

African Rainbow Capital Investments Limited  
(Incorporated in the Republic of Mauritius)  
(Company number: C148430)  
JSE share code: AIL ISIN: MU0553S00000  
("ARC Investments")

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### ABRIDGED PRE-LISTING STATEMENT

This abridged pre-listing statement ("**Abridged Pre-listing Statement**") relates to the listing of ARC Investments' Ordinary Shares in the "Financials – Speciality Finance" sector of the Main Board of the Johannesburg Stock Exchange, with effect from the commencement of trade on Thursday, 7 September 2017.

The information in this Abridged Pre-listing Statement has been extracted, in summarised form, from the full Pre-listing Statement issued by ARC Investments on Monday, 28 August 2017. **This Abridged Pre-listing Statement is not complete and does not contain all of the information that investors should consider before subscribing for Offer Shares. Prospective investors should read the Pre-listing Statement in its entirety, including the "Risk factors" section in the Pre-listing Statement, which describes certain risk factors that should be considered before making an investment decision.**

This Abridged Pre-listing Statement is not and shall not constitute an offer, or an invitation or solicitation, to the public, to acquire the Offer Shares in any jurisdiction, and is issued in compliance with the Listings Requirements for the purpose of providing information to selected persons in South Africa and other jurisdictions, with regard to ARC Investments.

Capitalised words and expressions used in this Abridged Pre-listing Statement shall, unless expressly defined herein or indicated otherwise by the context, bear the meanings given to them in the Pre-listing Statement.

#### 1. Offer particulars

The Pre-listing Statement relates to separate private placements by way of offers for subscription by ARC Investments, subject to certain conditions, to (i) selected persons in South Africa who fall within one of the specified categories listed in section 96(1)(a) of the South African Companies Act and (ii) selected persons in South Africa, acting as principal, acquiring Ordinary Shares for a total acquisition cost of R1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act and to selected persons outside the United States in reliance on Regulation S, to whom the Offer will specifically be addressed, and only by whom the Offer will be capable of acceptance, of up to 223,147,060 Ordinary Shares in ARC Investments, comprising an aggregate of up to 22.4 per cent. of the total issued Ordinary Shares of ARC Investments at Listing. There shall neither be an over-allotment of shares in terms of the Offer, nor will there be any stabilisation activity.

Concurrent with the Offer, the Cornerstone Investors have agreed to subscribe at the Offer Price on the Listing Date for 247,441,175 Ordinary Shares, in aggregate, comprising an aggregate of 24.8 per cent of the total issued Ordinary Shares of ARC Investments at Listing. The subscriptions by the Cornerstone Investors do not form part of the Offer.

The Offer Price at which the Offer Shares will be offered for subscription will be R8.50 per Offer Share. The gross proceeds from the issue of the Offer Shares and the Cornerstone Subscription Shares receivable by ARC Investments are estimated to be c. R4,000 million. The net proceeds that will be received by ARC Investments from the issue of the Offer Shares and the Cornerstone Subscription Shares are estimated to be c. R3,924 million after deducting fees and estimated expenses payable by ARC Investments, which are expected to amount to c. R76 million (including cash that will be retained by ARC Investments for reasonable foreseeable operating expenses).

Subject to certain conditions (including the JSE's minimum free float requirement, as set out in the Listings Requirements, being attained), a primary listing of all of ARC Investments' issued Ordinary Shares has been granted by the JSE in the "Financials – Speciality Finance" sector on the Main Board of the Johannesburg Stock Exchange under the abbreviated name "ARCINVEST", JSE code "AIL" and ISIN MU0553S00000 with effect from the commencement of trade on Thursday, 7 September 2017.

On the Listing Date, the share capital of ARC Investments will comprise three classes of shares, of which there shall be 997,176,470 issued, listed Ordinary Shares (assuming that the Offer Shares are fully taken up and the subscriptions by the Cornerstone Investors are fully implemented), one issued, unlisted B Share and 5,000,000,000 issued, unlisted C Shares. For further information in respect of the B Share and the C Shares, please see "*Incorporation and share capital*" in the Pre-listing Statement.

## 2. History of ARC and ARC Investments

ARC is a South African registered investment holding company that seeks to utilise its empowerment credentials, balance sheet strength, the business track record of its leadership team and its brand to invest in financial services distribution businesses, to take strategic equity stakes in underlying financial services product providers and to acquire majority or significant minority interests in non-financial services businesses.

ARC was founded in July 2015, and is a wholly-owned subsidiary of UBI. UBI was created in 2003 with the initial main purpose of building a broad-based Black-controlled investment entity as Sanlam's empowerment partner. In addition, the vision of UBI from the outset was to make a difference in the lives of ordinary South Africans by being a premier broad-based Black-owned and Black-controlled financial services group in South Africa.

ARC Investments was registered and incorporated in Mauritius as a private company on 30 June 2017 under the Mauritian Companies Act, and was converted to a public company on 2 August 2017. ARC Investments is managed in Mauritius and holds a Category One Global Business Licence issued by the FSC.

The main purposes of the establishment and proposed listing of ARC Investments are to:

- create a broad-based Black-controlled capital raising and investment vehicle of significant scale with a diversified indirectly held portfolio of investments;
- enable public-market investors to invest in ARC Investments and obtain an indirect exposure to a diversified pool of listed and unlisted B-BBEE assets through a listed investment vehicle; and
- enable ARC Investments to access capital markets, if required, to fund future expansion.

## 3. Initial Portfolio Transfer

The ARC Fund is an *en commandite* partnership established in South Africa, in which ARC Investments will hold 99.95 per cent. of the Partnership Interest, and 100 per cent. of the Limited Partnership Interest.

Prior to the Listing, the Initial Portfolio Interests will be transferred to the ARC Fund as a capital contribution at an Intrinsic Value of c. R4,476 million as part of the Initial Portfolio Transfer.

The rationale for the Initial Portfolio Transfer is to seed the ARC Fund, with the Initial Portfolio Interests, the Funding Arrangements, the Portfolio Agreements and the Unimplemented Agreements. By virtue of the Initial Portfolio Transfer, upon Listing, Shareholders will have immediate exposure to ARC's established portfolio of investments.

In the financial services sector, on implementation of the Initial Portfolio Transfer, the ARC Fund's sole investment will be its 49.9 per cent. interest in FinHoldCo, an investment holding company mostly comprising equity stakes in businesses in the financial services sector. ARC will continue to hold the other 50.1 per cent. interest in FinHoldCo.

In the non-financial services sector, the ARC Fund will generally hold its interests directly in the relevant Portfolio Companies although these interests may in some cases be held through intermediate companies.

As set out under "Use of proceeds" in the Pre-listing Statement, if the Offer Shares are fully taken up and the subscriptions by the Cornerstone Investors are fully implemented, immediately after the Listing, ARC Investments will contribute to the ARC Fund c. R3,924 million in cash as a further capital contribution to the ARC Fund, using the net proceeds from the issue of the Offer Shares and the Cornerstone Subscription Shares.

As at the Last Practicable Date, the ARC Fund intends to use c. R1.5 billion of the capital contribution which ARC Investments will make to the ARC Fund, to acquire additional Portfolio Interests in accordance with the Unimplemented Agreements (including, acquiring additional shares in Rain for c. R1.05 billion).

## 4. Material Initial Portfolio Interests

The table below sets out an analysis of the material Initial Portfolio Interests, which include the 10 largest investments that will be transferred to the ARC Fund pursuant to the Initial Portfolio Transfer.

Initial Portfolio Company	Unlisted /listed	Sector	ARC Fund's effective interest (percentage)	Acquisition cost by ARC (Rand million)	Intrinsic Value (Rand million)	Intrinsic Value excluding discounts marketability and minority	Percentage of Intrinsic Value of the Initial Portfolio Companies
<b>Financial services</b>							
Alexander Forbes Limited	Unlisted		4.99	375	288	377	5%

Alexander Forbes Group Holdings	Listed		1.45	130	127	127	2%
ooba	Unlisted		14.76	97	97	117	2%
ARC Health - Afrocentric <sup>(i)</sup>	Listed		2.93	104	83	98	2%
Colourfield	Unlisted		13.72	81	66	95	1%
Indwe Broker Holdings	Unlisted		25.45	90	41	46	1%
Other financial services			-	265	265	265	5%
<b>Total financial services</b>			-	-	<b>1,141</b>	<b>967</b>	<b>17%</b>
<b>Non-financial services</b>							
Rain	Unlisted	Telecommunication	20	1,708	1,708	1,708	31%
Afrimat	Listed	Building and Construction	18.4	506	656	772	12%
Elandsfontein	Unlisted	Agriculture and food production	25	350	423	489	8%
EOH	Listed	Information technology	1.7	359	314	314	6%
BKB	Unlisted	Agriculture and food production	20	219	220	314	4%
Acorn Agri	Unlisted	Agriculture and food production	15	212	212	212	4%
Afrigem - Payprop <sup>(ii)</sup>	Unlisted	Information technology	46.4	133	146	175	3%
Val de Vie Investments	Unlisted	Real estate	20	168	142	196	3%
Humanstate	Unlisted	Information technology	10	139	139	139	3%
Other non-financial services				602	602	602	11%
<b>Total non-financial services</b>				<b>4,395</b>	<b>4,561</b>	<b>4,921</b>	<b>83%</b>
<b>Total financial and non-financial services</b>				<b>5,535</b>	<b>5,528</b>	<b>6,044</b>	
Less Investment in Rain to be funded from proceeds from Subscription				-1,052	-1,052	-1,052	
<b>Value of Initial Portfolio Interests</b>				<b>4,483</b>	<b>4,476</b>	<b>4,992</b>	

**Notes:**

- (i) This valuation relates to Afrocentric only, which is held by FinHoldCo through ARC Health.
- (ii) This valuation relates to PayProp only, which is held by the ARC Fund through Afrigem. ARC, through Afrigem, owns 46.4 per cent. of PayProp.

For further information on the asset valuations in relation to the ARC Fund, see Annexure A and Annexure B of the Pre-listing Statement.

**5. Directors' valuation of the Initial Portfolio Interests**

The table below sets out the directors' valuation of the Invested NAV and Invested NAV per Ordinary Share based on the Intrinsic Value of the Initial Portfolio Interests on the Listing Date, prior to the issue of the Cornerstone Subscription Shares and the Offer Shares and the costs attributable to the Initial Portfolio:

R million	Intrinsic Value
<b>Equity and shareholder loan investments</b>	4,476
.....	
<b>Cash</b>	-
.....	
<b>Liabilities</b>	-
.....	
<b>Invested NAV</b>	4,476
.....	
Issued Ordinary Shares (in 000's) <sup>(i)</sup>	526,588
.....	
<b>Invested NAV per Ordinary Share (Rand)</b>	8.50
.....	

**Note:**

- (i) To be issued pursuant to the Initial Portfolio Transfer and excluding the issue of Offer Shares and Cornerstone Subscription Shares.

## 6. Key strengths of ARC Investments

ARC Investments' investment proposition is based on:

- the unique opportunity to invest into a liquid listed vehicle that provides access to indirectly held unlisted investment opportunities typically unavailable to investors;
- its ability to benefit from the full range of credentials of ARC, ARC Investments, UBI, FinHoldCo and the General Partner, including B-BBEE credentials, the comprehensive experience and strong reputation of the members of the ARC investment team as well as the investment committee and the investment advisory committee of the General Partner, and the benefits of the ARC brand;
- the ARC Fund's ability to leverage off its own, ARC's and ARC Investments' B-BBEE credentials when making investments to negotiate an upfront discount to full market value based on its value contribution;
- ARC's demonstrable track record of deal execution having invested c. R5.4 billion in acquiring ARC's interests in the Initial Portfolio Companies since ARC was created in July 2015;
- providing indirect access to a diversified pool of investments in companies across various industries; and
- the structural efficiency of ARC Investments managing and conducting its business operations in Mauritius given the business-friendly environment, the spread of tax treaties that Mauritius has with many, but not all, of the jurisdictions that ARC Investments is expected to invest in and its acceptance among global investors as an investment jurisdiction as at the date of the Pre-listing Statement.

## 7. Investment management structure

The ARC Fund will be managed by the General Partner. The General Partner is 100 per cent. owned and controlled by UBI and accordingly is a Black-owned and controlled company.

All the investment decisions of the ARC Fund will be taken by the General Partner through its investment committee or, subject to the terms of any delegations in place, its investment advisory committee. The ARC Fund's relationship with the General Partner is governed by the Partnership Agreement. The General Partner has, in turn, entered into the Investment Services Agreement with ARC, in terms of which ARC will assist the General Partner to source investment opportunities for the ARC Fund and provide certain administrative and back office support to the General Partner. ARC Investments, as the Limited Partner, will be a passive investor in the ARC Fund and it will play no role in the management or investment decisions of the ARC Fund.

For further information on the Partnership Agreement, see "*Material Contracts*" and the Investment Services Agreement, see "*Investment Services Agreement*" in the Pre-listing Statement.

## 8. **ARC Fund strategy**

By investing in a broad range of sectors and through a variety of types of listed and unlisted equity and financial instruments, the ARC Fund will generally seek to gain exposure to growth and early-maturity stage businesses in which management teams are appropriately incentivised. The ARC Fund will generally seek to acquire significant minority equity interests (but may in certain cases seek to acquire majority interests, or less significant minority interests) in established and start-up businesses that meet one or more of the following attributes:

- experienced, qualified and capable management;
- a demonstrable track record;
- strong cash flow generation;
- solid growth prospects;
- established market position;
- businesses with the opportunity to consolidate their respective markets and/or existing businesses within the ARC Fund portfolio; and/or
- businesses whose commercial prospects can be enhanced by having strong B-BBEE credentials.

Where the ARC Fund holds majority or significant minority stakes in Portfolio Companies, the ARC Fund will where appropriate seek to provide broad strategic guidance to such companies. This will generally be provided through participation on their boards of directors.

The ARC Fund has the flexibility to participate in opportunistic investments as and when they arise.

The ARC Fund will focus on transactions in South Africa and other select countries in Africa. The ARC Fund may, however, invest in Portfolio Companies with interests and/or operations elsewhere in the world.

The ARC Fund may be geared, as appropriate, in order to meet its investment strategy.

The ARC Fund is evergreen and does not have a target size.

## 9. **ARC Investments' objectives**

ARC Investments' medium to long-term objective is to grow its NAV by at least 16 per cent. per annum, risk adjusted, gross of dividend distributions, any management fees paid to the general partner of the ARC Fund and any performance participation. Each investment opportunity will be expected to exceed this minimum risk-adjusted return hurdle on a stand-alone basis (i.e., without taking into account potential synergy benefits that can be derived from being part of a diversified portfolio). The return threshold applicable to start-ups may be significantly higher than the 16 per cent. per annum hurdle, reflecting the higher risks attaching to such ventures relative to established businesses.

## 10. **Management Fees**

In consideration for the General Partner's obligation to maintain the ARC Fund's B-BBEE credentials, its ability to benefit from the UBI brand and management responsibility for the ARC Fund in terms of the Partnership Agreement, a Fund Management Fee of:

- (i) where the Opening Invested NAV is below R10 billion, 1.75 per cent. per annum on the average of the Opening Invested NAV and Closing Invested NAV of that Quarter;
- (ii) where the Opening Invested NAV is between R10 billion and R15 billion, the higher of the amount determined in terms of (i) and 1.5 per cent. per annum on the average of the Opening Invested NAV and Closing Invested NAV of that Quarter;
- (iii) where the Opening Invested NAV is above R15 billion, 1.25 per cent. per annum on the average of the Opening Invested NAV and Closing Invested NAV of that Quarter,

will be drawn down from the ARC Fund. The Invested NAV will be adjusted for investments and realisations during the quarter.

The Fund Management Fee will be calculated by the General Partner and paid quarterly by the ARC Fund to the General Partner.

With regard to Cash Management Investments made by the ARC Fund, in consideration for the management of such Investments by the General Partner in terms of the Partnership Agreement, a Cash Management Fee of

0.25 per cent. per annum on the average of the opening and closing balance of each Cash Management Investment will be drawn down from the ARC Fund. The Cash Management Fee will be calculated and paid quarterly by the ARC Fund to the General Partner.

For further information on the Fund Management Fee and Cash Management Fee, see "*Fund Management Fee and Cash Management Fee*" in the Pre-listing Statement.

#### 11. Performance Participation

The Performance Participation will be calculated annually based on the Growth in Invested NAV, subject to the Growth in Invested NAV% exceeding the Performance Hurdle (10 per cent. per annum) and the Invested NAV at the beginning of the measurement period not being less than the previous highest Invested NAV.

Subject to the above, the number of C Shares that will automatically convert into Ordinary Shares will be determined by dividing the Performance Participation for the relevant annual measurement period by the Invested NAV plus cash per Ordinary Share at the end of that measurement period.

A worked example of the calculation of Performance Participation is set out in Annexure J of the Pre-listing Statement.

For further information on Performance Participation, see "*Performance Participation*" in the Pre-listing Statement.

#### 12. Directors

The details of the Directors are set out below:

<u>Name, age and nationality</u>	<u>Business address</u>	<u>Occupation/ function</u>
Mark Cyril Olivier, 48, United Kingdom .....	Level 3, Alexander House 35 Cybercity Ebène 72201 Mauritius	Independent non-executive Director (Chairperson)
Deans Tommy Lo Seen Chong, 58, Mauritian .....	Level 3, Alexander House 35 Cybercity Ebène 72201 Mauritius	Independent non-executive Director
Yan Chong Ng Cheng Hin, 42, Mauritian .....	Level 3, Alexander House 35 Cybercity Ebène 72201 Mauritius	Independent non-executive Director (alternate to Deans Tommy Lo Seen Chong)
Sipho Abednego Nkosi, 63, South African .....	Level 3, Alexander House 35 Cybercity Ebène 72201 Mauritius	Independent non-executive Director
Clive Msipha, 35, Zimbabwean .....	Level 3, Alexander House 35 Cybercity Ebène 72201 Mauritius	Independent non-executive Director
Bridget Ntombenhle Radebe, 37, South African .....	Level 3, Alexander House 35 Cybercity Ebène 72201 Mauritius	Non-executive Director

#### 13. Salient dates and times

		<b>2017</b>
Opening time and date of the Offer: .....	09h00 on	Monday, 28 August
Publication of the Pre-listing Statement: ..... .....		Monday, 28 August

Expected last time and date for indications of interest for purposes of the bookbuild:	12h00 on	Monday, 4 September
.....		
Successful applicants advised of allocations:		Monday, 4 September
Final number of Offer Shares released on SENS:		Tuesday, 5 September
.....		
Final number of Offer Shares published in the press:		Wednesday, 6 September
.....		
Expected Settlement Date and Listing Date on the Johannesburg Stock Exchange:		Thursday, 7 September
.....		

**Notes:**

Any change will be released on SENS and published in the South African press.

All references to time in this Abridged Pre-listing Statement are to South African Standard Time (SAST or GMT+2).

**14. Copies of the Pre-listing Statement**

The Pre-listing Statement is only available in English and copies thereof may be obtained by persons invited to participate in the Offer during normal business hours from Monday, 28 August 2017 until Monday, 4 September 2017 from ARC, ARC Investments and Rand Merchant Bank at their respective physical addresses which appear below:

**ARC:**

1<sup>st</sup> Floor, Marsh Building  
Cnr Fredman Drive and Fifth  
Street  
Sandton 2196  
Johannesburg  
South Africa

**ARC Investments:**

Level 3, Alexander House  
35 Cybercity  
Ebène 72201  
Mauritius

**Rand Merchant Bank:**

1 Merchant Place  
Cnr Rivonia Road and Fredman Drive  
Sandton 2196  
Johannesburg  
South Africa

The Pre-listing Statement will also be available on ARC Investments' website at [www.arci.mu](http://www.arci.mu).

Ebène, Mauritius (with simultaneous circulation in Johannesburg)

28 August 2017

**Financial adviser, bookrunner and JSE sponsor**

Rand Merchant Bank, a division of FirstRand Bank Limited

**Legal advisers**

Webber Wentzel, legal and tax adviser to ARC Investments as to South African law

Linklaters LLP, legal adviser to ARC Investments as to English and US law

BLC Robert & Associates, legal and tax adviser to ARC Investments as to Mauritian law

DLA Piper South Africa Services Proprietary Limited, legal adviser to Rand Merchant Bank as to South African law

**Independent reporting accountant**

PricewaterhouseCoopers Inc.

## DISCLAIMER

The distribution of this Abridged Pre-listing Statement and the Pre-listing Statement and the Offer in certain jurisdictions may be restricted by law. No action has been or will be taken by ARC, ARC Investments or Rand Merchant Bank to permit a public offering of the Offer Shares in any jurisdiction. No action has been, or will be, taken to permit the possession or distribution of this Abridged Pre-listing Statement and the Pre-listing Statement (or any other offering or publicity materials or application form(s) relating to the Offer Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Abridged Pre-listing Statement, the Pre-listing Statement, any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Abridged Pre-listing Statement and the Pre-listing Statement comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws or regulations of certain jurisdictions. Further information with regard to the restrictions on the distribution of this Abridged Pre-listing Statement and the Pre-listing Statement and the Offer is set out in "Selling and Transfer Restrictions" in the Pre-listing Statement.

The distribution of this Abridged Pre-listing Statement and the Pre-listing Statement and the making of the Offer may be restricted by law. It is the responsibility of any person into whose possession this Abridged Pre-listing Statement and the Pre-listing Statement comes to inform themselves about, and observe, any such restrictions. Any failure to comply with any of those restrictions may constitute a violation of the applicable laws or regulations of certain jurisdictions. The Pre-listing Statement does not constitute an offer of, or an invitation to acquire or subscribe for, any of the Offer Shares in any jurisdiction in which such offer, subscription or purchase would be unlawful or require further action for such purpose.

In South Africa, the Offer will only be made by way of separate private placements to (i) selected persons falling within one of the specified categories listed in section 96(1)(a) of the South African Companies Act and (ii) selected persons, acting as principal, acquiring Ordinary Shares for a total acquisition cost of R1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act, and to whom the Offer will specifically be addressed, and only by whom the Offer will be capable of acceptance, and this Abridged Pre-listing Statement and the Pre-listing Statement are only being made available to such South African Qualifying Investors. The Offer and the relevant information that pertains to such Offer in respect of each class of South African Qualifying Investor is combined in the Pre-listing Statement for the sake of convenience only. Accordingly: (i) the Offer is not an offer to the public as contemplated in the South African Companies Act; (ii) this Abridged Pre-listing Statement and the Pre-listing Statement do not, nor do they intend to, constitute a "registered prospectus", as contemplated by the South African Companies Act; and (iii) no prospectus has been filed with the CIPC in respect of the Offer. As a result, this Abridged Pre-listing Statement and the Pre-listing Statement do not comply with the substance and form requirements for a prospectus set out in the South African Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the CIPC, or any other South African authority. FinSurv and the JSE have approved the Pre-listing Statement.

The information contained in this Abridged Pre-listing Statement and the Pre-listing Statement constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended ("**FAIS Act**") and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Offer Shares or in relation to the business or future investments of ARC Investments or the ARC Fund is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing in this Abridged Pre-listing Statement and the Pre-listing Statement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. ARC Investments is not a financial services provider licensed as such under the FAIS Act.

This Abridged Pre-listing Statement and the Pre-listing Statement are only being distributed to and is only directed at: (i) persons who are outside the United Kingdom; or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended ("**Order**"); or (iii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iv) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to purchase or otherwise acquire such Offer Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Abridged Pre-listing Statement and the Pre-listing Statement or any of its contents.

The Offer Shares have not been and will not be registered under the US Securities Act or under any securities law or regulation of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S).

The Offer Shares are being offered and sold outside of the United States in reliance on Regulation S.

Neither this Abridged Pre-listing Statement, the Pre-listing Statement nor any other information contained in them relating to the Offer may be treated as a prospectus for the purpose of the Mauritian Securities Act 2005 or be released or issued to the public in Mauritius or be used in connection with any offer to the public in Mauritius. Moreover, this Abridged Pre-listing Statement and the Pre-listing Statement do not constitute an offer made to the public in Mauritius to subscribe for, or purchase, the Offer Shares. Any Offer will only be made (i) to sophisticated investors as described under the Mauritian Securities Act 2005, or (ii) by way of private placement to persons to whom the Offer is addressed and who make an investment of a total cost of subscription of no less than ZAR1,000,000 for their own account.

In any member state of the European Economic Area (which includes the European Union, Iceland, Norway and Liechtenstein) that has implemented the EU Prospectus Directive (each, a "**Relevant Member State**"), this communication



is only addressed to and is only directed at qualified investors in that Relevant Member State within the meaning of the EU Prospectus Directive.

This Abridged Pre-listing Statement and the Pre-listing Statement contains statements about ARC, ARC Investments, the ARC Fund, the General Partner and/or the Initial Portfolio Companies that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industries in which ARC Investments, through the ARC Fund, may invest; cash costs; operating results, investment prospects, results and performance, return on investment, realisations, valuations; growth prospects and outlook for investments or funds, individually or in the aggregate; liquidity, capital resources and expenditure; and the outcome and consequences of any investment strategy. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate or investment strategy (including proposed investments), future or expected returns, future realisations, and other economic factors, such as, among other things, interest and exchange rates. The forward-looking statements contained in this Abridged Pre-listing Statement and the Pre-listing Statement, include statements relating to the ARC Fund Investment to be made by ARC Investments and statements regarding the business objectives and strategies of the underlying Portfolio Companies.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. ARC Investments cautions that forward-looking statements are not guarantees of future performance. Actual results, returns, financial and operating conditions, liquidity and the developments within the industries in which ARC Investments, through the ARC Fund, may invest may differ materially from those made in, or suggested by, the forward-looking statements contained in this Abridged Pre-listing Statement and the Pre-listing Statement.

All these forward-looking statements are based on estimates and assumptions, all of which estimates and assumptions, although ARC Investments may believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to ARC Investments, or not currently considered material) could cause the actual results, returns, performance or achievements of ARC Investments to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions including the factors set out in "*Risk factors*" in the Pre-listing Statement.

Investors should keep in mind that any forward-looking statement made in this Abridged Pre-listing Statement and the Pre-listing Statement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of ARC Investments, or other matters to which such forward-looking statements relate, not to develop as expected may emerge from time to time, and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results or matters to differ materially from those contained in any forward-looking statement are not known. ARC Investments has no duty, and does not intend, to update or revise the forward-looking statements contained in this Abridged Pre-listing Statement and the Pre-listing Statement after the Last Practicable Date, except as may be required by law.

In considering any performance data contained in this Abridged Pre-listing Statement and the Pre-listing Statement, it should be borne in mind that past or targeted performance is not indicative of future results, and there can be no assurance that the ARC Fund will achieve comparable results or that target returns will be met. In addition, there can be no assurance that unrealised investments will be realised at the valuations shown as actual. Realised returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations contained in this Abridged Pre-listing Statement and the Pre-listing Statement are based.

No representation or warranty, express or implied, is made by any person other than ARC Investments as to the accuracy, completeness or verification of the information set out in this Abridged Pre-listing Statement and the Pre-listing Statement, and nothing contained in this Abridged Pre-listing Statement and the Pre-listing Statement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. No person other than ARC Investments assumes responsibility for this Abridged Pre-listing Statement's and the Pre-listing Statement's accuracy, completeness or verification and all other persons accordingly disclaim, to the fullest extent permitted by applicable laws and regulations, any and all liability whether arising in delict, tort, contract or otherwise that they might otherwise be found to have in respect of this document or any such statement.

Rand Merchant Bank is acting exclusively for ARC Investments and no one else in connection with the Offer. It will not regard any other person (whether or not a recipient of this document) as its client in relation to the Offer and will not be responsible to anyone other than ARC Investments for providing the protections afforded to its clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in this Abridged Pre-listing Statement and the Pre-listing Statement.

In connection with the Offer, Rand Merchant Bank and any of its affiliates, acting as an investor for its own account, may take up Ordinary Shares in the Offer and in that capacity may retain, purchase or sell for its own account such securities and any Ordinary Shares or related investments and may offer or sell such Ordinary Shares or other investments otherwise

than in connection with the Offer. Accordingly, references in this Abridged Pre-listing Statement and the Pre-listing Statement to Ordinary Shares being offered or placed should be read as including any offering or placement of Ordinary Shares to Rand Merchant Bank or any of its affiliates acting in such capacity. In addition, Rand Merchant Bank or its affiliates may enter into financing arrangements (including swaps) with investors in connection with which Rand Merchant Bank or its affiliates may from time to time acquire, hold or dispose of Ordinary Shares. Rand Merchant Bank does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.