



ASX Announcement

26 February 2026

Managing Director's Update

First Half FY26

The first half of FY26 has been a period of continued execution for ARC Funds. We remain disciplined in pursuing our strategy of acquiring and growing cash flow positive businesses that strengthen and enhance our investment ecosystem for clients.

Financials

The statutory reported loss of \$1,014,823 does include a significant portion of non-cash and non-recurring items, being impairment on investments and share based payments to executives and a new board member. Deducting these items totalling \$479,368 brings the half year loss on a cash basis to be in line with our operating cash outflow of approximately \$600K and in line with our expectations.

The Term Deposit Shop (TTDS)

TTDS investment platform remains the core business of ARC Funds and continues to perform in line with expectations. Funds Under Administration (FUA) on the platform exceed \$530 million, with the business delivering ongoing profitable operations.

During the half, we were pleased to announce we had agreed to terms to acquire a further 10.99%. This transaction completed February with our ownership now at 74.48%. The additional 10.99% stake was acquired through the issue of ARC fully paid ordinary shares at 11.5 cents per share. This transaction was completed after balance date in February.

We have also conducted a review of the governance and management structure of TTDS and we have appointed John Powell, a seasoned fixed interest and banking executive, to the role of executive chairman to accelerate our growth ambitions.

The business continues to trade profitably and generates cash. We believe TTDS has significant growth opportunities ahead. Further investment into the platform will focus on enhancing technology, expanding distribution, and increasing both client numbers and Funds Under Administration (FUA).

Ausbiz TV Pty Ltd and Ausbiz Group Pty Ltd

On 5 November, ARC Funds announced the acquisition of convertible notes in Ausbiz Pty Ltd with a face value of \$2.15 million via the issue of new shares to the value of \$430,000. In January of this year, we announced the sale of these notes for \$500,000 cash, with the completion scheduled for 23 March 2026. The proceeds from this transaction will further strengthen our balance sheet and provide flexibility to pursue future growth opportunities.

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Importantly, the sale of the convertible notes does not impact ARC Funds' strategic investment in Ausbiz Capital (26.35%) or any secured debt position held in Ausbiz Group Pty Ltd. These remain strategic investments, and we continue to actively work to maximise their value.

Corporate

In July 2025, the Company successfully completed a capital raise of \$750,000 in new equity at 10 cents per share, with a 1-for-1 unlisted 12-month option exercisable at 12.5 cents per share.

A further capital raise was completed in December 2025, raising \$737,500 at 11.5 cents per share, also with a 1-for-1 unlisted 12-month option exercisable at 11.5 cents (subject to shareholder approval).

We are grateful for the strong support shown by both existing and new shareholders. Their continued backing provides the capital foundation to execute our strategy with confidence.

Our cash position remains healthy, and our cost base well managed, to provide sufficient runway and capacity for future acquisitions.

Outlook

ARC Funds remains firmly focused on executing its growth strategy — acquiring and investing in growth-oriented, cash flow

positive businesses that enhance our broader investment in the financial services and products ecosystem.

We remain disciplined, opportunistic, and committed to long-term value creation for shareholders.

– ENDS –

This announcement has been authorised by the board of ARC Funds Limited.

For further information regarding this release please contact:

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