



2025 INTERIM FINANCIAL RESULTS

18 March 2025

PRESENTERS



Johan van der Merwe
ARC co-CEO



Refiloe Nkadimeng
ARC & UBI CFO



Johan van Zyl
ARC co-CEO, UBI CEO

PRESENTATION OUTLINE

HIGHLIGHTS

- 01** PORTFOLIO STRUCTURE
- 02** OPERATING ENVIRONMENT
- 03** PORTFOLIO STRATEGY
- 04** FINANCIAL REVIEW
- 05** PORTFOLIO REVIEW
- 06** MAJOR POST REPORTING PERIOD EVENTS
- 07** OUTLOOK

IN BRIEF: HIGHLIGHTS (1)

Meaningful reduction in the discount to NAV at which the share price is trading

FINANCIAL

Intrinsic net asset value (INAV)

- ↑ 4.1% to R19 385 million

Intrinsic net asset value (INAV) per share

- ↑ 3.2% to R12.78

R698 million of additional investments

Net revaluations of R840 million

- 32% relates to share price performance in ARC Investments & 42% from ARC FSH

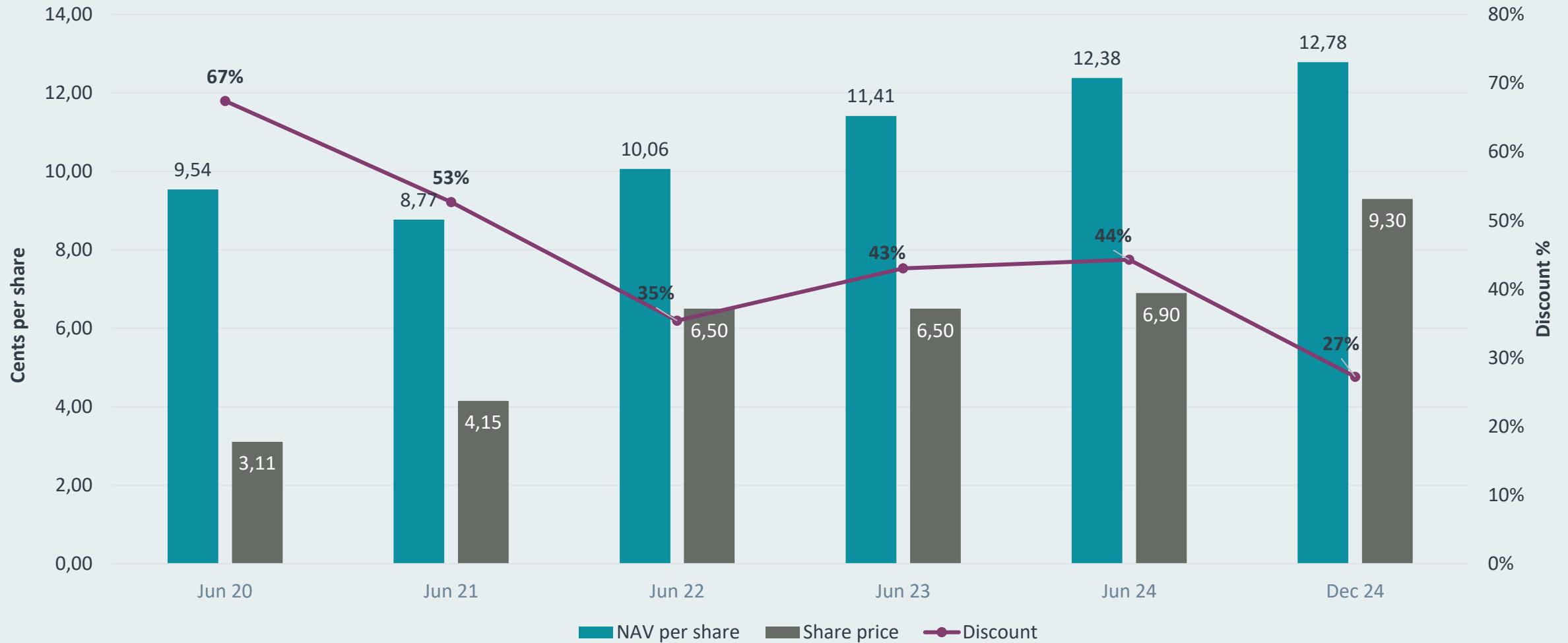
Return of capital by ARC FSH of R798 million and sale of Tyme Group asset by the ARC Fund to ARC FSH

Sanlam FSH transaction

Debt reduced to R1 639 million (FY 24: R1 725 million)

Cash increased to R575 million (FY 24: R163 million)

DISCOUNT TO NET ASSET VALUE PROGRESSION



IN BRIEF: HIGHLIGHTS (2)

PORTFOLIO

A maturing portfolio with only 1% of the portfolio being classified as businesses in startup phase

Portfolio pivot towards high-growth technological innovation

- High-growth businesses contribute 63% of the portfolio
- **Rain** - strong performance of RainOne and Rain mobile offerings
- **TymeBank** – Increasing transactions from 10.7 million customers
- **Tyme Global** – 5 million GOtyme customers in 2 years; Vietnam launch on track
- **Linebooker** - large industry-leading customers onboarded; impressive growth in revenue and profit

Other notable developments

- **Alexforbes** – strong share price performance on the back of solid results and positive outlook
- **Acorn Agri** – right-sizing the portfolio and driving exits

IN BRIEF: HIGHLIGHTS (3)

PORTFOLIO

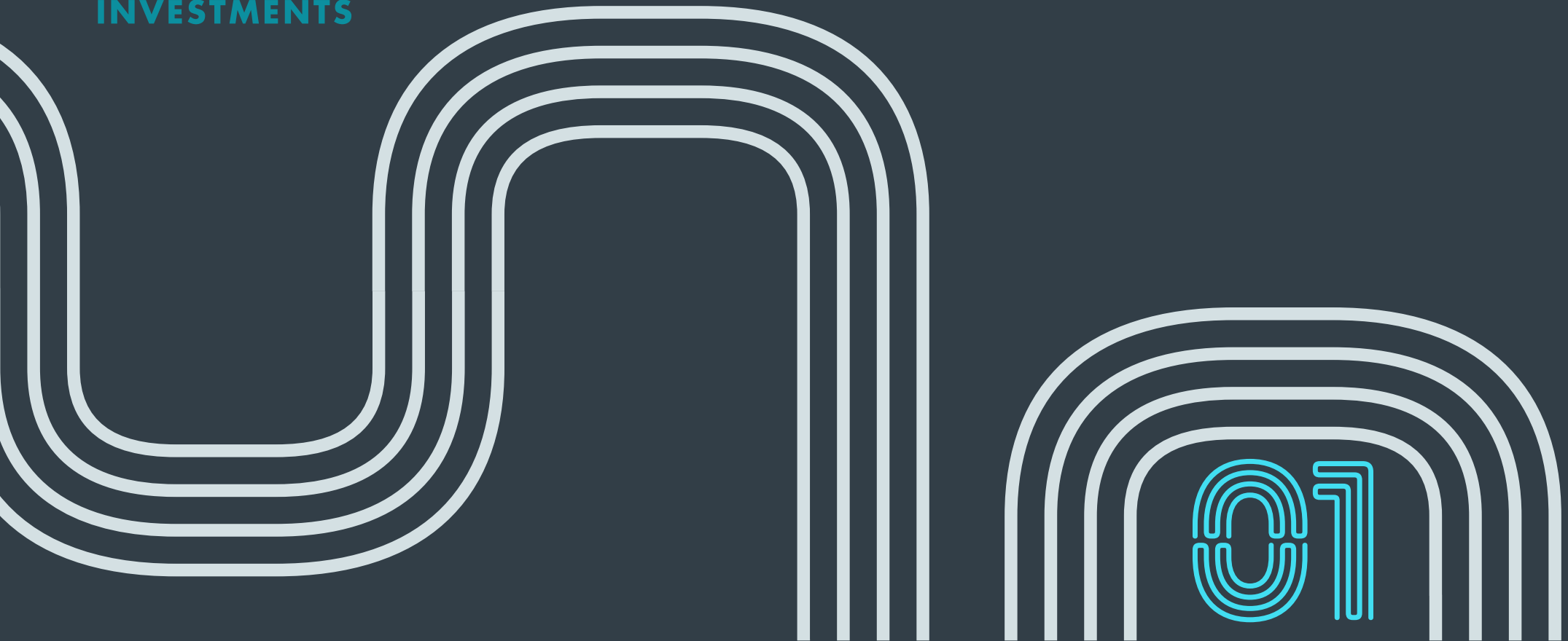
Collaboration within the financial services ecosystem

Transactions with Sanlam

- Sanlam Life subscribing for ordinary shares in ARC FSH for a cash consideration of R2.4 billion
- Sanlam Life disposing of its 25% interest in ARC FSI to ARC FSH, in exchange for ARC FSH shares (valued at R1.49 billion)



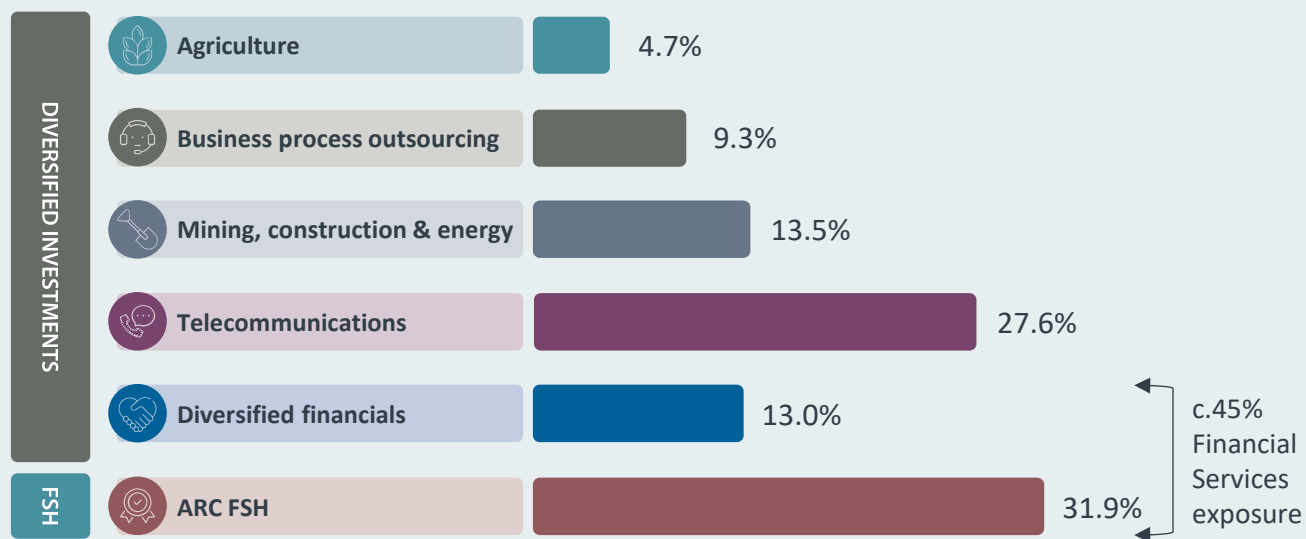
PORTFOLIO STRUCTURE



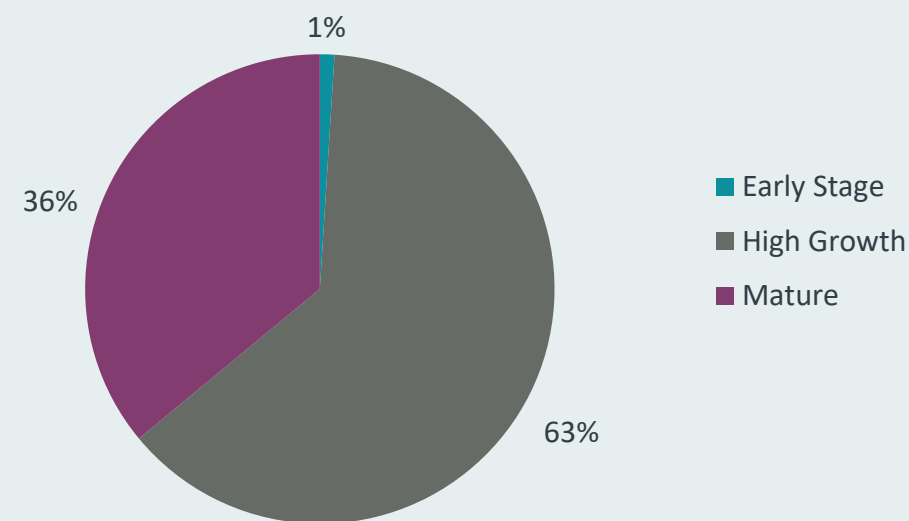
A FOCUSED PORTFOLIO STRUCTURE

- 86.5% of the portfolio concentrated across 10 investments
- 86% of the portfolio consists of quality unlisted companies, unobtainable elsewhere in the market
- A strong focus on Financial Services
- Diversified investments portfolio narrowly targeting 5 sectors
- A combination of mature, high-growth, and early-stage investments
- Value creation through scaling businesses, expanding ecosystems and client pools, and fostering increased collaboration

Sectoral contribution (update)



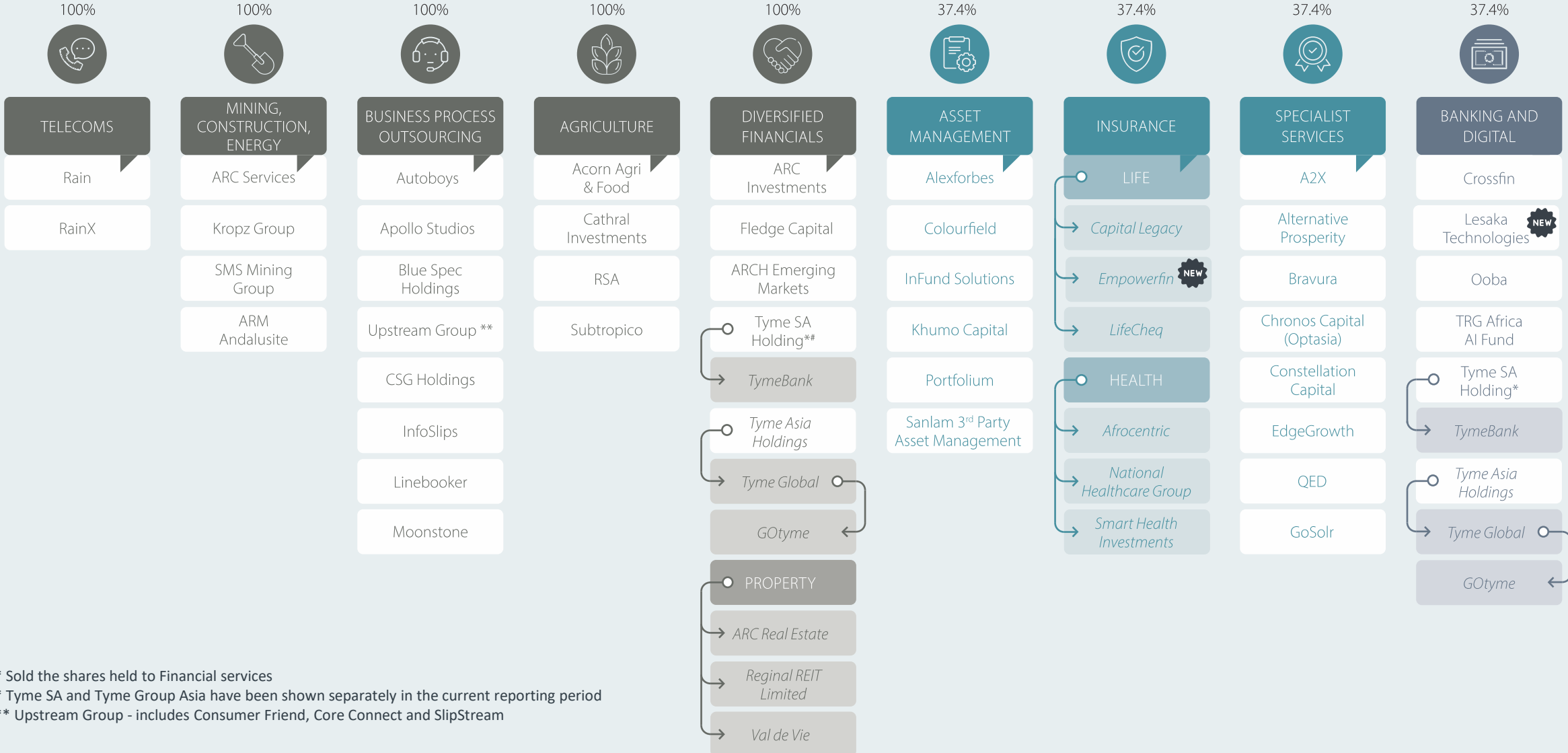
Portfolio business stage analysis by fair value



PORTFOLIO OVERVIEW

DIVERSIFIED INVESTMENTS

FINANCIAL SERVICES

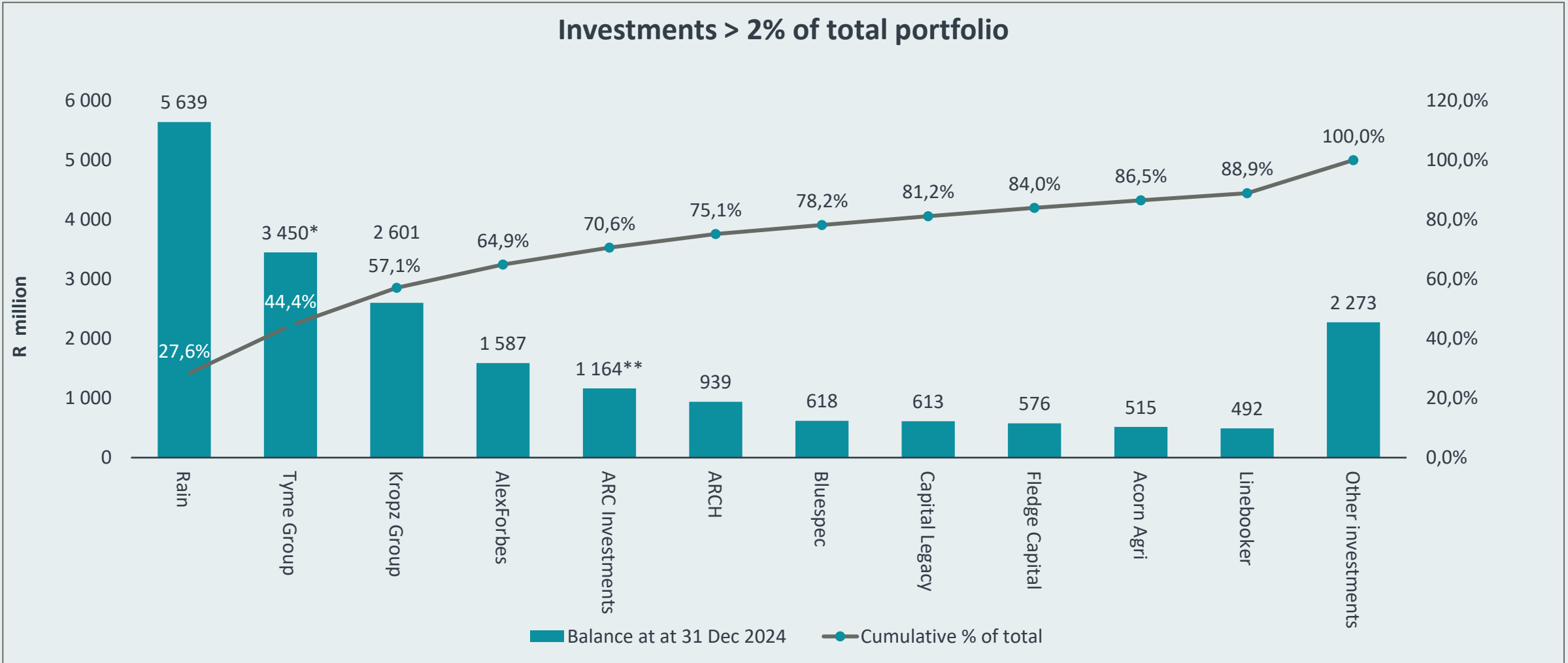


* Sold the shares held to Financial services
 * Tyme SA and Tyme Group Asia have been shown separately in the current reporting period
 ** Upstream Group - includes Consumer Friend, Core Connect and SlipStream

TOP INVESTMENTS IN THE ARC FUND



Investments > 2% of total portfolio



* Indirect holding (ARC FSH)

** Direct holding R1 054 million; Indirect holding R110 million



OPERATING ENVIRONMENT



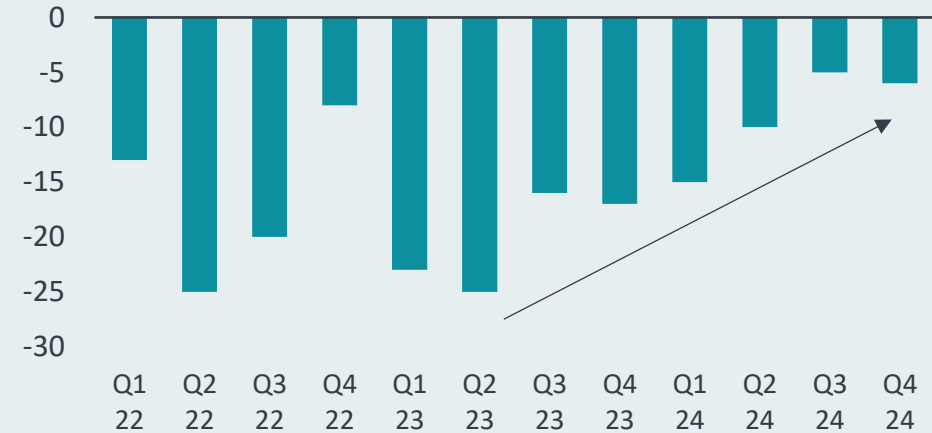
GREEN SHOOTS EMERGING BUT FRAGILE

ARCI's diverse portfolio showed remarkable resilience

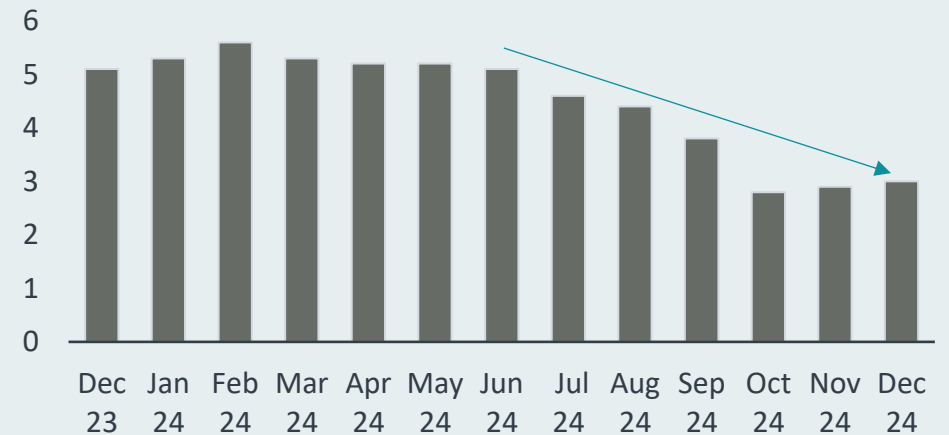


- Improved macroeconomic outlook reflecting early stages of recovery

Improving consumer confidence (BER index)



Consumer Inflation easing %



- Challenging trading conditions for some portfolio companies, exposed to high interest and unemployment rates, declining consumer spending, the uncertain implementation and impact of GNU policies, and volatile foreign exchange rates



PORTFOLIO STRATEGY

03

INVESTMENT STRATEGY

The ARC Fund's strategic focus remained largely consistent:

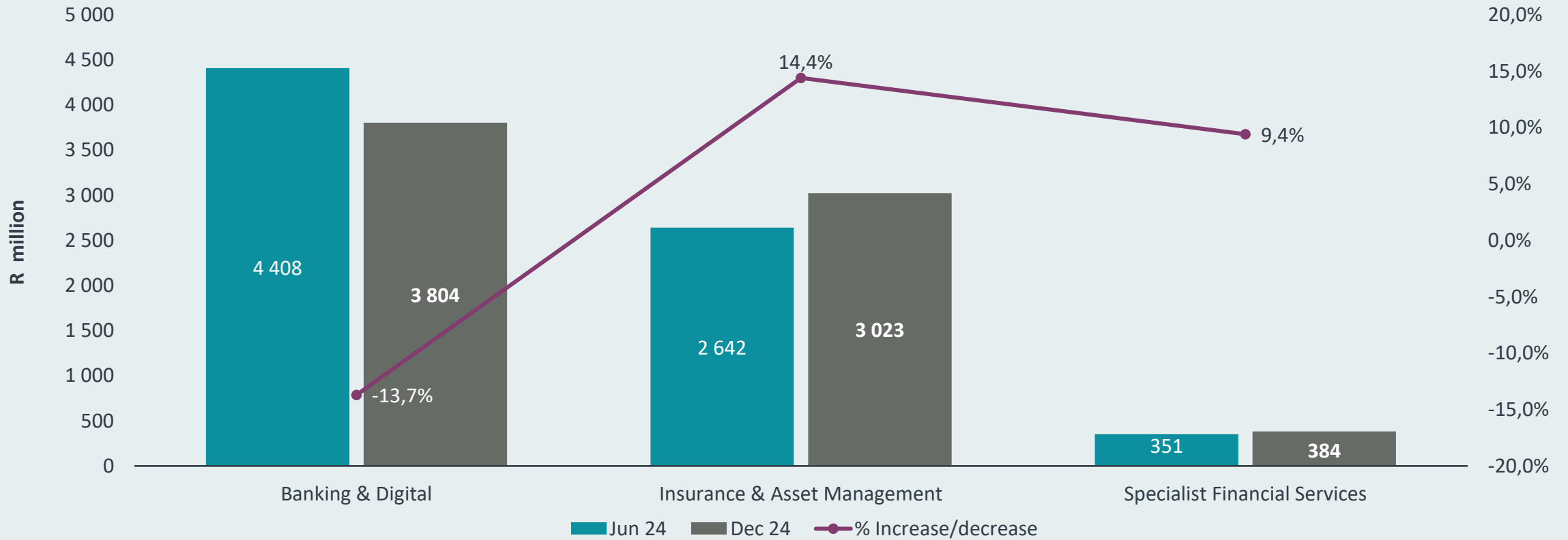
Grow the building blocks of Business Process Outsourcing, Telecoms, Agri, Banking and Fintech sectors through:

- bolt-on acquisitions
- focused investment to support portfolio companies
- working with investment partners to deliver synergies amongst relevant portfolio companies

Exit investments that no longer align with the strategy and recycle capital

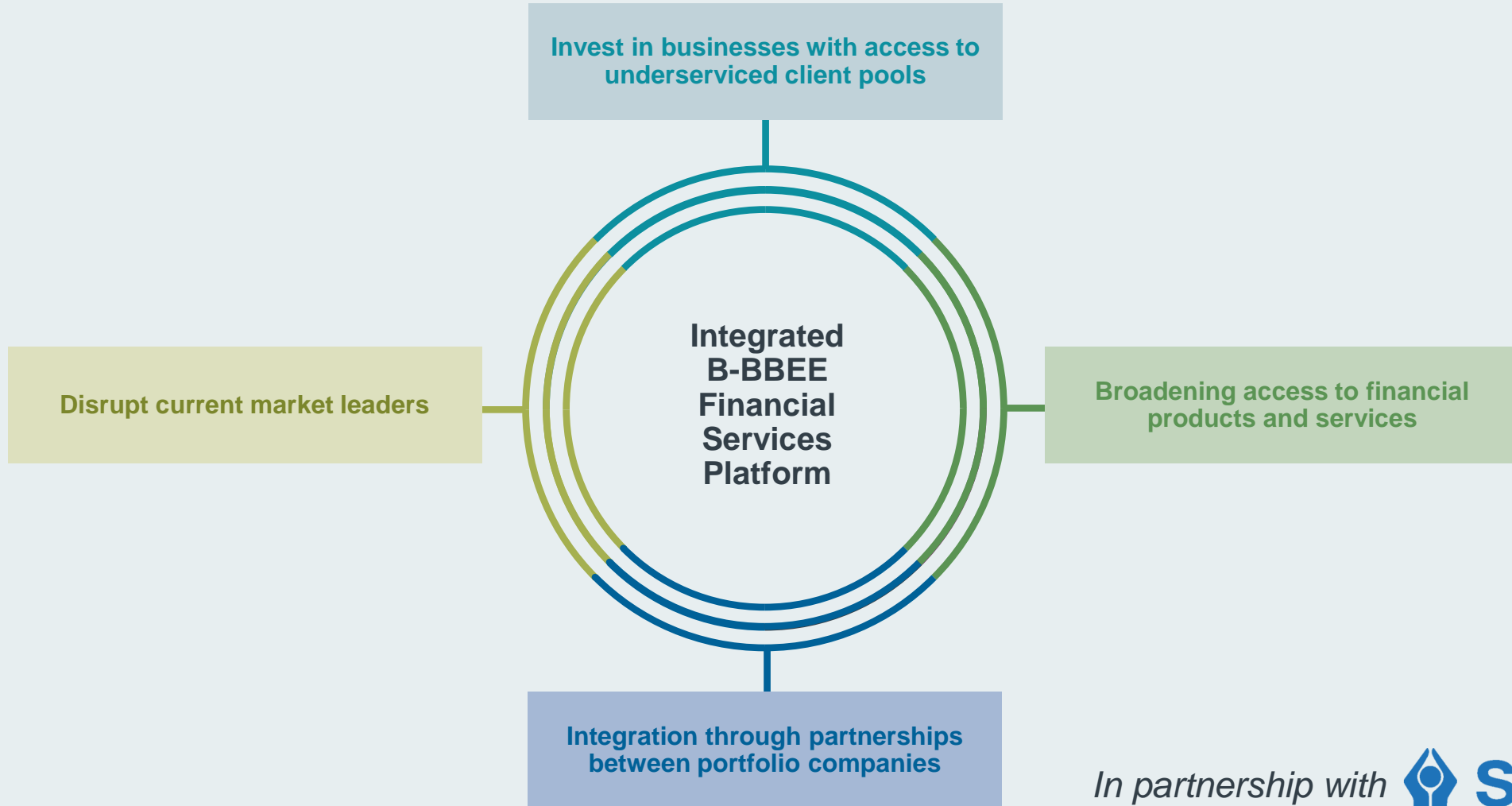
FINANCIAL SERVICES PORTFOLIO

Focus: Disruption and scale through collaboration



* The decrease in the Banking & Digital portfolio is due to the Sanlam/FSH transaction

FINANCIAL SERVICES – CORE STRATEGY



In partnership with  **Sanlam**

MILESTONES ACHIEVED – FINANCIAL SERVICES



Strategy implementation to date

- Sanlam partnership strengthened through ARC FSH transaction
- Financial Services component at 45%
- Fintech growth momentum accelerated through new holding in Lesaka
- Acquisition of 30% of Empowerfin, promoting financial wellness
- Further investment in Alexforbes
- Continuing benefits from scale and efficiency synergies among portfolio companies

Strategy going forward

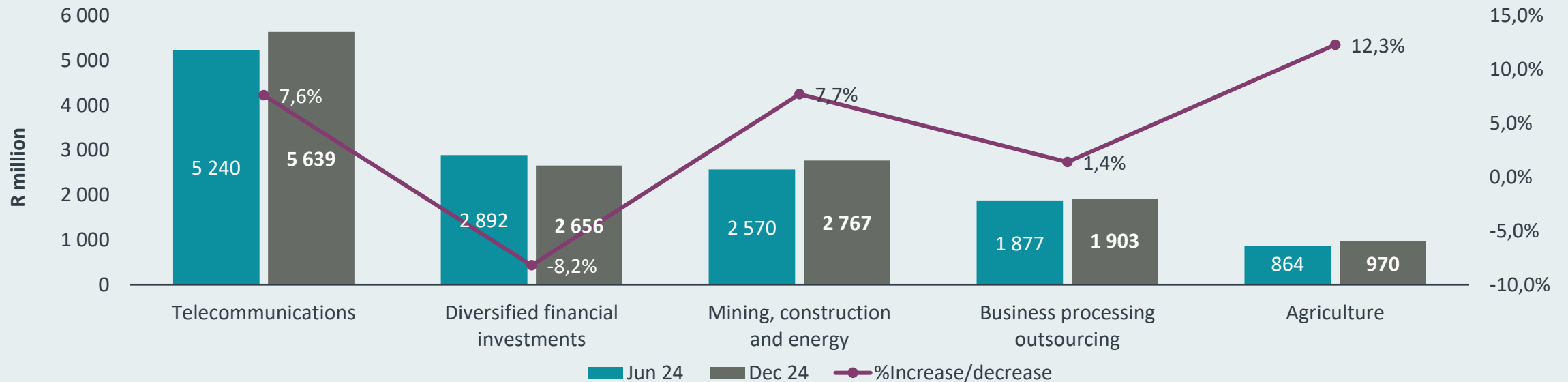
- Drive organic and acquisitive growth within existing portfolio businesses
- Explore growth opportunities through strategic investments in technology-enabled businesses
- Maintain a disciplined approach to acquisitions, with a focus on smaller, strategic opportunities
- Optimise portfolio performance through strategic divestitures

DIVERSIFIED INVESTMENTS STRATEGY



- Targeting diversified investments within five specific sectors
- Aiming to acquire significant minority interests
- Making investments where we have strong partnerships with experts in the respective industries
- Actively identifying and targeting ecosystem collaboration with other investee companies

Narrow sector focus



* The decrease in the Diversified Financial Investments portfolio is due to the Sanlam/FSH transaction

MILESTONES ACHIEVED – DIVERSIFIED INVESTMENTS



Strategy implementation to date

- Increasing weighting in Rain – R172 million investment
- Value created in ARCI shares
- Linebooker – impressive growth delivered
- Continuing support for Kropz - R393 million investment
- Val de Vie partially sold
- Gemcap/Humanstate disposal

Strategy going forward

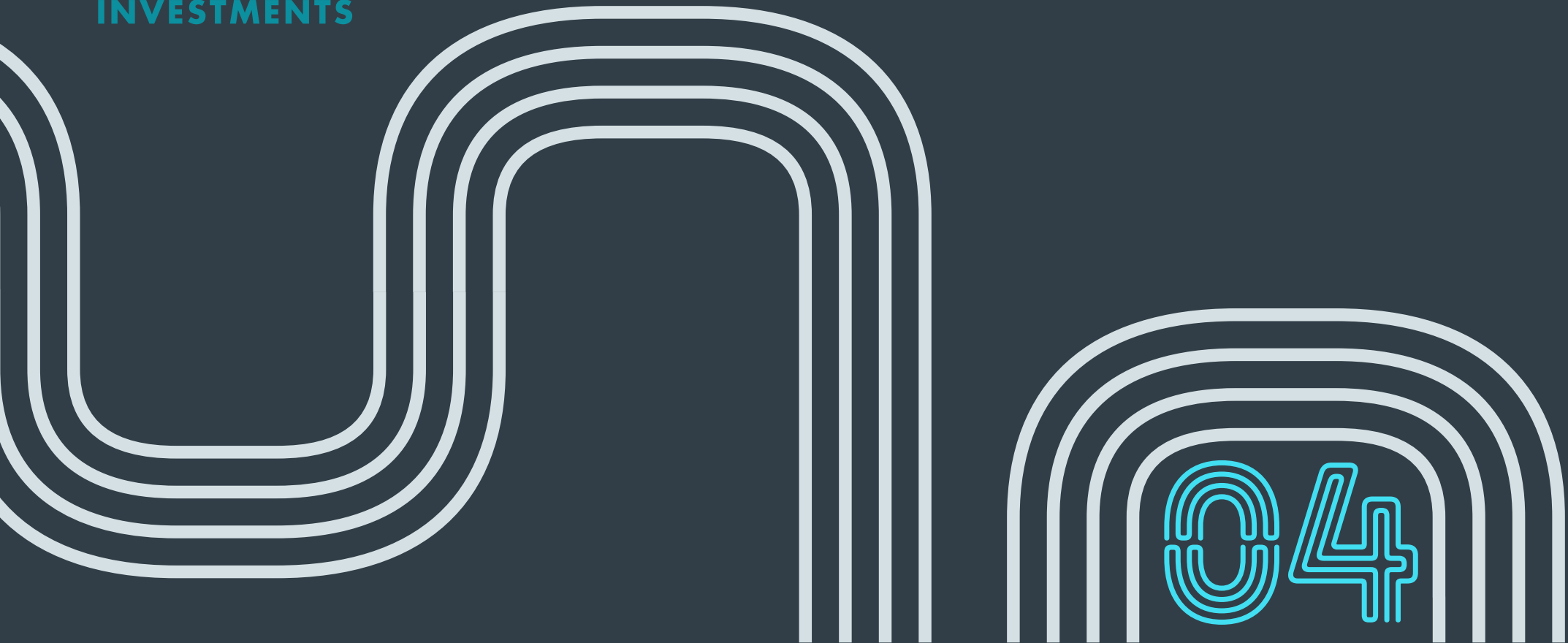
- Shift strategic focus from direct mining to beneficiation and related service industries
- Strengthen focus on agri & food value chain
- Allow property holding to unwind over time, then exit
- Tech businesses offer significant upside
- Pipeline of opportunities with Fledge Capital

VALUE PROPOSITION



- Diversified, sector-focused unlisted portfolio
- Balanced mix: cash-generating and high-growth ventures
- Early-stage investments transitioning to profitability
- Strategic investments in future-focused sectors
- Proven value creation in Financial Services via ecosystems, client growth, and synergies
- Ecosystem model expansion across portfolio sectors
- Sustained BEE benefits for portfolio companies
- Stable, experienced portfolio partner
- Strong anchor shareholder support for growth
- Listed platform: liquidity and access to key unlisted assets

FINANCIAL REVIEW



KEY FINANCIAL METRICS



Intrinsic Net Asset Value
up 4.1%

R19 385 million (30 June 2024: R18 616 million)

No of shares
up 0.8%

1.518 billion (30 June 2024: 1.506 billion)

Intrinsic Net Asset Value (INAV)
per share up 3.2%

R12.78 (30 June 2024: R12.38)

Cash in the ARC Fund

R575 million (30 June 2024: R163 million)

Debt in the ARC Fund

R1 639 million (30 June 2024: R1 725 million)



PERFORMANCE ANALYSIS



ARC Investments' portion of ARC Fund's NAV movements

Investment in ARC Fund (R million)	Net Asset Value 30 Jun 2024	Net investment	Net Increase / (Decrease) in Net Asset Value	Net Asset Value 31 Dec 2024
Intrinsic portfolio value	20 189	(562)	840	20 467
Cash in the ARC Fund	163	562	(150)	575
Debt in ARC Fund	(1 725)	185	(99)	(1 639)
Other net assets/(liabilities) in the ARC Fund	(11)	-	(7)	(18)
UBI GP fee payable	(55)	-	(10)	(65)
Other liabilities in the ARC Fund	44	-	3	47
Intrinsic investment in the ARC Fund at FVTPL*	18 616	185	584	19 385

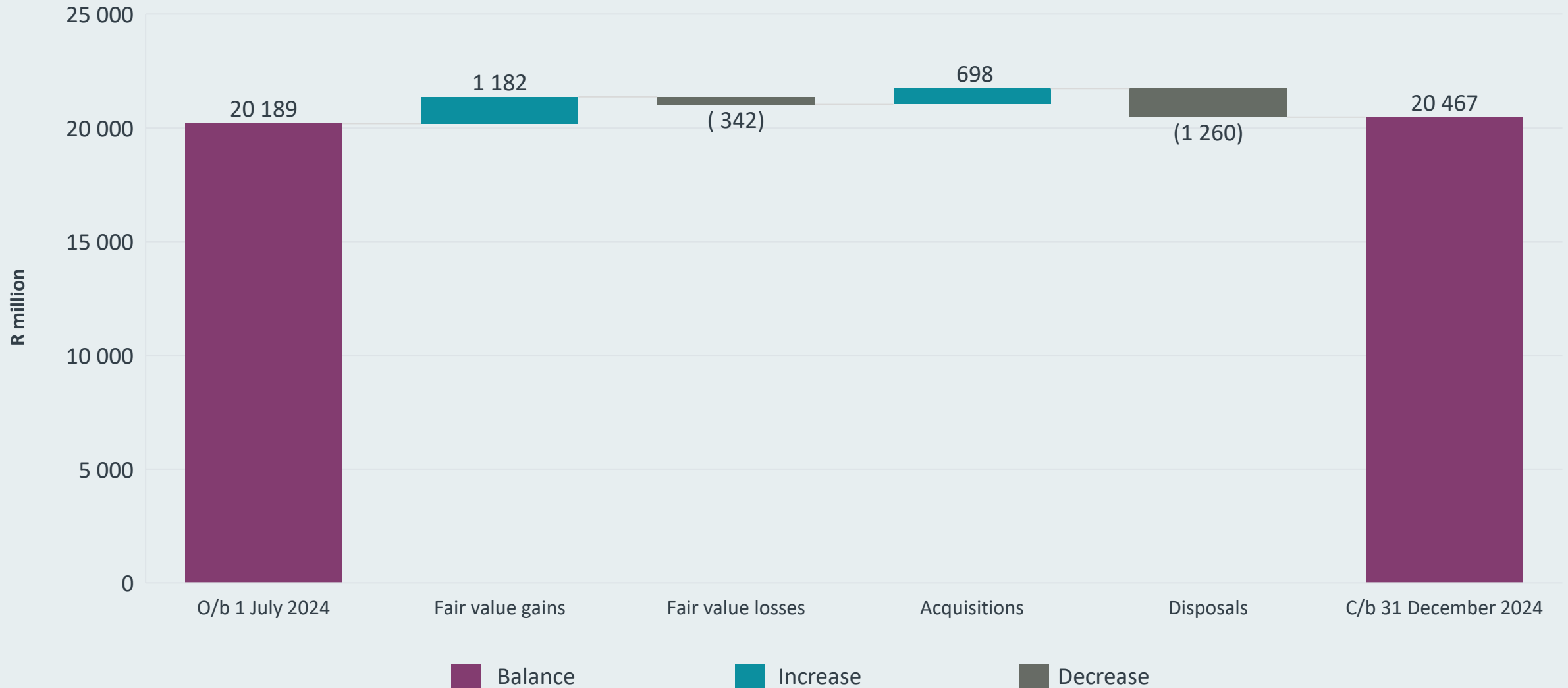
	Net Asset Value 30 Jun 2023	Net investment	Increase / (Decrease) in Net Asset Value	Net Asset Value 31 Dec 2023
Intrinsic portfolio value	16 363	585	784	17 732
Cash in the ARC Fund	500	(300)	33	233
Debt in ARC Fund	(1 473)	(209)	(93)	(1 775)
Other net liabilities in the ARC Fund	(62)	(76)	(24)	(162)
UBI GP fee payable	(61)	-	11	(50)
Other net assets/(liabilities) in the ARC Fund	(1)	(76)	(35)	(112)
Intrinsic investment in the ARC Fund at FVTPL*	15 328	-	700	16 028

*FVTPL: Fair value through profit or loss

PORTFOLIO MOVEMENTS



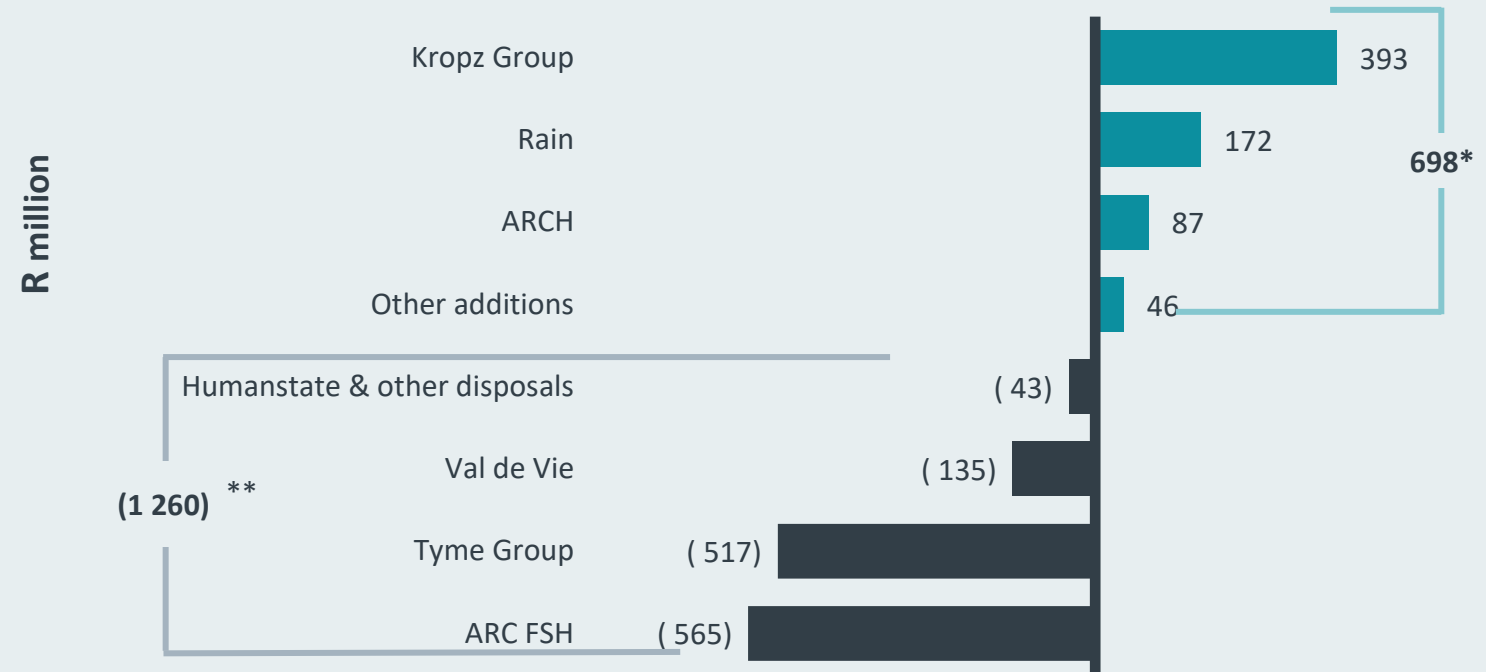
Intrinsic portfolio value movement from 1 July 2024 to 31 December 2024



ADDITIONS AND DISPOSALS



ARC Investments' effective acquisitions and disposals for the year ended 31 December 2024



* Effective acquisitions

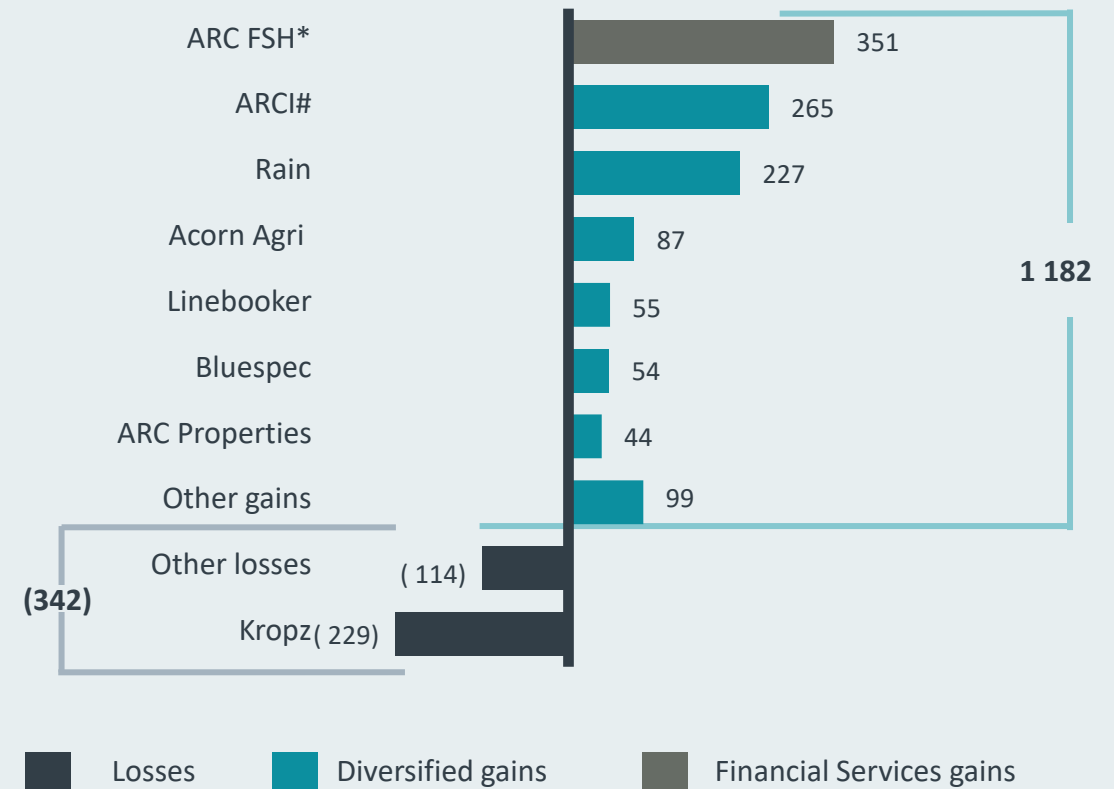
** Effective disposals

FAIR VALUE GAINS



Portfolio diversification effectively mitigated sector-specific losses, driving a positive increase in INAV over the period

Fair value gains and losses for the year ended 31 December 2024



Denotes a listed entity classified as level 1 fair value hierarchy.

* The main contributors of ARC FSH fair value adjustments are Alexforbes (R85 million) and Sanlam Third Party Asset management (R41 million)

ARC FUND PORTFOLIO



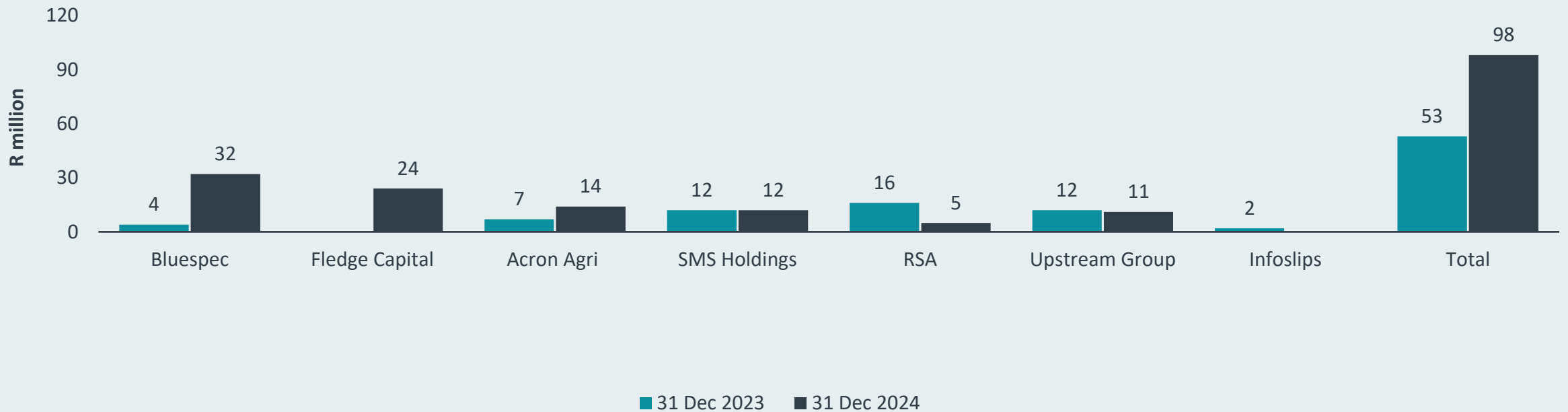
	Fund value (R million)		% change
	30 Jun 2024	31 Dec 2024	
Diversified investments			
Total ARCI's share of Fund's Diversified Investments	13 443	13 935	3.7
Financial services			
Total ARCI's share of Financial Services' Invested Portfolio Value net of liabilities	6 746	6 532	(3.2)
Total ARCI's share of Fund's Invested Portfolio Value	20 189	20 467	1.4
Cash in the ARC Fund	163	575	
Debt in the ARC Fund	(1 725)	(1 639)	
Other net assets/(liabilities) in the ARC Fund	(11)	(18)	
UBI GP Fee payable	(55)	(65)	
Other assets (liabilities) in the ARC Fund	44	47	
Intrinsic Investment in the ARC Fund at FVTPL	18 616	19 385	4.1

DIVIDENDS RECEIVED

On a look-through basis, 11 of our investee companies paid a dividend

- The **ARC Fund** portfolio delivered a dividend yield of approximately 1.5%
- The **ARC FSI** portfolio received a dividend of R511 million, contributed mainly by Alexforbes
- **ARC FSH** received an R11 million dividend from ooba

Dividends received by the ARC Fund



VALUATION APPROACH – KEY INVESTMENTS



Investment (R million)	Intrinsic Portfolio Value (IPV)	IPV before discount	Revaluation	Valuation approach
Rain	5 639	7 365	227	DCF
Tyme Group	3 450	3 450	20	Recent transaction
Kropz Group	2 601	2 719	(229)	Sum of the parts – DCF
Alexforbes	1 587	1 469	85	30-day VWAP
ARC Investments**	1 164	1 021	290	30-day VWAP
ARCH Emerging Market	939	939	32	Net Asset Value
Capital Legacy	613	717	(1)	Embedded value
Bluespec	618	801	54	PE Multiple
Fledge Capital	576	604	(7)	Sum of the parts/Underwritten value
Acorn Agri and Foods	515	643	87	PE Multiple
Linebooker	492	547	55	DCF
Sanlam 3rd PAM	407	471	41	PE Multiple
Balance of portfolio	1 866	1 866	186	Various
Total investments	20 467	22 612	840	

** Direct holding R1 054 million ; Indirect holding R110 million



PORTFOLIO OVERVIEW

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TELECOMMUNICATIONS



Diversified Investments portfolio

Portfolio company	% holding	% Fund value	Fund value (R million)	
			31 Dec 2024	30 Jun 2024
Rain	21.8	27.6	5 639	5 240

Rain – an innovative, reliable, affordable home broadband and mobile service provider

- The ARC Fund's investment in Rain grew by 7.6%, or R399 million (R227 million FV adjustment and additional shares of R172 million)
- Ranked as No. 1 for overall industry net sentiment and Rain's trust index scores remain well above the Telco industry
- Significant subscriber growth was driven by the launch of RainOne and Rain mobile services, complemented by new offerings utilising the 101 pro and 101 xtender 5G routers
- Network performance and capacity enhanced by significant upgrade to Huawei's Apollo 5.5G
- Nationwide coverage expansion continued, with a focus on enhancing contiguous 5G coverage in key areas using 700MHz spectrum
- The company is well-positioned for continued growth

DIVERSIFIED FINANCIALS



Diversified Investments portfolio

Portfolio company	% holding	% Fund value	Fund value (R million)	
			31 Dec 2024	30 Jun 2024
ARC Investments	7.3	5.2	1 054	773
ARCH Emerging Market Partners Ltd	50	4.6	940	820
Fledge Capital	51	2.8	576	583
Property	Various	0.4	87	192

ARC Investments

- R265 million revaluation, based on share price performance

Property

- Investment decreased due to disposals at Val de Vie

Fledge Capital

- ARC Fund's investment remained consistent, and the portfolio performed well.
- Gobid, a vehicle auction house, showed exceptional performance in the period

ARCH Emerging Market Partners

- Investment in the fund-of-funds increased by R120 million
- Cold Chain Storage Solutions East Africa – USD81 million**
 - 1st Nairobi 17 100 m² facility completed June 2023
 - Construction started for Kampala, Mombasa and Rwanda facilities
- Africa Renewable Power Fund – USD133 million**
 - 80% of capital deployed at end of Q4 2024 – working on exits for the fund
- ARCH Sustainable Resources Fund – target USD150 million**
 - Investments made: battery graphite in Tanzania; Giyani battery manganese in Botswana for electric vehicle market

MINING, ENERGY & CONSTRUCTION



Diversified Investments portfolio

Portfolio company	% holding	% Fund value	Fund value (R million)	
			31 Dec 2024	30 Jun 2024
Kropz Group	90.1	12.7	2 601	2 437
Other mining, construction and energy	Various	0.8	166	133

Kropz Group

- Fundamentals of phosphate and fertilizer markets robust
- **Elandsfontein** has proven its ability to produce saleable phosphate rock; focus now on ramping up production
- Produced 144 000 tonnes of concentrate in the 6 months
- Phosphate market price faced pressures
- ARC Fund invested a further R393 million of capital over the period
- Given the associated risks, an impairment of R229 million was raised
- **Cominco** – ARC Fund continues to consider its options given the size of the opportunity

Other mining

ARC Services

- Supply of bulk commodities in the mining, construction, infrastructure, and engineering space
- Investments performing well – R32 million recognised

SMS Mining Holdings

- Specialised mining services: primary and secondary support, opencast mining, logistics, mining and development
- Profits for the 2024 financial year substantially exceeded budget
- Investment delivered consistent dividends to date

BUSINESS PROCESS OUTSOURCING



Diversified Investments portfolio

Portfolio company	% holding	% Fund value	Fund value (R million)	
			31 Dec 2024	30 Jun 2024
Bluespec	24.8	3.0	618	564
Linebooker	75.2	2.4	492	434
Other* - the remainder of Gemcap was disposed of during the period	Various	3.9	793	879

Bluespec

- Continued growth in market share
- Weelee's brand presence increased – extensive physical infrastructure expansion and substantial investment
- Continues to onboard more insurers and introduce new innovative products and value offerings - adding more assessment volumes and long-term contracts
- Healthy revenues, earnings and cash from operations
- Continued strong dividends

Linebooker

- South Africa's largest online freight platform
- Continues to grow exponentially – achieved a 129% increase in revenue and a 90% increase in gross profit
- Several large industry-leading customers onboarded in the last 12 months, including Coke-a-Cola, Arcelor Mittal, Montego, Sasol and PepsiCo
- Strong track record of cost-savings and service excellence creates a healthy pipeline of new clients

AGRICULTURE & FOOD



Diversified Investments portfolio

Portfolio company	% holding	% Fund value	Fund value (R million)	
			31 Dec 2024	30 Jun 2024
Acorn Agri & Food (AAF)	24.3	2.4	515	428
Other Agriculture	Various	2.2	455	436

Agriculture & Food

- Strategic focus is on distribution, marketing in the food value chain and input supply; not on farming
- Restructuring agricultural portfolio to unlock untapped efficiencies and cross-selling opportunities using the Acorn Agri and Food platform
- Increasing dividend payments and return of capital

Acorn Agri & Food - strong performance across investment portfolio companies. Share buy backs at a discount to the prevailing net asset value per share, coupled with the strong operational performance resulted in a significant increase in the NAV per share of AAF

Subtropico - steady increase in profits due to performance of investments and increased volumes by the Livestock Agents

BANKING & DIGITAL



Financial Services portfolio

Portfolio company	% holding	% Fund value	Fund value (R million)	
			31 Dec 2024	30 Jun 2024
TymeBank (held through Tyme SA Holdings)	Various	10.7	2 257	3 502
Tyme Global (held through Tyme Asia Holdings)	Various	5.6	1 193	947
Crossfin	18.6	0.6	115	271
Other*	Various	1.1	239	212

TymeBank

- Strong customer acquisition with >10.7 million customers, high transaction rates per customer
- Total deposits rose to R6.9 billion
- Unique partnership network - Pick n Pay, Boxer, TFG, Kazang, now Sanlam
- Compelling operational leverage – NOI doubled year-on-year, costs up only 10%
- No capital constraints after latest capital raise

Tyme Global

- Multi-country digital banking proposition coming to fruition
- GOtyme in the Philippines achieved 5 million customers since November 2022; activity rates high and deposits growing exponentially
- Retail Capital Merchant Credit Advance product launched and payroll lender Savii acquired
- Vietnam currently contracting with country partners; piloting a merchant cash advance product

Crossfin

- Leading group of high growth and scalable fintech businesses
- Investments include Ikhokha, Sybrin, Akelo and offshore investments in high growth fintech businesses
- Some investments are being positioned for sale in the medium term to realise value for shareholders
- Adumo was sold for shares in Lesaka Technologies

INSURANCE & ASSET MANAGEMENT



Financial Services portfolio

Portfolio company	% holding	% Fund value	Fund value (R million)	
			31 Dec 2024	30 Jun 2024
Alexforbes	16.7	7.5	1 587	1 430
Capital Legacy	9.7	2.9	613	605
Sanlam 3 rd Party Asset Management (SIHH)	9.4	2.0	407	357
Other Insurance and Asset Management*	Various	1.9	416	250

Alexforbes

- ARC FSI's shareholding increased by 2.2% from 42.3% to 44.5%
- Share price performed exceptionally well resulting in a net fair value gain of R289 million
- Alexforbes declared a special dividend - total dividend of R505 million received for the period
- ARCI remains supportive of Alexforbes' strategic direction

SIHH

- Delivered pleasing results during the financial year to 31 December 2024
- Acquisition of Sanlam Investment Management (SIM) by Ninety One was announced in November 2024
- ARC FSI will continue to position itself competitively and support Sanlam in seizing growth opportunities that benefit both sets of shareholders

Capital Legacy

- A leading estate administrator in South Africa
- Specialist insurance product serves as a key differentiator
- Achieved exemplary growth since investment, yielding an IRR of 38% to date.
- A key focus for Sanlam and Capital Legacy is to unlock substantial synergies in capital, insurance, and distribution

SPECIALIST FINANCIAL SERVICES



Financial Services portfolio

Portfolio company	% holding	% Fund value	Fund value (R million)	
			31 Dec 2024	30 Jun 2024
Total*	Various	1.8	384	351

Specialist businesses

- **GoSolr** has been negatively impacted by the reduction in load-shedding. However, the residential market is still significantly under-penetrated and as market leader GoSolr is best placed to capitalise on the significant market opportunity
- **A2X** has continued to gain market share in a difficult market - with 70% of the ALSI by weighting listed on A2X at 31 December 2024
- **Optasia** is a leading provider of Airtime Credit Services to prepaid mobile subscribers in >25 countries across Africa, the Middle East, Asia and Latin America, with the majority of operations in Sub-Saharan Africa, servicing >30 leading telecoms. The business achieved strong year-on-year performance in 2024
- **Edge Growth** continues to achieve sustainable impact through the growth, funding and scaling of SMEs across various sectors withing South Africa and of late, in neighbouring countries.

MAJOR POST REPORTING PERIOD EVENTS



MAJOR POST REPORTING PERIOD EVENTS



Alexforbes

- Due to the cancellation of shares in Alexforbes, the shareholding of ARC FSI increased from 44.49% to 45.83% of the total issued ordinary shares of AlexForbes.

Delisting and Re-domiciliation

- As mentioned in ARC Investments' Integrated Annual Report of 30 June 2024, a strategic priority would be the assessment of a delisting of ARC Investments going forward.
- In spite of the substantial narrowing of the discount at which ARC Investments' shares were trading at on the JSE and A2X at end December 2024, it was concluded that the listed structure has largely fulfilled its initial purpose and has now become an impediment to the future growth prospects of the company.

DELISTING AND RE-DOMICILIATION

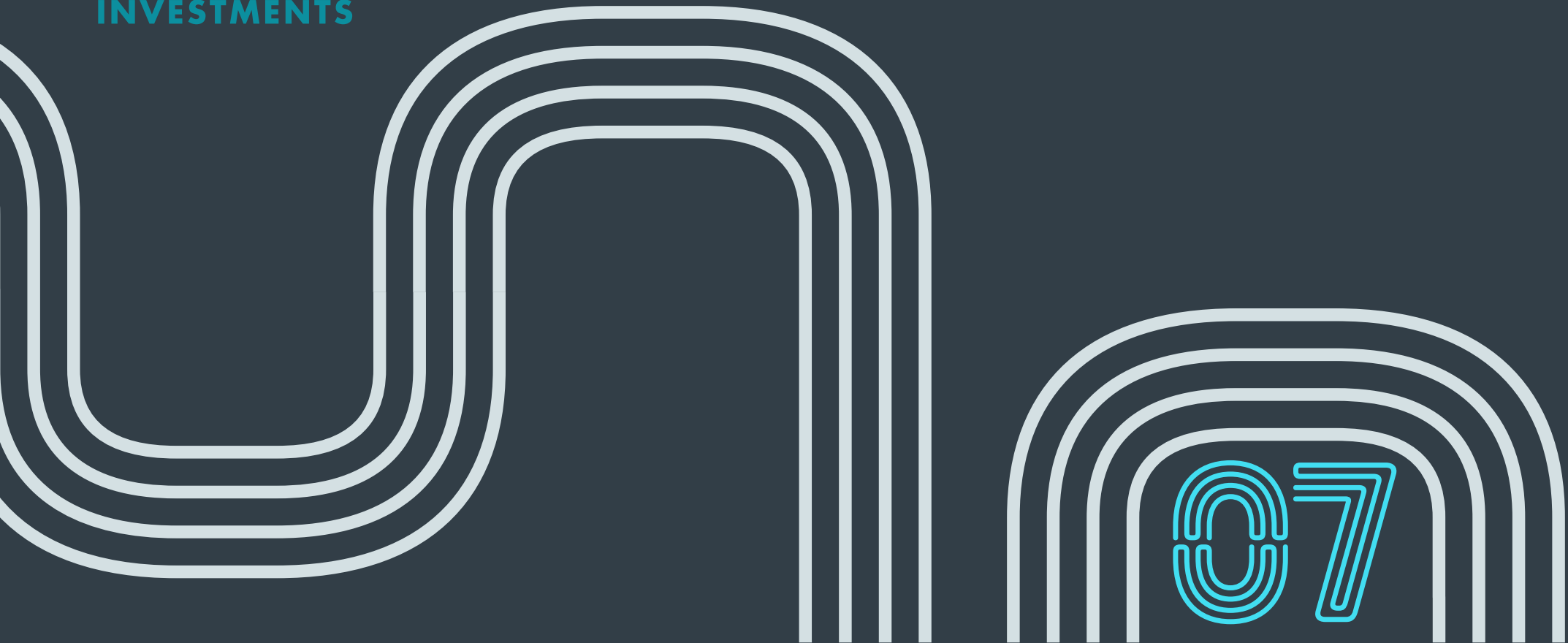
Binding conditional offer

- ARC, together with an SPV created specifically for this purpose, made a joint binding conditional cash offer to obtain all of the issued ordinary shares of ARC Investments not already owned by them or their related parties, with the objective of delisting the business from the JSE and A2X and to re-domicile it from Mauritius to South Africa.
- The offer is made for a cash consideration of **R9.75**, which represents a substantial premium to the 30day and 60day VWAP market price of the ARC Investments' shares, also taking into account the narrowing of the discount to NAV over the period under review.

Conditions and timetable

- The offer and its implementation are dependent on regulatory approvals and other conditions precedent.
- These, together with the planned timetable, are set out fully in the SENS and A2X announcement made earlier today, as well as a Combined Offer Circular, to be published in due course on both SENS and A2X.

OUTLOOK



REFLECTING ON STRATEGY



Our strategic focus is maintained, with greater focus on structure, simplification and portfolio components

- Fewer sizeable acquisitions
- Ongoing portfolio rationalisation
- Strategic bolt-on acquisitions
- Strengthening Sanlam partnership
- Maximising the benefits of our ecosystem
- Continuing value creation:
 - Valuations validated through several disposals at full value
 - Late-stage startup businesses becoming profitable
 - Majority high-quality unlisted investments (exclusive to ARCI)
- Delisting and re-domiciliation over the next few months
 - Binding cash offer made
 - Timetable being finalised
- Streamlining of complex structures
- Introduction of 2-3 strategic partners

OUTLOOK

- Positive green shoots evident in the business environment
- Our investee companies are well-placed for growth
- Significant organic growth potential in Financial Services
- Growth potential in future-focused investments
- Reduced cash outflows as start-ups achieve near cash-flow neutrality
- Partnering with 2-3 strategic partners in an unlisted environment



QUESTIONS

