

HM1 ANNOUNCES RENOUNCEABLE ENTITLEMENT OFFER

Overview

Hearts and Minds Investments Limited (ASX:HM1) (the “Company”) today announced a renounceable pro-rata entitlement offer at \$2.50 per share to raise up to \$62,500,000 (before costs) (“Entitlement Offer”). Eligible shareholders have the opportunity to buy 1 new share for every 8 existing shares (“New Shares”) held on the record date (“Entitlement”).

Due to the strong performance of HM1 since listing just over a year ago, this offer price of \$2.50 per New Share represents a discount of 20% to HM1’s closing price of \$3.13 on 22 November 2019, a 19% discount to our most recently announced Post Current Tax NTA of \$3.09 per share and a 18% discount to TERP of \$3.06.¹

Each New Share issued under the Entitlement Offer will rank equally with existing HM1 shares.

Each of the Directors have confirmed to HM1 that they will take up their Entitlements in full.

The Entitlement Offer is renounceable. Accordingly, if you do not wish to take up your Entitlement, you may sell all or part of your Entitlement on ASX between Friday 29 November 2019 and Monday 9 December 2019 (inclusive) or sell or transfer all or part of your Entitlement directly to another person.

Purpose for Entitlement Offer

The net proceeds raised from the Entitlement Offer will be used by HM1 to allocate funds to our new Core Fund Manager, TDM Growth Partners (“TDM”). As with our other Core Fund Managers, the allocation will be invested in the three highest conviction investment ideas of TDM.

As a result of adding TDM as a Core Fund Manager, the investment allocations made by HM1 will change from the initial allocations set out in the IPO Prospectus. Specifically:

- The allocation made to Conference Fund Managers will reduce from approximately 40% of the Portfolio to approximately 35% of the Portfolio; and
- The allocation to Core Fund Managers will increase from approximately 60% of the Portfolio to approximately 65% of the Portfolio.

TDM Growth Partners – overview

TDM is a global investment firm with offices in Sydney and New York, with a 10 member investment team spread across both offices throughout the year.

TDM’s objective is to invest in fast growing companies run by passionate management teams. TDM operates a highly focused and concentrated portfolio with typically no more than 15 investments globally. TDM operates on long-term time horizons and has held many of its core positions for multi-year periods.

TDM currently manages money on behalf of approximately 20 high net worth clients and family offices and has achieved impressive results for over 14 years. It should be noted that this performance has included contributions from both listed investments as well as unlisted or private investments (typically approximately 20% of the fund).

HM1 will be receiving recommendations from TDM with respect to their highest conviction listed company ideas only.

Timeline of Entitlement offer²

Launch of Entitlement Offer	Wednesday, 27 November 2019
"Ex" date	Friday, 29 November 2019
Entitlements trading on ASX begins on deferred settlement basis	Friday, 29 November 2019
Record date for eligibility in the Entitlement Offer	Monday, 2 December 2019
Entitlement Offer opens	Thursday, 5 December 2019
Entitlement Offer and Information Booklet despatched and Entitlements allotted	Thursday, 5 December 2019
Entitlement trading on ASX on normal settlement basis begins	Friday, 6 December 2019
Entitlements trading on ASX ends	Monday, 9 December 2019
New Shares under the Entitlement Offer commence trading on ASX on deferred settlement basis	Tuesday, 10 December 2019
Entitlement Offer closes	Monday, 16 December 2019
Notification of Shortfall to ASX	Thursday, 19 December 2019
Issue of New Shares under the Entitlement Offer	Monday, 23 December 2019
Despatch of holding statements for New Shares under the Entitlement Offer	Monday, 23 December 2019
New Shares under the Entitlement Offer commence trading on ASX on a normal settlement basis	Tuesday, 24 December 2019

Other information

For further information regarding the Entitlement Offer, please call the HM1 Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8:30am to 5:30pm (Sydney time) Monday to Friday (excluding public holidays).

Section 4 of the Entitlement and Information Booklet identifies some of the major risks associated with an investment in HM1. You should also consult your stockbroker, financial adviser, accountant or other professional adviser with any questions or to evaluate whether to participate in the Entitlement Offer.

¹ TERP is the theoretical price at which HM1 shares trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer and having regard to the Entitlement Offer ratio and New Shares issued under the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which HM1 shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to HM1's closing price of \$3.13 on 22 November 2019, being the last practicable Trading Day prior to the date of the Entitlement and Information Booklet.

² All dates and times are indicative and subject to change without notice.