

Corporate Action Notice

(Other than for a Distribution)

Section 1: Issuer information (mandatory)			
Name of issuer	Heartland Group Holdings Limited		
Class of Financial Product	Ordinary Shares		
NZX ticker code	HGH		
ISIN (If unknown, check on NZX website)	NZHGHE0007S9		
Name of Registry	Link Market Services Limited		
Type of corporate action (Please mark with an X in the relevant box/es)	Share Purchase Plan/retail offer		Renounceable Rights issue or Accelerated Offer
	Capital reconstruction		Non-Renounceable Rights issue or Accelerated Offer
	Call		Bonus issue
	Placement	X	
Record date	09/04/2024		
Ex Date (one business day before the Record Date)	08/04/2024		
Currency	NZD / AUD		
External approvals required before offer can proceed on an unconditional basis?	N		
Details of approvals required	N/A		
Section 2: Rights issue or Accelerated Offer (delete full section if not applicable, or mark rows as N/A if not applicable)*			
If Accelerated Offer, structure	Accelerated Non-renounceable Entitlement Offer (ANREO)		
Number of Rights to be issued or entitlements available for security holders in the Accelerated Offer	105,037,815		
Maximum number of Equity Securities to be issued if offer is fully subscribed	105,037,815		
ISIN of Rights (if applicable)	N/A		
Oversubscription facility	Y		

Details of scaling arrangements for oversubscriptions	Eligible Retail Shareholders who have taken up all of their Entitlements in full may apply for additional New Shares, up to a maximum amount of New Shares equal to 100% of their Entitlements. Allocations and any necessary scaling of additional New Shares applied for by Eligible Retail Shareholders who take up their Entitlements in full will be determined by Heartland and the Lead Manager.			
Entitlement ratio (for example 1 for 3) Please contact NZX ahead of announcing the offer if each Right will be exercisable for more or less than one Equity Security (i.e unless prior arrangement is made, Rights will be exercisable on a one for one basis)	New	1	Existing	6.85
Treatment of fractions**	Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Shareholder is entitled will, in the case of fractions of New Shares, be rounded down to the nearest whole number.			
Subscription price (per Equity Security)	\$1.00 (or the A\$ price)			
Letters of entitlement mailed	11/04/2024			
Offer open	11/04/2024			
Offer close	22/04/2024			
Quotation date (if Rights will be quoted)	N/A			
Allotment date	Market open on: 26/04/2024			
Section 7: Placement				
Number of Equity Securities to be issued	105,000,000 ¹			
Issue price per Equity Security	\$1.00			
Maximum dollar amount of Equity Securities to be issued	\$105,000,000 ¹			
Proposed issue date	15/04/2024			
Existing holders eligible to participate	Y			
Related Parties eligible to participate	Y			

¹ As noted in the investor presentation released today, the offer also includes the issue of approximately 1.0 m new Heartland ordinary shares to Washington H. Soul Patterson and Company Limited as consideration for the acquisition of 0.65% of the shares in Alex Corporation Limited, the holding company for Alex Bank. The shares will be issued at the offer price. This component of the offer is a targeted placement to a single vendor following a negotiation on arm's length terms as to the basis of participation, and as such the responses in the balance of this notice relate to the placement being undertaken to raise capital.

<p>Basis upon which participation by existing Equity Security holders will be determined</p>	<p>Eligible institutional shareholders will be invited to participate in the Placement component of the Offer. Under the retail component of the ANREO, existing eligible retail shareholders may oversubscribe up to 100% of their entitlements which (if fully allocated) would prevent dilution by the Placement component of the offer.</p>
<p>Purpose(s) for which the Issuer is issuing the Equity Securities</p>	<p>Proceeds from the equity raise will be used to fund the balance of the consideration payable for the Challenger Bank acquisition, support the expected regulatory capital requirements of Challenger Bank and Heartland Bank, and cater for near-term projected asset growth post-completion of the Challenger Bank acquisition.</p>
<p>Reason for placement rather than a pro-rata rights issue or an offer under a Share Purchase Plan in which the Issuer's existing Equity Security holders would have been eligible to participate</p>	<p>Heartland has chosen to undertake a Placement and ANREO to raise capital. The board of directors of Heartland has determined that this capital raising structure is in the best interests of Heartland, after carefully considering alternative capital raising structures, and weighing the benefits of this capital raising structure against the expected impact on non-participating Shareholders. Those benefits are:</p> <ul style="list-style-type: none"> • Certainty – Heartland requires certainty that sufficient funds be raised under the Placement and ANREO to complete the acquisition of Challenger Bank and to support the expected regulatory capital requirements of Challenger Bank and Heartland Bank. The Placement and ANREO are fully underwritten or pre-committed, providing certainty that the necessary funds will be received. • Pricing – The expert investment banking advice from Jarden also noted that using an ANREO structure allows Heartland to price the Placement and ANREO at a smaller discount than would be the case for a renounceable pro rata capital raising structure. This minimises the dilutionary impact on non-participating Shareholders. • Timing – The Placement and the ANREO are being conducted in relation to the acquisition of Challenger Bank and to support the near-term capital needs of Challenger Bank and Heartland Bank post-completion. Importantly, the accelerated nature of an ANREO enables completion of the offer on a faster timetable than a traditional rights issue or an accelerated renounceable entitlement offer as no bookbuilds are required. This means Heartland will receive the proceeds of the capital raise more quickly, which will in turn allow for the acquisition of Challenger Bank to complete sooner. The faster timetable also means the period of risk associated with potential market volatility between the Placement and ANREO opening and settlement is reduced, which in turn supports greater



	participation by sub-underwriters, Shareholders and a smaller discount.
Equity Securities to be issued subject to voluntary escrow	N
Number and class of Equity Securities to be issued that will be subject to voluntary escrow and the date from which they will cease to be escrowed	N/A
Section 8: Lead Manager and Underwriter (mandatory)	
Lead Manager(s) appointed	Y
Name of Lead Manager(s)	Jarden Securities Limited
Fees, commission or other consideration payable to Lead Manager(s) for acting as lead manager(s)	The Company agrees to pay a lead management fee of 1.0% of the total gross proceeds raised under the Placement and ANREO.
Underwritten	Y
Name of Underwriter(s)	Jarden Partners Limited
Extent of underwriting (i.e. amount or proportion of the offer that is underwritten)	Heartland has received a pre-commitment from its largest shareholder, Harrogate Trustee Limited, for approximately NZ\$14 million of the equity raise. The placement and ANREO, excluding the amount pre-committed by Harrogate Trustee Limited, are fully underwritten by Jarden Partners Limited.
Fees, commission or other consideration payable to Underwriter(s) for acting as underwriter(s)	The Company agrees to pay an underwriting fee of 1.5% of the total gross proceeds raised under the Placement and ANREO excluding the amount pre-committed by Harrogate Trustee Limited.
Summary of significant events that could lead to the underwriting being terminated	A summary of the significant events that could lead to the underwriting being terminated are set out under the heading "Underwriting Agreement" in the offer document.
Section 9: Authority for this announcement (mandatory)	
Name of person authorised to make this announcement	Jeff Greenslade, Chief Executive Officer Andrew Dixson, Chief Financial Officer
Contact person for this announcement	Nicola Foley, Group Head of Communications
Contact phone number	027 345 6809
Contact email address	nicola.foley@heartland.co.nz
Date of release through MAP	8/04/2024