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ARC

Condensed Unaudited Interim Results
for the six-month period ended 31 December 2021

TABLE OF CONTENTS

The reports and statements set out below form the condensed Financial Statements of African Rainbow Capital Investments Limited (ARC Investments or the Company) for the six-month period ended 31 December 2021 as presented to the shareholders. They were prepared under the supervision of Karen Bodenstein, Chief Financial Officer, B Compt (Accounting Science).

These Unaudited Interim Financial Statements have been prepared in compliance with the applicable requirements of the Mauritius Companies Act 2001.

PERFORMANCE REVIEW

- 3** Key Highlights
- 4** Commentary

FINANCIAL STATEMENTS

- 19** Condensed Statement of Financial Position
- 20** Condensed Statement of Comprehensive Income
- 21** Condensed Statement of Changes in Equity
- 22** Condensed Statement of Cash Flows
- 23** Accounting Policies
- 26** Condensed Segmental Information
- 38** Notes to the Condensed Financial Statements

APPENDICES: INFORMATION FOR SHAREHOLDERS

- 61** Appendix I - Shareholders' Diary
- 62** Appendix II - Corporate Information

KEY HIGHLIGHTS

For the six-month period ended 31 December 2021



Intrinsic Portfolio Value increased by **14.1%** to **R14 001 million**

(30 June 2021: R12 275 million)

The R1 726 million increase comprises of R2 022 million net fair value gains and net investment disposals of R296 million.



Cash in the ARC Fund of **R538 million**

(30 June 2021: R239 million)



Disposal of **8.4 million** Afrimat shares for **R496 million**



The debt in the fund increased by **8.6%** to **R944 million**

(30 June 2021: R869 million)



INAV per share increase of **16.8%**

(31 December 2020: decrease of 7.6%)



Significant **international equity** funding secured in TymeBank and TymeGlobal



Kropz valuation **increased** following the commissioning of Elandsfontein and updated Cominco feasibility study

COMMENTARY

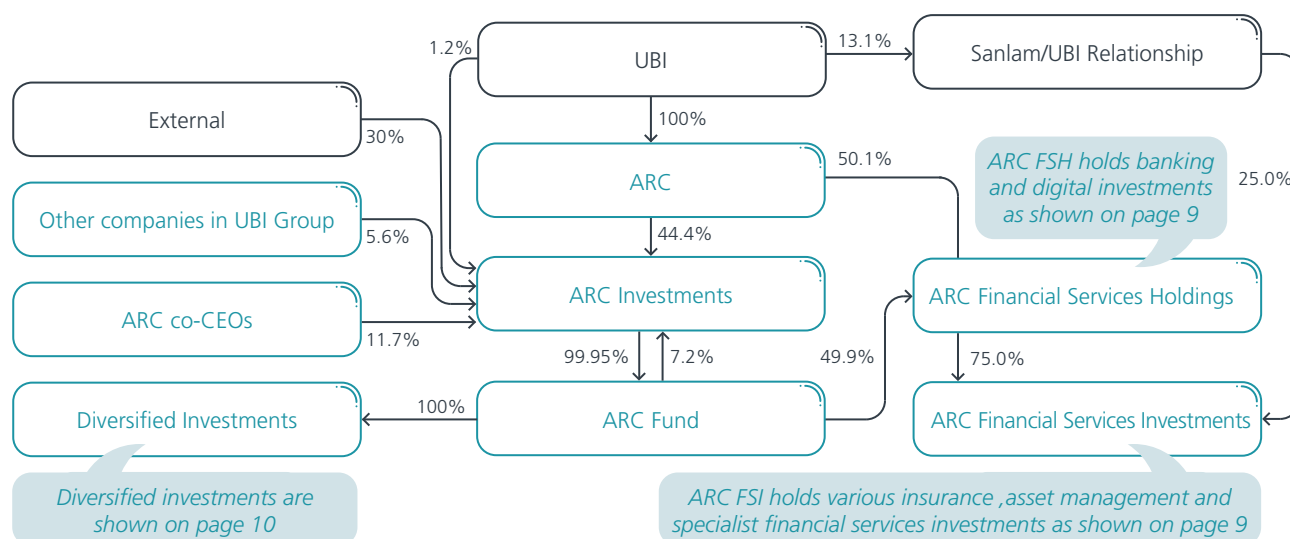
For the six-month period ended 31 December 2021

NATURE OF BUSINESS

African Rainbow Capital Investments Limited (ARC Investments/the Company) is incorporated in the Republic of Mauritius and holds a Category One Global Business Licence under the Mauritian Financial Services Act of 2007. It is regulated by the Mauritian Financial Services Commission and is listed on the JSE Limited with a secondary listing on A2X, also in South Africa. ARC Investments is an investment holding company and focuses on being a broad-based, Black-controlled investment vehicle of significant scale, offering shareholders the opportunity to indirectly invest in a diversified portfolio of listed and unlisted investments.

Group structure

ARC Investments is 44.4% effectively owned by African Rainbow Capital Proprietary Limited (ARC), which in turn is 100% owned by Ubuntu-Botho Investments Proprietary Limited (UBI). UBI effectively owns 51.2% of ARC Investments.



Investment strategy

The ARC Fund's investment strategy as well as the strategy of each of the companies in the ARC Fund portfolio was reviewed in the six months to 31 December 2021. Investments that no longer reasonably align with the longer-term ARC Fund investment strategy may be disposed of in the short to medium term. The review process has also highlighted the opportunity to establish a digital banking and fintech platform.

The ARC Fund's investment portfolio includes a blend of early-stage businesses as well as established businesses. Early-stage businesses comprise 53% of the ARC Fund's Intrinsic Portfolio Value (IPV) and include businesses such as Rain, TymeBank, TymeGlobal and Kropz. The ARC Fund takes a medium to long-term view on early-stage businesses it believes will make a significant impact in established markets.

Operating environment

The operating environment for most of the companies in the ARC Fund portfolio remained largely challenging in the period under review. It was characterised mainly by an already poorly performing economy exacerbated by the ongoing impact of the Covid-19 pandemic.

The South African operating environment is expected to be in a protracted period of uncertainty. This is likely to continue over the short to medium term.

Going concern

The financial statements were prepared on the going-concern basis. The assets of the company, fairly valued, exceed its liabilities. The directors are of the opinion that the company will continue as a going concern based on forecasts and available resources including cash and unutilised borrowing facilities.

Impact of Covid-19

In the period under review vaccines were made available to more South Africans. The percentage of South Africans being vaccinated is low relative to other countries. Notwithstanding the fact that South African death and infection rates are declining, the country's overall low vaccination rate could adversely impact our economy.

In terms of the ARC Fund portfolio, most investee companies have adapted reasonably well to Covid-19 trading conditions by reworking their business objectives and cost bases. Though some levels of uncertainty persist, many investee companies demonstrate improved levels of confidence in meeting their business objectives.

The ongoing impact of Covid-19 has been considered in determining the fair values of individual investments at 31 December 2021.



Performance highlights

In accordance with paragraph 3.4(b)(vi) of the JSE Listings Requirements, the Company confirms the use of net asset value per share for trading statement purposes. This is still considered an appropriate measure given the nature of the business conducted by the Company and its core strategic objective being to grow net asset value per share.

The Company's intrinsic investment value in the ARC Fund increased by 16.8% from R11 541 million at 30 June 2021 to R13 484 million at 31 December 2021. During the period under review its effective share of the invested assets (or the IPV) increased by 14.1% from R12 275 million at 30 June 2021 to R14 001 million at 31 December 2021 mainly as a result of a net increase of R2 022 million in asset values.

The IFRS Net Asset Value (NAV) per share increased by 16.5% from R8.85 per share at 30 June 2021 to R10.31 at 31 December 2021 (31 December 2020: R8.84 per share).

The annualised growth in the Company's share in the IPV of the ARC Fund, before the impact of acquisitions and disposals for the year, was 36.2%. The achieved growth is above the 10% Performance Participation hurdle and consequently a provisional amount of R311 million has been recognised in terms of IFRS 2 for the issue of Performance Participation shares to UBI Proprietary Limited (UBI) in accordance with the terms of the Pre-Listing Statement of the Company. The Performance Participation will be calculated at 30 June 2022 for the year then ending to determine the actual number of Performance Participation shares that will be issued to UBI.

During the process of listing ARC Investments in 2017, the Company and the General Partner indicated that they would review the fee structure of the ARC Fund after five years. The global and domestic investment and trading environment has changed considerably since ARC Investments listed and consequently the parties are in a review process, with the aim to conclude matters at the next ARC Investments' Annual General Meeting.

The strategic focus of the ARC Fund remains the consolidation of its capital in specific businesses and working with investment partners to deliver synergies from relevant portfolio companies that will create additional value in the underlying businesses. This, combined with the progress being made by early-stage businesses such as TymeBank, Kropz and Rain that have moved along the maturity curve, should go some way towards closing the gap between the intrinsic and market values.

Performance analysis

The investment in ARC Financial Services Holdings Proprietary Limited (ARC FSH) has been disclosed as a one-line item in the ARC Fund segment tables, with additional notes detailing the breakdown of the ARC Financial Services Portfolio. The prior period Segment tables have also been adjusted to improve the disclosure.

For six-month period ended 31 December 2021

Investment in ARC Fund	Net Asset Value 30 June 21 R million	Net Investment R million	Net Increase in Net Asset Value R million	Net Asset Value 31 December 21 R million	Percentage change
Intrinsic Portfolio Value	12 275	(296)	2 022	14 001	14.1%
Cash in the ARC Fund	239	339	(40)	538	125.1%
Debt in the ARC Fund	(869)	(43)	(32)	(944)	8.6%
Other net assets/(liabilities) in the ARC Fund	(104)	–	(7)	(111)	6.7%
UBI GP fee payable	(100)	–	(15)	(115)	15.0%
Other assets (liabilities) in the ARC Fund	(4)	–	8	4	(200%)
Intrinsic Investment in the ARC Fund at FVTPL	11 541	–	1 943	13 484	16.8%

For the six-month period ended 31 December 2020

Investment in ARC Fund	Net Asset Value 30 June 20 R million	Net Investment R million	Net Increase in Net Asset Value R million	Net Asset Value 31 December 20 R million	Percentage change
Intrinsic Portfolio Value	10 556	399	949	11 904	12.8%
Cash in the ARC Fund	35	(93)	462	404	>100%
Debt in the ARC Fund	(440)	(143)	(8)	(591)	34.3%
Other net assets/(liabilities) in the ARC Fund	(203)	64	26	(113)	(44.3%)
UBI GP fee payable	(194)	–	92	(102)	(47.4%)
Other assets (liabilities) in the ARC Fund	(9)	64	(66)	(11)	22.2%
Intrinsic Investment in the ARC Fund at FVTPL*	9 948	227	1 429	11 604	16.6%

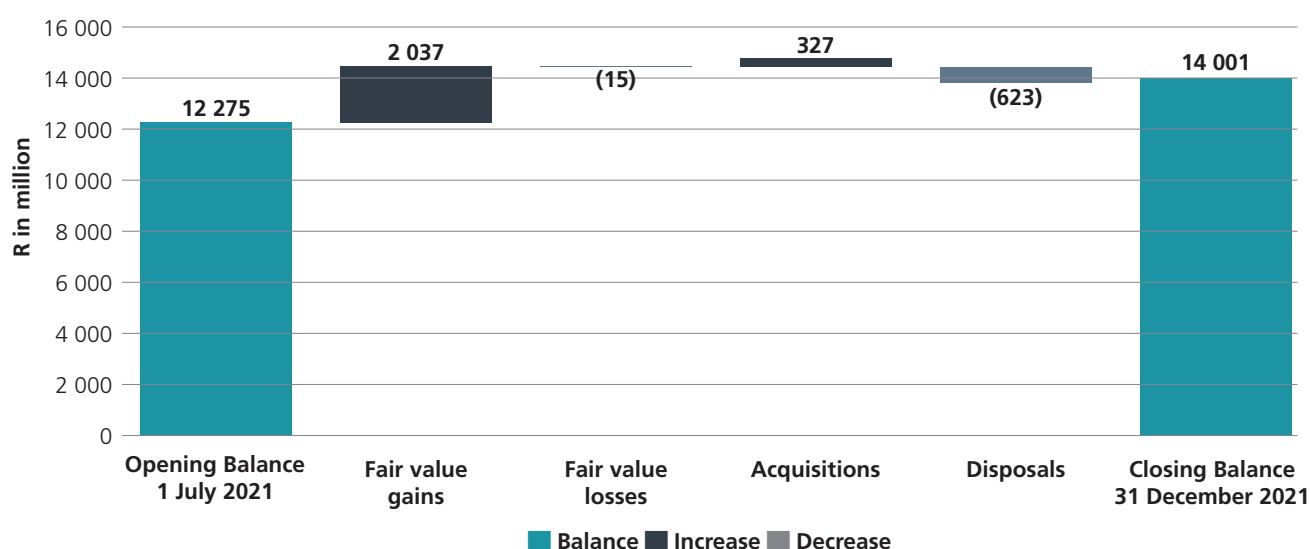
* FVTPL: Fair value through profit or loss

COMMENTARY

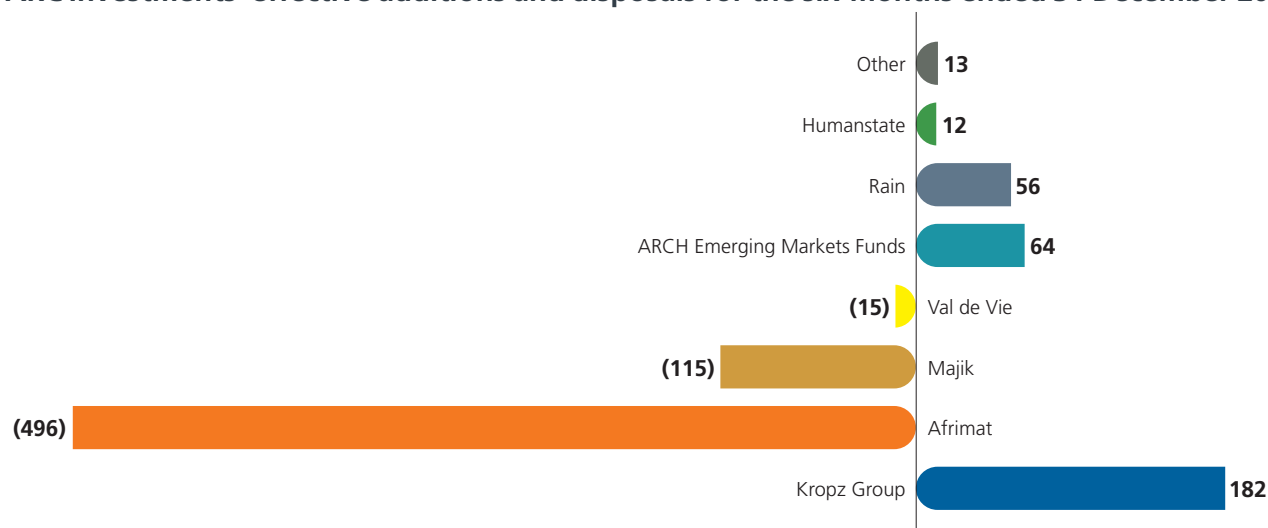
For the six-month period ended 31 December 2021

During the period under review ARC Investments, through its investment in the ARC Fund, effectively made acquisitions and disposals amounting to R327 million and R632 million respectively. The following significant movements occurred:

Intrinsic portfolio value movement from 1 July 2021 to 31 December 2021



ARC Investments' effective additions and disposals for the six-months ended 31 December 2021



Significant effective acquisitions and disposals in the Diversified Investments Portfolio through the ARC Fund

Sale of Afrimat shares

The ARC Fund sold 8.4 million Afrimat shares for a consideration of R496 million during the reporting period. At 31 December 2021 the ARC Fund held 14 million shares which equates to an approximate 10% shareholding in Afrimat.

Kropz Plc

The ARC Fund subscribed for additional shares in Kropz Plc to the value of R55 million in various tranches during the period under review in terms of the convertible loan facility entered into previously. The ARC Fund also advanced an additional R200 million convertible loan facility available to Kropz Plc to help fund operations at Elandsfontein until first revenue date. At 31 December 2021, R127 million of this total facility had been drawn.



ARCH Emerging Markets Partners Limited

During the period under review ARC Investments effectively invested R64 million in the ARCH Cold Chain Solutions East Africa Fund. ARCH Emerging Markets Partners Limited (ARCH EM), which is a joint venture between JCH & Partners LLP and ARC, manages ARCH Cold Chain Solutions East Africa Fund and ARCH Renewable Power Fund.

Spectrum auction

Rain participated in the spectrum auction which commenced on 8 March 2022. It successfully secured allocations of 10MHz of the spectrum in the 700 MHz band and for 10 MHz of the 2.6GHz band respectively for R1.15 billion during the Opt-In round of the auction. Following the finalisation of the Opt-In round, Icasa has commenced the main-stage spectrum auction, and the outcome hereof was unknown at the time of finalising this report. The spectrum allocated to Rain will significantly enhance the company's competitiveness.

Acquisitions in the Financial Services Portfolio

During the six-month period ended 31 December 2021, the Company effectively made the following significant indirect investments through the ARC Fund's 49.9% interest in ARC FSH:

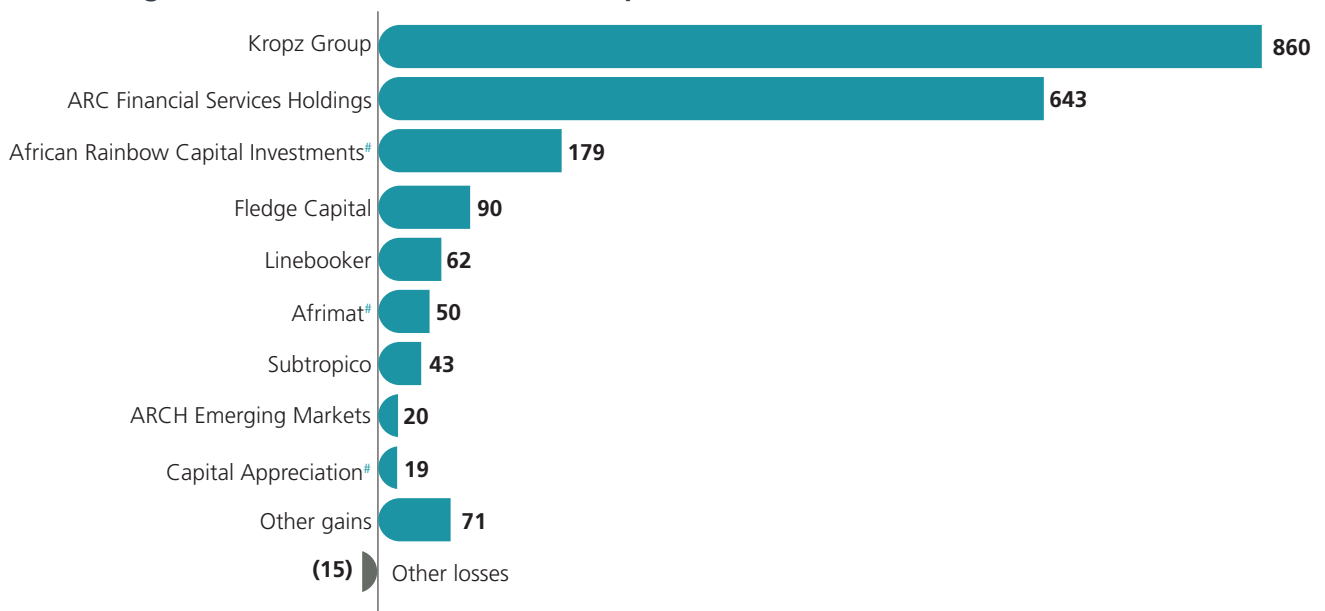
Crossfin

ARC FSH acquired 37.33% of Crossfin for R415 million resulting in the ARC Fund's indirect interest of 19% and R207 million respectively. Crossfin is one of Africa's leading independent fintech platforms, as measured by both the volume and value of transactions processed through its platforms.

TymeBank

ARC FSH injected an additional R257 million into TymeBank and TymeGlobal during the period as part of the scheduled capital requirements for the bank. At 31 December 2021 the ARC Fund had an effective interest of 25% in TymeBank, being its 49.9% of the 50.1% interest held by ARC FSH in TymeBank.

Fair value gains and losses for the six-month period ended 31 December 2021



[#] Denotes a listed entity classified as level 1 fair value hierarchy.

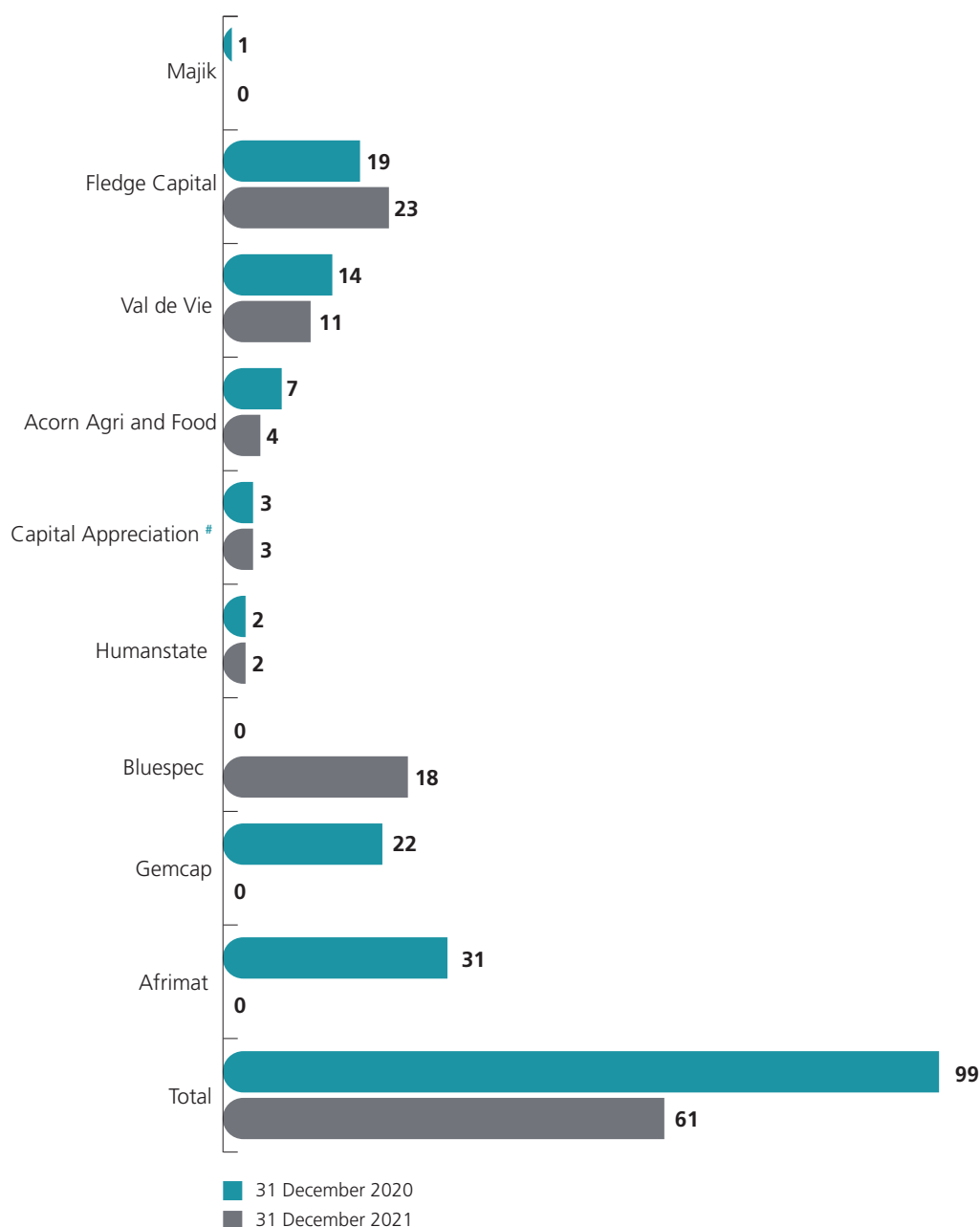
COMMENTARY

For the six-month period ended 31 December 2021

Dividend income

The Company's effective share in dividend income for the period under review decreased by 38% to R61 million (31 December 2020: R99 million) consisting of dividends from:

Dividend income for 2020 vs 2021



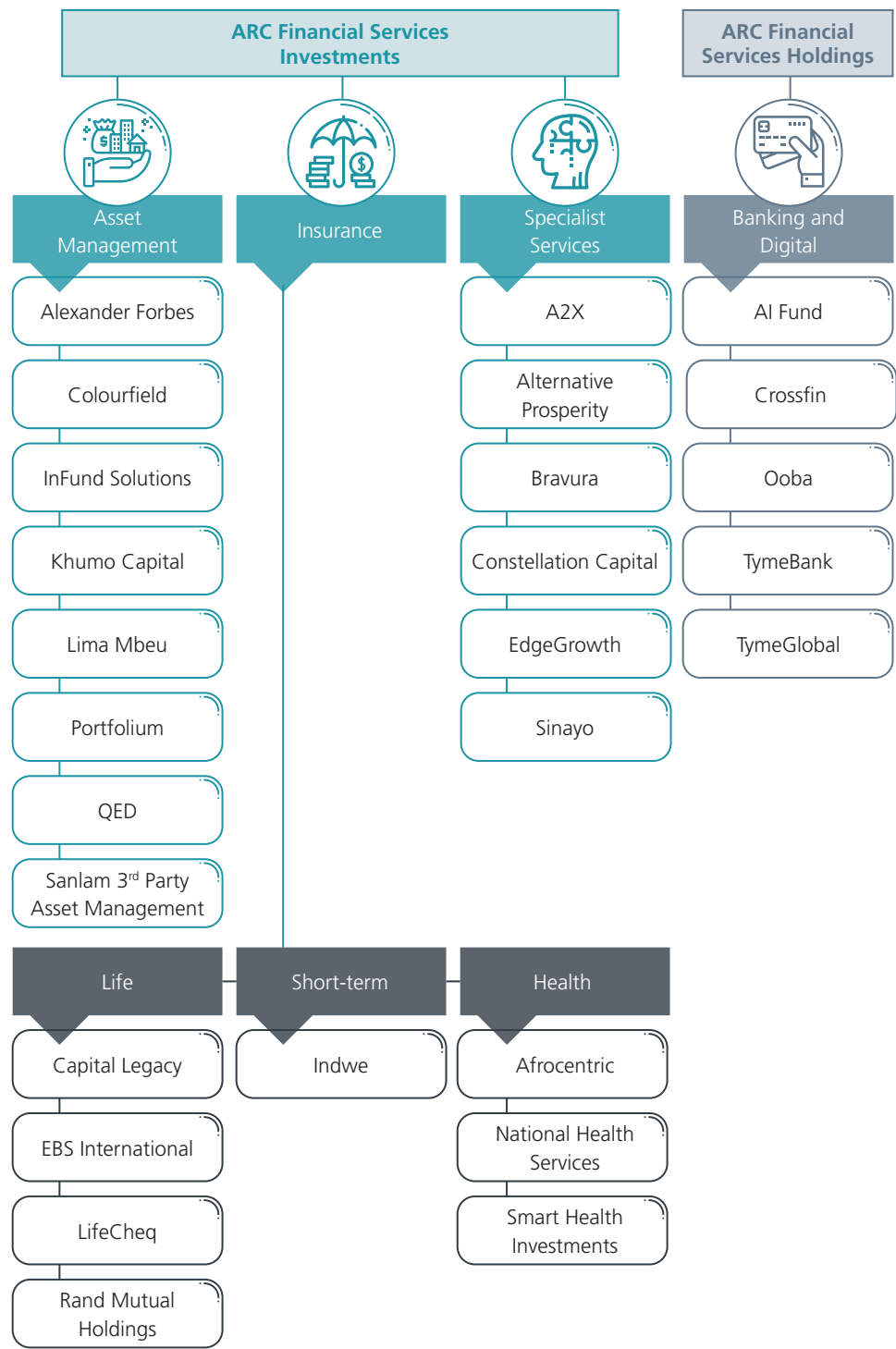
Denotes a listed entity classified as level 1 fair value hierarchy.



Performance review for the year

The 16.8% increase in ARC Investments’ share in the INAV of the ARC Fund at FVTPL was largely as a result of the Company’s effective share in the net fair value gains of R2 022 million which is graphically depicted below.

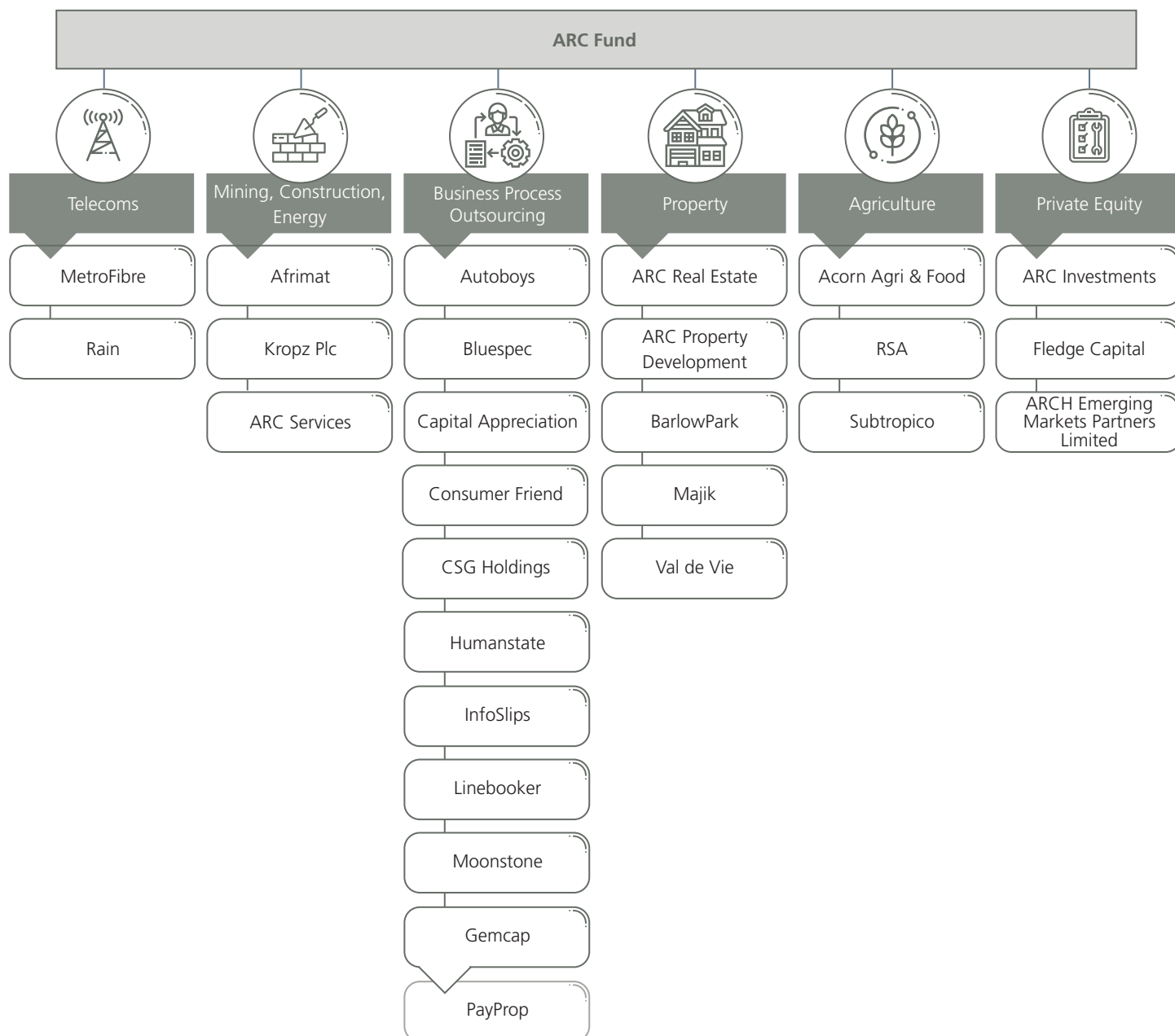
Financial Services



COMMENTARY

For the six-month period ended 31 December 2021

Diversified Investments

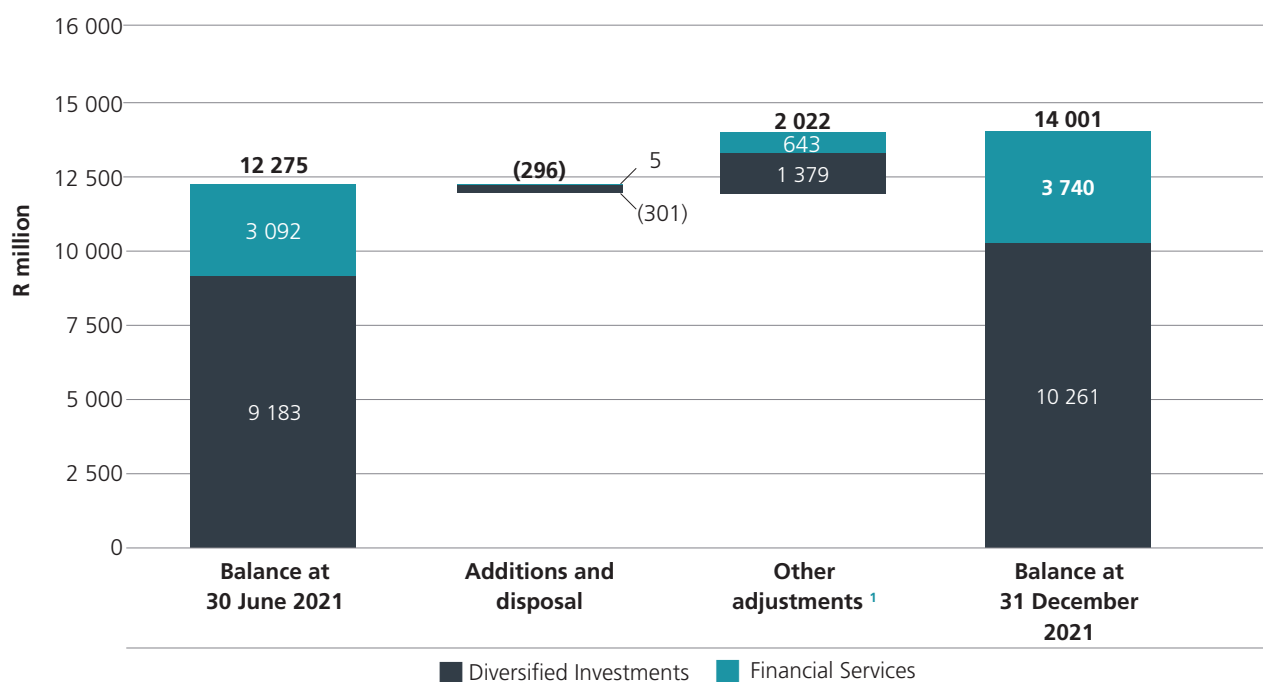




Below is a summarised review of the performance of the significant portfolio assets for the Diversified Investments and Financial Services portfolios. A more detailed schedule of all the assets within the ARC Fund portfolio, indicating investment and disposal activities, as well as their performance is available on the Company's website www.arci.mu.

PORTFOLIO DESCRIPTION AND REVIEW

Portfolio movement per sector for the six-month period ended 31 December 2021



¹ Fair value net of expected tax, cash flows, interest, forex movements and disposal gain/loss

Growth in Intrinsic Portfolio Value

The Company's effective investment in the Intrinsic Portfolio Value (IPV) of the ARC Fund increased by R1 726 million, comprising net disposals of R296 million, fair value gains including net foreign exchange movements and accrued interest on loans of R2 022 million.

Diversified Investments Portfolio (73.3% of Fund Value, 30 June 2021: 74.8%)

The Company's effective investment in the IPV of the Diversified Investments Portfolio increased from R9 183 million at 30 June 2021 to R10 261 million at 31 December 2021, resulting in an 11.7% increase during the period as shown in the table below.

	Net IPV 30 June 21 R million	Investments R million	Increase (decrease) in Fair Asset Value R million	Net IPV 31 Dec 21 R million	Increase/ (decrease) %
Telecommunications	3 582	56	9	3 647	1.8%
Mining, Construction and Energy	2 428	(311)	910	3 027	24.7%
Business Process Outsourcing (BPO)	1 322	13	123	1 458	10.3%
Property	472	(127)	13	358	(24.2%)
Agriculture	376	–	35	411	9.3%
Other	1 003	68	289	1 360	35.6%
	9 183	(301)	1 379	10 261	11.7%

COMMENTARY

For the six-month period ended 31 December 2021

Telecommunications (26.1% of Fund Value, 30 June 2021: 29.2%)

The Company's effective interest in the IPV of the investments in Telecommunications increased by 1.8% from R3 582 million at 30 June 2021 to R3 647 million at 31 December 2021.

Rain (24.1% of Fund Value, 30 June 2021: 27.0%)

The company is on track to exceed its budgeted R1 billion EBITDA for the year ended February 2022. This achievement is viewed as exemplary considering that Rain achieved breakeven only in the last 12 months.

Rain is likely to continue to benefit from developments in its operating environment. Rain continues to experience good demand for its products as Covid-19 restrictions are relaxed and employees return to their offices for work.

Roll-out of 5G coverage continues to include more towns across the country as well as expanding coverage in metros. Durban is one of the areas where Rain started to roll out 5G at the end of 2021 and it is expected to have achieved significant coverage by the end of Q2 2022.

The Rain valuation for 31 December 2021 has remained largely unchanged. This is as a result of delays in the spectrum auction and uncertainty regarding the timing, cost and size of additional spectrum being allocated to Rain. With temporary spectrum having expired at the end of November, Rain was allocated provisional spectrum and will participate in the spectrum auction when it goes ahead.

The Company's share in the value of the investment in Rain increased from R3 314 million at 30 June 2021 to R3 372 million at 31 December 2021, as a result of a R56 million additional investment and a fair value gain of R2 million for the period under review.

MetroFibre (2.0% of Fund Value, 30 June 2021: 2.2%)

MetroFibre delivered a satisfactory performance in the period under review, notwithstanding some challenges in its infrastructure rollout as a result of Covid-19. The ARC Fund has reached an agreement to dispose of its entire investment in MetroFibre, pending regulatory approval. The fair value recognised was calculated as the net present value of the expected proceeds to be received from the disposal.

The Company's effective investment in MetroFibre increased from R268 million at 30 June 2021 to R275 million at 31 December 2021 as a result of a fair value gain of R7 million.

Mining, Construction and Energy (21.6% of Fund Value, 30 June 2021: 19.8%)

The Company's effective investment in the IPV of Mining, Construction and Energy investment increased by 24.7% from R2 428 million at 30 June 2021 to R3 027 million at 31 December 2021.

Afrimat (5.6% of Fund Value, 30 June 2021: 10.0%)

The ARC Fund disposed of 8.4 million Afrimat shares at a price of R59.00 per share for a total consideration of R496 million in the period under review. As a result, the ARC Fund's shareholding in Afrimat decreased from 16% at 30 June 2021 to 10% at 31 December 2021. The capital profit on this disposal amounts to R287 million, generating an IRR of 27.84%.

Kropz Plc (15.2% of Fund Value, 30 June 2021: 8.9%)

Kropz Plc, which is listed on the Alternative Investment Market stock exchange in London, is an emerging African phosphate developer with an advanced development-stage phosphate mine in South Africa and exploration assets in the Republic of Congo. After experiencing several initial setbacks, significant progress has been made at Elandsfontein and the construction of the reconfigured concentration plant has been completed. A major milestone was achieved recently with the first introduction of ore into the plant in January 2022.

The ARC Fund invested an additional R182 million in the Kropz Group during the period under review and a fair value gain of R860 million was recognised. A significant proportion of the increase in value of the investment can be attributed to a combination of Elandsfontein approaching its first revenue date, improved phosphate pricing outlook, and the revaluation of Cominco, a company that owns the mining rights of a significant phosphate deposit at Hinda in the Republic of Congo (ROC). In addition, the ZAR weakened against the USD from R14.46/USD at 30 June 2021 to R15.89/USD at 31 December 2021, resulting in increased ZAR-denominated returns.

Historically, the carrying value of Cominco was kept at the original cost of Cominco when it was acquired by Kropz Plc during the listing of the latter in November 2018, after an allowance was made for the interest that would be retained by the ROC Government. Subsequent costs incurred by Kropz Plc were capitalised and impairment tests were conducted at each reporting date. At 30 June 2021 Cominco's carrying value of USD 36 million slightly exceeded the total cost incurred by Kropz Plc and its previous shareholders to develop and study the project to date.



Kropz Plc appointed Hatch, the international consulting firm, in February 2021 to produce an updated feasibility study for Cominco since the original study that was performed in 2015. Hatch was selected to perform the updated study largely due to its reputation as a world leader in mining consulting, including phosphate. The updated feasibility study was completed in December 2021 and provided important insights as to the project's cost, capital requirements, estimated life of mine and project value. The study supported a higher valuation of the Cominco asset. Based on the updated study and after applying an appropriate discount rate and marketability discounts, Kropz Plc's interest in Cominco was increased to USD 81 million at 31 December 2021. Although the ore body and process required to develop and mine at Cominco are well understood, there remains significant risk attached to the project.

The ARC Fund's investment value was estimated at R2 134 million at 31 December 2021, resulting in a fair value gain of R860 million during the reporting period. At 31 December 2021 the ARC Fund held 83.65% of the issued share capital in the Kropz Plc, compared to 82.7 % at 30 June 2021.

Business Process Outsourcing (10.4% of Fund Value, 30 June 2021: 10.8%)

The Company's effective interest in the IPV of the Business Process Outsourcing investments increased from R1 322 million at 30 June 2021 to R1 458 million at 31 December 2021.

Gemcap Group (2.0% of Fund Value, 30 June 2021: 4.9%)

During the period under review the majority of the assets that were held by Gemcap were sold to the ARC Fund as part of a group restructure, with the exception of Payprop. Payprop demonstrated resilience in the period under review as it recovered revenues following a challenging operating period after the onset of Covid-19 in March 2020.

Payprop SA has delivered a satisfactory performance both in terms of client retention as well as key financial metrics achieved. Payprop United Kingdom (UK) turned cash-flow positive in the period under review. Cash generated from both South African and UK operations was reinvested in developing Payprop North America. The North American initiative is still in its early development stage and Covid-19 has adversely impacted the North American expansion.

The International entities' year-on-year growth remains strong and the business is expected to achieve its growth targets over the medium term. In South Africa, Payprop SA's is regarded as a mature business relative to its related international entities and performance is viewed as stable. For the next 12 months, Payprop SA will focus on client retention as a key priority.

The Company's effective investment in Gemcap Group decreased by R366 million from R651 million at 30 June 2021 to R285 million at 31 December 2021, following the unbundling of the Gemcap investment portfolio.

Bluespec (2.2% of Fund Value, 30 June 2021: 2.5%)

The company's management has successfully implemented several interventions to deal with challenges in its operating environment which adversely impacted its performance. Although the impact of Covid-19 resulted in a significant reduction in market volumes and its operational performance, the company has turned the corner and delivered significant improvements in its financial performance and profitability.

Management has also reduced its long-term interest-bearing debt exposure, improving the overall strength of Bluespec's balance sheet. Cash reserves have recovered well, which has enabled the company to continue paying shareholders healthy dividends. The company continually invests in new technology platforms across its business to better respond to customer demands and improve its service offering.

The Company's effective investment in Bluespec remained unchanged at R304 million at 31 December 2021, largely due to an uncertain trading environment.

Other BPO (6.2% of Fund Value, 30 June 2021: 3.0%)

The other BPO portfolio investments include Humanstate, Autobots, and Capital Appreciation, CSG, Infoslips, Linebooker, Consumer Friend and Moonstone.

Agriculture (2.9% of Fund Value, 30 June 2021: 3.1%)

The Company's effective interest in the IPV of the agricultural investments increased from R376 million at 30 June 2021 to R411 million at 31 December 2021 as a result of net fair value gain of R35 million for the period under review.

Acorn Agri and Food (1.0% of Fund Value, 30 June 2021: 1.2%)

Acorn Agri and Food has interests in both the primary and secondary sectors of the agriculture industry.

The business initially posted a relatively strong performance, with recovery in revenue and profits, but was adversely impacted by a series of factors. These include reduced fruit harvests following unfavourable weather conditions as well as export and logistical delays.

The Company's effective investment in Acorn Agri and Food decreased in value from R153 million at 30 June 2021 to R145 million at 31 December 2021 as a result of a fair value loss of R8 million.

COMMENTARY

For the six-month period ended 31 December 2021

Subtropico (1.3% of Fund Value, 30 June 2021: 1.1%)

Subtropico operates in the secondary market of the agriculture sector and has interests in operating entities spanning mainly fresh-produce market agents, game and livestock auctions and a food packaging business.

Despite uncertainty regarding product demand, operational challenges as well as downward margin pressure because of decreasing product prices, the business held up relatively well. Subtropico experienced a year-on-year recovery in both revenue and profits, resulting in a valuation uplift during the period under review. The business achieved a strong recovery in profit after tax (33% increase compared to previous full year) which is the major driver in the increase in fair value recognised of 26%.

The Company's effective investment in Subtropico is valued at R178 million, which includes fair value gain of R43 million during the period under review.

RSA (0.6% of Fund Value, 30 June 2021: 0.7%)

RSA has interests in operating entities in the secondary sector of the agriculture industry. The business posted a flat performance after experiencing several significant challenges in its operating environment. Management is implementing a range of initiatives to improve financial performance.

The Company's effective investment in RSA remained unchanged from 30 June 2021 to 31 December 2021 at R88 million

Property (2.6% of Fund Value, 30 June 2021: 3.8%)

The Company's effective share of the IPV of the Property investments decreased from R472 million at 30 June 2021 to R358 million at 31 December 2021, largely due to a disposal of R127 million.

Val de Vie (1.1% of Fund Value, 30 June 2021: 1.2%)

The onset of the Covid-19 pandemic has resulted in some delays in property sales. However, the business and sales volumes showed a strong recovery during the period under review. Development progress and construction remain on track and Val de Vie has resumed its dividend payments as a result. The ARC Fund will likely hold its position until the development phase has been completed.

The Company's effective investment in Val de Vie decreased from R164 million at 30 June 2021 to R147 million at 31 December 2021, mainly due to a loan repayment.

Other Property (1.6% of Fund Value, 30 June 2021: 2.6%)

The portfolio investments include Majik, ARC Real Estate, ARC Property Development and Barlopark.

Other Diversified Investments (9.7% of Fund Value, 30 June 2021: 8.1%)

The Company's effective interest in the IPV of the Other Diversified Investments increased from R1 003 million at 30 June 2021 to R1 360 million at 31 December 2021. The increase is attributable to an additional investment of R68 million and fair value gains of R289 million.

Fledge Capital (3.3% of Fund Value, 30 June 2021: 3.0%)

Fledge Capital's net asset value increased by 32% in the period under review, largely as a result of the finalisation of the disposal of We-Buy-Cars to Transaction Capital. The IRR achieved on disposal totalled 78% (excluding the potential agterskot payment receivable. Fledge Capital and ARC have continued their fruitful partnership and, through a restructuring, ARC has acquired a 51% shareholding in an investment vehicle, with Fledge Capital as 49% shareholder.

The Company's effective investment in Fledge Capital increased by R90 million from R371 million at 30 June 2021 to R461 million at 31 December 2021 due to a fair value gain.

ARC Investments (4.1% of Fund Value, 30 June 2021: 3.1%)

During the period under review the ARC Fund increased its effective investment in ARC Investments from R386 million at 30 June 2021 to R569 million at 31 December 2021. The increase is due to a fair value gain of R179 million and an additional investment of R4 million at an average cost of R3.88 per share.

ARCH Emerging Markets (2.4 % of Fund Value, 30 June 2021: 2.0%)

The Covid-19 pandemic continued to adversely impact efforts to raise investment funds during the period under review. The relaxation of travel restrictions towards the end of the 2021 calendar year supported fundraising progress for the Cold Chain Solutions East Africa Fund (CCSEAF). CCSEAF raised a further \$25 million, which equates to a total of \$80 million raised against a target fund size of \$100 million. Progress on the construction of the first facility in Nairobi is going well and it should be completed by June 2022.



The African Renewable Power Fund (ARPF) achieved a final close in July 2021 at \$132 million with capital being 75%-80% deployed by mid-year 2022, with the team expected to start raising funds for ARPF 2. The Sustainable Resources Fund (SRF) was launched in October 2021 with anchor investors providing the first \$25 million commitment. The SRF is a fund created to capitalise on the potential of the new metals supercycle. The fund has made its first investment into a vertically integrated manufacturer of high-value graphite products in Tanzania. The target fund size is \$500 million.

The ARC Fund has committed in total \$50 million towards the ARCH Funds, \$4 million of which was contributed during the current year. A further \$25 million of the total commitment remains undrawn at 31 December 2021.

The Company's effective investment in ARCH Emerging Markets increased by R83 million from R246 million at 30 June 2021 to R329 million at 31 December 2021.

Financial Services Portfolio (26.7% of Fund Value, 30 June 2021: 27.3%)

The Company's effective interest in the gross IPV of the Financial Services portfolio increased from R3 346 million at 30 June 2021 to R4 448 million at 31 December 2021, resulting in a 32.9% increase during the period under review as detailed in the table below. Net IPV of the Financial Services portfolio, taking into account ARC Investments' indirect share of the debt funding and other assets and liabilities in the Financial Services structure, increased by 21.0% from R3 092 million at 30 June 2021 to R3 740 million at 31 December 2021. The increase in the Net IPV resulted mainly from ARC Investments' share of the fair value gains in the Financial Services portfolio.

	Net IPV 30 June 2021 R million	Investments R million	Increase (decrease) in Fair Asset Value R million	Net IPV 31 December 2021 R million	Increase/ (decrease) %
Insurance and Asset Management	1 775	128	115	2 018	13.7%
Banking & Fintech	1 454	340	528	2 322	59.7%
Specialist Financial Services	117	–	(9)	108	(7.7%)
Total Financial Services Portfolio	3 346	468	634	4 448	32.9%
Other Liabilities	(762)	(61)	(17)	(840)	10.2%
Other Assets	508	(407)	31	132	(74.0%)
Net IPV of the Financial Services Portfolio	3 092	–	648	3 740	21.0%

Insurance and Asset Management (14.4% of Fund Value, 30 June 2021: 14.5%)

The Company's effective interest in the gross IPV of the Insurance and Asset Management investments increased from R1 775 million at 30 June 2021 to R2 018 million at 31 December 2021, mainly attributable to investments and fair value gains relating to the investment in Alexander Forbes.

Alexander Forbes (6.7% of Fund Value, 30 June 2021: 6.2%)

ARC Financial Services Investments (ARC FSI) holds a 39.9% interest in Alexander Forbes Group Holdings Limited (AFGH), which is listed on the JSE. The ARC Fund therefore has an effective shareholding of 14.9% in AFGH through its 49.9% interest in ARC FSH.

The Company's effective investment in AFGH increased from R767 million at 30 June 2021 to R936 million at 31 December 2021, as a result of the investment of R83 million and fair value gain of R86 million.

Sanlam Third-Party Asset Management Business (2.2% of Fund Value, 30 June 2021: 2.5%)

Financial Services Investments (ARC FSI) holds a 25.0% interest in Sanlam Third-Party Asset Management (Sanlam 3rd PAM). The ARC Fund, therefore, has an effective shareholding of 9.3% in Sanlam 3rd PAM through its 49.9% interest in ARC FSH.

In the period under review, the business experienced increased margin pressure and as result delivered modest growth in profits. Going forward, the Sanlam/ABSA transaction is expected to be implemented over the course of the next 12 months which should further support the business as Assets Under Management (AUM) is expected to grow significantly and increased efficiencies of scale is achieved.

The Company's effective investment in the Sanlam 3rd PAM is valued at R306 million, being the acquisition cost.

COMMENTARY

For the six-month period ended 31 December 2021

Rand Mutual Holdings (RMH) (1.8% of Fund Value, 30 June 2021: 2.0%)

RMH administers workers' compensation for mining industry employees injured in the course and scope of their employment. The core of RMA's administration business is the receipt, adjudication and administration of workers' compensation claims, including the payment of medical costs, one-off disability payments and the ongoing payment of pensions in the case of severe disability and death.

In the period under review, RMH successfully demonstrated its ability to sell its non-COVID products into the metals employer groups. Strategically, the opportunity exists to offer these products also into the other classes administered by the Compensation Fund.

The value of the Company's effective investment in RMH amounted to R259 million at 31 December 2021.

Capital Legacy (1.4% of Fund Value, 30 June 2021: 1.1%)

Capital Legacy is one of the largest estate administrators in South Africa. Its key differentiator is the insurance product it offers relating to estate administration. Capital Legacy has continued to demonstrate good growth both in terms of the number of policies and profitability.

In August 2021, ARC FSI subscribed for R100 million in preference shares with a return of 25% plus an additional equity kicker, giving a return of 30% if the IRR of Capital Legacy reaches above 30%. The preference shares are automatically convertible to ordinary equity after three years. ARC FSI also acquired a small additional equity stake in Capital Legacy for R20 million during the period under review.

The Company's effective investment in Capital Legacy increased from R141 million at 30 June 2021 to R194 million at 31 December 2021.

Other Insurance and Asset Management (2.3% of Fund Value, 30 June 2021: 3.7%)

The other portfolio investments include Afrocentric, Colourfield, Smart Health Investments, Indwe, QED, Khumo Capital, LifeCheq, Infund Solutions, Lima Mbeu, National Health Solutions and Global ASP.

Specialist Financial Services (0.8% of Fund Value, 30 June 2021: 1.0%)

The Company's effective interest in the IPV of the Specialist Financial Services investments decreased by R9 million from R117 million at 30 June 2021 to R108 million at 31 December 2021.

The Specialist Financial Services portfolio investments include Sinayo, Bravura, A2X, Constellation Capital, EdgeGrowth and Alternative Prosperity.

Banking and Digital (16.6% of Fund Value, 30 June 2021: 11.8%)

The Company's effective interest in the gross IPV of ARC FSH's investments in Banking and Digital increased by 59.7% from R1 454 million to R2 322 million at 31 December 2021 with the key asset being TymeBank valued at R1 412 million.

TymeBank (10.1% of Fund Value, 30 June 2021: 9.6%)

TymeBank is a digital bank that leverages the use of digital technology to make banking simple and affordable. The bank is focused on acquiring customers who want to benefit from lower banking costs as well as improved digital customer experience.

The bank has been in operation for 36 months, having launched publicly in February 2019. The Covid-19 pandemic and the various levels of the national lockdown since March 2020 with resultant economic pressure on the consumer adversely impacted a number of the bank's projects. Despite these challenges, TymeBank has demonstrated resilience as it maintains momentum in the number of bank accounts being opened, active accounts and the launching of new products.

As at 31 December 2021, TymeBank had acquired 4.2 million customers, with 1.2 million active accounts.

The fair value of the TymeBank investment was adjusted to reflect the post-money value of the recently closed capital raising during which Tencent and the CDC invested into TymeBank and TymeGlobal. TymeBank received \$150 million as part of the capital raised while TymeGlobal received \$30 million. The value of ARC FSH's investment in TymeBank increased to R2 831 million net of deferred tax as a result, representing a 20% valuation uplift.

The progress on strategy implementation to date, combined with the additional capital injected up to 31 December 2021, resulted in the Company's share in the fair value of TymeBank amounting to R1 412 million at 31 December 2021. The Company's effective interest increased from R1 173 million at 30 June 2021 to R1 412 million at 31 December 2021.

TymeGlobal (3.6% of Fund Value, 30 June 2021: 1.1%)

TymeGlobal is the international vehicle through which the Tyme group's intellectual property is held. TymeGlobal's growth strategy is twofold: TymeGlobal will either use its intellectual property to build more digital banks in emerging markets or alternatively via white labelling the technology as Software as a service.



TymeBank remains TymeGlobal's core client at present. Beyond TymeBank, TymeGlobal's immediate next priority is the successful launch in mid-2022 and roll-out of the digital bank in the Philippines, GoTyme. This digital bank licence was awarded to GoTyme by the Philippines Central Bank. TymeGlobal owns 40% of GoTyme.

The fair value of the TymeGlobal investment was adjusted to reflect the post-money value of the recently closed capital raise mentioned above. TymeGlobal received \$30 million as part of the capital raised. The value of ARC FSH's investment in TymeGlobal increased to R1 003 million net of deferred tax as a result, representing a 457% valuation uplift.

The Company's effective investment in TymeGlobal increased from R90 million at 30 June 2021 to R500 million at 31 December 2021.

Crossfin (1.5% of Fund Value, 30 June 2021: n/a)

ARC FSH acquired a 37.33% interest in Crossfin in November 2021. Crossfin is a leading independent fintech group operating predominantly in South Africa and has interests in various fintech businesses including iKhokha, Sureswipe and GAAP.

ARC FSH has committed in total R600 million to the investment, R184 million of which remained undrawn at 31 December 2021. Crossfin management teams across the various Crossfin businesses were engaged to assess strategy and growth opportunities, including synergies with the ARC Fund portfolio companies.

In line with ARC's valuation policy, the investment in Crossfin is valued at the acquisition price. Crossfin's performance to December 2021 was positive, supported by a stronger retail trading environment over the December festive season.

The Company's effective investment in Crossfin is valued at R209 million at 31 December 2021.

Other Banking and Digital (1.4% of Fund Value, 30 June 2021: 1.1%)

The other portfolio investments include Ooba and the Ethos AI Fund.

Governance and Leadership

ARC Investments is managed and controlled in Mauritius by an experienced, multinational Board of Directors (the Board), of which the majority are independent. The Board has final oversight and responsibility in respect of ARC Investments' business, strategy and key policies, including the investment in the ARC Fund. There are no executive directors on the Board of ARC Investments.

ARC Investments is the only Limited Partner in the ARC Fund. It plays no role in the management or investment decisions of the ARC Fund.

The Board of Directors of the Company as at the reporting date comprised:

Name (age)	Nationality	Function
Mark Cyril Olivier (53)	British	Independent Non-executive Director (Chairperson)
Clive Msipha (39)	Zimbabwean	Independent Non-executive Director (Chairperson of Audit and Risk Committee)
Anil Currimjee (59)	Mauritian	Independent Non-executive Director
Renosi Mokate (63)	South African	Independent Non-executive Director
Mmamodiane Refiloe Nkadimeng (40)	South African	Non-executive Director
Smitha Algoo-Bissonauth (37)	Mauritian	Independent Non-executive Director

All the investment decisions of the ARC Fund are taken by the General Partner through its Board or its Investment Committee or, subject to the terms of any delegations in place, its Investment Advisory Committee. The ARC Fund's relationship with the General Partner is governed through a Partnership Agreement. The Company's Investment Guidelines have been adopted by the General Partner's Investment Committee in its charter.

The General Partner Board is responsible for general investment decisions, strategic and financial reviews of the ARC Fund and management of the pipeline and liquidity of the ARC Fund. It will provide representation on the Boards of portfolio companies (where appropriate), prepare valuation reports to ARC Investments and provide general feedback to ARC Investments on matters relating to the ARC Fund.

COMMENTARY

For the six-month period ended 31 December 2021

The Board of Directors of the General Partner as at the reporting date comprised:

Name (age)	Function
Patrice Motsepe (60)	Non-executive Director (Chairperson)
Alexander Maditsi (59)	Non-executive Director
Michael Arnold (64)	Non-executive Director
Boipelo Lekubo (38)	Non-executive Director
Tsundzukani Mhlanga (38)	Non-executive Director
Johan van der Merwe (56)	Executive Director
Johan van Zyl (65)	Non-executive Director

* Tom Boardman is a standing invitee of the Board of Directors of the General Partner, the Chairman of the Investment Committee and the Audit and Risk Committee.

Events after the reporting period

Sale of Afrimat shares

The ARC Fund sold 4 million Afrimat shares for a consideration of R244 million after the reporting date.

Global developments

Post the reporting date the unfolding events in Ukraine have had significant global short-term repercussions that may continue for a considerable period. The biggest risk for South Africa is mainly the possible impact on commodity prices and financial market volatility.

The Board will continue to assess, where possible, any potential and significant adverse impact on the operating environment of the key investee companies in the ARC Fund.

Spectrum auction

Rain participated in the spectrum auction which commenced on 8 March 2022. It successfully secured two allocations of 10MHz of the spectrum in the 700 MHz band and for 10 MHz of the 2.6GHz band respectively for R1.15 billion during the Opt-In round of the auction. Following the finalisation of the Opt-In round, Icasa has commenced the main-stage spectrum auction, and the outcome hereof was unknown at the time of finalising this report. The spectrum allocated to Rain will significantly enhance the company's competitiveness.

BASIS OF PREPARATION

Statement of compliance

The Condensed Unaudited Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council; the Listings Requirements of the JSE Limited; and the requirements of the Mauritian Companies Act 2001, insofar as applicable to Category One Global Business Licensed Company under the Mauritian Financial Services Act, 2007, which is regulated by the Mauritian Financial Services Commission.

In terms of the Listings Requirements, condensed interim results must be prepared in accordance with the framework, concepts, the measurement and recognition requirements of the International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial pronouncements as issued by the Financial Reporting Standards Council and must also, as a minimum, contain the information required by IAS 34 "Interim Financial Reporting".

The accounting policies applied in the preparation of the condensed interim results are consistent with those applied in the Company's 30 June 2021 Annual Financial Statements.

APPROVAL

The condensed unaudited interim results for the six-month period ended 31 December 2021 were approved in Mauritius by the Board of Directors of the Company on 8 March 2022.



Mark Cyril Olivier
Chairman of the Board



Clive Msipha
Chairman of the Audit and Risk Committee



Karen Bodenstein
Chief Financial Officer

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

R million	Notes	Unaudited 31 December 2021	Unaudited 31 December 2020	Audited 30 June 2021
ASSETS				
Non-current assets				
Investment in the ARC Fund at FVTPL*	5	13 572	11 638	11 650
Current assets				
Trade and other receivables		–	–	–
Cash and cash equivalents		12	17	15
Total assets		13 584	11 655	11 665
EQUITY				
Stated capital	7.1	9 653	9 653	9 653
Accumulated loss		(419)	(249)	(105)
Performance Participation reserve	9	311	147	–
Fair value reserve		4 038	2 104	2 116
Total equity		13 583	11 655	11 664
LIABILITIES				
Current liabilities				
Trade and other payables		1	–	1
Total equity and liabilities		13 584	11 655	11 665

* FVTPL: Fair value through profit or loss.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 31 December 2021

R million	Notes	Unaudited 31 December 2021	Unaudited 31 December 2020	Audited 30 June 2021
Fair value movements on the investment in the ARC Fund at FVTPL*	4.3	1 922	908	920
Other income		–	1	1
Other expenses	6	(3)	(5)	(8)
Performance Participation provision	9	(311)	(147)	–
Profit before taxation		1 608	757	913
Taxation	10	–	–	–
Profit for the period/year		1 608	757	913
Other comprehensive income for the period /year		–	–	–
Total comprehensive income for the period/year		1 608	757	913
Earnings per share:				
Weighted average number of shares at the end of the period/year (million)	7.2	1 318	1 174	1 245
Basic earnings per ordinary share (cents)	7.2	122	64	73
Diluted weighted average number of shares at the end of the period/year (million)	7.2	1 348	1 190	1 275
Diluted earnings per ordinary share (cents)	7.2	119	64	73

* FVTPL: Fair value through profit or loss.

STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 31 December 2021

R million	Notes	Stated Capital	Accumulated Loss	Performance Participation Reserve	Fair Value Reserve	Total Equity
Audited balance at 30 June 2020		8 903	(98)	–	1 196	10 001
Total comprehensive income for the year		–	757	–	–	913
Transfer to fair value reserve *		–	(908)	–	908	–
Shares issued	7.1	750	–	–	–	750
Performance Participation	9	–	–	147	–	–
Unaudited balance at 31 December 2020		9 653	(249)	147	2 104	11 655
Total comprehensive income for the period		–	156	–	–	156
Transfer to fair value reserve		–	(12)	–	12	–
Performance Participation	9	–	–	(147)	–	(147)
Audited balance at 30 June 2021		9 653	(105)	–	2 116	11 664
Total comprehensive income for the period		–	1 608	–	–	1 608
Transfer to fair value reserve		–	(1 922)	–	1 922	–
Shares issued		–	–	–	–	–
Performance Participation	9	–	–	311	–	311
Unaudited balance at 31 December 2021		9 653	(419)	311	4 038	13 583

STATEMENT OF CASH FLOWS

For the six-month period ended 31 December 2021

R million	Notes	Unaudited 31 December 2021	Unaudited 31 December 2020	Audited 30 June 2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash utilised in operations before investment activities		(3)	(5)	(7)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash capital contribution to the investment in ARC Fund at FVTPL*	9	–	(747)	(747)
<i>Cash utilised from investing activities</i>		(3)	(752)	(747)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of shares		–	750	750
Share issue costs		–	–	–
<i>Net cash inflows from financing activities</i>		–	750	750
Net increase in cash and cash equivalents		(3)	(2)	(4)
Cash and cash equivalents at the beginning of the period		15	19	19
Total cash and cash equivalents		12	17	15

* FVTPL: Fair value through profit or loss.

ACCOUNTING POLICIES

For the six-month period ended 31 December 2021

1. DEFINITIONS

The following definitions are key to the understanding of the Company's Condensed Unaudited Interim Financial Statements:

1.1 IFRS Portfolio Value

Investments in the ARC Fund are reported using IFRS fair value principles.

1.2 Intrinsic Portfolio Value (IPV)

The Intrinsic Portfolio Value is determined by the Directors at every reporting period. The IPV is the IFRS Portfolio Value adjusted for non-IFRS measures as set out in the Segmental Report. The significant non-IFRS measurement differences comprise:

- valuing underlying listed investments on a 30-day volume weighted average price (VWAP) basis (compared to closing spot price), net after expected taxation cash flows; and
- valuing underlying listed investments after recognising B-BBEE discounts on a 30-day VWAP basis (compared to closing spot price), net after expected taxation cash flows.

1.3 Intrinsic Net Asset Value (INAV)

Intrinsic Portfolio Value of ARC Investments plus cash and other net assets, less debt.

1.4 NAV

IFRS Portfolio Value of ARC Investments plus cash and other net assets, less debt. NAV per share is reported in note 4.3.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Condensed Unaudited Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council; the Listings Requirements of the JSE Limited; and the requirements of the Mauritian Companies Act 2001, insofar as applicable to Category One Global Business Licensed Company under the Mauritian Financial Services Act, 2007 which is regulated by the Mauritian Financial Services Commission.

The accounting policies applied in the preparation of the Annual Financial Statements are consistent with those applied in the Company's 30 June 2021 Audited Annual Financial Statements.

There have been changes to the composition or structure of the reportable segments during the period. The investment in ARC Financial Services has been disclosed as a one-line item in the ARC Fund segment tables with additional notes detailing the breakdown of the ARC Financial Services Portfolio. This was done to improve disclosure.

2.2 Functional currency and presentation currency

The Company's Annual Financial Statements are presented in South African Rand (Rand), which is the Company's functional and presentation currency. All financial information presented in Rand has been rounded to the nearest million (R million).

2.3 Basis of measurement

The Annual Financial Statements have been prepared on the historical-cost basis, except for the measurement of financial instruments at fair value.

The going-concern basis has been used in preparing the Annual Financial Statements as the Directors have a reasonable expectation that the Company will continue as a going concern for the foreseeable future.

3. KEY AREAS OF JUDGEMENT

3.1 Fair value measurement of the investment in the ARC Fund

The basis of valuation of the Investment is dependent on the valuation of all investments in the ARC Fund portfolio. The basis of valuation of all investments in the ARC Fund portfolio and consequently the investment at fair value through profit or loss (FVTPL), is fair value. Fair value is determined half-yearly. All investments are valued in accordance with the valuation policy outlined below.

ACCOUNTING POLICIES

For the six-month period ended 31 December 2021

The sum of the individual instruments plus the cash and net assets in the ARC Fund make up the investment in the ARC Fund. The valuation of the individual assets is in line with IFRS 13, therefore the sum of these represents the IFRS 13 fair value of the investment in the ARC Fund. A minority discount was considered as a result of the Company not controlling the ARC Fund; however, this did not impact the value as a result of the strength of the protective rights in the respective shareholder and other agreements.

The General Partner values the investment portfolio in accordance with its valuation policy. The valuation policy considers the International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines) and is consistent with the valuation approach detailed below, which will be consistent year on year except where there have been changes in circumstances in relation to an investment, and therefore the impact of such change would be disclosed.

3.1.1 Basis of valuation and approach

The fair value of the underlying investments in the ARC Fund at measurement date is in accordance with the principles of IFRS 13, Fair Value Measurement. Fair value is defined as the price that would be received for an asset in an orderly transaction between willing market participants at the measurement date. A fair value measurement assumes that a hypothetical transaction to sell an asset takes place in the principal market or in its absence, the most advantageous market for the asset.

For *listed investments* that are suitably liquid investments, the available market prices (calculated at the spot rate at the measurement date) will be the basis for the measurement of the IFRS Portfolio Value for identical instruments.

Where investments in listed assets are thinly traded, due consideration needs to be given to the fact that the price at which the share trades may not be representative of the fair value of these investments. As such the General Partner may duly consider whether the cost of the investment or the fair value as determined by another valuation approach may not be a better representation of the fair value than the quoted market price on the exchange.

Unlisted investments are valued primarily using either an income approach (IA) or a market approach (MA) valuation methodology or a combination of the two approaches. The discounted cash flow (DCF) is the preferred income approach methodology applied. In applying a market approach valuation methodology an appropriate trading multiple or comparable transaction is selected, depending on the specific underlying investment being valued.

The General Partner uses its judgement to select the valuation technique most appropriate for an investment. On a specific investment, a single valuation technique or approach may be more appropriate (e.g. when valuing an asset using quoted prices in an active market for identical assets); however, the use of multiple valuation approaches on an investment is encouraged.

If multiple valuation techniques or approaches are used to measure fair value, the results of the various valuation methods are evaluated considering the reasonableness of the range of values indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.

In determining the fair value of an investment, the General Partner uses its judgement. This includes consideration of those specific terms of the investment that may impact its fair value. In this regard, the General Partner would consider the economic substance of the investment, which may take precedence over the strict legal form. The General Partner would take the results of each of the valuation methods applied into account in determining the final value of an investment.

The valuations of the investments are presented to the Board of the Company.

Foreign investments are those considered to be in jurisdictions outside of South Africa. These are valued in the local currency of the country of investment and translated to Rand at the spot rate at the valuation date.

Lack of control/minority interest: To the extent that an investment is a minority interest and cannot be easily realised, an appropriate minority discount would be considered. However, to the extent that the ARC Fund has certain rights in respect of an investment (such as minority protections or Board representations) these rights would be considered.

Restriction on trading/lack of marketability: To the extent that the ARC Fund is restricted or prevented from disposing of the investment for a period of time, this restriction would be considered in the IFRS Portfolio Value of the investment in arriving at an appropriate discount adjustment for lack of marketability. This will include and consider any lock-ins agreed as part of an investment.

3.1.2 Income approach methodology

When applying the income approach, the General Partner will consider the appropriateness of any sensitivity and/or scenario analyses.

3.1.3 Discounted cash-flow methodology

The discounted cash-flow method is used to derive the enterprise value of the investment using reasonable assumptions on the estimations of expected future post-taxation cash flows. The forecast cash flows (free cash flows to the firm) and the terminal value (if applicable to the investment) are discounted to the present value using an appropriate risk-adjusted weighted average cost of capital (WACC) as the discount rate. To arrive at the estimate equity value, an adjustment is made for net indebtedness. Where appropriate, an adjustment to the valuation would be made for non-operating assets and liabilities and any surplus or deficit working capital in the investment.

In some valuations (for example, insurance and banking valuations), the use of free cash flow to equity might be preferred. Free cash flows to equity are discounted using an appropriate cost of equity discount rate.

The length of the period for which it would remain appropriate to use this valuation technique will depend on the specific circumstances of the investment and is subject to the judgement of the General Partner.

3.1.4 Market approach methodology

Multiple approach

If a multiple approach is used, where appropriate, the General Partner would apply an Enterprise Value (EV)/earnings before interest, taxation, depreciation and amortisation (EBITDA) or price/earnings (P/E) multiple that is appropriate and reasonable, based on comparable companies and taking account of the size, risk profile, country risk and earnings prospects of the underlying company. In other cases, where appropriate, EV/EBITDA and price/book value may also be considered.

Comparable transaction approach

Where comparable transaction data is available and deemed appropriate to use for valuation purposes the comparable transaction approach is considered. The comparable transaction approach looks at recent similar or comparable transactions of the company being valued or a company with similar business model to inform the basis of the valuation. The value of a business is determined by using a similar multiple that was achieved in past completed transactions after adjusting for any lack of marketability, minority or control premiums where appropriate.

The General Partner as the fund manager of the portfolio assets is contractually bound to perform half-yearly valuations of the investment portfolio and to report half-yearly to the partners of the ARC Fund. The half-yearly valuation reports are approved by the Audit and Risk Committee of the General Partner with the support and guidance of the Investment Committee. While due professional judgement is exercised in determining the fair value of these investments, there are inherent limitations in any valuation technique involving securities of the type in which the ARC Fund invests. Therefore, the fair values presented herein may not be indicative of the amount the ARC Fund could realise in a current transaction.

3.2 Control over the ARC Fund

The General Partner directs all the relevant activities of the ARC Fund and is therefore considered to have power over the Fund. The Company does not have a currently exercisable right to remove the General Partner other than for a reasonable cause. Therefore, the Company does not control the ARC Fund. ARC Investments does not have the power to participate in the financial and operating policy decisions of the ARC Fund. Therefore, ARC Investments does not have significant influence over the ARC Fund.

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2021

4. SEGMENTAL INFORMATION

Accounting policies

The company has determined its operating segments based on investments held. Since the Company held one investment at the end of the reporting period/year (the investment in the ARC Fund), only one operating segment is defined in terms of IFRS 8, Operating Segments. The chief operating decision makers (CODMs), being the Board of Directors, evaluate the investment in the ARC Fund based on Intrinsic Portfolio Value. The fair value movement, as evaluated by the CODMs, represents the measure of the segment performance. The IFRS values and Intrinsic values are reconciled in the tables below.

Information on the underlying investment held by ARC Fund is also reported to the CODMs for the purpose of assessing segment performance. The Investment Committee of the General Partner in the ARC Fund reports to the CODMs in terms of the guidelines on the investment portfolio valuation and reporting processes as set out in the ARC Investments Limited Investment Guidelines.

Company context in application of accounting policies

Diversified Investments

These are the non-financial services investments acquired by the ARC Fund for purposes of demonstrated growth potential and the ability to deliver returns above the target return of 16%. These are a combination of growth assets and businesses about to reach steady state. The key factor with regard to the Diversified Investments' strategy is that the ARC Fund partners with industry leaders to ensure the right level of monitoring and oversight is achieved with individuals with the requisite knowledge and experience of the relevant industry. The Diversified Investments' portfolio is further categorised as follows:

- Telecommunications;
- Mining, Construction and Energy;
- Business Process Outsourcing;
- Agriculture;
- Property; and
- Other Diversified Investments.

Financial Services

This is the core industry experience of the executive team within the ARC Fund. The investment strategy is to assemble a portfolio of assets that lends itself to synergistical benefits within its ecosystem. To this end, the portfolio is organised into the following categories:

- Insurance and Asset Management;
- Specialist Financial Services; and
- Banking and Digital.

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS

Investment	INTRINSIC				
	Net Balance at 30 June 2021 R million	Acquisition or (Disposal) R million	Fair Value, Interest, Forex & Disposal Gain/ Loss R million	Net Balance at 31 December 2021 R million	Percentage of Fund R million
Diversified Investments					
Telecommunications	3 582	56	9	3 647	26.1%
Rain	3 314	56	2	3 372	24.1%
MetroFibre	268	-	7	275	2.0%
Mining Construction and Energy	2 428	(311)	910	3 027	21.6%
Afrimat#	1 231	(496)	50	785	5.6%
Kropz Group	1 092	182	860	2 134	15.2%
Other Mining, Construction and Energy	105	3	-	108	0.8%
Business Process Outsourcing	1 322	13	123	1 458	10.4%
Gemcap	651	(380)	14	285	2.0%
Bluespec	304	-	-	304	2.2%
Other Business Process Outsourcing	367	393	109	869	6.2%
Property	472	(127)	13	358	2.6%
Majik	224	(115)	14	123	0.9%
Other	248	(12)	(1)	235	1.7%
Agriculture	376	-	35	411	2.9%
Other	1 003	68	289	1 360	9.7%
Fledge Capital	371	-	90	461	3.3%
African Rainbow Capital Investments#	386	4	179	569	4.1%
ARCH Emerging Markets	246	64	20	330	2.3%
Total Company share of Fund's Diversified Investments	9 183	(301)	1 379	10 261	73.3%
Financial Services *	3 092	5	643	3 740	26.7%
ARC Financial Services Holdings	3 092	5	643	3 740	26.7%
Total Company share of Fund's Invested Portfolio value	12 275	(296)	2 022	14 001	100.0%

Denotes a listed entity classified as level 1 fair value hierarchy

* Refer to note 4.1.1 for further detailed investments disclosure

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2021

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS*

Investment	INTRINSIC				
	Net Balance at 30 June 2020 R million	Acquisition or (Disposal) R million	Fair Value, Interest, Forex & Disposal Gain/ Loss R million	Net Balance at 30 June 2021 R million	Percentage of Fund R million
Diversified Investments					
Telecommunications	3 353	88	141	3 582	29.2%
Rain	3 111	56	147	3 314	27.0%
MetroFibre	242	32	(6)	268	2.2%
Mining Construction and Energy	1 711	358	359	2 428	19.8%
Afrimat#	773	(143)	601	1 231	10.0%
Kropz Group	734	455	(97)	1 092	8.9%
Other Mining, Construction and Energy	204	46	(145)	105	0.9%
Business Process Outsourcing	1 116	(3)	209	1 322	10.8%
Gemcap	553	12	86	651	5.3%
Bluespec	259	–	45	304	2.5%
Other Business Process Outsourcing	304	(15)	78	367	3.0%
Property	536	10	(74)	472	3.8%
Majik	277	(17)	(36)	224	1.8%
Other	259	27	(38)	248	2.0%
Agriculture	369	30	(23)	376	3.1%
Other	643	176	184	1 003	8.1%
Fledge Capital	453	(274)	192	371	3.0%
African Rainbow Capital Investments#	13	295	78	386	3.1%
ARCH Emerging Markets	177	155	(86)	246	2.0%
Total Company share of Fund's Diversified Investments	7 728	659	796	9 183	74.8%
Financial Services *	2 828	151	113	3 092	25.2%
ARC Financial Services Holdings	2 828	151	113	3 092	25.2%
Total Company share of Fund's Invested Portfolio value	10 556	810	909	12 275	100.0%

Denotes a listed entity classified as level 1 fair value hierarchy

* Refer to note 4.1.1 for further detailed investments disclosure

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS*

Investment	INTRINSIC				
	Net Balance at 30 June 2020 R million	Acquisition or (Disposal) R million	Fair Value, Interest, Forex & Disposal Gain/ Loss R million	Net Balance at 31 December 2020 R million	Percentage of Fund R million
Diversified Investments					
Telecommunications	3 353	32	395	3 780	31.7%
Rain	3 111	-	382	3 493	29.3%
MetroFibre	242	32	13	287	2.4%
Mining Construction and Energy	1 711	172	197	2 080	17.5%
Afrimat#	773	-	330	1 103	9.3%
Kropz Group	734	141	1	876	7.4%
Other Mining, Construction and Energy	204	31	(134)	101	0.8%
Business Process Outsourcing	1 116	17	129	1 262	10.7%
Gemcap	553	12	61	626	5.3%
Bluespec	259	-	11	270	2.3%
Other Business Process Outsourcing	304	5	57	366	3.1%
Property	536	5	(21)	520	4.3%
Majik	277	(9)	(13)	255	2.1%
Other	259	14	(8)	265	2.2%
Agriculture	369	-	(15)	354	3.0%
Other	643	22	149	814	6.8%
Fledge Capital	453	(270)	152	335	2.8%
African Rainbow Capital Investments#	13	186	39	238	2.0%
ARCH Emerging Markets	177	106	(42)	241	2.0%
Total Company share of Fund's Diversified Investments	7 728	248	834	8 810	74.0%
Financial Services *	2 828	151	115	3 094	26.0%
ARC Financial Services Holdings	2 828	151	115	3 094	26.0%
Total Company share of Fund's Invested Portfolio value	10 556	399	949	11 904	100.0%

* The investment in ARC Financial Services has been disclosed as a one-line item in the ARC Fund segment tables with additional notes detailing the breakdown of the ARC Financial Services Portfolio. This was done to improve disclosure. Refer to note 4.1.1 for further detailed investments disclosure.

Denotes a listed entity classified as level 1 fair value hierarchy

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2021

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS

Reconciliation					
31 December 2021					
	Share of ARC Fund's INTRINSIC net asset value to IFRS Value				
	Intrinsic Value 31 December 2021	Spot vs 30-day VWAP	Minority Discount	Control Premium	IFRS Value 31 December 2021
Listed	1 431	139	–	–	1 570
Unlisted	12 570	21	108	(180)	12 519
Total Fund Invested Portfolio value	14 001	160	108	(180)	14 089
UBI GP fee payable	(115)	–	–	–	(115)
Other Non-Current Liability	(944)	–	–	–	(944)
Total Portfolio net of liabilities	12 942	160	108	(180)	13 030
Cash in the ARC Fund	538	–	–	–	538
Other assets/(liabilities) in the ARC Fund	4	–	–	–	4
Total investment in ARC Fund at FVTPL	13 484	160	108	(180)	13 572

Reconciliation					
30 June 2021					
	Share of ARC Fund's INTRINSIC net asset value to IFRS Value				
	Intrinsic Value 30 June 2021	Spot vs 30-day VWAP	Control Premium	IFRS Value 30 June 2021	
Listed	1 676	122	–	1 798	
Unlisted	10 599	45	(58)	10 586	
Total Company share of ARC Fund's Invested Portfolio value	12 275	167	(58)	12 384	
UBI GP fee payable	(100)	–	–	(100)	
Other Non-Current Liability	(869)	–	–	(869)	
Total Company share of ARC Fund's Portfolio net of liabilities	11 306	167	(58)	11 415	
Cash in the ARC Fund	239	–	–	239	
Other assets/(liabilities) in the ARC Fund	(4)	–	–	(4)	
Total investment in ARC Fund at FVTPL	11 541	167	(58)	11 650	

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS

4.1.1. COMPANY'S EFFECTIVE INTEREST IN ARC FINANCIAL SERVICES HOLDINGS*

The value of ARC Fund's effective interest in ARC Financial Services Holdings is as follows:

Investment	INTRINSIC			
	Net Balance at 30 June 2021 R million	Acquisition or (Disposal) R million	Fair Value net of expected tax cash flows, Interest, Forex & Disposal Gain/Loss R million	Net Balance at 31 December 2021 R million
Financial Services				
Insurance and Asset Management	1 775	128	115	2 018
Alexander Forbes Group Holdings #	767	83	86	936
Sanlam Third-Party Asset Management	306	–	–	306
Rand Mutual Holdings	245	–	14	259
Other Insurance and Asset Management	457	45	15	517
Banking & Fintech	1 454	340	528	2 322
TymeBank	1 173	122	117	1 412
TymeGlobal	90	7	403	500
Crossfin	–	207	2	209
Other Banking and Digital	191	4	6	201
Specialist Financial Services	117	–	(9)	108
Total Company share of Financial Services Portfolio value	3 346	468	634	4 448

* The investment in ARC Financial Services has been disclosed as a one-line item in the ARC Fund segment tables, with additional notes, as shown in the above table, detailing the breakdown of the ARC Financial Services Portfolio.

Denotes a listed entity classified as level 1 fair value hierarchy.

Investment	Net Asset Value 30 June 2021 R million	Net Investment R million	Net increase in Net Asset Value R million	Net Asset Value 31 December 2021 R million
Intrinsic Portfolio Value	3 346	468	634	4 448
Deferred Consideration	(28)	–	–	(28)
Portfolio Company Liabilities	–	(61)	–	(61)
Other Non-Current Liability	(734)	–	(17)	(751)
Total Liabilities	(762)	(61)	(17)	(840)
Total Portfolio net of Liabilities	2 584	407	617	3 608
Cash	443	(407)	35	71
Other assets	65	–	(4)	61
Total Company's share of investment in ARC Financial Services Portfolio	3 092	–	648	3 740

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2021

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS

4.1.1. COMPANY'S EFFECTIVE INTEREST IN ARC FINANCIAL SERVICES HOLDINGS*

The value of ARC Fund's effective interest in ARC Financial Services Holdings is as follows:

Investment	INTRINSIC			
	Net Balance at 30 June 2020 R million	Acquisition or (Disposal) R million	Fair Value net of expected tax cash flows, Interest, Forex & Disposal Gain/Loss R million	Net Balance at 30 June 2021 R million
Financial Services				
Insurance and Asset Management	2 121	(211)	(135)	1 775
Alexander Forbes Group Holdings #	1 218	(312)	(139)	767
Sanlam Third-Party Asset Management	–	306	–	306
Rand Mutual Holdings	311	(66)	–	245
Other Insurance and Asset Management	592	(139)	4	457
Banking & Digital	1 128	245	81	1 454
TymeBank	927	232	14	1 173
Ooba	122	–	22	144
Other Banking and Digital	79	13	45	137
Specialist Financial Services	162	(45)	–	117
Total Company share of Financial Services Portfolio value	3 411	(11)	(54)	3 346

* The investment in ARC Financial Services has been disclosed as a one-line item in the ARC Fund segment tables with additional notes, as shown in the above table, detailing the breakdown of the ARC Financial Services Portfolio

Denotes a listed entity classified as level 1 fair value hierarchy

Investment	Net Asset Value 30 June 2020 R million	Net Investment R million	Net increase in Net Asset Value R million	Net Asset Value 30 June 2021 R million
Intrinsic Portfolio Value	3 411	(11)	(54)	3 346
Deferred Consideration	(28)	–	–	(28)
Other Non-Current Liability	(597)	(139)	2	(734)
Total Liabilities	(625)	(139)	2	(762)
Total Portfolio net of Liabilities	2 786	(150)	(52)	2 584
Cash	26	4	413	443
Other assets	16	–	49	65
Total Company share of investment in ARC Financial Services Portfolio	2 828	(146)	410	3 092

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS

4.1.1. COMPANY'S EFFECTIVE INTEREST IN ARC FINANCIAL SERVICES HOLDINGS*

The value of ARC Fund's effective interest in ARC Financial Services Holdings is as follows:

Investment	INTRINSIC			
	Net Balance at 30 June 2020 R million	Acquisition or (Disposal) R million	Fair Value net of expected tax cash flows, Interest, Forex & Disposal Gain/Loss R million	Net Balance at 31 December 2020 R million
Financial Services				
Insurance and Asset Management	2 121	428	(112)	2 437
Alexander Forbes Group Holdings #	1 218	–	(110)	1 108
Sanlam Third-Party Asset Management	–	407	–	407
Rand Mutual Holdings	311	–	–	311
Other Insurance and Asset Management	592	21	(2)	611
Banking & Digital	1 006	253	–	1 259
TymeBank	927	252	–	1 179
Other Banking and Digital	79	1	–	80
Specialist Financial Services	284	–	24	308
Ooba	122	–	–	122
Other Specialist Financial Services	162	–	24	186
Total Company share of Financial Services Portfolio value	3 411	681	(88)	4 004

* The investment in ARC Financial Services has been disclosed as a one-line item in the ARC Fund segment tables with additional notes, as shown in the above table, detailing the breakdown of the ARC Financial Services Portfolio

Denotes a listed entity classified as level 1 fair value hierarchy

Investment	Net Asset Value 30 June 2020 R million	Net Investment R million	Net increase in Net Asset Value R million	Net Asset Value 31 December 2020 R million
Intrinsic Portfolio Value	3 411	681	(88)	4 004
Deferred Consideration	(28)	(5)	–	(33)
Other Non-Current Liability	(597)	(394)	(21)	(1 012)
Total Liabilities	(625)	(399)	(21)	(1 045)
Total Portfolio net of Liabilities	2 786	282	(109)	2 959
Cash	26	(282)	307	51
Other net assets/(liabilities)	16	–	68	84
Total Company share of investment in ARC Financial Services Portfolio	2 828	–	266	3 094

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2021

4.2 SEGMENTAL PORTFOLIO RETURNS

Investment (R million)	31 December 2021			
	Dividend Income ¹	Fair Value Adjustment	Other Income ²	Intrinsic Total
Diversified Investments				
Telecommunications	–	9	–	9
Rain	–	2	–	2
MetroFibre	–	7	–	7
Mining, Construction and Energy	–	908	2	910
Afrimat [#]	–	50	–	50
Kropz Group	–	858	2	860
Other Mining, Construction and Energy	–	–	–	–
Business Process Outsourcing	23	119	4	146
Gemcap	–	14	–	14
Bluespec	18	–	–	18
Other Business Process Outsourcing	5	105	4	114
Property	11	(7)	20	24
Majik	–	(5)	19	14
Other property	11	(2)	1	10
Agriculture	4	35	–	39
Other	23	289	–	312
Fledge Capital	23	90	–	113
African Rainbow Capital Investments [#]	–	179	–	179
ARCH Emerging Markets	–	20	–	20
Total Company share of Fund's Diversified Investments Portfolio returns	61	1 353	26	1 440
Financial Services	–	643	–	643
ARC Financial Services Holdings	–	643	–	643
Total Company share of Fund's Portfolio returns	61	1 996	26	2 083

[#] Denotes a listed entity classified as level 1 fair value hierarchy.

¹ Dividend income represents cash dividend receipts

² Other income includes directors' fees, interest income on loans and foreign exchange gains and losses on portfolio entities

	31 December 2021				
	Intrinsic Value FV movement 31 December 2021	Change resulting from Spot vs 30-day VWAP	Change resulting from BEE Discounts	Change resulting from Control Premium	IFRS FV movement 31 December 2021
Total Diversified Investments	2 083	(7)	108	(122)	2 062
Total Fund Invested Portfolio value	2 083	(7)	108	(122)	2 062
Fund management fee					(115)
Interest income on cash and cash equivalents					15
Other net expenses in the Fund					(40)
IFRS fair value movements on the investment in the ARC Fund at FVTPL					1 922

4.2 SEGMENTAL PORTFOLIO RETURNS

Investment (R million)	31 December 2020			
	Dividend Income ¹	Fair Value Adjustment	Other Income ²	Intrinsic Total
Diversified Investments				
Telecommunications	–	395	–	395
Rain	–	382	–	382
MetroFibre	–	13	–	13
Mining, Construction and Energy	31	197	–	228
Afrimat [#]	31	330	–	361
Kropz Group	–	1	–	1
Other Mining, Construction and Energy	–	(134)	–	(134)
Business Process Outsourcing	27	129	–	156
Gemcap	22	61	–	83
Bluespec	–	11	–	11
Other Business Process Outsourcing	5	57	–	62
Property	15	(17)	(4)	(6)
Majik	1	(8)	(5)	(12)
Other property	14	(9)	1	6
Agriculture	7	(15)	–	(8)
Other	19	149	–	168
Fledge Capital	19	152	–	171
African Rainbow Capital Investments [#]	–	39	–	39
ARCH Emerging Markets	–	(42)	–	(42)
Total Diversified Investments	99	838	(4)	933
Financial Services	–	115	–	115
ARC Financial Services Holdings	–	115	–	115
Total Company share of Fund's Portfolio returns	99	953	(4)	1 048

* The investment in ARC Financial Services has been disclosed as a one-line item in the ARC Fund segment tables with additional notes detailing the breakdown of the ARC Financial Services Portfolio

Denotes a listed entity classified as level 1 fair value hierarchy.

¹ Dividend income represents cash dividend receipts

² Other income includes directors' fees, interest income on loans and foreign exchange gains and losses on portfolio entities

	31 December 2020			
	Intrinsic Value FV movement 30 June 2021	Change resulting from Spot vs 30-day VWAP	Change resulting from BEE Discounts	IFRS FV movement 30 June 2021
Total Diversified Investments	1 048	18	20	1 086
Total Fund Invested Portfolio value	1 048	18	20	1 086
Fund management fee				(113)
Interest income on cash and cash equivalents				6
Other net expenses in the Fund				(71)
IFRS fair value movements on the investment in the ARC Fund at FVTPL				908

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2021

4.3 SEGMENTAL PORTFOLIO NET ASSET VALUE MOVEMENTS - OTHER DISCLOSURE

Investment (R million)	31 December 2021				
	INTRINSIC				
	Net Balance 30 June 2021	Acquisition or (Disposal)	Net Interest Capitalised	Fair Value, Forex & Disposal Gain/Loss	Net Balance 31 December 2021
Nature classification of investments					
Listed	1 676	(492)	–	247	1 431
Unlisted	10 599	196	13	1 762	12 570
Total Nature Classification	12 275	(296)	13	2 009	14 001
Geographic classification of investments					
South Africa	10 773	(439)	4	1 237	11 575
Rest of Africa	247	64	–	19	330
International	1 255	79	9	753	2 096
Total Geographic Classification	12 275	(296)	13	2 009	14 001
Investment Instrument Type					
Equity	11 681	(307)	–	1 915	13 289
Loans	401	126	11	90	628
Preference Shares	193	(115)	2	4	84
Total Instrument Type Classification	12 275	(296)	13	2 009	14 001

	31 December 2021			
	Net Asset Value per share			
Net Asset Value – IFRS	31 December 2021	30 June 2021	Per share change	% change
Net Asset Value per share (cents) - IFRS	1 031	885	146	16.5%
Diluted Net Asset Value per share (cents) - IFRS	1 008	885	119	13.9%

	Net Asset Value per share			
	31 December 2021	30 June 2021	Per share change	% change
Net Asset Value - INTRINSIC				
Net Asset Value per share (cents) - Intrinsic	1 024	877	147	16.8%
Diluted Net Asset Value per share (cents) - Intrinsic	1 001	877	120	14.2%

	31 December 2020			
	Net Asset Value per share			
Net Asset Value – IFRS	31 December 2020	30 June 2020	Per share change	% change
Net Asset Value per share (cents) - IFRS	884	957	(73)	(7.6%)
Diluted Net Asset Value per share (cents) - IFRS	874	957	(83)	(8.7%)

	Net Asset Value per share			
	31 December 2020	30 June 2020	Per share change	% change
Net Asset Value - INTRINSIC				
Net Asset Value per share (cents) - Intrinsic	882	954	(72)	(7.6%)
Diluted Net Asset Value per share (cents) - Intrinsic	871	954	(83)	(8.7%)

4.3 SEGMENTAL PORTFOLIO NET ASSET VALUE MOVEMENTS - OTHER DISCLOSURE

Investment	30 June 2021				
	INTRINSIC				
	Net Balance 30 June 2020 R million	Acquisition or (Disposal) R million	Net Interest Capitalised R million	Fair Value, Forex & Disposal Gain/Loss R million	Net Balance 30 June 2021 R million
Nature classification of investments					
Listed	862	111	–	703	1 676
Unlisted	9 694	699	19	187	10 599
Total Nature Classification	10 556	810	19	810	12 275
Geographic classification of investments					
South Africa	9 316	212	2	1 243	10 773
Rest of Africa	177	155	–	(85)	247
International	1 063	443	17	(268)	1 255
Total Geographic Classification	10 556	810	19	890	12 275
Investment Instrument Type					
Equity	9 979	750	–	952	11 681
Loans	290	69	10	32	401
Preference Shares	287	(9)	9	(94)	193
Total Instrument Type Classification	10 556	810	19	890	12 275

	30 June 2021			
	Net Asset Value per share			
Net Asset Value – IFRS	30 June 2021	30 June 2020	Per share change	% change
Net Asset Value per share (cents) - IFRS	885	957	(72)	(7.5%)
Diluted Net Asset Value per share (cents) - IFRS	885	957	(72)	(7.5%)
	Net Asset Value per share			
	30 June 2021	30 June 2020	Per share change	% change
Net Asset Value - INTRINSIC				
Net Asset Value per share (cents) - Intrinsic	877	954	(77)	(8.1%)
Diluted Net Asset Value per share (cents) - Intrinsic	877	954	(77)	(8.1%)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

5. INVESTMENT IN THE ARC FUND AT FVTPL

Accounting policies

The business model applied by the Board of Directors of the Company in its management of the investment in the ARC Fund is the Intrinsic Fair Value of the Fund Portfolio as it is held primarily for capital appreciation. The investment in the ARC Fund is managed and performance evaluated on a fair value basis and is therefore a financial asset measured at fair value through profit or loss (default). The investment in the ARC Fund is thus a financial instrument mandatory at fair value through profit or loss as recognised and measured in accordance with the principles in IFRS 9, Financial Instruments, with associated disclosures presented in accordance with IFRS 7, Financial Instruments Disclosure, and IFRS 13, Fair Value Measurements.

Key judgements relate to the fair value measurement as well as control over the ARC Fund. These are discussed in more detail under Accounting Policies in note 3 above.

The investment in the ARC Fund at FVTPL and the underlying portfolio (which is compiled on a look-through basis in the ARC Fund), need to be classified at the appropriate level of hierarchy on which their fair values are based. Fair Value classification within these Annual Financial Statements is as follows:

Level 1 fair value hierarchy – Investments that trade in active markets and derive their fair value from quoted market prices of identical assets are classified within level 1. The quoted market prices provide the most reliable fair value classification and the Company does not need to adjust the quoted prices to measure the fair value of investments. The quoted market price used for investments held by the Company is the current bid price.

Level 2 fair value hierarchy – Investments that trade in markets not considered to be active and derive their fair value from observable inputs other than quoted prices included within level 1 above. These inputs need to be directly or indirectly observable for the investment and can include quoted market prices for similar assets in active or non-active markets; observable inputs other than quoted prices; and inputs derived from or corroborated by observable market data.

Level 3 fair value hierarchy – This classification applies to investments where observable inputs are not available for the asset to determine its fair value. Unobservable inputs are used to measure fair value where relevant observable inputs are not available. The unlisted investments, shareholder loans and derivatives in the ARC Fund are typically classified as level 3.

Company context in application of accounting policy choices

The Company obtains exposure to and has indirect interests in a diversified pool of listed and unlisted investments (Portfolio Companies) by investing as a Limited Partner into an *en commandite* partnership established in South Africa known as the ARC Fund. The Fund is managed by a Black-owned and -controlled Fund Manager, UBI GP Co Proprietary Limited (UBI GP), as the General Partner.

5. INVESTMENT IN THE ARC FUND AT FVTPL

	Notes	Unaudited 31 December 2021	Unaudited 31 December 2020	Audited 30 June 2021
The movement of the investment in the ARC Fund at FVTPL are as follows:				
Opening balance		11 650	9 983	9 983
Cash capital contribution		–	747	747
Fair value movements on the investment in the ARC Fund at FVTPL	4.2	1 922	908	920
Total		13 572	11 638	11 650
Valuation information:				
IFRS 13 fair value hierarchy		Level 3	Level 3	Level 3
Valuation methodology		Sum of the parts	Sum of the parts	Sum of the parts

* FVTPL: Fair value through profit or loss.

REALISATION AND DERECOGNITION

Accounting policies

The Company applies the derecognition principles in IFRS 9, Financial Instruments, and derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and also recognises a secured borrowing for the proceeds received.

Company context in application of accounting policies

The strategic objective of the Company is to not declare any dividends in the short to medium term (refer to Note 8).

The Company's partnership profit share in the ARC Fund for the financial period is not as a result of a return of capital but rather the fair value movements of the Portfolio Companies in the ARC Fund and is thus unrealised. The Company has therefore adopted a policy whereby unrealised profits of this nature are transferred to the fair value reserve. In the event of a return of capital by the ARC Fund, these would be realised and accordingly transferred from the fair value reserve to retained earnings.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS

The significant Investment Portfolio Companies, being those with a fair value of 5% and at least the 10 largest investments, or more of the Diversified Investments Portfolio and Investment Portfolio Companies considered to be qualitatively significant in a particular period are presented below along with the key valuation inputs and other relevant information. The tables below are presented in IFRS and Intrinsic for unlisted companies and Intrinsic for listed companies. For the impact of Covid-19 on the valuation refer to Note 16. Key inputs that drive the ARC Fund valuation of the portfolio assets were identified and sensitivities tested as demonstrated below.

Details of valuation inputs	Telecommunications		MetroFibre	
	Rain			
R million	31 December 2021	30 June 2021	31 December 2021	30 June 2021
% equity held by Fund	20.26%	20.26%	8.67%	8.65%
% equity held by ARC Group	20.26%	20.26%	8.67%	8.65%
Gross Equity investment	4 404	4 331	275	268
Minority discount	12.5%	12.5%	-	-
Marketability discount (*considers BEE as well where applicable)	12.5%	12.5%	Already implied in comparable transaction pricing	Already implied in comparable transaction pricing
Net investment	3 372	3 314	275	268
Loans and other investments	-	-	-	-
Total intrinsic value of investment	3 372	3 314	275	268
Fair value adjustment	2	147	7	(6)
Valuation information:				
IFRS 13 fair value hierarchy	Level 3	Level 3	Level 3	Level 3
Valuation methodology	Ten-year discounted cash flow with terminal value	Ten-year discounted cash flow with terminal value	Recent Transaction	Recent Transaction
Portfolio entity disclosures:				
Sector Grouping	Telecommunications		Telecommunications	
Listed/Unlisted	Unlisted		Unlisted	
BEE lock-in period	Transfer restrictions and pre-emptive rights apply to the ARC Fund's interest which is considered as part of the marketability discount above.		No longer applicable	
Assumptions and sensitivities			Assumptions and sensitivities	
Key inputs:			Not applicable.	
Input 1	WACC			
Input variable	15.58%	15.26%		
Input 2	Terminal growth rate			
Input 2 variable	3%	3%		
Input 3	Target debt/equity ratio			
Input 3 variable	33%	33%		
Input 4	Growth in subscribers			
Input 4 variable	Various	Various		
Sensitivity of key inputs:				
Input 1 variable	1% increase in WACC will result in a fair value decrease of R356 million, while a 1% decrease will result in a fair value increase of R422 million.	1% increase in WACC will result in a fair value decrease of R366 million, while a 1% decrease will result in a fair value increase of R435 million.		
Input 2 variable	R210 million per 1% increase in terminal growth rate and R179 million decrease per 1% decrease in terminal growth rate	R210 million per 1% increase in terminal growth rate and R178 million decrease per 1% decrease in terminal growth rate		
Input 3 variable	R58 million increase per 1% increase in debt/equity target and R56 million decrease per 1% decrease in debt/equity target.	R57 million increase per 1% increase in debt/equity target and R56 million decrease per 1% decrease in debt/equity target.		
Input 4 variable	1% increase in growth rate will result in fair value increase of R94 million while a 1% decrease will result in R94 million decrease.	1% increase in growth rate will result in fair value increase of R95 million while a 1% decrease will result in R95 million decrease.		

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

	Business Process Outsourcing				
Details of valuation inputs		Bluespec		Gemcap	
R million	31 December 2021	30 June 2021	31 December 2021	30 June 2021	
% equity held by Fund	24.8%	24.8%	100%	100%	
% equity held by ARC Group	24.8%	24.8%	100%	100%	
Gross investment	460	460	285	651	
Minority discount	17.4%	17.4%	Considered at individual investment level	Considered at individual investment level	
Marketability discount (*considers BEE as well where applicable)	20%	20%	Considered at individual investment level	Considered at individual investment level	
Net investment	304	304	285	651	
Loans and other investments	–	–	–	–	
Total intrinsic value of investment	304	304	285	651	
Fair value adjustment	-	45	14	86	
Valuation information:					
IFRS 13 fair value hierarchy	Level 3	Level 3	Level 3	Level 3	
Valuation methodology	PE Multiple	PE Multiple	Sum of the parts – EBITDA Multiple of valuation of underlying investments	Sum of the parts – EBITDA Multiple of valuation of underlying investments	
Portfolio entity disclosures:					
Sector Grouping	Business Process Outsourcing		Business Process Outsourcing		
Listed/Unlisted	Unlisted		Unlisted		
BEE lock-in period	Five years from September 2017. Nine months remaining at 31 December 2021.		n/a	Five years from April 2017 on Gemcap's investment in Consumer Friends. Eight months remaining at 30 June 2021.	
Assumptions and sensitivities					
Key inputs:					
Input 1	PE Multiple	PE Multiple	EBITDA multiple (Payprop SA)	EBITDA multiple (avg)	
Input variable	8x	8x	9 x – Payprop's multiple has remained unchanged since 30 June 2021.	7.4 x	
Sensitivity of key inputs:					
Input variable	1.0x increase in PE multiple will result in an increase of R34 million in fair value. 1.0x decrease in PE multiple will result in a decrease of R34 million in fair value.	1.0x increase in PE multiple will result in an increase of R34 million in fair value. 1.0x decrease in PE multiple will result in a decrease of R34 million in fair value.	1.0x increase (decrease) in PE multiple will result in a R25 million increase (decrease) in fair value.	1.0x increase (decrease) in PE multiple will result in a R58 million increase (decrease) in fair value.	
	Earnings	Earnings	Earnings	Earnings	
	10% increase in earnings will result in a fair value increase of R28 million. 10% decrease in earnings will result in a fair value decrease of R28 million.	10% increase in earnings will result in a fair value increase of R28 million. 10% decrease in earnings will result in a fair value decrease of R28 million.	10% increase in earnings will result in a fair value increase of R23 million.	10% increase in earnings will result in a fair value increase of R44 million.	

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

	Mining, Construction and Energy	
Details of valuation inputs	Afrimat	
R million	31 December 2021	30 June 2021
% equity held by Fund	10%	16.1%
% equity held by ARC Group	10%	16.1%
30-day VWAP	53.66	53.47
Spot price	57.43	58.50
Gross investment	785	1 231
Control Premium	n/a	n/a
Marketability discount (*considers BEE as well where applicable)	–	–
Net investment	785	1 231
Loans and other investments	–	–
Total intrinsic value of investment	785	1 231
Fair value adjustment	50	601
Valuation information:		
IFRS 13 fair value hierarchy*	Level 1	Level 1
Valuation methodology	JSE-listed share price	JSE-listed share price
Portfolio entity disclosures:		
Sector grouping	Mining, Construction and Energy	
Listed/Unlisted	Listed	
BEE lock-in period	None	None
Assumptions and sensitivities		
Key inputs:		
Input 1	Not applicable	
Input variable		
Sensitivity of key inputs:		
Input 1 variable		

* The fair value hierarchy level has been updated to better reflect underlying market dynamics of the investment.

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

	Mining, Construction and Energy	
Details of valuation inputs	Kropz Group	
R million	31 December 2021	30 June 2021
% equity held by Fund	83.7%	82.7%
% equity held by ARC Group	83.7%	82.7%
Gross Equity investment	1 951	991
Minority discount	–	–
Marketability discount (*considers BEE as well where applicable)	Various between 16.3% –20%	Various between 12% – 30%
Net Equity investment	1 748	886
Loans and other investments	386	206
Total intrinsic value of investment	2 134	1 092
Fair value adjustment	860	(97)
Valuation information:		
IFRS 13 fair value hierarchy	Level 3	Level 3
Valuation methodology	Sum of the parts – 83.65% of Kropz Plc; 26% of Kropz Elandsfontein; 30% of Elandsfontein Land Holdings	Sum of the parts – 82.7% of Kropz Plc; 26% of Kropz Elandsfontein; 30% of Elandsfontein Land Holdings
Portfolio entity disclosures:	Listed (trade on this entity has very low volumes and thus it has been classified as level 3 instead of level 1)	Listed (trade on this entity has very low volumes and thus it has been classified as level 3 instead of level 1)
Sector grouping	Mining, Construction and Energy	
Listed/unlisted	Listed (trade on this entity has very low volumes and thus it has been classified as level 3 instead of level 1)	
BEE lock-in period	Implied BEE lock-in in Kropz Elandsfontein as part of the current mining licence equates to 10 years.	
Assumptions and sensitivities		
Key inputs:		
Input 1	Commodity price	Commodity price
Input 1 variable	\$/t FOB 143 (weighted average life of mine)	\$/t FOB 132 (weighted average life of mine)
Input 2	USD: ZAR rate	USD: ZAR rate
Input 2 variable	R/\$ spot 15.89 and forward rate based 5-year consensus market forecast and thereafter on 1.44% inflation differential	R/\$ spot 14.46 and forward rate based on 2.14% inflation differential
Input 3	WACC	WACC
Input 3 variable	20.7%	20.4%
Sensitivity of key inputs:		
Input 1 variable	R585 million decrease in fair value per 10% reduction in commodity prices and R481 million fair value increase per 10% increase in commodity prices	R464 million decrease in fair value per 10% reduction in commodity prices and R428 million fair value increase per 10% increase in commodity prices
Input 2 variable	R333 million decrease in fair value per 5% strengthening of the Rand and R306 million increase in fair value per 5% weakening of the Rand	R260 million decrease in fair value per 5% strengthening of the rand and R253 million increase in fair value per 5% weakening of the Rand
Input 3 Variable	A 1% increase in WACC will result in a decrease in fair value of R23 million. A 1% decrease in WACC will result in an increase in fair value of R47 million.	A 1% increase in WACC will result in a decrease in fair value of R51 million. A 1% decrease in WACC will result in an increase in fair value of R54 million.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

	Other Diversified Investments	
Details of valuation inputs	ARCI Limited shares	
R million	31 December 2021	30 June 2021
% equity held by Fund	7.2%	7.1%
% equity held by ARC Group	7.2%	7.1%
Gross Equity investment	569	386
Minority discount	–	–
Marketability discount (*considers BEE as well where applicable)	–	–
Net Equity investment	569	386
Loans and other investments	-	–
Total intrinsic value of investment	569	386
Fair value adjustment	179	78
Valuation information:		
IFRS 13 fair value hierarchy	Level 1	Level 1
Valuation methodology		
Portfolio entity disclosures:		
Sector Grouping	Other Diversified Investments	
Listed/Unlisted	Listed	
BEE lock-in period	None	
Assumptions and sensitivities		
Key inputs:	N/a	N/a
Input 1		
Input 1 variable		
Sensitivity of key inputs:		
Input 1 variable		

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

	Other investments				
Details of valuation inputs		ARCH Emerging Markets		Fledge Capital	
R million	31 December 2021	30 June 2021	31 December 2021	30 June 2021	
% equity held by Fund	49.00%	49.00%	25.90%	25.90%	
% equity held by ARC Group	49.00%	49.00%	25.90%	25.90%	
Gross Equity investment	330	246	461	371	
Minority discount	–	–	–	–	
Marketability discount (*considers BEE as well where applicable)	–	–	Various	Various	
Net Equity investment	330	246	461	371	
Loans and other investments	–	–	–	–	
Total intrinsic value of investment	330	246	461	371	
Fair value adjustment	20	(86)	90	192	
Valuation information:					
IFRS 13 fair value hierarchy	Level 3	Level 3	Level 3	Level 3	
Valuation methodology	Net Asset Value	Net Asset Value	Sum of the parts/ Underwritten value	Sum of the parts/ Underwritten value*	
Portfolio entity disclosures:					
Sector Grouping	Other investments		Other investments		
Listed/Unlisted	Unlisted		Unlisted		
BEE lock-in period	None		None		
Assumptions and sensitivities					
Key inputs:	ZAR USD exchange rate: R18.89/USD 10% change will result in a R33 million change in value.	Not applicable	EBITDA Multiple (avg)	EBITDA Multiple (avg)	
Input 1			6.5 x	6.5 x	
Input 1 variable					
Sensitivity of key inputs:			10% increase in PE multiple will result in an increase of R4 million in fair value. 10% decrease in PE multiple will result in a decrease of R4 million in fair value.	10% increase in PE multiple will result in an increase of R12 million in fair value. 10% decrease in PE multiple will result in a decrease of R12 million in fair value.	
Input 1 variable					

* The valuation methodology changed due to a recent transaction price not being available in the reporting period

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

5.2 FINANCIAL SERVICES PORTFOLIO VALUATION INPUTS

The significant Investment Portfolio Companies, being those with a fair value of 5% and at least the 10 largest investments, or more of the segment categories of the Financial Services segment and Investment Portfolio Companies considered to be qualitatively significant in a particular period are presented below along with the key valuation inputs and other relevant information. The tables below are presented in IFRS and Intrinsic for unlisted companies and Intrinsic for listed companies. For the impact of Covid-19 on the valuation, refer to Note 16. Key inputs that drive the ARC Fund valuation of the portfolio assets were identified and sensitivities tested as demonstrated below.

	Insurance and Asset Management				
Details of valuation inputs		Alexander Forbes Group Holdings Limited		Sanlam Third-party Asset Management (Pty) Ltd	
R million	31 December 2021	30 June 2021	31 December 2021	30 June 2021	
% equity held by Fund	14.9%	13.13%	9.4 %	9.4 %	
% equity held by ARC Group	39.9%	35.09%	25%	25%	
30–day VWAP	4.46	3.93	–	–	
Spot price	4.49	4.15	–	–	
Gross Equity investment	1 081	723	306	306	
Control Premium	20%	20%	–	–	
Minority	10%	10%	–	–	
Net Equity investment	936	767	306	306	
Loans and other investments	–	–	–	–	
Total intrinsic value of investment	936	767	306	306	
Fair value adjustment (net of deferred tax)	86	(139)	–	–	
Valuation information:					
IFRS 13 fair value hierarchy*	Level 1	Level 1	Level 3	Level 3	
Valuation methodology	Listed share prices	Listed share prices	Acquisition cost	Acquisition cost	
Portfolio entity disclosures:					
Sector Grouping	Insurance and Asset Management		Insurance and Asset Management		
Listed/Unlisted	Listed				
BEE lock-in period	None				
Assumptions and sensitivities					
Key inputs:	Not applicable		Not applicable		
Input 1					
Input variable					
Sensitivity of key inputs:					
Input 1 variable					

* The fair value hierarchy level has been updated to better reflect underlying market dynamics of the investment.

5.2 FINANCIAL SERVICES PORTFOLIO VALUATION INPUTS *continued*

	Insurance and Asset Management	
Details of valuation inputs	Rand Mutual Holdings	
R million	31 December 2021	30 June 2021
% equity held by Fund	11.2%	11.2%
% equity held by ARC Group	30.0%	30.0%
Gross Equity investment	341	317
Minority discount	10.7%	10.7%
Marketability discount (*considers BEE as well where applicable)	13.6%	13.6%
Net Equity investment	259	245
Loans and other investments	–	–
Total intrinsic value of investment	259	245
Fair value adjustment	14	–
Valuation information:		
IFRS 13 fair value hierarchy	Level 3	Level 3
Valuation methodology	Embedded value and PE multiple sum of the parts	Embedded value and PE multiples
Portfolio entity disclosures:		
Sector grouping	Insurance and Asset Management	
Listed/Unlisted	Unlisted	
BEE lock-in period	None	
Assumptions and sensitivities		
Key inputs:	Embedded value	Embedded value
Input 1	Embedded value (EV) changes	Embedded value (EV) changes
Input variable 1	EV for various businesses within RMH	EV for various businesses within RMH
Input 2	PE Multiple	PE Multiple
Input variable 2	7.0 x	7.5 x
Sensitivity of key inputs:		
Input 1	Embedded value changes	Embedded value changes
Input variable 1	R13 million increase (decrease) in fair value per 5% increase (decrease) in embedded value	R12 million increase (decrease) in fair value per 5% increase (decrease) in embedded value
Input 2	PE Multiple	PE Multiple
Input variable 2	R0.7 million increase (decrease) in fair value per 0.5 increase (decrease) in PE multiple	R3.2 million increase (decrease) in fair value per 0.5 increase (decrease) in PE multiple

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

	Banking			
Details of valuation inputs	TymeBank		TymeGlobal	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
R million				
% equity held by Fund	25.05%	28.8%	25.05%	28.8%
% equity held by ARC Group	50.09%	57.7%	50.09%	57.7%
Gross Equity investment	1 412	1 173	500	90
Minority discount	n/a	n/a	n/a	n/a
Marketability discount (*considers BEE as well where applicable)	n/a	n/a	n/a	n/a
Net Equity investment	1 412	1 173	500	90
Loans and other investments	–	–	–	–
Total intrinsic value of investment	1 412	1 173	500	90
Fair value adjustment (net of deferred tax)	117	14	403	34
Valuation information:				
IFRS 13 fair value hierarchy	Level 3	Level 3	Level 3	Level 3
Valuation methodology	Recent transaction*	Recent transaction*	Recent transaction*	Recent transaction*
Portfolio entity disclosures:				
Sector grouping	Unlisted		Unlisted	
Listed/Unlisted	Banking		Banking	
BEE lock-in period	None		None	
Other details				
Assumptions and sensitivities				
Key inputs:				
Input 1	Not applicable	Not applicable	Not applicable	Not applicable
Input variable 1				
Input 2				
Input variable 2				
Sensitivity of key inputs				
Input 1				
Input variable				
Input 2				
Input variable 2				

* The valuation for both June and December was based on different transactions.

6. OTHER EXPENSES

	Notes	Unaudited 31 December 2021	Unaudited 31 December 2020	Audited 30 June 2021
Details of other expenses are as follows:				
Listing costs		–	2	3
Audit fees		–	–	1
Directors fees	13	1	1	1
Other expenses		2	2	3
		3	5	8

7. CAPITAL AND RETURN ON CAPITAL

7.1 Stated capital

	Notes	Unaudited 31 December 2021	Unaudited 31 December 2020	Audited 30 June 2021
ARC Investments has the following categories of share capital:				
Category	Rights			
Ordinary shares	Participating share with voting rights.			
B shares	Non-participating non-voting share except if as at any ordinary shareholder record date an appointed B-BBEE Rating Agent determines that ownership of ordinary shares by Black People as defined in the B-BBEE Codes, as determined using the flow-through principle in accordance with the B-BBEE Codes, is less than 51%; and that ARC as the holder of the B share holds at least 26.1% of the ordinary shares of the Company and, since the issue of these shares, the holding percentage has never dropped below 26.1%.			
C shares	Non-participating, non-voting shares with automatic conversion based on the terms of the Performance Participation (refer note 9 below).			
In terms of the Mauritius Companies Act 2001, as amended, the Company is not required to have authorised share capital. All the Company's classes of shares are of no par value and, accordingly, the Company does not have a share premium account.				

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

7. CAPITAL AND RETURN ON CAPITAL *continued*

7.1 Stated capital *continued*

	Notes	Unaudited 31 December 2021	Unaudited 31 December 2020	Audited 30 June 2021
Issued share capital				
Ordinary shares				
- 100 Ordinary shares of no-par value issued at incorporation at USD1 per share (translated at R12.91) ¹ .		–	–	–
- 526 588 235 shares issued to ARC Proprietary Limited under an asset-for-share sale transaction.		4 563	4 563	4 563
- 505 882 353 shares issued at listing date at R8.50 per share.		4 300	4 300	4 300
- Share issue costs.		(31)	(31)	(31)
- Conversion of 12 577 126 C shares for FY 2018 Performance Participation	9	71	71	71
- 272 727 273 shares issued at R2.75		750	750	750
Total issued share capital at the end of the year		9 653	9 653	9 653
B share				
1 share issued to ARC Proprietary Limited at a nominal value of R1. B shares are not listed.		–	–	–
C shares				
5 billion shares were issued to UBI Proprietary Limited at listing at a nominal value of R1 for the Performance Participation. On 11 December 2018, 12 577 126 were converted into A ordinary shares, thus 4 987 422 874 C shares were outstanding at 30 June 2021. C shares are not listed.		–	–	–

¹ The amount is less than R1 million and is rounded to Rnil.

7.2 Earnings per share

	Notes	Unaudited 31 December 2021	Unaudited 31 December 2020	Audited 30 June 2021
Basic earnings per ordinary share (cents)		122	64	73
Diluted earnings per ordinary share (cents)		119	64	73
Headline earnings per ordinary share (cents)		122	64	73
Diluted headline earnings per ordinary share (cents)		119	64	73
7.2.1 Reconciliation of reported earnings to headline earnings:				
Earnings/Headline earnings of the Company (R million)		1 608	757	913
There were no items that require adjustment from the reported earnings in terms of SAICA Circular 1/2021, Headline Earnings.				
7.2.2 Number of ordinary shares:				
Number of ordinary shares (million):				
Number of shares in issue at the end of the period/year (million)		1 318	1 318	1 318
Weighted average number of shares in issue during the period/year (million)		1 318	1 174	1 245
Diluted weighted average number of shares in issue during the period/year (million)		1 348	1 190	1 245
Diluted number of shares at the end of the period/year (million)		1 348	1 334	1 318
Shares issued at listing 1 032 470 588 Additional shares issued on 11 December 2018: 12 577 126				
Additional shares issued in October 2020: 272 727 273				

8. DIVIDENDS AND DIVIDEND POLICY

Accounting Policy

Company strategic objective

The Company is a capital-pooling and investment holding company structured to offer its shareholders long-term capital appreciation through the growth in the NAV of its underlying investment in the ARC Fund. As such, ARC Investments does not currently intend to pay dividends on the ordinary shares but may choose to pay dividends, including special dividends, at some point in the future when it is appropriate to do so.

Dividends

The Company's ability to pay dividends is a function of the return of capital by the ARC Fund, which is not anticipated in the short term and over which the Company has no direct control. Furthermore, the current intention of the General Partner is that cash raised by the ARC Fund through realisations and distributions received from Portfolio Companies will generally be utilised for new investment opportunities.

If the Company receives the proceeds of realisations or distributions by underlying Portfolio Companies from the ARC Fund and chooses to pay dividends, the Board anticipates declaring and paying a final dividend only. The Board may, however, resolve to declare and pay interim dividends on the ordinary shares. The payment of a dividend will be subject to the Company's constitutional documents and applicable laws and regulations and the reasonably foreseeable obligations of the Company and will require the approval of the Board. The dividends that are envisaged would primarily be paid from distributions received by the ARC Fund from the Portfolio Companies and proceeds arising from the disposal of underlying investments by the ARC Fund, which are distributed to the Company as returns of capital by the ARC Fund.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

9. PERFORMANCE PARTICIPATION EXPENSE

Accounting Policies

The Performance Participation is an equity-settled share-based payment accounted for in accordance with the provisions of IFRS 2, Share-based Payments. The share-based payment expense is recognised in profit or loss and the reserve in the statement of changes in equity as a separate reserve.

Company Context in Application of Accounting Policies

As detailed in Note 7.1, the Company has issued 5 billion C shares to UBI through a subscription agreement signed on 14 August 2017 for purposes of the Performance Participation, which in accordance with their rights and terms, are convertible into ordinary shares at no consideration.

Grant date:	14 August 2017
Grant price:	R1 for the full 5 billion shares.
Performance hurdle:	10% hurdle return on intrinsic portfolio value
Participation percentage:	16%, provided the IPV NAV at the beginning of the measurement year is not less than the previous highest IPV NAV.
Performance period:	Each annual financial year of the Company commencing 1 July and ending 30 June.
Conversion date:	No more than 10 business days (excluding weekends) from the date the Board approves the calculation of the Performance Participation which will normally be the date of approval of the Audited Annual Financial Statements of the Company.
C shares conversion formula:	The number of C shares that will automatically be converted to ordinary shares is determined by dividing the Performance Participation for the relevant annual measurement period by the INAV per ordinary share at the end of that measurement period. The conversion is calculated based on the growth in the IPV plus cash returns (of interest and dividends) on the IPV for the performance period percentage exceeding the performance hurdle rate of 10% per annum compounded annually at each financial year end during each performance period.

	Unaudited 31 December 2021	Unaudited 31 December 2020	Audited 30 June 2021
The annualised growth in Intrinsic Portfolio Value for the six-month period ended 31 December 2021 before taking into account acquisitions and disposals amounted to 36.2% which is above the 10% Performance Participation hurdle. Consequently, a provisional amount of R311 million has been recognised for the issue of 30 million Performance Participation shares. The Performance Participation will be calculated at 30 June 2022 for the year then ending to determine the actual number of Performance Participation shares that will be issued to UBI. Five billion shares were issued to UBI Proprietary Limited at listing at a nominal value of R1 for the Performance Participation. On 11 December 2018, 12 577 126 were converted into A ordinary shares, thus 4 987 422 874 C shares were outstanding at 31 December 2021.	311	147	–
Total Performance Participation expense	311	147	–

10. TAXATION

Accounting Policies

Normal income taxation and deferred taxation are recognised using the taxation rates and taxation laws that have been enacted or substantively enacted by the end of the reporting period in accordance with the recognition and measurement principles in IAS 12, *Taxes*.

Company Context in Application of Accounting Policies

The Company holds a Category One Global Business Licence for the purpose of the Mauritian Financial Services Act 2007. It was registered in Mauritius as a private Company limited by shares on 30 June 2017 and converted to a public Company on 2 August 2017. The Company received its Global Business Licence ("GBL1") before 16 October 2017 and is grandfathered up to 30 June 2021. As from 1 July 2021 the Company's GBL1 Licence will automatically be converted to a Global Business Licence.

During the grandfathered period it is liable for income taxation at a rate of 15%. However, the Company is entitled to a taxation credit equivalent to the higher of the actual foreign taxation incurred and 80% of the Mauritian taxation on its foreign source income. The maximum effective tax rate will be 3%.

On 1 July 2021, under the new regime, the Company will be able to claim an 80% exemption on specified income (including foreign dividends and interest), subject to meeting predefined substance conditions. Other types of income not falling within the categories of income benefiting from the exemption will be taxed at 15%.

The foregoing is based on current interpretation and practice and is subject to any future changes in Mauritian taxation laws.

	Unaudited 31 December 2021	Unaudited 31 December 2020	Audited 30 June 2021
Losses carried forward amounting to R142 million at 31 December 2021 (30 June 2021: R100 million). Mauritian taxation regulations permit the carry-forward of unused taxation losses for a maximum period of 5 years from the date they arose. The accumulated taxation losses are available for set-off against future taxable income as follows:			
Arising in financial year 2020, carry forward up to 2025 financial year	43	–	43
Arising in year ended 30 June 2021, carry forward up to 2026 financial year	57	32	57
Arising in period ended 31 December 2021, carry forward up to 2026 financial year. The taxation is reflected at a statutory rate of 15%.	42	–	–
Profit before taxation	1 608	757	913
Taxation at a statutory effective rate of 15% before foreign taxation credit	241	114	137
Tax reconciled	(241)	(114)	(137)
Income not subject to tax	(247)	(118)	(145)
Withholding tax gross up	–	–	2
Tax losses for which no deferred tax asset was recognised	6	4	6
A deferred tax asset amounting to R5 million (30 June 2021: R3 million) has not been recognised as the Directors have determined that it is not probable that the Company will generate sufficient taxable profits in the foreseeable future against which the deferred taxation asset can be utilised			

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

11. RECONCILIATION OF CASH UTILISED IN OPERATIONS BEFORE INVESTMENTS MADE

	Notes	Unaudited 31 December 2021	Unaudited 31 December 2020	Audited 30 June 2021
Profit/(loss) before taxation		1 608	757	913
Adjustment for non-cash items		(1 611)	(761)	(920)
Fair value movements on the investment in the ARC Fund at FVTPL*	4.2	1 922	(908)	(920)
Performance Participation expense		311	147	–
Working capital movements		–	(1)	–
Increase/(decrease) in trade and other payables		–	(1)	–
Cash utilised in operations before investment activities		(3)	(5)	(7)

* FVTPL: Fair value through profit or loss.

12. FINANCIAL INSTRUMENTS

12.1 Financial Instruments in the Company are categorised as follows:

	Unaudited 31 December 2021			
R million	Financial asset at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets	13 572	12	–	13 584
Investment in the ARC Fund at FVTPL	13 572	–	–	13 572
Trade and other receivables	–	–	–	–
Cash and cash equivalents	–	12	–	12
Financial liabilities	–	–	1	1
Trade and other payables	–	–	1	1

	Unaudited 31 December 2020			
R million	Financial asset at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets	11 638	17	–	11 655
Investment in the ARC Fund at FVTPL	11 638	–	–	11 638
Cash and cash equivalents	–	17	–	17
Financial liabilities	–	–	–	–
Trade and other payables	–	–	–	–

	30 June 2021			
R million	Financial asset at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets	11 650	15	–	11 665
Investment in the ARC Fund at FVTPL	11 650	–	–	11 650
Trade and other receivables	–	–	–	–
Cash and cash equivalents	–	15	–	15
Financial liabilities	–	–	1	1
Trade and other payables	–	–	1	1

12. FINANCIAL INSTRUMENTS

12.2 Risk management

The Company's exposure to market risks is predominantly through its investment in the ARC Fund. To this end, the Board of the General Partner, through its Investment Committee, agrees and reviews the ARC Fund policies for managing all market risks to which the financial instruments within the ARC Fund are exposed. The Directors of the Company manage the Company's exposure to market risks as indicated below.

12.2.1 Market risks

Equity price risk

Most of the Company's interest in the ARC Fund is deployed in equity instruments (95% at 31 December 2021; 95% at 30 June 2021). The Company is thus exposed to equity price risk through the valuation of the underlying Portfolio Investments held by the ARC Fund. The fair value of these investments is derived through the valuations disclosed in the Segmental information. The valuations of the underlying Portfolio Companies are done half-yearly, and the Board has access to the valuation information to monitor and review the fair value of the investments.

	Unaudited 31 December 2021	Unaudited 31 December 2020	Audited 30 June 2021
Change in portfolio equity prices			
+5%	14 006	12 937	12 265
Equity component being 95% (30 June 2021: 95%) of Reported IFRS Portfolio Value	13 339	12 321	11 681
– 5%	12 673	11 705	11 097
Interest rate risk			
The Company is mainly exposed to interest rate risk through its investment in the ARC Fund which has interest-bearing loan assets, cash, preference shares and debts. The interest rate risk exposure to the Company's own cash is immaterial.			
Cash, preference shares and loans in the Fund amounted to R1 250 million (30 June 2021: R821 million).			
Change in interest rates			
+ 100 basis points	1 263	906	829
Interest-bearing loan assets and cash	1 250	897	821
– 100 basis points	1 238	888	813
Portfolio debt amounted to R944 million (30 June 2021: R869 million)			
Change in interest rates - annualised			
+ 100 basis points	(953)	(597)	(878)
Interest-bearing loan assets and cash	(944)	(591)	(869)
– 100 basis points	(953)	(585)	(860)

* The investment in ARC Financial Services has been disclosed as a one-line item in the ARC Fund segment tables, with additional notes detailing the breakdown of the ARC Financial Services Portfolio. This was done to improve disclosure.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

12. FINANCIAL INSTRUMENTS *continued*

12.2.2 Other risks

Currency risk

The Company's exposure to currency risk is primarily through its investment in the ARC Fund. The portfolio interests of the ARC Fund are predominantly denominated in ZAR, with 17.2% (30 June 2021: 12.2%) denominated in foreign currency. The largest exposure to currency risk results from the British Pound (GBP) and United States Dollar (USD) mainly through investments in Kropz Group, Majik and ARCH Emerging markets. The Board continually monitors the exposure to currency risk through the Investment Committee of the Fund Manager.

The Company's exposure to foreign currency is shown in the table below:

	31 December 2021		30 June 2021	
	Currency value million	SA Rand R million	Currency value million	SA Rand R million
British Pound	6	124	11	226
United States Dollar	155	2 490	94	1 351
		2 614		1 577
Impact of 1% change in GBP rate		1		3
Impact of 1% change in USD rate		24		13

Credit risk

The Company is exposed to credit risk through the ARC Fund portfolio and the counterparties of the financial instruments in the portfolio. Only 6% of the ARC Fund portfolio is exposed to credit risk. The diversity of the portfolio mitigates concentration of credit risk. Rigorous assessments, adherence by the Fund Manager to the Investment Guidelines and reviews and due diligence with each investment decision made by the General Partner Investment Committee, which consists of strong and highly experienced members, ensure the Company effectively manages exposure to credit risk. On a half-yearly basis, the Board receives detailed reports and updates from the Fund Manager to enable it to monitor the performance of the underlying investments.

The impact of expected credit losses on assets held at amortised cost is immaterial since it relates to cash, and cash equivalents held at reputable financial institutions with a lowest credit rating of Ba2 resulting in the probability of default being minimal. In addition, trade and other receivables are immaterial.

Liquidity risk

The Company is exposed to liquidity risk through the ARC Fund's portfolio debt.

The ARC Fund raised a R1 billion two-year revolving Credit Facility from RMB during February 2020, which bears interest at three-month JIBAR plus 3.25%. During December 2021 the R1 billion Credit Facility was refinanced. The new Credit Facility with RMB bears interest at three-month JIBAR plus 3.25% and matures during December 2024. An amount of R882 million was drawn from the facility as at the end of the period. During the period under review the ARC Fund complied with the relevant covenants of the facility.

The Company is also exposed to the risk relating to the payment of trade and other payables, which at the reporting date were not significant. The adequacy of the working capital of the Company is assessed by the Board biannually.

13. RELATED PARTY DISCLOSURES

Accounting Policies

Related party transactions are transfers of resources, services or obligations between the Company and a related party (as identified below), regardless of whether a price is charged or not. They include commitments to do something if a particular event occurs (or does not occur) in the future and executory contracts (recognised or unrecognised). The Company has complied with the provisions of IAS 24, *Related Party Transactions*, in identifying, quantifying, and disclosing the information below.

Company Context in Application of Accounting Policies

The Company is listed on the JSE Limited and is 44.4% effectively (40.9% directly) owned by African Rainbow Capital Proprietary Limited (ARC), which in turn is 100% owned by Ubuntu-Botho Investments Proprietary Limited (UBI). UBI effectively owns 51.2% of the Company. The ultimate majority shareholder of UBI is Ubuntu-Ubuntu Commercial Enterprises (Pty) Ltd, the shares of which are held by trusts, all of which, except The Motsepe Foundation, own those shares for the benefit of Dr PT Motsepe and his immediate family. The Motsepe Foundation applies the benefits of its indirect shareholding in ARC for philanthropic purposes. The Company has identified the following related party relationships and related transactional terms that are relevant to the current year's Financial Statements:

Name	Relationship	Nature of transaction/terms
Companies:		
UBI	Intermediate holding company	- None.
	Holder of the C shares for the Performance Participation	- Issue of the C shares (Note 7.1). - The Performance Participation (Note 9). - Conversion of 12 577 126 C shares into ordinary shares (Note 7.1).
ARC	Major shareholder	- Asset-for-share transaction prior to listing (Note 7.1).
	Holder of the B share	- Issue of the B share (Note 7.1).
The ARC Fund	South African <i>en commandite</i> Partnership at a partnership interest of 99.95%.	- Contribution of Portfolio Assets (Note 5). - Cash capital contribution (Note 5).
General Partner	General Partner in the ARC Fund	- 0.05% in the ARC Fund Capital and partnership profit share. - Fund management fees (Note 4.2).

Name	Relationship	Nature of transaction/terms
Key management personnel:		
MC Olivier	Non-executive Director and Chairman	Directors fees.
A Currimjee	Non-executive Director	Directors fees.
C Msipha	Non-executive Director	Directors fees.
S Algoo-Bissonauth	Non-executive Director	Rnil
R Mokate	Non-executive Director	Directors fees.
MR Nkadimeng	Non-executive Director	Rnil.
K Bodenstein	Chief Financial Officer	Executive salary.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

13. RELATED PARTY DISCLOSURES *continued*

	31 December 2021		31 December 2020		30 June 2021	
	Transactions during the year R million	Balance due from/(to) as at 31 December 2021 R million	Transactions during the year R million	Balance due from/(to) as at 31 December 2020 R million	Transactions during the year R million	Balance due from/(to) as at 30 June 2021 R million
UBI						
Issue of A shares (Note 7.1) ¹	–	–	–	–	–	–
The ARC Fund	1 922	13 572	944	11 638	747	11 650
Investment in ARC Fund at FVTPL (Note 4.1)	1 922	13 572	944	11 638	747	11 650
General Partner	(115)	(115)	(102)	(102)	(213)	(100)
Fund management fees accrued for the period/year (Note 4.2)	(115)	(115)	(102)	(102)	(213)	(100)
Directors' interest ²						
Total Directors' interest - 365 882 (June 2021: 312 935) shares in the Company at a 0.028%						
MC Olivier - 305 882 (June 2021: 305 882) shares in the Company at a 0.023% interest	n/a	n/a	n/a	n/a	n/a	n/a
MR Nkadameng - 60 000 (June 2021: 7 053) shares in the Company at a 0.005% interest	n/a	n/a	n/a	n/a	n/a	n/a
Key management personnel	(0.8)	(0.8)	–	–	(0.4)	(0.4)
MC Olivier fees accrued	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)
– fees paid to MC Olivier	–	–	0.2	0.2	0.2	0.2
S Algoo-Bissonauth fees accrued ^{3, *}	–	–	–	–	–	–
– fees paid to S Algoo-Bissonauth	–	–	–	–	–	–
C Msipha fees accrued	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)
– fees paid to C Msipha	–	–	0.2	0.2	0.2	0.2
R Mokate fees accrued	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)
– fees paid to R Mokate	–	–	0.2	0.2	0.2	0.2
A Currimjee fees accrued	(0.2)	(0.2)	(0.2)	(0.5)	(0.3)	(0.3)
– fees paid to A Currimjee	–	–	0.2	0.3	0.2	0.2
MR Nkadameng (paid by the holding company, ARC)	(3.5)	(3.5)	(1.8)	(1.8)	(3.2)	(3.2)
– Salary	(1.5)	(1.5)	(1.5)	(1.5)	(2.7)	(2.7)
– Bonus	(2.0)	(2.0)	(0.5)	(0.5)	(0.5)	(0.5)
K Bodenstein executive salary accrued	(0.3)	(0.3)	(0.2)	(0.2)	(0.5)	(0.5)
– salary paid to K Bodenstein	0.3	0.3	0.2	0.2	0.5	0.5

¹ Amount is less than R 1 million and is rounded to Rnil. The amounts are disclosed as they are material in nature.

² The interest of the directors remained unchanged from the end of the financial year to the date of this report.

³ Amount is less than R1 million and is rounded to Rnil.

* Ms. Smitha Algoo-Bissonauth has been appointed as an Independent Non-executive Director with effect from 14 September 2020.

14. COMMITMENTS

As at the six months ended 31 December 2021, the Company did not have any commitments.

ARC Fund commitments:

ARC Real Estate:

The ARC Fund has committed R500 million to ARC Real Estate to fund the acquisition of properties. No funds had been drawn at the reporting date. Any contributions are subject to approval by the UBI General Partner.

ARCH Emerging Markets Partners:

The ARC Fund has committed US\$50 million in emerging markets focused themes, including renewable energy power and cold chain storage solutions. At 31 December 2021 the ARC Fund had contributed \$24 million with a remaining commitment balance of US\$26 million.

15. SUBSEQUENT EVENTS

Sale of Afrimat shares

The ARC Fund sold 4 million Afrimat shares for a consideration of R244 million after the reporting date.

Global developments

Post the reporting date the unfolding events in Ukraine have had significant global short-term repercussions, that may continue for a considerable period. The biggest risk for South Africa is mainly the possible impact on commodity prices and financial market volatility.

The Board will continue to assess, where possible, any potential and significant adverse impact on the operating environment of the key investee companies in the ARC Fund.

Spectrum auction

Rain participated in the spectrum auction which commenced on 8 March 2022. It successfully secured two allocations of 10MHz of the spectrum in the 700 MHz band and for 10 MHz of the 2.6GHz band respectively for R1.15 billion during the Opt-In round of the auction. Following the finalisation of the Opt-In round, Icasa has commenced the main-stage spectrum auction, and the outcome hereof was unknown at the time of finalising this report. The spectrum allocated to Rain will significantly enhance the company's competitiveness.

16. GOING CONCERN AND IMPACT OF Covid-19

The financial statements were prepared on the going-concern basis. The assets of the Company, fairly valued, exceed its liabilities. The directors are of the opinion that the Company will continue as a going concern based on forecasts and available resources, including cash and unutilised borrowing facilities.

Impact of Covid-19

In the period under review vaccines were made available to more South Africans. The percentage of South Africans being vaccinated is low relative to other countries. Notwithstanding the fact that South African death and infection rates are declining, the country's overall low vaccination rate could adversely impact our economy.

In terms of the ARC Fund portfolio, most investee companies have adapted reasonably well to Covid-19 trading conditions by reworking their business objectives and cost bases. Though some levels of uncertainty persist, many investee companies demonstrate improved levels of confidence in meeting their business objectives.

The ongoing impact of Covid-19 has been considered in determining the fair values of individual investments at 31 December 2021.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

17. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

New standards issued but not yet effective or early adopted:

The following amendments to standards have been published and are deemed relevant to the Company but are not yet effective and have also not been early adopted:

Standard, amendment or interpretation	Summary of expected impact	Effective for financial periods beginning on or after
Amendments to IAS 1, Presentation of financial statements on classification of liabilities.	Summary of amendment	1 January 2023
	These narrow-scope amendments to IAS 1 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.	
	Summary impact on the Company	
	The Directors anticipate that these amendments will be applied in the financial statements for the period beginning 1 July 2023. It is expected that this amendment will have minimal impact.	
Narrow-scope amendments to IAS 1, Practice statement 2 and IAS 8.	Summary of amendment	1 January 2023
	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	
	Summary impact on the Company	
	The Directors anticipate that these amendments will be applied in the financial statements for the period beginning 1 July 2023. It is expected that this amendment will have minimal impact.	

II - SHAREHOLDERS' DIARY

The key dates to be noted by shareholders are as follows:

Details	Date
Interim results announcement	17 March 2022
Financial year end	30 June 2022
Year-end results announcement	13 September 2022
Integrated Annual Report published	October 2022
Annual General Meeting	15 November 2022

III - CORPORATE INFORMATION

Contact Information	African Rainbow Capital Investments Limited (A Company registered and domiciled in the Republic of Mauritius) www.arci.mu
Registration number	C148430
JSE share code	AIL
A2X share code	AILJ
ISIN code	MU0553S00000
Directors	Mark Cyril Olivier (Chairman) Clive Msipha Renosi Mokate Anil Currimjee Mmamodiane Refiloe Nkadimeng Smitha Algoo-Bissonauth
Executive Management	Karen Bodenstein (Chief Financial Officer)
Registered Address	Level 3, Alexander House, 35 Cybercity Ebène, 72201, Mauritius Registered and incorporated as a private Company in Mauritius on 30 June 2017 and converted to a public Company on 2 August 2017.
Company Secretary	Intercontinental Trust Limited (Company number: C23546) Level 3, Alexander House, 35 Cybercity, Ebène, 72201, Mauritius
Sponsor	Rand Merchant Bank, a division of FirstRand Bank Limited Registration number 1929/001225/06) 1 Merchant Place Cnr Fredman Drive and Rivonia Road Sandton, Johannesburg, 2196 (PO Box 786273, Sandton, 2146) South Africa
Transfer Secretaries	Computershare Investor Services Proprietary Limited Registration number 2004/003647/07) Rosebank Towers, 15 Biermann Avenue Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) South Africa
Independent Auditors	PricewaterhouseCoopers PwC Centre, Avenue de Telfair, 80829, Moka, Republic of Mauritius PricewaterhouseCoopers Inc. Waterfall City, 4 Lisbon Lane, Jukskei View, Midrand, 2090, South Africa
Investor Relations	Ainsley Moos investors@arci.mu +230 (403) 0800 +21 (21) 180 0107 +27 (83) 296 4697



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