



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

ASX RELEASE

5 October 2026

HEALTHSCOPE SITUATION RESOLVED AND DISTRIBUTIONS REINSTATED

- Binding agreements have been executed¹ for the remaining 10 Healthscope hospitals owned by HCW and the Unlisted Healthcare Fund² (UHF)
- The agreements support HCW's declaration of a 1Q FY27 distribution of 1.5 cpu, consistent with FY27 distribution guidance of 6.0cpu

Healthscope resolution

- Agreements executed for the remaining 10 Healthscope hospitals owned by HCW and UHF on a state-by-state basis with Healthe Care (VIC), Acurio (NSW) and KnG Group (QLD)
- The new lease agreements will enhance the income security and tenant diversity of the hospital portfolio:
 - \$1.35bn portfolio valuation expected to remain stable³
 - Largest tenant concentration reduced from 57% to 31%⁴
 - Portfolio WALE extended by 2.9 years to 13.5 years
 - 20-year leases with face rents maintained, annual rental escalations at CPI or +3% and an overall incentive of ~12% fully funded from existing liquidity
- Transition to the new operators is targeted for completion by 30 November 2026⁵, with Healthscope continuing to operate the hospitals under their existing lease obligations until then

A summary of the lease terms is provided in the Appendix to this announcement.

HCW Fund Manager, Christian Soberg said, *"The resolution of the Healthscope situation is aligned with our previously stated objectives including providing continuity of service across all hospitals and maximising long-term value for HCW unitholders. The new leases support distributions being reinstated, restore income certainty and provide a strong foundation for future earnings and distribution growth. The Board continues to evaluate a range of strategic and capital management initiatives aimed at maximising value for HCW unitholders."*

¹ Subject to final lender consent and other customary approvals which are expected imminently.

² HCW has a 49.6% interest in UHF.

³ Independent valuations for the 11 hospitals owned by the Landlords, based on the new lease arrangements, were undertaken at Jun-26. Cap rate compression of 43bps offset the impact of new lease incentives.

⁴ Based on income on a look-through basis.

⁵ Subject to customary conditions precedent including regulatory approvals and hospital licence transfers.

Q1 FY27 distribution declaration

HCW Funds Management Limited as responsible entity of HCW (**Responsible Entity**) has declared the quarterly distribution for the period 1 July 2026 to 30 September 2026 of 1.5cpu, consistent with FY27 distribution guidance of 6.0cpu.

The key dates and details for the September 2026 distribution are:

Event	Date
Distribution amount	1.500 cents per unit
Ex-distribution date	Thursday, 8 October 2026
Record date	Friday, 9 October 2026
Payment date and despatch of statements	On or about Tuesday, 24 November 2026

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

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About HealthCo Healthcare & Wellness REIT

HealthCo Healthcare & Wellness REIT (HCW) 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. HCW also has a 49.6% interest in the HMC's Unlisted Healthcare & Life Sciences Fund.

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.

APPENDIX - LEASE TERM SUMMARY

Term	Details
Term	• 20 years + options
Face rent	• Face rents maintained
Annual rent escalations	• CPI (with 4%/1.5% cap and collar) or +3%⁶
Incentives	• Overall incentive of ~12% over the term of the leases structured to support sustainable hospital operations, fully funded from existing liquidity⁷ • Rental abatements vary by state and are predominantly spread over the initial 5-10 years
Landlord legal rights	• Termination and cross-default rights on a state-by-state basis
Lease commencement date	• Target lease commencement 30 November 2026, with Healthscope continuing to operate the hospitals under their existing lease obligations until then

⁶ CPI escalations for NSW and QLD, +3% for VIC and WA.

⁷ HCW cash and undrawn debt of \$158m as at Aug-26.