ARENA REIT

EQUITY RAISING

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2 June 2020

Arena

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- an offer of Securities to eligible security holders in Australia and New Zealand under security purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (“Security Purchase Plan”).

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CONTENTS

OVERVIEW

Equity raising to provide capacity to pursue further social infrastructure property investments

Equity raising	• Equity raising to provide capacity to pursue further social infrastructure property investments: – a fully underwritten $50 million institutional placement ("Institutional Placement") – a non-underwritten Security Purchase Plan ("SPP") to eligible securityholders to raise up to $10 million[1] • New securities issued under the Institutional Placement will be issued at a fixed price of $2.28 per security which represents a 5.0% discount to the closing price of $2.40 per security on 1 June 2020 and be entitled to the distribution for H2 FY20[2]
Strategic rationale	• Track record of deploying capital in a disciplined manner; equity raising provides capacity to continue to contribute to Arena's investment objective to provide predictable distributions with earnings growth prospects over the medium to long term • Continued focus on growth opportunities that exhibit some or all of the following investment characteristics: ✓ Relatively long lease terms ✓ Premises that have strategic importance to the operation of the tenant ✓ High credit quality or government tenants ✓ Leases where tenants are responsible for substantially all statutory and operating outgoings and costs including land tax, insurance and repairs and maintenance
Financial impact	• Existing FY20 Distribution Per Security ("DPS") guidance of 13.9 – 14.0 cents[3] is maintained – H2 FY20 payout ratio adjusted so the distribution reflects rent receivable for the six month period net of rent deferrals • Pro forma 31 December 2019 gearing reduced to 17.6%[4,5] • Independent preliminary draft valuations of 100% of Arena's portfolio received as at 1 June 2020 provide for an overall increase in portfolio value as at 30 June 2020 in the order of $15 million which is equal to approximately 5 cents per security (NAV at 31 December 2019 was $2.18) - these valuations are in draft and are preliminary and remain subject to finalisation and audit, and as such may be subject to further change

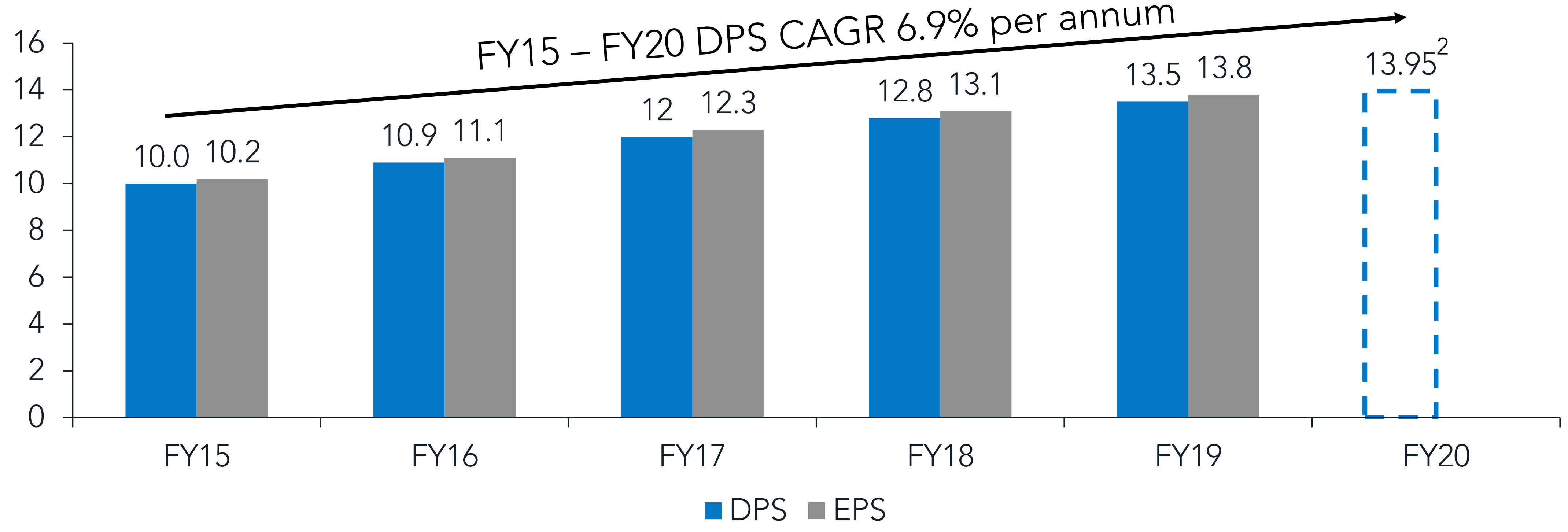
1. Eligible securityholders as at 7:00pm (AEST) on 1 June 2020 with a registered address in Australia or New Zealand. The Arena Board may (in its absolute discretion), where the total applications under the SPP exceed $10 million, determine to increase the amount raised to reduce or eliminate the need to scale-back.
2. New securities issued under the SPP will not be entitled to the H2 FY20 distribution and the issue price of SPP securities will be adjusted down accordingly.
3. Estimated on a status quo basis assuming no new acquisitions or disposals, developments in progress are completed in line with forecast assumptions, and tenants comply with their existing or adjusted lease obligations. It includes the impact of the Institutional Placement and the SPP.
4. Gearing calculated as ratio of borrowings over total assets; includes the impact of the Institutional Placement but does not include any impact attributable to SPP.
5. Includes post 31 December 2019 borrowing facility limit increase of $50 million.

TRACK RECORD OF CAPITAL DEPLOYMENT

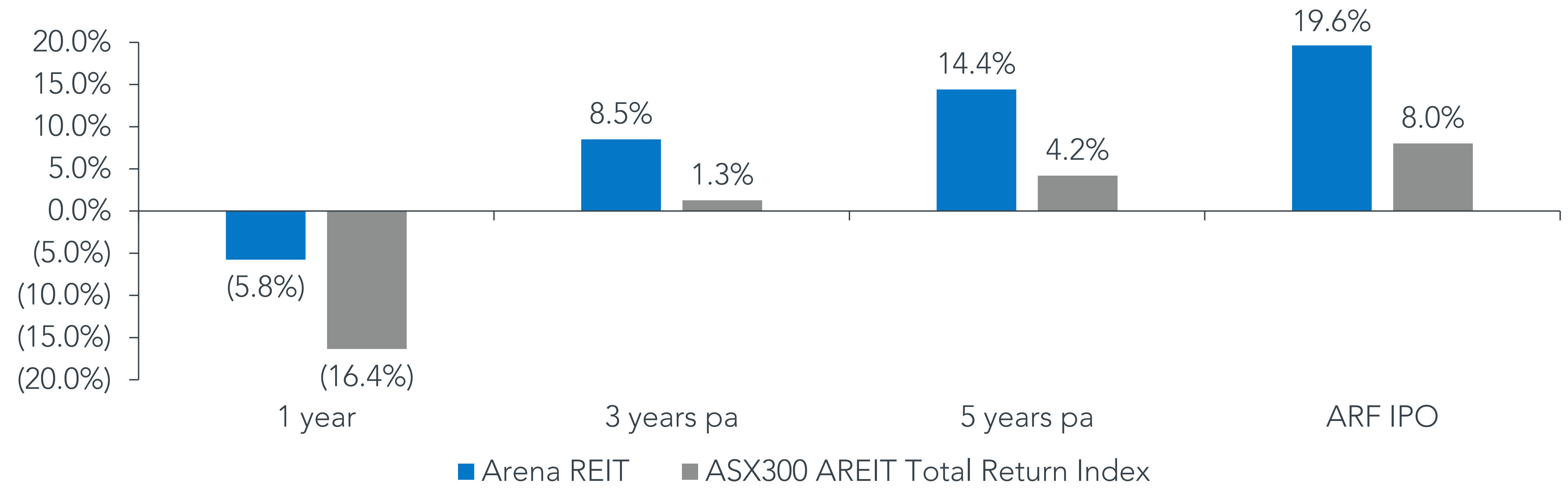
Proven ability to deploy capital and generate predictable distributions with growth prospects over the medium to long term

- Over the last 3 years, Arena has, on average, deployed approximately $75m per annum into developments and acquisitions
- Since IPO (June 2013), Arena has actively managed its portfolio, completing 37 operating asset acquisitions, completed (or has in progress) 56 development projects and disposed of 26 assets to support growth and enhance portfolio quality
- Our focus on real estate fundamentals within the social infrastructure sector has delivered on our investment objective for securityholders
- Equity raising positions the business to continue its growth strategy – both via development and acquisition – across the social infrastructure sector

Earnings and distributions per security (cents)



ASX total return[1] performance to 29 May 2020



1. Bloomberg; assumes all dividends reinvested.
2. Midpoint of FY20 DPS guidance of 13.9 to 14.0 cents per security. Estimated on a status quo basis assuming no new acquisitions or disposals, developments in progress are completed in line with forecast assumptions, and tenants comply with their existing or adjusted lease obligations. It includes the impact of the Institutional Placement and the SPP.

OPERATING ENVIRONMENT

All of Arena's properties remain open

Government response to COVID-19

- Early Childhood Education and Care Relief Package (ECECRP)
  - ELCs receive weekly payments equal to 50% of gross revenue as calculated over the last fortnight of February 2020 through to 28 June 2020 in lieu of the Child Care Subsidy and Additional Child Care Subsidy to help keep centres open and employees in their jobs
  - during this period, families will not be charged fees
- JobKeeper package
  - a flat payment of $1,500 (pre-tax) per fortnight is currently being made to eligible employees to support businesses affected by COVID-19
- 3 step framework for a COVIDSafe Australia
  - on 8 May 2020, the National Cabinet released its three-step plan providing a framework for Australian jurisdictions to remove government restrictions put in place to slow the spread of COVID-19

All of Arena's ELC tenant partners qualify for the JobKeeper package and ECECRP

Strong macroeconomic drivers supporting Australian ELC and healthcare sectors

- ✓ Strong fundamental demand drivers
- ✓ Provision of childcare remains integral to getting Australians back to work
- ✓ Continued Government support
- ✓ Growing and ageing population
- ✓ Increased prevalence of chronic health conditions

OPERATING ENVIRONMENT CONT.

Arena's properties accommodate the provision of essential services for Australian communities

Childcare and healthcare operating conditions

- Under the National Cabinet Mandatory Code of Conduct ("Commercial Code"), landlords are obliged to provide eligible tenants rental relief in proportion to reduction in trade
- Rent relief agreements have been reached to date where justified
  - Arena has to date received approximately 90% of rental payments from tenants for the last 3 months (March to May 2020)
  - Rent relief provided to tenants has largely been deferred; the level of rental abatement for the last 3 months (March to May 2020) is not material
  - Arena estimates that approximately 23% of its tenants are Small and Medium sized Enterprises ("SME") covered by the Commercial Code

Risks and uncertainties remain

- ELC profitability constrained by increasing attendances and therefore rising costs being incurred at a time when Government funding has been fixed and operators are unable to charge fees
- The Federal Government is reviewing the Early Childhood Education and Care Relief Package and future support of the early learning sector beyond 30 June 2020 and until this is clarified, uncertainties will remain
- COVID-19 continues to provide an environment of heightened economic uncertainty – refer to page 18 for key risks

Strong macroeconomic drivers supporting Australian ELC and healthcare sectors

- ✓ Strong fundamental demand drivers
- ✓ Provision of childcare remains integral to getting Australians back to work
- ✓ Continued Government support
- ✓ Growing and ageing population
- ✓ Increased prevalence of chronic health conditions

PORTFOLIO UPDATE

Development pipeline contributes to earnings growth

- Forecast FY20 average contracted like-for-like rent increase of 3.4% (including impact from completed FY19 market reviews but excluding the impact of any rent relief programs)[1]
- Since HY20 results Arena has:
  - delivered two development completions at an average net Initial Yield of 6.8% for a total cost of $11.3 million[2]
  - added two new projects to the development pipeline at a projected average net Initial Yield of 6.5% for a forecast total cost of $12.2 million[2]
- Projects in the development pipeline are expected to be delivered over the next 18 months

Development pipeline as at 31 May 2020[3]	
Number of projects	20
Forecast total cost	$112 million
Forecast Initial Yield on cost	6.6%
Capex amount outstanding	$67 million

- Independent preliminary draft valuations of 100% of Arena's portfolio received as at 1 June 2020 provide for an overall increase in portfolio value as at 30 June 2020 in the order of $15 million which is equal to approximately 5 cents per security - these valuations are in draft and are preliminary and remain subject to finalisation and audit, and as such may be subject to further change

1. Excludes 26 FY20 unresolved market rent reviews.
2. Excluding the impact of any rent relief programs.
3. Includes 4 projects that have not yet settled, awaiting satisfaction of planning or subdivision approvals.

EQUITY RAISING OVERVIEW

$50 million fully underwritten Institutional Placement and non-underwritten SPP to raise up to $10 million[1]

Institutional Placement offer structure and price	• Fully underwritten Institutional Placement to raise $50 million • It is intended that eligible institutional securityholders who bid for up to their 'pro-rata' share of new securities under the Placement will be allocated their full bid, on a best endeavors basis[2,3] • Institutional Placement issue price of $2.28 per Placement Security: – 5.0% discount to the last closing price of $2.40 on 1 June 2020 – 7.3% discount to the 5-day Volume Weighted Average Price (VWAP) of $2.4594 to 1 June 2020
Use of proceeds	• Equity raising to provide capacity to pursue further social infrastructure property investments consistent with Arena's investment objective to provide predictable distributions with earnings growth prospects over the medium to long term
Security Purchase Plan (SPP)	• Eligible securityholders[4] will be invited to subscribe for up to $30,000 of SPP Securities per securityholder, free of transaction and brokerage costs • The SPP offer price will be the issue price of the Institutional Placement adjusted down for distribution guidance in respect of the distribution for the 6 months ending 30 June 2020 (6.75-6.85 cents per security[5]) • The Issue date of the SPP Securities will be 1 July 2020 and they will not participate in the distribution for the 6 months ending 30 June 2020 • Further information in relation to the SPP will be dispatched to eligible securityholders on or around 9 June 2020
Underwriting	• The Placement is fully underwritten
Ranking	• Placement Securities will rank pari passu with existing securities on the date of issue and will be entitled to the distribution for the 6 months ending 30 June 2020 (6.75-6.85 cents per security[5]) • SPP Securities will be issued on 1 July 2020 and will only be entitled to distributions declared after that date

1. The Arena Board may (in its absolute discretion), where the total applications under the SPP exceed $10 million, determine to increase the amount raised to reduce or eliminate the need to scale-back.
2. For this purpose, an eligible institutional securityholder's 'pro-rata' share will be estimated by reference to Arena's beneficial register on 15 May 2020, but without undertaking any reconciliation and ignoring securities that may be issued under the SPP. Accordingly, unlike in a rights issue, this may not truly reflect the participating securityholder's actual pro-rata share. Nothing in this Presentation gives a securityholder a right or entitlement to participate in the Placement and Arena has no obligation to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining a securityholder's 'pro-rata' share. Institutional securityholders who do not reside in Australia or other eligible jurisdictions will not be able to participate in the Placement. See the Appendix for the eligible jurisdictions and selling restrictions relevant to these jurisdictions. Arena and the underwriter disclaims any duty or liability (including for negligence) in respect of the determination of a securityholder's 'pro-rata' share.
3. Eligible institutional securityholders who bid in excess of their 'pro-rata' share as determined by Arena and the underwriter are expected to be allocated a minimum of their 'pro-rata' share on a best endeavours basis as set out in footnote 2 above, and any excess may be subject to scale back.
4. Eligible securityholders are holders of existing Arena securities as at 7:00pm (AEST) on 1 June 2020 with a registered address in Australia or New Zealand.
5. Estimated on a status quo basis assuming no new acquisitions or disposals, developments in progress are completed in line with forecast assumptions, and tenants comply with their existing or adjusted lease obligations, it includes the impact of the Institutional Placement and SPP.

EQUITY RAISING OVERVIEW CONT.

Sources and uses of fund

Sources of funds[1]	$ million
Institutional placement	50.0
Total Sources	**50.0**

Uses of funds	$ million
Debt repayment	49.0
Transaction costs	1.0
Total Uses	**50.0**

Pro-forma balance sheet

As at	31 Dec 2019	Institutional Placement[1]	31 Dec 2019 Pro Forma
	($ million)	($ million)	($ million)
Cash	11.7		11.7
Receivables and other assets	25.4		25.4
Investment properties	853.3		853.3
Total assets	**890.4**		**890.4**
Trade and other liabilities	11.7		11.7
Distributions payable	10.7		10.7
Borrowings	206.2	(49.0)	157.2
Derivatives	8.9		8.9
Total liabilities	**237.5**		**188.5**
Net assets	**652.9**		**701.9**

Number of securities on issue (m)	300.0	21.9	321.9
Net asset value per security ($)	2.18		2.18
Gearing[2]	23.2%		17.6%

1. Excludes any impact attributable to the SPP.
2. Gearing calculated as ratio of borrowings over total assets; includes the impact of the Institutional Placement but does not include any impact attributable to SPP.

CAPITAL MANAGEMENT

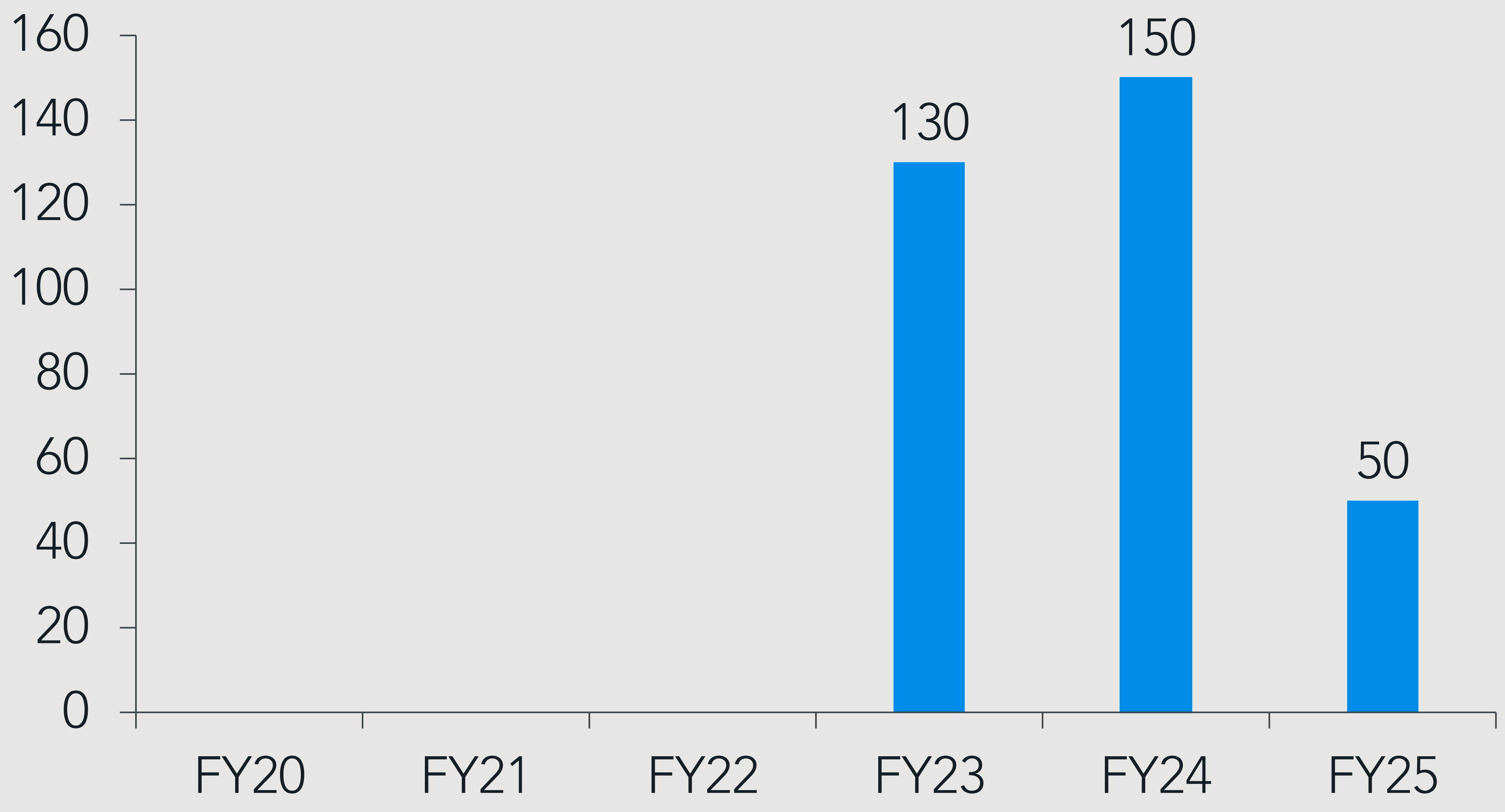
Debt maturity extended and capacity refreshed

As at	31 Dec 2019	Pro Forma[2]	Change
Borrowings	$207m	$158m	(23.7%)
Borrowings facility limit[1]	$330m	$330m	-
Gearing	23.2%	17.6%	(560bps)
Weighted average facility term[1]	4 years	4 years	-
Weighted average cost of debt	3.55%	3.20%	(35bps)
Interest cover ratio	6.4x	7.2x	+0.8x
Hedge cover[1]	76%	78%	+200bps
Weighted average hedge rate[1]	2.31%	2.16%	(15bps)
Weighted average hedge term[1]	4.9 years	5.4 years	+0.5 years

1. Includes post balance date extension of borrowing facility term, limit increase of $50 million and revision of hedges.
2. Excludes any impact attributable to the SPP.

- Syndicated borrowing facility limit increased post 31 December 2019 by $50 million to $330 million, comprised of:
  - $130 million expiring 31 March 2023;
  - $150 million expiring 31 March 2024; and
  - $50 million expiring 31 March 2025
- Post the institutional placement, pro forma gearing as at 31 December 2019 will reduce to 17.6%

Debt expiry profile $m



INDICATIVE TIMETABLE

Event	Date
Trading halt and announcement of equity raising	Tuesday 2 June 2020
Institutional Placement	
Institutional Placement bookbuild	Tuesday 2 June 2020
Announcement of outcome of Institutional Placement	Wednesday 3 June 2020
Trading halt lifted	Wednesday 3 June 2020
Settlement of Placement Securities under the Institutional Placement	Friday 5 June 2020
Allotment and trading of Placement Securities issued under the Institutional Placement	Tuesday 9 June 2020
SPP	
Record date for SPP	7pm, Monday 1 June 2020
SPP offer period	9am Tuesday 9 June to 5pm Thursday 25 June 2020
Allotment of Securities issued under the SPP	Wednesday 1 July 2020
Securities issued under the SPP commence trading on ASX	Thursday 2 July 2020
Holding statement dispatch date	Thursday 2 July 2020

CONCLUSION & OUTLOOK

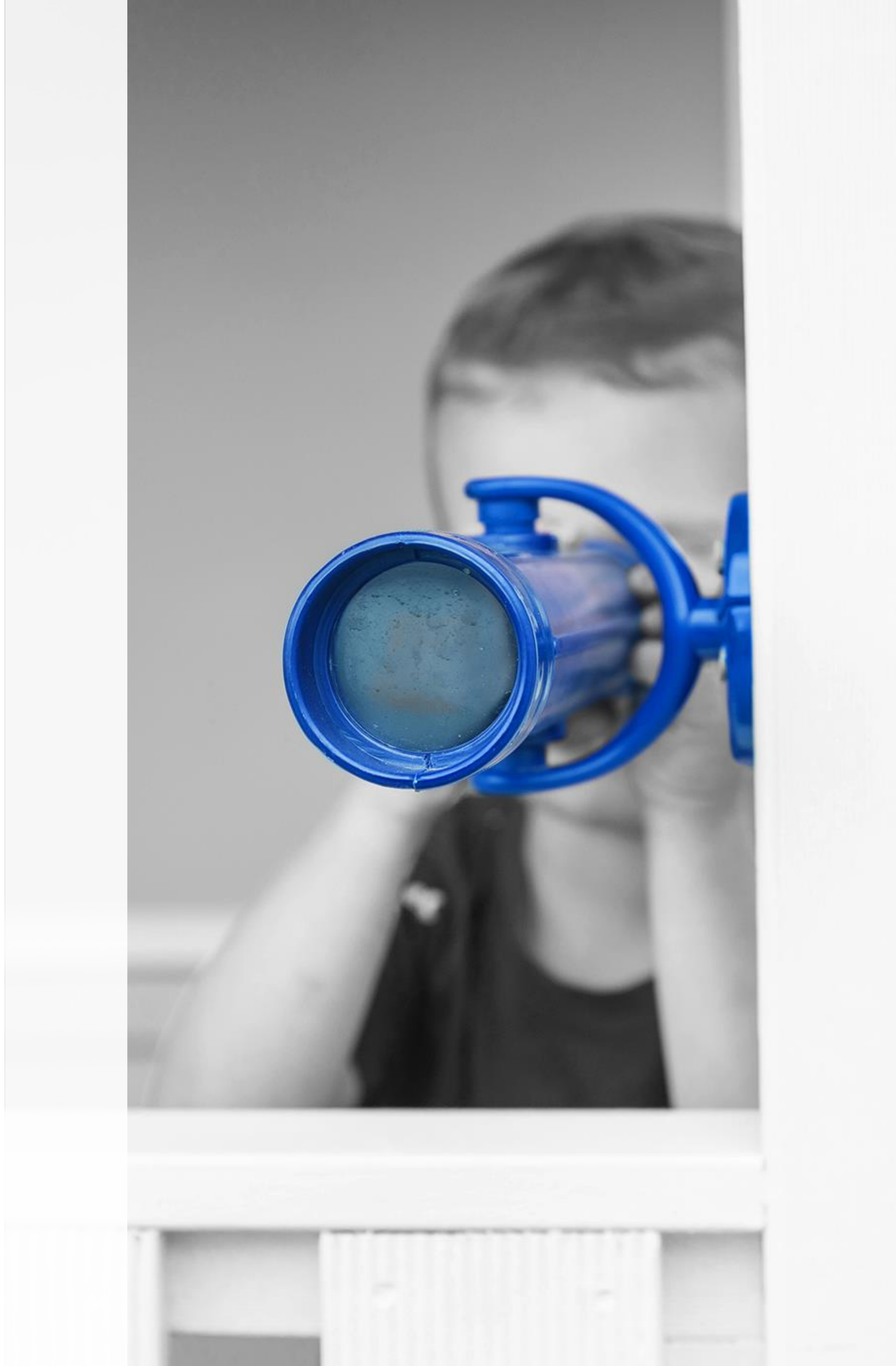
EQUITY RAISING

- Equity raising to provide capacity to pursue further social infrastructure property investments
- Existing FY20 DPS guidance of 13.9-14.0 cents[1] is maintained
- Pro forma 31 December 2019 gearing reduced to 17.6%[2,3]

OUTLOOK

- H2 FY20 payout ratio has been adjusted so the distribution reflects rent receivable for the six month period net of rent deferrals
- No debt expiry falling due until March 2023
- Proven ability to deploy capital and generate predictable distributions with earnings growth prospects over the medium to long term
- Childcare and healthcare remain integral to economic recovery[4]

1. Estimated on a status quo basis assuming no new acquisitions or disposals, developments in progress are completed in line with forecast assumptions, and tenants comply with their existing or adjusted lease obligations, it includes the impact of the Institutional Placement and SPP.
2. Gearing calculated as ratio of borrowings over total assets; includes the impact of the Institutional Placement but does not include any impact attributable to SPP.
3. Includes post 31 December 2019 borrowing facility limit increase of $50 million.
4. Refer slide 18 for Key Risks.



CORPORATE DIRECTORY

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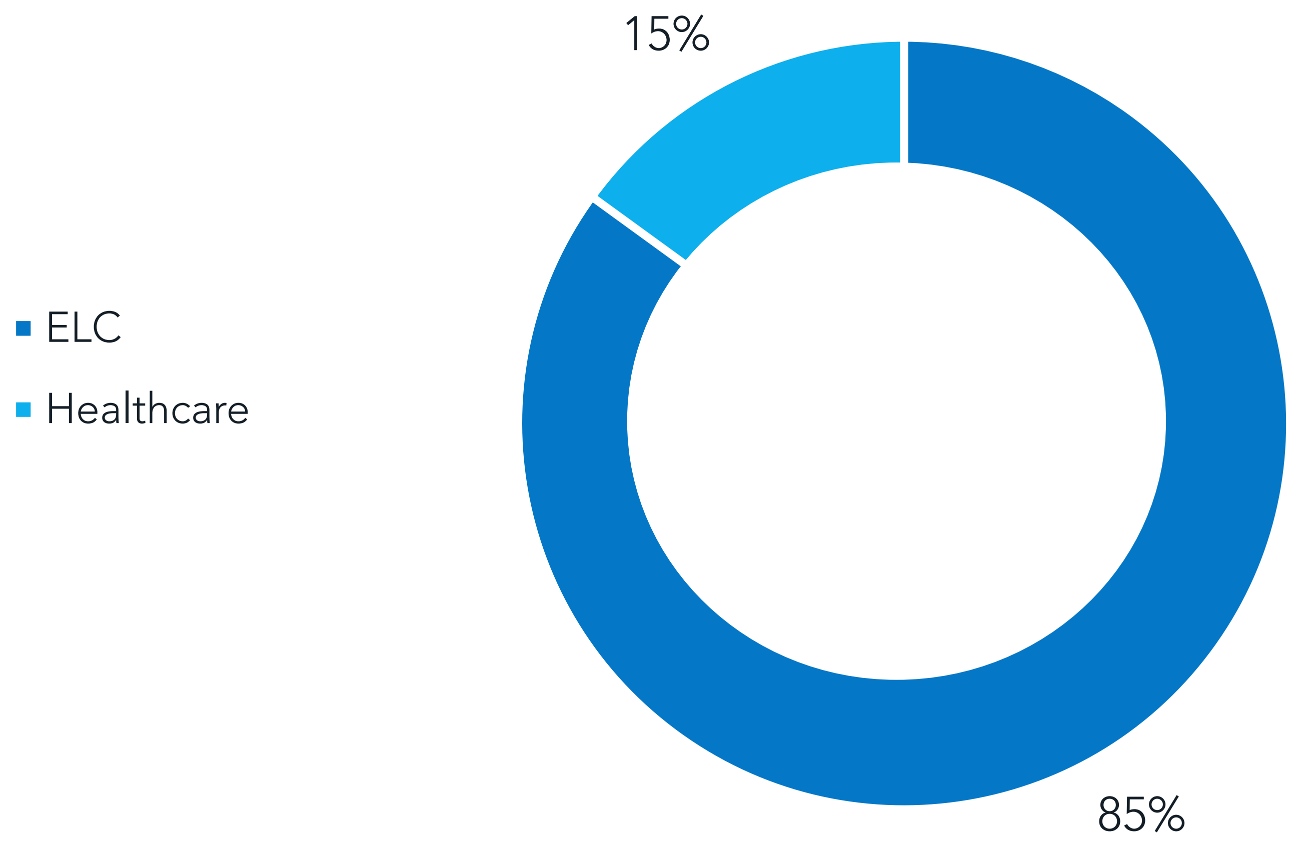
APPENDICES

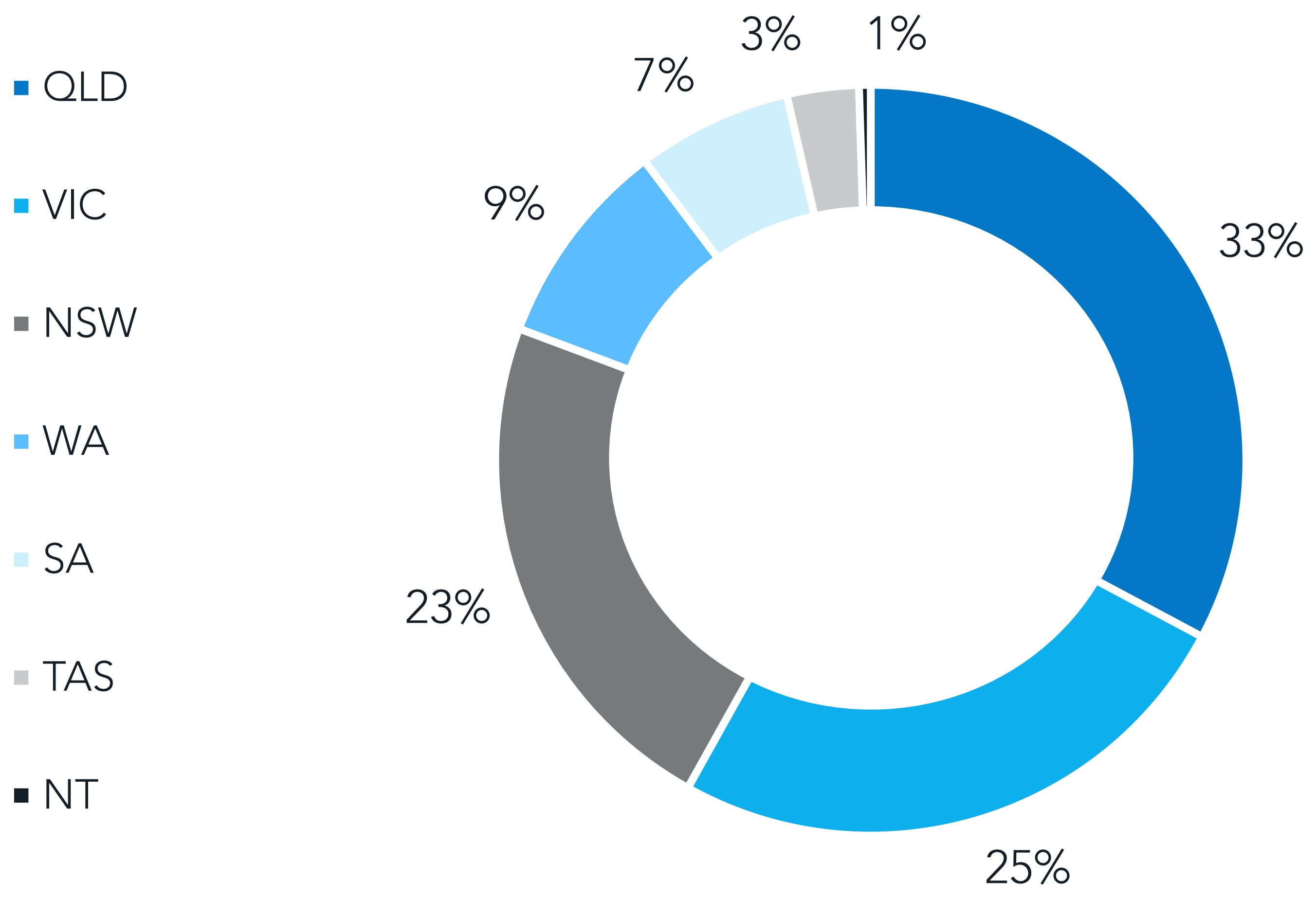
ARENA PORTFOLIO 31 DEC 2019

	Number of assets	Valuation	Passing yield	WALE
		$m	%	Years
ELC portfolio	223	727.9	6.37%	14.1
Healthcare portfolio	10	125.4	6.06%	13.7
Total portfolio	**233**	**853.3**	**6.32%**	**14.1**

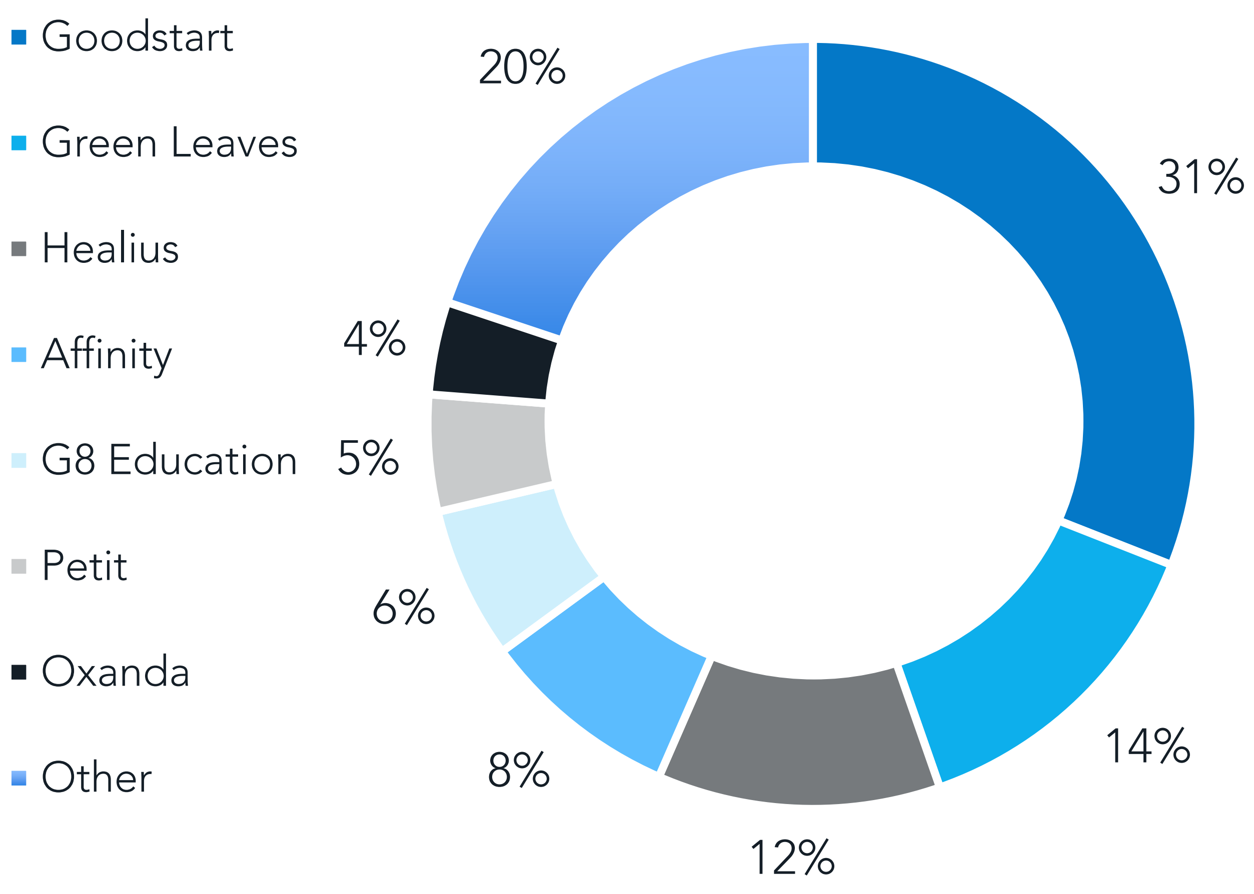
Sector diversity (by value)



Geographic diversity (by value)



Tenant diversity (by income)



1. Totals may not add due to rounding.

KEY RISKS

Investors should carefully consider the risk factors described below. If you require further information regarding the appropriateness or potential risks of investing in Arena, you should seek appropriate financial, legal, taxation and other necessary advice. All investments involve risk and there are many factors that can impact on the performance of an investment. This summary details some of the major risks that you should be aware of when investing in Arena. Investors should be aware that the list of risks described below may not cover all possibilities and should also consider risks specific to their situation. When considering whether to invest in Arena, investors should have particular regard to the risks and uncertainties related to the COVID-19 pandemic which could have a material adverse impact on Arena's risk profile and its financial position and performance. The risks detailed below may change after the date of Presentation and other risks relevant to Arena may arise which could have an impact on Arena and the price of the Securities (including Placement Securities).

Key risks relating to Arena

(a) COVID-19

The COVID-19 pandemic has had a significant impact on the Australian and global economy and the ability of individuals, companies and governments to operate. All industries have been materially affected by the pandemic. Events relating to COVID-19, have resulted in significant market volatility in securities trading on the ASX (including on the price of Arena securities) and on other foreign securities exchanges.

There is uncertainty as to the duration, and further impact, of COVID-19, including in respect of government, regulatory and health authority actions and restrictions, employment schemes (including the Australian Federal Government JobKeeper payment scheme), childcare support schemes, restrictions on quarantine, travel and public gatherings, and social distancing requirements on the economy, the ASX and wider securities markets, Arena and the tenants of Arena properties.

These factors could have a major impact on Arena's operations, performance and growth. The Government's measures to limit the transmission of the virus (including, but not limited to, the aforementioned social distancing and quarantine policies, and the temporary prohibition on the operation of non-essential services) have resulted in major disruptions to business and the Australian and wider global economy. This has caused significant volatility in global financial markets.

The extent of the impact on Arena's operations, financial performance and cash flow is significantly dependent on future factors which are uncertain and outside of the control of Arena. These factors could have a material adverse effect on the overall economy and impact upon Arena's business and financial performance.

The significance of the impact of COVID-19 on Arena will largely depend upon the extent to which Arena's tenants, and their ability to pay rent, is impacted by COVID-19. The National Cabinet's mandatory Code of Conduct for commercial tenancies ("Code of Conduct") which, among other things, imposes obligations on landlords to negotiate rent reductions, waivers and deferrals in good faith with commercial tenants may have a material adverse impact on the rent revenue of Arena and its financial performance. Further, the impact of COVID-19 on Arena's operations and financial performance is dependent on when government mandated restrictions are eased, particularly the lockdown measures, and whether certain government support and relief packages will be extended (including the Early Childhood Education and Care Relief package and the JobKeeper payment scheme).

COVID-19 may also affect the operations of Arena's suppliers. As such, Arena's financial position and performance may be materially impacted if its suppliers are unable to continue operating as going concerns.

(b) Concentration risk

The current portfolio of Arena is invested in childcare centres, healthcare properties and childcare development sites. Adverse events to the childcare and/or healthcare property sectors including, but not limited to, COVID-19 factors, may result in general deterioration of tenants' ability to meet their lease obligations across the portfolio or to future growth prospects of the current portfolio. The childcare sector is also currently particularly dependent on government support as a result of COVID-19. Any material deterioration in the operating performance of tenants may result in them not meeting their lease obligations which could reduce Arena's income and portfolio value if a suitable replacement cannot be found.

(c) Tenant risk

Arena relies on tenants to generate the majority of its revenue. A substantial proportion of Arena's tenants are not for profit companies limited by guarantee or private companies. If a tenant is affected by financial difficulties it may default on its rental or other contractual obligations which may result in loss of rental income or losses to the value of Arena's properties. Further, the Code of Conduct restricts the ability of landlords to recover rent from commercial tenants in certain circumstances. If there is a sustained negative impact on rental income, then this could potentially have a material adverse impact on the value of Arena and the Securities (including the Placement Securities).

(d) Macroeconomic risk

The operations and performance of Arena is influenced by the macroeconomic condition of the Australian and the wider global economy. As a result of COVID-19 and other factors, it is likely that Australia will experience an economic downturn. It is expected that a prolonged economic downturn and its related effects, including increasing rates of unemployment, could have a material adverse impact on Arena's business or financial performance.

(e) Licensing

The provision of childcare and healthcare services are regulated activities. There is therefore a risk that if the relevant tenants' licence is revoked, no suitably qualified replacement tenant may be found.

KEY RISKS

(f) Government policy risk and change in law

Childcare and healthcare operators rely heavily on government funding which, if reduced, may adversely impact the underlying demand for these services and therefore tenants' ability to meet lease obligations and/or their demand for these properties. Of particular relevance is the early childhood education and care relief support package announced by the Australian Federal Government on 2 April 2020 and whether it is extended beyond its end date of 28 June 2020. There is a risk that there may be changes in legislation, government policies or legal or judicial interpretation relating to the childcare and/or healthcare sectors.

(g) Alternative use risk

The risks associated with investing in property assets can be greater for special purpose facilities such as childcare and healthcare properties, which may require extensive expenditure and rezoning to be suitable for other commercial purposes. Arena's performance depends in part on the demand for childcare and healthcare properties in Australia. Most childcare and healthcare properties would require extensive expenditure and rezoning to be suitable for other commercial purposes
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(h) Acquisitions and divestments

Arena may intend to make additional acquisitions of assets in accordance with its investment strategy. Future acquisitions may affect Arena's financial performance. The value of Arena's properties may vary as a consequence of general market conditions, the property market, or factors specific to an individual property. Arena may be required to sell one or more properties, which may result in a capital loss.

(i) Re-leasing and vacancy

There is a risk that Arena may not be able to negotiate suitable lease extensions with existing tenants or replace outgoing tenants with new tenants on substantially the same terms. Arena could also incur additional costs associated with re-leasing the properties. Re-leasing the properties would depend on numerous market conditions and financial considerations prevalent at that time.

(j) Rental income

Distributions made by Arena are largely dependent upon the rents received from its property portfolio and expenses incurred during operations. Arena has made a number of assumptions in relation to the level of rental income Arena will receive. However, rental income may differ from those assumptions and may be affected by a number of factors, including:

- COVID-19 and related government policies and legislation;
- overall macroeconomic conditions;
- competition from other childcare centres and healthcare properties;
- the financial condition of tenants;
- increase in rental arrears and vacancy periods;
- changes in government policies relating to the childcare and healthcare sectors; and
- supply and demand in the property market

(k) Property valuations

Changes in the property market, especially changes in the valuation of properties and in market rents, may adversely affect Arena's financial performance and the price of Arena Securities (including Placement Securities). The impact of COVID-19 may also have a material adverse effect on property valuations and market rents. In addition, the valuations of Arena's properties are the best estimates at the time of undertaking the valuation and may not reflect the actual price a property would realise if sold. The valuations are subject to a number of assumptions which may prove to be inaccurate.

(l) General development risk

In certain circumstances, Arena may be exposed to development risk, resulting from the development of new properties, the refurbishment of existing properties or additions and extensions to existing properties. Property development carries a number of risks, including:

- issues surrounding applications for planning approvals from local authorities which can result in delays or require amendments to plans both of which may result in increased costs;
- breach of contract by building contractors; and
- unforeseen circumstances which cause project delays or increases to building costs.
- unforeseen circumstances which cause project delays or increases to building costs.

KEY RISKS

A number of factors affect the earnings, cash flows and valuations of commercial property developments, including construction costs, scheduled completion dates and securing tenants at estimated rental income.

(m) Property liquidity

Property assets are by their nature illiquid investments. Arena may not be able to realise the assets within a short period of time or may not be able to realise assets at valuation. This may affect Arena's net asset value or the trading price of Arena Securities.

(n) Environmental issues

As with any property, there is a risk that one or more of Arena's properties may be contaminated now or in the future. Government environmental authorities may require that such contamination be remediated. There is always a residual risk that Arena may be required to undertake any such remediation at its own cost which would adversely impact on Arena's financial performance.

In addition, environmental laws impose penalties for environmental damage and contamination which can be material in size. Exposure to hazardous substance at a property within Arena's portfolio could result in personal injury claims. Such a claim could prove greater than the value of the contaminated property. An environmental issue may also result in interruptions to the operations of a property, including the closure of the property. Any lost income caused by such an interruption to operations may not be recoverable.

(o) Occupational health and safety

There is a risk that liability arising from occupational health and safety matters at one or more of Arena's properties may be attributable to Arena as the landlord instead of, or as well as, the tenant. To the extent that any liabilities may be borne by Arena, this may impact upon the financial performance of Arena (to the extent not covered by insurance). In addition, penalties may be imposed upon Arena which may have an adverse impact on Arena.

(p) Capital expenditure

There is a risk that capital expenditure may exceed Arena's current forecasts which could adversely impact Arena's financial performance. Any requirement for unforeseen expenditure on the properties could impact on the performance of Arena.

(q) Insurance

Arena maintains a range of insurances relating to its properties with policy specifications and insured limits that it believes to be customary in the industry. However, potential losses of a catastrophic nature such as those arising from earthquakes, terrorism or severe flooding may be uninsurable or not insurable on reasonable financial terms, may not be insured at full replacement costs or may be subject to large excesses. The nature and cost of insurance has been based upon the best estimate of likely circumstances. However, various factors may influence premiums to a greater extent than those forecast, which may in turn have a negative impact on the financial performance of Arena. Further, any increase in the cost of premiums, or an inability to fully renew or claim against insurance policies as a result of COVID-19 or the economic climate, could adversely affect Arena's business, financial condition and operational results.

(r) Investment characteristics

Arena is exposed to the risks associated with the external management of investment syndicates, including the wind down of such investment syndicates and the associated loss of management fee income and cost recoveries.

(s) Regulatory risks

Arena conducts its business in a highly regulated industry and must comply with the requirements of its Australian Financial Services Licence, the Corporations Act, ASIC, ASX and other regulators. Non-compliance with regulatory requirements may result in financial penalties, additional expense or reputation damage to Arena. In addition, changes to regulation may result in increased costs to Arena in order to comply with regulatory requirements, and an increased risk of non-compliance with new and complex regulation.

(t) Dependency on key staff

The specialised nature of Arena's asset portfolio requires a manager with extensive experience in the childcare and healthcare sectors. The loss of key staff or inability to attract new qualified staff could adversely affect Arena's operations and performance.

KEY RISKS

(u) Underwriting Agreement

Arena has entered into an underwriting agreement under which the Lead Manager will fully underwrite the Offer ("Underwriting Agreement"), subject to the terms and conditions of the underwriting agreement. If certain conditions are not satisfied or certain events occur, the Lead Manager may terminate the Underwriting Agreement which would have an adverse impact on the total amount of proceeds that could be raised under the Offer and could materially adversely affect Arena's operations, performance, cash flow and financial conditions.

Termination events:

If any of the following events occur before the issue date of the Placement Securities, the Lead Manager may terminate its obligations under the Underwriting Agreement without cost or liability:

- The ASX does not grant the trading halt under the proposed offer timetable ("Timetable").
- Arena fails to lodge an announcement announcing its intention to conduct the Institutional Placement and Security Purchase Plan with ASX on or before the announcement date under the Timetable (or such later date as the Lead Manager may agree in writing).
- Any of the materials relating to the Institutional Placement and Security Purchase Plan ("Offer Information Materials"), was, at the time of issue, false, misleading or deceptive (including by omission) or likely to mislead or deceive or a matter required to be included (having regard to sections 708A and 1012DA of the Corporations Act and other applicable laws) is omitted from the Offer Information Materials.
- Unconditional approval is refused or not granted to the quotation of all the Placement Securities on the ASX before the Issue Date, or if such approval is granted, the approval is withdrawn or qualified.
- Arena withdraws an Offer Information Materials, the Institutional Placement or any part of the Institutional Placement.
- Any event specified in the Timetable is delayed for more than 1 business day without the prior written approval of the Lead Manager.
- Any director or employee of Arena is charged with a criminal offence, or a director of Arena is disqualified from managing a corporation under the Corporations Act.
- ASX does any of the following:
  - announces or makes a statement to any person that Arena will be removed from the official list of ASX or Securities will be suspended from quotation, other than any announcement by ASX of a trading halt or suspension made under the Timetable;
  - removes Arena from the official list; or
  - suspends the trading of Securities for any period of time, other than any trading halt or suspension made under the Timetable.

- Arena is or becomes in default of any of the terms and conditions of the Underwriting Agreement or a representation or warranty by Arena is or becomes misleading or deceptive or is or becomes false or incorrect.
- Arena or any group member controlled by Arena ("Group Member"), alters its capital structure without the prior written consent of the Lead Manager, with the exception of the offer to be announced on or before the announcement date.
- A material change in the senior management or in the board of directors of Arena (or any Group Members) occurs.
- Any one of the following occurs:
  - Arena (or any of its Group Members):
  - being or stating that it is unable to pay its debts as and when they fall due; or
  - failing to comply with a statutory demand;

- Any step being taken towards:
  - the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other similar official in relation to, or to any property of, Arena (or any of the Group Members); or
  - Arena (or any of the Group Members) being wound up or dissolved or entering into a scheme, moratorium, composition or other arrangement with, or to obtain protection from, its creditors or any class of them or an assignment for the benefit of its creditors or any class of them;
  - circumstances existing which would permit a presumption of insolvency in relation to Arena (or any of the Group Members) under section 459C(2) of the Corporations Act, or
  - anything analogous or having a substantially similar effect occurring in relation to Arena (or any Group Member).

KEY RISKS

- The S&P/ASX 200 Index or the S&P/ASX A-REIT Index falls by an amount that is 10% or more of the level of that index at the close of trading on the day before the date of the Underwriting Agreement.
- ASIC issues or threatens to issue proceedings in relation to the Placement or commences, or threatens to commence any inquiry or investigation in relation to the Institutional Placement.
- There is a material adverse change, or there is a development involving a prospective material adverse change, in the financial position, results, operations or prospects of Arena.

Reasonableness Termination Events
If any of the following events occur the Lead Manager may not exercise its termination rights under the Underwriting Agreement unless in the reasonable opinion of the Lead Manager the event: has or is likely to have a materially adverse effect on the marketing, outcome, success or settlement of the Institutional Placement, the willingness of investors to subscribe for Placement Securities or the likely price at which Placement Securities will trade on ASX; would likely give rise to a liability for the Lead Manager under any applicable law; or would likely give rise to a contravention by the Lead Manager under the Corporations Act or any applicable law:

- 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 a new law or regulatory directive, 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, regulatory directive 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 a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, the United Kingdom, the People's Republic of China, Singapore, South Korea, or any member state of the European Union or a major terrorist act is perpetrated in any of those countries.
- Any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom, Singapore, Hong Kong, Japan or any Member State of the European Union is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
  - any adverse effect on the financial markets in Australia, the United States, the United Kingdom, Singapore, Hong Kong, Japan or any Member State of the European Union or any adverse change (including a change involving a prospective adverse change) in political, financial or economic conditions in any of those countries; or
  - trading in all securities quoted or listed on the ASX, the New Zealand Exchange, New York Stock Exchange, London Stock Exchange, Hong Kong Stock Exchange or the Tokyo Stock Exchange is suspended or limited in a material respect.
- Arena or any Group Member fails to comply with any of the following:
  - the Corporations Act or any other applicable laws;
  - the ASX Listing Rules, ASIC Market Integrity Rules, ASX Settlement Operating Rules and ASX Operating Rules, as applicable;
  - their constitutional documents;
  - any legally binding requirement of ASIC, the ASX or other Governmental Agencies; or
  - any material agreement entered into by it.
- ASIC commences or gives notice of an intention to commence:
  - a prosecution of Arena or any director or employee of Arena; or
  - a hearing or investigation into Arena.
- Arena REIT Management Limited's Australian financial services license is cancelled or revoked or there is an amendment to the terms and conditions attached to that license.
- Any of the following occur in respect of Arena REIT Limited, Arena REIT Management Limited or any of their respective affiliates:
  - any of their directors is charged with an indictable offence;
  - any Government Agency commences any public action against any of them, or announces that it intends to take such action; or
  - any of their directors is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
  - a contravention by any of them of the Corporations Act, its constitution or any other applicable law, or any such contravention is publicly alleged;
  - it, or any of their directors or officers (as that terms in defined in the Corporations Act), engage in any dishonest or fraudulent conduct or activity;
  - any of them becomes or announces that it is likely to become insolvent or enters into any arrangement with its creditors; or
  - any other event is publicly announced in relation to any of them that could reasonably be considered to have a material effect on the reputation of Arena REIT Limited, Arena REIT Management Limited or any of their respective affiliates.

KEY RISKS

In addition, Arena also gives certain representations, warranties and undertaking to the Lead Manager and an indemnity to the Lead Manager and its affiliates to certain carve-outs. For details of fees payable to the Underwriter, see the Appendix 3B released to ASX on 2 June 2020.

Key risks relating to investing in Arena Securities (including Placement Securities)

(a) Economic and market conditions

A number of factors affect the performance of the equity market, which could affect the price at which Arena Securities (including Placement Securities) trade on the ASX. Among other things, movements on international and domestic stock markets, interest rates, exchange rates, inflation and inflationary expectations and overall economic conditions, economic cycles, investor sentiment, political events and levels of economic growth, both domestically and internationally as well as government taxation and other policy changes may affect the demand for, and price of Arena Securities (including Placement Securities). Additionally, equity markets can experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of Arena.

(b) Distribution guidance

No assurances can be provided in relation to the payment of future distributions. Future determinations as to the payment of distributions by Arena will be at the discretion of Arena and will depend upon the availability of profits, the operating results and financial conditions of Arena, future capital requirements, covenants in relevant debt facilities, general business and financial conditions and other factors considered relevant by Arena. No assurance can be given in relation to the level of tax deferral of future distributions. Tax deferred capacity will depend upon the amount of tax depreciation available and other factors.

(c) Trading liquidity

Liquidity of Arena Securities (including Placement Securities) will be independent on the relative volume of buyers and sellers in the market at any given time, which may be impacted by various factors. Large Security holders choosing to trade out of their positions may also affect the market by absorbing trading liquidity.

(d) Dilution risk

As Arena issues Securities (including Placement Securities) to new Investors, existing Security holders' proportional beneficial ownership in the underlying assets of Arena and proportional entitlement of any distributions may be reduced. For example, if you do not participate in a future entitlement offer, then your beneficial ownership in Arena may be diluted.

(e) Funding

Arena's ability to raise funds on favourable terms from either debt or equity sources in the future depends on a number of factors, including, the state of debt and equity markets, the general economic and political climate and the performance, reputation and financial strength of Arena and the value of the properties. Changes to any of these or other factors could lead to an increase in the cost of funding, limited access to capital, an increased refinancing risk for Arena and an inability to expand operations or acquire assets in order to benefit Arena. There is a risk that, if the impact of COVID-19 is prolonged, Arena may need to take additional measures (in addition to this Placement) to raise funds in order to respond appropriately.

Other risks related to Arena and property fund investments

(a) Interest rates

Unfavourable movements in interest rates relating to Arena's existing debt facilities could lead to increased interest expense, to the extent that interest rates are not hedged.

(b) Banking obligation risk

Under Arena's debt facilities, Arena is subject to a number of undertakings and covenants, including in relation to gearing levels and interest cover ratios. An event of default would occur if Arena fails to maintain these financial covenants. This may be caused by unfavourable movements in interest rates (to the extent interest rates are not hedged) or deterioration in the income or the value of Arena's investments. In the event that an event of default occurs, the lender may require immediate repayment of Arena's debt facilities. Arena may need to dispose of assets for less than valuation, raise additional equity or reduce or suspend distributions in order to repay Arena's debt facilities, if this occurs.

(c) Financing

There is a risk that Arena may not be able to refinance its debt facilities and/or interest rate hedge before expiry or may not be able to refinance them on substantially the same terms as Arena's existing facility and/or hedge instruments. In these circumstances, Arena may need to raise further equity, dispose of assets for a lower market value than could otherwise have been realised, or enter into new debt facilities on less favourable terms.

KEY RISKS

(d) Gearing

Arena's gearing level will magnify the effects of any changes in interest rates or changes in property values or performance measures. If the level of gearing increases over the term of Arena's debt facilities, this may affect the ability of Arena to refinance its debt facilities.

(e) Litigation

Arena may in the ordinary course of business be involved in possible litigation and disputes (for example, tenancy disputes, development disputes, occupational health and safety claims or third party claims). A material or costly dispute or litigation may adversely affect the operational and financial results of Arena.

(f) Tax and stamp duty

Changes in tax or stamp duty law or changes in the way tax or stamp duty law is expected to be interpreted, particularly if they relate to property investment, in Australia may adversely impact Arena's financial performance and the value of Arena securities.

FOREIGN SELLING RESTRICTIONS

This Presentation does not constitute an offer of Placement Securities of Arena in any jurisdiction in which it would be unlawful. In particular, this Presentation may not be distributed to any person, and the Placement Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)
This Presentation constitutes an offering of Placement Securities only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such Placement Securities. This Presentation is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This Presentation may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this Presentation, the merits of the Placement Securities or the offering of Placement Securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Placement Securities or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Placement Securities in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the Placement Securities outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the Placement Securities.

Arena as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Arena or its directors or officers. All or a substantial portion of the assets of Arena and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Arena or such persons in Canada or to enforce a judgment obtained in Canadian courts against Arena or such persons outside Canada.

Any financial information contained in this Presentation has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this Presentation are in Australian dollars.

Statutory rights of action for damages and rescission
Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Placement Securities purchased pursuant to this Presentation (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Arena if this Presentation or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Arena. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this Presentation contains a misrepresentation, a purchaser who purchases the Placement Securities during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Arena, provided that (a) Arena will not be liable if it proves that the purchaser purchased the Placement Securities with knowledge of the misrepresentation; (b) in an action for damages, Arena is not liable for all or any portion of the damages that Arena proves does not represent the depreciation in value of the Placement Securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the Placement Securities were offered.

FOREIGN SELLING RESTRICTIONS

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Placement Securities should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Placement Securities as any discussion of taxation related matters in this Presentation is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of Presentations in Canada. Upon receipt of this Presentation, each investor in Canada confirms that it has expressly requested that all Presentations evidencing or relating in any way to the sale of the Placement Securities (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce Présentation, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les Présentations faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Hong Kong
WARNING: This Presentation has not been, and will not be, authorized 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 authorize this Presentation or to permit the distribution of this Presentation or any Presentations issued in connection with it. Accordingly, the Placement Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or Presentation relating to the Placement Securities 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 Placement Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this Presentation 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 contents of this Presentation, you should obtain independent professional advice.

New Zealand
This Presentation 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 Placement Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than 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.
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore
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GLOSSARY

Arena	Arena REIT 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)
ASX	Australian Securities Exchange
ELC	Early learning centre
Institutional Placement	The Institutional Placement outlined in this presentation
FY	Financial year
Gearing	Gearing calculated as ratio of borrowings over total assets
Initial Yield	Initial net rent at commencement of lease divided by the property purchase price
Placement Security/Securities	The Securities being offered under the Institutional Placement detailed in this presentation
REIT	Real Estate Investment Trust
Security/Securities	A stapled security comprising one unit in Arena REIT No. 1 (ARSN 106 891 641), one unit in Arena REIT No. 2 (ARSN 101 067 878) and one share in Arena REIT Limited (ACN 602 365 186)
SPP	The Security Purchase Plan outlined in this presentation and the SPP Offer Booklet dated 9 June 2020
Transaction	The Institutional Placement and SPP as outlined in this presentation
VWAP	Volume weighted average price
WALE	Weighted average lease expiry (by income)