

ASX ANNOUNCEMENT

13 AUGUST 2025

2025 FULL YEAR RESULTS

FINANCIAL HIGHLIGHTS

- Net operating profit (distributable income) of \$73 million, up 17% on FY2024
- Statutory net profit \$81 million, up 42% on FY2024
- Operating Earnings per security (EPS)¹ of 18.55 cents, up 5.1% on FY2024
- Distributions per security (DPS) of 18.25 cents, up 4.9% on FY2024
- Total Assets of \$1.86 billion, up 15% on 30 June 2024
- Net Asset Value (NAV) per security of \$3.46, up 1.5% on 30 June 2024
- Gearing² of 22.8%, compared with 22.6% as at 30 June 2024
- FY2026 DPS guidance of 19.25 cents³, reflecting growth of 5.5% on FY2025 DPS

Contracted rental growth, transactions and development completions underpin earnings growth

Arena REIT (Arena) has today announced a net operating profit of \$73 million for the full year ended 30 June 2025, an increase of 17% on FY2024. This result equated to EPS of 18.55 cents, an increase of 5.1% on the pcp. Arena has paid DPS of 18.25 cents for the full year, an increase of 4.9% on the pcp. Key contributors to the result were income growth from contracted annual and market rent reviews and acquisitions and development projects completed in FY2024 and FY2025.

Commenting on Arena's FY2025 performance, Managing Director Rob de Vos said "Today's result is a reflection of Arena's ongoing disciplined investment approach. We remain focussed on actively managing the portfolio, prioritising long-term contracted income with embedded growth, and delivering positive outcomes for our investors and the communities in which we invest."

PORTFOLIO HIGHLIGHTS

- Weighted average lease expiry (WALE) of 18.4 years
- 100% portfolio occupancy⁴
- Average like-for-like rent increase of 3.5%
- Portfolio weighted average passing yield of 5.47%
- Eleven properties acquired, five properties divested and twelve ELC developments projects completed

¹ Operating Earnings per security (EPS) is calculated as net operating profit over weighted average number of securities.

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

³ FY2026 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.

⁴ Excludes one property conditionally contracted for sale and includes one property with commercial terms agreed for a new lease.



- Development pipeline replenished with 29 ELC projects to be completed in the next two years⁵

Average like-for-like rent review increase of 3.5%

Rent reviews during the period resulted in an average like-for-like rent increase of 3.5%. During the year 30 market rent reviews were resolved at an average increase of 6.8%. In FY2026 10% of the portfolio (by income) is subject to a market rent review and over the next four years ~40% is subject to a market rent review.

Enhancing portfolio quality through active management

Arena divested five ELC properties during FY2025, taking the opportunity to recycle capital into better quality purpose built operating properties and ELC development projects. Highlights include:

- Five ELC properties divested, with proceeds of \$37.5 million and a 18% premium to book value achieved;
- One healthcare and 10 ELC operating properties acquired for a total cost of \$129 million and an initial yield of 6.1%; and
- Twelve ELC development projects completed for a total cost of \$83.1 million at an initial yield on total cost of 5.8%.

Secured investment program of \$227 million across 29 ELC development projects⁵

The development pipeline now comprises a total of 29 ELC development projects with a forecast total cost of \$227 million and an initial yield on total cost of 6.0%. All projects are with existing tenant partners and are expected to complete in FY2026 and FY2027.

Arena's Chief Investment Officer Justin Bailey commented "Over the last 12 months we have been very focussed on portfolio quality, divesting a number of poorer quality assets and redeploying capital into higher quality properties and our development pipeline. Our network of market relationships, track record and highly skilled team have positioned Arena as a partner of choice with vendors and tenants."

Uplift in ELC portfolio valuations

A total of 58 properties were independently valued as at 30 June 2025 with the balance of the portfolio subject to directors' valuations. An annual valuation uplift of \$24 million was recorded, representing an increase of 1.4%.

The portfolio's weighted average passing yield increased by 8 basis points to 5.47%. The weighted average passing yield on the ELC portfolio increased by 5 basis points and healthcare portfolio increased by 41 basis points. A summary is detailed below:

	No. of Properties	30 June 2025 Valuation	Revaluation movement		Weighted average passing yield	
		\$m	\$m	%	30 June 2025	Change (vs 30 June 2024)
					%	bps
ELC portfolio (ex devt)	271	1,570	30	1.9	5.41	5
Healthcare portfolio	10	167	(6)	(3.4)	6.09	41
Total Portfolio	281	1,737	24	1.4	5.47	8

⁵ Includes 15 projects conditionally contracted at 30 June 2025.

ELC sector and portfolio update

The Federal government continues to introduce reforms focused on improving access to high quality, affordable childcare for Australian families. These reforms have been informed by reviews conducted by the ACCC (2023)⁶ and Productivity Commission (2024)⁷ and are anticipated to increase ELC participation, delivering direct benefits to families and higher workforce participation benefits to the economy.⁸ Recently disclosed serious incidents of harm, misconduct and abuse in the sector have resulted in a greater focus by Federal and state governments on regulatory measures to improve safeguarding of children and penalise non-compliance.⁹

While Arena is not involved in the operation of any services at early learning centres, we strongly support the adoption of enhanced safety measures across the sector. We are engaging with our tenant partners and support initiatives that strengthen child safety and community confidence.

Arena's ELC tenant partners reported the following underlying business operating data as at 31 March 2025¹⁰:

- Average daily fee of \$155.29, up 3.53% from 30 September 2024 and 9.75% from 31 March 2024;
- Stable like-for-like operator occupancy; and
- Net rent to gross revenue ratio steady at 9.9%.

Healthcare sector and portfolio update

Over the longer-term, a growing and ageing population is forecast to increase demand for healthcare services. In healthcare real estate markets, there has been an increase in market transaction activity over the last 18 months, with some evidence of softening in pricing, particularly at the lower quality end of the market.

Mr Bailey said "Arena's community-based healthcare and healthcare accommodation portfolio continue to perform in line with expectations. We are actively looking for opportunities in healthcare and other social infrastructure property sectors that meet our investment criteria to further grow and diversify the portfolio."

CAPITAL MANAGEMENT HIGHLIGHTS

Debt facility increased and extended

During the period Arena increased its borrowing facility by \$100 million to \$600 million and extended the maturity dates on each \$200 million tranche to 31 May 2028; 31 May 2029 and 31 May 2030. As at 30 June 2025, the weighted average cost of debt was 4.1% and the weighted average remaining facility term was 3.9 years.

At 30 June 2025 the hedge cover ratio was 69%, the weighted average hedge rate was 2.45% and the weighted average hedge term was 2.3 years.¹¹ Arena has entered into forward swaps commencing

⁶ [Australian Competition and Consumer Commission \(ACCC\) Childcare Inquiry Final Report December 2023](#)

⁷ [Australian Government Productivity Commission 'A path to universal early childhood education and care' Report No. 106, 28 June 2024](#)

⁸ [National vision for early childhood education and care - Department of Education, Australian Government](#)

⁹ [Department of Education, Strengthening early childhood education and care regulation – legislation passes, 31 July 2025](#)

¹⁰ Arena analysis based on operating data provided by Arena's tenant partners as at 31 March 2025.

¹¹ Hedge ratio, weighted average hedge rate and weighted average hedge term do not include forward start dated hedges.

across FY2026 and FY2027, which will provide coverage within the target range of 70-80% hedging over higher debt balances as current capex commitments are funded.

Funding capacity

Arena's 30 June 2025 gearing was 22.8%.¹² During FY2025 Arena raised \$164 million via an institutional placement, security purchase plan and Distribution Reinvestment Plan (DRP). The DRP remains open.

SUSTAINABILITY HIGHLIGHTS

Sustainability is integral to Arena's investment approach and 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
- 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 Emissions to end FY2024¹³, compared with our interim 2030 target of a 60-70% reduction in the intensity of Arena's Financed Emissions¹⁴
- Achieved 100% of Sustainability Linked Loan margin discount for the FY2024 sustainability performance targets.

OUTLOOK

FY2026 distribution guidance of 19.25 cents per security¹⁵

Arena today announces FY2026 DPS guidance of 19.25 cents per security, reflecting growth of 5.5% over FY2025.

Addressing Arena's outlook, Mr de Vos said "Growing community demand, supportive government policy and long-term demographic trends continue to underpin growth in demand for essential community services. Arena's active portfolio management, development expertise and tenant partnering model sees it well positioned to deliver on its investment objective of providing a predictable and growing distribution to investors and facilitating access to essential services for the many Australian communities in which we invest."

Teleconference

An investor teleconference will be held to provide an overview of the operating activities and financial results for the full year to 30 June 2025. Details of the teleconference are as follows:

Date: Wednesday 13 August 2025

Time: 9.00am AEST

Registration: Investors wishing to participate in the teleconference must register. [Click here to register.](#)

¹² Gearing calculated as ratio of net borrowings over total assets less cash.

¹³ As compared with equivalent restated FY2021 baseline.

¹⁴ 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.

¹⁵ FY2026 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.

Upon registration, investors will be emailed the teleconference dial-in number, the conference passcode and a unique access PIN for the call; this information will also be emailed to you as a calendar invitation.

A recording of the investor teleconference will also be made available on the Arena website.

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

– ENDS –

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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.

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