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ASX Announcement

7 May 2025

ARC secures funding to complete a Company transforming transaction being the acquisition of a strategic investment (63.49%) of The Term Deposit Shop Pty Ltd

Key Highlights

- Firm commitments received to raise $600,000 of new equity capital at $0.115 per new share, representing a $0.005 per share (4.5%) premium to its last closing price of $0.11 per share.
- Secured $800,000 of Private Debt Facilities.
- These funds along with approximately $1,000,000 from existing cash held by the Company will be applied toward the purchase of 63.49% of The Term Deposit Shop Pty Ltd ACN 159 123 001 (**TTDS**) and 100% of TTDS Holdings Pty Ltd ACN 140 742 383 (**TTDSH**).

Placement Details

ARC Funds Limited (ASX:ARC) (**ARC** or the **Company**) is pleased to announce that it has received firm commitments from new investors and existing shareholders to raise $600,000 (before costs) by way of a placement of new shares at an issue price of $0.115 per share (**Placement**).

The Placement received strong support from new sophisticated investors and existing shareholders and will provide extra capital to complete ARC's strategic investment of 63.49% of TTDS & 100% of TTDSH in accordance with our announcements on 23 December 2024, 27 February 2025 & 2 May 2025.

The Company will be issuing approximately 5.2 million new shares and all new shares issued under the Placement will rank equally with all existing ARC shares on issue.

Of the $600,000 of new ARC shares to be issued under the Placement, all will be issued utilising the Company's available Listing Rule 7.1 placement capacity.

Private Debt Facilities

The Company has also raised $800,000 in debt financing from third-party lenders. The Private Debt Facilities are unsecured and are due for repayment on or before 8th August 2025. The interest rate applicable on the debt is 12% per annum.

Intended Use of Funds

Proceeds from the Placement and the Private Debt Facilities will be used to fund the strategic investment of TTDS & TTDSH.

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Indicative Placement Timetable

Event	Timing
ASX Announcement/ Resume Trading	Wednesday 7th May 2025
Settlement and issue of the new shares under the Placement	Friday 9th May 2025
Expected date of ASX Quotation of new shares issued under the Placement	Monday 12th May 2025

The Term Deposit Shop

TTDS owns and operates an all-encompassing online cash investment platform designed to streamline the process of investing cash and switching between banks. It empowers investors to maximise their investment returns with minimum effort.

The platform allows financial planners and direct TTDS clients to find, compare and invest in term deposits and high interest savings accounts across numerous Australian banks, Building Societies and Credit Unions.

The business provides essential information on interest rates, product terms and conditions, enabling customers to make well-informed investment decisions while also transacting on the platform in a user-friendly and cost-effective manner.

TTDS has more than $550m of funds under management (FUM) on its platform. The platform primarily caters to financial planners where it is approved on over 100 Australian Financial Services Licensees' Approved Product Lists and facilitates deposits and transactions with more than 10 Australian banks.

About TTDS

- TTDS manages all the administrative tasks to facilitate transactions.
- All deposits up to $250K are protected by the Australian Government's Financial Claims Scheme guarantee.
- Provides access to competitive deposit rates from various banks, Building Societies, and Credit Unions in one convenient location.
- Automated onboarding process for clients.

Upon the maturity of a term deposit, clients can seamlessly transition from one bank to another without additional paperwork to capture the best rate available or the term of deposit required.

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Strategic Rationale

The total amount of funds in term deposits in Australia is approximately 1 trillion dollars. A significant opportunity exists for TTDS to exponentially grow the amount of deposit funds under management on its platform.

Term deposits are fundamental to virtually every investment portfolio, so an increasing number of term deposit clients would provide access for ARC funds to increasing number of potential new investors.

Advisers to the Company in relation to the Placement

Legal Advisers: K&L Gates

Settlement Broker: Morrison Securities Pty Ltd

-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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