



Arena REIT

ANNUAL GENERAL MEETING

22 November 2024



Arena

Agenda

Arena REIT acknowledges the traditional custodians of the lands on which our business and assets operate, and recognises their ongoing connection to land, waters and community.



-
- 03** Chair's Address

 - 07** Managing Director's Report

 - 11** Questions

 - 12** Formal Business

 - 21** Meeting Close

 - 22** Important Notice

Chair's Address

David Ross





Highlights for Full Year 2024

Delivering on our stated investment objectives

- Growth in net operating profit driven by contracted rental increases, acquisitions and development completions.
- NAV per security stable, as an increase in portfolio capitalisation rates have been offset by passing and market rent increases.
- Weighted average lease expiry (WALE) of 18.5 years.
- Seven ELC developments projects completed and continued expansion of development pipeline.
- Post balance date acquisition of six operating ELCs.
- Debt maturity extended and consistency in hedging program.
- Solar renewable energy installed on 90% of property portfolio.
- Adopted an Emission Reduction Plan targeting net zero Financed Emissions by 2050, with an interim 2030 target of a 60-70% reduction in the intensity of Arena's Financed Emissions¹.
- A 36% absolute reduction and 42% reduction in the intensity of Arena's Financed Emissions to end FY2023¹.
- Reaffirming FY2025 distribution guidance of 18.25 cents per security (cps), an increase of +4.9% on FY2024 DPS².

Statutory net profit

\$57.5 million

-22.5% on FY2023

Net operating profit

\$62 million

+4.7% on FY2023

Earnings per security (EPS)

17.65 cents

+3.2% on FY2023

Net asset value (NAV) per security

\$3.41

-0.3% on FY2023

Average like-for-like rent increase

+4.9%

-190bps on FY2023

Gearing ratio³

22.6%

+160bps on FY2023

1. Financed Emissions are Scope 3 Category 15 emissions by indoor floor area measured in kgCO₂e/m² in line with supplemental guidance for the financial sector by the TCFD as compared with equivalent restated FY2021 baseline.
2. FY2025 distribution guidance is estimated on a status quo basis assuming no new acquisitions or disposals and no material change in current market or operating conditions.
3. Gearing calculated as ratio of net borrowings over total assets less cash, post balance date Institutional Placement reduces proforma 30 June 2024 gearing to 19.9%.

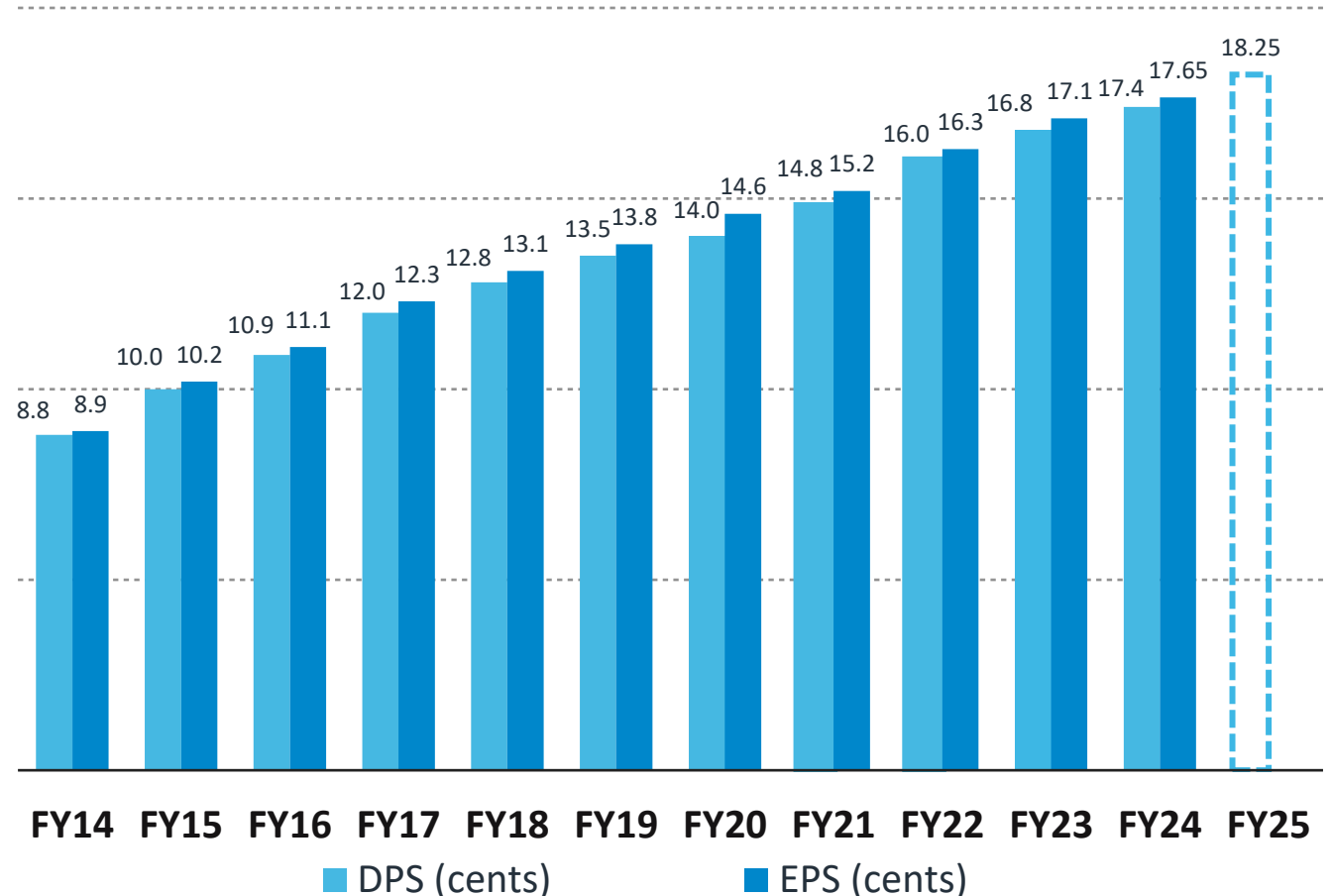


Delivering on Investment Objective

To generate attractive and predictable distributions to investors with earnings growth prospects over the medium to long term.

- Reaffirming FY2025 DPS guidance of 18.25 CPS +4.9% on FY2024¹.
- Earnings and distribution growth underpinned by core earnings drivers.

Earnings and distributions per security (cents)



1. FY2025 distribution guidance is estimated on a status quo basis assuming no new acquisitions or disposals and no material change in current market or operating conditions.



Managing Director's Report

Rob de Vos



Delivering on Strategy during FY2024

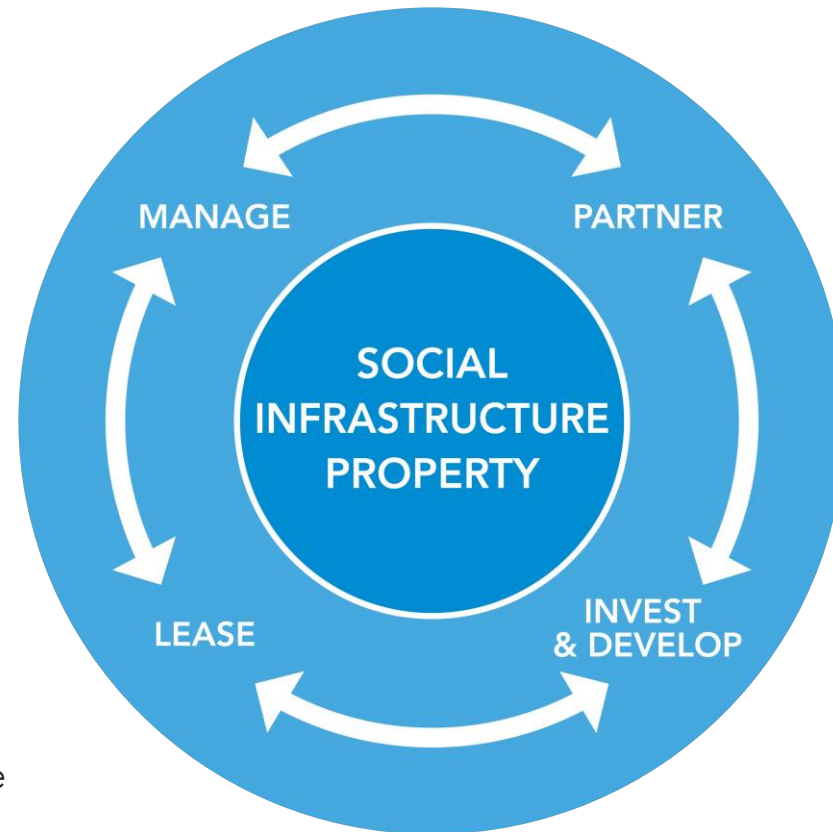
Disciplined capital, investment and lease management supporting earnings growth

Portfolio management

- Long term WALE (by income) of 18.5 years
- Portfolio weighted average passing yield of 5.39%

Lease management

- 99.7% portfolio occupancy
- Average like-for-like rent increase of +4.9%
- 26 FY2024 market rent reviews have been resolved at an average increase of 7.7%¹



Working in partnership

- Continue to progress solar renewable energy program; currently installed on 90% of Arena's property portfolio

Investment and development

- Seven ELC developments completed at an average net initial yield of 5.1% on total cost with initial weighted average term of 20 years
 - 14² new ELC development projects acquired
- Post balance date acquisition of six operating ELCs

1. Excludes 10 unresolved FY2024 market rent reviews, all are subject to a 0% collar, eight are subject to a 7.5% cap and two are uncapped.

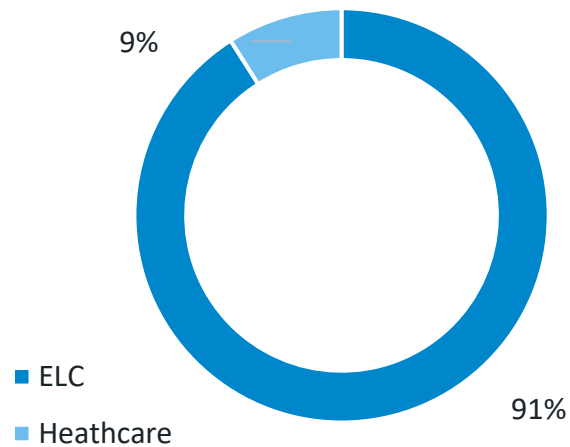
2. Includes four ELC development projects which were conditionally contracted as at 30 June 2024 and four ELC development projects which were in exclusive due diligence.



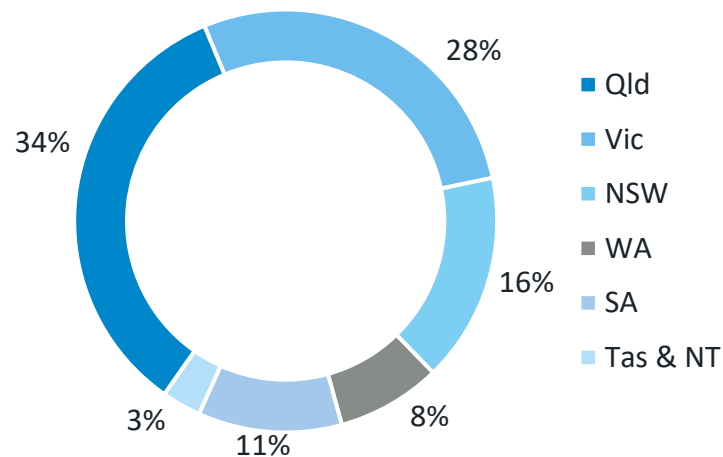
Portfolio Overview

	Number of assets ¹	30 June 2024 valuation \$m	Net valuation movement versus 30 June 2023		30 June 2024 passing yield %	Change versus 30 June 2023 bps
		\$m	\$m	%	%	bps
Early learning portfolio	267	1,444	7.3	+0.5	5.36	+23
Healthcare portfolio	9	135	-3.5	-2.5	5.68	+31
Total portfolio	276	1,579	3.8	+0.25	5.39	+23

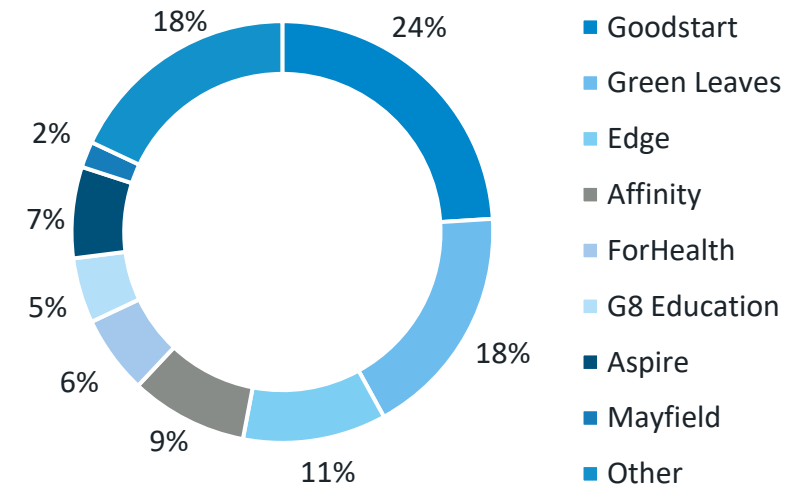
Sector diversity (by value)



Geographical diversity (by value)



Tenant diversity (by income)



1. Excludes four ELC development projects which were conditionally contracted as at 30 June 2024 and all post balance date Acquisitions.

Sustainability

Investment proposition and approach drives sustainable and commercial outcomes

- Sustainability has been embedded across Arena's business strategies which best positions us to achieve positive long term commercial and community outcomes.
- Sustainability outcomes delivered during FY2024 include:
 - Zero organisational scope 1 and 2 emissions.
 - 6-star rating for organisational NABERS energy co-assessment.
 - Certified Carbon Neutral by Climate Active for business operations in 2022-2023.
 - Certified Carbon Neutral by Climate Active for business services in 2022-2023.
 - Registered to develop Arena's 'Reflect' Reconciliation Action Plan.
 - Solar renewable energy systems installed on 90% of Arena's property portfolio.
 - Adopted an Emission Reduction Plan targeting net zero Financed Emissions by 2050, with an interim 2030 target of a 60-70% reduction in the intensity of Arena's Financed Emissions¹.
 - A 36% absolute reduction and 42% reduction in the intensity of Arena's Financed Emissions to end FY2023¹.
- More detailed information is provided in Arena's FY2024 Sustainability Report.

1. Financed Emissions are Scope 3 Category 15 emissions by indoor floor area measured in kgCO₂e/m² in line with supplemental guidance for the financial sector by the TCFD as compared with equivalent restated FY2021 baseline.



Outlook

Inflation protected predictable income

INCOME GROWTH

- Reaffirming FY2025 distribution guidance of 18.25 cents per security, an increase of +4.9%¹ on FY2024.
- Attractive rent review structure with embedded income growth and inflation protection: ~95% of FY2025, FY2026, FY2027 and FY2028 rent reviews contracted at CPI, the higher of CPI or an 'agreed fixed amount', or market rent reviews.
- Full impact of FY2024 acquisitions and development completions and partial impact of FY2025 development completions.
- \$139 million development pipeline comprising 21² ELC projects with \$95 million of capital expenditure outstanding as at 30 June 2024.

OUTLOOK

- Strong social and macroeconomic drivers continue to support the early learning and healthcare sectors.
- Higher interest rates substantially offset by ongoing hedging discipline.
- Substantial capacity with proforma gearing³ of 19.9% following post balance date Institutional Placement.
- Proven ability to secure and execute on high quality opportunities while maintaining a disciplined investment process for opportunities that meet Arena's preferred property characteristics.

1. FY2025 distribution guidance is estimated on a status quo basis assuming no new acquisitions or disposals and no material change in current market or operating conditions.
2. Includes four ELC development projects which were conditionally contracted as at 30 June 2024 and four ELC development projects which were in exclusive due diligence.
3. Gearing calculated as ratio of net borrowings over total assets less cash.

Investment objective

To deliver an attractive and predictable distribution to investors with earnings growth prospects over the medium to long term.



Questions



Formal Business





Ordinary Business

Financial Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report, each for the financial year ended 30 June 2024.



Ordinary Business

Resolution 1: Non-binding advisory vote on the Remuneration Report

To consider and if thought fit, pass the following as an advisory resolution of the Company:

'That the Remuneration Report for the financial year ended 30 June 2024 be adopted.'

Proxy Voting Results	For	Against	Open	Abstain
Proxy votes for Resolution 1 (%)	96.67%	2.93%	0.40%	
Proxy votes for Resolution 1 (quantity)	264,577,103	8,011,718	1,101,830	15,234,690



Other Business

Resolution 2: Election of Mr Adam Tindall as a director of the Company

To consider and if thought fit, pass the following as an ordinary resolution of the Company:

'That Mr Adam Tindall, who was appointed as a director by the Board with effect from 1 November 2024 in accordance with ASX Listing Rule 14.4 and clause 2.3(b) of the Company's constitution and whose appointment as a director expires at the conclusion of the Annual General Meeting and, being eligible, offers himself for election, be elected as a director of the Company.'

Proxy Voting Results	For	Against	Open	Abstain
Proxy votes for Resolution 2 (%)	99.57%	0.03%	0.40%	
Proxy votes for Resolution 2 (quantity)	272,130,918	68,973	1,099,365	17,299,805



Other Business

Resolution 3: Ratification of Placement

To consider and if thought fit, pass the following as an ordinary resolution of the Company and each of the Trusts:

'That for the purpose of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 31,746,032, Securities at an issue price of \$3.78 per Security, under a placement to institutional investors as detailed in the Explanatory Memorandum (Placement), be ratified.'

Proxy Voting Results	For	Against	Open	Abstain
Proxy votes for Resolution 3 (%)	99.47%	0.05%	0.48%	
Proxy votes for Resolution 3 (quantity)	244,131,250	133,385	1,167,712	43,753,960



Other Business

Resolution 4: Grant of Deferred STI Rights to Mr Rob de Vos

To consider and if thought fit, pass the following as separate ordinary resolutions of the Company and each of the Trusts:

'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Managing Director, Mr Rob de Vos, of rights as his deferred short term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved'.

Proxy Voting Results	For	Against	Open	Abstain
Proxy votes for Resolution 4 (%)	98.25%	1.34%	0.41%	
Proxy votes for Resolution 4 (quantity)	269,113,629	3,674,265	1,131,839	16,679,328



Other Business

Resolution 5: Grant of LTI Performance Rights to Mr Rob de Vos

To consider and if thought fit, pass the following as separate ordinary resolutions of the Company and each of the Trusts:

'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Managing Director, Mr Rob de Vos, of performance rights as his long term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved'.

Proxy Voting Results	For	Against	Open	Abstain
Proxy votes for Resolution 5 (%)	98.25%	1.35%	0.40%	
Proxy votes for Resolution 5 (quantity)	269,139,162	3,692,359	1,088,212	16,679,328



Other Business

Resolution 6: Grant of Deferred STI Rights to Mr Gareth Winter

To consider and if thought fit, pass the following as separate ordinary resolutions of the Company and each of the Trusts:

'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Chief Financial Officer and an Executive Director of the Responsible Entity, Mr Gareth Winter, of rights as his deferred short term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved.'

Proxy Voting Results	For	Against	Open	Abstain
Proxy votes for Resolution 6 (%)	98.25%	1.34%	0.41%	
Proxy votes for Resolution 6 (quantity)	269,120,011	3,659,993	1,135,457	16,683,600



Other Business

Resolution 7: Grant of LTI Performance Rights to Mr Gareth Winter

To consider and if thought fit, pass the following as separate ordinary resolutions of the Company and each of the Trusts:

'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Chief Financial Officer and an Executive Director of the Responsible Entity, Mr Gareth Winter, of performance rights as his long term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved'.

Proxy Voting Results	For	Against	Open	Abstain
Proxy votes for Resolution 7 (%)	98.26%	1.34%	0.40%	
Proxy votes for Resolution 7 (quantity)	269,143,773	3,678,087	1,093,601	16,683,600

Meeting Close





Important Notice

This presentation has been prepared by Arena REIT (Arena) comprising Arena REIT Limited (ACN 602 365 186), Arena REIT Management Limited (ACN 600 069 761 AFSL No. 465754) as responsible entity of Arena REIT No.1 (ARSN 106 891 641) and Arena REIT No.2 (ARSN 101 067 878) and is authorised to be given to the ASX by Gareth Winter, Company Secretary. The information contained in this document is current only as at 30 June 2024 or as otherwise stated herein. This document is for information purposes only and only intended for the audience to whom it is presented. This document contains selected information and should be read in conjunction with the Annual Report for the full-year ended 30 June 2024 lodged with the ASX on 24 September 2024 and other ASX announcements released from time to time. This document may not be reproduced or distributed without Arena's prior written consent. The information contained in this document is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. Arena has not considered the investment objectives, financial circumstances or particular needs of any particular recipient. You should consider your own financial situation, objectives and needs, conduct an independent investigation of, and if necessary obtain professional advice in relation to, this document.

Except as required by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions, or as to the reasonableness of any assumption, contained in this document. By receiving this document and to the extent permitted by law, you release Arena and its directors, officers, employees, agents, advisers and associates from any liability (including, without limitation, in respect of direct, indirect or consequential loss or damage or any loss or damage arising from negligence) arising as a result of the reliance by you or any other person on anything contained in or omitted from this document.

This document contains certain forward-looking statements along with certain forecast financial information. The words "anticipate", "believe", "expect", "project", "forecast", "guidance", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan", and other similar expressions are intended to identify forward-looking statements. The forward-looking statements are made only as at the date of this document and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Arena and its directors. Such statements reflect the current expectations of Arena concerning future results and events, and are not guarantees of future performance. Actual results or outcomes for Arena may differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements or forecasts. Other than as required by law, although they believe that there is a reasonable basis for the forward-looking statements, neither Arena nor any other person (including any director, officer or employee of Arena or any related body corporate) gives any representation, assurance or guarantee (express or implied) that the occurrence of these events, or the results, performance or achievements expressed in or implied by any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on such forward-looking statements. Risk factors (which could be unknown or unpredictable or result from a variation in the assumptions underlying the forecasts) could cause actual results to differ materially from those expressed, implied or projected in any forward-looking statements or forecast. Past performance is not an indicator or guarantee of future performance or results.