

17 April 2023

Renounceable pro rata entitlement offer – Results and Shortfall Notification

Hills Limited ACN 007 573 417 (ASX: HIL) (**Hills** or **Company**) is pleased to confirm that its partially underwritten 1.35 for 1 renounceable pro rata entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) which the Company announced on 23 March 2023 (**Entitlement Offer**) closed as scheduled on 13 April 2023.

The funds from the Entitlement Offer combined with the initial placement from Historical Holdings Pty Ltd (**Historical Holdings**), has raised new capital for Hills of **\$6.4 million**.

Hills advises that it received valid acceptances of entitlements under the Entitlement Offer for 112,269,749 New Shares (raising approximately \$2,245,395). In addition, and in accordance with the shortfall policy detailed in section 6.4 of the Entitlement Offer Booklet, in relation to the shortfall of the Entitlement Offer:

- 26,380,588 New Shares will be allocated to those eligible shareholders who have subscribed through the Top Up Facility detailed in the Entitlement Offer Booklet, to raise a further \$527,612 (approximately);
- Historical Holdings, the partial underwriter of the Entitlement Offer, will be allocated 133,288,007 New Shares to raise a further \$2,665,760 (approximately) pursuant to the Underwriting Agreement (detailed in section 5.1 of the Entitlement Offer Booklet). This is in addition to the 41,711,993 New Shares to be issued to Historical Holdings pursuant to its entitlement under the Entitlement Offer; and
- lastly, any or all of the remaining shortfall, being up to 82,958,498 New Shares, may be placed to one or more investors within three months of the closing date of the Entitlement Offer, at the Hills directors' discretion and at a price not less than the \$0.02 per New Share offer price under the Entitlement Offer. Such investors may include professional or sophisticated investors, or other investors identified by the Company. The Company has not yet determined whether any such placement will occur.

Together, the funds raised from the entitlements accepted under the Entitlement Offer, applications under the Top Up Facility and the partial underwriting by Historical Holdings will comprise approximately \$5,438,767, as detailed above. Those New Shares are anticipated to be issued on Thursday, 20 April 2023.

Important Information

This announcement has been authorised for release by the Company's Board of directors and is issued by the Company. This announcement is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in the Company in any jurisdiction. This announcement does not constitute financial product advice and does not and will not form part of any contract for the acquisition of securities in the Company.

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other country. No action has been taken to register or qualify the Entitlement Offer, the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia. In particular, the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the New Shares may not be offered or sold within the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction in the United States. The New Shares may only be offered and sold outside the United States in "offshore transactions" in reliance on Regulation S under the US Securities Act. None of the Entitlement Offer Booklet, any accompanying ASX announcements or the Entitlement and Acceptance Form may be distributed in the United States.

The content of this announcement is not, and should not be considered as, a securities recommendation or financial product advice. The information in this announcement is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your stockbroker, accountant, taxation adviser, financial adviser or other professional adviser.

No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this announcement, 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.

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. Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

This ASX announcement is authorised for release by the Board of Hills Limited.

About Hills

Hills (ASX:HIL) is a majority Australian-owned company that designs, develops, distributes, installs and manages integrated health technology solutions in homes, hospitals, aged care facilities and other health settings across Australia and New Zealand. www.hills.com.au.

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