

ASX RELEASE

12 July 2021

HEALTHCO UPDATE

HealthCo announces acquisitions and investments which increase initial seed asset portfolio to approximately \$1.0 billion (as-complete basis)

- Acquisition of 8 private oncology assets with triple-net leases from GenesisCare for \$110.3 million¹
- Establishment of joint venture with operator Acurio Health Group (**Acurio**) to acquire and develop a 5 hectare integrated private hospital anchored health precinct in Camden, NSW
 - Initial land acquisition investment by Home Consortium of \$29.2 million² with approvals in place to commence construction by October 2021 of a 78 bed private hospital which will be leased to Acurio
 - Long term potential to create a \$500+ million health and innovation precinct
- ASX-listed HealthCo REIT (**ASX-Listed HealthCo**) and Unlisted Institutional Fund (**Unlisted HealthCo**) on-track for establishment by calendar year end

Home Consortium (ASX:HMC) (**HomeCo**) today provides an update in relation to HealthCo portfolio acquisitions which further enhance the scale and diversification of the seed portfolio for the proposed ASX-Listed and Unlisted HealthCo vehicles.

These acquisitions build on the strong momentum and success to date in assembling a high quality and diversified healthcare portfolio which provides exposure to attractive long-term growth megatrends and aims to deliver attractive risk adjusted returns.

These acquisitions will be funded from cash and undrawn debt commitments³.

GenesisCare Property Portfolio Acquisition

HomeCo has agreed to acquire via sale-and-leaseback a national property portfolio from global oncology care provider GenesisCare. GenesisCare is one of the largest independent providers of integrated oncology services with over 440 clinics internationally, including 370 radiation therapy treatment centres in Australia, USA, UK and Spain.

The acquisition price of \$110.3 million¹ reflects a weighted average passing yield of approximately 4.5%. The portfolio provides attractive income security and growth characteristics:

- Triple-net leases
- WALE of 10.7 years (with long term options across all properties)
- Strong embedded rental growth and inflation protection

GenesisCare will continue to operate each centre and there will be no impact on patient care.

¹ Completion of the acquisitions is subject to customary regulatory approvals and 3 of the 8 properties are subject to other 3rd party consents.

² \$29.2 million represents HomeCo's share of initial investment.

³ HomeCo's existing senior debt credit approved commitments from lenders have sufficient capacity to fund the acquisitions.

Camden Integrated Hospital Anchored Health Precinct Development

The agreed acquisition of a 5 hectare site across three parcels of land in Camden, NSW will unlock a significant development pipeline for HealthCo in Australia's fastest growing local government area (LGA)⁴.

HealthCo has agreed to partner with Acurio to initially develop a 78 bed integrated private hospital⁵ (stage 1) which will be leased to Acurio under a 15 year lease. In addition, the joint venture will develop an integrated health and innovation precinct (stages 2 & 3) with a potential end value of \$500+ million. The parcels of land have State Significant Development Approval for a mixed-use medical campus including approval for a large scale general hospital and biomedical facility.

For stage 1 of the project, HomeCo has agreed terms to fund at least \$70 million of capex and construction is expected to commence by October 2021.

Camden presents a significant long term investment opportunity for HealthCo and is underpinned by attractive growth demographics including:

- **Population growth:** Camden is forecast to be among the fastest population growth LGAs in Australia, with forecast growth of 4.5% per annum from 2021-2041⁶
- **Ageing population:** the over 65 age group in South-West Sydney is expected to increase 74% by 2031, and 92% in the over 85 age group⁷.
- **High private health insurance coverage:** Camden has 58% private health insurance coverage vs NSW average of 46% and surrounding LGA average of 30%⁸
- **Undersupply of private hospital beds:** preliminary needs analysis estimates a current deficit of ~500 overnight and ~150 same day private beds in Sydney's South West and Outer South West vs. available supply. This deficit is expected to grow without further investment in capacity in the region⁹

HomeCo Managing Director and Chief Executive Officer David Di Pilla said:

"Today's acquisition update further demonstrates our ability to source high quality healthcare assets which align to the model portfolio strategy for HealthCo. We are pleased to establish strategic partnerships with both GenesisCare and Acurio. In particular, we look forward to the development at Camden as part of our significant broader involvement in the Western Sydney growth corridor."

HealthCo Capital Raising Update

HomeCo's previously proposed strategy to establish ASX-Listed HealthCo and Unlisted HealthCo by calendar year end remains on-track.

- The IPO process for ASX-Listed HealthCo which will look to raise at least \$500 million of equity has commenced and is on-track for a listing in 1H FY22
- The Unlisted HealthCo Fund is also on-track for establishment with a target equity raise of \$1.0 billion and initial first close of at least \$500 million by calendar year end

⁴ Source: Australian Bureau of Statistics, Regional Population, 2019–20. Excludes LGA's with a population of less than 50,000 people.

⁵ Includes 58 overnight beds and 20 day beds.

⁶ Source: NSW Department of Planning, Industry & Environment projections (December 2020).

⁷ Source: Nov 2020 NSW Parliamentary Inquiry – Current and Future provision of health services in the South-West Sydney Growth Region.

⁸ Source: HPI Private Paediatric Needs Assessment Report June 2021.

⁹ Source: Hades & Associates data (July 2021).

HealthCo Board and Governance Update

The proposed board and governance framework for ASX-Listed HealthCo and Unlisted HealthCo Fund has now been finalised. The board will be comprised of highly credentialed individuals with complementary backgrounds, skill sets and experiences. The HealthCo Advisory panel which was previously announced will continue to assist with investment opportunity origination and due diligence.

HomeCo is pleased to announce that Dr. Chris Roberts (former CEO of Cochlear Limited) has agreed to join the proposed board of ASX-Listed HealthCo. The proposed ASX-Listed HealthCo board will be comprised of:

- Joseph Carrozzi (Independent Chairman)
- Stephanie Lai (Independent Director and Chair of the Audit & Risk Committee)
- Natalie Meyenn (Independent Director)
- Dr. Chris Roberts (Independent Director)
- Kelly O'Dwyer (HomeCo representative)
- David Di Pilla (HomeCo representative)

Further details on the board and governance framework are outlined on page 4 of the **attached** Appendix.

FY21 Guidance Reaffirmed

HomeCo reaffirms FY21 FFO guidance of no less than \$35.0 million (12.9 cents per security). HomeCo also reaffirms FY21 dividend guidance of 12.0 cents per security.

-ENDS-

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Authorised for release by the Home Consortium Board

About HomeCo

HomeCo 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. HomeCo is well capitalised and resourced to internally fund its strategy to grow FUM to \$5bn+ in the medium term by leveraging its 'Own, Develop and Manage' model.

HomeCo is the manager of HomeCo Daily Needs REIT (HDN) which listed in Nov-20 and owns approximately \$1.6bn of assets. HomeCo is targeting the establishment of both a listed and unlisted fund focused on health and wellness sectors (HealthCo) by 2H21.

IMPORTANT NOTICE

The information provided in this document has been prepared by Home Consortium (a stapled entity comprising Home Consortium Limited (ACN 138 990 593) and Home Consortium Developments Limited (ACN 635 859 700)). The issuer of the units in the proposed HealthCo will be a wholly owned subsidiary of Home Consortium. The listed HealthCo fund has not been established nor registered as a registered scheme with the Australian Securities and Investments Commission (ASIC). Any offer of units in the listed HealthCo fund to retail clients will only be made following registration of the listed HealthCo fund with ASIC and pursuant to a product disclosure statement issued under Part 7.9 of the Corporations Act 2001 (Cth) (PDS) by the responsible entity of the listed HealthCo fund. The PDS is expected to be lodged with ASIC and made available in the second half of 2021 at <https://www2.asx.com.au/>. Investors should consider the PDS in deciding whether or not to acquire units in the listed HealthCo fund.

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Appendix A





Camden Integrated Private Hospital Anchored Health Precinct

HealthCo has established a joint venture with Operator Acurio Health Group

Renders of Camden Stage 1 – Private Hospital Development



Renders of Stages 2 & 3 Potential Health and Innovation Precinct Development



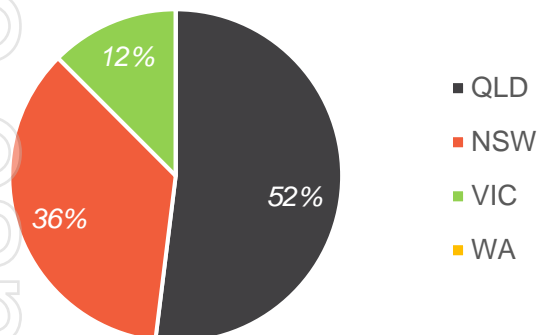


HealthCo portfolio impacts of GenesisCare acquisition

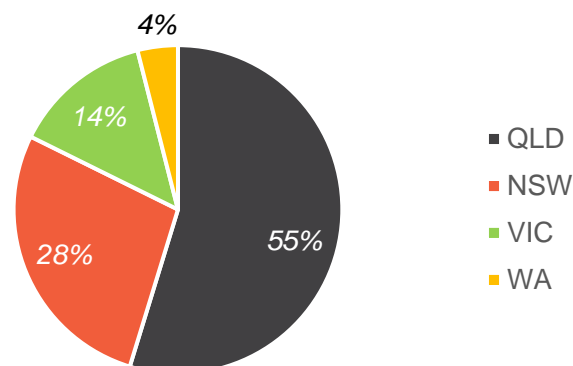
The acquisition of the GenesisCare property portfolio improves HealthCo's scale and diversification across geographies, subsectors and tenants

HealthCo geographic mix by asset value^{1,2}

HealthCo seed assets pre-transaction

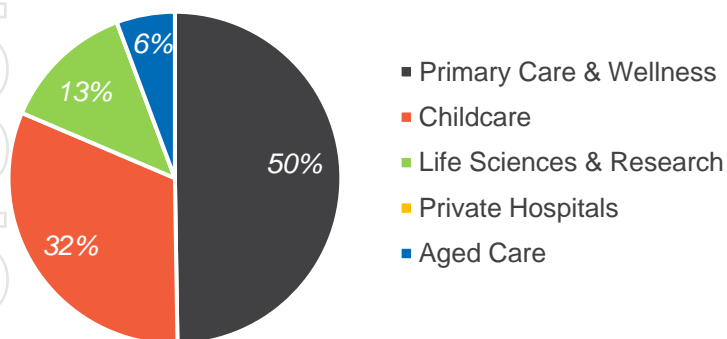


HealthCo (post-Genesis)

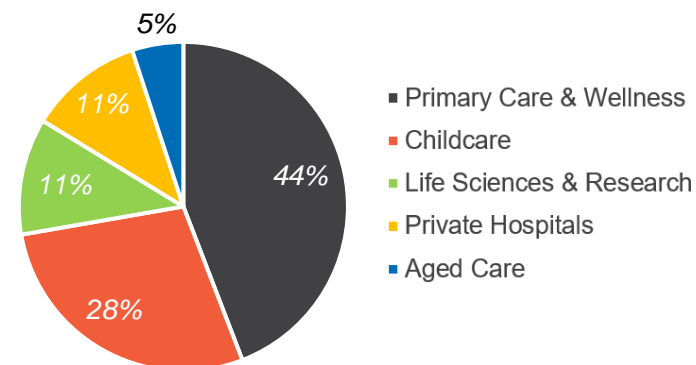


HealthCo gross income mix by subsector³

HealthCo seed assets pre-transaction



HealthCo (post-Genesis)



Notes: 1. Asset value equivalent to book value for HealthCo seed assets currently held by HomeCo. GenesisCare property acquisitions based on purchase price. 2. Completion of the acquisitions is subject to customary regulatory approvals and 3 of the 8 properties are subject to other 3rd party consents. 3. Calculated as gross income from signed leases and signed MoU's



Appendix B





HealthCo Board and Governance

HealthCo (HCW.ASX REIT) Board of Directors

1. Joseph Carrozzi (Independent Chairman)
2. Stephanie Lai (Independent Director and Chair of Audit & Risk Committee)
3. Natalie Meyenn (Independent Director)
4. Dr. Chris Roberts (Independent Director)
5. Kelly O'Dwyer (HomeCo representative)
6. David Di Pilla (HomeCo Representative)

HealthCo (Unlisted Fund) Board and Investment Committee

1. Simon Tuxen (Independent Chairman)
2. Natalie Meyenn (Independent Director)
3. HomeCo CEO (David Di Pilla)
4. HomeCo Chairman or Director (Chris Saxon / Greg Hayes as alternate)
5. HomeCo COO or CFO (Sid Sharma / William McMicking as alternate)

HealthCo Advisory Panel

1. Joseph Carrozzi
2. Tom Hardwick
3. Natalie Meyenn
4. Dr. Chris Roberts
5. Professor Bruce Robinson
6. Danny Sims

HealthCo

Model Portfolio Construction

HealthCo will target a diversified portfolio underpinned by attractive growth megatrends

Life Sciences & Research

- ✓ Funding into life science research has been accelerated as a result of the COVID-19 global pandemic
- ✓ ~\$12bn in Australian Government funding for R&D forecast for FY21 with >50% of Australian University R&D expenditure focussed on health and life sciences
- ✓ More than 150 life sciences companies are listed on the ASX worth ~\$170bn

Hospitals

- ✓ Increased demand for complex acute and chronic care
- ✓ High barriers to entry due to government regulation
- ✓ Significant opportunity in not-for-profit space to provide efficient source of capital and partner with operators
- ✓ Public hospitals funding of ~\$134bn for FY20-25



Aged Care

- ✓ The Australia Government subsidises ~75% of the annual cost of the aged care system
- ✓ +80,000 new residential aged care places by 2030 to meet Australian Government's target
- ✓ Recommendation of Royal Commission in Mar-21 to potentially phase out RAD's (currently providing ~\$30bn of funding to operators) which is likely to accelerate transaction activity

Primary Care & Wellness

- ✓ Increased consumer focus on wellness
- ✓ Consumer demand subsidised by Medicare with ~\$30bn p.a. committed over the next four years
- ✓ High barriers to entry due to government regulation (licensing requirements for private health facilities, Medicare/PBS regulations)

Childcare

- ✓ Australian workforce is working longer hours on average
- ✓ Dual income households are growing as a proportion of total in response to rising costs of living
- ✓ Participation rate of parents in full-time roles is increasing
- ✓ ~\$40bn Childcare Subsidy program committed to across FY20-24

HealthCo

Investment Strategy & Portfolio Construction Approach

