

African Rainbow Capital Investments Limited  
(Incorporated in the Republic of Mauritius)  
(Registration number C148430)  
JSE share code: AIL  
ISIN: MU0553S00000  
("ARC Investments" or "the Company")

## INVESTMENT UPDATE

ARC Investments is a Limited Partner in an *en-commandite* partnership, the ARC Fund Partnership SA ("ARC Fund"). This announcement provides shareholders with a high-level update of the Company's progress on strategic matters and a performance overview of the significant investments in the ARC Fund for the third quarter of the 2021 calendar year, following the financial results announcement for the interim reporting period ended 30 June 2021 which was published in September 2021. This announcement also includes commentary on significant developments up to the end of November 2021.

## DIVERSIFIED INVESTMENTS

### rain

The business experienced strong growth in demand for its products since the National Lockdown in March 2020. The business remains ahead of its original business case targets. More 5G products than 4G products are being sold, which is in line with rain's strategy.

The 5G service was launched in September 2019 and the roll-out of this service continues well. Currently, the 5G network covers some 5.2 million households nationwide. In addition to rain's strategy to expand coverage in the major metros, it is now also expanding to large towns across the country.

With temporary radio frequency spectrum expiring at the end of November 2021, rain has applied for additional provisional spectrum and plans to participate in the spectrum auction when it goes ahead.

### Afrimat

Afrimat Limited ("Afrimat") is listed on the JSE and information regarding its activities and financial performance is publicly available. Afrimat's share price has performed well, supported by excellent operational and financial performance of the business.

The ARC Fund disposed of 8.4 million shares between 30 June 2021 and 30 September 2021 at an average price of R59 per share, which resulted in a cash injection of R496 million into the ARC Fund. The ARC Fund currently holds 14.6 million Afrimat shares, which equates to an approximate 10% shareholding in Afrimat.

### Kropz Plc

Kropz Plc is listed on the Alternative Investment Market (AIM) of the London Stock Exchange and issued a comprehensive update to the market on 23 November 2021 covering its operations at both Elandsfontein and Hinda. The full announcement is available on the Kropz Plc website.

### GemCap

The ARC Fund is the 100% owner of the entire GemCap portfolio after the recent buy-out of minority interests. A process of phased restructuring is underway, which could see some of the companies in

the portfolio being prepared for sale, in part or in full, whilst others may be sold or unbundled from GemCap to the ARC Fund. Updates will be provided as progress is made. No material impact on the valuation of the different entities is expected.

#### Fledge Capital

Fledge Capital has concluded the sale of its 31,5% shareholding in WeBuyCars to Transaction Capital, which has positively impacted the ARC Fund's valuation of Fledge Capital.

#### Bluespec

As previously reported, the business launched a series of interventions to counter the adverse trading environment resulting mainly from the Covid-19 pandemic. These interventions are now yielding positive results sustaining a business recovery and improved cash flow and profitability.

#### Other

The ARC Fund is in the process of disposing of its shareholding in Metrofibre Networks. It is anticipated that the price will be above the 30 June 2021 reported value.

### DIVERSIFIED FINANCIAL SERVICES

#### Alexander Forbes Group Holdings

Alexander Forbes Group Holdings ("AFGH") is a JSE listed entity and announced its financial results for the six-month period on 6 December 2021.

ARC Investments' majority shareholder, African Rainbow Capital, currently holds an interest of 39.9% in AFGH through its 75% owned subsidiary, ARC Financial Services Investments ("ARC FSI"), of which 15.0% in AFGH is effectively indirectly held by the ARC Fund. ARC FSI increased its shareholding in AFGH during the period under consideration from just over 35% to the currently held 39.9%.

AFGH's interim results announcement is available on its website.

#### TymeBank

TymeBank and Tyme Global have announced this week that it had successfully completed its Series B capital raise, which had seen the digital bank operator introducing two additional international shareholders, Tencent from China and CDC from the UK. This followed the introduction of two other international shareholders in February of this year, being JG Summit from the Philippines and Apis Growth Fund II from the UK. The introduction of new capital via the capital raises has significantly de-risked the Tyme Group's funding and capital requirements as TymeBank in South Africa is moving to break-even at end 2022 and Tyme Global is expanding internationally.

From an operational point of view, TymeBank has achieved a customer acquisition milestone of four million customers at the end of October 2021. TymeBank also announced an acceleration in the monthly customer acquisition rate, which has moved from on average onboarding of just over 100 000 customers per month to about 140 000 customers per month. In the period under review, TymeBank also announced its strategic partnership with leading retailer The Foschini Group (TFG), which will see the roll-out of TymeBank kiosks in over 600 stores. On the product front, TymeBank launched a number of new products, including its Buy-Now-Pay-Later product, MoreTyme®. Despite this operational progress, TymeBank is tracking slightly behind its revenue objectives, mainly as a result of economic pressures on consumers. Management is putting plans in place to still meet its respective business objectives.

## Rand Mutual Holdings

The business has been implementing a new diversified growth strategy, which is yielding positive results in a number of areas, as anticipated. The growth strategy sets out how the business will achieve significant top and bottom-line growth over the next five years.

Operationally, year to date operational performance is encouraging and shows signs of sustained improvement over time. In addition, management is working hard at optimising capital use in the business in a sustainable manner, in the process releasing surplus capital to shareholders.

## Other

In the period under review, the ARC Fund disposed of its interest in short term insurer Indwe to Santam, and shareholding in EBS International to AFGH. Both transactions are still subject to regulatory approval.

In terms of acquisitions, ARC FSH acquired an interest of 38% in fintech group Crossfin.

ARC FSI invested an additional R100 million in Capital Legacy, of which ARC FSI now holds 28%. As per recent SENS announcements, the ARC Fund is seeking to acquire a majority interest in JSE listed multi-disciplinary services group CSG Holdings.

## Disclaimer

The financial information on which this announcement is based has not been reviewed or reported on by the Company's external auditors. The Company will be reporting in more detail on its performance after the finalisation of its financial results for the twelve months ending 31 December 2021, expected to be released on SENS on or about 17 March 2022.

Ebène, Mauritius (with simultaneous circulation in Johannesburg)  
10 December 2021

## Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

For further information on African Rainbow Capital Investments, please visit our website at [www.arci.mu](http://www.arci.mu)