

Sigma Healthcare Limited

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ASX Release

11 December 2023

Cleansing Notice under section 708AA(2)(f) of the Corporations Act

This notice is given by Sigma Healthcare Limited (ASX: SIG) (**Sigma or Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*.

Sigma has today announced that it will undertake an underwritten pro rata accelerated non-renounceable entitlement offer of 1 fully paid ordinary share in Sigma (**New Share**) for every 1.85 existing ordinary shares held in Sigma as at 7.00pm (AEDT) on Wednesday, 13 December 2023 to existing shareholders with a registered address in Australia, New Zealand, and certain other foreign jurisdictions in which Sigma decides to extend the offer (**Entitlement Offer**). New Shares will have an offer price of \$0.70 per New Share (**Offer Price**).

A Retail Offer Booklet for the Entitlement Offer is expected to be dispatched to eligible retail shareholders on Friday, 15 December 2023.

Sigma advises that:

1. the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
2. this notice is being given under section 708AA(2)(f) of the Corporations Act;
3. as at the date of this notice:
 - a. Sigma has complied with, the provisions of Chapter 2M of the Corporations Act as they apply to Sigma; and
 - b. Sigma has complied with sections 674 and 674A of the Corporations Act;
 - c. there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7) of the Corporations Act; and
4. the potential effect that the Entitlement Offer will have on the control of Sigma and the consequences of that effect will depend on various factors, including investor demand and existing shareholdings under the Entitlement Offer and the underwriting and sub-underwriting arrangements in relation to the


Entitlement Offer as set out in paragraph 5 to 11 below. Having regard to those arrangements, the Entitlement Offer is not expected to have any material effect on control of Sigma;

5. given the structure of the Entitlement Offer, the potential that the issue of the New Shares will have on the control of the Company is as follows;
 - a. if all of the Company's existing shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) take up their entitlements to New Shares under the Entitlement Offer, there will be no material effect on the control of the Company as Eligible Shareholders would continue to hold the same percentage interest in the Company. Shareholders who are ineligible to participate in the Entitlement Offer in accordance with ASX Listing Rule 7.7.1 will have their percentage holding in the Company's shares diluted as a consequence of the issue of New Shares; and
 - b. to the extent that any Eligible Shareholder fails to take up their entitlement under the Entitlement Offer, that Eligible Shareholder's percentage holding in the Company's shares would be diluted by the issue of the New Shares relative to those who did take up their full entitlement and to any sub-underwriters including HMC Capital Limited (ACN 138 990 593) (**HMC**) referred to below who has committed to sub-underwrite a portion of the retail component of the Entitlement Offer to the extent described below;
6. the Entitlement Offer is fully underwritten by Goldman Sachs Australia Pty Ltd (ACN 006 797 897) (**Underwriter**), subject to the terms and conditions of an underwriting agreement and the Underwriter is entitled to appoint sub-underwriters to the Entitlement Offer;
7. HMC (which is a related body corporate of HMC Capital Partners Holdings Pty Ltd (ACN 138 990 593) in its capacity as trustee of the HMC Capital Partners Holding Trust¹ (**HMC Capital Partners**), the Company's largest shareholder at 19.07%) (**HMC** together with **HMC Capital Partners**, the **HMC Group**) has agreed to provide a priority sub-underwriting commitment for approximately \$76 million equivalent to the value of HMC Capital Partners' entitlements under the Entitlement Offer (**HMC Priority Sub-underwriting**). The HMC Priority Sub-underwriting does not involve payment of any sub-underwriting fees and, save for its priority allocation, is otherwise on the same terms as other sub-underwriters to the Offer²;
8. in addition to the HMC Priority Sub-underwriting, HMC has also agreed with the Underwriter to partially sub-underwrite the retail component of the Entitlement Offer up to approximately \$27 million (**HMC Additional Sub-underwriting**). The Additional Sub-underwriting is on the same terms as that of other sub-underwriters and will receive a fee of 1.0% (including GST) on the value of securities sub-underwritten under the retail component of the Entitlement Offer (other than the HMC Priority Sub-underwriting as described above, which it will not receive any fees on), which is equivalent to the fee that any other sub underwriter will receive on the value of securities sub underwritten by them under the retail component of the Entitlement Offer³;
9. the expected impact of the Entitlement Offer on HMC Group's voting power in the Company assuming:
 - a. no take-up by Eligible Shareholders under the retail component of the Entitlement Offer;
 - b. HMC Group does not participate in the institutional component of the Entitlement Offer; and
 - c. full allocation of both the HMC Priority Sub-underwriting and HMC Additional Sub-underwriting at the Offer Price,

¹ This is an asset of the HMC Capital Partners Fund I, an Australian-domiciled unlisted wholesale fund which is managed by a subsidiary of HMC Capital Limited (ACN 138 990 593).

² HMC will have the right to assign the HMC Priority Sub underwriting to its related bodies corporate or to a fund which is managed by HMC or one of its related bodies corporate.

³ HMC will have the right to assign the HMC Additional Sub underwriting to its related bodies corporate or to a fund which is managed by HMC or one of its related bodies corporate.



would increase to 21.40% (which would be permitted under item 9 of section 611 of the Corporations Act as this falls within HMC Group's 3% "creep" capacity). Accordingly, following completion of the Entitlement Offer, HMC Group's voting power in the Company will be no less than its current voting power of 19.07% and, in any event, will not exceed 22.07% (HMC Group's maximum "creep" capacity permitted under the Entitlement Offer);

10. having regard to the above, HMC Group will remain a substantial shareholder following completion of the Entitlement Offer and may increase its relevant interest as a consequence of the Entitlement Offer as set out above and no other person is expected to acquire voting power in the Company of 20% or more as a consequence of the Entitlement Offer;
11. although the issue of New Shares which are not taken up by Eligible Shareholders under the Entitlement Offer, and which are underwritten by the Underwriter, may increase the voting power in the Company of the Underwriter (or eligible institutional investors who may be allocated New Shares via the bookbuild process to be conducted by the Underwriter or any additional sub-underwriters appointed by the Underwriter), it is not expected to have any material effect on the control of the Company; and
12. accordingly, the Entitlement Offer is not expected to have any material effect or consequence on the control of the Company.

This announcement has been authorised by the Board of Sigma Healthcare Limited.

ENDS.

Kara McGowan

General Counsel and Company Secretary

Sigma Healthcare Limited

