

Mapping the ALTX Fintech Future

A 2023 Review



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Mission

To make securities investment convenient while significantly increasing availability, affordability and accessibility of the exchange services and securities products across Africa.

Vision

To create 100 million new, growing and active retail investors in the securities market in Africa within ten years.

Core Values

Integrity, Transparency, Clarity and Customer Focus.

A circular portrait of Phillip Kawere, a man with short dark hair, wearing a blue suit jacket, white shirt, and grey tie. The background of the portrait is green foliage. The portrait is set against a grey diagonal background element.

Revolutionizing Finance

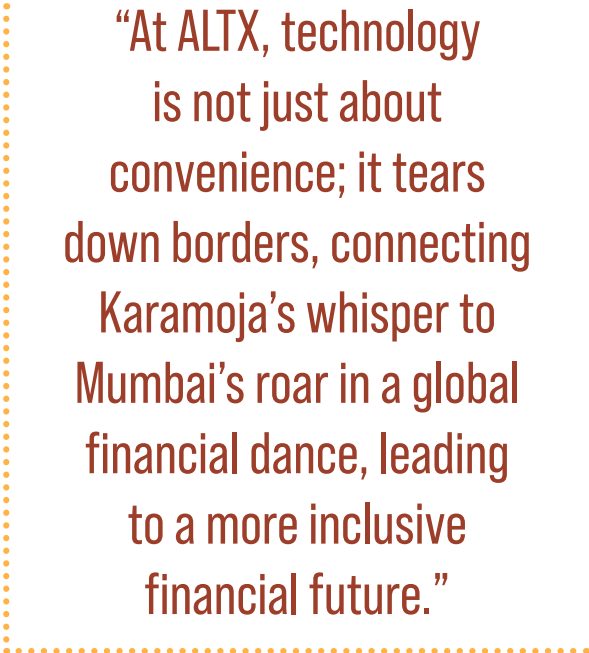
A securities exchange powered by technology

Phillip Kawere

At ALTX, instead of the noisy trading floors, we now have the quiet efficiency of algorithms—a harmonious blend of technology leading us into a new era of investment. No more paperwork or stressful phone calls. Here, orders are placed quickly and easily with just a touch.

Imagine a future where investment journeys begin on your phone, powered by a platform that empowers seasoned traders and curious newcomers. This is the vision ALTX embraces, carving a path towards democratizing finance and unlocking the potential of every investor.

Our multi-faceted trading platform hums with ultra-low latency, matching orders at the speed of light. A robust Central Securities Depository ensures seamless clearing and same-day settlement while ALGOMAX and ZAABU empower traders with cutting-edge web and USSD-based order placement capabilities. But technology isn't just about speed; it's about inclusivity. Seamless automated onboarding, powered by Know Your Customer(KYC)/Anti-Money Laundering (AML)/Politically Exposed Persons(PEP) screening, expedites verification and ensures regulatory compliance.



“At ALTX, technology is not just about convenience; it tears down borders, connecting Karamoja’s whisper to Mumbai’s roar in a global financial dance, leading to a more inclusive financial future.”

The adoption of Application Programming Interface(API) technology by ALTX unlocks a realm of advantages, propelling the platform into a future marked by innovation, accessibility, efficiency, and strategic collaboration. ALTX’s APIs empower developers to make strategic partnerships that enable the creation of cutting-edge solutions, enhance efficiency and streamline operations to facilitate swift and reliable transactions. ALTX’s commitment to API

technology is a cornerstone for future-proofing the exchange, ensuring adaptability to evolving market trends and technological landscapes.

ALTX aims to cultivate an ecosystem of services revolving around the exchange, leveraging innovative technologies such as Artificial Intelligence to enhance user experience, streamline operations, and foster seamless interactions. ALTX’s strategic vision is to stay at the forefront of the evolving financial technology landscape by providing technology progress and a conduit for shaping the future of financial markets.

At ALTX, technology is not just about convenience; it tears down borders, connecting Karamoja’s whisper to Mumbai’s roar in a global financial dance, leading to a more inclusive financial future. We are democratizing access and empowering every investor with the tools to sculpt their financial masterpiece. Don’t just watch - join the movement. Invest in your future, invest with ALTX.



Snapshot



7,000+ Investors



UGX 37.66B Market Capitalisation



UGX 1.22 Trillion Total Turnover

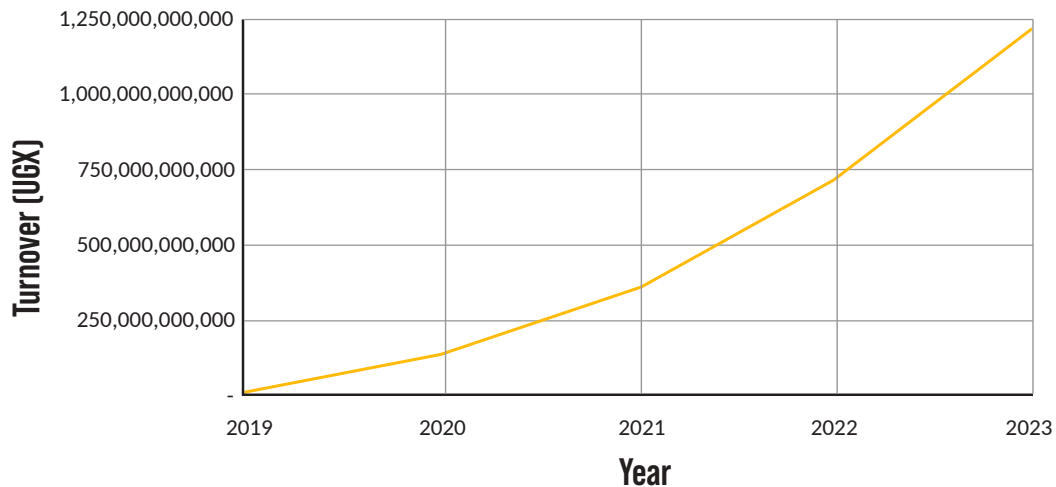


30 Listed Securities



3 Asset Classes

Turnover Growth



Our Team



Joseph S. Kitamirike
Chief Executive
of the ALTX Group



Patricia Aruo



Desire Balinda



Phillip Tevin Kawere



Juliana Kitamirike



Lisa Nabisere



Jonathan Edmund Mutumba



Francesca Faith Nagami

Our Directors



Edward Katimbo Mugwanya
Chairman, ALT X East Africa



Grace Musoke Lwanga
Chairman, ALT X Clearing



Miriam Sarah Kawuma
Director, ALT X East Africa



Jatin Jivram
Director, ALT X Clearing & E.A



Joseph S. Kitamirike
Director, ALT X Clearing & E.A



Hirander Misra
Director, ALT X Clearing & E.A



Richard Wood
Director, ALT X Clearing



Sarah I. Walusimbi
Director, ALT X Clearing



Joseph Areu
Director, ALT X East Africa



Luswata Paulo Nsibuka
Director, ALT X Clearing



Hodge Semakula
Director, ALT X East Africa

Chairmen's Note



The last two years have been marked by great strides in ALTIX's mission to accelerate accessibility and opportunity to investors in the face of economic and market headwinds that significantly affected the sector.

The outbreak of the Russia-Ukraine war in May 2022 disrupted the pandemic recovery efforts of economies around the world, including Uganda, which has experienced a high-interest rate environment driven by the Bank of Uganda's efforts to manage inflation.

Technological innovations

In June 2022, ALTIX achieved yet another milestone when it unveiled Zaabu, the region's first USSD-based trading platform to offer individuals the ability to register and invest in financial products without the internet or the need to travel.

Zaabu has offered over 7000 investors so far the simplest way to become participants in the securities market with only their mobile phones on either their Airtel or MTN networks, eliminating the need for internet access which has long been a barrier to securities investment

in the country. Investors can register, buy and sell securities on the go from phones with the most basic telephones on the market.

Our efforts to improve the experience for investors looking for a more immersive investment experience informed the re-launch of our website and the development of a new Order Management System, Algomax, which debuted in April this year. We hope that the continuous technological enhancements will encourage our investors, new and old, to explore the investment opportunities that are being created for them at ALTX.

Going global

Safaricom became the first equity to be made available to ALTX investors through the Global Equity Depository Receipt Program, marking the first time global securities were offered on an exchange in sub-Saharan Africa, outside of Southern Africa. ALTX has since listed the US-based technology equities Microsoft Corporation, Apple Inc., and NVIDIA

Corporation. Our investors are now able to benefit from the value and diversification offered by the global equity markets.

Looking ahead

The Capital Markets Authority approved prospectuses for the issuance of Exchange-Traded Funds (ETFs) giving investors exposure to treasury bonds from across Africa and global equities from leading markets around the world on the ALTX East Africa Exchange

The Tolea Regional Debt ETF program will offer ETFs built with bonds issued by various African Central Banks and Government issuing agents while the Global Equity ETF program will comprise various equities available on exchanges around the world.

The listing of these new assets will extend ALTX's leadership in the structured securities space while fulfilling our intention to deepen the markets in the region and contribute to building the robustness of the industry.

Appreciation

We would like to thank our fellow directors, the staff and partners for their continued support of the business. Thank you to our investors for their trust in the business. We look forward to being a part of the next step of your investment journey.

Edward Katimbo Mugwanya

Edward Katimbo Mugwanya

Chairman, ALTX East Africa

Grace Musoke Lwanga

Grace Musoke Lwanga

Chairman, ALTX Clearing





CEO's Reflections

ALTX - The Evolution of a Fintech

Many years ago as a Masters student at the University of Connecticut, I joined a very exclusive program called the *Edgelab*. I was a member of the Edgelab team for four semesters between May 2001 and September 2002. The work carried out in this lab was the most intriguing in terms of information technology and finance. As students, we made interesting discoveries and inventions at Edgelab, some of which have found real-world applications already. Although the work I was involved in tended to keep Finance and Technology apart, I was intrigued by what technology could do to enable finance to penetrate deeper into the population.

The time was when Blackberry was just about to deliver a phone, Kyocera had a Personal Digital Assistant (PDA) in testing, Palm messaging devices were the rage, and Cotel Cellular was trying to find its way after MTN had usurped its market position in Uganda. The term Fintech had not been coined. In technology terms, a very long time ago. But there were lessons from then that I carried into the making of ALTX, the Fintech company.

In the work we have done in building this fintech company, we aim to deliver availability, accessibility and affordability by overcoming five barriers that we perceive in the marketplace. There are physical barriers, as securities markets are found in the cities while a large segment

of the population is located away from the cities, a lack of access to brokers to open investment accounts and a lack of access to the banking network to remit funds which hinder participation in securities investment. The cost of overcoming distance adds a financial barrier which discourages participation in the securities markets. A knowledge barrier due to the shortage of information about the securities investment opportunities.

The last two barriers are more complicated. The first is the design barrier, which concerns the type of securities designed and delivered to our markets. Most are built with large investment funds in mind and are denominated to favour wealthier investors. One can mobilise a small number of larger cap investors or many smaller cap investors. Markets like ours require the ability to raise and serve large numbers. The last is the trust barrier, which mostly affects lower-income members of our community. This bracket tends to live without a social safety net and potentially lives with the risk of wiping out their savings/investments when

a catastrophic event like death or permanent disability occurs. Life is managed in a vicious cycle of rebuilding and wiping out of wealth. To enable that person to break out of this cycle, securities must be provided that carry protection for the investment made.

ALTX has built and delivered solutions to overcome all the barriers. To beat the physical barrier, it has built access to its exchange on both the Web, smartphone and basic phone using the internet and USSD technology. Zaabu, the USSD application, and Algomax, the web application, are integrated with mobile money and will, in addition, be integrated with ALTX's bank. With these capabilities, ALTX has created three securities account types, i.e. one accessible directly using USSD, another accessible directly by web on a smartphone or computer and another accessible by brokers. ALTX has also built a chatroom on the Algomax portal where information can be exchanged with the ALTX community. It also has an SMS channel, which is used to disseminate information on securities to USSD customers.

Counting from my University of Connecticut days, creating this capability has taken 2 decades, including one active decade spent on the ground doing the actual building of ALTX. It is most satisfying that we have created technology configurations that were trailblazing, transformed the securities exchange from a broker-led model to an investor-led one, enabled the accomplishment of several instances of regulatory compliance using technology, built and delivered an application for use in account registration by members of ALTX distribution network. ALTX delivered, with technology, same-day settlement of securities transactions on the exchange. This is compared with NSE, which settles on the fourth day, JSE, which settles on the fifth day and NYSE, which settles on the second day after the trade.

As a result of the technology push, ALTX investors have reached over 7000 and turnover in the ALTX ecosystem has reached over UGX 1,200,000,000,000 for the first time.

As a result of the technology push, ALTX investors have reached **7,000** and turnover in the ALTX ecosystem has reached **over UGX 1,200,000,000,000** for the first time.

ALTX, the fintech company, is ready to take its technology proposition to more countries across Africa and extend its franchise to offering and trading virtual assets.



Joseph S. Kitamirike

Chief Executive of the ALTX Group

New Products & Services

Website

Our website, www.altxafrica.com, was relaunched earlier this year with a new and improved design which enhances the investors' user experience and gives them easy access to a wide range of information about the company.

Features

- Detailed product and service information
- Company contact information
- Account opening guidance
- Latest news and updates



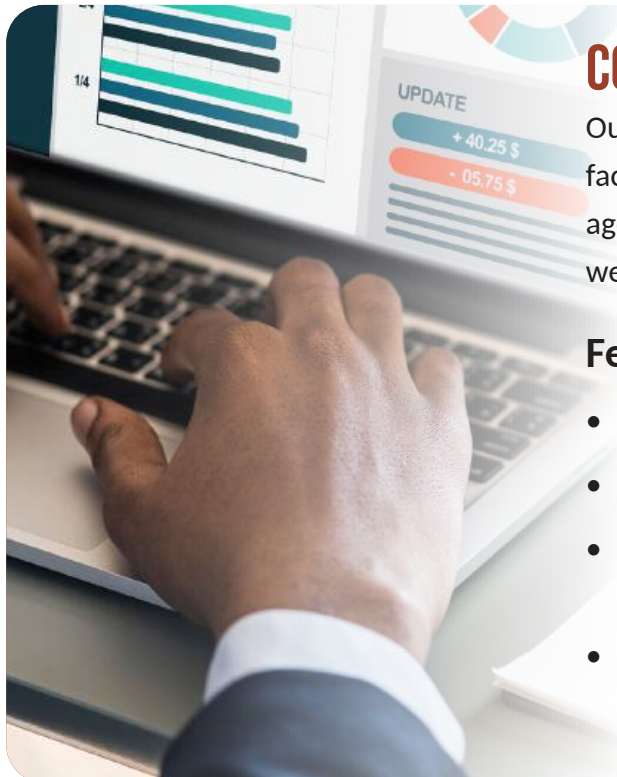
Zaabu

Zaabu is our USSD-enabled trading platform which offers the simplest way for people to trade on the ALT X East Africa exchange directly from their mobile phones.



Features

- Account opening
- Buying and selling of securities on the ALTX exchange
- Uploading and withdrawing money
- Checking the status of their investments
- Learning about securities

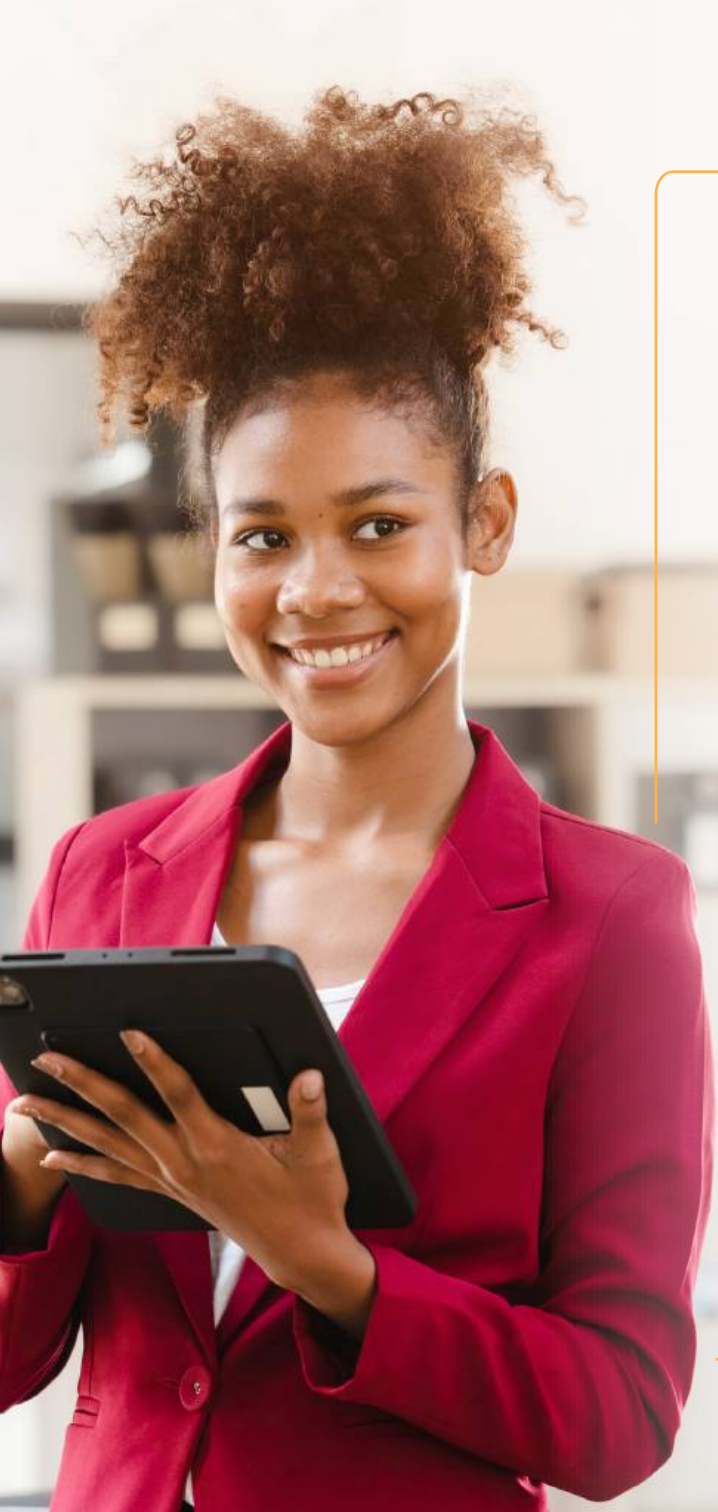


COMAS

Our Agency Management System that facilitates the onboarding of clients by agents and the verification of investors as well as access to their performance data.

Features

- Adding agents
- Adding investors
- Access to the performance data of investors
- Functionality for performing verifications of potential investors.



algomax

By ALTX

Algomax

Our New Order Management gives ALTX investors a new and improved direct market access investment experience.

Features

- Account registration
- Ability to customise the securities list to suit individual investment interests
- Access to daily pricing data of securities
- Buying and selling of securities.
- Tracking the status of investments
- View investment history



Equity Depository Receipts

Safaricom, Apple, Microsoft, and NVIDIA equities began trading on the exchange this year as part of our Global Equities program which is working to expand the securities offerings for investors in the region to include the Global Equity Market.

Features

- Issued primarily in Uganda shillings
- Dividend payments
- Returns based on the performance of the underlying security
- Can be pledged as collateral



Safaricom is a Nairobi-based telecommunications company founded in 1997. It has established itself as a pioneer of USSD-based mobile money payments globally through its MPESA business to become East and Central Africa's largest company by revenue. In 2022, it began operating as a mobile network in Ethiopia.

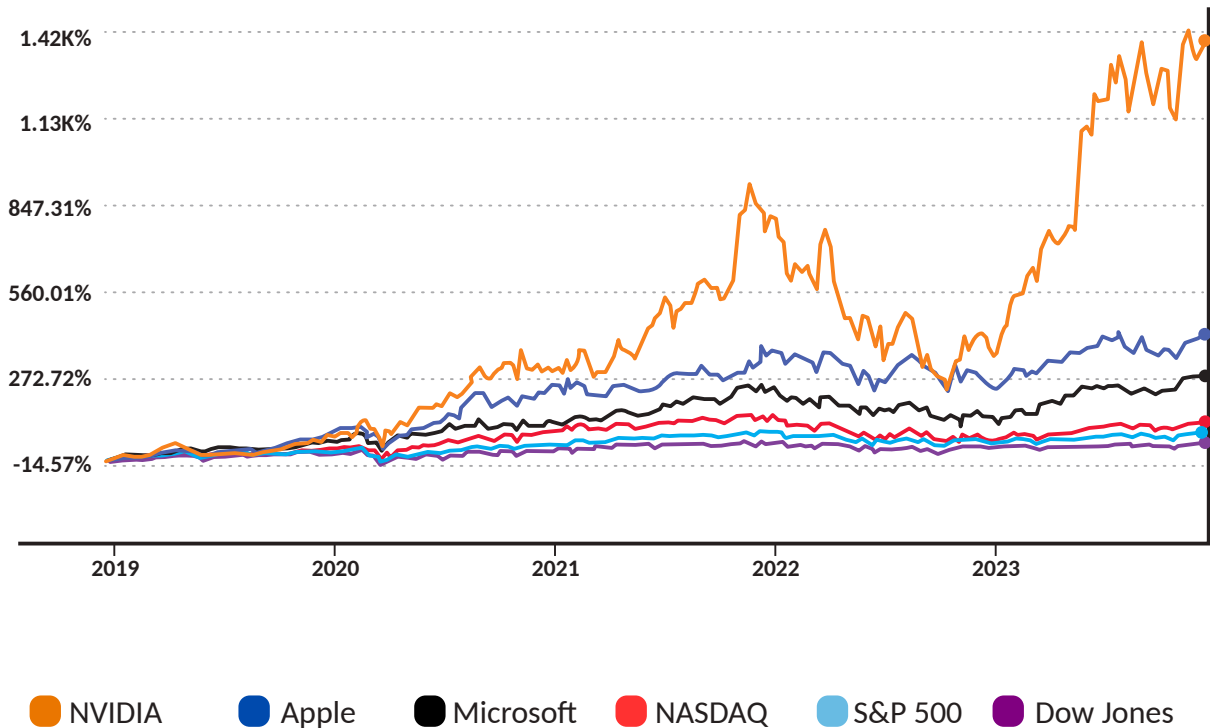
Key Facts

- **Location:** Nairobi, Kenya
- **Industry:** Telecommunications
- **Key Products:** Mobile voice, messaging, data, loans and insurance
- **Over 40 million** customers
- **Current ALTX price per unit:** UGX 61.45

Customer Value Proposition

- **Affordability** - Provide customers with affordable segmented offerings on voice, messaging and mobile data.
- **Connectivity** - Facilitate access to formal banking, credit, and international transactions. Aim to deepen financial inclusion in the country.
- **Innovation** - Disrupt Inefficiencies and Impact Lives positively through platforms like DigiFarm, which connects farmers to knowledge, quality and affordable inputs, credit, insurance and market opportunities.

FIVE-YEAR STOCK GROWTH IN COMPARISON WITH MAJOR US EXCHANGES



Source: Bloomberg (<https://www.bloomberg.com/>)

Microsoft was co-founded by Bill Gates and Paul G. Allen in 1975. The company has become a leading developer of computer software systems and one of the most profitable companies. The Xbox maker recently acquired the video-gaming company Activision Blizzard in a move intended to solidify its influence in the gaming market.

Facts

- **Location:** Washington, United States of America
- **Industry:** Technology; Artificial Intelligence
- **Key Products:** Microsoft 365; Microsoft Cloud; Xbox Games and Consoles
- **Current Price per Unit:** UGX 7712.15

Customer Value Proposition

- **Innovation** - Develop technology that can promote meaningful innovation.
- **Artificial Intelligence** - Use AI to create customer-centred technology that enhances creativity, strategy and organisational effectiveness.
- **Trustworthy Computing** - Focus on delivering secure, private, and reliable computing experiences based on sound business practices.
- **Corporate Social Responsibility** - Commit to creating a sustainable future where everyone has access to the benefits and opportunities created by technology.



Since its founding in 1976, Apple has established itself as a leading consumer brand in the high-end technology market, mainly through the popularity of its iPhone smartphone. In June 2023, it became the first company to reach a market valuation of over 3 trillion dollars.



Facts

- **Location:** California, United States of America
- **Industry:** Technology; Artificial Intelligence
- **Key Products:** iPhone, Mac, Apple Pay
- **Current Price per Unit:** UGX 7477.15

Customer Value Proposition

- **Accessibility** - Create accessible technologies with products and

services that are inclusive by design, with built-in accessibility features to help consumers create and connect in the most suitable ways for them.

- **Privacy** - Develop products and services designed to protect customer privacy.
- **Sustainability** - Aim to make durable, long-lasting products and packaging using only recycled or renewable materials.
- **Education** - Commit to providing people globally with more opportunities to learn.

NVIDIA is a leading semiconductor producer and manufacturer of high-end graphics processing units deployed in devices like personal computers and robotics. The company has been operating since 1997 and is well-placed to capitalise on the ongoing move towards incorporating Artificial Intelligence into innovation.

Key Facts

- **Location:** Santa Clara, California
- **Industry:** Technology; Artificial Intelligence
- **Key Products:** GeForce Graphics cards, Laptops
- **Current price per unit:** UGX 8387.28

Customer Value Proposition

- **Sustainable Computing** - Accelerate

the move from CPU-only servers to GPU-only systems worldwide that could save trillions of watt-hours of energy a year.

- **Reinventing Modern Graphics** - Advance and deliver cloud gaming capabilities.
- **Powering AI Factories** - Develop an architecture that powers the next wave of AI data centres.
- **Transforming the Medical Industry** - Provide state-of-the-art generative AI models for drug discovery, the fastest DNA sequencing technique, and AI-powered medical devices for clinicians.
- **Drive Industrial Digitisation** - Enable industries to become software-defined and connect large teams.



Ndi Investor

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