

ASX ANNOUNCEMENT

29 JULY 2021

MARKET UPDATE

Working in collaboration to deliver positive portfolio, investment and community outcomes

Arena REIT (Arena) has agreed terms for the renegotiation of leases on a portfolio of 87 properties across Australia (Renegotiated Portfolio) with its largest tenant partner Goodstart Early Learning (Goodstart). Key terms of the renegotiation include:

- Installation of solar renewable energy systems across all Arena owned Goodstart properties;
- Renegotiated Portfolio lease term increased by 25 years; and
- Resolution of all FY20, FY21 and FY22 market rent reviews.

Installation of solar renewable energy systems

The solar system installations will benefit Goodstart through the reduction in ongoing energy costs and is expected to reduce CO₂ emissions by approximately 1,000¹ tonnes per annum.

Goodstart's Chief Executive Officer, Julia Davison said the savings from using renewable energy would be spent on children and their education. "We're very excited about this initiative. As a not for profit provider every dollar we can save from reducing our power costs means we have more money to put back into our centres and the children they support."

Arena's Managing Director, Mr Rob de Vos said the organisations were pleased to have collaborated on such an important issue. "Goodstart was founded on a vision of giving children the best possible start in life through access to quality early learning, and we are working towards giving children the best possible future by this commitment to reducing carbon emissions."

Increase in existing long WALE to 20.1 years

The 25 year lease term increase across the Renegotiated Portfolio increases Arena's portfolio pro-forma WALE as at 30 June 2021 to 20.1 years compared with 14.7 years at HY21.

Resolution of market rent reviews

All FY20, FY21 and FY22 market rent reviews have been agreed at an average increase of 6.5%². Prior period market rent reviews are back dated to apply from the scheduled review date.

¹ As calculated by Efficient Homes Australia Pty Ltd trading as Infinite Energy ABN 36 141 430 328.

² All FY20, FY21 and FY22 market rent reviews were subject to a 0% collar and 7.5% cap.



This announcement is authorised to be given to the ASX by Gareth Winter, Company Secretary.

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About Arena REIT

Arena REIT is an ASX300 listed property group that develops, owns and manages social infrastructure properties across Australia. Our current portfolio of social infrastructure properties is leased to a diversified tenant base in the growing early learning and healthcare sectors. To find out more, visit www.arena.com.au.