

ASX RELEASE

23 February 2023

HMC CAPITAL DELIVERS OPERATING EARNINGS OF \$24.9 MILLION AND PROGRESSES NEW FUND STRATEGIES TO DRIVE NEXT PHASE OF GROWTH

Financial highlights

- H1 FY23 operating earnings of \$24.9m or 8.3 cents per share
- 6.0 cents fully franked dividend, in-line with FY23 guidance
- Funds management revenues of \$28.4m, up 54% versus \$18.5m in H1 FY22
- Strong capital position with 9.5% gearing and over \$200m of liquidity¹

Operational highlights

- Total assets under management (AUM) of \$6.2bn², up 129% on H1 FY22
 - ~\$500m of gross transactions in H1 FY23
- Established first private equity fund (HMC Capital Partners Fund I)
 - Achieved successful first close fund raising of ~\$300m in Aug-22
- On-track to launch significant new Last Mile Logistics (LML) real estate fund series
 - First \$1bn fund on track for establishment in H2 FY23 with \$500m first close equity raising
 - Indicative commitment received from major institutional investor³
- New \$1bn+ healthcare and life sciences unlisted institutional fund in development
- On-track to achieve net zero emissions by 2028 through smart energy management program and solar roll-out across platform

FY23 guidance and outlook

- FY23 DPS of 12.0 cents reaffirmed and consistent with high ROE re-investment strategy

¹ Standalone basis.

² Includes contracted acquisitions announced in H1 FY23.

³ Subject to fund due diligence.

HMC Managing Director and CEO, David Di Pilla, said *“Our evolution into a more sophisticated and diversified alternative asset manager will allow us to take advantage of compelling opportunities which are emerging in an increasingly challenging operating and funding environment. Over the past 12 months, we have significantly invested in our platform and new product development initiatives which will drive our next phase of growth.*

“Our two REITs are exposed to high quality real estate in sectors such as healthcare and daily needs retail which are benefitting from strong operating fundamentals and rental growth.

“Our first unlisted private equity fund – HMC Capital Partners – is actively building high conviction strategic stakes in listed entities where we have identified significant value which can be unlocked through portfolio and capital management initiatives. This strategy provides HMC Capital with materially greater earnings upside potential via performance fees.

“Our proposed Last Mile Logistics unlisted fund is on-track to be established over the coming months. This will be HMC’s first unlisted institutional focused fund. The target first close equity raising of \$500m will provide up to \$1bn of acquisition funding capacity. We believe this will be the first of a series of unlisted funds which will leverage our proven track record in repositioning strategic last mile real estate infrastructure.”

“And finally, we are progressing our next unlisted institutional fund which will focus on large-scale healthcare and life sciences development precincts in partnership with our Healthcare REIT”, Mr Di Pilla said.

FY23 guidance and outlook

In FY22 HMC Capital delivered operating EPS of 31.0 cps pre-tax (+126%) which included 10.4 cents of transactional income and 9.5 cents of trading profits from the sale of investment properties.

HMC Capital did not provide operating EPS guidance for FY23 given the uncertain nature of the timing of future transactional income. We noted that the FY22 pre-tax operating EPS of 31.0 cps was repeatable.

- This statement reflects HMC’s track record of executing significant transaction volumes including large-scale acquisitions with material transaction fees
- The volume of capital deployment activity across HMC’s platform has materially slowed in H1 FY23 which has been a deliberate move by HMC to protect capital and preserve funding capacity during a period of significant change in the macroeconomic landscape
- HMC believes the investment environment is becoming more conducive. HMC is well placed to take advantage of opportunities which are now emerging across its growing and more diversified platform

HMC reaffirms FY23 DPS guidance of 12.0 cents which is in-line with FY22 and supports HMC’s high return on equity growth strategy.

Investor and analyst briefing

An investor and analyst briefing teleconference call, followed by a question-and-answer session, will be held on **Thursday 23 February 2023 at 10:30am (AEDT)**. Investors and analysts wishing to participate can pre-register for the call at: <https://s1.c-conf.com/diamondpass/10028148-jf86e5.html>

The following webcast link will be available: <http://www.openbriefing.com/OB/5008.aspx>. Participants will need to input their name, email address and company name to register.

A playback of the H1 FY23 results webcast will be made available on HMC Capital's website at www.hmccapital.com.au

This announcement is approved for release by the HMC Capital Board.

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About HMC Capital

HMC Capital is an ASX-listed diversified alternative asset manager which invests in high conviction and scalable real asset strategies on behalf of individuals, large institutions, and super funds. HMC Capital currently manages approximately \$6bn of external assets under management across real estate and private equity.

In August 2022, HMC established HMC Capital Partners Fund I, an open-ended unlisted fund providing exposure to a high-conviction investment strategy seeking to generate superior risk-adjusted returns. HMC Capital Partners Fund I targets public and private companies in Australia and New Zealand with real asset backing.

Important Notice - Forward-Looking Statements

This announcement contains certain forward-looking statements, which may include indications of, and guidance on, future earnings, financial position and performance. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to

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