

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

24 January 2022

GENERAL MEETING PRESENTATION

HMC Funds Management Limited as responsible entity of HomeCo Daily Needs REIT (ASX: HDN) provides the attached presentation to be delivered at the General Meeting 2022 of HDN unitholders scheduled to take place at 11.00am (Sydney time), Monday, 24 January 2022.

-ENDS-

For further information, please contact:

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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.



Home Co.
Daily Needs REIT

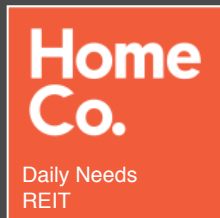
HomeCo Daily Needs REIT General Meeting

11:00am (Sydney time)
Monday, 24 January 2022

Acknowledgement of Country

We acknowledge the Traditional Custodians of country throughout Australia and celebrate their diverse culture and their connections to land, sea and community.

We pay respect to their Elders past, present and emerging, and extend that respect to all Aboriginal and Torres Strait Islander peoples today.



AGENDA

1. Welcome and Introduction

2. Convening of Meeting & Order of Business

3. HDN & Aventus Merger

4. Formal Business

5. Supplementary Information



Simon Shakesheff
Chair

**Home
Co.**

Daily Needs
REIT



1. Welcome and Introduction

Board of Directors



Simon Shakesheff
Chair



David Di Pilla
*Home Consortium Group Managing
Director and CEO*



Simon Tuxen
Non-Executive Director



Stephanie Lai
Non-Executive Director



Greg Hayes
Non-Executive Director

Gregory Hills Town Centre (NSW)



Hills Super Centre (NSW)





Merger overview

Merger to create Australia's leading Daily Needs REIT with significant scale and enhanced capability to unlock value from the Merged Group's strategic landbank

Transaction Overview

Overview

- ✓ On 18 October 2021, **HomeCo Daily Needs REIT (HDN)** entered into a Scheme Implementation Deed (SID) with **Aventus Group (AVN)** to merge (**Merger**)
- ✓ The agreed Merger will create **Australia's leading Daily Needs REIT** and will be managed by Home Consortium (HMC)
- ✓ **Unanimously recommended** by both the HDN and AVN Boards
- ✓ AVN Board and **AVN's largest securityholder Brett Blundy Retail Capital Pty Ltd (BBRC)** intend to vote their **29.3%** collective interest **in favour of the Merger**

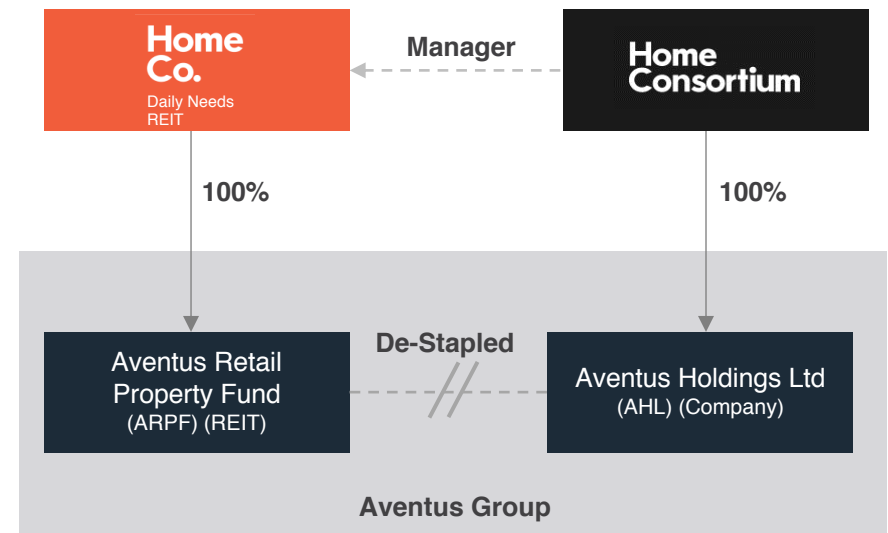
Consideration

- ✓ Consideration represents implied value of **\$3.82¹ per AVN security**, comprising:
 - 2,200 HDN units per 1 unit in Aventus Retail Property Fund (ARPF)
 - \$0.285 cash or 0.038 HMC securities per 1 share in Aventus Holdings Ltd (AHL)
- ✓ 15.3% premium to undisturbed AVN security price¹

Financial Impact

- ✓ Estimated **HDN FY22 FFO/unit accretion of 4.0%²**
- ✓ Combined entity (Merger Group) **gearing to be approximately 32.6%**, within target gearing band of 30-40%³

Post Merger simplified ownership structure



Strong strategic fit and future growth opportunity

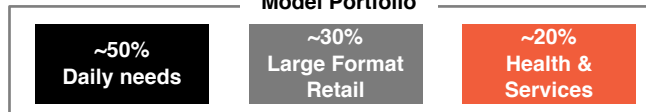
Clear strategy to enhance income security and growth to drive strong total returns

MODEL PORTFOLIO

Enhance income security & diversification

- ✓ Accelerate tenant remixing towards HDN's model portfolio with focus on daily needs and health uses
 - In-depth gap analysis has identified >80 remixing opportunities
- ✓ Extend Merged Group portfolio WALE and identify opportunities to leverage tenant relationships across combined portfolio
- ✓ Leverage enhanced tenant diversification, scale & credit profile to improve debt tenor, diversification and hedging arrangements and obtain investment grade credit rating

Model Portfolio



STRONG GROWTH OUTLOOK

Unlock development pipeline

- ✓ Accelerate unlocking of value enhancing brownfield and larger scale development opportunities across the combined asset base
- ✓ Leverage development track record and the combined group's increased scale to deliver enhanced earnings and NTA growth
- ✓ Opportunity rich 2.5m sqm landbank in high population growth markets with flexible zoning
 - 38% site coverage across the portfolio
 - \$150m+ of brownfield developments³ and \$300m+ of major developments identified³
 - Targeting \$60m+ of capex p.a⁴ at 7%+ ROIC⁵

~4% FFO accretive for HDN & AVN¹

- ✓ HDN FY22 FFO: 8.9 cps
- ✓ AVN FY22 FFO: 21.1 cps²

Strong combined valuation gains of \$346m (+9%) across the HDN and AVN portfolios in Dec-21

Eligible for ASX200 index inclusion with pathway towards ASX100 index inclusion

Australia's leading Daily Needs REIT

The Merged HDN Group's portfolio will comprise 51 properties valued at approximately \$4.4 billion with over 1,200 tenants

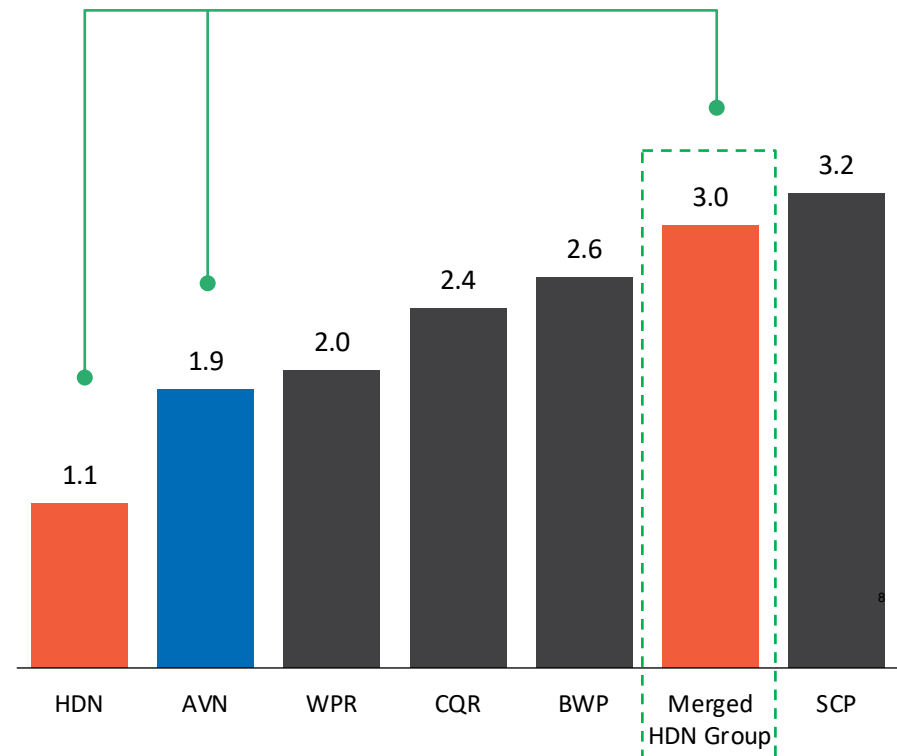
Platform Overview

Key portfolio metrics

Portfolio value ¹	\$4,445m
WACR ¹	5.54%
WALE ²	5.3 years
Occupancy ³	99%
WARR ^{2,4}	3.6%
Cash collection (FY21) ⁵	98%
Average gross rent ⁶	\$331/sqm
Tenants	>1,200

ASX listed convenience based REITs

By market capitalisation (\$bn)⁷



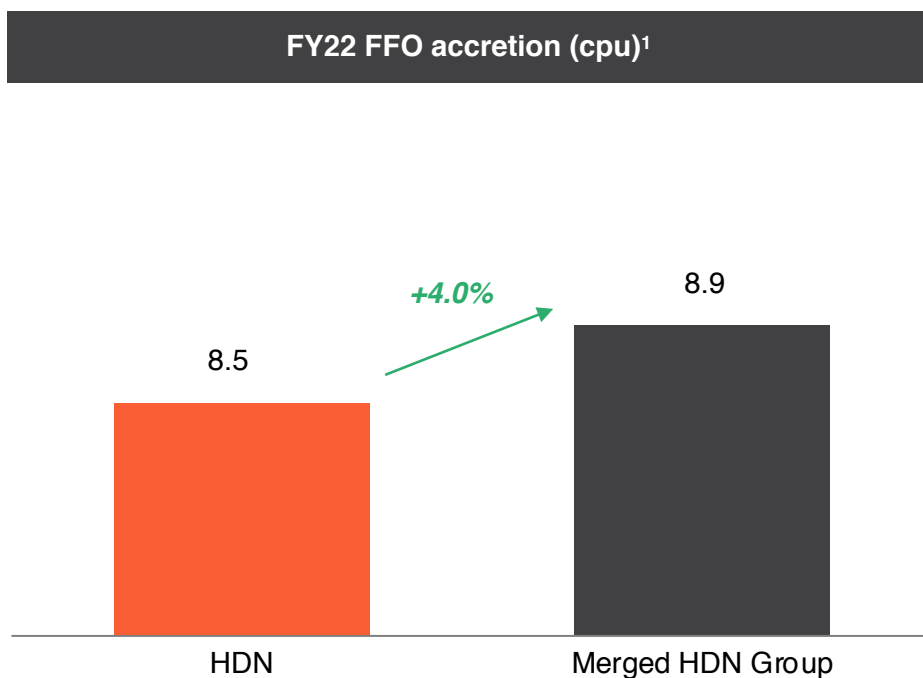
The increased scale, tenant relationships and management capabilities of the Merged HDN Group are expected to create additional value that would not have been accessible to HDN on a standalone basis

Notes: 1. Based on HDN and AVN December 2021 preliminary portfolio valuation. 2. By gross income for signed leases for Merged Group and signed MOU's for HDN as per Scheme Booklet. 3. By GLA. Includes rental guarantees for HDN. Excluding rental guarantees, Occupancy remains at 99%. 4. Weighted average rent reviews on 72% of Merged Group tenants that are contracted under fixed escalation rental agreements. 5. Weighted average cash collection for AVN and HDN. 6. Merged Group weighted by GLA. 7. As at 18-Jan-22.

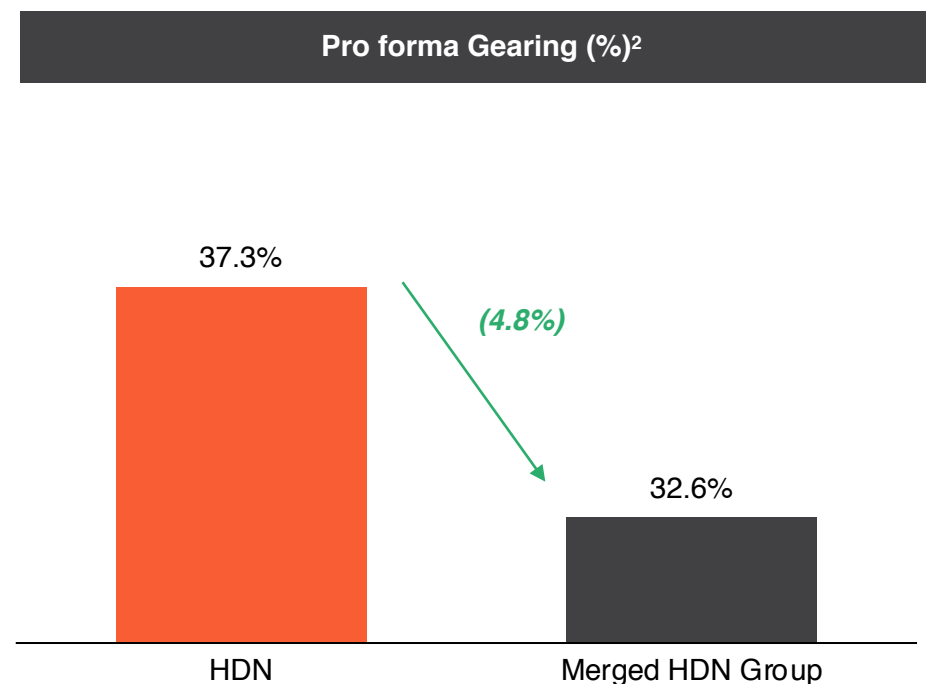
Compelling financial metrics

Financially compelling proposition for HDN unitholders

FY22 FFO accretion (cpu)¹



Pro forma Gearing (%)²



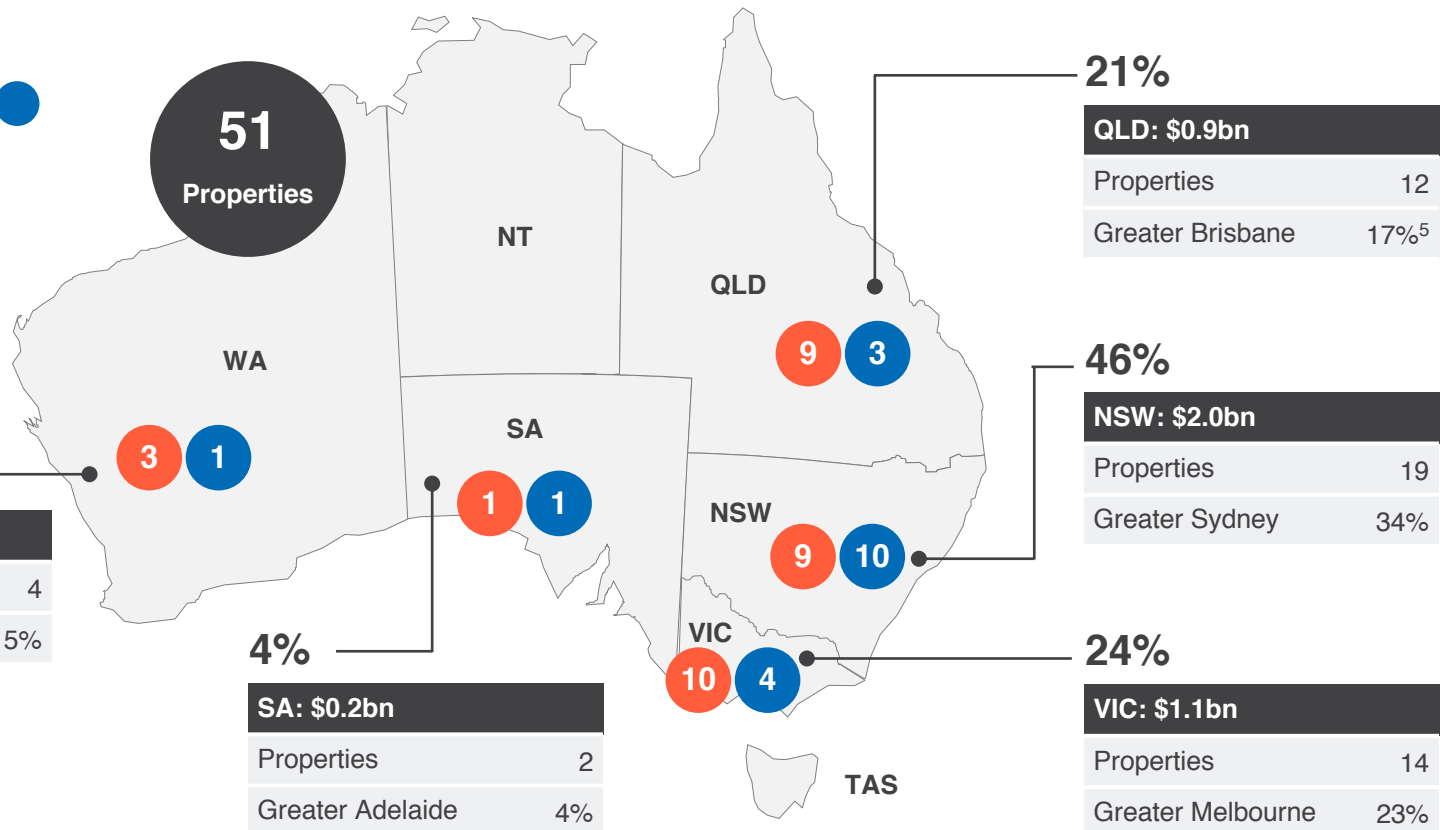
- ✓ The Merger is expected to deliver significant increased FY22 FFO accretion of approximately 4.0%¹
- ✓ The Merged HDN Group is expected to have pro forma Gearing of approximately 32.6%, within the target Gearing band of 30% to 40% and 4.8% lower than on a standalone basis²
- ✓ The merged HDN Group's larger balance sheet is expected to accelerate investment opportunities consistent with the Model Portfolio

Strategic investment footprint and last mile logistics network

Strategic last mile infrastructure network spanning 2.5 million square metres in Australia's leading metropolitan markets and growth corridors

Total portfolio

Portfolio value	\$4.4bn
Tenants	>1,200



Attractive portfolio attributes for omni-channel

>12m people within 10km radius of a Merged Group property

~80% metro located¹

70% of tenants have click & collect²

91% located on Eastern Seaboard¹

1.9% population growth^{3,4}
(vs. 1.6% national avg.)⁴

Source: Australian Bureau of Statistics. Notes: 1. By property fair value as at 31-Dec-21. 2. As at 30 June 2021. By GLA. Excludes fuel and services tenants for HDN. 3. Weighted by value. 4. Based on annual forecast growth to 2027. 5. Includes Coomera City, Upper Coomera, and Bundall.

Significant growth pipeline and investment opportunity

2.5 million square metre landbank with flexible zoning and low site coverage ratio of 38% to provide significant development potential

- ✓ The Merged HDN Group intends to target more than \$60 million¹ of annual development capital expenditure from FY23 onwards with a target return on invested capital (ROIC) in excess of 7%²
- ✓ Approximately \$150 million of brownfield development opportunities are expected to be pursued in the first 24 months following the Merger
- ✓ Over the longer term, it is estimated that more than \$300 million of major development opportunities may be available across the combined portfolio

Property	Opportunities	Approximate Size (sqm)
Near term brownfield opportunities		
HDN properties	Childcare, health and services, centre expansion, F&B precinct, LFR expansion	20,000
Aventus properties	Medical, childcare, centre expansion, expansion on potential excess land	20,000
Merged HDN Group portfolio		40,000
Longer term major development opportunities		
HDN properties	Town centre redevelopment, supermarket, childcare, LFR expansion	>23,500
Aventus properties	Town centre redevelopment	>60,000
Merged HDN Group portfolio		>83,500
Merged HDN Group Portfolio		>123,500

Notes: 1. Estimate only and subject to investment committee and other approvals. 2. Target cash yield on development cost.

Highlands Hub (NSW)



Victoria Point (QLD)



Resolution 1

Issue of Trust Scheme Consideration

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for HMC Funds Management to issue the Trust Scheme Consideration to holders of Aventus Units under the Trust Scheme, constituting a reverse takeover of HDN, on the terms and conditions set out in the Explanatory Memorandum.”



Resolution 1

Proxy Voting Results

For:	99.92%
Open:	0.07%
Against:	0.01%

Resolution 2

Amendments to Investment Management Agreement to permit the issue of HDN Units to the Investment Manager in lieu of cash payments for Fees

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That approval is given for all purposes for the Investment Management Agreement to be amended to permit the Investment Manager to require HMC Funds Management to issue HDN Units in lieu of cash to the Investment Manager or its nominee to satisfy amounts owing in respect of fees as further described in the Explanatory Memorandum.”



Resolution 2

Proxy Voting Results

For:	99.88%
Open:	0.06%
Against:	0.06%

Resolution 3

Ratification of prior issue of July Placement Units

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, the issue of 48,275,862 HDN Units announced to ASX on 5 July 2021 on the terms and conditions summarised in the Explanatory Memorandum is ratified under and for the purposes of Listing Rule 7.4 and for all other purposes.”



Resolution 3

Proxy Voting Results

For:	99.91%
Open:	0.06%
Against:	0.03%

Resolution 4

Ratification of prior issue of September Placement Units

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, the issue of 54,854,195 HDN Units announced to ASX on 13 September 2021 on the terms and conditions summarised in the Explanatory Memorandum is ratified under and for the purposes of Listing Rule 7.4 and for all other purposes.”



Resolution 4

Proxy Voting Results

For:	99.90%
Open:	0.07%
Against:	0.03%

Resolution 5

Issue of HDN Units to a related party underwriter in connection with
Distribution Reinvestment Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, any issue of HDN Units to Home Consortium Limited as underwriter of the Distribution Reinvestment Plan on the terms and conditions summarised in the Explanatory Memorandum is approved under and for the purposes of Listing Rule 10.11 and for all other purposes.”



Resolution 5

Proxy Voting Results

For:	90.63%
Open:	0.06%
Against:	9.31%



Investors and analysts



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This presentation (**Presentation**) has been prepared by HMC Funds Management Limited (ACN 106 078 635, AFSL 237 257) (**Responsible Entity**) as responsible entity of HomeCo Daily Needs REIT (ARSN 645 086 620).

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