

## ASX Announcement

23 December 2024

### ARC Funds secures a call option to acquire a strategic 63.49% interest in The Term Deposit Shop

#### Key Highlight

- Call Option to acquire 63.49% of The Term Deposit Shop Pty Ltd ACN 159 123 001 (**TTDS**), the owner and operator of a cash management platform and 100% of TTDS Holdings Pty Ltd ACN 1401 742 383 (**TTDS Holdings**), a related entity holding the applicable Australian Financial Service Licence for the business

ARC Funds Limited (ASX:ARC) (**ARC** or the **Company**) is pleased to announce it has acquired a call option (**Call Option**) for a nominal fee which, if exercised, will result in ARC (subject to existing shareholders of TTDS not exercising their pre-emptive rights) acquiring 63.49% of TTDS and 100% of TTDS Holdings from the founder, Mr Grant Goodier<sup>1</sup>.

#### **The Term Deposit Shop**

TTDS owns and operates an all-encompassing online cash management 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.

#### **Value Proposition of 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

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<sup>1</sup> It is expected that third parties will retain the remaining 36.51% of TTDS.

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without additional paperwork to capture the best rate available or the term of deposit required.

### 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.

If the Call Option is exercised by ARC in its sole discretion and the acquisition of the 63.49% interest in TTDS proceeds, it would complement ARC's stated objective of offering a range of investment opportunities, across multiple asset classes to its clients.

### Option Terms

Percentage of TTDS the subject of the Call Option	63.49%
Exercise Period	The Call Option may be exercised at any time on or before 5pm (Sydney time) on Friday, 28 <sup>th</sup> February 2024
Total purchase price if Call Option exercised	\$2,380,709.60 <sup>2</sup>
Payment Date if Call Option exercised	On or before two months after the Call Option is exercised

### Next Steps

Subject to the completion of confirmatory due diligence, ARC intends to exercise the Call Option to acquire the 63.49% interest in TTDS and 100% of TTDS Holdings.

The Company will keep shareholders updated in relation to the progress of the proposed acquisition in accordance with its Listing Rule disclosure obligations.

**-ENDS -**

This announcement has been authorised by the boards of ARC & TTDS.

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<sup>2</sup> This sum is subject to the payment of other (albeit, immaterial) amounts and adjustment in accordance with the terms of the share subscription agreement to be executed by the parties following the exercise of the Call Option (**SSA**).

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