



ASX RELEASE

10 December 2021

CHAIR AND CEO'S ADDRESS TO ANNUAL GENERAL MEETING 2021 OF HOME CONSORTIUM SECURITYHOLDERS

Home Consortium (ASX: HMC) provides the attached Chair and CEO's address to the Annual General Meeting 2021 of Home Consortium securityholders scheduled to take place at 10am, Friday, 10 December 2021.

-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 \$1.8bn of assets. HDN recently announced a proposal to merge with Aventus Group (AVN) to create Australia's leading daily needs REIT with a combined portfolio size of \$4.1bn and market capitalisation of approximately \$3.3bn. HomeCo's second ASX-listed externally managed vehicle, HealthCo Healthcare and Wellness REIT (HCW) listed in September 2021.

Friday, 10 December 2021

Chair and CEO's Address to 2021 Annual General Meetings, Scheme Meeting and Extraordinary General Meetings of Home Consortium Securityholders

Welcome and Introduction

Good morning ladies and gentlemen. My name is Chris Saxon, and I am the Chair of Home Consortium. I will chair today's Annual General Meeting of Home Consortium securityholders, as well as the Scheme Meeting and the two Extraordinary General Meetings which follow this AGM.

In the spirit of reconciliation I would like to begin by acknowledging the Traditional Custodians of country throughout Australia. We celebrate their diverse culture and their connections to land, sea and community. We pay our respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

I would also like to introduce my fellow directors – Jane McAloon (who is also Chair of the Audit and Risk Committee), Zac Fried, Greg Hayes, Brendon Gale (who is also Chair of the Sustainability Committee), Kelly O'Dwyer and David Di Pilla, the Managing Director and Group Chief Executive Officer.

On behalf of the Board of Directors, it is my pleasure to welcome you here today. It has been an exciting and transformational year for our company, with many highlights and much achieved. Moreover, we are confident Home Consortium is well placed to continue to deliver value for all of our securityholders in the year ahead.

I will formally open the AGM meeting before asking David to address you and provide an overview of FY21 and an outlook for FY22. We will then move to the formal business of the day including the Scheme Meeting and two Extraordinary General Meetings which follow this AGM.

Convening of Meetings

The Annual General Meetings have been convened in accordance with the Corporations Act and as a quorum of securityholders is present, I declare the meeting open.

The Scheme Meeting has been convened by the Supreme Court of New South Wales and the Extraordinary General Meetings have been convened by Home Consortium, each in accordance with the Corporations Act. Following the closure of the AGM, I will consecutively open the Scheme Meeting, followed by each of the Extraordinary General Meetings, subject to brief 5 minute recesses between each meeting.

The meetings are being held in virtual format only. Securityholders can be present virtually via the live webcast and you will be able to vote electronically through the online platform provided by Home Consortium's share registry, Link Market Services. There is a separate link for each of the meetings. To log in you will need your holder identifier and postcode. The online platform provides an opportunity for all securityholders to participate.

Voting on all resolutions will occur by way of poll. Securityholders attending the meeting online will be able to cast their vote using the electronic voting card received when online registration was validated. For assistance please refer to the Virtual Meeting Online Guide available in the investor centre on our website.

Securityholder's questions through the online platform are welcome at all of the meetings. As set out in the Notice of Meeting questions were invited to be submitted by 10am (Sydney time) on Wednesday, 8 December

2021. I confirm that no questions were received by that time, but you are still able to ask questions at any time during the meeting. You are able to log questions during this meeting through the online platform.

Order of Business – Annual General Meeting

As mentioned, I will shortly hand over to David Di Pilla to provide a brief overview of the 2021 financial year and an outlook for FY22.

After that, I will then move to the formal business of the meeting during which securityholders will be asked to:

- consider the Financial Report, Director's Report and Auditor's Report for the year ended 30 June 2021;
- adopt the 2021 Remuneration Report;
- vote on the re-election of Brendon Gale, Zac Fried and myself as directors for a three-year term; and
- vote on the grant of performance rights to David Di Pilla.

For each resolution, I will provide the relevant background, put the resolution to the meeting and then invite questions. The vote by poll will then be formally conducted. Once the final votes cast are counted following closure of the meeting, the results of each vote will be released to the ASX.

I will be proposing Resolutions 1, 2, 3 and 5. Given the nature of Resolution 4 (which relates to my own re-election as a director), David Di Pilla will be Chair of the meeting to put Resolution 4 to you. Resolutions 1 and 5 are subject to voting exclusions – please refer to the Notice of Meeting for detail in that regard.

Where a proxy vote has been directed to the Chair of the meeting I intend to vote in favour of the relevant resolution.

Order of Business – Scheme Meeting and Extraordinary General Meetings

As you are aware, securityholders have separately received the Shareholder Booklet for the proposed restructure of Home Consortium, a matter on which you will have the opportunity to vote at the Scheme Meeting and the two Extraordinary General Meetings which follow this AGM.

As we announced to the market on 18 October 2021, the proposal involves the simplification of Home Consortium from the existing stapled company structure, comprised of Home Consortium Limited (which I will refer to as “**HCL**”) and Home Consortium Developments Limited (which I will refer to as “**HCDL**”) to a single company structure.

In summary, this simplification will be achieved principally by:

1. destapling HCL shares from HCDL shares (such that HCL shares and HCDL shares are not required to be dealt with together);
2. transferring all of the HCDL shares to HCL in exchange for an issue of HCL shares; and
3. consolidating the number of HCL shares on issue so that eligible shareholders will hold one share in HCL for each stapled share they currently hold.

Following these steps HCDL will be delisted and the entire business of Home Consortium (including HCDL) will be held by HCL, which will remain listed on the ASX.

Importantly, after the proposal is implemented, there will be no change to Home Consortium's underlying business and operations. There will also be no change to Home Consortium shareholders' interests in them (other than for ineligible foreign shareholders).

After this AGM, three meetings will be held to approve the restructure following a short 5 minute recess. There will be at least a 5 minute recess between each meeting to allow shareholders time to access the online link for the relevant meeting.

Firstly, there will be a Scheme Meeting of HCDL shareholders to be held at 10.30am or as soon thereafter as the AGM ends. The business to be considered at that meeting is a scheme of arrangement proposed to be made between HCDL and its shareholders. The relevant resolution must be passed by a majority in number of shareholders (in their capacity as HCDL shareholders) who vote and 75% of the votes cast by shareholders entitled to vote.

Secondly, at 10.45am or as soon thereafter as the Scheme Meeting ends, an Extraordinary General Meeting of HCL shareholders will be held. The business to be considered at that meeting is the approval of the destapling of HCL shares and HCDL shares, and the subsequent consolidation of HCL shares. The destapling resolution must also be passed by at least 75% of the votes cast by shareholders, while the consolidation resolution must be passed by at least 50% of the votes cast by shareholders, in each case in their capacity as HCL shareholders entitled to vote.

Finally, at 11.00am or as soon thereafter as the HCL Extraordinary General Meeting ends, an Extraordinary General Meeting of HCDL shareholders will be held. The business to be considered at that meeting is the approval of the destapling of HCL shares and HCDL shares. The relevant resolution must be passed by at least 75% of the votes cast by shareholders (in their capacity as HCDL shareholders) entitled to vote.

For each resolution at each meeting, I will provide the relevant background, put the resolution to the meeting and then invite questions. The vote by poll will then be formally conducted. None of the resolutions at the Scheme Meeting and Extraordinary General Meetings are subject to voting exclusions. Once the final votes cast are counted following closure of the meeting, the results will be released to the ASX.

Where a proxy vote has been directed to the Chair of the meetings I intend to vote in favour of the relevant resolution.

All resolutions at the Scheme Meeting and Extraordinary General Meetings are inter-conditional, which means that if one resolution is not passed, the restructure will not proceed.

You should be aware that the advantages and disadvantages of the restructure proposal are outlined in sections 2.5 and 2.6 of the Shareholder Booklet. Grant Thornton Corporate Finance, the independent expert who has considered the proposal, has concluded that the advantages of the proposal outweigh the disadvantages and accordingly the scheme is in the best interests of Home Consortium shareholders. The full independent expert's report is included in Annexure A to the Shareholder Booklet.

On balance the Board believes that the advantages of the proposal outweigh the disadvantages and risks of the proposal. As I mentioned earlier, you will have an opportunity to vote on the restructure proposal following this AGM.

Turning to the business of the AGM, I would like to hand over to David Di Pilla, Managing Director and Group Chief Executive Officer for the CEO update and FY22 outlook.

Managing Director and CEO Update and FY22 Outlook

Thanks Chris and good morning everyone.

Firstly, I would like to thank our securityholders for your ongoing support and for entrusting us with your investment capital.

On behalf of the Board, I would also like to acknowledge our elite management team who have worked tirelessly during a challenging environment. Our team has created significant value for securityholders through the

successful execution of several major transactions which have transformed Home Consortium's growth prospects as a fund manager and ability to continue to generate strong securityholder returns.

FY21 was a transformational year for Home Consortium and our growth has continued into FY22 with the successful listing of HealthCo Healthcare and Wellness REIT in early September and the proposed merger of the HomeCo Daily Needs REIT and Aventus Group which was announced in mid-October.

Following these recent initiatives, Home Consortium's total assets under management will grow to ~\$5 billion compared with \$900 million at listing in October 2019, which represents growth of 441%. It is also worth highlighting that external assets under management will also grow to ~\$5 billion from nil at IPO. We are now well on the path towards our ambition to become Australia's alternative asset manager of the future with scalable growth platforms across real estate and in the future private equity, infrastructure, and credit.

Most importantly, our efforts are generating strong returns for securityholders:

- In FY21, Home Consortium delivered a 145% total securityholder return making it the best performing constituent in the S&P/ASX 300 A-REIT index;
- Since listing, Home Consortium has delivered a 208% total securityholder return, versus 19% and 15% for the S&P/ASX 200 index and the S&P/ASX 200 A-REIT index respectively, over the same period.

Home Consortium is now a very different business to the one that listed just over two years ago. We have successfully transitioned from a pure asset owner to a capital light fund manager. The establishment of the HomeCo Daily Needs REIT and HealthCo Healthcare & Wellness REIT has resulted in a significant capital reallocation which will enable us to generate much higher returns on capital and earnings growth going forward. Post the establishment of HealthCo, our balance sheet is strong with a net cash position and significant liquidity to meaningfully grow assets under management.

Funds management update

Post the Aventus transaction, Home Consortium will manage ~\$5 billion of external assets under management via two leading ASX-listed vehicles which generate high quality and recurring capital light management fees.

Home Consortium is committed to strong alignment, corporate governance practices and an investment approach which is guided by bottom-up model portfolio construction and focus on capital protection. We recognise that our ability to grow assets under management is ultimately linked to the investment performance and track record of our managed funds.

Our two established REITs are exposed to attractive megatrends and high-quality assets which provide secure and growing distributions. In addition, these vehicles have the potential to deliver real social impact which is showcased in our inaugural Sustainability Report which was released last week.

HomeCo Daily Needs REIT

The HomeCo Daily Needs REIT has a mandate to invest in a model portfolio of assets exposed to neighbourhood, large format retail and health and services tenants.

Post the proposed merger with Aventus, the HomeCo Daily Needs REIT will own a highly strategic last mile infrastructure network spanning 2.5 million square metres in some of the best growth corridors of metropolitan Sydney, Melbourne, Brisbane, Perth and Adelaide.

The growth outlook for the merged group is exciting with an identified development pipeline of \$450 million across near-term brownfield opportunities and larger scale developments where we are targeting at least a 7% return on invested capital.

We have strong conviction in our view that the combination will create Australia's leading daily needs REIT with much greater defensive and growth attributes relative to each standalone business today. The transaction has the unanimous support of the directors of both Aventus and HomeCo Daily Needs REIT. The Independent

Expert has also concluded that the merger proposal is fair and reasonable and in the best interest of Aventus securityholders in the absence of a superior proposal. The transaction is subject to a vote from both sets of shareholders which is due to take place in late January as detailed in the scheme booklet and notice of meeting which were released this week.

HealthCo Healthcare and Wellness REIT

The HealthCo Healthcare and Wellness REIT which listed on the ASX in September 2021 has a mandate to own a diversified portfolio of healthcare and wellness property assets underpinned by healthcare sector megatrends.

As the only ASX-listed diversified healthcare REIT, HealthCo has an exciting growth outlook with a large addressable market of \$220 billion across its five-target subsectors. The strong investor response for the IPO enabled us to upsize the capital raising to \$650 million and establish the REIT with significant capacity for accretive acquisitions and investments. We recently announced \$200 million of high-quality acquisitions which will increase the portfolio to \$850 million on an as-complete basis.

We recently appointed Christian Soberg as Chief Financial Officer of HealthCo. Christian has extensive healthcare industry experience and relationships and previously worked in healthcare investment banking for Rothschild in London. Christian will work closely with Sam Morris, Senior Portfolio Manager for HealthCo who joined us earlier this year from ANZ Bank.

Sustainability

Earlier, I touched on the publication of Home Consortium's inaugural Sustainability Report for FY21. Embedding ESG into everything we do is a key priority, and the report showcases our journey to date and the specific commitments we have made across ESG.

Aligning our strategy to the expectations of our key stakeholders, including investors, tenants, customers and our staff was critical in formulating our approach. Our commitments were designed with the insights obtained from our key stakeholders, through a materiality assessment process managed by KPMG Banarra. I am proud to report that through this work, the sustainability focus for Home Consortium is to create "*healthy communities*". Importantly, this also includes our commitment to achieving Net Zero emissions by 2028.

Our pathway to this target will focus on utilising energy efficient systems and technologies as well as renewable energy. Importantly, healthy communities also require a focus on social impact and we have developed a social impact framework that will be embedded across our investment strategy and culture. Further information is detailed in our Sustainability Report.

FY22 Outlook and Guidance

Turning now to our outlook and guidance for FY22.

Home Consortium reaffirms FY22 guidance for pre-tax FFO per security of 26.0 cents which represents an upgrade of 41% on our prior guidance provided in August 2021 and 89% growth versus FY21. This strong growth demonstrates the operating leverage in our funds management platform.

Proposed establishment of HMC Capital Partners

We are excited to announce today our next major growth initiative – HMC Capital Partners – which we believe has the potential to further accelerate the growth and the diversification of our alternatives funds management platform.

We believe there is a genuine gap in the Australian market for a specialist alternative asset manager that can provide investors with exposure to carefully constructed portfolios of real assets which are downside protected and uncorrelated to the equity market.

Notably, a significant proportion of Australia's superannuation and personal savings capital pool has limited exposure to alternatives currently. In contrast, global pension fund allocation to alternatives has grown from 5% to 30% in the past twenty years and is expected to grow to 60% by 2030.

With interest rates at all-time lows, inflation on the rise and equity market valuations approaching near record high levels, we believe alternative assets should be an essential part of portfolio allocation in 2022 and into the future.

HMC Capital Partners will target three core investment strategies:

- High conviction strategic stakes in ASX-listed entities;
- Private equity; and
- Structured credit.

The proposed investment strategy is designed to provide maximum flexibility to invest across the capital structure into our highest conviction ideas. The vehicle will target a net IRR of 15% while also providing a 3-5% income yield.

The proposed vehicle will be unlisted and be available to both sophisticated and institutional investors with a target raising of \$1 billion and a \$500 million first close in the first quarter of 2022. Home Consortium will make a significant co-investment to demonstrate alignment as we have done previously. We are also in discussions with a number of major institutional partners regarding large-scale co-investment opportunities.

The investment team will be led by the same management team which led the leveraged buyout and successful turnaround of the former Masters portfolio from Woolworths in 2017 and transformed Home Consortium into a leading ASX-listed alternative asset manager. This team has a proven track record of delivering outsized equity returns and executing large, complex transactions.

We are also pleased to announce two key strategic hires we've made being Victoria Hardie and Gavin Mullett:

- Victoria joins us from UBS where she was a Managing Director and co-head of real estate investment banking. Victoria is highly experienced and has broad sector experience across infrastructure, natural resources and real estate.
- Gavin has over 20 years' experience in direct investments, cross-border mergers and acquisitions, asset management, and commercial and board roles across a range of asset classes. He was previously Head of Infrastructure at Challenger Group.

We are currently in the process of making further strategic hires and remain focused on securing the best and brightest people who fit our high-performance culture.

In summary, we believe this strategy will further differentiate our platform and position us for significant scale in the long-term as we continue to diversify our sources of capital and sector exposures across the alternatives landscape. Importantly, this strategy gives Home Consortium the ability to pursue larger scale investment opportunities with materially greater earnings potential via performance fees.

We look forward to providing further details in the coming months.

The successful completion of the Aventus transaction will see Home Consortium achieve its \$5 billion assets under management target one year ahead of schedule. Similarly, the establishment of HMC Capital Partners will provide a strong foundation to grow assets under management to well beyond \$10 billion in the medium term and before the end of 2024 as previously targeted.

In closing, I would like to thank our Board, our investors and all our stakeholders for their ongoing support.

I will now hand back to our Chair, Chris Saxon to conduct the formal business of the meeting.

I will now commence the formal business of today's Annual General Meeting, Scheme Meeting, HCL Extraordinary General Meeting and HCDL Extraordinary General Meeting.

Chris Saxon
Chair
Home Consortium