altvest
credit opportunities fund

ALTVEST CREDIT OPPORTUNITIES FUND LIMITED

INTERIM FINANCIAL STATEMENTS

for the 6 months ended 31 August 2024

Registration Number: 2022/737301/06
Incorporated in South Africa
NCR Number: NBCRCP18241
DMTN Code: 4ACD01
ISIN: ZAG4000000478

GENERAL INFORMATION

Country of Incorporation	Republic of South Africa
Nature of Business and Principal Activities	Provider of SME loans
Date of incorporation	22 September 2022
Directors	AS Karan WG Wheatley TL Wheatley E Harcourt-Wood SKI Masakale GM Sephuma
Registered Office and Business Address	Block B, 66 Rivonia Road, Chislehurston, Sandton, 2146
Postal Address	Block B, 66 Rivonia Road, Chislehurston, Sandton, 2146
Financial year end	End of February
Company Registration Number	2022/737301/06
Auditors	BDO South Africa Inc, Registered Auditors
NCR number	NCRCP18241
Bond Code	4ACD01 / ISIN Code: ZAG400000478
VAT registration number	4490308832
Level of Assurance	These condensed interim financial statements have not been audited. Prior year comparable figures were not audited.
Holding company	Altvest Capital Ltd
Independently compiled by	T Botha CA (SA)
Published	26 November 2024

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CEO REPORT

Dear Stakeholders,

We are excited to share a strategic update for Altvest Credit Opportunities Fund (ACOF) Ltd, covering the period from 1 March 2024 to 31 August 2024, along with notable developments beyond the reporting period. This timeframe has been characterised by significant growth and advancement across our operations.

In this report, we highlight key milestones reached and outline our vision for the coming years. Our aim is to keep all stakeholders fully informed of our progress and strategic ambitions as we continue to build on our success.

Introduction and Economic Update:

The South African economic landscape presents a unique scenario characterized by decreasing interest rates amid a volatile global market environment. This shift has a nuanced impact on Small and Medium Enterprises (SMEs), traditionally sensitive to rate fluctuations. With easier access to more affordable financing, the importance of alternative financial solutions, such as those offered by ACOF, remains high.

Despite the broader economic challenges, a trend of cautious optimism is emerging as businesses adapt to the changing financial conditions. In this context, ACOF is excellently positioned to support SMEs, providing them with innovative financial solutions tailored to leverage lower interest rates. These services enable SMEs to navigate through economic uncertainties and harness potential growth opportunities more effectively.

Reminder of who we are and what we do:

ACOF was established to address one of the most pressing challenges faced by SMEs: access to affordable, fit-for-purpose funding to enable their growth ambitions. SMEs are a structurally underserved segment in traditional financial markets, and ACOF is committed to bridging this financial accessibility gap.

Our mission centres on providing structured private credit solutions that empower SMEs to expand, create jobs, and contribute meaningfully to economic transformation. This includes prioritising businesses that drive gender inclusion and social upliftment, particularly those led by entrepreneurs who have demonstrated resilience in overcoming systemic challenges such as prejudice and bias.

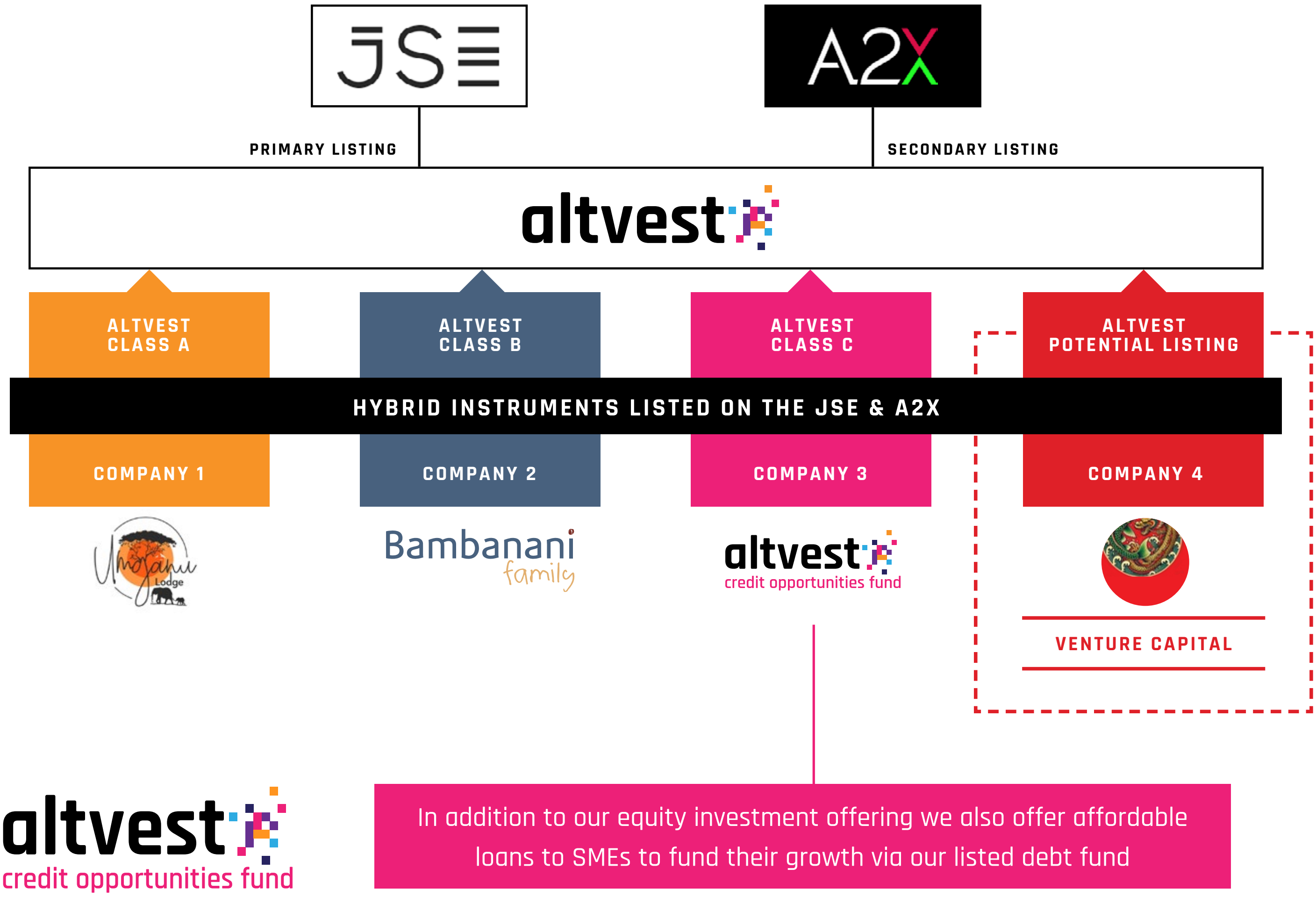
To meet SMEs where they are in their growth journeys, we tailor credit facilities through innovative repayment structuring, such as moratoriums and alternative collateralisation. Our impact-driven approach ensures that the businesses we support align with key economic and social development goals, incentivising measurable contributions to transformation.

In addition to financial support, we focus on strategic initiatives to expand our market presence and ensure a robust pipeline of both clients and capital allocators. Over the past months, this has included impactful media campaigns, participation in industry events, and direct engagements with potential investors. These efforts have strengthened ACOF's position as a vital partner for SMEs and a leader in driving accessible, inclusive private credit solutions.

Altvest Capital (The Fund Manager) ("Altvest")

ACOF's Fund Manager, Altvest provides a disruptive platform through which it seeks to meet the funding needs of SMEs, with a focus on women-owned businesses, via capital raised from a mix of retail and institutional investors, thereby bringing to market bespoke investment opportunities.

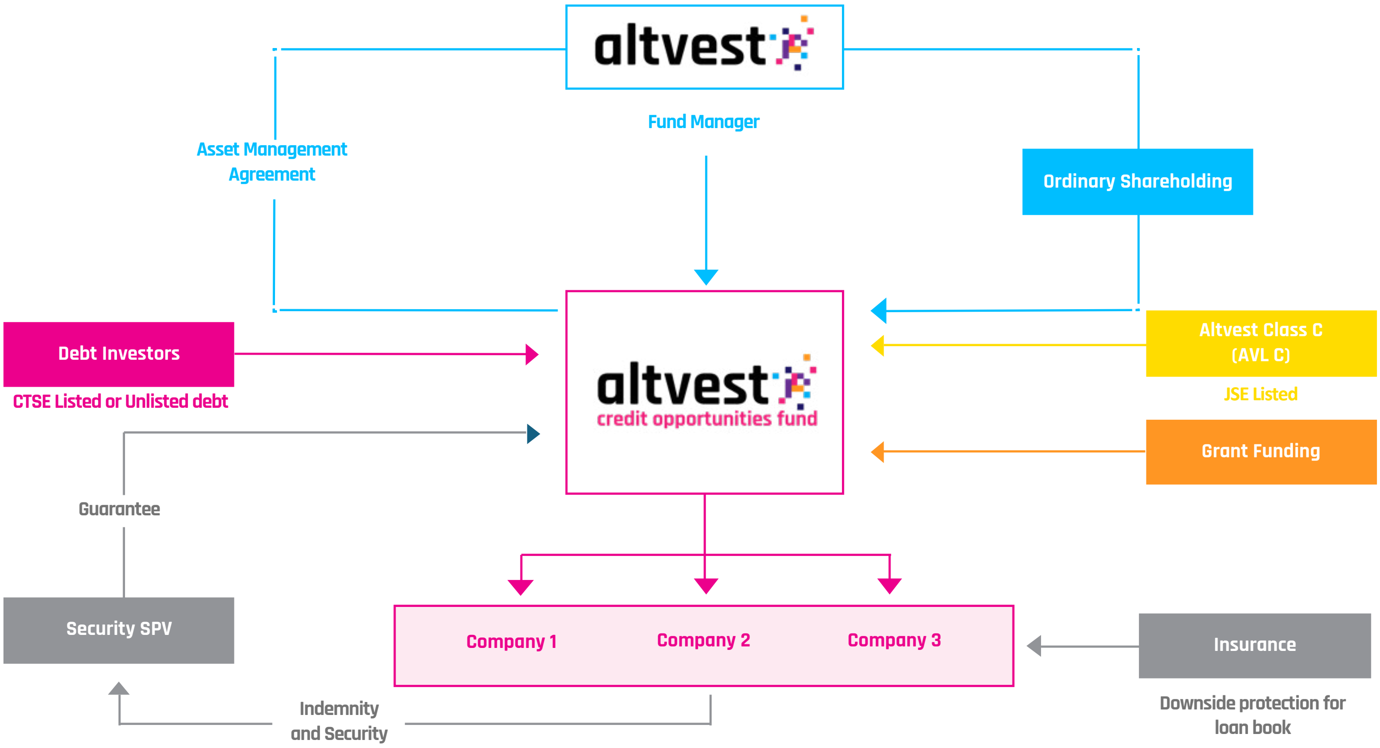
Altvest enables fractionalised ownership of unlisted assets to both retail and institutional investors allowing secondary market trading of special purpose vehicles owning single institutional-grade assets, thereby revolutionising the private equity market.



Altvest acquires stakes in qualifying entities by listing hybrid financial instruments that represent the economic value of the underlying investment opportunities. For instance, proceeds from certain instruments are used to fund the acquisition of investment stakes, with each instrument providing ring-fenced exposure to a specific stake. Entities provide regular management accounts and audited annual financial statements. Holders of these hybrid financial instruments benefit from access to a liquid secondary market, enabling them to monitor daily market values and assess interest in their shareholding. Investors also have the flexibility to adjust their portfolios by increasing or decreasing their shareholdings as needed.

Equity in ACOF is investible through Altvest's listing structure, wherein Altvest Capital's Class C shares provide their holders with exposure to private credit, and the economic rights to distributions and returns generated by ACOF through interest and fees earned on its portfolio of SME loans.

ACOF raises capital through the following fund stuctures:



ACOF represents a unique investment opportunity into Private Credit as an asset class. Within ACOF, private credit refers to growth capital loans to South African SMEs that are expanding their operations, creating employment, and focusing on empowerment, particularly of women. The ability to gain exposure to this asset class has historically been reserved primarily for institutional investors and, for the first time, ACOF, has made this asset class available to retail investors in affordable quantities via a listed regulated environment.

Summary of our highlights for the period include:

JSE Listing

General Meeting and IPO Results

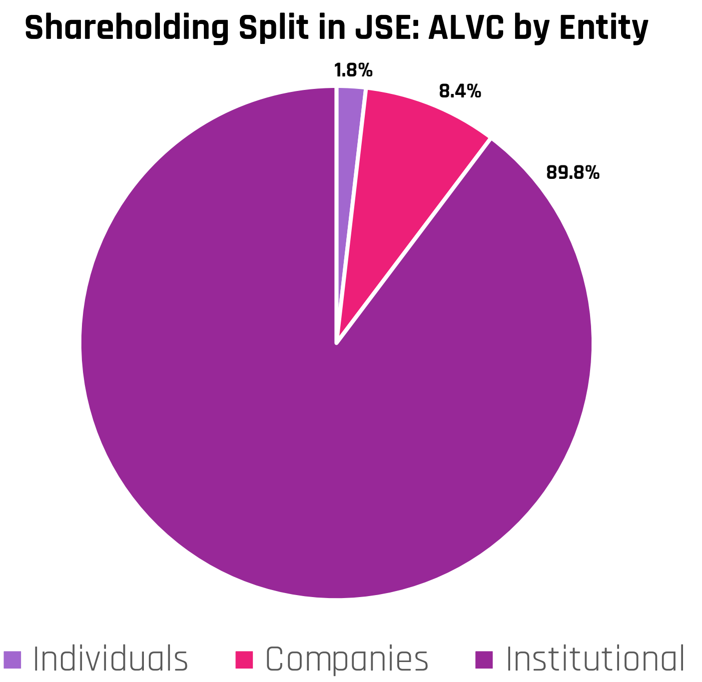
In pursuance of our listing on the Johannesburg Stock Exchange (JSE) we were required to procure shareholder support. To that end, on October 2, 2024, Altvest held general meetings for Ordinary Shareholders and holders of Preferred A, B, and C Ordinary Shares. I am pleased to report that all resolutions were passed by the requisite majority, marking an important step in our growth journey.

Our Initial Public Offering (IPO) officially closed on October 1, 2024, and we were proud to announce that the offer was oversubscribed. The success of our IPO reflects investor confidence in our vision and the strong potential of our business. In total, R18.2 million was raised through the issuance of Ordinary, A, B, and C shares, attracting 2,036 new investors over a period of two weeks.

Increase in shareholder base

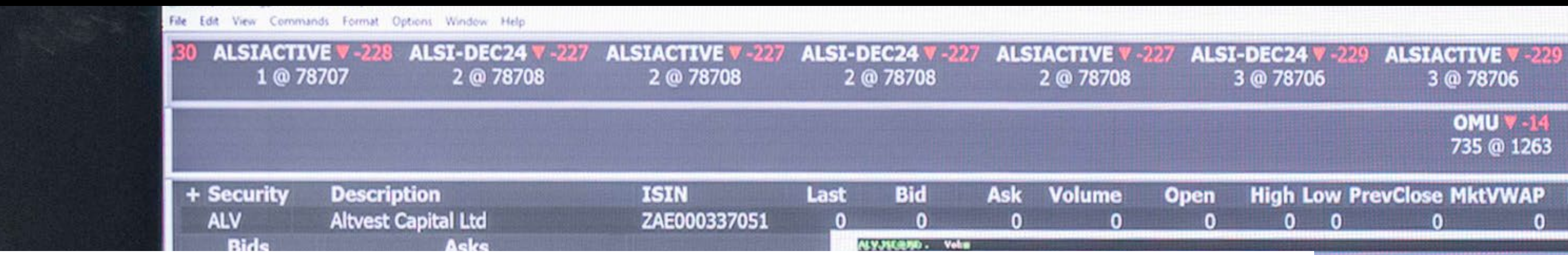
As part of Altvest's strategic transition from the Cape Town Stock Exchange (CTSE) to the JSE , the company experienced a significant expansion in its shareholder base. This transition, driven by the need for greater market visibility, improved liquidity, and broader investor access and was met with strong market interest, resulting in a marked increase in shareholders across all listing classes.

Prior to the IPO, Altvest had a total of 475 shareholders on the CTSE. Following the bookbuild and the listing on the JSE, this number grew to 2,511 shareholders, representing a 428.63% increase.



Since our transition to the JSE, the hybrid instrument giving equity exposure to ACOF has seen significant growth in shareholder participation. The number of shareholders has surged tenfold, growing from just 31 shareholders on the CTSE to 329 shareholders today. This increase demonstrates strong market confidence in ACOF's strategy and the demand for alternative investment vehicles into the private credit space.

The shareholding split above demonstrates significant growth in the number of individual shareholders, as well as an increase in institutional investment. To us, this is indicative of a significant value add to individual investors, where they gain economic exposure to formerly exclusive assets and invest alongside sophisticated institutional investors with exactly the same unit returns. Anchor institutional investors further enable ACOF by growing the fund's balance sheet through material capital contributions, thus enhancing individual investor risk-adjusted returns.



Listing on the JSE

ACOF, along with Altvest, successfully listed on the JSE on October 14, 2024. The listing of ACOF's shares on the AltX is a significant milestone, representing our commitment to transparency, growth, and delivering value to our shareholders. We celebrated this event with our shareholders on October 14, 2024, and we were honoured to host key stakeholders and investors at the celebration event in collaboration with EasyEquities.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GFI ▼ -360
2545 @ 26800
NRP ▲ 212
1904 @ 14483
NRP ▲ 212
1904 @ 14483
MktVal MktVol #Bid BidVol AskVol
JSE
JSE
The JSE welcomes
Altvest Capital Limited
listing to the AltX Board

Acknowledgments:

I want to extend our sincere gratitude to EasyEquities for their role in managing the IPO process. Their partnership has been instrumental in ensuring a smooth and accessible offering, enabling a broad range of South Africans to participate in our listing.

EasyEquities @EasyEqui... · 2024/09/30

Every successful investor knows that great rewards come from bold moves. The @CapitalAltvest IPO has created buzz, but here's a reminder – investment is personal.

blogs.easyequities.co.za/altvest-ipo-su...

#EasyBlogs | #EasyEquities

Additionally, I would like to express my appreciation to our shareholders and stakeholders for their support and belief in Altvest's mission. Your engagement is what drives us forward, and we are thrilled to have you as part of our journey.

ACOF Impact and Growth:

We are immensely pleased with the progress and impact of ACOF, which continues to make a meaningful difference for South African SMEs. As at 31 October 2024,ACOF has deployed R187 million to support SMEs across various sectors, resulting in the creation of 362 new jobs and the preservation of 430 existing ones. ACOF's focus on providing structured and growth funding solutions to SMEs aligns with our commitment to drive economic growth, job preservation, and community upliftment. The impact stories of businesses like Ukunemba Farming and Amandla Coal Fields showcase the powerful role ACOF plays in transforming the SME landscape.

More detail on the extent and nature of the impact is included in our CIO's report on page 20.

ACOF remains an essential financial instrument in the South African landscape due to the persistent funding gap that continues to hinder the growth of SMEs. Despite various government and private sector initiatives aimed at improving access to finance, a significant number of businesses, especially in underserved communities, still face challenges in securing the capital they need to operate and grow. According to the International Finance Corporation (IFC), the estimated SME finance gap in South Africa is around $23 billion, highlighting the sheer scale of the issue. This funding shortfall restricts the potential of SMEs, which are crucial for driving economic activity and creating jobs, thereby impacting the broader economy.

Unemployment is one of the most pressing socio-economic issues in South Africa, with the official unemployment rate standing at 32.9% as of the third quarter of 2024. Among the youth, the rate is even more alarming, reaching 61.1%. This situation not only exacerbates poverty but also places immense strain on the social fabric of the country, leading to increased inequality and social unrest. SMEs have traditionally been viewed as the backbone of job creation, contributing to over 60% of employment in high-income countries. However, in South Africa, their potential remains stunted by the lack of access to affordable credit, further emphasizing the urgent need for alternative funding solutions like ACOF. By providing structured and growth funding, ACOF plays a direct role in mitigating the unemployment crisis by enabling businesses to expand, thus creating new job opportunities and preserving existing ones.

This SME funding gap also limits the country's ability to innovate and diversify economically. Traditional financial institutions remain risk-averse, often favoring larger corporations over smaller, higher-risk enterprises. The World Bank estimates that only about 15% of SMEs in sub-Saharan Africa have access to the formal credit they need to grow. In South Africa, stringent lending criteria and high interest rates make it particularly difficult for SMEs to access funding, especially those led by women and previously disadvantaged individuals. ACOF addresses this issue by offering tailored financial solutions that cater specifically to the needs of SMEs that are often overlooked by mainstream banks.

We continue to call on the market to support ACOF in our efforts to close this gap. The need for investment into SMEs is greater now than ever, given the country's high unemployment rates and the broader economic challenges we face.

Supporting ACOF is not just about financial returns—it's about contributing to social stability, community growth, and the empowerment of everyday South Africans who are striving to make a difference. By investing in ACOF, market participants can help alleviate the funding constraints faced by SMEs, drive inclusive economic growth, and play an active role in tackling the unemployment crisis that threatens the prosperity of the nation. Together, we have the opportunity to make a meaningful impact, foster entrepreneurship, and support the economic recovery of South Africa.

Media Campaign

From 5 August 2024 to 23 October 2024, Altvest Capital executed a targeted media campaign focused on announcing our transition to listing on the JSE and launching our Initial Public Offering (IPO). The campaign aimed to boost public awareness, drive engagement, and attract investor interest.

Social Media Presence

+58.1% Followers: 358 to 566	+876% Impressions: 2.5K to 24.4K	+65.3% Posts: 196 to 324
+22.7% Followers: 912 to 1.1K	+114.5% Impressions: 8.3K to 17.8K	+20.1% Posts: 318 to 382
+1.2% Followers: 9.4K to 9.5K	+264.3% Impressions: 42K to 153K	+7.7% Posts: 1.3K to 1.4K
+48.8% Followers: 2.0K to 3.0K	+264.4% Impressions: 10.0K to 36.4K	60.5% Posts: 200 - 321

The analytics report for the period from inception to the end of September 2024, highlights positive trends in audience engagement, with organic search being our highest traffic source. These metrics reflect a growing interest and engagement with our brand, thanks to our digital strategy that continues to drive awareness and attract new investors.


altvestcapital.co.za
altvest
we provide
FUNDING &
FINANCIAL
services to
SME'S

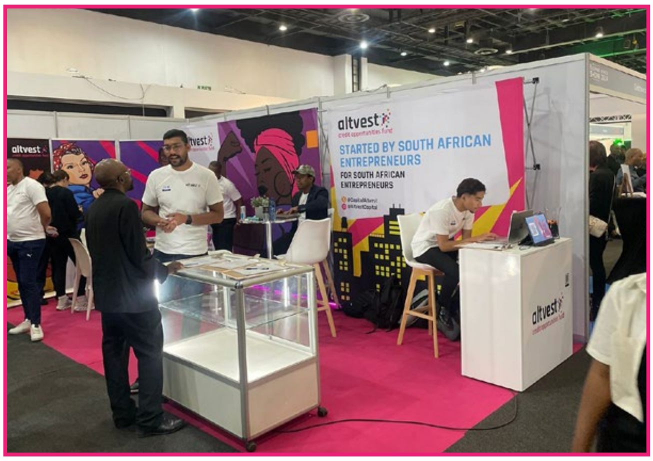
Media initiatives and events

Presentation at GEPD: Women in Business Conference

Altvest Capital at the Women in Business Conference Hosted by the Gauteng Province Department of Economic Development

Altvest Capital proudly participated in the Women in Business Conference on August 30th, where I participated in an insightful panel discussion. We emphasised the importance of diversity and inclusion in driving innovation and shared how Altvest Capital actively supports women-led ventures. Our presence at such community-building events enables Altvest to connect with viable businesses and entrepreneurs from diverse backgrounds, offering them access to empowerment capital aimed at building the communities in which they operate.

NSBC Small Business Conference



Altvest Credit Opportunities Fund (ACOF) participated in The Biz Show Africa 2024, held at the Sandton Convention Centre on the 4th and 5th of September. As a proud member of the National Small Business Chamber (NSBC), Altvest showcased its growth and structured funding solutions to support SMEs. The event, hosted by NSBC, provided an excellent platform for Altvest to engage directly with entrepreneurs and small business owners, highlighting its role in sourcing quality businesses for its funding pipeline and fiduciary support.

Attendees had the opportunity to explore how Altvest's tailored financial solutions, including structured working capital, asset-backed financing, and energy and water security funding, could help accelerate their business growth. ACOF's team was available to discuss how Altvest could partner with businesses to achieve their goals, reinforcing the company's commitment to fostering SME growth and development.

JSE listing interview

In the lead-up to Altvest Capital's listing on the AltX Board, we conducted an interview with the JSE. This milestone marked a proud moment for us, as the listing facilitated greater market visibility and acted as a catalyst for the next phase of Altvest Capital's growth journey.

ABSIP Woman in Focus panel discussion

Tatum Wheatley, Executive Director of Altvest Credit Opportunities Fund, represented Altvest at the 2024 AWIF Summit, hosted by ABSIP Women in Focus. As a panelist, Tatum engaged in critical discussions on Leadership in the Age of ESG: The Role of Governance in Driving Economic Growth. Altvest's participation reflects our ongoing commitment to empowering communities and supporting initiatives that drive economic transformation and governance excellence across Africa.

Altvest remains dedicated to championing platforms that uplift women leaders and shape a sustainable financial ecosystem for future growth.

KBA Warriors Basketball sponsorship

Altvest Capital was proud to sponsor the KBA Warriors Women's Day Basketball Challenge, a charity event dedicated to supporting young women excelling in sports. In alignment with Altvest's vision and values, the sponsorship highlighted our commitment to empowering tenacious women. We believe that girls who play sports grow into women with resilience, leadership, and entrepreneurial spirit—the very traits Altvest seeks in women-owned businesses to fund. Our support of the Women's Day Basketball Tournament demonstrated Altvest's dedication to fostering growth and opportunities for future business leaders.

JSE SME matching Initiatives

Last year, Altvest proudly participated in the JSE Capital Matching initiative in the Western Cape, an event dedicated to empowering SMEs through vital funding opportunities. We are excited to announce that this year, we are sending a larger contingent as the program rolls out nationally. This broader reach allows more SMEs across South Africa to gain access to the financial support and resources needed for growth and success. We are honoured to continue our commitment to SME empowerment and economic development.

These activations have resulted in over 1000 expressions of interest in ACOF. We have been inundated with applications for funding. While this ensures the viability of the lending business, the extent of the demand is a stark and constant reminder of the needs of our entrepreneurs and the lack of institutional support.

Media Engagement and Interviews

As part of Altvest's ongoing efforts to enhance market visibility and engage with our growing investor base, the management team has participated in a series of media interviews and discussions across various platforms. These engagements have allowed us to communicate our strategic direction, financial performance, and future growth plans to a wider audience, fostering transparency and investor confidence. Below are the links to the key interviews conducted during the reporting period, where our leadership team shared insights on Altvest's journey and upcoming initiatives.

Link: Warren Wheatley: Altvest's bold move to the JSE

Link: Altvest Loves South Africa

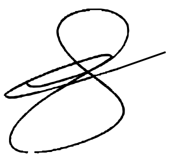
Link: Altvest Lists on the JSE

Link: JSE Investment Forum

Conclusion:
The progress achieved by Altvest Credit Opportunities Fund (ACOF) Ltd during this reporting period reflects our unwavering commitment to empowering South African SMEs through tailored financial solutions. Despite the economic challenges and shifting market dynamics, ACOF has remained a crucial player in bridging the financing gap and enabling growth for many small and medium enterprises.

Our successful JSE listing, increased shareholder engagement, and impactful media campaigns underscore the strong foundation we've built and our readiness to scale further. We are grateful for the continued trust and support from our stakeholders, partners, and investors. Together, we are making a tangible impact on job creation, community development, and economic transformation.

As we look forward, we remain dedicated to our mission and to the role ACOF plays in fostering resilient and inclusive economic growth across South Africa. Thank you for being an essential part of our journey.



Yours faithfully,
Warren Wheatley
CEO,
Altvest Credit Opportunities Fund


CIO REPORT

Dear Stakeholders,

It is my pleasure to share a reflection on the challenges and learnings of our investment teams over the last six months. This has been a transformative period for our fledgling business and includes a period of intense learning and growth as we established and scaled our capital raising and deployment functions. Alongside loan disbursement, our focus has included embedding the frameworks and structures that we instituted during the prior reporting period.

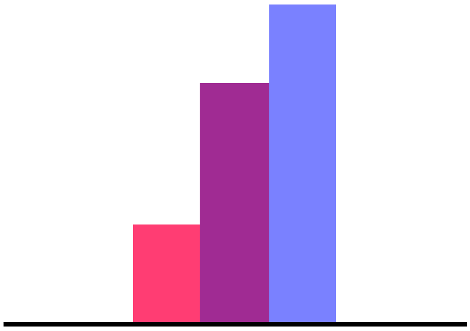
I am hopeful that this report serves not only as a lens through which you may better understand our financial performance over the last six months but will also serve as insight into the themes that we expect to shape our approach to capital allocation in the months to come.

ACOF's performance to date:

As a reminder, ACOF began its capital raise April 2023 and commenced its full operations in December of 2023. ACOF's approach to funding has been continually refined over this period, and is now multifaceted, focusing not only on financial support but also on strategic guidance to ensure the long-term success of our partner SMEs. Through tailored financing solutions, we enable these businesses to scale operations, enhance productivity, and enter new markets. This, in turn, leads to job creation and retention, contributing significantly to economic resilience and community prosperity.

Our strategic approach has enabled us to build a robust pipeline since the fund's inception, both in terms of deal size and the caliber of our clients. As at reporting date, we have successfully deployed R140 million from this pipeline to support South African SMEs. In our first period of operations, we are proud to report on our loan book as follows:

R187 million
Deployed as at 31 Oct 2024



Capital Deployed	**R187 million**
Value of Security	**R377 million**
Deals in Pipeline	**R593 million**

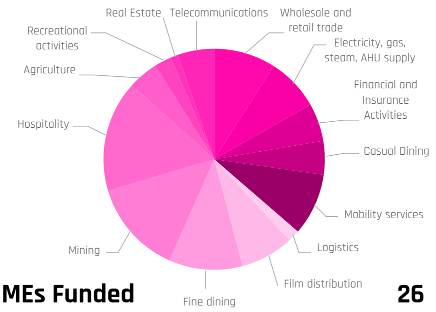
430
Jobs have been saved as at 31 Oct 2024

362
Jobs have been created as at 31 Oct 2024

R404,631
Cost of saving 1 job from deployed funds

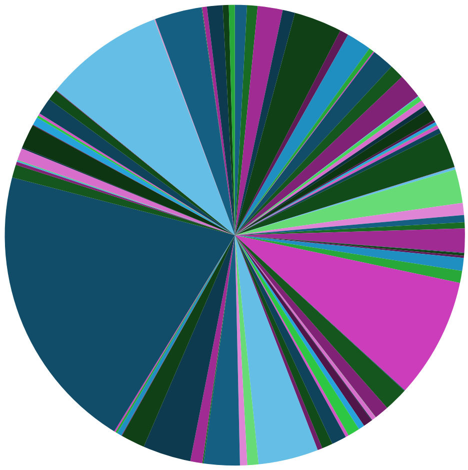
R738,613
Cost of creating 1 job from deployed funds

Funding to 26 SMEs in 14 distinct economic sectors as at 31 Oct 2024



SMEs Funded	**26**
Average Term	**27 months**
Average Loan Size	**R6,243,529**
Largest Loan	**R30,000,000**
Smallest Loan	**R242,650**

A Pipeline of R593 million in deals as at 31 Oct 2024



Impact Stories

Solar Mile & Insele

Solar Mile, one of ACOF's early clients, operates as a retailer in Daveyton, specializing in both alcoholic and non-alcoholic beverages. During the busy December period, ACOF provided Solar Mile with a loan to meet the heightened demand over Christmas. This growth capital enabled Solar Mile to improve its gross profit margins by over 10% through securing bulk discounts from suppliers. The success of the initial funding was so impactful that just a few months later, the founders returned to ACOF to secure additional financing for a new store, Insele, located in Sebokeng.

The loan was disbursed in August, and the new store has since opened successfully, with some weekends generating seven-figure revenues. Beyond driving business growth, the funding has allowed Solar Mile and Insele to both sustain and create jobs within the community. Over the course of these two loans, 36 jobs have been supported or newly created, exemplifying one of ACOF's core investment principles—that strategic investment not only delivers measurable impact but also generates substantial returns.

Amandla Coal

The funding provided by ACOF to Amandla Coal Fields had a significant impact on both the business and the broader community. The loan facility addressed a critical cash flow gap that emerged due to a shift in payment terms with the company's primary client. This gap threatened to disrupt coal deliveries. By securing the rolling credit facility, Amandla Coal Fields was able to continue its coal deliveries without interruption, ensuring operational stability and preventing potential power shortages. The funding not only allowed the company to sustain its business operations but also played a crucial role in retaining jobs within the organization, preventing layoffs that would have occurred if operations had been disrupted. Additionally, the facility supported indirect employment by enabling Amandla Coal Fields to meet its transportation and procurement needs, which involved various suppliers and logistics providers.

Ukunemba Farming

Ukunemba Farming, a 100% black-owned enterprise founded by a 29-year-old CA(SA), focuses on sustainable cattle feedlot farming and beef production. With a clear vision to empower black farmers and create jobs, the loan from ACOF enabled the company to expand its operations by building state-of-the-art cattle feedlots and enhancing infrastructure. This expansion directly resulted in the creation of 10 permanent jobs and 16 non-permanent positions, primarily benefiting Black South African farmers and contributing to the economic development of local communities. In addition to job creation, the funding supported Ukunemba Farming's ability to better utilize its strategic relationships across the cattle value chain. Ukunemba Farms has an offtake agreement to supply 200 live cattle per week to local abattoirs, and this agreement not only secures a consistent revenue stream but also strengthens Ukunemba's position in the agricultural sector. The loan further bolstered the company's working capital, enabling it to purchase and feed 600 weaners and calves, ensuring a steady supply of cattle for the market.

Zwane Financial Services

ACOF's continued support for Zwane Financial Services (ZFS) is poised to significantly boost employment and strengthen community support in Johannesburg, Soweto, and KwaZulu Natal. By enabling ZFS to scale its operations, more jobs are likely to be created, particularly in areas critical to microfinance such as loan administration and client vetting. With the expansion, it is anticipated that approximately 20 new positions will be added to the current workforce of 24, enhancing local employment rates and supporting small, medium, and micro enterprises (SMMEs). This drives sustainable economic growth within township economies through increased access to financial education and affordable microloans.

The partnership between ACOF and ZFS also has a broader social impact on the financial services industry, promoting more inclusive financial practices that serve underserved communities traditionally overlooked by major banks. This approach democratizes access to finance, setting a precedent for other institutions to adopt similar practices. As a result, this collaboration could lead to industry-wide shifts towards more inclusive financial services, enhancing the long-term viability of microlenders like ZFS and contributing to the robustness of the microfinance sector.

Doorndraai Lodge Rooiberg

Doorndraai Lodge, a 1,600-hectare game lodge located in Bela Bela, offers a four-star experience with a variety of accommodations, including four 10-sleeper units, eight 4-sleeper units, cottages, a hunter's cabin, a bush cabin, and two conference centers. In addition to these facilities, the lodge provides a range of amenities and activities for guests. Recently, the lodge received a purchase offer from a large mining company following the discovery of mineral deposits on the property. While the value of the land has increased, Doorndraai Lodge faced financial strain due to high-interest rates charged by their incumbent financing providers.

ACOF's facility offered the lodge much-needed relief by refinancing its existing debt with more flexible, tailored terms, allowing the business to manage its finances while awaiting the imminent purchase. The facility not only helped sustain 30 existing jobs but is poised to create a far-reaching impact. The funding will facilitate the mine's purchase, potentially leading to the creation of hundreds, if not thousands, of new jobs in the future.

Below is an update on the key thoughts and perspectives that we've previously highlighted as central to our investment philosophy in the months ahead:

Our ability to drive inclusion and accessibility is premised on establishing the right strategic levers

The process of building ACOF from concept to full operations has been one that required a healthy balance of ideology and pragmatism. While we are proud of the progress made in establishing and scaling our lending operations, and particularly proud of the operational metrics of ACOF so far, we recognize that investment in capabilities and infrastructure is key to ensure that we can maintain our operating performance as we scale.

The recent successful IPO of the Hybrid Financial Instruments linked to ACOF on the JSE is one such investment. This will not only significantly support our mission of driving financial inclusion by making ACOF's economic rights accessible to as many ordinary South Africans as possible, but it also enhances the attractiveness of these investment instruments to wholesale funders.

Our optimism about South Africa is based on fact and not just familiarity

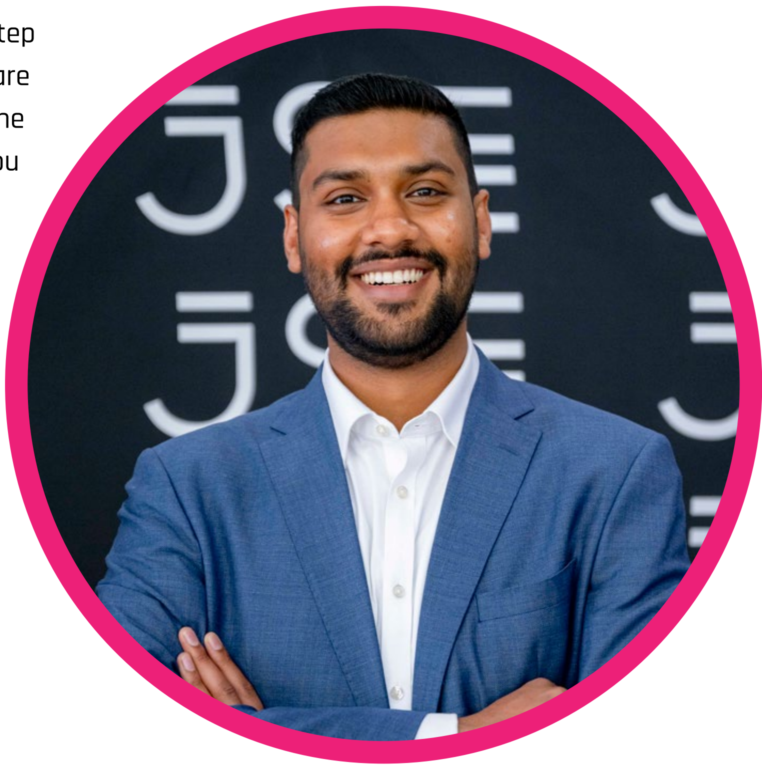
Over the last six months, we have had the privilege of engaging with countless exceptional entrepreneurs, with the goal of serving as their funding partner to create jobs and drive economic growth.

It is these businesses that form the basis of our investment pipeline, and it is their stories that attest to our investment strategy and business model. We are now more confident than ever that the SME funding gap is acute enough to sustain our business at our targeted scale, and that we can achieve that scale while still achieving our standard of credit fundamentals on every deal.

Community and people are our competitive strengths

I am grateful to our investors, suppliers, partners, employees and community for their continued support as we scale our investment operations. Buoyed by the success of our listing, we have experienced unprecedented interest from talented young investment professionals interested in building their careers with us, and our investment team accordingly continues to grow.

In closing, these financial results represent a modest step forward in the growth journey of our business but are also a reminder of the work that must still be done. The future is ours to own, and we are looking forward to you owning it alongside us.



Akshay Karan CA (SA), CAIA
Chief Investment Officer

DIRECTORS UPDATE AND BUSINESS REPORT

The directors have the pleasure of submitting their report together with the condensed unaudited consolidated interim financial statements for the period ended 31 August 2024.

Nature of business

The Altvest Credit Opportunities Fund ("ACOF") is a direct lender providing structured and growth funding solutions to South African SMEs. ACOF was started by South African entrepreneurs who intimately understood the needs of businesses and the struggles SMEs face in raising capital and obtaining funding. ACOF's vision is to provide the financial support necessary for SMEs to flourish, ultimately contributing to job preservation and creation, and to save the South African economy sustainably.

altvest
credit opportunities fund

KEY FUND HIGHLIGHTS

Pricing

Our loans are priced between 18% - 36% a.p.r, based on the product and borrower risk profile including the annualized cost of fees.

Impact

Our impact credentials can lower the borrowing cost for SMEs by up to 25% while ensuring defaults remain around the market standard of 10%

Products

- Working Capital
- Asset Backed Finance
- Energy and Water Security

Returns

Our expected /target returns

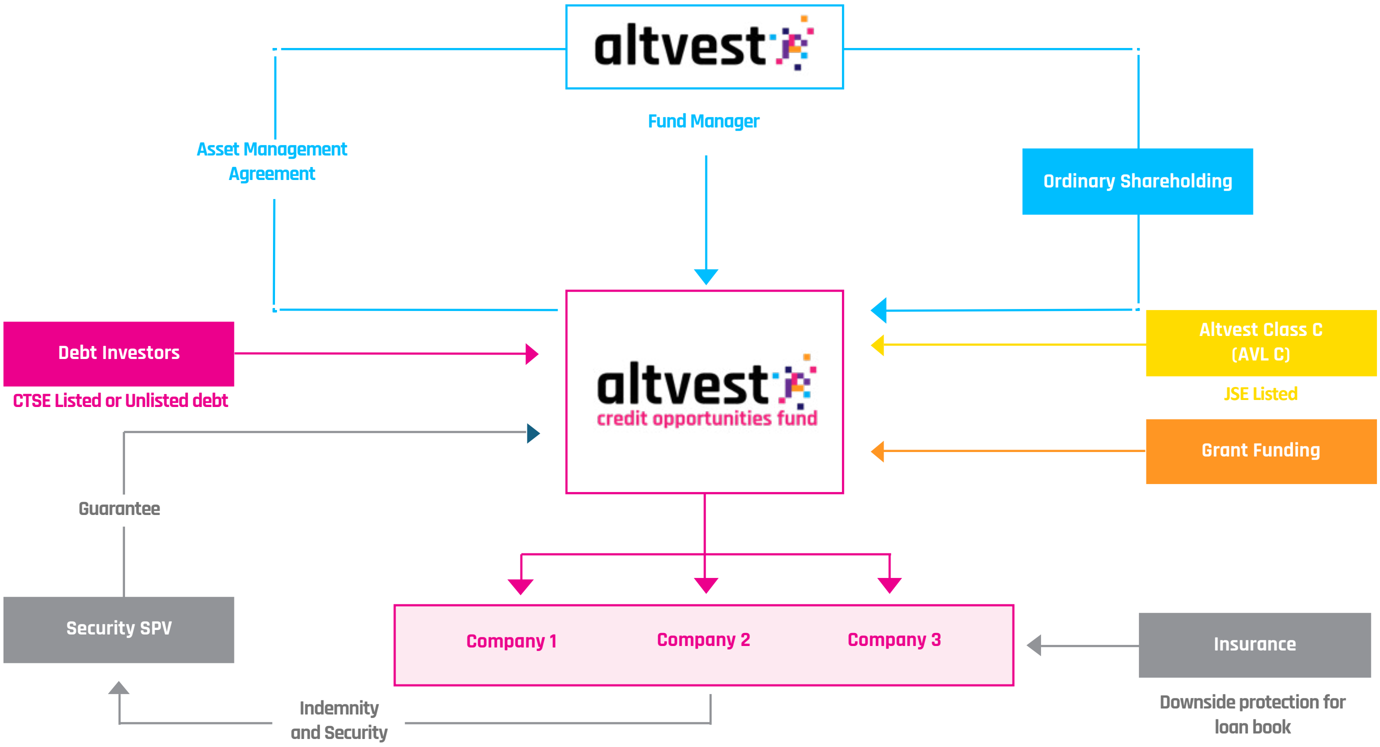
- Debt: SA Prime +2%
- Equity: IRR = c 26% - 28%

Altvest Capital ("Altvest") acts as the fund manager of ACOF, assisting ACOF with access to technical expertise, fund management and transaction origination, execution and monitoring. ACOF's mission is aligned with that of the Altvest brand, namely, to provide access to finance and investment opportunities for both ordinary South Africans and Institutions.

ACOF represents a unique investment opportunity into Private Credit as an asset class. Within ACOF, private credit refers to growth capital loans to South African SMEs that are expanding their operations, creating employment, and focusing on empowerment, particularly of women. The ability to gain exposure to this asset class has historically been reserved primarily for institutional investors and, for the first time, ACOF, has made this asset class available to retail investors in affordable quantities via a listed regulated environment.

Altvest manages both debt and equity investment into ACOF. There are 3 investment entries into ACOF, namely the ordinary shareholding (unlisted), Altvest Class C (listed) and DMTN programme (unlisted & listed). Altvest has raised a mix of both retail and institutional capital to the amount of R256 million.

ACOF raises capital through the following fund structures:



Investment terms

Fund Structure:

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

Basic Terms

	1. Ordinary Shareholding	2. Preferred Ordinary Shareholding	3. Debt Funding
Target Capital Raise	Up to R70 million	R145 Million	R5 Billion
Regulation 28 Category	Private Equity	Listed Equity	Listed & Unlisted Debt
Legal Instrument	Unlisted Ordinary Share	Listed Preferred Ordinary Share	DMTN Programme
Daily Priced	Yes, by proxy	Yes	Yes
Distribution Frequency	Per dividend policy	Per dividend policy	Annual
Target Return	IRR c 26% - 28%	IRR c 26% - 28%	SA Prime + 2%
Minimum Investment	R10 Million	R15.00	R1 Million
Fees	2% p.a. (On AUM)	2% p.a. (On AUM)	Transaction fees only

4. Grant Funding will be applied directly to lowering the cost of capital for the fund and consequently the cost of borrowing for the SMEs. The larger proportion of the capital structure that grants fulfil, the lower the cost of debt will be for the entrepreneurs

Value Creation for SMEs

Though a subsidiary of Altvest, Altvest Securities, we created Altvest Financial Solutions to provide a more holistic financial wellness solution for our clients.

Through Altvest Financial Solutions, we have established a structure that supports clients at every stage of their financial journey—whether it's protecting their income and health, planning for retirement, growing their wealth through tax-efficient investments, or exploring new opportunities in the blockchain space. We will make our services available to all SMEs within our ecosystem, their employees and any other individual clients looking to secure their financial futures. By consolidating these entities under one umbrella, we ensure that our services are comprehensive, accessible, and easy to navigate for our clients, adapting to their evolving needs while maintaining the highest standards of service and innovation.

Investment and savings products

Altvest Wealth has provided for a number of savings and investment vehicles to be made available for investors. These include:

- Altvest Retirement Annuity
- Altvest Endowment
- Altvest Living Annuity (by special arrangement)

Insurance products

Altvest Securities offers a comprehensive range of insurance products through partnerships with leading providers such as 1Life, Discovery, Momentum, and Hollard. By obtaining quotes from all these trusted providers, we ensure you receive the best value for money on your insurance coverage. Our extensive network allows us to tailor our offerings to meet your specific needs, providing you with optimal protection and peace of mind. Our products include:

Life Cover Insurance

Life Cover is an essential component of a comprehensive financial plan, providing a lump sum payment to your beneficiaries in the event of your death. This ensures that your loved ones are financially protected and can maintain their standard of living.

Advantages include financial protection for dependents, covering debts and final expenses, and providing peace of mind knowing your family is take care of in your absence.

Disability Cover Insurance

Disability Cover Provides financial support if you are unable to work due to a disability, ensuring you can maintain your lifestyle. This cover helps replace lost income and can also cover medical expenses and rehabilitation costs.

Advantages include income replacement during disability, covering medical expenses and rehabilitation costs, and maintaining financial stability during times.

Dread Disease Cover Insurance

Dread Disease Cover provides a lump sum payment upon diagnosis of a critical illness, such as cancer or heart disease. This financial support helps cover treatment and recovery costs, ensuring you can focus on your health without financial stress.

Advantages include financial support during critical illness, covering medical and non-medical expenses, and providing peace of mind and financial security.

Review of financial results and activities

ACOF's interim financial statements for the 6-month period ended 31 August 2024 have been prepared in accordance with IFRS® Accounting Standards and the requirements of the Companies Act 71 of 2008.

The 2023 numbers represent the period before ACOF commenced full operations and raised capital. As such, they provide limited comparative information, in the opinion of management.

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

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
Financial Results			
The company traded at a (loss) / profit of:	(12,726,232)	(793,052)	(5,224,715)

Property, plant and equipment

The company did not acquire or dispose of any assets during the current 6-month period.

Dividends

No dividends were declared or proposed during the current 6-month period.

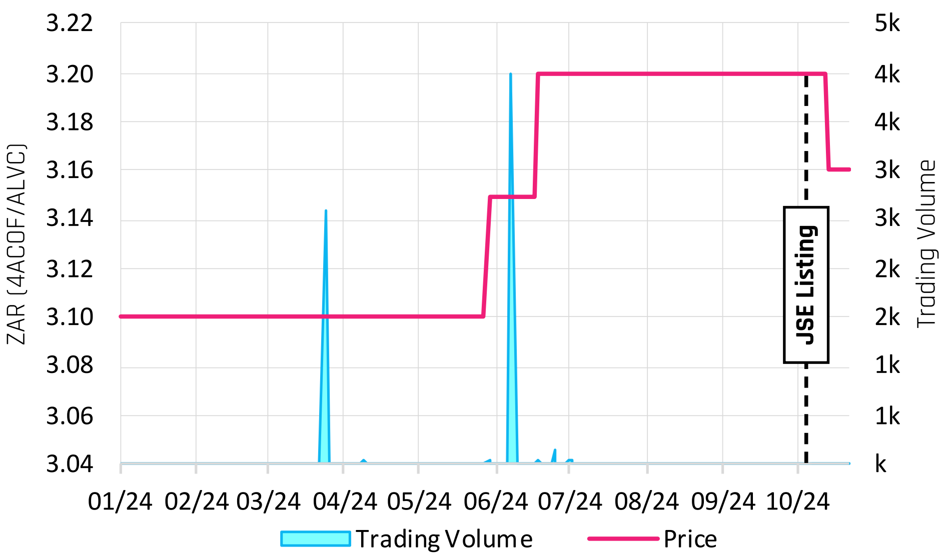
Update on Altvest Credit Opportunities Fund financial performance for the year ending 31 August 2024:

Altvest Credit Opportunities Fund continues to build on its strong financial foundation, reflecting our commitment to supporting South African SMEs. Over the past six months, we have seen notable growth in our loan portfolio enabled by further investment into the fund. As a direct lender, our focus remains on providing structured funding solutions that enable SMEs to grow and thrive.

Share Price Performance

Listing Price (JSE):	ZAR3.20
Price at 22 October:	ZAR3.16
% Change (2024):	+1.94%
Market Cap:	R62,690,784

Balance sheet and Loan Book

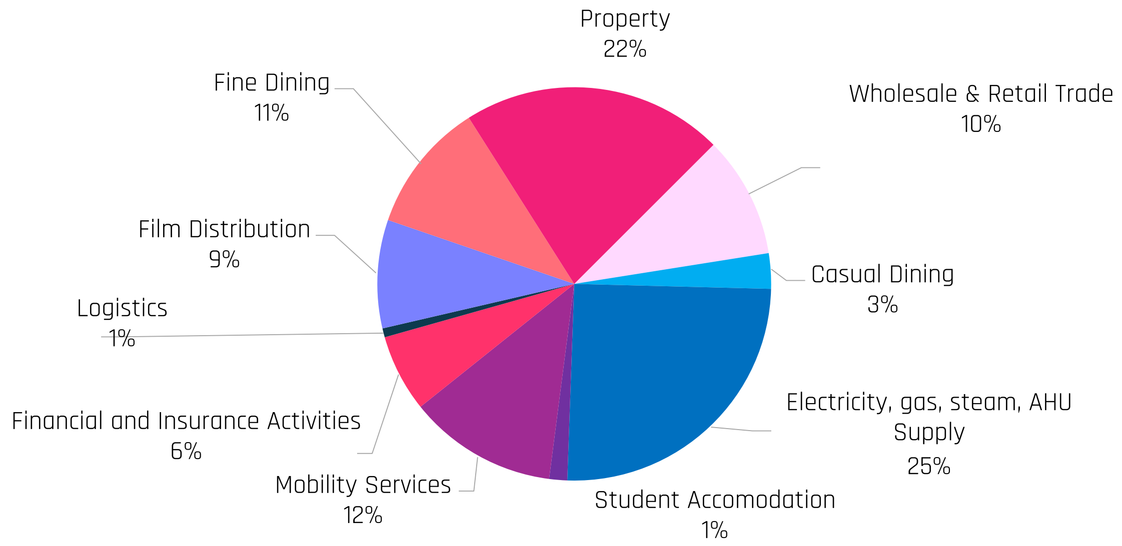


Balance Sheet and Loan Book

The growth of our loan book remains robust. In the period 1 March – 31 August 2024, the fund secured R150 million in institutional funding, most of which came from investment into ACOF's DMTN program. This brings ACOF to a total of R256 million in funds raised. The loan book has grown to a value of approximately R125 million, a ~R105 million increase above where it was at the beginning of the financial year.

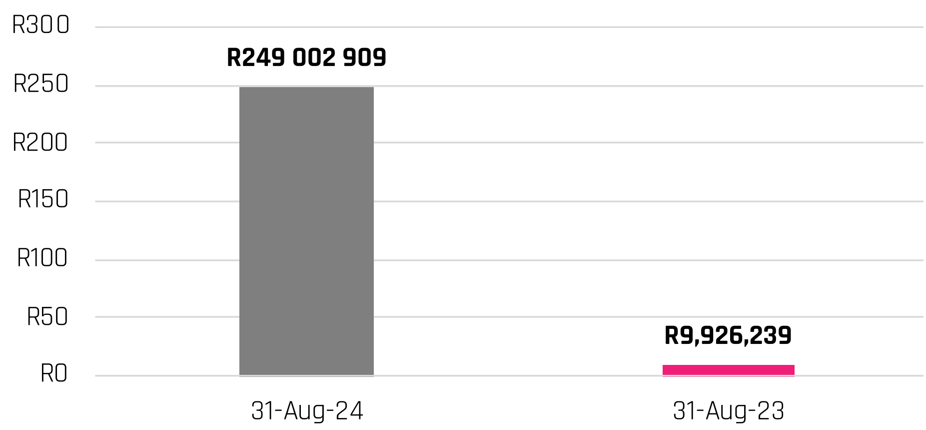
Funding of 20 SMEs in 13 distinct economic sectors as at 31 October 2024

Sector diversity:



ACOF currently has an asset value of R249 million. While a sizable portion of the fund's assets are reflected in an approximately R102 million cash position which has not yet been disbursed, it is earmarked for upcoming loans as we continue to expand our lending operations. We are making steady progress toward full disbursement, with a pipeline of R458 million worth of high-quality transactions which will allow us to further enhance our impact in the months ahead.

Total assets:



Total liabilities:

From a liability perspective, we have continued to secure institutional debt funding through the fund's DMTN program, which is crucial in supporting the growth of ACOF's loan book. The debt funding we have raised provides us with the capacity and ability to meet the increasing demand for financing from SMEs, positioning ACOF to scale our impact even further in the future.

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
Trade and other payables	1,248,265	830,302	802,497
Enterprise development loan	1,383,410	3,992,238	1,852,500
Debt notes issued	211,968,768	-	82,742,465
Group loans payable	-	5,940,540	-
Total Liabilities	**214,600,443**	**10,763,100**	**85,397,462**

The ~R129 million raised from the issue of debt notes during the period 1 March to 31 August has enabled us to accelerate our loan deployment and ensure that our capital drives meaningful positive change in South African society via job creation.

Summarized Statement of Profit or Loss

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
Total Income	11,996,594	199	2,521,517
Total Expenses	(24,722,826)	(793,251)	(7,746,232)
Net Profit / (Loss) after taxation	**(12,726,232)**	**(793,052)**	**(5,224,715)**

For the 6-month period ended 31 August 2024, ACOF recorded a loss of approximately R12,7 million. While we continue to invest in our operations and build our platform, our financial performance reflects the natural costs associated with scaling.

Our interest income continues to show strong upward momentum, making up about R11,92 million of the fund's ~R12 million revenue. As is expected, our expense line has also increased along with the size of the fund. Interest expenses and administrative costs have risen proportionally with the growth of investment into our debt notes and the expansion of our operating activities respectively.

Additionally, a provision for an allowance for credit losses, amounting to approximately R8.9 million, has significantly contributed to our expenses. This allowance was calculated on the basis of Basel III's expected credit loss guidelines, applying internal margins to adequately account for risk. In the period from 1 March to 31 August, actual bad debts amounted to R291,152. This allowance does not reflect actual bad debts realized by the fund and is instead an accrual based on quantitative analysis and accounting principles.

Conservatively established expected credit losses are aimed at creating an adequate margin of safety for ACOF. The expectation is that our ability to maintain actual credit losses around or below current levels will allow us to unwind this credit loss allowance over time and present more truly the rapidly improving profitability of the fund.

Conclusion

From a financial perspective, ACOF is well-positioned to capitalize on the opportunities ahead. The fund is still developing, and a growing loan book progresses us along the path to profitability through scale, where OPEX growth is expected to taper off relative to revenue growth and realisation of lower-than-budgeted true credit losses will improve bottom line. Advancements in ongoing capital raising efforts gives us a positive outlook on the financial performance of ACOF in the coming months.

Dividends

No dividends were declared or proposed during the current 6-month period.

Share capital

The total authorized share capital is 100,000,000 ordinary shares of no par value. Ordinary shares issued during the year total 9,609,821 for a total consideration of R30,000,000. The total number of ordinary shares in issue was 41,839,441 at the end of the period.

Going Concern

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 Shareholders have also committed to provide financial support to the company. 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.

Governance

ACOF Board

The ACOF board reports to the Altvest Capital Board, which is a constituted board and King IV Compliant Board that oversees Altvest and through its subcommittees provides an oversight role on the business of ACOF. The Altvest subcommittee members are playing an oversight role in the formation of ACOF's independent subcommittees. Altvest Capital is the 100% shareholder of ACOF.

The ACOF Board is committed to maintaining a clear balance of power and authority within its structure. The roles and responsibilities of the Chairperson, Chief Executive Officer, and other executive and non-executive directors are clearly defined and differentiated to ensure that no single individual has unfettered decision-making powers. The Board comprises a diverse mix of skills, experience, and perspectives, enabling effective oversight, constructive debate, and independent decision-making. The non-executive directors play a crucial role in providing independent judgment, challenging the executive team and ensuring that the interests of all stakeholders and shareholders are considered. The Board regularly reviews its composition and governance practices to maintain this balance and to ensure that it operates effectively in discharging its duties and responsibilities.

Both the company and the Board are committed to ensure that reasonable steps are taken to comply with the King IV Report of Corporate Governance in South Africa, as far as possible.

Non-compliance in terms of the King Code is due to the Company's size of operations and the costs associated with controls and measures to comply. Currently, the board has been constituted as follows: 3 Independent Non-Executive Directors and 3 Executive Directors who form a unitary board as recommended by King IV. In relation to the subcommittees that are required to bolster the governance processes, ACOF currently relies on the subcommittees of the Altvest Board to provide due oversight over the business of ACOF. The board committees that currently serve the dual role are as follows:

- Remuneration and Nomination Committee
- Social and Ethics Committee
- Audit and Risk Committee

Management Structure

Altvest Capital acts as Fund Manager and owns 100% of the Ordinary Shares

ACOF Board of Directors Appointed By Altvest Capital in capacity as main shareholder	
Norma Sephuma	Independent Chairwoman
Warren Wheatley	Executive Director
Akshay Karan	Executive Director
Tatum Wheatley	Executive Director
Snowy Masakele	Independent Non-Executive Director
Ewa Harcourt-Wood	Independent Non-Executive Director

ACOF Investment Committee Appointed By Altvest Capital in capacity as main shareholder	
Snowy Masakele	External
Ewa Harcourt-Wood	External
Laura Deering	External
Sibongile Maputlo	External
Mazvita Maradzika	External
Amanda Kabagambe	External
Warren Wheatley	Internal
Akshay Karan	Internal
Tatum Wheatley	Internal
Chrizelle van der Colff	Internal
Reggie Dlamini	Internal
Nicolas Mugisha	Internal

Key Functionaries / Appointments All appointments below are independent except for Altvest Capital	
Fund/Asset Manager	Altvest Capital
Voting Shareholder	Altvest Capital
Auditor	BDO
Reporting Accountant	BDO
Fund Administrator	CreditEase
Custodian Bank	RMB
CTSE Issuer Agent and JSE Designated Advisor:	Questco Corporate Advisory
Company Secretary	CTSE Registry

Directors

The directors of the company during the accounting period and up to the date of this interim report were as follows:

Name	Nationality	Date appointed	Designation
WG Wheatley	South-African	22-09-2022	Executive Director
AS Karan	South-African	01-10-2022	Executive Director
TL Wheatley	South-African	14-03-2023	Executive Director
E Harcourt-Wood	South-African	29-03-2023	Independent Non-Executive Director
SKI Masakale	South-African	22-03-2023	Independent Non-Executive Director
GM Sephuma	South-African	26-02-2023	Independent Non-Executive Director
E De Jager	South-African	14-03-2021	Company Secretary

Compliance with Corporate Laws

Altvest has complied with the Companies Act, particularly with reference to the incorporation provisions as set out in the Companies Act and has operated in conformity with Altvest's Memorandum of Incorporation during the period under review.

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 KESHWAR | 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 and 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 obtained CA(SA) designation in 2003, CFP, and Post Graduate Diplomas in Corporate Finance, Financial Planning Law, and Auditing.

Warren currently serves as the Chairperson of the Joint Investment Committee of the Telkom Retirement Fund, bringing his extensive experience in the investment arena to the role. His prior experience includes founding and serving as the Chief Investment Officer of Lebashe Investment Group, as well as holding a Non-Executive Director position on the board of Arena Holdings. Warren has also worked as an Investment Banker and Wealth Manager at ABSA Capital and has served in various roles at Alexander Forbes.

ACOF Board of Directors

AKSHAY KARAN | Executive Director

Akshay has more than 10 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 BBusSci in Finance with Accounting, CAIA charterholder, 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 Investment Committee

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). If required by the defined investment policy, recommendations for funding are also 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:

Independent Members

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

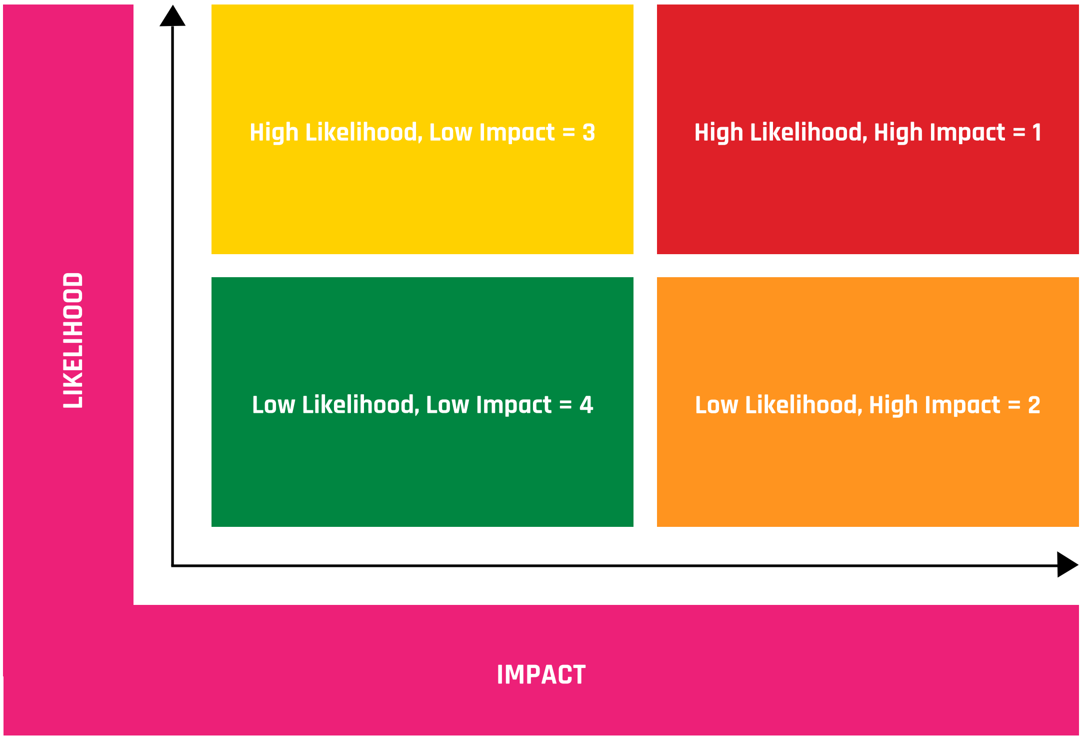
- 14+ years experience in Transaction Advice and Management Consultants
- Master of Business Administration (MBA) - Edinburgh Business School, Heriot - Watt University
- Certified Business Advisor (CBA) - Institute of Business Advisors, South Africa
- Bachelor of Arts in Development Economics - Makerere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

Risk Management

The risk management framework of ACOF is designed to ensure comprehensive oversight and proactive management of risks. The framework aims to support the Company's strategic objectives while aligning with regulatory requirements and industry best practices. This led to the development of a risk matrix that enables us to identify and appropriately



mitigate risks based on their likelihood of occurring and potential impact on our various businesses.

Key risks that ACOF aims to manage:

- **Strategic and Business Risks:** These are critical as they directly impact the Company's ability to achieve its strategic goals. Ongoing evaluation and alignment with business strategies are necessary to navigate market volatilities and competitive pressures.
- **Liquidity Risks:** Ensuring sufficient liquidity is vital for the Company's operations and growth. Strategies include maintaining adequate cash reserves and securing flexible credit facilities.
- **Regulatory Risks:** Given the dynamic regulatory landscape, continuous monitoring and compliance are imperative to avoid penalties and legal issues.
- **Operational Risks:** Focus on strengthening internal processes and controls to minimize losses from operational failures. Regular training and updates to operational protocols are crucial.

Our risk management process and outputs can be found in detail below:

1. Risk Identification

ACOF predominantly faces significant interest rate and equity risks.

Key Risks identified:

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

2. Risk Analysis

The analysis phase involves a deeper examination of how identified risks affect the entities' operations and their potential impacts on the Company's overall strategy. This analysis helps in understanding the severity and the interconnections among various risk factors.

3. Risk Treatments

The Company adopts various risk treatment strategies to manage and mitigate the identified risks. This includes insurance, risk sharing, avoiding risk exposures, and implementing strong internal controls and procedures to reduce the occurrence and impact of risks. This is captured in the risk register.

4. Monitoring and Review

Continuous monitoring and regular review of risks are crucial. The Company implements a dynamic process to track the status of each risk and the effectiveness of mitigation measures, adjusting strategies as necessary to respond to new challenges and changes in the external environment.

5. Communication and Reporting

- As a listed company with various stakeholders, communication and reporting of risks is critical. We take the following steps to ensure we keep our stakeholders informed:
- Regularly update all stakeholders on the risk landscape and the effectiveness of ongoing risk management activities through structured reports and meetings.
- Include risk management updates as a standard agenda item in board and executive meetings to ensure strategic alignment and visibility

Risk management information is systematically communicated within the organization and to external stakeholders. This ensures that all parties are informed of the Company's risk posture and the steps taken to manage risks effectively. Regular reports are prepared and distributed, maintaining transparency and supporting governance processes.

Basis of preparation of the unaudited interim results as at 31 August 2024

The unaudited condensed Group interim financial statements have been prepared in conformity with IFRS® Accounting Standards, the presentation and disclosure requirements of IAS 34 – Interim Financial Reporting, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the CTSE Debt Listing Requirements. The areas that include significant judgements made by management in applying the Group's accounting policies, including the valuation techniques applied and key sources of estimation uncertainty used in fair value calculations were the same as those that were identified in the audited consolidated annual financial statements as at and for the year ended 29 February 2024, and which are available on the Company's website, at its registered office and upon request.

Accounting policies that comply with IFRS have been applied consistently by all entities in the Group and are consistent with those applied in the previous financial year. The preparation of these unaudited financial statements for the six months ended 31 August 2024 was supervised by Executive Director Akshay Karan, CA(SA), and have not been reviewed or reported by the company's external auditors. Any forward-looking statements contained in this announcement have not been reviewed or reported on by the Company's external auditors and reporting accountants. The directors take full responsibility for the preparation of the unaudited consolidated results for the six months ended 31 August 2024.

Approval of the unaudited interim results.

The unaudited financial statements of Altvest Credit Opportunities Limited were authorised for issue by the Board of Directors on 26 November 2024 and are signed on their behalf.

Akshay Karan CA (SA)
Chief Investment Officer


CONDENSED UNAUDITED CONSOLIDATED
INTERIM FINANCIAL
STATEMENTS

STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
		R	R	R
ASSETS				
Non-current assets		95 619 102	9 812 736	18 902 237
Intangible assets	3	8 514 953	9 812 736	9 039 404
Deferred tax assets	4	6 195 567	-	1 682 580
Loans and advances to customers	5	80 908 582	-	8 180 253
Current assets		153 383 807	113 503	82 896 198
Trade and other receivable		979 372	111 868	412 890
Prepayment of fees	6	5,684,782	-	1 862 853
Loans and advances to customers	5	44 278 562	-	11 614 984
Loan receivable		164 315	-	-
Cash and cash equivalents		102 276 776	1 635	69 005 471
Total assets		**249 002 909**	**9 926 239**	**101 798 435**
EQUITY AND LIABILITIES				
Equity		34 402 466	(836 861)	16 400 973
Share capital	7	52 397 222	-	21 669 497
Accumulated loss		(17 994 756)	(836 861)	(5 268 524)
Non-current liabilities		211 968 768	5 940 560	82 742 465
Interest bearing borrowings	8	211 968 768	-	82 742 465
Shareholders' loans	6	-	2 796 235	-
Group loans payable	6	-	3 144 325	-
Current liabilities		2 631 675	4 822 540	2 654 997
Trade and other payables	9	1 248 265	830 302	802 497
Enterprise development loan	10	1 383 410	3 992 238	1 852 500
Total equity and liabilities		**249 002 909**	**9 926 239**	**101 798 435**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
		R	R	R
Interest income	11	11 919 594	199	2 521 517
Fee and commission income	11	77 000	-	-
Profit before interest expense		11 996 594	199	2 521 517
Interest expense	12	(9 992 049)	-	(2 742 475)
Profit / (loss) before impairment and operating expenses		2 004 545	199	(220 958)
Credit loss allowance on advance to customers	5	(8 937 405)	-	(748 485)
Other administrative expenses	13	(10 306 359)	(793 251)	(5 937 852)
Loss before taxation		(17 239 219)	(793 052)	(6 907 295)
Taxation	14	4 512 987	-	1 682 580
Loss after taxation		(12 726 232)	(793 052)	(5 224 715)
Other comprehensive income		-	-	-
Total comprehensive loss for the period		**(12 726 232)**	**(793 052)**	**(5 224 715)**

STATEMENT OF CHANGES IN EQUITY

	Share capital	Accumulated loss	Total
	R	R	R
Unaudited 31 August 2024			
Balance at 29 February 2024	21 669 497	(5 268 524)	16 400 973
Total comprehensive loss for the period	-	(12 726 232)	(12 726 232)
Additional contributions received from shares issued	30 727 725	-	30 727 725
Balance at 31 August 2024	**52 397 222**	**(17 994 756)**	**34 402 466**
Unaudited 31 August 2023			
Balance at 29 February 2023	-	(43 809)	(43 809)
Total comprehensive loss at 28 February 2023	-	(793 052)	(793 052)
Additional contributions received from shares issued	-	-	-
Balance at 31 August 2023	**-**	**(836 861)**	**(836 861)**
Audited 29 February 2024			
Balance at 28 February 2023	-	(43 809)	(43 809)
Total comprehensive loss for the period	-	(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**

STATEMENT OF CASH FLOWS

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
Net cash utilised from operating activities	(113 470 176)	(155 203)	(22 931 717)
Cash utilised by operating activities	(121 750 956)	(155 203)	(24 914 033)
Interest received	8 280 780	-	1 982 316
Cash flows from investing activities	(3 986 244)	89 337	(4 515 747)
Purchase of intangible asset	-	(9 812 736)	-
Advances of loans receivable	(164 315)	-	-
Advances from group companies	-	7 136 563	-
Advances shareholders' loans	-	2 765 510	(30 725)
Advances/Repayments to group companies	(3 821 929)	-	(4 485 022)
Cash flows from financing activities	150 727 725	-	96 385 434
Shares issued	30 727 725	-	21 669 497
Loans repaid during the year (Kisby transaction)	-	-	(5 284 063)
Interest bearing borrowings raised	120 000 000	-	80 000 000
Net increase in cash and cash equivalents	33 271 305	(65 866)	68 937 970
Cash and cash equivalents at beginning of period	69 005 471	67 501	67 501
Cash and cash equivalents at end of period/year	**102 276 776**	**1 635**	**69 005 471**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General information

Altvest Credit Opportunities Fund Ltd is a company, incorporated in South Africa. Its principal business activity is providing SME loans.

2. Accounting policies and basis of preparation

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below. The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the financial statements for the year ended 29 February 2024. The condensed financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

2.1 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.

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

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 a sound corporate governance environment. 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 consists of 167 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.

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.

The useful life of licenses that are not amortised is reviewed each period to determine whether events and circumstances continue to support the indefinite useful life assessment. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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.
Indefinite life intangible assets and goodwill are not amortised."

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	Infinite
Customer relationships	5 years
Licenses	Infinite
Valuation models and credit scoring systems	Infinite

3. Intangible assets

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	Carrying value	Carrying value	Carrying value
	R	R	R
Database of policies, procedures to maintain an SME Lender	3 708 706	3 708 706	3 708 706
Customer relationships	4 000 728	5 244 506	4 525 179
Licenses	341 662	341 662	341 662
Valuation models and credit scoring systems	463 857	463 857	463 857
Other assets	-	54 005	-
	8 514 953	9 812 736	9 039 404

NOTES TO THE INTERIM FINANCIAL STATEMENTS

The carrying amounts for 31 August 2024 can be reconciled as follows:

	Carrying value at beginning of the period	Additions	Amortisation	Carrying value at end of the period
	R	R	R	R
Suite of policies, procedures to maintain an SME Lender	3 708 706	-	-	3 708 706
Customer relationships	4 525 179	-	524 451	4 000 728
Licenses	341 662	-	-	341 662
Database of valuation models and credit scoring systems	463 857	-	-	463 857
	9 039 404		524 451	8 514 953

The carrying amounts for 31 August 2023 can be reconciled as follows:

	Carrying value at beginning of the period	Additions	Amortisation	Carrying value at end of the period
	R	R	R	R
Suite of policies, procedures to maintain an SME Lender	-	3 708 706	-	3 708 706
Customer relationships	-	5 244 506	-	5 244 506
Licenses	-	341 662	-	341 662
Valuation models and credit scoring systems	-	463 857	-	463 857
Other assets	-	54 005	-	54 005
	-	9 812 736	-	9 812 736

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The carrying amounts for 29 February 2024 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Amortisation	Carrying value at end of year
	R	R	R	R
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

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
4. Deferred tax assets			
4.1 Deferred tax balance consist of :	1 569 115	-	121 255
Provision for expected credit loss allowance	4 626 452	-	1 561 325
Assessable tax losses			
Deferred taxation asset	6 195 567	-	1 682 580
4.2 Reconciliation of deferred tax asset			
Beginning of the period / year	1 682 580	-	-
Charge to income - included in temporary differences	1 447 860	-	121 255
Charge to income - not included in temporary differences	3 065 127	-	1 561 325
Deferred tax asset at the end of the period / year	6 195 567	-	1 682 580

At the previous reporting period date, the company estimated unused tax losses of R 5,782,685 for the previous 2 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 probability of earning future taxable income now that the entity has commenced activities.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
5. Loans and advances to customers			
Gross loans and advances to customers	134 873 034	-	20 543 722
Expected credit losses on loans and advances	(9 685 890)	-	(748 485)
Balance beginning of period	(748 485)	-	-
Movement for the period / year	(8 937 405)	-	(748 485)
	125 187 144	-	19 795 237
Split between non-current and current portions			
Non-current asset	80 908 582	-	8 180 253
Current asset	44 278 562	-	11 614 984
	125 187 144	-	19 795 237

Loans receivable consist of various loans and advances to SME entities. The loans have terms varying from 3 to 60 months and interest is charged at varying rates linked to the prime bank rate. The terms and interest rate of the loans are dependent on the credit assessment of the customer.

Credit loss allowance

As at the reporting date, the loans receivable are considered to have a low credit risk because there is limited arrears instalment payments and all loans are secured. 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 any historic default experience, the financial positions of the counter parties, the specific security provided as collateral for the loans 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 default.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 a 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 is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

Credit loss allowance

Internal credit rating (where applicable)	Basis of loss allowance	"Gross Carrying amount"	Credit loss allowance	Amortised cost
31 August 2024				
Term loans Performing	12m ECL	134 873 034	(9 685 890)	125 187 144
31 August 2023				
Term loans Performing	12m ECL	-	-	-
29 February 2024				
Term loans Performing	12m ECL	20 543 722	(748 485)	19 795 237

NOTES TO THE INTERIM FINANCIAL STATEMENTS

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
6. Group loans receivable/ (payable)			
6.1 Prepayment of fees			
Altvest Capital Ltd	5 471 377	-	1 862 853
Altvest Securities Pty Ltd	213 405	-	-
	5 684 782	-	1 862 853

During the financial period, Altvest Capital (AVC) incurred setup costs related to the establishment and operational readiness of Altvest Credit Opportunities Fund (ACOF). In order to facilitate these expenses and ensure the timely progression of ACOF's activities, ACOF allowed AVC an advance on fees that were contractually due to AVC under their management and advisory agreement.

This advance was recorded as an intercompany receivable by ACOF and a corresponding liability by AVC. The arrangement was agreed to under standard commercial terms and was designed to maintain the liquidity and operational effectiveness of both entities. The advance will be offset against future fee payments due from ACOF to AVC, as outlined in the agreement between the entities.

6.2 Group loans payable			
Dorsia Holdings Pty Ltd	-	(1 291 825)	-
WGW Capital Pty Ltd	-	(1 852 500)	-
	-	(3 144 325)	-
6.3 Shareholders' loans payable			-
Altvest Capital Limited	-	(2 796 235)	

The above loans are unsecured, bear no interest and have no fixed terms of repayment. These loans are repayable on demand. Loans as per note 6.2 and note 6.3 were repaid by 29 February 2024.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
7. 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	Number of shares	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R	R
Beginning of the period	32 229 620	21 669 497	-	-
Movement during the period				
- Shares issued	9 609 821	30 727 725	-	21 669 497
Shares issued and fully paid	41 839 441	52 397 222	-	21 669 497

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
8. Interest bearing borrowings			
Debt notes issued			
Domestic medium term note program	211 968 768	-	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% (13.50%) for a 7 year period, with interest and coupons payments re-invested based on the election by investors on date of debt issue.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
9. Trade and other payables			
Trade creditors	903 515	525 552	497 747
Other payables	344 750	304 750	304 750
	1 248 265	830 302	802 497
10. Enterprise development loan			
Lebashe Investment Group Pty Ltd	1 383 410	3 992 238	1 852 500

The above loan is unsecured, bears no interest and has no fixed terms of repayment. This loan is repayable on demand. Repayment of the loan commenced in June 2024. The above loan was previously disclosed as group loans' payable as at 31 August 2023.

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
11. Revenue			
11.1 Interest income			
Interest income on loans and advances to SME's	8 735 712	-	890 845
Interest on other financial instruments - banking institutions	3 183 882	199	1 630 672
	11 919 594	199	2 521 517
11.2 Fee and commission income			
Brokerage fees	2 122	-	-
Commission on capital raised	77 000	-	-
	11 998 716	199	2 521 517
12. Interest paid			
Interest expense	9 992 049	-	2 742 475

NOTES TO THE INTERIM FINANCIAL STATEMENTS

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
13. Loss after taxation			
13.1 Loss before taxation is arrived at after taking into account the following operating expenses, amongst others:			
Amortisation of intangible assets	524 451	-	719 328
Accounting fees	-	46 390	-
Auditors' remuneration	479 717	40 000	507 549
Audit fees -2023	279 608	40 000	107 333
Audit fees - accrued 2024	200 109	-	400 216
Asset management fee and related expenses	2 955 310	-	882 348
Board member fees	78 500	56 000	78 500
Consulting fees	1 484 522	351 726	1 475 725
Legal fees	21 051	-	222 500
Listing and regulatory fees	1 722 409	130 166	1 227 584
Marketing and advertising	1 174 663	23 040	426 883
Other expenses	1 092 584	120 730	389 659
Secretarial fees	-	25 000	-
Travel and accommodation	771 030	-	7 776
	10 304 237	793 052	5 937 852

NOTES TO THE INTERIM FINANCIAL STATEMENTS

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
14. Taxation			
14.1 SA Normal taxation			
Current taxation	-	-	-
Deferred taxation	(4 512 987)		(1 682 580)
Tax expense per statement of comprehensive income	(4 512 987)	-	(1 682 580)
No current taxation is provided for as the company has a calculated taxable loss.			
14.2 Reconciliation between the accounting profit / (loss) and tax expense			
The income tax rate used is 27%			
Loss before taxation	(17 239 219)	(793 052)	(6 907 295)
Tax charge calculated at 27%	(4 654 589)	(214 124)	(1 864 970)
Expenses not deductible for tax purposes - amortisation of intangible assets	141 602	-	194 218
Deferred tax assets raised in respect of tax losses	-	214 124	(11 828)
	(4 512 987)	-	(1 682 580)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

15. Related party disclosures

The following parties are related to the company:

Relationship	Name
Shareholder/Parent Company:	Altvest Capital Pty Ltd
Directors:	Executive directors: WG Wheatley AS Karan JCH Geyer (resigned) TL Wheatley Independent Non-Executive directors: E Harcourt-Wood SKI Masakale GM Sephuma
Holding company:	Altvest Capital Limited
Fellow subsidiary:	Altvest Securities Pty Ltd

NOTES TO THE INTERIM FINANCIAL STATEMENTS

	Unaudited 31 August 2024 (6 months)	Unaudited 31 August 2023 (6 months)	Audited 29 February 2024 (12 months)
	R	R	R
15.1 The following transactions were carried out with related parties: Administration fee			
Related expenses			
Altvest Capital Limited	1 455 309	-	215 680
Asset management fee			
Altvest Capital Limited	1 500 001	-	666 668
Consulting fees			
Tatum Keshwar Investments Pty Ltd	480 000	-	270 000
Board member fees (Non - executive directors)			
GM Sephuma	24 000	-	16 000
SKI Masakale (intaba Capital Pty Ltd)	28 500	-	27 500
E Harcourt-Wood (IQI Affiliates Pty Ltd)	2 000	-	35 000
Tatum Keshwar Investments Pty Ltd	24 000	-	-
	78 500	-	78 500
Director emoluments for services rendered			
Paid by group			
AS Karan	900 000	-	1 520 000
JHC Geyer	-	-	470 454
	900 000	-	1 990 454

NOTES TO THE INTERIM FINANCIAL STATEMENTS

	Unaudited 31 August 2024 (6 months) R	Unaudited 31 August 2023 (6 months) R	Audited 29 February 2024 (12 months) R
15.2 Outstanding balances included in trade and other payables			
E Harcourt-Wood (IQI Affiliates Pty Ltd)	1 000	–	10 000
15.3 Loans repaid during the year (Kisby transaction)			
Dorsia Holdings Pty Ltd	–	–	**1 291 826**
WGW Capital Pty Ltd	–	–	**3 992 238**

15.4 Loans to / from other related parties

Loans to / from other related parties are disclosed in note 6.

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altvest

credit opportunities fund

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