

Frequently Asked Questions

WHAT DOES LANTEOTC DO?

LanteOTC is an investment crowdfunding platform that uses of small amounts of capital from a large number of individuals to finance a business venture. LanteOTC makes use of the easy accessibility of vast networks of friends, family and colleagues through social media websites like Facebook, Twitter and LinkedIn to get the word out about a Small business and attract investors. LanteOTC will increase entrepreneurship by expanding the pool of investors from whom funds can be raised beyond the traditional circle of owners, relatives and venture capitalists. Consequently establishing brand ambassadors.

LanteOTC confirms and approve all the information provided in each campaign however we do not make our own judgment about whether it's a good business.LanteOTC allows you to back businesses by crowd investing, rather than donating, and therefore receive genuine financial returns when their investments are successful

HOW DOES LANTEOTC INVESTMENT PLATFORM WORK?

Investing in listed businesses is about picking businesses that you believe have the potential to grow. You invest in exchange for a portion of their equity, meaning that you buy shares (or other equity-like interests) in the business. If a business you've invested in succeeds, the shares that you own will become worth more than you paid for them. However, if the business fails - as the majority of early-stage businesses do - you'll lose your investment.The goal with this type of investing is to invest in one or several businesses that perform so well that they more than compensate for the ones that don't work out. But as there's no guarantee that investors will pick one of the big winners, investors should only invest money they can afford to lose.

SHOULD ANYONE INVEST ALL THEIR MONEY ON LISTED SMALL BUSINESSES?

No. Although we put in effort in conducting due diligence to all the businesses on LanteOTC, Small Business have a high risk therefore only invest whatever proportion of money users choose and can afford to lose.

WHAT ARE THE COSTS OF SIGNING UP ON LANTEOTC?

Signing up on LanteOTC is free for both Individual and Institutional investors.

WHO USES LANTEOTC?

Investors: Individual investors, investment groups, venture capitalists, angel investors, government entities, grant agencies, non-profits and banks.



Small Business Supporters: Consultants, government entities, business incubators, service providers, small business development centers, universities, and other members of the entrepreneurial community all use EquityNet.

HOW DO I BECOME AN INVESTOR?

You will need to register as an investor first. After you fill in all the fields and submit the information by clicking the “Sign Up” button you will receive an email asking you to verify your email address.

After your Email has been verified you will receive another email asking you to send LanteOTCFICA documents, a certified copy of your ID and proof of your residence and thereafter your account will be activated.

Once successfully logged in for the first time you will be welcomed by a compulsory brief survey that will be used for statistical purposes. After the survey has been completed you will have full access to the LanteOTC investment platform.

HOW DO I INVEST?

You can get to the “Invest” page in three different ways;

- 1) By clicking the “Invest now” button on either the “Investment Opportunities” page
- 2) On the company profile page of the company you wish to invest in click “Invest button”
- 3) By going to the “Invest” page and selecting the company from the drop down list available.

After the company has been selected, fill in the investment amount and click the “Invest” button. You will be prompted to confirm the investment. Once this is done the investment will be complete.

WHAT IS THE TRANSACTION FEE?

This is the money charged for the administering the investment transaction which is at a fee of the maximum of either R150 or 5% of the investment amount.

WHAT IS THE SECURITIES TAX?

SARS charges (STT) a rate of 0.25% of an investment amount made

HOW DO I INCREASE MY INVESTMENT BALANCE?

There are four ways an investor can increase their buying balance on the home page, namely;

- 1) Electronic Funds Transfer (EFT)
- 2) Electronic Card Payments. This is through the PayFast ecommerce payment gateway.

- 3) Cash deposit (using the same banking details under the EFT section, however you can only deposit a maximum of R5,000)
- 4) Promo code/ otcDollars

HOW DOES THE PROMO CODE/ otcDOLLAR WORK?

If you receive a promo code from an already active investor, you can use their code and you will receive R100 worth of otcDollars while the owner of the code will receive R100 worth of otcDollars. After you use the promo code the field will disappear and you will be awarded your own unique code to share with your network of friends who have not made investment transactions yet. Sharing your code will earn you R100 worth of otcDollars.

WHAT HAPPENS WHEN THE TARGET AMOUNT IS REACHED?

The company will be removed from the site and you will receive an email informing you that the company you invested in was successfully funded. The company will then receive the funding and will then have to go through the LanteOTC post funding process.

WHAT HAPPENS WHEN A COMPANY FAILS TO REACH ITS TARGET?

The money you invested will be refunded to you in full to your LanteOTC account including the service fees and securities tax.

WHAT ARE THE INVESTMENT RISKS?

The main risk is simply that the business could fail, and investors won't get any money back. And even if the business succeeds, investments are likely to be illiquid for a substantial period of time - often a number of years - meaning that investors are unlikely to be able to sell the investment and will likely not receive dividends from it either.

HOW LONG DO COMPANIES HAVE TO THEIR TARGET AMOUNTS?

Companies have 60 days to raise their target amount.

CAN I ASK THE COMPANY REPRESENTATIVES QUESTIONS?

Yes you can. Once on the company profile page click the "Forum" tab and then type in the question you wish to ask the company representative and then click the "Ask" button to submit your question.



IS THERE A LIMIT TO THE NUMBER OF INVESTORS THAT CAN INVEST IN A COMPANY?

No.

IS THERE A LIMIT TO THE NUMBER OF TIMES I CAN INVEST IN A COMPANY?

No, you can invest in a company as many times as you wish. Take note that SMEs are high risk investments opportunities thus we encourage you to diversify and only invest what you can afford.

DO YOU PUBLISH MY INVESTMENT AMOUNTS?

No. We will not publish your name and investment amount to the public or media.

WHAT DOES LOCK IN PERIOD MEAN?

During this period you are restricted from selling your shares. This period is predetermined by the company.

HOW DO I KNOW THE BUSINESS IS A GENUINE?

All companies on the LanteOTC investment platform go through a thorough vetting process. Despite this we encourage all our investors to do their own research and use the forum before they make any investments.

CAN I SELL MY SHARES WHENEVER I WANT?

No. You cannot sell the shares you own during the lock in period according to the investment agreement made.

AFTER A COMPANY HAS BEEN FULLY FUNDED HOW WILL I BE ABLE TO TRACK MY INVESTMENT?

LanteOTC will give you access to the company's management reports, financial statements and any news. As an investor you will be invited to the company general meetings. LanteOTC has a number of measures in place, if necessary taking legal action against the entrepreneurs and business for non-compliance with the subscription agreement – to ensure that the investment monies are used for genuine business purposes.



CAN I CANCEL MY INVESTMENT?

Yes, you can cancel your investment in a Pitch only 10 days before the deal is completed. This can be done by clicking the “X” next to the company’s funding status on the My Investments table.

Note, cancelling your investment will lead to you incurring transaction costs.

HOW DO I KNOW HOW MANY SHARES I OWN?

After the company gets fully funded, the company will declare a number of shares and the number of shares you receive will be the proportion of your investment relative to the total investment amount.

DO I HAVE VOTING RIGHTS WITH MY SHARES?

This will be subject to the investment instrument and if Shares you will be able to vote but if debt instrument you will not be able to.

HOW DO I VIEW AND UPDATE MY DETAILS?

Go to the “My Profile” page.

You can change or update any fields that are not restricted out and confirm the change by clicking the “Save Changes” button.

To change the fields that are grayed out restricted fields send an email to info@lanteotc.co.za together with supporting proof confirming the new details.

WHO DO I CONTACT IF I HAVE ANY QUERIES?

Send an email to info@lanteotc.co.za and they will be able to assist you with all queries.

CAN NON-SOUTH AFRICAN CITIZENS INVEST?

Yes, unless laws in your country prevent you from investing in this manner.