ANCHOR

Something big is happening

How AI is Changing the Investment World

Peter Armitage

February 2026

The Anchor & Credo Business

ANCHOR | CREDO

ANCHOR & CREDO'S ENHANCED SERVICE

offering and market reach combine strengths in wealth and asset management.

WITH AN ABSOLUTE FOCUS ON THE TWO MOST IMPORTANT PARTS OF OUR BUSINESS

CLIENTS & THE INVESTMENT PROCESS

We offer a broad range of **LOCAL AND GLOBAL** Investment solutions to individuals, financial advisors and institutions.

Anchor founded in **2012**

Credo founded in **1998**

AN EXPERIENCED, HIGH QUALITY INVESTMENT TEAM:

30+ Investment professionals

24 Chartered accountants

23 CISI Chartered Insurance Institute

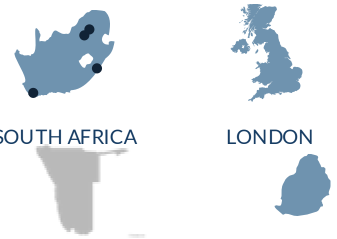
29 CFA Charter-holders & Delegates

560+ STAFF ACROSS GROUP

COMPLETE LOCAL AND GLOBAL PRODUCT AND SERVICE OFFERING:

UNIT TRUSTS	HEDGE FUNDS	SEGREGATED MANDATES

INTERNATIONAL FOOTPRINT



THE ANCHOR AND CREDO GROUP

- ASSET MANAGEMENT
- PRIVATE CLIENTS
- STOCKBROKING

R306 billion ASSETS UNDER MANAGEMENT AND ADVICE

R173 billion INVESTED DIRECTLY OFFSHORE

R52 billion INVESTED OFFSHORE FROM SOUTH AFRICA


WHO ARE WE?
CEOs
WHAT DO WE WANT?
AI!
AI TO DO WHAT?
WE DON'T KNOW!
WHEN DO WE WANT IT?
RIGHT NOW!

Here are strong options:

- **“AI is technology that helps computers think and learn a bit like humans.”**
- **“AI is software that learns from experience instead of being told exactly what to do.”**
- **“AI is a computer system that can recognise patterns, make decisions, and improve over time.”**
- **“AI is technology that turns information into smart actions.”**
- **“AI is like giving computers the ability to learn from data and get better with practice.”**

If you want something slightly punchier for a first bullet:

- **“AI is computers learning from data to make smart decisions.”**

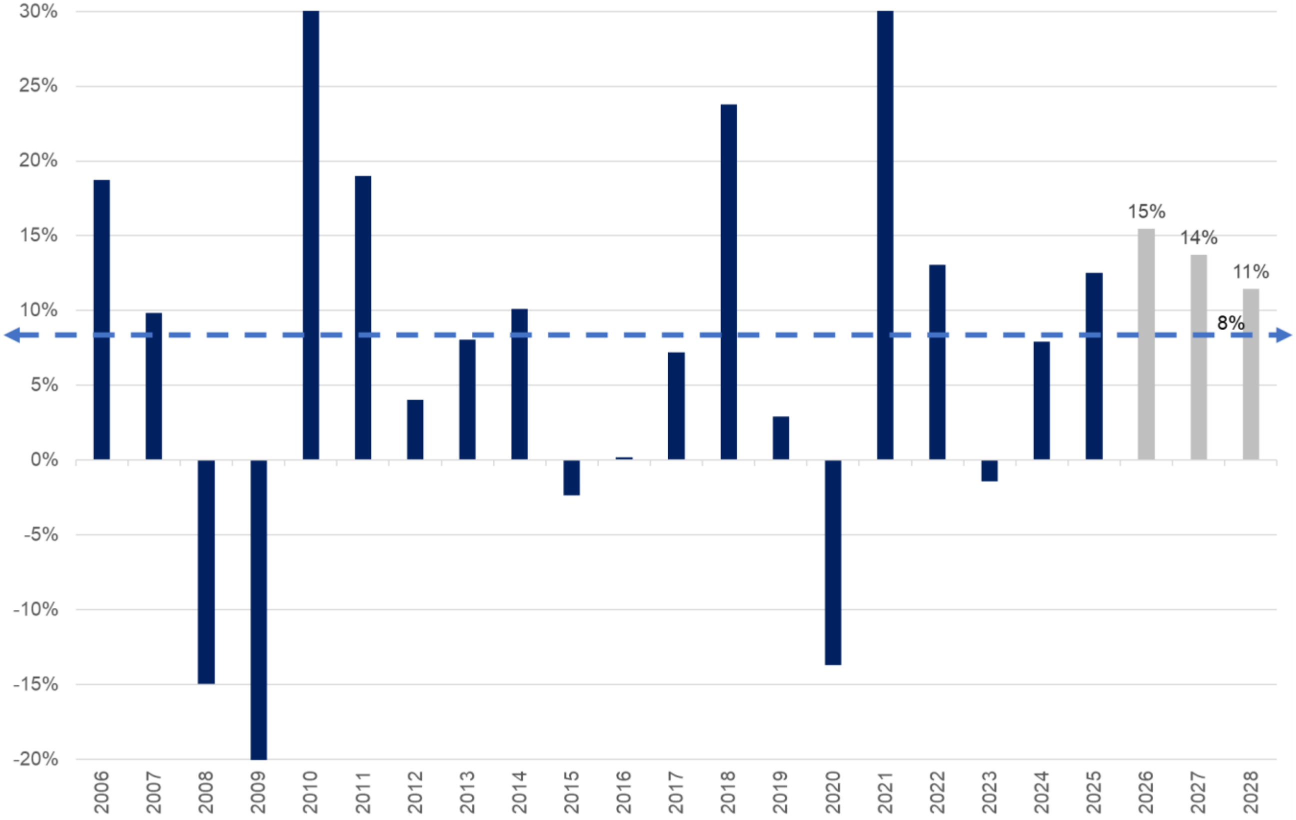
That’s probably the cleanest opener for a general audience.

Market Overview

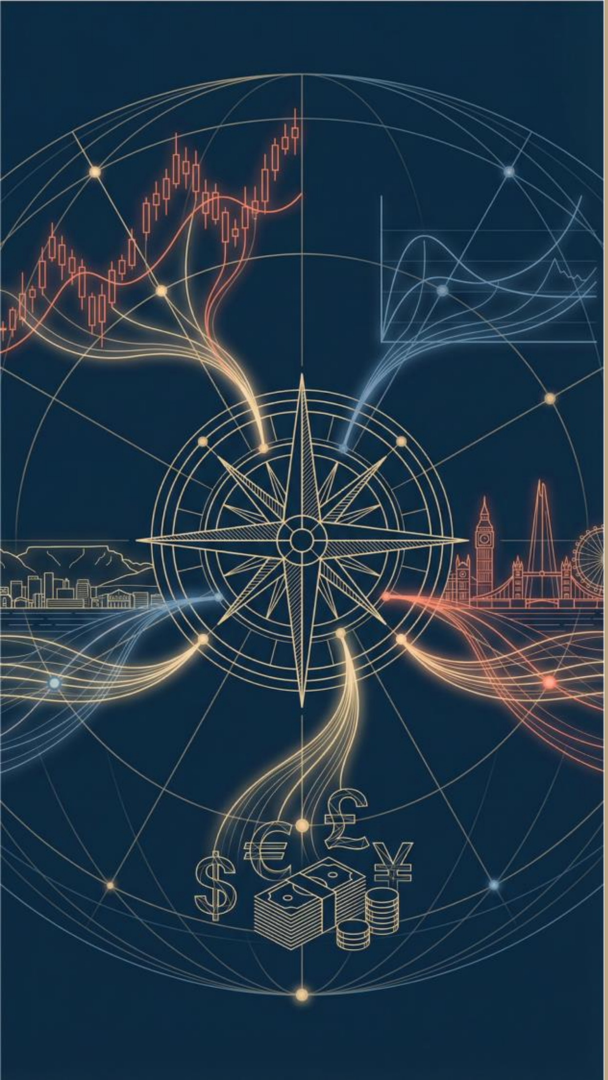
Something big is happening

- 2026 started with universal bullishness
  - The world is revolutionising and you have to have "chips" on the table
- 2026 US capex spend numbers off the chart
  - This caused nervousness
- Then new LLM launches happened
  - Now all business models are being questioned
  - Certain share prices plummeted
  - The world takes refuge in smokes and Cokes
- The market is very expensive, but tech shares are no longer at a premium
- Anchor is investing heavily in AI
- James looks at the two new potential 2026 record listings – OpenAI and Anthropic
  - Can a US$400bn business be created in 5 years?

S&P - Strong Forecast Earnings Growth



Source: Anchor Capital, Bloomberg. Above reflects US S&P 500 EPS growth, annualised.



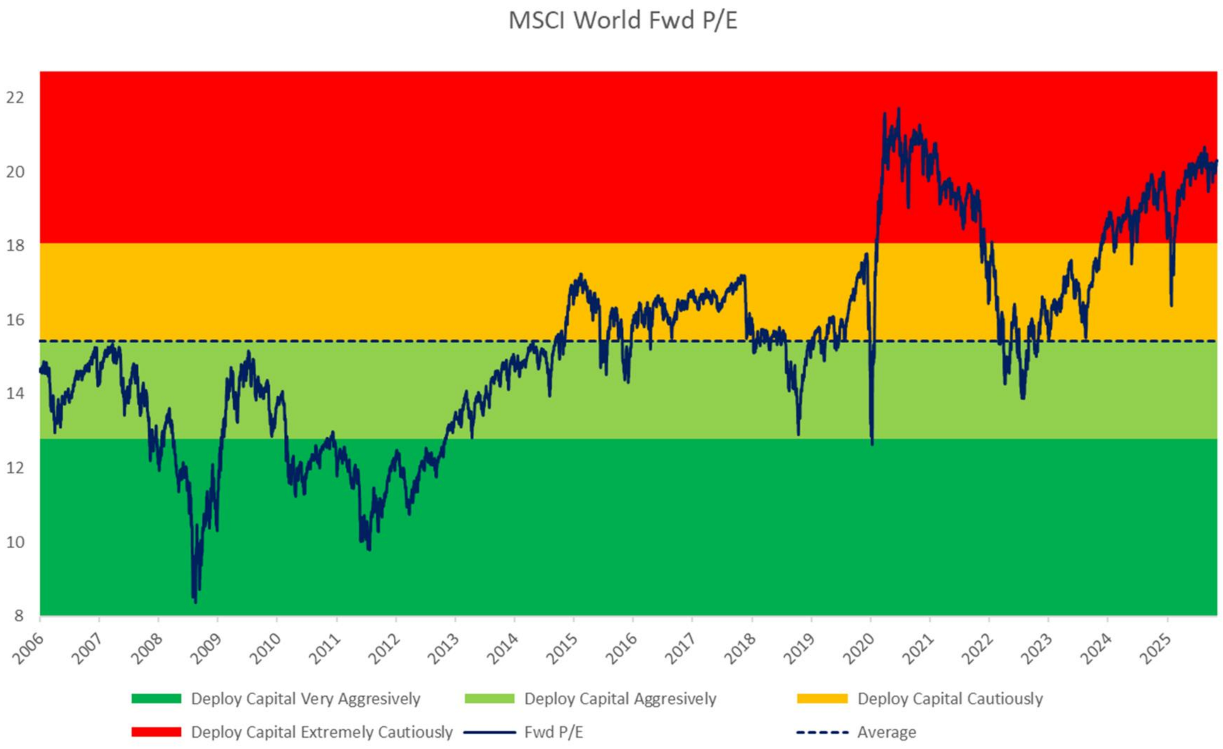
Asset Allocation

Our house view on different asset classes

Asset class	Negative	Neutral	Positive	Expected returns (own currency) (%)	
		Current stance			
DOMESTIC					
Equity		>	●	12	OW
Bonds		●		9	N
Listed property		●		10	N
Cash	●	<		7	UW
Alternatives*			●	10 to 15	OW
Rand vs US dollar (rand stronger)				3	R16.00
GLOBAL					
Equity		●		8	N
Government bonds	●			4	UW
Corporate credit	●			5	UW
Listed property		●		6	N
Cash		●		3	N
Alternatives*			●	8 to 12	OW

*Alternatives includes hedge funds, protected equity structured products and physical property.

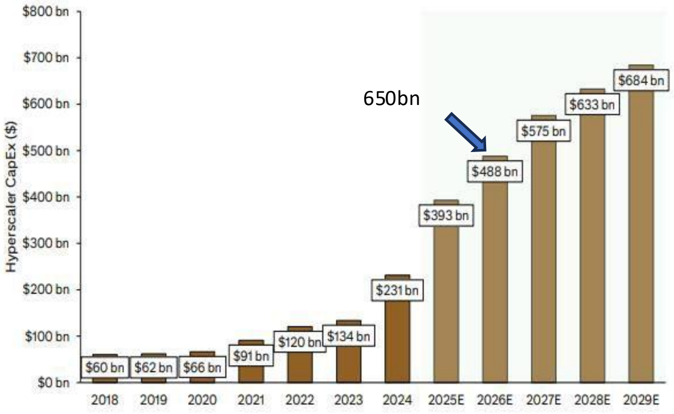
GLOBAL EQUITY VALUATIONS ARE CURRENTLY ELEVATED



Significant Expectations for Hyperscaler Capex

Figure 5. We forecast $2.8T (v. $2.3T prior) in hyperscaler capex through 2029…

Hyperscaler capital expenditures ($, bn)



Amazon and Microsoft capex estimates reflect AWS and Azure estimates only, respectively. Google and Meta reflect total reported capex.

Source: Citi Research

Figure 6. … and $5.5T in global capex over the same period, representing a 56% 5-yr CAGR

Global capital expenditures related to AI infrastructure investment ($, bn)

Includes neoclouds, sovereign and other private investment

Source: Citi Research

THE NEW ARMS RACE: COMPUTING SPEND SURGE

amazon — **US$148bn**
capex to build computing capacity

Alphabet — **US$132bn**
capex to expand data centers & AI

Meta — **US$123bn**
investing heavily in computing power

Microsoft — **US$116bn**
capex to scale computing infrastructure

Minimal capex standing back & renting capacity
- Forward PE 31x (+4% last week)

NVIDIA — ***Minimal capex*** strategic focus on high margin GPUs
- Forward PE 28x (+6% last week)

Meta NVIDIA

$650 BILLION IN 2026
AFTER $450 BILLION IN 2025

LIKE BUILDING **100 NUCLEAR POWER PLANTS**

REBUILDING THE **U.S. INTERSTATE SYSTEM**

MORE THAN SOUTH AFRICA'S GDP **$500 BILLION**

The AI arms race – the race for computing space

- *The risk-off trade*
- Unprecedented spend – US$650bn in 2026
- Many industry will be very different in 3 years time
- From capital light to capex spend – debt is starting –
    - *This month the Alphabet 100-yr bond surfaced*
- The big tech companies are becoming cheap – this ain’t no bubble, yet …
- Market chaos – winners and losers
    - *Software*
    - *Music*
    - *Shopify*
    - *Asset managers*
    - *Wealth managers*
    - *Logistics*

Losers this month

The Future of Infrastructure

Project Stargate

A US$500 billion joint venture between OpenAI, SoftBank, and Oracle to build the largest AI data centre infrastructure in history across the United States.

Source: Shutterstock Editorial

TECH COMPANY NUMBERS

	Market Cap	1Y Fwd P/E	Operating	Capex ($ bn)			R&D Expense	Operating
Name	$trn		Profit ($bn)	T12M	1Y Fwd	% Chg YoY	$ bn (T12M)	Margin
Nvidia	4.5	24	220	6	7	22%	17	59%
Apple	4.0	32	154	12	14	19%	37	32%
Alphabet	3.9	27	161	91	179	96%	61	32%
Microsoft	3.0	22	166	83	116	40%	34	47%
Amazon	2.3	22	102	132	177	34%	109	11%
Meta	1.7	20	89	70	124	77%	57	41%

Rank	Country	US$ trillion
1	United States	71.3
2	China	11.1
3	Japan	6.8
4	United Kingdom	4.5
5	India	4.4
6	Canada	4.0
7	France	3.4
8	Germany	3.1
9	Switzerland	2.8
10	Taiwan	2.8

US$3trillion spend needs a profit of US$450bn profit – that's almost double the above

Source: Anchor and Bloomberg

JENSEN HUANG'S "FIVE-LAYER CAKE" OF AI

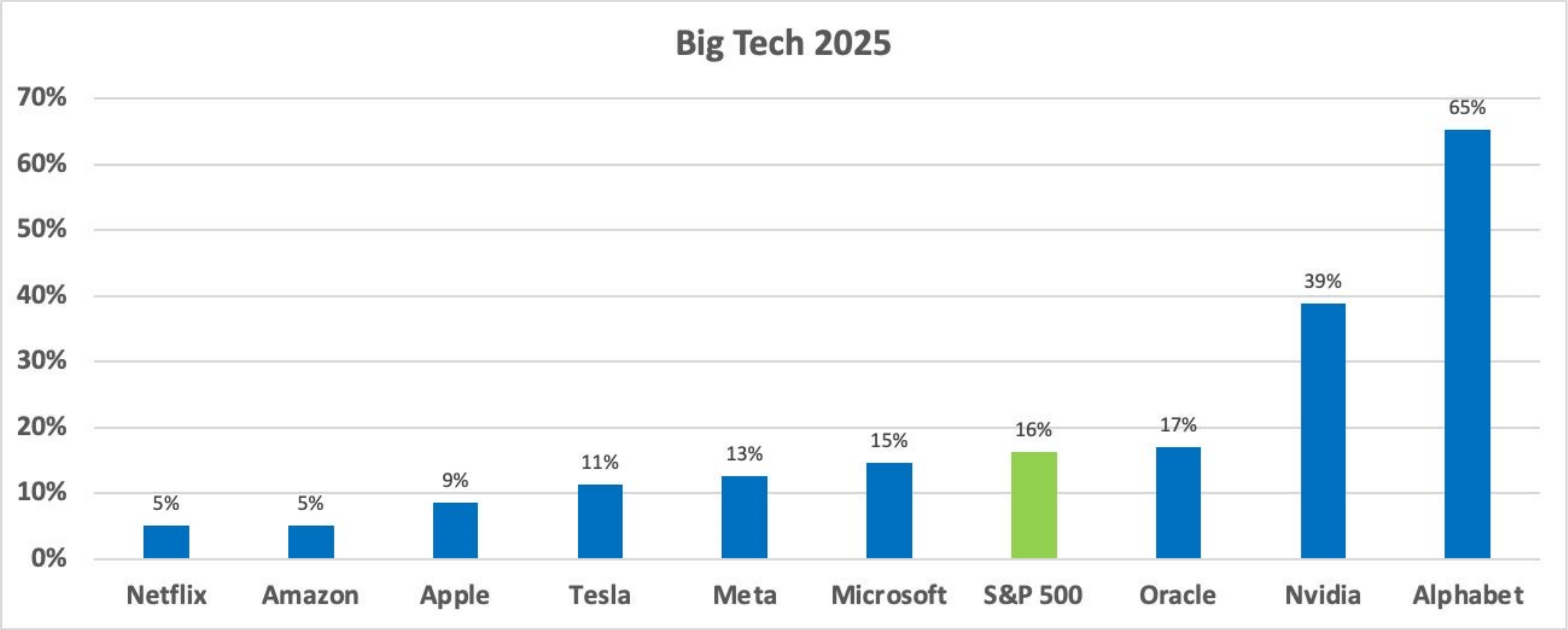
Software spend

Software spend

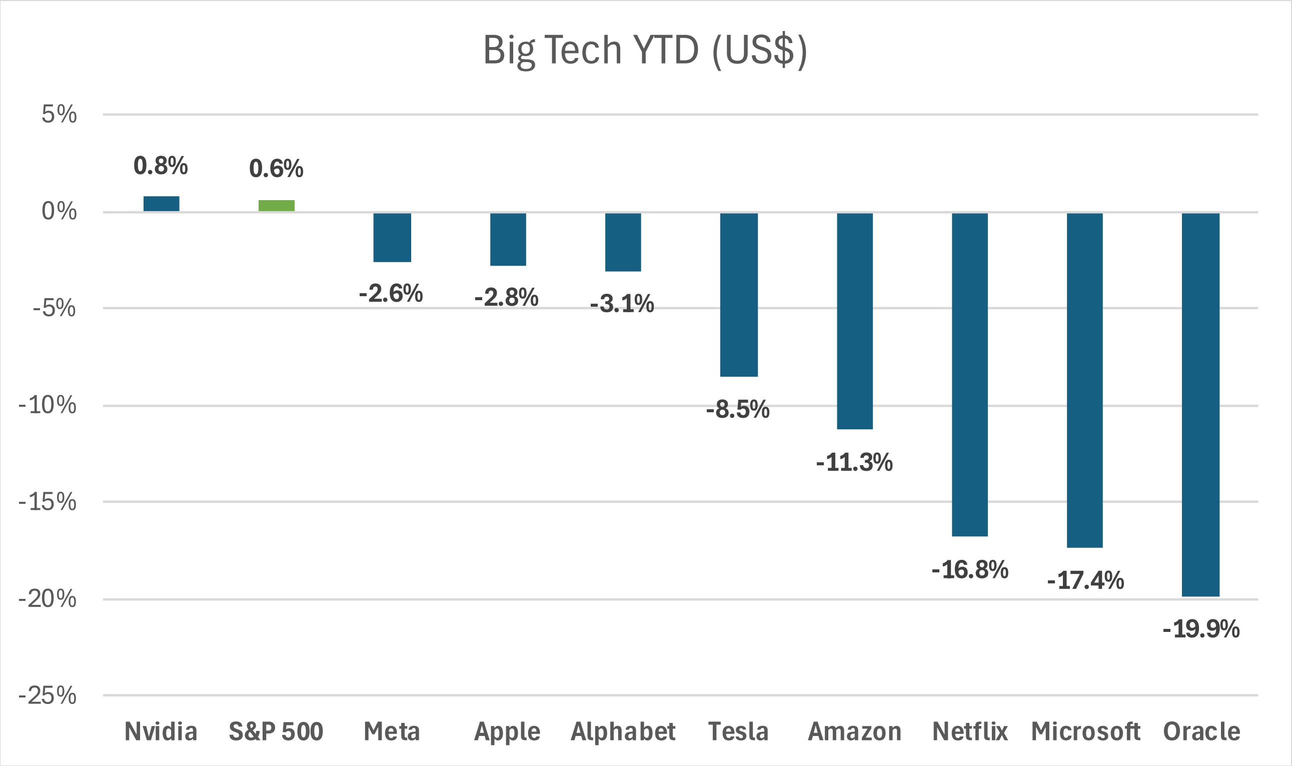
US$650bn spend

Nvidia – US$100

TSMC – US$10 - US$25

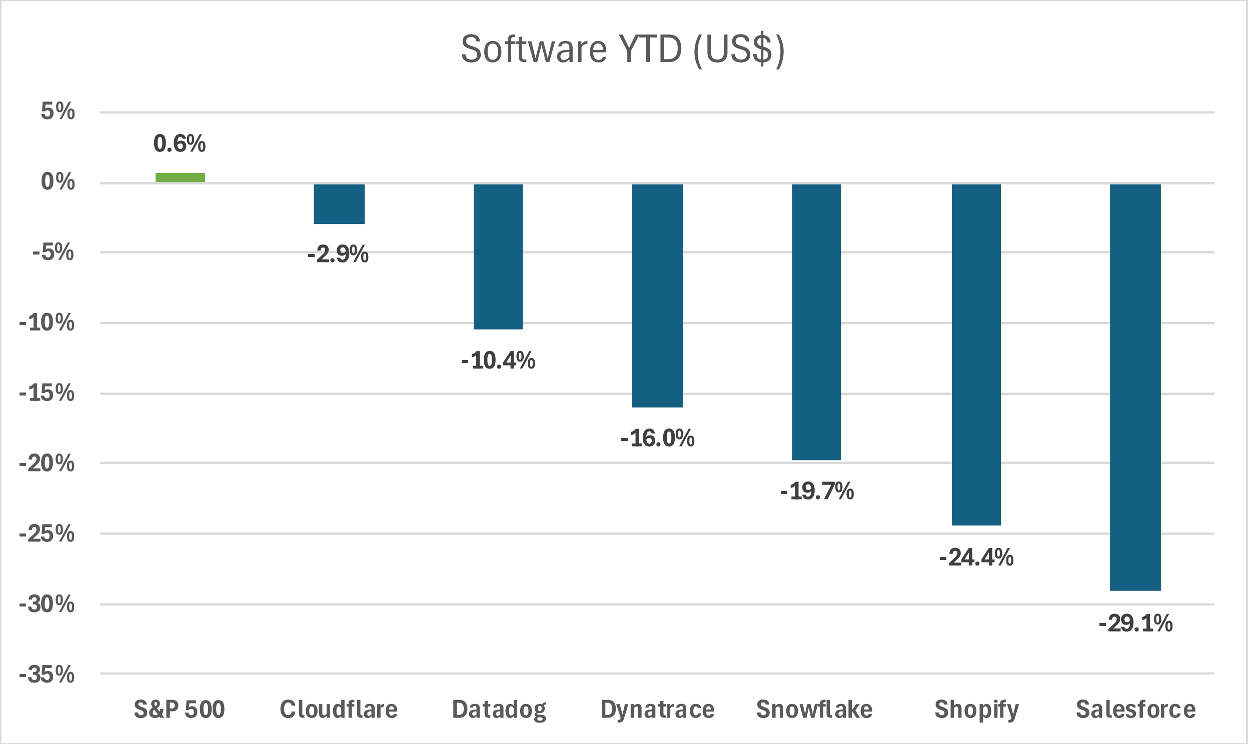

Big Tech 2025
70%
60%
50%
40%
30%
20%
10%
0%
5%
5%
9%
11%
13%
15%
16%
17%
39%
65%
Netflix
Amazon
Apple
Tesla
Meta
Microsoft
S&P 500
Oracle
Nvidia
Alphabet

BIG TECH YEAR-TO-DATE 2026



Source: Anchor, LSEG Data & Analytics

SOFTWARE YEAR-TO-DATE 2026



Source: Anchor, LSEG Data & Analytics

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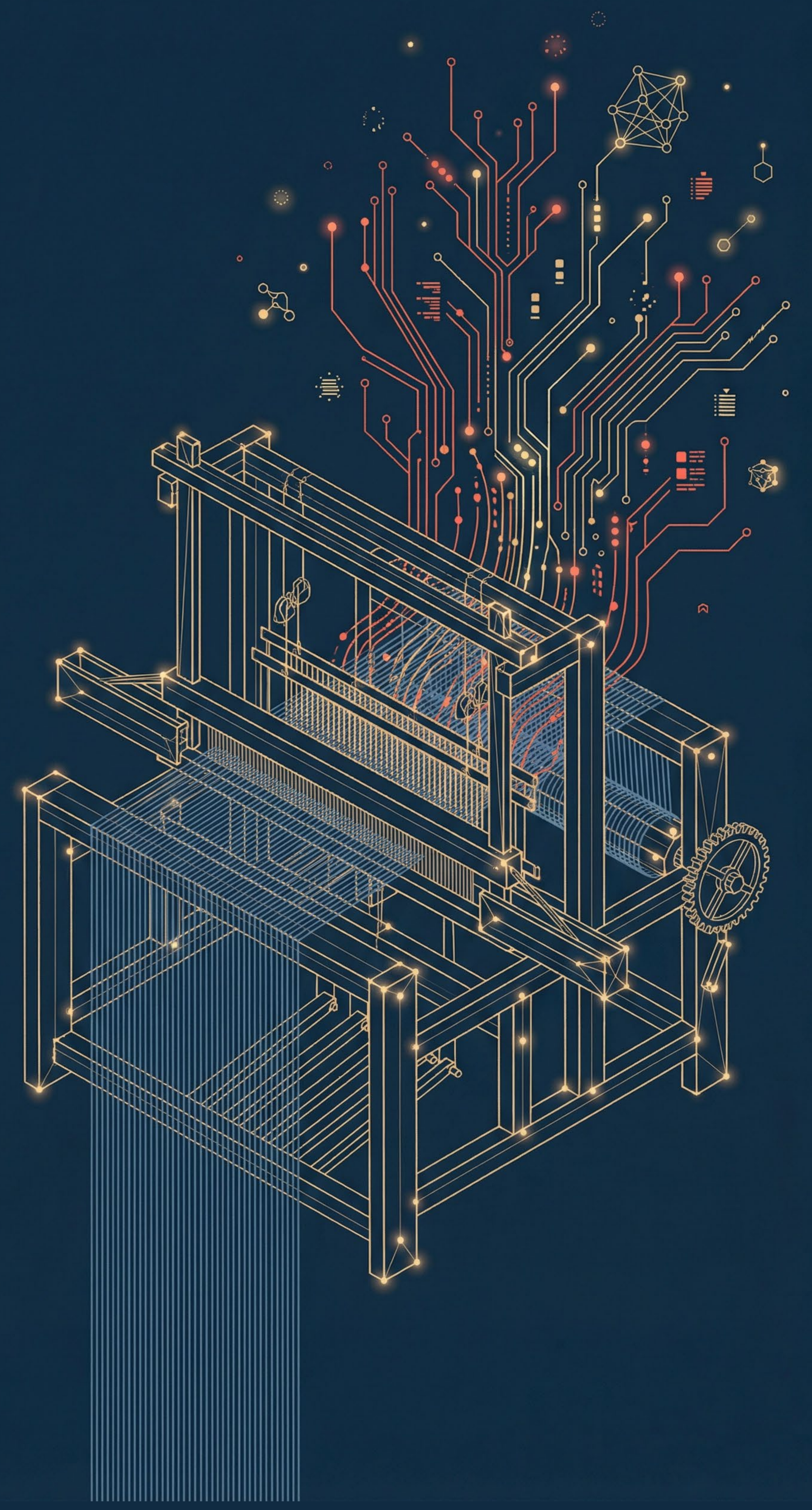
The Age of Manufactured Influence

The Consequences of AI

Ross McConnochie

February 2026

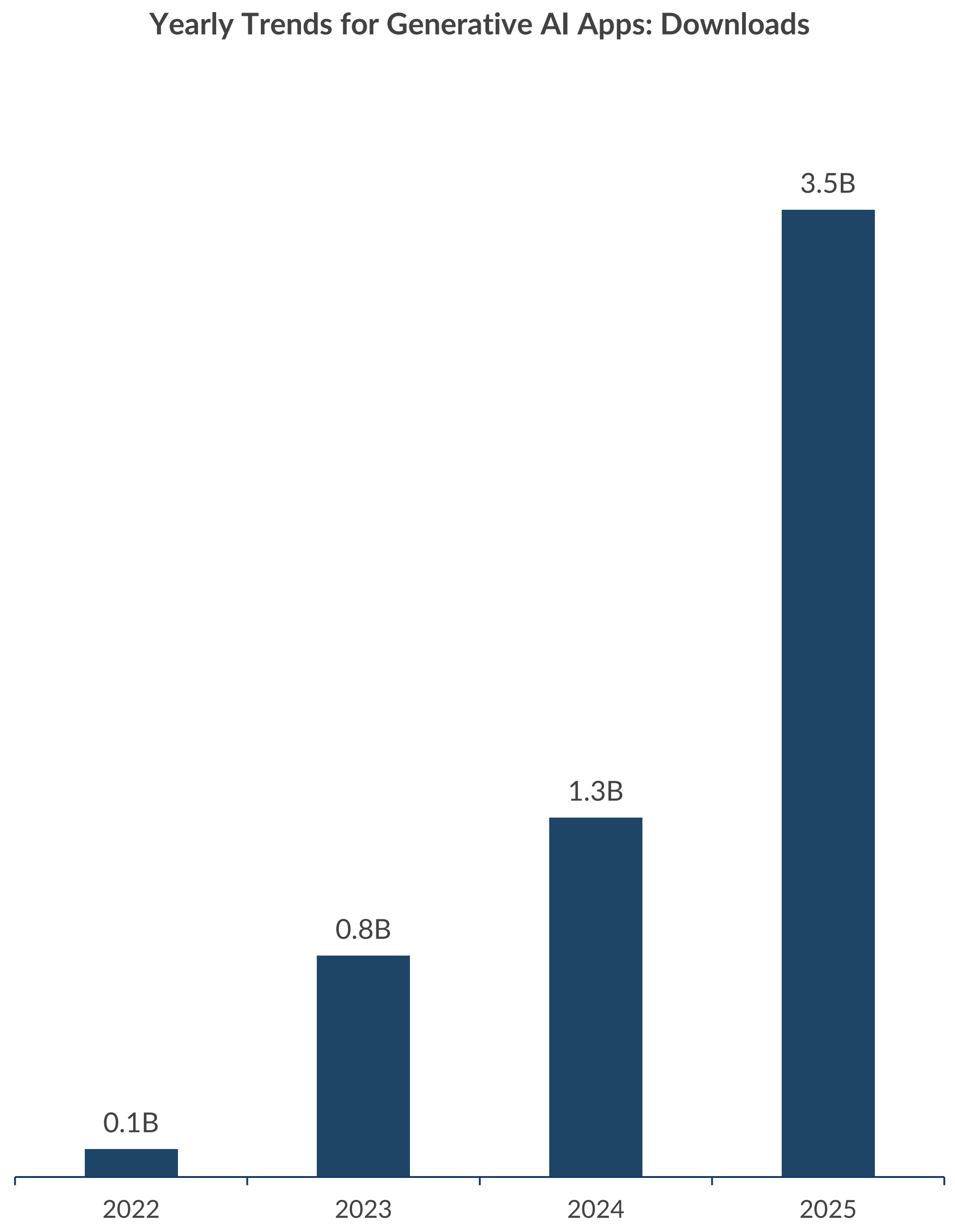


AI is not like the invention of the Loom

This time it is different…

- Making a comparison between AI and the disruptions caused by the loom or ATMs severely underestimates the scale of the current disruption.
- This technology is expected to disrupt the majority of human intellectual jobs.
- If your job entails using a computer, you are at risk.
- What should our kids study?

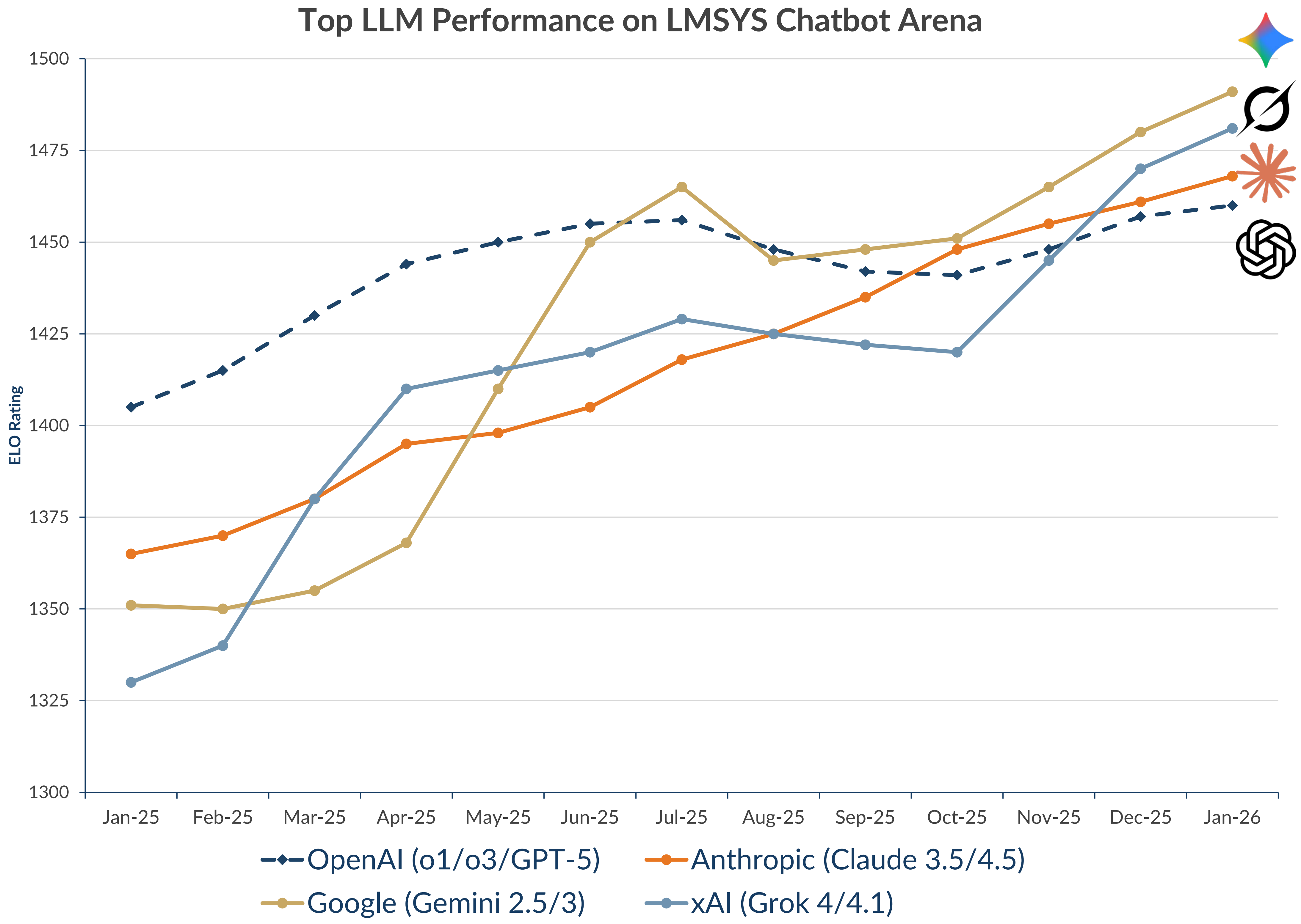
Yearly Trends for Generative AI Apps:



Source: Sensory Tower Research

AI threat to software (SaaS)

- The arrival of Anthropic's latest AI offering has sent markets into a panic
- Market has gone with: "Shoot first, ask questions later" and sold anything AI could hurt, especially Software companies.
- AI changes how we build and who builds it. The future is a world of more software, not less.
- Traditional coding could quickly become a dead language as youngsters no longer seek to learn it.



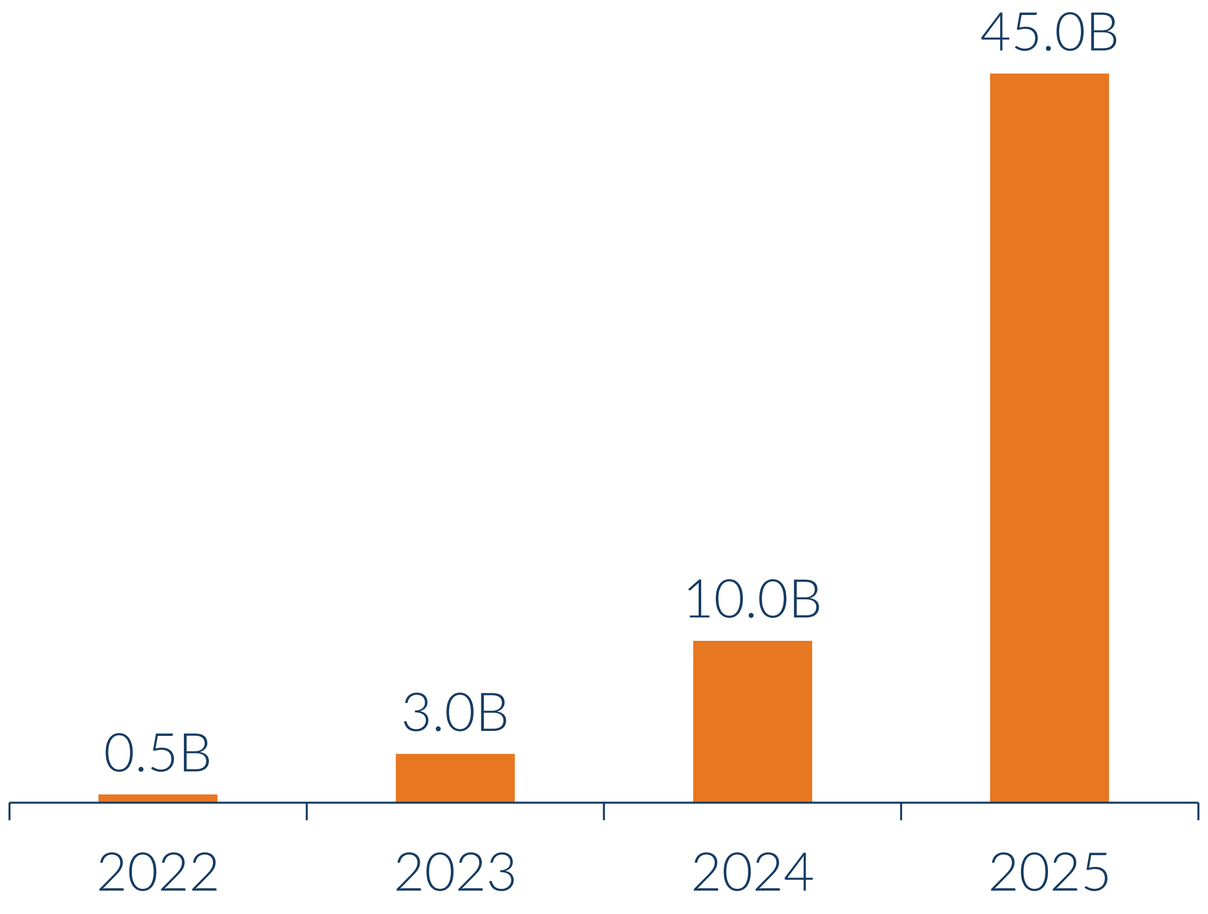
Source: JP Morgan Research

Whoever controls AI, Controls the World

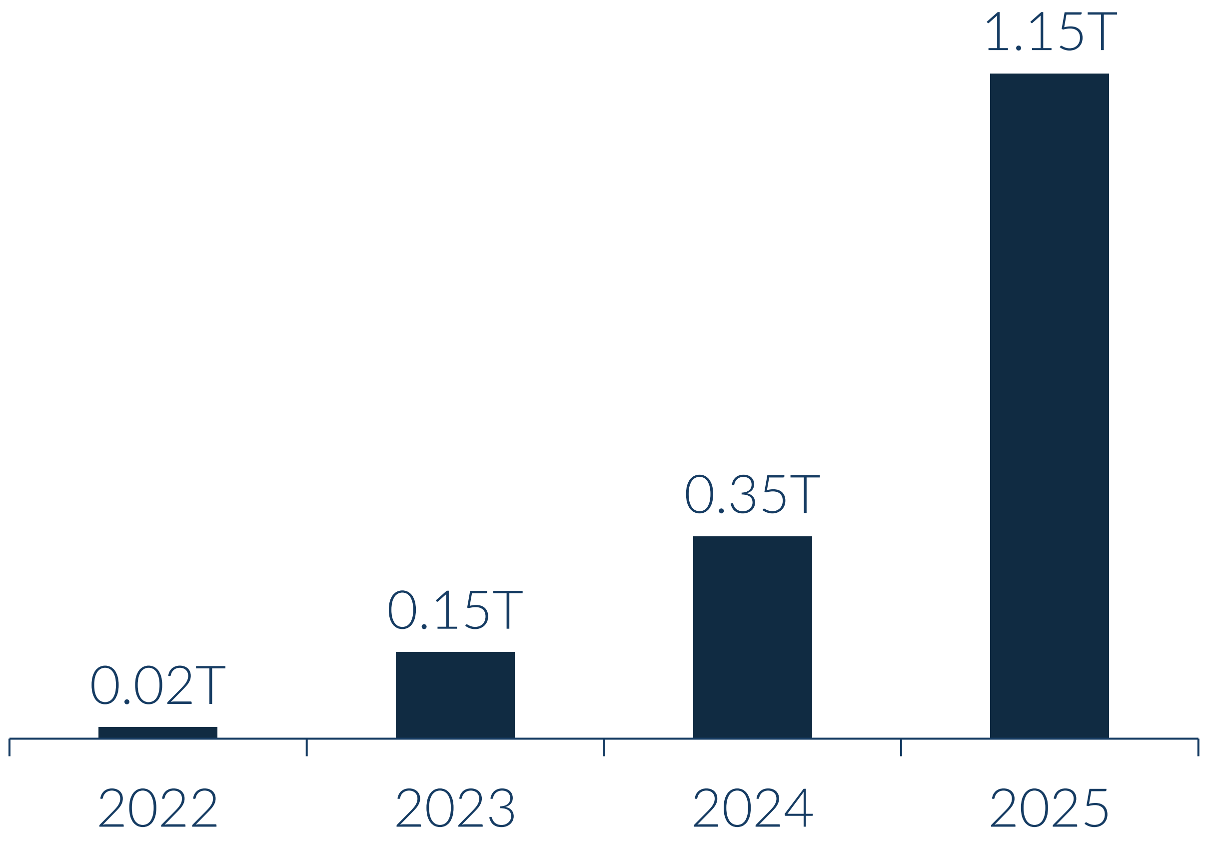
Will the owners of the most powerful AI use this technology to influence companies, countries, the world?

Yearly Trends for Generative AI Apps:

Time Spent (Hours)



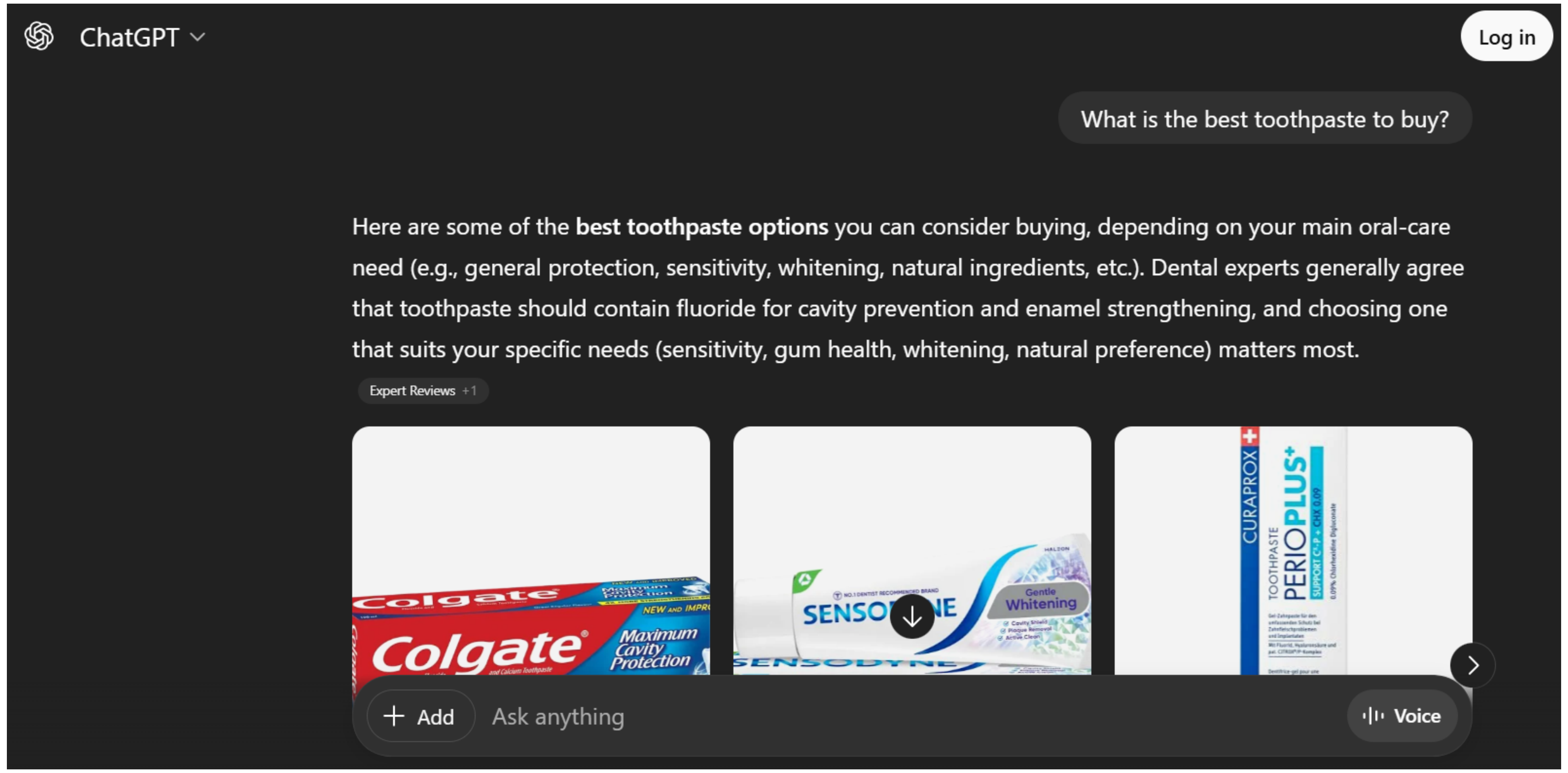
Sessions



Source: Sensory Tower Research

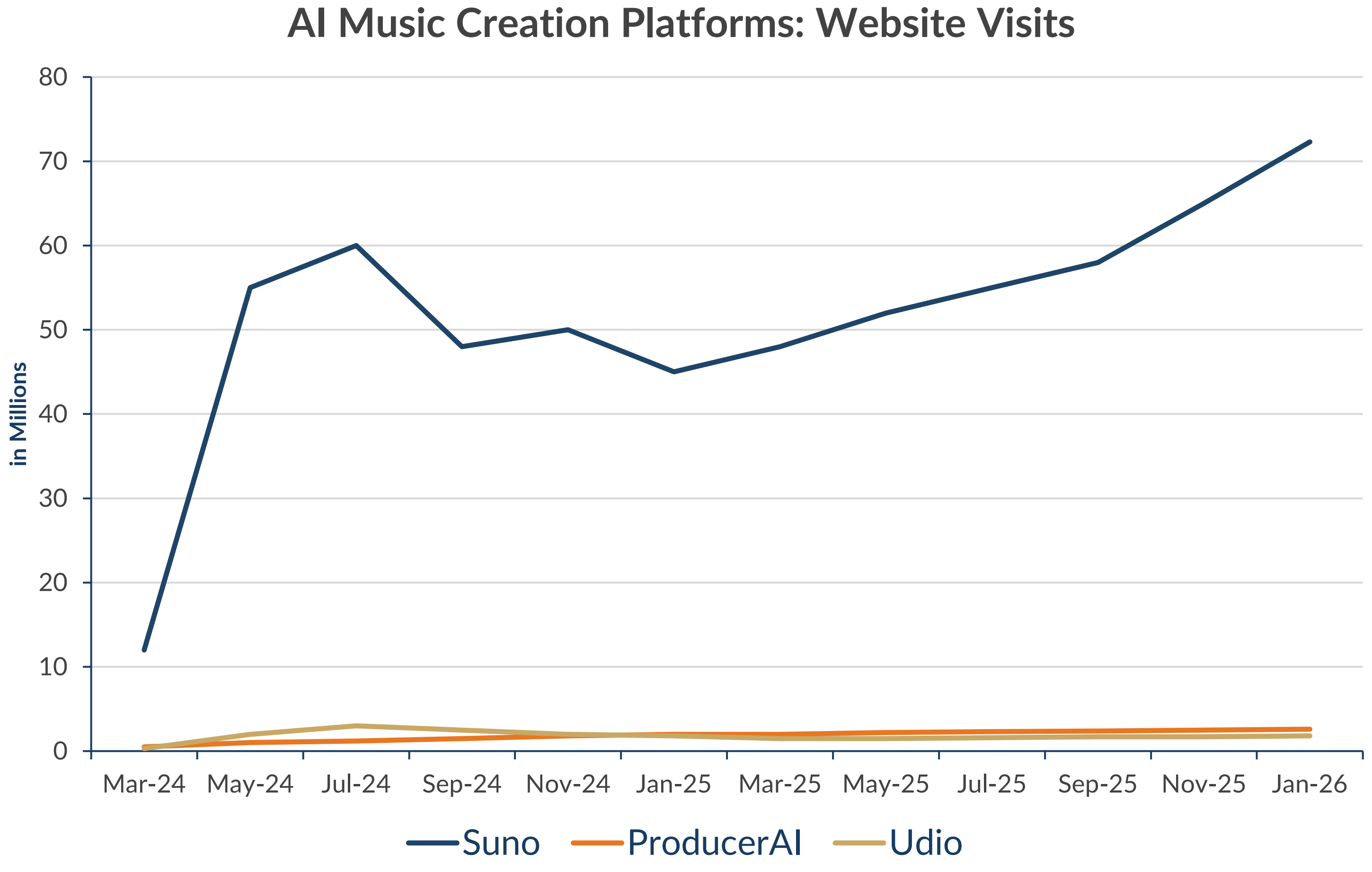
Corporate influence of AI through advertising

- The recent anthropic Superbowl ad raised concerns that corporates could pay to influence AI answers to possibly sell products.
- How will be able to tell if it is genuine advice or not?

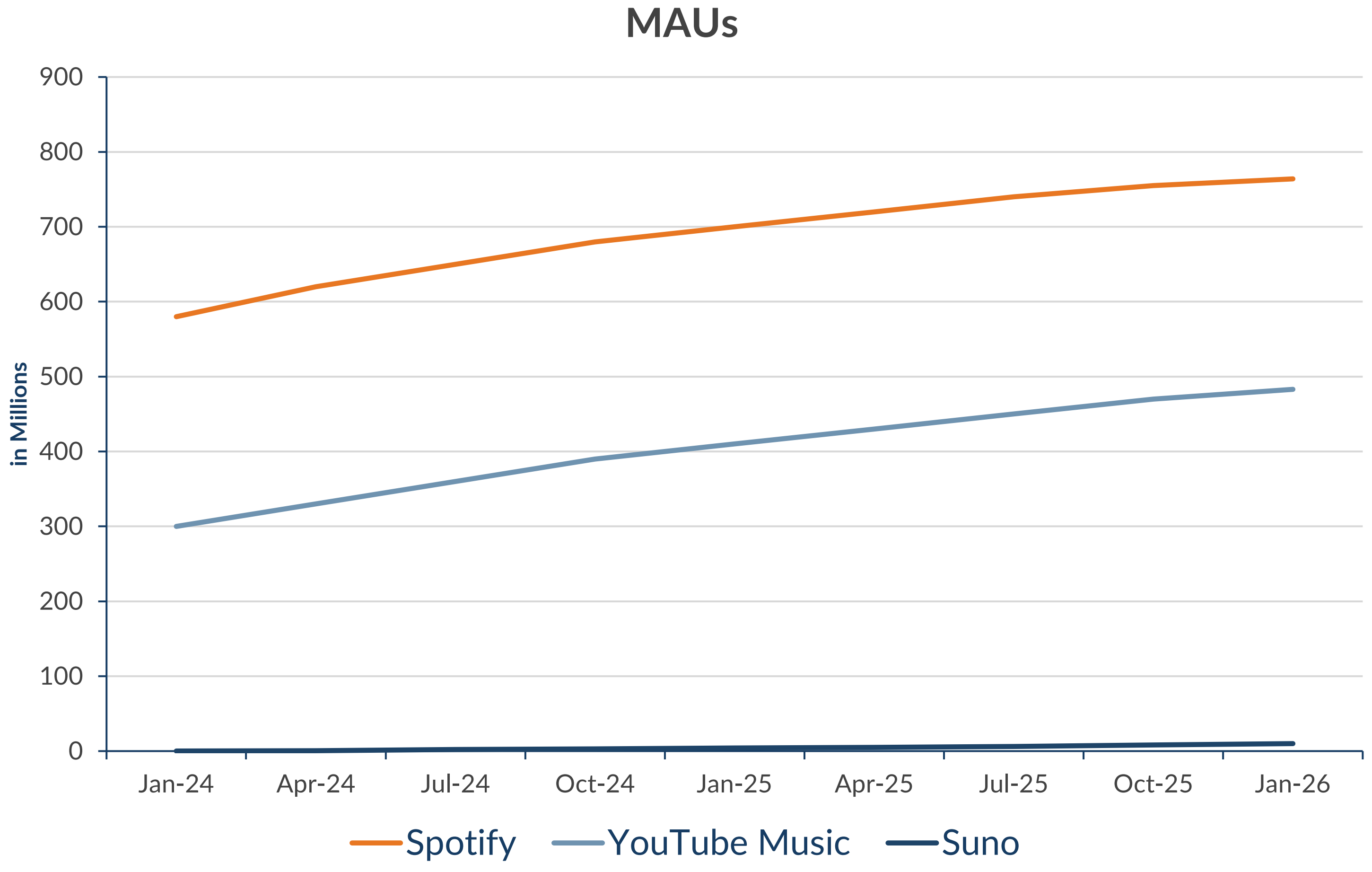


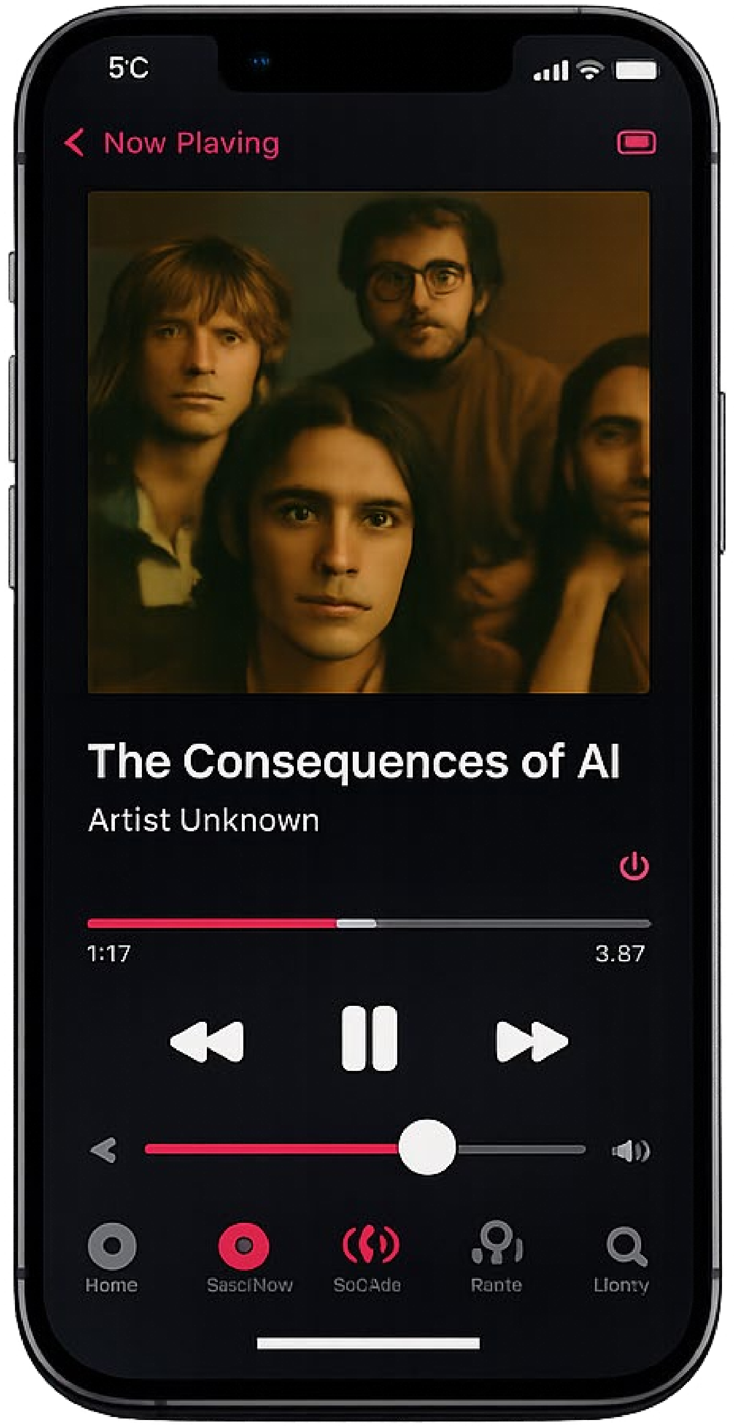
AI's Influence on the music Industry

AI Music Creation Platforms – Website Visits



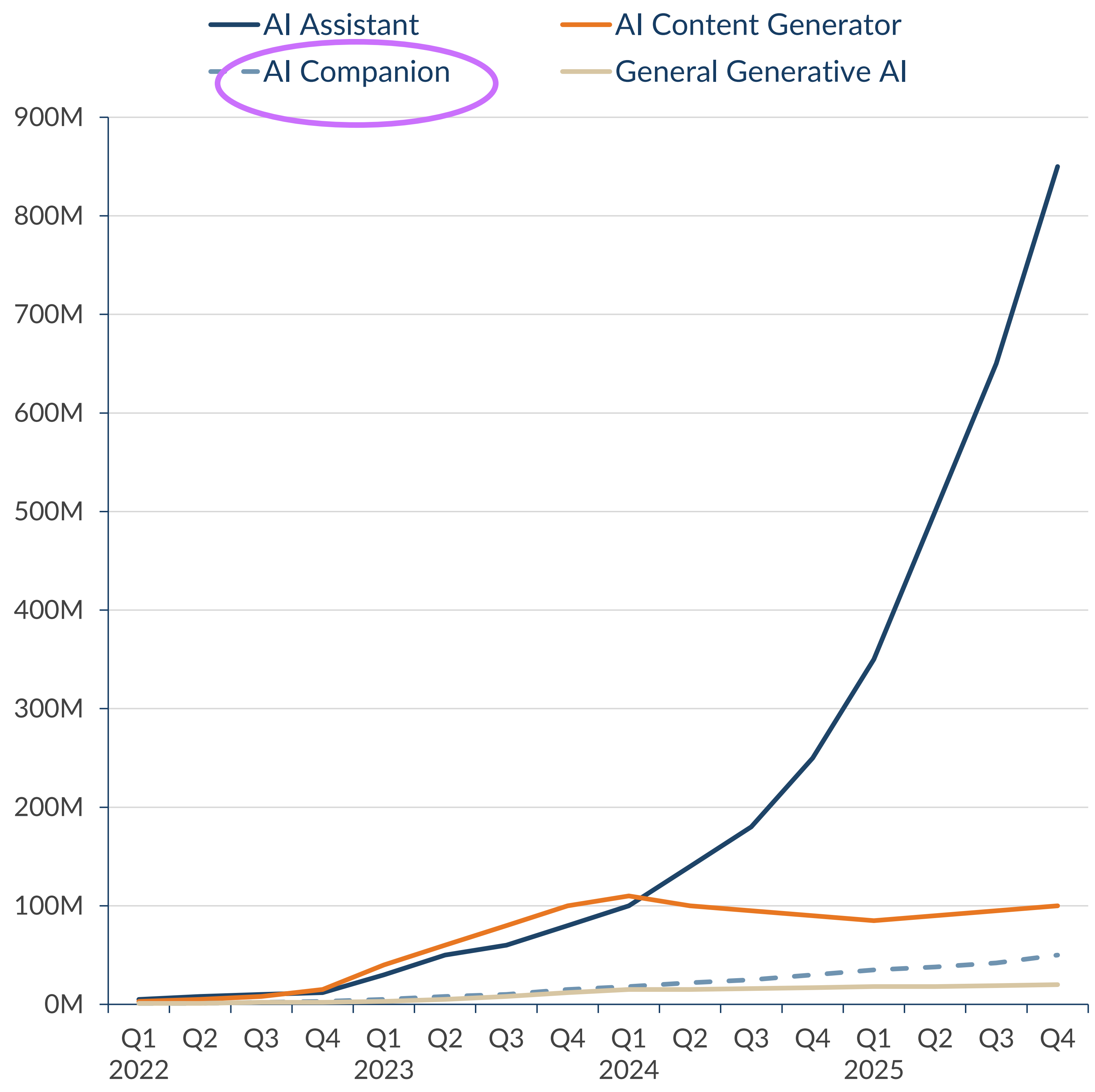
Music Platform Monthly Active Users





- Record labels putting major pressure on streaming apps to block AI generated music.
- Spotify has already blocked 75 million AI generated songs
- Is the AI music generating app Suno a legitimate threat to Spotify? We don't think so.
- Spotify is benefitting hugely from AI powered recommendations

Quarterly App downloads by subgenre

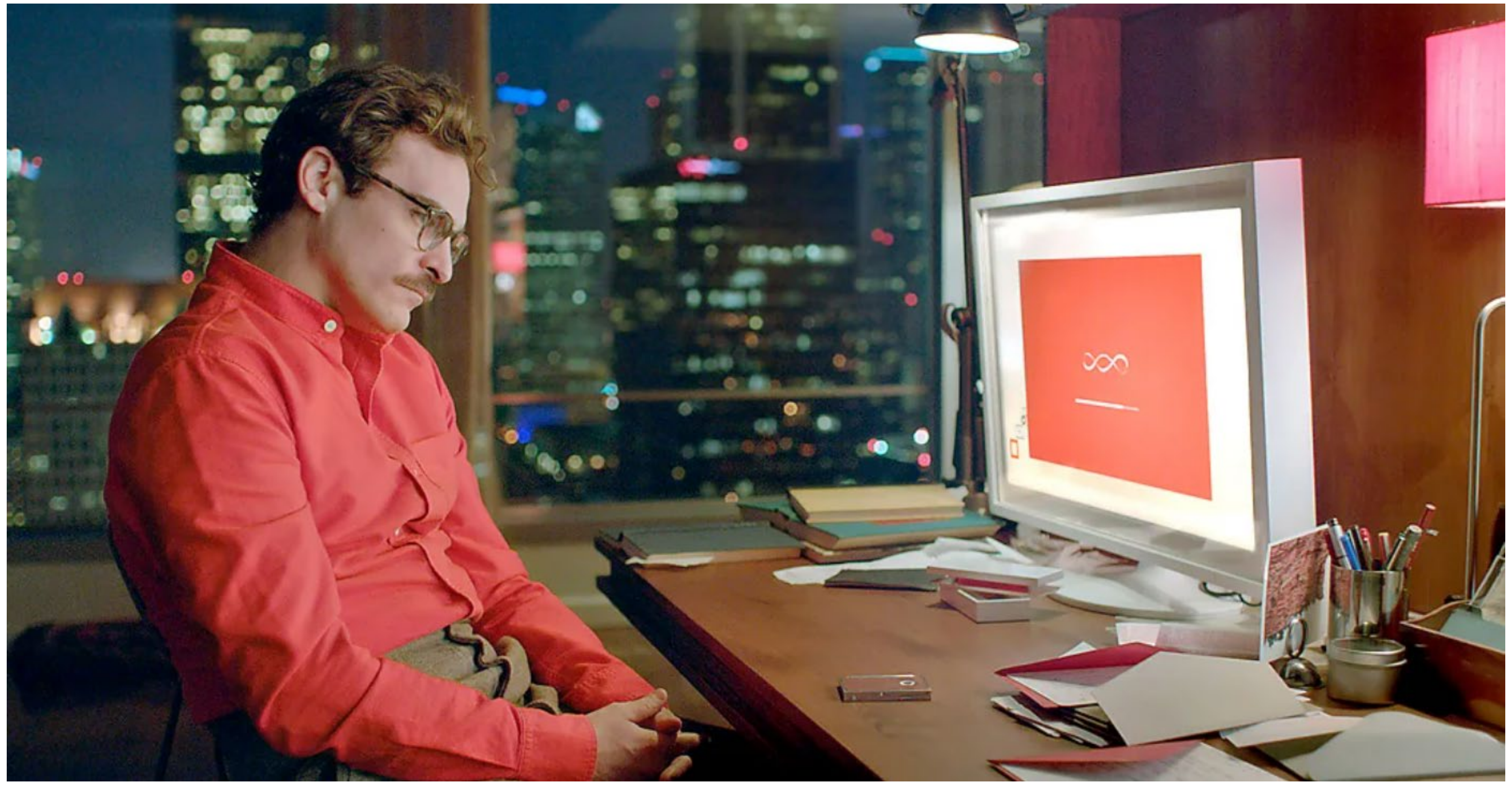


Source: Sensory Tower Research

The rise of the AI Companion

Is AI the answer to the loneliness epidemic?

- Many developed countries are experiencing major demographic slowdowns.
- This was exacerbated by antisocial behaviour during COVID19.
- This is now made worse by AI companions

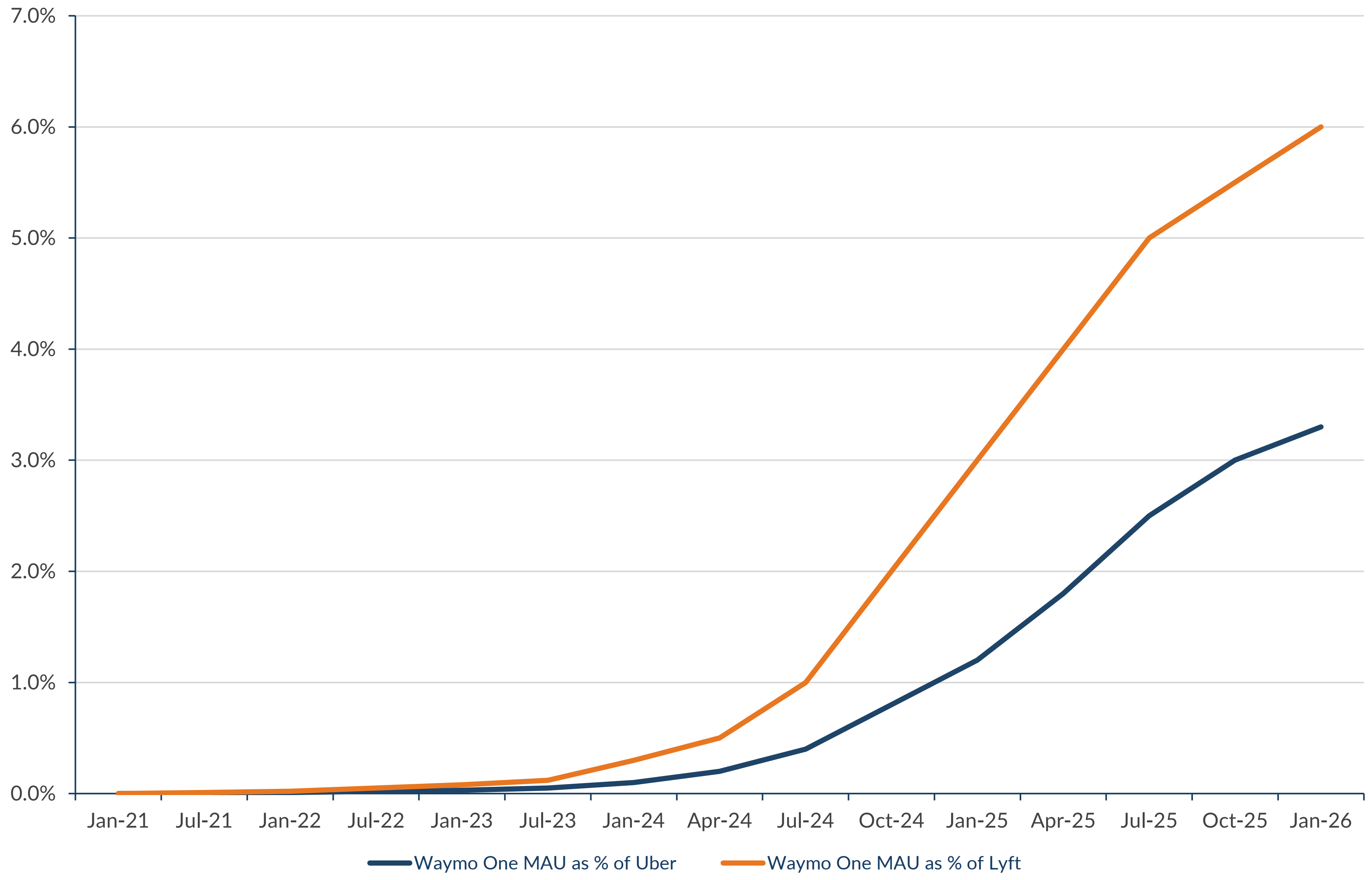


The 2014 film “Her” was an incredibly accurate portrayal of current times

Will Autonomous Vehicles Help or Hurt Uber?

- Uber employs over 10 million drivers worldwide.
- Other than the loss of jobs to humans, will Uber still be the platform of choice for riders

Waymo Monthly Active Users as a % of Uber and Lyft MAUs:



Source: Sensory Tower Research and JP Morgan Research

- What are the ethics behind preprograming autonomous vehicles for war?
- This shocking reality is already being tested in the Ukraine.

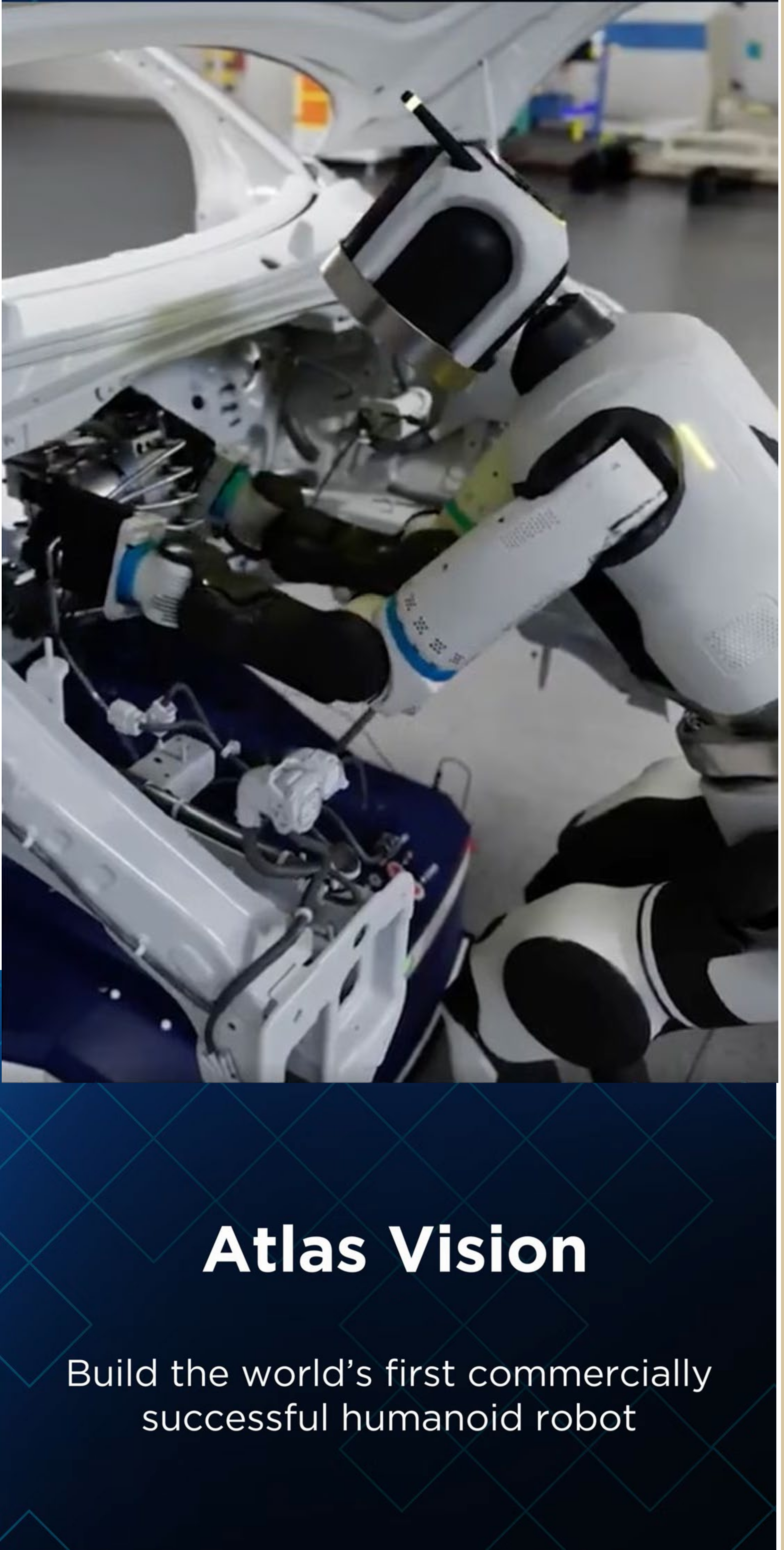
The Rise of the Deepfake

Can we trust anything we see anymore?

- The recent unauthorised release of an ultrarealistic video showing Tom Cruise and Brad Pitt that was developed with a one sentence prompt has sent shockwaves through Hollywood.

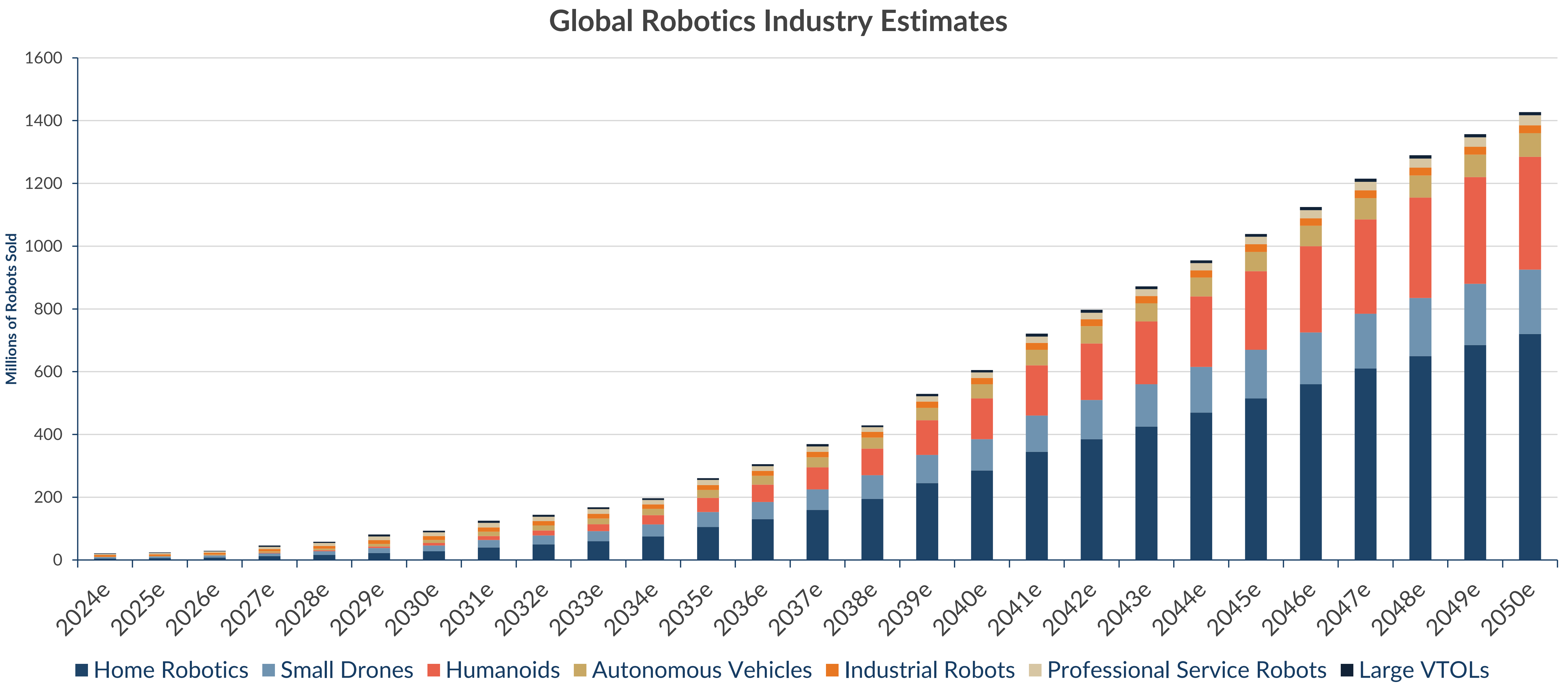
- This could dramatically bring down the costs to film a movie. A huge win for Netflix who already has the eyeballs.

- Do we live in the “post-truth” age as people stop believing all media?



Automation in the physical world

- Robotics and AI will be the next push once the digital realm has been conquered.
- Perhaps no job is safe?



Source: Morgan Stanley Research

The Future, A World of Abundance?

Hidden Opportunities!

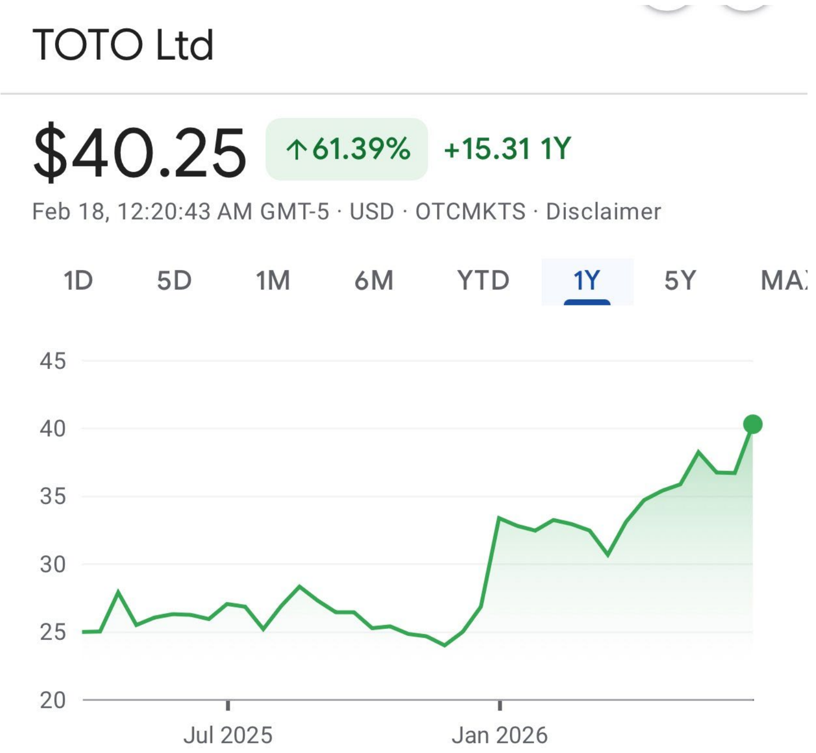
There will always be an investment opportunity in markets:

a $7B japanese toilet company just discovered its ceramics tool can be used to make bleeding-edge AI chips.

thats a $60 Billion market.

their stock is up 60% on the news.

> **Bearly AI** @bearlyai · 13h
>
> Activist investor Palliser Capital sent a letter to $7B Japanese toilet maker Toto and said it was "the most undervalued and overlooked AI memory beneficiary".
>
> Toto known for its bidet toilets but the expertise in ceramics is crucial for memory manufacturing. ...
>
> Show more



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Anchor's AI Journey in the Context of a Rapidly Shifting Landscape

When Everything Happens All at Once

Ewald Fourie

February 2026

The Polite Version vs. The Honest Version

The Polite Version

"AI is a powerful new productivity tool. It will create new efficiencies and open up opportunities for businesses that embrace it."

And this is true.

The Honest Version

"This feels like **the February before COVID**. Most people think this is overblown, but the world is about to fundamentally change. The gap between perception and reality is enormous."

This is also true.

To understand where AI is going, we need to go back.

All of this happened in a little over 3 years

ChatGPT
Nov 2022

GPT-4
Mar 2023

Gemini / Claude
Feb 2024

DeepSeek / Agents
Jan 2025

OpenClaw
Nov 2025

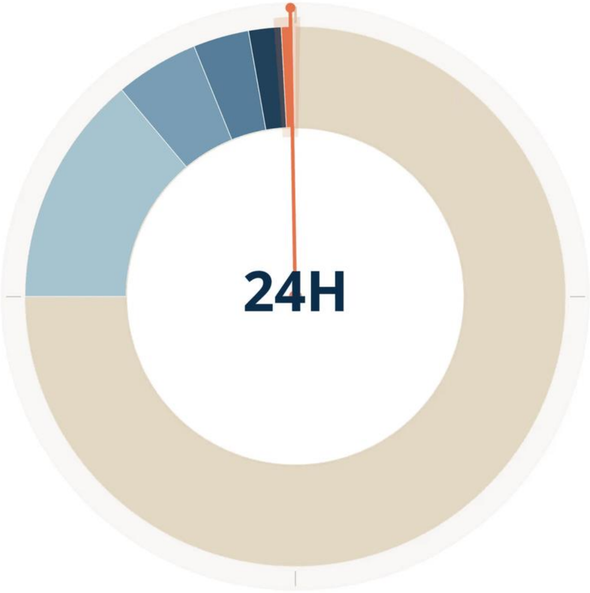
You Are Here
Feb 2026

Just in our lifetimes, we've seen the invention of

Easy Internet → Cloud → Smartphones → Blockchain → AI

The Acceleration of History

If human existence were a 24-hour day...



The Final Minute

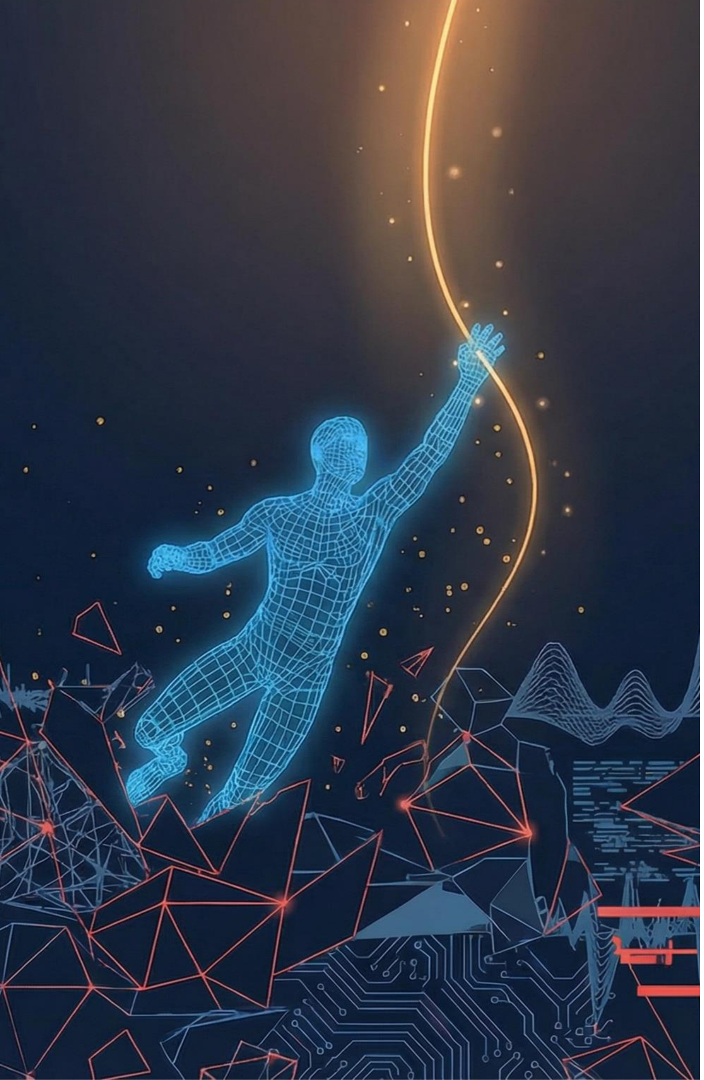
23:59:17
Industrial Revolution
43 seconds to go

23:59:46
Information Age
14 seconds to go

23:59:59
AI Age
1 second to go

Cutting Through the Noise

This is what AI expertise looks like



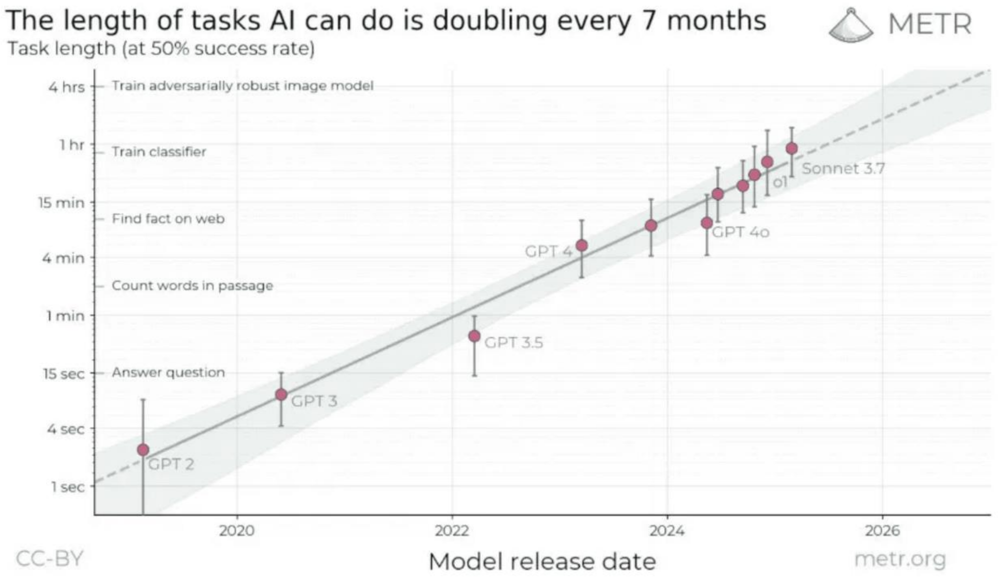
Cutting Through the Noise

Not all AI is created equal.

- The doom, the hype, the endless generated slop on social media skews views
- That's not the AI that matters. Focus in on what’s relevant to you
- Follow the builders, not the commentators.

Task Complexity Is Doubling Every 7 Months

METR: Measuring AI Ability to Complete Long Tasks



The length of tasks (measured by how long they take human professionals) that generalist frontier model agents can complete autonomously with 50% reliability has been doubling approximately every 7 months for the last 6 years. The shaded region represents 95% CI calculated by hierarchical bootstrap over task families, tasks, and task attempts.

01

Time is a proxy for difficulty. An hour-long task requires planning, reasoning, and error correction that was impossible 12 months ago.

02

A year ago: AI handled tasks that take a human 2 minutes. **Today:** tasks that take a human an hour.

03

The curve is still accelerating. This is not slowing down.

Source: METR.org, 2025

The Perception Gap Is a Real Risk

Some people's experience of AI is from 2023.
The technology has moved on. Their assumptions have not.

Perception	Reality
"It hallucinates constantly."	Writes production-ready code.
"It needs constant babysitting."	Conducts multi-hour research autonomously.
"It's just a chatbot."	Executes multi-step workflows end to end

We all now have access to tireless, overqualified interns

From our internal AI enablement Training

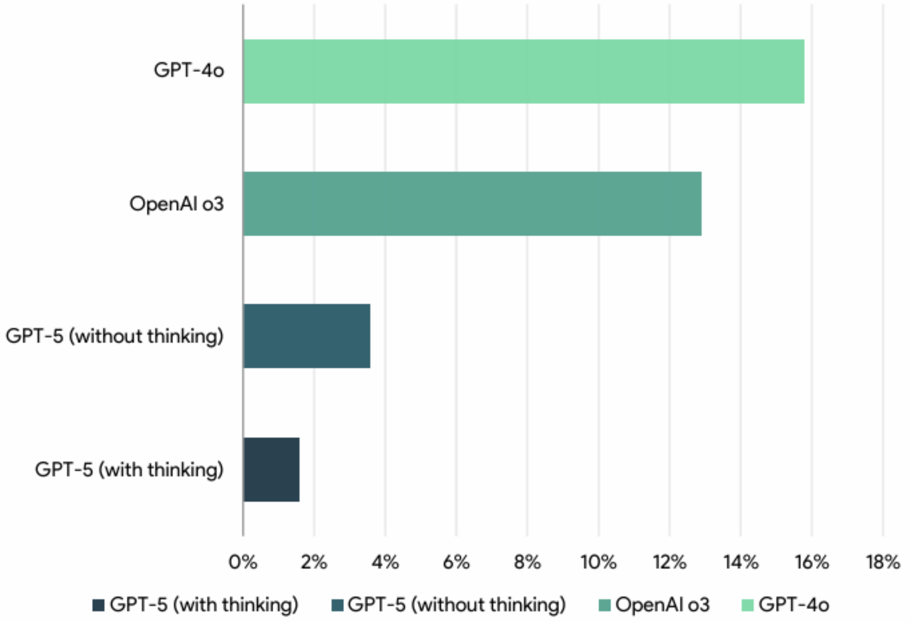
Understanding Hallucinations

Hallucinations occur when a large language model generates information that sounds plausible but is either entirely fabricated or factually incorrect. They can be hard to spot because the faulty data presents itself as credible.

Don't let the risk of hallucinations prevent you from using these tools effectively.

New generation models greatly reduce hallucinations—like the 40-50% improvement between GPT-3.5 and GPT-5. However, it's valid to be cautious and verify outputs, especially for complex or critical work.

Hallucination Rates Across Models



Source: Health Bench Hard Hallucinations study (coh-openai.com/pdf/ba7a39d5-9e9f-47b3-903c-8b847cad50c7/healthbench_paper.pdf)

Using AI Is Not a Moat

LLMs are commoditizing rapidly. Everyone will have access to the same tools.

Advantage does not come from usage alone.

The tool is not the differentiator.

The application is.

From Glorified Search Engine to Full Orchestration

AI is evolving from answering questions to running processes.

PHASE 1

Chatbot

Ask a question, get an answer.

"What is the P/E ratio of Apple?"

PHASE 2

Assistant

Helps with tasks. Still needs guidance.

"Draft a client email about this portfolio change."

PHASE 3

Agent

Completes multi-step tasks autonomously.

"Research this stock and produce a report."

PHASE 4

Orchestrator

Coordinates multiple agents. Manages workflows end to end.

"Monitor the portfolio, flag risks, and draft client comms."

We are building for **Phase 3 & 4**.

Our Core Principles on AI

01
Human-Centric
AI augments judgment. It does not replace it.

02
No AI for the Sake of AI
Every implementation must solve a real problem. If it doesn't make the work better, we don't ship it.

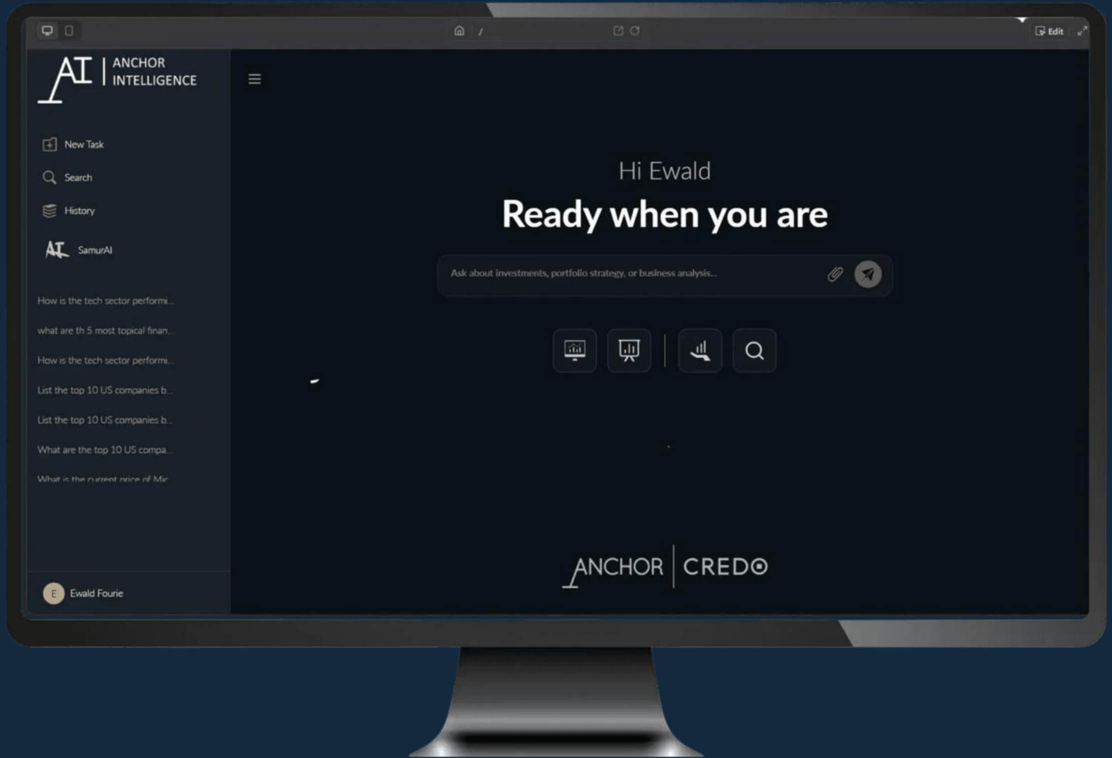
03
Security-First
Powerful tools without governance are liabilities.

04
Model-Agnostic
We build capabilities that plug into many models. No vendor lock-in.

05
Adoption
You cannot force adoption. Tools must be intuitive, useful, and worth using.

Anchor Intelligence

The internal decision engine for how Anchor thinks and scales.



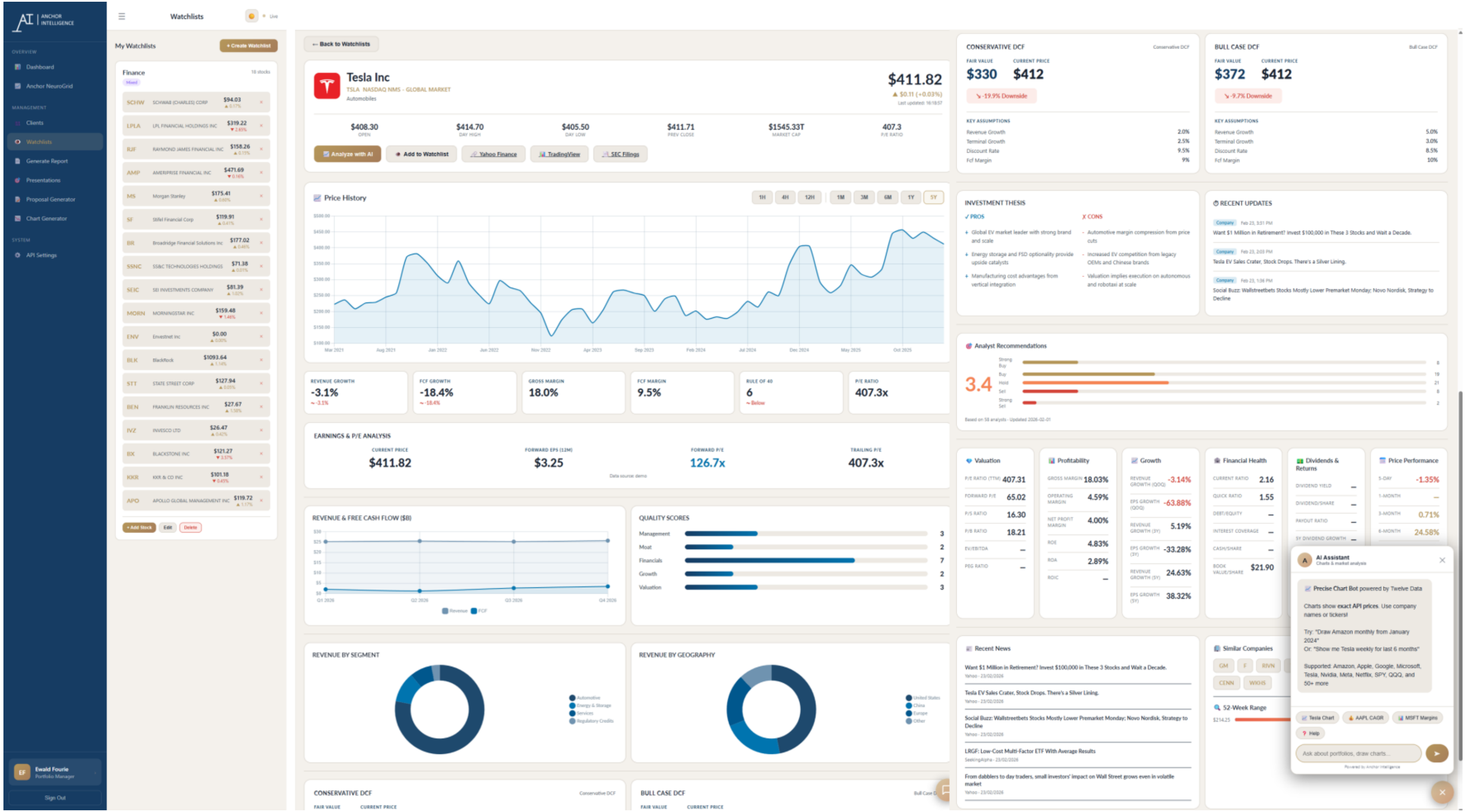
It is a centralized intelligence layer that integrates with Anchor's data, people, and processes.

We are not buying licenses. We are **building infrastructure**.

One platform. Multiple AI models
Built by Anchor.

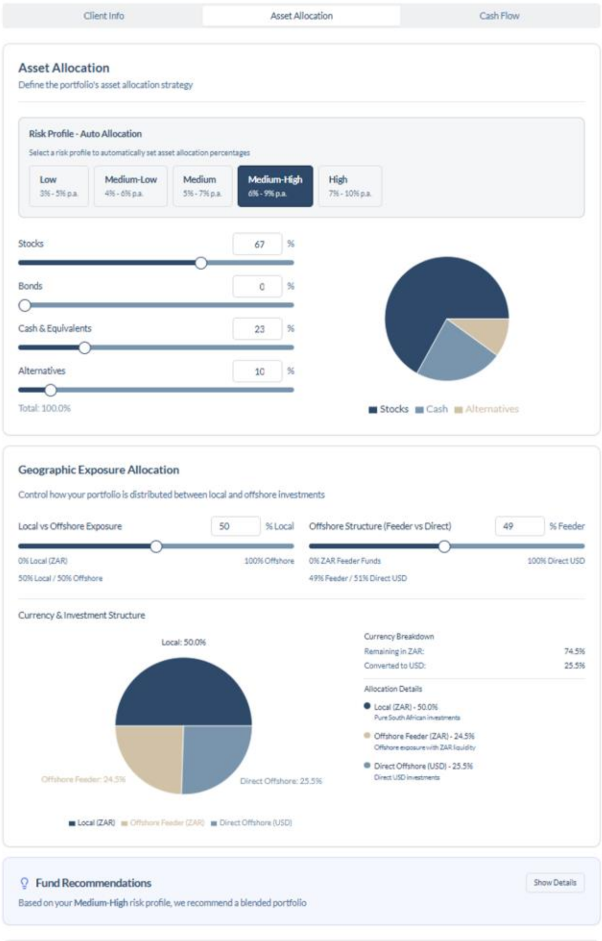
Anchor NeuroGrid

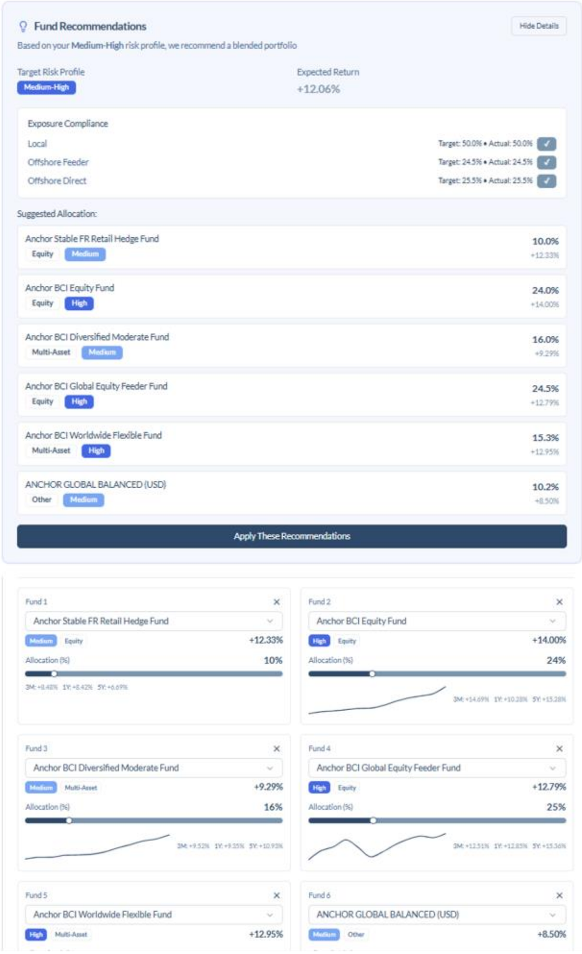
Any stock. Instant insight. First-layer analysis, DCF models, quality scores, and AI-powered research



Anchor PortfolioPulse

Internal monitoring system that keeps every client portfolio aligned, tax-aware, risk-appropriate, and optimised in real time





Automated Meeting Notes & Agentic Actions

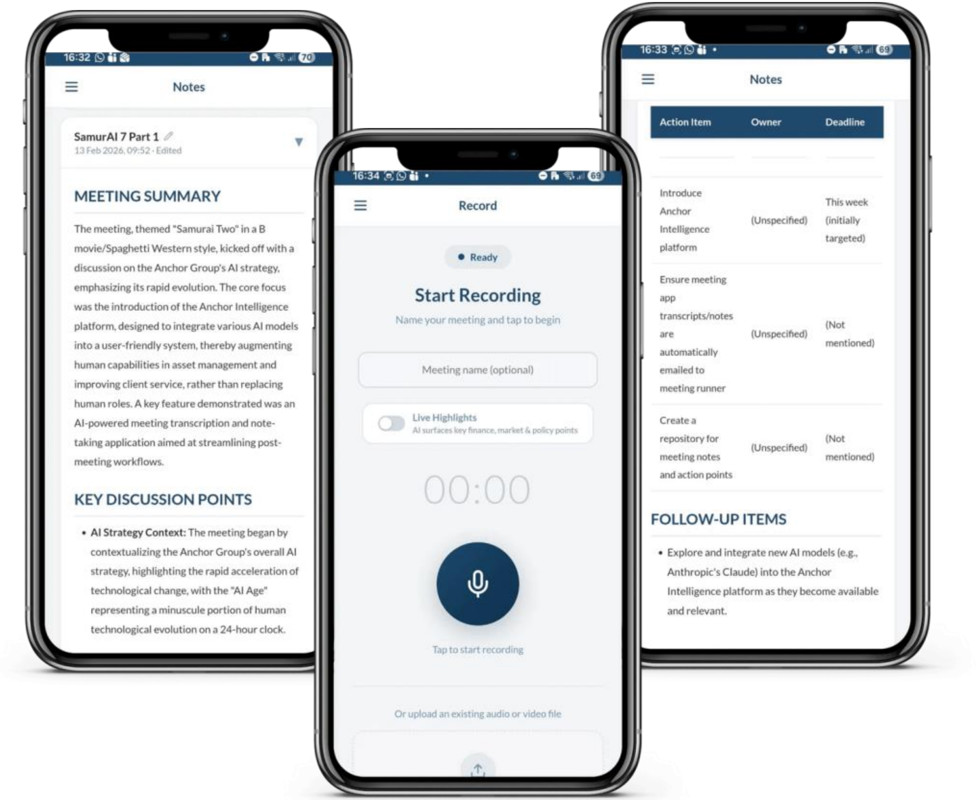
Your Advisor.
Fully Present.

Better meetings. Nothing falls through the cracks.

01 **AI records** and transcribes the meeting

02 **Generates a summary** and action points

03 **Syncs directly** to the wealth manager



Anchor Cerebro

Deep Research & Quick Share Analysis

DEEP RESEARCH

We're pushing the boundaries — enabling analysts to **research stocks in line with Anchor's philosophy**. 22-page institutional-grade reports with live market data, scenario modelling, and investment thesis.

QUICK SHARE ANALYSIS

Fast, informed client responses even on **shares outside our coverage**. The attached example was done by someone with zero market experience — just using the system we built.

ANCHOR

AI Adoption and Structural Repricing Risk in Coal and Airline Equities

Author: Anchor Intelligence **Date:** 12 February 2026 **Classification:** For Institutional Use Only

Key Insights & Core Numbers

Metric	Coal	Airlines
Primary AI Threat	Hyperscaler clean energy bypass + industrial efficiency	Corporate travel demand erosion + margin compression
Key Number	43% of global clean PPAs signed by data centre operators (2024)	10pp drop in frequent business traveller trip expectations since 2024
Revenue at Risk	100% of thermal coal demand faces structural decline by 2035	Up to 75% of revenue on premium routes tied to business travel
Terminal Value Signal	AMR forward P/E of 2.7x implies market doubts long-term viability	AAL forward P/E of 8.0x with 89.7x trailing P/E signals earnings fragility
Prob-Weighted Return	+2.5% (skewed by bear-case severity)	+4.6% (higher bull-case probability)
Armitage Philosophy	EXCLUDED (mining = "bad industry")	CAUTION (cyclical, high leverage, low ROE)
Who Benefits	NEE, ENPH, CEG, VST, SMR	ZM, MSFT, GOOGL, Hopper

Alignment with Armitage Investment Philosophy

This report analyses sectors that fall outside the Armitage investment universe. The purpose is not to identify long candidates within coal or airlines, but to understand the nature of the disruption and its second-order effects on the broader market, informing overall portfolio construction. The philosophy emphasises high-quality businesses with long growth runways, high returns on incremental capital, strong cash generation, and digital scalability. Both coal and airlines fail these tests comprehensively.

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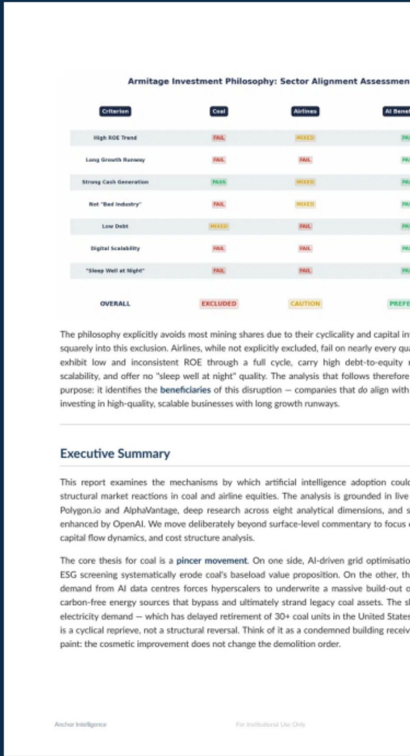


Armitage Investment Philosophy: Sector Alignment Assessmen

Criterion	Coal	Airlines	AI Benef
High ROE Trend	FAIL	MIXED	PA
Long Growth Runway	FAIL	FAIL	PA
Strong Cash Generation	PASS	MIXED	PA
Not "Bad Industry"	FAIL	MIXED	PA
Low Debt	MIXED	FAIL	PA
Digital Scalability	FAIL	FAIL	PA
"Sleep Well at Night"	FAIL	FAIL	PA
OVERALL	EXCLUDED	CAUTION	PREFE

The philosophy explicitly avoids most mining shares due to their cyclicality and capital in squarely into this exclusion. Airlines, while not explicitly excluded, fail on nearly every qua exhibit low and inconsistent ROE through a full cycle, carry high debt-to-equity scalability, and offer no "sleep well at night" quality. The analysis that follows therefore purpose: it identifies the beneficiaries of this disruption — companies that *do* align with investing in high-quality, scalable businesses with long growth runways.

Executive Summary

This report examines the mechanisms by which artificial intelligence adoption coul structural market reactions in coal and airline equities. The analysis is grounded in live Polygon.io and AlphaVantage, deep research across eight analytical dimensions, and s enhanced by OpenAI. We move deliberately beyond surface-level commentary to focus capital flow dynamics, and cost structure analysis.

The core thesis for coal is a pincer movement. On one side, AI-driven grid optimisatio ESG screening systematically erode coal's baseload value proposition. On the other, th demand from AI data centres forces hyperscalers to underwrite a massive build-out o carbon-free energy sources that bypass and ultimately strand legacy coal assets. The s electricity demand — which has delayed retirement of 30+ coal units in the United States is a cyclical reprieve, not a structural reversal. Think of it as a condemned building receiv paint: the cosmetic improvement does not change the demolition order.

Anchor Intelligence For Institutional Use Only

Built by Anchor. Running today.

What does the future look like?

Dario Amodei
CEO, Anthropic

Let’s Ask The Experts

“I think we’ll be there in three to six months where AI is writing 90% of the code… and then in 12 months we may be in a world where AI is writing essentially all of the code.”

Dario Amodei, CEO of Anthropic

This was in March 2025

What Does The Future Look Like?

The Dystopia

AI surpasses human intelligence

We become the pets.

The end of human relevance.

The Utopia

The end of all disease.

Universal abundance.

The end of work.

It Is Probably Neither.

In a world where the value of answers is dropping to zero...

The value of the question becomes everything.

ANCHOR

An analytical view

The Two Unlisted Giants of AI

James Bennett

February 2026

Three Options for Every Question

Is AI a bubble?

YES	☐
NO	☐
I don't know	☑

Is AI a Bubble? I Don’t Know!

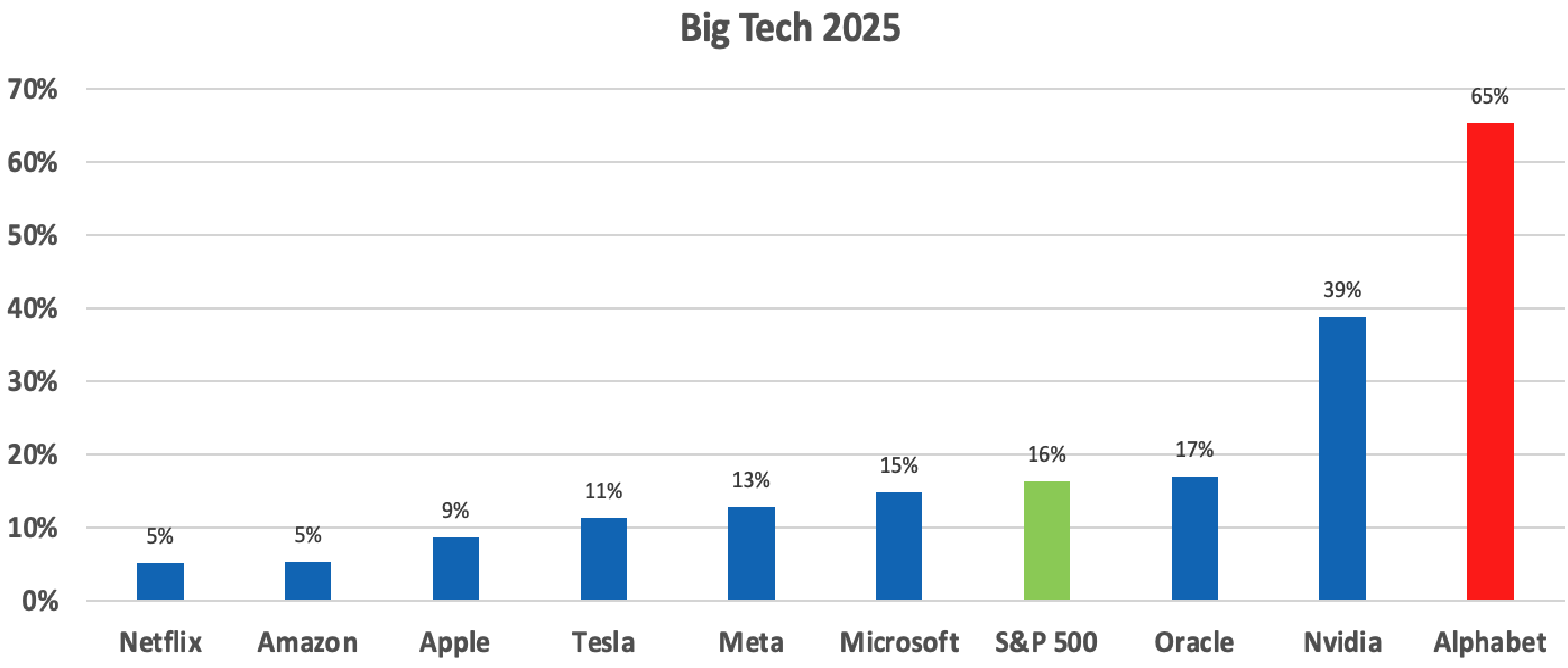
- Business and social media are flooded with AI bubble talk.
- The AI bears seem more confident that they are correct than the AI bulls.
- “The AI Bubble” is broadly given as a statement of fact.
- THIS IS NOT USUALLY HOW BUBBLES FORM!
- The overwhelming scepticism about AI is actually good in that it makes a meaningful bubble far less likely to occur.

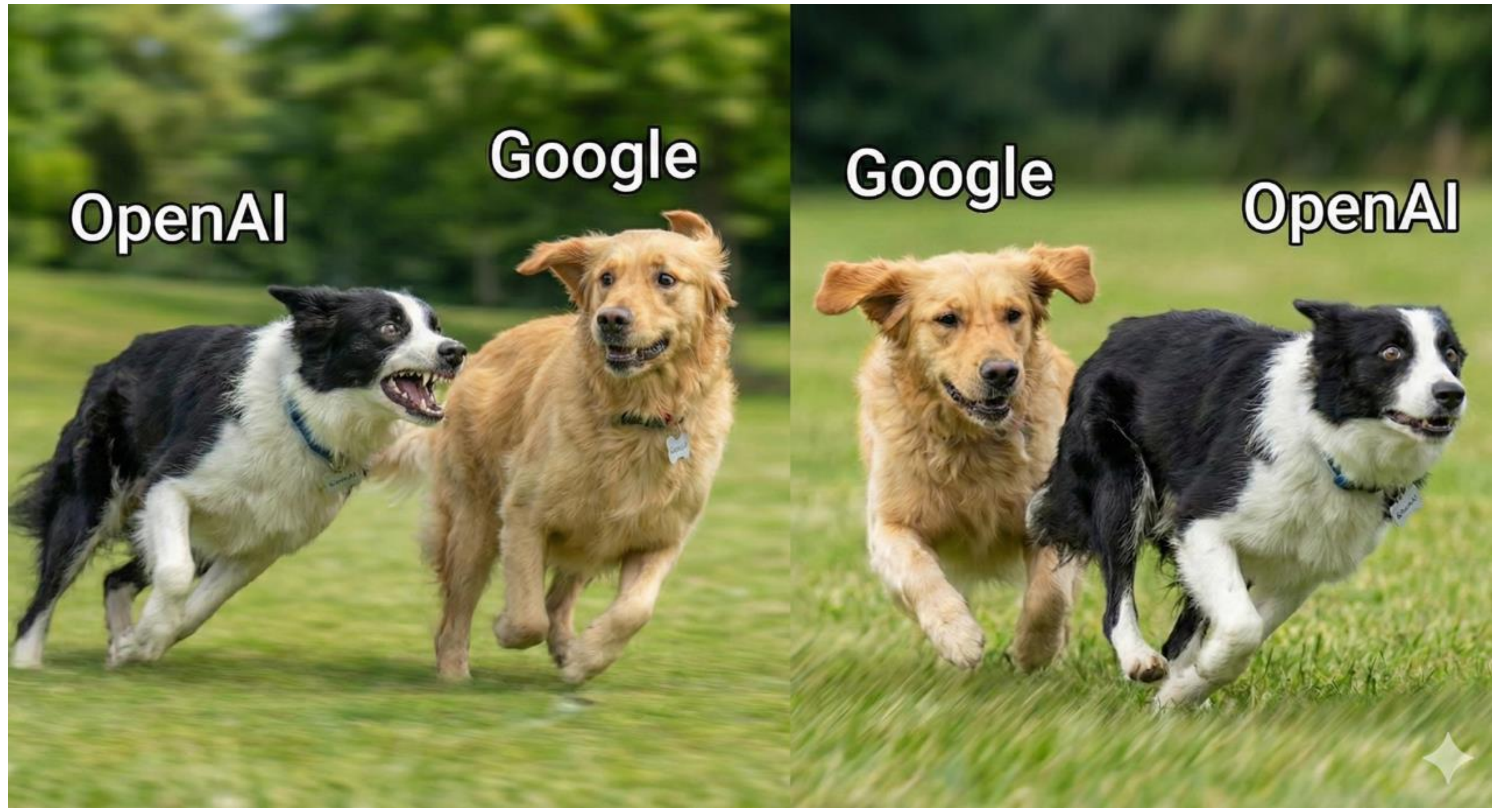
AI bubble fears take hold of stock markets and bitcoin

Financial analysts say some risk is being taken off the table following months of new record values being set as the market ponders a series of uncertainties, not just AI's growth prospects.

Alphabet 2025

A Narrative Turnaround for the Ages





Source: Anchor Capital, Bloomberg

AI Bubble Talk – Two Calls to Get Right

Source: Anchor Capital, Bloomberg

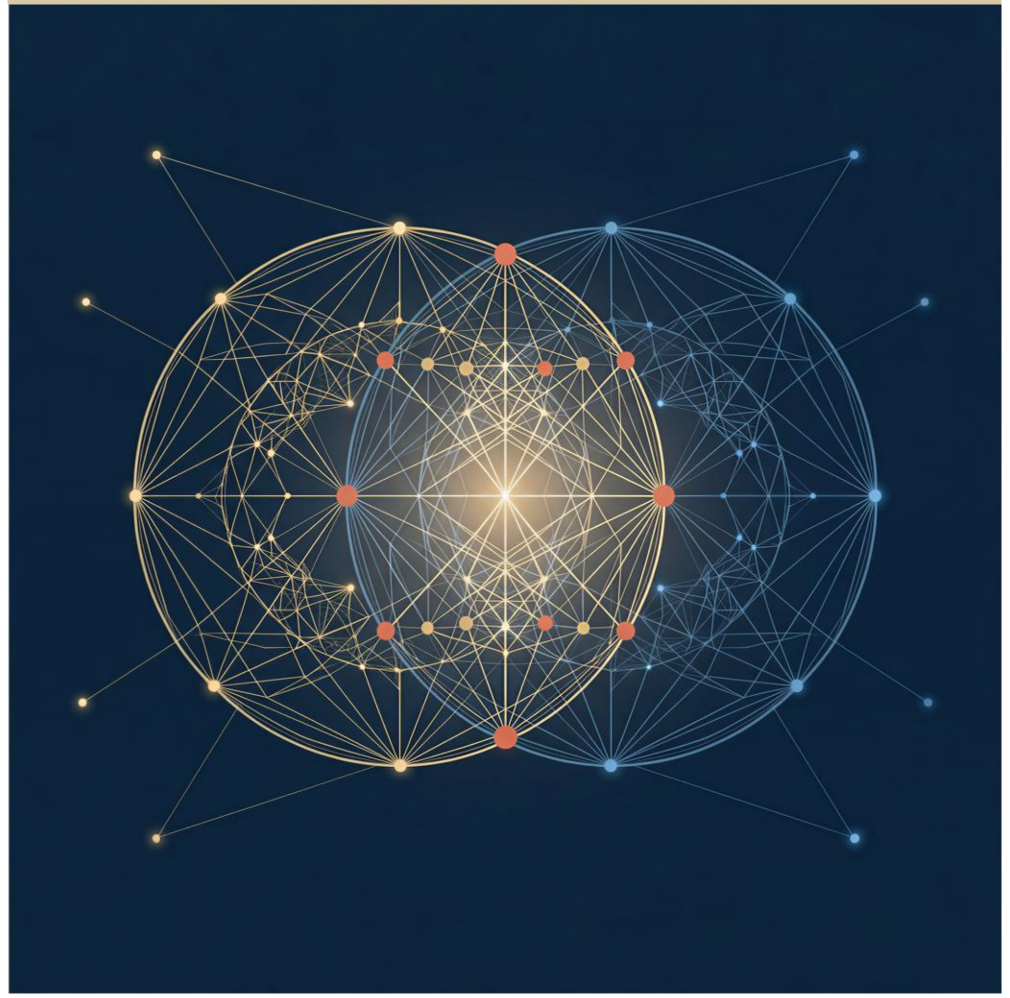
The tech bears in 1996 to 1999 were lone voices out on the fringes, unlike today, where the AI bubble view is widely held.

Eventually, the tech bears were proved right starting 10 March 2000, but so many then missed the generational opportunity to buy depressed tech companies in 2001/2002, and hold them for the next two decades.

David Gardner (The Motley Fool co-founder) bought his Amazon shares in Sep 1997 at USc16 (split adjusted) and has never sold a share.

How to Play the AI Theme if You Don't Know

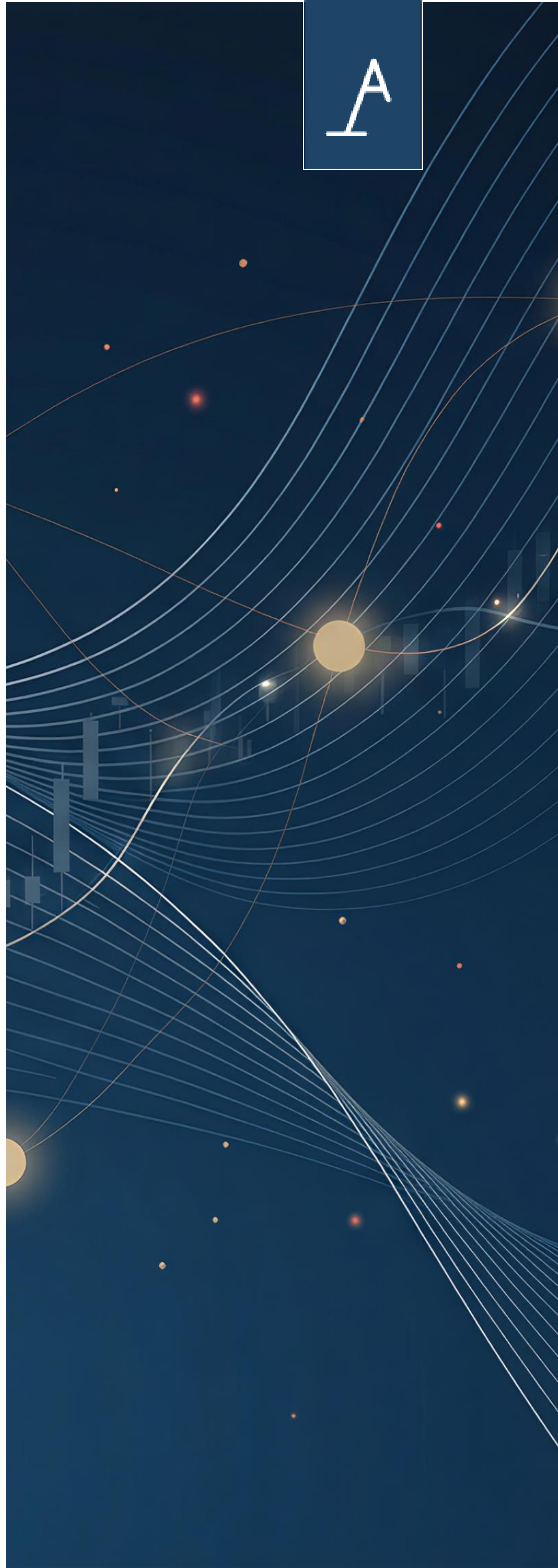
Keep a balanced view



Hold onto your views loosely

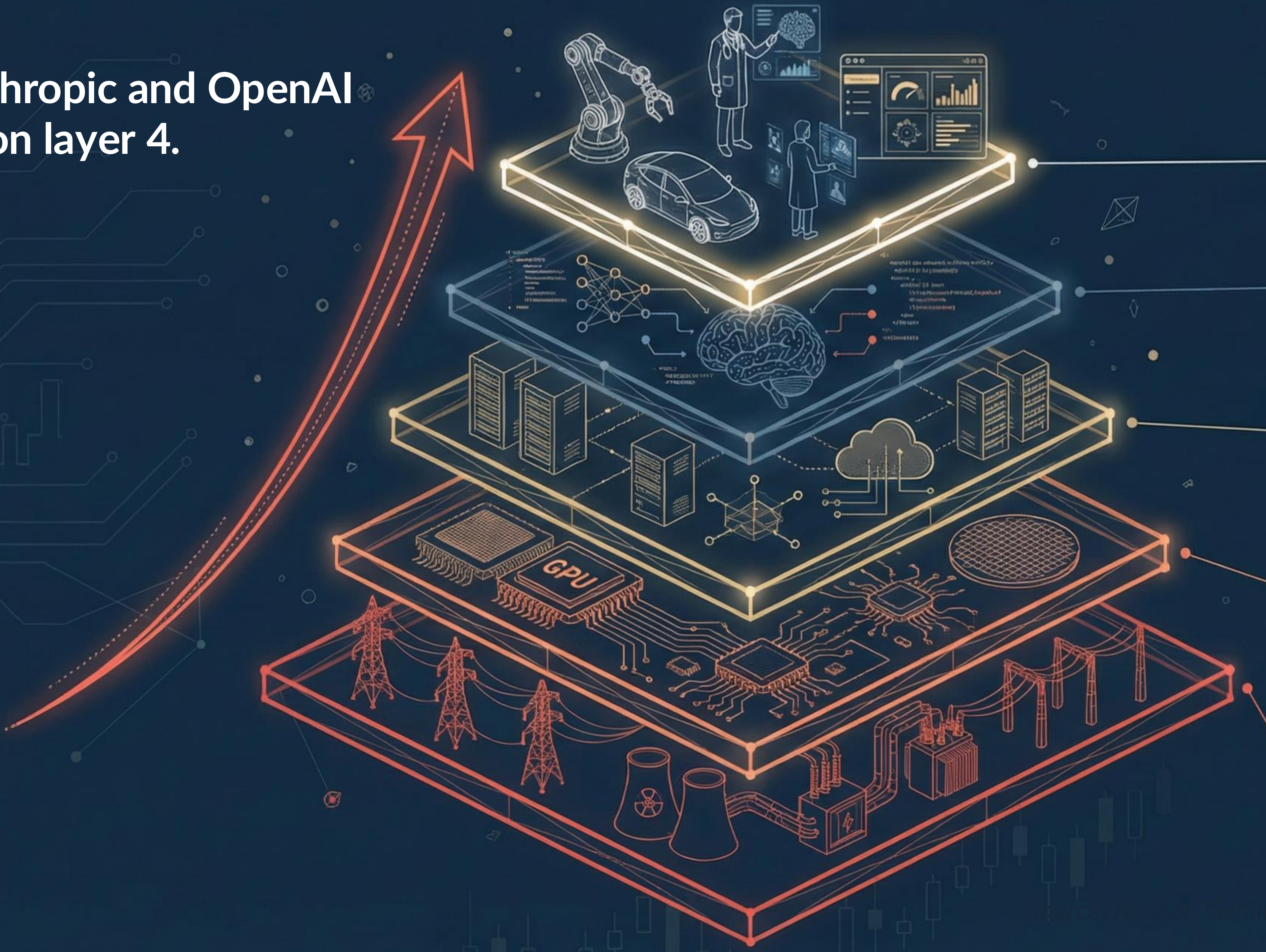
"Everything is a poison, what matters is the dose."

Paracelsus (1493–1541), Swiss physician, alchemist, and philosopher



JENSEN HUANG'S "FIVE-LAYER CAKE" OF AI

Anthropic and OpenAI sit on layer 4.



LAYER 5: APPLICATIONS & AGENTS (THE VALUE)
Agentic software, robotics, specific solutions.
(ServiceNow, Tesla Optimus, Salesforce)

LAYER 4: FOUNDATION MODELS (THE INTELLIGENCE)
LLMs, reasoning models.
(OpenAI, Anthropic, Google DeepMind)

LAYER 3: INFRASTRUCTURE & CLOUD (THE SYSTEM)
Data centers, networking, cloud.
(Microsoft Azure, AWS, CoreWeave)

LAYER 2: CHIPS & COMPUTING (THE ENGINE)
Silicon, GPUs, ASICs.
(NVIDIA, TSMC, AMD)

LAYER 1: ENERGY (THE FOUNDATION)
Generation, transmission, cooling.
(Eaton, Vertiv, Constellation Energy)

OpenAI Review – Canary in the Coal Mine for the AI Trade

OpenAI

Founded in 2015 by a consortium including Sam Altman, Elon Musk, Peter Thiel and Greg Brockman. Based in San Francisco

Mission: “*To ensure that artificial general intelligence (AGI)—by which we mean highly autonomous systems that outperform humans at most economically valuable work—benefits all of humanity*”

Private valuation of c. US$500bn. Would be about 15th in the S&P 500 Index assuming 100% free-float

The complicated structure of a non-profit and a Public Benefit Corporation, coupled with material cash burn, makes an IPO difficult but still a possibility

OpenAI’s name originates from the original intention for its models to be open source

OpenAI models are available in >180 countries and 95 languages. About 7,200 employees and 900mn weekly active users

ANTHROPIC – The Adult in the AI Room

Founded in 2021 by siblings Dario Amodei (CEO) and Daniela Amodei (President), ex OpenAI. Based in San Francisco

Mission: "*Anthropic is an AI safety and research company. We build reliable, interpretable, and steerable AI systems*"

Private valuation of c.US$380bn. Would be about 25th in the S&P 500 Index assuming 100% free-float

Increasing talk of IPO in H2 2026 or 2027 (legal firm appointed for IPO preparation)

Anthropic from the Greek word "Anthropos" (meaning "human"), due to the company's "human-centred" approach to AI safety

Approximately 2,300 employees (as of late 2025) and over 19mn monthly active users. Focused mostly on Enterprise customers

Amodei Siblings – CEO and President

Anthropic Board of Directors:

Dario Amodei (CEO)

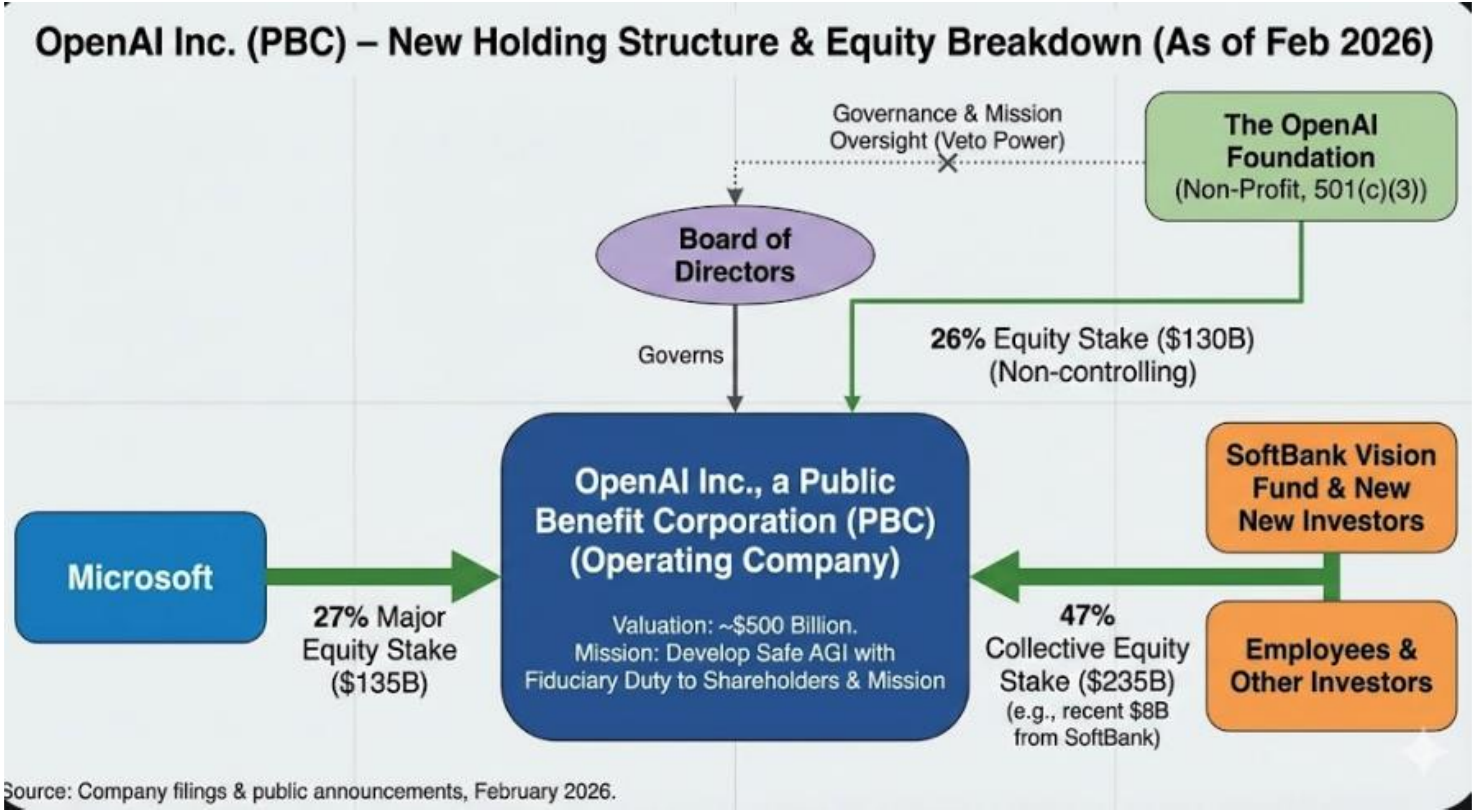
Daniela Amodei (President)

Yasmin Razavi

Jay Kreps

Reed Hastings (Netflix founder)

OpenAI Public Benefit Corporation (PBC) Structure



Source: Anchor Capital, Gemini

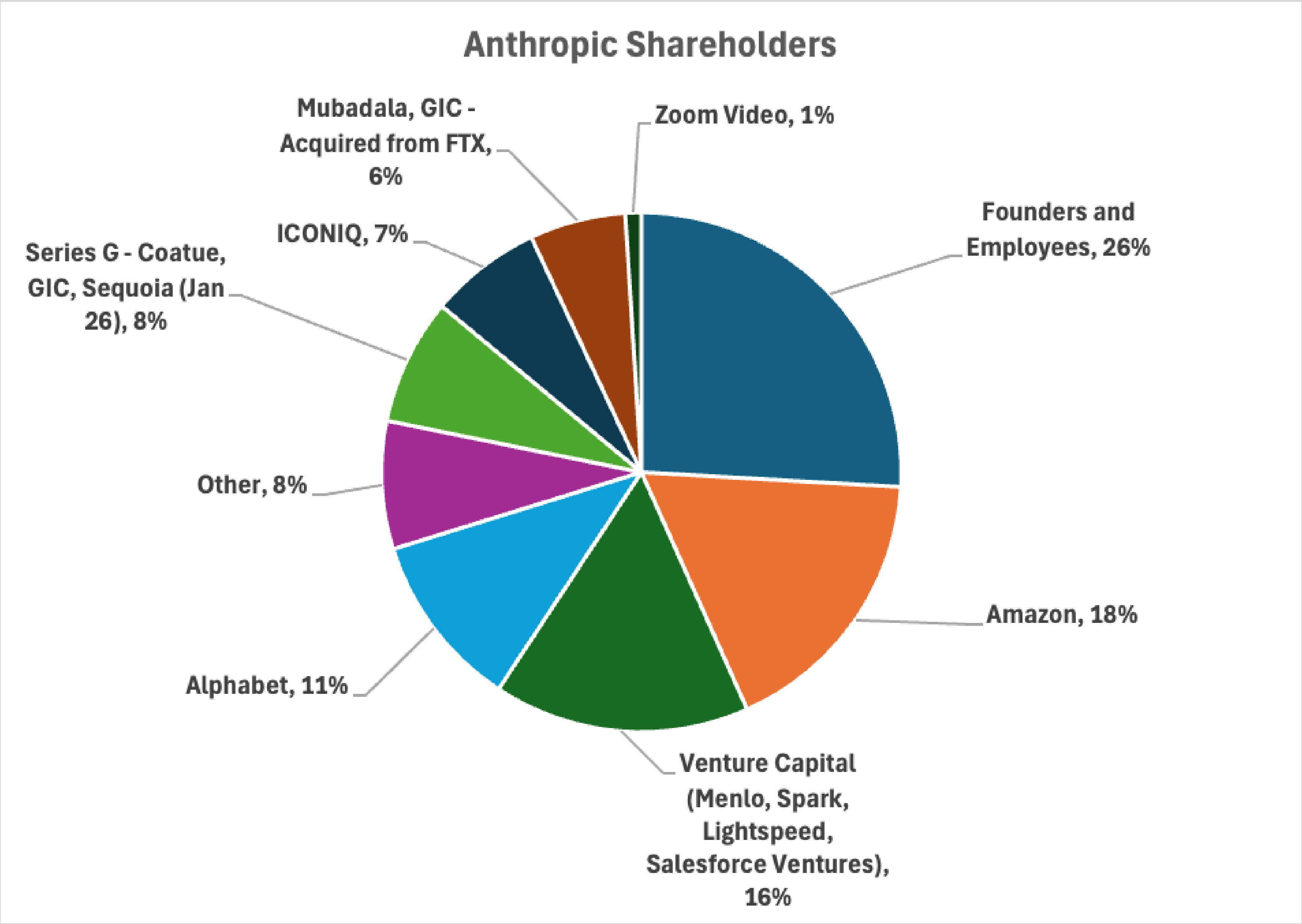
ANTHROPIC SHAREHOLDERS

Long-term Benefit Trust

100%

Class T shares

0%. No economic interest



Source: Anchor Capital, Gemini

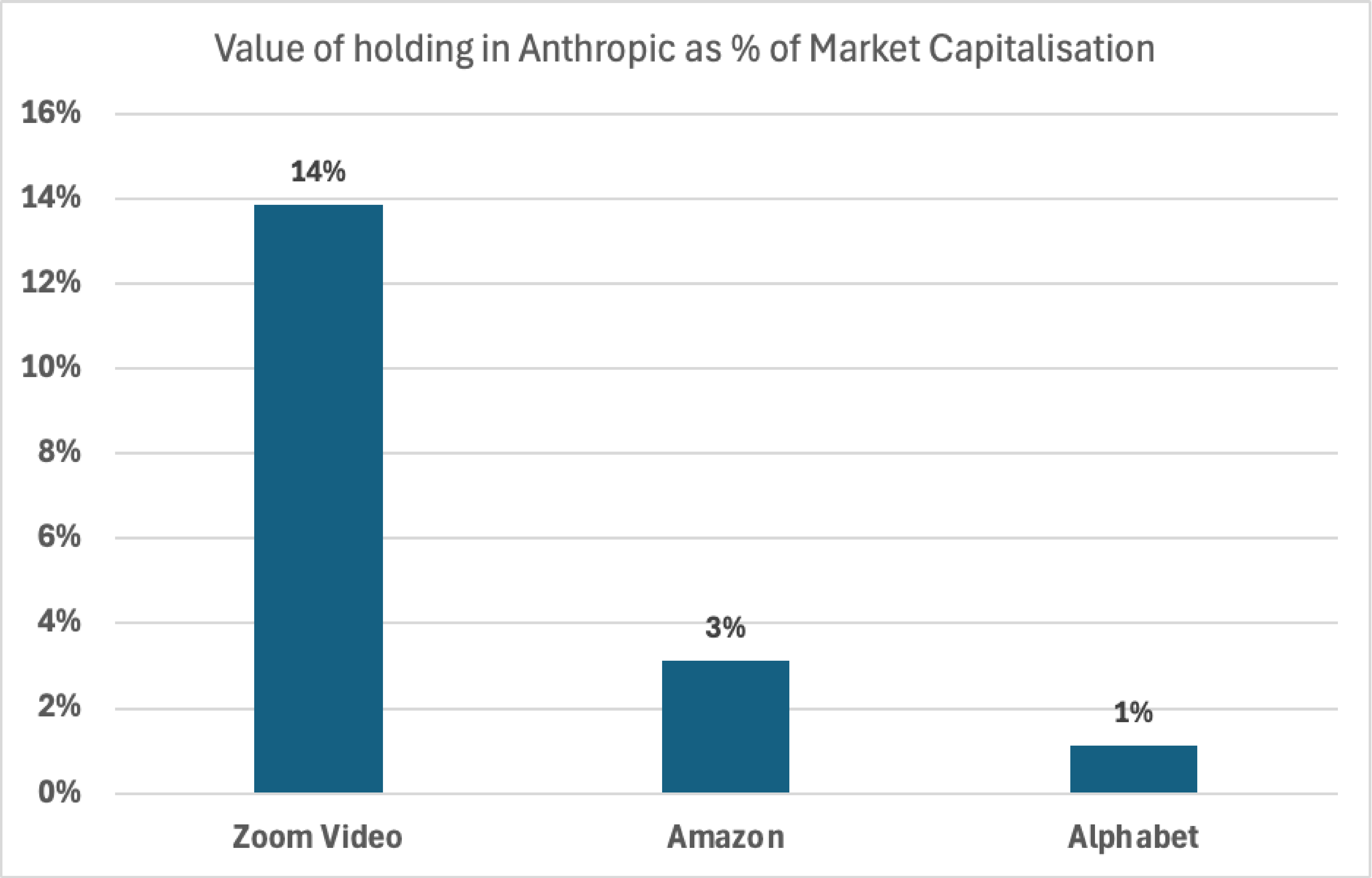
Phase 1 (early days): The Trust elected 1 of 5 board seats.

Phase 2 (growth - current): The Trust elects 3 of 5 (or a significant minority) board seats.

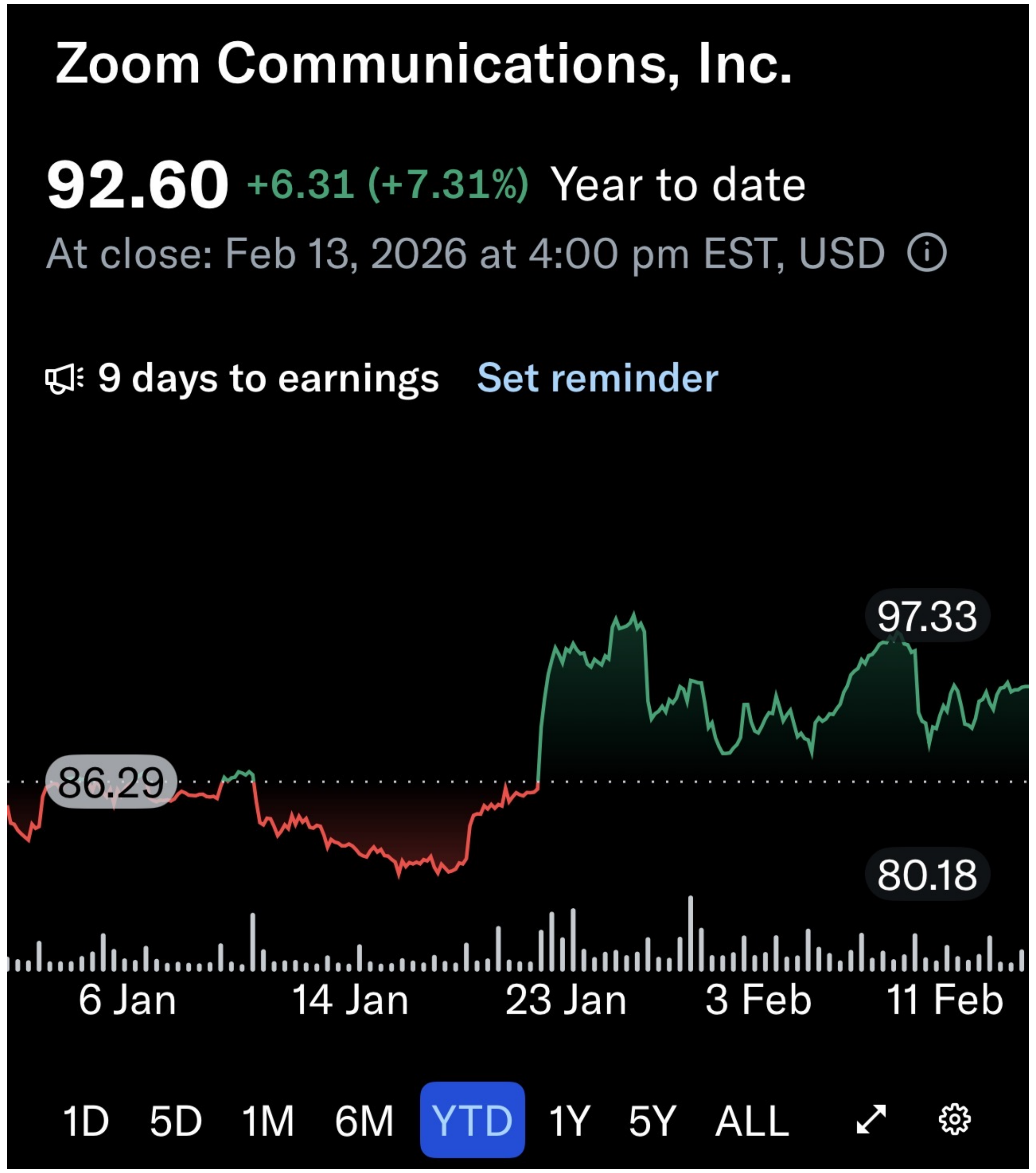
Phase 3 (The "Kill Switch" Era - ~2027): By predetermined milestones (likely tied to time or capitalisation), the Trust will gain the power to elect a majority (3+ out of 5) of the board.

Trust retains its powers post IPO, but with checks and balances.

Anthropic – Backdoor Options for Exposure Pre IPO

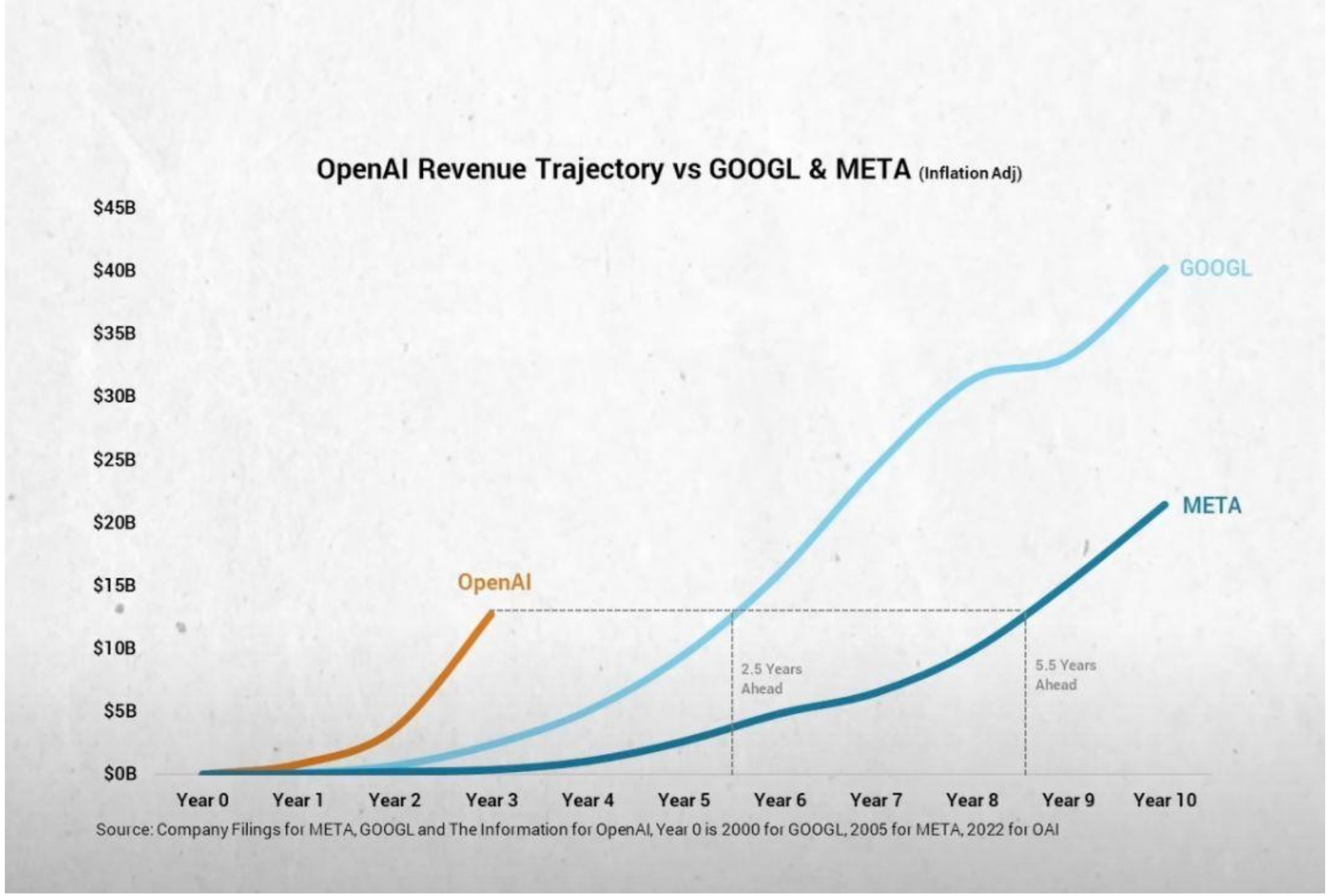


Source: Anchor Capital, LSEG Data & Analytics, Yahoo Finance



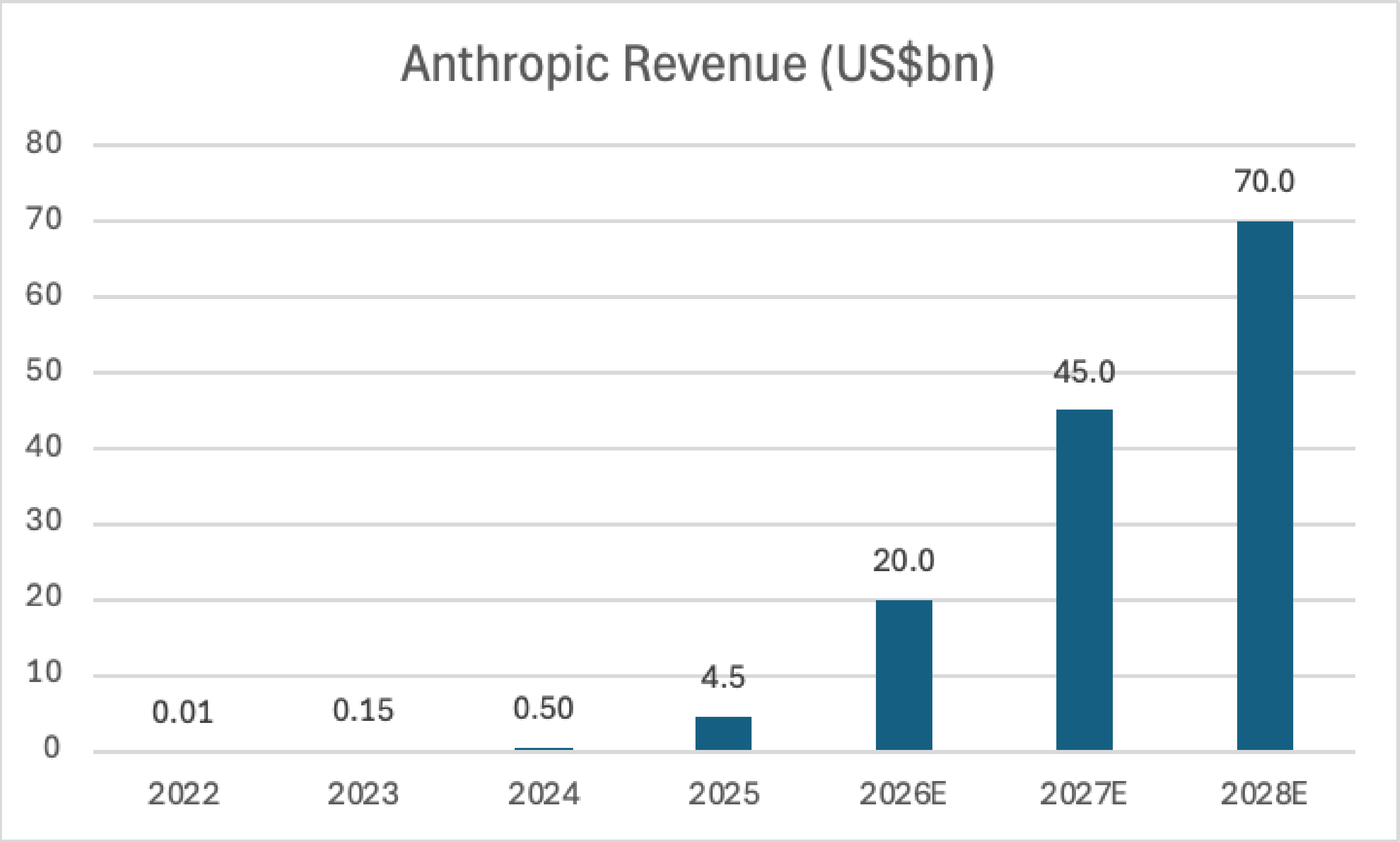
Baird report on 26 January pointed out that Zoom's stake in Anthropic was now worth 10%-15% of its market cap.
Original US$51mn investment in May 2023 is now worth c. US$3.5bn.

OpenAI Launch Dwarfed Anything the World Has Seen

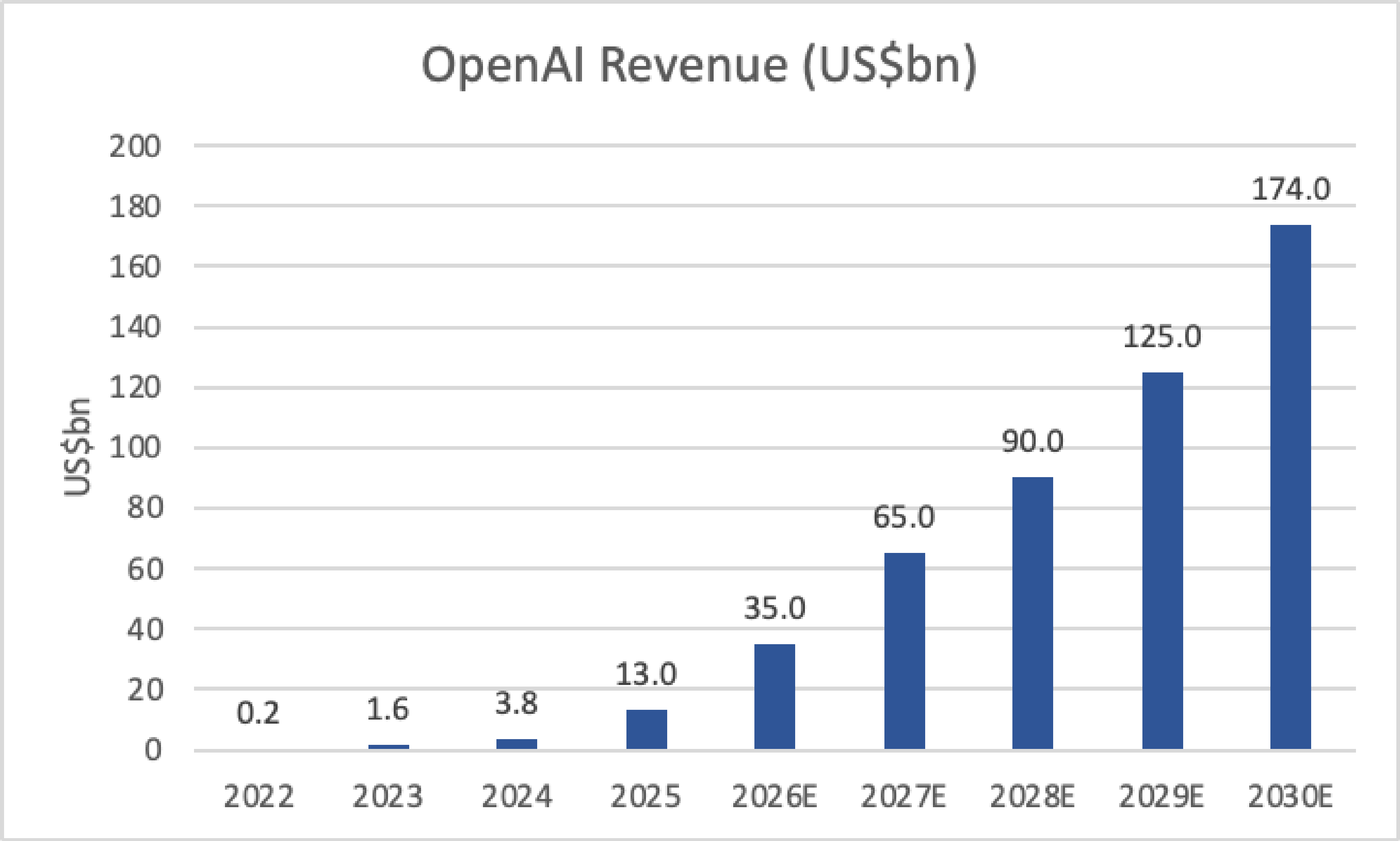


Source: BG2 podcast

Revenue Growth Like the World Has Never Seen Before



Source: Anthropic, The Information



Source: OpenAI, The Information

CrowdStrike, one of the fastest growing software companies of all time, has taken c. 15 years to achieve c. US$5bn of annual revenue. Anthropic has gone from almost nothing to c. US$9bn (Dec 2025 annualised) in 4 years , while OpenAI is running at US$20bn (Dec 2025 annualised).

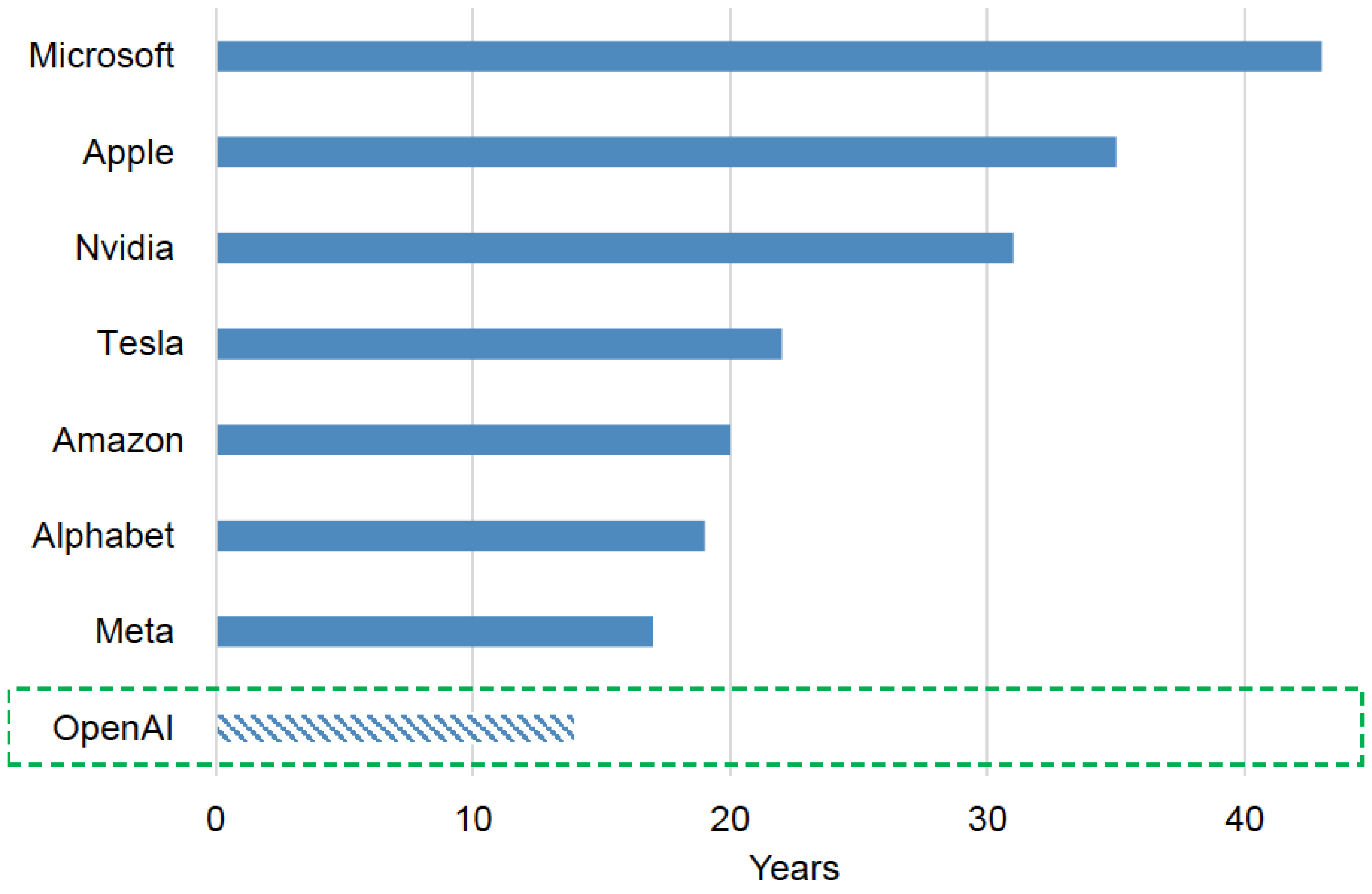
Anecdotes that Anthropic are annualising at c.$14bn in Feb 26. No updates on OpenAI yet.

OpenAI Likely to Take 14 Years to Pass US$100bn Revenue

Figure 33: Years It Took Mag
Revenue vs. Media Projection
Number in years

Figure 33: Years It Took Mag 7 Since Founding to Reach $100bn in Revenue vs. Media Projections for OpenAI

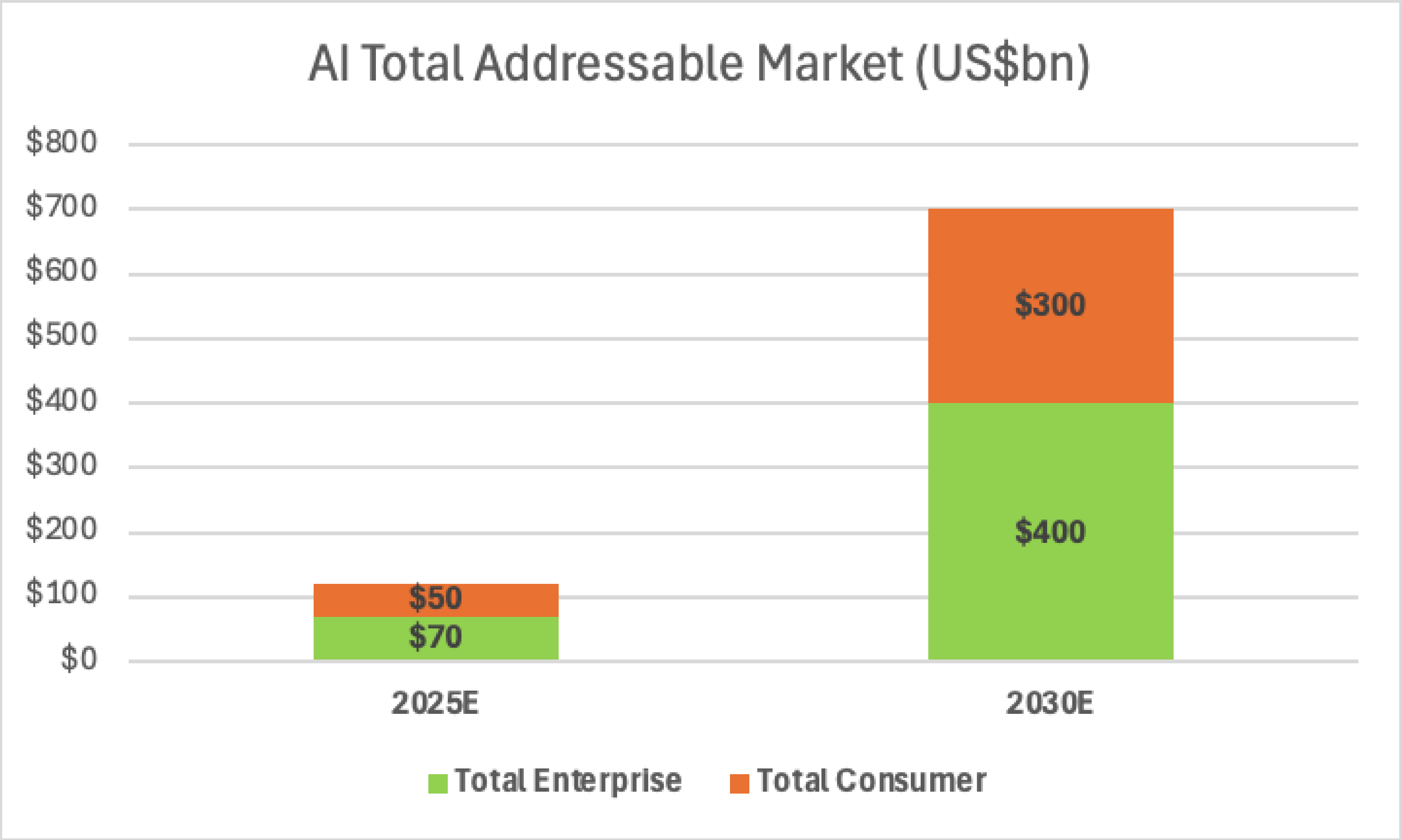
Number in years



Note: Revenue estimates for OpenAI are based on media and third party reported projections (Tesla's revenue projections have been rounded up to $100bn for this year)
Source: Bloomberg Finance L.P., The Information, CBInsights, J.P. Morgan

This 14-year estimate for OpenAI is based on its founding date of 2015

OpenAI (25%), Anthropic (20%) of US$700bn AI Market by 2030?

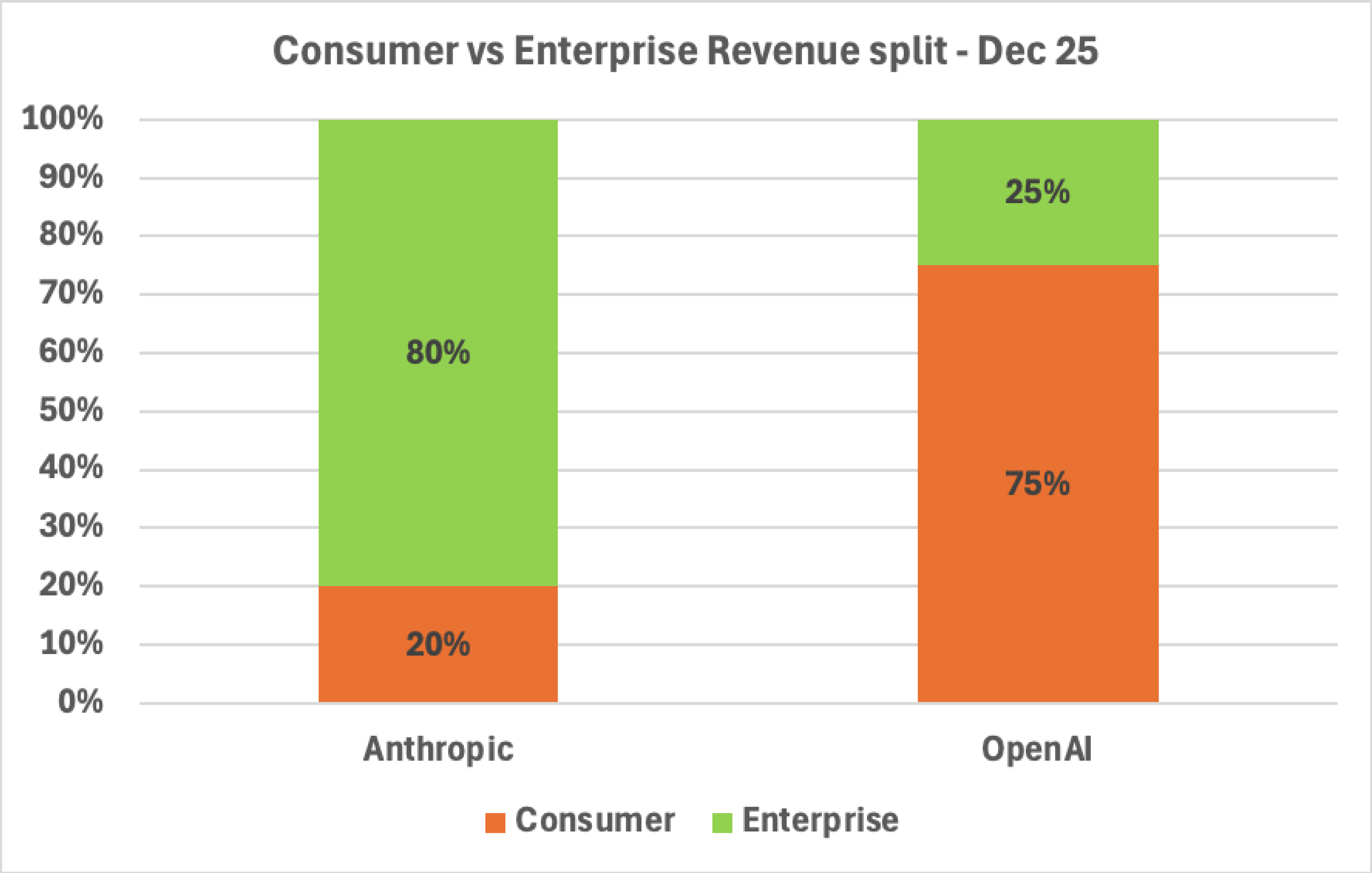


Source: Bloomberg, The Information, JP Morgan

Bloomberg suggests that the consumer TAM could expand from c. US$50bn in 2025 to c. US$300bn by 2030 across consumer software, hardware, and advertising.

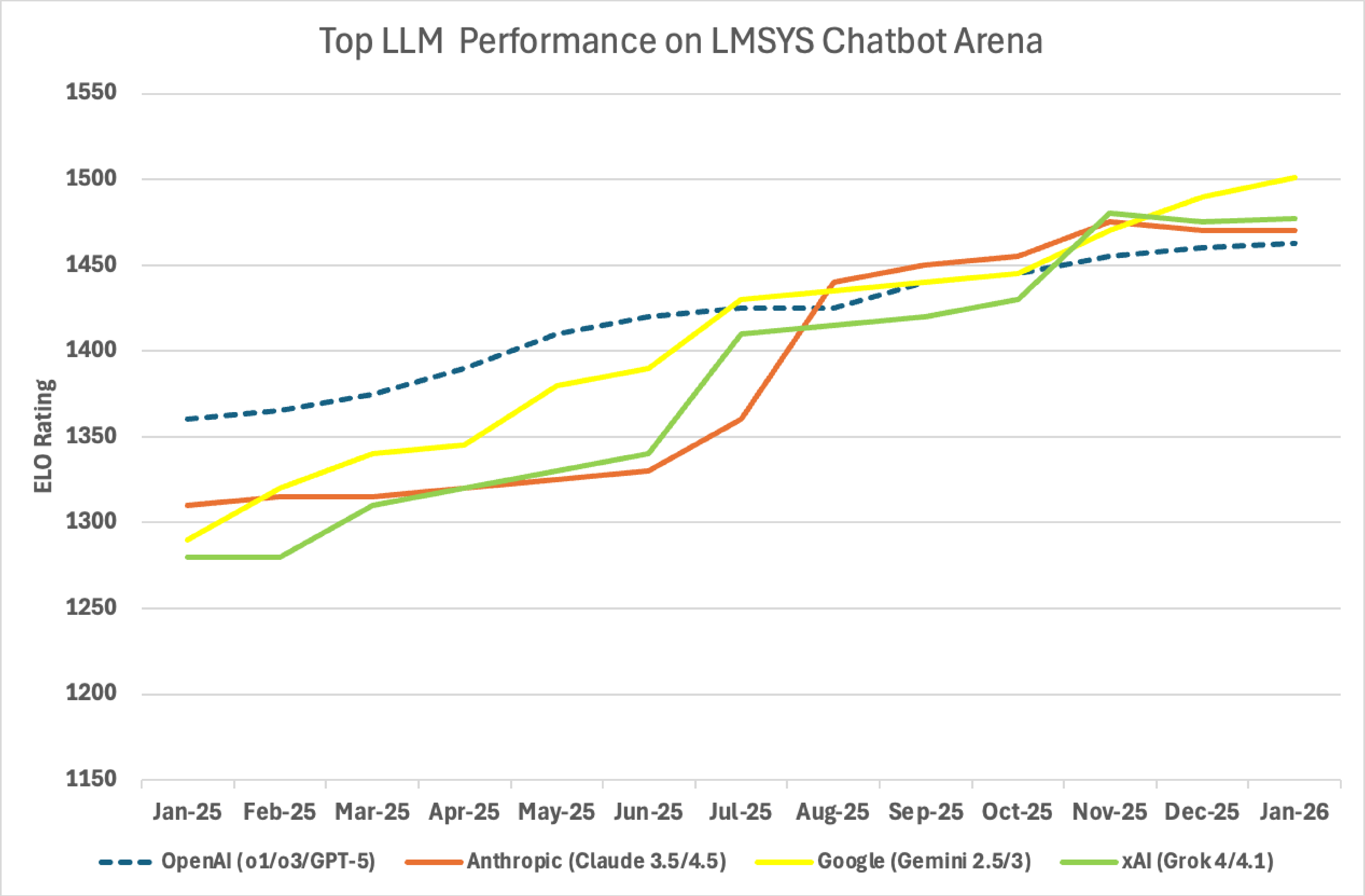
The TAM for enterprise AI could grow from c. US$70bn in 2025 to c. US$400bn by 2030. This is likely to be a more competitive market. Large enterprises are likely to actively diversify AI vendors.

Anthropic Skewed to Enterprise – OpenAI Skewed to Consumer



Source: Anchor

Anthropic (Claude) Part of the LLM Big 4

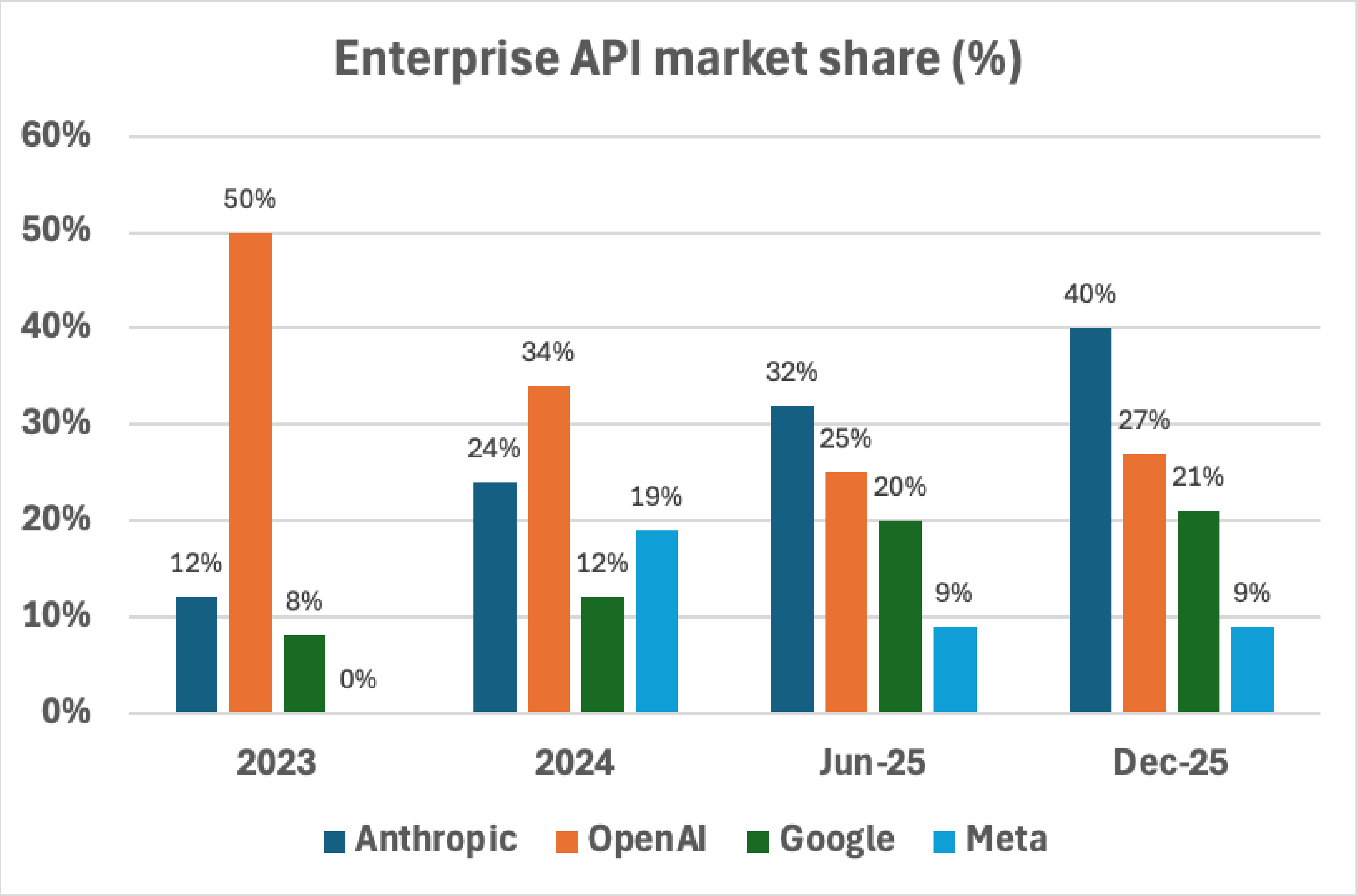


Source: lmarena.ai

How much of these relative rankings are based on who had access to the best chips when the models were trained?

Versus whether some models are technically superior?

Anthropic Leading Global Enterprise Customer Market Share

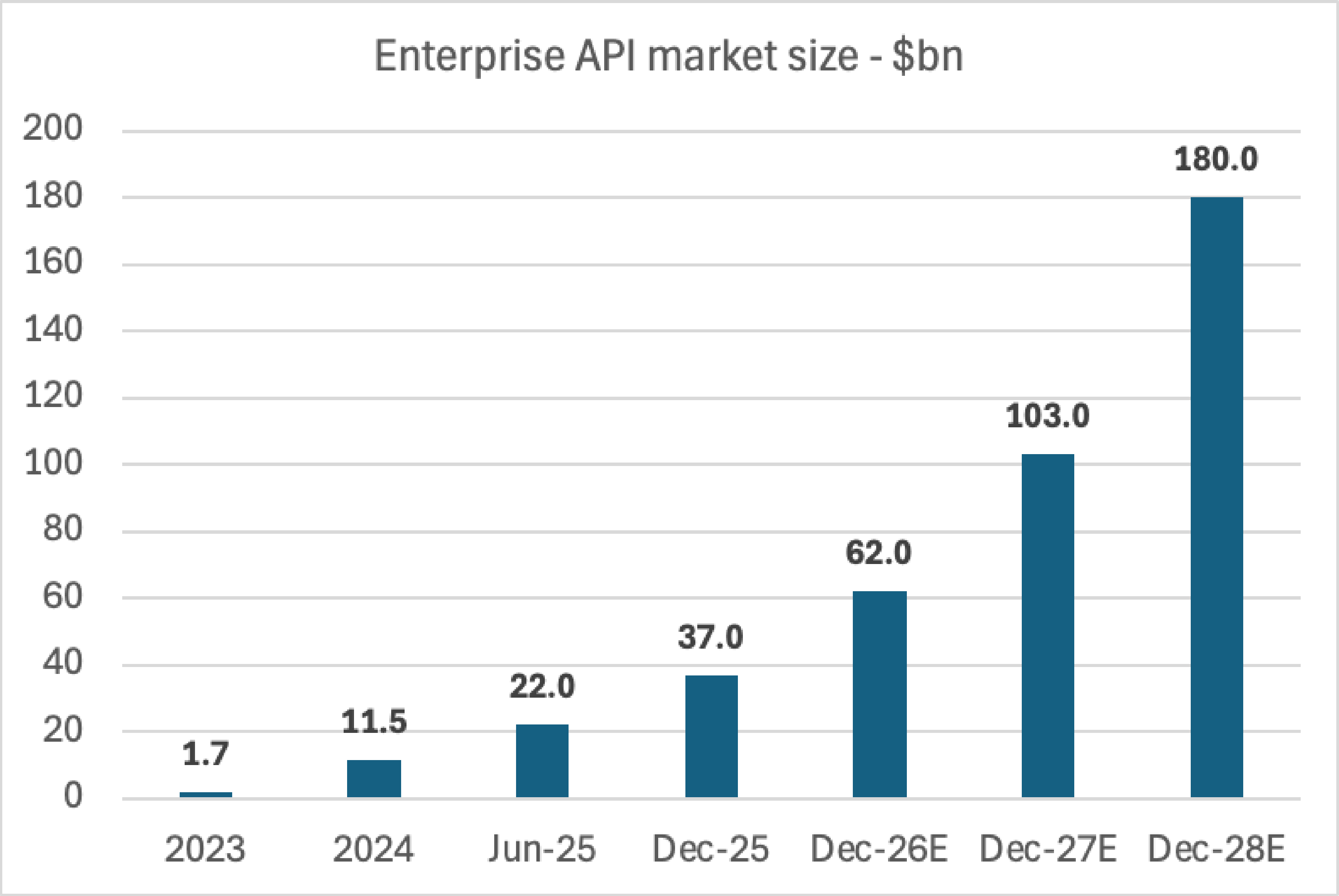


Source: Menlo Ventures

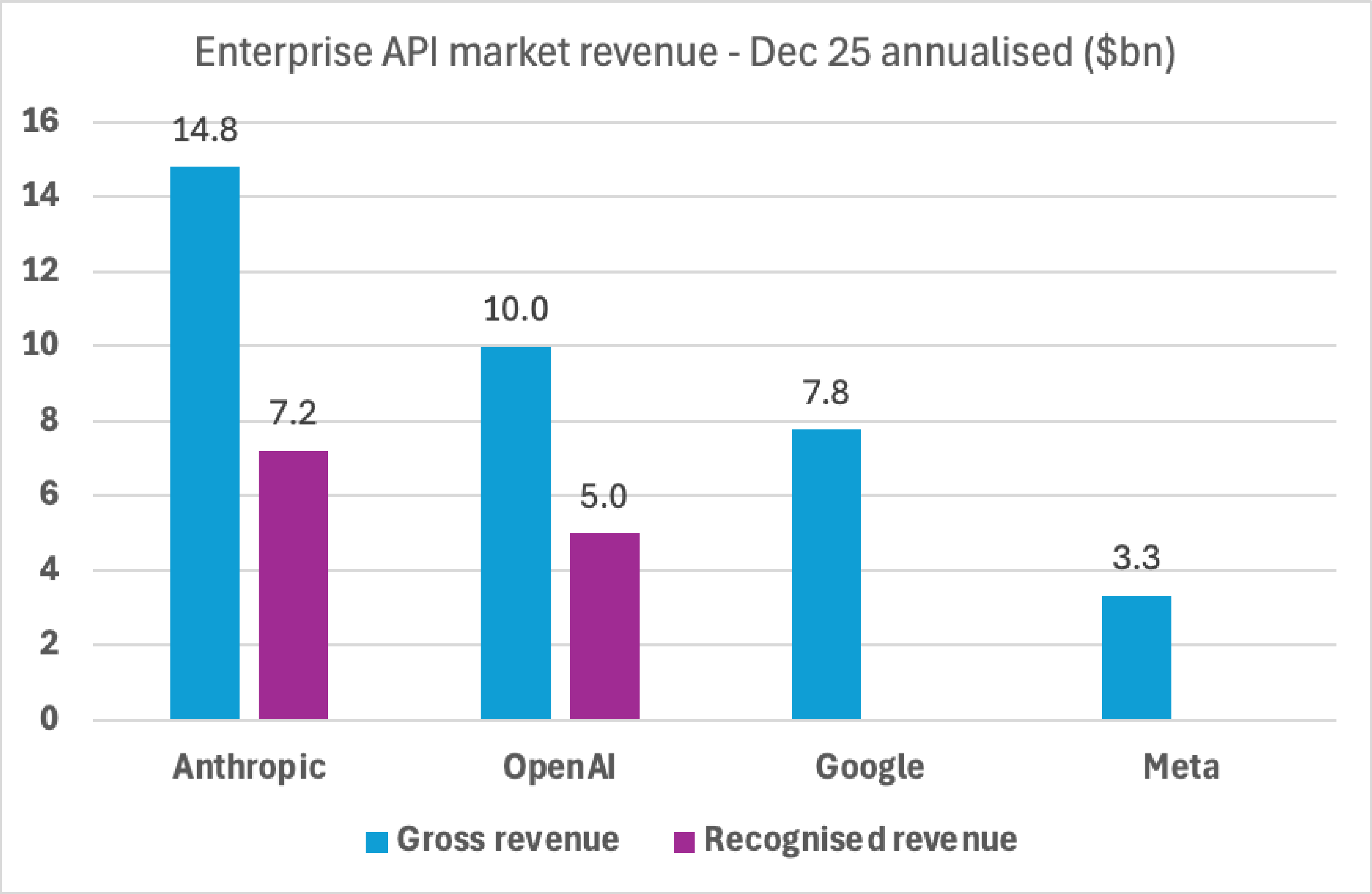
Anthropic is currently the hottest ticket in the Enterprise API market.

Things can change fast, and it is not clear that anyone has a moat

Enterprise API Market Growing at Breakneck Speed



Source: Anchor Capital, Menlo Ventures



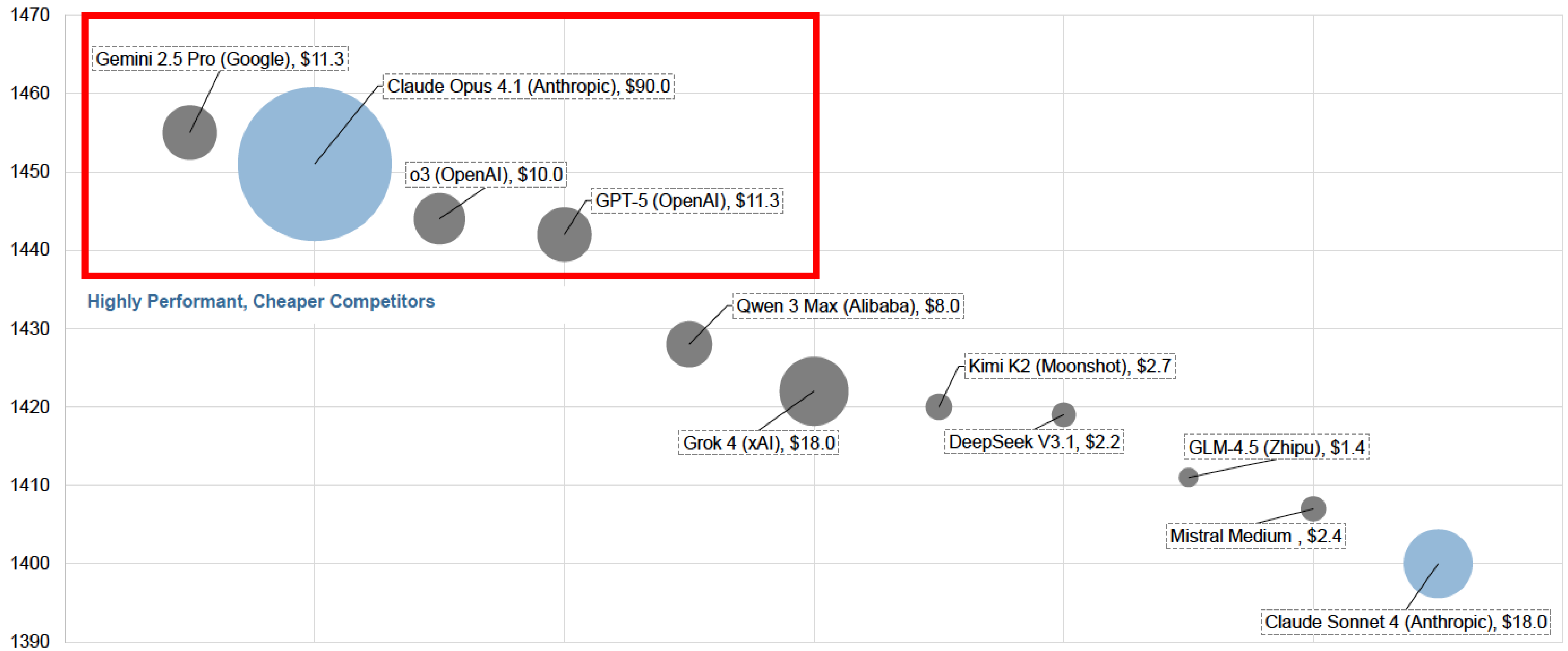
Source: Anchor Capital, Menlo Ventures

Note that Anthropic's own revenue recognised for Enterprise API in December 2025 was likely c. US$7.2bn (annualised) and OpenAI likely US$5.0bn (annualised). This is partly because there are significant pay aways to AWS, Azure and GCP. The cloud provider's take rates can be 20%-40% of revenue.

Anthropic (Claude) Powerful but Expensive

Figure 6: Claude Performance Strong but Expensive

LM Arena Overall Text Score (9-8-25) (Y-Axis) with Cost per 1 million Input + Output Tokens indicated by diameter of circle (9-9-2025)



Note: Assumes new query (cache miss), low token workloads
Source: Chatbot (LM) Arena — an open-source platform for evaluating LLMs by human preference, Company websites, J.P. Morgan

Anthropic is more expensive at face value per token (20%-50% more for flagship models) than OpenAI, especially for low-end, mundane tasks.

However, you pay an Intelligence Tax for Anthropic:

1) Anthropic models will get it right the first time, whereas OpenAI will require 3 attempts.
2) Prompt caching (retrieving large documents already uploaded); Anthropic gives 90% discount on cached inputs vs OpenAI's 50% discount.
3) Materially more user-friendly features.

Anthropic is like Apple (expensive but works first time, every time). OpenAI is like Android (commoditised, but good enough for 90% of users).

OpenAI dominates the high-volume, low-complexity consumer market.

Claude Cowork Release (Jan 26) Hammered Software Stocks

Claude Code, released in Feb 2025, targeted “software engineers” only. Viewed as a productivity booster for coders.

Claude Cowork released in Jan 2026 targeted “everyone” in an organisation. The concern is that Claude Cowork will result in organisations employing fewer people and therefore, buying fewer software seats.

Claude AI legal tool released in Feb 2026 triggered another material sell-off in global software stocks across the board.

Source: X.com

“Claude for Excel” Leading the Way with Agentic Capabilities

Claude for Excel was released in restricted mode in October 2025.

Became generally available for Claude Pro ($20/month) subscribers in January 2026.

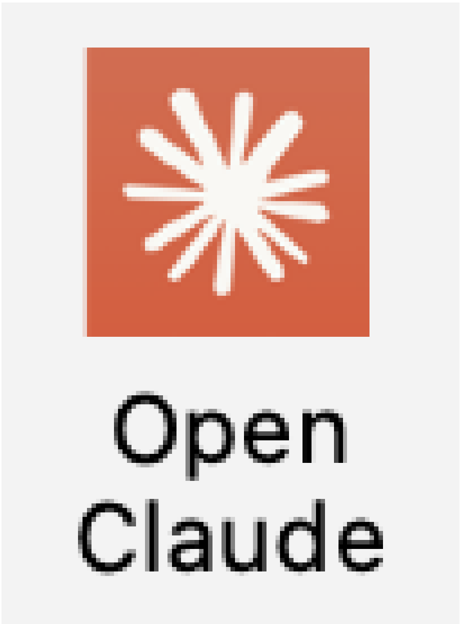
Significantly more powerful than Microsoft Copilot.

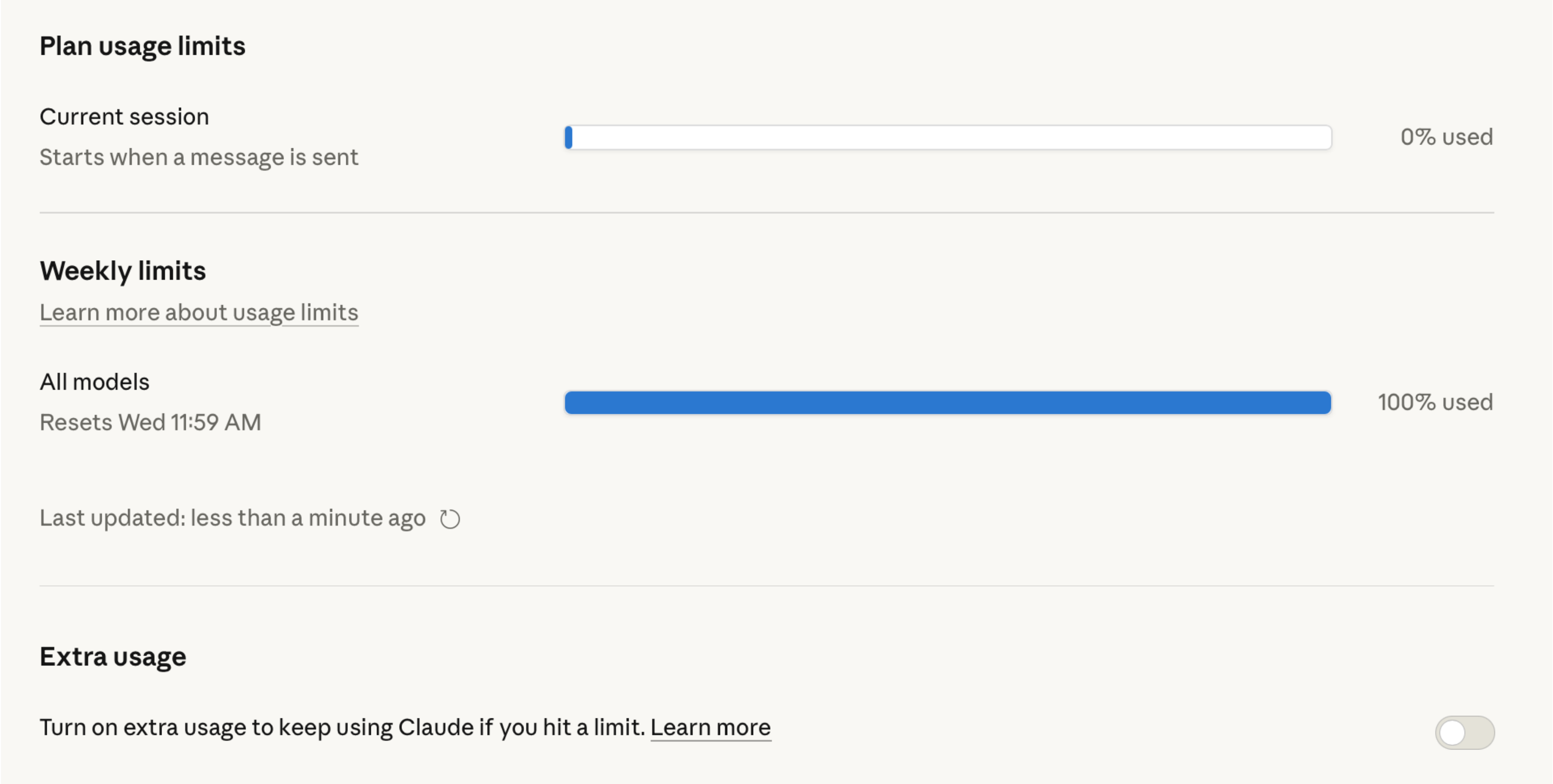
“Opus 4.5” is incredibly powerful but consumes tokens rapidly – a 5-hour budget consumed in 20–30 mins.

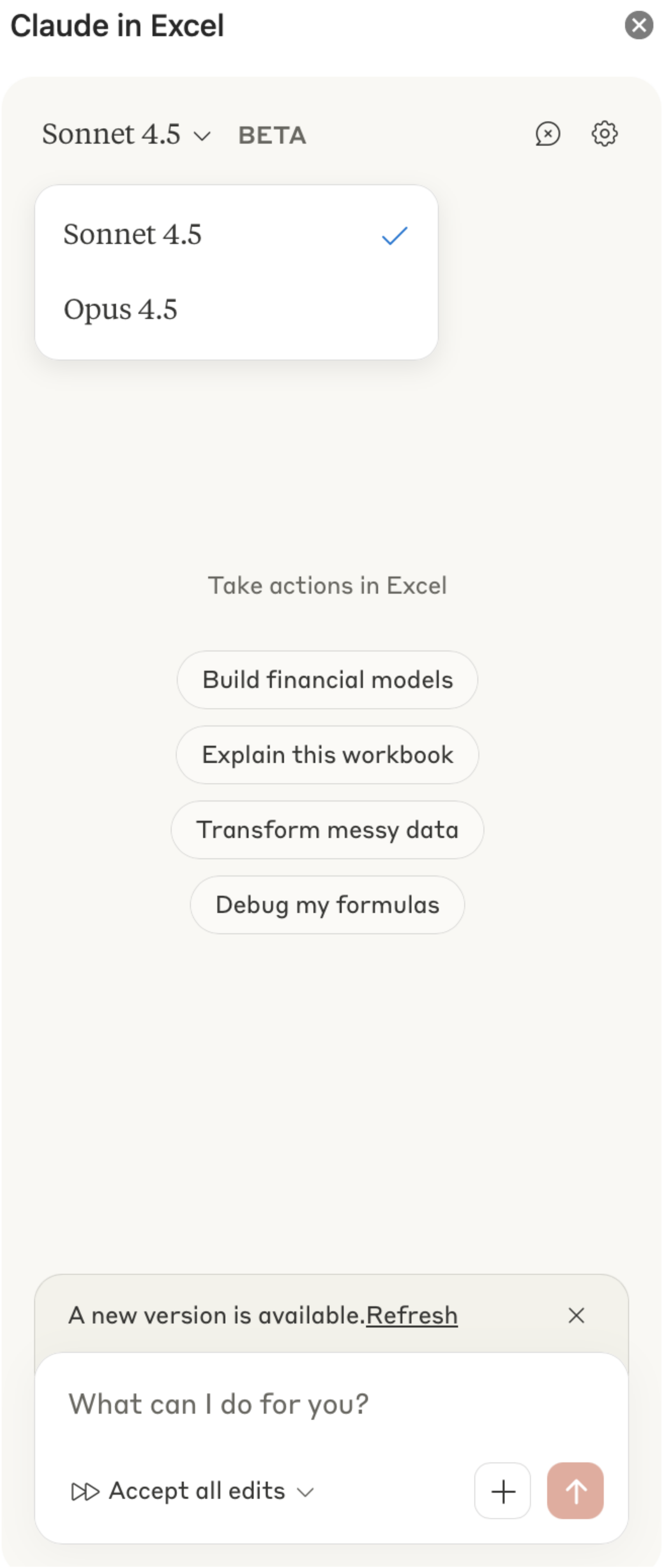
“Sonnet 4.5” is less powerful but significantly lighter on token use – a 5-hour budget consumed in 1 ½ to 2 hours.

Using AI is a skill set in itself and requires some practice. Do not use agentic AI for mundane tasks – it wastes tokens. Use tokens for complex tasks. Correctly wording natural language prompts is key.

AI agents can consume 50x more tokens than a “human to chatbot” interaction.

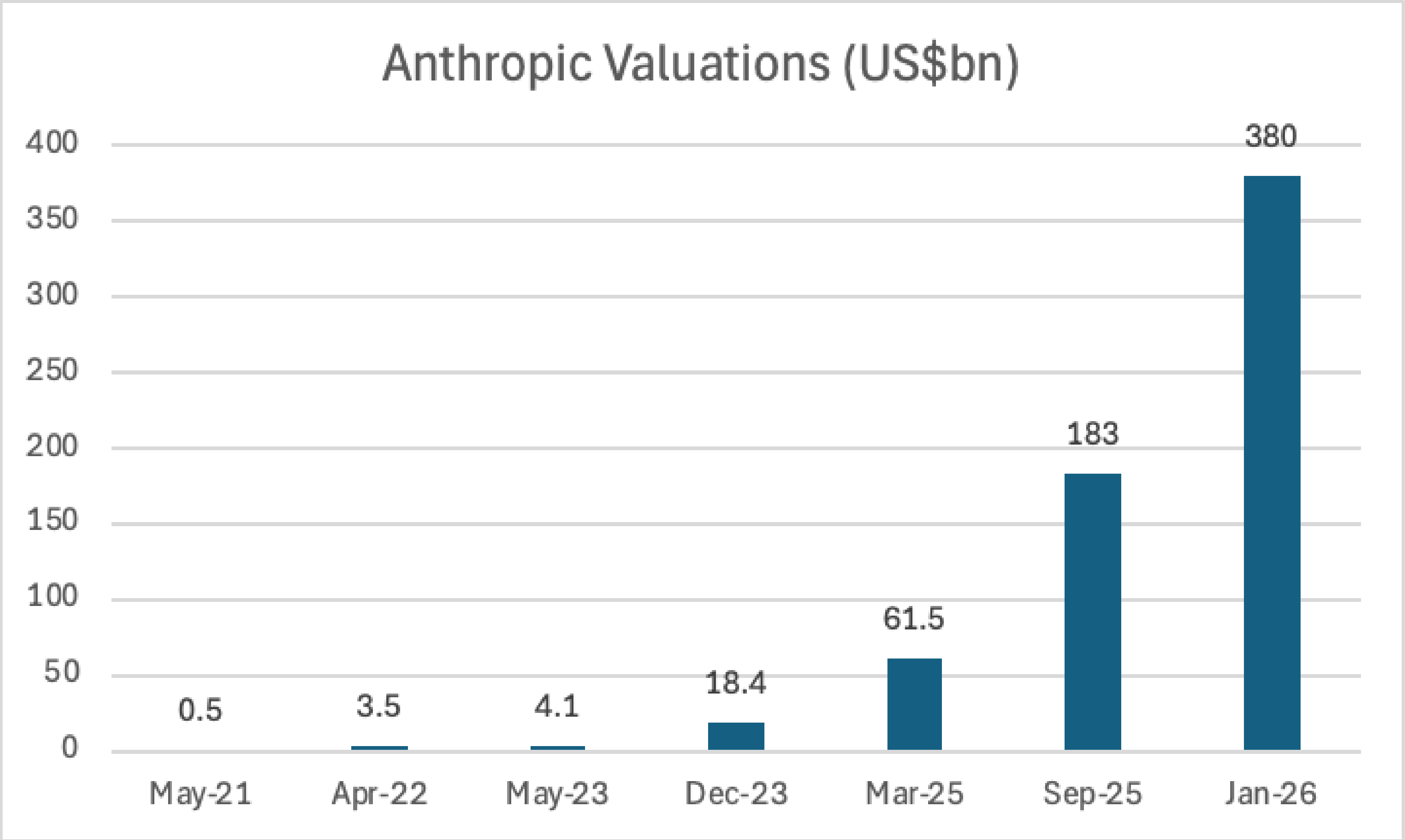




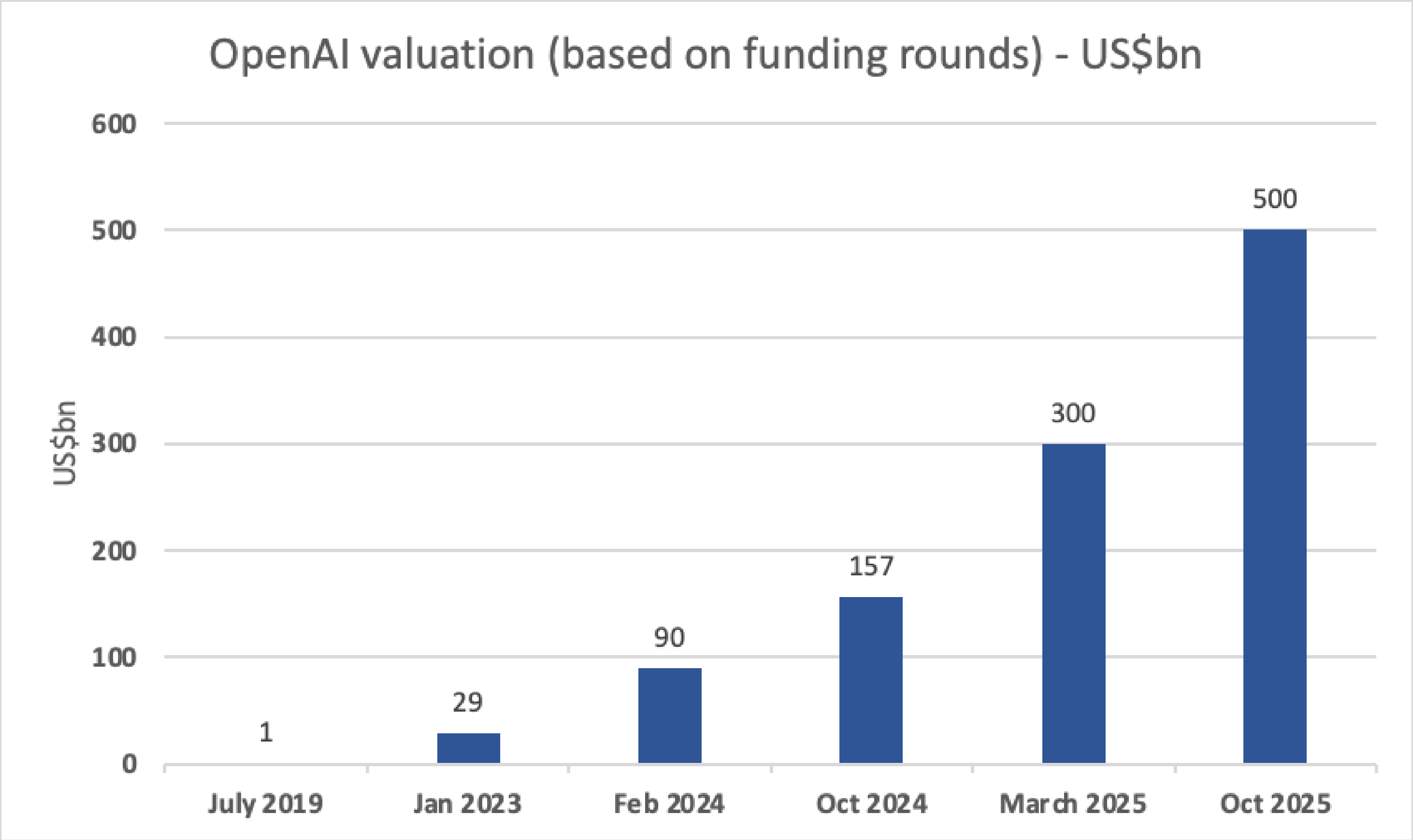


Source: Anchor, Claude

Unlisted Valuations Over Time



Source: Anchor Capital



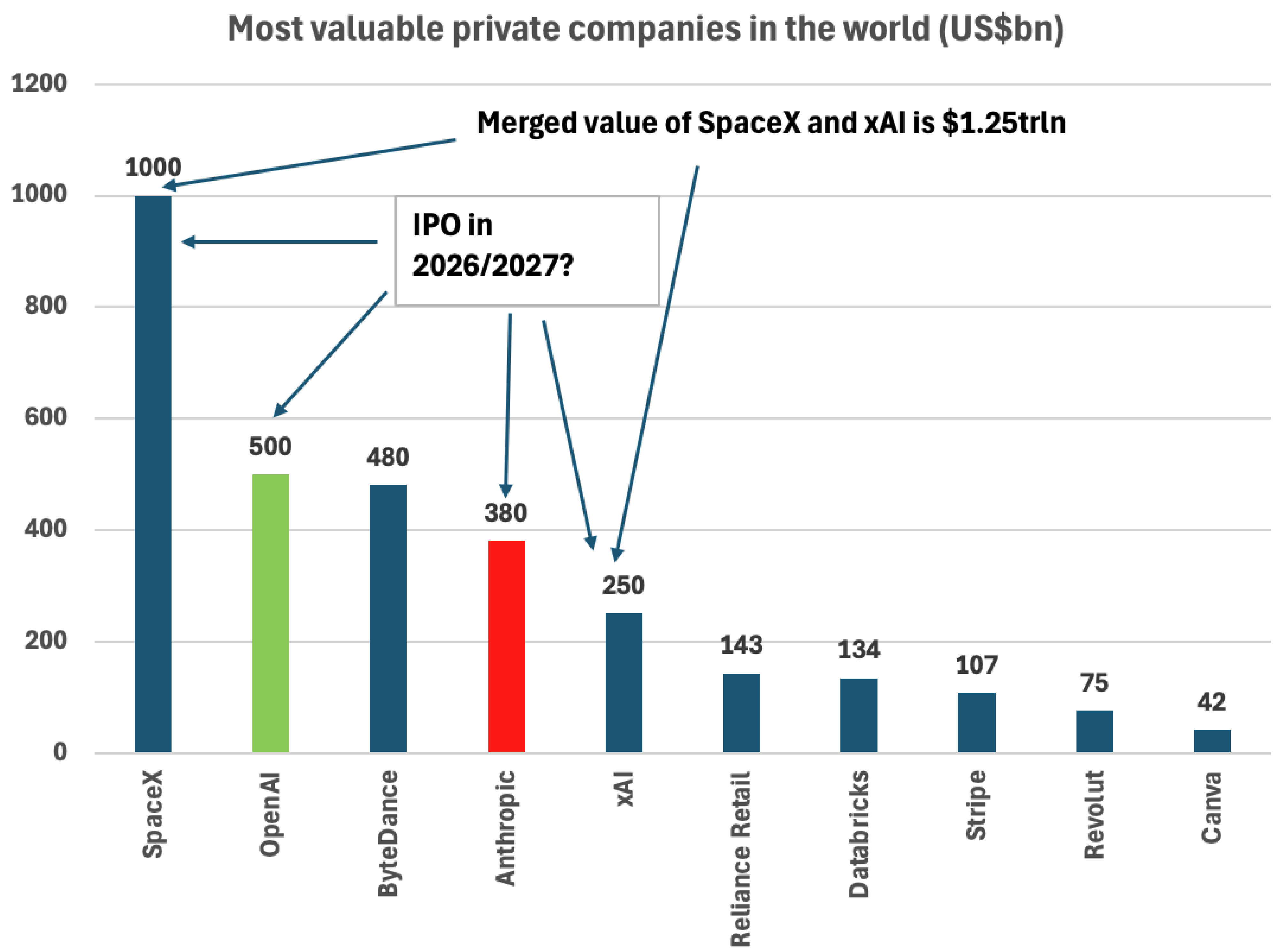
Source: Anchor Capital

First funding round in May 2021 raised US$124mn to give an implied value of c. US$500mn.
Latest US$380bn valuation based on c. US$30bn raised from GIC, Coatue and Sequoia.

Founders committed c. US$1bn in 2015.

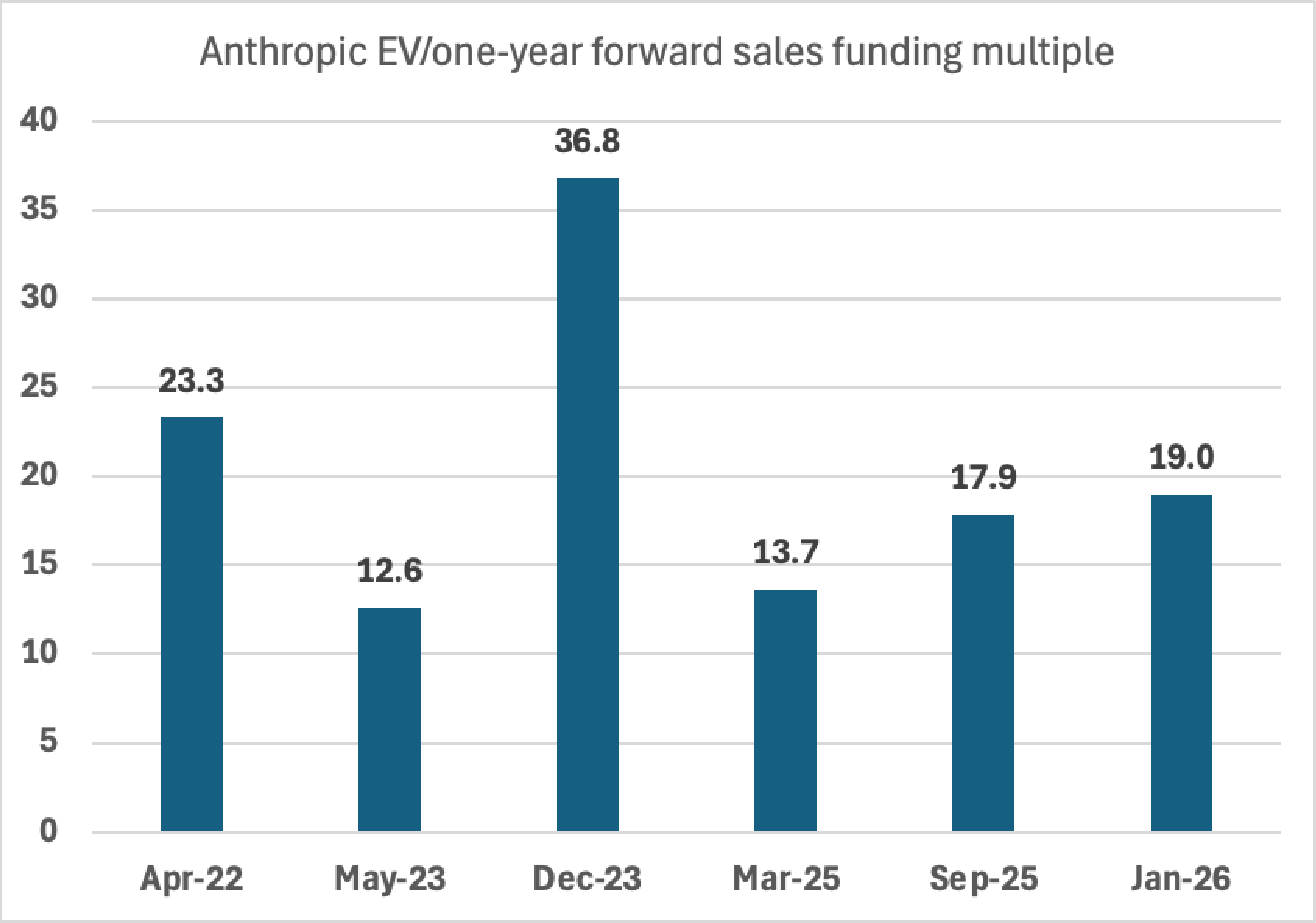
The latest US$500bn valuation was based on a US$6.6bn existing and former employee share sale.

OpenAI and Anthropic Amongst Most Valuable Private Companies in the World

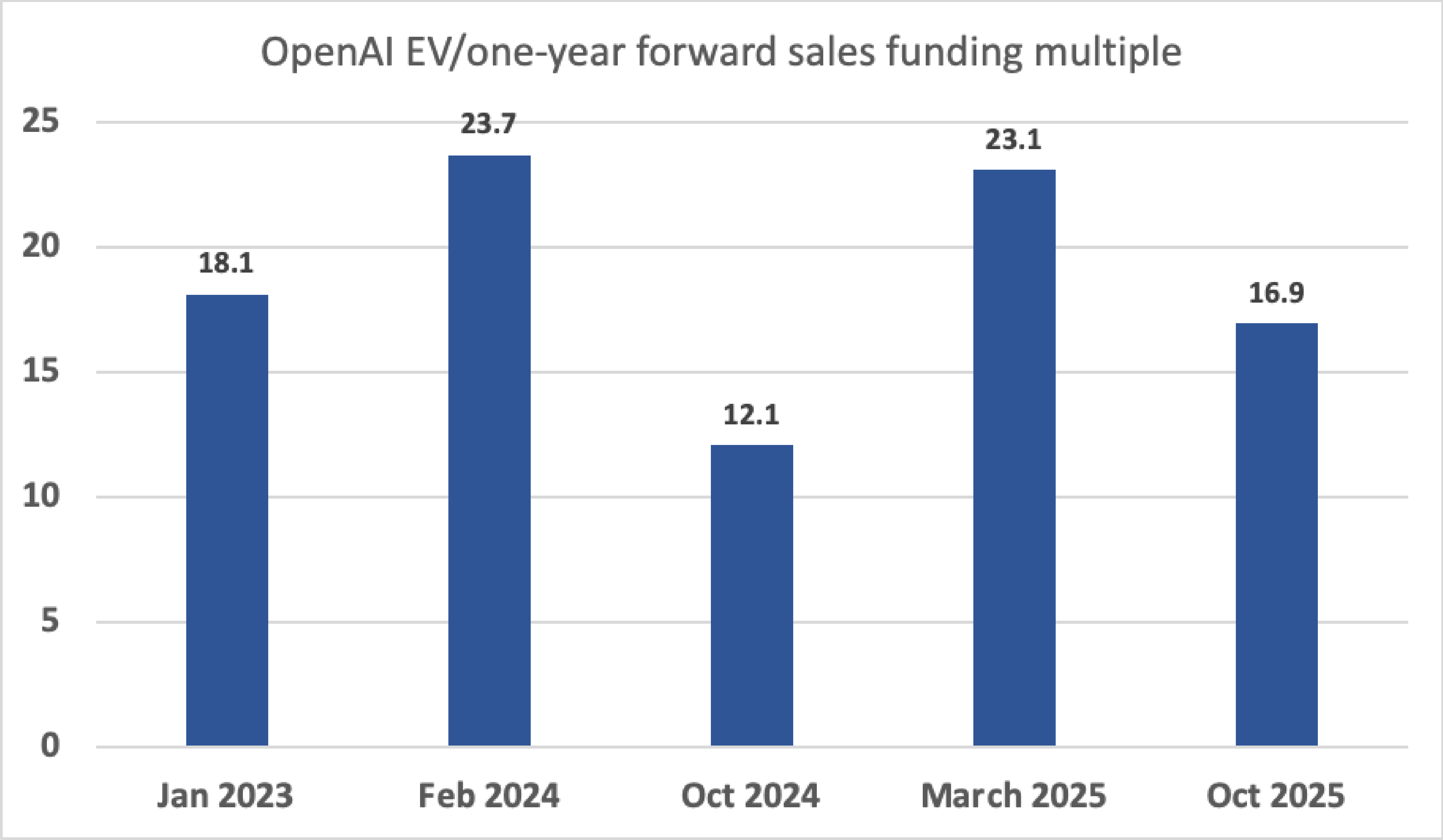


Source: Anchor Capital

EV/One-Year Forward Sales Multiples

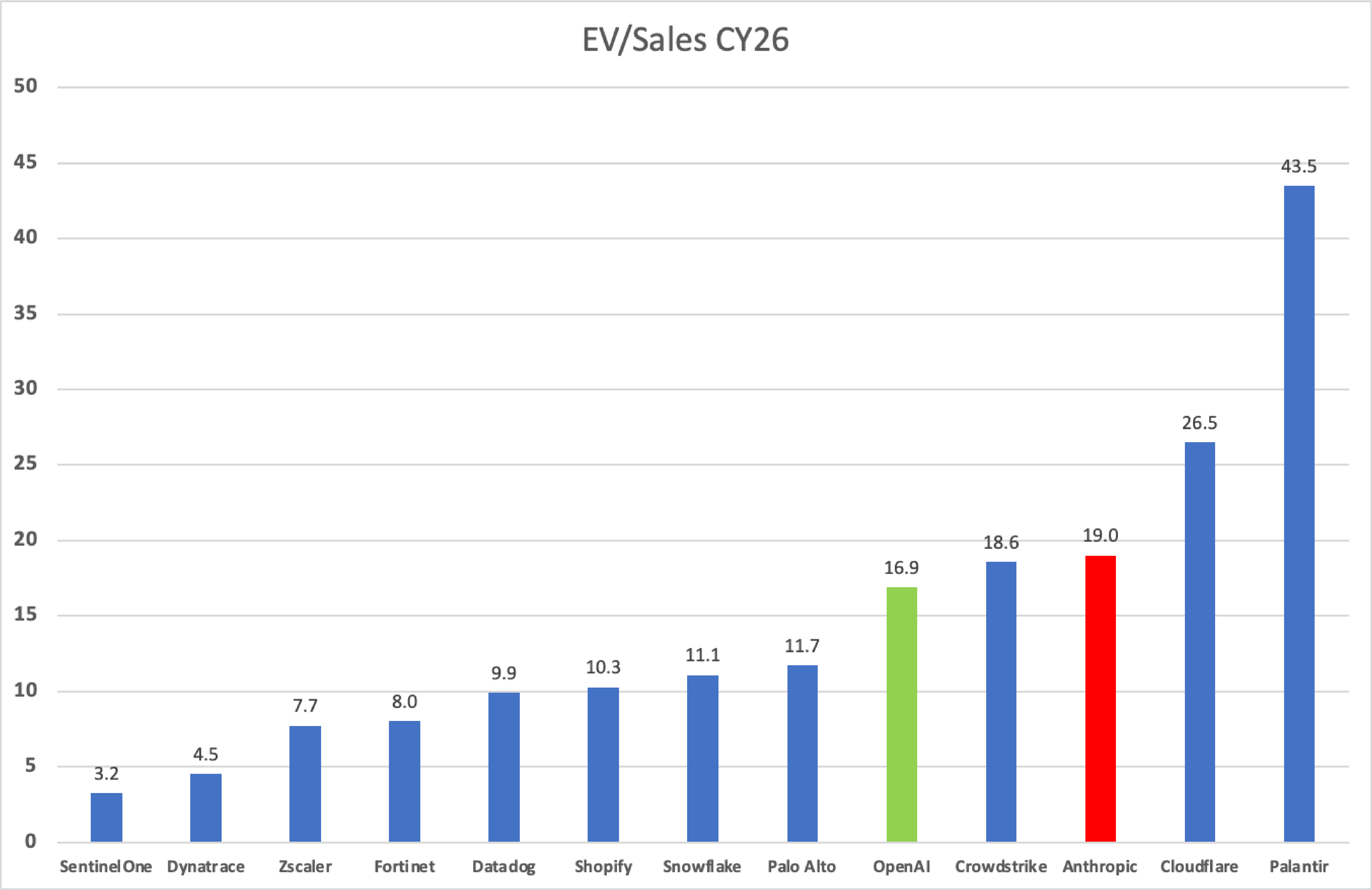


Source: Anchor Capital



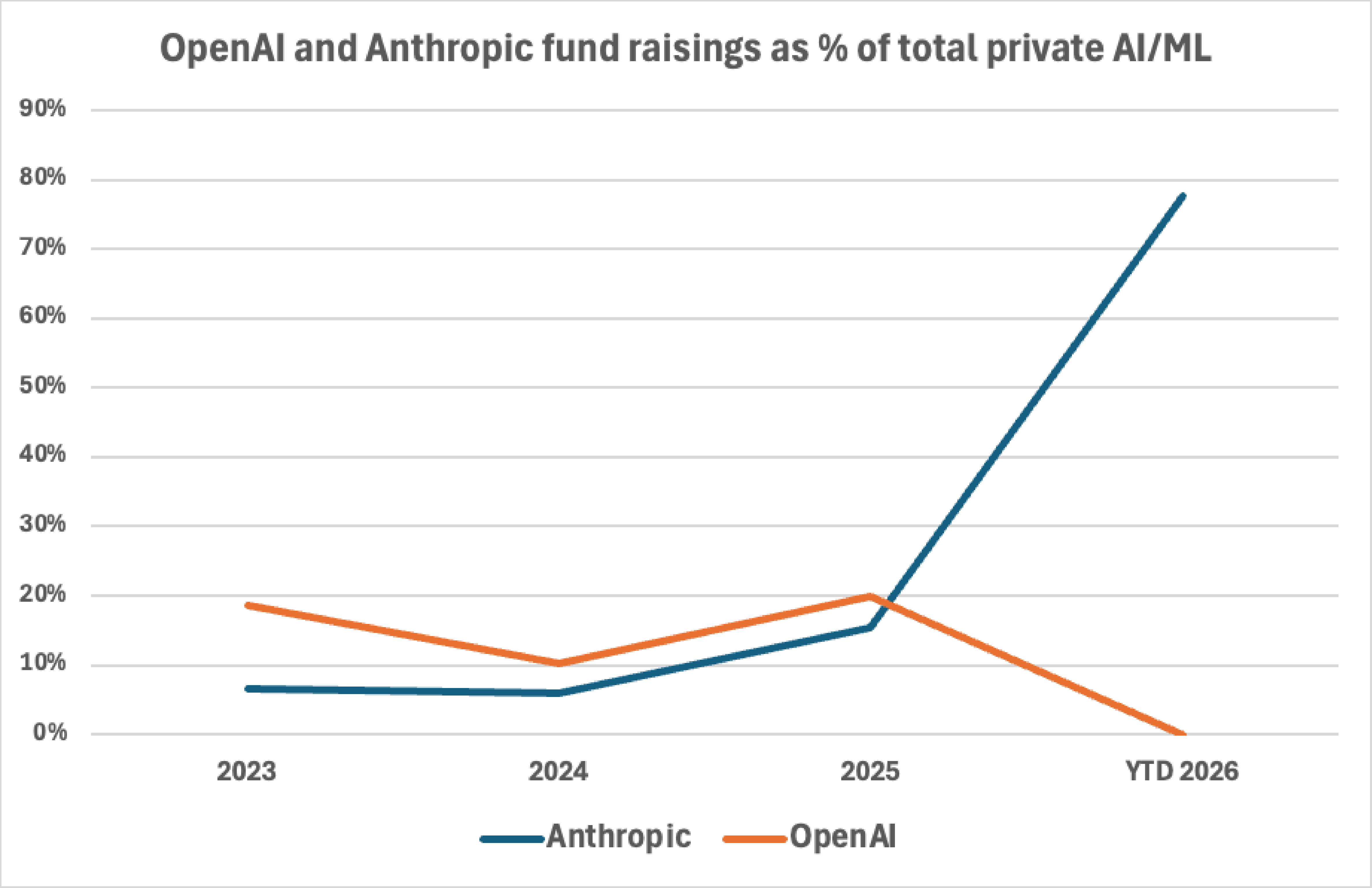
Source: Anchor Capital

Anthropic/OpenAI Valued Similarly to Listed Software Darlings



Source: Anchor Capital, LSEG Data & Analytics

Anthropic and OpenAI Share of Private AI/ML Capital Raise



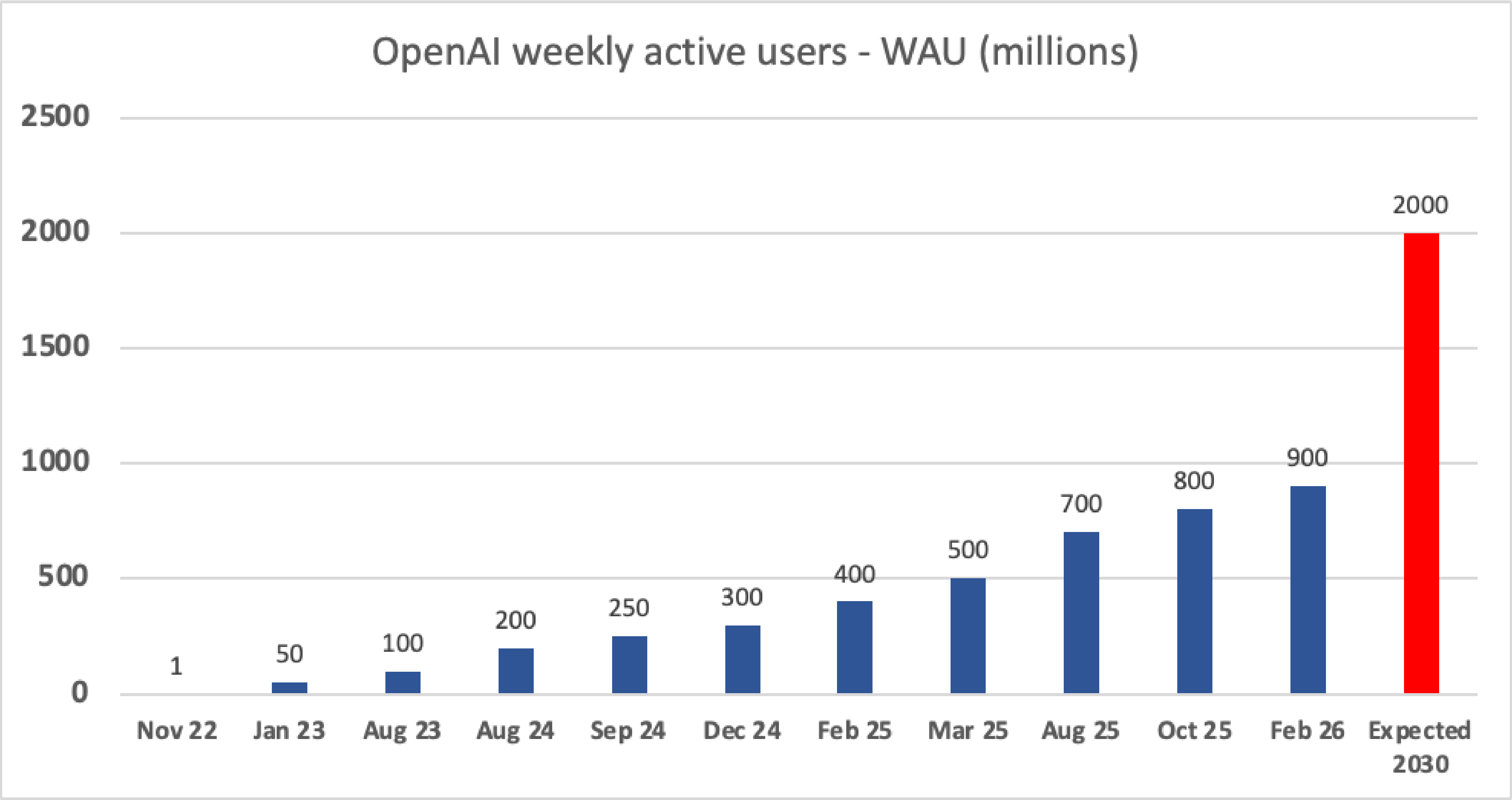
Source: Anchor Capital, Pitchbook, Crunchbase

Estimates vary by source, but it seems OpenAI has raised c.US$66bn in capital since its 2015 founding, whereas Anthropic has raised c.US$73bn.

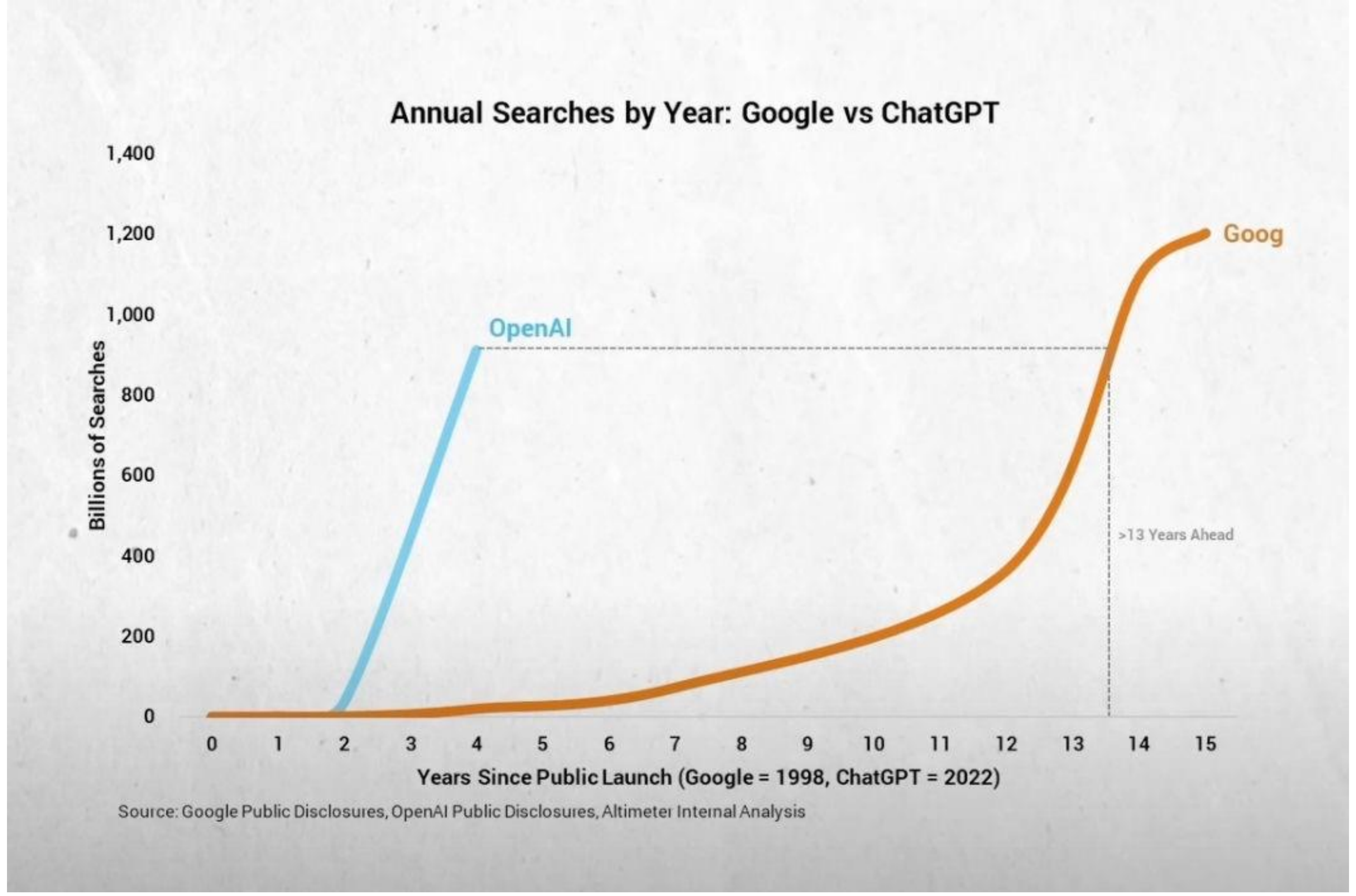
Material round of fundraising under discussion for OpenAI, which is likely to raise it above Anthropic again.

From 2023 to 2025, c. 17% of all private AI/ML capital raised went to OpenAI and c. 11% went to Anthropic. Therefore, 28% in total went to these two combined. Likely to rise materially in 2026.

Runaway User Growth



Source: Anchor Capital, Gemini



Source: BG2 podcast

OpenAI targeting 2bn users by 2030.

c.5% of WAU are on a paid tier.

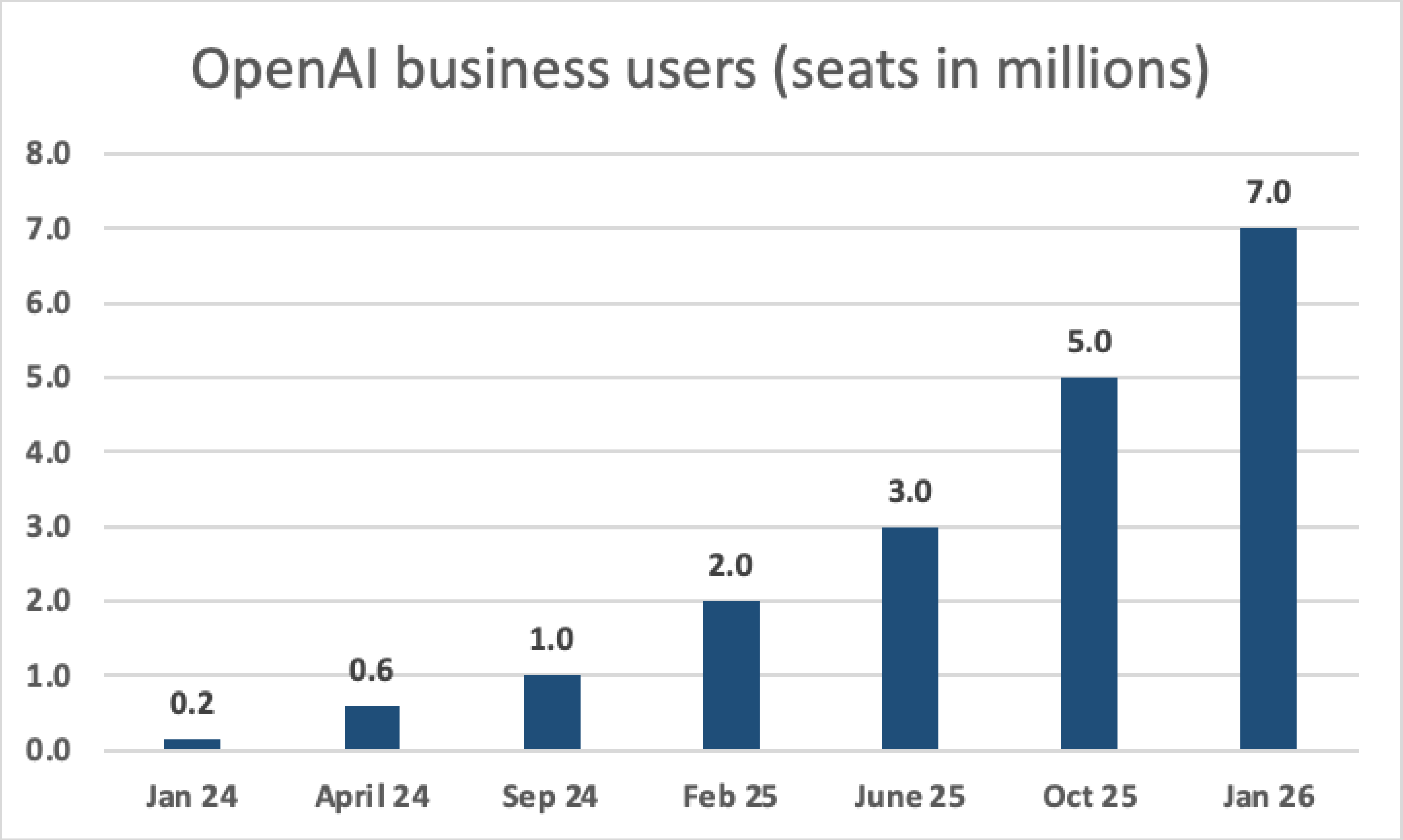
Could be c.15% of “highly engaged users”

ChatGPT 4 was released in March 2023, ranked no.1. It now ranks c. 95 in LM Arena

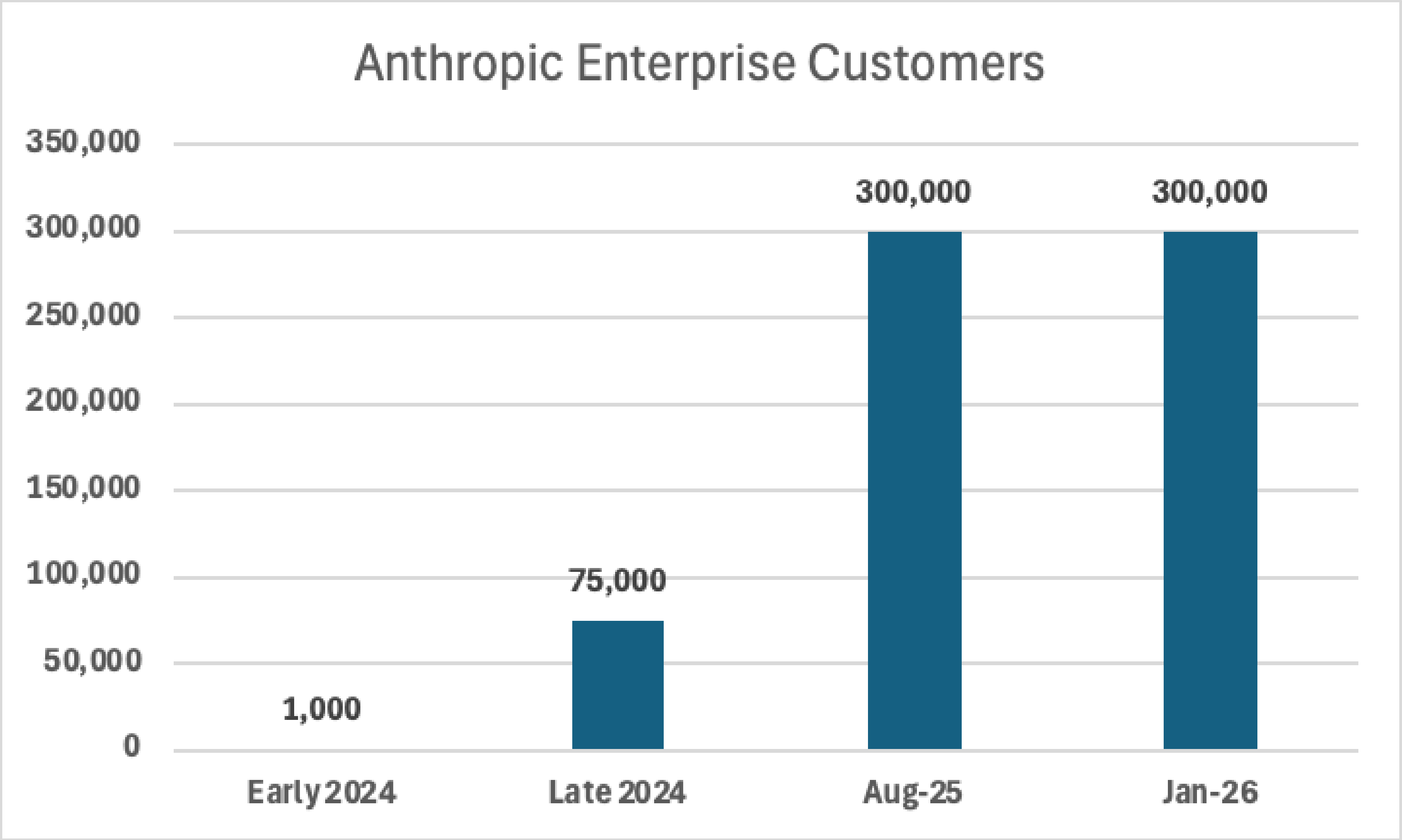
ChatGPT-4o was released in May 2024, ranked no.1. It now ranks c. 38 in LM Arena.

The half-life of an LLM model is measured in weeks or months.

Enterprise Users Growing Rapidly



Source: Anchor Capital, OpenAI, The Information

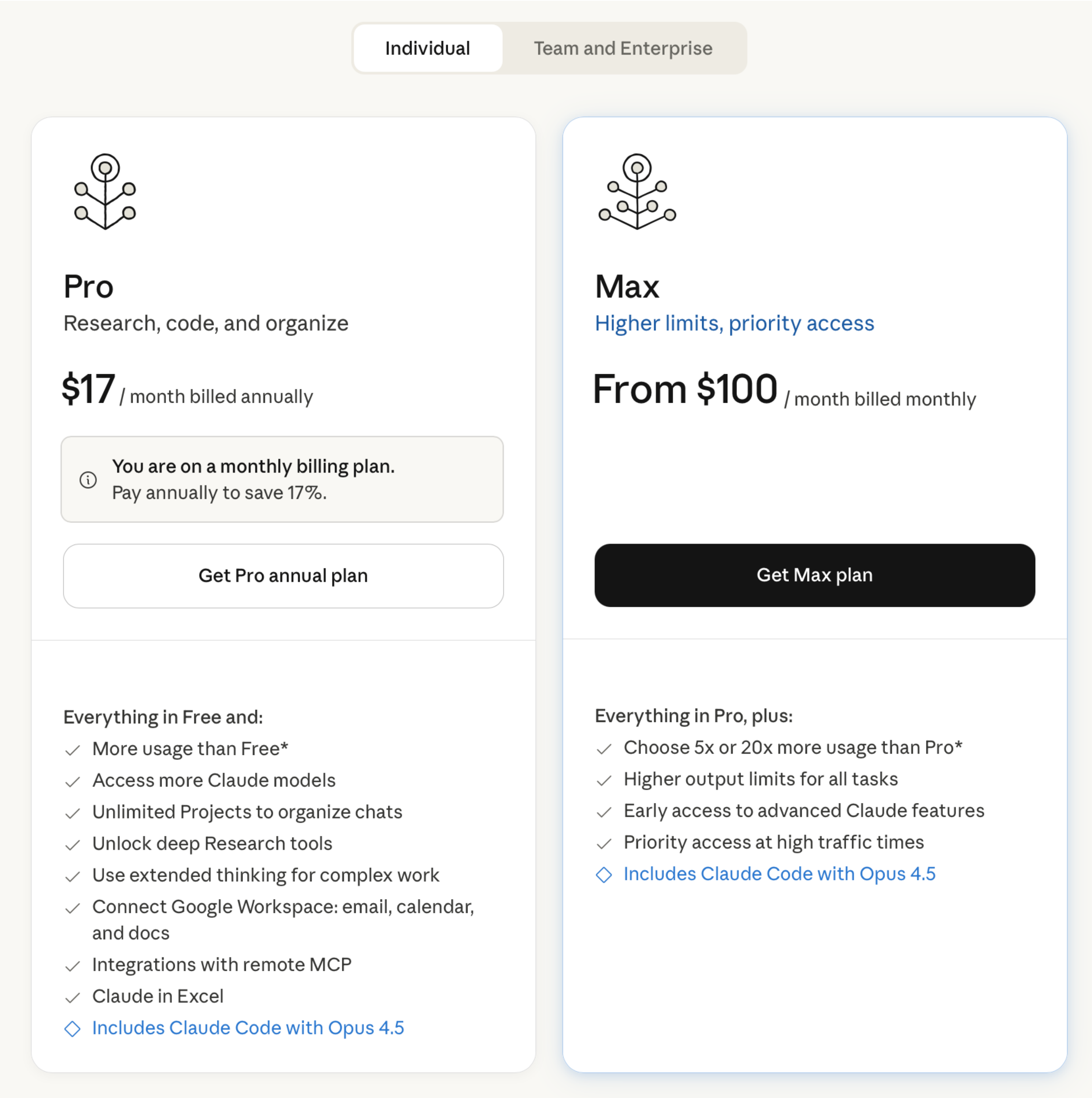


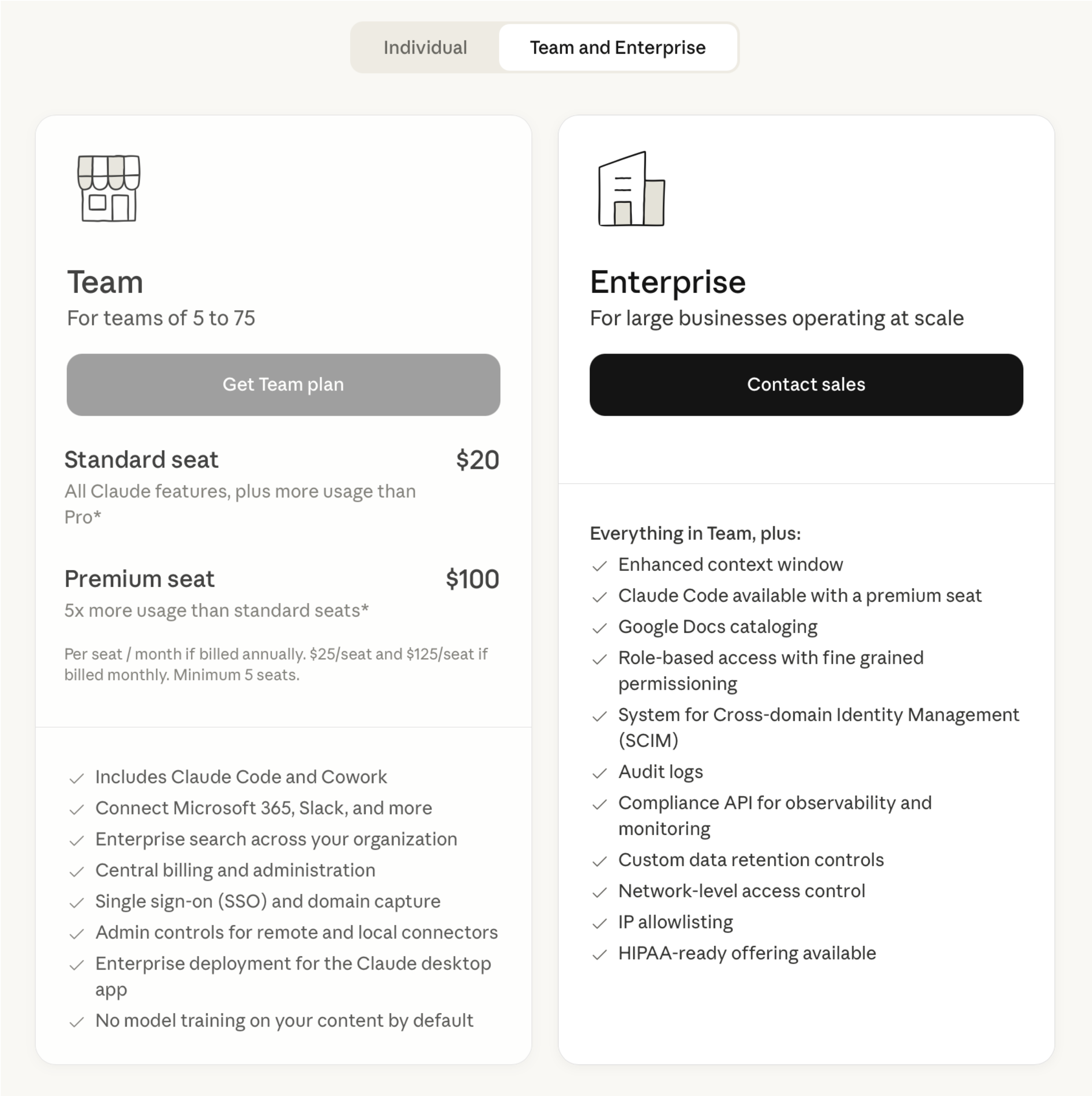
Source: Anchor Capital, Gemini

Numbers not comparable. OpenAI, based on the number of seats, and Anthropic, based on the number of enterprise customers.

Anthropic has heavy-duty, power users who use a lot more compute than the average OpenAI user.

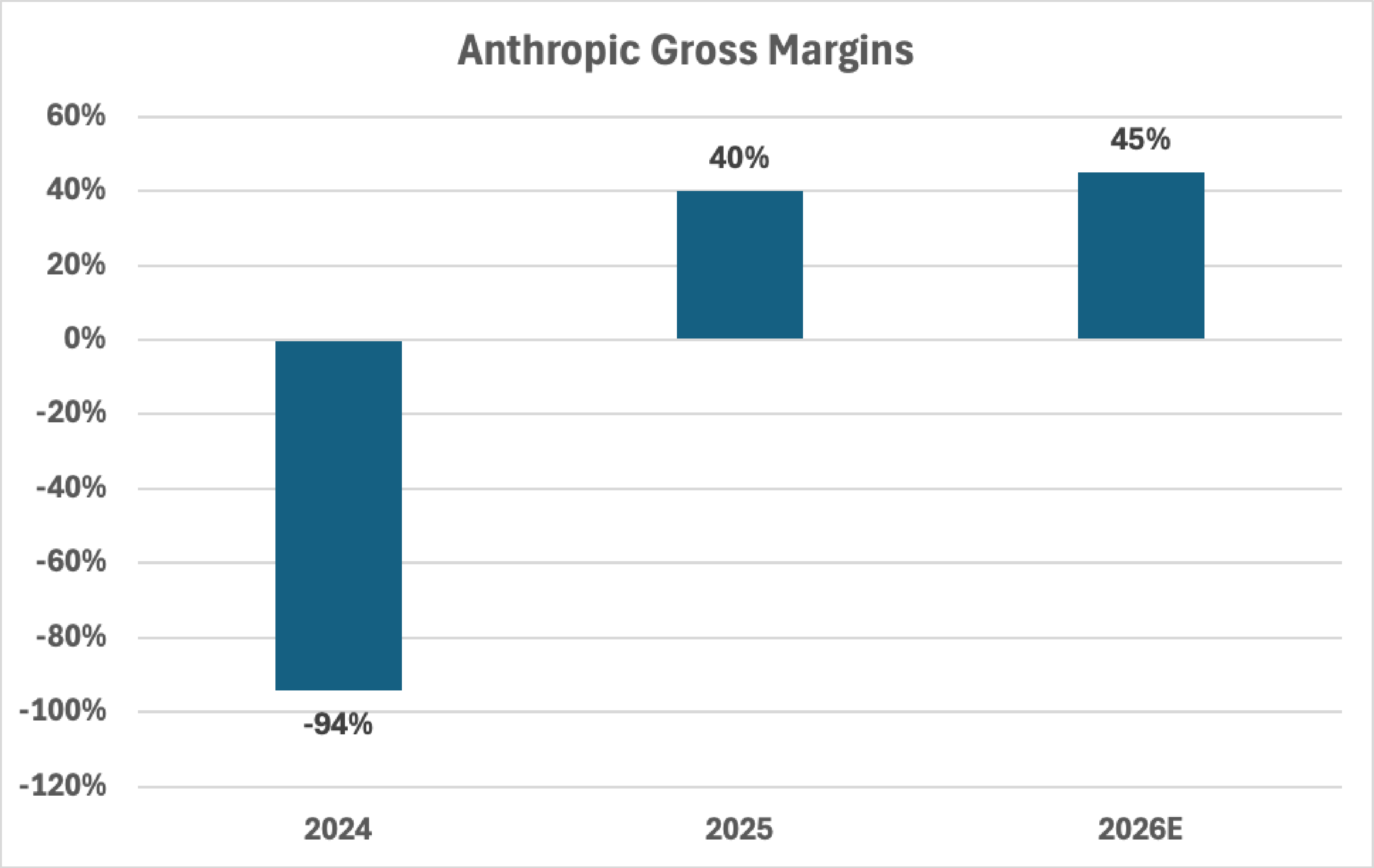
Claude Packages



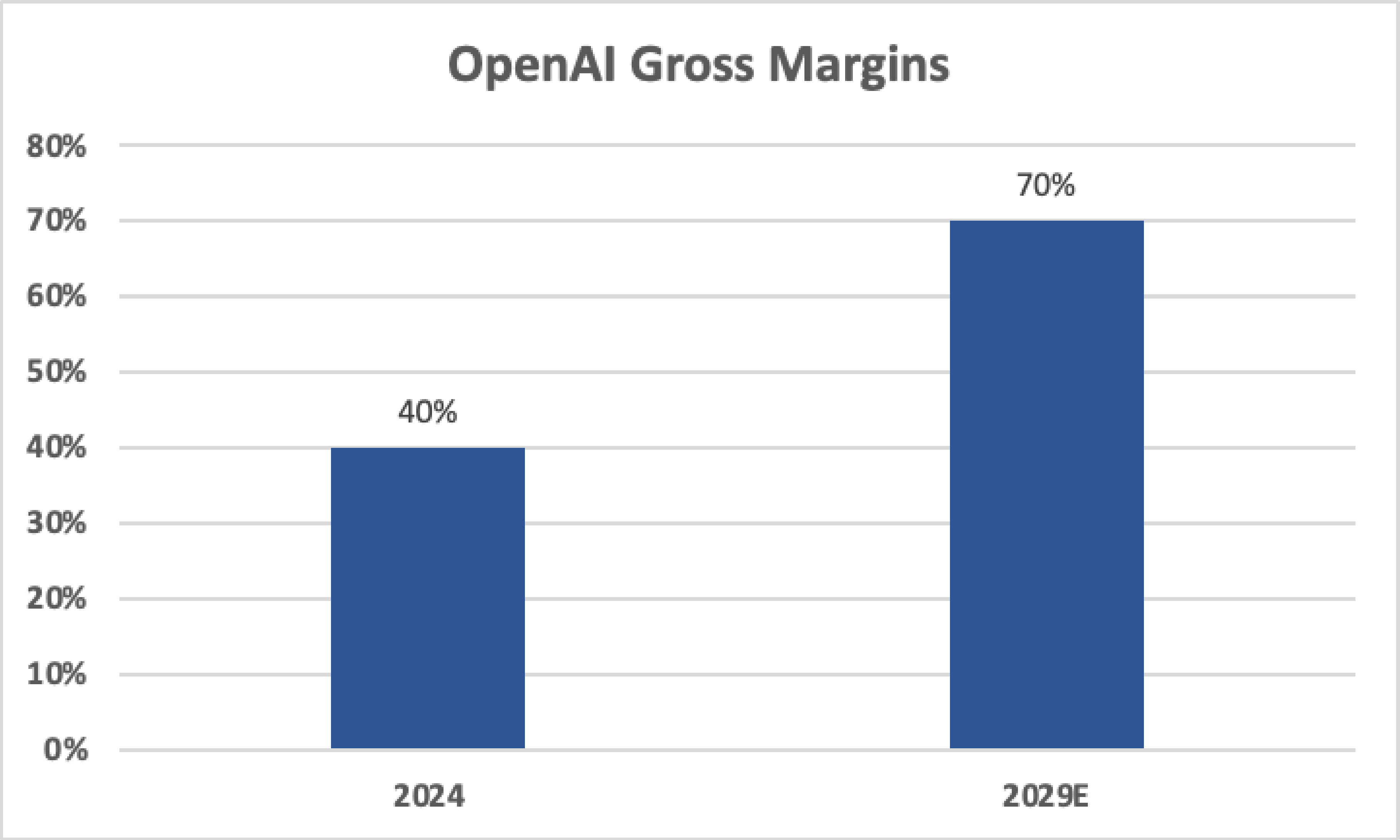


Source: Anchor Capital, Claude

Gross Margins



Source: The Information



Source: The Information

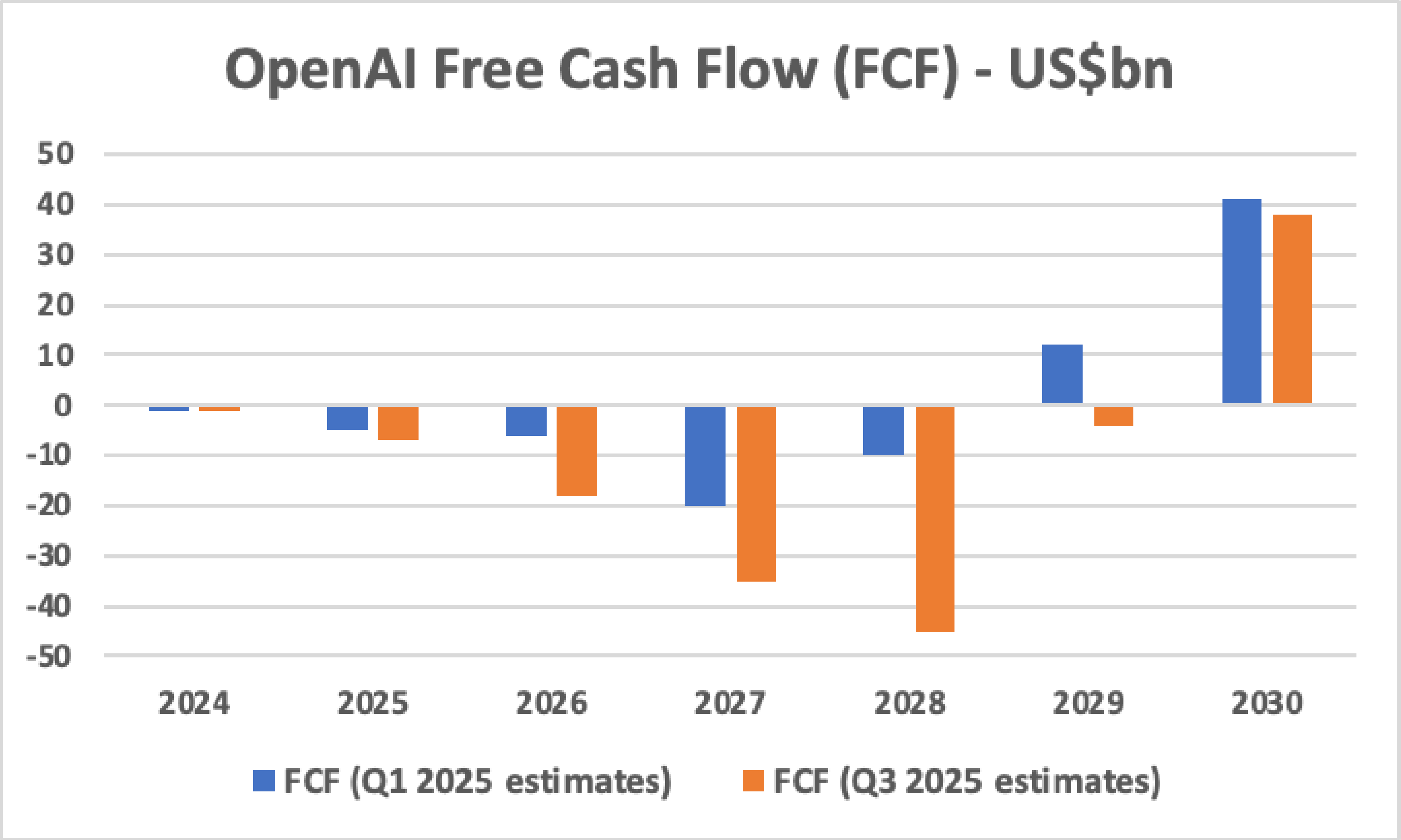
Anthropic lost money on every token in 2024.

Revenue grew 9x in 2025, and gross margins turned positive in 2025.

Anthropic expects to be free cash flow (FCF) positive by the end of 2028 and fully GAAP profitable in 2029.

A potential IPO will put material pressure on the company to show a path to profitability.

OpenAI Free Cash Flow Estimates



Source: The Information

About the only thing we know about anyone's OpenAI forecasts is that they are likely to be wrong!

However, it is highly probable that OpenAI will be materially FCF negative until 2030.

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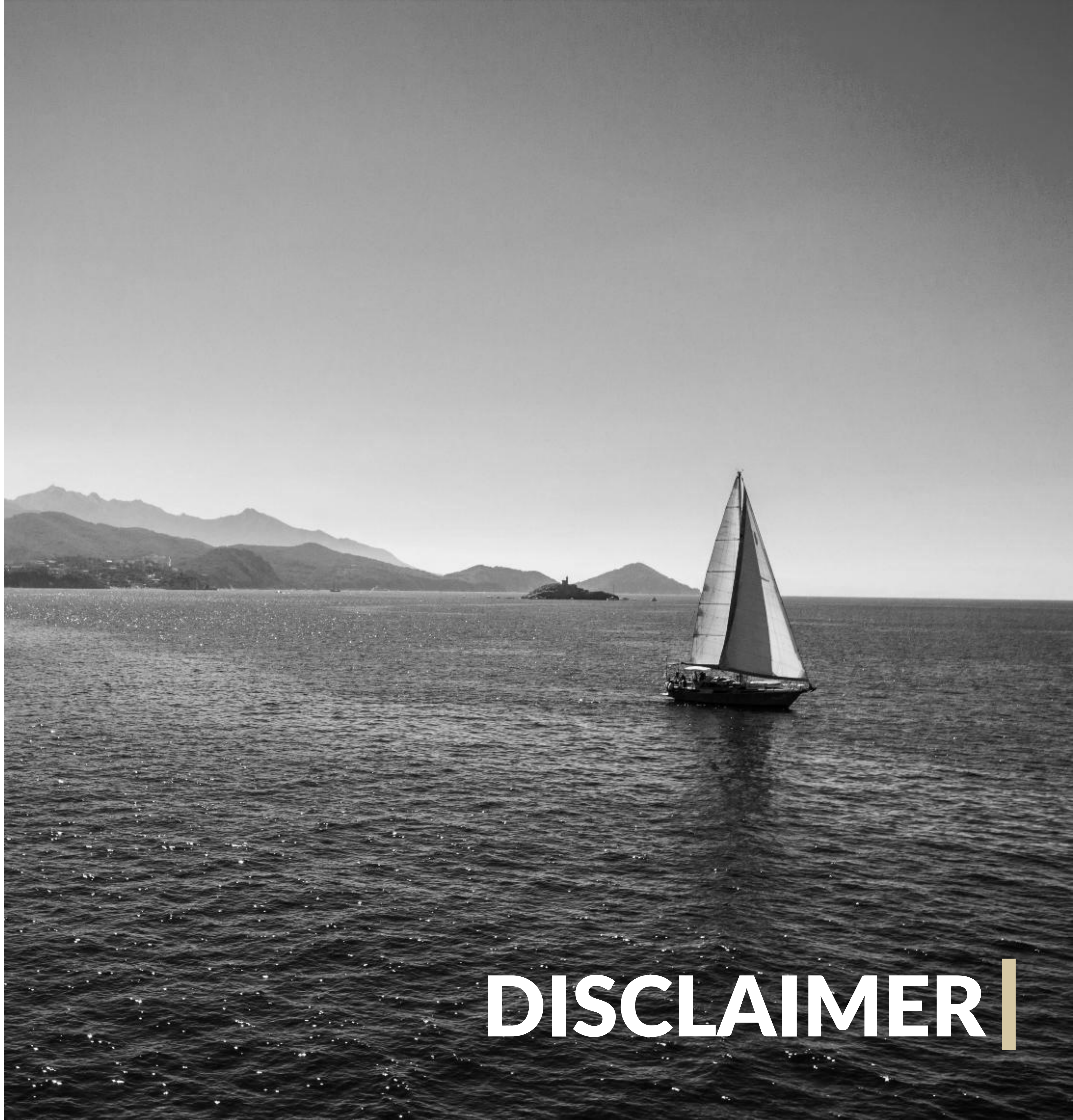

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