

Home Consortium

ASX RELEASE

1 July 2020

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DELIVERING ON STRATEGY—PROPERTY ACQUISITIONS AND EQUITY RAISING

- Acquisition of three Woolworths anchored convenience-based neighbourhood centres from Woolworths Group for \$127.8 million
- Acquisition of Aurrum Erina residential aged care property (**Aurrum Erina**) for \$32.59 million on a sale and lease back, subject to securityholder approval
- Equity raising of \$170 million to equity fund the acquisitions summarised above as well as the Parafield Retail Complex acquisition announced 23 June 2020. This will comprise:
 - \$140 million fully underwritten institutional placement
 - \$30 million non-underwritten security purchase plan
 - Issue price for new securities under the Placement of \$2.88 per security (**Issue Price**)
- HomeCo will also issue \$20 million of securities to Aurrum Aged Care (**Aurrum Securities**) (together with \$12.59 million cash) as consideration for Aurrum Erina at the Issue Price
 - The issue of securities and acquisition of Aurrum Erina will be conditional on receiving securityholder approval
- Acquisitions are immediately FFO accretive and result in pro-forma FY21 FFO guidance of at least \$0.15 per security
- Intention to declare a final FY20 dividend of 7.5 cents per security (fully franked)
- Pro forma June 2020 gearing of 31.0%

ACQUISITION OF THREE PROPERTIES FROM WOOLWORTHS

HomeCo has today announced that it has agreed to acquire the following three properties from Woolworths Group for an aggregate consideration of \$127.8 million:

- Prestons Place located at 1985 Camden Valley Way, Prestons NSW
- Vincentia Marketplace located at 8 Moona Creek Rd, Vincentia NSW
- Rosenthal Shopping Centre located at 90 Vineyard Rd, Sunbury VIC

Each of the three properties are existing convenience based neighbourhood centres with Woolworths supermarkets as anchor tenants. Each centre is being acquired on a going concern basis.

HomeCo is acquiring a 100% freehold interest in Prestons Place and Rosenthal Shopping Centre and a majority 87.4% freehold interest in Vincentia Marketplace. In connection with Vincentia Marketplace, HomeCo will enter into a co-owner's agreement with Woolworths to govern the relationship and other dealings between HomeCo and Woolworths, including as it relates to development of the property.

HomeCo Executive Chairman & CEO David Di Pilla commented, "*The acquisitions announced today are an exciting step for HomeCo and increase daily needs and HealthCo services tenant exposure to 47%, consistent with HomeCo's strategy of increasing its weighting towards hyper-convenience based retail and*

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healthcare & wellness assets. They also strengthen HomeCo's relationship with Woolworths as a partner and key tenant."

The acquisitions are expected to complete in July 2020.

ERINA ACQUISITION

HomeCo has today announced that it has agreed to acquire Aurrum Erina from Aurrum Aged Care, an entity associated with David Di Pilla, Executive Chairman and CEO.

Erina is a 250 bed residential aged care home providing person-centred care excellence in modern surroundings, with stylish interiors, light-filled living spaces and beautifully landscaped outdoor areas. It is situated in Erina approximately 82 kilometres north of the Sydney CBD. It is currently operated by Aurrum Aged Care.

The consideration for the Erina acquisition is \$32.59 million, which is intended to be funded by the payment of \$12.59 million in cash and the issue of \$20.0 million of new fully paid ordinary stapled securities at an issue price of \$2.88. In conjunction with the acquisition, HomeCo will enter into a lease back agreement with Aurrum Aged Care in relation to the property for an initial period of 10 years, with two 10 year options to extend.

The new securities to be issued to Aurrum Aged Care will rank equally in all respects with HomeCo's existing ordinary stapled securities from the date of allotment including with regards to HomeCo's final FY20 dividend.

Completion of the acquisition and leaseback, and the issue of the new securities to Aurrum Aged Care, is subject to Securityholder approval at a general meeting of securityholders, which is expected to be held in August 2020. HomeCo will provide securityholders with a notice of meeting in the near future, which will include a report from an independent expert stating whether, in its opinion, the transaction is fair and reasonable from the point of view of HomeCo securityholders.

All of the directors of HomeCo eligible to make a recommendation (including all independent non-executive directors) intend to recommend that HomeCo securityholders vote in favour of the relevant resolutions. In addition, HomeCo has received confirmations from entities related to Spotlight and Chemist Warehouse that they intend to vote in favour of the relevant resolutions.

FINANCIAL IMPACT

The acquisitions summarised above are immediately Funds From Operations (**FFO**) accretive and result in pro-forma FY21 FFO guidance of at least \$0.15 per security.

Also, HomeCo intends to declare a final FY20 dividend of \$0.075 per security (fully franked) which is expected to move towards being fully FFO covered post-transaction in FY21. The dividend is expected to be paid in September 2020.

Pro forma gearing at 30 June 2020 is expected to be 31.0%.

EQUITY RAISING

Home Consortium has today announced that it will seek to raise \$190 million comprising:

- A fully underwritten¹ institutional placement to raise \$140 million (**Placement**)
- A non-underwritten security purchase plan for eligible securityholders to raise \$30 million (**SPP**)

¹ Refer to Appendix B of the Investor Presentation for a summary of the terms of the underwriting arrangements.

- The issuance of \$20 million of securities to Aurrum Aged Care (**Aurrum Securities**) (together with \$12.59 million cash) as consideration for Aurrum Erina at the Issue Price

The proceeds from the raising will be used to equity fund the acquisitions summarised above as well as the Parafield Retail Complex acquisition announced on 23 June 2020 and to fund the associated transaction costs incurred in connection with the Placement and SPP.

Under the ASX Listing Rules, HomeCo directors and their associates (including HomeCo's largest securityholder) are not entitled to participate in the Placement, but can participate in the SPP if they are Australian/New Zealand residents.

The Placement Securities and SPP Securities will rank equally in all respects with HomeCo's existing ordinary stapled securities from the date of allotment including with regards to HomeCo's final FY20 dividend.

Placement

HomeCo will undertake a \$140 million Placement of New Securities fully underwritten by Goldman Sachs Australia Pty Limited and Jarden Partners Limited.

The New Securities to be issued under the Placement will be issued at a fixed price of \$2.88 per New Security (**Placement Price**), which represents a:

- 4.0% discount to the last close price of \$3.00 on 30 June 2020; and
- 6.9% discount to the 5 day VWAP of \$3.09 on 30 June 2020.

The Placement will result in the issue of 48,611,111 new securities (**Placement Securities**), representing approximately 24.6% of HomeCo's existing stapled securities on issue. The Placement is within HomeCo's placement capacity under the Temporary Extra Placement Capacity Class Waiver Decision (as amended) effective from 23 April 2020, and accordingly no securityholder approval is required in connection with the Placement. It is intended that all eligible institutional securityholders receive their 'pro rata' allocation of new securities issued under the Placement (should they submit a bid of this amount), on a best endeavours basis.²³

Security Purchase Plan

Eligible Securityholders in Australia and New Zealand will be invited to subscribe for up to \$30,000 in new securities (**SPP Securities**), free of transaction and brokerage costs via an SPP.

The offer price under the SPP will be the lower of:

- the Placement Price; and

² An eligible institutional securityholder's existing holding will be estimated by reference to HomeCo's latest available beneficial register which shows historical holdings as at the date of that register and is not up to date. There is no verification or reconciliation of the holdings as shown in the historical beneficial register. Accordingly this may not reflect the participating eligible institutional securityholder's actual holding. HomeCo is not obliged to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining allocations. Institutional securityholders who do not reside in Australia or other eligible jurisdictions will not be able to participate in the Placement. HomeCo disclaims any duty or liability in respect of the determination of an eligible institutional securityholder's allocation using their assumed holdings.

³ Eligible institutional securityholders who bid in excess of their 'pro-rata' share as determined by HomeCo are expected to be allocated a minimum of their 'pro-rata' share on a best endeavours basis as set out in footnote 2 above, and any excess may be subject to scale back.

- the volume weighted average price (**VWAP**) of HomeCo securities traded on ASX during the five trading days up to, and including, the SPP closing date (21 July 2020), less a 2.5% discount, rounded to the nearest cent.

This means that if the VWAP (less a 2.5% discount) is lower than the Placement Price, eligible securityholders will be able to purchase SPP Securities at the lower price.

HomeCo considers that the SPP will cater for the vast majority of its non-institutional securityholders, enabling them to participate and potentially increase their relative percentage holdings in HomeCo.

The HomeCo Board has determined to cap the size of the SPP at \$30 million, in aggregate. As the SPP is not underwritten, the SPP may raise more or less than this amount. If the SPP raises more than \$30 million, HomeCo may decide in its absolute discretion to accept applications (in whole or in part) that result in the SPP raising more than \$30 million. If HomeCo decides to conduct any scale back of applications, for example because the aggregate amount applied for under the SPP exceeds HomeCo's requirements, the scale back will be applied on a pro rata basis to shareholdings of participating eligible shareholders at the record date of the SPP.

Further information on the SPP will be lodged with the ASX and sent to eligible securityholders on or around 8 July 2020. The closing date for applications by eligible securityholders is 21 July 2020. Eligible securityholders wishing to acquire SPP Securities under the SPP will need to apply in accordance with the instructions in the SPP booklet.

Timetable

Event	2020
Record date for SPP	7.00pm (Sydney time), 30 June
Announcement of the Placement	1 July
Placement bookbuild	1 July
Settlement of New Securities issued under the Placement	6 July
Allotment and normal trading of New Securities issued under the Placement	7 July
SPP offer opens and SPP booklet dispatched	8 July
SPP offer closes	5.00pm (Sydney time), 21 July
SPP allotment date	28 July
Dispatch of holding statements and normal trading of New Securities issued under the SPP	29 July

The above timetable is indicative only and subject to change. The commencement and quotation of New Securities is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules. HomeCo reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting late applications, either generally or in particular cases, without notice.

Additional information

Additional information about the Placement and SPP, including certain risks, are contained in the investor presentation released to the ASX today.

Investor and analyst briefing teleconference call

A briefing for institutional investors will take place via a conference call at **11:00am (Sydney time) on 1 July 2020**.

Participants must pre-register for the conference call.

Pre-registration link: <https://s1.c-conf.com/DiamondPass/10008285-invite.html>

Following pre-registration, participants will receive the teleconference details and a unique access passcode.

-ENDS-

For further information, please contact:

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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.

IMPORTANT INFORMATION

Future performance and forward-looking statements

This announcement contains certain forward-looking statements. The words 'anticipate', 'believe', 'aim', 'estimate', 'expect', 'intend', 'may', 'plan', 'project', 'will', 'should', 'seek' and similar expressions are intended

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to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of HomeCo and its related bodies corporate and affiliates and each of their respective directors, securityholders, officers, employees, partners, agents, advisers and management. This includes statements about market and industry trends, which are based on interpretations of market conditions. Refer to the 'Key risks' in Appendix B of HomeCo's investor presentation dated 1 July 2020 ("**Investor Presentation**") for a summary of certain risk factors that may affect HomeCo.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based. These statements may assume the success of HomeCo's strategies, the success of which may not be realised within the period for which the forward-looking statements may have been prepared, or at all.

No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this announcement. The forward-looking statements are based only on information available to HomeCo as at the date of this announcement. Except as required by applicable laws or regulations, none of HomeCo, its representatives or advisers undertakes any obligation to provide any additional or updated information or revise the forward-looking statements or other statements in this announcement, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.

Past performance and pro forma historical financial information is given for illustrative purposes only. It should not be relied on and it is not indicative of future performance, including future security prices.

Not for distribution or release in the United States

This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the Securities Act (which HomeCo has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

General

In addition, this announcement is subject to the same "Important Notice and Disclaimer" as appears on slides 1 to 3 of the Investor Presentation with any necessary contextual changes.