



ARENA REIT (ASX CODE: ARF)

ASX ANNOUNCEMENT

13 NOVEMBER 2025

2025 AGM CHAIR'S ADDRESS AND MANAGING DIRECTOR'S REPORT

Chair's Address

FY2025 year in review

Arena delivered another strong performance in the 2025 financial year, demonstrating the strength of our disciplined investment strategy and focus on sustainable growth.

Our commitment to actively managing the portfolio, prioritising long-term contracted income with embedded growth, and acquiring and developing high quality properties continues to deliver positive outcomes for both our investors and the communities in which we invest.

All key financial metrics were positive, with growth in net operating profit, earnings and distributions per security, total assets and net asset value per security. This was achieved whilst maintaining relatively low gearing and a disciplined approach to capital management.

The management team has been working hard to improve the quality and resilience of the portfolio. In FY2025 the portfolio was further strengthened through the acquisition of 11 new properties, the sale of five properties, the successful completion of 12 developments, and the replenishment of the development pipeline.

Since listing on the ASX, Arena has now successfully developed 88 new purpose-built early learning centres, enhancing the quality of the portfolio and facilitating access to early learning services for many Australian families. This development activity has also contributed strongly to Arena's consistently strong financial performance, with securityholders enjoying average annual distribution growth of 7.1% per annum and average annual Net Asset Value (NAV) per security growth of 10.7% per annum since listing in June 2013.

During FY2025 we raised new equity through an institutional placement, security purchase plan and DRP, and extended and increased our borrowing facility on more attractive terms. These funds continue to support Arena's investment program.

Looking ahead to FY2026, Arena is well positioned to continue delivering on our investment objective and purpose of building 'Better Communities. Together'. Our long-term leases and structured annual rental reviews remain a key driver of income growth, and our accretive development pipeline provides additional uplift. These elements, combined with our disciplined approach, capital management expertise, and commitment to sustainability, reinforce our ability to create sustainable value for securityholders and good outcomes for communities.

Arena REIT Limited (ACN 602 365 186)

Arena REIT Management Limited ACN 600 069 761 AFSL No. 465754 as responsible entity of Arena REIT No. 1 (ARSN 106 891 641) and Arena REIT No. 2 (ARSN 101 067 878)

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I am pleased to reaffirm distribution guidance for FY2026 of 19.25 cents per security¹ representing 5.5% growth over FY2025.

Remuneration Framework

Arena's remuneration framework is designed to attract, incentivise and retain talent by providing market competitive rewards with incentive opportunity aligned to strategy and performance, thereby guiding the behaviour and actions of Executive KMP.

Prior to the commencement of FY2025, the Culture and Remuneration Committee engaged an independent advisor to undertake a comprehensive review of Arena's remuneration framework. The review confirmed that Arena's remuneration policies and practices were largely in accordance with expectations of contemporary market practice and that of comparable organisations.

As a result of this review the Short Term Incentive (STI) was amended to provide Executive KMP with the opportunity to achieve a maximum STI of 120% of target STI to reflect contemporary practice amongst Arena's peers. There were no other changes to the remuneration framework in FY2025.

For FY2025, Executive KMP (KMP) were awarded 107.5% of their target Short Term Incentive (STI) which reflected:

- The delivery of a minimum FY2025 distribution target of 18.25 cents per security;
- The delivery of FY2025 DIS above the target range;
- Expected FY2026 DIS supporting FY2026 guidance above the target range; and
- The strong performance in respect of a range of non-financial strategic business objectives across culture, discipline, relationships and capital deployment as detailed in Arena's 2025 remuneration report.

The FY2023 Long Term Incentive (LTI) was tested as at 30 June 2025 and 42.9% vested as:

- Arena's FY2025 DIS of 18.55 cents per security (representing a 4.4% compound annual growth rate (CAGR) over the three-year performance period) was in the target range of 17.80 to 18.85 cents per security, resulting in 85.7% of the DIS component vesting; and
- Arena's three-year TSR ranked below the 50th percentile of the comparator group comprising the members of the ASX200 A-REIT index over the performance period and therefore no award was made.

We recognise it is important for KMP to be aligned with securityholders, not just through the remuneration framework, but also by maintaining a minimum securityholding interest. Arena has a minimum securityholding requirement (MSHR) for Executive KMP which is set at 100% of their fixed annual remuneration (to be accumulated over a maximum period of four years).

All KMP are compliant with Arena's MSHR policy.

¹ 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.

Arena's remuneration framework will continue to clearly link and equitably reward and incentivise the achievement of performance-based outcomes and behaviours that reflect our purpose, values and stakeholder expectations.

Board renewal

Arena is strongly committed to diversity at the board table and within the management team. We believe that a diverse team provides for different perspectives and makes us a better organisation. It assists with team retention and engagement and helps us meet our stakeholders' expectations regarding key attributes of a sustainable company.

During FY2025 Arena maintained its gender balance target for the Arena REIT Limited Board and senior executives using the 40:40:20 model.

At last year's AGM, long standing independent non-executive director and Chair of the Audit Committee Mr Dennis Wildenburg retired. Upon his retirement, independent non-executive director Ms Helen Thornton was appointed Chair of the expanded Audit, Risk and Compliance Committee.

In November 2024 Mr Adam Tindall joined the board as an independent non-executive director. Adam's depth of experience across investment management and real estate strongly complements the Board's existing mix of skills and experience.

Your Board has a deliberate and forward-looking approach to ongoing Board renewal. Each year the performance of the Boards, their Committees and individual directors is subject to review. During FY2025 these evaluations concluded that the overall performance of the Boards and Committees was effective and appropriate to the size and operation of Arena. Our proactive approach to board succession intends to deliver the skills, experiences, and perspectives that best positions Arena for future success.

CEO succession

I would like to take the opportunity on behalf of the Board and the management team to thank Managing Director and CEO Rob de Vos for his outstanding contribution to Arena over the last 13 years, including the last six and a half years as Managing Director and CEO.

Rob's leadership has been instrumental in strengthening our investment portfolio, expanding tenant partnerships, and delivering attractive total returns since Arena's ASX listing in June 2013. Rob's integrity, vision, and unwavering focus on positive outcomes for all stakeholders have left an enduring legacy, and we thank him sincerely for his outstanding contribution.

We are equally pleased to welcome Justin Bailey as Arena's new Managing Director and CEO. Justin joined Arena in February 2024 as Chief Investment Officer, following a comprehensive search process. Over the past 18 months, he has demonstrated deep insight into our portfolio, strong alignment with our values, and a clear strategic mindset. His passion for the business and commitment to our team and stakeholders position him well to lead Arena into its next chapter.

Since the CEO succession announcement Rob and Justin have been working closely together to provide a seamless transition and we will announce the terms of Justin's appointment to the role of Managing Director and CEO to the ASX following this AGM.

Conclusion

Before handing over to Arena's Managing Director, Rob de Vos, I would also like to thank our investors, tenants, and business partners for their ongoing support.

I would also like to acknowledge and express our appreciation to everyone in the Arena management team for their ongoing commitment and contribution to Arena's performance.

Thank you.

Managing Director's Report

Thank you, David, and good morning ladies and gentlemen.

As you have heard from David, today's meeting marks a significant moment for me, and an important milestone in Arena's ongoing growth and success — after 13 years with the business, and more than half of that time as your Managing Director, this is my final AGM.

I am stepping down with gratitude for the opportunity to contribute over many years, and heart-felt enthusiasm for the future prospects of our exceptional business.

I am pleased to report to you today that financial year 2025 was another year of positive outcomes being achieved for you our securityholders and for many communities across Australia in which Arena invests.

The property portfolio is performing well, we have acquired high-quality new assets, replenished our development pipeline, and our disciplined approach to capital management has positioned the business well to pursue new opportunities in our usual manner.

The long-term social and economic themes that underpin the demand for quality social infrastructure property remain positive, as does Arena's reputation as a trusted partner, which positions the business well to continue to deliver on its strategy and investment objective.

FY2025 highlights

In FY2025, contracted rental growth, transactions and development completions underpinned a strong set of financial results.

- Statutory net profit was \$81 million, up 42% on FY2024;
- Net operating profit was \$73 million, up 17% on FY2024;
- Earnings per security was 18.55 cents, up 5.1%; and
- Distributions per security was 18.25 cents, up 4.9%.

Arena's total assets grew by 15% to \$1.86 billion, and net asset value per security increased to \$3.46.

These results reflect both the quality of our portfolio and the hard work and diligence of your management team, overseen of course by Arena's senior leaders and Board.

We continue to maintain a disciplined approach to capital management, with gearing sitting at 22.8% at 30 June 2025 and the capacity to fund the existing development pipeline and new investment opportunities as they arise.

Delivering on Strategy

The business continues to perform well against its strategy and investment objective.

Over the last year, your management team has further sharpened its focus on portfolio quality — divesting underperforming assets and recycling capital into higher-quality properties and new development projects. Highlights include:

- Selling five ELC properties at an average 18% premium to book value;
- Acquiring 10 early learning centres and one healthcare property for \$129 million; and
- Completing 12 new childcare development projects at a cost of \$83.1 million.

As at 30 June 2025, our secured development pipeline stands at 29 projects with a forecast total cost of \$227 million, all pre-leased to existing tenant partners, and expected to deliver an attractive weighted average initial yield of 6.0%.

Portfolio occupancy remains at 100%, with a weighted average lease expiry of 18.4 years — one of the longest in the Australian listed REIT sector. Less than 1% of income is due to expire before FY2032, while over 60% expires from FY2040 onwards.

Rental growth has also been solid, with an average like-for-like increase of 3.5%, including 30 market reviews that delivered an average uplift of 6.8%.

Sustainability in focus

Sustainability is embedded across all of Arena's business strategies, and we believe that best positions the business to achieve positive commercial and community outcomes.

This year we achieved several significant milestones:

- Zero organisational scope 1 and 2 emissions;
- Solar installed on 92% of the portfolio;
- A 39% absolute reduction and 47% intensity reduction in Scope 3 (category 13), Downstream Leased Assets Emissions compared to our 2030 interim target²; and
- Achievement of 100% of our Sustainability Linked Loan margin discount targets for the FY2024 sustainability performance targets.

² Scope 3 (Category 13), Downstream Leased Assets 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.

Further details can be found in our annual Sustainability Report which we released in September 2025 which provides further information on our commitment to creating long-term value for both our security holders and for the communities in which we invest.

The early learning sector

The Federal government continues to consider and introduce reforms focused on improving access to high quality, affordable childcare for Australian families. These reforms are anticipated to increase ELC participation, delivering direct benefits to families and higher workforce participation benefits to the economy.

Recent investigations into 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. 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.

Closing Remarks

Ladies and gentlemen, access to childcare and healthcare services are cornerstones of strong communities, and it has been a privilege to lead a business that delivers for both our securityholders and the wider Australian community.

I'd like to sincerely thank our dedicated Board, our incredible management team, our partners, and of course, you our security holders, for your trust and support.

As I step down, I am delighted that Justin Bailey, Arena's CIO, will succeed me as Managing Director and CEO. Justin is an exceptional leader, and I have every confidence he will guide Arena successfully into the future.

I would like to invite Justin to address you further on Arena's outlook.

It has been a privilege to serve as your Managing Director. Thank you.

Incoming CEO Address

Thanks Rob.

I am honoured to stand here today as Arena's incoming Managing Director and CEO.

I want to begin by sincerely thanking Rob for his outstanding leadership and contribution to Arena over the past 13 years, including the last six and a half years as Managing Director.

Under Rob's leadership, Arena has delivered strong and consistent earnings growth, our portfolio has more than doubled in size and we have expanded and strengthened relationships with our tenant partners. Rob leaves Arena in a very strong position.

Over the past 22 months, I've had the opportunity to work closely with Rob and the Arena Board. I look forward to working with our exceptional Arena team, including our long serving and new team members, to build on our strong foundations and lead Arena into its next chapter.

Positive Outlook for FY2026

As we look forward, I confirm our strategy and our investment objective remain unchanged – as does our purpose of building 'Better Communities. Together' – investing in social infrastructure properties that facilitate access to essential community services.

The management team's focus for FY2026 remains:

1. Active management of the existing portfolio of childcare and healthcare assets, looking for opportunities to extend portfolio WALE and access market rent growth;
2. Successful execution of our expanded childcare development pipeline, which secures our investment program through FY2026 and FY2027; and
3. Identifying new opportunities for investment, through further development or acquisitions which align with our strategy and investment objective.

We will also look for opportunities to improve the quality of our portfolio by selectively divesting properties that no longer support our investment objective, as we did through FY2025.

We believe our specialised management and development expertise, execution track record and national footprint are key differentiators for quality operators looking for a long term real estate partner.

Social and macroeconomic drivers underpin demand across our key sectors.

In early learning, federal policies aimed at improving access to affordable childcare are expected to increase demand. In the short term, the guarantee of at least 3 days of subsidised childcare per week announced by the government this year, starts in January 2026.³

Investment in early learning is designed to improve lifelong learning prospects of Australian children, increase workforce participation, improve gender equality, including women's financial security, and increase productivity⁴.

Recent incidents in the sector have reinforced the importance of robust safeguarding measures in early learning settings. Arena continues to engage with our tenant partners and supports initiatives that improve the safety and quality in the early learning sector.

In healthcare, demographic trends, particularly Australia's ageing population, continue to drive growing demand for services, and in turn, for high-quality accommodation that supports those services.

³ [3 Day Guarantee - Department of Education, Australian Government](#)

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

Arena's outlook is positive. We remain focused on executing our strategy and delivering against our investment objective: providing an attractive and predictable distribution to investors with earnings growth prospects over the medium to long term.

I am pleased to re-affirm Arena's FY2026 distribution guidance of 19.25 cents per security⁵, representing 5.5% growth on FY2025.

In closing, I'd like to thank our Board members and the entire Arena team, along with our contractors, service providers and tenant partners, for their dedication and hard work throughout FY2025. And finally, thank you, our securityholders, for your continued support and ongoing interest in Arena REIT.

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.

⁵ 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.