ASX Announcement

30 October 2026

Quarterly Activities Report and Appendix 4C

Quarter Ended 30 September 2026

The Board of ARC Funds Limited, **(**ASX**:ARC) ("the Company")** is pleased to provide its quarterly activities report and Appendix 4C cash flow statement for the three months ended 30 September 2026, being the first quarter of the 2027 financial year (FY27).

Quarterly Highlights

- Completed a $250,000 placement of 3,125,000 fully paid ordinary shares at $0.08 per share.
- Applied the placement proceeds to subscribe for a 3% equity interest in Ausbiz Wealth Pty Ltd, a financial planning and wealth advisory business.
- Net operating cash outflows of $258,000, down 8% on the June 2026 quarter ($281,000).
- Administration and corporate costs reduced by 23% to $188,000 (June 2026 quarter: $243,000).
- Cash at quarter end of $265,000.

Investment in Ausbiz Wealth Pty Ltd

During the quarter, and as released to the ASX 3rd August 2026, ARC entered into a $5 million Securities Vault Pty Ltd facilty. Tranche 1 issued 10 million fully paid ordinary shares. 11th September the first shares transacted at an issue price of $0.08 per share which raise $250,000 (before costs). The shares issued into the facility used the Company's placement capacity under Listing Rule 7.1.

The placement proceeds were applied to subscribe for new shares representing a 3% equity interest in Ausbiz Wealth Pty Ltd including associated transaction costs. Ausbiz Labs Pty Ltd, a subsidiary of the Ausbiz Group, holds the remaining 97% of Ausbiz Wealth.

Ausbiz Wealth provides financial planning and wealth advisory services to retail and wholesale investors across Australia. The investment is consistent with ARC's strategy of building a portfolio of interests in profitable, growth-oriented Australian financial services businesses.

Treatment in the Appendix 4C: At the Company's direction, the placement proceeds were received into the trust account of Securities Vault Pty Ltd (being an authorised Representative of Lodge Corporate) and paid directly to Ausbiz Wealth Pty Ltd and to meet transaction costs.

Quarterly Cash Flow Performance

Net operating cash outflows for the September 2026 quarter were $258,000, compared with $281,000 in the June 2026 quarter.

Receipts from customers were $155,000 (June 2026 quarter: $168,000).

Staff costs were $198,000 (June 2026 quarter: $174,000). Administration and corporate costs fell to $188,000 (June 2026 quarter: $243,000), reflecting the Company's continued focus on its corporate cost base. Interest and finance costs paid were $26,000 (June 2026 quarter: $31,000).

ARC ended the quarter with cash and cash equivalents of $265,000.

Financing Activities

During the quarter, the Company drew down $200,000 and repaid $200,000 under its loan facility with associated entities of Managing Director, resulting in a nil net financing cash flow. At 30 September 2026, $800,000 was drawn under the facility. The facility is bears interest at a variable rate variable 12:75% p.a. and matures on 31st December 2026.

The $250,000 placement is described above and was not received in cash by the Company, less costs.

Related Party Payments

Payments to related parties and their associates of $129,175, disclosed at item 6.1 of the accompanying Appendix 4C, comprise directors' salaries and fees of $104,112 and interest of $25,063 paid to associated entities of the Managing Director under the loan facility.

Funding Position

At 30 September 2026, the Company had cash of $265,000 and no undrawn financing facilities, representing approximately one quarter of funding at the current level of operating cash outflows (item 8.5 of the Appendix 4C). The Board expects the Company to be able to continue its operations and meet its business objectives.

Outlook

ARC remains focused on acquiring and developing interests in profitable, growth-oriented businesses in the Australian financial services sector, with an emphasis on businesses with established operations, sustainable profitability and attractive growth prospects.

The Board remains committed to financial discipline while pursuing opportunities that have the potential to generate long-term value for shareholders.

-ENDS-

Authorised for release by the Board.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
ARC FUNDS LIMITED	
ABN	**Quarter ended ("current quarter")**
52 001 746 710	September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	155	155
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs		
	(c) advertising and marketing		
	(d) leased assets		
	(e) staff costs	(198)	(198)
	(f) administration and corporate costs	(188)	(188)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(26)	(26)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(258)**	**(258)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments	(235)	(235)
	(e) intellectual property		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	(235)	(235)

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	250	
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(15)	
3.5	Proceeds from borrowings	200	200
3.6	Repayment of borrowings	(200)	(200)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**235**	**0**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	523	523
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(258)	(258)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(235)	(235)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	235	235
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**265**	**265**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	265	523
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	265	523

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	129
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	800	800
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	nil
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	The loan facility is due 31 December 2026, secured (conditional to shareholder approval).	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(258)
8.2	Cash and cash equivalents at quarter end (item 4.6)	265
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	265
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.02

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
Yes.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:
Yes, capital raise under 7/7.1a placement capacity.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:
Yes, as raising capital under 7/7.1a placement capacity.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2026

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.