit Issue Date	By Tuesday, 21 November 2023

The above timetable is indicative only and subject to change. The commencement and quotation of New Units is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules. HealthCo Healthcare and Wellness REIT reserves the right to amend this timetable at any time, either generally or in particular cases, without notice.

-ENDS-

This announcement is approved for release by the Board of the Responsible Entity

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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.

Important Notice - Forward-Looking Statements

This announcement contains certain forward-looking statements, which may include indications of, and guidance on, future earnings and 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 HCW. 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 HCW as at the date of this announcement. Except as required by applicable laws or regulations, HCW 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.

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General

In addition, this announcement is subject to the same "Important Notice and Disclaimer" as appears on slides 4 to 6 of the Investor Presentation with any necessary contextual changes.

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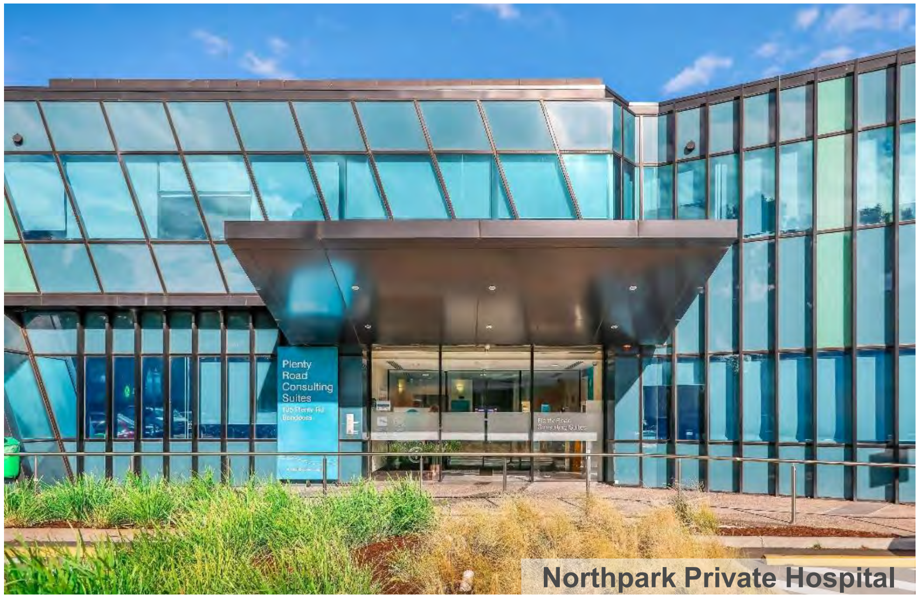
Campbelltown Private Hospital

Nepean Private Hospital


Knox Private Hospital



Northpark Private Hospital

HMCapital

Health Co.

HealthCo Healthcare & Wellness REIT
Transformational Acquisition & Equity Raising Presentation

30 March 2023

Acknowledgement of Country

HealthCo acknowledges the Traditional Custodians of country throughout Australia and celebrates their diverse culture and connections to land, sea and community.

We pay our respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Journey Tracks to Sacred Sites
Tony Sorby (2021)
© the artist courtesy Kate Owen Gallery

Agenda

	Transaction overview
1.	Strategic rationale
2.	Equity raising
3.	Balance sheet & capital management

Presenters

David Di Pilla
HMC Capital
Group Managing Director & CEO

Will McMicking
HMC Capital
Group CFO

Sam Morris
HealthCo
Senior Portfolio Manager

Christian Soberg
HealthCo
Chief Financial Officer

Important Notices and Disclaimer

This presentation (**Presentation**) has been prepared by HCW Funds Management Limited (ABN 58 104 438 100, AFSL 239882) **(Responsible Entity)** as responsible entity of HealthCo Healthcare & Wellness REIT (ARSN 652 057 639) (**HCW**) in connection with:

- an institutional placement of new fully paid ordinary units in HCW (**New Units**) (**Placement**); and
- a pro rata accelerated non-renounceable entitlement offer of New Units to eligible unitholders of HCW (**Entitlement Offer** and together with the Placement, the **Offer**),

for the purpose of funding the acquisition of various properties as set out in further detail in this Presentation (**Acquisition**). The Offer is underwritten by J.P. Morgan Securities Australia Limited and Macquarie Capital (Australia) Limited (the **Joint Lead Managers**).

Summary information

This Presentation contains summary information about the current activities of HCW and its subsidiaries (the **HCW Group**) as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a product disclosure statement or disclosure document prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**). This Presentation is subject to change without notice and the Responsible Entity may in its absolute discretion, but without being under any obligation to do so, update or supplement the information in this Presentation. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither the Responsible Entity nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications. The information in this Presentation should be read in conjunction with HCW's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at www.asx.com.au. To the maximum extent permitted by law, the HCW Group, the Responsible Entity, the Joint Lead Managers and their respective affiliates, related bodies corporates, officers, directors, employees, partners, agents and advisers make no representation or warranty (express or implied) as to the currency, accuracy, reliability, reasonableness or completeness of the information in this Presentation and disclaim all responsibility and liability for the information (including without limitation, liability for negligence).

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The Placement will be conducted under section 1012DA of the Corporations Act and will be made to investors who are wholesale clients or sophisticated investors (within the meaning of sections 761G and 761GA of the Corporations Act). Determination of eligibility of investors for the purposes of the Placement and the institutional tranche of the Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of the Responsible Entity and the Joint Lead Managers.To the maximum extent permitted by law, the Responsible Entity, HCW, and the Joint Lead Managers each disclaim any liability in respect of the exercise of that discretion or otherwise.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be made on the basis of the information to be contained in the retail offer booklet to be prepared for eligible retail unitholders of HCW in Australia and New Zealand (**Retail Offer Booklet**), and made available following its lodgement with ASX. Any eligible retail unitholder of HCW in Australia and New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet before deciding whether to apply under the Retail Entitlement Offer. Anyone who wishes to apply for New Units under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet.

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Financial data

All references to dollar values, cents, $, AUD, or A$ in this Presentation are to Australian dollars, unless otherwise stated.

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This Presentation contains certain “forward looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” “outlook”, “guidance”, “continue” and other similar expressions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of HCW, the outcome and effects of the Offer, and the use of proceeds from the Offer. The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Responsible Entity and HCW, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Neither the Responsible Entity, HCW, nor any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Presentation will actually occur.

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A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

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Disclaimer

The Joint Lead Managers have acted as underwriters, joint lead managers and bookrunners to the Offer. The Joint Lead Managers have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Presentation and there is no statement in this Presentation which is based on any statement made by either of them or by their respective affiliates, directors, partners, officers, employees and advisers (together the **Limited Parties**). To the maximum extent permitted by law, each of the Limited Parties expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Presentation other than references to their name and make no representation or warranty as to the currency, accuracy, reliability, reasonableness or completeness of this Presentation. This includes for any indirect, incidental, consequential, special or economic loss or damage (including, without limitation, any loss or profit or anticipated profit, fines or penalties, loss of business or anticipated savings, loss of use, business interruption or loss of goodwill, bargain or opportunities). The Limited Parties make no recommendations as to whether any potential investor should participate in the offer of New Units and make no warranties concerning the Offer.

By accepting this Presentation you acknowledge that neither you nor any members of the Limited Parties intend that any member of the Limited Parties act or be responsible as a fiduciary, or assume any duty, to you, your officers, employees, consultants, agents, security holders, creditors or any other person. You and the Joint Lead Managers (on behalf of each other member of the Limited Parties associated with them), by accepting and providing this Presentation respectively, expressly disclaim any fiduciary relationship between them, or the assumption of any duty by the Limited Parties to you, and agree that you are responsible for making your own independent judgement with respect to the Offer, any other transaction and any other matter arising in connection with this Presentation. Members of the Limited Parties may have interests in the units of HCW, including being directors of, or providing investment banking services to, HCW. Further, they may act as a market maker or buy or sell those securities or associated derivatives as principal or agent. The Joint Lead Managers may receive fees for acting in their capacity as lead manager, underwriter and bookrunner to the Offer.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Joint Lead Managers and their affiliates have provided, and may in the future provide, financial advisory services, financing services and other services to Responsible Entity, HCW, and to persons and entities with relationships with the Responsible Entity and HCW, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Responsible Entity and HCW, and/or persons and entities with relationships with the Responsible Entity or HCW. The Joint Lead Managers and their respective affiliates may also communicate independent investment recommendations, market colour or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. One or more entities within the Joint Lead Managers' group act as a lender or counterparty to the Responsible Entity, HCW, or their affiliates and may now or in the future provide financial accommodation or services to the Responsible Entity, HCW or their affiliates.

Important Notices and Disclaimer

In connection with the Offer, one or more investors may elect to acquire an economic interest in the New Units (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those units. The Joint Lead Managers or their affiliates may, for their own respective accounts, write derivative transactions with those investors relating to the New Units to provide the Economic Interest, or otherwise acquire units in HCW in connection with the writing of those derivative transactions in the Offer and/or the secondary market. As a result of those transactions, the Joint Lead Managers or their affiliates may be allocated, subscribe for or acquire New Units or units of HCW in the Offer and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those securities. These transactions may, together with other units in HCW acquired by the Joint Lead Managers or their affiliates in connection with its ordinary course sales and trading, principal investing and other activities, result in the Joint Lead Managers or their affiliates disclosing a substantial holding and earning fees.

The Joint Lead Managers and/or their affiliates may also receive and retain other fees, profits and financial benefits in each of the above capacities and in connection with the above activities, including in their capacity as the lead manager to the Offer.

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Acquisition overview

$1.2bn acquisition secured on attractive terms with HCW acquiring $730m of hospitals

Acquisition

- HMC Capital (**ASX: HMC**) today announced that entities managed by HMC have entered in arrangements to acquire from Medical Properties Trust, Inc (**NYSE: MPW**), a 100% interest in 11 private hospitals (the **Healthscope Hospital Portfolio**) leased to Healthscope for $1,200m[1] (the **Acquisition**)
  - As part of the transaction, HMC worked jointly with Healthscope to negotiate a compelling transaction for all parties with key enhancements to the existing lease terms including:
    - ✓ Strengthened covenant: base rent reset, operator EBITDAR rent coverage of >2.0x[2]
    - ✓ Inflation protection: base rent escalations renegotiated from 2.5% fixed to CPI-linked indexation[3]
    - ✓ Accretive developments: capex rentalised at the greater of 6.0% or 300bps spread to 10-year Australian Gov bond yield
  - The Acquisition has been secured on attractive terms with the purchase price representing an implied acquisition NOI yield of 5.8%[4] with a forecast unlevered internal rate of return (IRR) of >9%[5]

Settlement Structure & Timing

- The Healthscope Hospital Portfolio is being acquired in three tranches by HealthCo Healthcare & Wellness REIT (**ASX: HCW**) and a newly established Healthcare and Life Sciences Unlisted Fund (**Unlisted Fund**) managed by HMC Capital. Tranches 1 and 2 will be settled upfront with Tranche 3 completing on a deferred basis as outlined below:
  - **Tranche 1:** HCW to directly acquire 4 mental health / rehabilitation hospitals for $256m with expected settlement in May-23;
  - **Tranche 2:** Unlisted Fund to acquire 3 acute care hospitals for $474m with expected settlement in May-23. The Unlisted Fund will be initially capitalised with HCW owning 100% of the equity ($261m[6]) with HCW's ownership reducing to ~50% post settlement of Tranche 3; and
  - **Tranche 3:** Unlisted Fund to acquire remaining 4 acute care hospitals for $470m with expected settlement in Jul-Sep 2023[7]. The deferred settlement provides up to 6 months for HMC to complete an unlisted institutional fund raising of $259m[6] (50% of equity in the Unlisted Fund). HMC will backstop the Tranche 3 equity requirement using its increased balance sheet liquidity and debt facility of $350m+[8]
    - ✓ HMC is in active discussions with multiple domestic and global institutional investors who are undertaking due diligence
- Upon settlement of Tranche 3 in July-Sep 2023[7], HCW will ultimately have interests in 11 hospital assets valued at no less than $730m (**HCW Acquisition**), comprising:
  - A direct 100% interest in 4 mental health / rehabilitation hospitals valued at $256m (**Tranche 1**); and
  - A ~50% equity interest in the Unlisted Fund, which will own 7 acute care hospitals valued at $944m (**Tranches 2 & 3**)

Notes: 1. Excluding transaction costs. 2. At the facility level. 3. Subject to 4.0% cap and 1.5% collar per annum. 4. Acquisition NOI yield of 5.8% is based on 100% of the Healthscope Hospital Portfolio and includes incremental rent and capex on projects under construction (refer to page 17 for additional detail). Passing yield of 5.3% assuming base rent only. 5. Unlevered IRR of >9% based on 5yr assumed hold period and consistent entry & exit cap rates. 6. Unlisted Fund to be levered at 45%. Equity contribution excludes transaction costs and acquisition of vendor's existing $35m interest rate swap (refer to page 10 for additional details). 7. HMC Capital has the ability to defer settlement of Tranche 3 until Sep-23. 8. HMC has received indicative commitments from new financiers to increase the debt capacity of HMC from $275m to $350m+. HMC has also received indicative commitments from a number of existing senior facility providers to increase the tenor to July 2024.

Transaction structure

HCW to own $730m interest in Healthscope Hospital Portfolio on balance sheet and via Unlisted Fund co-investment

~$1,200m[1] Healthscope Hospital Portfolio Acquisition

HCW Direct	Unlisted Fund – managed by HMCapital	
100% ownership	*Ownership of ~50% upon final settlement*	*Institutional investor ownership of ~50% upon final settlement*
TRANCHE 1 **$256m**	**TRANCHE 2** **$474m**	**TRANCHE 3** **$470m**
4 mental health / rehabilitation hospitals ***Acquired by HCW directly on balance sheet***	3 acute care hospitals valued at $474m ***Acquired by the Unlisted Fund, with 100% of equity capital $261m[2] provided by HCW***	4 acute care hospitals valued at $470m ***Acquired by Unlisted Fund, with 100% of equity capital $259m[2] provided by third party institutional investors (and backstopped by HMC Capital)[3]***
Settlement expected May-23	**Settlement expected May-23**	**Deferred settlement from Jul-Sep 2023[4]**

Notes: 1. Excluding transaction costs. 2. Unlisted Fund to be levered at 45%. Equity contribution excludes transaction costs and acquisition of vendor's existing $35m interest rate swap (refer to page 10 for additional details). 3. Under a scenario where third party equity is unable to be procured for the Unlisted Fund prior to financial close of Tranche 3, HMC has committed to backstop the acquisition of Tranche 3 assets and subsequently sell down to third party institutional investors. 4. HMC Capital has the ability to defer settlement of Tranche 3 until Sep-23.

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Healthscope Hospital Portfolio

Rare opportunity to acquire a large-scale private hospital portfolio

Tranche 1
Immediate settlement (May-23)[1]

Northpark Private Hospital	The Victorian Rehab Centre	Pine Rivers Private Hospital	The Geelong Clinic
			
$101m	$63m	$51m	$41m

Property value (100%): $101m, $63m, $51m, $41m

Tranche 2
Immediate settlement (May-23)[1]

Knox Private Hospital	Campbelltown Private Hospital	Ringwood Private Hospital
		
$350m	$94m	$30m

Property value (100%)[2]: $350m, $94m, $30m

Tranche 3
Deferred settlement (Jul-Sep 2023)[3]

The Mount Private Hospital	Nepean Private Hospital	Sydney Southwest Hospital	Sunnybank Private Hospital
			
$147m	$176m	$97m	$50m

Property value (100%)[2]: $147m, $176m, $97m, $50m

Notes: 1. Standard 4-5 week settlement timeframe applies. 2. Based on 100% individual value, not reflective of HCW interest. 3. HMC Capital has the ability to defer settlement of Tranche 3 until Sep-23.

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Transaction overview

Equity raising size and pricing	▪ The HCW Acquisition will be funded through an underwritten $320m equity raising (**Equity Raising**), comprising a $89m institutional placement (**Placement**) and a $231m 1 for 1.90 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) at an issue price of $1.35 (**Issue Price**) per unit (**New Unit**) ▪ Unitholders who are issued New Units in the Placement and Entitlement Offer (including investors issued with shortfall units) will also receive, without any further action, up to 1 bonus unit in HCW (**Bonus Unit**) for every 28 New Units issued to them in the Equity Raising, funded by HMC Capital, subject to certain conditions as detailed on page 24. This will be funded out of HMC Capital's existing holdings in HCW via a Selective Buy-back (**Selective Buy-back**) which is subject to HCW Unitholder approval. ▪ The New Units (but not any Bonus Units) will be entitled to the distribution of 1.875 cpu, which is expected to be declared for the quarter ending 31 March 2023. Bonus Units will rank equally with other units from their date of issue. ▪ $1.35 Issue Price[1] represents a: – 5.3% discount to TERP[2] of $1.37 on 29 March 2023 (including Bonus Unit issue)[1] – 8.9% discount to the last trading price of $1.4275 on 29 March 2023 (including Bonus Unit issue)[1] – 15.9% discount to the 30-day VWAP[3] of $1.55 on 29 March 2023 (including Bonus Unit issue)[1]
Debt arrangements	▪ HCW has underwritten debt commitments of $550m in place to refinance and upsize its current debt facilities to acquire the Tranche 1 assets directly[4] ▪ HCW increased its hedging profile in Mar-23 by entering into interest rate swaps with a combined nominal value of $175m, replacing the arrangements in place as at H1 FY23 ▪ The Unlisted Fund has underwritten debt commitments of $550m in place to acquire the Tranche 2 and Tranche 3 assets and will have initial gearing of 45%
Other capital management initiatives	▪ HCW has committed to undertake a minimum of $125m of asset sales from its existing portfolio which are expected to be contracted for sale by the time of settlement of the HCW Acquisition (**Identified Asset Sales**) ▪ As part of the acquisition of the Healthscope Hospital Portfolio, the vendor will novate to the Unlisted Fund an existing in the money interest rate swap with a market value of $35m. The swap has been restructured to provide $400m of hedging at a fixed rate of 1.2% for 3 years across Tranches 2 and 3

Notes: 1. Assumes the maximum number of Bonus Units are issued. Issue price reduced by discount from Bonus Unit issuance to calculate discounts. 2. Theoretical Ex-Rights Price. 3. Volume Weighted Average Price. 4. HCW liquidity headroom post refinance and prior to settlement of Tranche 1 assets of $344m (refer to pro-forma balance sheet on page 29 for detail).

Transaction overview

HMC transaction support	▪ HMC Capital has agreed to improve HCW's cost structure following the significant increase in the scale of the entity post the HCW Acquisition: – Management fees will step down from 0.65% to 0.55% on incremental GAV >$800m ▪ HMC Capital will support the Equity Raising by providing a sub-underwriting commitment for its full $48m entitlement in the Institutional Entitlement Offer, in addition to sub-underwriting up to $75m under the retail component of the entitlement offer ▪ HMC Capital has also agreed to fully fund the bonus unit component of the equity raise through its existing holdings in HCW via a Selective Buy-back and as a result will not be dilutive to HCW Unitholders. The Selective Buy-Back is subject to HCW Unitholder approval ▪ HMC Capital will backstop the acquisition of Tranche 3 if institutional equity commitments for the Unlisted Fund takes longer than 6 months ▪ HMC has formally commenced fund raising for the Unlisted Fund and is in active discussions with multiple domestic and global institutional investors who are undertaking due diligence – HMC has secured indicative debt commitments of $350m+[1] plus has $580m of liquid investments on balance sheet to support the $259m equity underwriting commitment[2]
Financial impact	▪ The HCW Acquisition, Equity Raising and the other capital management initiatives are anticipated to increase 4Q FY23 run rate FFO per unit of 7.5cpu to 8.0cpu representing 7% accretion[3] – HCW remains on track to achieve previously provided FY23 FFO guidance per unit of 7.1 cents[4] absent of the HCW Acquisition and Equity Raising ▪ FY23 DPU guidance upgraded from 7.5cpu to 7.6cpu (4Q FY23 DPU of 2.0 cents), which HCW expects to be FFO covered on a pro-forma basis[5] – Annualised 4Q FY23 DPU of 8.0cpu implying a distribution yield of 5.9% ▪ Gearing maintained at the midpoint of the 30–40% target range – Pro-forma 31 December 2022 look-through gearing of 36.0% post transaction[6] and post completion of Identified Asset Sales ▪ 49% of HCW's debt will be hedged on a pro-forma basis
Distribution and ranking	▪ The New Units will rank equally in all respects with existing units from the date of allotment ▪ The New Units will be entitled to the distribution of 1.875 cpu which is expected to be declared for the quarter ending 31 March 2023
Risks	▪ Please refer to Appendix D for Key Risks associated with the transaction

Notes: 1. HMC has received indicative commitments from new financiers to increase the debt capacity of HMC from $275m to $350m+. HMC has also received indicative commitments from a number of existing senior facility providers to increase the tenor to July 2024. 2. Equity contribution excludes transaction costs and acquisition of vendor's existing $35m interest rate swap. 3. Accretion calculated assuming estimated first 12-months of FFO from the Transaction is added to HCW pre-transaction annualised 4Q FY23 FFO/unit of 7.5cpu. 4. Including this transaction, statutory FFO guidance reduces to 6.9cpu due to timing. 5. Initial distributions post acquisition will be partially debt funded due to lease incentives outline on page 16. 6. Gearing reduces to 32.8% post $75m of additional asset sales (via balance sheet selldown or selldown to Unlisted Fund). Excluding all asset sales, pro-forma look through gearing is expected to be at the upper end of the 30-40% target range (refer to page 29 for additional details).

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1. STRATEGIC RATIONALE

Knox Private Hospital

HMCapital

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Strategic rationale

Rare opportunity to acquire a large-scale portfolio of metro located critical healthcare infrastructure assets that materially improve income security and quality of HCW's portfolio

1 Transformative acquisition of rare scale and quality ✓

$1.2bn Healthscope Hospital Portfolio **($730m HCW share)** 11 high quality metro located hospitals[1]	**100% occupancy** Australia's second largest private hospital operator	**>16 year WALE** Security of income with 8 x 10 year options	**Absolute net lease[2]** Landlord bears zero operating costs associated with the properties	**CPI-linked leases[3]** Exposure to CPI-linked rental escalations increased from 32% to 60%[4]

2 Healthscope strategic partnership ✓

- HMC worked jointly with Healthscope to negotiate a compelling transaction with key enhancements to the existing lease terms:
  - Strengthened covenant: base rent reset lifts operator EBITDAR rent coverage to a sustainable level of >2.0x[5]
  - Inflation protection: base rent escalations renegotiated from 2.5% fixed to CPI-linked indexation[3]
  - Accretive developments: $255m[6] committed projects ($150m[6,7] underway) with capex rentalised at the greater of 6% or 300bps spread to 10-year Aus bond yield
- Strategic partner to unlock new value enhancing healthcare development opportunities

3 Compelling financial returns ✓

- Pro-forma forecast 4Q FY23 FFO per unit of 8.0 cents which implies 7% accretion vs. existing 4Q FY23 run rate FFO of 7.5 cpu[8]
- FY23 DPU guidance upgraded from 7.5cpu to 7.6cpu with annualised 4Q FY23 DPU of 8.0cpu implying a **DPU yield of 5.9%**[9]
  - Upgraded 4Q FY23 annualised DPU of 8.0 cents to be fully FFO covered on a pro-forma basis[10]
- Pro-forma look through gearing expected to be at the midpoint of the 30-40% target range post Identified Asset Sales[11]
- Implied acquisition NOI yield of 5.8%[12] screens attractively versus private hospital transaction comparables and valuations

4 Australia's largest diversified healthcare REIT ✓

- Pro-forma HCW portfolio value of $1.5bn
- Expected to be eligible for S&P/ASX300 index inclusion with increased free float and liquidity
- Significant future growth via ~$1.0bn accretive development pipeline post acquisition, funded jointly with Unlisted Fund investors
- Enhanced fee structure with accelerated management fee step down from 0.65% to 0.55% for GAV >$800m

Notes: 1. HCW will ultimately own a $730m interest in Healthscope Hospital Portfolio. 2. An absolute net lease is a lease basis under which the landlord bears zero costs associated with the property. The tenant pays property outgoings, repairs and maintenance, maintenance and replacement capital including structural repairs. 3. Healthscope CPI escalation - subject to 4.0% cap and 1.5% collar per annum. 4. Reflects impact of HCW's 100% interest in Tranches 1 & 2 ($730m). 5. At the facility level. 6. Represents estimated end value on a 100% basis assuming yield (greater of 6% or 300bps spread to 10-year) rentalised at core portfolio cap rate of 5.1%. 7. Includes committed brownfield projects underway at Knox and Nepean. 8. Accretion calculated assuming estimated first 12-months of FFO from the Transaction is added to HCW pre-transaction annualised forecast 4Q FY23 FFO/unit of 7.5cpu. 9. Distribution per unit yield at the Issue Price. 10. Initial distributions post acquisition will be partially debt funded due to lease incentives outline on page 16. 11. Pro-forma look through gearing expected to be 36.0% post completion of the HCW Acquisition, Equity Raising and $125m of Identified Asset Sales. Excluding all asset sales, pro-forma look through gearing is expected to be at the upper end of the 30-40% target range. 12. Acquisition NOI yield of 5.8% is based on 100% of the Healthscope portfolio and includes incremental rent and capex on projects under construction (refer to p.17 for detail). Passing yield of 5.3% assuming base rent only.

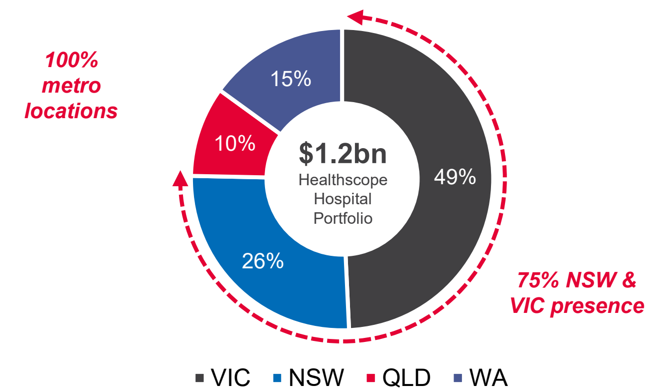
1 Transformative acquisition of rare scale and quality

Irreplaceable hospital infrastructure located in Australia's major cities

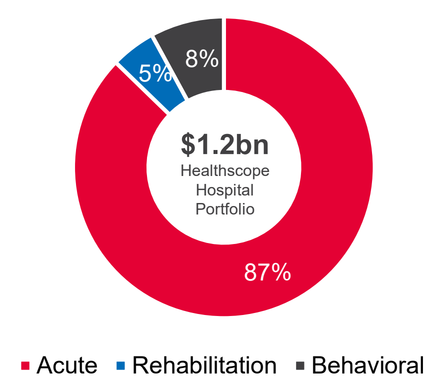
Acquisition overview

Key portfolio metrics	Healthscope Hospital Portfolio[1]	HealthCo Acquisition[2]
Portfolio value	**$1.2bn**	**$730m**
Licensed beds	**1,435**	**882**
WALE (years)[3]	**>16** ***Additional 8 x 10-year lease expiry options***	
Portfolio cap rate	**5.1%**	
Portfolio acquisition NOI yield[4]	**5.8%**	
Unlevered IRR[5]	**>9%**	
Committed capex pipeline[6]	**$255m**	
Total capex pipeline[6] ***(Committed + uncommitted)***	**>$400m**	
Lease escalations[7]	**CPI-linked**	
Lease structure[8]	**Absolute net**	

Geographic exposure



Care type



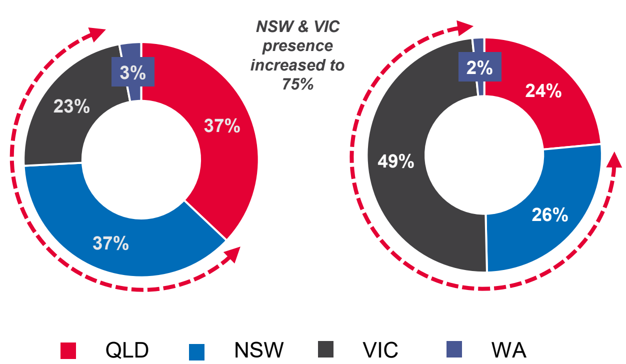
Portfolio represents critical social infrastructure with strong barriers to entry due to longevity in the community, referral patterns and patient relationships with doctors and staff, and availability of appropriately zoned land

Notes: 1. Reflects 100% of the $1.2bn Hospital Portfolio excluding transaction costs. 2. Reflects HCW's 100% interest in Tranches 1 & 2 excluding transaction costs. 3. Weighted by Net Operating Income (NOI). 4. Acquisition NOI yield of 5.8% is based on 100% of the Healthscope portfolio and includes incremental rent and capex on projects under construction (refer to page 17 for additional detail). Passing yield of 5.3% assuming base rent only. 5. Unlevered IRR of >9% based on 5yr assumed hold period and consistent entry & exit cap rates. 6. Estimated end value on a 100% basis assuming yield (greater of 6% or 300bps spread to 10-year) rentalised at core portfolio cap rate of 5.1%. 7. Subject to 4.0% cap and 1.5% collar per annum. 8. An absolute net lease is a lease basis under which the landlord bears zero costs associated with the property. The tenant pays property outgoings, repairs and maintenance, maintenance and replacement capital including structural repairs.

1 Acquisition improves HCW's portfolio income profile and increases the scale and quality of the portfolio

Portfolio statistics

	Pre Acquisition[1]	Post Acquisition[2]	*Change*
Portfolio valuation[3]	$775m	$1,505m	▲ *+94%*
WACR	5.0%	5.1%	*+10 bps*
WALE	9.7 years	12.5 years	▲ *+2.7 years*
CPI-linked leases[4]	32%	60%	▲ *+28%*
Site area	344,907 sqm	480,850 sqm[5]	▲ *+39%*
Geographic mix[5]			



Post acquisition portfolio subsectors[2,6,7]

Private Hospitals	**52%**	*Healthscope becomes HCW's largest tenant*
Primary, Specialty Care & Wellness	**15%**	
Childcare	**13%**	
Gov't, Life Sciences & Research	**9%**	
Aged care	**4%**	

Notes: 1. Includes pending acquisitions (Metro Childcare Portfolio and Macquarie Park). 2. Reflects HCW's 100% interest in Tranches 1 & 2 ($730m). 3. pro-forma for $125m Identified Asset Sales. 4. Healthscope CPI escalation - subject to 4.0% cap and 1.5% collar. Other HealthCo CPI escalation - combination of CPI and higher of fixed or CPI. 5. Weighted by asset value. 6. Weighted by Net Operating Income (NOI). 7. Income from 'Other' subsectors of 7%.

HM Capital

HealthCo.

2 Long term strategic partnership with Healthscope

New lease terms significantly strengthen tenant covenant and NOI growth potential

ENHANCED TENANT COVENANT AND RENTAL GROWTH

Sydney Southwest Hospital

As part of the acquisition, HCW has partnered with Healthscope to materially enhance lease terms for both parties

- ✓ **Strengthened covenant:** Base rent reset, EBITDAR rent coverage >2.0x[1]
- ✓ **Inflation protection:** Base rent escalations renegotiated from 2.5% fixed to CPI-linked[2] with a 4% p.a. cap
- ✓ **Tenant support:** Lease incentive provided to Healthscope equivalent to 7% of total lease payments[3] spread over the remainder of the lease
  - ~50% rent free over the initial 24 months[4]
  - Remainder provided as abatement over the 16-year term of the lease

SIGNIFICANT LONG TERM REINVESTMENT OPPORTUNITY

Knox Private Hospital

Compelling development partnership opportunity with Healthscope to unlock the portfolio's significant underutilised land holdings via brownfield expansion

- ✓ Attractive returns with brownfield capex to be rentalised at the greater of 6% or 300bps spread to the 10yr Australian government bond yield
  - Upside in higher bond rate environment
  - Downside protection via 6% yield floor
- ✓ \$255m[5] committed development pipeline currently in progress
  - Additional ~\$150m[5,6] medium term development opportunities under review
- ✓ Significant uncommitted development pipeline supported by large underutilised land holdings and strategically located portfolio

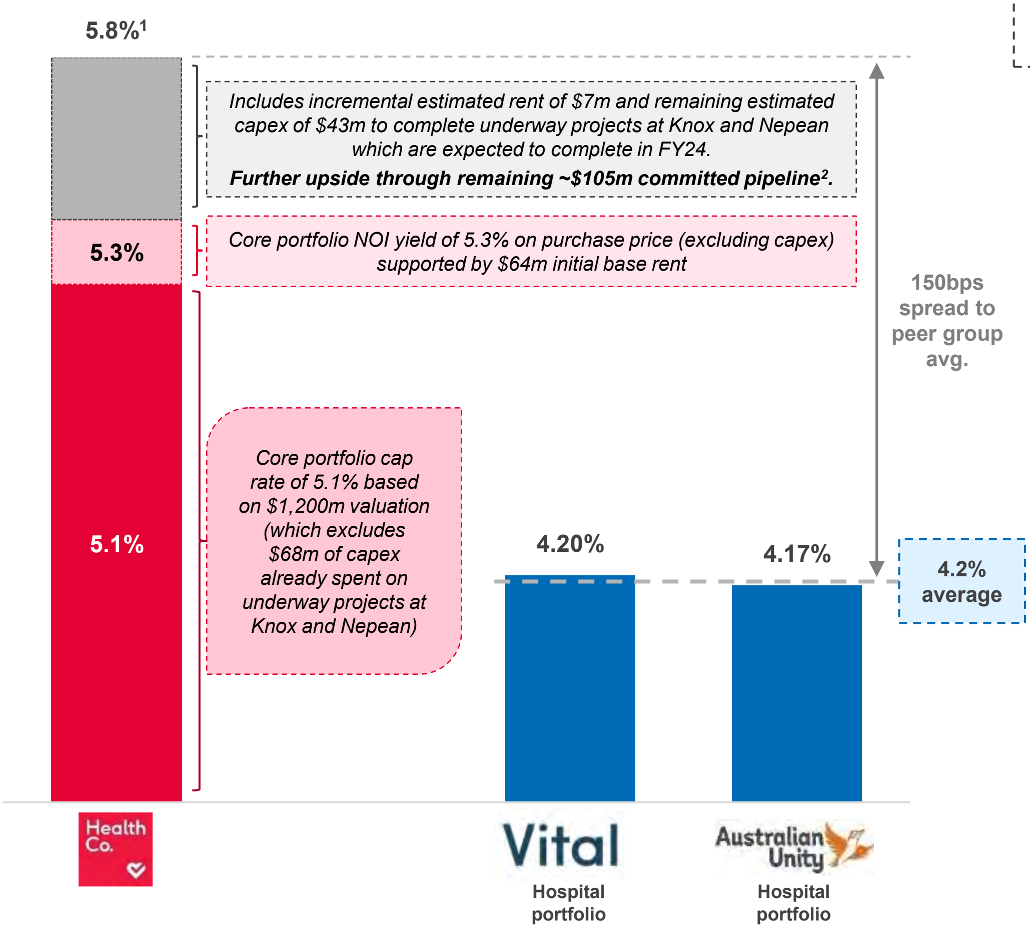
Opportunity to partner with Healthscope on future value enhancing development opportunities

Notes: 1. At the facility level. 2. Subject to 4.0% cap and 1.5% collar per annum. 3. Calculated as the sum of remaining lease payments excluding options. Average CPI of 2.75% assumed. 4. Equivalent to ~5% of total lease payments. 5. Represents estimated end value on a 100% basis assuming yield (greater of 6% or 300bps spread to 10-year) rentalised at core portfolio cap rate of 5.1%. 6. Project approval subject to landlord and Healthscope approvals.

3 Compelling acquisition price

Acquisition NOI yield of 5.8% and unlevered IRR of >9%

Acquisition NOI yield

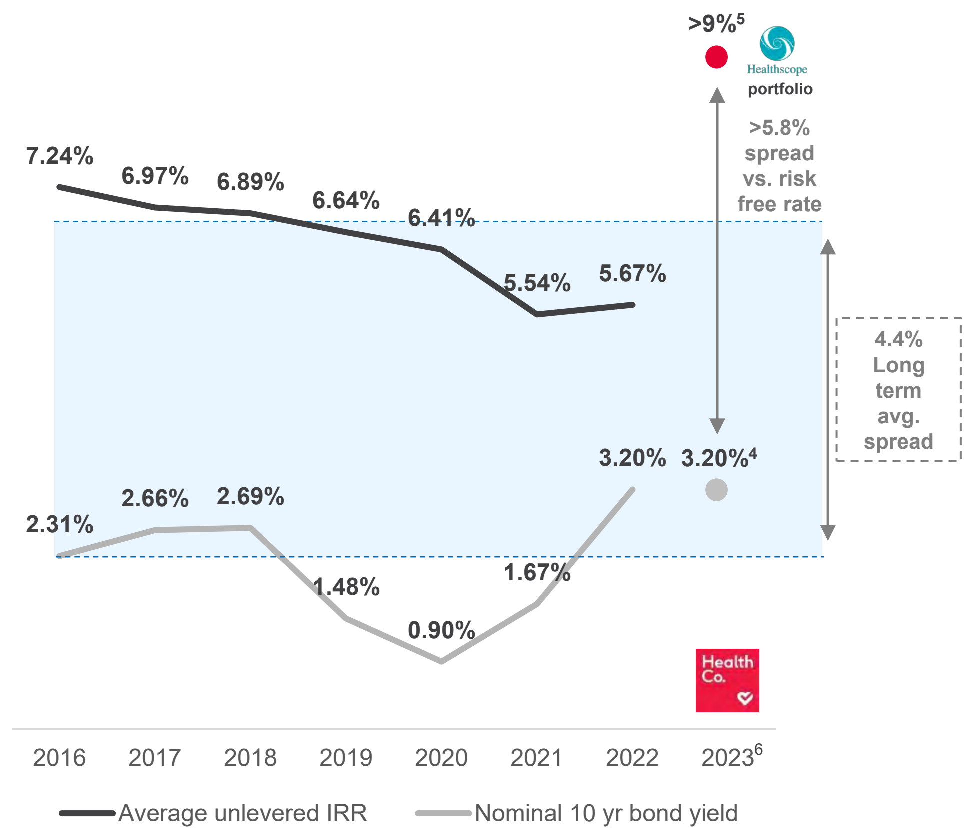


Healthscope Portfolio

Dec-22 cap rates (book valuations)[3]

Acquisition unlevered IRR vs. comparable transactions[4]

Long term average unlevered IRR spread to risk free rate of ~4.4%



Colliers Australia comparable healthcare transactional evidence

Notes: 1. Acquisition NOI yield of 5.8% is based on 100% of the Healthscope portfolio. It includes committed underway projects and assumes 6% yield on cost (i.e. minimum of potential yield being higher of 6% or 10yr ACGB yield + 300bps) Passing yield of 5.3% assuming base rent only. 2. $255m of committed projects less $150m underway projects at Knox and Nepean. Projects will achieve yield on cost of higher of 6% or 10yr ACGB yield + 300bps. 3. Based on company filings. 4. Based on Colliers transaction data. 5. Unlevered IRR of >9% based on 5 year hold period and consistent entry and exit cap rate assumptions. 6. As at 27-Mar-23.

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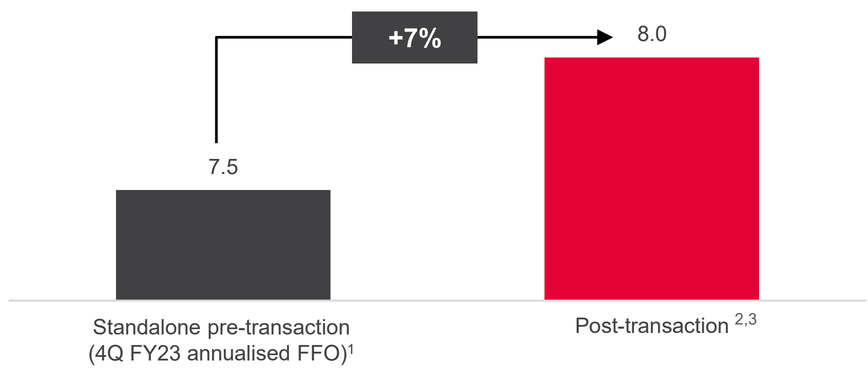
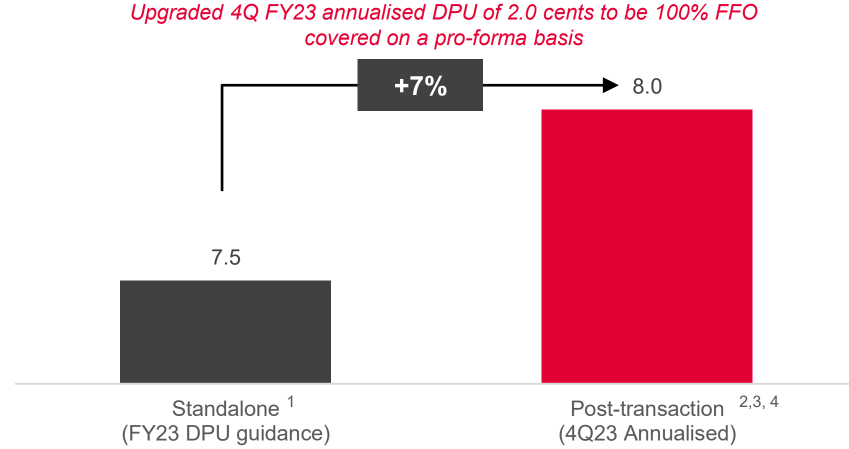
3 Compelling financial returns

FFO & DPU accretive whilst maintaining gearing at midpoint of 30-40% target range post completion of Identified Asset Sales

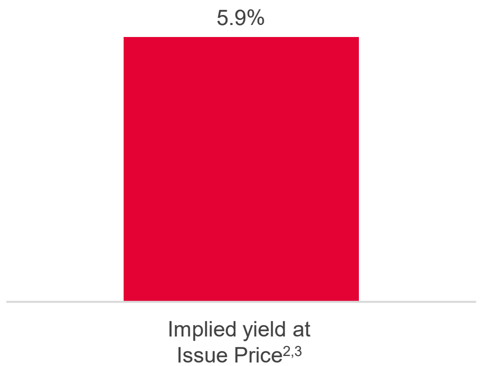
Annualised 4Q FY23 FFO (cpu) accretion



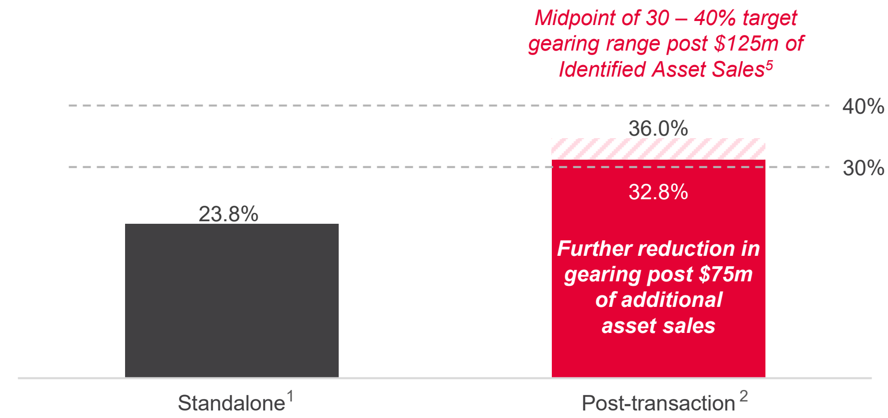
DPU accretion (cpu)



Implied 4Q FY23 annualised DPU yield



Look-through gearing



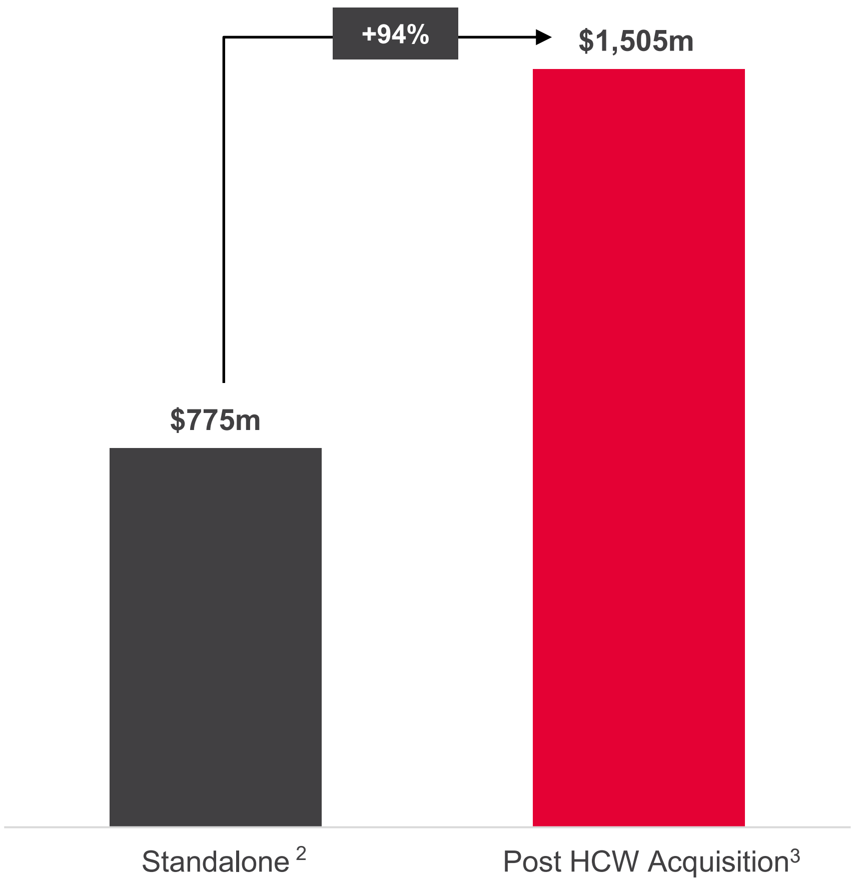
Notes: 1. As at 31 December 2022 pro-forma for the acquisition of Macquarie Park. 2. Assumes completion of HCW Acquisition, Equity Raising and the other capital management initiatives (assuming $125m of Identified Asset Sales) in addition to the completion of Tranche 3. Accretion calculated assuming estimated first 12-months of FFO from the Transaction is added to HCW pre-transaction annualised forecast 4Q FY23 FFO/unit of 7.5cpu. 4. FY23 DPU guidance upgraded from 7.5cpu to 7.6cpu, which HCW expects to be FFO covered on a pro-forma basis. Initial distributions post acquisition will be partially debt funded due to lease incentives outline on page 16. 5. Pro-forma look through gearing reduces to 32.8% post $75m of additional asset sales (via balance sheet sell down or sell down to Unlisted Fund). Excluding all asset sales, pro-forma look through gearing is expected to be at the upper end of the 30-40% target range (refer to page 29 for additional details)

4 HCW is now Australia's largest diversified healthcare REIT

Transformative acquisition which materially increases HCW's scale and relevance

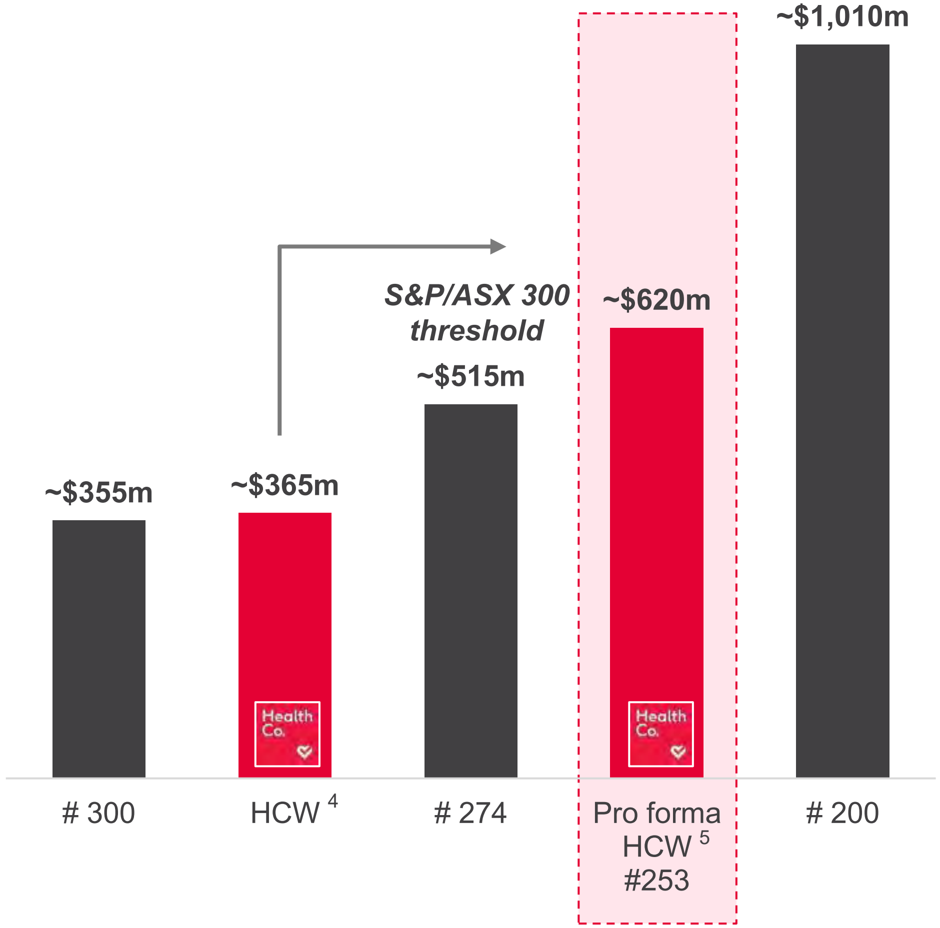
Gross asset value (GAV)

+94% increase in GAV post transaction



S&P/ASX Index free float market capitalisation thresholds[1]

~$255 million increase in free float market capitalisation supports S&P/ASX 300 index eligibility



Notes: 1. All figures rounded to the nearest $5 million. S&P/ASX 300 inclusion buffer data based on 6-month average free-float adjusted market capitalisation as at 24 March 2023. 2. pro-forma for $125m Identified Asset Sales. 3. Assumes after the completion of HCW Acquisition, Equity Raising and the other capital management initiatives in addition to the completion of Tranche 3 in Unlisted Fund with third party institutional investors providing 100% of equity capital. 4. Based on HCW's free-float adjusted market capitalisation as at 28 March 2023. 5. Assumes HMC Capital retains a ~21% stake in HCW and based on HCW's last trading price of $1.43 per unit. Excludes impact of Bonus Units.

4 Unlisted Fund target investment mandate

Establishment of complementary Unlisted Fund will assist HCW in accessing a larger pool of investment and development opportunities

- ✓ HMC has formally commenced fund raising for the Unlisted Fund and is in active discussions with multiple parties who are undertaking due diligence
  - HMC will backstop the acquisition of Tranche 3 if institutional equity commitments for the Unlisted Fund take longer than 6 months
- ✓ Following the settlement of Tranche 3, HCW will own a ~50% equity interest in the Unlisted Fund, which will own 7 acute care hospitals valued at $944m
- ✓ The Unlisted Fund will target large-scale hospital and life sciences investment opportunities and developments with attractive total returns
- ✓ The Unlisted Fund will enable HCW to capture significant development upside through its co-investment whilst also balancing its objective to deliver stable and growing distributions via its operating portfolio

	Health Co.	Unlisted Fund
Subsectors		
Private Hospitals	✓	✓
Life Sciences	✓	✓
Primary Medical	✓	✗
Childcare	✓	✗
Aged Care	✓	✗
Other features		
Capital source	Listed	Unlisted
Investment objective	Stable, growing distributions	Total returns
Investment strategy	Invest in diversified healthcare real estate to deliver secure and growing distributions	'Develop-to-core' strategy focusing on large-scale healthcare opportunities including developments
ROFO[1]	ROFO over the Unlisted Fund developments	-
Gearing	30-40%	Up to 50%

The Unlisted Fund will not acquire assets that fall within HCW's investment mandate without HCW being offered the opportunity first

HCW will have a ROFO to acquire assets in the future from the Unlisted Fund

Notes: 1. Right Of First Offer.

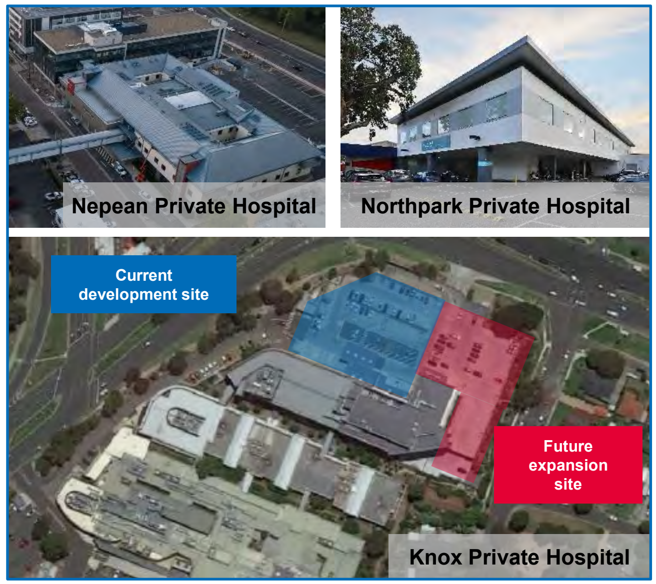
4 HCW now has a ~$1bn[1] accretive development pipeline

Well positioned to unlock material value & growth whilst further enhancing portfolio scale and diversification

- ✓ Post HCW Acquisition, HCW will have exposure to ~$1bn[1] of value enhancing development opportunities expected to generate an ungeared ROIC of 6-8%
- ✓ New Unlisted Fund will provide enhanced funding capacity and flexibility for major hospital and life sciences development projects
- ✓ HCW's co-investment in the Unlisted Fund will enable it to capture development upside whilst balancing its objective to deliver stable and growing distributions
- ✓ New major private hospital development opportunity for the Unlisted Fund currently under investigation

Existing development pipeline ($500m+)[1]

Healthscope development pipeline ($400m+)[2]



Strategic partnerships

Healthscope

mater

ACURIO HEALTH CARE INNOVATION

Aegros

HCW remains well positioned to deliver enhanced NOI, FFO and DPU growth via accretive developments

Notes: 1. Development pipeline represents estimated end value on a 100% basis. 2. Includes committed and uncommitted capex projects. Represents estimated end value on a 100% basis assuming yield (greater of 6% or 300bps spread to 10-year Aus 10yr bond yield) rentalised at core portfolio cap rate of 5.1%.

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2. EQUITY RAISING

Campbelltown Private Hospital

Offer terms

Offer structure	▪ $320m underwritten Equity Raising comprised of: – An institutional placement (**Placement**) to raise ~$89m, and – A 1 for 1.90 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) to existing eligible unitholders to raise ~$231m
Offer price	▪ $1.35 Issue Price represents a: – 5.3% discount to TERP[2] of $1.37 on 29 March 2023 (including Bonus Unit issue)[1] – 8.9% discount to the last trading price of $1.4275 on 29 March 2023 (including Bonus Unit issue)[1] – 15.9% discount to the 30-day VWAP[3] of $1.55 on 29 March 2023 (including Bonus Unit issue)[1]
Institutional Offer and Placement	▪ The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) and the Placement will be conducted by way of bookbuild process, opening and closing on 30 March 2023
Retail Entitlement Offer	▪ The retail component of the underwritten Entitlement Offer (**Retail Entitlement Offer**) will open on 6 April 2023 and close on 20 April 2023 ▪ Only eligible retail unitholders with a registered address in Australia and New Zealand as at 7.00pm AEDT on 3 April 2023 may participate in the Retail Entitlement Offer
HMC Capital participation	▪ HMC Capital has elected to renounce its entitlement in the Institutional Entitlement Offer, however has committed to sub-underwriting its full $48m entitlement in the Institutional Entitlement Offer – HMC Capital is not permitted to participate in the Placement ▪ In addition to its sub-underwriting commitments under the Institutional Entitlement Offer, HMC Capital has committed to subscribe for up to $75m of any shortfall in the Retail Entitlement Offer
Underwriting & HMC Capital Sub-underwriting	▪ The Placement and Entitlement Offer is underwritten, subject to certain conditions (refer to Appendix E for Summary of Underwriting Agreements) ▪ HMC Capital has entered into a Sub-underwriting Agreement with the Joint Lead Managers in respect to the Institutional Entitlement Offer and the Retail Entitlement Offer (on terms consistent with page 4) ▪ In the event that HMC Capital is not required to subscribe for any units under the Institutional Entitlement offer or the Retail Entitlement Offer, its holding in HCW will reduce to c.12% ▪ If there is sufficient shortfall to require HMC Capital to acquire the full number of units under its sub-underwriting commitments, HMC Capital's holding in HCW on completion of the Equity Raising would increase from 21% to 28%[4] ▪ The Sub-underwriting Agreement with the Joint Lead Managers contains a clause that will apply where HMC Capital is required to subscribe for units under its sub-underwriting commitments and where, to do so, HMC Capital would breach the takeovers prohibitions in the Corporations Act. In that instance, HCW will not issue units to HMC Capital (as sub-underwriter) to the extent it would cause HMC Capital to breach the takeovers prohibitions in the Corporations Act. HMC Capital (and the Joint Lead Managers) will still have an obligation to pay HCW for those units at settlement but they will only be issued to HMC Capital at a time when it can receive those units without breaching the takeovers prohibition in the Corporations Act (because, for example, HMC Capital can rely on the 3% "creep" exemption or HCW unitholders approve the acquisition by HMC Capital of those units).

Notes: 1. Assumes the maximum number of Bonus Units are issued. Issue price reduced by discount from Bonus Unit issuance to calculate discounts. 2. Theoretical Ex-Rights Price. 3. Volume Weighted Average Price. 4. HMC Capital pro-forma ownership figures based on indicative Retail Entitlement Offer size and excludes the impact of any Bonus Units issued.

Bonus Unit

Ranking	▪ The New Units issued under the Placement and Entitlement Offer will rank equally in all respects with existing ordinary units on issue from the date of allotment and will be entitled to the distribution of 1.875 cpu that is expected to be declared for the quarter ending 31 March 2023 ▪ Bonus Units are expected to be issued on Tuesday, 21 November 2023 and will rank equally in all respects with existing ordinary units on issue from the date of allotment
Bonus Unit overview	▪ Eligible Unitholders and investors (including those that participate in the Placement and / or are issued shortfall units) who are issued with New Units will also be entitled to receive, without any further action, up to 1 Bonus Unit for every 28 New Units issued, subject to the conditions below
Eligibility	▪ Unitholders / Investors must, on Monday, 30 October 2023 (**Bonus Unit Determination Date**), hold a number of units exceeding their holding as at the Record Date (**Record Date Holding**) ▪ To be eligible for the full entitlement of Bonus Units, that holding must equal or exceed the aggregate of (i) the Record Date Holding; plus (ii) the number of New Units issued to that Unitholder / Investor under the Placement and / or Entitlement Offer (**Full Entitlement Holding**)
Conditions	▪ Unitholders / Investors who hold more than their Record Date Holding but less than their Full Entitlement Holding will receive a number of Bonus Units which is proportionally lower than their full Bonus Unit entitlement ▪ A new Unitholder coming into HCW through the Placement and / or Entitlement Offer, will, for the purposes of the Bonus Unit entitlement calculation, be deemed to hold zero units as their Record Date Holding. As a consequence, in order to qualify for their full Bonus Unit entitlement, they need to hold the number of New Units they acquired in the Placement and/or Entitlement Offer ▪ **No Bonus Units will be allocated to a Unitholder / Investor if the number of units held by them on the Bonus Unit Determination Date is less than their Record Date Holding** ▪ Entitlement to Bonus Unit will be rounded down to the nearest whole unit
Issue and ranking of Bonus Units	▪ Bonus Units will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date and will rank equally in all respects with existing ordinary units on issue from the date of allotment
Funding of Bonus Units	▪ The issue of the Bonus Units is being funded by HMC Capital, which has agreed to sell to the Responsible Entity, for a nominal consideration, a number of units it holds (via a wholly-owned subsidiary) equal to the number of Bonus Units that are to be issued, as determined on the Bonus Unit Determination Date (**Selective Buy-Back**). The issue of Bonus Units will not be dilutive to HCW Unitholders as the units bought back from HMC Capital will be cancelled
Approval of Bonus Units	▪ The Selective Buy-Back is subject to Unitholder approval by a special majority resolution to be sought at an Extraordinary General Meeting of Unitholders. The issue of Bonus Units will not proceed if the Selective Buy-Back is not approved and the issue of Bonus Units is therefore subject to the approval of the requisite majority (75%) of HCW Unitholders.

Bonus Unit – Attractive issue price and structure

Fully funded by HMC Capital

$1.35 Issue Price = **5.4% discount to last trading price**

$1.35 Issue Price + **1 for 28 Bonus Unit** = **Implied ~8.9%[1] discount to last trading price of $1.4275**

5.4% disc. to last trading price	~8.9%[1,2] disc. to last trading price	-
Discount to last traded on 29 March 2023 Pre-bonus unit issuance	Unitholders who are issued New Units in the Entitlement Offer (and any person issued shortfall units) and the Placement will be entitled to receive up to **1 Bonus Unit for every 28 New Units issued in the Entitlement Offer[3]**	New Units issued under the Entitlement Offer and the Placement will be **entitled to the expected 1.875 cpu distribution for the quarter ending 31 March 2023**

Notes: 1. Assumes the maximum number of Bonus Units are issued. 2. See page 40 for worked example showing implied additional ~3.4% discount arising from Bonus Unit issue. 3. Conditional on Unitholder / Investor holding at least their Record Date Holding on the Bonus Unit Determination Date and HCW Unitholder approval of Selective Buy-Back.

Sources and uses

Sources of funds	$m
Equity Raising	320
Identified Asset Sales[1]	125
Existing debt facilities	143
Total sources of funds	**588**

Uses of funds	$m
Acquisition of Tranche 1 assets	256
Acquisition of Tranche 2 assets (HCW equity commitment to Unlisted Fund)[2]	261
HCW share of Unlisted Fund transaction costs and interest rate swap[3,4]	47
HCW transaction costs[4]	24
Total uses of funds	**588**

Notes: 1. Expected to be contracted for sale by the settlement of the HCW Acquisition. HCW will initially debt fund the HCW Acquisition until proceeds from Identified Asset Sales are received ($125m). Gearing reduces to 32.8% post $75m of additional asset sales (via balance sheet selldown or selldown to Unlisted Fund). Excluding the asset sales, pro-forma look through gearing is expected to be at the upper end of the 30-40% target range (refer to page 29 for additional details). 2. Assumes completion of Tranche 3 in the Unlisted Fund with third party institutional investors providing 100% of equity capital. HCW equity commitment of $261m based on Unlisted Fund leverage of 45%. 3. Includes HCW's 50% share of the Unlisted Fund's transaction costs and interest rate swap.4. Includes stamp duty and excludes HMC acquisition fee which will be taken in HCW scrip.

Indicative timetable

Event	Date
Announcement of Equity Raising	Thursday, 30 March 2023
Institutional Placement and Entitlement Offer bookbuild	Thursday, 30 March 2023
Announcement of results of the Placement and Institutional Entitlement Offer	Friday, 31 March 2023
HCW units recommence trading	Friday, 31 March 2023
Entitlement Offer Record Date (7:00pm AEDT)	Monday, 3 April 2023
Retail Entitlement Offer opens	Thursday, 6 April 2023
Early Retail Acceptance due date (5:00pm AEDT)	Friday, 14 April 2023
Settlement of New Units issued under the Placement and Institutional Entitlement Offer and Early Retail Acceptances	Monday, 17 April 2023
Allotment and trading of New Units issued under the Placement and Institutional Entitlement Offer and Early Retail Acceptances	Tuesday, 18 April 2023
Retail Entitlement Offer closes (5:00pm AEDT)	Thursday, 20 April 2023
Announcement of results of the Retail Entitlement Offer	Wednesday, 26 April 2023
Settlement of New Units issued under the Retail Entitlement Offer	Thursday, 27 April 2023
Allotment of New Units issued under the Retail Entitlement Offer	Friday, 28 April 2023
Commencement of trading of New Units issued under the Retail Entitlement Offer	Monday, 1 May 2023
Record date for distribution	Tuesday, 2 May 2023
Estimated date of Extraordinary General Meeting	June 2023
Bonus Unit Determination Date (7.00pm, Sydney time)	Monday, 30 October 2023
Bonus Unit Issue Date	By Tuesday, 21 November 2023

Notes: The above timetable is indicative only and subject to change. The commencement and quotation of New Units is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules. HCW reserves the right to amend this timetable at any time, either generally or in particular cases, without notice.

3. HCW PRO-FORMA BALANCE SHEET & CAPITAL MANAGEMENT UPDATE

Campbelltown Private Hospital

HMCapital

Health Co.

Pro-forma balance sheet

1. Settlement of Macquarie Park Acquisition completed in Mar-23
2. Healthscope portfolio acquisition impacts including equity raise, $125m of Identified Asset Sales (Assets held for sale), HCW debt and look-through debt
3. Internal valuation of underway brownfield capex projects at Knox and Nepean on as-if complete less cost to complete basis
4. Further capital management to de-lever to bottom end of target range through $75m of additional asset sales (via balance sheet selldown or selldown to Unlisted Fund)

		1		2	2	3		4	
	Dec-22	Macquarie Park acquisition	Dec-22 pro-forma	Assets held for sale	HCW Acquisition and equity raise[5]	Underway capex internal valuation[6]	Dec-22 pro-forma	Additional asset sales[7]	Dec-22 pro-forma
Cash and cash equivalents	4.3		4.3	125.0	(125.0)		4.3		4.3
Trade and other receivables	3.5		3.5				3.5		3.5
Other assets	9.3		9.3				9.3		9.3
Investment properties[1]	770.6	80.8	851.4	(125.0)	256.0		982.4	(75.0)	907.4
Equity accounted investments	-		-		278.3	73.3	351.6	-	351.6
Investment in associate	11.6		11.6				11.6		11.6
Total assets	**799.4**	**80.8**	**880.2**	**-**	**409.3**	**73.3**	**1,362.7**	**(75.0)**	**1,287.7**
Borrowings	125.8	84.5	210.3		143.3		353.7	(75.0)	278.7
Other liabilities[2]	23.8		23.8				23.8		23.8
Total liabilities	**149.6**	**84.5**	**234.1**	**-**	**143.3**	**-**	**377.5**	**(75.0)**	**302.5**
Net assets	**649.7**	**(3.7)**	**646.0**		**265.9**	**73.3**	**985.3**		**985.3**
Units on issue	**325.6**		325.7		242.4		**568.1**		**568.1**
NTA per unit ($)	**$2.00**		**$1.98**				**$1.73**		**$1.73**
Gearing[3]	**15.5%**		**23.8%**				**26.2%**		**21.8%**
Look-through gearing[4]	**15.5%**		**23.8%**				**36.0%**		**32.8%**

Notes: 1. Includes $6.1m of non-controlling interests consolidated for Camden Trust 1. 2. Includes $6.1m distributions payable as at 31 December 2022. 3. Gearing is defined as borrowings (excluding unamortised debt establishment costs) less cash and cash equivalents divided by total assets less cash and cash equivalents. 4. Look-through gearing includes the proportionate consolidation of gross assets and liabilities of equity accounted investments. 5. Pro-forma balance sheet equity accounted investments assumes completion of Tranche 3 in the Unlisted Fund with third party institutional investors providing 100% of equity capital. Equity accounted investments balance includes $261m property acquisition plus share of non-property assets. Units on issue 242m assumes HMC takes acquisition fee in HCW scrip. 6. Internal as-complete valuation of Knox and Nepean net of costs to complete. 7. Expected to be contracted for sale by the settlement of the HCW Acquisition. HCW will initially debt fund the HCW Acquisition until proceeds from Identified Asset Sales are received ($125m). Excluding the asset sales, pro-forma look through gearing is expected to be at the upper end of the 30-40% target range.

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Capital management update

HCW has refinanced and increased its senior secured debt facility on improved terms and increased its hedging profile

Transaction impacts on gearing

Pro-forma gearing

- Look-through gearing of 36.0% post the HCW Acquisition, Equity Raising and $125m of Identified Asset Sales
  - Subsequent reduction in look-through gearing to 32.8% following additional $75m of further asset sales
- Potential for additional capital recycling to reduce gearing via asset sales to the Unlisted Fund including stakes in Rouse Hill and Camden Stage 1

Updated debt and hedging arrangements

HCW

- Senior secured debt facility refinanced on improved terms
  - Facility limit increased to $550m
  - Margin reduced by 20 bps[2]
  - ICR covenant reduced to >1.75x
- New hedging arrangements have been entered into
  - 3 and 4 year interest rate swaps with a combined notional value of $175m
  - New swaps with improved terms replace the previous arrangements in place as at Dec-22

Unlisted Fund

- Underwritten $550m senior secured debt facility secured
- The Vendor of the Hospital Portfolio has novated to the Unlisted Fund an existing in the money interest rate swap
  - Market value of $35 million
  - The swap has been restructured to provide $400m of hedging at a fixed rate of 1.2% for 3 years

$m	Dec-22	Dec-22 pro-forma[1]
HCW refinancing		
Debt facility limit	$400.0m	$550.0m
Facility expiry	Aug-24	Mar-26
LVR covenant	<50%	<50%
ICR covenant	>2.00x	>1.75x
HCW metrics		
Borrowings	$125.8m	$353.7m
Liquidity[3]	$278.5m	$200.6m
Gearing	16%	26%
% of debt hedged	27%	49%
Hedged debt interest rate	4.0%	3.6%
Hedged debt maturity (average)	2.0 years	3.4 years
Unlisted Fund metrics		
Debt facility limit		$550.0m
Drawn debt		$213.3m
Liquidity		$336.7m[3]
HCW metrics on a look-through basis		
Gearing[4]	15.5%	36.0%

Notes: 1. Pro-forma for HCW Acquisition, Equity Raising and $125m of Identified Asset Sales. 2. For LVR <37.5%. 3. Liquidity of $125m post settlement of Tranche 3. 3. Facility limit + Cash – Borrowings. 4. Gearing is defined as Borrowings (excluding unamortised debt establishment costs) less Cash and cash equivalents divided by Total Assets less Cash and cash equivalents.

APPENDIX A | HCW PORTFOLIO IMPACTS

Northpark Private Hospital

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$1bn Upsized development pipeline

Healthscope portfolio acquisition increases HCW accretive development pipeline to $1bn

= **Healthscope committed brownfield capex pipeline: $255m[1] as-complete valuation, $196m total cost ($128m remaining cost to complete)**

Project	Completion	Total Cost (100% share)	HCW % share	Target returns (% p.a.)
Current developments (committed)				
Knox Private Hospital (VIC) ▪ Expansion of existing hospital	Q4 FY24	~$85m ($39m remaining)[4]	50%	Greater of 6% or 10yr Aus govt bond yield + 300bps
Nepean Private Hospital (NSW) ▪ Expansion of existing hospital	Q1 FY24	~$26m ($4m remaining)[4]	50%	Greater of 6% or 10yr Aus govt bond yield + 300bps
Northpark Private Hospital (VIC) ▪ Expanded mental health inpatient bed facilities	Q4 FY24	~$10m ($10m remaining)[4]	100%	Greater of 6% or 10yr Aus govt bond yield + 300bps
Mount (WA) ▪ Predominately regulatory upgrade including CSSD[2]	1H FY25	~$44m ($44m remaining)[4]	50%	Greater of 6% or 10yr Aus govt bond yield + 300bps
Healthscope Portfolio additional projects ▪ CSSD[2] + Critical Infrastructure works	Various over next 24 months	~$31m ($31m remaining)[4]	Various	Greater of 6% or 10yr Aus govt bond yield + 300bps
Springfield (QLD) ▪ Diversified health hub anchored by Mater[3]	Mater lease commencement from Q4 FY23	$36m (~$3m remaining)[4]	100%	>6% yield on cost
Proxima Southport (QLD) ▪ Fund-through health hub	Q2 FY24	~$70m ($54m remaining)[4]	100%	5.65% yield on cost
Precinct development pipeline (uncommitted)				
Future Healthscope Brownfield opportunities ▪ Various projects currently under varying stages of review	Various	Estimate $114m[4]	Various	Greater of 6% or 10yr Aus govt bond yield + 300bps
Camden – Stage 2 (NSW) ▪ Significant private hospital	Targeted activation in CY24	Estimate $250m[5,6]		6-7% yield on cost
Camden – Stage 3 (NSW) ▪ Health research facility	Targeted activation in CY24	Estimate $90m[5,6]		6-7% yield on cost
Rouse Hill (NSW) ▪ Expansion to include hospital development opposite new public hospital development	Targeted activation in CY26	Planning in progress		6-7% yield on cost

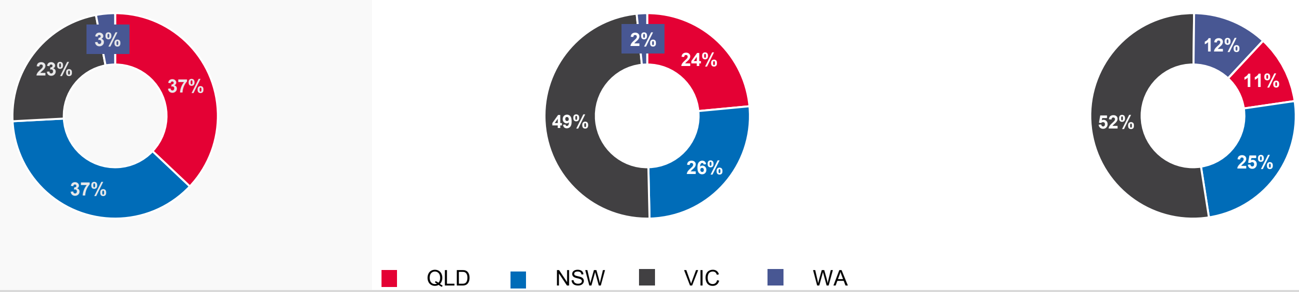
Notes: 1. Represents estimated end value on a 100% basis assuming yield (greater of 6% or 300bps spread to 10-year) rentalised at core portfolio cap rate of 5.1%. 2. Central sterile supply department. 3. 1 year rental guarantee in place. 4. Cost to complete on a 100% basis. 5. On a 100% basis. 6. Subject to pre-commitment.

HCW portfolio impact

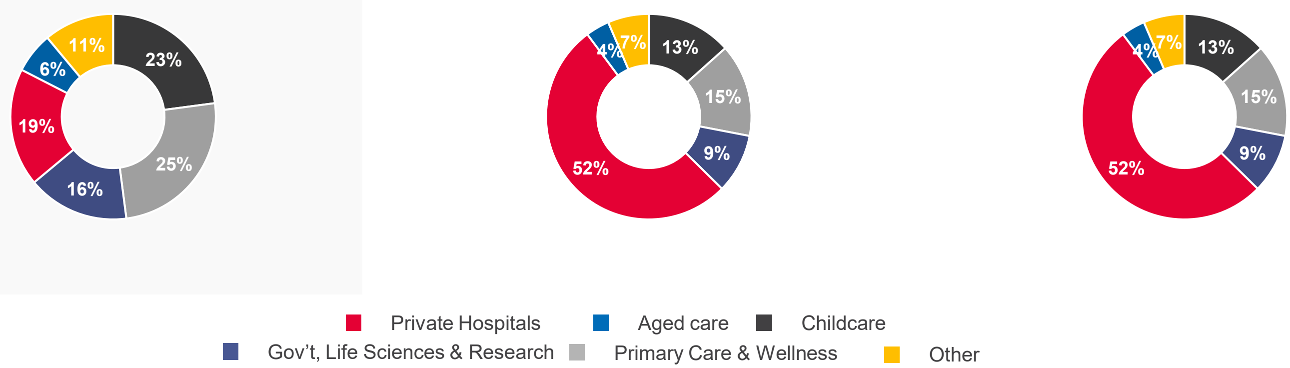
Portfolio statistics

	Standalone[1]	Post Tranches 1 & 2[2]	Post Tranches 1, 2 & 3[3]
Portfolio valuation[4]	$775m	$1,505m	$1,505m
WACR	5.0%	5.1%	5.1%
WALE	9.7 years	12.5 years	12.5 years
CPI-linked leases[5]	32%	60%	60%

Geographic mix[6]



Subsector mix[7]



Notes: 1. Includes pending acquisitions (Metro Childcare Portfolio and Macquarie Park). 2. Reflects HCW's 100% interest in Tranches 1 & 2 ($730m). 3. Reflects HCW's 100% interest in Tranche 1 and 50% interest in Unlisted Fund ($730m). Assumes completion of Tranche 3 in Unlisted Fund with third party institutional investors providing 100% of equity capital. 4. Pro-forma for $125m Identified Asset Sales. 5. Healthscope CPI escalation - subject to 4.0% cap and 1.5% collar per annum. Other HealthCo CPI escalation - combination of CPI and higher of fixed or CPI. 6. Weighted by asset value. 7. Weighted by Net Operating Income (NOI).

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APPENDIX B | TENANT & SECTOR OVERVIEW

Knox Private Hospital

New relationship with Healthscope – Leading national operator

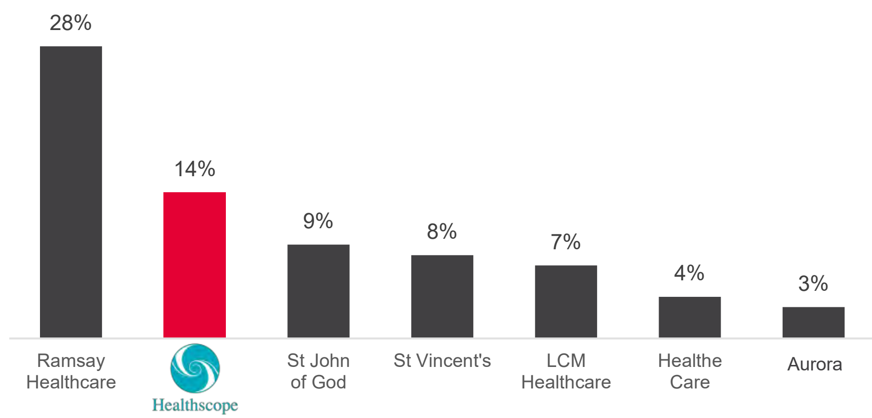
Australia's 2nd largest private hospital operator, with a track record of over 37 years

Overview

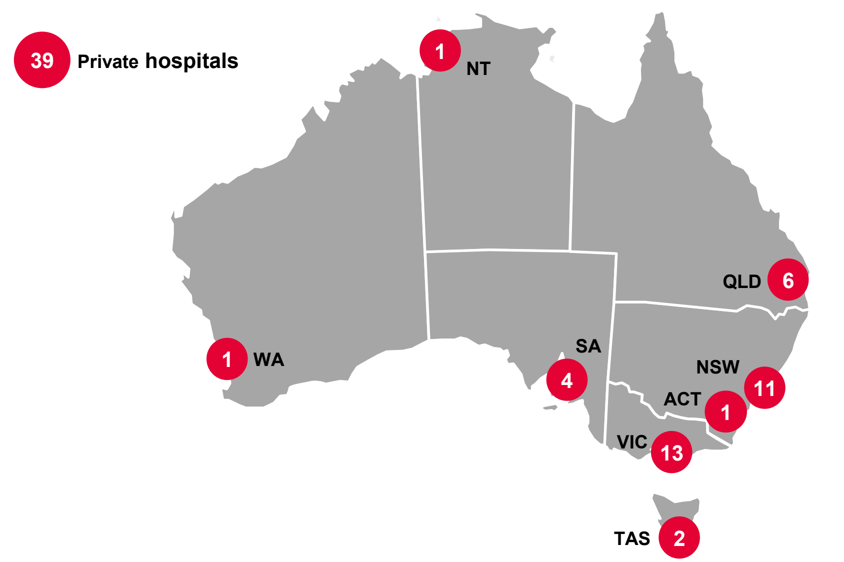
- Healthscope is the second largest private hospital provider in Australia, operating 39 hospitals with ~5,200 beds and over 270 theatres[2]
- Within its hospitals, Healthscope provides a range of specialist oriented, multi-disciplinary healthcare services from acute care to rehabilitation and mental health services. Over 20,000 VMOs[5] are credentialed to work within Healthscope hospitals, and these specialists are supported by a workforce of ~12,000 FTEs who seek to provide the highest quality of care to patients and support to doctors
  - Acute (27 sites): forms the core of the portfolio and includes medical and surgical services
  - Rehabilitation (6 sites): rehab post-injury or surgery often associated with joints, muscles, heart or brain
  - Mental Health (6 sites): services for a range of mental disorders e.g. addiction, eating disorder, depression
- Healthscope is focused on elective procedure delivery with a diversified speciality and acuity mix across hospitals

39 Hospitals offering inpatient and outpatient services	**~5,200** Inpatient beds[2]	**270+** Operating theatres[2]	**19%[1]** Market share
20,000+ Credentialed Visiting Medical Officers ("VMO")	**~12,000** FTEs delivering exceptional care to patients	**~660k** Admissions expected in 2023B[3]	**~1.8m** Patient days expected 2023B[3]

Australian private hospital market share by beds (CY21)[4]



Geographic footprint



Notes: 1. Market share by PHI benefits paid to private hospitals (LTM to September 2022). 2. As at December 2022. Beds and operating theatres includes 3 hospitals operated on behalf of Adelaide Community Healthcare Alliance (ACHA)` in South Australia. 3. Includes ~75k ACHA admissions ~170k ACHA patient days. 4. Public filings and company website, Australian Department of Health. 5. A "VMO" or Visiting Medical Officer is the official term used for a GP in private practice who also provides medical services in a public hospital or health service.

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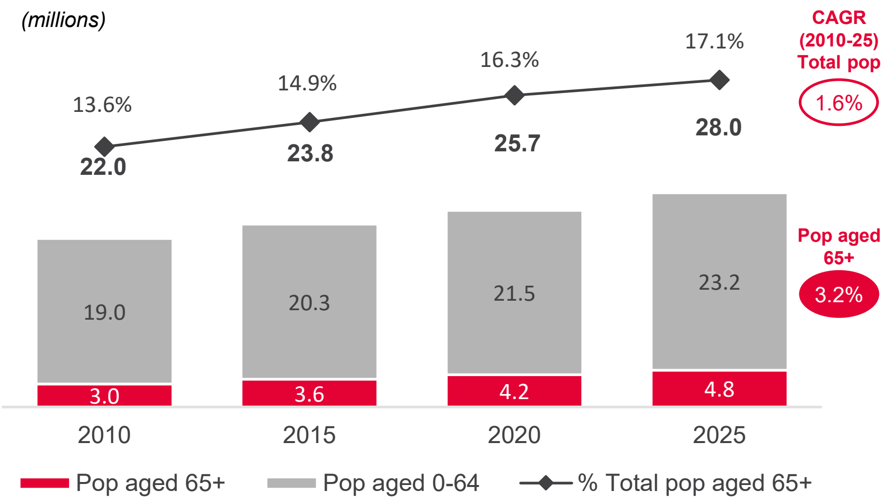
Attractive industry supported by positive industry fundamentals

Long-term growth in private hospital admissions to be driven by population growth, demographic trends and increasing incidence of chronic diseases

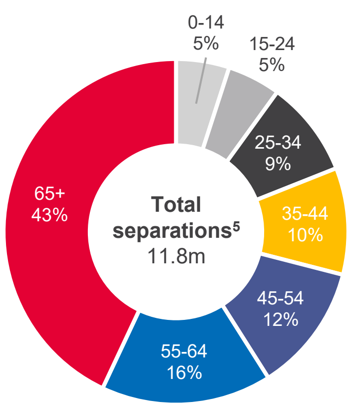
Growing and ageing population[1,2]

Australian population growth (2010-2025)

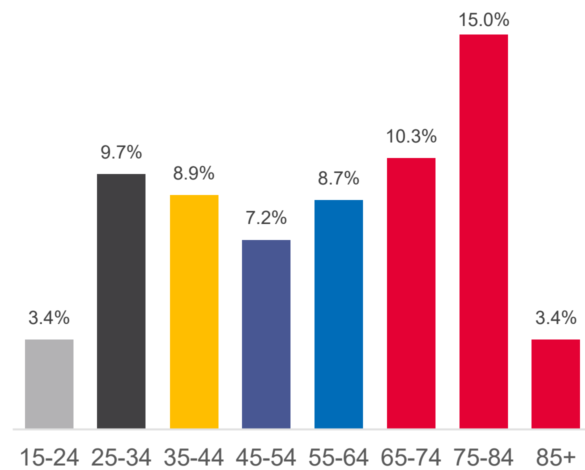


Escalating hospital visits among older patients[3]

Admissions by age



Growth (%) in hospital separations: 2016-17 to 2020-21



Australia's ageing population

The number of people aged over 65 is expected to double and over 85 expected to triple over the next 40 years[4]

Increased health spending

The over 65 cohort's expenditure on healthcare is 3-5x more compared to the under 65 cohort[3]

Increasing incidence of chronic disease

The over 65 age cohort experience a higher degree of chronic diseases, driving hospital volumes[3]

Long term revenue growth

Private hospital revenues have increased at a 4.7% CAGR from 2011-2019, with only a marginal decline during COVID[2]

Source: 1. ABS. 2. IBISWorld. 3. AIHW: Hospital Resources. 4. Australian Government – The Treasury – Intergenerational Report. 5. As of 2020-21.

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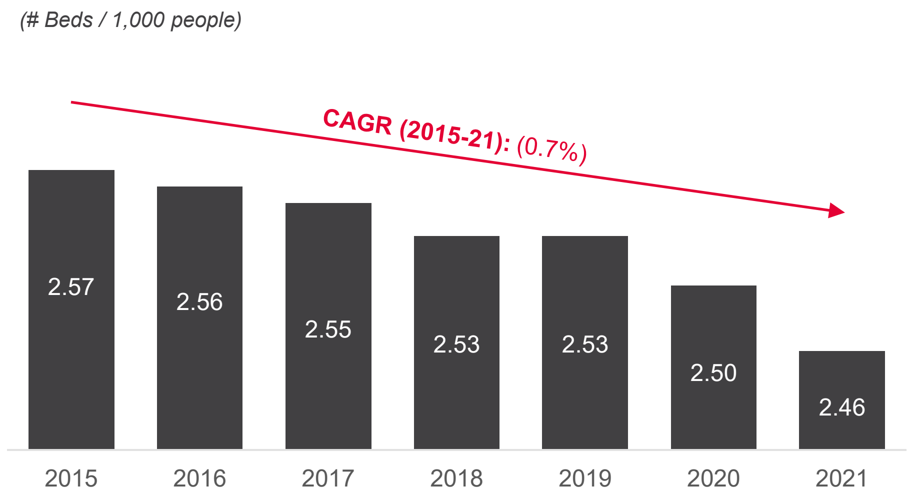
Attractive industry supported by positive industry fundamentals

Private hospitals play a critical role in the Australian hospital industry given the significant and growing strain on the public health system due to increasing demand

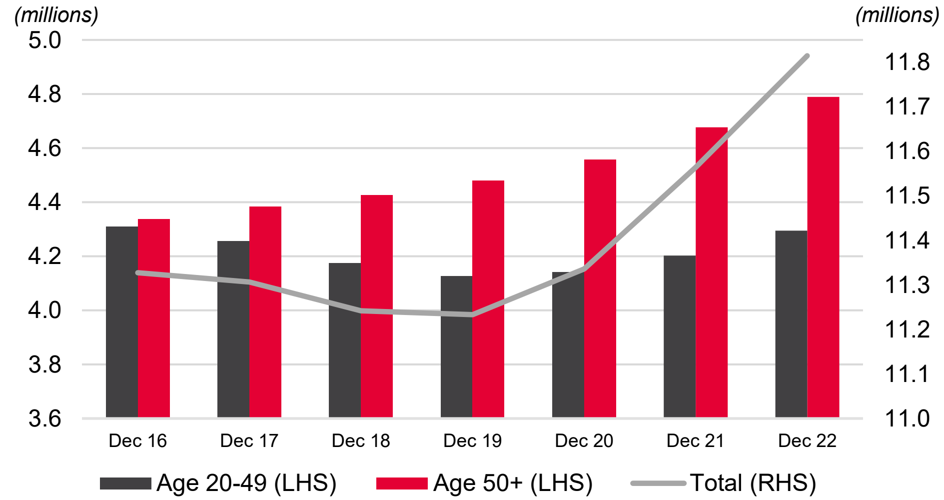
Growing strain on public hospitals[1]

Public hospital beds per 1,000 population



Private health insurance membership growth[2]

Hospital membership by age group



Public hospital strain

COVID-19 and an ageing population has pressured public hospital capacity, causing an increase in elective surgery wait times

Elective surgery backlog

It is estimated that there is a ~306k public patient elective surgery backlog, equivalent to almost 5 months[2]

Increase in private health demand

Expanding wait times in public hospitals cannot be turned around quickly, causing a spill over of demand into private hospitals

Expanding PHI hospital membership

Growth has been broad-based with 11.8m insured persons, the highest number ever recorded in Australia[3]

Source: 1. AIHW Hospital Resources. 2. Australian Medical Association 2023. 3. APRA Quarterly Private Health Insurance Statistics.

The acquired hospitals benefit from high barriers to entry and Healthscope benefits from its scale

Barriers to entry

Location	▪ Locations in key catchment areas required to attract patients and VMOs[1]
Reputation & branding	▪ Long lead time and track record required to build brand equity
Financial	▪ Substantial land and construction capital required ▪ Considerable lead time required to build (~4 years for a hospital) means long-dated ROIC
Regulatory	▪ Complex and lengthy planning and licensing process ▪ Geographical regulation – limits on number of hospital licenses per given catchment area ▪ Workforce regulation – accreditation and training requirements of nursing staff favour incumbent operators with facilities to meet those requirements
PHI	▪ New market entrant required to negotiate PHI terms and inevitably achieve inferior outcomes, as existing operators benefit from legacy pricing schedule base and only negotiate indexation rates
Operational	▪ Challenging and long-lead time to secure specialized doctors, nurses and support ▪ Significant trade up losses on startup, for example, initially higher costs to attract skills
Growth	▪ Brownfields easier to execute than new hospital development / greenfields. Brownfields have been primary source of industry growth
Timing	▪ Timeline includes site selection, design and construction (3+ years), commissioning and licensing (6+ months) ▪ Hospital then takes 3-4 years to reach full capacity

PHI negotiations	▪ PHIs prioritise negotiations with major providers due to scale, range of procedures and reputation ▪ Major providers consistently receive better rebate terms from PHIs
Procurement	▪ Better supplier discounts on medial / non-medical consumables and prosthetics
Doctor networks	▪ Scale facilities investment in higher quality and technologically advanced infrastructure which attracts the best doctors
GP referrals	▪ Patients referred to hospitals with strong network branding and reputable doctors
Labour	▪ Larger nurse networks support greater flexibility in rostering ▪ Ability to offer top university graduates direct entry to hospital nursing, allied health and medical positions ▪ Co-location of specialties enables efficient treatment of complex patients

Notes: 1. A "VMO" or Visiting Medical Officer is the official term used for a GP in private practice who also provides medical services in a public hospital or health service.

APPENDIX C | BONUS UNIT WORKED EXAMPLE

Northpark Private Hospital

Bonus Unit worked example

Worked example for a Unitholder with 100,000 Existing Units that participates for their full pro-rata in the Placement and Entitlement Offer, and holds the same number of units (or more) on the Bonus Unit Determination Date:

No. of HCW Units held pre-raising (Record Date Holding)	100,000
Entitlement offer ratio (1 for)	1.90
Units issued under the Entitlement Offer	52,631
Units issued under the Placement	20,148
Full Entitlement Holding	72,779
No. of HCW Units held on Bonus Unit Determination Date	172,779
Bonus Unit ratio (1 for)	28
Bonus Units issued	2,599
Total HCW Units held post Bonus Unit issue	175,378
Offer price (A$ per HCW unit)	$1.350
A$ value of full entitlement holding	$98,252
New units issued (Full Entitlement Holding + Bonus Units)	75,378
Implied A$ cost per HCW unit	$1.303
Implied discount	**(3.4)%**

Sensitivity analysis – Bonus Units issued at various take-up rates of the Placement and Entitlement Offer

No. of HCW units held on Bonus Unit Determination Date	100,000	118,195	136,390	154,584	172,779
Effective take-up rate of Placement and Entitlement Offer	-	25%	50%	75%	100%
No. of HCW units held above Record Date Holding	-	18,195	36,390	54,584	72,779
Bonus units issued	-	649	1,299	1,949	2,599
Implied discount	**-**	**(0.9)%**	**(1.7)%**	**(2.6)%**	**(3.4)%**

APPENDIX D | KEY RISKS

Nepean Private Hospital

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Key risks

This section discusses some of the key risks associated with an investment in HCW. A number of risks and uncertainties may adversely affect the operating and financial performance or position of HCW and in turn affect the value of HCW's units. These include specific risks associated with an investment in HCW and general risks associated with any investment in listed securities. The risks and uncertainties described below are not an exhaustive list of the risks facing HCW. Potential investors should carefully consider these risks, as well as those risks contained in section 7 of HCW's product disclosure statement dated 2 August 2021 (available at https://www2.asx.com.au/) and those common in the industry, in deciding whether an investment in HCW is suitable having regard to their own personal investment objectives and financial circumstances and those risks.

Acquisition may not complete

HCW has entered into arrangements, alongside a newly established Unlisted Fund, to acquire a 100% interest in 11 private hospitals. HCW will nominate individual purchasers wholly owned by HCW or the Unlisted Fund as purchasers of those assets for which it is required to do so. Completion of the HCW Acquisition is conditional on certain matters taking place. This includes HCW making the nominations above and also that consents from HCW's lenders are obtained prior to completion of the HCW Acquisition. If any of the conditions precedent are not satisfied or waived, or take longer than anticipated to satisfy, completion of an HCW Acquisition may be deferred or delayed, or may not occur on the current terms or at all. There can be no guarantee that the Responsible Entity will obtain all necessary approvals to complete the HCW Acquisition within any particular timeframe, or at all, or that such approvals will be granted on terms that are acceptable to the Responsible Entity or on an unconditional basis. If the HCW Acquisition is not completed as a result of a failure to satisfy conditions (or otherwise), the Responsible Entity may forfeit any deposits paid to the vendor of the assets and will need to consider alternative uses for the proceeds of the Offer, or ways to return such proceeds to HCW Unitholders. If completion of the HCW Acquisition is delayed, the Responsible Entity may incur additional costs and it may take longer than anticipated for HCW to realise the benefits of the HCW Acquisition. Any failure to complete, or delay in completing, the HCW Acquisition and/or any action required to be taken to return capital raised to HCW Unitholders.

The ability of HCW and HMC to fund their obligations is partly dependent on the completion of equity raisings being undertaken by each entity. There is a risk that either equity raising may not complete, including through the occurrence of a termination event in an underwriting agreement. In that case, the ability of HCW or HMC to complete the Acquisition may be adversely affected.

Identified Asset Sales may not be achieved

As noted on page 10, HCW has identified a number of capital management initiatives, including certain Identified Asset Sales as well as the novation to the Unlisted Fund of an existing in the money interest rate swap. HCW’s debt facility has also been refinanced on improved terms with the facility limit increased to $550m.

HCW expects to have contracted for the Identified Asset Sales by settlement of the HCW Acquisition. There can be no guarantee that the Responsible Entity can enter into contracts on terms satisfactory for HCW for the sale of all or some of those assets. If the Identified Asset Sales do not occur, or if they are contracted but do not complete, some or all of the financial returns identified in this Presentation may not be realised.

Key risks

Unlisted Fund may not proceed as expected

As noted on page 7, the Unlisted Fund is being established to hold the assets the subject of Tranches 2 and 3, with HCW acquiring ownership in the Unlisted Fund of ~50% upon settlement of Tranche 3. Equity capital for Tranche 3 is expected to be provided by third party institutional investors. If the third party equity cannot be procured for the Unlisted Fund prior to settlement of Tranche 3, HMC Capital has committed to contributing the equity into the Unlisted Fund required to fund the acquisition of Tranche 3.

There is a risk that the requisite third party capital cannot be procured for the Unlisted Fund and HMC Capital is required to contribute the required equity capital. In that event, whilst HCW will not be exposed, there is also a risk that HMC is not able to raise sufficient capital to make the required contribution for the settlement of Tranche 3.

In addition, HCW is entering into debt facilities in connection with Tranche 2. If any of the conditions precedent to such debt facilities are not satisfied or waived, or take longer than anticipated to satisfy, settlement of Tranche 2 may be deferred or delayed, or may not occur on the current terms or at all.

As part of Tranche 2, the vendor will novate to the Unlisted Fund an existing in the money interest rate swap. That swap is not a perpetual instrument and will be closed out in time. At that time, if BBSY is below a specified percentage (which is materially lower than the current range) and the swap has not been refinanced, the swap may no longer be in the money and the Unlisted Fund may be required to make a payment at that time. There is no guarantee that HCW will be able to put in place another interest swap at that time on satisfactory terms, or at all.

Bonus Units may not be issued

As noted on page 24, the issue of the Bonus Units is dependent on a number of matters including HCW unitholder approval of the Selective Buy-Back and other regulatory requirements. Whilst HCW is confident that the relevant conditions will be met, there can be no guarantee that will be the case, in which event the Bonus Units will not be issued.

Acquisition information has been provided by the vendor

The Responsible Entity undertook a due diligence process in respect of the Hospital Portfolio, which relied in part on the review of financial and other information concerning the properties the subject of the Hospital Portfolio, which was provided to the Responsible Entity by the vendor. Despite making reasonable efforts, the Responsible Entity has not been able to verify the accuracy, reliability or completeness of all of the information which is provided to it against independent data. Similarly, the Responsible Entity has prepared (and made assumptions in the preparation of) the financial information related to the assets included in this Presentation from financial and other information provided by the vendor. If any of the data or information provided to and relied upon by the Responsible Entity in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the performance of the properties may be materially different to the performance expected by the Responsible Entity and reflected in this Presentation.

Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Hospital Portfolio have been identified and avoided or managed appropriately. Therefore there is a risk that unforeseen issues and risks may arise, which may also have a material impact on HCW. This could adversely affect the operations, financial performance or position of HCW.

Key risks

Analysis of the Acquisition by the Responsible Entity

The Responsible Entity has undertaken financial, business and other analyses of the properties the subject of the Hospital Portfolio in order to determine their attractiveness to HCW and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by the Responsible Entity result in drawing conclusions and forecasts that are inaccurate or which will not be realised in due course. There is also a risk that acquired properties do not perform as expected due to a variety of factors including but not limited to tenants vacating the properties or tenant default. To the extent that the actual results achieved by the properties are different than those indicated by the Responsible Entity's analysis, there is a risk that the profitability and future earnings of the operations of those properties and HCW in general may be materially different from the profitability and earnings reflected in this Presentation.

Unable to lease properties, or they may be vacant

The assets subject to the HCW Acquisition are leased to an entity within the Healthscope group of companies. There is a risk that the tenant of the assets becomes insolvent or otherwise becomes unable to perform the existing leases in accordance with their terms.

Leases of existing properties and those to be acquired will come up for renewal on a periodic basis. There is a risk that HCW may not be able to negotiate suitable lease extensions with existing tenants or replace outgoing tenants with new tenants on the same terms or at all or be able to find new tenants to take over space that is currently unoccupied. Should HCW be unable to secure a replacement tenant for a period of time, or if replacement tenants lease a property on less favourable terms than existing lease terms, or if HCW is unable to secure a tenant for a vacant property (or parts thereof) for a period of time, this will result in lower rental returns to HCW, which could materially adversely affect HCW's financial performance.

Further acquisitions and other growth opportunities

The Responsible Entity intends to continue to identify other investment or corporate opportunities. While the Responsible Entity will seek to undertake all reasonable and appropriate financial, business and other analyses of such potential opportunities, there is a risk that the Responsible Entity will not be able to identify suitable opportunities that align with the Responsible Entity's strategic objectives, restricting the Responsible Entity's ability to grow. Even if such opportunities are identified, they may not be able to be secured on appropriate terms, and if secured may not perform as expected due to a variety of factors. These factors may adversely affect the future financial performance or position of HCW. Acquisitions or combinations may also involve the issuance of units, which may dilute the holdings of existing unitholders.

HCW's rental income may decline

HCW's primary source of income is generated through its leasing arrangements with the tenants of the properties within its portfolio. HCW's rental income and expenditure may be affected by a number of factors, including, amongst others overall economic conditions, local real estate conditions, the financial condition of tenants, ability to extend leases or replace outgoing tenants with new tenants; increase in rental arrears and vacancy periods, competition from new or existing properties and changes in government policies relating to the subsidies received by healthcare and wellness tenants.

Key risks

There is a risk that rental income may be materially different to that expected. Rental income may decline for a number of reasons, including as a result of failure of existing tenants to perform existing leases in accordance with their terms, failure on the part of HCW to enforce contracted rent increases or agree market rental reviews or termination of a lease by a tenant due to convenience or failure on the part of HCW to meet lease terms. Rental guarantees provide some protection in relation to rental income but are generally of limited duration. This has the potential to decrease the value of HCW and would also have an adverse impact on HCW's financial performance.

Value of its portfolio or individual properties may fall

The value of HCW's portfolio, or individual properties within its portfolio, may be impacted by a number of factors affecting the Australian property market generally, as well as HCW. The properties are independently valued regularly in accordance with the Responsible Entity's valuation policy. These valuations represent only the analysis and opinion of the valuation experts at a certain date and are not guarantees of present or future property values. Property values may fall if the underlying assumptions on which the valuation reports are based change in the future. Valuations may differ depending on the valuer appointed. A valuation may not reflect the actual price that would be realised if a property is sold.

As property valuation adjustments are reflected in HCW's statement of profit and loss, any decreases in value would have a corresponding effect on the statement of profit and loss and HCW's financial position and performance.

Responsible entity and management

The Responsible Entity has delegated the day to day management of HCW and its portfolio to investment and property managers (which are wholly-owned subsidiaries of HMC Capital), and is also assisted by other external services providers. Accordingly, HCW is reliant on the management expertise, support, experience and strategies of the key executives of HMC Capital and other third parties, which cannot be assured. If HMC Capital and other third parties do not perform as service providers, this could have an adverse impact on the management and performance of HCW.

If the Responsible Entity is replaced by an entity that is not a related body corporate of HMC Capital, there is potential for adverse effects to be experienced by HCW due to the loss of services of its current investment and property managers (as such arrangements may be terminated if there is a change in responsible entity of HCW).

Relationship with HMC Capital

Although HCW believes its close association with HMC Capital will bring many benefits, there are also certain risks that are inherent in the relationship. In performing its roles of responsible entity of HCW, manager of HCW and its properties, property developer, and provider of corporate and other services, the interests of HMC Capital and HCW may not be aligned and HMC Capital may pursue its own interests.

While many aspects of the relationship are governed by detailed agreements, given the dependence of HCW on HMC Capital and the limited termination rights in such arrangements, it may be difficult for HCW to negotiate amendments to those agreements and it would be difficult for HCW to remove HMC Capital from any of the roles it will perform with respect to its portfolio.

Key risks

Tenant concentration

Whilst HCW has a diverse tenant mix, approximately 83% of the gross property income from its portfolio is generated from the top 20 tenants with Healthscope becoming the single largest tenant (43% by gross property income). Healthscope is currently undergoing a refinancing process, which may not be completed in a satisfactory manner. There is a risk that if one or more of the major tenants of HCW ceases to be a tenant, including Healthscope, HCW may not be able to find suitable replacements or may not be able to secure lease terms that are as favourable as current terms. HCW's financial performance could be adversely impacted if HCW is unable to secure a replacement tenant for a major tenant for a period of time or if replacement tenants lease the property on less favourable terms.

HCW may not be included in S&P/ASX 300 Index

As noted on page 19, HCW expects to meet the market capitalisation criteria for inclusion in the S&P/ASX 300 Index from the next rebalance date. There can be no guarantee that HCW will be included in that index at the relevant time as it is dependent on factors outside HCW's control, such as the HCW unit price at the relevant time.

HCW may be exposed to government policy risk and change in law

The healthcare sector is subject to a number of regulatory influences. Changes to State and Federal government policies on the regulation of primary care, childcare, aged care and hospitals may have a direct impact on the provision of these services and therefore properties owned by HCW. A reduction in the Commonwealth government's financial assistance to these sectors would reduce the affordability of services and hence the financial ability of the lessee. Government support may be redirected towards other sectors, for example increased funding for home care which could reduce demand for aged care facilities. This could ultimately adversely affect the financial performance of HCW and distributions.

Furthermore, HCW is subject to a range of laws and regulations in the ordinary course of its business. These laws and regulations include those relating to tenancies, planning and zoning, employment, property and taxation (including GST and stamp duty). Changes to laws and regulations in these areas may adversely affect HCW, the value of its portfolio, including by increasing its costs either directly or indirectly. Any such change may adversely affect HCW's financial performance and distributions.

Facilities may lose their approvals or accreditation

Primary care, childcare and aged care facilities, and hospitals, are required to be approved and accredited in various ways. These approvals are generally subject to regular review and may be revoked in certain circumstances. If any existing approvals are adversely amended or revoked, this could adversely affect the financial performance of HCW and distributions.

Key risks

Operators may impact investor perceptions of the industry

HCW's portfolio contains properties operated by primary care, childcare and aged care providers, and hospitals. There is a risk that an event occurring in a centre or a number of centres (such as the outbreak of sickness or a labour relations problem) may negatively affect investor perceptions of the industry and the business of HCW and its tenants.

Private health insurance fund membership may decrease, and members may downgrade their level of coverage

A number of factors including, but not limited to, a worsening economic climate, changes in economic incentives, annual increases to private health insurance premiums and other factors may cause the number of members in private health insurance funds to fall or result in members choosing to decrease the level of their private health insurance coverage. This could reduce demand for certain services provided by hospital, primary care and specialist healthcare and wellness operators which could adversely affect the financial performance of HCW and its tenants.

Capital expenditure requirements may be higher than expected

There is a risk that the required capital expenditure will exceed the current forecasts, which could lead to increased funding costs and adversely impact distributions. Some examples of circumstances that may require capital expenditure in excess of the forecast amount include changes to development plans, property damage caused by fire, flood or other disaster, changes to laws or council requirements such as environmental, building or safety regulations, or property defects or environmental issues that become apparent in the future and need to be repaired or addressed. Any required or unforeseen material capital expenditure on the Properties that is not covered by insurance could impact HCW's financial performance and distributions.

Development activities may involve higher risks

The risks faced by HCW in relation to existing or future development projects will depend on the terms of the transaction at the time. HCW seeks to mitigate the risks associated with development projects by employing, where possible, the following risk mitigation strategies:

- Ensuring that it has lease commitments (in the form of agreements for lease) in respect of at least 50% of the GLA before commencing development; and
- Backing contractor obligations with unconditional bank guarantees.

Development activities require various approvals from the relevant State planning authorities. There is a risk that the relevant approvals may not be obtained on the basis of HCW's application, or may be obtained on conditions that are unsatisfactory or may not be granted at all. Changes in government regulations and policies, failure to obtain or delays in the granting of planning approvals may affect the amount and timing of HCW's future profits.

Key risks

Environmental compliance costs and liabilities

Environmental laws impose penalties for environmental damage and contamination which may be material. Whilst the nature of HCW's operations are such that the risk should be minimal, should a person be exposed to a hazardous substance at a property within its portfolio, they may make a personal injury claim against HCW. Such a claim could be material. An environmental issue may also result in interruptions to the operations of a property. Any lost income caused by such an interruption to operations may not be recoverable.

HCW and the operations of tenants are subject to government environmental legislation. New or more stringent environmental laws or regulations could be introduced in the future, for example in relation to climate change, which may require HCW to incur additional material expenditure to ensure that the required compliance is maintained. While environmental issues are continually monitored, there is no assurance that HCW's operations or those of a tenant will not be affected by an environmental incident or subject to environmental liabilities, which could impact the reputation and financial performance of HCW.

Insurance risk

HCW maintains appropriate insurance coverage in respect of its portfolio where insurance coverage is available on commercial terms and at acceptable prices. Insurance cover may not be available for certain types of losses (for example, losses caused by war, riots and civil commotion) or even if it is available it may be too expensive. Any losses incurred due to uninsured risks, or a loss in excess of the insured amounts, could lead to a loss of some of the capital invested by HCW, and could adversely affect the financial performance of HCW. Increases in insurance premiums as a result of insurance claims or otherwise may also adversely affect HCW's financial performance.

HCW may be unable to refinance, repay or renew its debt

HCW uses bank debt to partially fund its business operations. If HCW's financial performance deteriorates, including due to a decline in rental income or the value of its portfolio, HCW may be unable to meet the covenants under its debt facility. This may require HCW to seek amendments, waivers of covenant compliance or alternative borrowing arrangements, to reduce debt or raise additional equity.

If a breach of covenant under its debt facility were to occur, there is no assurance that a debt financier would consent to an amendment or waiver, or that debt financiers would not exercise enforcement rights, including cancelling the debt facility, requiring immediate repayment or enforcing their security. If a debt financier enforces its security over the relevant assets of a subsidiary of HCW which has provided security to support HCW's debt financing and forces a sale of the secured property, there is a risk that the value received may be less than the amount of the secured obligations and may be less than the optimal sale price. If HCW is unable to repay or refinance its debt facility upon maturity or in the event of a breach of covenant, HCW may have to seek further equity, dispose of assets or enter into new debt facilities on less favourable terms.

These factors could materially adversely affect HCW's ability to operate its business, acquire new properties and fund capital expenditure and could materially adversely affect the financial performance of HCW, and HCW may suffer reputational damage which could result in lenders being unwilling to extend additional finance or potentially raise future borrowing costs.

Key risks

In the future, HCW may also need to access additional debt financing to grow its operations and its portfolio. If HCW is unable to refinance, repay or renew its debt facility or otherwise obtain debt finance on favourable terms, HCW may not meet its growth targets, which may adversely impact HCW's financial performance.

Interest rate risk

HCW is exposed to fluctuations in interest rates which may increase the cost of servicing its debt. Developments in global financial markets, including the impact of COVID-19 and fiscal tightening by central banks, may adversely impact the liquidity of global credit markets and HCW's access to those markets. This may have a material adverse impact on HCW's future financial performance and position.

The financial performance and revenue outlook of HCW may also be significantly impacted by changes in monetary policy both in Australia and globally through the impact of broader economic conditions. The actions of central banks, for example interest rate settings, can potentially impact HCW's access to funding markets, liquidity levels and cost of funding and, as a result, could adversely impact HCW's financial performance, financial position, capital resources and prospects.

Impact of COVID-19 and future outbreaks of other communicable diseases or pandemics

Despite the global rollout of vaccine programs, the COVID-19 pandemic continues to impact the domestic and global economies. The events relating to COVID-19 have resulted in market changes and volatility of supply and demand. While high vaccination rates have led to the easing of restrictions on regional, domestic and international travel, events, meetings and other activities, further variants may develop that require different government responses and greater restrictions to those that have been adopted to date.

Future outbreaks and their impacts are uncertain and dependent upon many factors beyond the Responsible Entity's control. The ongoing impacts of COVID-19 combined with other risks (e.g. geopolitical risk or a global outbreak of other communicable diseases), could exacerbate impacts and materially increase economic disruption. Major disruptions to community health and economic activity can have wide ranging negative impacts across most business sectors in Australia and globally.

There continues to be considerable uncertainty as to further medium and long-term impact of COVID-19 including in relation to governmental responses, international trade impacts, potential taxation changes, work stoppages, lockdowns, quarantines, travel restrictions, supply chain disruption and the impact on the global and domestic economies and share markets which may include:

- enforcement of closures of any of HCW's properties;
- governmental restrictions that affect HCW's and its tenants' operating conditions;
- re-introduction of domestic and/or international border closures or testing or other requirements which may have an impact on visitation of HCW's properties in Australia; and
- health impacts to the Responsible Entity's and tenants' employees, which could result in disruption to normal operating conditions and could adversely impact the availability of qualified personnel needed to conduct certain operations.
- Each of these possible outcomes (amongst other consequences as a result of the factors noted) may impact HCW's operations and financial performance to the extent they materialise in the future.

Key risks

Occupational health and safety

There is a risk that liability arising from occupational health and safety matters at a property may be attributable to HCW as the landlord instead of, or as well as, the tenant. Such liability may include fines and penalties imposed by regulatory authorities as well as claims for compensation from injured parties, and may not be fully covered by insurance policies. Any such liabilities may be incurred by HCW (which are not covered by insurance policies) and could materially adversely affect the financial performance of HCW.

HCW may be subject to complaints or litigation

HCW may be the subject of complaints from or litigation by Unitholders, tenants, landlords, governmental agencies or other third parties. For example, tenants may claim that rent is not due and payable, governmental agencies may claim that HCW has not paid rates or other taxes or is not compliant with applicable planning or zoning laws and third parties may claim for breach of contract or object to the use of a property by HCW.

Any complaints, disputes, claims or litigation in which HCW is involved may result in a financial penalty, the inability of HCW to conduct its business or implement its strategy and/or damage to HCW's reputation and may divert financial and managerial resources away from running HCW's business. Any of these potential outcomes may adversely affect HCW’s financial performance.

In addition, healthcare providers are exposed to the risk of medical indemnity claims, litigation and coronial inquests. Subject to the medical indemnity insurance arrangements that its tenants have in place at the relevant time, any future medical malpractice litigation, or threatened litigation, against HCW's tenants could have an adverse impact on their ability to pay rent, and therefore, on the financial performance of HCW.

Risks associated with an investment in HCW units

There are general risks associated with investments in equity capital such as HCW's units. The trading price of HCW's units may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Units being issued under the Offer being more or less than the offer price. Generally applicable factors that may affect the market price of securities include general movements in Australian and international stock markets, investor sentiment, Australian and international economic conditions and outlooks, changes in interest rates and the rate of inflation, change is in government legislation and policies, geo-political instability including international hostilities and acts of terrorism, pandemics and associated global dislocation, demand for and supply of HCW's units, announcements and results of competitors and analyst reports.

No assurance can be given that the New Units issued under the Offer will trade at or above the offer price. None of the Responsible Entity, its directors or any other person guarantees the performance of HCW's units.

Key risks

Risk of dilution or of failure to raise capital

Unitholders of HCW may have their percentage security holding in HCW diluted by the Offer, and also by future capital raisings by HCW. HCW may issue new units in the future to finance or as part of acquisitions, or pay down debt which may, under certain circumstances, dilute the value of an investor's interest. There is also a risk that HCW may not be able to raise anticipated levels of capital for its business.

Distributions

The payment of distributions in respect of HCW's units is impacted by several factors, including HCW's profitability, capital requirements and free cash flow. Any future distributions will be determined by the Responsible Entity’s board having regard to these factors, among others. There is no guarantee that any distribution will be paid by HCW, or if paid, paid at historical levels.

Impact of climate change

Climate change presents a potentially material risk to HCW. The increasing severity of acute weather events (such as heatwaves, cyclones and storms) and chronic climate impacts may affect one or more of HCW's properties (and associated communities) through physical damage, operating costs, ability to trade, consumer visitation and retail sales. These weather events may be sudden and acute or more gradual in nature. For example, a property may be damaged by storms or flooding which requires extensive repairs and may impact the ability to have uninterrupted use of that property. Alternatively, tenants may be impacted by disruptions to their operations or their supply chains. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. These may require HCW to incur costs to address these changes.

Accounting standards

The Australian Accounting Standards to which HCW adheres are set by the Australian Accounting Standards Board (AASB) and are consequently out of the control of HCW and the directors. Any changes to accounting standards issued by AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in the HCW's financial statements.

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Appendix E | SUMMARY OF EQUITY RAISING UNDERWRITING ARRANGEMENTS

Northpark Private Hospital

Summary of Equity Raising underwriting arrangements

Underwriting Agreement

J.P. Morgan Securities Australia Limited and Macquarie Capital (Australia) Limited are acting as joint lead managers and underwriters of he Offer (**Joint Lead Managers**). HCW Funds Management Limited (ABN 58 104 438 100, AFSL 239882) (**Responsible Entity**) in its capacity as responsible entity of HealthCo Healthcare & Wellness REIT (**HCW**) has entered into an underwriting agreement with the Joint Lead Managers in respect of the Offer (**Underwriting Agreement**).

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Joint Lead Managers. Each Joint Lead Manager may, in certain circumstances, terminate its obligations under the Underwriting Agreement on the occurrence of the following events:

a) * HCW is in breach of the Underwriting Agreement or any of its representations or warranties in the Underwriting Agreement is not true or correct when made or taken to be made;

b) a statement contained in the materials released to ASX in connection with the Offer (**Offer Materials**) or publicly relating to the Offer or HCW is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive, or they omit any material information they are required to contain;

c) If any of the obligations of the relevant parties under any of the contracts that are material to the business of the HCW group (excluding any material debt or financing arrangement), or any of the acquisition agreements or debt facility commitments, or the selective buy-back agreement or the underwriting agreement entered into by HMC Capital with the Joint Lead Managers in connection with the capital raising are not capable of being performed in accordance with their terms (in the reasonable opinion of the terminating Joint Lead Manager) or if all or any part of any of such contracts:

   i. is amended or varied in a material respect without the consent of the terminating Joint Lead Manager;

   ii. is terminated;

   iii. is materially breached;

   iv. ceases to have effect, otherwise than in accordance with its terms; or

   v. is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and affect, or its performance is or becomes illegal;

d) ASX announces that HCW will be removed from the official list of ASX or that its units will be delisted or suspended from trading;

e) in the reasonable opinion of the terminating Joint Lead Manager, an obligation arises on HCW to give ASX a corrective notice in accordance with section 1012DAA(10), section 1012DAA(12) (as included in the Corporations Act by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84)) or section 1012DA(9) of the Corporations Act;

f) the Offer Materials include any forecast, expression of opinion, forward looking statement, belief, intention or expectation which is not (or ceases to be) fairly and properly supportable or which is not based on (or there cease to be) reasonable grounds (including having regard to ASIC Regulatory Guide 170) or any statement or estimate in the Offer Materials which relates to a future matter is, unlikely to be met in the projected timeframe (including in each case financial forecasts);

g) HCW or any of its directors or officers engage in any fraudulent activity whether or not in connection with the Offer;

h) ASX does not, or states that it will not, agree to grant official quotation of all the New Units on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of the Joint Lead Managers (acting reasonably), have a material adverse effect on the Offer) by the time required in the timetable or, if permission for the official quotation of the New Units is granted before the date of allotment and issue of the relevant New Units, the approval is subsequently withdrawn, qualified (other than by way of customary conditions) or withheld;

i) there is an application to any government agency (including, without limitation, any court and the Takeovers Panel but excluding ASIC) for any order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy, or any other government agency commences any other investigation or hearing or announces its intention to do so, in each case in connection with the Offer (or any part of it); or ASIC issues or threatens to issue proceedings in relation to the Offer or commences any formal inquiry or investigation into the Offer or Offer Materials (or announces its intention to do so); and such application, hearing or investigation becomes public or is not withdrawn within two business days after it is made or commenced (or if made within two business days before a settlement date under the Offer, by that settlement date);

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Summary of Equity Raising underwriting arrangements

j) HCW withdraws the Offer or any part of it or indicates that it does not intend to or is unable to proceed with the Offer or any part of it;

k) any member of the HCW group becomes insolvent or there is an act or omission which is likely to result in a member of the HCW group becoming insolvent;

l) an event specified in the timetable for the Offer (i) up until the announcement of the Institutional Entitlement Offer and Placement to the ASX and the trading halt is lifted, is delayed by one or more business days, (ii) up to and including the settlement date for the Institutional Entitlement Offer is delayed more than one business day, or (iii) up to and including the settlement date for the Retail Entitlement Offer is delayed for more than two business days, in each case without the prior written approval of the Joint Lead Managers;

m) HCW is unable to issue the New Units on the relevant date as required by the timetable, Offer Materials, ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency;

n) any modification from ASIC of the Corporations Act or ASX approval required to conduct the Offer in accordance with the Agreement or is withdrawn or revoked;

o) a director of HCW (or a key person) is charged with an indictable offence or a government agency commences an enquiry or public action against HCW or its group or their directors (in their capacity as a director) or a key person or announces an intention to take such action;

p) a nominated key person or director of Responsible Entity vacates its office or there is any change in the persons holding the offices that it holds on the date of the Underwriting Agreement or there is any other change in the key persons or the board of directors of the Responsible Entity (other than with the prior consent of the Joint Lead Managers);

q) a change in the responsible entity of HCW occurs;

r) * there occurs a new circumstance that would be adverse from the point of view of an investor that arises after the ASX Materials were given to the ASX that would have been required to be included in the Offer Materials if it had arisen or otherwise been known before the Offer Materials were given to ASX;

s) * any adverse change occurs in or affecting the assets, liabilities, financial position, results, general efforts, business operations or prospects of the HCW group, from those fairly disclosed in any Offer Material or public information released by the HMC Group made by or on behalf of HCW or in drafts provided to the Joint Lead Managers;

t) * there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia or New Zealand a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, or ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement);

u) * hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, Russia or a member of NATO or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries or anywhere else in the world; or

v) * any of the following occurs (i) a general moratorium on commercial banking activities in Australia, the United States, Hong Kong or Singapore is declared by the relevant central banking authority, or there is a material disruption in commercial banking or security settlement or clearance services in that country or (ii) trading in all securities quoted or listed on the ASX, New York Stock Exchange, the Hong Kong Stock Exchange, or the Singapore Stock Exchange, is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading.

Certain termination events noted above (noted with an *) will only entitle a Joint Lead to exercise its rights to terminate its obligations under the Underwriting Agreement if, in the actual and reasonable opinion of that Joint Lead Manager, the event:

a) has, or is likely to have, individually or in the aggregate, a material adverse effect on the success, marketing or settlement of the Offer, or on the likely price at which the New Units will trade on ASX or the willingness of investors to subscribe for or to settle their obligations to subscribe for New Units;

b) leads, or is likely to lead:

  i. to a contravention by that Joint Lead Manager (or one of its Affiliates) of, or that Joint Lead Manager (or one of its Affiliates) being involved in a contravention of, the Corporations Act or any other applicable law; or

  ii. to a liability for that Joint Lead Manager (or one of its Affiliates) under the Corporations Act or any other applicable law.

Summary of Equity Raising underwriting arrangements

If either Joint Lead Manager terminates its obligations under the Underwriting Agreement, it will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Offer.

For details of fees payable to the Joint Lead Managers, see the Appendix 3B released to ASX on 29 March 2023.

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Appendix F | Foreign Offer Restrictions

Knox Private Hospital

Foreign Offer Restrictions

International Offer Restrictions

This document does not constitute an offer of New Units in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Units may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Units have not been and will not be offered or sold in Hong Kong other than to “professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Units has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Units which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The New Units are not being offered to the public within New Zealand other than to existing unitholders of HCW with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Units may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act;
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act; or
- in other circumstances where there is no contravention of the disclosure requirements of the FMC Act.

Foreign Offer Restrictions

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore (**MAS**) and, accordingly, statutory liability under the Securities and Futures Act 2001 of Singapore (the **SFA**) in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. HCW is not a collective investment scheme authorised under Section 286 of the SFA or recognised by the MAS under Section 287 of the SFA and the New Units are not allowed to be offered to the retail public.

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Units may not be circulated or distributed, nor may the New Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" or "accredited investors" (as defined in the SFA) or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined under the SFA) or (ii) an "accredited investor" (as defined under the SFA). In the event that you are not an "institutional investor" or "accredited investor", please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Units being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

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Appendix G | HMC sub-underwriting arrangements summary

Sunnybank Private Hospital

Summary of HMC sub-underwriting arrangements

Summary of HMC sub-underwriting arrangements

- Home Consortium Developments Pty Limited (HCDPL), a wholly owned subsidiary of HMC Capital Limited, has committed to take up to its $48m entitlement under the Entitlement Offer (via a sub-underwriting arrangement) and sub-underwrite $75 million of the retail component of the Entitlement Offer (approximately 32% of the Entitlement Offer).
- HCDPL will receive an underwriting fee of 1.0% of its retail sub-underwriting commitment, payable by the Joint Lead Managers.
- There are no significant events that could lead to the sub-underwriting agreement being terminated by any party, other than termination of the underwriting agreement between HCW and the Joint Lead Managers.
- HCDPL 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 18.5% in HCW (assuming no sub-underwriting is required and HCDPL takes up its full entitlement under the Entitlement Offer).
- The Sub-underwriting Agreement with the Joint Lead Managers contains a clause that will apply where HMC Capital is required to subscribe for units under its sub-underwriting commitments and where, to do so, HMC Capital would breach the takeovers prohibitions in the Corporations Act. In that instance, HCW will not issue units to HMC Capital (as sub-underwriter) to the extent it would cause HMC Capital to breach the takeovers prohibitions in the Corporations Act. HMC Capital (and the Joint Lead Managers) will still have an obligation to pay HCW for those units at settlement but they will only be issued to HMC Capital at a time when it can receive those units without breaching the takeovers prohibition in the Corporations Act (because, for example, HMC Capital can rely on the 3% "creep" exemption or HCW unitholders approve the acquisition by HMC Capital of those units).

This investor presentation is authorised for the release by the Board of the Responsible Entity

6. ADDITIONAL INFORMATION

6.1 Responsibility for Offer Booklet

This Offer Booklet (including the ASX Announcements and Investor Presentation in Section 5) and enclosed personalised Entitlement and Acceptance Form available online at https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/ have been prepared by HFML in its capacity as responsible entity of HCW.

This Offer Booklet is dated Thursday, 6 April 2023 (other than the ASX Announcements and Investor Presentation, which were released to ASX on Thursday, 30 March 2023). There may be additional announcements made by HCW after the date of this Offer Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by HCW (by visiting ASX's website at https://www2.asx.com.au/ or HCW's website at https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/) before submitting your application to take up your Entitlement.

No party other than HFML has authorised or caused the issue of the information in this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in such information.

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Offer Booklet. Any information or representation that is not in this Offer booklet may not be relied on as having been authorised by HFML, or its related bodies corporate in connection with the Retail Entitlement Offer.

6.2 Ineligible Unitholders

All Unitholders who do not satisfy the criteria to be Eligible Retail Unitholders or Eligible Institutional Unitholders, are Ineligible Unitholders. Ineligible Unitholders are not entitled to participate in the Entitlement Offer, unless HFML otherwise determines.

The restrictions upon eligibility to participate in the Entitlement Offer arise because HFML has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Unitholders. This decision has been made after taking into account the number of non-residents in Australia and New Zealand on the HCW register, the relatively small number and value of New Units to which those Unitholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Unitholders are located in relation to the Entitlement Offer.

HFML, in its absolute discretion, may extend the Entitlement Offer to any Unitholder if it is satisfied that the Entitlement Offer may be made to the Unitholder in compliance with all applicable laws. HFML, in its absolute discretion, reserves the right to determine whether a Unitholder is an Eligible Retail Unitholder, Eligible Institutional Unitholder or an Ineligible Unitholder. To the maximum extent permitted by law, HFML disclaims all liability in respect of such determination.

Ineligible Unitholders will not receive any payment or value as a result of the issue of any of those New Units they would have been entitled to subscribe for had they been eligible to participate in the Entitlement Offer.

6.3 Underwriting

The Placement and Entitlement Offer are underwritten by the Underwriters. For the avoidance of doubt, the offer of Bonus Units will not be underwritten, nor will the Underwriters have any role in relation to the offer of Bonus Units.

HFML as responsible entity of HCW and the Underwriters have entered into the Underwriting Agreement. Customary with these types of arrangements:

- HFML and the Underwriters have given certain representations, warranties and undertakings in connection with (among other things) the Placement and Entitlement Offer;
- HFML has agreed, subject to certain carve-outs, to indemnify the Underwriters, their affiliates and related bodies corporate, and their respective officers, directors, employees, partners, contractors, agents, advisers and representatives against claims, demands, damages, losses, costs and liabilities arising out of or in connection with the Placement and Entitlement Offer (including the Bonus Units);
- the Underwriters may (in certain circumstances, having regard to the materiality of the event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:
  - a statement contained in the materials released to ASX in connection with the Placement and Entitlement Offer (together, the **Offer**) (**Offer Materials**) or publicly relating to the Offer or HCW is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive, or they omit any material information they are required to contain;
  - if any of the obligations of the relevant parties under any of the contracts that are material to the business of the HCW group (excluding any material debt or financing arrangement), or any of the acquisition agreements or debt facility commitments, the Selective Buy-Back Agreement or the placement agreement to HMC Capital's placement also announced on 30 March 2023 are not capable of being performed in accordance with their terms (in the reasonable opinion of the terminating Underwriter) or if all or any part of any of such contracts (i) is amended or varied in a material respect without the consent of the terminating Underwriter, (ii) is terminated, (iii) is materially breached, (iv) ceases to have effect, otherwise than in accordance with its terms, or (v) is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and affect, or its performance is or becomes illegal;
  - ASX announces that HCW will be removed from the official list of ASX or that the Units will be delisted or suspended from trading for any reason;
  - in the reasonable opinion of the terminating Underwriter, an obligation arises on HCW to give ASX a corrective notice in accordance with section 1012DAA(10), section 1012DAA(12) (as included in the Corporations Act by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84)) or section 1012DA(9) of the Corporations Act;
  - the Offer Materials include any forecast, expression of opinion, forward looking statement, belief, intention or expectation which is not (or ceases to be) fairly and properly supportable or which is not based on (or there cease to be) reasonable grounds (including having regard to ASIC Regulatory Guide 170) or any statement or estimate in the Offer Materials which relates to a future matter is, unlikely to be met in the projected timeframe (including in each case financial forecasts);
  - HCW or any of the Responsible Entity's directors or officers engage in any fraudulent activity whether or not in connection with the Offer;
  - ASX does not, or states that it will not, agree to grant official quotation of all the New Units on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of the Underwriters (acting reasonably), have a material adverse effect on the Offer) by the time required in the timetable or, if permission for the official quotation of the New Units is granted before the date of allotment and issue of the relevant New Units, the approval is subsequently withdrawn, qualified (other than by way of customary conditions) or withheld;

- there is an application to any government agency (including, without limitation, any court and the Takeovers Panel but excluding ASIC) for any order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy, or any other government agency commences any other investigation or hearing or announces its intention to do so, in each case in connection with the Offer (or any part of it); or ASIC issues or threatens to issue proceedings in relation to the Offer or commences any formal inquiry or investigation into the Offer or Offer Materials (or announces its intention to do so); and such application, hearing or investigation becomes public or is not withdrawn within two business days after it is made or commenced (or if made within two business days before a settlement date under the Offer, by that settlement date);
- HCW withdraws the Offer or indicates that it does not intend to or is unable to proceed with the Offer or component part of it;
- any member of the HCW group or vendors of the acquisition assets becomes insolvent or there is an act or omission which is likely to result in a member of the HCW group or vendors of the acquisition assets becoming insolvent;
- an event specified in the timetable for the Offer (i) up until the announcement of the results of the Institutional Entitlement Offer and Placement and the trading halt is lifted is delayed for one or more Business Day, (ii) up to and including the settlement date for the Institutional Entitlement Offer is delayed more than one business day, or (iii) up to and including the settlement date for the Retail Entitlement Offer is delayed for more than two business days, in each case without the prior written approval of the Underwriters;
- HCW is unable to issue the New Units on the relevant date as required by the timetable, Offer Materials, ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency;
- any modification from ASIC of the Corporations Act or ASX approval required to conduct the Offer in accordance with the Agreement or is withdrawn or revoked;
- a Director is charged with an indictable offence or a government agency commences an enquiry or public action against HCW or its group or the Directors (in their capacity as a director) or announces an intention to take such action;
- certain key persons of Responsible Entity or a Director vacates its office or there is any change in the persons holding the offices that it holds on the date of the Underwriting Agreement or there is any other change in the key persons or the Board (other than with the prior consent of the Underwriters);
- a change in the responsible entity of HCW occurs;
- there occurs a new circumstance that arises after the Offer Materials were given to the ASX that would have been required to be included in the Offer Materials if it had arisen before the before the Offer Materials were given to ASX;
- any adverse change occurs in or affecting the assets, liabilities, financial position, results, general affairs, business operations or prospects of the HCW group, including from those disclosed in any Offer Material or public information made by or on behalf of HCW;
- HCW is in breach of the Underwriting Agreement or any of its obligations becomes incapable of being performed or observed or unlikely to be performed or observed by the required time for observance or performance
- any representations or warranties made by HCW in the Underwriting Agreement is or becomes incorrect, untrue or misleading;

  - there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia or New Zealand a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement);
  - hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, Russia or a member of NATO or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries or anywhere else in the world; or
  - any of the following occurs (i) a general moratorium on commercial banking activities in Australia, the United States, Hong Kong or Singapore is declared by the relevant central banking authority, or there is a material disruption in commercial banking or security settlement or clearance services in that country or (ii) trading in all securities quoted or listed on ASX, New York Stock Exchange, the Hong Kong Stock Exchange or the Singapore Exchange is suspended or limited in a material respect for one day (or a substantial part of one day) on which that exchange is open for trading;
- the Underwriters will receive an underwriting fee of 2.00% and a management fee of 0.50% of the gross proceeds raised under the Placement and Entitlement Offer, however, proceeds raised in respect of, or in relief of, HCDPL's sub-underwriting commitment of the Institutional Entitlement Offer (refer to Section 6.5), the underwriting fee is amended as follows:
  - where such proceeds are received from a party other than the retail joint lead manager or a retail co-manager appointed to the Entitlement Offer, no underwriting fee is payable;
  - where such proceeds are received from the retail joint lead manager appointed under the Entitlement Offer, an underwriting fee of 1% of such proceeds will be payable; and
  - where such proceeds are received from a retail co-manager appointed under the Entitlement Offer, an underwriting fee of 0.50% of such proceeds will be payable; and
- the Underwriters may also receive a discretionary incentive fee of up to 0.50% of the gross proceeds raised under the Placement and Entitlement Offer.

The Underwriters will also be reimbursed for certain expenses.

Neither the Underwriters, nor any of their related bodies corporate or affiliates, nor any of their respective directors, officers, partners, employees, representatives, contractors, consultants, agents or advisers (each an **Underwriter Party** and together the **Underwriter Parties**) has authorised, permitted or caused the issue of this Offer Booklet and there is no statement in this Offer Booklet which is based on any statement made by the Underwriters or by any Underwriter Party. To the maximum extent permitted by law, each Underwriter Party expressly excludes and disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Entitlement Offer and the information in this Offer Booklet (including the Investor Presentation) being inaccurate or incomplete or due to information being omitted in this Offer Booklet or the Investor Presentation in any way for any reason, whether by negligence, fault or otherwise and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Offer Booklet or the Investor Presentation. The Underwriter Parties take no responsibility for any part of this Offer Booklet or the Investor Presentation or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Offer Booklet or the Investor Presentation or otherwise arising in connection with either of them. None of the Underwriter Parties make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties, express or implied, to you concerning this Entitlement Offer or any such information, and by returning an Entitlement and Acceptance Form or otherwise paying for your New Units through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you represent, warrant and agree that you have not relied on any statements made by any Underwriter Party in relation to the New Units, Bonus Units or the Entitlement Offer generally.

6.4 Selective Buy-Back Agreement

HFML as responsible entity of HCW and HCDPL have entered into the Selective Buy-Back Agreement, pursuant to which HFML has agreed to buy-back, and HCDPL has agreed to sell, up to 8,465,608 Units held by HCDPL for nominal consideration and subject to certain conditions. The final number of Units to be bought-back will be based on the number of Bonus Units to be issued as determined on the Bonus Unit Determination Date.

Completion of the Selective Buy-Back is conditional on:

- completion of the Entitlement Offer;
- HFML obtaining all necessary waivers, exemptions and modifications required to be obtained by HFML from ASIC to enable HFML to undertake the Selective Buy-Back in compliance with the Corporations Act and such waivers, exemptions and modifications not having been withdrawn or modified; and
- Unitholders approving, by way of a special resolution at a general meeting of Unitholders, the terms of the Selective Buy-Back Agreement and the Selective Buy-Back; and
- any consent, amendment or waiver necessary or desirable to the transactions and arrangements contemplated in the Selective Buy-Back Agreement under any syndicated facility agreement to which (i) HCDPL or (ii) HFML, is party (if any) has been obtained and is effective.

Under the terms of the Selective Buy-Back Agreement, HFML and HCDPL have also given mutual warranties as to status, authority and the binding nature of the agreement.

6.5 HCDPL sub-underwriting in relation to the Retail Entitlement Offer

HCDPL (a wholly-owned subsidiary of HMC Capital) has committed to sub-underwrite $75 million of the Retail Entitlement Offer (approximately 32% of the Entitlement Offer). HCDPL also committed to take up to its $48 million entitlement (from its 20.9% investment in HCW held through affiliated entities) via sub-underwriting arrangements under the Institutional Entitlement Offer.

HCDPL has entered into a sub-underwriting agreement on the same terms as other sub-underwriters of the Retail Entitlement Offer and will receive an underwriting fee of 1.00% of its sub-underwriting commitment, payable by the Underwriters.

There are no significant events that could lead to the sub-underwriting agreement being terminated, other than termination of the underwriting agreement between HCW and the Underwriters.

HCDPL and its associates had a voting power of 20.9% in HCW prior to the announcement of the Placement and Entitlement Offer. HCDPL is expected to have a voting power of 19% in HCW on the issue date of the Institutional Entitlement Offer. If HCDPL is required to take up its full sub-underwriting allocation under the Retail Entitlement Offer, it and its associates would have a voting power in HCW of approximately 28% on the issue date of the Retail Entitlement Offer. If HCDPL is not required to take up its full sub-underwriting commitment under the Retail Entitlement Offer, it and its associates' voting power in HCW will be reduced proportionally, down to a minimum voting power of 16% in HCW (assuming no sub-underwriting is required under the Retail Entitlement Offer).

The sub-underwriting agreement contains a clause that will apply where HCDPL is required to subscribe for New Units under its sub-underwriting commitment and where, to do so, HCDPL and its associates would breach the takeovers prohibitions in the corporations Act. In that instance, HCW will not issue New Units to HCDPL (as sub-underwriter) to the extent it would cause HCDPL and its associates to breach the takeovers prohibitions int eh Corporations Act. HCDPL (and the Underwriters) will still have the obligation to pay HCW for those New Units at settlement, but they will only be issued to HCDPL at a time when it can receive those New Units without breaching the takeovers prohibition in the Corporations Act (because, for example, HCDPL can rely on the 3% "creep" exemption or Unitholders approve the acquisition by HCDPL of those units).

Notwithstanding HCDPL is an ASX Listing Rule 10.11 party of HCW, no Unitholder approval is required in respect of the sub-underwriting commitment, in reliance on ASX Listing Rule 1012, exception 2.

6.6 Ranking of New Units and Bonus Units

New Units and Bonus Units issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing fully paid ordinary units on issue in HCW from their time of issue. New Units (but not any Bonus Units) will be entitled to the distribution for the quarter ending 31 March 2023. The rights and liabilities attaching to the New Units are set out in HCW's constitution, a copy of which is available at https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/.

6.7 Risks

The Investor Presentation details important factors and risks that could affect the financial and operating performance of HCW. You should refer to the "Key Risks" section of the Investor Presentation released to ASX on Thursday, 30 March 2023 which is included in Section 5. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

6.8 Reconciliation, and the rights of HFML and the Underwriters

The Retail Entitlement Offer and the calculation of Entitlements is a complex process. There may be a need to undertake a reconciliation of Entitlements. If reconciliation is required, it is possible that HFML may need to issue additional New Units to ensure that the relevant investors receive their appropriate allocation of New Units.

HFML also reserves the right to reduce the size of an Entitlement or number of New Units allocated to Eligible Retail Unitholders, or persons claiming to be Eligible Retail Unitholders or other applicable investors, if HFML believes in its absolute discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, HFML may, in its discretion and subject to the terms of the Underwriting Agreement, require the relevant Unitholder to transfer excess New Units to the Underwriters at the Offer Price per New Unit. If necessary, the relevant Unitholder may need to transfer existing Units held by them or to purchase additional Units on-market to meet this obligation. The relevant Unitholder will bear any and all losses caused by subscribing for New Units in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Retail Entitlement Offer, a Unitholder irrevocably acknowledges and agrees to do the above as required by HFML in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of HFML or the Underwriters to require any of the actions set out above.

6.9 No cooling off rights

Cooling off rights do not apply to an investment in New Units or Bonus Units. You cannot withdraw your application once it has been accepted.

6.10 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded down to the nearest whole number of New Units.

6.11 Trading of Entitlements

As outlined in Section 2.1, your Entitlement is personal and cannot be traded on ASX, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement by 5.00pm (Sydney time) on Thursday, 20 April 2023, your rights will lapse.

6.12 Quotation and trading of New Units and Bonus Units

HFML will apply for quotation of the New Units and Bonus Units on ASX in accordance with ASX Listing Rule requirements. Trading of New Units and Bonus Units will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the:

- New Units under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date will take place on Tuesday, 18 April 2023;
- New Units under the Retail Entitlement Offer will take place on Friday, 28 April 2023; and
- Bonus Units will take place as soon as practicable following the Bonus Unit Determination Date, being on or around Tuesday, 21 November 2023.

If ASX does not grant quotation of the New Units, HFML will repay all Application Monies (without interest). It is expected that trading on ASX of New Units to be issued under the Retail Entitlement Offer will commence at 10.00am (Sydney time) on Tuesday, 18 April 2023 (in respect of applications received by the Early Retail Acceptance Due Date) and Monday, 1 May 2023 on a normal settlement basis. Application Monies will be held by HFML on trust for applicants until the New Units are allotted. No interest will be paid on Application Monies.

It is the responsibility of applicants to determine the number of New Units and Bonus Units allotted and issued to them prior to trading in the New Units and Bonus Units. HFML and the Underwriters will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Units or Bonus Units they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by HFML or the Underwriters or failure to maintain their updated details with the Registry or otherwise, or who otherwise trade or purport to trade New Units or Bonus Units in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

6.13 Notice to nominees and custodians

If HFML believes you hold Units as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Retail Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

Persons acting as nominees for other persons must not take up Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to take up or exercise Entitlements and may receive no value for any such Entitlements held.

HFML is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of Units or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Retail Entitlement Offer by the beneficiary complies with applicable foreign laws. Neither HFML nor the Underwriters are able to advise on foreign laws.

Nominees, trustees or custodians of Eligible Unitholders or investors will be eligible to receive Bonus Units for their underlying beneficial holders. In order to ensure accurate allocation of Bonus Units, such persons must provide full details of their underlying beneficial holders' holdings when taking up Entitlements and applying for New Units. If full and accurate details are not provided, proper allocation to the underlying beneficial holders may not be possible and may instead be allocated to the nominee, trustee or custodian directly.

6.14 Not investment advice

This Offer Booklet is not a product disclosure statement, prospectus or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. HFML is not licensed to provide financial product advice in respect of the New Units or Bonus Units. This Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Units or Bonus Units, nor does it purport to contain all the information which would be required in a product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with HCW's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at https://www2.asx.com.au/.

Before deciding whether to apply for New Units and Bonus Units, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this Offer Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser before making any investment decision. For further information on the Entitlement Offer, you can call the HCW Offer Information Line on 1300 650 320 (within Australia) or +61 1300 650 320 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday or visit https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/.

6.15 Information availability

If you are in Australia you can obtain a copy of this Offer Booklet during the period of the Retail Entitlement Offer by visiting https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/ or calling the HCW Offer Information Line on 1300 650 320 (within Australia) or +61 1300 650 320 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

If you access the electronic version of this Offer Booklet, you should ensure that you download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the HCW website will not include an Entitlement and Acceptance form.

6.16 Foreign jurisdictions

The information in this Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold Units or Entitlements on behalf of another person resident outside Australia, it is your responsibility to ensure that any participation (including for your own account or when you hold Units or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Units or the Bonus Units, or otherwise permit the public offering of the New Units or Bonus Units, in any jurisdiction other than Australia and New Zealand.

The New Units and Bonus Units are not being offered to the public in New Zealand other than to existing Unitholders with a registered address in New Zealand to whom the offer of these securities is being made in reliance on the provisions of the *Financial Markets Conduct Act 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand). This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

This Offer Booklet, and any accompanying ASX Announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. None of the Entitlements, the New Units or Bonus Units offered in the Retail Entitlement Offer have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Units or Bonus Units may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States.

The New Units and Bonus Units to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

Any non-compliance with these restrictions may contravene applicable securities laws.

6.17 Governing law

This Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Units submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

6.18 Disclaimer or representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by HFML, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of HFML, nor any other person, warrants or guarantees the future performance of HCW or any return on any investment made pursuant to this Offer Booklet or its contents.

6.19 Withdrawal of the Entitlement Offer

HFML reserves the right to withdraw all or part of the Entitlement Offer at any time, subject to applicable laws, in which case HFML will refund Application Monies in relation to New Units not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, HFML may only be able to withdraw the Entitlement Offer with respect to New Units to be issued under the Retail Entitlement Offer.

To the maximum extent permitted by law, you agree that any Application Monies paid by you to HFML will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to HFML.

6.20 Privacy

As a Unitholder, HFML and the Registry have already collected certain personal information from you. If you apply for New Units and Bonus Units, HFML and the Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Units and Bonus Units, service your needs as a Unitholder, provide facilities and services that you request and carry out appropriate administration.

To do that, HFML and the Registry may disclose your personal information for purposes related to your unitholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Units and Bonus Units, the Registry for ongoing administration of the register, or to printers and mailing houses for the purposes of preparation of the distribution of Unitholder information and for handling of mail, or as otherwise under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) HFML or the Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to HFML through the Registry as follows:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
privacy.officer@linkgroup.com
Ph: +61 1800 502 355 (free call within Australia)

7. GLOSSARY

In this Offer Booklet, unless the context otherwise requires, the following terms have the following meaning:

$ or A$	Australian dollars.
Additional New Units	The New Units forming part of the Retail Shortfall for which Eligible Retail Unitholders may apply for in addition to their Entitlement, equivalent to up to 25% of their Entitlement.
Application Monies	Application monies for New Units received from an applicant.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context permits, the market operated by it.
ASX Listing Rules	The official listing rules of the ASX, as amended from time to time.
ASX Announcements	The ASX announcements reproduced in Section 5, being the announcement to ASX on Thursday, 30 March 2023 and the Investor Presentation.
Board	The board of Directors of HFML.
Bonus Unit	A bonus Unit to be allotted and issued for nil consideration to Eligible Unitholders or any investors who are issued New Units (including those that participated in the Placement), for every 28 New Units issued.
Bonus Unit Determination Date	Monday, 30 October 2023, being the date that is six months after the date of issue of New Units under the Retail Entitlement Offer.
CGT	Capital gains tax.
Closing Date	The day the Retail Entitlement Offer closes, expected to be 5.00pm (Sydney time) on Thursday, 20 April 2023.
Corporations Act	*Corporations Act 2001* (Cth).
Director	A director of HFML.
Early Retail Acceptance Due Date	5.00pm (Sydney time) on Friday, 14 April 2023.
Eligible Institutional Unitholder	Institutional Unitholders that HFML and the Underwriters determined in their discretion were eligible to participate in the Institutional Entitlement Offer and successfully received an offer under the Institutional Entitlement Offer.
Eligible Retail Unitholder	Has the meaning given in to that term in Section 2.3.
Eligible Unitholder	Eligible Institutional Unitholders and Eligible Retail Unitholders.
Entitlement	A Unitholder's entitlement to subscribe for New Units and to receive Bonus Units as determined on the Bonus Unit Determination Date.

Entitlement and Acceptance Form	An Eligible Unitholder's personalised form that is available online at https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/.
Entitlement Offer	The accelerated, non-renounceable pro rata entitlement offer of 1 New Unit for every 1.90 Units held at the Record Date at an offer price of $1.35 per New Unit, together with the right to be issued Bonus Units as determined on the Bonus Unit Determination Date.
HCW	HealthCo Healthcare and Wellness REIT (ARSN 652 057 639).
HCDPL	Home Consortium Developments Pty Ltd (ACN 635 859 700).
HFML	HCW Funds Management Limited (ACN 104 438 100, AFSL 239882) as responsible entity of HCW.
HMC Capital	HMC Capital Limited (ACN 138 990 593).
Ineligible Institutional Unitholder	An Institutional Unitholder who is not an Eligible Institutional Unitholder.
Ineligible Retail Unitholder	A Unitholder who is not an Eligible Retail Unitholder, Eligible Institutional Unitholder or Ineligible Institutional Unitholder.
Ineligible Unitholder	Ineligible Institutional Unitholders and Ineligible Retail Unitholders.
Institutional Entitlement Offer	The institutional component of the Entitlement Offer made to Eligible Institutional Unitholders.
Institutional Investor	A person: (a) in Australia, to whom an offer of Units may be made in Australia without a product disclosure statement, prospectus or other disclosure document (as defined in the Corporations Act) on the basis that such a person is an "exempt investor" as defined in section 9A(5) of the Corporations Act (as inserted by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84); or (b) in select jurisdictions outside Australia, to whom an offer of New Units and Bonus Units may lawfully be made without registration, lodgement, filing or approval in accordance with the laws of that foreign jurisdiction (except to the extent to which HFML is willing to comply with such requirements).
Institutional Unitholder	A Unitholder who is an Institutional Unitholder.
Investor Presentation	The investor presentation released to ASX on Thursday, 30 March 2023 and included in Section 5.
New Unit	A Unit to be allotted and issued under the Entitlement Offer, including the Retail Shortfall from the Entitlement Offer issued to the Underwriter (subject to the terms of the Underwriting Agreement), any sub-underwriters or other investors.
Offer Booklet	This document.

Oversubscription Facility	The opportunity for Eligible Retail Unitholders who take up all of their Entitlement to also apply for Additional New Units.
Placement	The institutional placement of Units to wholesale clients and sophisticated investors undertaken by HCW and announced to ASX on Thursday, 30 March 2023, to raise gross proceeds of approximately $89 million.
Record Date	7.00pm (Sydney time) on Monday, 3 April 2023.
Record Date Holding	The number of Units held by a Unitholder as at the Record Date.
Registry	Link Market Services Limited (ACN 083 214 537).
Related Party	A related party and its associates, in each case as defined in the Listing Rules.
Retail Entitlement Offer	The retail component of the Entitlement Offer made to Eligible Retail Unitholders.
Retail Shortfall	The New Units not subscribed for under the Retail Entitlement Offer, plus that number of New Units which would have been offered to Ineligible Unitholders if they had been eligible to participate in the Entitlement Offer.
Section	A section of this Offer Booklet.
Selective Buy-Back	The selective buy-back by HFML from HCDPL of a number of Units equal to the number of Bonus Units to be issued, for nominal consideration.
Selective Buy-Back Agreement	The agreement dated 29 March 2023 between HFML and HCDPL in relation to the Selective Buy-Back, as summarised in Section 6.4.
Underwriters	Macquarie Capital (Australia) Limited (ABN 79 123 199 548) and J.P. Morgan Securities Australia Limited (ABN 61 003 245 234).
Underwriting Agreement	The underwriting agreement dated 30 March 2023 between HFML and the Underwriters and summarised in Section 6.3.
Unit	A fully paid ordinary unit in HCW.
Unitholder	A registered holder of Units.
U.S. Securities Act	U.S. Securities Act of 1933.

CORPORATE DIRECTORY

HCW Funds Management Limited
ACN 104 438 100; AFSL 239882
Level 7, Gateway
1 Macquarie Place
Sydney NSW 2000

HCW Offer Information Line
1300 650 320 (within Australia)
+61 1300 650 320 (outside Australia)

https://www.hmccapital.com.au/our-funds/healthco-healthcare-wellness-reit/

Underwriters
Macquarie Capital (Australia) Limited
ABN 79 123 199 548
50 Martin Place
Sydney NSW 2000

J.P. Morgan Securities Australia Limited
ABN 61 003 245 234
Level 18 J.P. Morgan House
85 Castlereagh Street
Sydney NSW 2000

Legal Adviser
Baker McKenzie
Tower One - International Towers Sydney
Level 46,100 Barangaroo Avenue
Barangaroo NSW 2000

Registry
Link Market Services
Level 12, 680 George Street
Sydney, NSW 2000

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)

6 April 2023

Not for release to US wire services or distribution in the United States

Dear Unitholder,

HealthCo Healthcare and Wellness REIT (ASX: HCW) – Pro rata accelerated non-renounceable entitlement offer – Notification to Ineligible Unitholders

On 30 March 2023, HCW Funds Management Limited (ACN 104 438 100) as responsible entity of the HealthCo Healthcare and Wellness REIT (ARSN 652 057 639) (**HCW**) announced a pro-rata accelerated non-renounceable entitlement offer of 1 new units for every 1.90 existing units at A$1.35 per new unit (**New Units**) to raise up to approximately A$231 million (**Entitlement Offer**). Concurrently with the Entitlement Offer, HCW also announced an institutional placement to professional and institutional investors (**Placement**) to raise approximately A$89 million. The Placement and the Entitlement Offer are together referred to as the **Offer**.

The proceeds of the Offer will be used to partially fund the acquisition of 11 hospital assets which are currently being leased to Healthscope. Further details are set out in the ASX announcement and Investor Presentation published on the Australian Securities Exchange (**ASX**) on 30 March 2023.

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and an offer to Eligible Unitholders (as defined below) to participate under a retail component (**Retail Entitlement Offer**). The Entitlement Offer is being made by HCW in accordance with section 1012DAA of the *Corporations Act 2001* (Cth) as modified by the *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* (**Act**), meaning that no product disclosure statement or other disclosure document needs to be prepared. An offer booklet in relation to the Retail Entitlement Offer will be given to ASX and made available to eligible retail unitholders on or around 6 April 2023 (**Retail Offer Booklet**).

Eligible Unitholders who are issued New Units under the Offer will also be eligible to receive, without any further action, up to 1 bonus unit (**Bonus Unit**) for every 28 New Units issued, provided the Eligible Unitholder holds, on 30 October 2023 (**Bonus Unit Determination Date**), a number of Units in excess of their holding on the Record Date and meet certain other criteria. Each Bonus Unit will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date.

Macquarie Capital (Australia) Limited (ABN 79 123 199 548) and J.P. Morgan Securities Australia Limited (ABN 61 003 245 234) are acting as joint lead managers and underwriters to the Entitlement Offer (subject to the terms of the underwriting agreement dated 30 March 2023 (**Underwriters**). The issue of Bonus Units is not underwritten nor will the Underwriters have any role in relation to the offer of the Bonus Units.

This notice is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Units or Bonus Units under the Entitlement Offer. This letter is not an offer to issue New Units or Bonus Units to you, nor an invitation for you to apply for New Units or Bonus Units.

You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer of which you should be aware.

DETAILS OF THE ENTITLEMENT OFFER

The Entitlement Offer is being made to Eligible Unitholders (as defined below), on the basis of 1 New Unit for every 1.90 existing HCW units (**Existing Units**) held at 7.00pm (Sydney time) on 3 April 2023 (**Record Date**) at an issue price of A$1.35 per New Unit.

Eligibility criteria

HCW has determined, under Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Act, that it would be unreasonable to make offers to unitholders in countries other than Australia and New Zealand (except to certain 'Institutional Investors' as defined in the Retail Offer Booklet*)* in connection with the Entitlement Offer having regard to:

(a) the relatively small number of unitholders in the other jurisdictions where the Entitlement Offer would be made;

(b) the number and value of units for which such unitholders would otherwise have been entitled; and

(c) the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Entitlement Offer would be made.

Unitholders who are eligible to participate in the Entitlement Offer (**Eligible Unitholders**) are unitholders who:

(a) are registered as a holder of Existing Units as at 7.00pm (Sydney time) on the Record Date;

(b) as at the Record Date, have a registered address in Australia or New Zealand, or is a unitholder that HCW has otherwise determined is eligible to participate;

(c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such a person holds Existing Units for the account or benefit of a person in the United States); and

(d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a product disclosure statement or other formal offer document to be lodged or registered.

HCW may (at its absolute discretion) extend the Entitlement Offer to certain institutional unitholders in foreign jurisdictions outside the United States subject to compliance with applicable laws.

Unfortunately, HCW has determined that you do not satisfy the eligibility criteria for an Eligible Unitholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, HCW wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Units or Bonus Units under the Entitlement Offer. You will also not be sent the offer document relating to the Entitlement Offer.

As the Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Units or Bonus Units that would have been offered to you if you were eligible.

Further information

If you have any questions in relation to any of the above matters, please call the HCW Offer Information Line on 1300 650 320 (within Australia) or +61 1300 650 320 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday. For other questions, you should contact your stockbroker, accountant, solicitor, taxation adviser, financial adviser or other independent professional adviser.

On behalf of the Board and management of HCW, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support of HCW.

Yours sincerely,

HealthCo Healthcare and Wellness REIT

Important Notices

This letter is to inform you about the Entitlement Offer. Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of HCW and the Underwriters. Each of HCW, the Underwriters and each of their respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, contractors, consultants, advisers and agents expressly disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this document, or any events or results expressed or implied in any forward-looking statement. These statements can generally be identified by the use of words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "predict", "guidance", "plan" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and are by their nature subject to significant uncertainties, risks and contingencies. Actual results or events may differ materially from any expressed or implied in any forward-looking statement and deviations are both normal and to be expected. Past performance is not a reliable indicator of future performance.

*This letter is not a prospectus or offering document under Australian law or under any other law and has not been and will not be filed or lodged with or approved by the Australian Securities and Investments Commission (**ASIC**) or any other regulatory authority in Australia or any other jurisdiction. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Units or Bonus Units in any jurisdiction outside Australia and New Zealand.*

It is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Units or Bonus Units in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of HCW units. If unsure of your position, please contact your accountant, tax advisor, stockbroker or other independent professional advisor.

In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in, or to any person to whom, which such an offer would be illegal. The New Units and Bonus Units have not been, nor will be, registered under the U.S. Securities Act, nor under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Units and Bonus Units may not be offered or sold, directly or indirectly, to persons in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold Existing Units and are acting for the account or benefit of a person in the United States), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

IMPORTANT NOTICE TO NOMINEES: Because of legal restrictions, you must not send copies of this letter nor any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States or to any person in any other jurisdiction outside of Australia or New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws. The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax adviser, stockbroker or other professional adviser.