



ASX RELEASE

4 December 2020

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ACCELERATING OUR HEALTHCO STRATEGY—PROPERTY ACQUISITIONS AND EQUITY RAISING

- Acquisition of 6 health, education and Government services properties for \$131 million¹
- Increases scale of Health, Wellness & Government exposure to over \$400 million²
- Accelerates Health, Wellness & Government REIT – on track to be established 1H CY2021
- Acquisition of Western Sydney Gregory Hills Home Centre for \$32 million
- \$125 million fully underwritten placement to fund the acquisitions
- Acquisitions and Placement are anticipated to be 4% accretive to HomeCo's FY21 FFO/security³ whilst reducing balance sheet gearing to 22.0%

HomeCo has today announced that it has agreed terms to acquire a portfolio of 6 health, education and Government services properties for a total initial investment of \$62 million (\$131 million total investment including fund-through contributions). The acquisitions are consistent with HomeCo's strategy to increase its exposure to health, wellness and Government assets.

HomeCo has also entered into an agreement to acquire Gregory Hills Home Centre, NSW for a total consideration of \$32 million which increases HomeCo's exposure to the Western Sydney growth corridor.

ACCELERATING HEALTH, WELLNESS & GOVERNMENT REIT

The acquisitions increase HomeCo's Health, Wellness & Government exposure to over \$400 million² of assets and provide the scale to establish a second standalone fund which will be managed by HomeCo in the first half of 2021.

Advisers will be appointed to assist with the HealthCo dual track process (private institutional sell-down versus IPO) prior to the end of CY2020⁴.

HomeCo Executive Chairman & CEO David Di Pilla commented, "*The acquisitions announced today are an exciting step for HomeCo and increases our exposure to the opportunity rich Health, Wellness & Government sectors. Importantly, the establishment of the HealthCo REIT in early 2021, today's \$125 million placement and HomeCo's newly formed Capital Partnerships Group will set the foundation for HomeCo to accelerate growth in assets under management*"

¹ Includes fund through contributions

² As complete' valuation

³ For the 7 month to Jun-21 FFO/security as provided in HomeCo's Notice of 2020 Annual General Meeting of 6.6cps. As at 4 December 2020 and does not contemplate any future acquisitions or disposals that HomeCo or HomeCo Daily Needs REIT may undertake

⁴ Subject to all required board, securityholder and regulatory approvals.

FINANCIAL IMPACT

The acquisitions and Placement (defined below) are anticipated to be accretive to HomeCo's FFO/security with the 7 months to Jun-21 FFO/security guidance upgraded to 6.9cps, representing a 4% increase versus forecasts provided in HomeCo's Notice of 2020 Annual General Meeting of 6.6cps⁵.

HomeCo's balance sheet remains strong with pro-forma Jun-20 balance sheet gearing and look-through gearing expected to decrease to 22.0% and 27.9% respectively following completion of the acquisitions and placement.

The New Securities will be entitled to the dividend for the half year ending 31 December 2020 and will rank equally in all respects with HomeCo's existing ordinary stapled securities from the date of allotment.

The transaction will increase HomeCo's assets under management (**AUM**) to over \$1.7 billion across 47 assets representing over 83% growth since IPO in October 2019 and further strengthens HomeCo's funds management platform and accelerates its objective to grow AUM to \$5bn in the medium term through capital recycling.

EQUITY RAISING—PLACEMENT

HomeCo also today announced that it is undertaking a \$125 million fully underwritten placement at an issue price of \$3.80 (**Issue Price**) per new ordinary stapled security (**New Security**) to fund the acquisitions and associated transaction costs (**Placement**). The Placement is fully underwritten by Goldman Sachs Australia Pty Ltd.

The Issue Price represents a:

- 2.6% discount to the last close price of \$3.90 on 3 December 2020
- 4.0% discount to the 5 day VWAP of \$3.96 on 3 December 2020

The Placement will result in the issue of 32.9 million New Securities representing approximately 12.8% of HomeCo's existing stapled securities on issue. New Securities issued will rank equally in all respects with HomeCo's existing stapled securities from the date of allotment, including with regard to HomeCo's interim FY21 dividend. No securityholder approval is required in connection with the Placement as the Placement is within HomeCo's placement capacity under the ASX Listing Rules.

Timetable

Event	2020
Announcement of the Placement	Friday, 4 December
Placement bookbuild	Friday, 4 December
Settlement of New Securities issued under the Placement	Wednesday, 9 December
Allotment and normal trading of New Securities issued under the Placement	Thursday, 10 December

⁵ For the 7 month to Jun-21 FFO/security as provided in HomeCo's Notice of 2020 Annual General Meeting of 6.6cps. As at 4 December 2020 and does not contemplate any future acquisitions or disposals that HomeCo or HomeCo Daily Needs REIT may undertake

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.

Additional information

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

Investor and analyst briefing teleconference call

A briefing for investors will take place via a conference call at **10:30am (Sydney time) on 4 December 2020.**

Participants must pre-register for the conference call.

Pre-registration link: <https://s1.c-conf.com/DiamondPass/10011349-682ufg.html>

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

-ENDS-

For further information, please contact:

INVESTORS

Will McMicking

CFO

+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

MEDIA

John Frey

GRACosway

+61 411 361 361

jfrey@gracosway.com.au

Authorised for release by the Home Consortium Board.

About HomeCo

HomeCo is focused on the ownership, development and management of real assets. HomeCo manages a property portfolio of \$1.7 billion assets across 47 assets with our tenants spanning daily needs, leisure and lifestyle, health, wellness and Government services enterprises across Australia. HomeCo's objective is to provide above average risk-adjusted returns for our securityholders.

IMPORTANT INFORMATION

19 Bay Street
Double Bay NSW 2028
1300 466 326
info@home-co.com.au

Home Consortium Limited
ABN 94 138 990 593
(trading as Home Consortium)
home-co.com.au

Home Consortium Developments Limited
ACN 635 859 700

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 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 4 December 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 4 of the Investor Presentation with any necessary contextual changes.