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as responsible entity of the
HomeCo Daily Needs REIT (ARSN 645 086 620)

ASX RELEASE

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HOME CO DAILY NEEDS REIT DELIVERS FFO GROWTH IN 1H FY25 & REAFFIRMS FY25 GUIDANCE

HomeCo Daily Needs REIT (**ASX: HDN**) today released its results for the half year ended 31 December 2024. HDN's strong first half performance highlights the success of strategic initiatives, including targeted asset sales and reinvestment into high-quality daily needs assets. This strategy, combined with active asset management and a growing development pipeline, continues to differentiate HDN in the Australian real estate sector and support earnings growth going forward. Key highlights for the period are:

Investment and development highlights

- ~\$200m of acquisitions
- ~\$250m of traditional LFR disposals and contracted asset sales broadly in line with book value to maintain balance sheet strength and improve the overall composition & resilience of cash flows
- ~\$75m of pre-committed development projects commenced in 1H FY25 targeting ~7%+ ROIC¹
- Identified development pipeline of \$650m+ targeting ~7%+ ROIC¹
- Resilient Dec-24 asset revaluations, delivering a \$134m gross (~3%) and \$79m net (~2%) increase on the Jun-24 portfolio value

Operational highlights

- >99% occupancy maintained since IPO
- >99% cash rent collections maintained since IPO
- +4.0% comparable property NOI growth, consistent with FY25 guidance
- +6.1%² positive re-leasing spreads vs. 6.0% at Dec-24

Financial highlights

- 1H FY25 FFO/unit of 4.3 cents (\$89.9m) (1H FY24: 4.3 cents)
- 1H FY25 DPU of 4.3 cents (1H FY24: 4.2 cents)
- Dec-24 pro-forma gearing of 34.6%³ at the midpoint of the 30-40% target range
- Dec-24 interest rate hedging of 80%
- NTA/unit of \$1.45 (+1% vs. Jun-24) with strong underlying NOI growth

FY25 guidance reaffirmed

- FY25 FFO guidance of 8.8cpu reaffirmed, representing 2.3% growth versus FY24
- FY25 Distribution guidance of 8.5cpu reaffirmed, representing 2.4% growth versus FY24

¹ Return on invested capital (ROIC) represents cash yield on cost once development is fully stabilised. Estimated ROIC is based on assumptions relating to future income, valuation, capex and calculated on a fully stabilised basis.

² For new leases and renewals.

³ Dec-24 gearing of 36.0%, pro-forma adjusted for the contracted disposal of Logan.

HMC Capital Managing Director, Real Estate & HDN CEO, Sid Sharma said, “HDN continues to deliver strong top line income growth through focussed development, management and leasing of the portfolio. Our asset recycling continues to enhance portfolio quality to support sustained earnings growth while maintaining a strong balance sheet with gearing at the mid-point of our target range.”

“Our development pipeline remains robust at over \$650 million, with both commenced and future projects targeting ~7%+ ROIC. We remain on track to commence between \$100-120 million of development projects in FY25, which includes projects already underway at Tuggerah and Castle Hill.”

HDN Fund Manager, Paul Doherty said, “HDN's first half performance reflects strong operational execution and proactive balance sheet management. We achieved 4.0% comparable NOI growth driven by 6.1% re-leasing spreads and 3.6% weighted average rent reviews. These solid operational results underscore the strength of our assets and tenant relationships.”

“The acquisition of Lutwyche (a convenient daily needs asset) and sale of Logan (a traditional LFR asset) improved portfolio composition and will further strengthen our financial position, reducing gearing to 34.6%. Approximately 80% of drawn debt remains hedged, providing HDN with strong interest rate protections and ensuring we are well-positioned for the future. In addition, NTA per unit increased to \$1.45, demonstrating the resilience of our portfolio.”

“Finally, we are pleased to reiterate FY25 FFO and DPU guidance of 8.8cpu and 8.5cpu, representing 2.3% growth and 2.4% growth over FY24, respectively.”

Board Changes

HDN is pleased to announce the appointment of Zac Fried as a Non-Executive Director, effective from today.

Zac is the Executive Deputy Chairman of the Spotlight Group, which owns a number of major and iconic Australian retail brands, including Spotlight, Anaconda, Mountain Designs and Harris Scarfe. Zac is also the President of the Large Format Retail Association (‘LFRA’), the industry association responsible for representing the Australian retail industry interests of operators, investors, property owners, developers and service providers.

Zac’s appointment follows Greg Hayes’ retirement as Non-Executive Director, also effective from today.

Greg Hayes has been a Non-Executive Director since 2020 and has served as a member of the Audit and Risk Committee since that time. The Board thanks Greg Hayes for his service to HDN and appreciates the valuable contribution he has made during his tenure.

Following Greg’s retirement, Simon Tuxen will serve as a member of the Audit and Risk Committee with Simon Shakesheff and Stephanie Lai.

For additional information please refer to the 1H FY25 financial results presentation which was also released on the ASX today.

Investor and analyst briefing teleconference call

An investor and analyst briefing teleconference call, followed by a Q&A session, will be held on **Thursday 13 February, 2025 at 10:30am (AEDT)**. Investors and analysts wishing to participate can pre-register for the call at: <https://s1.c-conf.com/diamondpass/10044661-ijurr.html>

The following webcast link will be available: <https://webcast.openbriefing.com/hdn-hyr-2025/>

A playback of the 1H FY25 results webcast will be made available on HMC Capital’s website at www.hmccapital.com.au.

Please enter your name, email address and company to register for the 10:30am webcast.

This announcement is approved for release by the Board of the Responsible Entity.

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About HomeCo Daily Needs REIT

HomeCo Daily Needs REIT (HDN) 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. HDN aims to provide unitholders with consistent and growing distributions.

HDN is Australia's leading daily needs REIT with total assets of approximately \$4.9bn spanning approximately 2.5 million square metres of land in Australia's leading metropolitan growth corridors of Sydney, Melbourne, Brisbane, Perth and Adelaide. HDN is also a strategic investor in the Last Mile Logistics (LML) unlisted fund, a complementary mandate which targets core plus transition assets with upside via repositioning into essential last mile real estate infrastructure.

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. 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.

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