



Pro-invest Asia-Pacific Hospitality Opportunity
Q4 2025 Quarterly Newsletter

Dear Investors and Friends,

It is with pleasure that Pro-invest Asia-Pacific (APAC) presents you with the latest **Pro-invest Asia-Pacific Quarterly Newsletter** for the fourth quarter of 2025.

In the September 2025 quarter, Australia's GDP grew by 0.4%, and 2.1% year-on-year (YoY). The December 2025 unemployment rate reached 4.2%, up 0.2% YoY, while annual CPI grew 3.8%, up 0.2% from the previous quarter. The September 2025 quarter saw New Zealand's GDP grow 1.1%, down 0.5% YoY. The December 2025 unemployment rate reached 5.4%, up 0.8 percentage points YoY, while December's annual CPI rose 3.1%, up from 3.0% the previous quarter.

In February 2026, the RBA increased the cash rate by 25 basis points to 3.85%, citing renewed inflationary pressures driven by stronger than expected household spending and private investment, alongside a tight labour market with unemployment at 4.2%. The RBNZ continues to cut their cash rate, in November the RBNZ cut 25 basis points to 2.25%, responding to subdued domestic activity, especially retail and construction.

For the full year 2025, Australia's hotel occupancy averaged 73%, representing a 3-percentage point increase on 2024, with fourth-quarter performance supported by the Ashes series and several high-profile concerts. Over the same period, New Zealand hotel occupancy averaged 68%, up 2 percentage points on 2024, with fourth-quarter demand driven by high-profile concerts and strong demand from European and United States markets.

During the quarter, Pro-invest announced the launch of its RISE (Reaching for Inclusion through Scholarships and Experiences) program in partnership with the Auckland University of Technology. The program provides financial assistance, mentorship, and hands-on experience to young New Zealanders who face financial barriers to education.

The Holiday Inn Express & Suites Queenstown will undergo a repositioning to voco Queenstown in 2026 to support its long-term performance as a more premium brand. The repositioning will include upgrades to the guest rooms and back-of-house kitchen, a new outdoor dining area, and a new F&B offering.

With a team comprised of industry veterans and specialists, coupled with Pro-invest APAC's well-formed network, track-record and access to unique off-market opportunities, Pro-invest APAC is positively positioned to overcome and even leverage off the hurdles that materialised following the COVID-19 pandemic. Currently, Pro-invest APAC is managing c. A\$3 billion worth of assets through several funds, co-investments, joint ventures, and other assets that Pro-invest APAC manages.

We hope you find this newsletter insightful, and as always, we welcome your comments and feedback.

With kind regards,

Ronald Stephen Barrott FRICS,

Founder & Chairman Pro-invest Group

On behalf of Pro-invest Group

For more information about Pro-invest Group please visit:

www.proinvestgroup.com

Pro-invest APAC Flex-Living Program – Hospitality Based Urban Accommodation Model

Pro-invest Group APAC is evolving into the Australian urban accommodation market with a hospitality-led, short-stay accommodation platform designed to capture strong sector growth. The strategy focuses on amenity-activated urban accommodation solutions designed to maximise investor returns.

Through the conversion and repositioning of existing assets, Pro-invest Group will deliver properties of 100–250 rooms, targeting an overall portfolio of more than 5,000 rooms. Leveraging decades of expertise in operating, upgrading, repurposing, and redeveloping hotel and office assets globally, the firm is uniquely positioned to extract value from conversions while preserving yield during planning and preliminary works.

Located in key Australian city centres, city-fringe precincts, and high-growth suburbs, the Flex-Living properties will appeal to a wide range of guests. The Flex-Living accommodation units will typically comprise of studios, complemented by ample activated amenity spaces for guest use.

Demand for Amenity-Rich Urban Accommodation

Australia’s major cities continue to experience strong demand for centrally located, flexible accommodation, driven by population mobility, evolving travel patterns and changing stay preferences.

Flex-Living accommodation responds to demand for well-located, hospitality-led accommodation, by delivering well-located, quality studios that are designed to support seamless short-stay accommodation experiences. Designed with activated amenities and curated guest experiences, these schemes appeal to a broad range of guests seeking flexible, hospitality-led accommodation in urban locations.

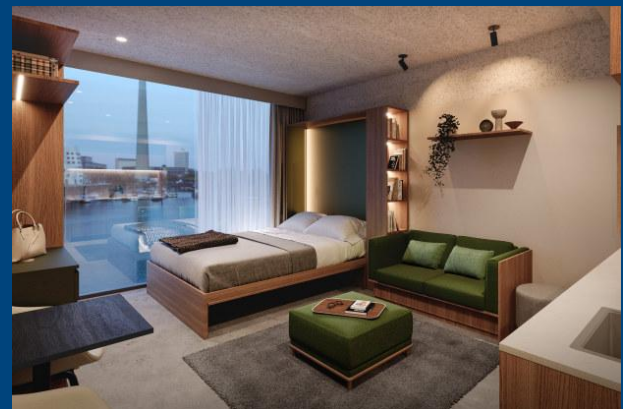
Pro-invest Group’s Approach to Urban Accommodation Solutions

Pro-invest Group will leverage its expertise in converting and repositioning assets such as hotels and secondary grade offices to deliver its Flex-Living properties to market. These properties will be strategically positioned near key employment hubs, supported by strong infrastructure pipelines and major transport nodes.

Unlike traditional accommodation formats with fixed stay requirements, Pro-invest Group’s model is designed to support flexible booking structures aligned with hotel operating principles. The Flex-Living properties will be up to 35 square metres and fully furnished. Guests will also benefit from well-curated hospitality experiences including integrated technology, guest experiences, and access to Pro-invest Group APAC’s extensive network of partners, suppliers, restaurant and bar offerings.

Additionally, sustainability initiatives will be embedded across the asset lifecycle from the design and development phase through to asset operations.

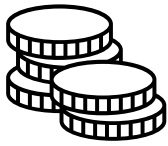
Pro-invest Group APAC, as a real estate private equity firm with a strong foundation in hospitality, is well placed to lead the growth of the urban accommodation sector in Australia.



Pro-invest Group Urban Accommodation Rendering, 2026

Q4 2025 ANZ Market Update

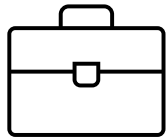
Australian Economy



SEPTEMBER QUARTER GDP GROWTH

0.4% [ABS]
(↑2.1% YoY)

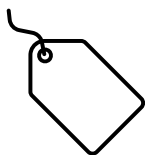
Annualised GDP growth was 2.1%, the highest since September 2023. Private investment drove quarterly growth, +2.9%, driven by data centre investments.



DECEMBER UNEMPLOYMENT RATE

4.2% [ABS]
(↑0.2% YoY)

The labour market strengthened. Seasonally adjusted unemployment rate declined to 4.1% in December 2025, from 4.4% in September 2025.



DECEMBER ANNUAL CPI

3.8% [ABS]
(↑0.2% QoQ)

Trimmed mean annual inflation, the RBA's preferred measure of inflation, was 3.3% in December. Annual inflation increased for both the CPI and Trimmed mean in December.



FEBRUARY CASH RATE

3.85% [RBA]
(↓0.50% YoY)

Within the December quarter, the RBA left rates unchanged. The most recent February monetary decision raised rates by 25bps, citing renewed inflation pressures. Following the recent rate rise, major banks broadly expect interest rates to remain unchanged through 2026.^{1,2}

¹ Westpac, AUSTRALIA & NEW ZEALAND WEEKLY, 02.2026.

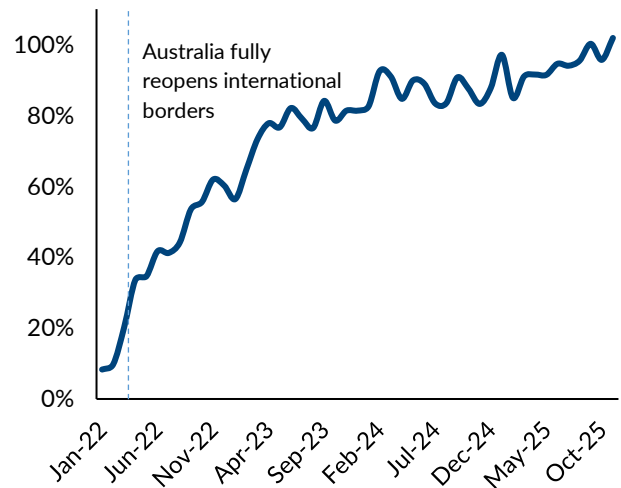
² CBA, CBA Economics, 02.2026.

Australia -Tourism Update

International Tourism

The pace of recovery to pre-COVID levels remains constrained by slower rebounds from China (73% of November 2019) and USA (91% of November 2019).

Figure 1: Monthly International Arrivals to Australia Compared to pre-COVID 2019 Levels



Source: ABS, Overseas Arrivals and Departures, 01.2026. Note: excludes Australian citizens and permanent residents.

November year-to-date, Australia has received 7.9 million inbound international travellers, which is 6% below the comparable pre-COVID year-to-date figure from 2019.³

Domestic Tourism

In October 2025, Australian domestic commercial aviation carried 6 million passengers, a 1% increase from October 2019. For the year ending October 2025 there was a 2% increase from the same period last year.⁴

³ ABS, Overseas Arrivals and Departures, 01.2026.

⁴ BITRE, Domestic aviation activity, 01.2026.

ANZ Hotel Market Performance

Australia

For the YTD December 2025 period, Australia recorded a 73% occupancy rate, a 3% increase from YTD December 2024's occupancy rate.⁵

As at year-end September 2025, total traveller expenditure reached \$189 billion, representing a 5% year-over-year increase. Growth was primarily driven by international travellers, who recorded 15% year-over-year growth. This performance remains broadly aligned with the THRIVE 2030 strategy target of achieving \$230 billion in total visitor expenditure by 2030.⁶

Figure 2: Australian Hotel KPI YTD December 2025

Market	Occ (%)	ADR (A\$)	RevPAR Change (vs YTD Dec 2024)
Australia	73%	248	7%
Sydney	81%	285	8%
Melbourne	74%	224	7%
Brisbane	76%	253	9%
Adelaide	76%	209	7%

Source: STR, ANZ Performance Update, 01.2026.

Key demand drivers for the quarter included the Oasis - Live '25 Tour (Oct 31 - Nov 7), the AC/DC - Power Up Tour (Nov 12 - Dec 8), and The Ashes (Nov 21 - Dec 30) which took place across Perth, Adelaide, Brisbane, Melbourne and Sydney.

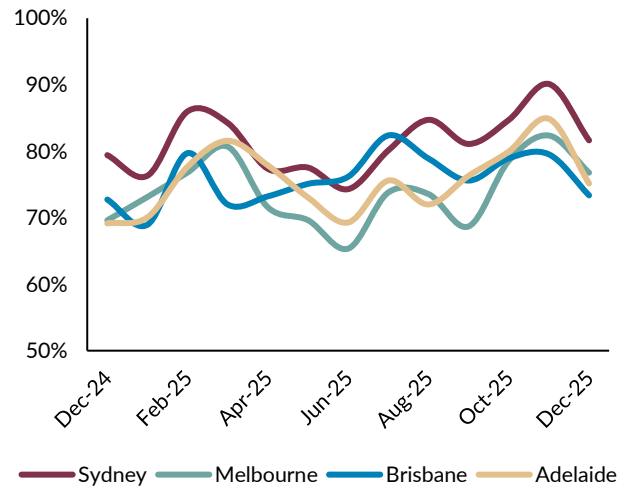
Hotel Investment Market

YTD December 2025 hotel transaction volumes totalled ~\$2.2b. JLL and Collier's both forecast transaction volumes to accelerate momentum through 2026, underpinned by a growing weight of capital, constrained supply, and robust tourism drivers. However, the recent interest rate increase in response to persistent inflation is expected to potentially dampen deals in the first half of 2026.⁷

⁵ STR, ANZ Performance Update, 01.2026.

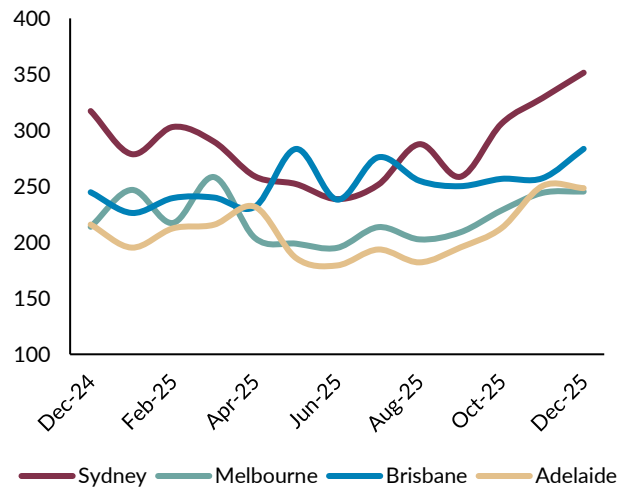
⁶ TRA, Visitor Economy Facts and Figures, Research, 12.2025.

Figure 3: Major Australian City Markets Monthly Occupancy



Source: STR, ANZ Performance Update, 01.2026.

Figure 4: Major Australian City Markets Monthly ADR

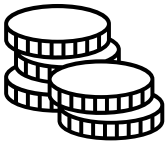


Source: STR, ANZ Performance Update, 01.2026.

⁷ Financial Review, Hotel market set to soar in 2026 as foreign cash pours in, 01.2026.

Q4 2025 NZ Market Update

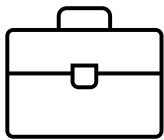
New Zealand Economy



SEPTEMBER QUARTER GDP GROWTH

1.1% [StatsNZ]
(↓0.5% YoY)

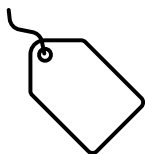
Annualised GDP growth was -0.5%, the fourth consecutive quarter of negative annualised growth. September quarter-on-quarter growth was driven by Business Services (1.6%), Manufacturing (2.2%), and Construction (1.7%).



DECEMBER UNEMPLOYMENT RATE

5.4% [StatsNZ]
(↑0.3 Percentage Points)

The underutilisation rate was 13% in the December quarter, up 0.8 percentage points year-on-year, while unemployment data remained broadly unchanged from the September quarter.



DECEMBER ANNUAL CPI

3.1% [StatsNZ]
(↑0.1% QoQ)

December Quarterly CPI was 0.6%, down from the 1.0% recorded in September. The annual CPI remains within the top edge of the RBNZ's 1% - 3% target range.



CASH RATE, NOVEMBER

2.25% [RBNZ]
(↓200bps YoY)

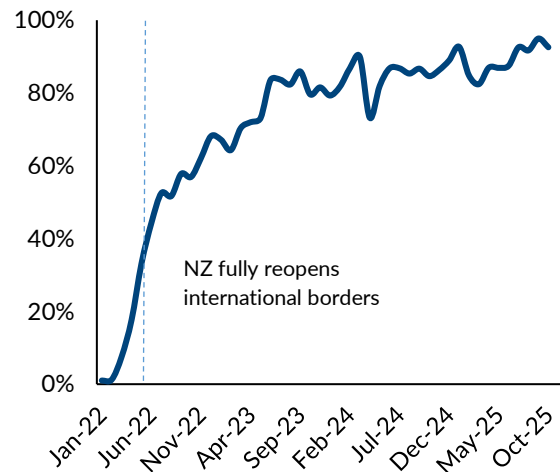
Within the Quarter, the RBNZ cut twice by 25bps in October and 25 basis points in November. Since August 2024, the official cash rate has been reduced by a cumulative 325 basis points.

New Zealand Tourism Update

International Tourism

Since reopening international borders in July 2022, New Zealand's inbound tourism recovery has slowed. In November 2025, overseas visitor arrivals reached 347,600, representing 93% of November 2019 levels.

Figure 5: Monthly International Arrivals to New Zealand Compared to pre-COVID 2019 Levels



Source: Stats NZ, International Arrivals, 01.2026. Note: excludes NZ residents.

Year to date to November, New Zealand recorded 3.0 million international arrivals, representing 89% of the same period in 2019.⁸ The remaining 11% gap to pre-pandemic levels indicates continued recovery potential for the tourism sector.

Domestic Tourism

The year ending December 2025, Auckland and Queenstown Airport recorded 10.2m domestic passengers, 9% below year ending December 2019.⁹

⁸ StatsNZ, International travel, 01.2026.

⁹ Auckland Airport, Monthly traffic updates, 01.2026.

ANZ Hotel Market Performance

New Zealand

For the YTD December 2025 period, New Zealand recorded a 68% occupancy rate, 2% above YTD December 2024's occupancy rate.¹⁰

The New Zealand government is continuing to stick to the 2-year NZ\$70m package, aimed to support securing international events and tourism. ¹¹ As of October, the International Visitor Conservation and Tourism Levy will increase to NZ\$100 from NZ\$35, a 286% increase. Tourism Industry Aotearoa, the country's independent tourism body, fears the higher fee is a barrier to visitors. ¹²

Figure 6: New Zealand Hotel KPI YTD December 2025

Market	Occ (%)	ADR (NZ\$)	RevPAR Change (vs YTD Dec 2024)
New Zealand	68%	230	3%
Auckland	67%	215	0%
Queenstown	75%	311	6%

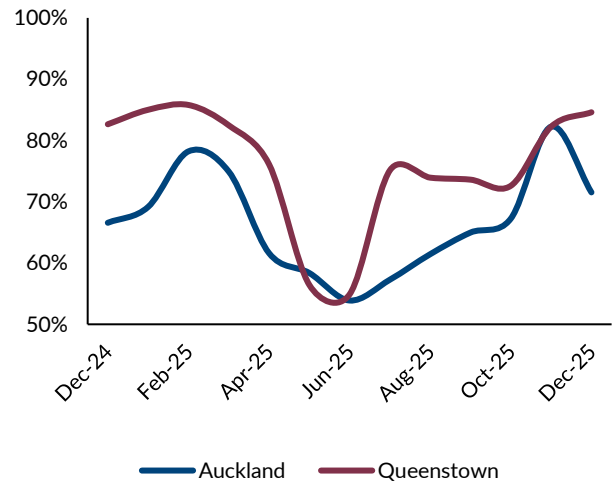
Source: STR, ANZ Performance Update, 01.2026.

Major demand drivers for the quarter were supported by a series of high-profile live entertainment events in Auckland toward the end of the period, led by Metallica on 19 November, with additional uplift from Doja Cat on 18 November and Lewis Capaldi on 2 December. Despite this, Auckland experienced market-wide rate discounting throughout the quarter, reflecting a limited broader events calendar and continued softness across both leisure and corporate demand. In Queenstown, New Year's Eve Fireworks on 31 December drove peak seasonal leisure demand, supporting strong occupancy and rate performance, underpinned by robust visitation from European and US source markets.

¹⁰ STR, ANZ Performance Update, 01.2026.

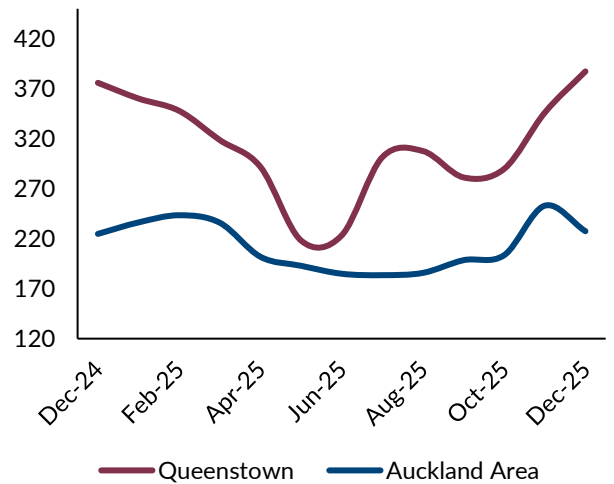
¹¹ MBIE, Major events and tourism package to boost economic activity, 09.2025.

Figure 7: Markets Monthly Occupancy



Source: STR, ANZ Performance Update, 01.2026.

Figure 8: Markets Monthly ADR



Source: STR, ANZ Performance Update, 01.2026.

Hotel Investment Market

Following the sale of the Hotel Indigo Auckland at NZ\$160 million, the QT Auckland sold in December 2025 at NZ\$87.5m at NZ\$595,000 per key. ¹³ A decline in interest rates by 50 basis points within the quarter is expected to further assist in supporting future transactional activity. ¹⁴

¹² BBC, New Zealand hikes tourist tax prompting warning, 09.2025.

¹³ CBRE, CBRE QT Auckland Sales Analysis, 01.2026.

¹⁴ Colliers, New Zealand Hotel Market Snapshot, 08.2025.

ESG Impacts & Achievements

New Zealand Hotels achieve Green Key

Pro-invest Group is proud to announce that its three New Zealand properties have successfully achieved Green Key certification, marking a significant milestone in our sustainability journey. This accomplishment follows the certification of our twelve Australian hotels and reinforces our commitment to the One Earth, Countless Experiences strategy. Green Key is a globally recognised eco-label for the hospitality industry, aligned with the Global Sustainable Tourism Council (GSTC) standards. It sets rigorous criteria across energy efficiency, water conservation, waste reduction, and responsible sourcing among several other criteria, ensuring that certified hotels lead in sustainable practices.

Pro-invest Group is the first to have Green Key certified hotels in New Zealand. This achievement reflects the robust collaboration, operational audits, and product transitions that took place to meet Green Key’s high standards. With the entire Fund I, Fund II and Fund III portfolio now third-party certified, this achievement not only strengthens our position as a responsible hospitality leader but also enhances our hotels’ appeal to environmentally conscious travellers who increasingly seek verified sustainable accommodation options.

Looking ahead, we will maintain these certifications through annual audits and continuous improvement initiatives. This success underscores our dedication to reducing environmental impact while delivering exceptional guest experiences.

RISE Program Success¹⁵

Pro-invest Group’s RISE Program – Reaching for Inclusion through Scholarships & Experiences, launched in partnership with Southern Cross University & The Hotel School Australia and Auckland University Technology continue to make a meaningful difference by supporting disadvantaged students pursuing hotel management degrees. Through equity scholarships and paid internships, RISE helps create a level playing field for future hospitality leaders.

Fundraising efforts have grown significantly year over year. In 2024, the program raised A\$18,552, enabling three students to receive scholarships valued at A\$5,000 each and commence internships across our hotel portfolio. In 2025, donations surged to A\$28,723 a 55% increase compared to the previous year, bringing the total raised since launch to A\$47,275. This growth reflects the success of initiatives such as the container rebate scheme, beverage-based contributions, and community raffles.

Looking ahead, the momentum continues. In February 2026, additional students will be selected to join the program, expanding its reach and impact. Beyond financial support, RISE fosters mentorship, career development, and long-term employment opportunities, aligning with Pro-invest Group’s commitment to social responsibility and talent development.



¹⁵ Disclosure: Funds referenced above that relate to the RISE Scholarship Fund represent amounts raised internally across our hotel portfolio. While a portion of these funds has been transferred to the

university, the remaining balance is currently held in trust and will be transferred before the end of the year.

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