

The Directors of Afinitas Limited are pleased to announce results for the 12 months ended 31 December 2018.

Afinitas Limited owns substantial stakes in three main operating businesses: Africa Events Limited, Adventis Limited and Ethiopian Investments Limited. Afinitas also owns a minority stake in Icecap Trust Holdings. Management focus during 2018 was on increasing revenue in all the different businesses. The result was a 65% increase of gross revenue from \$430,409 to \$711,310. All three main operating businesses are now generating income.

This strong growth in income is pleasing, and management is focused on ensuring the growth in income continues. We expect the FY2019 full year results to demonstrate another year of strong revenue growth - with growth coming from all three of our main operating businesses and Icecap Trust Holdings. Each operating business now has established systems, teams, processes and corporate structures in place that allow them to grow revenue within their current cost structure. Accordingly in 2018, despite the 65% growth in revenue, other operating expenses only rose by 6%. As a result, we expect that Afinitas Limited will demonstrate a continued improvement in financial results as the various companies develop new recurrent revenue streams while maintaining a reasonably static cost base. Investor interest in Africa is rising, albeit from a low base in recent years, and it is our belief that Africa is the most exciting and potentially rewarding investment destination globally. Our jointly owned AFISC event continues to grow into the most important Africa investment event globally and will show its 6th continuous year of strong growth in 2019 with record attendance likely. Within Adventis, our Africa focused asset management company, a large amount of time during the year was necessarily spent on obtaining the various regulatory approvals needed in order to market a wider range

of product including an exciting pan African equity strategy and an enhanced income Africa debt strategy. Most of these approvals are now in place allowing marketing to commence in earnest. Many additional initiatives, apart from fund strategies, are being examined each of which could prove attractive to global investors. Adventis is run by one of Africa's most experienced investors. In Ethiopia EQOS, the country's first business process outsourcing firm, continues to pick up new clients and recurrent income. Ethiopia has a large, well educated, low cost workforce, and has the potential to become the world's leading Business Process Outsourcing location as costs rise in other locations, and EQOS is well positioned to benefit from this.

In conclusion the Directors are looking forward to ensuring Afinitas achieves another year of strong revenue growth for the 2019 Financial Year.

Dividend

The Board has approved the audited financial statements and determined that no dividend will be payable for the period.

Lesang Magang
Board Chairman

Rupert McCammon
Managing Director

27 March 2019
Gaborone, Botswana

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2018

FIGURES IN US DOLLARS	2018	2017
Revenue	711,310	430,409
Other operating income	15,348	27,005
Other operating (losses)/income	(44,386)	12,735
Other operating expenses	(1,994,624)	(1,878,401)
Operating loss	(1,312,352)	(1,408,252)
Finance income	92,342	66,686
Finance cost	(89)	-
Loss for the year	(1,220,099)	(1,341,566)
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	(11,449)	(6,742)
Other comprehensive income for the year net of taxation	(11,449)	(6,742)
Total comprehensive loss for the year	(1,231,548)	(1,348,308)
Loss attributable to:		
Owners of the parent	(1,153,392)	(1,248,764)
Non-controlling interest	(66,707)	(92,802)
	(1,220,099)	(1,341,566)
Total comprehensive loss attributable to:		
Owners of the parent	(1,165,080)	(1,259,900)
Non-controlling interest	(66,468)	(88,408)
	(1,231,548)	(1,348,308)
Earnings per share		
Per share information		
Headline loss per share (c)	(0.570)	(0.627)
Diluted loss per share (c)	(0.570)	(0.627)

STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

FIGURES IN US DOLLARS	2018	2017
Assets		
Non-Current Assets		
Property, plant and equipment	69,288	95,026
Other financial assets	508,783	-
	578,071	95,026
Current Assets		
Loans to group companies	-	135
Trade and other receivables	364,826	151,827
Other financial assets	41,223	9,515
Current tax receivable	1,463	1,463
Cash and cash equivalents	5,297,837	7,290,967
	5,705,349	7,453,907
Total Assets	6,283,420	7,548,933
Equity and Liabilities		
Equity		
Equity Attributable to Equity Holders of Parent		
Stated capital	9,067,560	9,067,560
Foreign currency translation reserve	(28,191)	(16,503)
Accumulated loss	(2,772,978)	(1,619,586)
	6,266,391	7,431,471
Non-controlling interest	(401,699)	(179,288)
	5,864,692	7,252,183
Liabilities		
Non-Current Liabilities		
Other financial liabilities	128,588	-
Operating lease liability	3,456	2,910
	132,044	2,910
Current Liabilities		
Trade and other payables	133,809	176,300
Deferred income	152,875	117,530
Bank overdraft	-	10
	286,684	293,840
Total Liabilities	418,728	296,750
Total Equity and Liabilities	6,283,420	7,548,933

SEGMENT REPORTING

as at 31 December 2018

FIGURES IN US DOLLARS	Botswana	Outside Botswana	Total
2018			
Revenues	-	711,310	711,310
Other operating income	-	15,348	15,348
Other operating gains/(losses)	(26,462)	(17,924)	(44,386)
Finance income	56,361	35,981	92,342
Finance cost	-	(89)	(89)
Operating expenses	(810,498)	(1,184,126)	(1,994,624)
Operating loss before taxation	(780,599)	(439,500)	(1,220,099)
Segment Assets and Liabilities			
Assets	5,184,248	1,099,172	6,283,420
Liabilities	(43,248)	(375,480)	(418,728)
	5,141,000	723,692	5,864,692
2017			
Revenues	-	430,409	430,409
Other operating income	17,185	9,820	27,005
Other operating gains/(losses)	(4,455)	17,190	12,735
Finance income	61,966	4,720	66,686
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)
	5,056,710	2,195,473	7,252,183

STATEMENT OF CASH FLOWS

for the year ended 31 December 2018

FIGURES IN US DOLLARS	2018	2017
Cash flows in operating activities		
Cash used in operations	(1,526,502)	(1,291,618)
Finance income	92,342	66,686
Finance cost	(89)	-
Net cash in operating activities	(1,434,249)	(1,224,932)
Cash flows in investing activities		
Purchase of property, plant and equipment	(857)	(73,380)
Business combinations	18,836	-
Purchase of financial assets	(564,747)	-
Sale of financial asset	24,256	1,489
Net cash in investing activities	(522,512)	(71,891)
Cash flows in financing activities		
Repayments of other financial liabilities	(14,644)	-
Dividends paid	-	(90,098)
Loans from group companies repaid	135	-
Loans advanced to group companies	-	(135)
Repayment of loans from group companies	-	(1,079)
Net cash in financing activities	(14,509)	(91,312)
Total cash and cash equivalents movement for the year	(1,971,270)	(1,388,135)
Cash and cash equivalents at the beginning of the year	7,290,957	8,664,244
Effect of exchange rate movement on cash balances	(21,850)	14,848
Total cash and cash equivalents at end of the year	5,297,837	7,290,957

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

FIGURES IN US DOLLARS	Stated Capital	Foreign Currency Translating Reserve	Accumulated Loss	Total Attributable to Equity	Non-controlling Interest	Total Equity
Group Balance at 01 January 2017	9,067,560	(5,367)	(370,822)	8,691,371	(824)	8,690,547
Loss 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	-	-	-	-	(90,056)	(90,056)
Balance at 01 January 2018	9,067,560	(16,503)	(1,619,586)	7,431,471	(179,288)	7,252,183
(Loss)/profit for the year	-	-	(1,153,392)	(1,153,392)	66,707	(1,220,099)
Other comprehensive income	-	(11,688)	-	(11,688)	239	(11,449)
Total comprehensive loss for the year	-	(11,688)	(1,153,392)	(1,165,080)	(66,468)	(1,231,548)
NCI pre acquisition retained earnings	-	-	-	-	(174,820)	(174,820)
Sale of shares to non-controlling interest parties	-	-	-	-	18,877	18,877
Total changes recognised directly in equity	-	-	-	-	(155,943)	(155,943)
Balance at 31 December 2018	9,067,560	(28,191)	(2,772,978)	6,266,391	(401,699)	5,864,692

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

Contact Details

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