

ARENA REIT

# 2023 HALF YEAR RESULTS

9 February 2023







# AGENDA

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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.







# HIGHLIGHTS

## Delivering on our investment objective and improving community outcomes

- +8.6% growth in net operating profit driven by like-for-like contracted rental increases averaging +6.45%, acquisitions and development completions.
- Statutory net profit was -74% primarily due to lower investment property revaluation gain.
- Increase in NAV per security due to positive investment property revaluations arising from underlying increases in market rents.
- Increase in borrowing facility and extension of debt facility term.
- \$500 million Sustainability Linked Loan (SLL) issued over existing debt facility.
- Strategy discipline underpins ongoing acquisitions, completion of seven ELC developments, expansion of the development pipeline and divestments.
- Weighted average lease expiry (WALE) of 19.5 years.
- Reaffirm full year 2023 (FY23) distribution guidance of 16.8 cents per security, reflecting growth of 5% over financial year 2022 (FY22) DPS<sup>2</sup>.

1. Gearing calculated as ratio of net borrowings over total assets less cash.

2. FY23 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.

**\$47.6 million**

**Statutory net  
profit**

-74% on HY22

**\$29.9 million**

**Net operating  
profit**

+8.6% on HY22

**8.59 cents**

**Earnings per security  
(EPS)**

+7.8% on HY22

**\$3.42**

**Net Asset Value  
(NAV) per security**

+1% on FY22

**+6.45%**

**Average like-for-like  
rent increase**

+235bps on FY22

**21.5%**

**Gearing ratio<sup>1</sup>**

+130bps on FY22



# DELIVERING ON STRATEGY

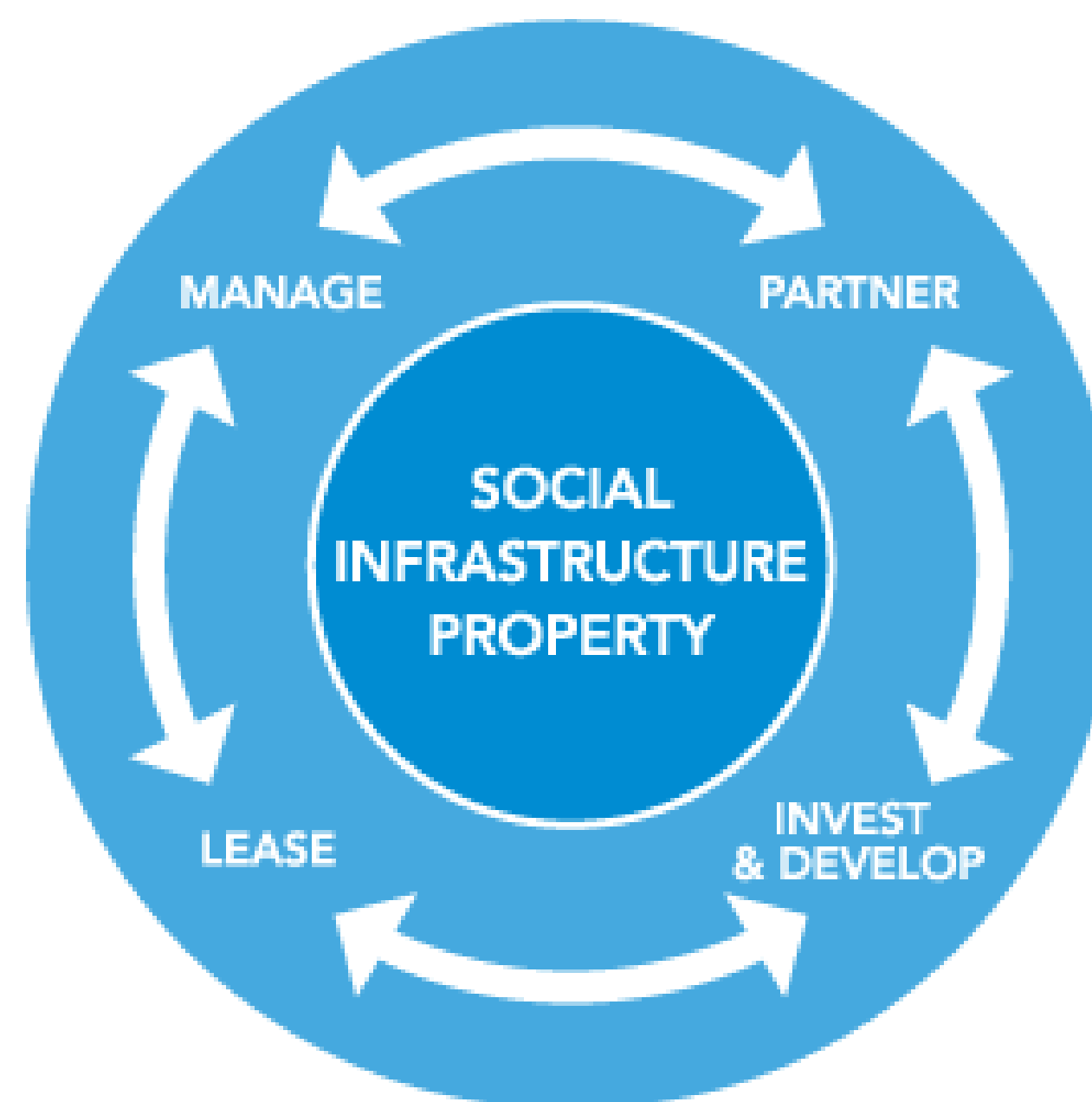
Ongoing strategy discipline and partnership approach

## Portfolio management:

- Two healthcare properties were contracted for sale as at 31 December 2022 at an average premium of 2.4% to 30 June 2022 book value.
- Long portfolio WALE (by income) of 19.5 years.
- Portfolio weighted average passing yield 5.05%.
- Net valuation uplift of \$18 million, +1.3%.

## Lease management:

- 99.6% portfolio occupancy.
- Average like-for-like rent increase of +6.45%.
- Leases extended to facilitate installation of solar.



## Working in partnership:

- Continue to progress solar renewable energy program; currently installed on 81% of Arena's property portfolio.
- All tenant partners are compliant with COVID-19 rent relief agreements<sup>1</sup>.

## Investment and developments:

- Two operating properties acquired at a net initial yield of 6.0% on total cost with initial average lease term of 25 years.
- Seven ELC developments completed at an average net initial yield on total cost of 5.9% with initial average lease term of 20 years.
- Seven new ELC development projects acquired with forecast total cost of \$55 million<sup>2</sup>.

1. Under the National Cabinet Mandatory Code of Conduct landlords were obliged to provide eligible tenants rental relief in proportion to the reduction in trade resulting from COVID-19.

2. Includes one ELC development project which was conditionally contracted at 31 December 2022





# SUSTAINABILITY

## Investment proposition and partnership approach drives sustainable and commercial outcomes

- Sustainability is integral to Arena's investment approach and best positions Arena to achieve positive long term commercial and community outcomes.
- Arena's portfolio facilitates access to essential community services with positive social impact:
  - ELCs provide early childhood education and care which improve lifelong learning prospects of children and allow parents and carers the opportunity to remain in, join or re-join the workforce.
  - Medical centres provide local, community-based primary health care services.
  - Specialist disability accommodation is designed to provide a better quality of life for residents with high physical support needs.
- Key future sustainability goals as outlined in Arena's FY22 Sustainability Report include:
  - Continued active collaboration with tenant partners on appropriate sustainability initiatives.
  - Install solar renewable energy systems on 90% of Arena's property portfolio by FY27.
  - Maintain organisational carbon neutrality Climate Active certification.
  - Develop a detailed transition plan including an emissions reduction roadmap for our operations and asset portfolio by FY25.
  - Align reporting with recommendations of TCFD by FY25.
  - Achieve gender balance for Arena board using the 40:40:20 model by FY24.
  - Develop a Reconciliation Action Plan that is endorsed by Reconciliation Australia.
  - Continue to build on our Modern Slavery response in line with our roadmap.





# FINANCIAL RESULTS

Gareth Winter  
Chief Financial Officer





# FINANCIAL PERFORMANCE

Property income increase supports earnings & distribution growth

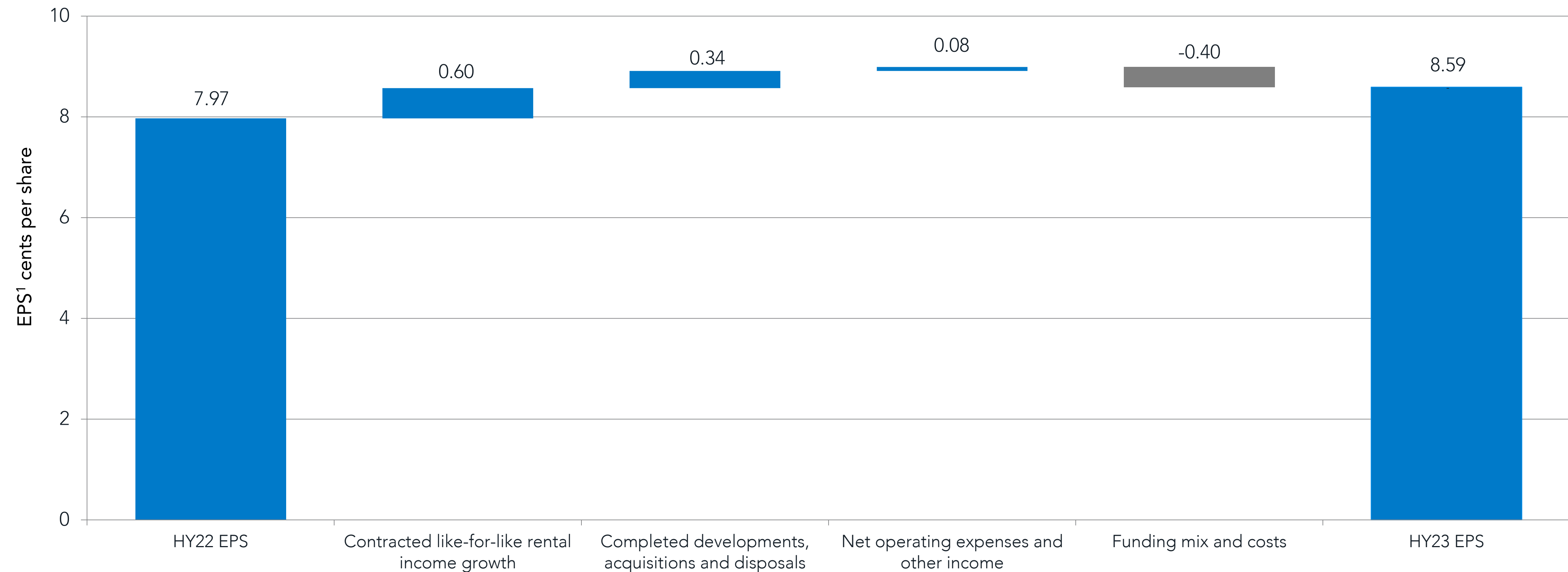
|                                                        | HY23          | HY22           | Change           |             |
|--------------------------------------------------------|---------------|----------------|------------------|-------------|
|                                                        | (\$'000)      | (\$'000)       | (\$'000)         | (%)         |
| Property income                                        | 36,451        | 32,351         | 4,100            | +13%        |
| Other income                                           | 190           | 285            | (95)             | -33%        |
| <b>Total operating income</b>                          | <b>36,641</b> | <b>32,636</b>  | <b>4,005</b>     | <b>+12%</b> |
| Property expenses                                      | (250)         | (448)          | 198              | -44%        |
| Operating expenses                                     | (2,325)       | (2,511)        | 186              | -7%         |
| Finance costs                                          | (4,199)       | (2,186)        | (2,013)          | +92%        |
| <b>Net operating profit</b>                            | <b>29,867</b> | <b>27,491</b>  | <b>2,376</b>     | <b>+9%</b>  |
| <b>Statutory net profit</b>                            | <b>47,629</b> | <b>185,796</b> | <b>(138,167)</b> | <b>-74%</b> |
|                                                        |               |                |                  |             |
| <b>Earnings per security (EPS<sup>1</sup>) (cents)</b> | <b>8.59</b>   | <b>7.97</b>    | <b>0.62</b>      | <b>+8%</b>  |
| <b>Distribution per security (DPS) (cents)</b>         | <b>8.40</b>   | <b>7.90</b>    | <b>0.50</b>      | <b>+6%</b>  |

- Property income continues to increase due to:
  - Contracted annual rental growth;
  - Rental income from operating ELC acquisitions; and
  - Rental income from ELC development completions.
- Lower statutory net profit primarily from lower investment property revaluation gain.
- Finance costs higher due to increased cost of debt, increase in facility limit, extension of debt term and an increase in the balance of debt drawn.

1. EPS is calculated as net operating profit over weighted average number of securities on issue.

# CONTRIBUTORS TO EPS GROWTH

Rental growth, acquisitions and development completions supporting EPS growth



1. EPS is calculated as net operating profit over weighted average number of securities on issue.



# FINANCIAL POSITION

Strong balance sheet with substantial capacity

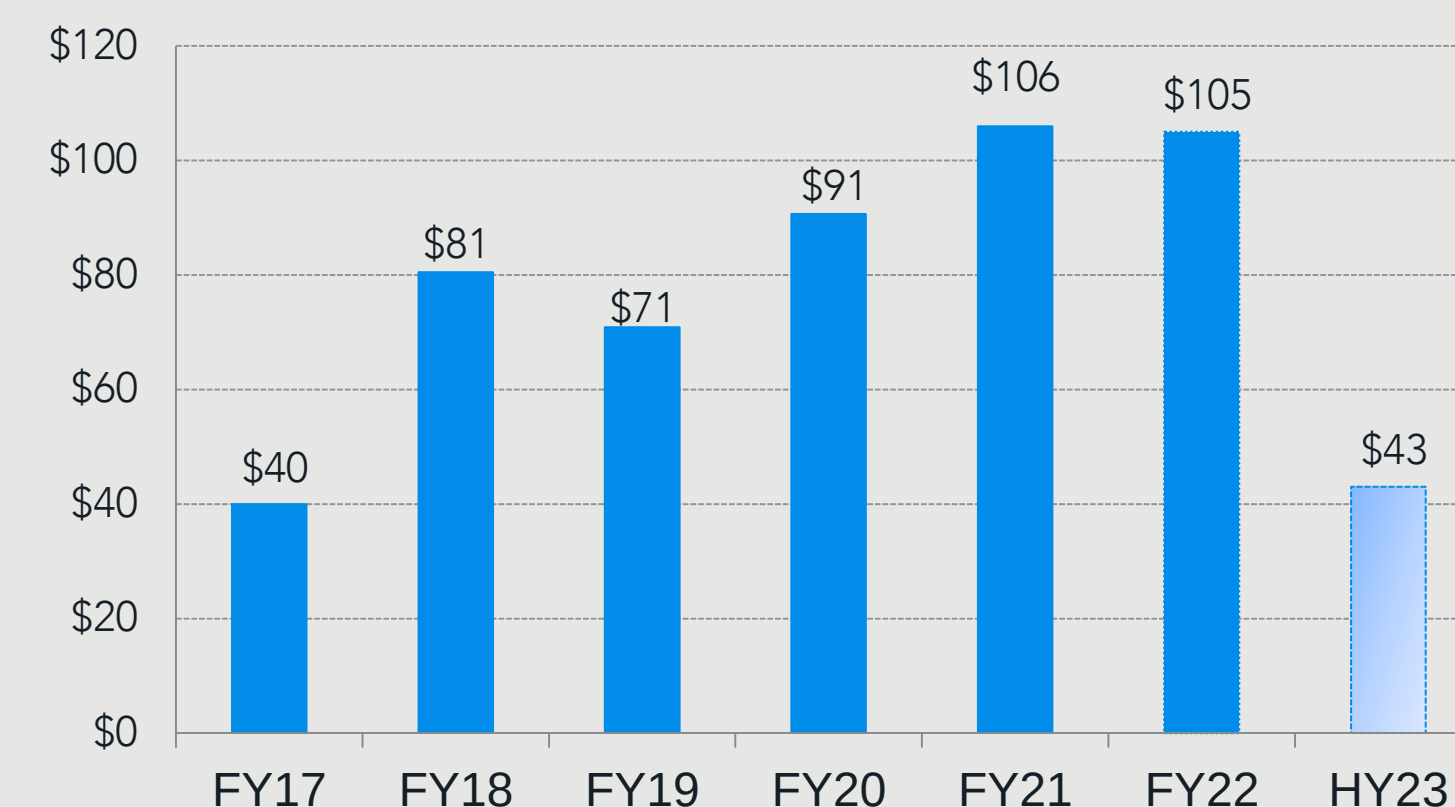
| As at                              | 31 Dec 2022          | 30 June 2022 | Change  |
|------------------------------------|----------------------|--------------|---------|
|                                    | (\$m)                | (\$m)        | %       |
| Total assets                       | 1,578.0              | 1,518.6      | +4%     |
| Investment properties              | 1,523.5 <sup>1</sup> | 1,461.9      | +4%     |
| Borrowings                         | 352.0                | 324.0        | +9%     |
| Net assets                         | 1,194.1              | 1,169.0      | +2%     |
| Securities on issue                | 348.7                | 346.7        | +1%     |
|                                    |                      |              |         |
| Net Asset Value (NAV) per security | \$3.42               | \$3.37       | +1%     |
| Gearing <sup>2</sup>               | 21.5%                | 20.2%        | +130bps |

1. Includes two healthcare properties which were contracted for sale as at 31 December 2022.

2. Gearing calculated as ratio of net borrowings over total assets less cash.

- Growth in total assets continues from the acquisition of operating properties, ELC development completions and property revaluation uplift.
- Undrawn debt capacity of approximately \$150 million as at 31 December 2022 to fund the balance of the development pipeline of \$66 million and future growth opportunities.

Acquisition and development capital expenditure \$m





# CAPITAL MANAGEMENT

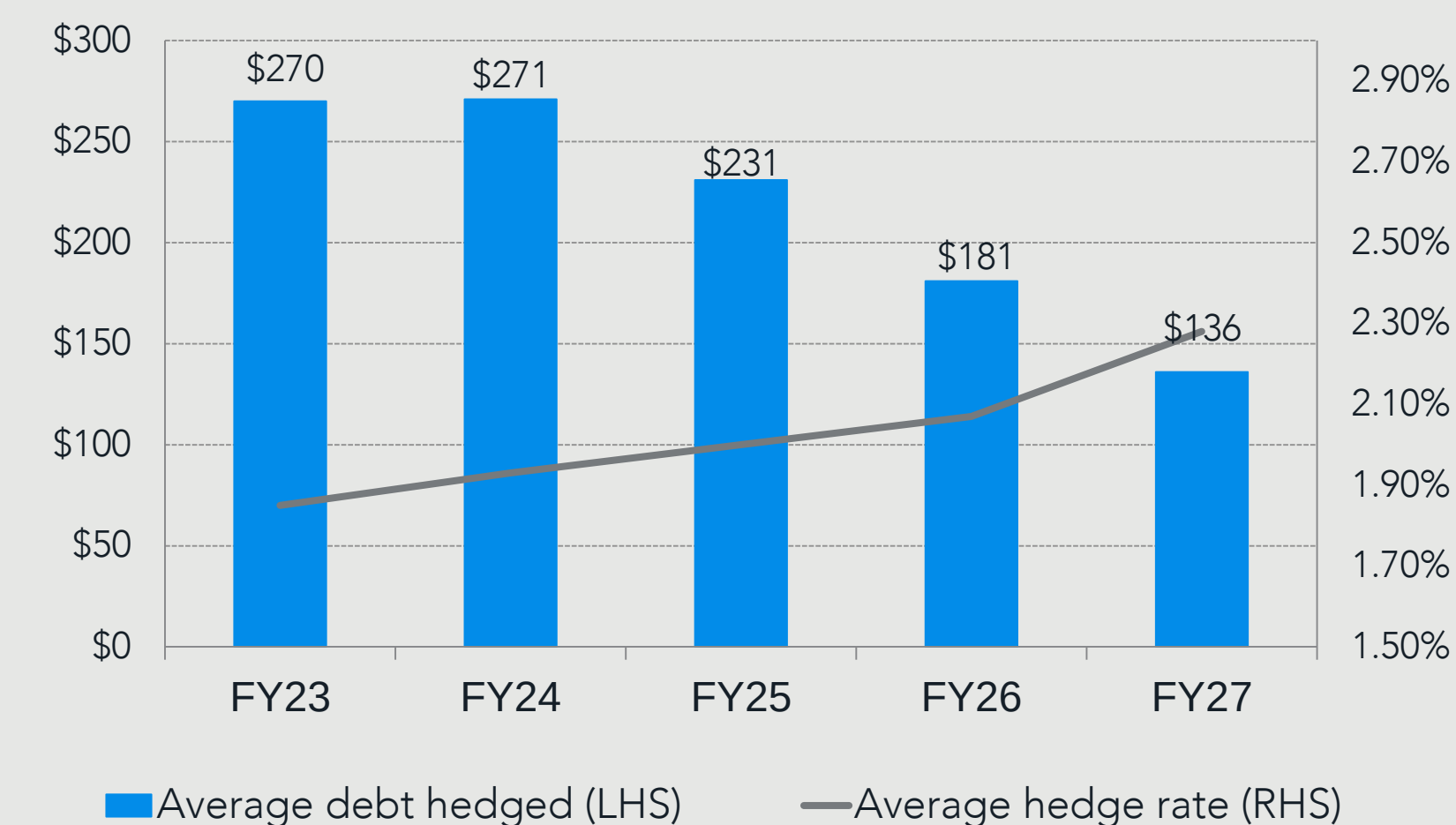
Maintaining hedging discipline, increase in facility limit and term extension

| As at                          | 31 Dec 2022 | 30 June 2022 | Change    |
|--------------------------------|-------------|--------------|-----------|
| Borrowings                     | \$352m      | \$324m       | +\$28m    |
| Borrowings facility limit      | \$500m      | \$430m       | +\$70m    |
| Gearing <sup>1</sup>           | 21.5%       | 20.2%        | +130bps   |
| Weighted average facility term | 4.2 years   | 3.4 years    | +0.8 year |
| Weighted average cost of debt  | 3.90%       | 2.90%        | +100bps   |
| Interest cover ratio           | 5.7x        | 6.8x         | -1.1x     |
| Hedge cover                    | 80%         | 77%          | +300bps   |
| Weighted average hedge rate    | 1.93%       | 1.68%        | +25bps    |
| Weighted average hedge term    | 4.0 years   | 4.3 years    | -0.3 year |

1. Gearing calculated as ratio of net borrowings over total assets less cash.

- Syndicated borrowing facility limit increased by \$70 million to \$500 million and extension of maturity dates. As at 31 Dec 2022 facility is comprised of:
  - \$200 million expiring 31 March 2026;
  - \$150 million expiring 31 March 2027; and
  - \$150 million expiring 31 March 2028.
- DRP in operation with \$6 million raised in HY23.
- Intention is to maintain hedge cover in a range of 70-80% of drawn debt.
- Weighted average cost of debt increase contributors were floating rate +60bps, hedge swaps +20bps and facility expansion and term extension +20bps.

Hedge maturity profile \$m







# PORTFOLIO UPDATE

Rob de Vos  
Managing Director

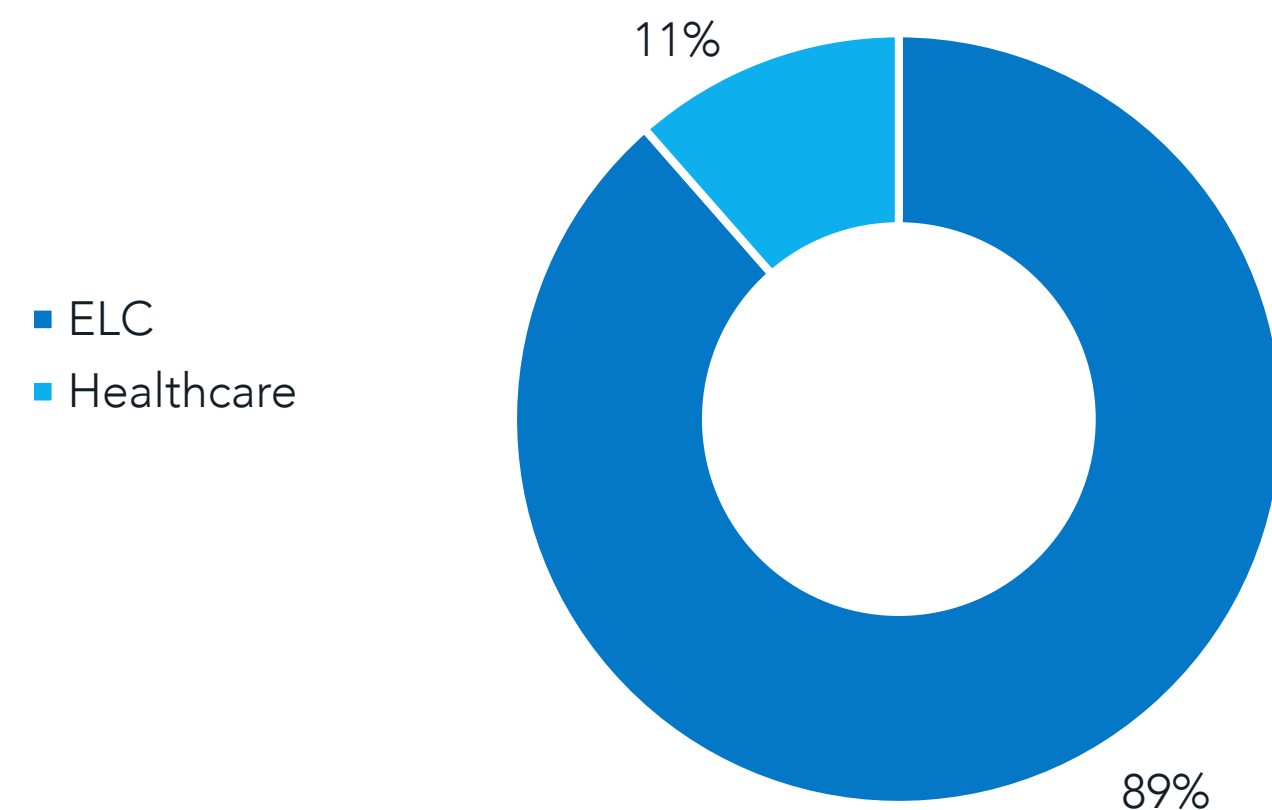




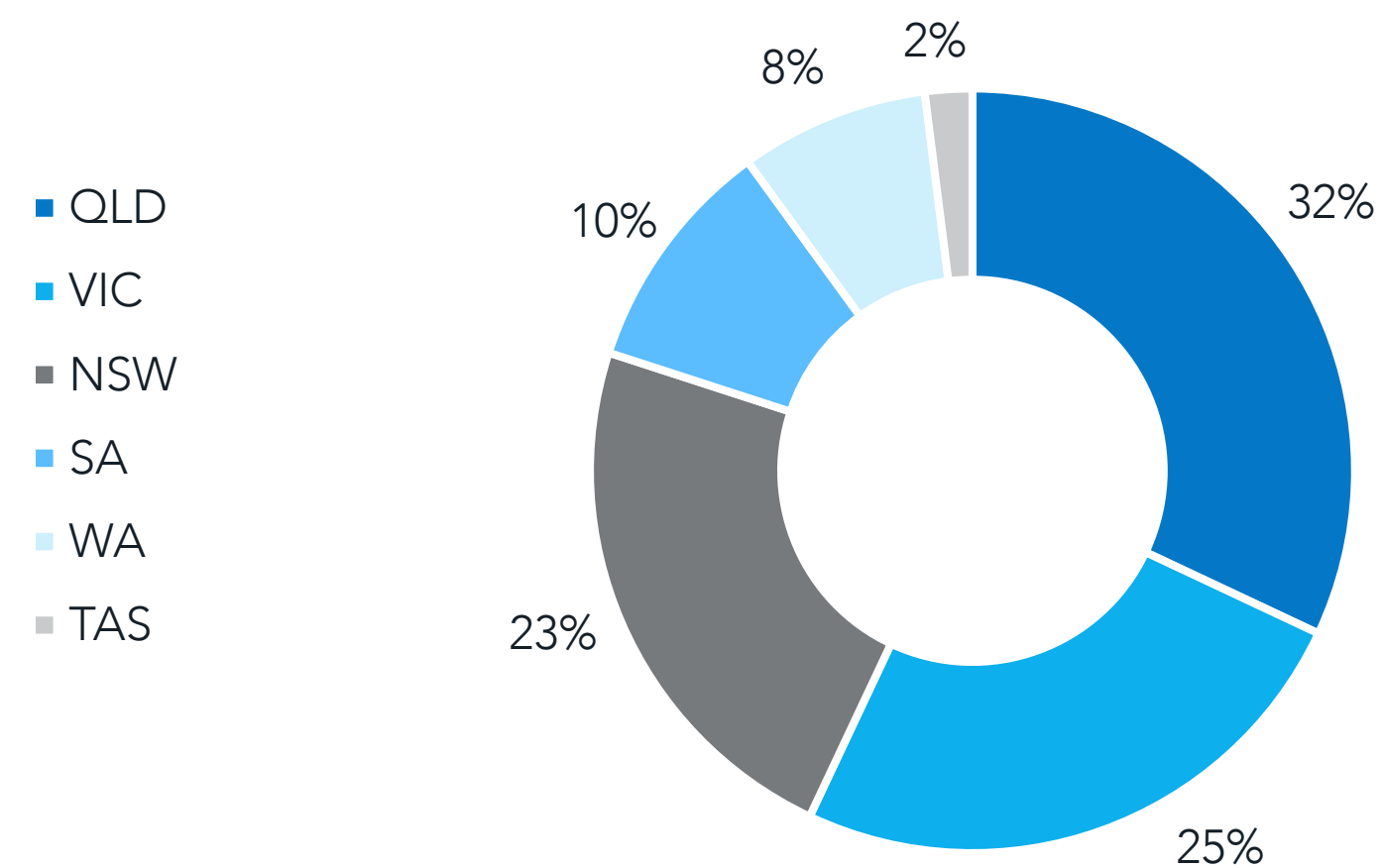
# PORTFOLIO OVERVIEW

|                          | Number of assets <sup>1</sup> | 31 Dec 2022 valuation | Net valuation movement versus 30 June 2022 |              | 31 Dec 2022 passing yield | Change versus 30 June 2022 |
|--------------------------|-------------------------------|-----------------------|--------------------------------------------|--------------|---------------------------|----------------------------|
|                          |                               | \$m                   | \$m                                        | %            | %                         | bps                        |
| Early Learning portfolio | 260                           | 1,348.6               | +19                                        | +1.5%        | 5.03%                     | +13                        |
| Healthcare portfolio     | 11 <sup>2</sup>               | 174.9 <sup>2</sup>    | -1                                         | -0.4%        | 5.18%                     | +16                        |
| <b>Total portfolio</b>   | <b>271</b>                    | <b>1,523.5</b>        | <b>+18</b>                                 | <b>+1.3%</b> | <b>5.05%</b>              | <b>+14</b>                 |

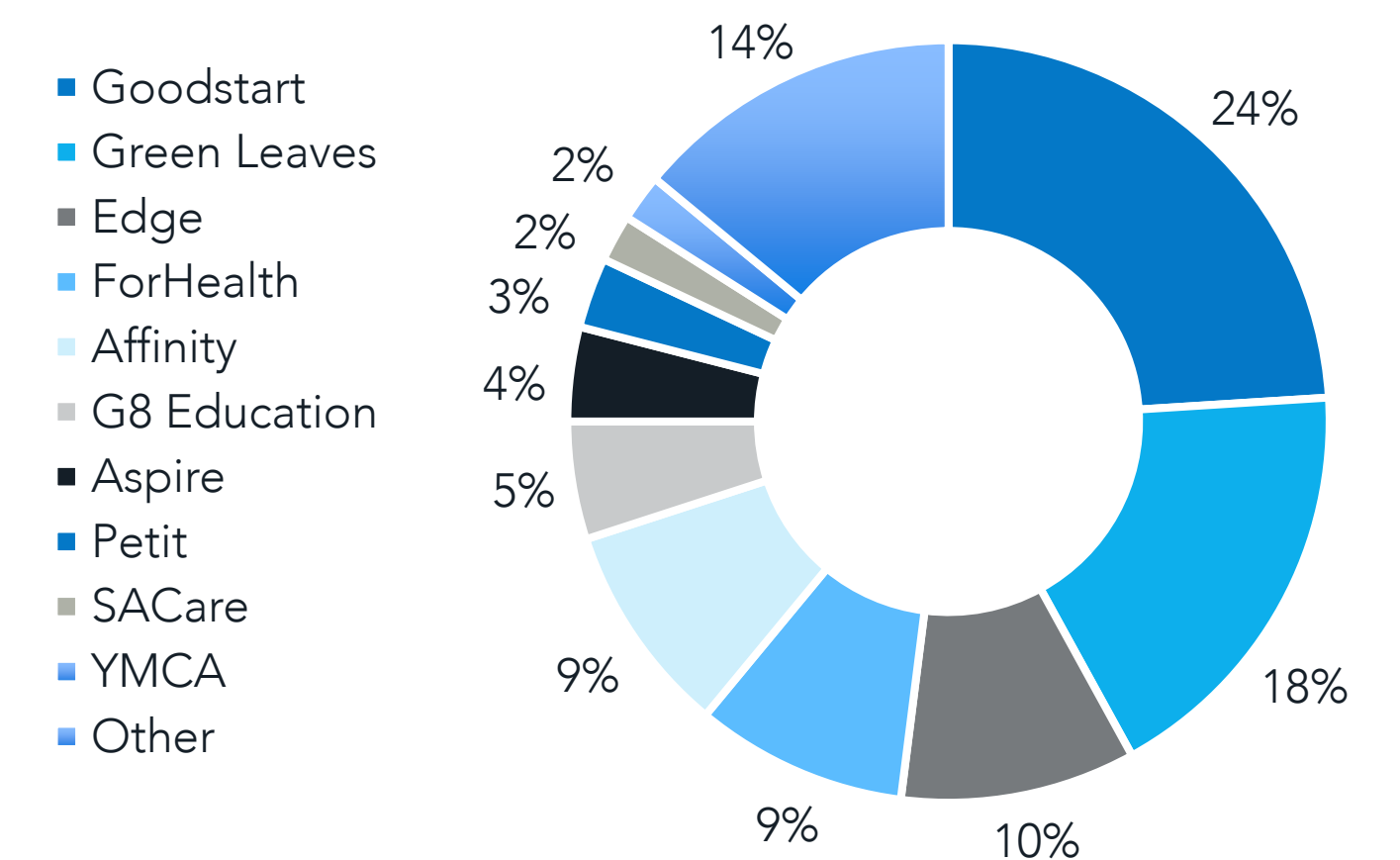
Sector diversity (by value)



Geographic diversity (descending by value)



Tenant diversity (descending by income)



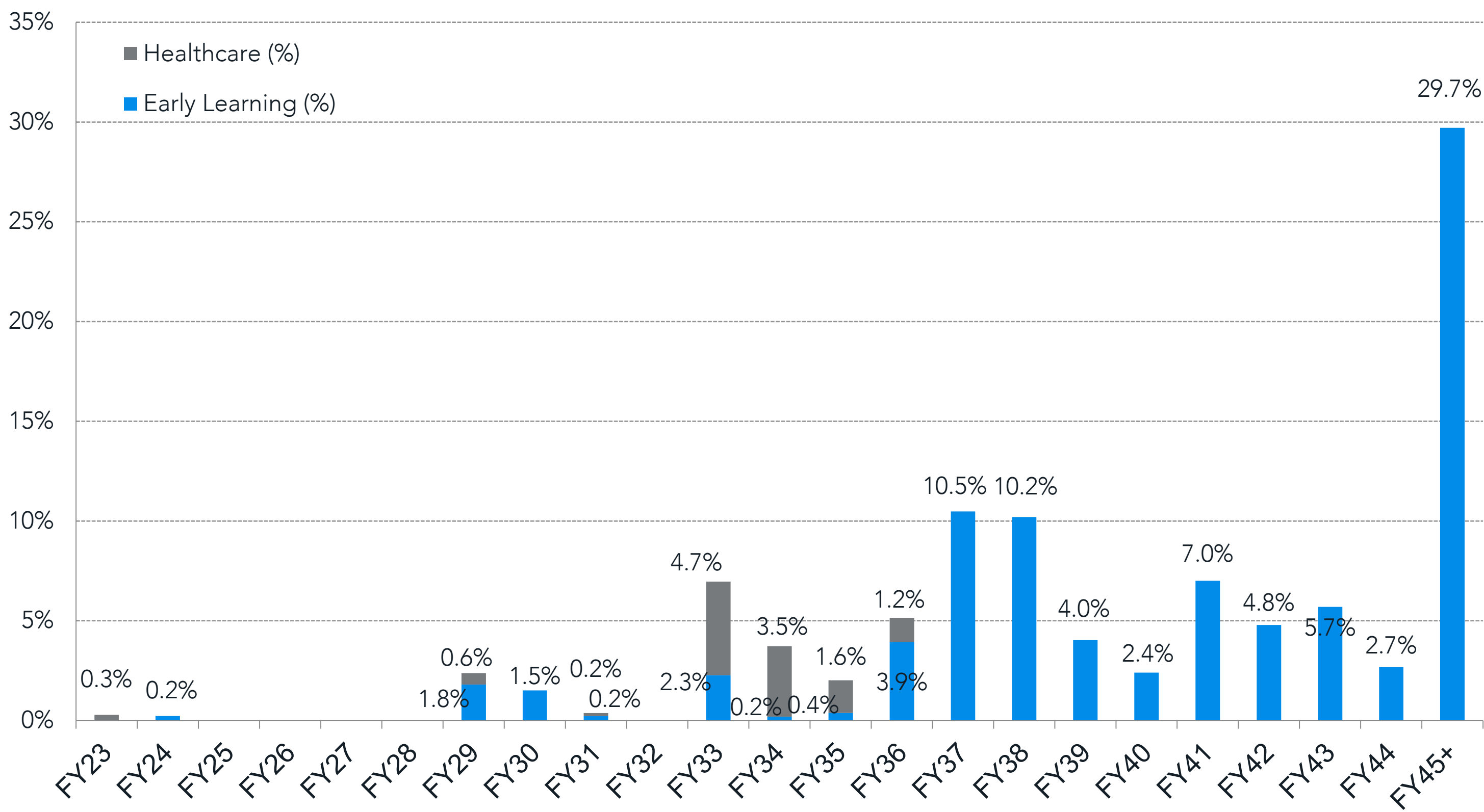
1. Excludes one ELC development project which was conditionally contracted at 31 December 2022.

2. Includes two healthcare properties which were contracted for sale as at 31 December 2022.



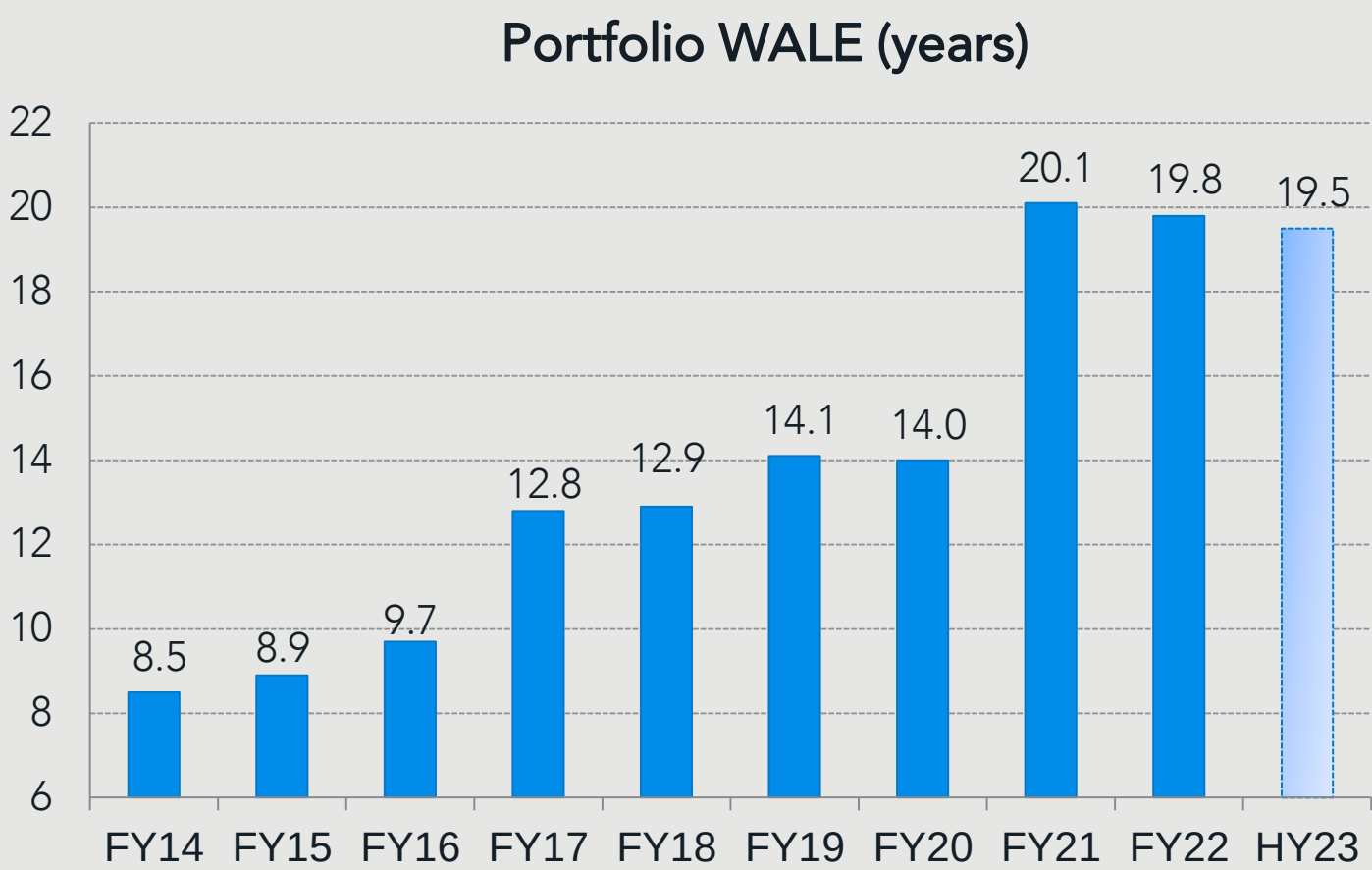
# LEASE EXPIRY PROFILE

Weighted average lease expiry of 19.5<sup>1</sup> years



1. By income.

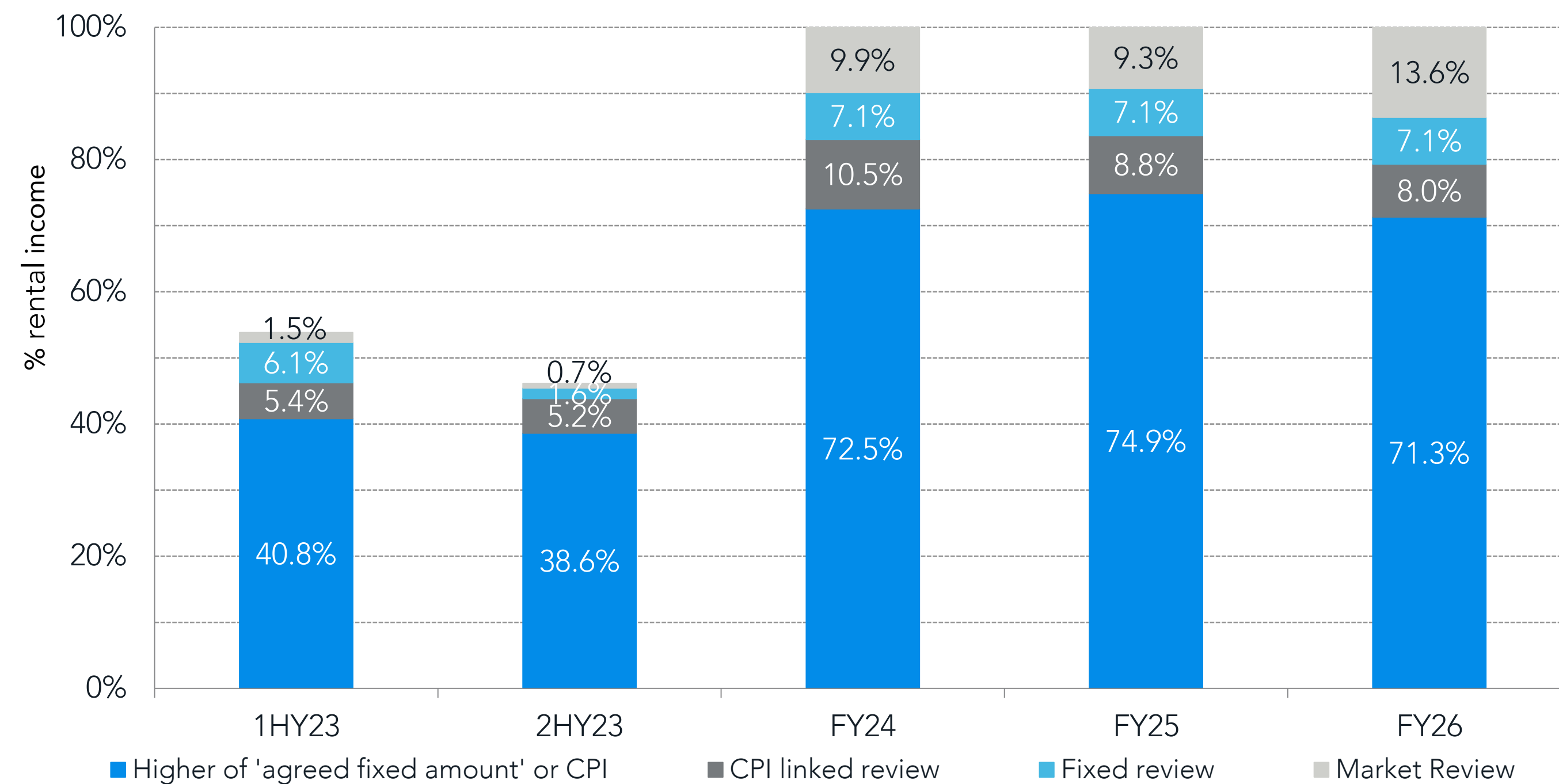
- Less than 3% of portfolio income subject to expiry prior to FY30.
- 50% of portfolio lease income expires after FY40.
- Seven ELC development completions added to the portfolio with an initial weighted average lease term of 20 years.





# ANNUAL RENT REVIEWS

HY23 average like-for-like rent increase of +6.45%



1. Totals may not add due to rounding.

- Attractive rent review structure with embedded income growth and inflation protection.
- >90% of FY23, FY24, FY25 and FY26 rent reviews are contracted at CPI, the higher of CPI or an 'agreed fixed amount', or market rent reviews.
- 13.6% of FY26 reviews are market rent reviews; all are subject to a 0% collar.



# ACQUISITIONS AND DEVELOPMENTS

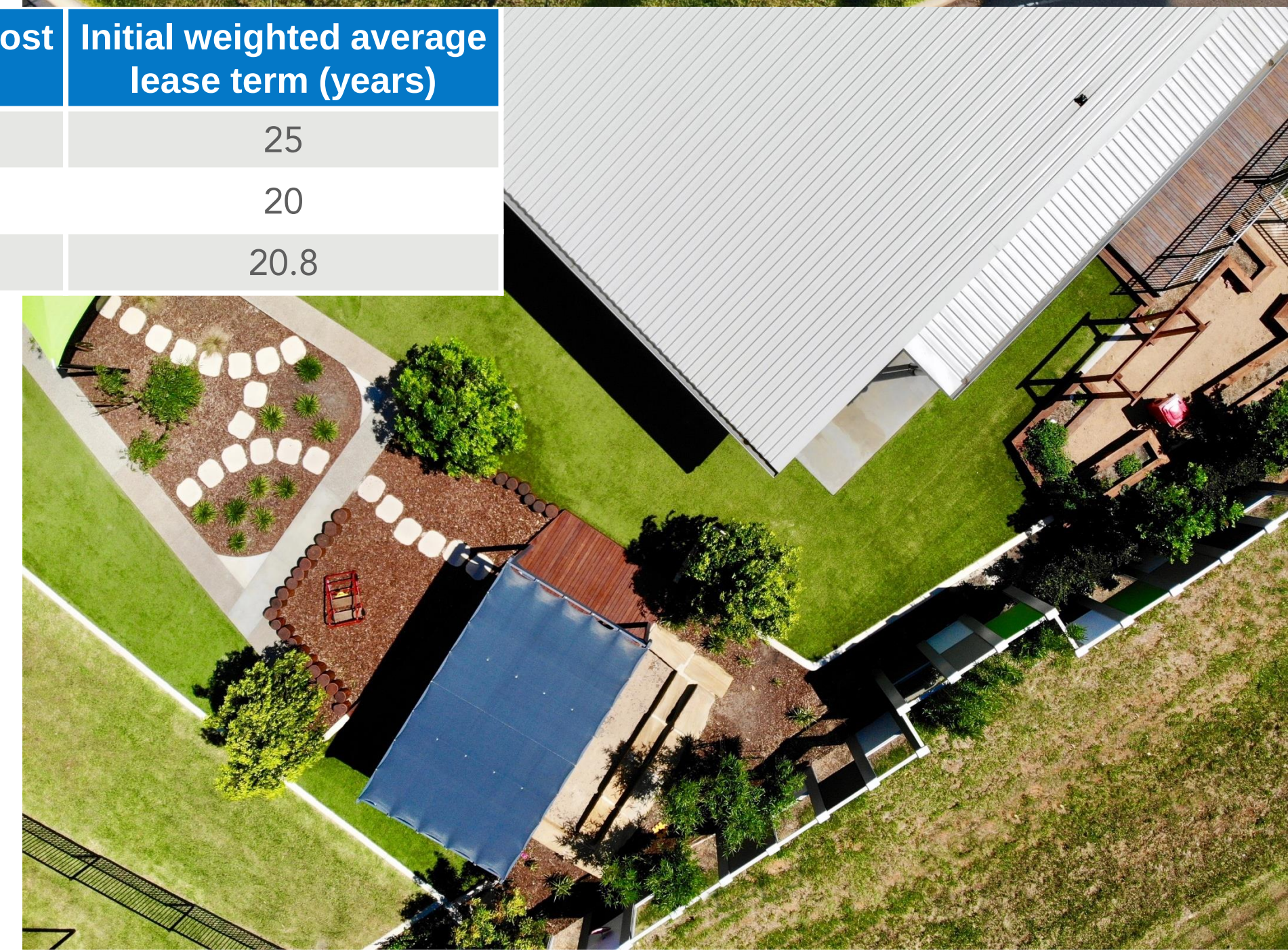
Creating and investing in accommodation that facilitates the delivery of essential community services

- High quality, purpose built properties with existing and new tenant partners.
- Two operating ELC properties were acquired during HY23.
- Seven ELC development projects were completed in HY23.

| Acquisitions/development completions | Number of properties | Total cost (\$m) | Initial yield on total cost (%) | Initial weighted average lease term (years) |
|--------------------------------------|----------------------|------------------|---------------------------------|---------------------------------------------|
| Operating ELC acquisitions           | 2                    | 7.8              | 6.0                             | 25                                          |
| ELC development completions          | 7                    | 44.3             | 5.9                             | 20                                          |
| Total/weighted average               | 9                    | 52.1             | 5.9                             | 20.8                                        |

| Development pipeline        | As at 31 December 2022 |
|-----------------------------|------------------------|
| Number of projects          | 15 <sup>1</sup>        |
| Forecast total cost         | \$106 million          |
| Initial yield on total cost | 5.4%                   |
| Capex amount outstanding    | \$66 million           |

1. Includes one ELC development project which was conditionally contracted at 31 December 2022.





# ELC OPERATING ENVIRONMENT

## Strong social and macroeconomic drivers continue to support early learning sector

- Record female workforce participation rate has been driving demand for services and increased long day care participation rates over the medium to long term<sup>1,2</sup>.
- In late November 2022 the Australian Federal Government's Cheaper Childcare Bill successfully passed through the Senate<sup>3</sup>.
- From 1 July 2023 Australian families will benefit from the following improved affordability measures:
  - Increasing the maximum Childcare Subsidy (CCS) rate to 90% for the first child in care;
  - Retaining the increased CCS rate at a maximum of 95% for subsequent children in care; and
  - Increasing the CCS for every family earning less than \$530,000 in annual household income, with one child in care.
- These measures have been designed to improve lifelong learning prospects of Australian children, increase workforce participation, improve gender equality, including women's financial security and to stimulate broader economic activity over the medium to long term<sup>4</sup>.
- Early signs of improving conditions to attract and retain skilled labour for ELC operators.
- Net new ELC supply to 31 December 2022 was +2.8%<sup>5</sup>.
- ACCC commences inquiry into the market for the supply of childcare services<sup>6</sup>.

1. ABS Labour Force status by Relationship in household, Sex, State and Territory.

2. Australian Government Department of Education Child Care quarterly reports 2011-2021.

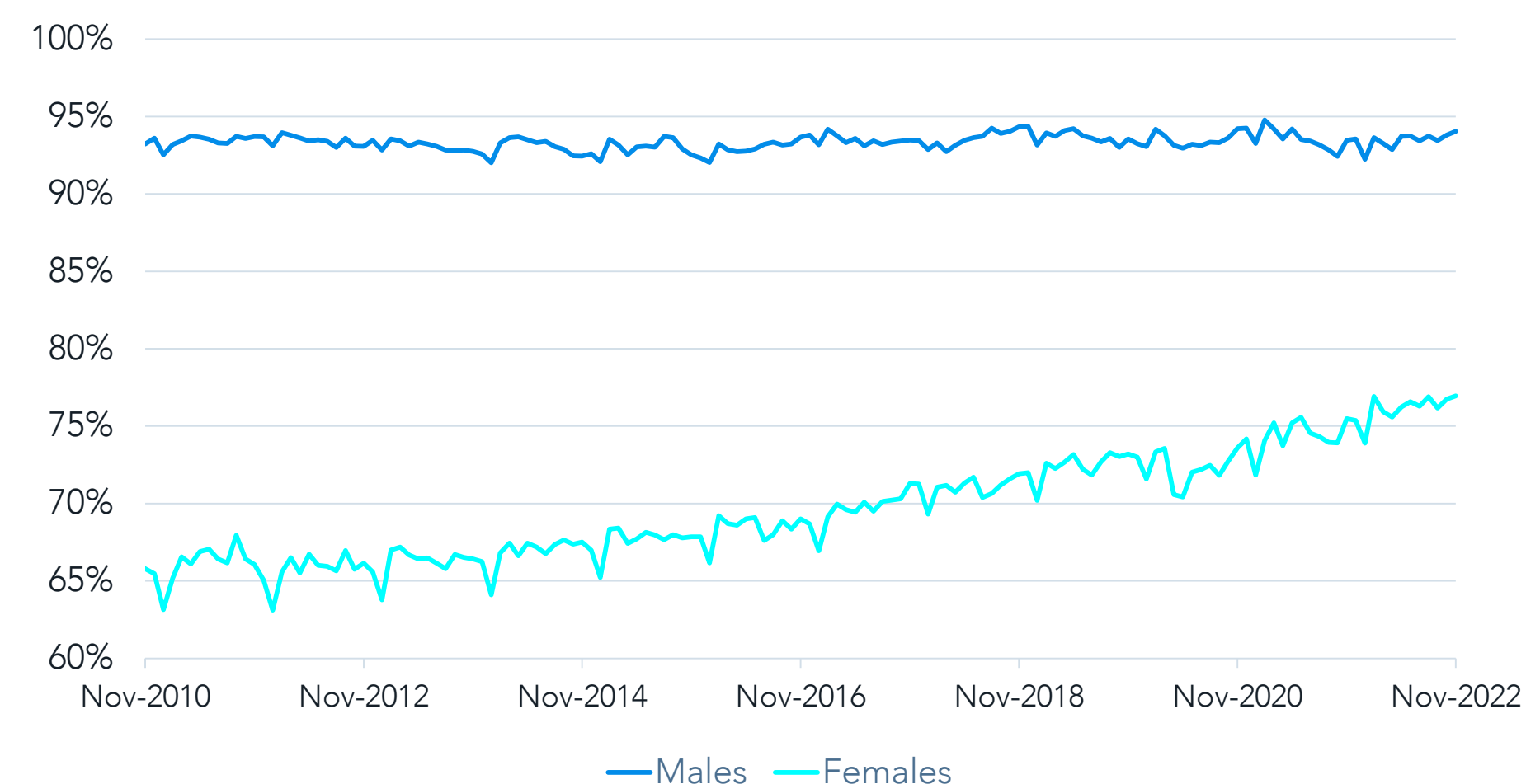
3. [Bills — Family Assistance Legislation Amendment \(Cheaper Child Care\) Bill 2022; in Committee — They Vote For You](#)

4. [Cheaper childcare: A practical plan to boost female workforce participation \(grattan.edu.au\)](#).

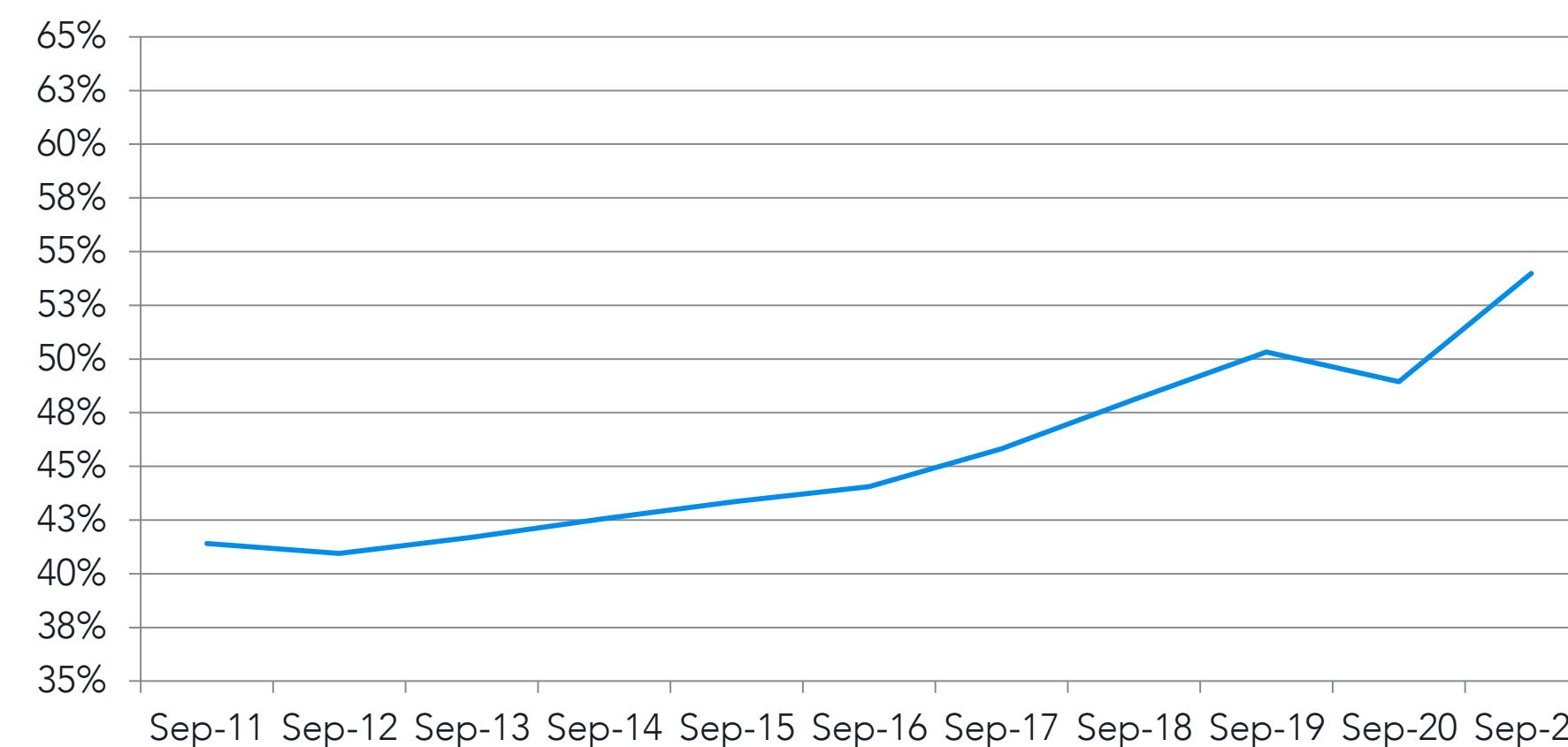
5. [NOF Snapshots / ACECQA](#)

6. [Childcare inquiry / ACCC](#)

Australian Parents Workforce Participation Rate<sup>1</sup>



LDC participation rate<sup>2</sup>





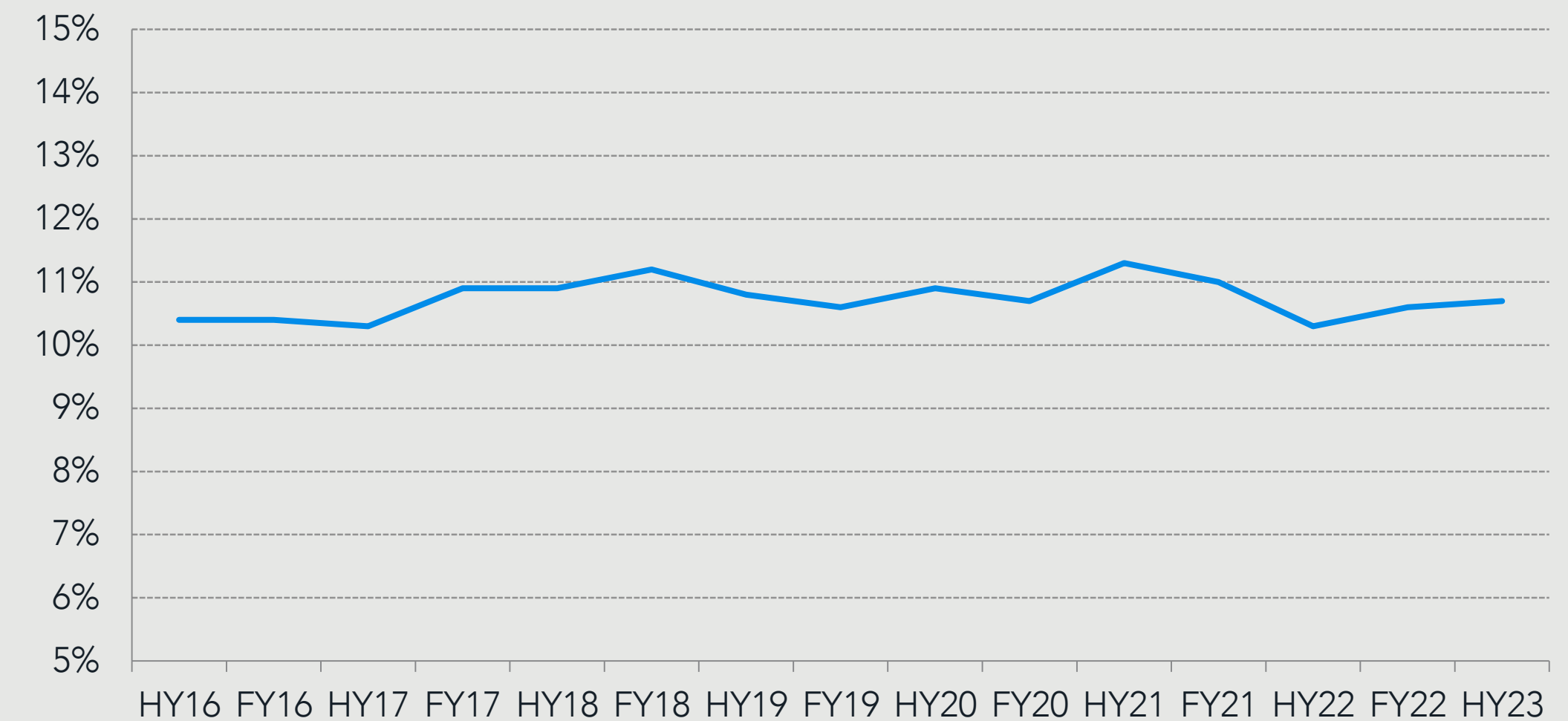
# ELC PORTFOLIO

## Portfolio strength underpinned by asset quality

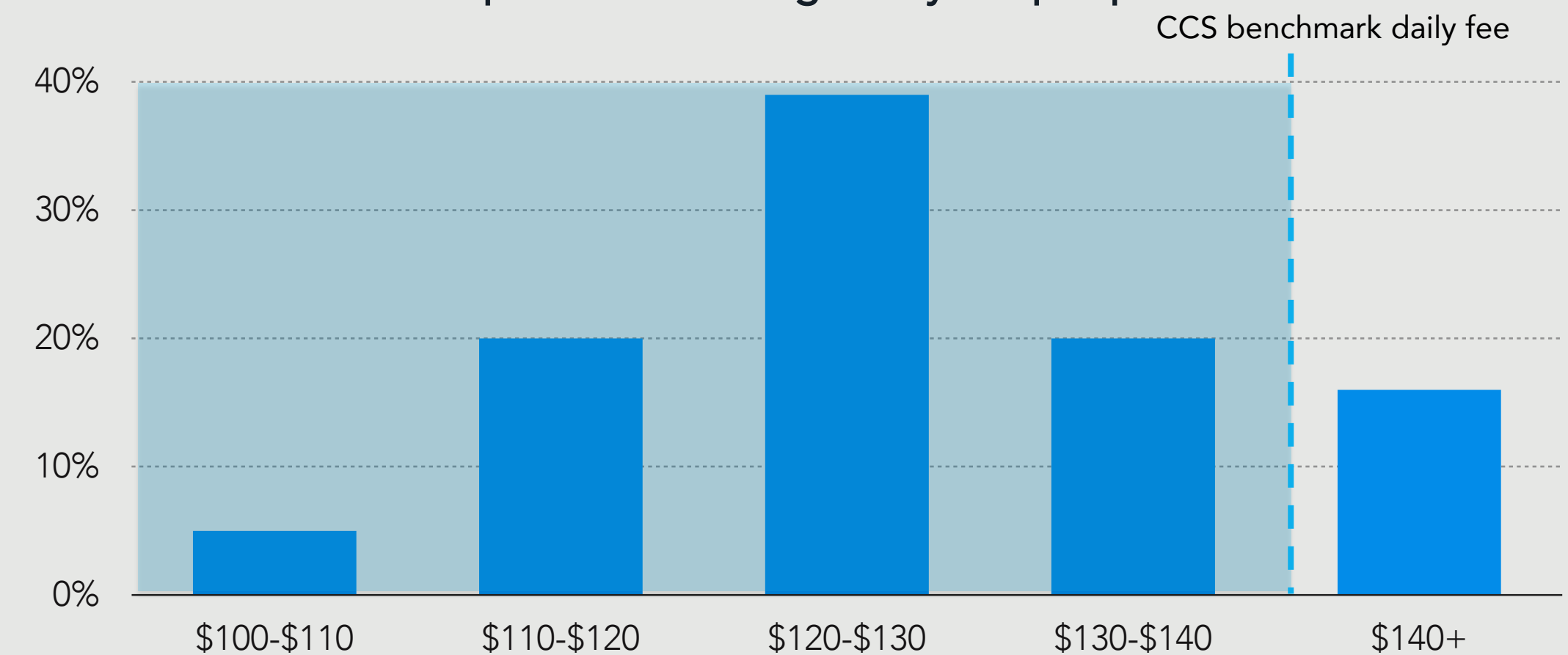
- 99.6% portfolio occupancy as at 31 December 2022.
- Arena's ELC portfolio operating data<sup>1</sup> to 30 Sep 2022:
  - Average daily fee of \$127.31:
    - +5.22% from 31 March 2022; and
    - +8.95% from 30 September 2021.
  - Underlying operator occupancy (as reported by Arena's tenant partners) remains robust and higher than any prior corresponding period over the past six years.
  - Net rent to revenue ratio of 10.7%.

1. Arena analysis based on operating data provided by Arena's tenant partners as at 30 September 2022.  
2. Assumes CCS fully covers a daily fee of approximately \$140.14 based on CCS capped hourly fee of \$12.74 per hour over an 11 hour day.

Arena ELC portfolio – net rent to gross operator revenue<sup>1</sup>



Arena ELC portfolio - average daily fee per place<sup>1,2</sup>







# HEALTHCARE SECTOR & PORTFOLIO

## Supportive macroeconomic drivers

- Strong structural macroeconomic drivers continue to support Australian healthcare accommodation including a growing and ageing population and increased prevalence of chronic health conditions.
- Ongoing domestic and international investor interest in Australian healthcare property continued to support price strength in this sector during the period.
- Two healthcare properties at Caboolture, Qld and Bondi, NSW were contracted for sale as at 31 December 2022 at an average premium of 2.4% to 30 June 2022 book value.
- Strong occupancy has been maintained across the specialist disability accommodation portfolio.







# OUTLOOK

## Inflation protected, predictable long term income

### INCOME GROWTH

- FY23 distribution guidance of 16.8 cents per security, an increase of 5%<sup>1</sup> on FY22.
- Attractive rent review structure with embedded income growth and inflation protection: >90% of FY23, FY24, FY25 and FY26 rent reviews contracted at CPI, the higher of CPI or an 'agreed fixed amount', or market rent reviews.
- Full impact of FY22 acquisitions and development completions and partial impact of FY23 development completions.
- \$106 million development pipeline comprising 15<sup>2</sup> ELC projects with \$66 million of capital expenditure outstanding.

### OUTLOOK

- Strong social drivers continue to support the early learning and healthcare sectors.
- Higher interest rates substantially offset by ongoing hedging discipline, expanded liquidity and substantial capacity with gearing<sup>3</sup> at 21.5%.
- 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. FY23 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 one ELC development project which was conditionally contracted at 31 December 2022.

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





# CORPORATE DIRECTORY

Please direct enquiries to Sam Rist on [samantha.rist@arena.com.au](mailto:samantha.rist@arena.com.au)



**ROB DE VOS**

Managing Director



**GARETH WINTER**

Chief Financial Officer



**SAM RIST**

Chief of Investor Relations  
and Sustainability





# APPENDICES





# FINANCIAL PERFORMANCE – HY23

|                                                           | HY23          | HY22           | Change           |             |
|-----------------------------------------------------------|---------------|----------------|------------------|-------------|
|                                                           | (\$'000)      | (\$'000)       | (\$'000)         | %           |
| Property income                                           | 36,451        | 32,351         | 4,100            | +13%        |
| Other income                                              | 190           | 285            | (95)             | -33%        |
| <b>Total operating income</b>                             | <b>36,641</b> | <b>32,636</b>  | <b>4,005</b>     | <b>+12%</b> |
| Property expenses                                         | (250)         | (448)          | 198              | -44%        |
| Operating expenses                                        | (2,325)       | (2,511)        | 186              | -7%         |
| Finance costs                                             | (4,199)       | (2,186)        | (2,013)          | +92%        |
| <b>Net operating profit (distributable income)</b>        | <b>29,867</b> | <b>27,491</b>  | <b>2,376</b>     | <b>+9%</b>  |
| <i>Non-distributable items:</i>                           |               |                |                  |             |
| Investment property revaluation & straight-lining of rent | 18,374        | 153,335        | (134,961)        |             |
| Profit/(loss) on sale of investment properties            | -             | 1,047          | (1,047)          |             |
| Change in fair value of derivatives                       | 923           | 4,655          | (3,732)          |             |
| Transaction costs                                         | (353)         | (326)          | (27)             |             |
| Amortisation of equity-based remuneration (non-cash)      | (901)         | (443)          | (458)            |             |
| Other                                                     | (281)         | 37             | (318)            |             |
| <b>Statutory net profit</b>                               | <b>47,629</b> | <b>185,796</b> | <b>(138,167)</b> |             |



# BALANCE SHEET – HY23

|                                   | 31 Dec 22              | 30 June 22       | Change        |             |
|-----------------------------------|------------------------|------------------|---------------|-------------|
|                                   | (\$'000)               | (\$'000)         | (\$'000)      | %           |
| Cash                              | 16,519                 | 22,200           | (5,681)       | -26%        |
| Receivables and other assets      | 7,255                  | 4,692            | 2,563         | +55%        |
| Investment properties             | 1,523,508 <sup>1</sup> | 1,461,888        | 61,620        | +4%         |
| Derivatives                       | 19,893                 | 18,970           | 923           | +5%         |
| Intangibles                       | 10,816                 | 10,816           | -             | -           |
| <b>Total assets</b>               | <b>1,577,991</b>       | <b>1,518,566</b> | <b>59,425</b> | <b>+4%</b>  |
| Trade and other liabilities       | 19,099                 | 13,005           | 6,094         | +47%        |
| Distributions payable             | 14,646                 | 14,040           | 606           | +4%         |
| Borrowings                        | 350,111                | 322,547          | 27,564        | +9%         |
| <b>Total liabilities</b>          | <b>383,856</b>         | <b>349,592</b>   | <b>34,264</b> | <b>+10%</b> |
| <b>Net assets</b>                 | <b>1,194,135</b>       | <b>1,168,974</b> | <b>25,161</b> | <b>+2%</b>  |
| Number of securities on issue (m) | 348.7                  | 346.7            | +2 million    | +1%         |
| Net asset value per security (\$) | 3.42                   | 3.37             | +\$0.05       | +1%         |
| Gearing <sup>2</sup> (%)          | 21.5                   | 20.2             | +130bps       | +6%         |

1. Includes two healthcare properties which were contracted for sale as at 31 December 2022.

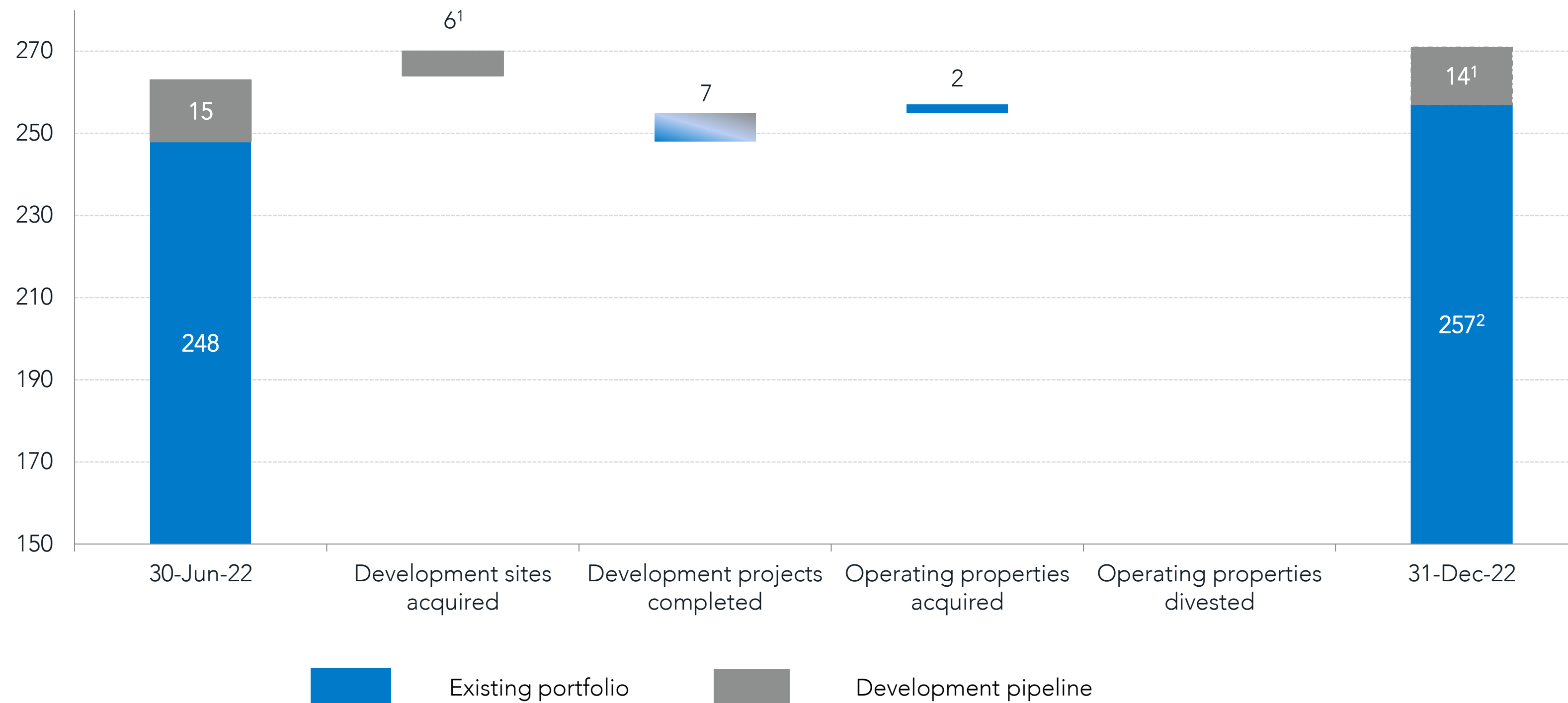
2. Gearing calculated as ratio of net borrowings over total assets less cash.

| Covenant                   | Facility requirement | Ratio |
|----------------------------|----------------------|-------|
| Loan to value ratio (LVR)  | Maximum 50%          | 26.4% |
| Interest cover ratio (ICR) | Minimum 2x           | 5.7x  |



# PORTFOLIO COMPOSITION AND MOVEMENT

Portfolio movements (30 June 2022 to 31 December 2022)<sup>1</sup>



1. Excludes one ELC development project which was conditionally contracted at 31 December 2022.

2. Includes two healthcare properties which were contracted for sale as at 31 December 2022.



# ELC PORTFOLIO VALUATIONS

| As at 31 December 2022                                 | Number of properties | Value (\$m)    | Passing yield (%) |
|--------------------------------------------------------|----------------------|----------------|-------------------|
| <b>Independent ELC freehold valuations</b>             |                      |                |                   |
| Queensland                                             | 16                   | 96.2           | 5.12              |
| Victoria                                               | 18                   | 134.6          | 4.85              |
| New South Wales                                        | 10                   | 34.6           | 4.67              |
| Western Australia                                      | 5                    | 22.1           | 4.52              |
| South Australia                                        | 2                    | 12.1           | 5.59              |
| <b>Total independent ELC valuations</b>                | <b>51</b>            | <b>299.6</b>   | <b>4.92</b>       |
| <b>Director ELC freehold valuations</b>                |                      |                |                   |
| Queensland                                             | 73                   | 413.3          | 5.06              |
| Victoria                                               | 51                   | 253.0          | 4.83              |
| New South Wales                                        | 22                   | 112.0          | 4.81              |
| Western Australia                                      | 19                   | 89.1           | 4.73              |
| South Australia                                        | 14                   | 81.3           | 5.33              |
| Tasmania                                               | 8                    | 34.8           | 5.71              |
| Northern Territory                                     | 2                    | 6.4            | 5.80              |
| <b>Total director ELC freehold valuations</b>          | <b>189</b>           | <b>989.9</b>   | <b>4.99</b>       |
| <b>Total freehold ELC portfolio</b>                    | <b>240</b>           | <b>1,289.5</b> | <b>4.98</b>       |
| Director ELC leasehold valuations – Victoria           | 6                    | 17.3           | 9.32              |
| <b>Total ELC portfolio excluding development sites</b> | <b>246</b>           | <b>1,306.8</b> | <b>5.03</b>       |
| ELC development sites                                  | 14 <sup>1</sup>      | 41.8           |                   |
| <b>Total ELC portfolio</b>                             | <b>260</b>           | <b>1,348.6</b> | <b>5.03</b>       |

1. Excludes one ELC development project which was conditionally contracted at 31 December 2022.



# ELC PORTFOLIO METRICS

|                                    | 31 Dec 2022         | 30 June 2022        | Change    |
|------------------------------------|---------------------|---------------------|-----------|
| Leased ELCs                        | 246                 | 237                 | +9        |
| Development sites                  | 14 <sup>1</sup>     | 15 <sup>2</sup>     | -1        |
| Total ELCs                         | 260                 | 252                 | +8        |
| WALE (by income) (years)           | 20.7                | 21.1                | -0.4 year |
| Tenanted occupancy (%)             | 99.6                | 100                 | -40bps    |
| Average passing yield (%)          | 5.03                | 4.90                | +13bps    |
| Portfolio value (\$m)              | 1,348.6             | 1,287.6             | +5%       |
| Average rental increase (%)        | 6.9                 | 4.3                 | +260bps   |
| Rent to gross revenue ratio (%)    | 10.7 <sup>3</sup>   | 10.6 <sup>4</sup>   | +10bps    |
| Average daily fee (\$)             | 127.31 <sup>3</sup> | 121.00 <sup>4</sup> | +5.22%    |
| Portfolio composition (% by value) |                     |                     |           |
| Metropolitan %                     | 70                  | 70                  | -         |
| Regional %                         | 30                  | 30                  | -         |

1. Excludes one ELC development project which was conditionally contracted at 31 December 2022.
2. Excludes five ELC development projects which were contracted subject to planning or other conditions precedent at 30 June 2022.
3. Arena analysis based on operating data provided by Arena's tenant partners as at 30 September 2022.
4. Arena analysis based on operating data provided by Arena's tenant partners as at 31 March 2022.





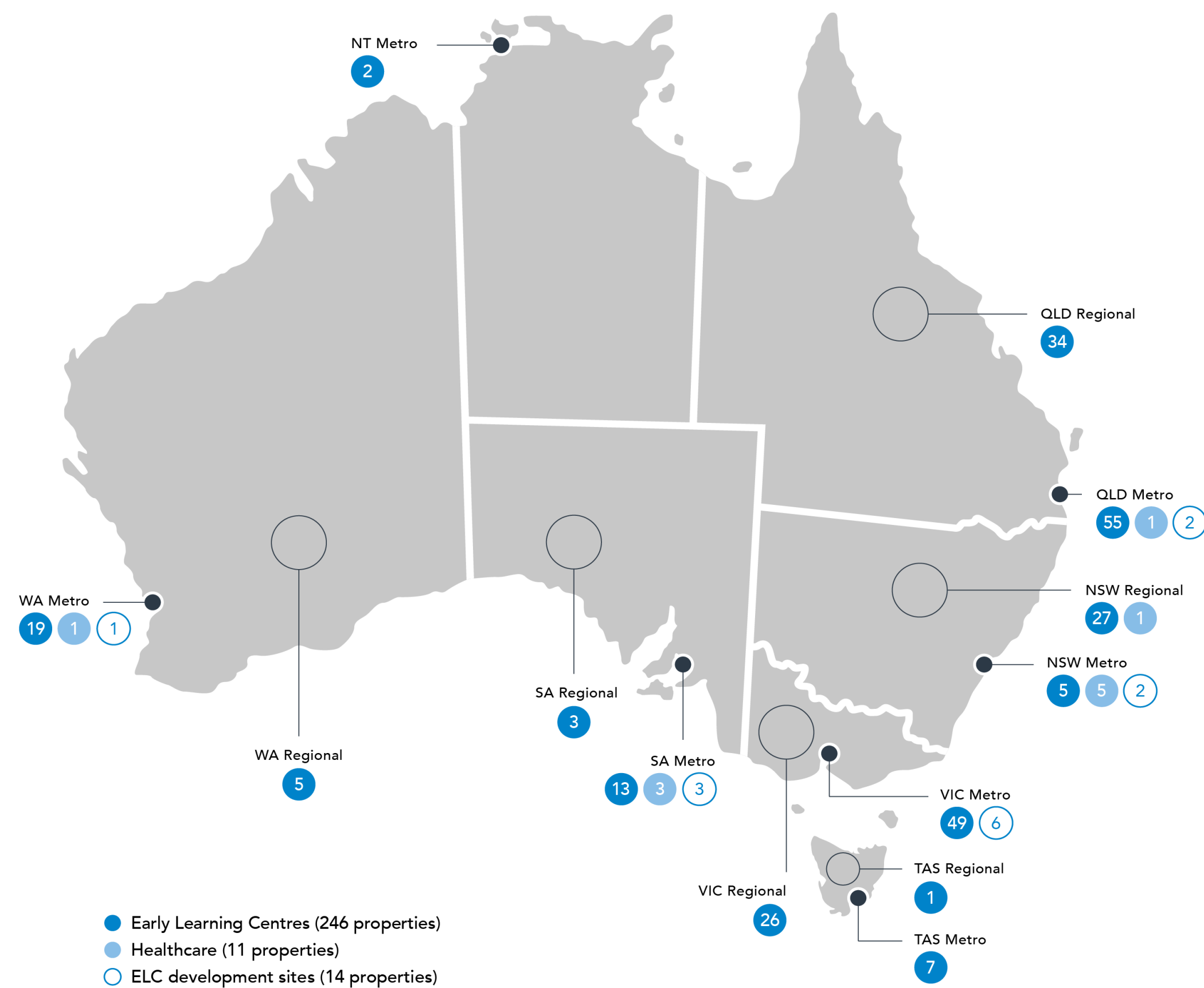
# HEALTHCARE PORTFOLIO METRICS

|                                    | 31 Dec 2022        | 30 June 2022 | Change    |
|------------------------------------|--------------------|--------------|-----------|
| Total healthcare properties        | 11 <sup>1</sup>    | 11           | -         |
| WALE (by income) (years)           | 10.5               | 10.9         | -0.4 year |
| Tenanted occupancy (%)             | 100                | 100          | -         |
| Average passing yield (%)          | 5.18               | 5.02         | +16bps    |
| Property portfolio (\$m)           | 174.9 <sup>1</sup> | 174.3        | +0.3%     |
| Average rental increase (%)        | 4.25               | 3.5          | +75bps    |
| Portfolio composition (% by value) |                    |              |           |
| Metropolitan %                     | 90                 | 90           | -         |
| Regional %                         | 10                 | 10           | -         |

1. Includes two healthcare properties which were contracted for sale as at 31 December 2022.



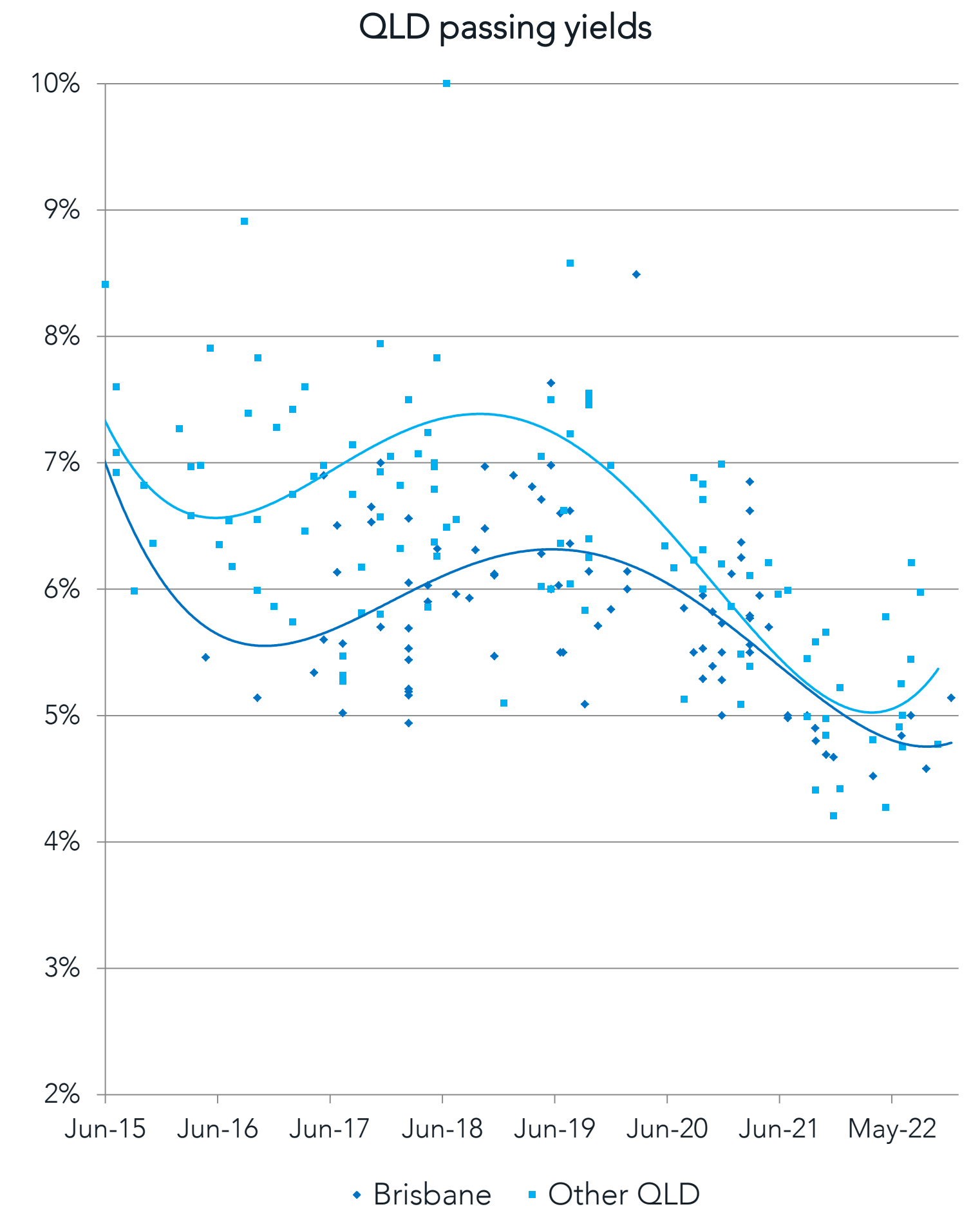
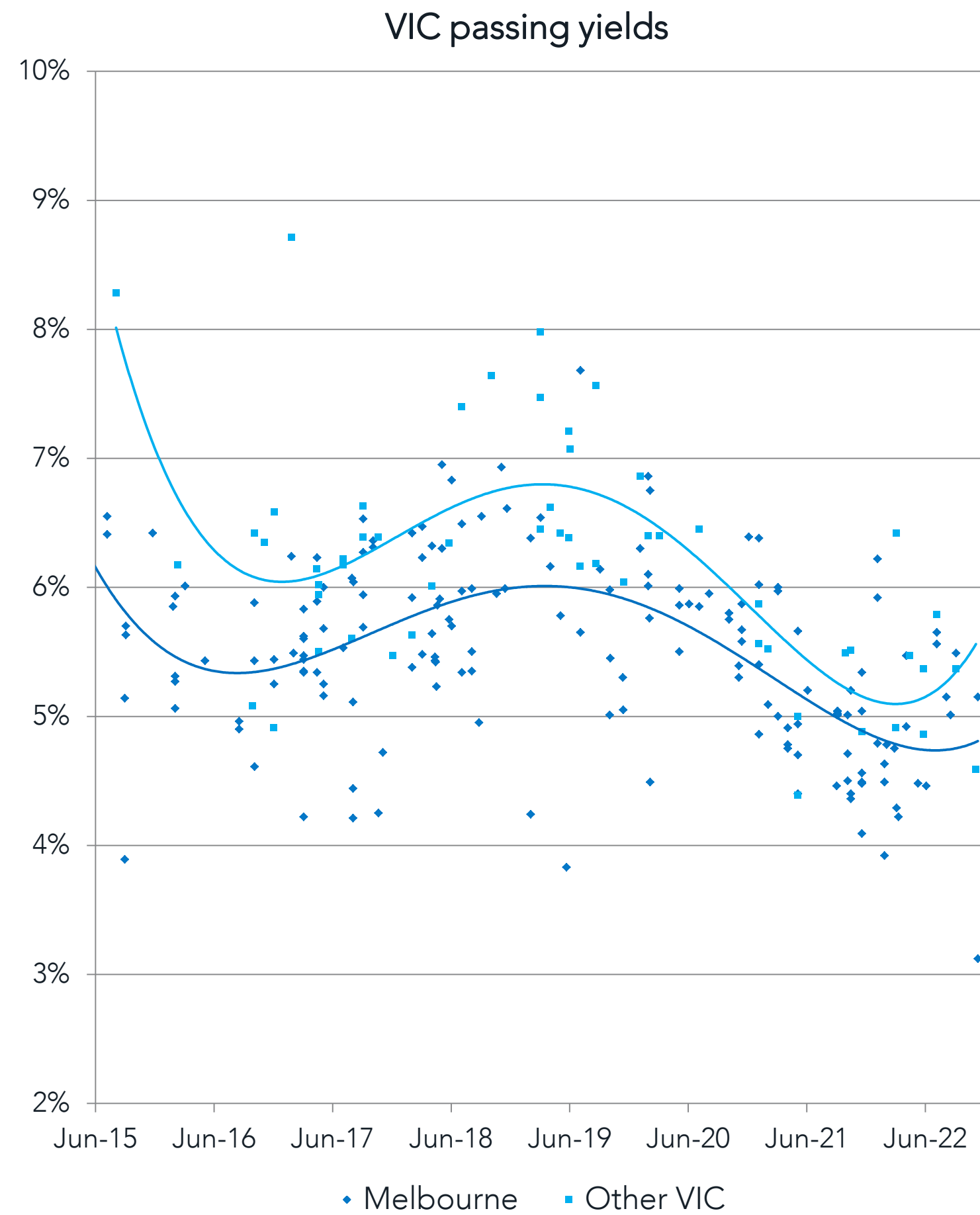
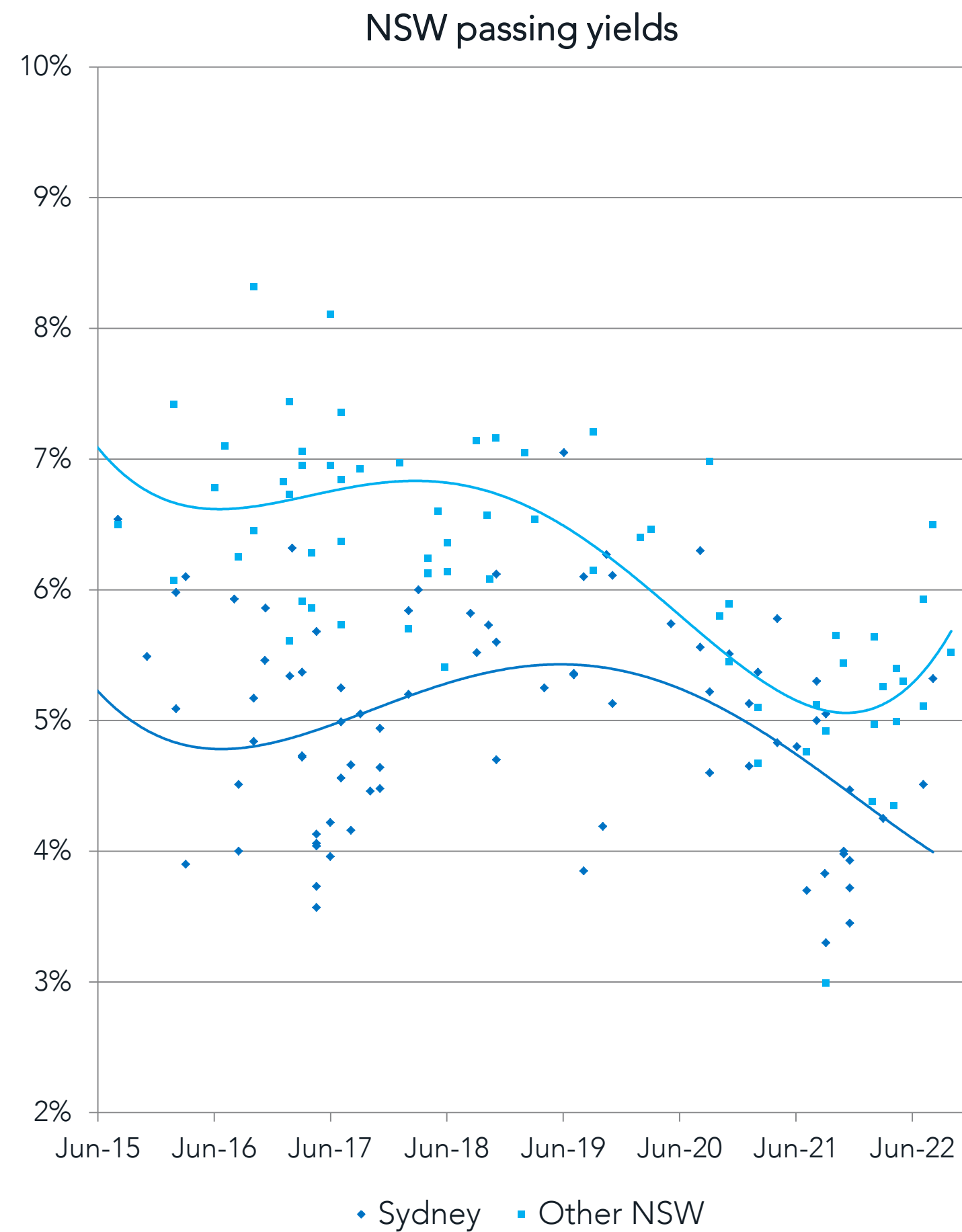
# PORTFOLIO LOCATION MAP



1. Excludes one ELC development project which was conditionally contracted at 31 December 2022.
2. Includes two healthcare properties which were contracted for sale as at 31 December 2022.

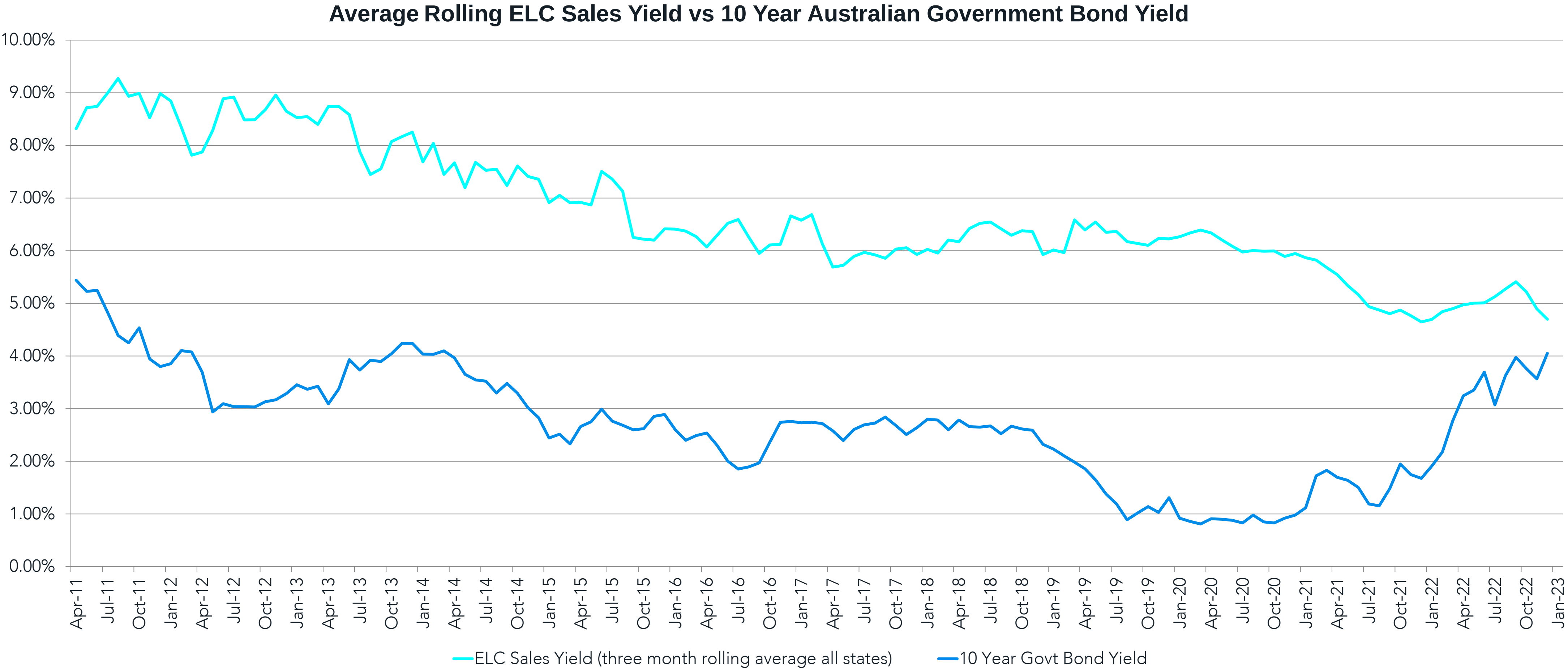


# ELC MARKET TRANSACTIONS





# ELC SALES YIELDS VERSUS 10 YEAR BOND







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