

26 March 2021

**Australian Unity
Funds Management Limited**
ABN 60 071 497 115
AFS Licence No. 234454

Australian Unity Property Limited
ABN 58 079 538 499
AFS Licence No. 234455
271 Spring Street
MELBOURNE VIC 3000

T 13 29 39
F 1300 856 685
E investments@australianunity.com.au
W australianunity.com.au

Dear Investors

Update Regarding NorthWest's Indicative Offer for AUHPT – No Action Required At This Time

I am writing to provide you with an update to my correspondence of 26 February 2021 regarding the unsolicited, conditional, non-binding and indicative proposal received from NorthWest Healthcare Properties Real Estate Investment Trust (**NorthWest**) to acquire 100% of the units in Australian Unity Healthcare Property Trust (**AUHPT**) (the **Initial Proposal**).

We received strong feedback from AUHPT unitholders in support of the decision by the Board of Australian Unity Funds Management Limited (**AUFM**)—as responsible entity (**RE**) of AUHPT—not to engage with NorthWest after concluding that the Initial Proposal was not in the best interests of AUHPT unitholders, having regard to the value, conditionality and lack of certainty associated with it.

The Board of AUFM received a revised conditional, non-binding and indicative proposal from NorthWest to acquire 100% of the units in AUHPT on 12 March 2021 (**Revised Proposal**).

The Revised Proposal includes an increase in the offer price for AUHPT units to an effective price of \$2.35¹ per wholesale unit² (**Revised Offer Price**), representing an increase of ~7% over the implied offer price of NorthWest's Initial Proposal.

The Board of AUFM, with the continuing assistance of its external commercial (Greenhill) and legal (Herbert Smith Freehills) advisers, has carefully considered the Revised Proposal on its merits and formed the view that it is **NOT IN THE BEST INTERESTS OF AUHPT UNITHOLDERS** for AUFM to engage in any further discussions with NorthWest on the Revised Proposal.

The Board of AUFM believes that the Revised Proposal still significantly undervalues AUHPT, having regard to the current and expected future value of the portfolio and benefits it could deliver to a potential acquirer. The Revised Proposal also remains highly conditional.

In addition, since the receipt of the Initial Proposal, the Board of AUFM has engaged with counterparties and other stakeholders associated with, and highly important to the ongoing operations of, AUHPT. Feedback from these parties supports the view that, given the uncertainty inherent in the NorthWest approach, further engagement with respect to the Revised Proposal could introduce significant risk to AUHPT's ongoing commercial and operational relationships with key tenants and stakeholders.

IMPORTANTLY, THERE CONTINUES TO BE NO ACTION REQUIRED ON YOUR PART AT THIS TIME.

¹ \$2.40 per Wholesale AUHPT Unit was offered, reduced by any distributions received by AUHPT unitholders after 12 March 2021 (estimated to be \$0.05 per unit if a proposal from NorthWest was to proceed to completion)

² Equivalent to ~\$2.41 per AUHPT Retail Unit and ~\$1.49 per Class A AUHPT Unit

AUFM is separately considering a range of options to further enhance unitholder value. We will keep unitholders informed on progress regarding these options, as relevant, as they develop.

I would like to take the opportunity to re-emphasise some comments from my previous correspondence that continue to be pertinent in this situation. AUHPT is the last remaining, scale portfolio of hospital and healthcare assets in the Australian market that remains owned by Australian investors. It is no surprise that AUHPT has attracted the attention of potential acquirers wanting to increase their exposure to Australia's highly sought after and scarce hospitals and associated healthcare real estate, seeking to circumvent the challenging deal-by-deal development required in building a high quality, balanced and diversified portfolio.

The AUHPT portfolio consists of vital healthcare and medical infrastructure assets to help meet Australia's future healthcare needs. AUHPT is a demonstration of the role that creatively managed Australian private capital informed by substantial local insight and experience in the healthcare sector can play in financing these infrastructure needs of our community. As a unitholder you are supporting the sustainable development of this crucial infrastructure.

As previously mentioned, as part of its approach, NorthWest has formally written to request AUHPT's register of members. Given the nature of NorthWest's request, AUHPT was legally obliged to provide the register including your details. Within legally prescribed boundaries, NorthWest is permitted to contact you directly—and we expect they will do so.

A number of unitholders have raised concerns in relation to their details being provided to a third party. I regret any confusion or inconvenience that this legal requirement may cause you. Please do not hesitate to contact us on the Unitholder Hotline if you have any queries or issues in relation to third party contact.

If you have any further questions about the Revised Proposal, or your investment in AUHPT, please also call the **Unitholder Hotline**, which can be reached at **1300 502 987** (Domestic) or **+61 2 8022 7953** (International).

Yours faithfully

A handwritten signature in black ink, appearing to read 'R Mead', with a long horizontal flourish extending to the right.

Rohan Mead
Chair
Australian Unity Funds Management Limited, as responsible entity for Australian Unity Healthcare Property Trust

Important information

Units in the Australian Unity Healthcare Property Trust (AUHPT) are issued by Australian Unity Funds Management Limited (AUFM) ABN 60 071 497 115 AFS Licence number 234454. AUFM is a wholly owned subsidiary of Australian Unity Limited ABN 23 087 648 888.

The information in this letter is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and permanently destroy the material.

Australian Unity respects your privacy - you can view our privacy policy on our website at www.australianunity.com.au/privacy-policy.