



ALTVEST CAPITAL LIMITED

Incorporated in the Republic of South Africa(Registration Number: 2021/540736/06)

Ordinary Shares: ISIN: ZAE400000143, Share Code: 4AAVC

Class A Preferred Ordinary Shares: ISIN: ZAE400000168, Share Code: 4AVUMG

(“AltVest” or “the Company”)

Formal Notice:

**LISTING OF CLASS A PREFERRED ORDINARY SHARES BY
WAY OF A PUBLIC OFFER AND WITHDRAWAL OF
CAUTIONARY ANNOUNCEMENT**

Monday 05 September 2022

Not for publication, distribution or release, in whole or in part, directly or indirectly, in any jurisdiction outside of the Republic of South Africa, or any jurisdiction where it may be unlawful to publish, distribute this Formal Notice.

This Formal Notice appears for information purposes only. The information contained herein is not intended to solicit the offerings nor does it constitute an invitation to the public to subscribe for Class A Preferred Ordinary Shares in the Company as contemplated in terms of the Companies Act. Applications will only be considered on the basis of the Prospectus.

1. INTRODUCTION

- 1.1. An application has been made by AltVest to Cape Town Stock Exchange (“**CTSE**”) for a listing by way of a public offer (the “**Listing**”) of up to 10,000,000 (ten million) Class A Preferred Ordinary Shares (“**Preferred Shares**”) on the Securities Exchange operated by CTSE (the “**Application**”).
- 1.2. The Preferred Shares shall be made available for subscription by the Public for subscription pursuant to an offer to the Public (“**Offer**”) as set out in the Prospectus. The Prospectus is available in the Company’s website at www.altvestcapital.co.za.
- 1.3. This Formal Notice contains extracts from the Prospectus dated 02 September 2022 and as such is not intended to be comprehensive. For a full appreciation of the Company and the Listing, the Prospectus should be read in its entirety in conjunction with this Formal Notice.
- 1.4. The Prospectus has been approved by the Companies and Intellectual Property Commission.
- 1.5. Save to the extent specifically stated otherwise herein, capitalised terms in this Formal Notice shall bear the corresponding meanings as ascribed to those terms in the Prospectus.

2. INTRODUCTION TO UMGANU

- 2.1. On 11 May 2022, the Company is announced the acquisition of a 50% interest in the ordinary share capital of Umganu Lodge Proprietary Limited (“**Umganu**”).
- 2.2. Umganu is the first investment opportunity presented by AltVest. Umganu is a 5-bedroom luxury lodge situated in the Elephant Point development, offering game viewing directly and via the Kruger National Park.
- 2.3. It is owned by Kevin Pietersen, a British/South African Sportsman with an extensive network of high-net worth foreign patrons and AltVest, a disruptive investment platform listed on the CTSE.
- 2.4. The lodge and its surrounding development are actively managed by Legacy Hotels, a large South African developer/operator with over 300 lodges and iconic developments including the Michelangelo and Raphael towers in Sandton under management.
- 2.5. AltVest selected to invest in Umganu because:
 - Umganu is one of the top performing lodges in the development, with unique competitive advantages as a luxury hotel.
 - Umganu’s management is experienced, committed and passionate.
 - Lodges in the Elephant Point development have demonstrated a clear historic capital appreciation.
 - The valuation of Umganu is considered attractive and is based on a conservative growth assumption.
 - Elephant Point is proactive in partnering with local communities to ensure holistic socio-economic benefits to all stakeholders.
 - Umganu has remained resilient through Covid-19 and is poised for growth.
- 2.6. Pursuant to AltVest’s strategy, it is offering investors the opportunity to participate in the investment in Umganu alongside AltVest through the issue of the Preferred Shares.

3. DETAILS OF THE PREFERRED SHARES

- 3.1. The Preferred Shares are Class A Preferred Ordinary Shares.
- 3.2. The Preferred Shares are intended to provide the holders of Preferred Shares (“**Preferred Shareholders**”), collectively, with an entitlement in respect of the economics associated with approximately 86% of AltVest's aggregate Investment in Umganu, less permitted deductions.
- 3.3. In light of the of the above, every 100,000 Preferred Shares shall provide the holder thereof with an indirect interest in approximately 0.43% of Umganu’s issued share capital. If a lower number of Preferred Shares are listed, the economic exposure of each Preferred Share to the Umganu investment will not be altered.
- 3.4. The permitted deductions will be as follow:
 - Annual platform management fee. This fee is anticipated to be R150,000 per annum.
 - An upfront fee of 1% excluding value added tax levied on amounts invested.
 - 5% of any capital gain, before tax, attributable to ordinary shareholders upon disposal of the underlying asset.

- 3.5. Accordingly, any dividends declared and paid by AltVest pursuant to its shareholding in Umganu.
- 3.6. The following terms shall apply to the Preferred Shares with respect to their economic participation in Umganu:
- Preferred Shareholders shall have an indirect interest in AltVest's shareholding in Umganu only.
 - Preferred Shareholders shall not be entitled to participate in the economics associated with any other investment held by the Company other than Umganu, which is linked to the Preferred Shares, nor in any other portion of the Company's other economic activities.
 - The Preferred Shares do not grant the Preferred Shareholders any control over the Umganu investment as AltVest shall manage this investment on their behalf.
- 3.7. Preferred Shares shall only have voting rights in respect of any proposal to amend the terms of the Preferred Shares. The Company may, in its discretion, elect to adopt a proxy policy in terms of which it may request input from Preferred Shareholders regarding matters related to Umganu. Should AltVest adopt such a policy and implement it, all inputs from Preferred Shareholders shall be provided on a non-binding, advisory basis and will not entitle the Preferred Shareholders to any voting rights or entitlements akin to voting rights.
- 3.8. Once the Company (i) ultimately exits its Investment in Umganu; and (ii) has discharged its obligation to declare and pay to Preferred Shareholders all preferred dividends, the Preferred Shares shall be redeemed by the Company in accordance with their terms.
- 3.9. For further details regarding the Preferred Shares, Umganu and the offer of the Preferred Shares, investors are advised to read the Prospectus.

4. HOW TO SUBSCRIBE FOR PREFERRED SHARES

- 4.1. In order to participate in Offer and acquire Preferred Shares, investors will be required to open an account with A-Trade. A-Trade is a retail platform brokerage platform to facilitate trading in securities on the Cape Town Stock Exchange.
- 4.2. Investors can open an account with A-Trade online at <https://platform.atrade.co.za/page,Client.PrelistOpportunities>.
- 4.3. Investors will be required place funds into their A-Trade account and submit a buy-order for the desired quantity of Preferred Shares at the offer price of R 1.50 per share, by no later than 23:59 on 15 September 2022.
- 4.4. Preferred Shares will be allocated on a first come first serve basis and will be allocated to each applicants' A-Trade account on the date that the Preferred Shares are listed.
- 4.5. Investors with brokerage accounts with Peresec or RMB can contact AltVest directly at info@altvestcapital.co.za.

5. GENERAL OVERVIEW OF ALTVEST

- 5.1. AltVest is a disruptive platform that seeks to democratise alternative investments, bringing bespoke investment opportunities to everyday investors and to engage and leverage trusted media platforms to educate and raise awareness of the investment opportunities.
- 5.2. AltVest will enable fractionalised ownership of unlisted assets to both retail and institutional investors allowing secondary market trading of special purpose vehicles owning single institutional-grade assets, thereby revolutionising the private equity market.
- 5.3. In partnership with A-Trade, AltVest aims to create a market leading platform for creation, issuances, sale, distribution,

management, tracking and trade of direct fractional ownership in unlisted assets.

5.4. A detailed overview of the operations and activities conducted by AltVest is provided in the Prospectus.

6. BOARD OF DIRECTORS OF ALTVEST

6.1. The Board comprises of 7 directors of whom 3 are executives, 1 non-executive and 3 are independent non-executives.

6.2. Executive Directors:

- Koshiek Karan: Executive Chairperson
- Warren Wheatley: CEO, CFO and Founder
- Richard Stronach: CIO

6.3. Non-Executive Directors:

- Joanne Baynham: Independent Non-Executive Director
- Faye Mikkadam: Lead Independent Non-Executive Director
- Bright Khumalo: Independent Non-Executive Director
- Henk Barnhoorn: Non-Executive Director

6.4. Full details of the Board of Directors of AltVest appear in Section 2, paragraph 2.1 of the Prospectus.

7. RATIONALE FOR THE LISTING

7.1. AltVest is a disruptive investor that seeks opportunities for investment which it fractionalizes into smaller denominations making such investments accessible by the public. It is pursuant to this strategy that the Preferred Shares are being offered to the public.

7.2. The primary rationale for the Listing is to finance the acquisition of Umganu and provide investors with the opportunity to gain exposure to the financial performance of Umganu.

8. SECURITIES FOR WHICH LISTING ON CTSE IS SOUGHT

8.1. The shares to be listed comprises of up to 10,000,000 (ten million) Preferred Shares with no par value each.

8.2. The actual number of Preferred Shares to be listed will be determined according to the number of Preferred Shares subscribed for pursuant to the Offer.

8.3. All Preferred Shares to be listed shall rank *pari passu* with each other in all respects, including in respect of voting rights and Distributions.

8.4. The Preferred Shares will be listed at a listing price of R1.50 (One rand and fifty cents) each and the dealings in the Preferred Shares are expected to commence on **Friday, 22 September 2022**.

8.5. The Preferred Shares will also be made available for trade on A2X through a secondary listing.

8.6. Preferred shares will be allocated on a first come first serve basis according to the following schedule below:

The Class A Preferred Ordinary Shares will be released in separate tranches as listed below:

Tranche	Opening date of offer	Closing date	Listing date
1	08 September 2022	15 September 2022	22 September 2022
2	29 September 2022	06 October 2022	13 October 2022
3	20 October 2022	31 October 2022	07 November 2022
4	14 November 2022	21 November 2022	28 November 2022

The maximum number of Class A Preferred Ordinary Shares that may be issued in terms of the Offer is 10 000 000 Class A Preferred Ordinary Shares. Should the Offer be fully subscribed at any stage of the above schedule, meaning that the maximum available number of Class A Preferred Ordinary Shares shall have been allocated to be issued in terms of the subscriptions received, there would no longer be any Class A Preferred Ordinary Shares available for further issuing, and accordingly no further subscription applications would be acceptable. The program of issuing class A Preferred Ordinary Shares would automatically end either at the stage at which all 10 000 000 Class A Preferred Ordinary Shares have been fully subscribed or on 28 November 2022 whichever comes first, in accordance with section 107 of the Companies Act.

9. DOCUMENTS AVAILABLE FOR INSPECTION

- 9.1. The Prospectus and other documents listed as available for inspection in the Prospectus will be available for inspection during normal office hours from the date hereof until Friday, 16 September 2022, at the registered offices of AltVest and the Corporate and Transaction Advisor, being Vestra Advisory Proprietary Limited (“Vestra Advisory”) at:

ALTVEST	VESTRA ADVISORY
Block B	3rd Floor Vdara Office Park
66 Rivonia Road	41 Rivonia Road
Chislehurst	Sandhurst
Sandton, 2146	Johannesburg, 2196

- 9.2. The Prospectus is also available for download from the websites of AltVest (www.altvestcapital.co.za) and CTSE (www.ctexchange.co.za).

10. ISSUER AGENT

- 10.1. Vestra Advisory has been approved by CTSE as the authorised representatives of AltVest to perform the functions of an external Issuer Agent. As part of the Listing, AltVest appointed Vestra Advisory as its external Issuer Agent to assist with the Listing of the Preferred Shares on CTSE.

11. WITHDRAWAL OF CAUTIONARY

- 11.1. Holders of AltVest securities are referred to the cautionary announcements released on CTSE News Service, the most recent of which was published on 15 July 2022, and are hereby advised that following the publication of this Formal Notice, they are no longer required to exercise caution when trading in AltVest securities.

BY ORDER OF THE BOARD OF DIRECTORS OF ALTVEST

05 September 2022

ISSUER AGENT TO ALTVEST

Vestra Advisory Proprietary Limited



COMPANY SECRETARY

CTSE Registry Services Proprietary Limited.

Registration number: 2016/396777/07

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