ARENA SECURITIES

30/07/2026

Arena Securities Performance update June			
3 Months	6 Months	1 Year	Since Inception*
30.55%	24.81%	61.62%	125.48%

Indicative performance is reported net of all fees. Past performance is not a reliable indicator of future returns. Inception date 1 August 2023

Dear fellow investor,

This quarter has been shaped by a number of company-specific updates across the portfolio. Several holdings released trading updates that were below expectations, while others continued to execute well and strengthen their long-term investment case.

SKS: ASX

SKS continued to execute well during the quarter, reinforcing our confidence in the long-term outlook for the business. Management announced an $80 million extension to an existing Melbourne data centre project, taking the order book to $312 million, while also securing a $22 million contract to deliver the fit-out of Coles' new Melbourne headquarters.

Although the Coles project demonstrates the company's strength in its traditional commercial markets, I believe the more significant update was the continued expansion of the tender pipeline. Since the February half-year result, management has identified an additional $600 million of data centre opportunities, increasing the overall pipeline by around 120%. Given the structural growth occurring in this sector, this provides further confidence that SKS is well positioned to continue growing over the coming years.

AHC: ASX

Austco Healthcare was the Fund's weakest contributor during the quarter after releasing a trading update that fell short of expectations. Ongoing supply chain disruption and semiconductor shortages weighed on second-half earnings, masking what was otherwise a solid full-year result, with revenue increasing 14% and EBITDA growing 10%.

The market's reaction was swift, with the share price declining more than 30% as investors focused on weaker near-term earnings and uncertainty around the timing of a recovery.

Following the update, I reduced our holding slightly. While the result was disappointing, it has not changed my view of the quality of the business or management team. They have successfully navigated difficult operating conditions before, and I remain confident they can do so again. With a market capitalisation of around $90 million and approximately $15 million of net cash, I believe the valuation may offer compelling upside if earnings recover over the next few years.

KME: ASX

Kip McGrath Education Centres also lowered its earnings guidance during the quarter, reflecting adverse currency movements and softer lesson numbers as consumer confidence weakened.

While the downgrade was disappointing, the business continues to generate strong cash flow through disciplined cost control and lower capital expenditure. After allowing for dividends and share buybacks, I estimate free cash flow for the year at approximately $4–5 million. Against a market capitalisation of around $25 million, this represents an attractive free cash flow yield and provides the Board with considerable flexibility when allocating capital.

MXO: ASX

Motio was one of the more encouraging updates during the quarter, with management guiding to EBITDA of approximately $2.5 million, representing growth of around 25% on the previous year.

Despite softer conditions across the broader outdoor advertising industry, the business continued to perform well, delivering a record revenue month in May with June expected to surpass it. Motio remains a highly capital-light business, and I expect a significant proportion of earnings to convert into free cash flow. Given the current market capitalisation of around $17 million, I continue to believe the valuation does not fully reflect the company's earnings potential.

VYS: ASX

Vysarn announced the acquisition of NewGround during the quarter, further expanding the group's presence in industrial irrigation and continuing its strategy of building a broader water services business.

The transaction appears to be earnings accretive while also increasing the company's exposure beyond its traditional mining markets. Although acquisitions are best judged over time, this appears to be another disciplined deployment of capital by management.

Regards

Aleck Arena