

altvest
credit opportunities fund

INFO MEMO



Introduction to the Altvest Credit Opportunities Fund

WHAT IS ACOF?

We connect ideas to capital by providing SMEs with access to structured debt solutions, while simultaneously allowing investors, including retail investors, to co-fund these capital needs.



A predominantly female team with extensive experience in Private Credit and SME financing.



A platform enabling secured lending and women empowerment, cutting borrowing rates by 25-40% vs our competitors.



A division of Altvest with the same goal of democratizing the financial / investment landscape.



Our business focuses on delivering economic value and impact to

3 GROUPS

EQUITY INVESTORS

Private Credit product offering target equity of IRR of c 26% - 28% (net of fees) over a horizon of 7-12 years and at moderate risk.

DEBT INVESTORS

A R5bn Domestic Medium Term Note Programme which is listed on the CTSE.

SMEs

An opportunity to obtain fast and flexible funding leveraging securitized debt.



A summary of our performance and impact to date

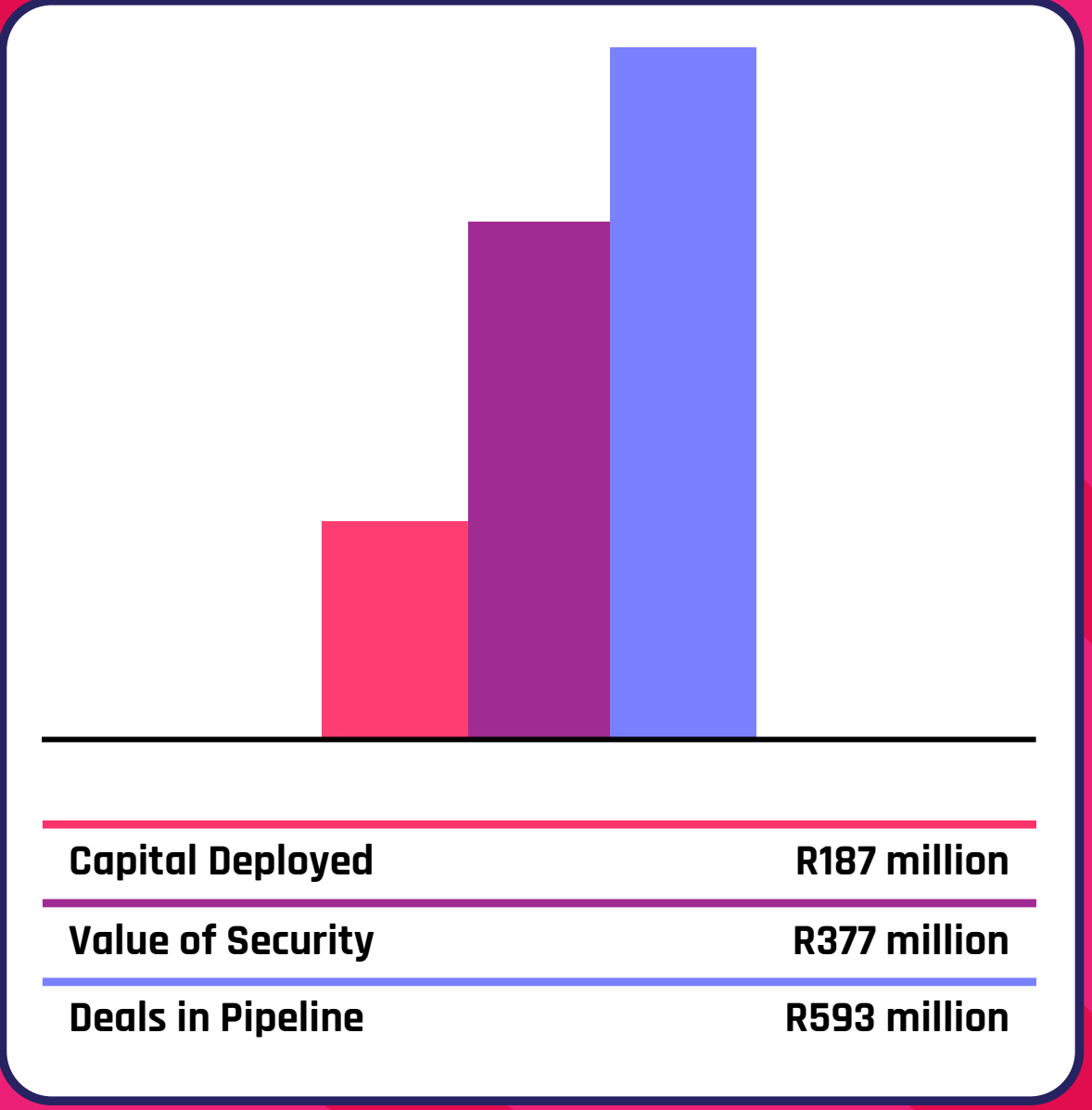
R260 Assets under management
MILLION

26 SMEs funded

27 Average loan term
MONTHS

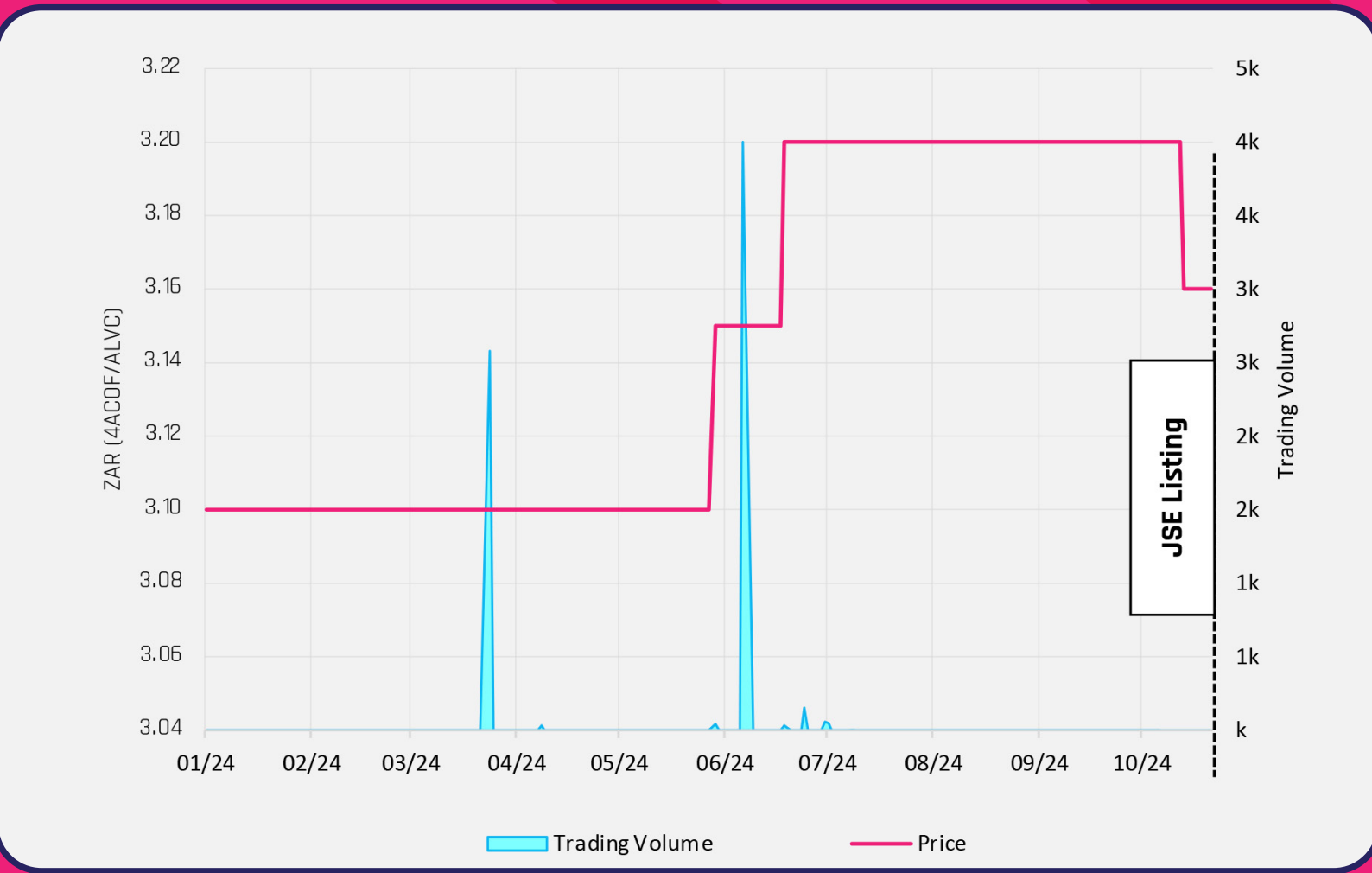
430 Jobs saved

362 Jobs created



CAPITAL DEPLOYED VS VALUE OF SECURITY (R300M)

A key element of our lending process is obtaining security for each loan we deploy. This serves as a risk mitigant for us and reduces the cost of the loan for our clients



SHARE PRICE GROWTH OVER TIME

Our share price has grown

5% since listing.

ACOF PRICING

how women empowerment credentials lower the cost of borrowing for SMEs

WHY WE PRIORITIZE WOMEN-OWNED AND RUN SMEs

- Supporting women-run SMEs can positively impact the economy
- Prioritizing women-led SMEs promotes gender equality
- Prioritizing women-led SMEs addresses historical imbalances
- Prioritizing women-run SMEs adds diversity to the business landscape
- Women entrepreneurs demonstrate a commitment to sustainable practices
- Prioritizing women-run SMEs challenges prevailing biases and stereotypes

IMPACT DRIVERS

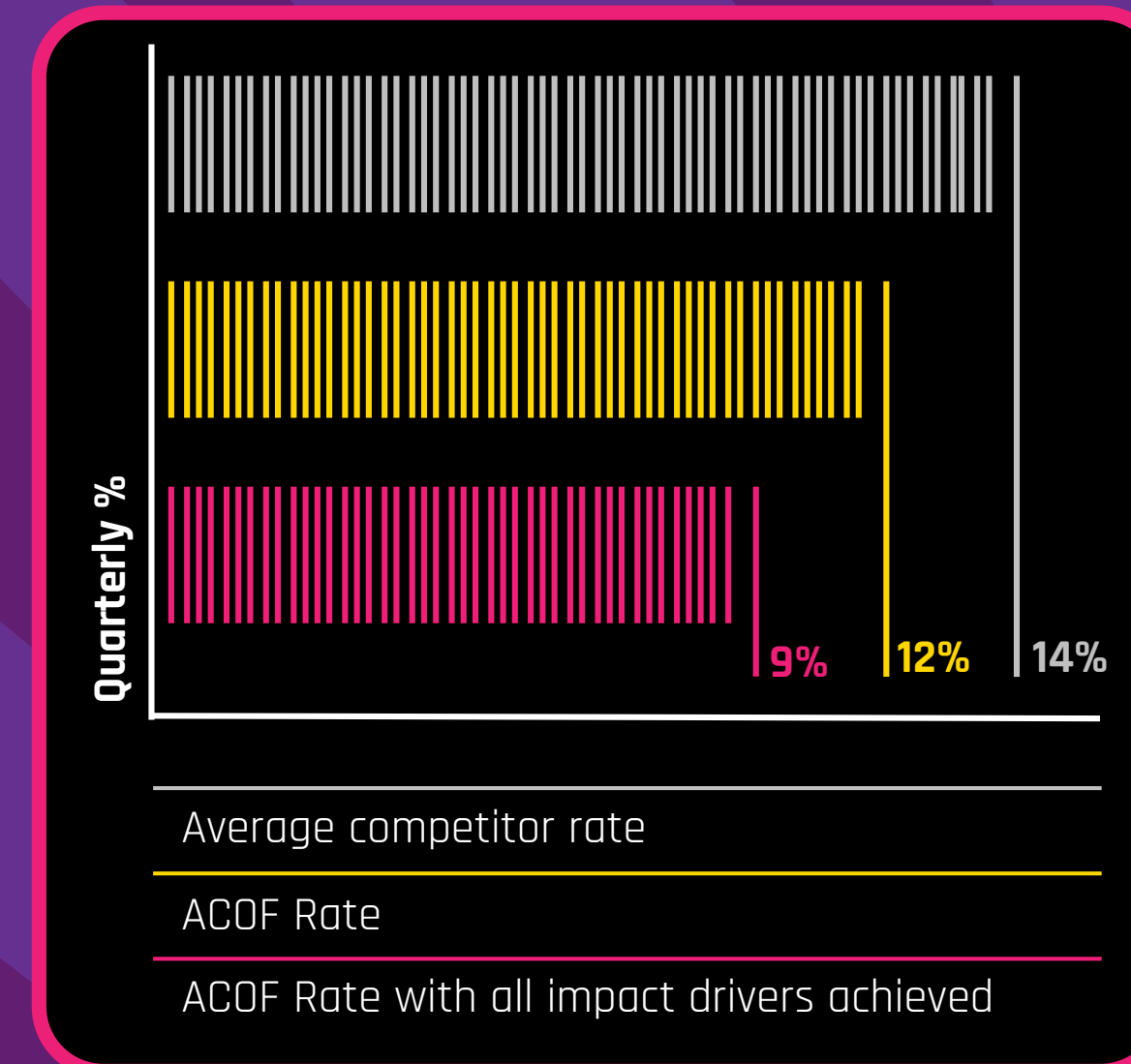
Each selection is equally weighted at a 5% discount to the borrowing rate:

- ✓ Woman CEO / CFO / CIO
- ✓ At least 1 woman director
- ✓ 50%+ women employees
- ✓ 50%+ women shareholders
- ✓ Woman founded

Achieving all the credentials
would unlock a transformative
25%
discount on your borrowing rate!

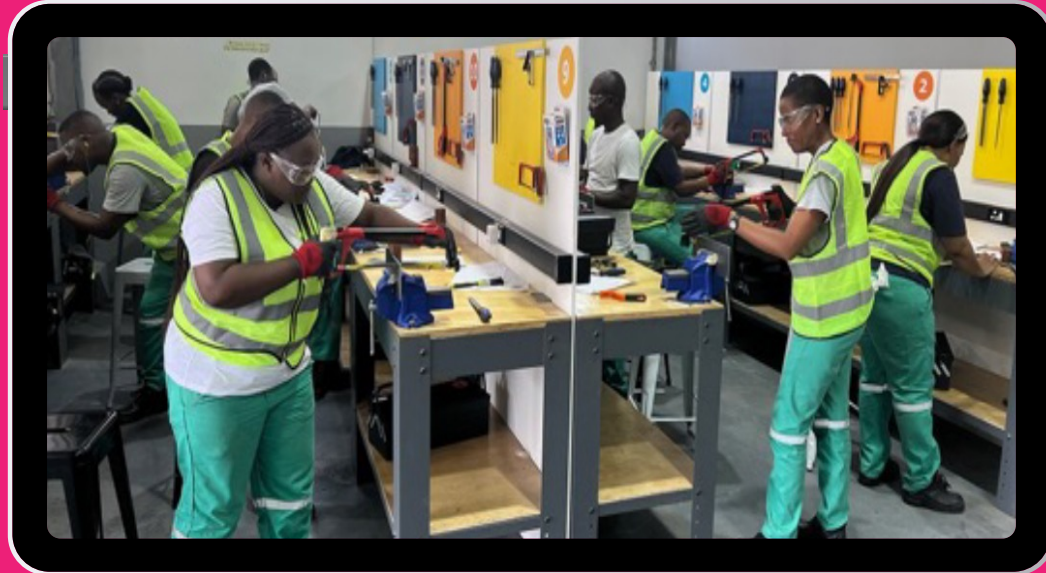
ACOF STRUCTURED LOANS CAN BE 25 - 40% LOWER THAN COMPETITORS

- Information is based on an R300,000 invoice discounting scenario over a 3-month loan period



Examples of our **IMPACT** on South African SMEs

AMANDLA COAL



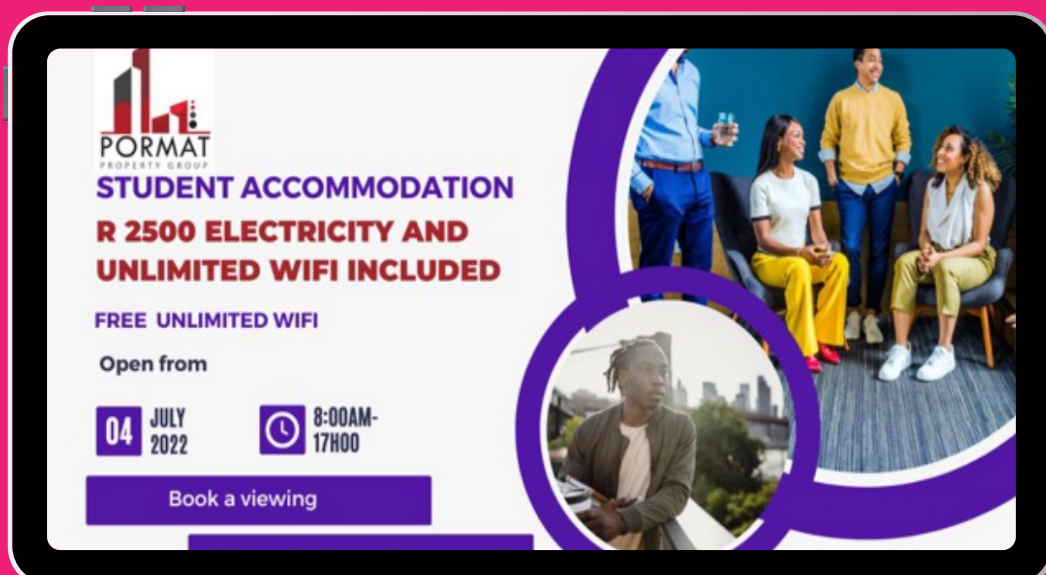
The funding from ACOF enabled Amandla Coal Fields to bridge a crucial cash flow gap caused by new payment terms with its main client, which threatened coal delivery continuity. This credit facility allowed uninterrupted coal deliveries, maintaining operational stability and avoiding power shortages. It also preserved jobs at risk due to potential operational disruptions and supported indirect jobs by ensuring the company could meet its transportation and procurement needs with various suppliers and logistics providers.

ZWANE FINANCIAL SERVICES (ZFS),



Zwane Financial Services (ZFS), supported by ACOF, is set to expand their lending operations in Johannesburg, Soweto, and KwaZulu Natal, potentially creating 20 new jobs on top of the existing 24. This expansion will enhance employment rates and support local SMMs through better access to financial education and microloans. The partnership also promotes inclusive financial practices, democratizing access to finance in underserved communities, and could lead to industry-wide shifts in the financial services sector, bolstering the sustainability of microlenders like ZFS.

PORMAT PROPERTY GROUP



Pormat Property Group faced rising demand for student housing in Pretoria, which ACOF addressed through a strategic investment. ACOF's funding facilitated the construction of modern student accommodations, benefiting students with improved living conditions close to campus. This project not only boosted local businesses but also generated new job opportunities, revitalizing the neighborhood. The collaboration set a benchmark for sustainable, community-driven development, demonstrating ACOF's commitment to impactful, inclusive growth.

TANG HOSPITALITY GROUP



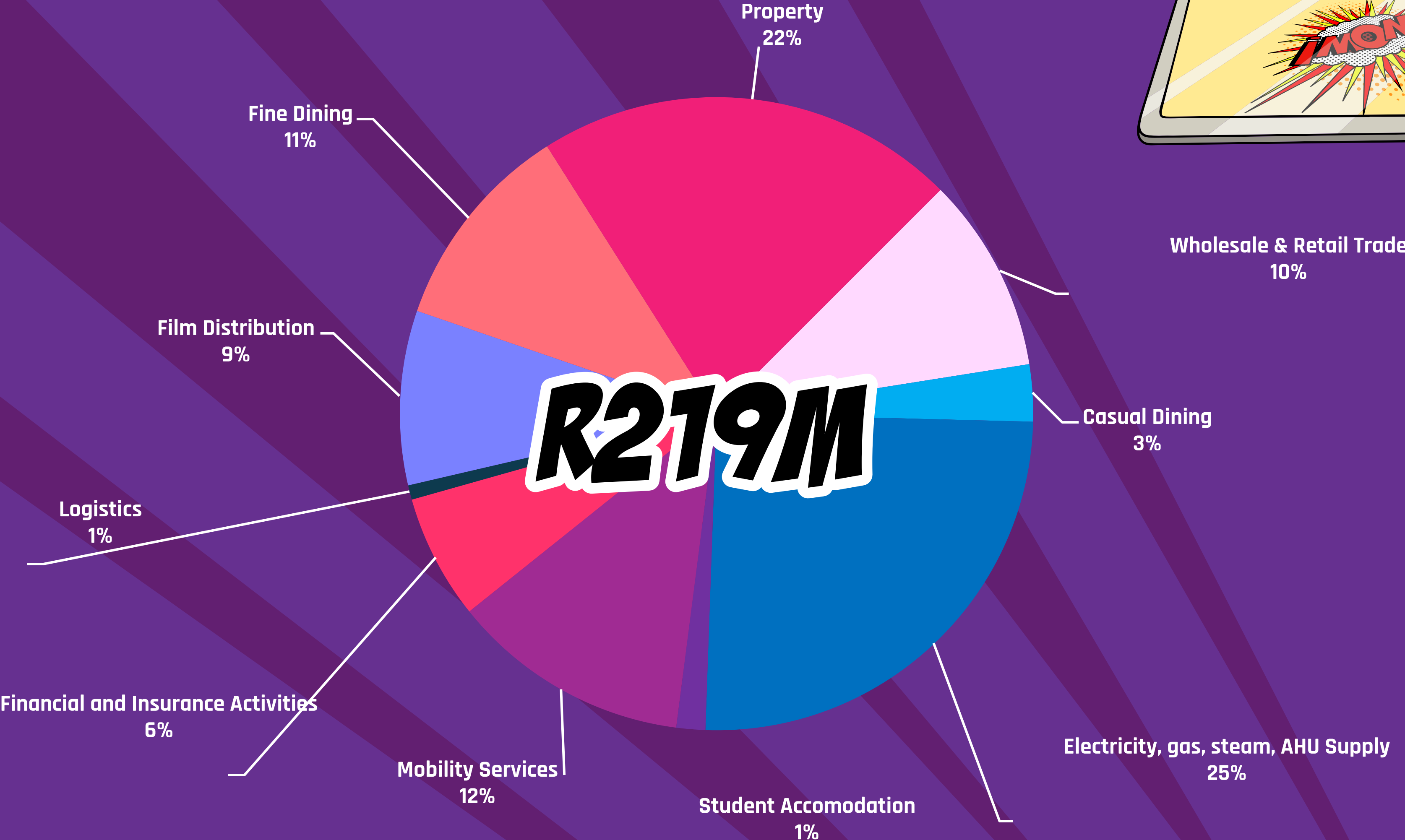
Tang Hospitality Group received a transformative loan from ACOF, helping restructure debt and fund a new restaurant in Dubai. This expansion not only sustained 250 jobs but also provided South African employees with international experience, enhancing their career development. The exposure to diverse business environments equips them with leadership and management skills, preparing them for future endeavors, including potential entrepreneurial ventures in South Africa, thereby fostering long-term professional growth.

We offer loans to a variety of SMEs within various sectors



Sector split

- Wholesale & Retail Trade
- Casual Dining
- Wholesale & Retail Trade
- Electricity, gas, steam, AHU Supply
- Student Accomodation
- Mobility Services
- Financial and Insurance Activities
- Logistics
- Film Distribution
- Fine Dining
- Financial and Insurance Activities
- Wholesale & Retail Trade
- Electricity, gas, steam, AHU Supply
- Property
- Wholesale & Retail Trade
- Film Distribution



We have developed a

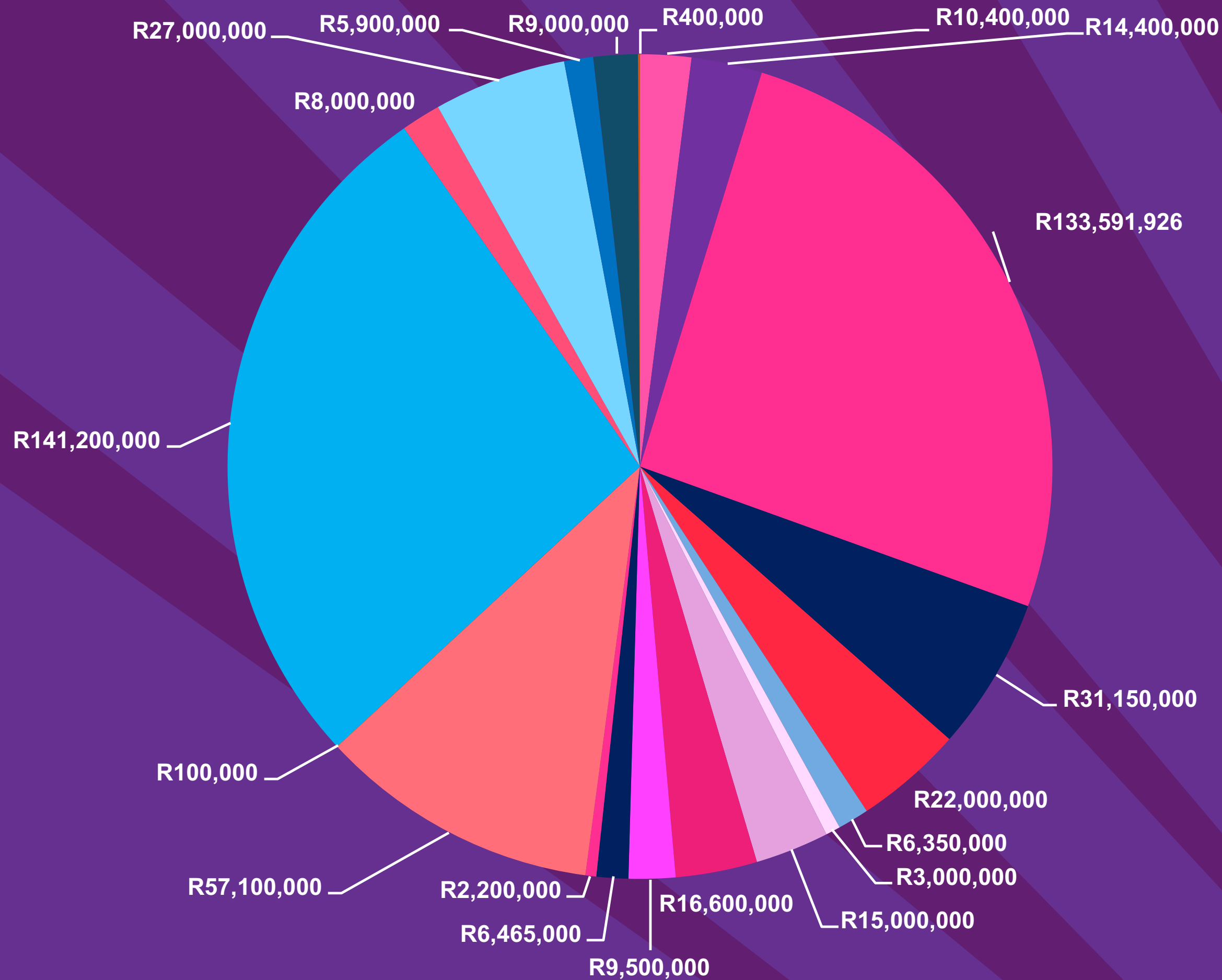
R49 MILLION PIPELINE

of prospective loan clients

as at 31 August 2024

Pipeline as at 31 August 2024

- Automotive
- Renewable Energy
- Wholesale and Retail Trade
- Mining
- Financial and Insurance Activities
- Wellness
- Hospitality
- Student Accommodation
- Manufacturing
- Education
- Casual Dining
- Logistics
- Technology
- Advertising
- Agriculture and Fishing
- Film Production
- Healthcare
- Telecommunications
- Consulting
- Construction
- Recreational Activities



This pipeline excludes a **R120 million infrastructure project** for which we have recently submitted a proposal



Our pipeline of opportunities will **create 756 jobs** and would **save 552 jobs**



5 of the companies are rated **BEE level 1**

We have established several partnerships to enhance our reach and grow our pipeline of opportunities

ACOF aims to broaden SME access to funding and mentorship



The JSE has partnered with the Western Cape government to support SMEs with funding solutions. ACOF participates in this programme as a capital provider.

The programme allows ACOF to:

- Provide economic opportunities to 500+ prospective SMEs.
- Assist in the development of emerging entrepreneurs with a drive for social impact.



The Xlerator programme is MTN's business Enterprise and Supplier Development initiative offering training, development and funding to South African SMEs.

ACOF participates in the programme by:

- Jointly conducting 3rd party deployment of loans, utilizing combined capital.
- Adding mechanisms and services to enhance woman empowerment within the MTN Xlerator programme.



The Gauteng Department of Economic Development (GDED) is committed to empowering women-owned businesses by creating platforms that connect them with key industry leaders, fostering growth and opportunities for success.



The NSBC is Africa's leading non-profit SME membership organization, dedicated to the growth and sustainability of SMEs.

Through its extensive base of over 160,000 SMEs, NSBC fosters SME growth via networking, learning, and access to unique success mechanisms, driven by comprehensive national SME surveys.



SAVCA represents over 200 members managing assets exceeding R213bn, dedicated to promoting the private equity and venture capital industry.

It enhances the sector through regulatory advocacy, insightful research, training, and networking.



BizNews is a pioneering internet publishing company dedicated to independent reporting and providing insightful commentary on local and global issues.

Offering advertising space in their newsletter and sponsored articles on their website, BizNews connects ACOF with a broad audience of South Africans.

ACOF **INVESTMENT** summary



Product Information: Altvest Credit Opportunities Fund

Name:	Altvest Credit Opportunities Fund
Share Code:	ALVC
Sector:	AltX
Subsector:	Diversified Financial Services
Type of Instrument:	Hybrid Financial Instrument
JSE Issue Price:	R3.20

Market Statistics : Altvest Credit Opportunities Fund

12 Month Low:	R3.10
Date of Low:	19 Sep 2023
12 month High:	R3.20
Date of High:	09 Jul 2024
Market Cap:	R59 198 208
Shares in Issue:	19,838,856
Shares Available:	28,494,477

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HOW TO REACH US

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DISCLAIMER

Certain statements in this document (other than the statements of historical fact) may contain forward-looking statements regarding Altvest Credit's operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the industry, expectations regarding revenue, costs and other operating results, growth prospects and the outlook for Altvest Credit and any of its operations and investments. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Changes in the economic and market conditions, the success or otherwise of business and operating activities, changes in the regulatory and legislative environment, may influence the company's performance, and results may differ materially from those set out in the forward- looking statements.

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Website: www.altvestcapital.co.za

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