



altvest

INTERIM

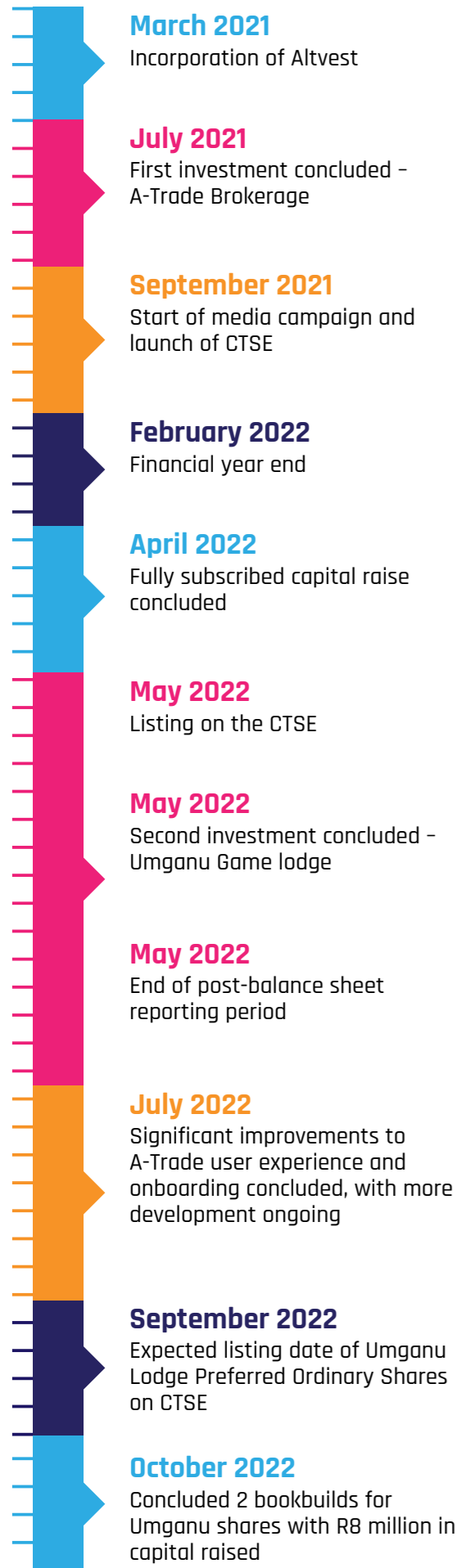
# REPORT 2022

ALTVEST CAPITAL LIMITED

(Registration no: 2021/540736/06)

Condensed interim financial statements for the 6 months ended 31 August 2022

## Our timeline



## Key figures

as at 30 September 2022

# R62 million

Market capitalisation as at 30 September 2022

# Three

Investments made  
A-Trade Brokerage (70%),  
Umganu Game Lodge (50%)  
and Bambanani (46%)

# 10

 Number of employees
 

# 114

 Number of shareholders

# 10%

Annualized Percentage of Market Capitalization traded (representing the most liquid share on the CTSE)

# 2.5M

 Twitter impressions and 35k LinkedIn impressions

Broadcast streams across Twitter and our podcast

# 57k

# 40%

 Open rate for the Altvest newsletter

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# INTRODUCTION AND CEO'S REPORT



These interim results represent the unaudited financial performance and position of our business for the six-month period ending 31 August 2022. While this report includes the financial impact of several milestones, including the costs to establish our business model, our listing on the CTSE and the listing of our first investment asset Umganu Lodge, this report should be read alongside the information presented in our investor centre (<https://altvestcapital.co.za/altvest-capital/>) for a full understanding of our business model, financial highlights and the key events that have shaped our exponential growth in the last 18 months.




In our 2022 Annual Report, we stated that our vision was to build platforms that enable all South Africans to participate fully in the ownership of our economy. I would like to recap the highlights of our work done over the last 6 months to bring this vision to life:

## SUCCESS OF OUR FIRST INVESTMENT AND BOOKBUILD, UMGANU LODGE

Altvest, and A-trade, rolled out a revolutionary new feature on the A-trade platform, pre-order opportunities. This allows clients to secure shares of an asset ahead of its listing date at a fixed listing price. Umganu Lodge was the first asset to leverage this feature on the A-trade platform, and our first book build was a resounding success with **264** investors committing over **R 8 million** in capital.

Every Altvest staff member, including Executive Directors, participated in the book build in their personal capacities. This is consistent with our ethos of aligning our interests with all our investors. Phase 2 of the Bookbuild started on 29 September 2022 at a price of R1.70 per share, in line with the prevailing market price at that time. This not only represented a 13% gain for investors who came in during Phase 1, but also an opportunity for those that did not to secure this rare investment opportunity. There are 2 further bookbuilds scheduled for this year.

### An overview of pre-orders for Umganu:

-  **Capital raised: R5.9 million**
-  **263 people secured shares via pre order**
-  **3.7 million shares secured via pre-order**

The next bookbuild will open on **20 October 2022**

## INTRODUCING OUR NEXT LISTING - BAMBANANI

Following our listing of Umganu, Altvest's next listing will be Bambanani. Bambanani is a family-focused restaurant based, operating for over 15 years in Melville, Johannesburg and has developed a strong local brand with a network of passionate guests. Its unique value offering is pairing a sophisticated adult-dining experience with childcare, safe play areas and children's entertainment. Bambanani currently owns the property that they operate on and seeks financing to refurb and expand their existing restaurant, and later roll out new locations in strategic locations.

## A-TRADE

Altvest has partnered with A-trade to create a platform that offers both seamless onboarding and a superior user experience. Our team has supported A-trade in the onboarding of clients, enhanced A-trade's brand awareness, developed infographics and user guides on navigating the platform, and worked with A-trade to develop new features for our clients. Our work has paid off, 2022 seen the most accounts ever opened for A-trade in a calendar year, and we are yet to enter the 4th quarter of the year. A-trade has had 61% more accounts opened in 2022 (1085) than its next best year (2021:673). As mentioned above in the description of the success of Umganu Lodge's bookbuild, the new pre-order function raised R4.6 million. A-trade has averaged 142 unique trades per month since Altvest began its support in April, compared to 88 trades per month prior to Altvest's support (62% increase.)

## ALTVEST COMMUNITY BUILDING

Our media channels are essential to educate our community regarding alternative assets, help us understand which assets our community seeks to invest in and promote our listings. Our marketing efforts has maintained its rapid growth in 2022 and we will continue to grow and leverage these platforms to better serve our community. Below is a breakdown of the reach and engagement of our digital media channels. These exclude the amplification offered by media partners, which can result in an up to 10x increase in engagement on selected messages:



**2.1M Twitter Impressions**

Twitter is leveraged to [share insights and provide thought leadership](#) to our community



**36k LinkedIn impressions**

LinkedIn [amplifies the reach of content](#) by Repurposing articles and links to twitter space recordings



**66k Broadcast streams**

Twitter spaces [with industry / thought leaders](#) are converted into podcasts for the community members unable to attend live



**39% Newsletter open rate**

Our 3550 newsletter subscribers receive [access to upcoming listings and thought leadership](#) weekly



**7000 Article reads since March**

Self generated thought leadership regarding investments. [Sharing insights, designed for retail investors](#)



**Presence on visual channels**

[Established both a Youtube and Instagram](#) channel to be grown once we have developed our other social media channels

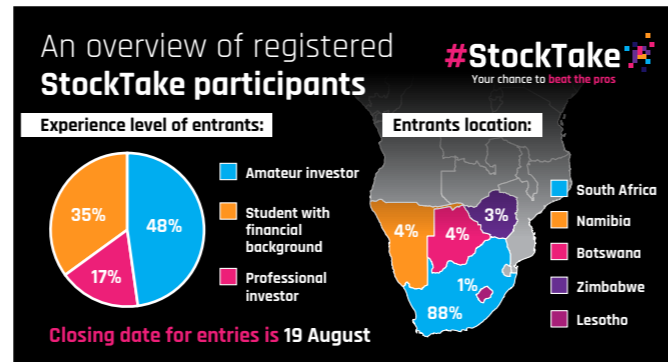
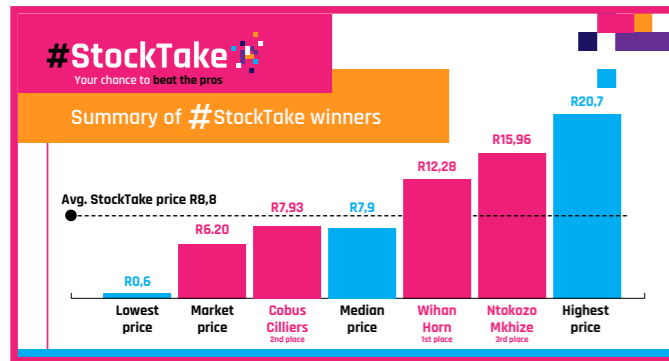
## STOCKTAKE

Traditionally, access to broker research and stock insights has been the exclusive terrain of a small set of sophisticated investors. Considering this, and true to our ethos of democratization, Altvest launched a ground-breaking investment competition called StockTake, in partnership with BankerX. This competition provided an opportunity to anyone who considers themselves an analyst to assess a stock and submit a recommendation. The target company for this competition was Altvest Capital itself and contestants were incentivised with some incredible cash prizes:

- R50k for the winner
- R30k for 2nd place
- R20k for 1st place

105 participants entered the competition and, following an initial review from the Altvest team, a top 10 were selected. We then invited the public and our highly experienced panel of judges to select our winners. Following 1200 votes from the public and a very tight vote between the judges, we announced our top 3:

- Wihan Horn came 1st
- Ntokozo Mkhize was 2nd
- Cobus Cilliers was 3rd

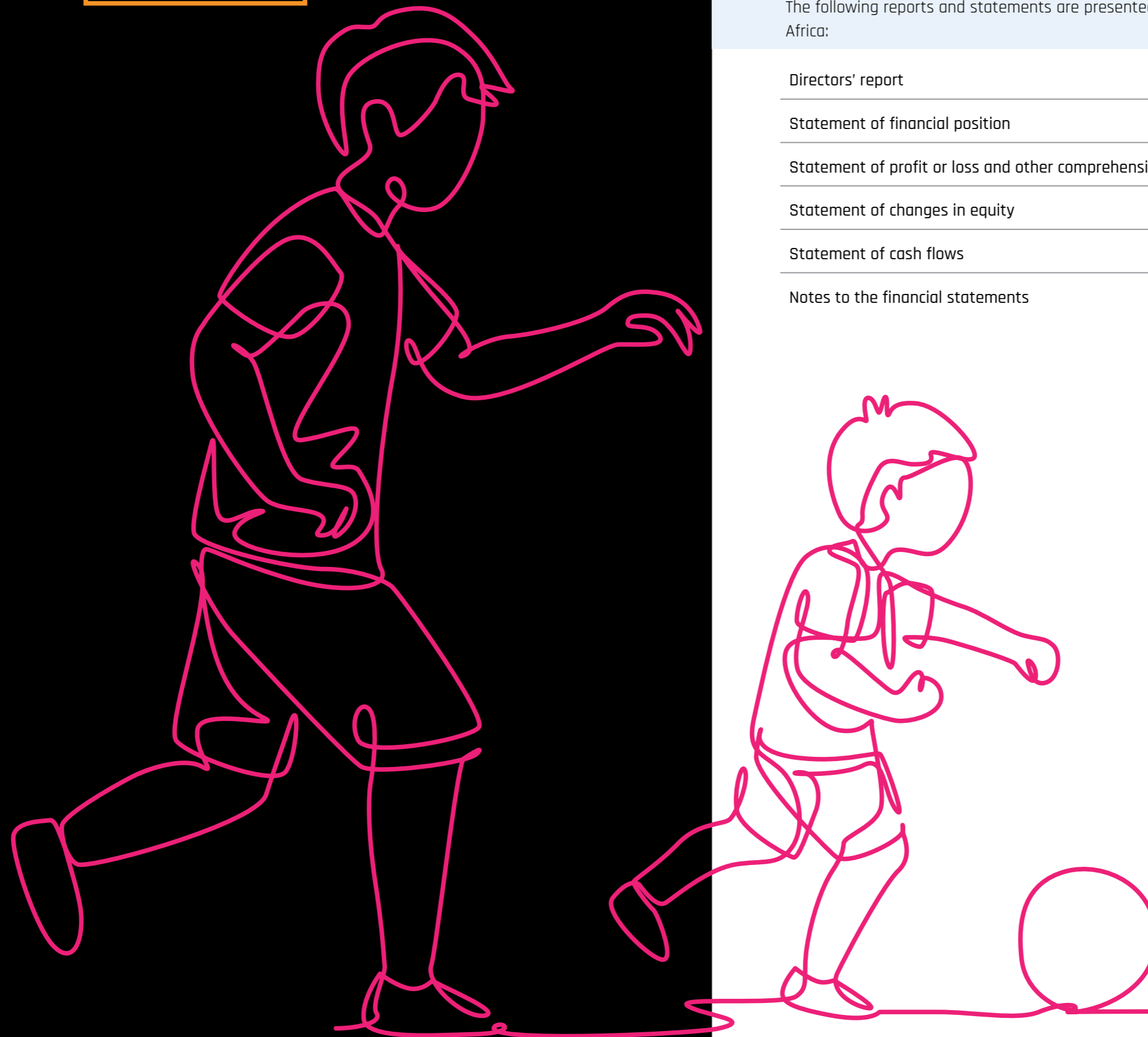


As we reflect on the last six months, we are grateful for the amazing support offered by our shareholders, community, employees, service providers and all other stakeholders to make this possible. We look forward to continuing these great partnerships to bring you the most exclusive investment opportunities from around the globe.

Yours in alternative assets

**Warren Wheatley**  
CEO





The following reports and statements are presented in compliance with the Companies Act of South Africa:

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# DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the financial statements for the period ended 31 August 2022. The condensed consolidated interim results of Altvest Capital comprise those of the company, its subsidiaries and jointly controlled entities (jointly referred to as Altvest). This report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with Altvest's annual financial statements as at 28 February 2022. These interim results have not been audited or independently reviewed by the Group's external auditors or reporting accountants, but have been approved by the Board of Directors of Altvest, as per Ordinary Resolution passed by the shareholders at the Annual General Meeting held on 3 October 2022.

## NATURE OF BUSINESS

Altvest Capital Limited was incorporated in South Africa. The principal activities of the company are investment holding as principal and investment platform provider and all business related thereto.

These results include several once-off costs incurred to establish the Altvest business model, and list Altvest Capital Limited on the Cape Town Stock Exchange. These costs represent a special factor that which influenced the activities and profit and loss of Altvest during this reporting period, and Directors do not expect these costs to recur in future reporting periods. For further information, refer to the Altvest Annual Report for the period ended 28 February 2022, where additional unaudited information relating to once-off expenses incurred during the period 28 February 2022 to 31 May 2022 was presented.

## REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

## FINANCIAL RESULTS

The company accumulated a loss of R 28,426,312 for the six-month period ending 31 August 2022 (R 3,153,296 for the 11-month period ending 28 February 2022)

## DIVIDENDS

No dividends were declared or proposed during the period under review. All accumulated losses are attributable to Altvest Ordinary Shareholders.

## RESPONSIBILITIES AND APPROVAL

The preparation of the Altvest condensed consolidated interim results for the six months ended 31 August 2022 was supervised by the Chief Executive Officer, WG Wheatley

The condensed consolidated interim results for the six months ended 31 August 2022 were approved by the directors on 13 September 2022 and are signed on the Board's behalf by:



**Warren Wheatley**  
CEO

The results were made available publicly on 14 October 2022



**Koshiek Karan**  
Chairman of Board of Directors

## STATEMENT OF FINANCIAL POSITION

Notes	Un-audited 31 Aug 2022 R	Audited 28 Feb 2022 R
<b>ASSETS</b>		
<b>Non-current assets</b>		
	<b>21,328,381</b>	<b>1,543,223</b>
	Property, plant and equipment	20,234
3	Investments	136,263
4	Group loans receivable	500,000
5	Deferred tax assets	511,220
6	Loans receivable	375,506
<b>Current assets</b>		
	<b>1,037,265</b>	<b>516,080</b>
	Trade and other receivables	324,648
	Cash and cash equivalents	191,432
<b>TOTAL ASSETS</b>		
	<b>22,365,646</b>	<b>2,059,303</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
	<b>18,145,392</b>	<b>(3,153,296)</b>
8	Share capital	-
	Accumulated loss	(3,153,296)
<b>Non-current liabilities</b>		
	<b>1,912,500</b>	<b>4,048,590</b>
	Non-interest bearing borrowings	618,590
9	Shareholders' loans	3,430,000
<b>Current liabilities</b>		
	<b>2,307,754</b>	<b>1,164,009</b>
	Trade and other payables	1,144,789
	Short-term provisions	19,220
<b>TOTAL EQUITY AND LIABILITIES</b>		
	<b>22,365,646</b>	<b>2,059,303</b>



## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Un-audited 31 Aug 2022 (6 months) R	Audited 28 Feb 2022 (11 months) R
Other income		2,362,093	136,285
Other administrative expenses		30,302,282	3,800,626
<b>Loss before finance charges</b>		<b>(27,940,189)</b>	<b>(3,664,341)</b>
Finance charges		-	175
<b>Loss before taxation</b>		<b>(27,940,189)</b>	<b>(3,664,516)</b>
Taxation		(486,123)	511,220
Current taxation		-	-
Deferred taxation		(486,123)	511,220
<b>Net loss after taxation</b>		<b>(28,426,312)</b>	<b>(3,153,296)</b>
Other comprehensive income		-	-
<b>Net comprehensive loss for the period</b>		<b>(28,426,312)</b>	<b>(3,153,296)</b>
<b>Earnings per share for profit attributable to the ordinary equity owners of the equity holders of the company:</b>			
Basic / diluted loss per share	10	(3)	(3,153)

## STATEMENT OF CHANGES IN EQUITY

	Share capital R	Accumulated loss R	Total R
<b>Balance at incorporation</b>		-	-
Total comprehensive loss for the year	-	(3,153,296)	(3,153,296)
<b>Balance at 28 February 2022</b>	<b>-</b>	<b>(3,153,296)</b>	<b>(3,153,296)</b>
Total comprehensive loss for the period	-	(28,426,312)	(28,426,312)
Share based payments	22,065,995	-	22,065,995
Additional contributions received	27,934,005	-	27,934,005
Treasury shares	(275,000)	-	(275,000)
<b>Balance at 31 August 2022</b>	<b>49,725,000</b>	<b>(31,579,608)</b>	<b>18,145,392</b>

7 and 8

## STATEMENT OF CASH FLOWS

### Net cash withdrawn from operating activities

Cash receipts from customers

### Cash utilised by operating activities

Finance charges

### Cash flows from investing activities

Purchase of property, plant and equipment

To increase operating capacity

Purchase of investments

Advances to group loans receivable

Advances to loans receivable

### Cash flows from financing activities

Shares issued

Repurchase of shares

(Repayment) / advances of shareholders' loans

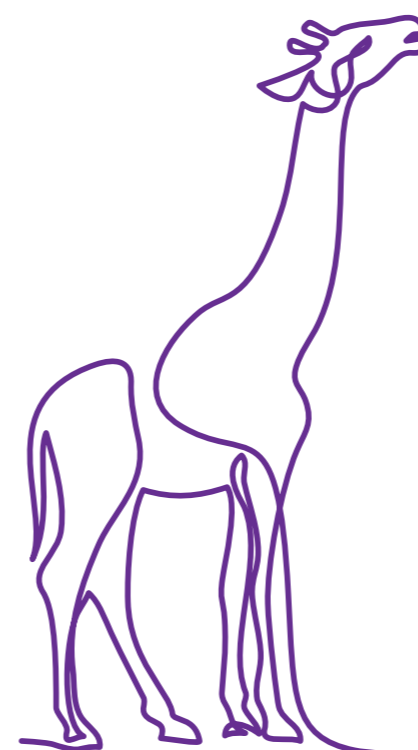
(Repayment) / proceeds from long-term borrowings

### Net increase in cash and cash equivalents

### Cash and cash equivalents at beginning of period

### Cash and cash equivalents at end of period

Un-audited 31 Aug 2022 (6 months) R	Audited 28 Feb 2022 (11 months) R
<b>(7,865,620)</b>	<b>(2,339,238)</b>
(7,865,620)	(2,339,238)
<b>(7,865,620)</b>	<b>(2,339,063)</b>
-	(175)
<b>(17,832,858)</b>	<b>(899,330)</b>
(103,518)	(23,824)
(103,518)	(23,824)
(15,000,000)	- (500,000)
(1,211,637)	(375,506)
(1,517,703)	(375,506)
<b>25,522,915</b>	<b>3,430,000</b>
27,934,005	-
(275,000)	-
(1,517,500)	3,430,000
(618,590)	-
<b>(175,563)</b>	<b>191,432</b>
<b>191,432</b>	<b>-</b>
<b>15,869</b>	<b>191,432</b>







3.2. Investment through profit and loss

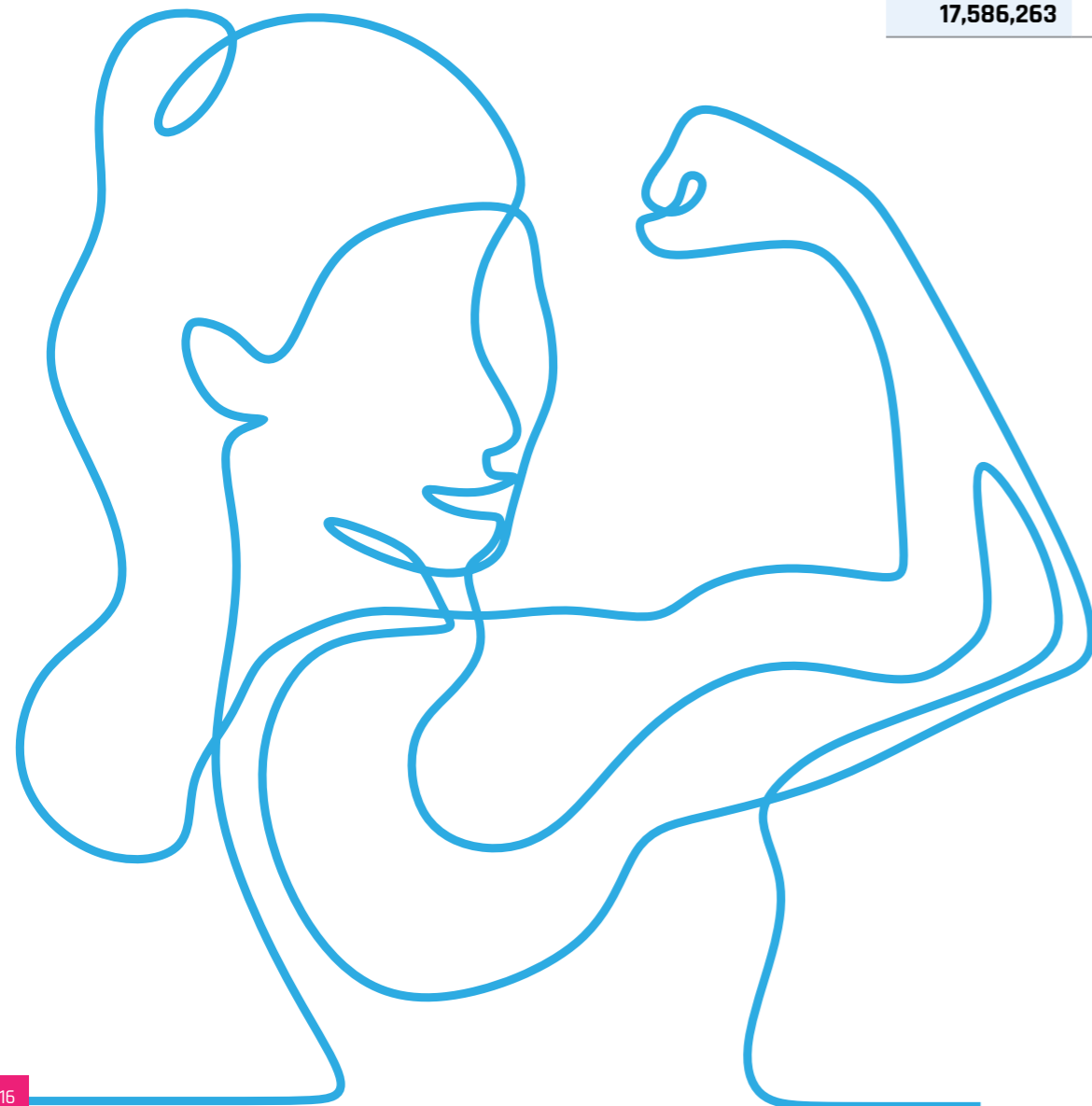
**Umganu Lodge Holdings Pty Ltd**  
Carrying amount - share of result  
  
Original cost  
Fair value adjustment

Number of shares held  
  
Shareholder  
100  
50%

	Un-audited Aug 2022 (6 months) R	Audited Feb 2022 (11 months) R
	17,300,000	
	15,000,000	-
	2,300,000	-

A substantial part of the investment in Umganu Lodge Pty Ltd is expected to be derecognised during this financial year, as the investment was acquired with the view to raise funds through the issue of linked Preferred Ordinary Shares. This approval was expected to be received shortly after the reporting period. Post- issuance of the Preferred Ordinary Shares, Altvest Capital will only be reflecting its accelerator partnership stake in its investee companies.

**17,586,263**      **136,263**



4. Group loans receivable

4.1. A Trade Pty Ltd

The above loan is unsecured and bears interest at prime, unless in disproportion with other shareholders' loans in A-Trade Pty Ltd, then the disproportion loan bears interest at prime plus 2%. The loan has no fixed terms of repayment and the lender has no right to call upon the loan until the board of A- Trade Pty Ltd determines that the borrower is in a financial position to repay the loan and A-Trade Pty Ltd shareholders have unanimously agreed to such repayment being made.

4.1. Umgunu Lodge Holdings Pty Ltd

The above loan is unsecured, bears no interest and is repayable on demand.

5. Deferred tax assets

5.1. Deferred tax balance consist of:

Fair value adjustment on investments  
Pre-trade expenditure  
Provisions

**Deferred taxation asset**

5.1. Reconciliation between deferred taxation opening and closing balance

Deferred tax asset at the beginning of the period  
Charge to income - included in timing differences

**Deferred tax asset at the end of the period**

6. Loans receivable

**Kisby Capital Partners Pty Ltd**

The above loan is unsecured, bears no interest and has no fixed terms of repayment. No repayments for the next 12 months are expected. This loan is repayable on demand.

	Un-audited Aug 2022 (6 months) R	Audited Feb 2022 (11 months) R
	1,611,637	500,000
	100,000	-
	<b>1,711,637</b>	<b>500,000</b>
	(526,233)	(29,433)
	535,464	535,464
	15,867	5,189
	<b>25,097</b>	<b>511,220</b>
	511,220	-
	(486,122)	511,220
	<b>25,097</b>	<b>511,220</b>
	<b>1,893,209</b>	<b>375,506</b>

## 7. Shared based payment

A scheme under which shares was issued by the company to the employees for no cash consideration and was approved by the shareholders during the current period under review.

Shares issued by the company to the employees and service providers are acquired on- market prior to issue. Shares held by the company and are not yet issued to the employees at the end of the period are shown as treasury shares in the financial statements.

The following shares were issued during the current period under review to employees and services providers for services rendered;

930, 000 ordinary shares at a fair value of R5 under the plan to participating employees during the period under review.

3,297, 622 ordinary shares at a fair value of R5 issued for services rendered during the period under review.

185, 577 ordinary shares at a fair value of R5 issued for directors emoluments during the period under review.

	Un-audited Aug 2022 (6 months) R	Audited Feb 2022 (11 months) R
	4,650,000	-
	16,488,110	-
	927,885	-
	<b>22,065,995</b>	-

## 8. Share capital

### Authorised

100,000,000 Ordinary shares at no par value

1,000,000,000 Preferred ordinary shares at no par value

### Issued

5,531,802 ordinary shares at no par value - share premium

\*4,413,198 ordinary shares at no par value - equity settled share based payments

55,000 ordinary shares at no par value - treasury shares

	-	-
	-	-
	27,934,005	-
	22,065,995	-
	(275,000)	-
	<b>49,725,000</b>	-

The total number of shares issued (number of shares - 10,000,000 at R5 per share) includes treasury shares of 55,000 Ordinary shares with a total value of R 275,000.

\*These shares were allotted in terms of share-based payments, refer to note 7.

## 9. Shareholders' loans

WGW Capital Pty Ltd

The total loan amount in the prior year was converted into equity during the current financial period.

An additional loan was provided by the shareholder during the current period under review, the loan is unsecured, bears no interest and is payable on demand.

## 10. Earnings per share

### 10.1. Basic earnings per share

From continuing operations attributable to the ordinary equity holders of the company

	Un-audited Aug 2022 (6 months) R	Audited Feb 2022 (11 months) R
	1,912,500	3,430,000
	(3)	(3,153)

### Reconciliation of earnings used in calculating earnings per share

#### Basic earnings per share

Loss attributable to the ordinary equity holders of the company used in calculating basic earnings per share:

From continuing operations

(28,426,312) (3,153,296)

#### Weighted average number of ordinary shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share

10,000,000 1,000

10.2. No diluted earnings per share was calculated as there are no adjustments in the earnings, therefore the diluted earnings per share will be the same as the earnings per share.





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