



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

26 April 2021

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION OR RELEASE IN THE UNITED STATES

HOME CO DAILY NEEDS REIT DESPATCHES RETAIL ENTITLEMENT OFFER BOOKLET

HomeCo Daily Needs REIT (ASX: HDN) confirms that the retail entitlement offer booklet (**Retail Offer Booklet**) and personalised entitlement and acceptance form in connection with the 1 for 2.36 underwritten accelerated non-renounceable entitlement offer (**Entitlement Offer**), as announced to ASX on Monday, 19 April 2021, will be despatched to eligible retail unitholders today.

A letter to ineligible retail unitholders notifying them of the Entitlement Offer and their ineligibility to participate has also been despatched.

A copy of the Retail Offer Booklet and the letter to ineligible retail unitholders is attached to this announcement. Eligible retail unitholders can also access the Retail Offer Booklet and their personalised entitlement and acceptance form online at <https://events.miraqle.com/hdn-offer>.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) opens today, Monday, 26 April 2021 and closes at 5.00pm (Sydney time) on Friday, 7 May 2021.

Eligible retail unitholders should carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer.

Unitholders with questions in relation to the Retail Entitlement Offer may contact the HDN Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

-ENDS-

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Authorised for release by the Board of the Responsible Entity

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.

Not for distribution or release in the United States

*This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the Securities Act (which HomeCo Daily Needs REIT has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.*

General

In addition, this announcement is subject to the same "Important Notice and Disclaimer" as appears on slides 1 to 4 of the Investor Presentation released to ASX on 19 April 2021 with any necessary contextual changes.



HomeCo Daily Needs REIT (ASX: HDN)

ARSN 645 086 620

RETAIL ENTITLEMENT OFFER BOOKLET

HMC Funds Management Limited as responsible entity of HomeCo Daily Needs REIT is undertaking a 1 for 2.36 accelerated non-renounceable entitlement offer of fully paid ordinary units in HDN at an offer price of \$1.295 per New Unit.

Eligible Unitholders who are issued New Units will also be eligible to receive, without any further action, up to 1 Bonus Unit for every 20 New Units issued, provided the Eligible Unitholder holds a number of Units in excess of their Record Date Holding on Monday, 16 August 2021.

Each Bonus Unit will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date.

The Retail Entitlement Offer opens on Monday, 26 April 2021 and closes at 5.00pm (Sydney time) on Friday, 7 May 2021.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Offer Booklet is not a product disclosure statement under the Corporations Act and has not been lodged with ASIC. Please call your stockbroker, solicitor, accountant, financial adviser or other professional adviser or the HDN Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

IMPORTANT NOTICES

Nature of this Offer Booklet

This Offer Booklet has been prepared and issued 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**) and is dated 26 April 2021. Defined terms and abbreviations used in this Offer Booklet are detailed in the glossary of terms in Section 7.

The Entitlement Offer is being made in Australia pursuant to section 1012DAA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) which allow entitlement offers to be made to investors without a product disclosure statement. This Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a product disclosure statement. The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Offer Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. This Offer Booklet is not a product disclosure statement or other disclosure document under the Corporations Act and has not been lodged with ASIC.

By paying for your New Units through BPAY® in accordance with the instruments on your personalised Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Offer Booklet.

Neither the Underwriter, nor its related bodies corporate or affiliates, nor any of their respective directors, officers, partners, employees, representatives, contractors, consultants, agents or advisers (together, the **Underwriter Parties**) has authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Offer Booklet and there is no statement in this Offer Booklet which is based on any statement made by the Underwriter or by any Underwriter Party. To the maximum extent permitted by law, each Underwriter Party expressly disclaims all duties and liabilities (including for fault, negligence and negligent misstatement) in respect of, and makes no representations or warranties regarding, and takes no responsibility for, any part of this Offer Booklet or any action taken by you on the basis of the information in this Offer Booklet, and makes no representation or warranty as to the fairness, currency, accuracy, reliability or completeness of this Offer Booklet.

No overseas offering

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Offer Booklet does not constitute an offer to Ineligible Retail Unitholders and may not be distributed in the United States and the New Units may not be offered or sold, directly or indirectly, to persons in the United States.

This Offer Booklet is not to be distributed in, and no offer of New Units is to be made, in countries other than Australia and New Zealand unless HFML, in its

discretion, is satisfied that the Retail Entitlement Offer may be made in compliance with all applicable laws.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Units, or otherwise permit the public offering of the New Units, in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Units is subject to all requisite authorities and clearances being obtained for HFML to lawfully receive your Application Monies.

New Zealand

The New Units are not being offered or sold to the public within New Zealand other than to existing Unitholders with registered addresses in New Zealand to whom the offer of New Units is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States disclaimer

This Offer Booklet and any accompanying ASX announcements and the Entitlement Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States.

Neither this Offer Booklet nor the Entitlement Form may be distributed or released in the United States. Neither the Entitlements nor the New Units offered in the Retail Entitlement Offer have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the Entitlements may not be taken up by, and the New Units may not be offered, sold or resold to persons in the United States or persons who are acting for the account or benefit of a person in the United States unless they have been registered under the US Securities Act or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable US state securities laws. The Entitlements and the New Units to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act.

References to "you" and "your Entitlement"

In this Offer Booklet, references to "you" are references to Eligible Retail Unitholders (as defined in Section 6.2) and references to "your Entitlement" (or

"your Entitlement and Acceptance Form") are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Unitholders.

Times and dates

Times and dates in this Offer Booklet are indicative only and may be subject to change. All dates refer to Sydney time. Refer to the "Key Dates" section of this Offer Booklet for more details.

Currency

Unless otherwise stated, all references to "\$" and dollar values in this Offer Booklet are in Australian dollars (AUD).

Privacy

HFML collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the applicant's holding in HDN.

By paying for your New Units, you will be providing personal information to HFML (directly or through the Registry). HFML collects, holds and will use that information to assess your application. HFML collects your personal information to process and administer your unitholding in HDN and to provide related services to you. HFML may disclose your personal information for purposes related to your unitholding in HDN, including to the Registry, HFML's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that HFML holds about you. To make a request for access to your personal information held by (or on behalf of) HFML, please contact HFML through the Registry.

Governing law

This Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the applications are governed by the law of New South Wales, Australia. Each applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

Future performance and forward looking statements

This Offer Booklet contains certain "forward looking statements", including but not limited to projections and guidance on the future performance of HDN and the outcome and effects of the Entitlement Offer. Forward looking statements can generally be identified by the use of forward looking words such as "expect", "anticipate", "likely", "intend", "propose", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance", "potential", and other similar expressions within the meaning of securities laws of applicable jurisdictions.

The forward looking statements contained in this Offer Booklet are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of HFML, its Directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the "Key Risks" section of the Investor Presentation included in Section 5 for a summary of certain general and HDN specific risk factors that may affect HDN. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including one or more of the key risk factors in Section 5. Investors should consider the forward-looking statements contained in this Offer Booklet in light of those disclosures. The forward-looking statements are based on information available to HDN as at the date of this Offer Booklet.

Except as required by law or regulation (including the ASX Listing Rules), HFML undertakes no obligation to provide any additional or updated

information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Past performance

Investors should note that past performance, including the past unit price performance of HDN and the pro forma historical information in the Investor Presentation included in Section 5, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future HDN performance including future unit price performance. The pro forma historical information is not represented as being indicative of the HDN's views on its future financial condition and/or performance.

Risks

Refer to the "Key Risks" section of the Investor Presentation included in Section 5 for a summary of certain risk factors that may affect HDN.

Trading in New Units

HFML, the Underwriter and their respective affiliates and related bodies corporate have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Units they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by HFML or the Registry or failure to maintain your updated details with the Registry or otherwise, or who otherwise trade or purport to trade New Units in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

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SUMMARY OF THE ENTITLEMENT OFFER

Entitlement Offer	Date
Ratio	1 New Unit for every 2.36 Units held
Bonus Ratio	1 Bonus Unit for every 20 New Units issued
Offer Price for New Units	\$1.295 per New Unit
Issue price for Bonus Units	Nil
Size (excluding Bonus Units)	Approximately 204.6 million New Units
Gross proceeds	Approximately \$265 million

KEY DATES

Event	Date
Announcement of the Entitlement Offer	Monday, 19 April 2021
Record Date (7.00pm Sydney time)	Wednesday, 21 April 2021
Offer Booklet lodged with ASX	Monday, 26 April 2021
Offer Booklet and Entitlement and Acceptance Form despatched	Monday, 26 April 2021
Retail Entitlement Offer opens	Monday, 26 April 2021
Early Retail Acceptance Due Date (5.00pm Sydney time)	Friday, 30 April 2021
Settlement of the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Date	Monday, 3 May 2021
Issue of New Units under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Date	Tuesday, 4 May 2021
Despatch of holding statements for New Units issued under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Date	Wednesday, 5 May 2021
Retail Entitlement Offer closes (5.00pm Sydney time)	Friday, 7 May 2021
Announcement of results of Retail Entitlement Offer	Wednesday, 12 May 2021
Settlement of the Retail Entitlement Offer	Thursday, 13 May 2021
Allotment and issue of New Units under the Retail Entitlement Offer	Friday, 14 May 2021
Normal trading on the Australian Securities Exchange (ASX) for New Units issued under the Retail Entitlement Offer commences	Monday, 17 May 2021
Despatch of holding statements for New Units issued under the Retail Entitlement Offer	Monday, 17 May 2021
Bonus Unit Determination Date	Monday, 16 August 2021
Expected Bonus Unit issue date	Friday, 10 September 2021

Note: The timetable above is indicative only and may change. HFML reserves the right to amend any of these dates and times without notice, subject to the consent of the Underwriter and otherwise in accordance with the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, HFML reserves the right to

extend the Closing Date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. The commencement of quotation of New Units is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Units. You cannot withdraw your application once it has been accepted. Eligible Retail Unitholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens to ensure their application is received by the Registry in time.

Enquiries

If you have any questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser, or call the HDN Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

LETTER FROM CHAIRMAN

26 April 2021

Dear Unitholder,

On behalf of the Board of HMC Funds Management Limited (**HFML**), the Responsible Entity of HomeCo Daily Needs REIT (**HDN**), I am pleased to invite you to participate in HDN's recently announced underwritten, accelerated 1 for 2.36 non-renounceable entitlement offer of New Units at an offer price of \$1.295 per New Unit, to raise gross proceeds of approximately \$265 million (**Entitlement Offer**).

Eligible Unitholders or any investors who are issued New Units will also be eligible to receive, without any further action, up to 1 Bonus Unit for every 20 New Units issued to them, provided the Eligible Unitholder or investor holds a number of Units in excess of their Record Date Holding on the Bonus Unit Determination Date. 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 Eligible Unitholder or investor. Each Bonus Unit will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date. The issue of Bonus Units is subject to Unitholders approving the Selective Buy-Back (refer to Section 2.4 for further details).

The proceeds of the Entitlement Offer will be applied principally to fund the acquisition of seven properties from Home Consortium and a property located in Armstrong Creek in Victoria, for a total aggregate consideration of \$322 million. The acquisition of the properties from Home Consortium is subject to Unitholder approval at a general meeting of Unitholders, which is expected to be held in June 2021. A Notice of Meeting will be sent to Unitholders in the near future, which will include a report from an independent expert stating whether, in its opinion, that transaction is fair and reasonable from the point of view of Unitholders.

The Institutional Entitlement Offer was successfully completed on 20 April 2021. The book-build for the Institutional Entitlement Offer was strongly supported by new and existing institutional and sophisticated investors from Australia and overseas. In particular, the Institutional Entitlement Offer was supported by existing Institutional Unitholders, with take up by Eligible Institutional Unitholders of over 95%. Home Consortium, HDN's largest Unitholder, has committed to take up its full entitlement (from its 26.6% investment in HDN) equating to \$70.6 million, which will settle as part of the Retail Entitlement Offer.

This Offer Booklet relates to the Retail Entitlement Offer. Under the Retail Entitlement Offer, Eligible Retail Unitholders have the opportunity to invest at the same price as Eligible Institutional Unitholders who participated in the Institutional Entitlement Offer. Your Entitlement is set out in your personalised Entitlement and Acceptance Form which accompanies this Offer Booklet. It is important that you determine whether to take up in whole or part, or do nothing, in respect of your Entitlement.

The Offer Price of \$1.295 per New Unit represents an implied 6.7% discount to the closing price of Units on 16 April 2021 (being the last trading day before announcement of the Entitlement Offer), having regard to an implied:

- ~4.8% discount to those Eligible Unitholders who take up their full or partial Entitlement and are issued with up to 1 Bonus Unit for every 20 New Units issued to them in the Entitlement Offer; and
- ~1.9% discount based the portfolio of properties being acquired from Home Consortium at a 6% discount to independent draft June 2021 valuations, resulting in an expected \$17.3 million valuation uplift on confirmation of those valuations as at 30 June 2021.¹

¹ Independent valuation in respect of the year end 30 June 2021. Currently in draft form pending finalisation at year end.

New Units issued through the Retail Entitlement Offer, including the Bonus Units, will rank equally with existing Units on issue. New Units will be entitled to the distribution for the quarter ending 30 June 2021 and Bonus Units are expected to be entitled to the distribution for the quarter ending 30 September 2021.

Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897) is acting as lead manager and underwriter to the Entitlement Offer (**Underwriter**). The issue of Bonus Units is not underwritten.

Entitlements under the Entitlement Offer are non-renounceable and will not be tradeable on ASX or otherwise transferable. If you do not take up your Entitlement in full, you will not receive any value in respect of that part of the Entitlement that you do not take up.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 7 May 2021.

If you would like to exercise your Entitlement to increase your holding in HDN, you will need to complete and return your personalised Entitlement and Acceptance Form together with the requisite Application Monies, or alternatively pay your Application Monies using BPAY® so that they are received by the Registry by 5.00pm (Sydney time) on Friday, 7 May 2021. If you apply and pay your Application Monies before 5.00pm (Sydney Time) on Friday, 30 April 2021 (**Early Retail Acceptance Due Date**) via BPAY®, your New Units will be issued to you on Tuesday, 4 May 2021, which is the same date that New Units will be issued under the Institutional Entitlement Offer.

Please carefully read this Offer Booklet in its entirety and consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser before making your investment decision. In particular, you should read and consider the "Key Risks" section of the Investor Presentation included in Section 5, which contains a summary of some of the key risks associated with an investment in HDN.

If you have any questions in respect of the Retail Entitlement Offer, please call the HDN Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

On behalf of the Board, we invite you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S A Shakesheff', followed by a stylized flourish.

Simon Shakesheff

Chairman

1. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Unitholder you may take either of the following actions:

1. take up all of your Entitlement;
2. take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for the lapsed part of your Entitlement; or
3. do nothing and let all of your Entitlement lapse and you will receive no value for the lapsed Entitlement.

If you are a Unitholder that is not an Eligible Retail Unitholder you are an **Ineligible Retail Unitholder**. Refer to Section 3.7 for more detail on Ineligible Retail Unitholders.

Options available to you	Key considerations
1. Take up all of your Entitlement	<p>If you wish to take up all of your Entitlement, you may elect to purchase all of the New Units at the Offer Price specified in your personalised Entitlement and Acceptance Form (see Section 3.3 for instructions on how to take up your Entitlement).</p> <p>The New Units will rank equally in all respects with existing Units and will be entitled to the distribution for the quarter ending 30 June 2021.</p> <p>The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 7 May 2021. If Eligible Retail Unitholders apply and pay their Application Monies before the Early Retail Acceptance Due Date via BPAY®, their New Units will be issued on Tuesday, 4 May 2021, which is the same date that New Units will be issued under the Institutional Entitlement Offer.</p>
2. Take up part of your Entitlement	<p>If you wish to take up only part of your Entitlement, you may elect to subscribe for a lesser number of New Units at the Offer Price, than the number of New Units specified in your personalised Entitlement and Acceptance Form (see Section 3.3 for instructions on how to take up your Entitlement).</p> <p>The New Units will rank equally in all respects with existing Units and will be entitled to the distribution for the quarter ending 30 June 2021.</p> <p>If you only take up part of your Entitlement, the part of your Entitlement not taken up will lapse and you will not receive any payment or value for that part of your Entitlement. If you do not take up your Entitlement in full, you will have your percentage unitholding in HDN reduced as a result of dilution by the New Units issued under the Entitlement Offer.</p> <p>The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 7 May 2021. If Eligible Retail Unitholders apply and pay their Application Monies before the Early Retail Acceptance Due Date via BPAY®, their New Units will be issued on Tuesday, 4 May 2021, which is the same date that New Units will be issued under the Institutional Entitlement Offer.</p>

Options available to you	Key considerations
3. Do nothing and let all of your Entitlement lapse	<p>If you do nothing with respect to all of your Entitlement, you will not be allocated any New Units and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred.</p> <p>By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Units had you taken up your Entitlement and you will not receive any payment or value for your Entitlement. Although you will continue to own the same number of Units, your percentage unitholding in HDN will be reduced as a result of dilution by the New Units issued under the Entitlement Offer.</p>

2. OVERVIEW OF THE ENTITLEMENT OFFER

2.1 Entitlement Offer

The Entitlement Offer is an offer of approximately 204.6 million New Units at the Offer Price of \$1.295 per New Unit, to raise approximately \$265 million. All Eligible Unitholders are entitled to subscribe for 1 New Unit for every 2.36 Units held at the Record Date, being 7.00pm (Sydney time) on Wednesday, 21 April 2021.

Eligible Unitholders or any investors who are issued New Units will also be eligible to receive, without any further action, up to 1 Bonus Unit for every 20 New Units issued to them, provided the Eligible Unitholder or investor holds a number of Units in excess of their Record Date Holding on the Bonus Unit Determination Date. 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 Eligible Unitholder or investor. Each Bonus Unit will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date. The issue of Bonus Units is subject to Unitholders approving the Selective Buy-Back (refer to Section 2.4 for further details).

The proceeds of the Entitlement Offer will be applied principally to fund the acquisition of seven properties from Home Consortium and a property located in Armstrong Creek, Victoria, for total aggregate consideration of \$322 million. The acquisition of the properties from Home Consortium is subject to Unitholder approval at a general meeting of Unitholders, which is expected to be held in June 2021. A Notice of Meeting will be sent to Unitholders in the near future, which will include a report from an independent expert stating whether, in its opinion, the transaction is fair and reasonable from the point of view of Unitholders.

The Entitlement Offer has two components:

- the **Institutional Entitlement Offer** - Eligible Institutional Unitholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Unitholders as well as Entitlements of Ineligible Institutional Unitholders at the Offer Price was carried out, which raised approximately \$93 million; and
- the **Retail Entitlement Offer** (to which this Offer Booklet relates) - Eligible Retail Unitholders will be given the opportunity to take up all or part of their Entitlement to raise approximately \$172.1 million, which includes Home Consortium's commitment to take up its full entitlement of \$70.6 million (from its 26.6% investment in HDN), which will settle as part of the Retail Entitlement Offer.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements do not trade on the ASX nor can they be sold, transferred or otherwise disposed of. New Units issued under the Retail Entitlement Offer are to be issued at the same price as New Units issued under the Institutional Entitlement Offer. In addition, Unitholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.

The Entitlement Offer is underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement (see Section 6.3 for more details).

2.2 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Unitholders (as defined in Section 2.3) are being offered the opportunity to subscribe for all or part of their Entitlement and 1 New Unit for every 2.36 existing Units held as at the Record Date, being 7.00pm (Sydney time) on Wednesday, 21 April 2021, at the Offer Price of \$1.295 per New Unit.

The Retail Entitlement Offer opens on Monday, 26 April 2021. The Offer Booklet will be despatched on Monday, 26 April 2021, along with a personalised Entitlement and Acceptance Form, to Eligible Retail Unitholders. The Retail Entitlement Offer is expected to close at 5.00pm (Sydney time) on Friday, 7 May 2021. If Eligible Retail Unitholders apply and pay their Application Monies before the Early Retail Acceptance Due

Date via BPAY®, their New Units will be issued on Tuesday, 4 May 2021, which is the same date that New Units will be issued under the Institutional Entitlement Offer.

The Retail Entitlement Offer is being made pursuant to section 1012DAA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 and ASIC Instrument 2021-0274) which allows the Entitlement Offer to be offered without a product disclosure statement, provided certain conditions are satisfied.

As a result, the Retail Entitlement Offer is not being made under a product disclosure statement and it is important for Eligible Retail Unitholders to read and understand the information on HDN and the Retail Entitlement Offer made publicly available by HDN, prior to taking up all or part of their Entitlement. In particular, please refer to the materials enclosed in Section 5, HDN's interim and annual reports, other announcements made available at <https://www2.asx.com.au/> (including HDN's half-yearly report which was released to ASX on 17 February 2021) and all other parts of this Offer Booklet carefully before making any decisions in relation to your Entitlement.

2.3 Eligible Retail Unitholders

The Retail Entitlement Offer constitutes an offer to **Eligible Retail Unitholders** only, being Unitholders who:

- are registered as a holder of Units as at the Record Date, being 7.00pm (Sydney time) on Wednesday, 21 April 2021;
- as at the Record Date, have a registered address on the HDN unit register that is in Australia or New Zealand, or are a Unitholder that HFML has otherwise determined is eligible to participate;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Units for the account or benefit of such person in the United States);
- were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Unitholder; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

All Unitholders who are not Eligible Retail Unitholders are Ineligible Retail Unitholders. Ineligible Retail Unitholders will not be entitled to participate in the Retail Entitlement Offer.

HFML has determined that it would be unreasonable on this occasion to extend the Retail Entitlement Offer to Ineligible Retail Unitholders, having regard to the number of Units held by Ineligible Retail Unitholders, the number and value of New Units that they would be offered, and the costs of complying with the legal and regulatory requirements which would apply to an offer of Units.

HFML, in its absolute discretion, reserves the right to determine whether a Unitholder is an Eligible Retail Unitholder and therefore able to participate in the Retail Entitlement Offer, or an Ineligible Retail Unitholder and therefore unable to participate in the Retail Entitlement Offer. HFML disclaims all liability to the maximum extent permitted by law in respect of the determination as to whether a security holder is an Eligible Retail Unitholder or an Ineligible Retail Unitholder.

2.4 Bonus Units

Eligible Unitholders or any investors who are issued New Units will also be eligible to receive, **without any further action**, up to 1 Bonus Unit for every 20 New Units issued to them, provided the Eligible Unitholder or investor holds a number of Units in excess of their Record Date Holding on the Bonus Unit Determination Date. 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 Eligible Unitholder or investor (**Full Entitlement Holding**). Where an Eligible Unitholder or investor holds more than their Record Date Holding

but less than their Full Entitlement Holding, the number of Bonus Units issued will be reduced proportionately and rounded down to the nearest whole Bonus Unit.

Each Bonus Unit will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date. Bonus Units will rank equally with existing Units on issue and are expected to be entitled to the distribution for the quarter ending 30 September 2021.

The number of Bonus Units allocated will be determined based on the number of Units held by the Eligible Unitholder or investor on the Bonus Unit Determination Date in excess of the number of Units they held on the Record Date (up to the number of New Units issued), divided by 20 and rounded down to the nearest whole Bonus Unit. **No Bonus Units will be allocated to an Eligible Unitholder or investor if the number of units held by them on the Bonus Unit Determination Date is less than the number they held on the Record Date.**

For example, an Eligible Unitholder or investor that has a holding of 100,000 Units on the Record Date and subscribes for their full entitlement under the Retail Entitlement Offer will be issued 42,372 New Units. That Eligible Unitholder or investor will be entitled to be issued up to 2,118 Bonus Units for no additional cost, provided they hold at least 142,372 Units on the Bonus Unit Determination Date.

Taking the same example, set out in the table below are some illustrative examples if the same Eligible Unitholder or investor has increased or decreased their total holding of Units as at the Bonus Unit Determination Date:

Assuming a Record Date Holding of 100,000 Units and a subscription for 42,372 New Units	Total Units held at the Bonus Unit Determination Date				
	200,000	142,372	120,000	105,000	≤100,000
Bonus Units to be issued	2,118	2,118	1,000	250	0

Eligible Unitholders or investors who, on the Bonus Unit Determination Date, hold at least their Full Entitlement Holding, will receive 100% of their Bonus Units.

Eligible Unitholders or investors who, on the Bonus Unit Determination Date, hold a number of Units that is less than their Full Entitlement Holding, but in excess of their Record Date Holding, will receive a number of Bonus Units which is proportionally lower (rounded down to the nearest whole Bonus Unit) than the amount they would have received had they held their Full Entitlement Holding.

Eligible Unitholders or investors who, on the Bonus Unit Determination Date, hold a number of Units equal to or less than their Record Date Holding will not receive any Bonus Units.

Assuming Eligible Unitholders or investors are issued their full entitlement of Bonus Units, the Offer Price of \$1.295 per New Unit is effectively discounted to \$1.233, representing approximately a 4.8% discount to the Offer Price.

In submitting an Entitlement and Acceptance Form, you are also applying for any Bonus Units to which you may become entitled on the Bonus Unit Determination Date.

The issue of the Bonus Units is being supported (funded) by HCL, which has agreed to sell back to HFML a number of Units equal to the number of Bonus Units that are issued, as determined on the Bonus Unit Determination Date (**Selective Buy-Back**). 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 and satisfaction of other applicable conditions (as summarised in Section 6.4).

3. HOW TO APPLY

3.1 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Unit for every 2.36 existing Units you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded down to the nearest whole number of New Units.

Eligible Unitholders or any investors who are issued New Units will also be eligible to receive, without any further action, up to 1 Bonus Unit for every 20 New Units issued to them, provided the Eligible Unitholder or investor holds a number of Units in excess of their Record Date Holding on the Bonus Unit Determination Date. 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 Eligible Unitholder or investor. Each Bonus Unit will be issued for nil consideration, as soon as practicable after the Bonus Unit Determination Date. The issue of Bonus Units is subject to Unitholders approving the Selective Buy-Back (refer to Section 2.4 for further details). In submitting an Entitlement and Acceptance Form, you are also applying for any Bonus Units to which you may become entitled on the Bonus Unit Determination Date.

If you have more than one registered holding of Units, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Units and Bonus Units issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing fully paid ordinary units on issue in HDN. New Units will be entitled to the distribution for the quarter ending 30 June 2021 and Bonus Units are expected to be entitled to the distribution for the quarter ending 30 September 2021.

See Sections 6.2 and 6.15 for information on restrictions on participation.

3.2 Important Information

You should read the following information carefully and in its entirety before making a decision about your Entitlement:

- this Offer Booklet;
- ASX Announcements, including the Investor Presentation² (and in particular the 'Key Risks' section of the Investor Presentation);
- your personalised Entitlement and Acceptance Form; and
- other information made publicly available by HDN.

If you have any questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser, or call the HDN Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

3.3 Options available to you

If you are an Eligible Retail Unitholder, you may take either of the following actions:

1. take up all of your Entitlement; or
2. take up part of your Entitlement and let the remainder lapse; or

² The enclosed ASX Announcements, including the Investor Presentation are current as at Monday, 19 April 2021. There may be other announcements that have been made by HDN after Monday, 19 April 2021 and before the Retail Entitlement Offer closes on Friday, 7 May 2021 that may be relevant to your consideration of whether to take part in the Retail Entitlement Offer. Therefore, it is prudent that you check whether any further announcements have been made by HDN before submitting your application.

3. do nothing and let all of your Entitlement lapse.

Eligible Retail Unitholders who do not participate fully in the Retail Entitlement Offer will have their percentage holding in HDN reduced.

If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement, please either:

1. complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies for all of the New Units in your Entitlement; or
2. pay your Application Monies for all of the New Units in your Entitlement via BPAY® by following the instructions set out on the personalised entitlement and acceptance form,

so that they are received by the Registry by no later than 5.00pm (Sydney time) on Friday, 7 May 2021. If Eligible Retail Unitholders apply and pay their Application Monies before the Early Retail Acceptance Due Date via BPAY®, their New Units will be issued on Tuesday, 4 May 2021, which is the same date that New Units will be issued under the Institutional Entitlement Offer.

If you take up and pay for all your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Units on Friday, 14 May 2021, unless your acceptance is received before the Early Retail Acceptance Date. HFML's decision on the number of New Units to be issued to you will be final.

HFML also reserves the right (in its absolute discretion) to reduce the number of New Units issued to Eligible Retail Unitholders or persons claiming to be Eligible Retail Unitholders, if HFML believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to HFML's satisfaction (see Section 6.7).

If you wish to take up part of your Entitlement

If you wish to take up only part of your Entitlement, please either:

1. complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies for the number of New Units in your Entitlement that you wish to subscribe for; or
2. pay your Application Monies for the relevant number of New Units via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

so that they are received by the Registry by no later than 5.00pm (Sydney time) on Friday, 7 May 2021.

If you take up and pay part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Units on Friday, 14 May 2021, unless your acceptance is received before the Early Retail Acceptance Date. HFML's decision on the number of New Units to be issued to you will be final.

If you do not take up all of your Entitlement, the relevant part of your Entitlement will lapse and you will receive no benefit.

HFML also reserves the right (in its absolute discretion) to reduce the number of New Units issued to Eligible Retail Unitholders or persons claiming to be Eligible Retail Unitholders, if HFML believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to HFML's satisfaction (see Section 6.7).

If you wish to let all or part of your Entitlement lapse

If you do nothing with respect to your Entitlement, your Entitlement will lapse and you will receive no benefit.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Units had you taken up your Entitlement. Although you will continue to own the same number of Units, your percentage unitholding in HDN will be diluted.

3.4 Payment

You can pay in the following ways:

1. by BPAY®; or
2. by cheque.

Cash payments will not be accepted. Receipts for payment will not be issued.

HFML will treat you as applying for as many New Units as your payment will pay for in full.

Any Application Monies received for more than your final allocation of New Units will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific biller code and your unique reference number on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the reference number specific to that holding. If you do not use the correct reference number specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

1. you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.6; and
2. if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Units which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Registry by no later than 5.00pm (Sydney time) on Friday, 7 May 2021. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make your payment.

Payment by cheque

For payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to "HMC Funds Management Limited" and crossed "Not negotiable".

Your cheque must be:

1. for an amount equal to \$1.295 multiplied by the number of New Units that you are applying for; and
2. in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Units you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Units as your cleared Application Monies will pay for (and to have specified that number of New Units on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

3.5 Mail or hand delivery

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (Sydney time) on Friday, 7 May 2021. If you make payment via cheque you should mail or hand deliver your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address

HDN Retail Entitlement Offer
C/- Link Market Services Limited
GPO Box 3560
Sydney South NSW 2001

Hand Delivery Address

HDN Retail Entitlement Offer
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at HDN's registered offices or other offices of the Registry.

3.6 Representations by acceptance

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have represented to HFML that you:

- did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Unitholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- acknowledge that you have read and understand this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Offer Booklet, and HDN's constitution;
- authorise HFML to register you as the holder(s) of New Units and Bonus Units allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that there is no cooling-off period under the Retail Entitlement Offer and that once HFML receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided, except as allowed by law;
- agree to apply for and be issued up to the number of New Units specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Units;

- agree to apply for and be issued up to the number of Bonus Units which you may be entitled to receive as determined on the Bonus Unit Determination Date, for nil consideration;
- authorise HFML, the Underwriter, the Registry and their respective officers or agents to do anything on your behalf necessary for New Units and Bonus Units to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- acknowledge and agree that:
 - determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of HFML and/or the Underwriter;
 - each of HFML and the Underwriter, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- declare that you were the registered holder(s) at the Record Date of the Units indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Units or Bonus Units are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Offer Booklet is not a product disclosure statement or a prospectus, does not contain all of the information that you may require in order to assess an investment in HDN and is given in the context of HDN's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation included in Section 5 and that investments in HDN are subject to risk;
- acknowledge that none of HFML, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of HDN, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Units on the Record Date;
- authorise HFML to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- are an Eligible Retail Unitholder and that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Units and Bonus Units, and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- are not in the United States and you are not acting for the account or benefit of a person in the United States (to the extent such person holds Units for the account or benefit of such person in the United States);
- understand and acknowledge that none of the Entitlements, New Units or Bonus Units have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Notwithstanding the foregoing, the Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or

benefit of a person in the United States. None of the Entitlements, New Units or Bonus Units may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;

- are subscribing for or purchasing New Units or Bonus Units in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- have not and will not send this Offer Booklet, the Entitlement and Acceptance Form, or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia; and
- if acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

3.7 Entitlements of Ineligible Retail Unitholders

In compliance with ASX Listing Rule 7.7.1 and section 1012DAA (including section 9A) of the Corporations Act, HFML has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Unitholders because of the small number of such Unitholders, the number and value of Units that they hold and the cost of complying with the applicable regulations in jurisdictions outside of Australia and New Zealand, but it reserves its right to do so (subject to compliance with relevant laws).

3.8 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Unitholders who accept their Entitlement. No stamp duty is payable for subscribing for New Units under the Retail Entitlement Offer.

3.9 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the HDN Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

4. AUSTRALIAN TAX CONSIDERATIONS

4.1 Introduction

This is a general summary of the Australian taxation consequences of the Retail Entitlement Offer for Eligible Retail Unitholders that hold their Units on capital account for Australian income tax purposes. The category of Unitholders considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships. This summary does not consider the consequences for Unitholders who:

- hold existing Units, New Units, Bonus Units or Entitlements in a business of securities trading, dealing in securities or otherwise hold their existing Units, New Units, Bonus Units or Entitlements on revenue account or as trading stock;
- acquired existing Units in respect of which the Entitlements are issued under an employee securities scheme;
- are subject to the 'Taxation of Financial Arrangements' provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to their holding of Units, New Units, Bonus Units or Entitlements; or
- are tax residents of any jurisdiction other than Australia.

The information contained in this summary is of a general nature and is not intended to address the circumstances of any particular individual or entity.

This summary is based upon the legislation and established interpretation of legislation as at the date of this Offer Booklet, but is not intended to be an authoritative or complete statement of the law as relevant to the circumstances of each Unitholder.

As the taxation implications of the Retail Entitlement Offer will depend upon a Unitholder's particular circumstances, Unitholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Unitholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Retail Entitlement Offer that are not covered by this summary. Such Unitholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Retail Entitlement Offer in any jurisdictions that are relevant to them.

Neither HFML, the Underwriter nor any of their respective officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Retail Entitlement Offer.

4.2 Income tax consequences of Entitlements

a) Issue of Entitlements

The issue of Entitlements to Australian resident Unitholders should not, of itself, give rise to any amount of assessable income or capital gain for Unitholders.

b) Exercise of Entitlements

The exercise of Entitlements should not, of itself, result in any amount being included in a Unitholder's assessable income and should not give rise to any capital gain under the CGT provisions.

Eligible Retail Unitholders that exercise their Entitlements will receive New Units. New Units will be taken to have been acquired for CGT purposes on the day on which the Entitlements were exercised.

The CGT cost base of each New Unit acquired will be the sum of the amount paid to exercise the corresponding Entitlement (i.e. the Offer Price) and certain incidental costs of acquiring the New Units. If the Unitholder receives Bonus Units, the cost base of the Bonus Unit will be adjusted (see below).

c) Lapse of Entitlement

If an Eligible Retail Unitholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse. There should be no adverse taxation implications for an Eligible Retail Unitholder from the lapse of the Entitlement.

4.3 Income tax consequences of receiving Bonus Units

a) Issue of Bonus Units

The issue of Bonus Units to Unitholders should not, of itself, give rise to any amount of assessable income or capital gain for Unitholders.

b) Cost base of Bonus Units

Bonus Units issued to an Eligible Retail Unitholder should be regarded for CGT purposes as bonus units issued in respect of the Unitholder's New Units. As such, the CGT cost base of the Unitholder's Bonus Units should be calculated by apportioning the cost base of the Unitholder's New Units over the New Units and the Bonus Units. As an illustrative example, assume that a Unitholder exercised their Entitlements and acquired 100 New Units with total CGT cost base of \$129.50. Assume that the Unitholder receives 5 Bonus Units. In this example, the Unitholder should apportion the \$129.50 cost base of their New Units over their 100 New Units and 5 Bonus Units received, such that each New Unit and Bonus Unit has a cost base of \$1.233 (being $\$129.50 \div 105$ units).

Eligible Retail Unitholders who receive Bonus Units will be taken to have acquired their Bonus Units for CGT purposes on the day on which the Unitholder exercised their Entitlements to acquire their New Units.

4.4 Income tax consequences of New Units and Bonus Units

a) Distributions on New Units and Bonus Units

Distributions paid to Eligible Retail Unitholders in relation to their New Units and any Bonus Units should generally be subject to the same income tax treatment as distributions in relation to existing units held in HDN in the same circumstances.

b) Disposal of New Units and Bonus Units

The New Units and Bonus Units should constitute CGT assets for CGT purposes.

Any future sale of New Units and Bonus Units will constitute a disposal for CGT purposes. A capital gain will arise if the capital proceeds on disposal exceed the CGT cost base of the Unit. A capital loss will arise if the capital proceeds on disposal are less than the reduced CGT cost base of the Unit.

Unitholders may be able to apply carried forward or current year losses to reduce their capital gain on disposal. The ability to utilise losses is dependent on meeting the relevant tests.

Non-corporate Unitholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is available where the New Units or Bonus Units have been held for more than 12 months or more prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual Unitholder and a one-third reduction of a capital gain for an Australian tax resident complying superannuation entity Unitholder (including generally where a flow through trust or partnership distributes to such Unitholders), after offsetting any current or carried forward losses.

In relation to trusts or partnerships including limited partnerships, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries or partners, subject to certain requirements being satisfied.

Australian tax resident Unitholders who hold New Units or Bonus Units on revenue account, as trading stock or are subject to the rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) concerning the taxation of financial arrangements should seek separate independent professional advice.

4.5 Non-resident CGT withholding

Specific rules can apply to the disposal of certain taxable Australian property under contracts entered into on or after 1 July 2016, whereby, a 12.5% non-final withholding tax may be applied. However, the new rules should not apply to the disposal of a New Unit or Bonus Unit on ASX (in accordance with a specific exemption).

4.6 Provision of Tax File Number (TFN) or Australian Business Number (ABN)

Australian tax legislation imposes withholding tax at the highest marginal rate (currently 45% plus a Medicare levy of 2%) on the payment of distributions on certain types of investments, such as the unfranked part of any dividend, where no TFN or ABN (if applicable) has been provided and no exemption applies. Australian tax resident Unitholders may be able to claim a tax credit/refund (as applicable) in respect of any tax withheld on dividends in their income tax returns.

Unitholders that have not previously provided their TFN or ABN (if applicable) to the Registry may wish to do so prior to the close of the Retail Entitlement Offer to ensure that withholding tax is not deducted from any future distribution payable to them.

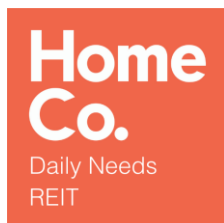
A Unitholder is not obliged to provide their TFN, or where relevant, ABN to HDN.

4.7 Other Australian taxes

GST and stamp duty should not generally be payable in relation to the issue, sale, or exercise of Entitlements, nor in relation to the acquisition of New Units or Bonus Units.

Eligible Retail Unitholders may however be restricted in their ability to claim input tax credits in relation to costs incurred in relation to their acquisition of the New Units or Bonus Units (such as costs relating to professional advice obtained by Unitholders regarding the Entitlement). This will depend on each Eligible Retail Unitholder's particular circumstances and as such this should be reviewed by Unitholders prior to making any claim.

5. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION



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

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION OR RELEASE IN THE UNITED STATES

DELIVERING ON STRATEGY – PROPERTY ACQUISITIONS AND EQUITY RAISING

- Acquisition of seven large format retail assets from Home Consortium (**HMC**) for \$266.4 million.
 - Weighted average cap rate of 6.75% vs 5.91%¹ for existing portfolio.
 - 6% discount to 30 June 2021 independent valuations² reflecting immediate value upside for HomeCo Daily Needs REIT (**HDN**).
- Acquisition of Armstrong Creek Town Centre (VIC) for \$55.6 million at a 6.00% cap rate.
 - Newly completed Coles-anchored neighbourhood centre which opened for trade in September 2020.
- Equity raising of \$265 million to equity fund the acquisitions and associated transactions costs summarised above. This will comprise:
 - \$265 million underwritten accelerated non-renounceable 1 for 2.36 Entitlement Offer (**Entitlement Offer**) at an issue price of \$1.295 (**Issue Price**) per new unit (**New Unit**).
 - Conditional 1 bonus unit (**Bonus Unit**) issue for every 20 New Units issued, fully funded by HMC.
- 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 of 6.7cpu³.
 - 1.0% accretion to pre-transaction FY22 FFO/unit forecast.
 - 4.1% accretion to pre-transaction FY22 FFO/unit forecast (assuming 31 December 2020 pro-forma gearing maintained at 34.5%⁴).
- Pro-forma 31 December 2020 balance sheet gearing of 32.1% post-transaction, down from 34.5% providing significant debt capacity to make further accretive acquisitions.

HDN Independent Non-Executive Chairman Simon Shakesheff said: “Today’s announcement builds on HDN’s strong growth trajectory since IPO. HDN is executing on its stated strategy to provide Unitholders with consistent and growing distributions by investing in a diversified portfolio of high quality, stabilised convenience focused assets. The proposed acquisitions and equity raising substantially improve the quality and scale of HDN’s portfolio and are expected to deliver FFO accretion and reduced gearing. The proposed transaction demonstrates the strong alignment of interests with Home Consortium, HDN’s largest Unitholder and manager.”

¹ As at 31 December 2020

² Draft independent valuations for 30 June 2021

³ Represents 3.9cpu FY21 PDS FFO annualised

⁴ Assumes that entitlement offer decreases from \$265m to \$232m to maintain 34.5% gearing

ACQUISITION OF SEVEN LFR PROPERTIES FROM HMC

HMC Funds Management Limited, as responsible entity of HDN, has entered into conditional agreements to acquire a 100% interest in a portfolio of 7 large format retail assets (**LFR Portfolio**) from HMC for a total purchase price of \$266.4 million, representing a weighted average acquisition capitalisation rate of 6.75%.

- Purchase price is at a 6% discount to 30 June 2021 independent valuations of \$283.7 million⁵ resulting in a revaluation benefit of \$17.3 million expected to be realised by HDN Unitholders upon completion in early July 2021.
- The LFR Portfolio comprises properties at Box Hill (VIC), Bundall (QLD), Mackay (QLD), Marsden Park (NSW), South Morang (VIC), Toowoomba South (QLD) and Upper Coomera (QLD).

The acquisitions are subject to all requisite approvals, including an HDN Unitholder vote. 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.

If approved by ordinary resolution of HDN Unitholders (excluding HMC and its associates), the LFR Portfolio acquisition is expected to complete in July 2021.

ARMSTRONG CREEK TOWN CENTRE ACQUISITION

HMC Funds Management Limited, as responsible entity of HDN, has also entered into an agreement to acquire Armstrong Creek Town Centre (VIC) for a total purchase price of \$55.6 million, representing a 6.00% cap rate.

The Armstrong Creek Town Centre acquisition expands HDN's track record of sourcing high quality neighbourhood assets. Highlights include:

- Exposure to high population growth corridor of the Geelong region.
- Newly opened centre anchored by the only full-line Coles supermarket within the primary trade area (Coles leased until 2035).
- Cap rate of 6.00% versus recent transaction comparables provides further upside potential.

The Armstrong Creek Town Centre acquisition will proceed regardless of the outcome of the HDN Unitholder vote on the LFR Portfolio and is expected to settle in late April 2021.

FINANCIAL IMPACT

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 6.7cpu⁶. 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 31 December 2020 pro-forma gearing maintained at 34.5%⁷).

⁵ Independent valuation in respect of the year end 30 June 2021. Currently in draft form pending finalisation at year end

⁶ Represents 3.9 cpu FY21 PDS FFO annualized

⁷ Assumes that entitlement offer decreases from \$265m to \$232m to maintain 34.5% gearing

- FY21 FFO guidance is increased to \$21.0 million following the expected completion of the Armstrong Creek Town Centre acquisition in late April 2021. However, due to the timing difference between the Entitlement Offer and the settlement date of the LFR Portfolio acquisition in early July 2021 post Unitholder approval, the transaction is FFO/unit dilutive in FY21.
- 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 December 2020 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.

Portfolio Fund Manager, Paul Doherty, commented, "The acquisitions and associated equity raise announced today are in line with our strategy to grow HDN's portfolio of high-quality convenience-based assets in the metropolitan growth corridors of Australia's major cities. The acquisition asset mix is complementary to HDN's existing portfolio and maintains our defensive exposure across HDN's model portfolio sub-sectors of Neighbourhood, Large Format Retail and Health & Services."

EQUITY RAISING

Entitlement Offer

HDN is undertaking a \$265 million underwritten 1 for 2.36 accelerated non-renounceable entitlement offer at an issue price of \$1.295 per New Unit to fund the acquisitions and associated transaction costs. HMC, HDN's largest unitholder, has committed to take up its full entitlement (from its 26.6% investment in HDN). Home Consortium Developments Limited (**HCDL**), an entity within the HMC stapled group, has committed to sub-underwrite \$26.7 million (approximately 10% of the Entitlement Offer) of the retail component of the Entitlement Offer.

The Entitlement Offer is not conditional on a Unitholder vote and the proceeds will be used for Armstrong Creek Town Centre and other alternative acquisitions if the LFR Portfolio acquisitions do not proceed as a consequence of transaction conditions not being satisfied.

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 (**Full Entitlement Holding**) (i) the Record Date Holding and (ii) the number of New Units issued to that Unitholder / Investor under the Entitlement Offer.
- 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.**

For 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%

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.

Together with the Bonus Unit, the Issue Price represents a:

- 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.

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.

Timetable

Event	2021
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

Event	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

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. HomeCo Daily Needs REIT reserves the right to amend this timetable at any time, either generally or in particular cases, without notice.

ADDITIONAL INFORMATION

Additional information about the acquisitions and the Entitlement Offer, including certain risks, are contained in the investor presentation released to the ASX today.

Investor presentation teleconference call

A briefing for investors will take place via a conference call at 11:00am (Sydney time) on 19 April 2021.

Participants must pre-register for the conference call.

Pre-registration link: <https://s1.c-conf.com/diamondpass/10013652-iba2fx.html>

Following pre-registration, participants will receive the teleconference details and a unique access passcode.

-ENDS-

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Authorised for release by the Board of the Responsible Entity

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.

Important Notice - Forward-Looking Statements

*This announcement contains certain forward-looking statements, which may include indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of HomeCo Daily Needs REIT. Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based. Refer to the section entitled 'Key risks' in HomeCo Daily Needs REIT's investor presentation dated 19 April 2021 (**Investor Presentation**) for a summary of certain risk factors that may affect HomeCo Daily Needs REIT.*

No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this announcement. The forward-looking statements are based only on information available to HomeCo Daily Needs REIT as at the date of this announcement. Except as required by applicable laws or regulations, HomeCo Daily Needs REIT does not undertake any obligation to provide any additional or updated information or revise the forward-looking statements or other statements in this announcement, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.

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General

In addition, this announcement is subject to the same "Important Notice and Disclaimer" as appears on slides 1 to 4 of the Investor Presentation with any necessary contextual changes.



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.

-ENDS-

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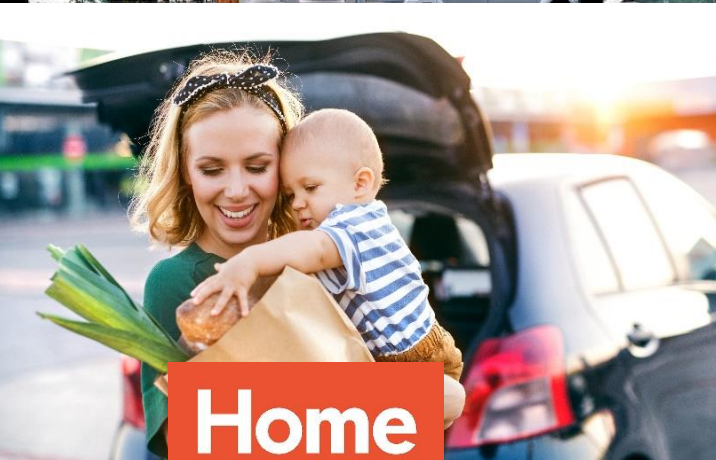
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Authorised for release by the Board of the Responsible Entity

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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This Presentation contains summary information about the current activities of HDN and its subsidiaries (the **HDN Group**) as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a product disclosure statement or disclosure document prepared in accordance with the requirements of the Corporations Act. This Presentation is subject to change without notice and HFML may in its absolute discretion, but without being under any obligation to do so, update or supplement the information in this Presentation. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither HFML nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications. The information in this presentation should be read in conjunction with HDN's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at www.asx.com.au. To the maximum extent permitted by law, HFML, the HDN Group, the Lead Manager and their respective affiliates, related bodies corporates, officers, employees, partners, agents and advisers make no representation or warranty (express or implied) as to the currency, accuracy, reliability, reasonableness or completeness of the information in this Presentation and disclaim all responsibility and liability for the information (including without limitation, liability for negligence).

Not an offer

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The Retail Entitlement Offer will be made on the basis of the information to be contained in the retail offer booklet to be prepared for eligible retail Unitholders of HDN in Australia and New Zealand (**Retail Offer Booklet**), and made available following its lodgement with ASX. Any eligible retail Unitholder of HDN in Australia and New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet before deciding whether to apply under the Retail Entitlement Offer. Anyone who wishes to apply for New Units under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and application form.

Important Notices and Disclaimer

International restrictions

This Presentation may not be released to US wire services or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Units have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Units may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which HDN has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

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Not financial product advice

This Presentation does not constitute financial product or investment advice (nor tax, accounting or legal advice) nor is it a recommendation to subscribe for or acquire New Units and does not and will not form any part of any contract for the subscription or acquisition of New Units. This Presentation has been prepared without taking into account the specific objectives, financial situation or needs of individual investors. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction and circumstances. Cooling off rights do not apply to the acquisition of New Units.

Financial data

All dollar values are in Australian dollars (A\$). Investors should note that this Presentation contains pro forma financial information. The pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of HFML's (or anyone else's) views on HDN's future financial position and/or performance. The pro forma financial information has been prepared by HFML in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory requirements in Australia.

Past Performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Future performance

This Presentation contains certain “forward looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance”, “continue” and other similar expressions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of HDN, the outcome and effects of the Offer, accretion statements, outlook statements and the use of proceeds from the Offer. The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of HFML and HDN, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Neither HFML, HDN, nor any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur.

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There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Refer to the risks section of this Presentation for a summary of certain general and HDN specific risk factors that may affect HDN (see Appendix A – Key Risks). Investors should consider the forward looking statements contained in this Presentation in light of those disclosures and not place reliance on such statements. The forward looking statements are based on information available to HFML as at the date of this Presentation. To the maximum extent permitted by law, HFML and its directors, officers, partners, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

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Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Investment risk

An investment in HDN's units is subject to investment and other known and unknown risks, some of which are beyond the control of HFML and HDN, including possible loss of income and principal invested. HFML does not guarantee any particular rate of return or the performance of HDN, nor does it guarantee the repayment of capital from HDN or any particular tax treatment. In considering an investment in HDN's units, investors should have regard to (amongst other things) the risks outlined in this Presentation.

Disclaimer

The Lead Manager has acted as underwriter, lead manager and sole bookrunner to the Offer. The Lead Manager has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Presentation and there is no statement in this Presentation which is based on any statement made by it or by its affiliates or the directors, partners, officers, employees and advisers of each of the foregoing (together the **Limited Parties**). To the maximum extent permitted by law, each of the Limited Parties expressly disclaims all liabilities in respect of, and makes no representations regarding, and take no responsibility for, any part of this Presentation other than references to their name and make no representation or warranty as to the currency, accuracy, reliability, reasonableness or completeness of this Presentation. This includes for any indirect, incidental, consequential, special or economic loss or damage (including, without limitation, any loss or profit or anticipated profit, fines or penalties, loss of business or anticipated savings, loss of use, business interruption or loss of goodwill, bargain or opportunities). The Limited Parties make no recommendations as to whether any potential investor should participate in the offer of New Units and make no warranties concerning the Offer.

By accepting this Presentation you acknowledge that neither you nor any members of the Limited Parties intend that any member of the Limited Parties act or be responsible as a fiduciary, or assume any duty, to you, your officers, employees, consultants, agents, security holders, creditors or any other person. You and the Lead Manager (on behalf of each other member of the Limited Parties), by accepting and providing this presentation respectively, expressly disclaims any fiduciary relationship between them, or the assumption of any duty by the Limited Parties to you, and agree that you are responsible for making your own independent judgement with respect to the Offer, any other transaction and any other matter arising in connection with this presentation. Members of the Limited Parties may have interests in the units of HDN, including being directors of, or providing investment banking services to, HDN. Further, they may act as a market maker or buy or sell those units or associated derivatives as principal or agent. The Lead Manager may receive fees for acting in its capacity as lead manager, underwriter and sole bookrunner to the Offer.

Important Notices and Disclaimer

The Lead Manager and its affiliates are full service financial institutions engaged in various activities, which may include (but are not limited to) underwriting, securities trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Lead Manager and its affiliates have provided, and may in the future provide, financial advisory, financing services and other services to HFML, HDN and to persons and entities with relationships with HFML and HDN (including HCL), for which they received or will receive customary fees and expenses. In the ordinary course of its various business activities, the Lead Manager and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of HFML or HDN, and/or persons and entities with relationships with HFML or HDN. The Lead Manager and its affiliates may also communicate independent investment recommendations, market colour or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. One or more entities within the Lead Manager's group acts as a lender or counterparty to HFML, HDN or their affiliates and may now or in the future provide financial accommodation or services to HFML, HDN or their affiliates (including HCL).

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

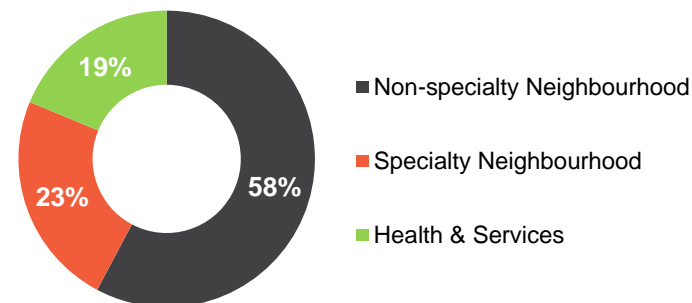
Acquisition of Armstrong Creek Town Centre (VIC)

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



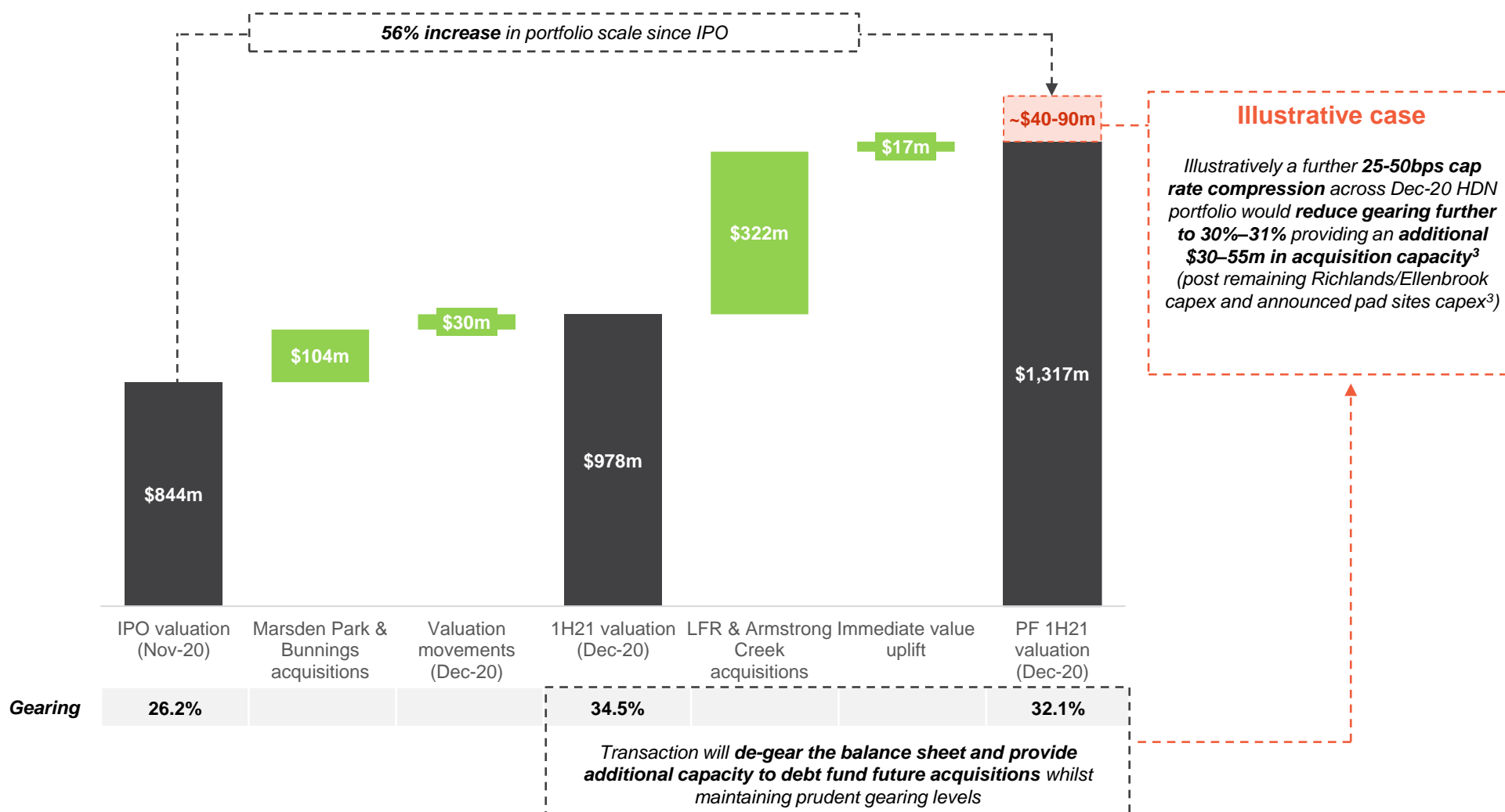
HomeCo Bundall QLD

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}

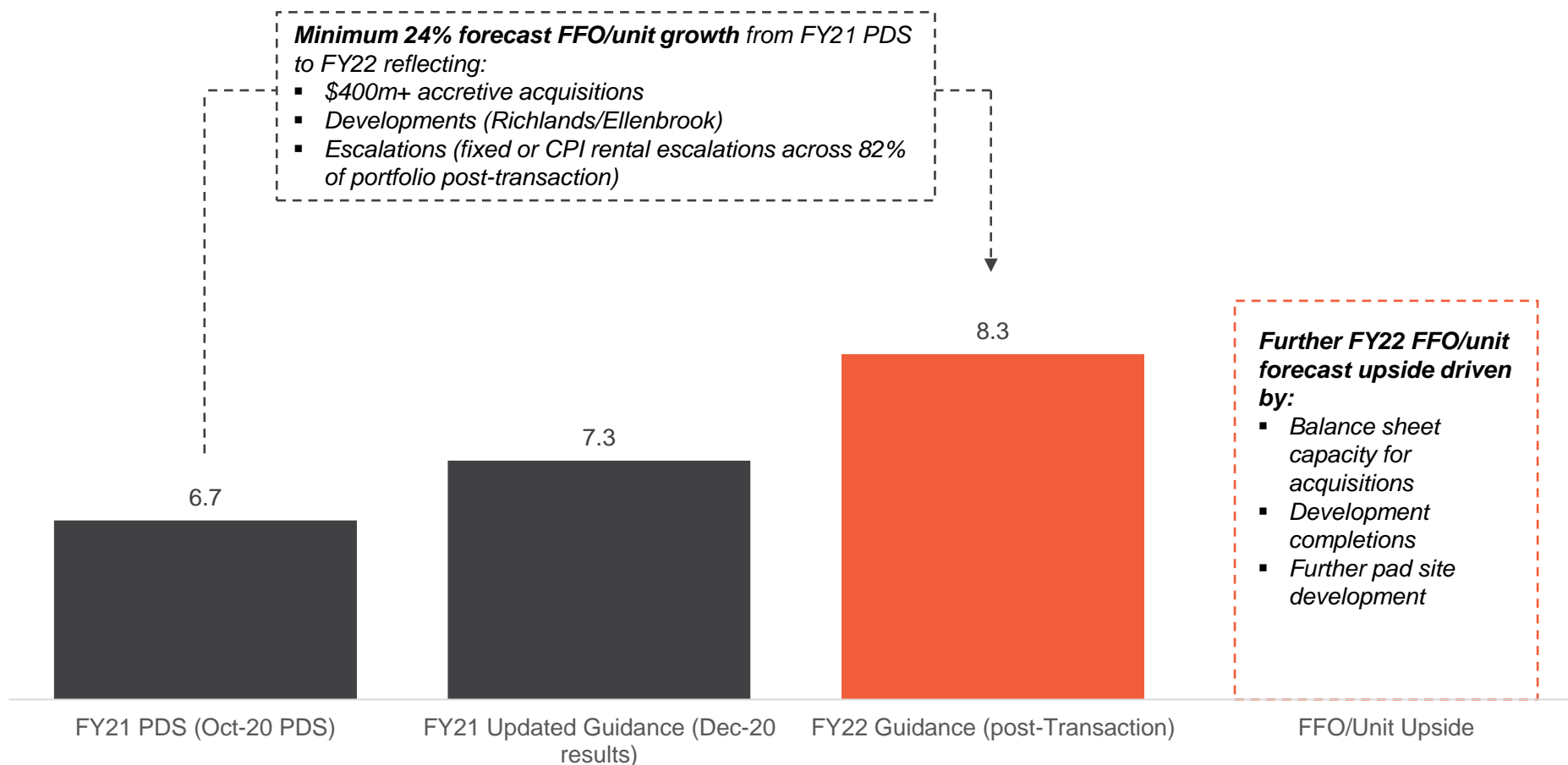


Notes: 1. Valuation movements includes capex, incentives and fair value movements 2. HDN portfolio valuation includes Parafield. 3. Represents acquisition capacity to maintain current gearing of 34.5% post remaining Richlands/Ellenbrook capex and announced pad site capex of ~\$45m

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.



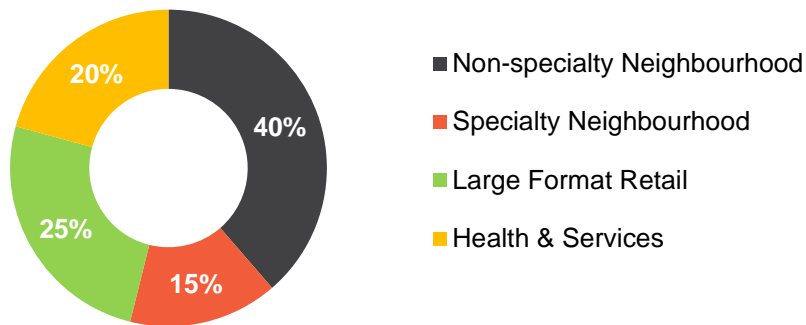
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Further Information

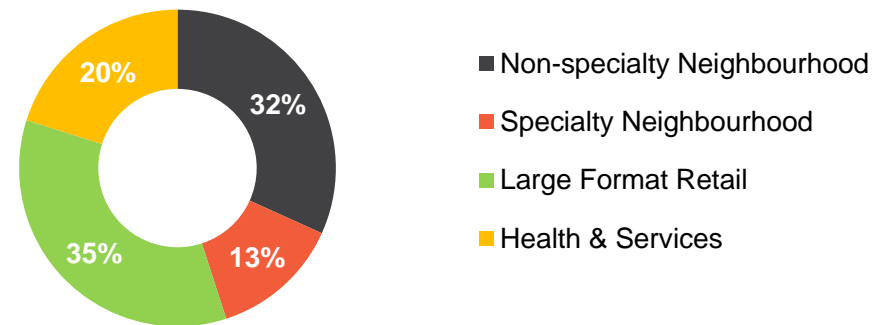
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Daily Needs
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Portfolio impacts

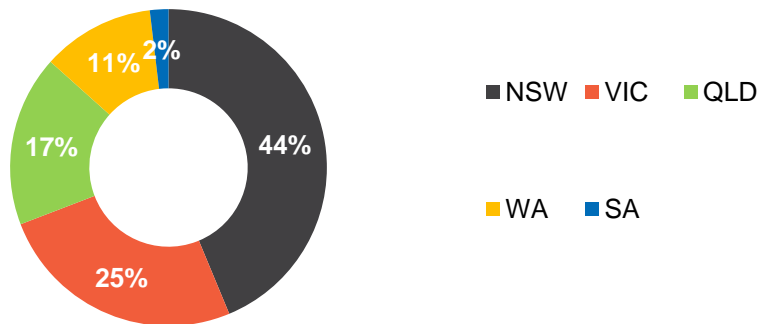
HDN tenancy composition pre-transaction (by income)¹



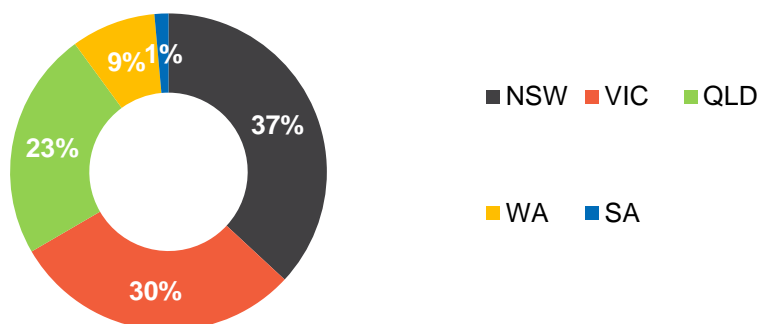
HDN tenancy composition post-transaction (by income)¹



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

Key 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.

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.
-

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
Co.**
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.

6. ADDITIONAL INFORMATION

6.1 Responsibility for Offer Booklet

This Offer Booklet (including the ASX Announcements and Investor Presentation in Section 5) and enclosed personalised Entitlement and Acceptance Form have been prepared by HFML in its capacity as responsible entity of HDN.

This Offer Booklet is dated Monday, 26 April 2021 (other than the ASX Announcements and Investor Presentation, which were released to ASX on Monday, 19 April 2021). There may be additional announcements made by HDN after the date of this Offer Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by HDN (by visiting ASX's website at <https://www2.asx.com.au/> or HDN's website at <https://hdn.home-co.com.au/Investor-Centre/>) before submitting your application to take up your Entitlement.

No party other than HFML has authorised or caused the issue of the information in this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in such information.

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Offer Booklet. Any information or representation that is not in this Offer booklet may not be relied on as having been authorised by HFML, or its related bodies corporate in connection with the Retail Entitlement Offer.

6.2 Ineligible Unitholders

All Unitholders who do not satisfy the criteria to be Eligible Retail Unitholders or Eligible Institutional Unitholders, are Ineligible Unitholders. Ineligible Unitholders are not entitled to participate in the Entitlement Offer, unless HFML otherwise determines.

The restrictions upon eligibility to participate in the Entitlement Offer arise because HFML has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Unitholders. This decision has been made after taking into account the number of non-residents in Australia and New Zealand on the HDN register, the relatively small number and value of New Units to which those Unitholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Unitholders are located in relation to the Entitlement Offer.

HFML, in its absolute discretion, may extend the Entitlement Offer to any Unitholder if it is satisfied that the Entitlement Offer may be made to the Unitholder in compliance with all applicable laws. HFML, in its absolute discretion, reserves the right to determine whether a Unitholder is an Eligible Retail Unitholder, Eligible Institutional Unitholder or an Ineligible Unitholder. To the maximum extent permitted by law, HFML disclaims all liability in respect of such determination.

Ineligible Unitholders will not receive any payment or value as a result of the issue of any of those New Units they would have been entitled to subscribe for had they been eligible to participate in the Entitlement Offer.

6.3 Underwriting

The Entitlement Offer is underwritten by the Underwriter.

HFML as responsible entity of HDN and the Underwriter have entered into the Underwriting Agreement. Customary with these types of arrangements:

- HFML and the Underwriter have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer;

- HFML has agreed, subject to certain carve-outs, to indemnify the Underwriter, its affiliates and related bodies corporate, and their respective officers, directors, employees, partners, contractors, agents, advisers and representatives against claims, demands, damages, losses, costs and liabilities arising out of or in connection with the Entitlement Offer;
- the Underwriter may (in certain circumstances, having regard to the materiality of the event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:
 - HDN is in breach of the Underwriting Agreement or any of its representations or warranties in the Underwriting Agreement is not true or correct when made or taken to be made;
 - a material statement contained in the materials released to ASX in connection with the Entitlement Offer (**Offer Materials**) is, or the Underwriter 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;
 - 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 Underwriter) or cease to be quoted on ASX (excluding a trading halt contemplated by the Underwriting Agreement) or the ASX makes any official statement or indicates that the foregoing will occur;
 - 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);
 - 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);
 - HDN or any of its directors or officers engage in any fraudulent activity whether or not in connection with the Entitlement Offer;
 - unconditional approval (or condition approval on conditions which in the reasonable opinion of the Underwriter would not have a material adverse effect on the success or settlement of the Entitlement 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;
 - 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 Entitlement 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 Entitlement Offer, by that settlement date);
 - HDN withdraws an Offer Material or the Entitlement Offer or indicates that it does not intend to proceed with the Entitlement Offer or any part of it;
 - 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;
 - an event specified in the timetable for the Entitlement 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 Underwriter;

- HDN is unable to or is unlikely to be able to issue the New Units on the relevant date for issue specified in the timetable for the Entitlement Offer;
 - any modification from ASIC of the Corporations Act or ASX approval required to conduct the Offer in accordance with the Underwriting 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 Underwriting Agreement or carry out the transactions contemplated by the Offer Materials;
 - 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;
 - there occurs a new circumstance that arises after the Offer Materials were given to the ASX that would have been required to be included in the Offer Materials (or otherwise to have been included in material previously disclosed to the ASX) if it had arisen before the Offer Materials were given to ASX;
 - 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;
 - 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 Underwriting Agreement);
 - 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
 - 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; and
- the Underwriter will receive an underwriting fee of 2.25% and a management fee of 0.25% of the gross proceeds raised under the Entitlement Offer (excluding any proceeds from HCL subscribing for its Entitlement).

The Underwriter will also be reimbursed for certain expenses.

None of the Underwriter nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Offer Booklet. To the maximum extent permitted by law, the Underwriter and its related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Entitlement Offer and this information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Underwriter or any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should

participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information and you represent, warrant and agree that you have no relied on any statements made by the Underwriter or any of its related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Units, Bonus Units or the Entitlement Offer generally.

6.4 Selective Buy-Back Agreement

HFML as responsible entity of HDN and Home Consortium have entered into the Selective Buy-Back Agreement, pursuant to which HFML has agreed to buy-back, and HCL has agreed to sell, up to 10,231,213 Units held by HCL for nominal consideration and subject to certain conditions. The final number of Units to be bought-back will be based on the number of Bonus Units to be issued as determined on the Bonus Unit Determination Date.

Completion of the Selective Buy-Back is conditional on:

- completion of the Entitlement Offer;
- HFML obtaining all necessary waivers, exemptions and modifications required to be obtained by HFML from ASIC to enable HFML to undertake the Selective Buy-Back in compliance with the Corporations Act and such waivers, exemptions and modifications not having been withdrawn or modified;
- Unitholders approving, by way of a special resolution at a general meeting of Unitholders, the terms of the Selective Buy-Back Agreement and the Selective Buy-Back; and
- any consent, amendment or waiver necessary or desirable to the transactions and arrangements contemplated in the Selective Buy-Back Agreement under any syndicated facility agreement to which (i) Home Consortium or (ii) HFML, is party (if any) has been obtained and is effective.

Under the terms of the Selective Buy-Back Agreement, HFML and HCL have also given mutual warranties as to status, authority and the binding nature of the agreement.

The Units held by HCL are currently subject to voluntary escrow arrangements until 26 November 2021, which prevent any dealing in those Units, including transferring them for the purposes of a selective buy-back. In order to give effect to the Selective Buy-Back, HFML has agreed to partially release HCL from the voluntary escrow arrangements including the release of any holding locks, so far as it relates to the Selective Buy-Back and the Units which are to be bought back.

6.5 Ranking of New Units and Bonus Units

New Units and Bonus Units issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing fully paid ordinary units on issue in HDN from their time of issue. New Units will be entitled to the distribution for the quarter ending 30 June 2021 and Bonus Units are expected to be entitled to the distribution for the quarter ending 30 September 2021. The rights and liabilities attaching to the New Units are set out in HDN's constitution, a copy of which is available at <https://hdn.home-co.com.au/Investor-Centre/>.

6.6 Risks

The Investor Presentation details important factors and risks that could affect the financial and operating performance of HDN. You should refer to the "Key Risks" section of the Investor Presentation released to ASX on Monday, 19 April 2021 which is included in Section 5. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

6.7 Reconciliation, and the rights of HFML and the Underwriters

The Retail Entitlement Offer and the calculation of entitlements is a complex process. There may be a need to undertake a reconciliation of entitlements. If reconciliation is required, it is possible that HFML may need to issue additional New Units to ensure that the relevant investors receive their appropriate allocation of New Units.

HFML also reserves the right to reduce the size of an Entitlement or number of New Units allocated to Eligible Retail Unitholders, or persons claiming to be Eligible Retail Unitholders or other applicable investors, if HFML believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, HFML may, in its discretion, require the relevant Unitholder to transfer excess New Units to the Underwriter at the Offer Price per New Unit. If necessary, the relevant Unitholder may need to transfer existing Units held by them or to purchase additional Units on-market to meet this obligation. The relevant Unitholder will bear any and all losses caused by subscribing for New Units in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Retail Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by HFML in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of HFML or the Underwriter to require any of the actions set out above.

6.8 No cooling off rights

Cooling off rights do not apply to an investment in New Units or Bonus Units. You cannot withdraw your application once it has been accepted.

6.9 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded down to the nearest whole number of New Units.

6.10 Trading of Entitlements

As outlined in Section 2.1, your Entitlement is personal and cannot be traded on ASX, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement by 5.00pm (Sydney time) on Friday, 7 May 2021, your rights will lapse.

6.11 Quotation and trading of New Units and Bonus Units

HFML will apply for quotation of the New Units and Bonus Units on ASX in accordance with ASX Listing Rule requirements. Trading of New Units and Bonus Units will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the:

- New Units under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date will take place on Tuesday, 4 May 2021;
- New Units under the Retail Entitlement Offer will take place on Friday, 14 May 2021; and
- Bonus Units will take place as soon as practicable following the Bonus Unit Determination Date, being on or around 10 September 2021.

If ASX does not grant quotation of the New Units, HFML will repay all Application Monies (without interest). It is expected that trading on ASX of New Units to be issued under the Retail Entitlement Offer will commence at 10.00am (Sydney time) on Tuesday, 4 May 2021 (in respect of applications received by the Early Retail Acceptance Due Date) and Monday, 17 May 2021 on a normal settlement basis. Application Monies will be held by HFML on trust for applicants until the New Units are allotted. No interest will be paid on Application Monies.

It is the responsibility of applicants to determine the number of New Units and Bonus Units allotted and issued to them prior to trading in the New Units and Bonus Units. HFML will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Units or Bonus Units they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by HFML or failure to maintain their updated details with the Registry or otherwise, or who otherwise trade or purport to trade New Units or Bonus Units in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

6.12 Notice to nominees and custodian

If HFML believes you hold Units as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Retail Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

Persons acting as nominees for other persons must not take up Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to take up or exercise Entitlements and may receive no value for any such Entitlements held.

HFML is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of Units or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Retail Entitlement Offer by the beneficiary complies with applicable foreign laws. HFML is not able to advise on foreign laws.

6.13 Not investment advice

This Offer Booklet is not a product disclosure statement, prospectus or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. HFML is not licensed to provide financial product advice in respect of the New Units or Bonus Units. This Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Units or Bonus Units, nor does it purport to contain all the information which would be required in a product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with HDN's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at <https://www2.asx.com.au/>.

Before deciding whether to apply for New Units and Bonus Units, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this Offer Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser or call the HDN Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

6.14 Information availability

If you are in Australia you can obtain a copy of this Offer Booklet during the period of the Retail Entitlement Offer by calling the HDN Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

A replacement Entitlement and Acceptance Form can also be requested by calling the HDN Offer Information Line.

If you access the electronic version of this Offer Booklet, you should ensure that you download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the HDN website will not include an Entitlement and Acceptance form.

6.15 Foreign jurisdictions

The information in this Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold Units or Entitlements on behalf of another person resident outside Australia, it is your responsibility to ensure that any participation (including for your own account or when you hold Units or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Units or the Bonus Units, or otherwise permit the public offering of the New Units or Bonus Units, in any jurisdiction other than Australia and New Zealand.

The New Units and Bonus Units are not being offered to the public in New Zealand other than to existing Unitholders with registered address in New Zealand to whom the offer of these securities is being made in reliance on the provisions of the *Financial Markets Conduct Act 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand). This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

This Offer Booklet, and any accompanying ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. None of the Entitlements, the New Units or Bonus Units offered in the Retail Entitlement Offer have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Units or Bonus Units may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States.

The New Units and Bonus Units to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act.

Any non-compliance with these restrictions may contravene applicable securities laws.

6.16 Governing law

This Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Units submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

6.17 Disclaimer or representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by HFML, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of HFML, nor any other person, warrants or

guarantees the future performance of HDN or any return on any investment made pursuant to this Offer Booklet or its contents.

6.18 Withdrawal of the Entitlement Offer

HFML reserves the right to withdraw all or part of the Entitlement Offer at any time, subject to applicable laws, in which case HFML will refund Application Monies in relation to New Units not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, HFML may only be able to withdraw the Entitlement Offer with respect to New Units to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to HFML will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to HFML.

6.19 Privacy

As a Unitholder, HFML and the Registry have already collected certain personal information from you. If you apply for New Units and Bonus Units, HFML and the Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Units and Bonus Units, service your needs as a Unitholder, provide facilities and services that you request and carry out appropriate administration.

To do that, HFML and the Registry may disclose your personal information for purposes related to your unitholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Units and Bonus Units, the Registry for ongoing administration of the register, or to printers and mailing houses for the purposes of preparation of the distribution of Unitholder information and for handling of mail, or as otherwise under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) HFML or the Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to HFML through the Registry as follows:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
privacy.officer@linkgroup.com
Ph: +61 1800 502 355 (free call within Australia)

7. GLOSSARY

In this Offer Booklet, unless the context otherwise requires:

\$ or A\$	means Australian dollars.
Application Monies	means application monies for New Units received from an applicant.
ASIC	means the Australian Securities & Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 and where the context permits, the market operated by it.
ASX Announcements	means the ASX announcements reproduced in Section 5, being the announcement to ASX on Monday, 19 April 2021 and the Investor Presentation.
Board	means the board of Directors of HFML.
Bonus Unit	means a bonus Unit to be allotted and issued for nil consideration to Eligible Unitholders or any investors who are issued New Units, for every 20 New Units issued.
Bonus Unit Determination Date	means 16 August 2021, being the date that is 3 months after the date of issue of New Units under the Retail Entitlement Offer.
CGT	means capital gains tax.
Closing Date	means the day the Retail Entitlement Offer closes, expected to be 5.00pm (Sydney time) on Friday, 7 May 2021.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of HFML.
Early Retail Acceptance Due Date	means 5.00pm (Sydney time) on Friday, 30 April 2021
Eligible Institutional Unitholder	means Institutional Unitholders that HFML and the Underwriter determined in their discretion were eligible to participate in the Institutional Entitlement Offer and successfully received an offer under the Institutional Entitlement Offer.
Eligible Retail Unitholder	has the meaning given in to that term in Section 2.3.
Eligible Unitholder	means Eligible Institutional Unitholders and Eligible Retail Unitholders.
Entitlement	means a Unitholder's entitlement to subscribe for New Units and to receive Bonus Units as determined on the Bonus Unit Determination Date.
Entitlement and Acceptance Form	means the personalised form that will accompanies this Offer Booklet when despatched to Eligible Retail Unitholders.
Entitlement Offer	means the accelerated, non-renounceable pro rata entitlement offer of 1 New Unit for every 2.36 Units held at the Record Date at an offer price of \$1.295 per New Unit, together with the right to be

	issued Bonus Units as determined on the Bonus Unit Determination Date.
HCL	Home Consortium Limited (ACN 138 990 593).
HDN	means HomeCo Daily Needs REIT (ARSN 645 086 620).
HFML	means HMC Funds Management Limited (ACN 105 078 635, AFSL 237257) as responsible entity of HDN.
Home Consortium	means the stapled entity comprised of HCL and HCDL.
Ineligible Institutional Unitholder	means an Institutional Unitholder who is not an Eligible Institutional Unitholder.
Ineligible Retail Unitholder	means a Unitholder who is not an Eligible Retail Unitholder, Eligible Institutional Unitholder or Ineligible Institutional Unitholder.
Ineligible Unitholder	means Ineligible Institutional Unitholders and Ineligible Retail Unitholders.
Institutional Entitlement Offer	means the institutional component of the Entitlement Offer made to Eligible Institutional Unitholders.
Institutional Investor	means a person: <ul style="list-style-type: none"> (a) in Australia, to whom an offer of Units may be made in Australia without a product disclosure statement or other disclosure document (as defined in the Corporations Act) on the basis that such a person is an "exempt investor" as defined in section 9A(5) of the Corporations Act (as inserted by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84); or (b) in select jurisdictions outside Australia, to whom an offer of New Units and Bonus Units may lawfully be made without registration, lodgement, filing or approval in accordance with the laws of that foreign jurisdiction (except to the extent to which HFML is willing to comply with such requirements).
Institutional Unitholder	means a Unitholder who is an Institutional Unitholder.
Investor Presentation	means the investor presentation released to ASX on Monday, 19 April 2021 and included in Section 5.
New Unit	means a Unit to be allotted and issued under the Entitlement Offer, including the shortfall from the Entitlement Offer issued to the Underwriter, any sub-underwriters or other investors.
Offer Booklet	means this document.
Record Date	means 7.00pm (Sydney time) on Wednesday, 21 April 2021.
Record Date Holding	means the number of Units held by a Unitholder as at the Record Date.
Registry	means Link Market Services Limited (ACN 083 214 537).

Retail Entitlement Offer	means the retail component of the Entitlement Offer made to Eligible Retail Unitholders.
Section	means a section of this Offer Booklet.
Selective Buy-Back	means the selective buy-back by HFML from HCL of a number of Units equal to the number of Bonus Units to be issued, for nominal consideration.
Selective Buy-Back Agreement	means the agreement dated 19 April 2021 between HFML and Home consortium in relation to the Selective Buy-Back, as summarised in Section 6.4.
Underwriter	means Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897).
Underwriting Agreement	means the underwriting agreement dated Monday, 19 April 2021 between HFML and the Underwriter and summarised in Section 6.3.
Unit	means a fully paid ordinary unit in the capital of HDN.
Unitholder	means a registered holder of Units.
US Securities Act	means the U.S. Securities Act of 1933.

CORPORATE DIRECTORY

HMC Funds Management Limited

ACN 105 078 635; AFSL 237257

19 Bay Street

Double Bay, NSW 2028

HDN Offer Information Line

1300 369 266 (within Australia)

+61 1300 369 266 (outside Australia)

Underwriter

Goldman Sachs Australia Pty Ltd

Level 46, Governor Philip Tower

1 Farrer Place

Sydney NSW 2000

Legal Adviser

Baker McKenzie

Tower One - International Towers Sydney

Level 46, 100 Barangaroo Avenue

Barangaroo NSW 2000

Registry

Link Market Services

Level 12, 680 George Street

Sydney, NSW 2000



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)

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

26 April 2021

Dear Unitholder,

HOME CO DAILY NEEDS REIT (ASX:HDN) ENTITLEMENT OFFER - NOTIFICATION TO INELIGIBLE UNITHOLDERS

This is a letter to inform you that you are not an Eligible Unitholder for the purposes of the Entitlement Offer. This letter is not an offer to issue New Units or Bonus Units to you, nor an invitation to apply for New Units or Bonus Units. You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.

On 19 April 2021, HMC Funds Management Limited (ACN 105 078 635; AFSL 237257) (**HFML**) as responsible entity of HomeCo Daily Needs REIT (ARSN 645 086 620) (**HDN**) announced that it was conducting an underwritten pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid ordinary units in HDN (**New Units**) on a 1 for 2.36 basis to eligible unitholders, at an offer price of A\$1.295 per New Unit (**Offer Price**) to raise up to approximately A\$265 million (before costs).

Eligible Retail Unitholders (as defined below) who are issued with New Units will also be entitled to receive, without any further action, up to 1 bonus unit (**Bonus Unit**) for every 20 New Units issued, provided that the Eligible Retail Unitholders must, on 16 August 2021 (**Bonus Unit Determination Date**), hold a number of units in HDN exceeding their holding as at the Record Date (**Record Date Holding**) and meet other criteria.

Details of the Entitlement Offer

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and an offer to Eligible Retail Unitholders (as defined below) (**Retail Entitlement Offer**). The Entitlement Offer is being made without a product disclosure statement or prospectus in accordance with section 1012DAA of the *Corporations Act 2001* (Cth), as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 and ASIC Instrument 21-0274 (**Corporations Act**).

The proceeds of the Entitlement Offer will be used for the following purposes:

- the acquisition of seven large format retail assets, comprising properties at Box Hill (VIC), Bundall (QLD), Mackay (QLD), Marsden Park (NSW), South Morang (VIC), Toowoomba South (QLD) and Upper Coomera (QLD) from Home Consortium (ASX: HMC), for a total purchase price of A\$266.4 million; and
- the acquisition of Armstrong Creek Town Centre, for a total purchase price of A\$55.6 million.

Further details are set out in the ASX announcement and Investor Presentation published on the Australian Securities Exchange (**ASX**) on 19 April 2021.

Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897) (**Underwriter**) is engaged as sole lead manager, bookrunner and underwriter of the Entitlement Offer. The Entitlement Offer is underwritten by the Underwriter, with the exception of the entitlements of Home Consortium Limited, which are the subject of a legally binding pre-commitment.

A retail entitlement offer booklet in relation to the Entitlement Offer has been lodged with the ASX and will be despatched to Eligible Unitholders on or around 26 April 2021.

Eligibility Criteria

Unitholders who are eligible to participate in the Retail Entitlement Offer are unitholders who:

- (a) are registered as a holder of ordinary units in HDN (**Units**) as at 7.00pm (Sydney time) on 21 April 2021 (**Record Date**);
- (b) as at the Record Date, have a registered address on the HDN unit register that is in Australia or New Zealand, or are unitholders that HFML has otherwise determined are eligible to participate in the Retail Entitlement Offer;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Units for the account or benefit of such person in the United States);
- (d) were not invited to participate in the Institutional Entitlement Offer and were not treated as an ineligible institutional unitholder under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer, (such unitholders are referred to in this letter as **Eligible Retail Unitholders**).

Unitholders who are not Eligible Retail Unitholders (**Ineligible Unitholders**) are not entitled to participate in the Retail Entitlement Offer or to exercise their entitlement to be issued New Units (**Entitlements**).

HFML has determined, pursuant to section 9A of the Corporations Act and ASX Listing Rule 7.7.1(a), that it would be unreasonable to make offers to unitholders in all countries outside Australia or New Zealand in connection with the Entitlement Offer. This is due to the legal and regulatory requirements in countries other than Australia and New Zealand and the potential costs to HFML of complying with these requirements, compared with the relatively small number of unitholders in those countries and the relatively small number of existing Units they hold to which those unitholders would otherwise be entitled to subscribe for.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Unitholder as stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, HFML wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Units under the Retail Entitlement Offer. You will not be sent the documents relating to the Retail Entitlement Offer or be able to subscribe for New Units under the Entitlement Offer.

Notwithstanding the above, HFML may (at its absolute discretion) agree to extend the Retail Entitlement Offer to certain institutional unitholders in foreign jurisdictions, subject to compliance with applicable laws.

Non-renounceable Offer

As the Retail Entitlement Offer is non-renounceable, Entitlements in respect of the New Units you would have been entitled to if you were an Eligible Retail Unitholder will lapse and you will not receive any payment or value for your Entitlements in respect of any New Units that would have been offered to you if you had been eligible.

If you have any questions in relation to any of the above matters, please contact the HDN Offer

Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (from outside Australia) from 8:30am to 5:30pm (Sydney time), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

On behalf of HDN, we regret that you are not eligible to participate in the Retail Entitlement Offer and thank you for your continued support.

Yours faithfully,

HomeCo Daily Needs REIT

DISCLAIMER

This letter is to inform you about the Retail Entitlement Offer. It does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any units in HDN and is not a product disclosure statement, prospectus or offering document under Australian law or any other law. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of New Units. You are not required to do anything in response to this letter.

No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements and the New Units under the Retail Entitlement Offer in any jurisdiction outside Australia and New Zealand. The materials relating to the Entitlement Offer may not be distributed in the United States. This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. The Entitlements and the New Units have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up or exercised by persons in the United States, and the New Units may not be offered or sold, directly or indirectly, in the United States, unless such Entitlements or New Units are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this document, or any events or results expressed or implied in any forward-looking statement. These statements can generally be identified by the use of words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "predict", "guidance", "plan" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and are by their nature subject to significant uncertainties, risks and contingencies. Actual results or events may differ materially from any expressed or implied in any forward-looking statement and deviations are both normal and to be expected. Past performance is not a reliable indicator of future performance.