altvest
credit opportunities fund

annual integrated report

2025

ALTVEST CREDIT OPPORTUNITIES FUND LTD
Registration Number: 2022/737301/06
(Incorporated in South Africa)
Annual Consolidated financial statements for the year ended 28 February 2025

ISIN: ZAE400000143 • Share Code: 4AAVC
CTSE Bond Code: 4ACD01 and 4ACD02

general info

Altvest Credit Opportunities Fund Ltd ("ACOF") as at 28 February 2025:

Full Name:	Altvest Credit Opportunities Fund
Registration Number:	2022/737301/06
Place of Incorporation:	Johannesburg, South Africa
Nature of Business & Principal Activities:	Provider of SME loans
Financial Year End:	28 February
Fund Manager:	Altvest Capital Ltd
Directors	Executive Directors: WG Wheatley; AS Karan; TL Wheatley
	Independent Non-Executive Directors: GM Sephuma (Chairperson); SKI Masakale; E Harcourt-Wood; KS Sithole
Tax Number:	9618362199
NCR Number:	NCRCP18241
FSP Number:	All advice and intermediary services are rendered by Altvest Wealth (Pty) Ltd, an authorised financial services provider with FSP number 45810 or Altvest Capital in its capacity as a juristic representative of CAEP Asset Managers (Pty) Ltd with FSP number 33933.
Internally Compiled By:	JL Phillips CA(SA)
Auditors:	BDO South Africa Inc, Registered Auditors
CTSE Debt Issuer Agent:	Questco Corporate Advisory
JSE Share Code:	ALVC
CTSE Bond Codes:	4ACD01 and 4ACD02
Office & Postal Address:	Block B, 66 Rivonia Road, Chislehurston, Sandton

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letter from the chairperson: norma sephuma

letter from

the chairperson

Dear Investors and Stakeholders,

A Story of Purpose, Growth, and Impact

Reflecting on the past year, it is remarkable to witness how the Altvest Credit Opportunities Fund (ACOF) has evolved – from an ambitious idea to a powerful force driving economic transformation in South Africa's SME sector. At the heart of this journey is a mission that extends beyond providing capital. It is a story of empowering entrepreneurs, building resilient businesses, and unlocking opportunities where traditional funding channels have often fallen short.

As a specialist private credit fund, ACOF has established itself as a trusted partner for SMEs across diverse industries. Our approach is built on the conviction that access to capital should not be a privilege limited to a few, but a catalyst for change available to many. Through tailored funding solutions, we have enabled businesses to scale, innovate, and create lasting value. These enterprises, ranging from high-growth technology ventures to community rooted agricultural initiatives, are not just thriving – they are driving economic inclusion and job creation where it matters most.

Championing SME Growth with Purpose

ACOF's impact is best seen in the stories of the entrepreneurs we have supported. Whether it is a family-owned business transitioning from a small operation to a commercially viable enterprise, or a woman-led venture expanding into new markets, our funding has provided more than just financial support – it has also provided the confidence to dream bigger. Our commitment to women-owned and high-impact businesses has been a cornerstone of our lending strategy, ensuring that underrepresented entrepreneurs have the opportunity to scale and succeed. One such story is Azowel Projects—a woman-owned hydroponic farming venture in KwaZulu-Natal that has grown into a key player in sustainable agriculture. With ACOF's support, the business has expanded its production, created jobs, and empowered its surrounding community, proving that inclusive capital can unlock both economic growth and social progress.

These stories are a testament to the power of purpose-driven capital. They remind us that when we fund SMEs, we are not merely financing transactions – we are investing in the hopes, aspirations, and futures of those who are shaping the economy. Each loan is a step toward breaking barriers, building generational wealth, and fostering inclusive growth.

Positioning ACOF as a Catalyst for Long-Term Success

Our strength as a capital provider lies in our ability to balance financial discipline with a deep understanding of the SME ecosystem. ACOF does not simply deploy capital, we cultivate relationships. We walk alongside entrepreneurs, offering not just funding but also strategic guidance that positions them for sustainable success.

In a market where traditional lenders often hesitate to engage with SMEs due to perceived risk, ACOF has demonstrated that well-structured private credit can be both transformative and profitable. Our model prioritises responsible lending, ensuring that the businesses we fund are not only able to meet their obligations but also well-positioned for growth and long-term success. This disciplined approach, combined with our focus on impact, has allowed ACOF to emerge as a trusted and credible platform for SME funding.

Welcoming Khaya Sithole to the ACOF Board

I am delighted to welcome Mr. Khaya Sithole to the ACOF Board as an Independent Non-Executive Director. Khaya's wealth of experience in finance, corporate governance, and economic policy will add immense value to our governance framework as we navigate the next phase of ACOF's growth. His appointment reflects our continued commitment to maintaining the highest standards of oversight and accountability while fostering a culture of innovation and excellence.

Looking to the Future with Confidence and Purpose

As we look ahead, the future for ACOF is filled with opportunity. Our focus remains on expanding our reach, strengthening our relationships with entrepreneurs, and exploring innovative funding solutions that align with the growth trajectories of the businesses we serve. We are not just scaling a fund, – we are building an ecosystem where SMEs can thrive, creating a ripple effect of prosperity that extends beyond individual enterprises.

The coming year is not just about numbers or balance sheets. It is about deepening our impact, amplifying our reach, and staying true to the mission that brought ACOF to life. Our work is far from done, but with each milestone, we reaffirm our belief that access to capital can transform lives and communities.

In Closing

I would like to extend my heartfelt thanks to our investors, partners, and the dedicated ACOF team for their unwavering support. Your trust fuels our ambition, and your belief in our vision inspires us to continue driving meaningful change.

As we embark on the next phase of ACOF's journey, we do so with confidence, purpose, and an unyielding commitment to building a future where inclusive economic growth is not just a possibility, but a reality.

Norma Sephuma

Chairwoman

29 May 2025

letter from the ceo:

warren wheatley

letter from the ceo

A Year of Execution and Growth

2025 is the year where Altvest Credit Opportunities Fund (ACOF) moves from piloting to scaling impact-driven lending. Our goal is to deliver strong financial performance while deepening access to credit for underserved SMEs—especially women-owned businesses across South Africa.

This is the year when our business model moves from scaling to delivering tangible financial results. Every initiative we have launched—from structured SME funding to venture capital exposure and alternative asset investments—has been meticulously designed to create long-term value, not just for our investors but for the South African economy as a whole.

As we expand our reach, broadening our stakeholder base is a key priority. Altvest Capital Ltd (Altvest or Altvest Capital), ACOF's fund manager, was built on the principle that access to growth capital should not be limited to a privileged few. We are ensuring that entrepreneurs have access to funding, that businesses create jobs, and that all South Africans have opportunities for wealth creation, whether as investors or as business owners benefiting from our platform.

However, we do not operate in isolation. The listed environment presents challenges, particularly for smaller, innovative companies like ours. Low liquidity, a risk-averse investor base, limited analyst coverage of small-cap stocks, and harsh economic conditions have created a market where unlocking value requires persistence, education, and a long-term approach. Our ability to innovate despite these constraints speaks to the resilience of our model and the need for alternative investment solutions in an evolving financial landscape.

Despite these challenges, our commitment remains firm: we will continue making funding available to South African entrepreneurs, ensuring that those who build the businesses of tomorrow have the capital they need today.

This report reflects our progress, our lessons, and our outlook for the year ahead. We invite our stakeholders—investors, partners, and entrepreneurs—to share in the next phase of ACOF's journey as we transform South Africa's investment and business landscape.

A Year of Responsible Lending and Measurable Impact

2025 marked a breakthrough year for the Altvest Credit Opportunities Fund (ACOF), as we transitioned from early-stage lending operations to a sustainable, growth-focused credit platform. As a specialist non-bank lender, ACOF was designed to address one of South Africa's most pressing challenges: the limited access to affordable and structured debt for growth-stage SMEs—especially those led by women and historically underserved entrepreneurs.

This year, we funded over 30 SMEs, extended over R240 million in structured credit, and maintained a healthy portfolio with strong repayment behaviour. More importantly, our lending activity directly supported job creation, business expansion, and wealth-building at the grassroots level.

Looking ahead, we are focused on scaling with discipline—expanding our reach, strengthening our risk framework, and building a pipeline of high-impact credit opportunities. Our goal is to demonstrate that SME credit can be both profitable and profoundly transformative.

Who We Are

ACOF is a specialist private credit fund wholly owned and managed by Altvest. ACOF provides structured debt to small and medium-sized South African enterprises that are typically overlooked by traditional banks. Our model is built on:

- Rigorous credit underwriting;
- Strong impact orientation (supporting women-owned businesses);
- Deliberate focus on job creation or preservation;
- A mission to close the funding gap in South Africa's entrepreneurial ecosystem.

ACOF is overseen by a dedicated Investment Committee and governed by a Board chaired by Ms. Norma Sephuma, a highly respected figure in finance and public policy.

ACOF's Lending Strategy & Impact

We provide tailored credit products designed to meet SMEs where they are in their growth journey. Our focus is not just on capital disbursement—but on smart, sustainable funding that protects the borrower and investor alike.

Loan Characteristics:

- Ticket size: R250,000 – R25 million;
- Duration: 6 to 72 months;
- Security: Secured and asset-backed structures depending on risk tier;
- Target Market: Women-owned, job-creating, or high-impact SMEs with positive cash flow.

FY2025 Highlights:

- Total Loans Issued: 30
- Jobs Sustained or Created: 1,355
- Percentage of Women-Owned SMEs: 34%
- Average loan duration: 34 months

Risk Management & Governance

ACOF maintains a disciplined approach to credit risk through our four-tier underwriting model, which assesses:

- Financial viability;
- Industry outlook;
- Social impact;
- Business resilience.

We operate a live monitoring system for repayments and proactively engage at the first sign of stress. Our arrears ratio has remained below 1%, a reflection of both borrower quality and fund oversight.

The fund is independently audited, and our governance is strengthened by a dedicated Audit & Risk Committee and quarterly performance reporting to the Altvest board.

Looking Ahead: 2025/2026 Priorities

As we scale in 2025/2026, our strategic priorities include:

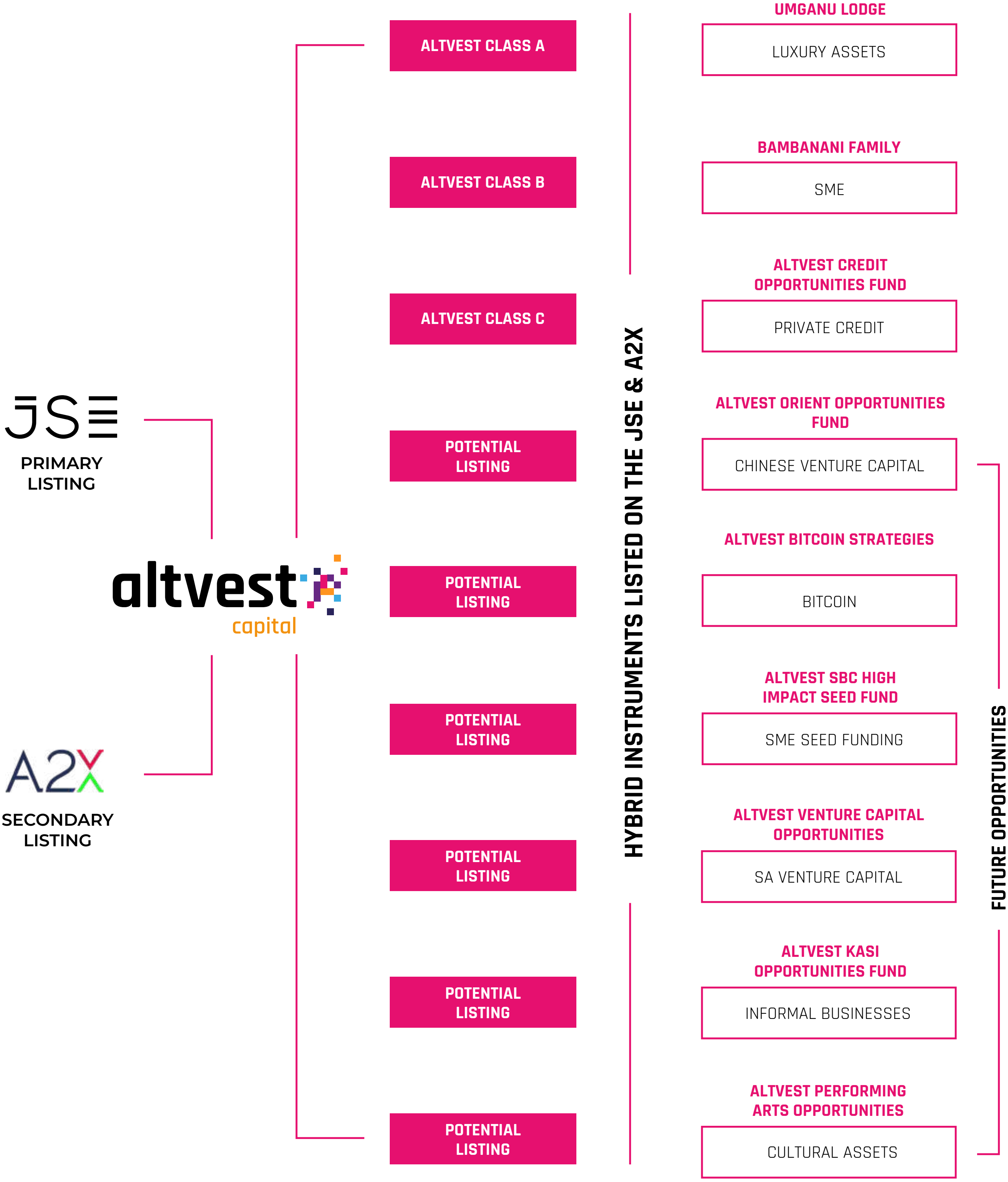
- Capital Raising: Attracting institutional capital and potential Development Finance Institution (DFI) co-funding;
- Geographic Expansion: Lending into peri-urban and township economies;
- Product Development: Introducing blended finance and revenue-based credit products;
- Technology Integration: Enhancing borrower onboarding and data analytics.

Our ambition is to grow the loan book to at least R800 million by the end of February 2026, maintain risk discipline, and deliver attractive returns to investors—while leaving a lasting impact on the real economy.

Re-introduction to Altvest Capital (Fund Manager of ACOF) and looking ahead

Altvest Capital is a pioneering emerging, black-owned, managed, and staffed asset manager and investment platform, dedicated to expanding access to alternative investments for retail and institutional investors. Since our inception on 5 May 2022, we have been at the forefront of providing structured funding solutions to entrepreneurs while offering innovative investment opportunities in high-growth SMEs, venture capital, and alternative assets. Listed on the Johannesburg Stock Exchange (JSE), Altvest Capital is committed to driving economic growth and financial inclusion in South Africa and beyond.

All investment opportunities are structured as hybrid investment instruments—securitized financial products that provide ring-fenced exposure to either single private assets or a diversified portfolio of alternative investments.

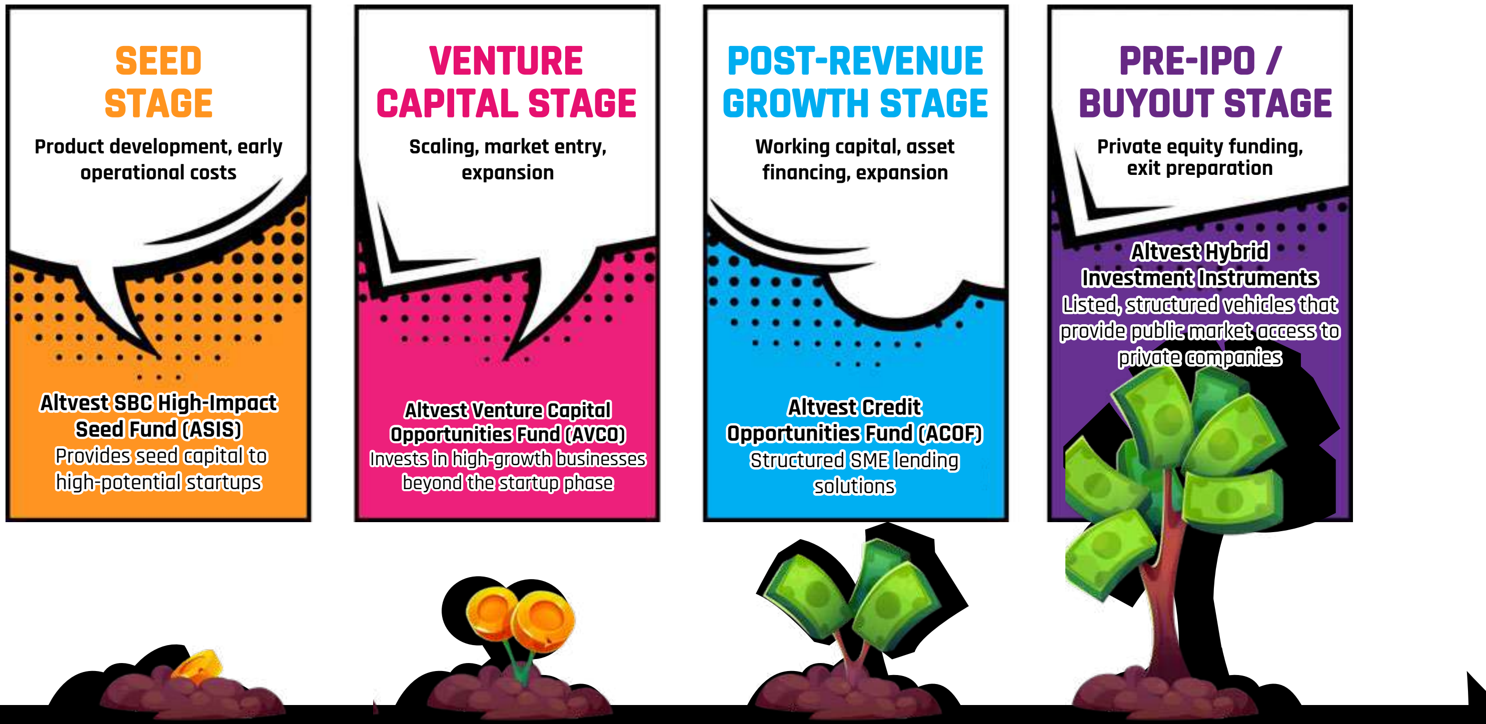


Entrepreneurial Funding Lifecycle & Altvest's Role

Altvest Capital aims to provide tailored funding solutions at every stage of an entrepreneur's journey, ensuring businesses receive the right support at the right time:

1. **Seed Stage:** Altvest SBC High-Impact Seed Fund (ASIS) provides early-stage capital for product development and operational costs;
2. **Venture Capital Stage:** Altvest Venture Capital Fund (AVCO) supports scaling and market expansion for high growth businesses;
3. **Post-Revenue Growth Stage:** Altvest Credit Opportunities Fund (ACOF) offers structured debt solutions for working capital and expansion;
4. **Pre-IPO / Buyout Stage:** Altvest Hybrid Investment Instruments provide private equity funding and exit preparation for mature businesses.

Altvest will provide capital solutions across each stage of an entrepreneur's journey, ensuring that businesses receive the appropriate funding at each level of maturity:

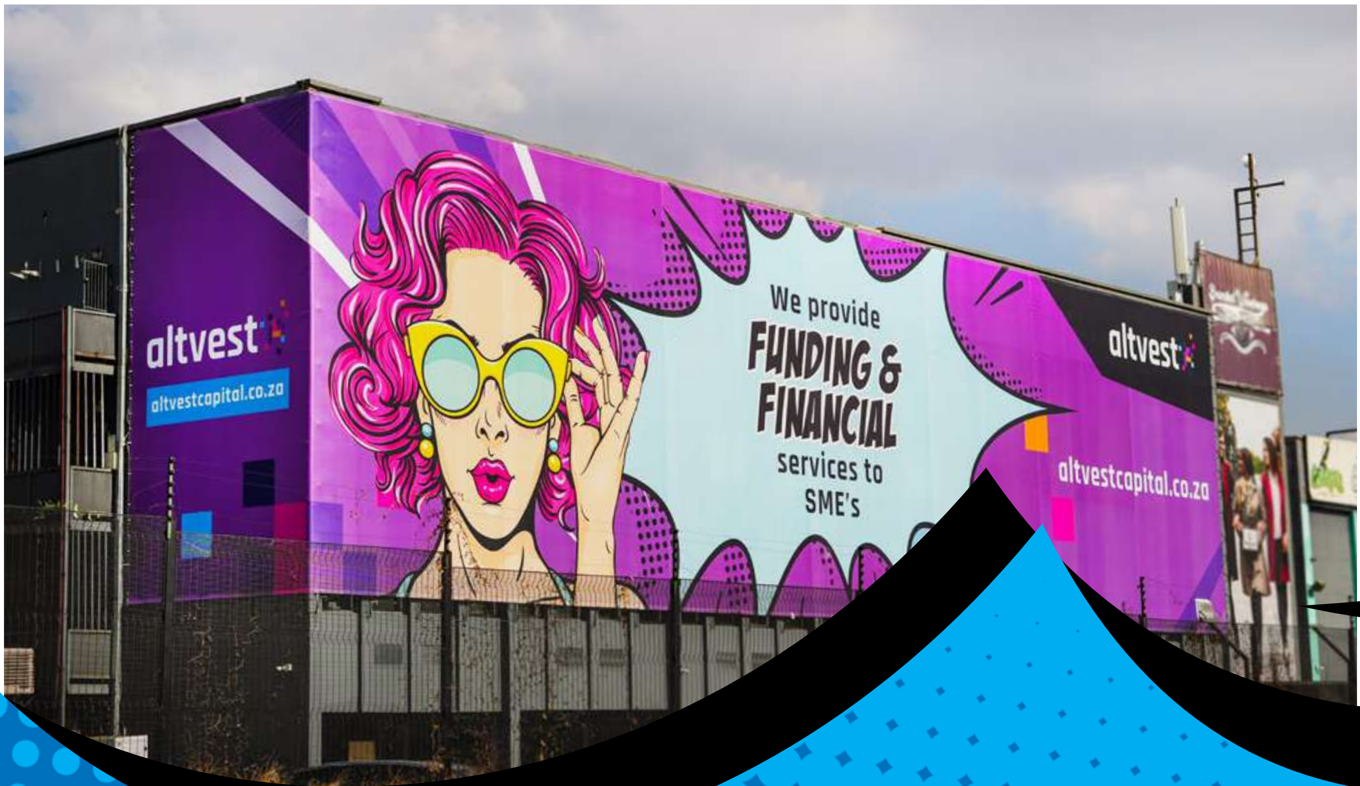


Through this structured funding approach, Altvest ensures that entrepreneurs receive the right type of financial support at the right time, allowing businesses to scale sustainably while preserving equity value.

Media & Market Recognition

In the past year, ACOF has received significant media attention for its pioneering investment strategies and corporate initiatives. Strategic media engagement strengthened our brand, investor relations, and market positioning through press, financial news, social media, and thought leadership platforms.

From August 5, 2024, to October 23, 2024, Altvest executed a targeted media campaign to announce our transition to listing on the Johannesburg Stock Exchange (JSE) and launch of its successful capital raise pursuant thereto. The campaign sought to increase public awareness, engage with the audience, and attract investor interest. ACOF was prominently featured in the campaign.



Additionally ACOF proudly participated in the JSE's Capital Matching event across the country. The Altvest Capital team representing ACOF attended the JSE SME Rise matchmaking events in Bloemfontein, East London and Cape Town. This was an exciting opportunity for capital providers to meet with a pool of best funding ready SME's.

Furthermore, ACOF's Executive Director Tatum Wheatley, attended the Women Investment Network ("WIN") event and joined the panel on Advancing Gender Equity Through Gender-Lens Investing. ACOF remains committed to empowering women in business.

To conclude our Social Media Platforms performed as follows:

Facebook	-6.1% ↓ VIEWS	+80% ↑ IMPRESSIONS	+2.6% ↑ FOLLOWERS
Instagram	1.7% ↓ VIEWS	53.2% ↑ IMPRESSIONS	+1.5% ↑ FOLLOWERS
X	+41% ↑ VIEWS	+42% ↑ IMPRESSIONS	+2% ↑ FOLLOWERS
LinkedIn	+50.6% ↑ VIEWS	-16% ↓ IMPRESSIONS	+189% ↑ FOLLOWERS

Board and Leadership Updates

Effective March 1, 2025, ACOF underwent key board and executive changes which included the appointment of Altvest Capital's independent non-executive director, Khaya Sithole to the ACOF board. Khaya will serve on the ACOF Board as an independent non-executive director.

Additionally, effective March 1, 2025, Altvest Capital appointed Jonathan Phillips as its Chief Financial Officer and he was also appointed as ACOF's Chief Financial Officer on the same date.

Track Record & Achievements since inception

Capital Raised
R365 million raised from investors

Economic impact and job creation
30 SMEs funded through ACOF, supporting 884 jobs and creating 471 new jobs

Regulated & Compliant Investment Platform
JSE listed and FAIS-regulated investment provider. Hybrid investment structures provide ring fenced exposure to private market opportunities

Industry Recognition
Voted Best ESG investment initiative of the Year, Africa 2023 – Environmental Finance. Voted most Innovative Alternative Investment Platform – International Finance.

The Role of Altvest Wealth

Altvest Wealth, a subsidiary of Altvest Capital, provides financial advisory services and sells products to both the SMEs we service and the entrepreneurs running them.

CORE SERVICES

Retirement Planning - Tax-efficient savings solutions, including annuities and endowments.

Insurance & Risk Management - Life cover, disability insurance, and business continuity planning.

SME Advisory Services - Financial structuring and capital planning for entrepreneurs.

STRATEGIC FUNCTION

Supports Altvest portfolio companies through **financial literacy programmes and investment guidance.**

Ensures sustainable financial planning for retail investors and SME owners.

Altvest Wealth has partnered with South Africa's most reputable insurance providers and supports our clients in making the best decision taking into consideration coverage and cost:

Conclusion: Driving Sustainable Growth in an Evolving Market

As we reflect on 2024 and 2025, ACOF has proven that SME credit can be both impactful and sustainable. With our innovative funding model, disciplined risk management, and deep commitment to inclusion, we've begun to reshape the landscape for growth-stage entrepreneurs.

In 2025, we aim to grow our loan book responsibly, deepen our reach into underserved markets, and deliver compelling returns to our investors.

Breaking even and moving into profitability is within reach. Our disciplined approach to capital allocation, portfolio construction, and investor engagement is positioning us for sustainable financial success.

While the macro-economic environment remains challenging, and listed markets continue to undervalue small-cap innovation, we remain steadfast in our belief that alternative investments and structured capital solutions are the future of financial markets. We recognize the liquidity constraints and risk aversion in the market, and we are actively working to overcome these by increasing market education, expanding our investor base, and ensuring our investment instruments deliver real value.

Our focus remains clear and unwavering:

- Providing funding to South African entrepreneurs to drive business growth;
- Creating and preserving jobs to build a stronger economy;
- Broadening investor access to wealth-creating opportunities, and;
- Delivering superior financial returns while maintaining a commitment to long-term impact.

In a rapidly changing world, ACOF is not just adapting as fund manager, we are daring to Disrupt. With an unshakable commitment to execution, we look ahead with confidence, knowing that we are building a financial ecosystem that will create wealth and opportunity for all South Africans.

We thank our stakeholders for their trust as we continue to drive South Africa's inclusive economic future—one loan at a time.

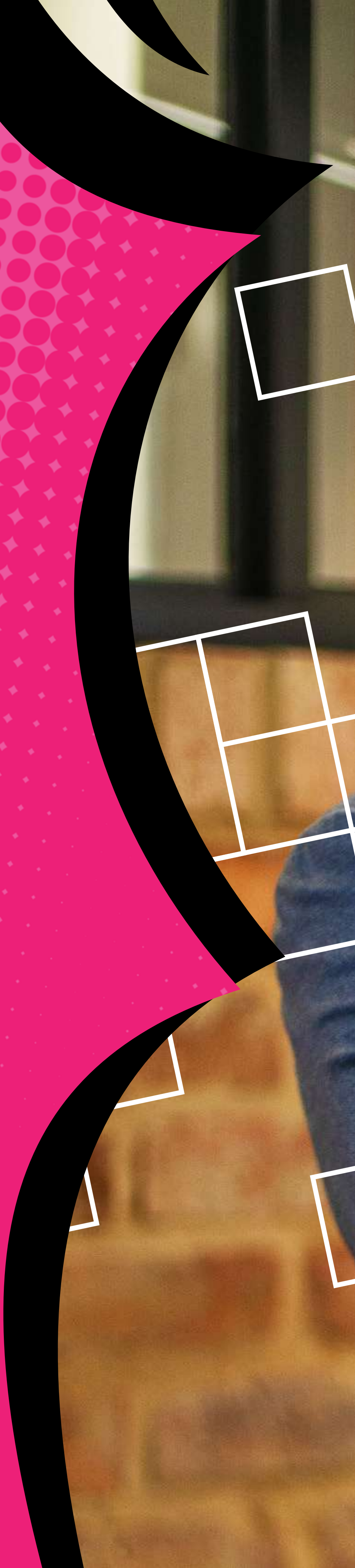
Yours Faithfully,

Warren Wheatley

CEO

29 May 2025

letter from the cio: akshay karan



letter from the cio

Dear Stakeholders,

It is my privilege to present this report at the close of what has been ACOF's most significant year to date – a year in which our business evolved from pilot to sustainable performance, and our platform demonstrated that it can absorb and deploy at scale.

ACOF is more than a fund. It is a vehicle of inclusive growth, designed to channel institutional-grade capital into the hands of entrepreneurs who build the real economy. Over the past twelve months, we demonstrated not just the commercial viability of that model, but its systemic importance. In a context of political instability, anaemic economic growth, risk-averse banks, and heightened SME vulnerability, ACOF stood as a countercyclical force—delivering structured loans, strategic support, and socioeconomic resilience at scale.

Our Purpose: Financing the Builders of the Real Economy

At the heart of ACOF's philosophy lies a conviction: that South Africa's SMEs—especially those led by women and historically marginalised entrepreneurs—are not just investable, but essential. Yet these businesses remain locked out of the credit economy.

Traditional lenders price for perfection. We lend to unlock potential.

In FY2025, we provided over R240 million in structured credit to more than 30 SMEs, targeting ventures with robust business models, strong cash flows, and high impact potential. From hydroponic farming to beauty clinics, logistics to fine dining, our portfolio reflects the breadth and vibrancy of South Africa's entrepreneurial spirit. Importantly, 34% of our funded enterprises were women-owned, and our portfolio sustained or created 1,232 jobs in the last 12 months. This is not theory—it's transformation. And it's just the beginning.

From Pilot to Scale: FY2025 Performance Highlights

- We raised over R300 million from a diversified mix of investors, including retail capital via the JSE AltX (R11 million+), institutional mandates from four pension funds (R250 million) and impact capital through an up to R75 million development finance loan.
- We deployed over 30 loans issued across all 9 provinces, into a cross-section of industries including agriculture, manufacturing, food services, personal wellness, and media production.
- We maintained sound risk management principles, including robust liquidity coverage ratios, arrears below 1%, no capital write-offs and sound concentration limits.
- Loan profitability remained above forecasted targets, resulting in promising risk-adjusted returns.
- Overall losses before tax remain elevated, but in line with forecasts at this stage of ACOF's life. These losses are not driven by core operational fundamentals, which are well above forecast, but rather growth-stage administrative expenses and prudent provisioning.

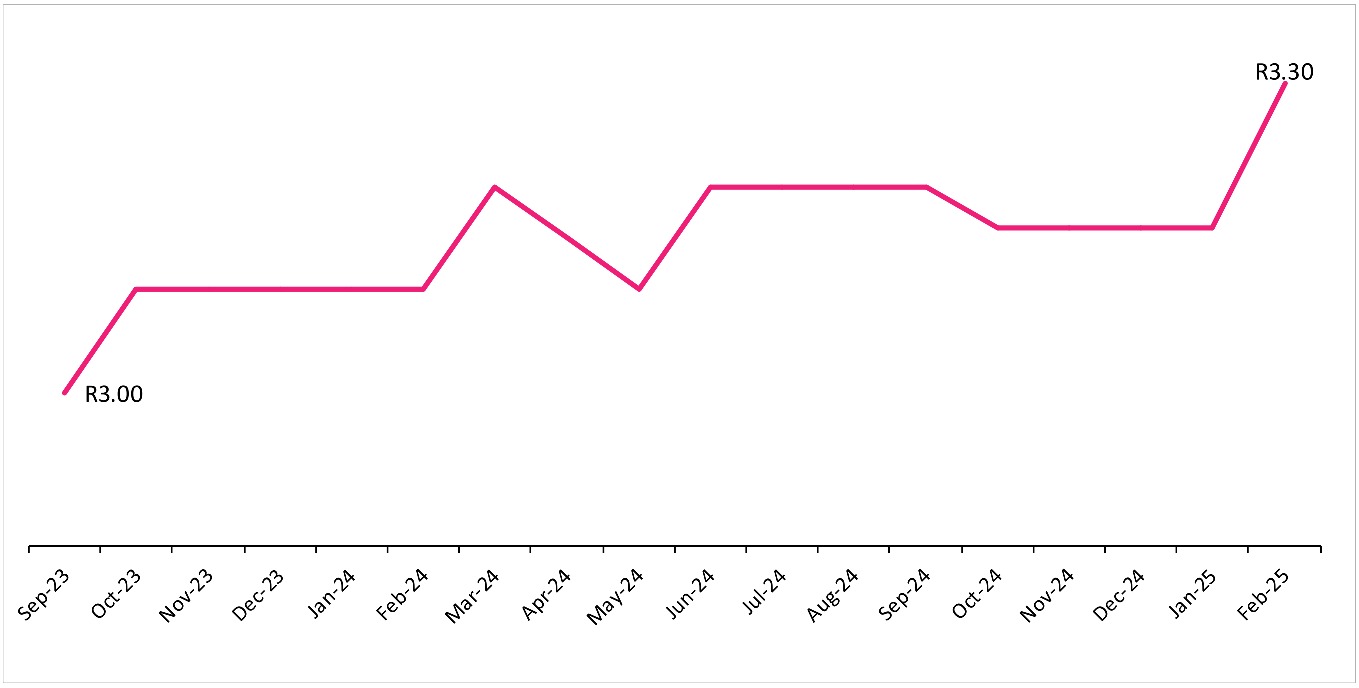
A reminder of what we do:

ACOF is a private credit fund providing secured loans to small and medium-sized enterprises (SMEs). The fund aims to consistently offer affordable and tailored solutions to SMEs, demonstrating a proven business model, scope for further growth and/or an entrepreneurial venture. ACOF ensures that the funds deployed not only fuel business expansion but also drive meaningful employment and economic impact in South Africa.

ACOF offers investors a unique opportunity to participate in high-yield, structured private credit financing. As an alternative asset class, private credit has traditionally been reserved for high-net-worth individuals, institutional investors, and asset managers. ACOF offers the only opportunity in South Africa and one of the first in the world to gain exposure to this lucrative asset class in affordable increments, making it accessible to all investors for the first time.

Financial Update on ACOF:

On 11 August 2023 Altvest announced to shareholders that it would list on the Cape Town Stock Exchange (CTSE) up to 48,333,333 Class C Preferred Ordinary Shares in Altvest (Class C Shares), granting subscribers thereto, direct economic exposure to the Altvest Credit Opportunities Fund. A fully subscribed issue of the Class C shares would represent subscribers having an indirect interest of approximately 66% of ACOF's issued share capital, with Altvest retaining 34%. In October 2024, the Class C Shares were delisted from the CTSE and listed on the JSE (AltX). The Class C share price performance since its initial listing on the CTSE and now on the JSE is depicted below:



ACOF's annual financial statements for the 12-month period ended 28 February 2025 have been prepared in accordance with the International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

ACOF commenced full operations in December 2023, after receiving its first institutional capital mandate in November 2023. Accordingly, the 2024 financial period presents financial information of ACOF in respect of 3 months of full operations. As such, the 2024 figures may provide limited comparative information, in the opinion of management.

Extracts from the Statement of Financial Position for the 12-month period as at 28 February 2025:

	28 February 2025	29 February 2024
Non-Current Assets	R186,239,106	R18,902,237
Current Assets	R79,685,755	R82,896,198
Total Assets	**R265,924,861**	**R101,798,435**
Total Equity	**R38,772,353**	**R16,400,973**
Non-Current Liabilities	R226,075,965	R82,742,465
Current Liabilities	R1,076,543	R2,654,997
Total Liabilities	**R227,152,508**	**R85,397,462**

Comments on line items:

Assets	**Non-Current Assets** Loans and advances to customers make up 87% of all non-current assets. As a lender to SMEs, offering loan terms of up to 72 months, loans and advances to customers are expected to be the primary component driving non-current assets.
	Current Assets Loans and advances to customers account for 50% of current assets, representing the portion of outstanding loan balances expected to be repaid within the next 12 months. Cash and cash equivalents make up 45% of current assets, as the business maintains a strong liquidity position to fund future loan disbursements.
Liabilities	**Non-Current Liabilities** Interest bearing borrowings makes up 100% of non-current liabilities. The fund raises 80% of its funding through debt to on-lend to SMEs. The fund has a CTSE registered DMTN programme. The above borrowings were in respect of notes issued to four South African retirement funds, and bear interest at prime rate plus 2% for a 7-year period, with interest and coupons payments being re-invested based on the once off election by investors on date of the initial debt issue.
	Current Liabilities 100% of current liabilities accounts for trade and other payables.

Extracts From the Statement of Profit or Loss and Other Comprehensive Income:

	28 February 2025	29 February 2024
Interest Revenue	R35,665,296	R2,521,517
Fee and Commission Income	R77,000	-
Profit Before Interest Expense	**R35,742,296**	**R2,521,517**
Interest Expense	(R24,199,246)	(R2,742,475)
Profit/(Loss) before impairment & operating expenses	R11,543,050	(R220,958)
Impairment of loans & advances to customers	(R7,081,914)	(R748,485)
Other operating expenses	(R21,316,010)	(R5,937,852)
Loss before tax	**(R16,854,874)**	**(R6,907,295)**
Taxation	R4,212,397	R1,682,580
Loss after taxation	**(R12,642,477)**	**(R5,224,715)**

Comments on line items:

Interest Expense	Interest expense is the fund's largest expense due to the nature of the business. However, the fund's interest bearing borrowings are in respect of notes issued to four South African retirement funds, and bear interest at prime rate plus 2% for a 7 year period until maturity, with interest and coupon payments being reinvested based on the election by investors on date of debt issue.
Impairment	At the reporting date, the loan and advances to customers have not experienced a significant increase in credit risk as none of the loans and advances are in arrears. The loss allowance has accordingly been measured at an amount equal to 12 month expected losses for loan and advances portfolio. In determining the amount of expected credit losses, the Company has taken into account the financial positions of the counter parties as well as the future prospects in the industries in which the counterparties operate or are employed. This information has been obtained from the counterparties themselves, as well as from economic reports, financial analyst reports and various external sources of actual and forecast data and is applied to estimate a probability of default occurring as well as estimating the loss upon possible default.
Operating Expenses	Operating expenses for the year under review reflect the growth and maturity of the ACOF's operations. Notably, the asset management fee increased significantly to R4.87 million (2024: R666,668), in line with the rise in assets under management. This fee, structured as a percentage of assets under management, is payable to Altvest Capital, the appointed Fund Manager. The increase is reflective of ACOF's successful deployment of capital and portfolio expansion over the financial period. Other key contributors to operating expenditure included administration and consulting fees, audit-related costs, and guarantee fees associated with credit enhancements.

Net Asset Value (NAV) per share -attributable portion

2025	**R3.03**
2024	**R2.31**

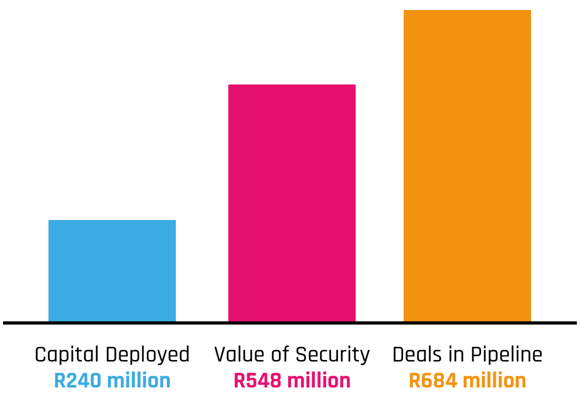
General Updates at ACOF:

ACOF disbursed its first loan in December 2023 and has since demonstrated strong capital deployment, risk management, and economic impact. Within its first year, ACOF fully deployed its first mandate and has just completed the deployment of its second mandate, reinforcing its ability to efficiently channel capital into high-potential SMEs.

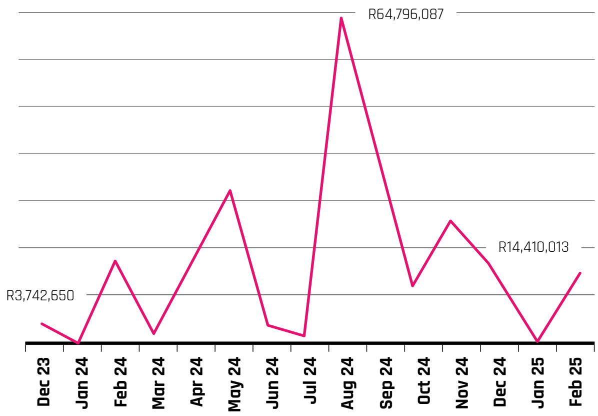
ACOF's approach goes beyond just providing capital. Through a multifaceted deployment strategy, the fund not only finances SMEs but also offers strategic guidance and structured support, ensuring that businesses funded through ACOF are well-positioned for long-term growth and sustainability.

Our strategic approach has enabled us to build a robust loan book, achieved through a combination of well-structured deal sizes and the caliber of our clients, both new and returning. Since its inception, the fund has accomplished the following:

R240 million
Deployed since inception



Month-by-month deployment

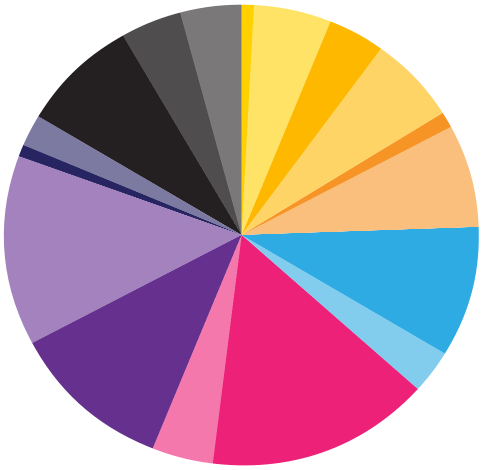


884 Jobs have been supported

471 Jobs have been created

R271,149 Cost of supporting 1 job

R420,518 Cost of creating 1 job

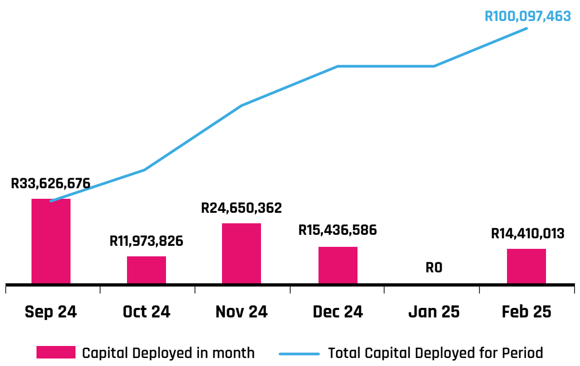


- **1%** Wellness
- **5%** Wholesale & Retail Trade
- **4%** Casual Dining
- **6%** Renewable Energy
- **1%** Student Accomodation
- **7%** Mobility Service
- **9%** Financial & Insurance Activities
- **3%** Logistics
- **15%** Fine Dining
- **4%** Film Distribution
- **11%** Mining
- **13%** Hospitality
- **1%** Film Production
- **2%** Fitness
- **8%** Agriculture & Fishing
- **4%** Recreational Activities
- **4%** Telecommunications

SMEs Funded	Average Term	Average Loan Size	Largest Loan	Smallest Loan
30	**36 months**	**R5,574,310**	**R25,000,000**	**R242,650**

For the 6 months ended 28 February 2025 (September 2024 – February 2025), the fund achieved the following

R100 million in funding to 15 SMEs
Average of R16,6 million deployed a month



225 Jobs have been supported

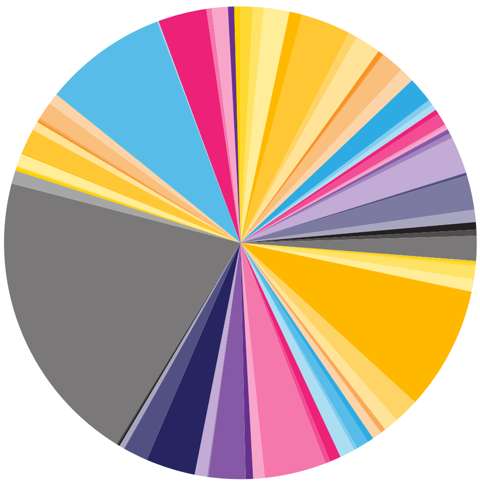
282 Jobs have been created

R444,878 Cost of supporting 1 job

R354,956 Cost of creating 1 job

We have developed a strong pipeline of high-quality deals, but the demand for our funding far exceeds our available capital, highlighting the immense need for flexible and accessible SME financing:

R684 million in pipeline of deals to over 100 SMEs
Includes a R120 million infrastructure project we've submitted a proposal for



Our pipeline of opportunities is forecasted to create or support an additional **1000** jobs

We estimate approximately 30 of these companies are rated **BEE level 1**
Subject to further due diligence

credit with character:

our impact stories

Behind every loan is the story of a great South African entrepreneur. Each of our clients represents the very best of us – resilience in the face of structural economic challenges, optimism in the face of setbacks and ambition to make our country better. Below is a summary of just a few of our incredible impact stories:

Dippa Distributors

For four generations, the Arendse family has worked the seas, fishing on other people's boats, honing a craft passed down through decades. Yet, despite their deep expertise, they never had the means to own a vessel and build a business of their own, until now. With ACOF's loan, Dippa Distributors has transitioned from a small-scale operation reliant on others to an independent, growth-focused commercially viable fishing operation. This loan is a definitive example of why ACOF was created—to provide capital to skilled entrepreneurs who have the experience but lack the resources to scale. By enabling the purchase of a vessel and essential equipment, the funding has unlocked economic potential that was previously out of reach, creating jobs, driving local economic growth, and positioning Dippa for long-term success. This investment is more than just capital—it is a generational turning point for the Arendse family, proving that the right funding at the right time can change the trajectory of a family, a business, and an entire community.

Azowel Projects

Azowel Projects, founded in KwaZulu-Natal, has grown from a small-scale vegetable farm into a key player in South Africa's agricultural sector. Specializing in hydroponic farming, the company supplies fresh produce to retailers and local communities, ensuring a reliable food supply while creating employment opportunities. With support from ACOF, the company has improved efficiency, increased production capacity, and strengthened its distribution network, enhancing market access for small-scale farmers. This growth has led to job creation, particularly for women and young people, further contributing to economic empowerment. Azowel Projects' commitment to sustainable farming and its ability to overcome adversity highlight its role in securing South Africa's food future. Its expansion reflects the power of strategic investment in driving long-term impact, benefiting both the agricultural sector and the communities it serves.

Mila Restaurant

With the support of ACOF, Mila, an authentic Greek fine dining restaurant, is set to open soon in the LXX Shopping Centre. This investment has not only brought a new culinary experience to South Africa but has also had a significant economic impact, and will create 100 new jobs upon opening and will strengthen the hospitality sector. To ensure the success of Mila, the management team flew their staff to Greece for specialised training with Michelin-starred chefs, imparting world-class skills and expertise to the South African culinary workforce. ACOF's funding played a pivotal role in this expansion, bridging the financial gap and positioning Mila as a leader in the industry. This transaction exemplifies ACOF's mission—empowering small and medium-sized enterprises, fostering job creation, and driving long-term growth.

Revive Skin & Body Clinic

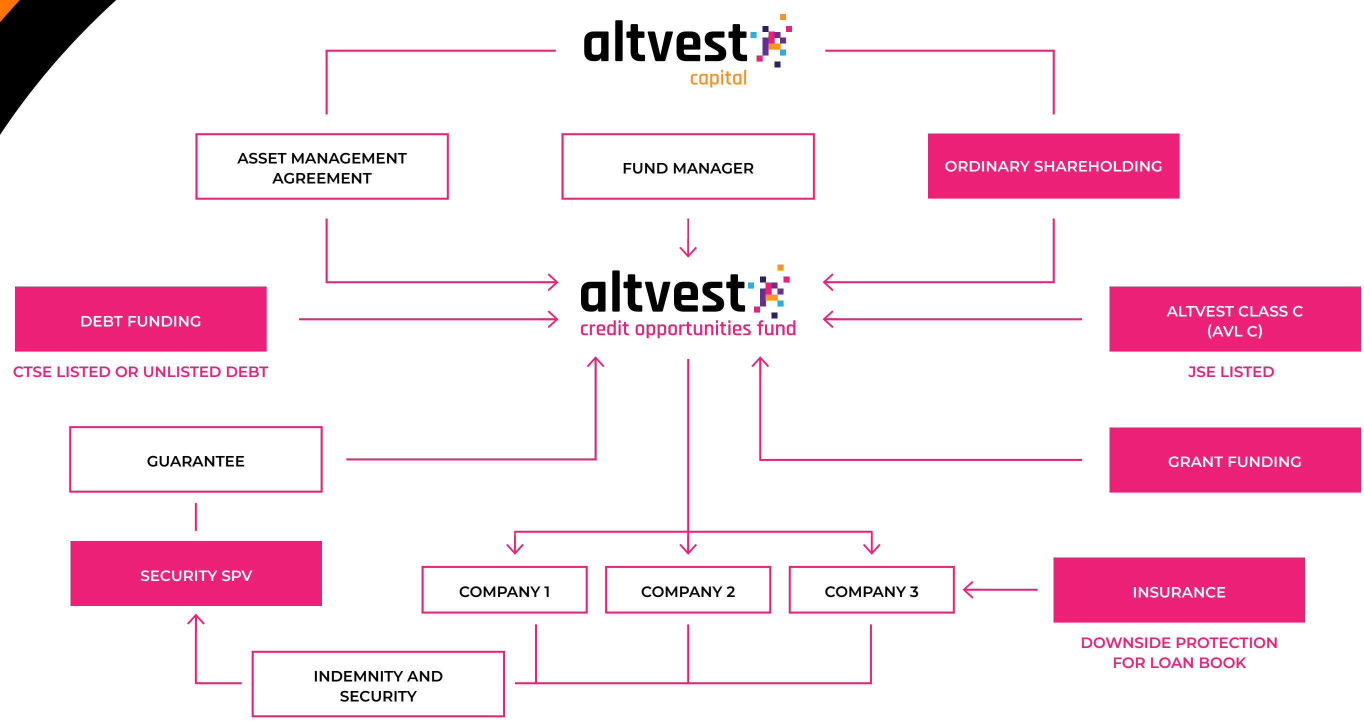
Founded in 2018 by Jaaminique Mooi, Revive Skin & Body Clinic has grown into a premier skincare and aesthetic clinic, offering advanced medical treatments and luxury beauty services. With a commitment to high-quality, results-driven care, the clinic has built a loyal client base and a strong industry reputation. With the support of ACOF, Revive is taking a major step forward by expanding into Midrand, increasing access to professional skincare treatments while creating new jobs in the beauty and wellness sector. ACOF's funding has enabled the business to overcome the high setup costs and competitive industry challenges that often hinder growth, allowing Revive to scale efficiently and strengthen its market position. This expansion not only strengthens Revive's mission but also highlights ACOF's impact in driving SME growth and economic development.

Each of these stories reflects our central ethos: that capital is most powerful when it's personal and that there is an abundance of exceptional small businesses in South Africa ready for investment.

Fundraising and Capital Activity Updates:

As at 28 February 2025, ACOF had the following fund structure:

Fund Structure	
Structure	Open - ended
Fund Manager	Altvest Capital Ltd
Subscription Method	Equity/DMTN Programme
Instrument - Direct	Ord & Pref Shares & Debt Notes
Redemption Notice	None



Basic Terms	Ordinary Shareholding	Altvest Classic (ALV C)	Debt Funding
Target Capital Raise	Up to R70 million	R145 million	R5 Billion
Regulation 28 Category	Private Equity	Listed Equity	Listed & Unlisted Debt
Financial Exchange	n/a	JSE (AltX)	CTSE (Listed Notes)
Legal Instrument	Unlisted Ordinary Share	Hybrid Instrument	DMTN Programme
Daily Priced	Yes, by proxy	Yes	Yes
Distribution Frequency	Per dividend policy	Per dividend policy	Per mandate
Target Return	IRR c 26% - 28%	IRR c 26% - 28%	SA Prime + 2%
Minimum Investment	R10 million	No minimum	R1 million
Fees	2% p.a. (On AUM)	2% p.a. (On AUM)	Transaction fees only

ACOF is one of the alternative investment instruments offered by Altvest and thereby Altvest acts as the fund manager of this particular instrument. Altvest assists ACOF with access to and management of investors and borrowers and, directly and indirectly, offers borrowers access to marketing and branding opportunities.

Altvest manages both debt and equity investment into ACOF. There are 3 investment entries into ACOF, namely the ordinary shareholding (unlisted), Altvest Class C (JSE listed) and DMTN programme (unlisted & listed).

Altvest, as the fund manager, is pleased to announce it has secured a five-year term loan of R75 million from the Small Enterprise Development and Finance Agency (SOC) Limited ("SEDFA"). The funds will be used to expand ACOF's lending activities by on-lending the capital to SMEs. Altvest has raised a mix of both retail and institutional capital bringing ACOF's total assets under management to R365 million which can be broken down as follows:

CTSE Raise (Initial Bookbuild)	R6,668,864
1st Pension Fund Mandate	R100,000,000
2nd Pension Fund Mandate	R150,000,000
JSE Raise	R4,286,131
SEDFA Mandate	R75,000,000
Accrued Interest Reinvested	R29,536,596
Total	**R365,491,591**

Looking ahead: Our key lessons and leverage points

ACOF is no longer an experiment, it is a fully operational private credit fund with over a year of full trading history, and a growing track record of financial performance. The following key lessons have shaped our loan deployment over the past year, and are likely to remain as central themes as we continue to scale:

- **Actively managing loan duration is a key value unlock.** Our current book contains a mix of short-term loans that provide a profitability uplift, and longer-term loans that create portfolio stability. This mix remains essential as we scale the business and will become a key lever to manage the cashflow obligations from our wholesale funding.
- **Bespoke solutions outperform vanilla lending.** The market for vanilla lending is highly competitive, with several players competing on speed of approval for the same core product. We have chosen to compete on fundamentally different metrics – quality of advice and appropriateness of funding structure. We believe that our competitive advantage in this space is enduring, and the strength of our pipeline strongly suggests that there is still significant growth still to capture.
- **Strong governance attracts institutional capital.** Our investment committees and execution teams contain market-leading expertise in structured lending, small business and economic development. This wealth of talent has allowed us to not only demonstrate that we can make sound investment decisions at scale quickly but has also encouraged institutional investors to expand their support of our business. This is a strategic advantage that we intend to continue to leverage and expand on, by attracting and retaining the best, most diverse, talent in our key roles.
- **Tech integration is essential for scale and oversight.** We continue to invest heavily in technology, systems and processes that make our processes more robust and efficient. From utilising cloud-based loan management platforms, to integrating AI into our investment analysis, we remain committed to improving our efficiency as our assets under management increases.

Closing Reflections

I am immensely proud of the work done by our investment team, partners, and the entrepreneurs who trust us. These results are not only a reflection of our fledgling financial performance, but of our deepening belief that inclusive capital allocation can transform economies from the ground up.

Thank you to our investors, board members, advisors, and the broader Altvest Capital community. Your belief in what we are building, alongside your selfless support and technical expertise, is the reason for our progress.

In the upcoming year, we look forward to further proving that investing in SMEs is not only viable – it's vital.

Akshay Karan

CIO

29 May 2025

introduction to altvest wealth

acof's latest supplementary offering

introduction to altvest wealth, acof's latest supplementary offering

Altvest Wealth, formerly known as FAIS IT Solutions with FSP no. 45810, provides advisory and intermediary services, including insurance, long-term savings, business advisory, and other financial products. All advisory and intermediary services provided under the Altvest group are made in the name of Altvest Wealth. Altvest Wealth focuses on personalised financial planning, offering a wide range of solutions such as endowments and other tax-efficient savings products, helping clients achieve long-term growth and financial security.

ACOF utilises Altvest Wealth's services to enhance its credit process by making it seamless for our underlying SMEs to protect their businesses and, in turn, our loans. Many of these SMEs are heavily reliant on one key person to operate the business. Should anything happen to that individual, both the business and our loan exposure may be placed at risk. As a result, Altvest Wealth takes a holistic view—providing solutions that protect business owners, their families, and ACOF's capital—ultimately strengthening the resilience of our credit portfolio and improving outcomes for all stakeholders.

Altvest Wealth offers a comprehensive suite of insurance products designed to safeguard the financial future of the underlying SMEs through a seamless, fully digital platform. ACOF's SMEs are offered the available offerings through Altvest Wealth:

- **Life Cover:** Lump sum payout to beneficiaries to cover funeral costs, debts, and future needs;
- **Disability Cover:** Financial support if permanently disabled due to illness or accident;
- **Critical Illness Cover:** Lump sum payout for serious conditions like cancer or stroke;
- **Dread Disease Cover:** Protection for severe health conditions to cover medical costs;
- **Funeral Insurance:** Covers funeral expenses with fast payouts to support families.

Altvest Wealth collaborates with leading South African insurance providers to offer a diverse range of policies tailored to individual needs. Their digital platform streamlines the entire insurance process—from information collection and quote comparison to application support and policy management—ensuring a user-friendly experience.

Additionally, ACOF employs Altvest Wealth to advise on its insurance needs specifically, professional indemnity cover which has been updated as follows:

Professional Indemnity Cover

ACOF has contracted Altvest Wealth (Pty) Ltd, to facilitate a number of its advisory and intermediary services as regulated by the FAIS Act. A requirement of the FAIS Act is entities that render these services maintain robust professional indemnity insurance to protect directors, employees, and the data of both entities. This coverage, underwritten by reputable insurers Old Mutual Insure Limited and ITOO Special Risks (Pty) Ltd through the cover holder Aon South Africa (Pty) Ltd, provides peace of mind to our organisation and our valued clients.

Our comprehensive policy, in effect from 1 April 2025 through to 31 March 2026, includes a substantial limit of Indemnity, along with key extensions for directors' and officers' liability, employment practices liability, and data protection. The details of this coverage are outlined below:

Intermediaries Professional Indemnity Policy Number: D/OMI/24/1327

FSP Covered:

FSP No	45810
FSP Name	Altvest Wealth (Pty) Ltd
FSP Type	Company - Private
Registration Number	2015/038780/07
Date Authorised	10/03/2015

Limit of Indemnity:

R7 000 000 (excluding VAT)

Retroactive Date :

01 April 2024 - R5 000 000

01 April 2025 - R7 000 000

Extensions Applicable:

Directors and Officers – Limit: R5 000 000 – Underwritten by Old Mutual Insure / Sintelum (Pty) Ltd; Employment Practice Liability – Limit: R500 000 – Underwritten by Old Mutual Insure / Sintelum (Pty) Ltd; Data Protection Extension –Limit: R250 000 – Underwritten by ITOO Special Risks (Pty) Ltd / The Hollard Insurance Company Limited.

Underwritten by:

Sintelum (Pty) Ltd. (Reg. No. 2009/0044225/07)

Insured by:

Old Mutual Insure Limited. (Reg. No. 1970/006619/06)

Cover holder:

Aon South Africa (Pty) Ltd

Registration Number 1978/004501/07

Authorised Financial Services Provider Licence Number 20555

Period of Insurance:

01 April 2025 - 31 March 2026

governance

governance

Introduction

Altvest Credit Opportunities Fund Limited ("ACOF") is a private credit fund with a core mandate to support high-potential South African SMEs through structured credit. ACOF operates as a subsidiary of Altvest Capital Limited (Altvest Capital), and its governance framework is structured to balance its operational independence as a listed fund with the benefits of integrated oversight at a group level.

This report outlines the governance practices of ACOF for the year under review, reflecting its commitment to ethical leadership, transparency, and alignment with the King IV Report on Corporate Governance for South Africa. The governance practices described herein are further aligned with the Companies Act, No. 71 of 2008 (as amended), and the JSE and CTSE Listings Requirements, particularly as they relate to listed entities' obligations around disclosure, oversight, board structure, and stakeholder engagement.

Governance Framework

ACOF is governed by its own Board of Directors, which provides strategic direction, oversight, and accountability for the fund's operations. The ACOF Board operates under a formal Board Charter and is supported by the governance infrastructure of Altvest Capital. In line with its listed status, ACOF complies with applicable regulatory obligations and embraces the principles of effective and ethical leadership.

Although ACOF has a dedicated Board, and its own independent Investment Committee, all other committees—namely the Audit and Risk Committee, Nomination and Remuneration Committee, and the Social and Ethics Committee are constituted at the Altvest Capital level. These committees exercise oversight over both Altvest and ACOF in an integrated manner, ensuring streamlined decision-making, improved transparency, and alignment with group-wide governance principles.

In support of this mandate and in line with the Group's commitment to integrated governance, the Board approved enhancements to its structure. Effective 1 March 2025, Khaya Sithole was appointed to the ACOF Board, where he provides strategic risk oversight and representation across both ACOF and Altvest. Simultaneously, Norma Sephuma was appointed to the Altvest Capital Board, also effective 1 March 2025, to ensure that ACOF's interests are appropriately represented at a Group level.
Ms. Sephuma also joined the Altvest Group Audit and Risk Committee (ARC), reinforcing independent risk oversight and compliance governance.

These appointments support a broader governance alignment initiative across the Group. A unified governance framework, including the establishment of a single Audit Group and Risk Committee and a single Social and Ethics Committee, was implemented to ensure consistent and transparent oversight. Cross-representation from both Boards on these committees strengthens accountability and reduces governance silos, enhancing decision-making and alignment across Altvest and ACOF.

The ACOF Board

The ACOF Board is responsible for the stewardship and governance of the fund. Its mandate includes approving the fund's strategic direction, overseeing risk management practices, ensuring compliance with applicable laws and regulations, and promoting a stakeholder-inclusive approach to business.

The ACOF Board places strong emphasis on maintaining independence in its decision-making processes. To support objective oversight, the Board composition prioritises a majority of non-executive directors. These directors bring external perspective, challenge executive assumptions, and ensure accountability across strategic and operational decisions.

The independence of each non-executive director is reviewed at least annually in accordance with the provisions of King IV and the Companies Act. This assessment considers tenure, relationships, and other potential conflicts that may influence impartiality.

As at 28 February 2025, the Board comprised of 3 independent non-executive directors and 3 executive directors. On 01 March 2025, Khaya Sithole was appointed as an independent non-executive director.

ACOF Board Composition as at 28 February 2025:

Name	Nationality	Date Appointed	Date Resigned	Designation
WG Wheatley	South Africa	24/11/2023	-	Executive Director
AS Karan	South Africa	01/10/2022	-	Executive Director
TL Wheatley	South Africa	14/03/2023	-	Executive Director
E Harcourt-Wood	South Africa	29/03/2023	-	Independent Non-Executive
SKI Masakale	South Africa	22/03/2023	-	Independent Non-Executive
GM Sephuma	South Africa	26/02/2023	-	Independent Non-Executive

* Mr KS Sithole was appointed as an independent non-executive director on 01/03/2025.

The Board reflects a balance of skills, experience, and diversity, ensuring effective governance and strategic oversight.

ACOF Board of Directors

Norma Sephuma | Independent Chairperson

Norma has held various roles within the Bank of Botswana. She has been the acting head of Privatisation and Restructuring at the Public Enterprises Evaluation and Privatisation Agency (PEEPA). Other roles included PPP Officer, SADC Network with SADC Development Finance Resource Centre, and as Regional PPP Consultant, African Development Bank. Her qualifications include a BA in Economics and Statistics and an MBA specialising in financial management.

Tatum Wheatley | Executive Director

Tatum practised industrial psychology, specialising in organisational development and culture and change management. She is a professional model and her career spans over 20-years across five continents. Tatum was a director of corporate relations at Fairmont Zimbali in Kwa-Zulu Natal. She is a public speaker and consultant in industrial psychology. Tatum holds a degree in psychology specialising in industrial psychology.

Warren Wheatley | Executive Director

Warren is a seasoned investment professional with over 20 years of experience across Asset Management, Private Equity, Banking, and Institutional Capital Markets. He holds a CA(SA) designation, CFP, and Postgraduate Diplomas in Corporate Finance, Financial Planning Law, and Auditing.

Warren has over 20 years' experience in Asset Management, Private Equity, Banking and Institutional Capital Markets. Warren is the co-founder and former Chief Investment Officer of Lebashe Investment Group, Chairman of the Joint Investment Committee of the Telkom Retirement Fund and Chair of the Investment Committee of the Transnet Retirement Fund. Warren was previously an Investment Banker at ABSA Capital and served in various roles at Alexander Forbes.

Akshay Karan | Executive Director

Akshay has more than 11 years of experience in investment banking, management consulting and private equity across unlisted and listed entities. He started his career as an investment banker at Investec and has worked as a management consultant at BCG. Akshay's qualifications include Bachelor of Business Science with Accounting, CAIA – Level 1, CA(SA), and a Postgraduate Diploma in Accounting.

Snowy Masakale | Independent Non-Executive Director

Snowy is an experienced CEO and Non-Executive Director with over 20 years of financial services experience across retirement fund and investment management. She is a Financial Services Expert, dealing with Employee Benefits her experience includes overseeing approved and unapproved group life benefits of defined benefit and defined contribution funds. Her qualifications include a BCom (Hons) in Economic Sciences, Postgraduate Diploma in Financial Planning, an MBA, FAIS (RE5), and IODSA Programme.

Ewa Harcourt Wood | Independent Non-Executive Director

Ewa has more than 10 years of experience in Principal Investments, Private Equity, and Investment Analysis. Her experience includes deal origination and execution in South Africa and Central Eastern Europe. Ewa spent 3 years in equity research at SBG Securities and began her career at in Equity Derivatives trading at Standard Bank. Her qualifications include a BSc in Actuarial and Financial Mathematics, Bcom Investment Management and CFA.

ACOF Board of Directors

Khaya Sithole | Independent Non-Executive Director

Khaya has over 17 years' experience in the finance industry with a background in finance and corporate governance. Khaya has provided services to listed companies, non-profit organisations and state institutions through the finance and corporate governance consultancy, Corusca Consulting. He contributed as a freelance columnist and editor for Mail & Guardian, Business Day and Media24.

Board and Governance Developments

In 2025, ACOF welcomed the appointment of Mr. Khaya Sithole to its Board, further strengthening its governance and risk oversight capabilities. His cross-representation on the Altvest Capital Board and as Chair of the Group Audit and Risk Committee enhances integrated governance across the group.

The ACOF Board is also supported by the services of Ms. Estelle de Jager of CTSE Registry, who acts as the Company Secretary and ensures compliance with governance standards, statutory requirements, and Board procedures. The Directors have considered and are satisfied with the competence, qualifications and experience of the company secretary.

The Board continues to review its composition and governance practices, with several board appointments and a wider governance refresh occurring across the Group during the past year. This has ensured continuity, improved board effectiveness and alignment with strategic growth objectives.

Director Independence and Performance Evaluation

The ACOF Board places strong emphasis on maintaining independence in its decision-making processes. To support objective oversight, the Board composition prioritises a majority of non-executive directors. These directors bring external perspectives, challenge executive assumptions, and ensure accountability across strategic and operational decisions.

The independence of each non-executive director is reviewed in accordance with the provisions of King IV and the Companies Act. This assessment considers tenure, relationships, and other potential conflicts that may influence impartiality.

The board of directors has executed their responsibility under the evaluation policy, in relation to the evaluation of the performance of the board of directors of the Issuer, its committees, its chair and its individual directors.

Oversight and Committee Structures

ACOF's governance is supported by several key committees that provide oversight and guidance in alignment with its mandate and stakeholder expectations. These committees ensure ACOF adheres to the highest standards of accountability and ethical leadership across strategic, financial, social, and compliance areas.

Investment Committee

The ACOF Investment Committee is constituted independently of the Altvest Capital Investment Committee, providing specialised oversight of ACOF's credit and investment activities. Its primary role is to:

- Review and approve all proposed investments and credit facilities;
- Ensure alignment with ACOF's investment strategy and risk appetite;
- Assess opportunities through a dual-layer process involving internal and independent committee members;
- Apply a stringent vetting process grounded in commercial and impact considerations.

The Committee consists of experienced professionals in credit, private equity, and investment analysis. It met regularly throughout the year to assess the growing transaction pipeline and ensure the robustness of investment decisions.

ACOF utilises several approval structures, to ensure the highest standards of corporate governance and oversight are maintained while ensuring prompt speed of output for clients. Lending and Investment decisions within ACOF are subject to a robust process of assessment, vetting, recommendation and approval. The process incorporates an internal assessment which is undertaken by a diverse team of internal specialists (the Internal Committee). Recommendations for funding are then evaluated by an external independent committee made up of specialists in investments, credit, private equity and business valuations.

The composition of the committees is currently as follows on the following pages.

Independent Committee

Snowy Masakale

- 20+ years of experience in Institutional Capital raising and Asset Management
- Masters in Business Administration (MBA)
- Post Graduate Diploma in Financial Planning (CFP)
- Honours in Baccalaureus of Commerce
- Bachelor of Economic Science

Prior Experience

- Leadership and Executive Director Experience
- Financial Services Expert - Employee Benefits experience including overseeing approved and unapproved group life benefits of Defined Benefit and Defined Contribution Funds.

Sibongile Maputla

- 20 + years of experience in the financial services industry
- BCom (Statistics)

Prior Experience

- She has worked for companies such as Coronation Fund Managers, Standard Bank and Benguela Global. In London and New York, she worked for companies such as BNP Paribas and JP Morgan where she was the Business Manager for the Equity Derivatives Desk.
- Recently, Sibongile was COO of Benguela Global Fund Managers, an asset management company where she was instrumental in growing AUM from R50 million to over R8 billion over a period of 5 years.

Mazvita Maradzika

- 20 + years of experience in investments and financial services
- CA (SA)
- Masters in Philosophy

Prior Experience

- Founder of MJR Advisory Services
- Managing Director at Selective Empowerment Investments 1 Limited, focusing on impact investing and corporate finance.
- As an Executive Director at Siyakha Capital Advisors and Finance Manager at Identity Partners, she specialized in investment management and market analysis.
- Senior Manager at EY and SizweNtsalubaGobodo.

Ewa Harcourt Wood

- 10 + years of experience in Principal Investments, Private Equity and Investment Analysis
- CFA Charterholder
- BCom Investment Management (Cum Laude)
- BSc Actuarial and Financial Mathematics

Prior Experience

- Deal origination and execution in South Africa and Central Eastern Europe
- Extensive financial analysis, due diligence, deal and tax structuring
- Implementation of value-enhancing projects
- 10 years in Private Equity at Coast2Coast Capital (Principal in Deal Team) and Intaba Capital
- 3 years in Equity Research at SBG Securities (#1 FM rated analyst in Hotels and Leisure sector)
- 3 years in Equity Derivatives trading at Standard Bank.

Amanda Kabagambe

- 14+ years experience in Transaction Advice and Management Consultants
- Master of Business Administration (MBA) - Edinburgh Business School, Heriot – Watt University
- Certified Business Advisor (CBA) - Institute of Business Advisors, South Africa
- Bachelor of Arts in Development Economics - Makerere University.

Prior Experience

- Amanda has vast experience in East Africa, having arranged over $26 million in investments and advised on transactions worth over $150 million. She chairs EAVCA Uganda, advises investment funds, and has led projects for the World Bank and the Government of Uganda. Amanda has also structured a $1.5 billion economic stimulus package and facilitated co-investment partnerships for SMEs.

Internal Committee

Warren Wheatley

- 20 + years of experience across Asset Management, Private Equity, Banking and Institutional Capital Markets
- Obtained his CA(SA) designation in 2003, CFP, Postgraduate Diploma in Corporate Finance, Postgraduate Diploma in Financial Planning Law, Postgraduate Diploma in Auditing
- Warren is the co-founder and former Chief Investment Officer of Lebashe Investment Group
- Chair of the Investment Committee of the Transnet Retirement Fund
- Chairman of the Joint Investment Committee of the Telkom Retirement Fund
- Extensive experience in the investment arena

Prior Experience

- Previous Investment Banker and Wealth Manager at ABSA Capital
- Served in various roles at Alexander Forbes

Akshay Karan

- 10 + years of experience in Investment Banking and Management Consulting Qualified CA (SA)
- Postgraduate Diploma in Accounting
- Bachelor of Business Science in Finance with Accounting
- CA(SA)
- CAIA Charterholder

Prior Experience

- Ex-Investment Banker (Investec) and top-tier management consultant (BCG)
- Successfully structured and executed several private equity transactions across Africa
- Experience in leveraged finance, principal investing, private equity, financial engineering and strategy

Tatum Wheatley

- 10 + years of experience in Media, Marketing and Behavioural Finance
- Degree in Psychology, Majoring in Industrial Psychology
- Miss South Africa (2008)
- 2nd Runner-up Miss World

Prior Experience

- Practiced Industrial Psychology, specialising in Organisational Development and Culture; and change management
- Professional modelling career spanning 20-years across five continents
- Director of Corporate Relations and Fairmont Zimbali in KZN
- Public speaker, and consultant in Industrial Psychology

Chrizelle van der Colff

- 20 + years of experience in Banking, Operations and Business Optimization
- Advanced Diploma in Wealth Management, Financial Markets and Instruments
- Academy of Financial Markets Certificate in Wealth Management, GIBBS
- Family Business Consulting and Governance, Nelson Mandela University
- RE5

Prior Experience

- Family Office Banker at ABSA Wealth and Investment Management
- Facilitation of large-scale transactions in structured credit, wealth and investment management, FX Aviation finance and Investment Banking related transactions
- Portfolio Risk Management

Reggie Dlamini

- 15+ years of experience in Corporate and Commercial Law
- BA(Hons), LL.B, Advanced Company Law

Prior Experience

- All aspects of mergers and acquisitions, reorganisations and general corporate transactions in South Africa and the rest of Sub-Saharan Africa; Loan origination and restructuring; Commercial intellectual property and licensing arrangements; JSE and CTSE Listings Requirements; Corporate Governance
- Admitted attorney of the High Court, Notary Public and Fellow of the South African Institute of Intellectual Property Law.

Nicolas Mugisha

- 10+ years experience in Management Consulting and Digital Media
- Nic has a degree in Finance as Accounting as well as a post-graduate diploma in Accounting

Prior Experience

- Boston Consulting Group in Strategy and Operational design. He mainly worked in Mining and Healthcare
- Nic has since transitioned to work at BankerX as the head of operations as well as a Director of Sezerano Capital which operated in East Africa
- Within Altvest, Nic works as the head of the strategy and media team. Growing Altvest's media presence and heading up special projects for Altvest

Audit and Risk Committee (Group Level)

The Audit and Risk Committee ("ARC") is a vital component of the Altvest's corporate governance framework, playing a critical role in ensuring the integrity of financial reporting, maintaining effective risk management and internal control systems, and overseeing the independent audit process.

The ARC operates in accordance with the Companies Act, King IV Report on Corporate Governance, and the JSE and CTSE Listings Requirements,

- Reviewing the integrity of financial reporting;
- Overseeing the effectiveness of risk management systems;
- Evaluating audit findings and ensuring regulatory compliance;
- Monitoring the development of internal controls and recommending risk mitigation strategies.

The ARC comprises independent non-executive directors, including representatives from the ACOF Board, ensuring appropriate oversight of risks specific to the Fund.

The Audit and Risk Committee is made up as follows:

KS Sithole (Chairperson)	Independent Non-Executive Director
B Khumalo	Independent Non-Executive Director
F Mukaddam (Resigned 28/02/2025)	Independent Non-Executive Director
N Sephuma (Appointed 01/03/2025)	Independent Non-Executive Director

Committee Attendance:

Director	ARC
W Wheatley (Invitee)	4/4
B Khumalo	4/4
K Sithole	4/4
N Sephuma	1/1
F Mukaddam	2/4

During the reporting period their mandate included:

- Review of audit strategy and auditor independence;
- Assessment of the CFO's competence and appointment (confirmed);
- IFRS compliance and group financial oversight;
- Risk register and going concern review;
- Auditor reappointment recommendation.

Social and Ethics Committee (Group Level)

The Social and Ethics Committee ("SEC") assists the Board of both Altvest and ACOF in ensuring that the Group acts as a responsible corporate citizen, upholding ethical values and considering the Company's impact on its stakeholders and the environment.

The committee's scope includes:

- Monitoring ethical leadership and organisational culture;
- Evaluating the Group's impact on stakeholders and the environment;
- Reviewing transformation efforts and ESG integration;
- Overseeing related party transactions and stakeholder engagement practices;
- Review and approval of related party transactions.

The SEC also ensures that Altvest and ACOF's activities align with the Companies Act and King IV principles regarding good corporate citizenship and sustainable business practices.

The Social and Ethics Committee comprises executive and non-executive directors of Altvest.

The SEC is made up as follows:

GM Alcock (Chairperson)	Independent Non-Executive Director
J Baynham (Resigned 28/02/2025)	Independent Non-Executive Director
N Sephuma (Appointed 01/03/2025)	Independent Non-Executive Director
Warren Wheatley	Executive Director

Committee Attendance:

Director	SEC
W Wheatley (Invitee)	1/1
J Baynham	1/1
G Alcock	1/1

Nomination and Remuneration Committee (Group Level)

The Nomination and Remuneration Committee supports both Altvest and ACOF in building and retaining a skilled, diverse, and independent leadership structure. Its responsibilities include:

- Evaluating board composition, director appointments, and succession planning;
- Reviewing and recommending executive and non-executive remuneration policies;
- Aligning incentive structures with the Group's long-term performance goals.

During the year, the committee oversaw the appointment of the CFO for the Group and succession planning. The committee provides oversight and guidance in alignment with its mandate and stakeholder expectations. The following sections outline their respective roles and activities during the year under review.

The Remuneration and Nomination Committee is made up as follows:

B Khumalo (Chairperson)	Independent Non-Executive Director
J Baynham (Resigned 28/02/2025)	Independent Non-Executive Director
F Mukaddam (Resigned 28/02/2025)	Independent Non-Executive Director
S Masie (Appointed 28/03/2025)	Independent Non-Executive Director
K Sithole (28/03/2025)	Independent Non-Executive Director

Committee Attendance:

Director	RemNom
S Masie	1/1
W Wheatley (invitee)	2/2
B Khumalo	2/2
K Sithole	1/1
J Baynham	1/2
F Mukaddam	2/2

remuneration
report by:

bright
khumalo

remuneration report by:

bright khumalo

It is my privilege to present the Remuneration and Nomination Committee ("RemNom") Report for the financial year ended 28 February 2025. The year under review marked Altvest Capital's transition to the JSE, introducing a more robust governance and disclosure environment for remuneration reporting. Our focus has been to ensure that remuneration practices remain transparent, equitable, and aligned to shareholder and stakeholder expectations while attracting and retaining high-performing leadership across the Group.

1. Remuneration Policy

The RemNom is responsible for developing and overseeing the implementation of the Company's remuneration policy, which is designed to support the strategic direction of the business, drive sustainable value creation, and align the interests of executives, non-executives, and shareholders.

Policy Objectives

- Attract and retain skilled and diverse individuals who can contribute to the long-term success of the Group.
- Reward performance in a fair, equitable, and responsible manner.
- Promote the achievement of strategic and operational objectives.
- Ensure transparency and consistency in remuneration practices across all business units.

Scope of Application

The policy applies to:

- Executive and non-executive directors of Altvest and ACOF.
- Senior management across the Group.
- Members of the RemNom, in terms of setting frameworks and making recommendations to the Board.

Components of Remuneration

- **Fixed Remuneration:** Total cost-to-company packages for executives and salaries for senior management, reviewed annually.
- **Variable Remuneration:** Performance-based short-term incentives tied to business objectives.
- **Director Fees:** Non-executive directors are remunerated on a fee-per-meeting basis. They are not eligible for performance incentives or share-linked awards.

Policy Governance

- The Committee comprises non-executive directors only, the majority of whom are independent
- It determines frameworks and recommends executive and non-executive remuneration to the Board.
- The Committee may access external benchmarks or independent advisors where required.
- No director is involved in setting their own remuneration.

Review and Amendment

The policy is reviewed annually and aligned with Altvest and ACOF's evolving structure and strategy, as well as prevailing governance standards.

As required by the Companies Act and King IV, the remuneration policy or the implementation report will be tabled for shareholder approval at the upcoming AGM.

In the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of shareholders, the Board will engage with shareholders to understand the concerns raised. This engagement (if required) may be carried out by virtual meeting or in writing and will be implemented after the release of the voting results. Where possible and prudent, objections will be taken into consideration when formulating any amendments to the Company's remuneration policy and implementation report in the following financial year.

2. Remuneration Implementation Report

The RemNom met twice during the year, overseeing executive remuneration, director fees, the CFO and board appointments appointment process, and evaluating remuneration governance in light of King IV and JSE Listings Requirements. The Committee does not operate a long-term incentive scheme or share-based incentive at present.

Altvest follows a group performance-aligned remuneration approach that balances fixed and variable remuneration. The philosophy is guided by:

- Fair and responsible remuneration across the Group;
- Competitive benchmarking appropriate to our industry and market listing tier;
- Pay-for-performance alignment at executive level;
- Transparent disclosure of executive and non-executive remuneration.

Key Highlights for FY2025

- The appointment and benchmarking of remuneration for the newly appointed CFO.
- Benchmarking and adjustment of the CEO remuneration which resulted in an increase in annual salary effective from 1 March 2024. His package increased from R1,8 million up to R5,4 million. It was further resolved that Mr. Wheatley qualified for a bonus subject to the following criteria that has been met:

  - Successful listing on the JSE; and either of
  - A minimum of R10 million capital is raised on the new listing; or
  - Altvest secures an additional mandate for Altvest Capital Opportunities Fund Proprietary Limited ("ACOF") of at least R100 million.
- Benchmarking of non-executive directors' fees.

The following bonuses and increases were applied across the company:

- For the period under review, the committee approved an average increase of 15%. Salary increases were provided above the rate of inflation, as no adjustments had been made since the company's inception. Effective from 01 March 2025 inflation related increases of 5% were allocated accross the staff compliment except for two junior staff members that received a 25% increase.

Bonuses paid in December 2024:

Executive Team: R50,000 each

Middle Management: R20,000 each

Junior Staff: R10,000 each

Remuneration Structure

- **Executive Directors** are remunerated on a total cost-to-company basis.
- **Non-Executive Directors** receive fixed fees per meeting, with no performance-based compensation or share-linked remuneration.

Conclusion

We remain committed to evolving our remuneration practices in line with good governance, market dynamics, and shareholder feedback. I thank my fellow Committee members and the Board for their contributions during a pivotal year for Altvest.

Khumalo

Bright Khumalo
Chairperson
Remuneration and Nominations Committee

Governance Philosophy and King IV Alignment

ACOF subscribes to the principles of King IV and is committed to upholding its four governance pillars:

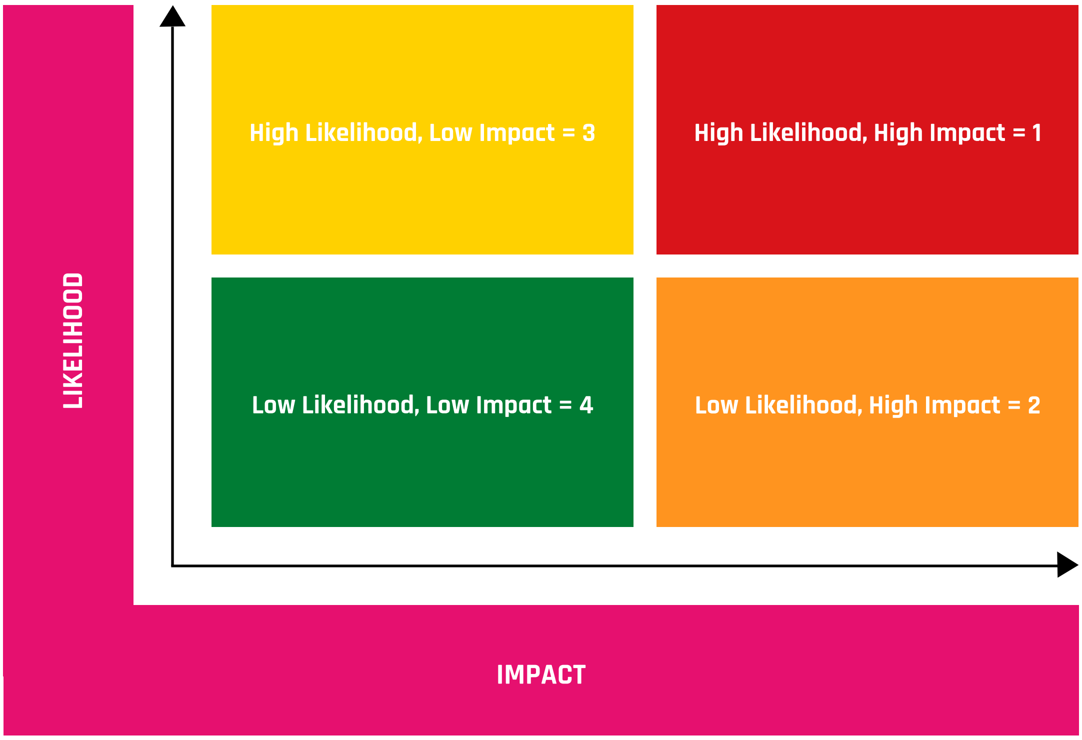
1. **Ethical culture:** The Board promotes integrity and accountability at all levels;
2. **Good performance:** Strategic objectives are aligned with financial sustainability and social impact;
3. **Effective control:** Through integrated risk and audit oversight;
4. **Legitimacy:** Stakeholder interests, including those of investors, borrowers, and regulators, are actively considered in all decision-making.

Risk Management Report

The ACOF Board acknowledges its responsibility for the governance of risk and confirms that risk management is embedded in the fund's operations. A comprehensive risk management framework supports strategic objectives and ensures compliance with regulatory expectations.

Risk oversight is performed through the Group Audit and Risk Committee, with active participation by ACOF board members. The fund applies a structured risk classification matrix based on likelihood and impact, which is regularly reviewed and updated.

Risk Parameters:



Key Risks Managed:

Altvest Credit Opportunities Fund	Risk Score
Interest rate risk	3
Equity Risk	3
Liquidity Risk	3
Concentration Risk	2
Counter - Party Risk	2
Operational Risk	4
Governance Risk	2
Fraud Risk	2
Customer Risk	3
Regulatory Risk	2

Material risks have been grouped coherently by risk category, with risks considered to be of the most immediate significance positioned first within the risk disclosure. The Group continuously assesses its key risks based on potential impact and likelihood, and mitigation strategies are actively monitored and adapted to support operational resilience and the achievement of strategic objectives.

Key Risks and Mitigation Strategies

Risk Category	Description	Controls & Mitigating Measures
Interest Rate Risk	Exposure to changes in market interest rates impacting borrower repayments	Active monitoring of rate cycles; use of fixed-rate lending where applicable
Equity Risk	Exposure to broader market sentiment and valuation volatility	Conservative portfolio positioning; regular portfolio reviews
Liquidity Risk	Risk of insufficient liquidity to meet obligations	Conservative liquidity buffers; high proportion of short-dated, liquid assets
Concentration Risk	Overexposure to a single sector, borrower or funding partner	Portfolio diversification across sectors, regions, and borrower profiles are monitored, measured and reported on, on a consistent basis
Counterparty Risk	Credit risk from borrowers or intermediaries	Strict credit policies; collateral-backed lending; external credit verification
Operational Risk	Disruptions from internal processes, systems, or people	Dedicated platform development (Credit Ease); internal controls; SLAs with Altvest Capital
Governance Risk	Risk of inadequate oversight or decision-making frameworks	Formal board charters, committee terms of reference, external company secretarial support
Fraud Risk	Risk of financial loss due to fraud or misconduct	Enhanced KYC/AML procedures; call-back confirmations; independent checks
Customer Deafult Risk	Borrower defaults or adverse conduct impacting recoveries	Proactive monitoring and engagement; tailored loan structuring; exit planning
Regulatory Risk	Non-compliance with laws, regulations or listing requirements	Ongoing legal compliance monitoring; support from external legal and advisory partners

Emerging Risks and Forward Outlook

The Fund remains alert to emerging risks, including:

- Increasing cyber threats and data protection obligations;
- Economic pressures on SMEs due to macroeconomic volatility;
- Regulatory developments affecting the credit landscape.

To manage these, ACOF has initiated regular stress testing, invested in technology upgrades, and is refining its compliance tracking tools.

Risks are reported to the Board quarterly, with high-impact developments escalated as required to the Altvest Capital Board.

ESG and Responsible Investment

ACOF is committed to embedding environmental, social, and governance (ESG) principles into its investment and operational practices. Guided by its ESG Policy and aligned with global responsible investment frameworks, ACOF seeks to drive inclusive growth while managing non-financial risks.

Environmental

- A focus on businesses that contribute to sustainable practices, such as renewable energy and resource-efficient solutions;
- Ongoing development of an ESG due diligence module to be integrated into the credit screening process.

Social

- Focus on funding SMEs that contribute to job creation, skills development, and equitable access to capital;
- Active support for women-owned and managed businesses, youth employment, and community upliftment initiatives and businesses.

Governance

- Strict adherence to responsible lending practices, independent investment decision-making, and risk-adjusted returns;
- Promotion of ethical conduct across operations through transparency, inclusive leadership, and clear accountability frameworks;
- ACOF will continue to strengthen its ESG metrics and integrate reporting into its governance and investment review cycles.

Diversity Report

Altvest and ACOF acknowledge the critical need for meaningful economic transformation in South Africa—a mission rooted in addressing historical disparities and fostering equitable growth. We firmly believe that cultivating diversity within our organization extends beyond compliance; it enriches innovation, strengthens adaptability, and deepens our engagement with a multifaceted customer base, ultimately fuelling sustainable progress.

Aligned with the principles of Broad-Based Black Economic Empowerment (BBBEE), we are dedicated to ensuring our workforce reflects the demographic fabric of South Africa. This report evaluates our performance across three key dimensions—gender, race, and age—highlighting achievements, lessons learned, and areas where we must intensify our efforts to drive lasting change.

Governance Highlights

- Executive Team: Achieved 100% Black representation (up from 66.67% in 2023);
- Board Composition: 83% Black directors (5 of 6), including our Black chairperson;
- Investment Committee: 67% Black representation and predominantly female representation with plans to increase through upcoming expansion.

In line with our commitment to transformation and representation, we are proud to report an increase in the diversity of our internal team and internship pipeline.

New Intern Cohort:

This year, we onboarded three new interns, of which all are Black South Africans, and two are women. Our intern development program has become a gateway for emerging talent to access career-defining experiences in private credit, SME finance, and impact investing.

Team Composition:

Our broader team now comprises 23 professionals, with a gender split of 13 males and 10 females. This near-parity reflects our focus on building inclusive leadership and providing meaningful opportunities for women in financial services.

The composition of our executive leadership and ACOF board demonstrates meaningful alignment with the broader racial landscape of South Africa. While this progress is encouraging, we acknowledge that achieving full representation throughout the organisation is an ongoing journey. Our commitment is to embed diversity into every recruitment and leadership decision, ensuring that each step we take actively contributes to a more inclusive and representative ACOF.

ACOF's leadership is shaped by a strong and representative Board of Directors, chaired by Ms. Norma Sephuma, an Independent Non-Executive Director with a long-standing commitment to inclusive economic growth. Our board includes a majority of independent directors, with robust representation of women and Black professionals.

Our operational ethos actively promotes gender parity and Black economic empowerment:

- Over 34% of our disbursed book as at February 2025 went to female-led SMEs;
- Our impact-linked pricing model reduces interest rates for SMEs that meet empowerment criteria, incentivising businesses that are women-led, majority women staffed, and Black-owned;
- As detailed in our 2024 Annual Financial Statements, we have introduced structured financial products specifically designed to unlock value for underserved entrepreneurs;
- From participation in national forums like Women in Business Conferences to the ABSIP Women in Finance Summit, ACOF continues to lead from the front on gender equity and youth empowerment in the financial sector;
- We recognise that inclusive capital allocation begins with inclusive institutions. We are proud of the transformation underway at ACOF and remain committed to building a workplace, investment pipeline, and governance structure that empowers underrepresented voices and drives equitable growth.

At Altvest, we are deeply committed to empowering the next generation of professionals. We recognise that young people are not only the future of our industry but also a vital source of innovation, energy, and fresh perspectives.

Our focus on youth employment is demonstrated through targeted initiatives aimed at attracting, developing, and retaining young talent across the organisation:

- **Youth Representation:** Half of our workforce is under the age of 30, underscoring our dedication to building a vibrant, future-ready team;
- **Internship Program**: Our internship program has seen 11 students pass through, with two already retained within the company. 5 Previous interns are currently continuing their studies, and we hope to return to Altvest upon completion, demonstrating the lasting impact and appeal of our internship opportunities;
- **Current Interns:** We currently host 3 students in our internship program, benefiting from hands-on experience and mentorship within our operations;
- **University Partnerships:** Strategic partnerships with university groups enhance the reputation of our internship program and attract top talent, ensuring a continuous influx of skilled young individuals eager to start their careers with Altvest.

Our internship program is designed to equip young professionals with practical skills and real-world experience across several key areas:

1. Effective Communication

Interns develop the ability to express their ideas and analyses clearly and confidently—both in writing and speech—using professional, error-free language.

2. Analytical Thinking & Financial Insight

We provide foundational training in financial modelling, empowering interns to construct basic models under guidance and identify critical variables in debt and equity financing scenarios.

3. Execution & Professionalism

Interns are expected to deliver accurate, detail-oriented work, manage their time effectively, and maintain clear, consistent communication with their supervisors on progress and challenges.

4. Collaboration & Team Dynamics

We foster a team-first mindset, encouraging interns to support colleagues, maintain a positive attitude, and actively contribute to a collaborative work culture.

We wish to create structured pathway for the development of our team

Unit head

- Manage unit performance in line with predetermined KPIs
- Report directly to board

Team lead

- Manage client / supplier/ regulatory relationships
- Oversee various projects / applications with minimal oversight

Analyst

- Support development of graduates and interns
- Select and specialise within defined unit

Graduate

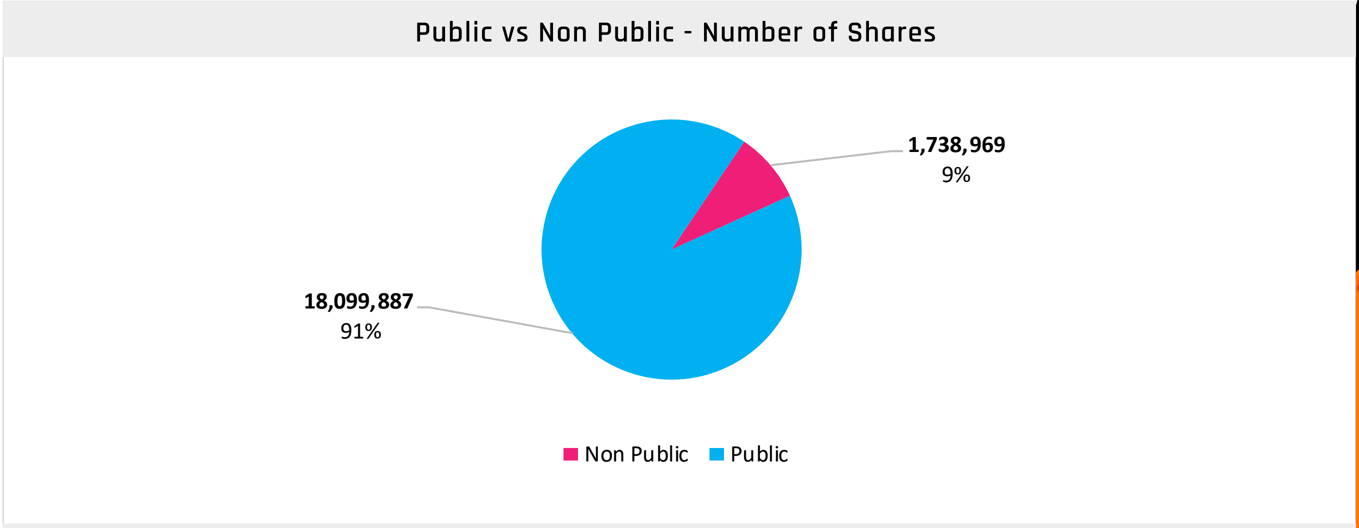
- Capable of developing client ready deliverables with minimal support

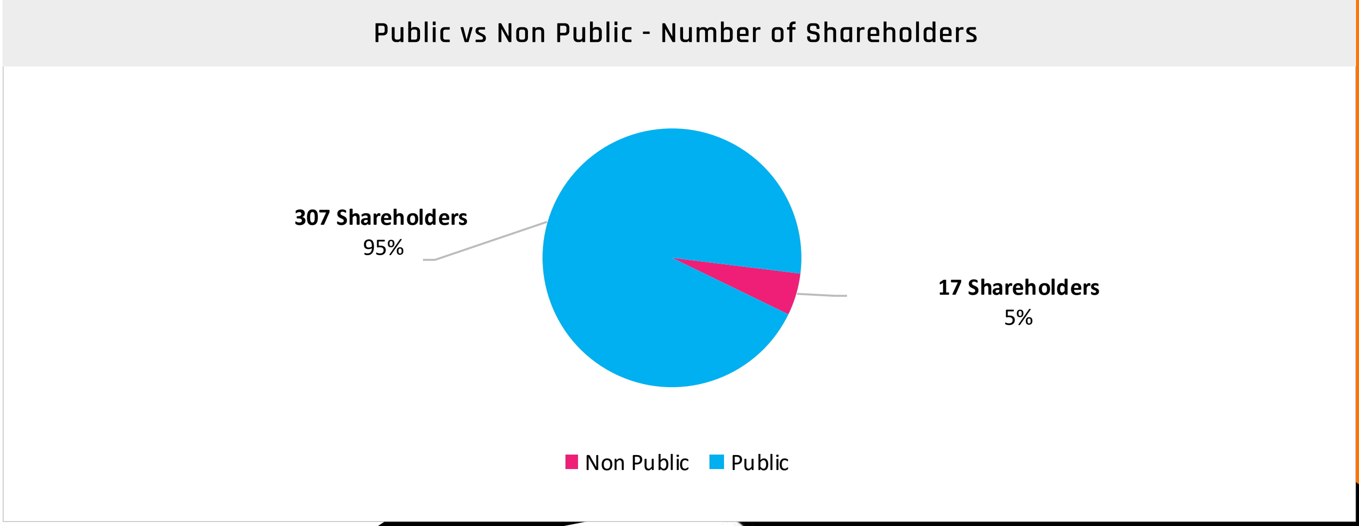
Intern

- Firm grasp of the hard skills required to conduct analysis
- Clear verbal and written communication

Public vs Non-Public AVL C Holders

The split between non-public (shareholders with significant influence or control over ACOF) and public shareholders is as follows:





Conclusion

ACOF remains steadfast in its commitment to sound governance, ethical leadership, and responsible investment. As a listed credit fund with a mandate to drive inclusive economic growth, our governance framework is a key enabler of sustainable performance, investor confidence, and long-term impact.

The Board is confident that the structures and policies in place position ACOF to continue fulfilling its mandate in a prudent, transparent, and accountable manner. We look forward to building on this foundation in the year ahead, deepening our engagement with stakeholders and strengthening our role in South Africa's SME funding ecosystem.

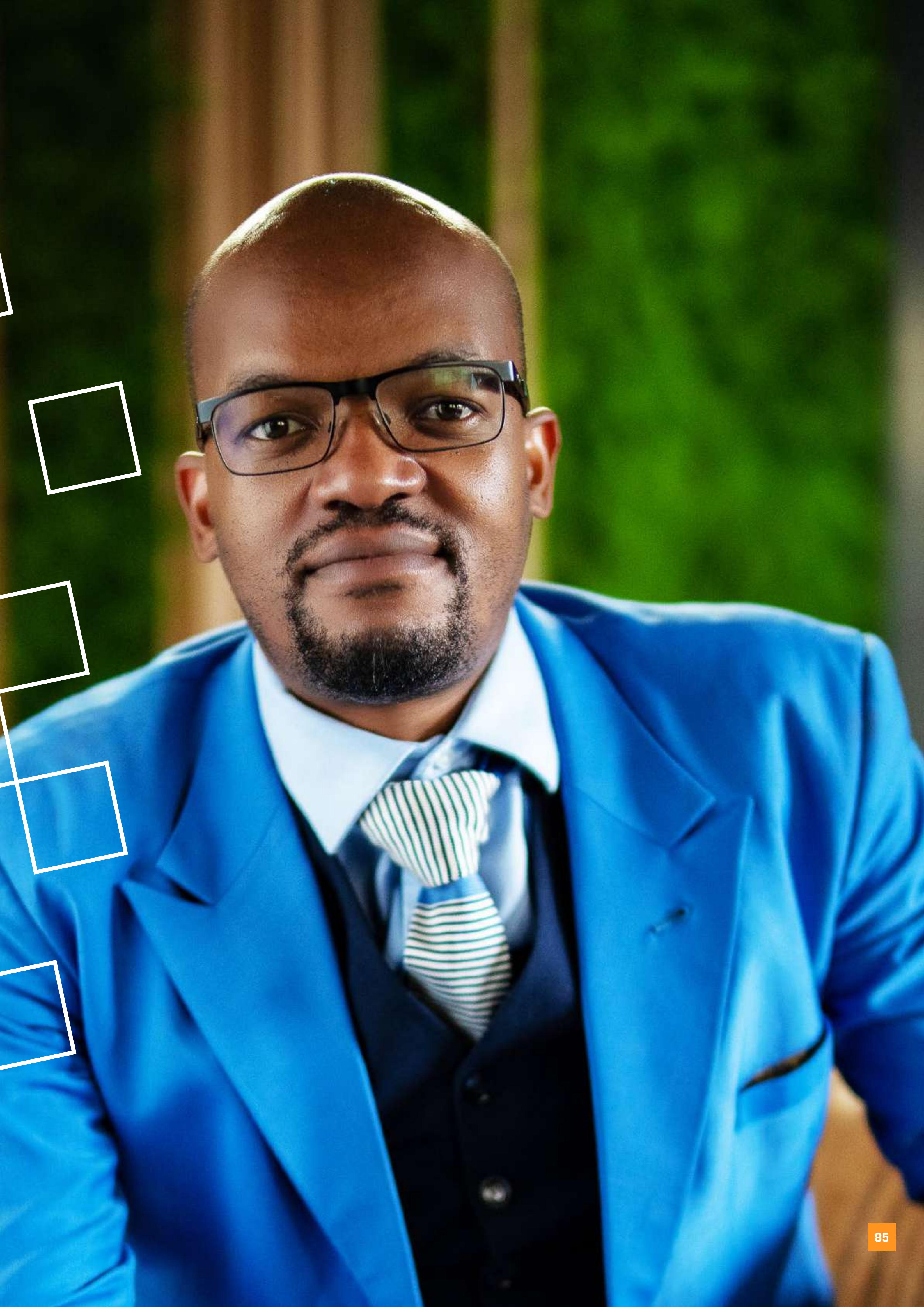
annual financial statements

for the year ended 28 February 2025

contents

audit & risk committee report by:

khaya sithole



audit & risk committee report by:
khaya sithole

Introduction

Altvest Limited ("the company") was listed on the Cape Town Stock Exchange on the 5th of May 2022 and listed on A2X on the 6th of September 2022. The Company moved its primary listing to the Johannesburg Stock Exchange on the 14th of October 2024. The report of its Audit and Risk Committee ("ARC") – which is chaired by Mr. Khaya Sithole, an independent non-executive director, is presented below for the year ended 28 February 2025.

The ARC is a statutory committee constituted in terms of Section 94(7) of the Companies Act. It is an independent committee that is accountable to both the board of directors and the shareholders of the Company. The primary objectives of the committee are to assist the board in its oversight responsibilities, in particular, the Committee is responsible for the following:

- Evaluating the adequacy and efficiency of accounting policies
- Overseeing the internal controls environment
- The audit processes
- Financial reporting processes
- The independence and effectiveness of the external auditors
- Recommendation of the appointment and remuneration of external auditors

Composition of the ARC

The shareholders of the Company are required to approve the appointment of the members of the ARC at the annual general meeting in accordance with the provisions of the Companies Act. In line with the recommendations In line with section 94 of the Companies Act and the recommendations of the King IV Code on Corporate Governance, all the members of ARC are independent non-executive directors who meet the requirements to serve on the committee by virtue of their individual and collective expertise and experience. Members of executive management and the external auditors are not members of the committee and attend meetings as permanent invitees. During the year under review, the committee held 4 meetings where the quorum of the majority of members was met.

Audit and Risk Committee Report - continued

The composition and attendance of the committee during the year under review was as follows:

Member	Qualifications	Date of first appointment to the committee	Most recent appointment to the committee and shareholder votes in favour	Attendance
Khaya Sithole - Chairperson	CA(SA) MSc	21/07/2023	25/06/2024	4/4
Advocate Fay Mukaddam*	LLB, Advocate of the High Court of South Africa, Chartered Director (SA)	01/02/2022	25/06/2024	2/4
Bright Khumalo	BCom Accounting	01/02/2022	25/06/2024	4/4
Norma Sephuma	BA: Economics and Statistics, MBA:Financial Management	01/03/2025		1/1

*Adv Fay Mukaddam resigned as of the 28th of February 2025.

Audit and Risk Committee Report - continued

Responsibilities of the ARC

The ARC's responsibilities have been delegated to the committee by the board of directors and are governed by the ARC Charter ("the Charter"). During the year under review, the committee discharged its responsibilities across the following key focus areas:

- Financial reporting
- Governance and internal controls
- External audit

Financial reporting

The ARC reviewed the integrity of the interim results for the period ended 31 August 2024 and the annual financial statements for the year ended 28 February 2025 and recommended the interim and final results to the board for approval.

During the course of its work, the committee:

- Evaluated and approved the material disclosures made by the company in relation to significant events and transactions including announcements issued during the period under review
- Considered the appropriateness of the accounting policies adopted by the company in the preparation of interim and annual financial statements
- Considered the appropriateness of key estimates, assumptions and disclosures made, particularly in relation to the valuation of investments and the classification of preferred ordinary shares
- Examined and reviewed the interim and annual financial statements to ensure balanced and faithful presentation consistent with the application of appropriate accounting policies and standards
- The ARC ensured that it was satisfied that the company's fair value disclosures in the interim and annual financial statements, are fully compliant with the disclosure requirements of IFRS 13 Fair Value Measurement
- Considered the IRBA inspections report regarding financial reporting trends and assessed its disclosures relating to cash flow information and liquidity and going concern.
- The ARC ensured that it was satisfied that the company's disclosures relating to cash flow information, liquidity and going concern in both the interim and annual financial statements, are compliant with the requirements of IFRS Accounting Standards
- Undertook a detailed review of the going concern status of the company and concluded that the company is a going concern and that the preparation of the interim and annual financial statements on the going concern basis was appropriate
- Considered the appropriateness of the key audit matters reported in the external audit opinion

Audit and Risk Committee Report - continued

In assessing the appropriateness of the key audit matters reported in the external audit opinion, the committee applied itself to the following key audit matters:

Key audit matter	How the Committee addressed the key audit matter
Valuation of financial assets included in the statement of financial position with specific reference to the application of the Expected Credit Loss model for financial assets held at amortised cost	• The ARC acknowledged the importance of ensuring that the application of the ECL model complies with the requirements of the relevant financial reporting standards, such as IFRS 9. To address this, the Committee engaged with management to understand the methodologies and assumptions used in the calculation of expected credit losses, ensuring that they were reasonable, supported by historical data, and in line with industry practices. • The Audit and Risk Committee emphasised the need for continuous monitoring of the credit risk associated with financial assets held at amortised cost. Management has been instructed to regularly update their assessments of credit risk based on new information, changes in market conditions, and any material changes in the financial position of counterparties. Furthermore, the Committee is committed to ensuring that credit loss allowances remain appropriate in the context of evolving economic conditions. • The ARC is satisfied that the valuation of financial assets and the application of the ECL model on financial assets held at amortised cost is appropriate based on facts and circumstances available to the ARC at the relevant dates.
Valuation of intangible assets – software	• The ARC reviewed the methodologies used to determine the amortisation periods and useful lives of intangible assets, ensuring they were in line with industry practices and consistent with the expected usage and benefits derived from the assets. • The ARC ensured that management had performed appropriate impairment testing of intangible assets in accordance with relevant accounting standards. This included reviewing the annual impairment tests performed on all the intangible assets with indefinite lives.

Governance and the internal control environment

In discharging its responsibilities, the committee, among other functions:

- Assessed the systems of internal controls to establish whether the controls in place are sufficient to address the risks inherent in the company's operations and that the controls provide assurance against the risk of material losses or misstatements. The committee is of the opinion that the systems of internal financial controls are effective and form a sound basis for effective preparation and reporting on the company's financial statements.
- Monitored the company's adherence to the policy on non-audit services to ensure that safeguards remain in place in instances where the external auditors are required to perform non-audit services for the company. There were no non-audit services provided by the external auditors during the past financial year.
- The committee performed an evaluation of the effectiveness of the company's finance function and the adequacy of resources within the finance function and concluded that the finance function remains adequately staffed and capacitated to fulfil its role.
- The committee has appointed a chief financial officer – Mr. J Phillips effective from 01 February 2025 and is satisfied that he has the appropriate expertise and experience to meet the scope of responsibilities of the CFO role. In addition, Altvest engaged with the JSE and received a dispensation enabling Mr W Wheatley to occupy the dual role of CEO and part-time financial director of Altvest Capital for a limited period. The committee is satisfied that Mr Wheatley has the appropriate expertise and experience to meet the scope of responsibilities.
- The committee is satisfied that Altvest and ACOF have established appropriate financial reporting procedures and that such procedures are operating.

External audit

The committee is responsible for the recommendation to the shareholders of the appointment of the external auditors on an annual basis and for exercising oversight over the work of the external auditors.

During the year under review, the committee performed the following responsibilities in relation to external audit:

- approval of the external audit plan and proposed scope of work and the proposed audit fees,
- continuous monitoring of the company's compliance with its policy on audit and non-audit services,
- continuous monitoring of the audit performance, independence and objectivity of the external auditors,
- review of the effectiveness of the external auditors with reference to the quality of the audit team, technical skills and experience; the allocation of resources during the audit; and the execution of the approved audit plan,
- review of the findings and recommendations of the external auditors and confirmation that there are no unresolved matters,
- confirmation that no Reportable Irregularities were identified and reported by the auditors in terms of the Auditing Profession Act, 26 of 2005.

- Evaluation of all relevant information – as required by the JSE Listings Requirements – provided by BDO in order to assess the suitability of the reappointment of BDO as external auditors and the continuation of Sone Kock CA(SA) as the designated engagement partner
- Confirmation of Sone Kock's suitability to serve as engagement partner through the evaluation of her skills, experience and expertise and the confirmation that she is independent and does not appear on the list of disqualified auditors
- The committee chair held regular closed meetings with the external auditors for updates on external audit matters
- Consequently, the committee resolved to recommend the appointment of BDO and the appointment of Sone Kock as the engagement partner, at Altvest Capital's next Annual General Meeting

Recommendation to the Board

The ARC is satisfied that it has fulfilled its responsibilities in accordance with the ARC charter and has reviewed the annual financial statements and the integrated annual report; and recommended them for approval by the Board.

Going concern assessment

As part of its duties, the Board evaluated the company's solvency and liquidity at the end of the reporting period in line with Section 4 of the Companies Act. At the end of the reporting period, the company's overall assets - fairly valued - exceed its total liabilities - fairly valued - by an amount of R38,772,353 (2024: R16,400,973).

At the end of the reporting period, the company's current assets of R79,685,755 (2024: R82,896,198) exceeded its current liabilities of R1,076,543 (2024: R2,654,997) by an amount of R78,609,212 (2024: R80,241,201). The company believes it has sufficient resources to pay its debts for the 12-month period from the reporting date.

The Board, through the Audit and Risk Committee, has undertaken a detailed review of the going concern capability of the Company with reference to certain assumptions and plans underlying various internal cash flow forecasts.

Having assessed the variables and scenarios relating to external factors in addition to internal projections and cash flow forecasts, the directors have concluded that the going concern assumption remains the appropriate basis for preparing the financial statements of the Company.

The Company has implemented the following interventions to support the continued viability and going concern assessment.

The audit and risk committee with the directors believe that the company has adequate financial resources and financial support to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Khaya Sithole
Chairperson
Audit and Risk Committee
29 May 2025

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. These annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) and it is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The financial statements have been audited by the independent auditing firm, BDO South Africa Inc, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 99 to 102.

The financial statements set out on pages 104 to 143 which have been prepared on the going concern basis, were approved by the directors and were signed on 29 May 2025 on their behalf by:

Norma Sephuma
Chairperson
29 May 2025

AS Karan
Executive Director
29 May 2025

Directors' Report

The directors have the pleasure in submitting their report together with the Financial statements for the year ended 28 February 2025.

1. Review of activities

Main business and operations

The company Altvest Credit Opportunities Fund Ltd ("ACOF") was incorporated in South Africa. The principal activity of the company is providing SME loans. Altvest Credit Opportunities Fund Ltd ("ACOF") is a direct lender focusing primarily but not restricted to women-owned and/or managed and/or staffed businesses in South Africa.

ACOF obtains capital for deployment from several categories of investors and funders in the form of debt and equity. The primary use of capital raised will be allocated for ACOF to originate structured loans to borrowers through an online platform.

ACOF also supports its portfolio of borrowers by offering technical, compliance and finance related services.

ACOF is owned by - Altvest Capital Limited. Altvest Capital Limited ("Altvest") is an investment holding company operating in the financial services sector that both facilitates access to bespoke investments for retail investors and broadens access to funding to all South African businesses, with a focus on SMEs.

Review of financial results and activities

The financial statements have been prepared in accordance with IFRS Accounting 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.

	2025	2024
	R	R
Financial results		
Trading loss for the year	(12,642,477)	(5,224,715)

Dividends

No dividends were declared or proposed during the year under review.

2. Events after reporting date

Loan from the Small Enterprise Development and Finance Agency (SEDFA)

Additional capital of the amount of R75 million was agreed with SEDFA in February 2025, this was subject to certain conditions that were fulfilled and a portion of the capital amounting to R37,5 million was received in April 2025. The additional capital raised will be deployed to SME's who meet the qualifying criteria of SEDFA. The SEDFA loan incurs interest at prime less 0,5% and is repayable quarterly.

Subsequent to year end an additional intercompany facility was approved by the board of directors of R20 million to Altvest Capital Limited. This includes a promissory note of R10 million.

Other than the above mentioned matters the directors are not aware of any other matters or circumstances arising since the end of the financial year, not otherwise dealt with in these financial statements, which significantly affect the financial position at 28 February 2025 or the results of operations or cash flows for the year then ended.

3. Authorised and issued share capital

The total authorised share capital is 100,000,000 ordinary shares of no par value. Ordinary shares issued during the year were 10,949,237 (2024: 7,222,953) at R35,013,857 (2024: R21,669,497). The total number of ordinary shares in issue at the end of the reporting period was 43 178 857 (2024: 32 229 620).

4. Independent Auditors

BDO South Africa Inc were reappointed as auditors of the company for 2025.

Going concern

The directors believe that the company has adequate financial resources and financial support to continue in operation for the next twelve months and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position. The Fund has incurred losses in the current and prior financial years. Despite this, the Fund maintains a positive net asset value (NAV) as at year-end. Management acknowledges these recurring losses: however, several factors support the continued application of the going concern assumption:

Future Profitability: Management has implemented a revised strategic plan and financial forecasts indicate that the Fund is expected to return to profitability within the next two financial years. Capital Inflows: The Fund expects to receive additional investor capital within the next 12 months , which will materially increase its assets under management (AUM) and support operational sustainability, as such subsequent to year-end, the Fund secured a significant R75 million mandate from the SEDFA, demonstrating market confidence and enhancing liquidity.

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Company Secretary Statement

I hereby certify that the company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

CTSE Registry Services Proprietary Limited

Company Secretary 29 May 2025

Tel: +27 011 488 1700
Fax: +27 010 060 7000
www.bdo.co.za

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Private Bag X60500
Houghton, 2041
South Africa

Independent Auditor's Report
To the Shareholder of
Altvest Credit Opportunities Fund Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Altvest Credit Opportunities Fund Limited (the company) set out on pages 104 to 143, which comprise the statement of financial position as at 28 February 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Altvest Credit Opportunities Fund Limited as at 28 February 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for *Auditors' Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International *Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

The materiality is R 2,7 million which represents 1% of total assets.

Total assets is the appropriate benchmark as the entity is in its start-up phase and this year is its first full year of operations. The total assets represent the loans disbursed and the intangible asset infrastructure on which returns will be earned.

BDO

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit matter	How our audit addressed the key audit matter
Valuation of loans and advances to customers Altvest Credit Opportunities Fund has portfolios of financial instruments that fall within the scope of IFRS 9: *Financial instruments* specifically with regard to the assessment of expected credit losses "ECL" over loans and advances. Significant judgement is required in estimating ECL's relating to these secured and unsecured loans and advances and include assessing: • The probability of default (PD); loss given default (LGD) and exposure at default (EAD); and • Credit risk profile changes and macro-economic scenario assumptions, including forward-looking information (FLI); and • Expected realisable value of the collateral securing the exposure, for secured loans and advances. The company is required to recognise an allowance for either 12 months or lifetime ECL's depending on whether there has been a significant increase in credit risk (SICR) since initial recognition. Due to the significance of this balance, high degree of estimation uncertainty and management judgement, the valuation of loans and advances to customers is deemed as a matter of most significance in our current year audit of the financial statements. The relevant disclosures with respect to the impairment and risk management of loans and advances have been provided in 2.5 and note 23 respectively.	We performed the following audit procedures amongst others: • Obtained a detailed understanding of the design and implementation of the relevant controls and processes of the origination, approval, distribution, credit monitoring and collection process in terms of Altvest Credit Opportunities Funds' credit policy and processes to ensure compliance with these policies and the National Credit Act; • Reviewed the ECL methodology for compliance with IFRS 9 principles and best practice. We did not note any inconsistencies in this regard; • Reviewed the ECL model calculations as prepared by management for accuracy and consistency with their approved methodology; • Performed a challenger ECL calculation with the collaboration with our internal credit modelling expertise to assess the integrity and authenticity of the data into the credit impairment model and determined an auditor's range to assess the client's reasonability of their ECL model, using independent inputs for PD, EAD, LGD and forward looking macro-economic factors and compared our ECL to that of the company for reasonability. We found that management's calculation fell within our expectation; We evaluated the adequacy and sufficiency of the presentation and disclosure in the financial statements in terms of IFRS 9: *Financial instruments*, and IFRS 7: *Financial instruments Disclosures*.
Valuation of Intangible Assets The entity recognises an intangible when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured. Altvest Credit Opportunities Fund intangible assets include a suite of policies, customer relationships, licenses, valuation models, and credit scoring systems. Each of these items meet the definition of intangible assets under IAS 38 – *Intangible Assets*. Significant judgement is required in estimating the useful life of the intangible assets as either finite or indefinite	Our procedures for the Valuation of Intangible Assets included the following: • We assessed management's determination of the estimated useful life of the intangible assets with the finite lives for reasonableness and calculated the amortisation for accuracy. We did not note any inconsistencies in this regard; • With the assistance of our Corporate Finance expertise, we obtained management's assessment of the recoverable amount of the carrying amount of the intangible assets and performed the following procedures:

and to annually assess the recoverable amount of the intangible assets with an indefinite useful life.

Due to the significance of the intangible asset balance, the high degree of estimation uncertainty and management judgements on the indefinite useful life asset recoverable amount, it was considered as a matter of most significance to the current year audit of the financial statements.

The relevant disclosures relating to the estimates and judgements have been provided in Note 2.4 and Note 3 respectively to the financial statements.

• Assessed the reasonability of the inputs applied to the forecasts prepared by management for reasonableness through inspection of the underlying supporting documents. Based on the results of our assessment we accepted the forecast applied by management ; and

• Assessed the appropriateness of the valuation methodology that was applied. We did not note any inconsistencies in this regard.

We evaluated the adequacy and sufficiency of the disclosure in the financial statements in terms of IAS 38: *Intangible Asset*.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Altvest Credit Opportunities Fund annual report 2025", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud

- is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Altvest Credit Opportunities Fund Limited for 2 years.

BDO South Africa Incorporated

BDO South Africa Incorporated
Registered Auditors

Soné Jeanette Kock
Director
Registered Auditor
29 May 2025

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Statement of Financial Position

	Notes	2025 R	2024 R
Assets			
Non-current assets			
Intangible assets	3	7,996,234	9,039,404
Deferred tax assets	4	5,894,978	1,682,580
Promissory note	5	10,439,855	-
Loans and advances to customers	6	161,908,039	8,180,253
Total non-current assets		**186,239,106**	**18,902,237**
Current assets			
Other receivables	7	820,145	412,890
Loans and advances to customers	6	40,051,901	11,614,984
Loan to shareholder	8	2,956,488	1,862,853
Cash and cash equivalents	17,2	35,857,221	69,005,471
Total current assets		**79,685,755**	**82,896,198**
Total assets		**265,924,861**	**101,798,435**
Equity and liabilities			
Equity			
Share capital	9	56,683,354	21,669,497
Accumulated loss		(17,911,001)	(5,268,524)
Total equity		**38,772,353**	**16,400,973**
Liabilities			
Non-current liabilities			
Interest bearing borrowings	10	226,075,965	82,742,465
Current liabilities			
Trade and other payables	11	1,076,543	802,497
Enterprise development loan	12	-	1,852,500
Total current liabilities		**1,076,543**	**2,654,997**
Total liabilities		**227,152,508**	**85,397,462**
Total equity and liabilities		**265,924,861**	**101,798,435**

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2025 R	2024 R
Interest revenue	13.1	35,665,296	2,521,517
Fee and commission income	13.2	77,000	-
Profit before interest expense		**35,742,296**	**2,521,517**
Interest expense	14	(24,199,246)	(2,742,475)
Profit/(loss) before impairment and operating expenses		**11,543,050**	**(220,958)**
Impairment of loans and advances to customers	6	(7,081,914)	(748,485)
Other operating expenses	15	(21,316,010)	(5,937,852)
Loss before tax		**(16,854,874)**	**(6,907,295)**
Taxation	16	4,212,397	1,682,580
Loss after taxation		**(12,642,477)**	**(5,224,715)**
Other comprehensive income		-	-
Loss for the year		**(12,642,477)**	**(5,224,715)**

Statement of Changes in Equity

	Issued capital	Accumulated loss	Total
	R	R	R
Balance at 1 March 2023		(43,809)	(43,809)
Total comprehensive loss for the year	-	(5,224,715)	(5,224,715)
Additional contributions received from shares issued	21,669,497	-	21,669,497
Balance at 29 February 2024	**21,669,497**	**(5,268,524)**	**16,400,973**
Balance at 1 March 2024	21,669,497	(5,268,524)	16,400,973
Total comprehensive loss for the year	-	(12,642,477)	(12,642,477)
Additional contributions received from shares issued	35,013,857	-	35,013,857
Balance at 28 February 2025	**56,683,354**	**(17,911,001)**	**38,772,353**
Notes	9		

Statement of Cash Flows

	Notes	2025 R	2024 R
Net cash (utilised)/generated from operating activities		(174,350,227)	(22,931,717)
Cash utilised in operating activities	17.1	**(209,575,667)**	**(24,914,033)**
Interest received		35,225,440	1,982,316
Interest paid		-	-
Taxation paid		-	-
Cash flows utilised in investing activities		**(13,811,880)**	**(4,485,022)**
Repayment of shareholder loan	17.3	(7,416,306)	(4,485,022)
Advances from shareholder loan	17.3	411,000	-
Advances issued for promissory note	17.3	(7,106,574)	-
Proceeds received from promissory note	17.3	300,000	-
Cash flows from financing activities		**155,013,857**	**96,354,709**
Shares issued	9	35,013,857	21,669,497
Advances to shareholder loan		-	(30,725)
Loans repaid during the year (Kisby transaction)		-	(5,284,063)
Long-term borrowings raised	17.3	120,000,000	80,000,000
Net (decrease)/increase in cash and cash equivalents		**(33,148,250)**	**68,937,970**
Cash and cash equivalents at beginning of the year		69,005,471	67,501
Cash and cash equivalents at end of the year	17,2	**35,857,221**	**69,005,471**

Accounting Policies

1. General information

Altvest Credit Opportunities Fund Ltd ("ACOF") was incorporated in South Africa. The principal activities of the company is providing SME loans.

2. Material accounting policy information

The principal material accounting policies applied in the preparation of these financial statements are set out below.

2. Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and IFRIC interpretations issued and effective at the time of preparing these financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

The financial statements have been prepared on the historic cost basis, except for certain financial instruments which are measured at fair value or amortised cost. They are presented in Rands, which is the company's functional currency.

2.2 Standards and interpretations effective and adopted in the current year

In the current year the company adopted all relevant amendments to IFRS's that are relevant to its operations and effective for annual periods beginning on or after 1 January 2024.

IFRS	Title and details	Effective date
IAS 1	Classification of liabilities as current or non-current	01 January 2024

Their adoption has not had a significant impact on the presentation of the financial statements.

2.3 Standards and interpretations to existing standards that are not yet effective and have not been adopted early by the company

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning after 01 January 2025 or later periods. The company will adopt the new and amended IFRS's when they become effective. The company has assessed, where practicable, the potential impact of all of these new and amended IFRS's that will be effective in future periods.

IFRS	Title and details	Effective date
IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments	01 January 2026
IFRS 18	Presentation and disclosure in financial statements	01 January 2027

The company expects that the IFRS 18 amendment to have a material impact on the financial statements at the effective date. The other new or revised standards management does not expect it to have a material impact on the results or financial position.

2.4 Intangible assets

An intangible asset is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

In the prior year ACOF acquired various intellectual property developed from Kisby Capital Partners. The various intellectual property was analysed and classified into assets of a similar nature and function as an intangible assets.

The classifications derived by management are as follows:

Policies, procedures to maintain an SME Lender and Valuation models and credit scoring systems

A suite of policies and procedures required in an environment whereby capital funding is obtained from institutional investors was purchased. It can be sold and or transferred and is imperative to enhance sound corporate governance. They are measured at cost less accumulated impairment losses. These have been assessed as having indefinite useful lives, as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. These are assessed for impairment at least annually, and whenever there is an indication of impairment.

Customer relationships

ACOF aims to raise capital funding of circa R5 billion in the next couple of years to be disbursed in the form of loans to SME Businesses. The potential customer list that expressed interest in obtaining loan funding consisted of contact details. These contacts would not be able to be mined indefinitely. The customer lists are measured at cost less accumulated amortisation and accumulated impairment losses. Customer relationships are assessed as having a useful life of 5 years to align with planned loan disbursements.

Accounting Policies - continued

Licenses

The licenses, legal contracts and royalty agreements acquired has been measured at cost and assessed as having an indefinite useful life. Indefinite useful life licenses are reviewed for impairment annually.

Subsequent expenditure

Subsequent expenditure is capitalised only when it meets the definition of an intangible asset and when the recognition criteria is met. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis, over the estimated useful lives of intangible assets.

The amortisation methods and useful lives are reviewed at each reporting date and adjusted if required.

The estimated useful lives are as follows:

Database of Policies, procedures to maintain an SME Lender	Indefinite
Customer relationships	5 years
Licenses	Indefinite
Valuation models and credit scoring systems	Indefinite

2.5 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Classification and subsequent measurement

Financial assets which are debt instruments:

Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

2.5 Financial instruments (continued)

Financial liabilities:

Amortised cost.

The financial instruments and risk management section presents the company's financial instruments, categorised according to their specific classifications.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans receivable at amortised cost

Loans to group companies, loans to shareholders, loans to directors, managers and employees, and loans and advances to customers are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

2.5 Financial instruments (continued)

Loans and advances to customers are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans. (Refer to note 23).

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase since initial recognition. If the credit risk on a loans has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit loss that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase on risk of default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring. The Probability of default (PD) is the likelihood of an account defaulting within 90 days. An amount is considered to be in default if no payment has been received within 90 days of when it becomes due.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. For the purposes of the statement of cash flows, cash includes cash on hand, deposits held on call with banks, investments in money market instruments, and bank overdrafts. Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

2.5 Financial instruments (continued)

Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost. They are recognised when the company becomes a party to a contractual provisions, and are measured, at initial recognition, at fair value less transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method.

Borrowings and loans from related parties

Loans from group companies, loans from shareholders and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value less transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Borrowings expose the company to liquidity risk and interest rate risk. Refer to the notes for details of risk exposure and management thereof.

2.6 Taxation

Deferred taxation

Deferred taxation is provided for on the comprehensive basis as per the balance sheet method in respect of all material temporary differences arising between the tax bases of the assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that is probable that the taxable profit will be available against which the deductible temporary differences can be utilised.

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates that have been enacted or substantively enacted by the financial year end date.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or different period, directly in equity, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

2.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity. Ordinary shares are recognised at no par value and classified as share capital in equity. Dividends are recognised as a liability in the Company in which they are declared.

2.8 Revenue

Interest income

Interest is recognised on a time-proportion basis taking account of the principal outstanding and the effective interest rate over the period to maturity when it is probable that such income will accrue to the company.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the amortised cost of a financial asset. The performance obligation is met monthly. Initiation fee is charged to a customer on initiation of the account and recognised as part of the effective interest rate of the financial asset.

2.8 Revenue (continued)

Fee and commission income

Commission income is recognised when the related transaction on which the commission is earned has been concluded. Service fee income is recognised on a monthly basis when charged to a customers account. The performance obligation is met monthly. Initiation fee is charged to a customer on initiation of the account and recognised as part of the effective interest rate of the financial asset.

2.9 Impairments

Intangible assets with finite useful live

At the end of each reporting period, the company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives

Intangible assets that are determined to have indefinite useful lives are not amortised but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired.

Impairment testing

Recoverable amount of the assets or cash generating unit is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than it's carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Assets are grouped together with the smallest group of assets that generates cash flows that are largely independent of the cash flows of other assets or cash generating units.

Reversal of impairment

For intangible assets with finite useful lives, previously recognised impairment losses are reversed if the reasons for the impairment no longer exist. The reversal is limited to the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior periods.

Impairment losses recognised for intangible assets with indefinite useful lives are not reversed in subsequent periods.

Accounting Policies - continued

2.10 Significant judgement and sources of estimation uncertainity

The preparation of annual financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Impairment of financial assets

Impairment of advances and loans to customers

Advances and loans to customers are disclosed net of any allowance for impairment. The allowance for impairment is determined with the incorporation of expected credit loss ("ECL") modelling, which is an area of significant judgement and estimate due to the input of key assumptions into complex provisioning methodology.

In measuring ECL, the significant estimates and judgements applied are described in loans and advances to customers in note 23.

Impairment of intangible assets with indefinite useful life

The impairment assessment of intangible assets involves significant management judgement, particularly in estimating future cash flows that support the asset's recoverable amount. These estimates are based on management approved budgets, projected revenue growths, discounted rates.

The budgets and forecasts used in impairment testing are subject to inherent uncertainty. Changes in market conditions, unexpected changes in business performance, or variations in key assumptions may result in material adjustments to impairment estimates in future periods.

2.10 Significant judgement and source of estimation uncertainity (continued)

Intangible assets

The allocation of useful lives to items of intangible assets is dependent on judgement. These allocations are done based on past experience and the period over which future economic benefits are expected to be derived. Refer to note 2.4

Deferred tax asset

The determination of the amount of deferred tax assets that can be recognised requires a high level of judgement, particularly in evaluating whether there will be sufficient future taxable profits to support the recovery of the assets.Refer to note 4.

Due to the inherent uncertainty of forward-looking information, changes in these assumptions or future economic conditions could lead to material adjustments to the carrying amount of deferred tax assets. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available.

Notes to the Financial Statements

3. Intangible assets

	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Suite of policies, procedures to maintain an SME Lender	3,708,706	-	3,708,706	3,708,706	-	3,708,706
Customer relationships	5,244,506	(1,762,497)	3,482,009	5,244,506	(719,327)	4,525,179
Licenses	341,662	-	341,662	341,662	-	341,662
Valuation models and credit scoring systems	463,857	-	463,857	463,857	-	463,857
	9,758,731	**(1,762,497)**	**7,996,234**	**9,758,731**	**(719,327)**	**9,039,404**

The carrying amounts for 2025 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Amortisation	Carrying value at end of year
Suite of policies, procedures to maintain an SME Lender	3,708,706	-	-	3,708,706
Customer relationships	4,525,179	-	(1,043,170)	3,482,009
Licenses	341,662	-	-	341,662
Valuation models and credit scoring systems	463,857	-	-	463,857
	9,039,404	**-**	**(1,043,170)**	**7,996,234**

The carrying amounts for 2024 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Amortisation	Carrying value at end of year
Suite of policies, procedures to maintain an SME Lender	-	3,708,706	-	3,708,706
Customer relationships	-	5,244,506	(719,327)	4,525,179
Licenses	-	341,662	-	341,662
Valuation models and credit scoring systems	-	463,857		463,857
	-	**9,758,731**	**(719,327)**	**9,039,404**

Initial recognition

Intellectual property recognised through the acquisition of the business of Kisby Capital Partners ("KCP") by ACOF

Pursuant to the process of commencing operations in ACOF, its management entered into an agreement with KCP to purchase the Sale Business, comprising primarily of all KCP's intellectual property. The intellectual property ("IP") primarily constitutes business models, legal templates, policies, regulatory applications, process maps, financial models and other confidential information.

The intangible assets acquired in the KCP transaction were recognised as assets acquired in a business combination in line with IFRS 3 Business Combinations. The assets were then classified and assessed for useful lives and amortisation. Intangible assets that were determined to have an indefinite useful life were classified as such and are subject to impairment testing on an annual basis. Intangible assets that were determined to have a finite useful life were allocated an amortisation period aligned to the expected useful life of the assets.

An impairment test was performed at the financial reporting date. In performing the impairment test, the company identified that the intangible assets with indefinite useful lives comprise of assets that do not generate cash flows that are largely independent of other assets. The recoverable amount was based on the fair value of the entity as a cash-generating unit. The value-in-use was based on the discounted cashflow model using the terminal growth rate of 8,16% and the discounted cost of equity of 24,25% as the primary inputs. No impairment was recognised for the current reporting period.

The remaining useful life of Customer relationships is 4 years.

Notes to the Financial Statements - continued

4. Deferred tax assets

	2025	2024
	R	R
4.1 Deferred tax balance consists of:		
Provision for expected credit loss allowance	1,268,525	121,255
Assessable tax losses	4,626,453	1,561,325
Deferred taxation asset	**5,894,978**	**1,682,580**
4.2 Reconciliation of deferred tax asset		
Beginning of the year	1,682,580	-
Charge to income - included in temporary differences	1,147,270	121,255
Charge to income - not included in temporary differences	3,065,128	1,561,325
Deferred tax asset at the end of the year	**5,894,978**	**1,682,580**

At the balance sheet date, the company has estimated unused tax losses of R17,135,011 (2024:R5,782,685) for the previous 3 years, which is available for offset against future profits based on management profit and cash flow forecasts. A deferred tax asset has been recognised in respect of these unused tax losses due to the probaility of earning future taxable income.

5. Promissory note

	2025	2024
	R	R
Altvest Capital Limited	10,439,855	-

This Promissory Note is issued by Altvest Capital. The note bears interest at the prevailing prime interest rate and is repayable in full within 18 months from the date of issuance, which is September 2024.

The principal amount of the note, along with any accrued interest, must be repaid by March 2026. However, the note may be rolled forward for an additional term beyond the initial 18-month period, provided that written confirmation is obtained from the Board of the Altvest Credit Opportunities Fund Limited.

6. Loans and advances to customers

	2025	2024
Gross loans and advances to customers	209,790,339	20,543,722
Expected credit loss on loans and advances	(7,830,399)	(748,485)
	201,959,940	**19,795,237**
Split between non-current and current portions		
Non-current asset	161,908,039	8,180,253
Current asset	40,051,901	11,614,984
	201,959,940	**19,795,237**

Loans and advances to customers consist of various loans and advances to SME entities. The loans have terms varying from 3 months to 36 months and interest is charged at varying rates linked to the prime bank overdraft. The terms and interest rate of the loans are dependent on the credit assessment of the customer.

6. Loans and advances to customers (continued)

Credit loss allowance

As at the reporting date, the loans and advances to customers are considered to have no significant increase in credit risk since the loans were granted because there is no arrears instalment payments. The loss allowance has accordingly been measured at an amount equal to 12 month expected losses for these instruments.

In determining the amount of expected credit losses, the Company has taken into account the financial positions of the counter parties as well as the future prospects in the industries in which the counterparties operate or are employed. This information has been obtained from the counterparties themselves, as well as from economic reports, financial analyst reports and various external sources of actual and forecast data.

In calculating the expected credit loss management utilises the Basel III monitoring report, which assists in determining the probability of default (PD) by assessing the creditworthiness of each borrower based on the nature of their operations. The assessment process also integrates a delinquency score, which is an externally sourced measure derived from the borrower's historical credit score and payment behavior.

At each reporting date, the company evaluates the total outstanding loan balances for all borrowers. Where balances have an arrears amount year-end, an additional risk-based percentage is applied to reflect the borrower's specific repayment history with the company. This adjustment ensures that forward-looking information and past repayment performance are appropriately factored into the ECL calculation.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below.

Credit rating framework

Internal credit grade	Description	Bases for recognising expected credit losses
Performing Stage 1	Low risk of default and no amounts are past due	12m ECL
Doubtful Stage 2	Either 30 days past due or there has been significant increase in credit risk since initial recognition	Lifetime ECL (not credit impaired)
In default Stage 3	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL (credit impaired)
Write- off	There is evidence indicating that the counterparty in severe financial difficulty and there is no realistic prospect of recovery	Amount is written off

The following table set out the carrying amount, loss allowance and measurement basis of expected credit losses per financial instrument by internal credit rating grade.

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Credit loss allowance	Amortised cost
2025					
Term loans	Performing	12m ECL	209,790,339	(7,830,399)	201,959,940
2024					
Term loans	Performing	12m ECL	20,543,722	(748,485)	19,795,237

	2025 R	2024 R
7. Other receivables		
VAT receivable	820,145	412,890
8. Loan to shareholder		
Altvest Capital Limited	2,956,488	1,862,853
The above loan is unsecured, bears interest at prime interest rate (2024: bears no interest) and has no fixed terms of repayment. The company has assessed the ability of its holding company to repay the loan and concluded that no loss allowance is required.		
9. Issued capital		
Authorised and issued share capital		
Authorised	-	-
100,000,000 Ordinary shares at no par value	-	-
100,000,000 Unspecified shares Class A-L at no par value	-	-
Issued		
Beginning of the year - 32,229,620 ordinary shares at no par value issued	21,669,497	-
Movement during the year - 10,949,237 ordinary shares ar no par value issued	35,013,857	21,669,498
End of the year at 28 February 2025	**56,683,354**	**21,669,498**

	2025	2024
	R	R
10. Interest bearing borrowings		
Debt notes issued		
Domestic medium term note programme	226,075,965	82,742,465

The above debt notes are issued as per an approved Domestic Medium Term Note Programme on the Cape Town Stock Exchange. This Programme enables the Company to raise multiple tranches of wholesale debt funding from primarily institutional investors via the issuance of applicable pricing supplements. The above borrowings were in respect of notes issued to four South African retirement funds, and bear interest at prime rate plus 2% for a 7 year period, with interest and coupons payments re-invested based on the election by investors on date of debt issue.

	2025	2024
11. Trade and other payables		
Trade payables	1,036,543	497,747
Other payables	40,000	304,750
	1,076,543	**802,497**
12. Enterprise development loan		
Lebashe Investment Group Pty Ltd	-	1,852,500

The above loan is unsecured, bears no interest and has no fixed terms of repayment. This loan was settled in the current year under review.

	2025	2024
	R	R
13. Revenue		
13.1 Interest income		
Interest income on loans and advances to SMEs	28,583,689	890,845
Interest on other financial instruments - banking institutions	6,445,159	1,630,672
Interest on related and intercompany loan accounts	636,448	-
	35,665,296	**2,521,517**
13.2 Fee and commission income		
Gurantee fee income	77,000	-
	77,000	**0**
14. Interest paid		
Interest expense	24,199,246	2,742,475

Finance expenses relates primarily to interest incurred on debt notes issued by the Company, which is listed on the CTSE. These debt notes carry an interest rate of prime plus 2% per annum.

In accordance with the terms of the debt agreement, interest accrued as at 30 June each year is not settled in cash but it is instead converted into either additional debt notes or equity, subject to the terms and conditions agreed upon with the noteholders.

	2025	2024
	R	R
15. Loss before taxation		
Loss before taxation is arrived at after taking into account the following operating expenses, amongst others:		
Accounting fees	339,400	110,555
Amortisation of intangible assets	1,043,170	719,328
Auditors remuneration	1,313,388	507,549
Audit fees - 2025	1,033,780	-
Audit fees - 2024	279,608	400,216
Audit fees - accrued 2023	-	107,333
Bank Charges	38,061	0
Brokerage fee	12,112	20,000
Strategic service fee	7,383,671	882,348
Loan management fee	4,873,083	666,668
Loan deployment fee	2,510,588	215,680
Board member fees	344,132	83,500
Fines and penalties	13,009	0
Consulting fees	3,174,522	1,475,725
General Expenses	11,116	0
Guarantee fees	1,700,000	-
Impairment of loans and advances	7,081,915	748,485
Legal fees	21,051	222,500
Listing and regulatory fees	2,029,549	1,227,584
Marketing and advertising	1,348,929	439,945
Meeting and conferences	206,217	-
Platform fees	520,625	-
Printing and stationery	170,415	
Travel and accommodation	1,420,225	-
Realised foreign currency exchange	25,538	-
Secretarial fees	6,750	28,575
Sponsorship	70,000	-
Subscription	79,857	122,983

Notes to the Financial Statements - continued

	2025	2024
	R	R
16. Taxation		
16.1 SA Normal taxation		
Current taxation	-	-
Deferred taxation	(4,212,397)	(1,682,580)
Tax expense per statement of comprehensive income	**(4,212,397)**	**(1,682,580)**
No current taxation is provided for as the company has a calculated taxable loss. Refer note 4 for deferred tax asset raised in respect of estimated tax losses.		
16.2 Reconciliation between the accounting loss and tax expense		
Loss before taxation	**(16,854,874)**	**(6,907,295)**
Tax adjustments on taxable income		
Tax charge at 27%	(4,550,816)	(1,864,971)
Expenses not deductible for tax purposes - amortisation of intangible assets	281,656	194,219
Deferred tax assets raised in respect of tax losses	56,763	(11,828)
	(4,212,397)	**(1,682,580)**

17. Notes to statement of cash flows

17.1 Reconcilaition of net loss before taxation to cash flows (utilised by)/generated from operations

	2025 R	2024 R
Net loss before taxation	**(16,854,874)**	**(6,907,295)**
Adjustments for non cash items		
Amortisation of intangible assets	1,043,170	719,328
Expected credit loss on loans and advances	7,081,914	748,485
Interest received	(35,665,296)	(1,982,316)
Interest paid on debt notes issued	24,199,246	2,742,475
Operating loss before working capital changes	(20,195,840)	(4,679,323)
Working capital changes	(189,379,827)	20,234,710)
Increase in advances of loans and advances to customers	(189,246,617)	(20,543,722)
Increase in trade and other receivables	(407,255)	(406,408)
Increase in trade and other payables	274,045	715,420
		-
Cash utilised in operating activities	**(209,575,667)**	**(24,914,033)**

17.2 Cash and cash equivalents

	2025 R	2024 R
Cash and cash equivalents consist of balances with banks and investments in money market instruments. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:		
Bank and cash balances	35,857,221	69,005,471

Altvest Credit Opportunities Fund Limited has provided a guarantee in favour of Nedbank Limited for an overdraft facility of up to R5 million granted to its shareholder, Altvest Capital. This guarantee was issued to support the shareholder's short term liquidity requirements and remains in place as at the reporting date.

17.3. Notes supporting cash flows

Reconciliation cashflow movements of assets and liabilities	Shareholder loan	Promissory note	Interest bearing borrowing	Enterprise development loan	Total
At 01 March 2024	(1,862,853)		82,742,465	1,852,500	82,732,112
Cash flows advances	411,000,00	300,000	120,000,000	-	120,711,000
Cash flow repayments	(7,416,306)	(7,106,574)	-	-	(14,522,880)
Non-cash flows	5,911,671	(3,633,281)	23,333,500	(1,852,500)	23,759,390
At 28 February 2025	**(2,956,488)**	**(10,439,855)**	**226,075,965**	**-**	**226,075,965**

18. Change in accounting estimates

During the current year the company changed its methodology on which the ECL provision on loans and advances was calculated. In the prior years the provision was calculated on a simplified approach which split the loans and advances into different brackets, and multiplying it by a fixed percentage based on the bracket the amounts fall under. During the current year the ECL provision has been further refined on an individual loan level, taking into account the individual characteristics of each specific deal. There has been no change in the risk levels of the loans however just a change in the methodology calculation Refer to Note 6.

Please see below impact analysis on the change in methodology

Loans and advances before and after change in methodology	Old methodology	New methodology	Impact on P/L
Gross loans and advances	209,790,339	209,790,339	-
Less: Loss allowance	(8,592,200)	(7,830,399)	761,801
Net loans and advances	**201,198,139**	**201,959,940**	**761,801**

The change in methodology has resulted in a decrease provision of R761,801 and a reduction on the loss for the year of R761 801.

19. Events after the reporting date

19.1 Loan from the Small Enterprise Development and Finance Agency (SEDFA)

Additional capital of the amount of R75 million was agreed with SEDFA in February 2025, this was subject to certain conditions that were fulfilled and a portion of the capital amounting to R37,5 million was received in April 2025. The additional capital raised will be deployed to SME's who meet the qualifying criteria of SEDFA. The SEDFA loan incurs interest at prime less 0,5% and is repayable quarterly.

19.2 Subsequent to year end an additional intercompany facility was approved by the board of directors of R20 million to Altvest Capital Limited.

19.3 Other then the above mentioned matters the directors are not aware of any other matters or circumstances arising since the end of the financial year, not otherwise dealt with in these financial statements, which significantly affect the financial position at 28 February 2025 or the results of operations or cash flows for the year then ended.

20. Related parties

The following related parties are related to the company:

Relationship	Name
Shareholder/parent company	Altvest Capital Limited
Directors	**Executive directors:** WG Wheatley AS Karan TL Wheatley **Independent Non-Executive directors:** E Harcourt-Wood SKI Masakale GM Sephuma
Companies with similar directors:	Tatum Keshwar Investments Proprietary Limited WGW Capital Proprietary Limited
Company of close relative of shareholders director	Vo2 Max Private Gym CC
Other related parties	Bambanani Properties Proprietary Limited

Notes to the Financial Statements - continued

20. Related parties (continued)

The following transactions were carried out with related parties;	2025 R	2024 R
Administration fee (paid) and capital raise fees earned		
Altvest Capital Limited	(2 510 588)	(215 680)
Interest received		
Altvest Capital Limited	636,447	-
VO2 Max Private Gym CC	567,086	-
Bambanani Properties Pty Ltd	548,449	-
Expenses		
Guarantee fees		
WGW Capital Proprietary Limited	1,500,000	-
Tatum Keshwar Investments Proprietary Limited	200,000	-
	1,700,000	-

Certain directors of ACOF are majority shareholders in the above mentioned companies in which these companies held shares in Altvest Capital Limited, the majority shareholder of ACOF. These companies ceded their shareholding in Altvest Capital Limited to SEDFA as security for a loan facility granted to ACOF.

The cession of shares was provided as collateral to secure a R75 million loan from SEDFA to ACOF. In return for providing this security, the companies in which the directors hold majority interests received a guarantee fee.

20. Related parties (continued)

The following transactions were carried out with related parties;	2025 R	2024 R
Asset management fee		
Altvest Capital Limited	4,873,083	666,668
Consulting fees		
Tatum Keshwar Investments Proprietary Limited	970,000	270,000
Board member fees (Non - executive directors)		
GM Sephuma	44,000	16,000
SKI Masakale (IQI Affiliates Pty Ltd)	62,000	27,500
E Harcourt-Wood (Intaba Capital Pty Ltd)	59,000	35,000
	165,000	**78,500**
Board member fees (Executive directors)		
TL Wheatley	40,000	-
Outstanding balances included in trade and other payables		
TL Wheatley	40,000	-
E Harcourt-Wood (Intaba Capital Pty Ltd)	-	10,000
Loans receivable (included in loans and advances to customers)		
V02 Max Private Gym CC	5,067,134	-
Bambanani Properties Pty	5,587,416	-
Loans Receivable		
Doriso Holdings Pty Ltd	-	1,291,826
WGW Capital Pty Ltd	-	3,992,238

20. Related parties (continued)

20.4 Outstanding loan to/ from shareholders and other related companies

Loans to/from group companies and shareholders are disclosed in notes 5 and 8.

20.5 Directors Emoluments

Director emoluments for services rendered	2025 Paid for by the company	2025 Paid for by Group	2025 Total
WG Wheatley			
Basic salary	-	5,400,000	5,400,000
Bonus	-	2,639,188	2,639,188
	-	**8,039,188**	**8,039,188**
AS Karan			
Basic salary	-	1,800,000	1,800,000
Bonus	-	50,000	50,000
	-	**1,850,000**	**1,850,000**

	2024 Paid for by the company	2024 Paid for by Group	2024 Total
WG Wheatley			
Basic salary	-	-	-
Bonus	-	-	-
	-	**-**	**-**
AS Karan			
Basic salary	-	1,500,000	1,500,000
Bonus	-	20,000	20,000
	-	**1,520,000**	**1,520,000**
JCH Geyer			
Basic salary	-	470,454	470,454
Bonus	-	-	-
	-	**470,454**	**470,454**

Notes to the Financial Statements - continued

21. Going concern note

	2025	2024
	R	R
The company incurred a net loss for the year ended:	(12, 642,476)	(5,224,715)
Total assets exceeded total liabilities by:	38,772,353	16,400,973

The directors believe that the company has adequate financial resources and financial support to continue in operation for the next twelve months and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position. The Fund has incurred losses in the current and prior financial years. Despite this, the Fund maintains a positive net asset value (NAV) as at year-end. Management acknowledges these recurring losses; however, several factors support the continued application of the going concern assumption.

- Future Profitability: Management has implemented a revised strategic plan and financial forecasts indicate that the Fund is expected to return to profitability within the next two financial years.

- Capital Inflows: The Fund expects to receive additional investor capital within the next 12 months , which will materially increase its assets under management (AUM) and support operational sustainability, as such subsequent to year-end, the Fund secured a significant R75 million mandate from the SEDFA, demonstrating market confidence and enhancing liquidity.

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

22. Commitments and Guarantees

Altvest Credit Opportunities Fund Limited has provided a guarantee of R5 million in favour of Nedbank Limited for an overdraft facility granted to its shareholder, Altvest Capital Limited. The facility is utilised by Altvest Capital Limited for operational funding. As at the reporting date, no default has occurred under the facility, and the directors consider the likelihood of the guarantee being called upon to be low. Accordingly, no liability has been recognised in respect of this guarantee.

23. Financial instruments

Categories of financial instruments

	2025		
Categories of financial assets	Fair value through profit or loss	Amortised cost	Total
Group loans receivable	-	-	-
Shareholder loan	-	2,956,488	2,956,488
Loans and advances to customers	-	201,959,940	201,959,940
Cash and cash equivalents	-	35,857,221	35,857,221
Promissory note	-	10,439,855	10,439,855
	-	**251,213,504**	**251,213,504**

	2024		
Categories of financial assets	Fair value through profit or loss	Amortised cost	Total
Group loans receivable	-	1,862,853	1,862,853
Loans and advances to customers	-	19,795,237	19,795,237
Cash and cash equivalents	-	69,005,471	69,005,471
	-	**90,663,561**	**90,663,561**

23. Financial instruments (continued)

Categories of financial liabilities	2025 Fair value through profit or loss	2025 Amortised cost	2025 Total
Trade and other payables	-	802,543	1,076,543
Interest bearing borrowings (Debt notes)	-	226,075,965	226,075,965
	-	**227,152,508**	**227,152,508**

Categories of financial liabilities	2024 Fair value through profit or loss	2024 Amortised cost	2024 Total
Trade and other payables	-	802,497	802,497
Interest bearing borrowings (Debt notes)	-	82,742,465	82,742,465
Enterprise development loan	-	1,852,500	1,852,500
	-	**85,397,462**	**85,397,462**

Market risk

The company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out under the policies approved by management.

The market risk model has performed as expected and the market risk framework continues to ensure adequate management of exposures. All measures have remained within the board approved limits over the period.

Liquidity risk

Liquidity risk arises from the company's potential inability to meet its payment obligations when they fall due, or only being able to meet these obligations by incurring excessive costs. Liquidity risk is driven by the maturity profile of the company's assets and liabilities as well as client behaviour. To manage and mitigate the liquidity risk introduced by its business activities, the company seeks to optimise its funding profile within structural and regulatory constraints to enable its businesses to operate in an efficient and sustainable manner.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and continued financial support from the shareholder.

Notes to the Financial Statements - continued

23. Financial instruments (continued)

The company focuses on continually monitoring and analysing the impact of potential risks on its funding and liquidity position to ensure business activities are preserved and funding is available and stable. This ensures the company can operate through periods of stress when access to funding is constrained.

The company holds a liquidity buffer in the form of cash and cash equivalents and liquid investment securities. Liquidity coverage ratios and funding gap analyses are reviewed regularly by management.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end date to the contractual maturity date.

The amounts in the table are the contractual undiscounted cash flows.

Undiscounted maturity analysis of financial instruments

	2025				
Class	Carrying amount	Total	Payable with 1 year	Payable 1 to 5 years	Payable between 6 and 7 years
Non-current liabilities					
Interest bearing borrowings (Debt notes)	226,075,965	408,853,328	-	-	408,853,328
Current liabilities					
Trade and other payables	1,076,543	1,076,543	1,076,543	-	-
	227,152,508	**409,929,871**	**1,076,543**	**-**	**408,853,328**

23. Financial instruments (continued)

Class	2024				
	Carrying amount	Total	Payable with 1 year	Payable 1 to 5 years	Payable between 6 and 7 years
Non-current liabilities					
Interest bearing borrowings (Debt notes)	82,742,465	157,820,356	-	-	157,820,356
Current liabilities					
Trade and other payables	802,497	802,497	802,497	-	-
Enterprise development loan	1,852,500	1,852,500	1,852,500	-	-
	85,397,462	**160,475,353**	**2,654,997**	**-**	**157,820,356**

Credit risk

Credit risk is that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The company manges credit risk through robust credit assessments and approval process, risk grading models, regular monitoring of exposures and loan portfolio diversification by sector and borrower type.

The maximum exposure to credit risk is the carrying amount of the financial assets on the statement of financial position and undrawn loan commitments.

Notes to the Financial Statements - continued

23. Financial instruments (continued)

Loans and advances to customers

Altvest Credit Opportunities Fund ("Fund") developed a lending platform ("Platform") infrastructure specifically aimed at SME finance solutions. This platform is augmented by 3rd party data fees and credit analysis by skilled individuals, with the ultimate aim of developing a robust understanding of the creditworthiness of prospective borrowers. Assessing the creditworthiness of Small and Medium Enterprises (SMEs) is crucial for ACOF in determining the risk profile of potential borrowers and ensuring that all loan transactions are within an acceptable risk and return appetite.

The credit risk which the fund faces arises mainly from consumer loans and advances.

The ACOF business credit scoring measures the credit behaviour and affordability of a business and its directors leveraging expert external providers as well as proprietary capabilities from data captured from the business's financial statements and forecasts. The business credit scoring process aims to deliver a risk assessment of each company for the ultimate investment decision of the Fund.

The process involves evaluating a number of factors including credit history, financial statements, business stability, and overall market conditions. The Investment committee approves loans and advances to customers.

Other

The company's cash resources are placed with major South African financial institutions of high credit standing and approved by the executive committee comprising senior executives. Receivables are reflected net of expected credit losses, which are considered adequate. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Loss allowance on loans and advances to customers

In accordance with the rebuttable presumption in IFRS 9, that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, other factors are also considered in making this determination (a customer enters debt review or a non-financial indication of increased risk is observed).

23. Financial instruments (continued)

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 30 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

Definition of default and credit-impaired financial assets

In accordance with the rebuttable presumption in IFRS 9, that default has occurred when a financial asset is more than 90 days past due. A curing event to exit the past due status may occur only with a full payment of current and arrear balances. In addition a default also occurs when a debtor is assessed as unlikely to pay its credit obligations due to an external event that has a detrimental impact on the estimated future cash flows of that debtor, e.g. deceased and insolvency.

Write-off policy

The company writes off a financial asset when there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the company's recovery strategies, taking into account legal advice where appropriate. Any recoveries made post write-off are recognised in profit or loss. Except in exceptional cases where an earlier write-off is appropriate (such as death, insolvency, account fraud and prescription).

	2025	
	Gross Carrying amount	Credit loss allowance
Loans and advances to customers	209,790,339	(7,830,399)
Group loans receivables	-	-
Shareholder loan	2,956,488	-
Promissory note	10,439,855	-
Cash and cash equivalents	35,857,221	-
	259,043,903	**(7,830,399)**

23. Financial instruments (continued)

	2024	
	Gross Carrying amount	Credit loss allowance
Loans and advances to customers	20,542,722	(748,485)
Group loans receivables	1,862,853	-
Cash and cash equivalents	69,005,471	-
	91,411,046	(748,485)

Interest Rate Risk

The interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes inmarket interest rates.

The company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations and long term loans with variable contractual interest rates.

Cash and bank balances and other loans are subject to variable rates. This risk is managed by apportioning the cash reserves to the accounts with the most favourable rate.

The interest rate sensitivity based upon loans and advances to customers and cash balances bearing interest at varying rates linked to prime bank overdraft rates, with a 1% fluctuation will cause the interest income to move by R2,378,171 (2024: R888,007) and decrease by R2,378,171 (2024: R888,007) per annum.

The interest rate sensitivity based upon debt notes bearing interest at rates linked to prime bank overdraft rate, with a 1% fluctuation will cause the interest expense to move by R2,260,759 (2024: R827,424) per annum.

Fair value

The directors consider the carrying amounts of financial instruments to approximate their fair values due to their short-term nature and market-related terms.

23. Financial instruments (continued)

Capital risk management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern, provide returns for shareholders, and deliver benefits for other stakeholders while maintaining an optimal capital structure to reduce the cost of capital. To achieve these objectives, the company employs a comprehensive capital management strategy that includes regular monitoring of its capital adequacy and proactive management of its debt and equity structure.

The executive directors are actively involved in the daily operations and make critical decisions regarding capital risk management. This involves a detailed analysis of the company's capital structure, ensuring an optimal balance between debt and equity to manage financial risk effectively. The company maintains a conservative leverage approach, setting specific targets for financial metrics such as the debt-to-equity ratio and interest coverage ratio. These targets are regularly reviewed and adjusted based on market conditions and the company's operational needs.

To manage capital risk, the company has implemented robust capital management policies and practices. These include:

Stress Testing and Scenario Analysis: Regular stress testing and scenario analysis are conducted to assess the potential impact of adverse market conditions on the company's capital position. This helps in identifying vulnerabilities and planning for various risk scenarios.

Stakeholder Communication: The company engages in active communication with its stakeholders, including shareholders and creditors to align its capital management practices with their expectations and requirements. This dialogue helps to maintain transparency and build trust among stakeholders.

Contingency Plans: The company has contingency plans in place to address potential capital shortfalls. These plans include access to additional funding through equity or debt issuance if required, ensuring that the company can respond effectively to financial challenges.

Regular Review and Adjustment: The company's capital structure is regularly reviewed and adjusted based on market conditions and operational needs. This includes setting specific targets for key financial metrics and ensuring they are met.

Through these comprehensive capital risk management practices, the company aims to enhance its financial stability, support sustainable growth, and ensure the continued delivery of value to its shareholders and other stakeholders.

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