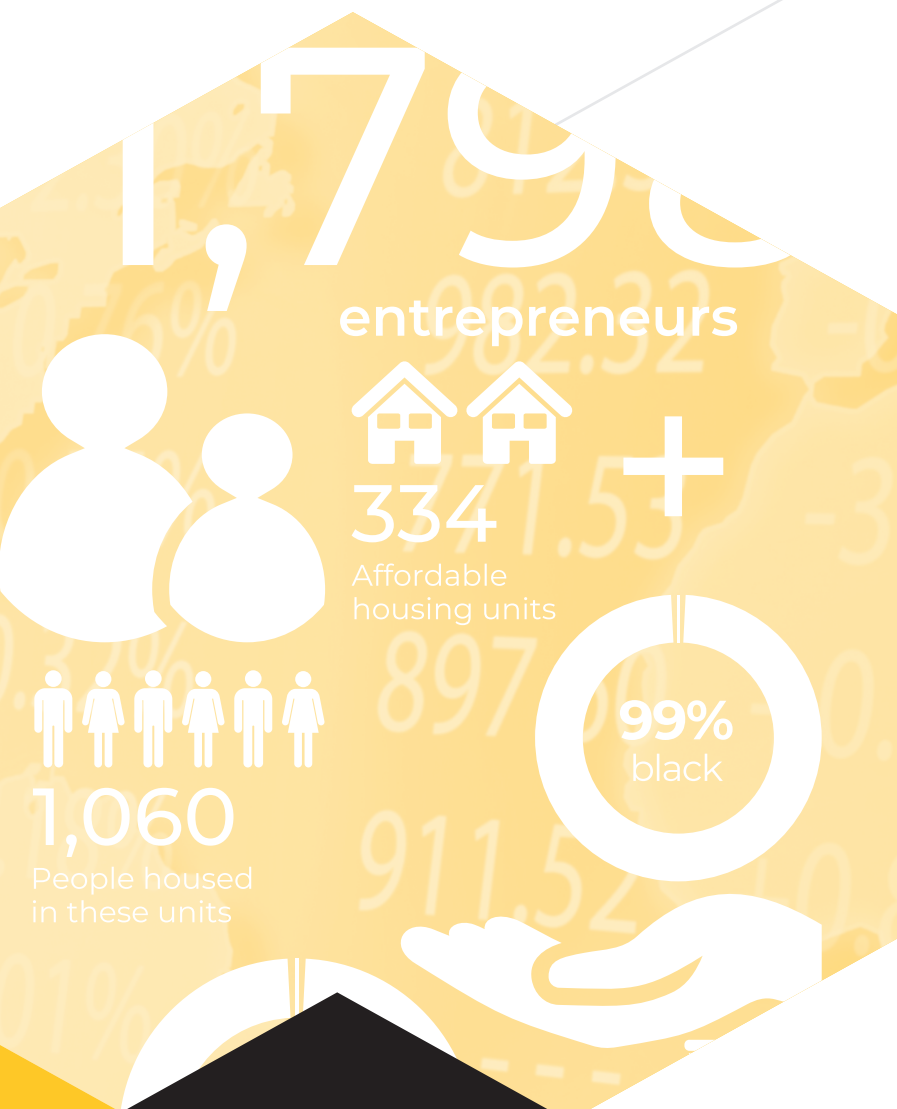


Inyosi Enterprise Development

Enterprise Development Contributions with Immediate Benefits



ENTERPRISE DEVELOPMENT SOLUTION WITH IMMEDIATE BENEFITS

Benefits

- **Immediate and ongoing access** to Enterprise Development points
- **Single upfront interest free loan** which counts towards your Enterprise Development score annually
- **Unique** long term financial and impact track record
- **Turnkey solution** with annual accredited Enterprise Development Statement
- **Social and economic impact assessment** according to global best practice
- **Dedicated** professional investment team
- **Dedicated support** by enterprise development professionals
- **Regulated** fund manager

Who can make contributions?

This solution is restricted to those entities who have been introduced to Inyosi, who understand that this is a B-BBEE related offering during a review with Inyosi or its approved financial advisers, and is not an offer to the general public.

SUMMARY

Inyosi Solutions (Pty) Ltd is the market leader 3rd party provider of Enterprise Development solutions. Companies invest their Enterprise Development spend strategically by investing into an interest free loan and earn accredited Enterprise Development points. In doing so, companies can take an active role in shaping a commercially scalable approach to SMME growth and job creation by investing where they see potential for shared value – investments that are good for their business, good for their suppliers who receive working capital funding, and ultimately good for the country. Inyosi Solutions is the 3rd party implementing agent of Enterprise Development. Enterprise Development disbursements, in the form of loans or other instruments, is managed by an authorised representative of AHI Asset Management (Pty) Ltd (Reg.No. 1953/001254/07), an authorised financial services provider, FSP636. Please note that the contributions and investments made may not be governed by the Financial Advisory Intermediary Services Act, 2001.

Key Information

3rd party Implementing Agent	Inyosi Solutions (Pty) Ltd, Reg. No. 2017/267327/07, trading as Inyosi Empowerment
Nature of the contribution	Unsecured Interest Free Loan
Borrower	New Amalfi Technology Repair and Training Proprietary Limited, who will on-lend the loan proceeds to Inyosi Enterprise NPC
Underlying portfolio	Mostly unlisted short and long term loans by Inyosi Enterprise to qualifying black owned beneficiaries
Currency	South African Rand
Enterprise development	After your year end, and annually thereafter, you will receive an Enterprise Development statement from an accredited empowerment rating agency. Each Rand contributed will count towards your Enterprise Development score. The total points scored by you for Enterprise Development remains subject to the required total spend in terms of the scorecard applicable to your industry.
Annual Enterprise Development statement	On each annual anniversary we will issue you an Enterprise Development statement based on the value of your loan and Enterprise Development's rating by an accredited empowerment rating agency.
Contribution term	The unsecured interest free loan matures after 5 years, but can be renewed on agreement
AHI Asset Management (Pty) Ltd	The appointed manager of New Amalfi Technology Repair and Training (Pty) Ltd and Inyosi Enterprise NPC
Company management fee (excl. VAT)	3% per annum paid by Inyosi Enterprise NPC from the returns on its loans to qualifying black owned beneficiaries
Financial adviser fees (excl. VAT)	Either 1.75% upfront and 0.25% ongoing OR 0.5% upfront and 0.5% ongoing (deducted from capital of the interest free loan)
Administration fee (excl. VAT)	Administration fee of 0.25% per annum paid by New Amalfi Technology
Reduction to face value	The amount the Borrower is obliged to repay is reduced if the loans by Inyosi Enterprise NPC to qualifying black owned beneficiaries are not performing. The amount the Borrower is obliged to repay will never increase to more than the face value of the original unsecured interest free loan.
Access to your money (liquidity)	60 day notice period from the end of the calendar month in which you give notice, subject to a 3% (excl. VAT) liquidation or switch penalty in the first 3 years and deduction of the fees paid to financial adviser. In the event that sufficient liquidity is not available to meet the repayment request despite reasonable endeavours, the payment period may be extended by the Borrower
Settlement in kind	In its discretion, the Borrower may elect to settle the loan with claims against Inyosi Enterprise NPC or the qualifying black-owned beneficiaries
Important administrative dates	Monthly cut-off date for withdrawals: Last business day of each month Valuations: Daily
Who can invest?	This investment is restricted to those entities who have been introduced to Inyosi Empowerment, who understand that this is a B-BBEE related offering during a review with Inyosi or its approved financial advisers, and is not an offer to the general public.

Through our comprehensive service offering, we are able to offer our investors a comprehensive **Enterprise & Supplier Development solution** whilst also providing black-owned businesses with **Access to Funding, Access to Markets and Access to Skills.**



HOW INYOSI ENTERPRISE DEVELOPMENT WORKS

Each investor makes an interest free Enterprise Development loan into New Amalfi Technology Repair and Training (NAT). NAT is a black owned ICT company.

After receiving your interest free loan, NAT makes an interest free loan to Inyosi Enterprise – a not for profit company. Inyosi Enterprise makes direct loans to fund qualifying black owned enterprise development beneficiary companies. All net interest earned by Inyosi Enterprise NPC will be used to assist in the development and growth of select black owned beneficiaries.

Inyosi and AHI are related parties and New Amalfi Technologies, Inyosi Enterprise, and Inyosi Solutions are related or interrelated parties.

Enterprise Development's strategic objectives are:

A To provide monetary or non-monetary recoverable contributions in favour of beneficiary entities with a specific objective of assisting and/or accelerating the development, sustainability and ultimate financial and operational independence of that beneficiary. This is commonly accomplished through the expansion of these beneficiary's financial and/or operational capacity through the provision, by way of loans, of both working capital and long term capital to finance the full needs of black owned businesses.

B To target those areas which are applicable to the Department of Trade and Industry B-BBEE Codes of Good Practice and Sector Codes as they pertain to Financial Services, Construction, Mining, Health, Information and Communications Technology, Property, Tourism, Transport, Chartered Accountancy, Forestry and Agriculture, and any subsequent codes as gazetted from time to time.

The following is a non-exhaustive list of Enterprise Development initiatives that the Enterprise Development may consider utilising:

- Grant contributions to beneficiary entities,
- Equity investments into beneficiary entities,
- Loans and loan facilities made to beneficiary entities,
- Guarantees given or security provided to beneficiary entities,
- Direct costs incurred in assisting and hastening development of beneficiary entities,
- Overhead costs directly attributable to investment contributions and the ongoing running and operation of the Enterprise Development,
- Development capital advanced to beneficiary entities,
- Preferential credit terms granted by the Enterprise Development to measured entities,
- Preferential terms provided by the Enterprise Development in respect of the supply of goods or services to beneficiary entities,
- Contributions made to settling service costs relating to operational or financial capacity or efficiency levels of a beneficiary entity,
- The creation or development of capacity or expertise for beneficiary entities needed to manufacture or produce goods or services not manufactured or produced in the Republic of South Africa,
- Facilitating access to credit for beneficiary entities without access to similar credit facilities through traditional means owing to lack of credit history, high risk or lack of collateral,
- Provision of training or mentoring to beneficiary entities which will assist the beneficial entities to increase their operational or financial capacity, and
- The maintenance of the Enterprise Development by Enterprise Development teams who focuses exclusively on support of beneficiary entities or candidate beneficiary entities.

Impact at a glance for the year ending March 2021



500
investors
in Inyosi Loan Books

Inyosi has provided over
R352 million
in loan funding to small black-owned businesses across the ED, ED ICT and SD funds.



Inyosi's loan book contained
91 beneficiaries
across the three funds.



KEY INVESTMENT RISKS AND THEIR MITIGATING FACTORS

KEY RISKS	RISK MITIGATION
Enterprise Development will be exposed to unlisted investments	Enterprise Development makes an initial loan into New Amalfi Technology# who on-lends to Inyosi Enterprise NPC#. Ultimately loans will be made to diversified black owned beneficiaries nationally and across different sectors. Inyosi Solutions# is the 3rd party implementing agent of New Amalfi Technology and Inyosi Enterprise NPC.
The investments are unrated	Although the investments are unrated, Enterprise Development will ensure that appropriate terms are negotiated and through our sound investment process, due diligence and ongoing reporting and monitoring of investments.
The investments are difficult to price	In the underlying debt portfolio of Inyosi Enterprise, all loans are carried at book value unless there is a clear indication that the borrower is unable to pay interest, if applicable, or capital at which point the valuation will be adjusted to reflect this.
The investments are illiquid	Enterprise Development loans are of a shorter duration but are issued pre-invoicing and are higher risk. The loans are illiquid during the loan term.
Liquidity in the event of a redemption	Enterprise Development is well diversified and managed to fund redemptions in the ordinary course. The following process will facilitate redemptions: <ol style="list-style-type: none"> Enterprise Development will always hold a small component of cash Redemptions will be funded by inflows In the loan portfolio the underlying loan assets are staggered in maturity and thus there are ongoing loan maturities which could fund any redemptions. The contributor must provide 60 days notice. In the ordinary course, this enables Enterprise Development to secure the liquidity needed to fund the withdrawal. In the event of Enterprise Development not being able to liquidate the underlying investments within the 60 day period, the Borrower may extend the repayment period or elect to pass the investments in specie to the client.
Enterprise Development rating is subject to the current legislative environment	Enterprise Development's empowerment rating performance is subject to changes in legislation that may impact negatively on the Portfolio's rating. This will be mitigated by Inyosi Solutions keeping abreast of legislative changes and reviewing Enterprise Development's mandate where and when appropriate.
Risk to capital	Enterprise Development will make working capital loans to qualifying entities in terms of the DTI scorecard. The qualifying entities are typically smaller enterprises who require working capital to fund growth. If an entity to whom a loan was made is unable to repay capital or interest this will negatively impact on the value of the Enterprise Development portfolio and will also negatively impact on the value of your own unsecured interest free loan, leading to capital losses. Our rigorous screening process of such entities together with the portfolio diversification will mitigate some of this risk.
Returns	Policyholders into the Enterprise Development Portfolio are investing into interest free loans and earn no return on this investment.

#AHI Asset Management, New Amalfi Technologies, Inyosi Enterprise NPC, and Inyosi Solutions are all related parties.

QUESTIONS AND ANSWERS

What happens after you complete an application form and invest?

- When we approve your application we will notify you.
- When we receive your money we will write to you to acknowledge receipt within 5 working days.
- Within 21 business days after we have invested your money we will issue confirmation of your contribution in the form of a loan agreement. Your rights lie against the Borrower (NAT) and are governed by the loan agreement.

How will we keep you informed?

We will send you a statement monthly on the first business day of every month showing the details of your contribution. You may also access this information online via our secure website at www.inyosi.co.za.

How do you receive your annual Enterprise Development statement and Preferred Procurement report (if applicable)?

On every anniversary of your contribution we will provide you with an empowerment accredited Enterprise Development statement and within 30 days after [the company's] year-end. The Enterprise Development statement will be issued to you based on your contribution's current market value and Enterprise Development's latest Enterprise Development rating. Portfolio's statements will be based off the Portfolio's current Enterprise Development rating.

What if you need your money?

Upon written request received prior to the last business day of the month, the proceeds of the redemption net of the surrender fee of 3% (excl VAT) will be paid within 60 days from the end of that month provided that we have been able to liquidate the investments. The Borrower may extend this period if liquidity is not available or may distribute the assets to you in specie. An accredited empowerment rating agency statement will not be issued in the year of following exit.

What happens to your investment in the event of your death?

We will give your estate or any beneficiaries' access to the contribution. They may decide whether to keep the contribution, or redeem it.

What are the risks associated with this contribution?

The investments are primarily unlisted debt with a specific aim of providing exposure to qualifying Enterprise Development entities through the provision of working capital loans. Although these loans will go through our rigorous credit process they carry risks to capital. We also value these investments at their realistic mark to market. However, it should be noted that this mark to market is not a traded price as these investments have lower liquidity and do not trade often. These are debt instruments with a finite maturity date. On maturity the counterparty has to repay capital, with evidence of the loan strength only available at that point.

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