

The Directors of Afinitas Limited are pleased to report on the first interim financial statements of the company and the group.

Afinitas Limited has been listed on the BSE since 27<sup>th</sup> July 2015 and since then the Board has authorised investment into three companies. The development of these companies is progressing well and an update on each of them is provided below.

## Financial Review

The attached interim financial statements are for the reporting period ended 30th June 2016 and have been reviewed by the company's auditors, Grant Thornton. Since Afinitas Limited only commenced commercial operations in July 2015, it is not possible to provide a comparative set of interim financial statements.

As disclosed in the full year financial statements, the financial statements are prepared in US Dollars. The US Dollar is the functional currency for Afinitas Limited.

It is pleasing that the maiden consolidated interim financial statements show a profit of \$33 216.00. This profit mainly reflects the income generated through Africa Events Limited. Going forward, as the new companies in the portfolio become profitable we expect this income stream to grow and become more diversified. Due to the seasonal nature of the conferencing business the financial performance reflected in the financial statements is unlikely to be replicated during the second half of the year.

The Board has elected to not declare a dividend.

## Review of Investments

**Africa Events Limited (AEL):** AEL is an events management business that specialises in hosting investment focused events & conferences. The flagship event in AEL is the annual Africa Financial Services Investment Conference (www.afsic.net). This event is attended by a wide range of Africa's leading financial services companies and major global investors seeking investment opportunities in Africa. The 5th AFSIC will be held in London from 3rd to 5th May 2017. Delegate numbers and Revenue have increased annually since the event's establishment. This is attributed to the strong brand that has been established for AFSIC. New events will be added to the company's portfolio of conferences. Details of these will be provided in due course.

**Ethiopia Investment Limited (EIL):** As announced on March 16th 2016 the Board approved an investment allocation of \$2.5m for the establishment of an Ethiopia focused company. The process of establishing EIL is now at an advanced stage. Subject to regulatory approvals it is anticipated that the new entity will be incorporated in Mauritius and listed on the Stock Exchange of Mauritius. EIL will be an Ethiopia focused company providing permanent capital for businesses in different sectors within Ethiopia. The long term vision is to establish a listed Ethiopia focused conglomerate that will give investors exposure to one of the fastest growing economies in the world with the second largest population in Africa. A commercial representative office has been established in Ethiopia and a dedicated management team is already on the ground.

**Adventis Limited:** On August 23rd 2016 the Board announced the establishment of Adventis Limited, an Africa focused financial services company. Mr Joseph Rohm will be the Managing Director of Adventis. He has extensive experience in asset management and has worked with some of the leading global asset management companies. Adventis will be owned 66% by Afinitas Limited and 34% by Mr. Joseph Rohm. An investment allocation of \$2.5m has been approved by the Board to fund Adventis Limited. The Board of Afinitas is positive on the outlook for strong economic growth in Africa in the future on the back of strong demographic tailwinds, recent technological developments including the internet and mobile telephony, an increased and sustained focus on education, and a more market focused approach to business being increasingly adopted across the continent.

Afinitas remains committed to the objective of developing a pan African investment holding company that will own a diversified portfolio of world class companies.

## Change of Directors

Ms. Dawn Pickering, a Non-Executive Director of Afinitas Limited, has stepped down from her role as a Director of Afinitas, effective 7th September 2016. Dawn recently joined the Australian Securities Exchange and a result could not continue with her duties on the Board of Directors. The process of finding a suitable replacement is at an advanced stage and a decision will be communicated in due course.

## Statement of Profit or Loss and Other Comprehensive Income for the 6 months period ended 30 June 2016

	Group		Company	
	6 months ended 30 Jun 2016	Year ended 31 Dec 2015	6 months ended 30 Jun 2016	Year ended 31 Dec 2015
<b>Figures in US Dollars</b>				
Revenue	328 020	-	-	-
Other income	11 529	46 838	-	46 838
Operating expenses	(330 126)	(93 761)	(114 432)	(93 761)
<b>Operating profit (loss)</b>	<b>9 423</b>	<b>(46 923)</b>	<b>(114 432)</b>	<b>(46 923)</b>
Finance income	31 687	17 956	31 686	17 956
Finance costs	(3)	-	(3)	-
<b>Profit (loss) before taxation</b>	<b>41 107</b>	<b>(28 967)</b>	<b>(82 749)</b>	<b>(28 967)</b>
Taxation	-	-	-	-
<b>Profit (loss) for the 6 months</b>	<b>41 107</b>	<b>(28 967)</b>	<b>(82 749)</b>	<b>(28 967)</b>
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified to profit or loss:</b>				
Exchange differences on translating foreign operations	(7 891)	(26)	-	-
<b>Other comprehensive income for the 6 months net of taxation</b>	<b>(7 891)</b>	<b>(26)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the 6 months</b>	<b>33 216</b>	<b>(28 993)</b>	<b>(82 749)</b>	<b>(28 967)</b>
<b>Profit (loss) attributable to:</b>				
Owners of the parent	(20 822)	(28 967)	(82 749)	(28 967)
Non-controlling interest	61 929	-	-	-
<b>41 107</b>	<b>(28 967)</b>	<b>(82 749)</b>	<b>(28 967)</b>	
<b>Total comprehensive income (loss) attributable to:</b>				
Owners of the parent	(24 767)	(28 980)	(82 749)	(28 967)
Non-controlling interest	57 983	(13)	-	-
<b>33 216</b>	<b>(28 993)</b>	<b>(82 749)</b>	<b>(28 967)</b>	
<b>Earnings per share</b>				
<b>Per share information</b>				
Basic earnings (loss) per share (c)	0.02	(0.01)	(0.04)	(0.01)

## Statement of Changes in Equity for the 6 months period ended 30 June 2016

	Stated Capital	Foreign Currency Translation Reserves	Accumulated Loss	Total Attributable to Equity holders of the group/company	Non-controlling interest	Total Equity
	<b>Figures in US Dollars</b>					
<b>Group</b>						
Balance at 1 January 2015	10	-	(12 744)	(12 734)	-	(12 734)
Loss for the year	-	-	(28 967)	(28 967)	-	(28 967)
Other comprehensive income	-	(13)	-	(13)	(13)	(26)
<b>Total comprehensive Loss for the 6 months</b>	<b>-</b>	<b>(13)</b>	<b>(28 967)</b>	<b>(28 980)</b>	<b>(13)</b>	<b>(28 993)</b>
Issue of shares	9 164 828	-	-	9 164 828	-	9 164 828
Share issue costs	(97 278)	-	-	(97 278)	-	(97 278)
Business combinations	-	-	-	-	74	74
<b>Total contributions by owners of company recognised directly in equity</b>	<b>9 067 550</b>	<b>-</b>	<b>-</b>	<b>9 067 550</b>	<b>74</b>	<b>9 067 624</b>
Balance at 1 January 2016	9 067 560	(13)	(41 711)	9 025 836	61	9 025 897
Loss for the 6 months	-	-	(20 822)	(20 822)	61 929	41 107
Other comprehensive income	-	(3 945)	-	(3 945)	(3 946)	(7 891)
<b>Total comprehensive Loss for the 6 months</b>	<b>-</b>	<b>(3 945)</b>	<b>(20 822)</b>	<b>(24 767)</b>	<b>57 983</b>	<b>33 216</b>
Balance at 30 June 2016	9 067 560	(3 958)	(62 533)	9 001 069	58 044	9 059 113
<b>Company</b>						
Balance at 1 January 2015	10	-	(12 744)	(12 734)	-	(12 734)
Loss for the year	-	-	(28 967)	(28 967)	-	(28 967)
<b>Total comprehensive Loss for the 6 months</b>	<b>-</b>	<b>-</b>	<b>(28 967)</b>	<b>(28 967)</b>	<b>-</b>	<b>(28 967)</b>
Issue of shares	9 164 828	-	-	9 164 828	-	9 164 828
Share issue costs	(97 278)	-	-	(97 278)	-	(97 278)
<b>Total contributions by owners of company recognised directly in equity</b>	<b>9 067 550</b>	<b>-</b>	<b>-</b>	<b>9 067 550</b>	<b>-</b>	<b>9 067 550</b>
Balance at 1 January 2016	9 067 560	-	(41 711)	9 025 849	-	9 025 849
Loss for the 6 months	-	-	(82 749)	(82 749)	-	(82 749)
<b>Total comprehensive Loss for the 6 months</b>	<b>-</b>	<b>-</b>	<b>(82 749)</b>	<b>(82 749)</b>	<b>-</b>	<b>(82 749)</b>
Balance at 30 June 2016	9 067 560	-	(124 460)	8 943 100	-	8 943 100

## Statement of Financial Position as at 30 June 2016

	Group		Company	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
<b>Figures in US Dollars</b>				
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	11 636	2 833	11 636	2 833
Investments in subsidiaries	-	-	100	100
<b>11 636</b>	<b>2 833</b>	<b>11 736</b>	<b>2 933</b>	
<b>Current Assets</b>				
Loans to related companies	139 421	-	139 287	-
Other financial assets	116 747	251 273	116 747	251 273
Current tax receivable	1 463	964	1 463	964
Trade and other receivables	34 481	84 389	549	47
Cash and cash equivalents	8 778 710	8 798 553	8 679 791	8 774 160
<b>9 070 822</b>	<b>9 135 179</b>	<b>8 937 837</b>	<b>9 026 444</b>	
<b>Total Assets</b>	<b>9 082 458</b>	<b>9 138 012</b>	<b>8 949 573</b>	<b>9 029 377</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
<b>Equity Attributable to Equity Holders of Parent</b>				
Stated capital	9 067 560	9 067 560	9 067 560	9 067 560
Reserves	(3 958)	(13)	-	-
Accumulated loss	(62 533)	(41 711)	(124 460)	(41 711)
<b>9 001 069</b>	<b>9 025 836</b>	<b>8 943 100</b>	<b>9 025 849</b>	
Non-controlling interest	58 044	61	-	-
<b>9 059 113</b>	<b>9 025 897</b>	<b>8 943 100</b>	<b>9 025 849</b>	
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Deferred income	-	80 188	-	-
Loans from related companies	-	16 966	-	-
Trade and other payables	23 345	14 961	6 473	3 528
<b>23 345</b>	<b>112 115</b>	<b>6 473</b>	<b>3 528</b>	
<b>Total Equity and Liabilities</b>	<b>9 082 458</b>	<b>9 138 012</b>	<b>8 949 573</b>	<b>9 029 377</b>

## Statement of Cash Flows for the 6 months period ended 30 June 2016

	Group		Company	
	6 months ended 30 Jun 2016	Year ended 31 Dec 2015	6 months ended 30 Jun 2016	Year ended 31 Dec 2015
<b>Figures in US Dollars</b>				
<b>Cash flows from operating activities</b>				
Cash used in operations	(19 444)	(35 814)	(111 069)	(43 141)
Finance income	31 687	17 956	31 686	17 956
Finance costs	(3)	-	(3)	-
Tax paid	(499)	(964)	(499)	(964)
<b>Net cash from operating activities</b>	<b>11 741</b>	<b>(18 822)</b>	<b>(79 885)</b>	<b>(26 149)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(9 723)	(3 134)	(9 723)	(3 134)
Movement in investments	-	-	-	(100)
Purchase of financial assets	-	(251 273)	-	(251 273)
Sale of financial assets	134 526	-	134 526	-
<b>Net cash from investing activities</b>	<b>124 803</b>	<b>(254 407)</b>	<b>124 803</b>	<b>(254 507)</b>
<b>Cash flows from financing activities</b>				
Proceeds on share issue	-	9 067 550	-	9 067 550
Repayment of shareholders loan	-	(12 734)	-	(12 734)
Loans advanced to related companies	(139 421)	-	(139 287)	-
Proceeds from loans from related companies	-	16 966	-	-
Repayment of loans from related companies	(16 966)	-	-	-
<b>Net cash from financing activities</b>	<b>(156 387)</b>	<b>9 071 782</b>	<b>(139 287)</b>	<b>9 054 816</b>
<b>Total cash and cash equivalents movement for the year</b>	<b>(19 843)</b>	<b>8 798 553</b>	<b>(94 369)</b>	<b>8 774 160</b>
Cash and cash equivalents at the beginning of the 6 months period	8 798 553	-	8 774 160	-
<b>Total cash and cash equivalents at end of the year</b>	<b>8 778 710</b>	<b>8 798 553</b>	<b>8 679 791</b>	<b>8 774 160</b>