

ASX RELEASE

23 June 2020

PRELIMINARY UNAUDITED PORTFOLIO VALUATION INCREASE OF 5.2% AND PROPERTY UPDATE

- June 2020 preliminary unaudited portfolio valuation increase of 5.2% versus December 2019
- Parafield HomeCo leasehold complex acquired with a year 1 ungeared cash yield of 7.5% p.a.
- Coffs Harbour development complete, Cairns progressing and Richlands recommenced
- 3 additional development centres scheduled to commence construction FY21 (resulting in 7 of the 10¹ development centres being open for trade in 2H FY21)

JUNE 2020 PRELIMINARY UNAUDITED PORTFOLIO VALUATION

In accordance with its valuation policy HomeCo has completed preliminary unaudited valuations of all 30 properties in its portfolio. This comprised 15 independent valuations representing 50% of its properties by number and 53% of the 30 June 2020 preliminary unaudited portfolio valuation with the remaining 15 properties being completed by internal valuation.

The preliminary unaudited portfolio valuation, which remains subject to year end processes including finalisation by external valuers, audit and internal review has increased 5.2% by \$49m to \$1,014m (from 31 December 2019 to 30 June 2020). Net of capital expenditure incurred during the period of \$22m, this represents a net valuation increase of \$27m or 2.8%.

HomeCo Executive Chairman & CEO David Di Pilla commented, "The preliminary valuation result is positive and reflects the quality and resilience of HomeCo's hyper-convenience model and the increasing exposure to daily needs and services tenants. Foot traffic trends at the centres have continued to be positive with an increase of 9% and 17% for the months of May and June 2020²."

Preliminary unaudited portfolio valuation	Independent valuation (\$m)	Internal valuation (\$m)	Total (\$m)
31 December 2019 balance	498	466	964
Capital expenditure ^{3,4}	16	7	22
Net valuation increase ^{3,4}	25	2	27
30 June 2020 preliminary balance^{3,4}	539	475	1,014
Gross increase % (versus 31 December 2019)	+ 8.2%	+ 1.9%	+ 5.2%
Net increase % (versus 31 December 2019)	+ 5.1%	+ 0.4%	+ 2.8%
30 June 2020 WACR – Operating centres ⁵			6.6%
30 June 2020 WACR – Developments			7.3%

¹ Includes Ballarat

² Versus prior comparable period. June 2020 numbers as at 17 June 2020

³ Balances to 30 June 2020 are unaudited and subject to change

⁴ Excludes adjustments relating to straight-lining and rental incentives

⁵ Includes 3 centres opened or currently in construction (Coffs Harbour, Cairns and Richlands)

PARAFIELD ACQUISITION

HomeCo has entered into a binding contract to acquire the Parafield Retail Complex (“Parafield”). Parafield is located in close proximity to Parafield Airport, approximately 12km north of the Adelaide CBD. The site includes 3.7 hectares of land with a total lettable area of approximately 15,500 sqm across a single level of which a portion includes a former Masters lease.

The site currently has existing leases with Officeworks, Supercheap Auto, Hungry Jacks and Tradezone with a heads of agreement with Adelaide Tools (a subsidiary of Bunnings Group Limited). The site is currently leased from Parafield Airport with approximately 28 years remaining with a 49 year option renewal.

HomeCo’s expected year 1 ungeared cash yield on the acquisition is 7.5% p.a. with a total investment of approximately \$25m, which will be funded by existing cash and senior debt facilities. As part of the transaction the foundation securityholders (via the LMA) will also contribute capital funding and provide an income guarantee for current vacant tenancies. The acquisition is expected to settle by August 2020.

DEVELOPMENT UPDATE

HomeCo is pleased to announce the recommencement of works at Richlands QLD which we expect to have trading in March 2021.

In addition three new developments at Ellenbrook WA, Bathurst NSW and Wagga Wagga NSW have been approved by the Investment Committee to commence works. These three new developments are scheduled to open by June 2021 which will increase HomeCo’s operating centres to 29⁶ and will result in 7 of HomeCo’s 10 development centres being open for trade.

HomeCo Executive Chairman & CEO David Di Pilla commented, “The success in demonstrating continued progress on our development pipeline reflects HomeCo’s competitive rents, strategic locations and strong operating performance during COVID-19 impacted trading. The recently announced Ballarat acquisition has been successfully handed over to Services Australia with a HealthCo medical precinct close to being finalised as well.”

Development	Status	Target open	Pre-commitments (% of GLA)	Anchor tenants
Coffs Harbour, NSW	Complete	Open	85%	Anaconda, Geoff King Mazda, Road Tech Marine, Sydney Tools
Ballarat, VIC ⁷	Construction	1H FY21	58%	Commonwealth of Australia (Services Australia), Aurrum Childcare
Cairns, QLD	Construction	1H FY21	96%	Commonwealth of Australia (Services Australia)
Richlands, QLD	Construction	2H FY21	83%	Fresh & Save, Goodlife, Chemist Warehouse, Guardian Early Learning
Bathurst, NSW	IC approved	1H FY21	89%	Harvey Norman, Spotlight, PETStock
Ellenbrook, WA	IC approved	2H FY21	69%	Spotlight, Spudshed supermarket
Wagga Wagga, NSW	IC approved	2H FY21	50%	Spotlight, Anaconda, Petstock, Pillowtalk

⁶ 21 operating centres as at December 2019 plus 7 developments and Parafield acquisition

⁷ Leasehold property subject to acquisition

Development progress images are enclosed.

-ENDS-

For further information, please contact:

Investors

Will McMicking
Finance Director

+61 451 634 991

william.mcmicking@home-co.com.au

Tom Kohlen

Investor Relations Executive

+61 419 953 526

tom.kohlen@home-co.com.au

Authorised for release by the Home Consortium Board.

About HomeCo

HomeCo is an internally managed Australian property group focused on ownership, development and management. HomeCo is built on a platform of big brands and hyper-convenience, with each centre anchored by leading brands backed by some of Australia's most successful property development and retail organisations including predominantly national retailers spanning daily needs, leisure and lifestyle and services enterprises.



HomeCo Cairns & Coffs Harbour

Concept designs and construction progress



Cairns concept design



Coffs Harbour view from main road



Cairns current construction as of June 2020

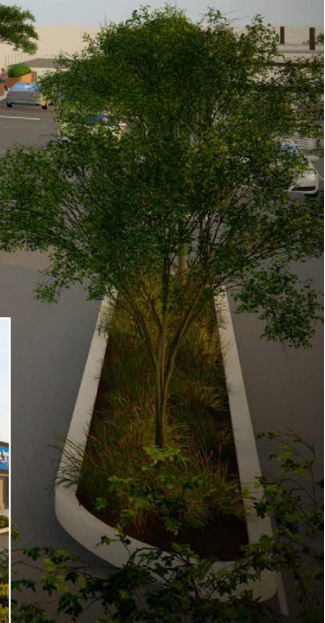


Coffs Harbour – Sydney Tools external front entrance



HomeCo Richlands

Concept design





HealthCo Ballarat

Concept design and construction progress



Services Australia – handed over June 2020



Land size	~3.9 ha
GLA	~12,500 sqm
Pre-commitments	58%
Anchor tenants	Commonwealth of Australia (Services Australia), Aurrum Childcare
Settlement	April 2022
Target ungeared yield	~7% p.a.

~ Approximate