

Managed by
HMC Funds Management Limited
(ACN 105 078 635; AFSL 237257)
as responsible entity of the
HomeCo Daily Needs REIT (ARSN 645 086 620)

ASX RELEASE

19 April 2021

ACQUISITIONS AND EQUITY RAISING PRESENTATION

HomeCo Daily Needs REIT (ASX: HDN) provides the attached Acquisitions and Equity Raising Presentation.

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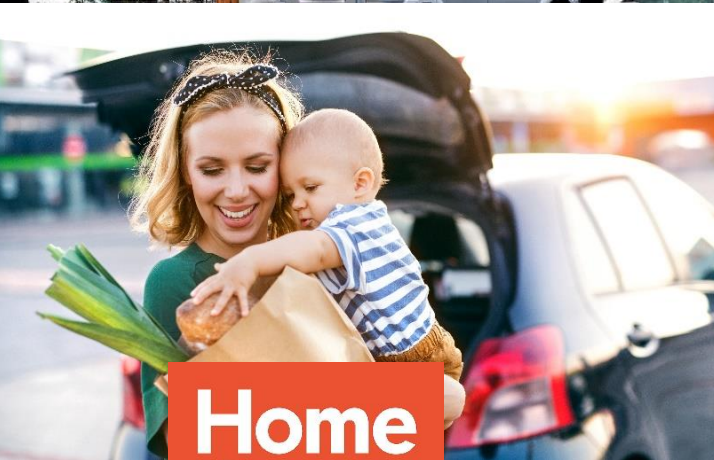
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About HomeCo Daily Needs REIT

HomeCo Daily Needs REIT is an Australian Real Estate Investment Trust listed on the ASX with a mandate to invest in convenience-based assets across the target sub-sectors of Neighbourhood Retail, Large Format Retail and Health & Services. HomeCo Daily Needs REIT aims to provide unitholders with consistent and growing distributions.



Acquisitions and equity raising presentation

19 April 2021

Important Notices and Disclaimer

This presentation (**Presentation**) has been prepared by HMC Funds Management Limited (ACN 105 078 635, AFSL 237257) (**HFML**) as responsible entity of HomeCo Daily Needs REIT (ARSN 645 086 620) (**HDN**) in connection with:

- the acquisition of seven Large Format Retail properties and Armstrong Creek Town Centre (**Acquisitions**); and
- a capital raising comprising a pro rata accelerated non-renounceable entitlement offer made under section 1012DAA of the *Corporations Act 2001* (Cth) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Instrument 21-0274 (**Corporations Act**) of new fully paid ordinary units in HDN (**New Units**) to eligible institutional Unitholders of HDN (**Institutional Entitlement Offer**) and eligible retail Unitholders of HDN (**Retail Entitlement Offer**) (together, the **Offer**). The Offer is lead managed and underwritten by Goldman Sachs Australia Pty Ltd (**Lead Manager**), with the exception of the entitlements of Home Consortium Limited (HCL), which are the subject of a binding pre-commitment.

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Determination of eligibility of investors for the purposes of all or any part of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of HFML and the Lead Manager. To the maximum extent permitted by law, HFML and the Limited Parties exclude and expressly disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion or otherwise.

In connection with the Offer, one or more investors may elect to acquire an economic interest in the New Units (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those units. The Lead Manager or its respective affiliates may, for their own respective accounts, write derivative transactions with those investors relating to the New Units to provide the Economic Interest, or otherwise acquire units in HDN in connection with the writing of those derivative transactions in the Offer and/or the secondary market. As a result of those transactions, the Lead Manager or its respective affiliates may be allocated, subscribe for or acquire New Units or units of HDN in the Offer and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those units. These transactions may, together with other units in HDN acquired by the Lead Manager or its affiliates in connection with its ordinary course sales and trading, principal investing and other activities, result in the Lead Manager or its affiliates disclosing a substantial holding and earning fee.

The Lead Manager and/or its respective affiliates may also receive and retain other fees, profits and financial benefits in each of the above capacities and in connection with the above activities, including in its capacity as a lead manager to the Offer.

Transaction overview

Strong FFO accretion, reduced gearing and enhanced scale and diversification

Acquisitions	<p>HMC Funds Management Limited, as responsible entity of HomeCo Daily Needs REIT (“HDN”), has entered into conditional agreements to acquire a 100% interest in:</p> <ul style="list-style-type: none"> ▪ Portfolio of 7 Large format retail assets (“LFR Portfolio”) from Home Consortium (“HMC”) for a total purchase price of \$266.4 million, representing a weighted average acquisition capitalisation rate of 6.75% <ul style="list-style-type: none"> – Purchase price is at a 6% discount to 30-Jun-21 independent valuations¹ of \$283.7 million resulting in a revaluation benefit of \$17.3 million expected to be realised by HDN Unitholders upon completion in early Jul-21 ▪ LFR Portfolio acquisition is subject to all requisite approvals, including a Unitholder vote by all HDN Unitholders (excluding HMC and its associates). The Notice of Meeting will be accompanied by an independent expert’s report, opining on the fairness and reasonableness of the transaction, due to the related party nature of the transaction ▪ Armstrong Creek Town Centre for a total purchase price of \$55.6 million, representing a 6.0% cap rate <ul style="list-style-type: none"> – Newly completed Coles-anchored neighbourhood centre which opened for trade in September 2020 – Cap rate versus recent transaction comparables provides further upside potential – Armstrong Creek acquisition to proceed regardless of the outcome of the HDN Unitholder vote on the LFR Portfolio
Financial impact	<ul style="list-style-type: none"> ▪ The acquisitions will be funded through a \$265 million underwritten 1 for 2.36 accelerated non-renounceable entitlement offer (“Entitlement Offer”) ▪ Acquisitions and Entitlement Offer are anticipated to be accretive to FY22 FFO/unit and result in FY22 FFO guidance of at least 8.3 cpu (\$57.0m), a 24% increase versus FY21 PDS FFO/unit of 6.7cpu². This is expected to result in: <ul style="list-style-type: none"> – 1.0% accretion to pre-transaction FY22 FFO/unit forecast – 4.1% accretion to pre-transaction FY22 FFO/unit forecast (assuming Dec-20 pro-forma gearing maintained at 34.5%³) ▪ De-gearing of the balance sheet provides debt capacity to make further accretive acquisitions <ul style="list-style-type: none"> – Pro-forma 31-Dec-20 balance sheet gearing of 32.1% post-transaction, down from 34.5% and at the lower end of target 30-40% gearing range

Transaction overview

Attractive issue price, strong alignment with HMC

<p>Equity raise size and pricing</p>	<ul style="list-style-type: none"> ▪ HDN is undertaking a \$265 million underwritten accelerated non-renounceable 1 for 2.36 Entitlement Offer at an issue price of \$1.295 ("Issue Price") per unit ("New Unit") to fund the acquisitions and associated transaction costs <ul style="list-style-type: none"> – HMC, HDN's largest Unitholder, has committed to take up its full entitlement from its 26.6% investment in HDN – Entitlement Offer is not conditional on a Unitholder vote and the proceeds will be used for Armstrong Creek and other alternative acquisitions if the LFR Portfolio acquisitions do not proceed as a consequence of transaction conditions not being satisfied ▪ Unitholders who are issued New Units in the Entitlement Offer (and investors issued with shortfall units) will also receive, without any further action, up to 1 bonus unit in HDN ("Bonus Unit") for every 20 New Units issued to them in the Entitlement Offer <ul style="list-style-type: none"> – The issue of the Bonus Units is being supported by HMC, which has agreed to sell via a Selective Buy-Back (subject to HDN Unitholder approval) a number of Units it holds, for nominal consideration, equal to the number of Bonus Units that are to be issued by HDN – Full entitlement to Bonus Units is conditional on a Unitholder / Investor holding at least the aggregate of (i) the number of Units held on the Record Date ("Record Date Holding") and (ii) the number of New Units issued to eligible Unitholders / Investors under the Entitlement Offer ("Full Entitlement Holding"), on the date 3 months after the Retail Entitlement Offer issue date ("Bonus Unit Determination Date") – Unitholders / Investors who hold more than their Record Date Holding but less than their Full Entitlement Holding will receive a number of Bonus Units which is proportionally lower (further detail on p16) ▪ Together with the Bonus Unit, the Issue Price represents a¹: <ul style="list-style-type: none"> – 4.8% discount to the last close price of \$1.2950 on 16 April 2021 – 4.9% discount to the 5 day VWAP of \$1.2969 on 16 April 2021
<p>Distribution and ranking</p>	<ul style="list-style-type: none"> ▪ The New Units will be entitled to the distribution for the quarter ending 30 June 2021 and will rank equally in all respects with existing units from the date of allotment. Bonus Units are expected to be issued in September 2021 and are expected to be entitled to the distribution for the quarter ending 30 September 2021
<p>Risks</p>	<ul style="list-style-type: none"> ▪ Please refer to the Appendix A for Key Risks associated with the transaction

Strategic rationale for transaction

<p>1</p> <p>High quality strategic acquisitions</p>	<ul style="list-style-type: none"> ✓ All acquisitions consistent with strategy at IPO ✓ Cash collection of 99%¹ across LFR portfolio being acquired ✓ Attractive acquisition portfolio WACR of 6.6% ✓ Increases model portfolio sub-sector weighting to LFR to 35% (currently slightly below target) ✓ Long WALE and increases portion of portfolio with fixed or CPI rental escalations from 75% to 82%
<p>2</p> <p>Valuation upside</p>	<ul style="list-style-type: none"> ✓ LFR Portfolio to be acquired at a 6% discount to 30-Jun-21 book value², providing opportunity for valuation uplift of \$17.3m or ~3 cpu <ul style="list-style-type: none"> – Demonstrates strong alignment with HMC ✓ Exposure to high-quality neighbourhood asset with exposure to high population growth corridor of Geelong region
<p>3</p> <p>FFO accretion and FY22 guidance</p>	<ul style="list-style-type: none"> ✓ Accretive to FY22 FFO/unit and results in FY22 FFO guidance of at least 8.3 cpu (\$57.0m), an increase of 24% versus FY21 PDS FFO of 6.7cpu³
<p>4</p> <p>Reduces gearing</p>	<ul style="list-style-type: none"> ✓ Dec-20 pro-forma gearing to reduce from 34.5% to 32.1% post-transaction and at the lower end of target 30-40% gearing range ✓ Significant debt capacity to make further accretive acquisitions ✓ Potential for gearing to reduce further to the low end of the gearing range following expected revaluations for the non-acquisition properties as at 30-Jun-21
<p>5</p> <p>Increased market capitalisation and free float</p>	<ul style="list-style-type: none"> ✓ Transaction will increase market free-float and diversity of register ✓ Increased potential for S&P/ASX 300 Index inclusion (next rebalance due September 2021)

Notes: 1. As at 16-Apr-21 for Feb-21 and Mar-21. 2. Book value based on independent valuation in respect of the year end 30-Jun-21. Currently in draft form pending finalisation at year end. 3. 3.9cpu for 7 months to 30-Jun-21 PDS forecast annualised.

Attractive issue price and structure



Implied discount to last close of \$1.295

~4.8% ^{1,2}	~1.9%	–
Unitholders who are issued New Units in the Entitlement Offer (and any person issued shortfall units) will receive up to 1 Bonus Unit for every 20 New Units issued in the Entitlement Offer³	LFR Portfolio to be acquired at a 6% discount to independent draft Jun-21 valuations resulting in an \$17.3 million valuation uplift (~3 cpu) which is expected to be realised	New Units issued under the Entitlement Offer will be entitled to the 1.8 cpu distribution for the quarter ending 30 June 2021 including the portion since 1-Apr-21

Notes: 1. Assumes Bonus Units are received. 2. Calculated as 1 Bonus Unit / (20 New Units + 1 Bonus Unit). 3. Conditional on Unitholder / Investor holding at least their Record Date Holding on the Bonus Unit Determination Date. Refer p16 for further detail

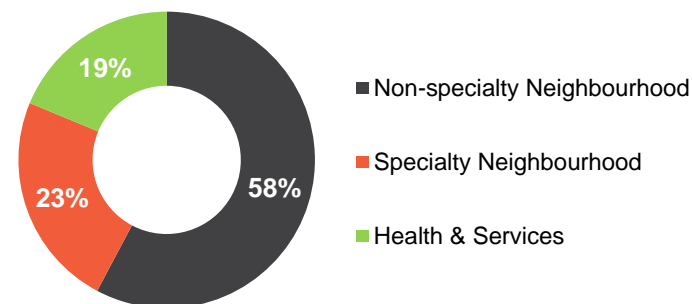
Acquisition of Armstrong Creek Town Centre (VIC)

New neighbourhood centre anchored by Coles acquired at 6.0% cap rate

Summary

Description	<ul style="list-style-type: none"> Armstrong Creek Town Centre is a newly completed neighbourhood centre which opened for trade in September 2020 Anchored by a Coles supermarket on a lease until 2035. Only full line Coles supermarket within the primary trade area Exposure to high population growth corridor of Geelong region
Purchase price	<ul style="list-style-type: none"> \$55.6 million representing a 6.0% cap rate <ul style="list-style-type: none"> – 12 month rental guarantee from settlement Expected completion in late Apr-21
Land area	<ul style="list-style-type: none"> 2.07 ha land holding
Occupancy	<ul style="list-style-type: none"> 82%¹ – newly opened centre with lease-up risk offset by purchase price adjustment mechanism and rental guarantee
GLA	<ul style="list-style-type: none"> 9,847 sqm (~47.7% coverage ratio)
WALE	<ul style="list-style-type: none"> 9.5 years²

Tenant mix³



Armstrong Creek VIC



Armstrong Creek VIC

Acquisition of HomeCo LFR Portfolio

- HDN has conditionally agreed to acquire a portfolio of 7 LFR properties from Home Consortium
 - Purchase price: \$266.4 million¹
 - Acquisition implied WACR: 6.75% (25–75bps cap rate compression across the portfolio from Dec-20 to Jun-21)
 - WALE: 6.5 years⁴
- Expected settlement in July 2021 following Unitholder vote

Asset	State	Dec-20 valuation	Acquisition cap rate ¹	Jun-21 valuation ²	Jun-21 cap rate ²	GLA (sqm)	Site coverage %	Occupancy ³	WALE (yrs) ⁴
Marsden Park	NSW	\$52.0m	6.00%	\$57.3m	5.50%	11,924	34%	100%	5.1
Box Hill	VIC	\$49.5m	6.75%	\$57.5m	6.00%	13,911	34%	100%	9.6
South Morang	VIC	\$32.4m	7.00%	\$35.7m	6.25%	11,417	32%	100%	5.6
Upper Coomera	QLD	\$45.3m	6.50%	\$38.5m	6.00%	11,261	33%	94%	7.0
Mackay	QLD	\$26.3m	7.50%	\$27.2m	7.00%	11,929	11%	99%	5.5
Toowoomba	QLD	\$29.1m	7.25%	\$32.0m	6.50%	11,360	35%	97%	5.8
Bundall	QLD	\$31.8m	7.00%	\$35.5m	6.50%	10,458	64%	100%	5.4
Total		\$266.4m¹	6.75%	\$283.7m	6.15%	82,260	27%	99%	6.5



HomeCo Upper Coomera QLD



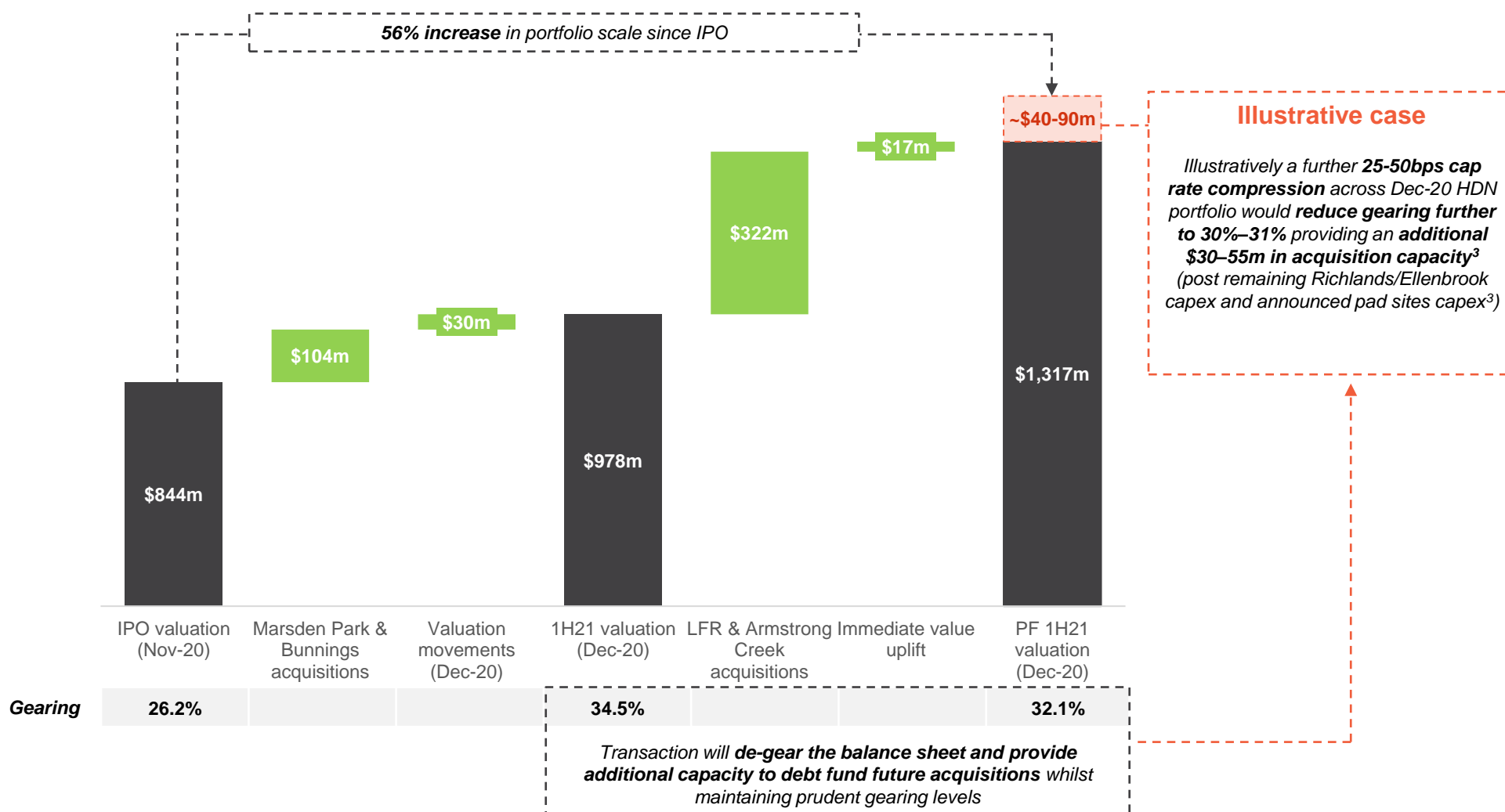
HomeCo Bundall QLD

Notes: 1. Purchase price aligns to Dec-20 portfolio valuation. Excludes stamp duty and transaction costs. 2. Book value based on independent valuation in respect of the year end 30-Jun-21. Currently in draft form pending finalisation at year end. 3. By GLA for operating assets only. Based on signed leases and signed MoU's. 4. By gross income for signed leases and signed MoUs as at 30-Jun-21

Balance sheet capacity for further growth

Post-transaction HDN's gearing is expected to reduce which, paired with potential portfolio revaluations, is expected to provide additional acquisition capacity

HDN portfolio valuation uplift since IPO^{1,2}

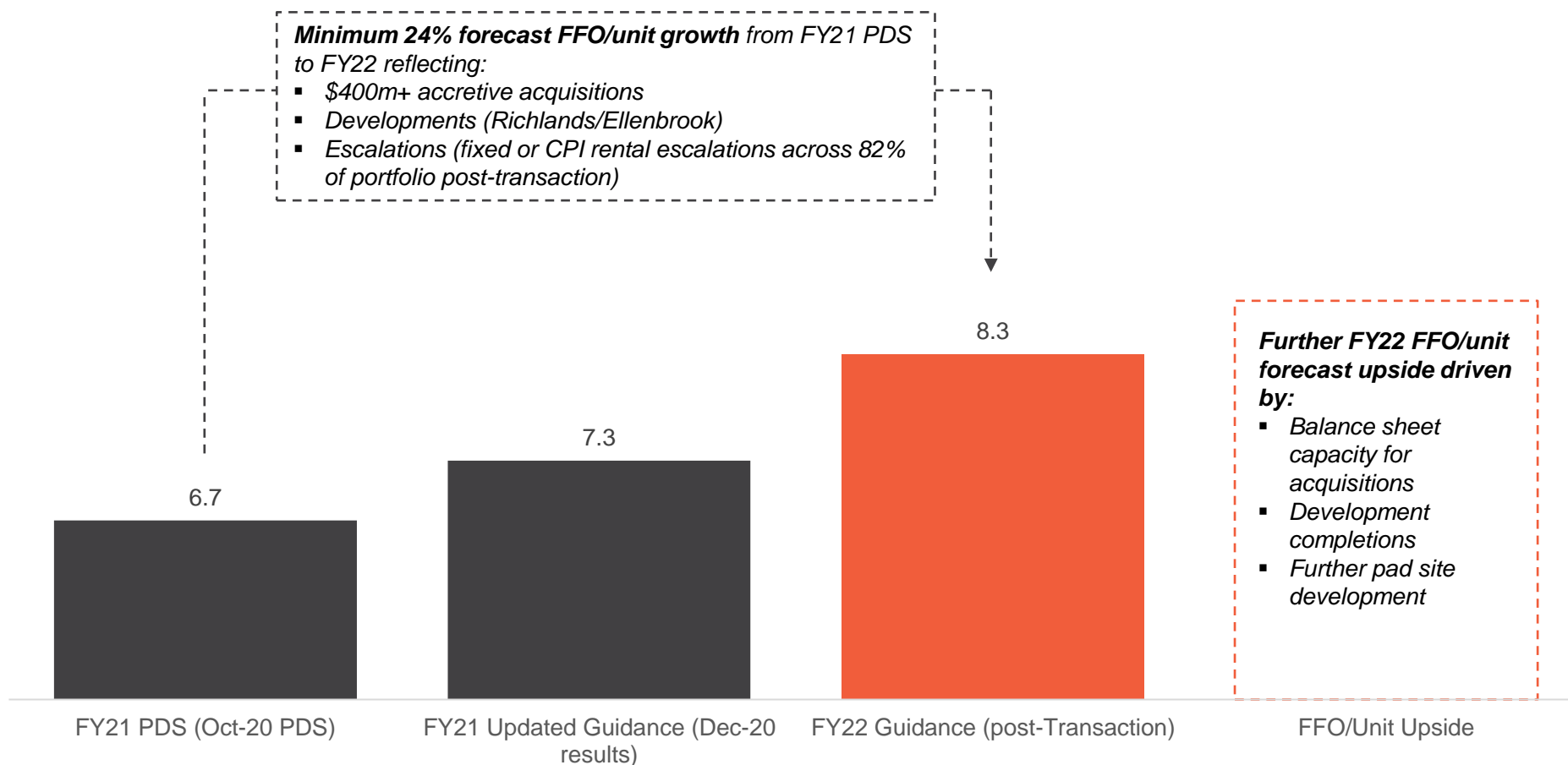


Notes: 1. Valuation movements includes capex, incentives and fair value movements 2. HDN portfolio valuation includes Parafield. 3. Represents acquisition capacity to maintain current gearing of 34.5% post remaining Richlands/Ellenbrook capex and announced pad site capex of ~\$45m

Continued focus on accretive earnings growth

Minimum 24% forecast FFO/unit growth from FY21 to FY22 with potential for further growth as balance sheet capacity is deployed accretively

FFO (cpu)



Sources and uses

Sources of funds	\$m
Entitlement Offer	265
Debt	85
Total sources	350

Uses of funds	\$m
Acquisitions	322
Stamp duty	18
Transaction costs ¹	10
Total	350



HomeCo Box Hill, VIC



HomeCo Marsden Park, NSW

Notes: 1. Includes equity raise fees, HMC acquisition fee and other advisor costs

Financial impacts

FFO outlook

- Acquisitions and Entitlement Offer are anticipated to be **accretive to FY22 FFO/unit and result in FY22 FFO guidance of at least 8.3 cpu (\$57.0m)**, a 24% increase versus FY21 PDS FFO/unit of 6.7cpu¹. This is expected to result in:
 - 1.0% accretion to pre-transaction FY22 FFO/unit forecast
 - 4.1% accretion to pre-transaction FY22 FFO/unit forecast (assuming Dec-20 pro-forma gearing maintained at 34.5%²)
- FY21 FFO guidance is increased to \$21.0 million following the expected completion of the Armstrong Creek acquisition in late Apr-21. However due to the timing difference between the Entitlement Offer and the settlement date of the LFR Portfolio in early Jul-21 (post Unitholder approval) the transaction is short term dilutive to FY21 FFO/unit³
 - FY21 FFO/Unit post-transaction expected to be 3.9cpu, reflecting FY21 FFO/Unit dilution of 7.7%³
- Outlook statements have been made assuming no unforeseen circumstances or further extended COVID-19 lockdowns and government-mandated restrictions and assuming LFR Portfolio acquisition conditions are met

Other impacts

- 31-Dec-20 NTA/unit of \$1.34 is expected to decrease to \$1.31 NTA/unit post-transaction reflecting the impact of the Entitlement Offer and stamp duty / transaction costs
- 4Q FY21 distribution of 1.8 cpu is reconfirmed
 - Tax-deferred portion of the 4Q FY21 distribution will decrease to below 80% given the additional Units on issue post Entitlement Offer. A final calculation of the tax deferred portion of that distribution will be provided with the HDN annual results in August 2021



Armstrong Creek VIC



Armstrong Creek VIC

Notes: 1. Represents 3.9 cpu FY21 PDS FFO annualized. 2. Illustratively assumes that entitlement offer decreases from \$265m to \$232m to maintain 34.5% gearing. 3. Assumes total of 204.6m New Units raised all of which settle on the Institutional Entitlement Offer Settlement Date. Final weighted average number of units for FY21 is expected to change depending on Units settling on Institutional Entitlement Offer Settlement Date versus Retail Entitlement Offer Settlement Date.

Offer terms, timing and pricing

Offer structure	<ul style="list-style-type: none"> ▪ \$265 million underwritten accelerated non-renounceable 1 for 2.36 entitlement offer to fund the acquisitions and associated transaction costs ▪ The Entitlement Offer is non-renounceable and the entitlements will not be tradable or otherwise transferable ▪ Under the Entitlement Offer, eligible Unitholders have the opportunity to subscribe for 1 New Unit for every 2.36 existing Units held as at the Record Date (21 April 2021)
Offer Price	<ul style="list-style-type: none"> ▪ \$1.295 Issue Price which together with the Bonus Unit, implies a 4.8% discount¹ to the last close price of \$1.2950 on 16 April 2021 and a 4.9% discount¹ to the 5 day VWAP of \$1.2969 on 16 April 2021
Institutional Offer	<ul style="list-style-type: none"> ▪ The institutional component of the Entitlement Offer ("Institutional Entitlement Offer") will be conducted by way of a bookbuild process, opening on 19 April 2021 and closing on 19 April 2021
Retail Entitlement Offer	<ul style="list-style-type: none"> ▪ The retail component of the Entitlement Offer ("Retail Entitlement Offer") will open on 26 April 2021 and close on 7 May 2021 ▪ Only eligible retail unitholders with a registered address in Australia and New Zealand may participate in the Retail Entitlement Offer
Underwriting	<ul style="list-style-type: none"> ▪ The Entitlement Offer is underwritten by Goldman Sachs Australia Pty Ltd, subject to certain conditions (refer to Appendix B for Summary of Underwriting Arrangements)
Ranking	<ul style="list-style-type: none"> ▪ New Units issued under the Entitlement Offer will rank pari passu with existing ordinary units on issue and will be entitled to the distribution for the quarter ending 30 June 2021 ▪ Bonus Units expected to be issued in September 2021 will rank pari passu with existing ordinary units on issue and are expected to be entitled to the distribution for the quarter ending 30 September 2021

Notes: 1. Assumes Bonus Units are received

Bonus Unit

Eligible Unitholders who are issued with New Units and investors issued with shortfall units will also be entitled to receive, without any further action, up to 1 Bonus Unit for every 20 New Units issued, subject to the conditions below:

- Unitholders / Investors must, on the date 3 months after the Retail Entitlement Offer issue date ("Bonus Unit Determination Date"), hold a number of Units exceeding their holding as at the Record Date ("Record Date Holding"). To be eligible for the full entitlement of Bonus Units, that holding must equal or exceed the aggregate of (i) the Record Date Holding and (ii) the number of New Units issued to that Unitholder / Investor under the Entitlement Offer ("Full Entitlement Holding")
- Unitholders / Investors who hold more than their Record Date Holding but less than their Full Entitlement Holding will receive a number of Bonus Units which is proportionally lower than their full Bonus Unit entitlement (see worked example below)
- A new Unitholder coming into HDN through the issue will, for the purposes of the Bonus Unit entitlement calculation, be deemed to hold zero Units on the Record Date. As a consequence, in order to qualify for their full Bonus Unit entitlement, they need only hold a number of Units equal to the number of New Units they acquired in the issue
- No Bonus Units will be allocated to a Unitholder / Investor if the number of Units held by them on the Bonus Unit Determination Date is less than their Record Date Holding**
- Bonus Units will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date and will rank equally with existing Units on their issue date
- The issue of the Bonus Units is being supported (funded) by Home Consortium, which has agreed to sell back, for a nominal consideration, a number of Units it holds equal to the number of Bonus Units that are to be issued, as determined on the Bonus Unit Determination Date ("Selective Buy-Back"). As a consequence, the issue of Bonus Units will not be dilutive to HDN Unitholders
 - The Selective Buy-Back is subject to Unitholder approval by a special majority resolution to be sought at an Extraordinary General Meeting of Unitholders to be held in June 2021. The issue of the Bonus Units is subject to the Selective Buy-Back being approved by the requisite majority (75%) of HDN Unitholders

Worked example

- A Unitholder with 5,000 Existing Units would be issued 2,118 New Units (assuming the Unitholder took-up their full pro-rata entitlement) and be entitled to up to 105 Bonus Units
- The Unitholder would be entitled to the following number of Bonus Units based on total Units held on the Bonus Unit Determination Date:

Units held on Bonus Unit Determination Date	5,000	5,529	6,059	6,588	7,118
Bonus Units Issued	-	26	52	79	105
% of New Units held above Record Date Holding	0%	25%	50%	75%	100%

Indicative Timetable

Event	Date
Trading halt and announcement of the Entitlement Offer	Monday, 19 April 2021
Institutional Entitlement Offer Bookbuild	Monday, 19 April 2021
Units recommence trading on ASX and announcement of Institutional Entitlement Offer results	Wednesday, 21 April 2021
Record Date for Entitlement Offer (7.00pm Sydney time)	Wednesday, 21 April 2021
Retail Entitlement Offer Opening Date	Monday, 26 April 2021
Early Retail Acceptance Due Date	Friday, 30 April 2021
Institutional Entitlement Offer Settlement Date	Monday, 3 May 2021
Institutional Entitlement Offer Issue Date and Early Retail Acceptance Unit Issue Date	Tuesday, 4 May 2021
Retail Entitlement Offer Closing Date (5.00pm Sydney time)	Friday, 7 May 2021
Retail Entitlement Offer Results Announcement	Wednesday, 12 May 2021
Retail Entitlement Offer Settlement Date	Thursday, 13 May 2021
Retail Entitlement Offer Issue Date	Friday, 14 May 2021
Retail Entitlement Offer Trading Date	Monday, 17 May 2021
Estimated date of Extraordinary General Meeting	June 2021
Estimated date of settlement of LFR Portfolio acquisitions	July 2021
Bonus Unit Determination Date (7.00pm Sydney time)	Monday, 16 August 2021
Bonus Unit Issuance Date	Friday, 10 September 2021

The above timetable is indicative only and subject to change. The commencement and quotation of New Units is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules. HDN reserves the right to amend this timetable at any time, either generally or in particular cases, without notice.

LFR Portfolio property acquisition approvals

Approval overview

- 7 properties are being acquired from HMC for total cash consideration of \$266.4 million
- Completion of the LFR Portfolio is conditional on all requisite approvals, including HDN Unitholder approval at an extraordinary general meeting, which is expected to be held in June 2021 with completion expected in early July 2021
- HDN will provide Unitholders with a notice of meeting (“NOM”) in the near future, which will be accompanied by an independent expert report (“IER”), opining on the fairness and reasonableness of the transaction to Unitholders not affiliated with HMC

Transaction approvals

1. Transaction reviewed and recommended by the HDN independent directors
2. Transaction reviewed by HDN’s Audit & Risk Committee under its process for related party transactions
3. A preliminary draft Jun-21 independent valuation has been obtained¹
4. An IER is being prepared
 - NOM and IER scheduled to be sent to HDN Unitholders in May 2021
5. Unitholder vote on the acquisition of the LFR Portfolio scheduled for June 2021 requiring a simple majority resolution (50.1%)

Notes: 1. Independent valuation in respect of the year end 30-Jun-21. Currently in draft form pending finalisation at year end.



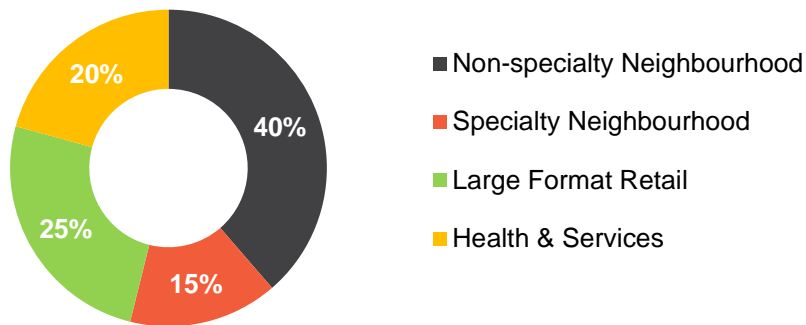
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Further Information

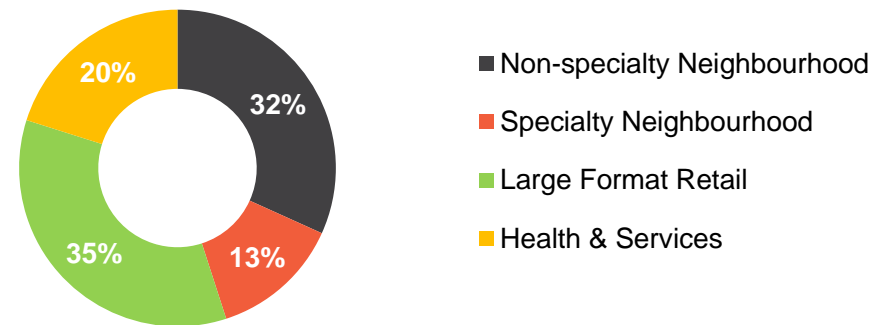
**Home
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Daily Needs
REIT

Portfolio impacts

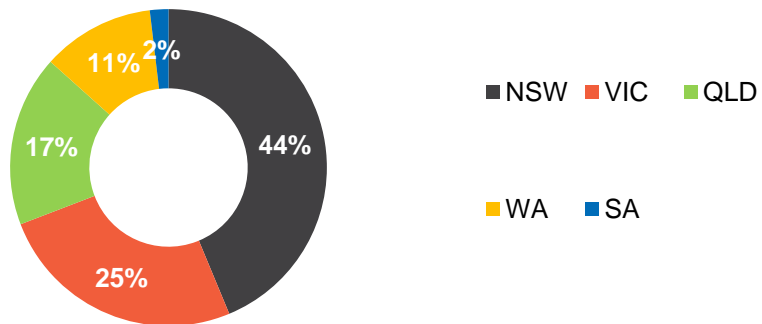
HDN tenancy composition pre-transaction (by income)¹



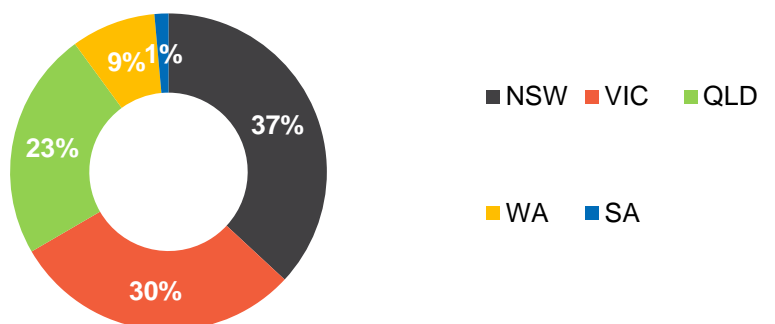
HDN tenancy composition post-transaction (by income)¹



HDN geographic mix pre-transaction (by value)



HDN geographic mix post-transaction (by value)



Notes: 1. Gross income for signed leases and signed MOUs

Portfolio impacts

	HDN (31-Dec-20)	Acquisitions	Pro forma HDN (31-Dec-20)
Portfolio valuation	\$978m ¹	\$322m	\$1,300m ²
Portfolio WACR ³	5.91%	6.62%	6.09%
Portfolio WALE ⁴	8.1 years	7.4 years	8.0 years
Trading Occupancy / Occupancy ⁵	96.7% / 98.7%	91.8% / 96.4%	95.3% / 98.1%
Rent review composition ⁴ : (Fixed / CPI / Turnover)	62% / 13% / 25%	73% / 23% / 4%	67% / 15% / 18%
GLA	224,359	92,107	316,466
Site coverage ratio	31.7%	28.4%	30.7%

Notes: 1. Includes Parafield. 2. Excludes expected \$17m uplift on LFR Portfolio based on 30-Jun-21 draft independent valuations. 3. Calculated by fair value of properties as at 31-Dec-20 4. By gross income for signed leases and signed MoUs across all HDN assets. 5. By GLA as at Jun-21 for acquisitions. Acquisitions and total excludes impact of rental guarantee for Armstrong Creek.

Pro-forma Balance Sheet

	Dec-20	LFR Portfolio	Expected revaluation on LFR Portfolio	Armstrong Creek Town Centre	Equity Raising	Dec-20 Pro-forma
Cash and cash equivalents	6.4					6.4
Other assets	20.6					20.6
Trade and other receivables	7.2					7.2
Assets held for sale	14.1					14.1
Current assets	48.3	-	-	-	-	48.3
Investment properties	959.3	266.4	17.3	55.6		1,298.6
Other assets	1.0					1.0
Non-current assets	960.3	266.4	17.3	55.6	-	1,299.6
Total assets	1,008.6	266.4	17.3	55.6	-	1,347.9
Trade and other payables	18.9					18.9
Current liabilities	18.9	-	-	-	-	18.9
Borrowings	344.9	285.0		57.7	(258.2)	429.4
Non-current liabilities	344.9	285.0	-	57.7	(258.2)	429.4
Total liabilities	363.8	285.0	-	57.7	(258.2)	448.3
Net assets	644.8	(18.6)	17.3	(2.1)	258.2	899.6
Units on issue (m)	482.9				204.6	687.5
NTA per unit (\$)	\$1.34					\$1.31
Gearing¹	34.5%					32.1%

Notes: 1. Includes \$7.1m unamortised debt establishment costs

Asset summary

HomeCo Marsden Park



State	NSW
Ind. value (\$m)	57.3
WACR (%)	5.50%
Occupancy (%)	100%
WALE (years) ¹	5.1
Fixed escalations ²	3.3% p.a (63% of portfolio)
Key tenants	Nick Scali, Anaconda
GLA (sqm)	11,924

HomeCo Box Hill



State	VIC
Ind. value (\$m)	57.5
WACR (%)	6.00%
Occupancy (%)	100%
WALE (years) ¹	9.6
Fixed escalations ²	3.2% p.a (92% of portfolio)
Key tenants	Decathlon, Goodlife, BCF
GLA (sqm)	13,911

HomeCo South Morang



State	VIC
Ind. value (\$m)	35.7
WACR (%)	6.25%
Occupancy (%)	100%
WALE (years) ¹	5.6
Fixed escalations ²	2.8% p.a (100% of portfolio)
Key tenants	Amart, Plenty Valley Medical
GLA (sqm)	11,417

HomeCo Upper Coomera



State	QLD
Ind. value (\$m)	38.5
WACR (%)	6.00%
Occupancy (%)	94%
WALE (years) ¹	7.0
Fixed escalations ²	3.2% p.a (74% of portfolio)
Key tenants	Spotlight, EMF, TK Maxx
GLA (sqm)	11,261

HomeCo Mackay



State	QLD
Ind. value (\$m)	27.2
WACR (%)	7.00%
Occupancy (%)	99%
WALE (years) ¹	5.5
Fixed escalations ²	2.6% p.a (33% of portfolio)
Key tenants	Spotlight, Nick Scali
GLA (sqm)	11,929

HomeCo Toowoomba South



State	QLD
Ind. value (\$m)	32.0
WACR (%)	6.50%
Occupancy (%)	97%
WALE (years) ¹	5.8
Fixed escalations ²	2.9% p.a (76% of portfolio)
Key tenants	Amart, Nick Scali
GLA (sqm)	11,360

HomeCo Bundall



State	QLD
Ind. value (\$m)	35.5
WACR (%)	6.50%
Occupancy (%)	100%
WALE (years) ¹	5.4
Fixed escalations ²	3.3% p.a (76% of portfolio)
Key tenants	Nick Scali, Goodlife
GLA (sqm)	10,458

Armstrong Creek Town Centre



State	VIC
Ind. value (\$m)	55.6
WACR (%)	6.00%
Occupancy (%)	82%
WALE (years) ¹	9.5
Fixed escalations ³	3.4% p.a (64% of portfolio)
Key tenants	Coles
GLA (sqm)	9,847

Notes: 1. WALE by gross income as at 30-Jun-21 2. By gross income, remainder of leases for 7x LFR assets have contracted escalations linked to CPI. 3. By gross income, Coles lease represents 36% of income and is a supermarket lease.



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Appendix A: Risks

This section discusses some of the key risks associated with an investment in HDN. A number of risks and uncertainties may adversely affect the operating and financial performance or position of HDN and in turn affect the value of HDN's units. These include specific risks associated with an investment in HDN and general risks associated with any investment in listed securities. The risks and uncertainties described below are not an exhaustive list of the risks facing HDN. Potential investors should carefully consider these risks, as well as those risks contained in section 7 of HDN's product disclosure statement dated 16 October 2020 (available at www.asx.com.au) and those common in the industry, in deciding whether an investment in HDN is suitable having regard to their own personal investment objectives and financial circumstances and those risks.

Acquisitions may not complete

Completion of each Acquisition is conditional on certain matters, including that Unitholders approve the acquisition of the LFR Portfolio from Home Consortium and consents from HDN's lenders are obtained. If any of the conditions precedent are not satisfied or waived, or take longer than anticipated to satisfy, completion of an Acquisition may be deferred or delayed, or may not occur on the current terms or at all. There can be no guarantee that HFML will obtain all necessary approvals to complete the Acquisitions within any particular timeframe, or at all, or that such approvals will be granted on terms that are acceptable to HFML or on an unconditional basis. If an Acquisition is not completed as a result of a failure to satisfy conditions (or otherwise), HFML will need to consider alternative uses for the proceeds of the Offer, or ways to return such proceeds to HDN Unitholders. If completion of an Acquisition is delayed, HFML may incur additional costs and it may take longer than anticipated for HDN to realise the benefits of that Acquisition. Any failure to complete, or delay in completing, an Acquisition and/or any action required to be taken to return capital raised to HDN Unitholders may have a material adverse effect on HDN's financial position and performance.

Acquisition information has been provided by the vendors

HFML undertook a due diligence process in respect of the Acquisitions, which relied in part on the review of financial and other information concerning the properties the subject of the Acquisitions, which was provided to HFML by the relevant vendors. Especially in relation to information received from third parties, HFML has not been able to verify the accuracy, reliability or completeness of all of the information which as provided to it against independent data. Similarly, HFML has prepared (and made assumptions in the preparation of) the financial information related to the assets included in this Presentation from financial and other information provided by the relevant vendors. If any of the data or information provided to and relied upon by HFML in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the performance of the properties may be materially different to the performance expected by HFML and reflected in this Presentation.

Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of an Acquisition have been identified and avoided or managed appropriately. Therefore there is a risk that unforeseen issues and risks may arise, which may also have a material impact on HDN. This could adversely affect the operations, financial performance or position of HDN.

Bonus Units may not be issued

The issue of Bonus Units will not occur unless the Selective Buy-Back proceeds. The Selective Buy-Back is dependent on a special resolution of Unitholders, to be sought at an extraordinary general meeting of Unitholders in June 2021. If the requisite approvals are not obtained, the Bonus Units will not be issued and Unitholders will not receive those Units or the implied discount that results from the issue of those Bonus Units.

Analysis of the Acquisitions by HFML

HFML has undertaken financial, business and other analyses of the properties the subject of the Acquisitions in order to determine their attractiveness to HDN and whether to pursue the Acquisitions. It is possible that such analysis, and the best estimate assumptions made by HFML, draw conclusions and forecasts that are inaccurate or which will not be realised in due course. There is also a risk that acquired properties do not perform as expected due to a variety of factors including but not limited to tenants vacating the properties or tenant default. To the extent that the actual results achieved by the properties are different than those indicated by HFML's analysis, there is a risk that the profitability and future earnings of the operations of those properties and HDN in general may be materially different from the profitability and earnings reflected in this Presentation.

Impact of COVID-19

The COVID-19 pandemic has had a significant impact on the global and Australian economy and the ability of businesses, individuals and governments to operate. Emergency powers and restrictions have been enacted on an international, Federal and State level in Australia which, amongst other things, have restricted travel and the ability of individuals to leave their homes, travel to places of work and has disrupted the ordinary patterns of consumption of goods and services.

Some tenants at properties within HDN's portfolio have experienced an adverse impact on sales and supply chains, borne out of ongoing international and domestic travel restrictions, government lockdown measures, and broader global uncertainty around a recovery of business activity.

Given the high degree of uncertainty surrounding the extent and duration of COVID-19, it is not currently possible to assess the full impact of COVID-19 on HDN. Whilst HDN has performed well during the pandemic, and no material rental abatements are currently in place in relation to COVID-19, there is a prospect that store closures on a significant scale may once again occur if the COVID-19 outbreak cannot be adequately contained, which could limit all or a material amount of trading at properties within the portfolio. Further, a number of aspects of HDN's tenants may be directly or indirectly affected by government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions associated with COVID-19, including disruption to supply chain and workforce, particularly the availability of products and logistics (including shipping of products) and government-imposed shut downs of manufacturing and distribution centres affecting the supply of products to customers. There is a risk that if the duration of events surrounding COVID-19 are protracted or the situation worsens from that currently existing, HDN may need to take additional measures in order to respond appropriately.

In particular, HDN owns convenience centres in Victoria, Queensland and South Australia, all of which have been subject to lock-down restrictions imposed by their respective governments. Some tenants' operations may have been impacted by these lock-down restrictions, resulting in a deterioration of financial performance which may, in the future, impact upon the ability of HDN to collect rent in the ordinary course. No guarantee can be provided in relation to the length of any future lock-downs or when operating conditions will return to normal after lock-downs are lifted. As such, the ongoing performance of tenants within those centres remains uncertain.

Key risks

There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of HDN and may be exacerbated in an economic recession or downturn. These include but are not limited to: (i) changes in inflation, interest rates and foreign currency exchange rates; (ii) changes in employment levels and labour costs; (iii) changes in aggregate investment and economic output; and (iv) other changes in economic conditions which may affect the income and expenses of HDN.

Rental income may decline

HDN's primary source of income is generated through its leasing arrangement of its properties in its portfolio. HDN's revenue is largely dependent on the rents received from tenants across its portfolio, expenses incurred during operations and capital expenditure incurred. A number of factors may affect HDN's rental income and expenditure, including overall economic conditions (including CPI growth), local real estate conditions, the financial condition and solvency of tenants, ability to attract new tenants, ability to extend leases or replace outgoing tenants with new tenants, increase in rental arrears and vacancy periods, changes in retail tenancy laws and external factors including terrorist attacks, significant security breaches or a major world event.

There is a risk that rental income may be materially different to that expected. Rental income may decline for a number of reasons, including as a result of failure of existing tenants to perform existing leases in accordance with their terms, failure on the part of HDN to enforce contracted rent increases or agree market rental reviews or termination of a lease by a tenant due to convenience or failure on the part of HDN to meet lease terms. This has the potential to decrease the value of HDN and would also have an adverse impact on HDN's financial performance.

Unable to lease properties, or they may be vacant

Leases of existing properties and those to be acquired will come up for renewal on a periodic basis. There is a risk that HDN may not be able to negotiate suitable lease extensions with existing tenants or replace outgoing tenants with new tenants on the same terms or at all or be able to find new tenants to take over space that is currently unoccupied. Should HDN be unable to secure a replacement tenant for a period of time, if replacement tenants lease a property on less favourable terms than existing lease terms or is unable to secure a tenant for a vacant property (or parts thereof) for a period of time, this will result in lower rental returns to HDN, which could materially adversely affect HDN's financial performance.

Value of its portfolio or individual properties may fall

The value of HDN's portfolio, or individual properties within its portfolio, may be impacted by a number of factors affecting the Australian property market generally, as well as HDN. The properties are independently valued regularly in accordance with HFML's valuation policy. These valuations represent only the analysis and opinion of the valuation experts at a certain date and are not guarantees of present or future property values. Property values may fall if the underlying assumptions on which the valuation reports are based change in the future. Valuations may differ depending on the valuer appointed. A valuation may not reflect the actual price that would be realised if a property is sold. In particular, the LFR Portfolio is being acquired at purchase prices referenced to the Dec-20 valuations. Any expected valuation uplift set out in this presentation is based on 30-Jun-21 independent valuations, which are provided in draft form and subject to change. As property valuation adjustments are reflected in HDN's statement of profit and loss, any decreases in value would have a corresponding effect on the statement of profit and loss and HDN's financial position and performance.

Retail property sector concentration

HDN's portfolio is principally comprised of retail properties and is therefore exposed to the retail property sector. As a result of this exposure, HDN's performance depends, in part, on the performance of the Australian retail property sector. In addition, if any of the sub-sectors in New South Wales, Queensland, Victoria, Western Australia or South Australia experience a downturn in activity, HDN's financial performance may be adversely impacted.

Tenant concentration

Whilst HDN has a diverse tenant mix, a high proportion of the gross property income from its portfolio is generated from the top 20 tenants. There is therefore a risk that if one or more of the major tenants ceases to be a tenant, HDN may not be able to find suitable replacements or may not be able to secure lease terms that are as favourable as current terms. HDN's financial performance could be adversely impacted if it is unable to secure a replacement tenant for a major tenant for a period of time or if replacement tenants lease the property on less favourable terms.

Responsible entity and management

HFML acts as responsible entity of HDN and has delegated the day to day management of HDN and its portfolio to investment and property managers (which are wholly-owned subsidiaries of HMC), and is also assisted by other external services providers. Accordingly, HDN is reliant on the management expertise, support, experience and strategies of the key executives of HMC and other third parties, which cannot be assured. If HMC and other third parties do not perform as service providers, this could have an adverse impact on the management and performance of HDN.

If HFML is replaced as responsible entity of HDN by an entity that is not a related body corporate of HMC, there is potential for adverse effects to be experienced by HDN due to the loss of services of its current investment and property managers (as such arrangements may be terminated if there is a change in responsible entity of HDN).

Relationship with HMC

Although HDN believes its close association with HMC will bring many benefits, there are also certain risks that are inherent in the relationship. In performing its roles of responsible entity of HDN, co-owner of certain properties, manager of HDN and its properties, property developer, and provider of corporate and other services, the interests of HMC and HDN may not be aligned, and HMC may pursue its own interests. While many aspects of the relationship are governed by detailed agreements, given the dependence of HDN on HMC and the limited termination rights in such arrangements, it may be difficult for HDN to negotiate amendments to those agreements and it would be difficult for HDN to remove HMC from any of the roles it will perform with respect to its portfolio.

Model portfolio

While the portfolio has been constructed, and the Acquisitions undertaken, with reference to HDN's model portfolio, the actual composition of HDN's portfolio may be inconsistent with the model portfolio at any given point in time. Moreover, HFML may deem it necessary or in the best interests of Unitholders, to target a portfolio composition that departs from the model portfolio in order to achieve the objectives of HDN.

Finally, the model portfolio may be modified over time to reflect updated quantitative analysis, which could cause the actual composition of the portfolio to differ from the model portfolio.

E-commerce trends

There has been an observed trend towards consumers using e-commerce sales channels when purchasing goods and services. This trend has resulted in significant disruption to the operations of traditional retailers, some of which are tenants within HDN's portfolio of centres. There is a risk that consumer preferences for online shopping may, over time, reduce the level of trading seen at properties in HDN's portfolio. Moreover, the overall disruption to retailing in Australia associated with e-commerce may ultimately impact upon the rents that can be charged by retail focused landlords, such as HDN. A fundamental shift away from in-store shopping across all retail categories would likely have a negative impact on HDN's financial performance and position.

Capital expenditure requirements may be higher than expected

Whilst capital expenditure is not anticipated to be significant, there is a risk that the required capital expenditure will exceed HDN's current expectations, which could lead to increased funding costs and adversely impact distributions.

Some examples of circumstances that may require capital expenditure in excess of the anticipated amount include property damage caused by fire, flood or other disaster, changes to laws or council requirements such as environmental, building or safety regulations, or property defects or environmental issues that become apparent in the future and need to be repaired or addressed. Any required or unforeseen material capital expenditure on the properties that is not covered by insurance could impact HDN's financial performance and distributions.

Development activities may involve higher risks

In seeking to maximise returns for investors, HDN intends to develop the existing development sites and tenancies yet to open at trading sites. HDN will consider opportunities to enhance the value of the broader portfolio and may selectively acquire new properties which have development potential. There are typically higher risks associated with development activities than holding developed assets. The risks faced by HDN in relation to existing or future development projects will depend on the terms of the transaction at the time. HDN seeks to mitigate the risks associated with development projects by employing the following risk mitigation strategies:

Key risks

- ensuring that it has lease commitments (in the form of agreements for lease) in respect of at least 50% of the GLA before commencing development; and
- backing contractor obligations with unconditional bank guarantees.

Development activities require various approvals from the relevant State planning authorities. There is a risk that the relevant approvals may not be obtained on the basis of HDN's application, are on conditions that are unsatisfactory or may not be granted at all. Changes in government regulations and policies, failure to obtain or delays in the granting of planning approvals may affect the amount and timing of HDN's future profits.

Properties are illiquid

Property assets are by their nature illiquid investments. If it were necessary or desirable for HDN to sell one or more of the properties in its portfolio, it may not be able to do so within a short period of time or it may not be able to realise a property for the amount at which HDN has valued it. Any protracted sale process, inability to sell a property or sale at a price that is less than HDN's valuation of the property may adversely affect HDN's financial performance and distributions.

Environmental compliance costs and liabilities

While HDN undertakes comprehensive legal due diligence in relation to the properties in its portfolio, unforeseen environmental issues may affect any of its properties. Whilst HDN is not aware of any material environmental contamination at any of its properties, there is a risk that a property in the portfolio (or a property close to a property in the portfolio) may be contaminated now or in the future. Government environmental authorities may require HDN to remediate such contamination and HDN may be required to undertake any such remediation at its own cost. HDN may be liable to remedy sites affected by environmental issues even in circumstances where HDN is not responsible for causing the environmental liability. The cost of such remediation could be substantial. In addition, if HDN is not able to remediate the site properly, this may adversely affect its ability to use the relevant property for alternative uses, sell the relevant property or to use it as collateral for future borrowings. Any such event could adversely impact HDN's financial performance. An environmental issue may also result in interruptions to the operations a property, causing lost income which may not be recoverable.

HDN may not be able to meet its forecasts

All forward-looking statements, opinions and estimates provided by HDN rely on various factors, many of which are outside the control of HMC and HDN. There can be no guarantee that the assumptions on which the forward-looking statements, opinions and estimates are based, will ultimately prove to be valid or accurate, including rents, property costs and corporate expenses incurred by HDN. HDN can give no assurance that HDN's actual results will not differ materially from those presented. Any material adverse difference may adversely affect the value of the Units.

Insurance risk

HDN maintains appropriate insurance coverage in respect of its portfolio where insurance coverage is available on commercial terms and at acceptable prices. Insurance cover may not be available for certain types of losses (for example, losses caused by war, riots and civil commotion) or even if it is available it may be too expensive. Any losses incurred due to uninsured risks, or a loss in excess of the insured amounts, could lead to a loss of some of the capital invested by HDN, and could adversely affect the financial performance of HDN. Increases in insurance premiums as a result of insurance claims or otherwise may also adversely affect HDN's financial performance.

HDN may be unable to refinance, repay or renew its debt

HDN uses bank debt to partially fund its business operations. The first and second tranches of the debt facilities the REIT has in place will both expire three (3) years after the date of financial close under the debt facilities. HDN is subject to various financial and non-financial covenants under the debt facilities which could limit its future financial flexibility.

Interest payable on the debt facilities will depend on the interest rate, which is comprised of a base interest rate plus a variable interest rate margin. An increase in interest rates or an increase in the margins on which financing can be obtained may increase HDN's financing costs. For example, the applicable margin for each tranche of the debt facilities will increase as the loan to value ratio increases.

If HDN's financial performance deteriorates, including due to a decline in rental income or the value of its portfolio, HDN may be unable to meet the covenants under the debt facilities. This may require HDN to seek amendments, waivers of covenant compliance or alternative borrowing arrangements, to reduce debt or raise additional equity.

If a breach of covenant under the debt facilities were to occur, there is no assurance that a debt financier would consent to an amendment or waiver, or that debt financiers would not exercise enforcement rights, including cancelling the debt facilities, requiring immediate repayment or enforcing their security. If a debt financier enforces its security over the relevant assets of a subsidiary of HDN which has provided security to support HDN's debt financing and forces a sale of the secured property, there is a risk that the value received may be less than the amount of the secured obligations and may be less than the optimal sale price. If HDN is unable to repay or refinance the debt facilities upon maturity or in the event of a breach of covenant, HDN may have to seek further equity, dispose of assets or enter into new debt facilities on less favourable terms. These factors could materially adversely affect HDN's ability to operate its business, acquire new properties and fund capital expenditure and could materially adversely affect the financial performance of HDN and distributions, and HDN may suffer reputational damage which could result in lenders being unwilling to extend additional finance or potentially raise future borrowing costs.

In the future, HDN may also need to access additional debt financing to grow its operations and its portfolio. If HDN is unable to refinance, repay or renew its debt facilities or otherwise obtain debt finance on favourable terms, HDN may not meet its growth targets, which may adversely impact HDN's financial performance and distributions.

Retail tenancies legislation

Retail tenancies legislation in force in each Australian State and Territory regulates the terms on which leases and licences are granted to tenants of retail premises. For example, in certain of those jurisdictions, retail tenancies legislation prohibits a landlord from recovering land tax in respect of any site from which a retail business is conducted. As a retail business is carried on at each property in its portfolio, HDN has considered the potential application of retail tenancies legislation in respect of its business and, in the case of each lease, considers that such legislation by its terms does not apply to the leases or, if it does apply, it intends to comply with applicable legislation. There is a risk that retail tenancies legislation in any Australian State or Territory may be amended in a manner unfavourable to HDN or that HDN does not comply with applicable retail tenancies legislation. In that event, HDN may be adversely impacted as a result.

Risks associated with an investment in HDN units

There are general risks associated with investments in equity capital such as HDN's units. The trading price of HDN's units may fluctuate with movements in equity capital markets in Australia and internationally. This may result in market price for the New Units being issued under the Offer being more or less than the offer price. Generally applicable factors that may affect the market price of securities include general movements in Australian and international stock markets, investor sentiment, Australian and international economic conditions and outlooks, changes in interest rates and the rate of inflation, change in government legislation and policies, geo-political instability including international hostilities and acts of terrorism, demand for and supply of HDN's units, announcements and results of competitors and analyst reports.

No assurance can be given that the New Units issued under the Offer will trade at or above the offer price. None of HFML, its directors or any other person guarantees the performance of HDN's units.

Risk of dilution

If eligible Unitholders of HDN do not take up their full entitlements under the Offer, their percentage security holding in HDN will be diluted by not participating to the full extent in the Offer. Investors may also have their investment diluted by future capital raisings by HDN. HDN may issue new units in the future to finance acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest.

Distributions

The payment of distributions in respect of HDN's units is impacted by several factors, including HDN's profitability, capital requirements and free cash flow. Any future distributions will be determined by HFML's board having regard to these factors, among others. There is no guarantee that any distribution will be paid by HDN, or if paid, paid at historical levels.

Impact of climate change

Climate change presents a potentially material risk to HDN. The increasing severity of acute weather events (such as heatwaves, cyclones and storms) and chronic climate impacts may affect one or more of HDN's properties (and associated communities) through physical damage, operating costs, ability to trade, consumer visitation and retail sales. These acute weather events may be sudden and acute or more gradual in nature. For example, a property may be damaged by storms or flooding which requires extensive repairs and may impact sales at that property. Alternatively, tenants may be impacted by disruptions to sales or their supply chains. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change. These may require HDN to incur costs to address these changes.



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Appendix B: Summary of Underwriting Arrangements

Summary of Underwriting Arrangements

Goldman Sachs Australia Pty Ltd is acting as sole Lead Manager and underwriter of the Offer (**Lead Manager**), with the exception of the entitlements of Home Consortium Limited, which are the subject of a legally binding pre-commitment. HDN has entered into an underwriting agreement with the Lead Manager in respect of the Offer (**Agreement**).

The Agreement contains conditions precedent, representations and warranties and indemnities in favour of the Lead Manager. The Lead Manager may also, in certain circumstances, terminate its obligations under the Agreement if any of the following termination events occur by giving written notice to HDN (some of which are subject to a market standard materiality qualifier):

- a) HDN is in breach of the Agreement or any of its representations or warranties in the Agreement is not true or correct when made or taken to be made;
- b) a material statement contained in the materials released to ASX in connection with the Offer (**Offer Materials**) is, or the Lead Manager becomes aware that such a statement was at the time it was made, false, misleading or deceptive (including by omission), or a material matter required to be included is omitted from the Offer Materials;
- c) HDN ceases to be admitted to the official list of ASX or its units are suspended from trading (other than with the written consent of the Lead Manager) or cease to be quoted on ASX (excluding a trading halt contemplated by the Agreement) or the ASX makes any official statement or indicates that the foregoing will occur;
- d) the cleansing notice or a notice given under section 1012DAA(12) of the Corporations Act (as included by the ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) is or becomes defective within the meaning of sections 1012DAA(11)(a) or (b);
- e) there are not, or there ceases to be, reasonable grounds for any statement or estimate in the Offer Materials which relates to a future matter or any statement or estimate in the Offer Materials which relates to a future matter is unlikely to be met within the projected timeframe (including financial forecasts);
- f) HDN or any of its directors or officers engage in any fraudulent activity whether or not in connection with the Offer;
- g) unconditional approval (or conditional approval on conditions which in the reasonable opinion of the Lead Manager would not have a material adverse effect on the success or settlement of the Offer) is refused or is not granted for the quotation of the New Units by the relevant date, or ASX makes a statement or indicates that official quotation will not be granted;
- h) an application is made or threatened in writing by ASIC for an order under Part 9.5 of the Corporations Act or ASIC commences (or gives written notice of an intention to commence) an investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**), in each case in relation to the Offer or the Offer Materials, and such application, hearing or investigation becomes public or is not withdrawn within two business days after it is made or commenced (or if made within two business days before a settlement date under the Offer, by that settlement date);
- i) HDN withdraws an Offer Material or the Offer or indicates that it does not intend to proceed with the Offer or any part of it;
- j) any member of the HDN group becomes insolvent or there is an act or omission which is likely to result in a member of the HDN group becoming insolvent;
- k) an event specified in the timetable for the Offer (i) up to and including the settlement date for the Institutional Entitlement Offer is delayed more than one business day, or (ii) up to and including the settlement date for the Retail Entitlement Offer is delayed for more than two business days, in each case without the prior written approval of the Lead Manager;
- l) HDN is unable to issue the New Units on the relevant date as required by the timetable, Offer Materials, ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency;
- m) any modification from ASIC of the Corporations Act or ASX approval required to conduct the Offer in accordance with the Agreement or is withdrawn, amended or revoked or if a regulatory body withdraws, amends or revokes any regulatory approvals required for HDN to perform its obligations under the Agreement or carry out the transactions contemplated by the Offer Materials;
- n) a director of HDN is charged with an indictable offence or a government agency commences an enquiry or public action against HDN or its group or their directors (in their capacity as a director) or announces an intention to take such action;

Summary of Underwriting Arrangements

- o) there occurs a new circumstance that arises after the ASX Materials were given to the ASX that would have been required to be included in the ASX Materials (or otherwise to have been included in material previously disclosed to the ASX) if it had arisen before the before the ASX Materials were given to ASX;
- p) any adverse change occurs in or affecting the general affairs, business, operations, assets, liabilities, financial position or performance, profits, losses or prospects, earnings position or result of HDN or its group, including from those disclosed in any Offer Material or public information made by or on behalf of HDN;
- q) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia or New Zealand a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Agreement);
- r) hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United Kingdom or the United States or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries or anywhere else in the world; or
- s) any of the following occurs (i) a general moratorium on commercial banking activities in Australia is declared by the relevant central banking authority, or there is a disruption in commercial banking or security settlement or clearance services in that country or (ii) trading in all securities quoted or listed on ASX is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading.

If the Lead Manager terminates its obligations under the Agreement, the Lead Manager will not be obliged to perform any of its obligations that remain to be performed. Termination of the Agreement by the Lead Manager could have an adverse impact on the amount of proceeds raised under the Offer.

For details of fees payable to the Lead Manager, see the Appendix 3B released to ASX on the date of this Presentation.



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Appendix C: Foreign Offer Restrictions

Foreign Offer Restrictions

International Offer Restrictions

This document does not constitute an offer of new ordinary Units ("New Units") of HDN in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Units may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Units have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Units has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Units that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Units are not being offered to the public within New Zealand other than to existing unitholders of HDN with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Units may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
 - meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
 - is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
 - is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
 - is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.
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Foreign Offer Restrictions

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. HDN is not a collective investment scheme authorised under Section 286 of the SFA or recognised by the MAS under Section 287 of the SFA and the New Units are not allowed to be offered to the retail public.

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Units may not be circulated or distributed, nor may the New Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an "institutional investor", please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Units being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.



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Appendix D: Summary of HMC sub-underwrite

**Home
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Daily Needs
REIT



Summary of HMC sub-underwrite

- Home Consortium Developments Limited (HCDL), an entity within the Home Consortium stapled group, has committed to sub-underwrite \$26.7 million (approximately 10% of the Entitlement Offer) of the retail component of the Entitlement Offer.
- HCDL is not sub-underwriting any of the institutional component of the Entitlement Offer.
- HCDL has entered into a sub-underwriting agreement on the same terms as other sub-underwriters of the retail component of the Entitlement Offer
- HCDL will receive an underwriting fee of 1.5% of its sub-underwriting commitment, payable by the Lead Manager
- There are no significant events that could lead to the sub-underwriting agreement being terminated, other than termination of the underwriting agreement between HDN and the Lead Manager
- If HCDL is required to take up its full sub-underwriting allocation, it and its associates would increase their voting power in HDN by 3% up to 29.6% on the issue date of the retail component of the Entitlement Offer.