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8 July 2025

ARC Funds Raises $750,000 in New Equity

ARC Funds Limited (ASX:ARC) (ARC or the Company) is pleased to announce that it has successfully completed the placement of new equity along with a director commitment for new equity which will raise funds for a total of $750,000 before costs.

Key Points

- The issue of 5,500,000 new shares at 10 cents per share with free attaching 1 for 1 unlisted call options to wholesale and sophisticated investors using the placement capacity available to the company under ASX Listing Rules 7.1 and 7.1A.
- The issue of 2 million new shares with attaching 2 million unlisted call options to Scott Beeton, Managing Director of the Company on the same terms of the above at 10 cents per share.
- The funds will be used for working capital purposes, following the acquisition of The Term Deposit Shop, and investment in Ausbiz Capital.
- The issue price of 10 cents is a 7 percent discount to the 15-day VWAP at Thursday 3 July of $0.107552
- The main terms of Option issued are mentioned under Annexure A

The capital raise is in two stages, the first being the issue of 5,500,000 new shares at a price of 10 cents per share with free attaching 5,500,000 unlisted call options to acquire one new share per option at an exercise price of 12.5 cents per share and expiring at the close of business on 9 July 2026. The options will be subject to shareholder approval at the next shareholder meeting of the company, expected to be held in late August. These new shares will rank pari- passu with existing shares.

The second stage is the issue of 2 million new shares issued on the same terms as the placement shares, at 10 cents per share with free attaching 1 for 1 options, being 2 million unlisted call options issued on the same terms as the placement options. The placement of these new shares and the attaching options to Scott Beeton will be subject to the approval of shareholders at the shareholder meeting for the approval of the issue of options, as described in the above paragraph.

The company welcomes a number of new shareholders to the register, along with again thanking the existing shareholders for your continued support. The success of this raising demonstrates the increasing interest in the company as we continue execute on our strategy to build our product offerings and financial services distribution capability into a sustainable, scalable, and profitable business.

Legal Advisers: K&L Gates

Settlement Broker: Morrison Securities Pty Ltd (No fees have been paid to the broker)

– 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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Annexure 1 – Option terms

The New Unlisted Options will be issued on the following terms and conditions:

(a) **Entitlement**

Each Option entitles the holder to acquire by way of issue one new Share on exercise of the Option.

(b) **Exercise Price**

12.5 cents per share

(c**) Expiry Date**

Each Option will expire close of business on 9 July 2026

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(e) **Notice of Exercise**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the applicable Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(f) **Timing of issue of Shares on exercise**

As soon as practicable after the Exercise Date, the Company will:
(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
(ii) if admitted to the Official List at the time, apply for official quotation on ASX of Shares issued on the exercise of the Options.

(g) **Shares issued on exercise**

Shares issued on exercise of the Options will rank equally in all respects with the then issued Shares.

(h**) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder of Options are to be changed in a manner consistent with the Corporations Act, the ASX Listing Rules and any other applicable laws or regulations at the time of the reconstruction.

(i) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options and unless Shares have been issued in respect of the Options before the record date for determining entitlements to the issue.

(j) Change in Exercise Price

There will be no change to the applicable Exercise Price of an Option or the number of Shares over which an Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a Bonus Issue).

(k) **Transferability**

The Options are not transferable.

(l) **Voting**

Holders of Options have no voting rights until the Options are exercised, and Shares issued on exercise of those Options in accordance with the ASX Listing Rules

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