

ASX RELEASE

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HEALTHCO ESTABLISHMENT UPDATE

- Proposing to establish both an ASX-listed real estate investment trust and unlisted wholesale vehicle (together, “**HealthCo Funds**” or “**HealthCo**”)¹
- Targeting initial equity raising of \$1.0 billion²
- Appointment of Financial Advisers and Joint Lead Managers
- HealthCo Advisory Board and Portfolio Manager appointed

HealthCo Update

Home Consortium (ASX:HMC) (“**HomeCo**”) today provides an update on the proposed establishment of HealthCo. HealthCo will target a model portfolio of assets in key sub-sectors including hospitals, primary care, childcare, aged care and life sciences (refer to pages 2 and 3 of **attached** Appendix).

HealthCo’s model portfolio of Health and Wellness sectors is focused on delivery of stable distributions, long term capital growth while also delivering positive outcomes for local communities through HomeCo’s environmental and social impact asset management initiatives.

The strategy to establish two capital sources across the listed and unlisted markets reflects the breadth of the investment opportunity universe and the strong level of investor demand for this exposure which is currently unavailable at institutional scale on the ASX. To satisfy this need, HealthCo’s listed and unlisted vehicles will co-invest where appropriate, providing the most flexibility to secure assets at scale and to best implement target model portfolio construction and sub-sector diversification.

Subject to market conditions, HomeCo is now targeting an initial equity raise of \$1.0 billion, double the size of the proposed equity raising flagged in HomeCo’s 1HFY21 results on 24 February 2021 across both listed and unlisted investment vehicles.

HomeCo Group Head of Capital Partnerships, Heechung Sung said: *“Feedback from investors has provided us with confidence that there is significant appetite for exposure to the health and wellness sector. The sector is highly attractive given its diversification benefits and the critical need nationally, to build future capacity for the delivery of health services. HealthCo is uniquely positioned to offer investors the potential to scale up exposure to this growth sector in a carefully constructed, well managed diversified portfolio of assets.”*

HomeCo will target maintaining a 10-15% investment over the long term and will contribute \$250 million of stabilised seed assets (\$350 million on an as-complete basis) currently held on HomeCo’s balance sheet. The acquisition pipeline for HealthCo continues to grow with ~\$800 million of assets³, currently under due diligence or held on HomeCo’s balance sheet as seed assets.

HomeCo Group Managing Director and Chief Executive Officer David Di Pilla said: *“HealthCo’s proposed model portfolio offers strong diversification and attractive risk adjusted returns with low levels of correlation to*

¹ Subject to all required regulatory approvals and market conditions

² Including HomeCo’s initial seed investment

³ Including seed assets of \$350 million

traditional property sectors. We like the growth fundamentals of this sector and the ability to keep re-investing into long duration assets.

“HealthCo’s vision is to improve the health and wellness for people living in our communities through the delivery of high-quality health focussed infrastructure. We subscribe to the position that better access to healthcare services leads to better health outcomes.

“To that end, our investment, management and asset development plans and decision making will be guided by a specialist advisory board of leaders across the private hospital, medical, childcare and financial services space.”

Establishment of Advisory Board and Appointment of Portfolio Manager

HomeCo is pleased to announce that it has established a specialist Advisory Board for HealthCo to assist on the execution of the HealthCo strategy across the specific sub-sectors that HealthCo is targeting. The Advisory Board is comprised of leaders across the private hospital, medical, childcare and financial services sectors. Importantly, the Advisory Board will complement the existing skills of the HomeCo management team and directors. The Advisory Board will be comprised of:

- Mr Joseph Carrozzi (Former Managing Partner at PwC & EY and Chairman, Centenary Institute for Medical Research)
- Mr Tom Hardwick (Former CEO of Guardian Early Learning)
- Ms Natalie Meyenn (Former CIO of MLC Private Equity)
- Prof. Bruce Robinson (Former Dean of Medicine, University of Sydney & MBS Review Chairman)
- Mr Danny Sims (Former CEO of Ramsay Health Care Australia)

Further details of the appointments are outlined on page 1 of the **attached** Appendix.

HomeCo also announces the appointment of Mr Sam Morris as Senior Portfolio Manager for HealthCo. Mr Morris was previously Head of ANZ Health across corporate and institutional sectors where he was responsible for the growth of ANZ's national Health business.

Appointment of Financial Advisers

Macquarie Capital (Australia) Limited and Morgan Stanley Australia Securities Limited have been appointed as Joint Lead Managers and Financial Advisers and Morgans Financial Limited has been appointed as Joint Lead Manager for the establishment and listing of HealthCo.

HomeCo Group Managing Director and Chief Executive Officer David Di Pilla said, *“The proposed HealthCo is on track and it is pleasing to receive positive investor demand for the proposed vehicles.*

The proposed establishment of HealthCo is transformational for HomeCo and accelerates our transition to a capital light structure with a significantly larger asset base generating annuity income streams.

We look forward to providing further updates as our plans for HealthCo progress.”

-ENDS-

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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 assets with our tenants spanning daily needs, leisure and lifestyle, healthcare, wellness and government services enterprises across Australia

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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HealthCo *Advisory Board*



Joseph Carrozzi

**Former Managing Partner,
Professional Services
(PwC & EY)**

**Chairman, Centenary
Institute for Medical
Research**

Joseph has been a Partner in the Big 4 professional services firms for over 20 years, commencing with Tax & Legal Leader at Andersens, Regional Managing Partner at EY and then joining PwC in 2005 as National Managing Partner, Markets and Sydney Office.

Joseph also has a strong commitment to community engagement in health and regulated sectors. He is Chairman of the Centenary Institute for Medical Research, Chairman of Sydney Harbour Federation Trust and Deputy Chair of the NSW Institute of Sport, as well as a Governor on the board of Western Sydney University and Board member of Football Australia.



Tom Hardwick

Former CEO of Guardian Early Learning

Tom Hardwick is the former CEO of Guardian Early Learning Group, a childcare business he co-founded in 2004 and grew to become one of the largest childcare businesses in Australia with over 100 operating centres.

Prior to his time with Guardian, Tom was Head of Funds Management for Abacus Property Group, spent time in property investment banking with BBY and Paterson Ord Minnett and was a partner with Corrs Chambers Westgarth.

Tom has completed a Bachelor of Laws and Masters in Commerce from the University of Melbourne and spent a year in the USA as a Fulbright Scholar.



Natalie Meyenn

Former CIO of MLC Private Equity

Natalie has over 25 years experience in financial services and investing globally. Natalie previously held the roles of CIO and Chair of the Investment Committee for MLC Private Equity, one of Australia's largest and best performing institutional private equity programs.

Natalie also worked in Investment Banking (M&A, capital markets and public finance) in New York and Sydney for many years and spent time at the World Bank working in Asia, Africa and the Pacific Islands on microfinance, project finance and climate change impact mitigation strategies.

Natalie is an adviser, director and/or shareholder for a small number of asset management and investment businesses in Europe and Australia, including a carbon neutral asset management platform in Australia.



Professor Bruce Robinson

Former Dean, Sydney University Medical School & MBS Review Chairman, Australian Federal Government

Professor Bruce Robinson is an endocrinologist with over 30 years' leadership experience as an academic physician and scientist across research, healthcare and medicine, and tertiary education.

Bruce has both a Doctorate in Medicine and Master of Science from the University of Sydney.

Bruce serves as non-executive director of Cochlear Limited. He is also a non-executive director of ASX-listed pharmaceutical manufacturer Mayne Pharma Group Limited as well as Life sciences company QBiotics Group Limited.



Danny Sims

Former CEO of Ramsay Health Care Australia

Danny Sims is the former CEO of Ramsay Health Care Australia. Ramsay Health Care Australia is the leading operator of private hospitals in Australia with 65 hospitals and 7 day surgeries. Danny started with Ramsay in 2003 after emigrating from the USA.

Danny served as Chairman of the Ramsay Hospital Research Foundation from its inception in 2015 to 2021. Danny was also a Board member of the Australian Private Hospital Association (APHA) for 13 years, including serving as President of the APHA for four years from 2016 to 2020. He also served as a Board member of HESTA, a \$50+ billion industry superannuation fund, from 2016 to 2020.

Before coming to Australia in 2003, Danny was a health care financial executive for a variety of companies and, prior to this, Danny was a hospital audit specialist for eight years with Ernst and Young.

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

