



Q4 Update

January 2022

**THE FAST, FAIR,
EFFICIENT EXCHANGE**

Welcome to 2022!

2021 saw continued growth on A2X with records in volume, value and trade count, with our top four months to date all taking place in the final quarter of the year.

Increasing broker demand to trade across markets and achieve best execution for their clients combined with a growing number of companies taking advantage of a secondary listing, has underpinned this jump in activity.

I am pleased to feedback that four new companies listed on A2X in back-end of last year, namely, Tiger Brands, TWK Investments Limited, gold miner Pan African Resources plc and Netcare Limited (our very first hospital listing).

In addition, investment holding company Remgro, kicked off our new listings for 2022 when it's shares became available for trade on A2X on 3 January. The PBT Group has also been approved to list and its shares are tradable from tomorrow, 1 February.

It is worth noting, that TWK represents the very first cross listing between two alternative exchanges in South Africa. An important milestone that opens up exciting new opportunities for companies looking to go public.

More details on this can be found later in the newsletter and we also

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- A2X ANNOUNCEMENTS
- HOW EFFICIENT EXCHANGES DRIVE INCLUSIVE ECONOMIC GROWTH
- TWK INVESTMENTS BECOMES FIRST COMPANY LISTED ON THE CTSE TO SECONDARY LIST ON A2X
- LEGAL AND REGULATORY UPDATE

look at the regulatory landscape for 2022.

If you ever wondered why healthy competition in the exchange space is important, read the piece that we wrote for the Business Day last week on [how efficient exchanges drive inclusive economic growth](#).

Wishing you a healthy and prosperous 2022.

Kevin,
CEO
A2X Markets

A2X Announcements



- On 15 December, Netcare Limited became the first hospital stock to list on A2X.

- On 30 November 2021 TWK Limited became the first cross listing between two alternative exchanges when they listed on A2X with their primary listing being on the CTSE.



- On 13 December 2021 Pan African Resources plc's shares listed on A2X.



- The PBT Group to list on A2X on 1 February 2022.



- ▼ Remgro Limited's shares became available for trade on 3 January 2022.



Efficient stock exchanges drive inclusive economic growth

A2X CEO KEVIN BRADY wrote a piece for the Business Day on why efficient and cost-effective capital markets are key to economic growth and wealth creation.

South Africa, when compared to its peers in terms of size of economy, is in the enviable position of having an advanced capital market.

The combined value of our capital market structure is a multiple of our GDP – and this is ranked very positively in a global context. We have a sophisticated financial sector, in part as a result of a well-respected and pragmatic regulator.



Notwithstanding all the positive accolades, there is one area where we have traditionally struggled: competition within our capital markets.

Capital markets, and in particular a country's stock exchanges, remain a key aspect to attain sustained levels of economic growth. Capital markets are providers of capital, which is required to fund economic activity. The more efficiently this is done, the lower the cost of raising capital and the broader the range of opportunities available.

[Continue reading here](#)



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- TWK Investments becomes first company listed on the CTSE to secondary list on A2X

30 November 2021 marked an important milestone for the local stock exchange industry when TWK listed on A2X as it became the first cross listing between two alternative exchanges in South Africa.

TWK CFO Eddie Fivaz said, “TWK is excited about the opportunity to complement our listing on the CTSE with a listing on A2X. We see this secondary listing as an opportunity to attract potential new

investors, grow liquidity in our shares and broaden our shareholder base.”

Kevin Brady, CEO of A2X Markets commented, “TWK’s listing on A2X is an important milestone for the stock exchange industry. Not only does it provide TWK with a platform to access the institutional asset management market but it will be the first cross listing in South Africa between two alternative exchanges. For the first time, a company looking to list can consider an alternative exchange and gain access to both retail and wholesale markets.” Brady added that TWK is the first company from the agricultural sector to list on A2X.

TWK, with a market cap of around R1,6 billion is a diversified group of companies operating in the agriculture, forestry, grain, financial services and motor and tyre industries that deliver value-adding products and services to agricultural and related industries.

The company operates over a wide geographic area across South Africa and forms a crucial component in the agricultural value chain which includes research, sustainable farming practices and agricultural innovation.



> Legal and Regulatory Update

Some regulatory developments to look out for this year:

- We anticipate that the long-awaited market conduct standard for exchanges that was published for comment in 2020 will be finalised in 2022.

This will result in the implementation of the best execution rule requiring brokers to get the best result for clients when trading across markets.

- The Conduct of Financial Institutions Bill, which will consolidate and strengthen market conduct laws, is also expected to be finalised this year.

The Financial Sector Review Bill, focusing on the restructuring of the financial market legislation to align with international developments, is a massive piece of work is ongoing and is looking likely to only be finalised only in 2023.



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