



ASX ANNOUNCEMENT

19 JUNE 2025

MARKET UPDATE

Arena REIT’s (Arena’s) portfolio valuation program is expected to result in a net \$18 million revaluation increase as at 30 June 2025, which represents an increase of approximately \$0.04 in net asset value per security.

A total of 55 early learning centre (ELC) assets and three healthcare assets were independently valued as at 30 June 2025, with the remaining ELC and healthcare assets and ELC development projects subject to Directors’ valuation. The portfolio revaluation remains subject to review by Arena’s external auditors.

The portfolio’s weighted average passing yield increased by 5 basis points to 5.47% from 31 December 2024. The weighted average passing yield on the ELC portfolio widened by 5 basis points and the healthcare portfolio widened by 9 basis points. A summary is detailed below:

	Valuation movement as at 30 June 2025		Weighted average passing yield	
			30-Jun-2025	Variance
ELC portfolio	+\$18m	+1.2%	5.41%	+5
Healthcare portfolio	-	-0.3%	6.09%	+9
Total portfolio	+\$18m	+1.0%	5.47%	+5bps

Arena’s property portfolio has a Weighted Average Lease Expiry of 18.4 years and is 99.3% occupied.

ELC sector update

Strong macroeconomic drivers continue to support the Australian childcare sector. Rising female workforce participation continues to drive demand for services and increases in long day care participation rates^{1,2}.

Federal government investment into creating affordable childcare for working families is designed to improve lifelong learning prospects of Australian children, increase workforce participation, improve gender equality, including women’s financial security, and stimulate economic activity over the medium to long term³.

¹ ABS Labour Force status by Relationship in household, Sex, State and Territory.
² Australian Government Department of Education Child Care quarterly reports 2011-2024.
³ [Cheaper childcare: A practical plan to boost female workforce participation \(grattan.edu.au\)](https://grattan.edu.au/cheaper-childcare-a-practical-plan-to-boost-female-workforce-participation/).



Arena's ELC tenant partners reported the following underlying business operating data as at 31 March 2025⁴:

- Average daily fee of \$155.29, +9.75% from March 2024 and +3.53% from September 2024;
- Like-for-like operator occupancy remains robust; and
- Overall net rent to revenue ratio was steady at 10.0%.

Healthcare sector and portfolio update

Arena's community-based healthcare and accommodation portfolios continue to perform in-line with management's expectation.

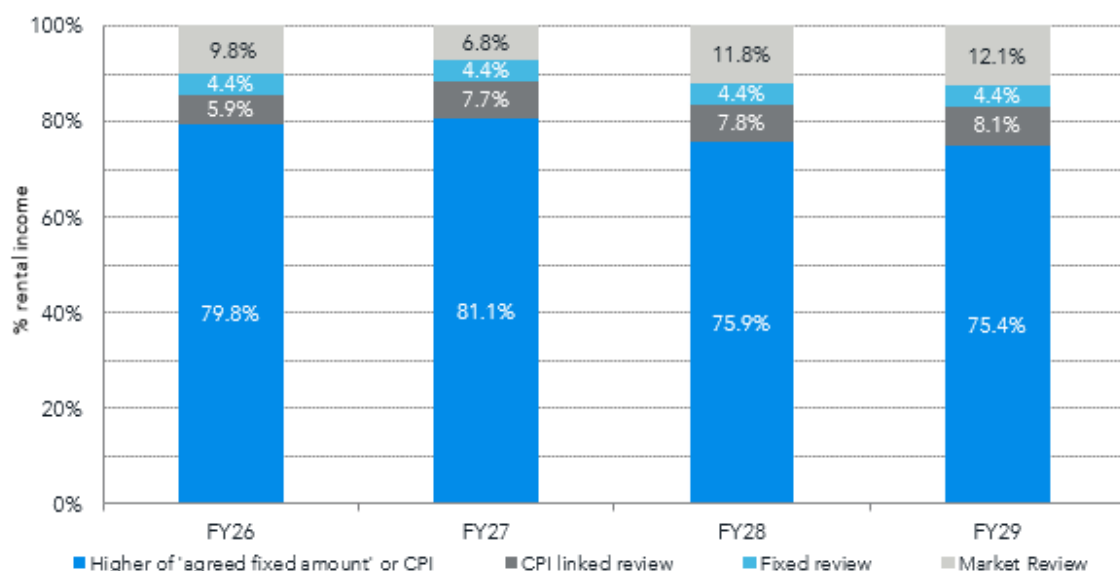
Macroeconomic themes support an ongoing increase in community demand for Australian healthcare services. In this context, Arena continues to selectively review new healthcare opportunities in strategically targeted sub-sectors that are integral to the delivery of community healthcare services and deliver on Arena's purpose and investment objective.

FY2025 rent reviews

Rent reviews during the period resulted in an average like-for-like FY2025 rent increase of 3.5%, which includes the resolution of 30 market rent reviews at an average increase of 6.8%.

Annual rent escalation profile

Arena's annual lease rent reviews are predominantly subject to an increase of the higher of an agreed fixed increase or CPI.



⁴Arena analysis based on operating data provided by Arena's tenant partners as at 31 March 2025.

Active portfolio growth

Arena has acquired eleven operating properties for a combined total cost of approximately \$129 million at an average initial yield of 6.1%⁵ with weighted average initial lease term of 16 years over the course of FY2025.

ELC development project completions

Arena anticipates completing 11 ELC projects over FY2025 for a total investment of \$83 million, on a net yield on total cost of 5.8% with an initial weighted average lease term of 20 years.

\$106 million ELC development pipeline

As at 30 June 2025, the development pipeline is anticipated to comprise 14 ELC development projects with a forecast total cost of \$106 million, with approximately \$55 million of capital expenditure outstanding. The forecast weighted average initial yield on total forecast cost for the development project pipeline is 6.04%.

Reflecting on Arena's investment activity during the year, Chief Investment Officer Mr Justin Bailey said "We maintained our disciplined approach to growth in FY2025, building on our market-leading position in ELC development, and actively sourcing new social infrastructure property opportunities aligned with Arena's long-term strategy and investment objective."

Investment proposition and approach drives sustainable and commercial outcomes

Sustainability has been embedded across Arena's business strategies which best positions Arena to achieve positive long term commercial and community outcomes.

Sustainability outcomes delivered during FY2025 include:

- Zero organisational scope 1 and 2 emissions.
- Submitted Arena's 'Reflect' Reconciliation Action Plan draft to Reconciliation Australia.
- Solar renewable energy systems installed on 92% of Arena's property portfolio.
- Delivered a 39% absolute reduction and 47% reduction in the intensity of Arena's Financed Emissions⁶ to end FY2024, compared with our interim 2030 target of a 60-70% reduction in the intensity of Arena's Financed Emissions⁷.

Further information will be detailed in Arena's FY2025 Sustainability Report which is scheduled to be released in late September 2025.

Extension and expansion of borrowing facility

Arena has extended the maturity date on each tranche of its syndicated borrowing facility by 12 months and expanded the facility by \$100 million to a total available facility of \$600 million.

⁵ Includes 10 ELC and Bendigo key health worker accommodation properties, 6.1% initial yield on purchase price, forecast net yield on total cost including transaction costs is 5.8%.

⁶ As compared with equivalent restated FY2021 baseline.

⁷ Financed Emissions are Scope 3 Category 15 emissions by indoor floor area measured in kgCO₂e/m² in line with supplemental guidance for the financial sector by the TCFD as compared with equivalent restated FY2021 baseline.

As at 30 June 2025, the weighted average remaining facility term will be 3.9 years with no expiry before 31 May 2028. Undrawn capacity is anticipated to be in excess of \$160 million and available to fund the development program and future growth opportunities.

Arena's weighted average cost of debt as at 30 June 2025 will be 4.1% compared with 4.00% as at 30 June 2024. 72% of borrowings are hedged for a weighted average term of 2.3 years (not including forward start hedges). The weighted average hedge rate as at 30 June 2025 will be 2.45%.

Commenting on Arena's financial position, Chief Financial Officer Mr Gareth Winter said "Arena has maintained capital management discipline through the cycle with consistent hedging programs, regular term extension and expansion of our debt facility while sustaining substantial capacity to deploy capital into growth opportunities consistent with strategy."

FY2025 distribution of 18.25 cents per security

Arena has declared a final quarter distribution of 4.5625 cents per security; bringing the total FY2025 distribution to 18.25 cents per security which is in accordance with previous guidance and reflects growth of 4.9% over FY2024.

Commenting in respect of today's announcement, Arena's Managing Director Mr Rob de Vos said "Arena's investment activity accelerated in financial year 2025 as our expanded and experienced management team capitalised on our competitive cost of capital and deal sourcing expertise. Looking forward, Arena remains well positioned to pursue and execute on new growth opportunities."

FY2025 Results

Portfolio revaluations as at 30 June 2025 remain subject to review by Arena's external auditors. Further details of revaluations, portfolio performance and financial results will be provided in Arena's FY2025 results which Arena intends to release to the ASX on Wednesday 13 August 2025; teleconference details will be provided in due course.

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

– ENDS –

For further information, please contact:

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About Arena REIT

Arena REIT is an ASX200 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.