

ASX RELEASE

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HOME CONSORTIUM PRIMED FOR NEXT PHASE OF GROWTH STRATEGY FOLLOWING SUCCESSFUL TRANSITION TO CAPITAL LIGHT FUND MANAGER

Financial highlights

- FY21 FFO of 13.1 cps up 51% versus FY20 pro forma FFO of 8.7 cps
- Pro forma Jun-21 net cash position versus 35.6% gearing at Jun-20¹
- ~\$1bn liquidity^{1,2} provides capacity to scale funds management platform to \$10bn+ of AUM by CY24
- 109% TSR³ since IPO in Oct-19, outperforming the S&P/ASX 200 A-REIT Index by 101%⁴

Operational highlights

- Total AUM of \$2.5bn up +144% since FY20⁵
- Successfully listed HomeCo Daily Needs REIT (ASX: HDN) in Nov-20 and grown AUM by 82%⁵
- HealthCo REIT (ASX: HCW) on-track to list in Sep-21 following successful \$650m equity raising

FY22 outlook and guidance

- FY22 pre-tax FFO guidance of at least 18.5 cps up 35% versus FY21⁶
- FY22 DPS guidance of 12.0 cents
- Final FY21 DPS of 6.0 cents (50% franked)

HMC Managing Director and CEO, David Di Pilla, said *“We are pleased to deliver another strong set of results which validate our strategy and the significant value we’ve created for HMC securityholders since IPO. We delivered FFO of 13.1 cps or 15.2 cps on an adjusted basis for the in-specie distribution, up 75% on FY20⁷.”*

“FY21 was a transformational year for HMC on our journey to become Australia’s alternative asset manager of the future. We successfully transitioned from a pure asset owner with \$0.9bn of AUM at IPO to a capital light fund manager with the ability to grow externally managed AUM to \$10bn+ with existing capital sources.”

“HMC will manage two ASX-listed vehicles in sectors which are opportunity rich and exposed to attractive global megatrends – last mile logistics and health & wellness. We are committed to the long-term success of our vehicles through strong alignment and well-established investment mandates based on bottom-up model portfolio construction and focus on capital protection for our investors.”

¹ Pro forma for the completion of the sale of the LFR Portfolio (7 assets) to HDN on 1 July 2021 and the establishment of HCW REIT.

² Refer to slide 7 of the FY21 results presentation.

³ Total securityholder return. Period from HMC IPO (Oct-19) to 20 August 2021. Source: IRESS as at 20 August 2021.

⁴ Including HDN in-specie distribution. Assumes dividends reinvested on ex-dividend date and in-specie distribution received on IPO date (23-Nov-20).

⁵ Includes acquisitions announced post 30-Jun-21 for HDN and HCW. Includes investment properties and cash.

⁶ Growth relative to FY21 pre-tax FFO per security.

⁷ FY20 pro forma FFO of 8.7 cps.

“Post the establishment of HCW, HMC will have ~\$1bn of available liquidity providing significant capacity to rapidly scale our funds management platform and expand into new alternative asset classes which leverage our ability to execute large complex transactions and access to capital. Our goal is to grow externally managed AUM to \$5bn by the end of 2022 and \$10bn by the end of 2024.”

FUNDS MANAGEMENT

Transition to capital light fund manager successfully executed

Post establishment of HealthCo HealthCare & Wellness REIT (ASX: HCW), HMC will directly own only \$207.7m of direct property investments comprising \$188.1m LFR assets and \$19.6m healthcare assets.

This is consistent with HMC’s strategy since IPO to actively recycle capital from its direct property investments into co-investments in HMC managed vehicles which generate additional capital light income streams. HMC’s capital light model has the potential to deliver enhanced equity returns and significant value creation as capital recycling proceeds are re-invested at higher returns and above HMC’s cost of capital.

HMC will manage \$2.2bn of external AUM⁸ across two ASX-listed vehicles versus nil in the prior corresponding period. Post the establishment of HCW REIT, HMC will own \$432m⁹ of co-investments across its 27% and 20% co-investments in HDN and HCW respectively. HMC’s strategy is to hold 10-15% long term co-investments in its ASX-listed REITs.

HomeCo Daily Needs REIT (ASX: HDN) update

- HomeCo Daily Needs REIT established via in-specie distribution and listed on the ASX in Nov-20
- Since listing HDN’s portfolio has grown by +82% to approximately \$1.6bn in real property assets
- FY21 FFO of \$21.4m outperformance of 14% versus PDS FY21 FFO guidance of \$18.8m
- Reaffirmed FY22 FFO per unit guidance of 8.3 cpu versus annualised FY21 PDS guidance of 6.7 cpu
- Development pipeline increased to >\$130m¹⁰ and expected to deliver attractive ROIC and FFO growth
- Well positioned to benefit from the secular shift to omni-channel retailing with a strategic network of last mile infrastructure and rents at the bottom of the retail landlord cost curve

HealthCo Healthcare & Wellness REIT (ASX: HCW) update

- IPO is fully underwritten and on-track to list in early Sep-21
- Strong level of investor demand drove upsize of IPO to \$650m versus initial plans to raise \$500m
- Only ASX-listed diversified healthcare REIT targeting balanced exposure across Hospitals; Aged Care; Childcare; Government, Life Sciences & Research; and Primary Care & Wellness properties
- HMC will hold a 20% initial co-investment in HCW
- In active diligence with a number of potential investors to raise unlisted wholesale equity for HealthCo and establish a complementary capital source to accelerate growth
- Strategic alliance with PDG Corporation announced in Aug-21 to support large scale Healthcare & Wellness precinct development opportunities
- Well positioned to benefit from megatrends underpinning long-term healthcare demand growth including ageing population, technological advancements, and evolving consumer preferences

⁸ Post establishment of HCW REIT in Sep-21

⁹ HDN co-investment mark-to-market value of \$302m as at 20-Aug-21 and 20% interest in HCW of \$130m at IPO issue price.

¹⁰ Includes brownfield development pipeline and remaining cost to complete for Ellenbrook (WA).

OUTLOOK AND GUIDANCE

HMC Managing Director and CEO, David Di Pilla, said *“The strong momentum has continued in FY22 with the upcoming ASX-listing of HCW in Sep-21 following a successful \$650m equity raising which was strongly oversubscribed and subsequently upsized. Looking ahead, our management team remains highly motivated and excited to take HMC into its next growth phase. HMC will continue to evolve in a disciplined and measured way towards its ambition to become Australia’s alternative asset manager of the future.”*

HMC has started FY22 with strong momentum and is pleased to provide the following guidance:

- Pre-tax FFO of at least 18.5 cents per security up +35% on FY21¹¹
- FY22 DPS guidance of 12.0 cents (65% pre-tax FFO payout ratio¹²)

As a fund manager, HMC now has greater re-investment opportunities with the potential to generate returns above its cost of capital. HMC will maintain a flexible approach with regard to future distributions as it continually assesses its capital needs.

Outlook statements have been made barring any unforeseen circumstances and on the basis that COVID-19 lockdowns and government-mandated restrictions do not escalate beyond the present circumstances.

Investor and analyst briefing

An investor and analyst briefing teleconference call, followed by a question and answer session, will be held on **Wednesday 25 August 2021 at 10:00am (AEDT)**. Investors and analysts wishing to participate can pre-register for the call at: <https://s1.c-conf.com/diamondpass/10014799-6wrf48.html>

The following webcast link will be available: <https://webcast.openbriefing.com/7562/> Participants will need to input their name, email address and company name to register for the 10:00am webcast.

-ENDS-

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¹¹ Growth relative to FY21 pre-tax FFO per security.

¹² Maximum pre-tax payout ratio based on 18.5 cps pre-tax FFO guidance.

Authorised for release by the Home Consortium Board

About Home Consortium

HMC is an ASX-listed fund manager which invests in high conviction and scalable real asset strategies on behalf of individuals, large institutions and super funds. HMC is well capitalised and resourced to internally fund its strategy to grow externally managed AUM to \$10bn+ by 2024.

HMC is the manager of HomeCo Daily Needs REIT (HDN) which listed in Nov-20 and owns approximately \$1.6bn of assets. HMC's second ASX-listed externally managed vehicle, HealthCo Healthcare and Wellness REIT (HCW) is on track to list in September 2021. HMC is also progressing plans to raise unlisted wholesale equity for HealthCo.

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This announcement contains certain forward-looking statements, which may include 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 Home Consortium. 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.

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