



ASX ANNOUNCEMENT

19 JUNE 2026

MARKET UPDATE

Portfolio valuation uplift of \$11.5 million

Arena REIT's (Arena's) second half FY2026 portfolio valuation program is expected to result in a net revaluation increase of approximately \$11.5 million for the six months ending 30 June 2026. This reflects a valuation increase of 0.6% from 31 December 2025 and is expected to result in an increase of \$0.03 in Net Asset Value (NAV) per security.

A total of 67 Early Learning Centre (ELC) assets and four healthcare assets were independently valued as at 30 June 2026, 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 operating portfolio's weighted average passing yield increased by 9 basis points to 5.48% from 31 December 2025. The weighted average passing yield on the ELC portfolio increased by 10 basis points and the healthcare portfolio compressed marginally by 1 basis point. A summary of the portfolio revaluation movement and weighted average passing yield is detailed below:

	Valuation movement As at 30-Jun-2026		Portfolio weighted average passing yield	
			30-Jun-2026	Variance
ELC portfolio ¹	\$7.8m	+0.4%	5.42%	+10
Healthcare portfolio	\$3.7m	+2.2%	6.11%	-1
Total portfolio	\$11.5m	+0.6%	5.48%	+9

Portfolio activity

Throughout FY2026 Arena's management team has actively managed the portfolio with a focus on enhancing portfolio quality. At 30 June 2026 Arena's property portfolio is expected to have a Weighted Average Lease Expiry (WALE) of 17.4 years and maintain 100% occupancy.

FY2026 rent reviews

Rent reviews during FY2026 resulted in an average like-for-like rent increase of 4.0%. This includes the completion of 36 market rent reviews for an average increase of 7.6%.

¹ Includes four properties held for sale as at 30 June 2026.



FY2026 transactions and development project completions

Activity completed during the period includes:

- Three operating ELC properties with an initial weighted average lease expiry of 20 years were acquired or conditionally contracted during the period. The purchase price of these properties is \$19.6 million, reflecting a weighted average net initial yield of 6.2%²;
- 11 ELC properties were divested during the period for \$53.5 million, at an 8% premium to book value; and
- 11 ELC development projects were completed for a total cost of \$87.1 million at a weighted average net initial yield on total cost of 6.0%, with an initial weighted average lease expiry of 20 years³. Two further projects are anticipated to reach practical completion prior to 30 June 2026.

ELC development pipeline update

A further three new development projects have been added to the development pipeline in the second half of FY2026, bringing the total pipeline at 30 June 2026 to 29 projects⁴. These projects have a forecast total cost of \$228 million, with approximately \$140 million of capital expenditure outstanding. The forecast weighted average initial yield on cost for the development pipeline is 6.0%.

Mr Bailey said: "We continue to be disciplined and selective in committing to new developments, adding to the pipeline where we see opportunities to develop purpose-built properties for our preferred tenants in undersupplied catchments with good real estate fundamentals."

ELC sector and portfolio update

Analysis of Arena's ELC tenant partners' operating data for the 12-month period to 31 March 2026⁵ shows average daily fees increased 5.8% to \$164.22, while the net rent-to-revenue ratio was 10.0%, in line with the equivalent 12-month period to 31 March 2025, despite an easing in average operator occupancy in the period.

Commenting on Arena's recent portfolio activity, Mr Bailey said: "The positive portfolio results reflect our focus on the quality and resilience of our portfolio. Consistent with prior periods, we continue to monitor centre operating performance as well as the future demand and supply outlook in each catchment. We have proactively divested assets where we have identified lower potential for long-term rent and valuation growth. Pleasingly, our net rent-to-revenue ratio remains in line with the equivalent 12-month period to March 2025, and below Arena's historical average, highlighting the ongoing affordability of rents for our tenants."

² Weighted average initial yield on total cost including transaction costs was 5.8%.

³ Includes one property that achieved practical completion in the period but is awaiting lease commencement.

⁴ Includes six development properties conditionally contracted at 30 June 2026.

⁵ Arena analysis based on operating data provided by Arena's tenant partners.

FY2026 distribution of 19.25 cents per security

Arena has declared a final quarter distribution of 4.8125 cents per security, bringing the total FY2026 distribution to 19.25 cents per security, in line with previous guidance and reflecting growth of 5.5% over FY2025.

FY2026 results

Further details of revaluations, portfolio performance and financial results will be provided in the FY2026 results which Arena intends to release to the ASX on Wednesday 12 August 2026.

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

– ENDS –

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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.