



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

CHAIR'S ADDRESS TO GENERAL MEETING OF HOMECO DAILY NEEDS REIT UNITHOLDERS

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

-ENDS-

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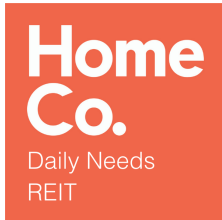
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Authorised for release by the Board of the Responsible Entity

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.



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Chair's Address to General Meeting of HomeCo Daily Needs REIT Unitholders

Welcome and Introduction

Good morning ladies and gentlemen. My name is Simon Shakesheff and I am the Chair of the Board of HMC Funds Management Limited, the responsible entity of HomeCo Daily Needs REIT (ASX: HDN). I will chair today's General Meeting of unitholders of HomeCo Daily Needs REIT.

In the spirit of reconciliation I would like to begin by acknowledging the Traditional Custodians of country throughout Australia and we celebrate their diverse culture and their connections to land, sea and community. We pay our respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

I would also like to introduce my fellow directors – Stephanie Lai (who is also Chair of the Audit and Risk Committee), Simon Tuxen, Greg Hayes (who is also a director of Home Consortium) and David Di Pilla (who is also the Managing Director and Chief Executive Officer of Home Consortium).

On behalf of the Board of Directors, it is my pleasure to welcome you to this meeting.

A significant purpose of the meeting is for HDN unitholders to consider and vote on a resolution relating to the proposed merger of HDN with Aventus Retail Property Fund, as part of a merger with Aventus Group. I will shortly outline more detail on that transaction in this address.

In addition, HDN unitholders will be asked to vote on other resolutions, unrelated to approval of the Merger. They relate to amending the Investment Management Agreement, ratifying the institutional placements undertaken in July 2021 and September 2021 and approving the issue of HDN units to Home Consortium as underwriter of the HDN distribution reinvestment plan. I will outline more detail on those resolutions during the formal business of the meeting following this address.

Convening of Meeting

I confirm that this meeting has been convened in accordance with the Corporations Act and as a quorum of unitholders is present, I now declare the meeting open.

With COVID-19 still being an ongoing health concern, this meeting is being held in virtual format only. Unitholders can be present virtually via this live webcast and you will be able to vote electronically through the online platform provided by our share registry, Link Market Services. To log in you will need your holder

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identifier and postcode. The online platform provides an opportunity to all unitholders to participate in the meeting.

Voting on all resolutions will be by way of poll. Unitholders attending the meeting online are able to cast their vote using the electronic voting card received with your online registration. For assistance, please refer to the Virtual Meeting Online Guide available in the investor centre on our website.

Unitholder's questions through the online platform are welcome at the meeting. As set out in the Notice of Meeting questions were invited to be submitted by 5pm (Sydney time) on 20 January 2022. I confirm that no questions were received by that time, but you are still able to ask questions at any time during the meeting via the online platform or via the audio line.

Order of Business

At the formal business of this morning's meeting, unitholders will be asked to vote on the following five resolutions:

1. To approve the issue of the trust scheme consideration in relation to the HDN/Aventus merger;
2. To approve amendments to the Investment Management Agreement to allow for the issue of HDN units to Home Consortium in lieu of cash as payment for fees;
3. To ratify the institutional placement of HDN units announced on ASX on 5 July 2021, which raised approximately A\$70 million;
4. To ratify the institutional placement of HDN units announced on ASX on 13 September 2021, which raised approximately A\$88.3 million; and
5. To approve the issue of HDN Units to Home Consortium as a related party underwriter in connection with the Distribution Reinvestment Plan.

For each resolution, I will provide the relevant background, put the resolution to the meeting and then invite questions. The vote by poll will then be formally conducted. Once the final votes cast are counted following closure of the meeting, the results will be released to the ASX.

The resolutions are independent of one another, meaning the HDN/Aventus merger may be implemented even if the resolutions pertaining to other matters are not approved.

The HDN independent directors unanimously recommend that you vote in favour of the resolution to approve the issue of trust scheme consideration in connection with the merger. As HomeCo is a party to the merger, the HDN directors who are also directors of HomeCo have abstained from making a recommendation.

Further, the HDN independent directors unanimously recommend that you vote in favour of all the other resolutions. As HomeCo has an interest in the resolutions to approve the amendments to the Investment Management Agreement and the underwriting of the DRP, the HDN directors who are also directors of HomeCo, have abstained from making a recommendation in relation to those resolutions.

That said, I note that common HDN/HMC directors have joined with the independent directors in making a recommendation in relation to ratification of the placements.

Where a proxy vote has been directed to me as Chair of the meeting, I intend to vote in favour of the relevant resolution.

Before proceeding to the formal business on each of the resolutions, and given the merger is a significant purpose of this meeting, I would now like to provide more detail on that transaction and how it is a compelling opportunity to create value for all our unitholders.

HDN/Aventus Merger Transaction

On 18 October 2021, Home Consortium and HDN announced that they had entered into a binding Scheme Implementation Deed with Aventus to acquire all Aventus securities comprising units in Aventus Retail Property Fund (which I will refer to as “**Aventus Trust**”) and shares in Aventus Holdings Limited (which I will refer to as “**Aventus Company**”) via schemes of arrangement and subject to certain conditions.

If approved by HDN unitholders and Aventus securityholders, and subject to the other conditions to the Merger being satisfied, HDN will acquire all of the units in Aventus Trust by issuing 2.20 HDN units for every 1 Aventus unit. As part of the transaction, HomeCo will contribute consideration comprising of \$0.285 cash or 0.038 HomeCo securities per Aventus share to acquire all of the shares in Aventus Company.

The Merger will be effected by the unstapling of Aventus units from Aventus shares followed by the acquisition of Aventus Trust by HDN and the acquisition of Aventus Company by HomeCo by way of an interdependent Trust Scheme and Members’ Scheme. The effect of the acquisitions is that HomeCo will acquire the management rights to Aventus and HMC Funds Management Limited will continue in its role as responsible entity and trustee of the Merged HDN Group.

Subject to requisite approvals, the Merger is expected to be implemented on Monday, 14 February 2022.

The HDN independent directors believe the Merger represents a compelling opportunity to create value from two highly complementary property portfolios, providing HDN unitholders with an enhanced investment proposition relative to HDN on a standalone basis, including:

- creating the leading ASX-listed Daily Needs REIT with a combined portfolio size of approximately \$4.4 billion and market capitalisation of \$3.0 billion;
- enhanced scale and relevance with the merged HDN Group expected to be eligible for inclusion in the S&P/ASX 200 index
- compelling financial metrics with FY22 FFO per HDN Unit accretion of 4.0% to HDN’s standalone FY22 FFO per HDN Unit;
- highly strategic last mile logistics network spanning 2.5 million square metres of GLA in Australia’s leading metropolitan markets and growth corridors; and
- significant growth pipeline with the opportunity to accelerate value accretive developments by leveraging the Merged HDN Group’s enhanced scale, tenant relationships and expertise.

The implementation of the Merger is subject to a number of conditions which are set out in section 2.1 of the Notice of Meeting. However, I wish to highlight that two key conditions are that:

- securityholders of Aventus approve the Merger at its shareholder meeting tomorrow, Tuesday, 25 January 2022; and
- HDN unitholders approve the issue of trust scheme consideration this morning. Given that the trust scheme constitutes a "reverse takeover" under the Listing Rules the approval of HDN unitholders under Listing Rule 7.1 is required for that reason.

The Merger presents a number of benefits (as I briefly outlined earlier), as well as potential risks. These are all set out in section 2.3(b) and section 2.4 of the Notice of Meeting respectively.

Appendix 1 to the Explanatory Memorandum also contains further information concerning the Merger and the assets and liabilities, financial performance, financial position and prospects of Aventus and the Merged HDN Group.

Importantly and on balance, the HDN independent directors believe that the advantages of the Merger outweigh the disadvantages and risks associated with the Merger and unanimously recommend that you vote in favour of the transaction.

In closing, I would like to thank our Board, our investors and all our stakeholders for their ongoing support.

I will now commence the formal business of today's meeting.

Simon Shakesheff

Chair

HMC Funds Management Limited

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