



Announcement Summary

Entity name

HILLS LIMITED

Announcement Type

New announcement

Date of this announcement

13/3/2023

The Proposed issue is:

☒ A standard pro rata issue (including non-renounceable or renounceable)

Total number of +securities proposed to be issued for a standard pro rata issue (including non-renounceable or renounceable)

ASX +security code	+Security description	Maximum Number of +securities to be issued
HIL	ORDINARY FULLY PAID	347,978,289

Ex date

16/3/2023

+Record date

17/3/2023

Offer closing date

31/3/2023

Issue date

6/4/2023

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

HILLS LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ABN

Registration Number

35007573417

1.3 ASX issuer code

HIL

1.4 The announcement is

☒ New announcement

1.5 Date of this announcement

13/3/2023

1.6 The Proposed issue is:

☒ A standard +pro rata issue (non-renounceable or renounceable)

1.6a The proposed standard +pro rata issue is:

☒ + Renounceable



Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 Do any external approvals need to be obtained or other conditions satisfied before the entitlement offer can proceed on an unconditional basis?

☒ No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +security code and description

HIL : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

HIL : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the tradable rights created under a renounceable right issue (if Issuer is foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

The quantity of additional +securities to be issued

3

For a given quantity of +securities held

2



What will be done with fractional entitlements?

Fractions rounded up to the next whole number

Maximum number of +securities proposed to be issued (subject to rounding)

347,978,289

Offer price details for retail security holders

In what currency will the offer be made?

AUD - Australian Dollar

What is the offer price per +security for the retail offer?

AUD 0.02000

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?

☒ Yes

Describe the limits on over-subscription

Eligible shareholders who take up their entitlements to subscribe for New Shares in full may also apply for additional New Shares in excess of their Entitlements at the Offer Price under the Top Up Facility (subject to compliance with applicable laws and the terms as set out in the Offer Booklet).

Will a scale back be applied if the offer is over-subscribed?

☒ Yes

Describe the scale back arrangements

In the event it is necessary to scale back applications for Shortfall Shares by Eligible Shareholders, then the scale back will be at the discretion of the directors, and in the first instance, on a pro rata basis based on the Entitlements of Eligible Shareholders.

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Part 3C - Timetable

3C.1 +Record date

17/3/2023



3C.2 Ex date

16/3/2023

3C.3 Date rights trading commences

16/3/2023

3C.4 Record date

17/3/2023

3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

22/3/2023

3C.6 Offer closing date

31/3/2023

3C.7 Last day to extend the offer closing date

28/3/2023

3C.8 Date rights trading ends

24/3/2023

3C.9 Trading in new +securities commences on a deferred settlement basis

27/3/2023

3C.11 +Issue date and last day for entity to announce results of +pro rata issue

6/4/2023

3C.12 Date trading starts on a normal T+2 basis

11/4/2023

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

13/4/2023

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?

☒ No

3E.2 Is the proposed offer to be underwritten?

☒ Yes

3E.2a Who are the underwriter(s)?

Greybox Holdings Pty Ltd, Magnolia (SA) Pty Ltd and Juniper (SA) Pty Ltd (which are entities associated with the Hill-Ling family)



3E.2b What is the extent of the underwriting (ie the amount or proportion of the offer that is underwritten)?

The Entitlement Offer is partially underwritten to the extent of \$2.5 million, less the aggregate Offer Price for any Entitlements taken up by the underwriters and any of their associates under the Entitlement Offer.

3E.2c What fees, commissions or other consideration are payable to them for acting as underwriter(s)?

There are no fees, commissions or other consideration payable to the Underwriter.

3E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated

Refer to section 5.1 of the Offer Booklet.

3E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer?

☒ No

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

☒ No

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

N/A

Part 3F - Further Information

3F.1 The purpose(s) for which the entity intends to use the cash raised by the proposed issue

Please refer to accompanying ASX announcement

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

☒ No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

☒ No

3F.4 Countries in which the entity has +security holders who will not be eligible to participate in the proposed issue

All countries other than Australia and New Zealand.

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities

☒ Yes

3F.5a Please provide further details of the offer to eligible beneficiaries

Nominees and custodians may not distribute any part of the Entitlement Offer Booklet, and may not permit any beneficial Shareholder to participate in the Entitlement Offer, in any country outside Australia and New Zealand except, with the consent of the Company, to beneficial Shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

Hills is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements. Where any person is acting as a



nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign and domestic laws and complies with the terms of the Entitlement Offer Booklet.

3F.6 URL on the entity's website where investors can download information about the proposed issue

<https://corporate.hills.com.au/investors/>

3F.7 Any other information the entity wishes to provide about the proposed issue

Refer to the ASX announcement, investor presentation, Entitlement Offer Booklet and other announcements released by Hills on the same date as this Appendix 3B.

3F.8 Will the offer of rights under the rights issue be made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act (as applicable)?

☒ No

3F.9 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

☒ The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)