

Actively Managed Certificate (“AMC”) on African Recycled Carbon Black (rCB1)

End of subscription 12 weeks after the opening of the subscription
Open End | Private Placement
ISIN CH1161137893



BRIEF DESCRIPTION

Actively Managed Certificates do not constitute collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes ("CISA") and are therefore neither governed by the CISA nor subject to the supervision by the Swiss Financial Market Supervisory Authority ("FINMA"). Accordingly, holders of this product (the "Product") do not have the benefit of the specific investor protection provided under the CISA. Holders of the Product bear the issuer's credit risk. Furthermore, investors should be aware that AMCs have a dynamic, discretionary structure, which may result in changes to the Product terms and/or the Strategy-Components.

21 June 2023

PARTIES

Issuer/Calculation Agent	Eurydice PCC, Guernsey No. 70608
Paying Agent	ISP Securities AG, Switzerland
Strategy Manager	Impact Investment Operations (Pty) Limited, South Africa (the "Strategy-Manager").
Product Sponsor	Orpheus Capital Limited, United Kingdom
Distribution Agent/s	Global Impact Holdings, Botswana; Shire Capital, South Africa

PRODUCT INFORMATION

Description	<p>This Product (hereinafter, also “Certificate”, “Note” or “AMC”) is an Actively Managed Certificate. The Product allows for participation in the performance of the Underlying (the Strategy”). The Strategy reflects a notional actively managed portfolio of assets and cash, maintained by the manager (the “Strategy-Manager”).</p>
Underlying	<p>The Underlying is a basket representing a notional actively managed portfolio (the “Reference Portfolio”) of private market assets (the “Constituents”) and cash in the Currency of the Product (the “Cash Position”), which together shall be referred to as the “Strategy-Components”. The basket is selected and managed by the Strategy Manager in accordance with this termsheet (“Termsheet”), the “Investment Strategy” referred to below as well as the investment universe (the “Investment Universe”), the guidelines (the “Strategy-Guidelines”) and the investment restrictions (the “Investment Restrictions”), as per Annex 1.</p> <p>The underlying project uses proven BB&G® AWES technology for the recycling of end-of-life (ELF) rubber tyres. The planned construction of the Syngas plant is in Johannesburg, which is the industrial centre of South Africa. The plant will produce recovered carbon black (rCB1), bio-oil with sulphur content below 1%. The process involves the anaerobic thermal decomposition of granulated end-of-life tyres. The project’s success is assured due to the use of proven European BB&G® AWES technology in the plant’s construction and management processes. This opportunity is unique, as the technology is largely unutilised across the African continent.</p> <p>Syngas is strategically positioned to capitalise on the increasing global demand for biofuels. With their ability to produce A-grade biofuel, they can cater to a wide range of sectors, including aviation, marine, transportation, and other industries relying on biofuel for combustion. The advantage of Syngas’ biofuel lies in its dollar-based pricing, making it resilient to the fluctuations of the South African rand. This ensures stability and attractiveness for both domestic and international markets. By tapping into the growing need for biofuels and offering a reliable and high-quality product, Syngas is well-equipped to meet the energy demands of various sectors while contributing to a more sustainable and greener future.</p>

Syngas is embarking on an innovative endeavour by establishing a solar farm in conjunction with its plant. This pioneering initiative aims to provide an uninterrupted and dependable source of electricity to the plant, guaranteeing a continuous power supply unaffected by external factors or electrical malfunctions. Beyond fulfilling the energy needs of the plant, the surplus energy generated by the solar farm will be harnessed to meet the requirements of neighbouring industries. This strategic utilisation of surplus energy not only reinforces the sustainability of the plant's operations but also cultivates an additional revenue stream, enhancing overall profitability. By seamlessly integrating renewable energy sources into its operations, Syngas demonstrates a proactive commitment to environmental sustainability while optimizing the financial returns derived from its investment in the solar farm.

The investment into this project will contribute to a cleaner, healthier environment by providing long-term, sustainable, circular solutions for the rubber and petrochemical supply chains. The technology utilises sustainable and environmentally friendly recycling processes, combined with the latest and most advanced technology that has already surpassed many milestones in establishing a circular economy for end-of-life tyres and rubber waste.

SYNGAS, BB&G® AWES has planned their process and products with the goal of carbon neutrality. By way of example, when compared to values of CO₂ emissions per ton of product produced in previous generation plants, each production line saves 24 000 tons of CO₂ emissions per annum.

BB&G® AWES has pioneered innovative, patented technology that converts waste into, renewable, commercial by-products, used as green raw materials in the automotive industry.

The underlying company in collaboration with its technology partner is a European leader in Recycled Carbon Black processing technology with a track record of operational excellence. It is an African Impact-focused business model that incorporates sustainable long-term growth. Sector participants display sound corporate governance with ethical business activities. It consists of an internationally experienced, stable management compositions with the necessary level of skills and capability. It has a proven track-record of being able to deliver quality installations within budget and on time.

[Private Placement Memorandum (PPM) available on request from Product Manager]

Investment Strategy

The primary investment objective is to achieve long-term growth, by investing in private debt and private equity transactions related to this end-of-life rubber processing plant, that will be overseen by a technology-intensive European company. The rationale for the plant's construction and operation is further supported, and enhanced by the environmental deadlines, goals and targets of international tyre manufacturers, who committed to using recycled content (rCB1) in their tyres, in their move towards carbon neutrality.

Capital will fund the construction, installation and ongoing oversight and management of the greenfield rCB1 plant and operation in Johannesburg, South Africa. The allocation universe also includes investment into electricity storage solutions and electricity tariff peak load management systems to improve energy utilisation efficiencies, suitable to an African operational environment.

United Nations Sustainable Development Goals Impact Thesis

In attempts to address climate change the November 2022 COP 27 conference held in Egypt, adopted further internationally binding agreements. This rCB1 plant is an important contribution for Africa to meet its climate change goals. The rCB1 plant addresses the problem of untreated environmentally hazardous discarded end-of-life tyres (ELT) in Africa. The project contributes towards essential job creation, environmental rehabilitation, and social upliftment. The project has commercial merit that is expected to generate highly competitive returns.

This impact investment circular-economic model will positively contribute to several of UN SDG 2030 goals. Impact Investment Group, the project manager, focuses on SDG Goals 7, 8 and 9, to best contribute to economic growth in Africa. A primary goal is to achieve long-term, permanent employment, through innovation, leading to the creation of African infrastructure and socio-economic development via technology, bringing benefits to the communities around the plant.

Previously there were few practical solutions to reduce GHG emissions through large-scale, end-of-life tyre recycling projects, this plant will solve this.

Reinvestment of Returns	Any amounts reflecting net dividends and/or interest rates in a real portfolio consisting of the Strategy-Components will be added to the Cash Position of the Strategy-Level. Any withholding taxes or similar taxes that might be charged on any of the Strategy-Components by tax authorities will not be reclaimed and will not be added to the Cash Position of the Strategy-Level.
Initial Weighting of the Strategy-Level	The Strategy-Manager starts to implement the Strategy at the first possible trading day after Payment Date according to this Termsheet, the Investment Strategy, the Investment Universe, the Strategy-Guidelines and the Investment Restrictions. The Initial Strategy Components will depend on the market conditions at the time the Strategy-Manager starts to implement the Strategy.
Strategy-Level (t)	Value of the Reference Portfolio on any trading day t, determined by the sum of the prices of each of the assets contained in the Reference Portfolio, converted to the Currency of the Product at the prevailing exchange rate(s), less all costs linked to the management of the Strategy including (but not limited to) fees, expenses, hedging and transaction costs, custody fees and taxes (if any), and divided by the sum of outstanding Certificates on such trading day t, as calculated by the Calculation Agent.
Redemption Amount	<p>On Redemption Date, the Certificates will redeem a cash amount in the Currency of the Product equal to the Strategy Level on the Final Valuation Date, as calculated by the Calculation Agent.</p> <p>The Strategy Manager, as appointed by the Issuer, is responsible for the Strategy. No party, including the Paying Agent, is therefore liable to any party for any loss in connection with the investment, nor for the performance of the Strategy. A Noteholder's entitlement is limited at all times to the Redemption Amount at Final Valuation Date. In a worst-case scenario, the Redemption Amount may be zero. Noteholders should be aware that positive performance of the Strategy cannot be guaranteed.</p>
Prices of the Strategy-Components	The prices of the Strategy-Components used as a basis for the calculation of the Strategy-Level are calculated at the sole discretion of the Calculation Agent, based on the values provided by the Custodian or any third-party source that the Calculation Agent may deem appropriate to determine the fair value of the component.
Price of the Certificate	The price of one unit of this Product on a specific trading day t is equal to Strategy-Level(t).

Selection / Adjustments / Rebalancing of the Strategy Components
Adjustments of the Strategy-Components are actively made by the Strategy-Manager.

Termination Event
The Issuer and the Strategy Manager have the right to terminate the Product at any time (“the Termination Date”) without a specific reason, by notifying the Holders of the Certificate on the earliest possible date.

Consequences of a Termination Event
Following a Termination Event, the Certificates will redeem a cash amount in the Currency of the Product equal to the Strategy-Level on the Termination Date (“the Termination Amount”) as calculated by the Calculation Agent.

Investors should be aware that the Termination Amount may be, due to unfavourable market conditions, considerably lower than the Issue Price or the last valuation of the Product before the Termination Event.

The Issuer has the right to reduce the Termination Amount considerably (including to zero) in certain situations This may include, but is not limited to illiquidity or insolvency of an underlying asset(s) distressed situations related to or impacting an underlying asset.

GENERAL TERMS

Structured Product Type per Swiss Derivative Map	Dynamic Tracker-Certificate (Code 1300)
Total Amount	USD 106'000'000
Issue Size	106'000 Certificates (with reopening clause)
Issue Price	USD 100'000 + Distribution Fee (if any)
Distribution Fee	Up to 2% times USD 1'000
Currency	USD
Denomination	1 Unit
Fees	The following fees will be deducted daily from the Strategy Level: <ul style="list-style-type: none"> • Management fee: [1.75%] % p.a. • Administration fee: 0.5 % p.a. • Setup fee: 0.5 % once-off.
Performance Fee	No Performance fee is applicable
Broker Fee Schedule	See Annex 2.

Payment Date / Issue Date	1 August 2023, being the date on which the Products are issued, and the Issue Price is paid.
Final Valuation Date	31 July 2033. The Final Valuation Date can be postponed by up to one year and the Redemption Date to be postponed accordingly.
Termination Date	31 July 2034
Redemption Date	The Redemption Amount shall be due to Noteholders on the tenth business day after the Final Valuation Date.
Settlement	Cash settlement.
Exchange Rate	Applicable Exchange Rates (if any) for conversion of any amount into the relevant settlement currency for the purposes of determining the Strategy-Level or the Redemption Amount, may be sourced from the Custodian (if applicable), or from public sources like Bloomberg (BFIX), Reuters, Telekurs, etc. Relevant is the rate at the time or near the time of the determination of the Strategy-Level or the Redemption Amount.
Minimum Trade Size	1 Certificate(s) and multiples of 1 Certificate(s) thereafter
Valoren	[N/A]
ISIN	CH 1161137893
Listing	Will be applied for MTF (Dritter Markt) at Vienna Stock Exchange. ISIN will be visible on Bloomberg.
Business Day Convention	Following
Secondary Market	<p>Secondary market trading orders are received and processed on a best effort basis with a bid offer spread of 1% under normal market conditions. Acceptance of an order cannot be guaranteed and is subject to, amongst other things, sufficient liquidity.</p> <ul style="list-style-type: none">• Buy orders: daily. Orders must be placed with the Paying Agent before 16:30 for same day trading. Orders after 16:30 will be executed on the next trading day. A Distribution Fee may apply on secondary market buy orders.• Sell orders: weekly, on the last business day of the week. Orders must be placed with the Paying Agent before 16:30 for same day trading. <p>On Secondary Market transactions, additional transaction fees may apply and are charged to the Strategy-Level.</p>
Clearance Institution / Clearing Code	SIX SIS AG / ISP 116441

MISCELLENEOUS

Selling Restrictions	United Kingdom, Guernsey, United States of America, US Persons. In and from Switzerland the Product can only be sold to institutional and professional clients pursuant to the Swiss Financial Services Act. The Product shall be distributed only by way of private placement; public distribution is not permitted. The Product may not be issued to more than 50 investors. For jurisdiction-specific tax and any regulatory considerations, investors should consult their independent advisors.
United States IRC Section 871(m)	Out of scope
Applicable Law / Place of	Swiss Law under exclusion of the Swiss Private International Jurisdiction Law Act and of the CISG / City of Zurich
Risks	<p>Regarding investments in the Product, there are several kinds of risks, inter alia:</p> <ul style="list-style-type: none">• the market and liquidity risk with respect to the Strategy Components, being the infrastructure plant.• the counterparty risk with respect to the Issuer• the currency risk with respect to the Strategy-Components which are not denominated in the Currency of the Product (if any)• reasons not necessarily attributable to any of the risk factors set forth herein (for example, supply/demand imbalances or other market forces), the prices of the Components of the Index to which the Product is linked (value of underlying assets), may decline substantially.• Liquidity risk in respect of the certificates trading on a willing-buyer willing-seller basis. <p>In a worst-case scenario, Holders of the Product may lose their total investment.</p>
Limitation of Transferability	The Certificate can only be sold back to the Issuer.

Tax Treatment in Switzerland

For individuals holding the Product for private investment purposes with tax domicile in Switzerland the portion of income realised on the underlying Strategy-Level attributable to their respective portion in the underlying Strategy-Level will be subject to Swiss income taxes on an annual basis (by financial year end) or upon redemption. Gains and losses realised on the Strategy-Level as well as gains and losses derived from the sale of the Product should be considered as income tax-free private capital gains and non-tax-deductible private capital losses respectively.

The Product is not subject to the Swiss withholding tax. The Product may be subject to Swiss stamp duty of up to 0.15% on the primary as well as the secondary market. There is no Swiss stamp duty upon redemption of the Product. For Swiss paying agents, payments under the Product are not subject to the EU savings tax.

Common Depositary

SIX SIS AG

ANNEX 1

It is the sole responsibility of the Strategy-Manager to ensure that the Strategy and the Strategy Components as well as the investments correspond to the Investment Universe, the Strategy-Guidelines, and the Investment Restrictions. Neither the Issuer, nor the Paying Agent, nor the Custodian, nor the Calculation Agent, nor any other involved party apart from the Strategy-Manager carries out any supervision in that regard.

The Strategy Manager, acting on behalf of the Issuer, is not obliged to invest according to the Strategy, e.g. it can invest in assets other than the Strategy-Components. However, the investor is still entitled to receive the Redemption Amount as outlined in this Termsheet independent of the returns of the investments of the Issuer.

Investment Universe

The Investment Universe consists of the following asset/asset classes and represents the basis for the selection, adjustment and rebalancing of the Strategy-Components by the Strategy-Manager. The Investment Universe may be amended by the Strategy Manager at any time and at its sole discretion.

	Asset class	Range allocation (% of total portfolio value)	Permitted instruments
1	Equities	Min 0% - Max 40%	Shares in Private Companies
2	Fixed income	Min 0% - Max 70%	Bonds of Private Companies
3	Cash	Min 0% - Max 49%	Cash in the Product currency.

Strategy Guidelines

The Strategy-Components are selected, adjusted and rebalanced by the Strategy-Manager by the following guidelines (the "Strategy-Guidelines"):

- Capital allocation to private market project finance asset classes.
- Equity returns from position sizing with a physical subscription of ordinary shares and/or preference shares are enhanced by yield generation of robust local and international demand for recycled carbon black, and bio-oil, as well as demand from the solar power generation and clean emissions sectors of the African continent.
- Fixed income assets from position sizing in loan agreements of the underlying will yield the US Federal Rate plus 3.5% denominated in the product currency.
- Underlying company management secured development rights for all of Africa from European technology partners. AMC has a potential future pipeline for new asset subscriptions and sustaining a competitive technological advantage. The additional expertise of the strategy manager complements the processing plant's business model to generate excess internal equity yield.

Investment Restrictions

The following Investment Restrictions are applicable to the Strategy-Manager:

- Short selling of any asset;
- Leverage through short selling or derivatives; and
- Long positions in US dividend-paying stocks.

ANNEX 2

The Broker Fee Schedule is to be determined by the Investor's respective Broker.

DISCLAIMER- IMPORTANT PLEASE READ

This indicative term sheet and the Private Placement Memorandum were prepared exclusively for sophisticated investors and persons to whom it is intended. This presentation is private and confidential and unauthorised distribution or copying is prohibited. The investment opportunity is intended for private, institutional, and sophisticated investors only under the principle of “caveat emptor”.

This document does not contain all the information that you may require, nor is it intended to replace any form of financial, legal, or technical due diligence.

The primary purpose of this indicative term sheet is to present an investment opportunity to investors in an alternative asset class, that offers potentially significant returns on capital invested.

Statements in this document are forward-looking and involve risks and uncertainties. The actual performance could differ from these forward-looking statements.

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