

ASX RELEASE

26 August 2020

HOME CONSORTIUM DELIVERS ON PROSPECTUS FORECASTS AND ANNOUNCES THE NEXT STAGE OF ITS GROWTH STRATEGY

Financial performance for the full year ended 30 June 2020

- FY20 pro-forma Freehold FFO 13% ahead of prospectus forecast
- 99% of FY20 COVID-19 tenant relief agreed and documented
- 91% cash collection in Jul-20 and similar collections expected for August
- Portfolio valuation increased 5.2% (net 1.7% after capex)
- 7.5 cps fully franked FY20 final dividend declared
- Pro-forma Jun-20 gearing of 32.4% and liquidity of \$109m

Operational and portfolio highlights

- \$1.2bn AUM across 36¹ assets reflecting 30% growth in AUM since IPO
- 47% exposure to defensive Daily Needs and Healthcare & Wellness services tenants²
- Sustainable and resilient cash flows backed by long WALE of 8.1 years³
- Occupancy of 97.8% being an increase of over 5% since IPO⁴
- Trading occupancy of 91.1%⁴ increasing from 81.3% at the time of the IPO
- Annual like for like Jun-20 and Jul-20 foot traffic growth of 18% and 16% respectively versus pcp⁵

Executive Chairman and Chief Executive Officer, Mr David Di Pilla, said "It is pleasing for our maiden full-year reporting period to present such a strong set of results which deliver against our prospectus forecasts. The strength of our portfolio has been highlighted by our portfolio valuations increasing 5.2% since Dec-19. We have also demonstrated our ability to proactively and effectively manage the uncertainty caused by COVID-19 by documenting 99% of FY20 COVID-19 tenant relief. Importantly, through the recently announced acquisitions of three Woolworths anchored centres, Parafield and Aurrum Erina we have increased our exposure to Daily Needs and Healthcare & Wellness services tenants to 47%."

¹ Includes Ballarat which is expected to settle in 2022

² By gross income across all Freehold assets (including 3 Woolworths neighbourhood centres, Parafield, Aurrum Erina and Ballarat)

³ Based on signed leases and MOU's across freehold operating assets

⁴ By GLA across 22 operating assets

⁵ Across all freehold and leasehold operating centres

COVID-19 Impacts

HomeCo provided \$5.7 million in COVID-19 tenant support during the 4th quarter of FY20 (versus 7-May guidance of \$6-7m) of which:

- \$1.0m reflects rental deferrals which had no FY20 FFO impact
- \$4.7m reflects rental abatements of which:
 - \$2.4m is expensed reducing FY20 FFO
 - \$2.3m is capitalised due to a deemed modification of the lease
 - Accounting treatment is as per AASB 9, AASB 16 and ASIC guidance

HomeCo's proactive COVID-19 strategy has resulted in 99% of FY20 COVID-19 tenant relief agreed and documented. 91%⁶ of Jul-20 rent is cash collected and similar cash collection is expected for Aug-20. The FY20 cash flow impact was fully offset by corporate cost savings and a reduction in the final FY20 dividend to 7.5 cps.

Developments

HomeCo continues to utilise its substantial land holding of approximately 1.3 million sqm, with relatively low site coverage ratio of 32%, for developments with significant progress made in FY20.

- 3 new centres developed in FY20 (Hawthorn East, Keysborough, and Coffs Harbour)
- 7 centres in development and expected to open in FY21 (80,000 sqm of GLA)
- 10 pad sites in development and anticipated to be open in FY21-FY22 which are expected to deliver a 12% ungeared cash yield⁷
- Development applications for fully integrated Healthcare & Wellness centres being developed for remaining properties

Strategic growth initiatives

Announcement of intention to establish ASX listed Daily Needs REIT and Healthcare & Wellness update

ASX listed Daily Needs REIT

- Intention to establish a new Daily Needs ASX-listed REIT ("DN REIT") through an in-specie distribution to securityholders
- HomeCo to own a partial stake in the DN REIT post in-specie distribution and act as responsible entity to the DN REIT
- Securityholders to receive new securities in DN REIT proportional to their existing shareholding and have the opportunity to vote on the in-specie distribution
- In-specie distribution is expected to be completed in late 2020 / early 2021 (subject to market conditions and all required regulatory approvals)
- Delivers securityholders an investment in two companies with different investment attributes:

⁶ As at 26-Aug-20

⁷ Yield represents fully leased property net income divided by capital works (including incentives)

- DN REIT: 100% owned portfolio of stabilised, convenience based daily needs focused assets targeting consistent, growing distributions to securityholders
- HomeCo: Owner, developer and manager of diversified property investments including the Daily Needs REIT and HealthCo
- Progresses HomeCo towards a capital light model with diversified income streams across rent collection, management fees and property development

Healthcare & Wellness unlisted fund

- HomeCo announced its intention to introduce external capital to a selection of existing Healthcare & Wellness assets through the establishment of a Healthcare & Wellness unlisted fund at its FY20 half year results
- As at Jun-20, HomeCo has exposure to over \$150m of existing seed assets with a significant development pipeline of healthcare & wellness opportunities
- Planning is now well advanced with fund raising to commence in late 2020 / 2021

Outlook

Executive Chairman and Chief Executive Officer Mr Di Pilla said “HomeCo is on track to execute its strategy to deliver above average risk-adjusted returns and remains focused on creating a platform for sustainable long-term growth via the own, develop and manage model.

The recently announced acquisitions of daily needs and healthcare & wellness assets in July 2020 provides the foundation for the next phase of HomeCo’s evolution under our Own, Develop and Manage strategy and we are pleased to announce our intention to establish an ASX listed Daily Needs REIT and the development of a Healthcare & Wellness unlisted fund which together form the platform from which we will deliver sustainable growth into the future.”

HomeCo is well placed to withstand any future COVID-19 developments with a strong liquidity position, diversified tenant mix and competitive rent offering and this is reflected in our current rent collections. In light of recent COVID-19 developments, including the Melbourne Stage 4 restrictions, HomeCo considers it appropriate to provide no FY21 earnings guidance.

Investor and analyst briefing teleconference call

An investor and analyst briefing teleconference call, followed by a question and answer session, will be held on **26 August 2020 at 10:30am AEST**. Investors and analysts wishing to participate can pre-register for the call at: <https://s1.c-conf.com/diamondpass/10008362-invite.html>

The following webcast link will be available: <https://webcast.openbriefing.com/6250/>. Please input your name, email and company to register for the webcast.

-ENDS-

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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.

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Information is stated as at 30 June 2020 unless otherwise indicated. All values are expressed in Australian currency unless otherwise indicated.

The issuer of the units in the DN REIT will be the responsible entity, which will be wholly owned by HomeCo. A product disclosure statement will be made available when the units become available for issue. The product disclosure statement is expected to be made available in late 2020 / early 2021 at www.asx.com.au. Investors should consider the product disclosure statement in deciding whether or not to acquire, or continue to hold, units in the DN REIT.

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