

A2X

M A R K E T S

**LISTING YOUR
COMPANY ON A2X**





A2X is a South African Stock Exchange that provides an additional trading venue for a company to secondary list their shares for trade.

THE BENEFITS OF COMPETITION IN THE SOUTH AFRICAN MARKETPLACE

In 2016, the South African authorities issued the first new exchange licence in over half a century. This was a big step forward and brought the local market more in line with international best practice where competition amongst exchanges is well established. Regulators around the world have deliberately opened-up capital markets to multiple players to drive the very benefits that competition creates.

In equity markets these benefits are typically; lower exchange fees, greater product innovation and increased client focus. However, most importantly, competition has driven down the costs of transacting in shares and this has shown to not only help grow the overall level of activity in a market but also to create a better-quality market - as measured by narrower spreads and increased liquidity.

This in turn helps reduce the cost of raising capital for issuers (thus fostering economic growth) as well as saving money for the end investor, typically the pension fund of an everyday working person.

The numbers speak for themselves. In South Africa, based on a typical day's trading activity of R20 billion in equities, savings that can accrue to the industry and end investors are estimated to be upward of R4 million per day, or a massive R1 billion per year.



THE BENEFITS
OF COMPETITION

EMPOWERING THE
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EMPOWERING THE MARKET WITH CHOICE

A2X opened its doors for trade on 6 October 2017 with the mission of empowering the market with choice. This is done by providing a venue for companies to secondary list their shares for trade. A secondary listing complements a company's primary listing and comes with no risk, cost or additional regulatory requirements, yet it brings significant potential benefits to its shareholders.

A2X achieves large savings for investors by passing on efficiency gains in the form of fee reductions. This lower friction cost has a positive impact on improving market quality, in the form of narrower Bid/Ask spreads and increased liquidity, which in turn leads to huge savings for a company's shareholders. It also lowers the hurdle for new potential investors.

A2X... [are] leveraging technology in an effort to reduce trading costs and increase market transparency. As one of the world's leading technology investors we understand the value of technology and are pleased to support these efforts by also listing on A2X. We believe our shareholders will appreciate the added choice of trading venues.

Bob van Dijk, Naspers CEO

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➤ LEADING COMPANIES AND BROKERS SUPPORT COMPETITION

A2X has already attracted listings with a combined market cap of over R2 trillion. Listings include leading companies: AVI, Aspen, Coronation, Growthpoint, Mr Price, Naspers, Nepi Rockcastle, Renergen, Sanlam, Santam, Sasol and Standard Bank amongst others. In addition, three Absa precious metal ETFs and Investec's ETN products are also listed.

A2X has eight approved brokers, including five of South Africa's top six stock brokers, as measured by value traded in 2019. Avior, ABSA Capital, Investec, Legae Peresec, RMB Morgan Stanley and SBG Securities are all connected and transacting on A2X.

We have listened to our institutional investors, who have called for these secondary listings, which will offer enhanced choice to investors to trade through A2X's platform and which demonstrate our support for the deepening and broadening of financial markets.

Arno Daehnke, Standard Bank Group
Financial Director



WHY HAVE A SECONDARY LISTING ON A2X?

It creates real benefits for a company's shareholders by;

- » Providing choice of venue to transact
- » Lowering the cost to transact - generating material savings for the end investor by narrowing spreads and increasing liquidity
- » Narrower spreads and deeper pools of liquidity lower the cost of raising capital
- » From a contingency perspective, should one market experience issues, shares will still be available for trade
- » Competition creates a more responsive and dynamic exchange environment

HOW DO I CREATE A SECONDARY LISTING ON A2X?

Issuers with a listing on the JSE or companies with a primary listing on a foreign exchange in an approved jurisdiction can list on A2X.

- » Simply contact the A2X team who will guide you through the simple and swift listing process

Please Note:

- » There is no additional regulatory burden (your primary listing ensures that you are already compliant)
- » There is no cost to list on A2X or ongoing fees to be listed
- » No risk to be listed on A2X
- » There is no impact on your company's primary listing or share register

We understand the value that a secondary listing brings to our company and we believe in free market principles that allow companies to grow and flourish.

Johan van der Merwe,
African Rainbow Capital Joint CEO



ABOUT A2X

- » A2X is an independent stock exchange founded in 2014 by individuals with extensive experience in financial markets and technology
- » A2X is licensed and regulated by the Financial Sector Conduct Authority (FSCA) and the Prudential Authority (PA)
- » African Rainbow Capital Financial Services, a fully black owned and controlled company, holds a strategic stake in A2X
- » By using the latest high-performance exchange technology supplied by Aquis Exchange in the UK and through other efficiencies, A2X are able to offer fee savings of approximately 50% on the end to-end cost of transacting
- » A2X fits into the existing capital markets infrastructure and uses Strate and its participants to settle all trades transacted on A2X



As an active player in the South African equity market... we felt that Coronation needed to be part of the evolution.

Anton Pillay,
Coronation CEO

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ETFs are cost sensitive and by adding a secondary listing, it allows our investors to capture not only the direct saving of lower transaction fees but also the indirect savings that accrue as result of narrower spreads and increased liquidity.

Chris Edwards, Head of Prime Services and Index Solutions at Absa Corporate and Investment Bank

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