



ALTVEST CAPITAL LIMITED

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

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

Class C Preferred Ordinary Shares: ISIN: ZAE400000192, Share Code: 4ACOF

(“Altvest Capital” or “the Company”)

FORMAL NOTICE:

LISTING OF CLASS C PREFERRED ORDINARY SHARES BY WAY OF A PUBLIC OFFER

11 AUGUST 2023

Not for publication, distribution, or release, in whole or in part, directly or indirectly, in any jurisdiction outside of the Republic of South Africa, or any jurisdiction where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 C Preferred Ordinary Shares in the Company as contemplated in terms of the Companies Act. Applications will only be considered based on the Listing Particulars.

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 48,333,333 (Forty-Eight Million Three Hundred and Thirty-Three Thousand) Class C 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 pursuant to an offer to the Public (“Offer”) as set out in the Listing Particulars. The Listing Particulars is available on the Company’s website at <https://altvestcapital.co.za>
- 1.3. This Formal Notice contains extracts from the Listing Particulars dated 11 August 2023 and as such is not intended to be comprehensive. For a full appreciation of the Company and the Listing, the Listing Particulars should be read in its entirety in conjunction with this Formal Notice.
- 1.4. 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 Listing Particulars.

2. INTRODUCTION TO ALTVEST CREDIT OPPORTUNITIES FUND LIMITED

- 2.1. Altvest Credit Opportunities Fund Limited (“ACOF”) is a specialized direct lender focusing primarily on women-owned and/or managed and/or staffed businesses in South Africa.
- 2.2. It will obtain capital for deployment from several categories of investors and funders in the form of debt and equity, whereupon it will originate structured loans to borrowers through an online platform to be underpinned by Ke Concepts (Pty) Ltd’s (CreditEase) credit management platform. ACOF will also support its portfolio of borrowers by offering technical, compliance, and finance related services.
- 2.3. Through its social media presence and nationwide reach Altvest Capital, as Fund Manager of ACOF, will assist ACOF with access to investors and borrowers and will, directly and indirectly, offer borrowers access to marketing and branding opportunities.
- 2.4. ACOF’s mission is aligned with that of the Altvest Capital brand, namely, to provide access to finance and investments. It is driven to provide clients that meet its lending criteria with access to suitable debt funding and to thereby play an active role in stimulating economic growth and reduce unemployment and gender inequality.
- 2.5. The primary rationale for the Listing of the Class C Preferred Ordinary Shares is the following:
 - 2.5.1. To raise the start-up capital required by ACOF to fund its initial working capital expenses and extend loans to qualifying borrowers;
 - 2.5.2. To democratise access to alternative assets and provide funding for small businesses in the form of a private debt product.
- 2.6. The valuation of ACOF is considered attractive and is based on conservative growth assumptions; and
- 2.7. Altvest Capital will provide significant value through its asset management services.

3. DETAILS OF THE PREFERRED SHARES

- 3.1. The Preferred Shares are Class C Preferred Ordinary Shares in Altvest Capital.
- 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 65.9% of Altvest Capital’s aggregate investment in ACOF, less permitted deductions.
- 3.3. In light of the above, the 48,333,333 Preferred Shares shall provide the holder thereof with an indirect interest in approximately 65.9% of ACOF’s issued share capital. If a lower number of Preferred Shares are listed, the economic exposure of each Preferred Share to the ACOF investment will not be altered.

- 3.4. The fees will be as follows:
 - 3.4.1. Annual platform management fee, which is anticipated to be R250,000 per annum.
 - 3.4.2. 5% of any capital gain, before tax, realized on the sale upon disposal of the underlying asset, if and when applicable.
- 3.5. The following terms shall apply to the Preferred Shares with respect to their economic participation in ACOF:
 - 3.5.1. Preferred Shareholders shall have an indirect interest in Altvest's shareholding in ACOF only.
 - 3.5.2. Preferred Shareholders shall not be entitled to participate in the economics associated with any other investment held by the Company, other than ACOF, which is linked to the Preferred Shares, nor in any other portion of the Company's other economic activities.
 - 3.5.3. The Preferred Shares do not grant the Preferred Shareholders any control over the ACOF investment as Altvest Capital shall manage this investment on their behalf.
 - 3.5.4. Preferred Shares shall only have voting rights in respect of any proposal to amend the terms of such 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 ACOF. Should Altvest Capital 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.
- 3.6. Once the Company (i) ultimately exits its investment in ACOF; 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.
- 3.7. For further details regarding the Preferred Shares, ACOF and the offer of the Preferred Shares, investors are advised to read the Listing Particulars.

4. HOW TO SUBSCRIBE FOR PREFERRED SHARES

The applicant starts the process by opening an account with a brokerage service offering access to equity instruments listed on the CTSE including, but not limited to, Altvest Securities (Pty) Ltd ("Altvest Securities"). Below is a description of the Altvest Securities platform:

- 4.1. Altvest Securities:

Funds allocated to the bookbuild will be transferred in the following way:

- 4.1.1. Existing and new Altvest Securities account holders: In order to participate in the bookbuild each

investor will be required to open an account with Altvest Securities. These account holders can allocate existing funds in their Altvest Securities account to the bookbuild. The funds will be reserved and held in the Altvest Capital current account allocated to the bookbuild. The current account will bear interest at standard current account rates as determined by ABSA Bank.

- 4.1.2. New account holders for the bookbuild: Upon opening an Altvest Securities account, these new account holders will transfer funds to the allocated Altvest Capital bookbuild current account held at ABSA Bank. The current account will bear interest at standard current account rates as determined by the Bank.
- 4.1.3. Account holders will elect the electronic fund transfer option under payment type. This will allow a three-day period within which a proof of payment must be sent to the securities@altvestcapital.co.za email account to finalize the allocation. Failure to provide this proof of payment will result in the order being reversed.
- 4.1.4. Subscription for unallocated Preferred Shares: This process will only be available to professional investors.
 - 4.1.4.1. Should the Preferred Shares not be fully subscribed for by the closing date of the public offer, Altvest Capital shall endeavor to make available to professional investors the opportunity to subscribe for allocations of Preferred Ordinary Class C shares through private placements or any other applicable means on terms consistent with the Listing Particulars - with the intention of subsequently applying for the admission of such allocated securities to listing on the CTSE. Such proposed subscriptions shall take place in accordance with the process set out in the relevant subscription agreements.
- 4.1.5. Shares will be allocated on a first come first served basis and will be allocated to each applicant's Altvest Securities account upon the Listing date.

5. GENERAL OVERVIEW OF ALTVEST CAPITAL

- 5.1. Altvest Capital 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 Capital enables fractionalized ownership of unlisted assets to both retail and institutional investors allowing secondary market trading of special purpose vehicles owning single institutional-grade assets, thereby revolutionizing the private equity market.
- 5.3. In partnership with Altvest Securities, Altvest Capital 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 Capital is provided in the Listing Particulars.

6. BOARD OF DIRECTORS OF ALTVEST

6.1. The Board comprises of 6 directors of whom 2 are executives, 1 non-executive and 5 are independent non-executives.

6.2. Executive Directors:

- Christo Geyer: Head of Strategy
- Warren Wheatley: CEO and CFO

6.3. Non-Executive Directors:

- Joanne Baynham: Independent Non-Executive Director
- Faye Mukkadam: Lead Independent Non-Executive Director
- Bright Khumalo: Independent Non-Executive Director
- Henk Barnhoorn: Non-Executive Director
- Stafford Masie: Independent Chairman
- Gigi Alcock: Independent Non-Executive Director
- Khaya Sithole: Independent Non-Executive Director

6.4. Full details of the Board of Directors of Altvest Capital appear on the Company's website.

7. RATIONALE FOR THE LISTING

7.1. Altvest is a disruptive investor that seeks opportunities for investment which fractionalize 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 start-up costs of the ACOF lending business and provide investors with the opportunity to gain exposure to the financial performance of ACOF.

8. SECURITIES FOR WHICH LISTING ON CTSE IS SOUGHT

- 8.1. The shares to be listed are comprised of up to 48,333,333 (Forty-Eight Million Three Hundred and Thirty-Three Thousand) Preferred Shares each with no par value.
- 8.2. The actual number of Preferred Shares to be listed will be determined according to the number of Preferred Shares subscribed to 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 R3.00 (three rands) each and the dealings in the Preferred Shares are expected to commence on 05 September 2023.
- 8.5. The Preferred Shares will be allocated on a first come first serve basis according to the following schedule:

| Tranche | Opening date | Closing date | Listing date |
|---------|----------------|----------------|-------------------|
| 1 | 11 August 2023 | 29 August 2023 | 05 September 2023 |

9. DOCUMENTS AVAILABLE FOR INSPECTION

- 9.1. The Listing Particulars and other documents listed as available for inspection in the Listing Particulars will be available for inspection during normal office hours from the date hereof until date of listing at the registered offices of Altvest and the Issuer Agent, being BSM Corporate Finance (“BSM Sponsors”), represented by Tanya Cesare CA(SA), at:

ALTVEST CAPITAL

Block B
66 Rivonia Road
Chislehurst
Sandton, 2146

BSM Corporate Finance

Jindal Africa Building
22 Kildoon Road
Bryanston
Johannesburg, 2191

- 9.2. The Listing Particulars are also available for download from the websites of Altvest Capital (www.altvestcapital.co.za) and CTSE News Service (www.ctexchange.co.za).

10. ISSUER AGENT

- 10.1. BSM has been approved by CTSE as the authorized representative of Altvest Capital to perform the functions of an external Issuer Agent. As part of the Listing, Altvest Capital appointed BSM as its external Issuer Agent to assist with the Listing of the Preferred Shares on CTSE.

BY ORDER OF THE BOARD OF DIRECTORS OF ALTVEST CAPITAL

11 August 2023

ISSUER AGENT TO ALTVEST

BSM Proprietary Limited

COMPANY SECRETARY

CTSE Registry Services Proprietary Limited.

Registration number: 2016/396777/07

Address: Woodstock Exchange Building, Block B, 5th Floor, 66-68 Albert Road, Woodstock, Cape Town, 7925

Email: admin@ctseregistry.co.za

Tel: 011 100 8352