



GROUP AUDITED FINANCIAL STATEMENTS

for the year ended 31 December 2017

Afinitas Group had a successful year for the period ended 31 December 2017 with investee companies, Adventis Limited, Ethiopia Investments Limited, and Africa Events Limited all laying down the foundations for potentially strong revenue growth in the future. In general Afinitas is at the building stage of growing its various business interests, this stage involves considerable upfront investment, and in common with many start-up companies Afinitas' costs of \$1.9m exceed revenue at this stage.

A considerable part of 2017 was focused on the creation of the correct operational structures for the various businesses to provide them with a platform to grow strongly in the future, including the development and implementation of new systems, processes, legal entities, and most importantly the employment of top quality teams based in various locations in Africa. To a large extent this stage is now concluded and as a result we look forward to the investee companies moving from establishment to revenue generation in future years. As a result revenue of \$457,000 during 2017 is likely to increase at a more rapid pace now that the various investee companies are established. Afinitas' main source of revenue derived from Africa Events Limited. AFSIC continued to show strong growth in delegate numbers, and revenue as it develops into one of the most important Africa investment events globally. It is your company's belief that Africa is likely to become one of the more exciting investment destinations globally and AFSIC is well placed to benefit from rising investor interest.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

FIGURES IN US DOLLARS	2017	2016
Assets		
Non-Current Assets		
Property, plant and equipment	95,026	36,774
	95,026	36,774
Current Assets		
Loans to group companies	135	
Trade and other receivables	151,827	58,344
Other financial assets	9,515	11,004
Current tax receivable	1,463	1,463
Cash and cash equivalents	7,290,967	8,664,244
	7,453,907	8,735,055
Total Assets	7,548,933	8,771,829
Equity and Liabilities		
Equity		
Equity Attributable to Equity Holders of Parent		
Stated capital	9,067,560	9,067,560
Foreign currency translation reserves	(16,503)	(5,367)
Accumulated loss	(1,637,595)	(370,822)
	7,413,462	8,691,371
Non-controlling interest	(161,279)	(824)
	7,252,183	8,690,547
Liabilities		
Non-Current Liabilities		
Operating lease liability	2,910	-
Current Liabilities		
Trade and other payables	176,310	34,035
Loans from group companies	-	1,079
Deferred income	117,530	46,168
	293,840	81,282
Total Liabilities	296,750	81,282
Total Equity and Liabilities	7,548,933	8,771,829

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

	Stated Capital	Foreign Currency Translating Reserve	Accumulated Loss	Total Attributable to Equity Holders of the Group	Non-controlling Interest	Total Equity
Balance at 01 January 2016	9,067,560	(13)	(41,711)	9,025,836	61	9,025,897
(Loss)/profit for the year	-	-	(329,111)	(329,111)	4,468	(324,643)
Other comprehensive income	-	(5,354)	-	(5,354)	(5,353)	(10,707)
Total comprehensive Loss for the year	-	(5,354)	(329,111)	(334,465)	(885)	(335,350)
Balance at 01 January 2017	9,067,560	(5,367)	(370,822)	8,691,371	(824)	8,690,547
(Loss)/profit for the year	-	-	(1,248,764)	(1,248,764)	(92,802)	(1,341,566)
Other comprehensive income	-	(11,136)	-	(11,136)	4,394	(6,742)
Total comprehensive Loss for the year	-	(11,136)	(1,248,764)	(1,259,900)	(88,408)	(1,348,308)
Changes in ownership interest	-	-	-	-	42	42
Dividends	-	-	-	-	(90,098)	(90,098)
Total changes recognised directly in equity	-	-	-	-	(90,098)	(90,056)
Balance at 31 December 2017	9,067,560	(16,503)	(1,619,586)	7,431,471	(179,288)	7,252,183

Auditors



Plot 50370, Acumen Park,
Fairgrounds, Gaborone,
Botswana

Board of Directors

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

2017 saw multiple developments within Adventis Limited with the building blocks being laid for Adventis to become one of the leading Africa investment firms, 2018 will see a focus on raising assets under management. Finally various projects are being considered for investment in Ethiopia which may benefit Ethiopia Investments Limited. Ethiopia has experienced some political issues recently however economic growth has remained strong, and while we keep a close eye on developments in the country, management is a long term believer in the Ethiopian growth story. In light of the ongoing political and social developments in Ethiopia, it was deemed prudent to make an impairment provision for the operations in Ethiopia. Shareholders are advised that despite this provision management is optimistic that the Ethiopia operations have good potential for growth. The company ended the year with cash remaining of \$7.3m which is adequate for the needs of the company at this stage of its development. Management look forward to 2018 as the year when the potential profitability of the various investee companies becomes more evident.

Lesang Magang
Board Chairman

Rupert McCammon
Managing Director

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2017

FIGURES IN US DOLLARS	2017	2016
Revenue	430,409	310,814
Other operating income	27,005	9,609
Other operating losses	12,735	-
Other operating expenses	(1,878,401)	(702,742)
Operating loss	(1,408,252)	(382,319)
Finance income	66,686	57,676
Loss for the year	(1,341,566)	(324,643)
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	(6,742)	(10,707)
Other comprehensive income for the year net of taxation	(6,742)	(10,707)
Total comprehensive loss for the year	(1,348,308)	(335,350)
Loss attributable to:		
Owners of the parent	(1,248,764)	(329,111)
Non-controlling interest	(92,802)	4,468
	(1,341,566)	(324,643)
Total comprehensive loss attributable to:		
Owners of the parent	(1,259,900)	(334,465)
Non-controlling interest	(88,408)	(885)
	(1,348,308)	(335,350)
Earnings per share		
Per share information		
Basic loss per share (c)	(0.63)	(0.15)
Diluted loss per share (c)	(0.63)	(0.15)

SEGMENT REPORTING

	WITHIN BOTSWANA	OUTSIDE BOTSWANA	TOTAL
As at 31 December 2017			
Revenue	-	430,409	430,409
Other operating income	17,185	9,820	27,005
Other operating (losses) / gains	(4,455)	17,190	12,735
Finance income	61,966	4,720	66,686
Other operating expenses	(965,515)	(912,886)	(1,878,401)
Operating loss	(890,819)	(450,747)	(1,341,566)
Segment Assets and Liabilities			
Assets	5,090,433	2,458,500	7,548,933
Liabilities	(33,723)	(263,027)	(296,750)
As at 31 December 2016			
Revenue	-	310,814	310,814
Other income	-	9,609	9,609
Finance income	57,676	-	57,676
Operating expenses	(391,255)	(311,487)	(702,742)
	(333,579)	8,936	(324,643)
Segment Assets and Liabilities			
Assets	8,597,851	173,978	8,771,829
Liabilities	(14,207)	(67,075)	(81,282)

STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

FIGURES IN US DOLLARS	2017	2016
Cash flows from operating activities		
Cash used in operations	(1,296,063)	(379,103)
Finance income	66,686	57,676
Tax paid	-	(499)
Net cash from operating activities	(1,229,377)	(321,926)
Cash flows from investing activities		
Purchase of property, plant and equipment	(73,380)	(36,765)
Movement in investments	-	-
Purchase of financial assets	1,489	240,269
Net cash from investing activities	(71,891)	203,504
Cash flows from financing activities		
Dividends paid	(90,098)	-
Loans advanced to group companies	(135)	-
Repayment of loans from group companies	(1,079)	(15,887)
Net cash from financing activities	(91,312)	(15,887)
Total cash and cash equivalents movement for the year	(1,392,580)	(134,309)
Cash and cash equivalents at the beginning of the year	8,664,244	8,798,553
Effect of exchange rate movement on cash balances	19,303	-
Total cash and cash equivalents at end of the year	7,290,967	8,664,244

Contact Details

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