

ABRIDGED GROUP AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Directors of Afinitas Limited wish to announce results for the 12 months ended 31 December 2020. The operating entities within the Afinitas Group comprise Africa Events Limited, a 50% owned business focused on Africa business, trade and investment events and Adventis Limited, a 66% owned specialist investment management company. In addition Afinitas holds a 9.6% stake in Icecap Trust Holdings Limited.

Africa Events Limited (AEL), a 50% owned event management company focused on promoting trade, business and investment into and within Africa was preparing to host its largest ever AFSIC – Investing in Africa event in May 2020 however the arrival of Covid-19 meant that the event was unable to be held in 2020. AFSIC is now scheduled for October 2021. However a slow rollout of vaccinations across the world and travel restrictions that may be enforced by the UK mean that it is difficult to know with certainty whether physical events will be permitted in the UK at that time. In prior years the event had gained considerable momentum and is increasingly recognised as one of Africa's most important investment events. We were also unable to host any business, trade or investment missions in Africa during the year.

Adventis Limited is a 66% owned specialist investment management company focused on Africa. We believe that the Adventis investment team contains some of the most experienced investors in Africa. The company offers Pan African debt and equity investment products to investors looking to increase their exposure to Africa. Our belief is that African debt and equity products look increasingly attractive both from a valuation and risk perspective relative to alternative investment opportunities in the world.

Adventis was in the midst of encouraging discussions regarding potential investments into its investment products, however these discussions were delayed by the advent of Covid-19 which caused significant market turbulence and uncertainty globally. These discussions have restarted, and we continue to be positive that some of these discussions may convert into investments into Adventis products during this financial year.

Ethiopia Investments Limited (EIL). Our focus had been on the development of EQOS Services, the company's majority owned business process outsourcing company based in Ethiopia. Prior to Covid-19 EQOS had been showing signs of growth in business income, however when Covid-19 hit the consequent economic collapse of developed economies meant that a number of our most important clients cancelled their contracts with EQOS. In addition we were undertaking BPO work within Ethiopia where we were unable to access clients' offices, and complete contracted work, due to the lockdown. As a result, and bearing in mind the impact of the group no longer generating revenue from the event business due to Covid-19, a difficult decision was taken to close EQOS Services in order to preserve group cash. The group will exit Ethiopia as a result.

Icecap Trust Holdings Limited is a minority investment (9.6% shareholding). The company which provides trust, company and administration services continues to focus on growing revenue. In common with many businesses globally Covid-19 had an impact on Icecap's ability to generate new business however we expect continued revenue growth in the coming year and a move towards cash break even.

As is evident Covid-19 had a significant negative impact on the financial performance of the Group. Last year we were able to announce a 72% growth in group revenue. We had hoped to announce another substantial growth in income this financial year but the impact of Covid-19 has been felt particularly badly by the event, hospitality, travel and tourism sectors. In common with many companies in these sectors our revenue experienced a massive drop as we were severely restricted from holding any physical events either in the UK, or across Africa. There is considerable uncertainty as to when we will be allowed to restart holding physical Africa business, trade and investment focused events within both the UK, or across Africa. On the 5th March 2021 99.4% of shareholders voting at an EGM approved the delisting of Afinitas Limited from the Botswana Stock Exchange together with an Exit Opportunity. If all eligible shareholders availed themselves of the Exit Opportunity the maximum cash impact on the Group will be a cash outflow of USD1 394 318. The Group has sufficient cash resources to meet this potential outflow and to continue to operate for the next year without generating any further income. Due to the continued impact of Covid-19 the board will continue to look at all strategic options to keep our costs as low as possible, while identifying new business opportunities that may arise because of the global pandemic.

Lesang Magang
Board Chairman
26 March 2020

Rupert McCammon
Managing Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

GROUP		
Figures in US Dollar	2020	2019
Continuing operations		
Revenue	34,469	1,043,122
Other income	1,038	17,249
Other operating income/(losses)	(97,292)	(6,562)
Other operating expenses	(1,152,701)	(1,720,520)
Operating loss	(1,214,486)	(666,711)
Finance income	24,803	78,530
Finance costs	(3,837)	(6,633)
Income from equity accounted investments	(5,051)	(946)
Loss before taxation	(1,198,571)	(595,760)
Taxation	-	-
Loss from continuing operations	(1,198,571)	(595,760)
Discontinued operations		
Loss from discontinued operations	(181,617)	(145,283)
Loss for the year	(1,380,188)	(741,043)
Other comprehensive income: Items that will not be reclassified to profit or loss:		
Loss on fair value of investments in equity instruments	(4,703)	(301,542)
at fair value through other comprehensive income	-	-
Total items that will not be reclassified to profit or loss	(4,703)	(301,542)
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translating foreign operations	(26,543)	(56,306)
Share of comprehensive income of equity accounted investments	(1,354)	832
Total items that may be reclassified to profit or loss	(27,897)	(55,474)
Other comprehensive income for the year net of taxation	(32,600)	(357,016)
Total comprehensive loss for the year	(1,412,788)	(1,098,059)
Loss attributable to:		
Owners of the parent	(1,128,404)	(819,831)
Non-controlling interest	(251,784)	(278,228)
Loss attributable to: Owners of the parent:		
From continuing operations	(946,787)	(683,168)
From discontinued operations	(181,617)	(136,663)
Loss attributable to: Non-controlling interest:		
From continuing operations	(251,784)	87,408
From discontinued operations	-	(8,620)
Total comprehensive loss attributable to:		
Owners of the parent	(1,155,603)	(1,195,929)
Non-controlling interest	(257,185)	97,870
Earnings per share		
From continuing and discontinued operations		
Basic loss per share (c)	(0.53)	(0.35)
Diluted loss per share (c)	(0.53)	(0.35)
From continuing operations		
Basic loss per share (c)	(0.44)	(0.32)
Diluted loss per share (c)	(0.44)	(0.32)
From discontinued operations		
Basic loss per share (c)	(0.08)	(0.06)
Diluted loss per share (c)	(0.08)	(0.06)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

GROUP		
Figures in US Dollar	2020	2019
Assets		
Non-Current Assets		
Property, plant and equipment	20,869	51,159
Right-of-use assets	34,908	82,929
Investments in associates	11,541	17,946
Investments at fair value	502,029	576,102
	569,347	728,136
Current Assets		
Trade and other receivables	302,152	258,332
Investments at fair value	31,288	47,494
Cash and cash equivalents	3,261,550	4,055,007
	3,594,990	4,360,833
Non-current assets held for sale and assets of disposal groups	14,636	-
Total Assets	4,178,973	5,088,969
Equity and Liabilities		
Equity		
Equity Attributable to Equity Holders of Parent		
Stated capital	9,067,560	9,067,560
Reserves	(431,488)	(404,289)
Accumulated loss	(4,721,212)	(3,592,808)
	3,914,860	5,070,463
Non-controlling interest	(721,300)	(464,115)
	3,193,560	4,606,348
Liabilities		
Non-Current Liabilities		
Borrowings	150,000	138,888
Lease liabilities	26,496	54,969
Deferred income	-	151,164
	176,496	345,021
Current Liabilities		
Trade and other payables	176,192	108,822
Loans from group companies	-	-
Lease liabilities	10,583	28,778
Deferred income	608,438	-
	795,213	137,600
Liabilities of disposal groups	13,704	-
Total Liabilities	985,413	482,621
Total Equity and Liabilities	4,178,973	5,088,969

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

GROUP		
Figures in US Dollar	2020	2019
Cash flows in operating activities		
Cash used in operations	(610,711)	(515,099)
Finance income	24,803	78,530
Finance costs	(3,837)	(6,633)
Tax received	-	1,463
Cash flows of held for sale / discontinued operations	(192,679)	(134,140)
Net cash flows in operating activities	(782,424)	(575,879)
Cash flows (utilised by)/generated from investing activities		
Purchase of property, plant and equipment	(23,512)	(8,437)
Sale of property, plant and equipment	1,971	-
Investment in associate	-	(18,060)
Purchase of investments at fair value	-	(403,763)
Sale of investments at fair value	16,206	-
Net cash flows (utilised by)/generated from investing activities	(5,335)	(430,260)
Cash flows utilised in financing activities		
Proceeds from borrowings	-	22,259
Repayment of borrowings	-	(11,959)
Payment on lease liabilities	(7,727)	(25,961)
Dividends paid to non-controlling interest	-	(193,162)
Net cash flows utilised in financing activities	(7,727)	(208,823)
Total cash and cash equivalents movement for the year	(795,486)	(1,214,962)
Cash and cash equivalents at the beginning of the year	4,055,007	5,298,263
Effect of exchange rate movement on cash balances	(13,961)	(28,294)
Effect of translation of foreign entities	15,990	-
Total cash and cash equivalents at end of the year	3,261,550	4,055,007

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2020

Figures in US Dollar	Stated Capital	Foreign Currency translation Reserve	Reserves for valuation of Investments	Accumulated Loss	Total Attributable to Equity Holders of the group/ Company	Non Controlling Interest	Total Equity
Group							
Balance at 01 January 2019	9,067,560	(28,191)	-	(2,772,977)	6,266,392	(401,699)	5,864,693
Loss for the year	-	-	-	(819,831)	(819,831)	78,788	(741,043)
Other comprehensive income	-	(74,556)	(301,542)	-	(376,098)	19,082	(357,016)
Total comprehensive Loss for the year	-	(74,556)	(301,542)	(819,831)	(1,195,929)	97,870	(1,098,059)
Sale of shares to non controlling interest parties	-	-	-	-	-	32,874	32,874
Dividends	-	-	-	-	-	(193,160)	(193,160)
Total changes recognised directly in equity	-	-	-	-	-	(160,286)	(160,286)
Balance at 01 January 2020	9,067,560	(102,747)	(301,542)	(3,592,808)	5,070,463	(464,115)	4,606,348
(Loss)/profit for the year	-	-	-	(1,128,404)	(1,128,404)	(251,784)	(1,380,188)
Other comprehensive income	-	(22,496)	(4,703)	-	(27,199)	(5,401)	(32,600)
Total comprehensive Loss for the year	-	(22,496)	(4,703)	(1,128,404)	(1,155,603)	(257,185)	(1,412,788)
Balance at 31 December 2020	9,067,560	(125,243)	(306,245)	(4,721,212)	3,914,860	(721,300)	3,193,560

PRIMARY SEGMENT - REVENUE GENERATION BASIS

	Management Fees	Event management services	Outsourcing income	Other	Total
Group					
31 December 2020					
Revenue	34,469	-	-	-	34,469
Other income	-	-	-	1,038	1,038
Other operating gains/(losses)	(4,558)	(737)	-	(91,997)	(97,292)
Finance income	1,604	-	-	23,199	24,803
Finance cost	(3,801)	-	-	(36)	(3,837)
Operating expenses	(121,200)	(202,444)	-	(834,108)	(1,152,701)
	(93,486)	(203,181)	-	(901,904)	(1,198,571)
Segment assets and liabilities					
Assets	82,828	733,330	-	3,348,179	4,164,337
Liabilities	(198,488)	(631,087)	-	(142,134)	(971,709)
	(115,660)	102,243	-	3,206,045	3,192,628
31 December 2019					
Revenue	42,416	1,000,705	-	-	1,043,121
other income	6,940	10,055	-	254	17,249
other operating gains/(losses)	2,857	1,100	-	(14,487)	(10,530)
Finance income	13,397	-	-	65,133	78,530
Finance cost	(4,574)	-	-	(2,059)	(6,633)
Operating expenses	(169,011)	(567,691)	-	(980,795)	(1,717,497)
	(107,975)	444,169	-	(931,954)	(595,760)
Segment assets and liabilities					
Assets	99,977	480,098	-	4,508,894	5,088,969
Liabilities	(200,082)	(176,559)	-	(105,980)	(482,621)
	(100,105)	303,539	-	4,402,914	4,606,348

Board of Directors
Lesang Magang
Rupert McCammon
Leutlwetse Tumelo
Lipalesa Makepe

Independent Non-Executive Chairman
Managing Director
Executive Director
Independent Non-Executive Director

Contact Details

Leutlwetse Tumelo – Executive Director
Office 001, Ground Floor, Regus Hub, i-Towers,
Plot 54368, CBD, Gaborone, Botswana
P O Box AE 133 AEH, Gaborone, Botswana
T: +267 318 4075
E: leutlwetse@afinitas.co

Auditors

 Grant Thornton



Investing in Africa.