

Afinitas Limited is a pan African investment holding company focused on developing a portfolio of African focused businesses. The Directors of Afinitas are pleased to provide shareholders with this report on the operational and financial performance of the group for the 6 month period ended 30 June 2019.

Update on Operations

The operating entities within the Afinitas Group comprise Africa Events Limited, Adventis Limited, and Ethiopia Investments Limited. In addition, Afinitas holds a 9.6% stake in Icecap Trust Holdings Limited.

Adventis Limited (Adventis), a 66% owned specialist investment management company focusing on the African continent. Adventis' investment team includes some of the most experienced and successful investment managers in Africa. The company is looking to offer pan African equity and income funds to investors interested in increasing their exposure to Africa, one of the fastest growing parts of the world economically. Our belief is that African debt and equity products are looking increasingly attractive from both a valuation and risk perspective relative to alternative investments in the developed world. During the period under review the company decided not to progress with the niche Africa Financial Sector Deepening Fund due to a lack of interest in local currency investment. The management will continue to focus on growing the Adventis Africa Enhanced Income Strategy and the Adventis Africa Equity Strategy.

Africa Events Limited (AEL), a 50% owned event management company focused on promoting trade and investment into and with Africa. AEL hosted the 7th "AFSIC - Investing in Africa" conference in London in May 2019. AFSIC is rapidly becoming one of the most important Africa trade and investment events globally and has become a major conduit of investment into Africa. It attracts many of the continent's most important investors, dealmakers and corporate leaders. AFSIC 2019 showed strong growth in delegate numbers and revenue. Planning for AFSIC 2020 has started and management believes that the event will continue to grow in importance within the Africa investment universe.

Ethiopia Investments Limited (EIL), owns 90% of EQOS Services (EQOS) which is the first foreign owned Business Process Outsourcing (BPO) company in Ethiopia. Ethiopia is an attractive destination for BPO as it has a talented pool of educated, motivated and skilled youth. EQOS is still in the early stages of development but has established a suite of both international and local clients for whom it is undertaking outsourced IT services.

Icecap Trust Holdings Limited (Icecap). Afinitas has a 9.6% stake in Icecap, a company based in Jersey that provides trust, company and administration services. The company is in the early stages of development and is progressing well. Icecap continues to win mandates and is actively discussing the provision of services with a number of additional parties.

Financial Review

The unaudited Interim Financial Statements have been reviewed by Grant Thornton, Botswana. Key highlights for the period are:

- Revenue for the 6 month period compared to the same period the year before increased 64% in USD from \$683k to \$1.12m.
- Operating Expenses for the 6 month period compared to the same period the year before increased by only 11% in USD from \$1.23m to \$1.36m.
- The loss for the 6 month period reduced by 69% to \$159k compared to a loss of \$507k in the same period in the prior year.
- The group has \$4.67m in cash.
- Other financial assets have increased by \$594k since 31st December 2018. The majority of the increase is due to an additional investment of \$362k in the Adventis Africa Equity Strategy.

The Directors are pleased to note the continued strong growth in group revenue. Your group is well placed to benefit from an expected increase in interest in Africa as an investment destination. The financial performance of the group reflects the fact that many of Afinitas' portfolio companies are early stage and substantial embryonic costs are incurred in the early years, while recurrent revenue sources take time to develop. The Directors of Afinitas expect revenue growth to continue to be strong in future years while costs are forecast to grow at a lower rate than revenue growth. The result of this would be a continued move towards sustainable and growing profitability.

Lesang Magang
Board Chairman

Rupert McCammon
Managing Director

Date: 20/09/2019

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME for the period ended 30 June 2019

Figures in US Dollars	Reviewed 6 months ended 30 June 2019	Reviewed 6 months ended 30 June 2018	Audited 12 months ended 31 December 2018
Revenue	1,119,582	683,268	711,310
Other operating income	51,749	16,290	15,348
Other operating gains	1,984	(13,394)	(44,386)
Other operating expenses	(1,363,919)	(1,225,607)	(1,994,624)
Operating Loss	(190,604)	(539,443)	(1,312,352)
Finance income	36,236	31,946	92,342
Finance costs	(1,563)	-	(89)
Profit (Loss) for the 6 months before taxation	(155,931)	(507,497)	(1,220,099)
Taxation	(3,046)	-	-
Profit (Loss) for the 6 months	(158,977)	(507,497)	(1,220,099)
Other Comprehensive Income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations:	(28,842)	(14,081)	(11,449)
Other Comprehensive Income (Loss) for the 6 months net of taxation	(28,842)	(14,081)	(11,449)
Total Comprehensive Income (Loss) for the 6 months	(187,819)	(521,578)	(1,231,548)
Loss attributable to:			
Owners of the parent	(315,466)	(543,991)	(1,153,392)
Non-controlling interest	156,489	36,494	(66,707)
	(158,977)	(507,497)	(1,220,099)
Total Comprehensive Income (Loss) attributable to:			
Owners of the parent	(360,423)	(565,093)	(1,165,080)
Non-controlling interest	172,604	43,515	(66,468)
	(187,819)	(521,578)	(1,231,548)
Earnings per share			
Per share information			
Basic earnings (loss) per share (cents)	(0.074)	(0.206)	(0.570)
Headline earnings (loss) per share (cents)	(0.074)	(0.206)	(0.570)

Group Segment reporting As at 30 June 2019

	Within Botswana	Outside Botswana	Total
Revenue	-	1,119,582	1,119,582
other income	-	53,733	53,733
Finance income	28,194	8,042	36,236
Finance cost	(1,563)	-	(1,563)
Operating expenses	(419,705)	(944,214)	(1,363,919)
	(393,074)	237,143	(155,931)
Segment assets and liabilities			
Assets	3,672,640	2,393,473	6,066,113
Liabilities	(118,242)	(243,624)	(361,866)
	3,554,398	2,149,849	5,704,247

As at 30 June 2018

Revenue	-	683,268	683,268
other income	-	2,896	2,896
Finance income	-	31,946	31,946
Operating expenses	(438,760)	(786,847)	(1,225,607)
	(438,760)	(68,737)	(507,497)
Segment assets and liabilities			
Assets	4,560,618	2,279,201	6,839,819
Liabilities	(41,117)	(68,386)	(109,503)
	4,519,501	2,210,815	6,730,316

STATEMENT OF CHANGES IN EQUITY for the period ended 30 June 2019

	Stated Capital	Foreign Currency Translation Reserve	Accumulated Loss	Total Attributable to Equity Holders of the Group	Non-controlling Interest	Total Equity
Group						
Balance as at 1 January 2018	9,067,560	(16,503)	(1,619,586)	7,431,471	(179,288)	7,252,183
Loss for the period	-	-	(543,991)	(543,991)	36,494	(507,497)
Other comprehensive income	-	(21,391)	-	(21,391)	7,021	(14,370)
Total Comprehensive Loss for the period	-	(21,391)	(543,991)	(565,382)	43,515	(521,867)
Balance as at 30 June 2018	9,067,560	(37,894)	(2,163,577)	6,866,089	(135,773)	6,730,316
Loss for the period	-	-	(609,401)	(609,401)	(103,201)	(712,602)
Other comprehensive income	-	9,703	-	9,703	(6,782)	2,921
Total Comprehensive Loss for the period	-	9,703	(609,401)	(599,698)	(109,983)	(709,681)
NCI pre acquisition profits	-	-	-	-	(174,820)	(174,820)
Sale of shares to non-controlling interest parties	-	-	-	-	18,877	18,877
Balance as at 31 December 2018 - Audited	9,067,560	(28,191)	(2,772,978)	6,266,391	(401,699)	5,864,692
Balance at 1 January 2019	9,067,560	(28,191)	(2,772,978)	6,266,391	(401,699)	5,864,692
Loss for the period	-	-	(315,466)	(315,466)	156,489	(158,977)
Other comprehensive income	-	(44,957)	-	(44,957)	16,115	(28,842)
Total Comprehensive Loss for the period	-	(44,957)	(315,466)	(360,423)	172,604	(187,819)
Sale of shares to non-controlling interest parties	-	-	-	-	27,374	27,374
Balance at 30 June 2019	9,067,560	(73,148)	(3,088,444)	5,905,968	(201,721)	5,704,247

STATEMENT OF FINANCIAL POSITION as at 30 June 2019

Figures in US Dollars	Reviewed 6 months ended 30 June 2019	Reviewed 6 months ended 30 June 2018	Audited 12 months ended 31 December 2018
Assets			
Non-Current Assets			
Property, plant and equipment	58,706	84,519	69,288
Other financial assets	909,093	366,736	508,783
Right-of-use asset	43,085	-	-
	1,010,884	451,255	578,071
Current Assets			
Trade and other receivables	151,556	141,070	364,826
Other financial assets	235,357	166,633	41,223
Current tax receivable	-	1,463	1,463
Cash and cash equivalents	4,668,316	6,079,398	5,297,837
	5,055,229	6,388,564	5,705,349
Total Assets	6,066,113	6,839,819	6,283,420
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Stated capital	9,067,560	9,067,560	9,067,560
Foreign currency translation reserves	(73,148)	(37,894)	(28,191)
Accumulated loss	(3,088,444)	(2,163,577)	(2,772,978)
	5,905,968	6,866,089	6,266,391
Non controlling interest	(201,721)	(135,773)	(401,699)
	5,704,247	6,730,316	5,864,692
Liabilities			
Non-current Liabilities			
Borrowings	150,569	-	128,588
Operating lease liability	-	-	3,456
Lease liabilities	42,030	-	-
	192,599	-	132,044
Current Liabilities			
Trade and other payables	169,267	109,503	133,809
Deferred income	-	-	152,875
	169,267	109,503	286,684
Total Liabilities	361,866	109,503	418,728
Total Equity and Liabilities	6,066,113	6,839,819	6,283,420

STATEMENT OF CASH FLOWS for the period ended 30 June 2019

Figures in US Dollars	Reviewed 6 months ended 30 June 2019	Reviewed 6 months ended 30 June 2018	Audited 12 months ended 31 December 2018
Cash flows from operating activities			
Cash used in operations	(85,409)	(709,796)	(1,526,502)
Finance income	36,236	31,946	92,342
Finance costs	(1,563)	-	(89)
Tax paid	(1,583)	-	-
Net cash from operating activities	(52,319)	(677,850)	(1,434,249)
Cash flows from investing activities			
Purchase of property, plant and equipment	-	-	(857)
Business Combinations	-	-	18,836
Purchase of financial assets	(594,444)	(523,854)	(564,747)
Sale of financial assets	-	-	24,256
Net cash from investing activities	(594,444)	(523,854)	(522,512)
Cash flows from financing activities			
Proceeds from loans from related company	-	135	135
Net movement on borrowings	21,981	-	(14,644)
Net cash from financing activities	21,981	135	(14,509)
Total cash and cash equivalent movement for the period	(624,784)	(1,201,569)	(1,971,270)
Cash and cash equivalents at the beginning of the period	5,297,837	7,290,957	7,290,957
Effect of exchange rate movement on cash balances	(1,864)	(9,990)	(21,850)
Effect of translation of foreign entities	(2,875)	-	-
Total cash and cash equivalents at the end of period	4,668,316	6,079,398	5,297,837
Total cash and cash equivalents at end of the period	4,668,316	6,079,398	5,297,837

Auditors

Grant Thornton
An instinct for growth™
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Board of Directors

Mr. Lesang Magang Independent Non-Executive Chairman
Mr. Rupert McCammon Managing Director
Mr. Leutlwete Tumelo Executive Director
Dr. Keith Jefferis Independent Non-Executive Director

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