

ARENA SECURITIES

Arena Securities Performance update December

3 Months	6 Months	1 Year	Since Inception*
-2.33%	11.90%	17.95%	38.00%

Indicative performance is reported net of all fees. Past performance is not a reliable indicator of future returns.

Dear fellow investors,

This quarter, we had our first negative return. This does not mean I don't think progress was made in this quarter. I am investing in businesses, and businesses aren't always smooth sailing, as I am sure you all know, because you all run businesses yourself.

VYS: ASX

Vysarn's share price struggled this quarter. This mainly had to do with their AGM update. At their AGM, they didn't give guidance, but they gave the market a set of numbers that included last year's net profit and added their new subsidiaries. The market was expecting growth, so they didn't like this. Traditionally, Vysarn has been very conservative, therefore there have been no changes.

Vysarn also informed investors that the company's asset management division was expected to start in early 2025. However, it has been delayed until August. I am not too worried about this because they're still moving forward. In the grand scheme of things, 6-8 months isn't a long time when you're considering investing and I understand businesses take time to set up and get the correct approvals. I still believe the cash flows from this division will come. They will just take a little longer to arrive.

Finally, Vysarn faced some delays with the acquisition of CMP. CMP is a water consulting group based in Victoria. During this quarter, I had the privilege of speaking to the co-founders of this business. They were both switched on and incredibly excited about the market opportunity that CMP has with the expansion plans in NSW and Queensland.

FND: ASX

Findi also disappointed the market during this quarter. Findi was priced for growth, and I do think the growth will come in FY 26, as management has said. FY 25 was always going to be a year of investment however nothing changed from the first half of last year. I thought it might be mildly better, but I had no strong view. A strong second half is needed for Findi to make guidance. Findi did this last year. I am not too worried about Findi's second-half results because I am in this stock not for FY 25, but I hold it because it can do more than 50 M EBITDA in FY 26. I also think they will list Findi in India early in the second half of FY 26. I believe this will cause Findi to re-rate to a higher multiple.

KME: ASX

Kip McGrath education centres provided investors with a trading update at their AGM. The update was good. In the first 4 months of the financial year, revenue was up 5.8% to \$10.1m, and EBITDA nearly doubled to 1.9 M. Management also showed that they're reducing costs in the business. This time last year, management had spent \$2.1M, and this year, management only spent \$500K. KME.ASX usually has a poor first half, and KME usually brings it home with a strong second half. I wouldn't be surprised to see KME make more than \$2 M in the second half, which means it may make \$3M for the full year.

AHC: ASX

Austco announced revenue was up 90% in the first quarter. This result was driven by the two acquisitions from the end of the last financial year. If you excluded these acquisitions, revenue was up 16%.

To finish off, I hope you all had a Merry Christmas and a Happy New Year.

Regards

Aleck Arena



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