**PROSPECTUS**

- relating to a Private Placing of up to 91,200,000 (ninety one million two hundred thousand) ordinary shares to invited investors at a price of BWP 1.00 per share
- a Public Offer of up to 28,800,000 (twenty eight million eight hundred thousand) ordinary shares at a price of BWP 1.00 per share
- the subsequent listing of up to 240,000,000 (two hundred and forty million) ordinary shares being all the issued shares of the Company on the Venture Capital Board of the BSE

**WARNING: AFINITAS WILL BE LISTED ON THE VCM OF THE BSE AND THE SHARES SHOULD BE CONSIDERED SPECULATIVE.**

This Prospectus is issued in terms of the Listings Requirements of the BSE for the purpose of providing information to potential investors in ordinary shares of Afinitas. This Prospectus was registered with the Registrar of Companies on 23 June 2015.

This Prospectus contains forward-looking financial information in respect of Afinitas to the year ending 31 December 2015. As any forward-looking information is based on assumptions concerning future events, actual results may vary materially from the profit estimate which has been presented. Consequently, no assurances are given on whether or not the estimates made herein will be achieved. Accordingly, prospective investors are urged to closely examine their financial position and to make every effort to familiarise themselves with the implications and the consequences of the non-attainment of objectives and profit estimates outlined in this Pre-listing Statement. Investors are urged to seek independent financial advice on these matters.

The stated capital of Afinitas is P100 (one hundred Pula) which was divided into 100 shares, which number of shares was after share split increased to 120,000,000 (one hundred and twenty Million) ordinary shares of no par value. The Company will increase its stated capital to P120,000,000 and allot a further 91,200,000 (ninety one million two hundred thousand) ordinary shares to invited investors who subscribe for same and up to a further 28,800,000 (twenty eight million eight hundred thousand) ordinary shares to members of the public who subscribe for the same, which shall rank *pari passu* with all the other ordinary shares issued by Afinitas.

The Directors of Afinitas, whose names are provided in Part G of this Prospectus collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and not attributed to others ("the information") and by signature hereof certify to the best of their knowledge and belief, there are no fact that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that this Prospectus contains all the information required by the Companies Act, and the Listings Requirements of the BSE.

Application has been made to the Listings Committee of the BSE, which has agreed to grant approval for a listing of shares in Afinitas on the VCM of the BSE, subject to compliance with the BSE’s Listings Requirements. It is expected that such listing will become effective and that dealings in shares in Afinitas will
commence from 27 July 2015. The listing will be on the VCM of the BSE, under the abbreviated name “AFINITAS” and share code “AFS”.

Prospective investors in the equity of Afinitas, should ensure that they fully understand the nature of the Company's operations, its valuation and the extent of their exposure to risks, and should carefully consider the suitability of the Company's shares as an investment in light of their own circumstances and financial position. The Botswana Stock Exchange's approval of the listing of Afinitas should not be taken as an indication of the merits of the Company. The Botswana Stock Exchange has not verified the accuracy and truth of the contents of the documentation submitted to it and the Botswana Stock Exchange accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the investment in the equity of Afinitas.

Registered as a Prospectus by the Registrar of Companies on: 23 June 2015
Date of Issue: 24 June 2015
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PARTICULARS OF THE SHARES THE SUBJECT OF THE INVITATION

Class of security                             Ordinary Shares
Total number of shares already in issue       120 000 000
Total number of shares the subject of the Placing 91 200 000
Total number of shares available for subscription pursuant to the Offer to the Public 28 800 000
Total number of shares in issue assuming full take up of the Shares 240 000 000

All issued Afinitas shares are of the same class and rank *pari passu* in every respect.

IMPORTANT DATES

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 June</td>
<td>Approval of Prospectus by BSE</td>
</tr>
<tr>
<td>23 June</td>
<td>Registration of Prospectus</td>
</tr>
<tr>
<td>24 June</td>
<td>Publication of Announcement and Prospectus available</td>
</tr>
<tr>
<td>26 June</td>
<td>Opening of offer to the Public</td>
</tr>
<tr>
<td>17 July</td>
<td>Close of offer to the Public</td>
</tr>
<tr>
<td>21 July</td>
<td>Last day for postal votes</td>
</tr>
<tr>
<td>22 July</td>
<td>Results of offer submitted to BSE</td>
</tr>
<tr>
<td>24 July</td>
<td>Results of offer published in the Press</td>
</tr>
<tr>
<td>24 July</td>
<td>Publication of Pre-Listing Statement</td>
</tr>
<tr>
<td>27 July</td>
<td>Shares in Afinitas listed for trading on the BSE</td>
</tr>
<tr>
<td>27 July</td>
<td>Refunds cheques posted Shares allocated to CSDB accounts from</td>
</tr>
<tr>
<td>27 July</td>
<td>Approval of Listing of shares in Afinitas on the Venture Capital Market of the BSE</td>
</tr>
</tbody>
</table>

DETAILS OF LISTING

The BSE has granted Afinitas a listing of up to 240 000 000 (two hundred and forty million) ordinary shares on the Venture Capital of the Market of the BSE subject to compliance with the BSE Listings Requirements in respect of number of shareholders, number of shares in issue, and spread, as follows:

Abbreviated name: Afinitas
Share code: AFS
ISIN: BW 000 000 1403

ADVISORS CONSENTS

The Lead and Legal Advisor, Sponsoring Broker, Transfer Secretaries and Reporting Accountants, whose names are included in this Prospectus, have given and have not, at the date of this Prospectus, withdrawn their written consents to the inclusion of their names in the capacities as stated.

Lead and Legal Advisor       Reporting Accountants       Transfer Secretaries

Sponsoring Brokers       Receiving Bank

Imara Capital Securities (Pty) Limited
A Member of the Johannesburg Stock Exchange
CORPORATE INFORMATION, DIRECTORS AND ADVISORS

Registered Office
C/o Rhoss (Pty) Limited
1st Floor, Acacia House, Plot 54358
New CBD, Gaborone

Company Secretary
Rhoss (Pty) Limited
1st Floor, Acacia House, Plot 54358
New CBD, Gaborone

Board of Directors
Lesang Magang
Rupert James McCammon¹
Leutlwetse Tumelo
Dawn Pickering²

¹British
²Australian

Reporting Accountants
Grant Thornton
Chartered Accountants
Acumen Park, Plot 50370 Fairgrounds
Gaborone, Botswana

Lead and Legal Advisor to the Issuer
Collins Newman & Co.
Dinatla Court Plot 4863
Dinatla Close
Gaborone
(Neill Armstrong)

Transfer Secretaries
Transaction Management Services (Pty) Limited
t/a Corpserve Botswana
Unit 206, Showgrounds Close,
Plot 64516, Fairgrounds
Gaborone
Botswana

Sponsoring Broker
Imara Capital Securities
(Member of the Botswana Stock Exchange)
2nd Floor, Morojwa Mews
Unit 6, Plot 74770
Western Commercial Road, CBD
Gaborone
Botswana

Receiving Bank
Barclays Bank of Botswana Limited
Plot 74358, Building 4 Prime Plaza
Central Business District
Gaborone
DEFINITIONS AND INTERPRETATION

The following definitions apply throughout this Prospectus, unless explicitly stated otherwise or the context explicitly requires otherwise. In this Prospectus, unless otherwise indicated, the words or phrases in the first-hand column bear the meaning stipulated in the second column and cognate expressions shall bear corresponding meanings. Words in the masculine shall import both the feminine and the neuter. Words in the singular shall include the plural and vice versa. Words importing natural persons shall include juristic persons (whether corporate or incorporate and vice versa), including corporations and associations of persons:

“Act” or “Companies Act” the Companies Act Cap 42:01 of Botswana as amended or replaced from time to time;

“Application Form” means the Form appearing as Schedule 4 to this Prospectus;

“the Board” or “the Directors” the Board of Directors of Afinitas;

“Botswana” the Republic of Botswana;

“the BSE” the Botswana Stock Exchange, as established by the Botswana Stock Exchange Act Cap 56:08;

“Collins Newman & Co” Collins Newman & Co, a partnership practicing as attorneys in terms of the Legal Practitioners Act of Botswana, who are the lead and legal advisors and attorneys to Afinitas, for the purpose of the Prospectus and the Listing;

“Closing Date” means the last day for receipt of applications, which is 17 day of July 2015;

“the Company” or “Afinitas” Afinitas Limited (registration number 2014/5015) a company incorporated with limited liability and registered on 4 May 2014 according to the laws of Botswana;

“CSDB” the Central Securities Depository Company of Botswana Limited;

“Financial Year” the financial year of Afinitas ending 31 December annually;

“GCH” GCH Investments Limited, a company incorporated in Jersey with registration number 115793;

“Investors” means the investors who apply for an allotment of the Shares offered in terms hereof and who complete an Application Form;

“Listing” the listing of the Shares of Afinitas on the BSE;

“Listing Date” the date which Afinitas will list on the Venture Capital Market of the BSE, anticipated to be on or around 27 July 2015;

“Offer Price” means BWP 1.00 per share at which price Investors are invited to apply for Shares to be issued and allotted to them;

“Minimum Subscription” means in respect of the Public Offer, BWP 100 and 100 Shares;

“Multiples” means in respect of the Public Offer, multiples of BWP 100;

“Opening Date” means the 26 day of June 2015 on which the Public Offer will open;

“Placing” the placement of up to 91 200 000 (ninety one million two hundred thousand) Shares, with the Placees, through a private offering not being a sale to members of the public as contemplated by Section 297
of the Act, in respect of which, for placees, the minimum subscription is BWP 100 000 (one hundred thousand Pula) and 100 000 (one hundred thousand) shares and in multiples of BWP 100 000 (one hundred thousand pula), in terms of section 5.11 of the BSE Listings Requirements;

“Placee” a selected investor, to whom Shares are privately offered, who executes a Subscription Agreement in terms of which the Placee undertakes to subscribe for an allocation of Shares set forth in the Subscription Agreement;

“Prospectus” this Prospectus issued on 24 June 2015 and its schedules and attachments;

“BWP” or “P” the legal tender of the Republic of Botswana

“Reporting Accountants” Grant Thornton a partnership of chartered public accountants practising in Botswana who are the Reporting Accountants for the purposes of the Prospectus and the Listing;

“Shares” Ordinary Shares of no par value in the stated capital of the Company;

“Sponsoring Brokers” Imara Capital Securities, a member of the BSE, which is the Sponsoring Broker for the purposes of the Listing;

“Subscription Agreement” a Subscription Agreement entered into between a Company and Placee copies of which are available for inspection;

“Transfer Secretaries” Transaction Management Services (Pty) Limited t/a Corpserve Botswana (registration number CO 200/5376), registered according to the laws of Botswana;

“VCM” the Venture Capital Market of the BSE.
PART A: SALIENT FEATURES OF THE LISTING

The salient features presented below are a summary of this Prospectus. For full appreciation, this Prospectus should be read in its entirety.

1 RATIONALE OF OFFER

The invitation is made for the following reasons:

1.1. to raise funds in order to establish a number of new subsidiaries of Afinitas that will have a pan African strategic focus, including companies focused on developing within their chosen sector or country;
1.2. take advantage of a new interest in Africa as an investment destination from large institutional investors;
1.3. to raise capital from investors in a cost effective manner;
1.4. to create liquidity for shareholders

2 RATIONALE FOR THE LISTING

The listing of the Shares is made for the following reasons:

2.1. to facilitate future capital raises for expansion of the investments of the Company and creation of subsidiaries operating in Africa, from investors with an interest in Africa;
2.2. to facilitate the acquisition of stakes in other companies through the issue of stock in the future; and
2.3. to provide market exposure and indirect advertising through the listing which may facilitate future deals across Africa.

3 LISTING ON THE BSE

The BSE has agreed to the Listing of all the Share of Afinitas on the VCM of the BSE under the abbreviated name “Afinitas” subject to the acceptable spread of shareholders and minimum subscription being raised. It is anticipated the Listing will take place with effect from the commencement of trade on 27 July 2015.

4 OTHER LISTINGS

Afinitas’s shares are not currently listed on any other stock exchange.

5 COPIES OF THE PROSPECTUS

Copies of this Prospectus are available from:

5.1. Afinitas, at its registered office as set out in the “Corporate Information” section;
5.2. Collins Newman & Co, at their offices as set out in the “Corporate Information” section; and
5.3. Imara Capital Securities, at its offices as set out in the “Corporate Information” section.
PART B: INTRODUCTION

6 INCORPORATION, HISTORY AND GROUP STRUCTURE

6.1. Afinitas was registered in Botswana as a public company in terms of the Companies Act on 4 May 2014 with Company number 2014 / 5015.


7 NATURE OF THE BUSINESS

Afinitas is focused on establishing and developing new businesses across Africa.

The Company intends to raise up to BWP 120 000 000 (one hundred and twenty million) in accordance with the Board’s strategy for expansion in Africa, at a time when there is renewed appetite for Africa as an investment destination.

The capital raised in this issue will be used as seed investment for at least one, and up to or more than three, Africa focused company(ies). It is proposed that each Africa focused company seeded by Afinitas will initially be a 100% subsidiary of Afinitas.

It is the Board’s intention that, where the circumstances are appropriate, each Africa focused company seeded by Afinitas will be a Botswana registered company accredited in terms of Section 138 of the Income Tax Act for Botswana as an International Financial Services Centre company. More details on the benefits of accreditation as an IFSC Company for such a company are provided elsewhere in this document. It should be noted that business generated from within Botswana is likely to comprise a minority portion of the business of any company seeded by Afinitas.

A second round of financing is likely to be required for each new subsidiary to provide the necessary capital for a successful expansion into Africa. The initial seed investment by Afinitas, and the existence of a high quality management team and strategy, should lead to enhanced value of the newly established company thus potentially providing a capital gain for Afinitas shareholders.

The Board of Directors recognises that the Botswana capital market is likely to be constrained in its ability to participate in a second round of financing due to a number of factors including the small size of the local investment pool, likely ownership constraints regarding percentage holdings of Afinitas Limited, and a significant focus on investment into more developed markets rather than Africa.

However the Board believes that there is currently considerable demand from external investors (from a Botswana perspective) for high quality investment opportunities in Africa. This is as a result of a combination of recent factors, including:
• Africa’s projected strong economic growth forecast; More details on Africa’s exciting potential are provided elsewhere in this document, and;

• The establishment of a large number of new investment funds with Africa mandates, resulting in a much larger quantum of investment funds available now in comparison to the funds available over the past 30 years;

External private equity and listed equity institutional investors are interested in investing in companies with an Africa focus, and thus would be natural candidates to participate in a second round of financing for any newly created subsidiary of Afinitas.

The Board has considerable experience in liaising with the major institutional private equity and listed equity investors in Africa, and has a very extensive network of contacts that will facilitate any future capital raising.

As a result of the second round of financing, Afinitas is likely to be diluted in share ownership of the underlying companies to which it funded seed capital. It should be noted that at some stage in the future Afinitas may decide to dispose of some or all of its shareholding in any of the companies in which it has a shareholding.

There are a number of possible exit routes to maximise value for Afinitas in any company which it created and to which it provided seed capital which include:

• A listing, with share issue by and/or sale of shares in any such company; such listing may be on the Botswana Stock Exchange, or another recognised stock exchange, such as the AIM market of the London Stock Exchange, or both;

• A private sale of shares in such company;

• A distribution of shares in such company to the shareholders of Afinitas Limited;

The relative advantages and disadvantages of each possible exit route will be examined at the appropriate time.

As mentioned above after, or potentially before, Afinitas provides initial seed capital, a management team and strategy will be put in place for each new company. While a pipeline of target business types has been established, the exact nature and timing of the establishment of these companies will depend on the availability of suitable executives to lead each of these companies following a successful listing of Afinitas on the Botswana Stock Exchange.

Thus while the Directors of Afinitas are aware of a number of business types of interest the actual companies in which Afinitas will invest and the timing of the associated investment are not known yet and will depend on a number of factors including the timing and availability of the correct executives to
execute the chosen business strategy; and the availability of capital from external investors following the successful listing of Afinitas on the BSE to support the chosen strategy.

It is possible that following a listing of Afinitas on the BSE a number of potential investment options would be available, and it would be prudent to assess them to see which offers the most attractive proposition for Afinitas shareholders.

This also recognises that the new businesses are initially likely to require additional investment beyond their seed capital (predominantly assumed to come from external investors as described from a Botswana perspective) and the process of securing that capital will not be initiated until following the successful listing of Afinitas.

In general the underlying operating businesses are likely to exhibit some of the following characteristics:

- They would have cash generative business models;
- As such they would not require regular capital injections in order to survive;
- Following their establishment and a second round of investment from external investors, future capital raising are likely to be for growth or M&A purposes;
- The business would have ability to benefit from scale; either internally within the country chosen, or across a broad range of African countries.

The type of business that Afinitas seeks to establish includes:

- Financial services companies, including, but not exclusively, insurance companies, leasing companies, fund management companies, deposit taking companies, lending companies etc;
- Other service sector companies for instance in human resources, outsourcing where it is believed that Africa has a competitive advantage due to its large, youthful and increasingly educated workforce;
- Holding companies that will invest alongside other investors such as Africa funds, Sovereign Wealth funds, Emerging Market funds, and Development Finance Institutions seeking to develop new businesses within Africa;
- Single country companies, focused on developing critical mass inherent in conglomerate type company structures within specific high priority countries, for instance Angola, Ethiopia, Mozambique as examples;

The types of businesses that Afinitas does not plan to establish include:

- Mining sector exploration or production companies;
• Oil and gas exploration or production companies;

• Companies that operate in the weapons or tobacco industry.

• Companies that have a high level of reliance upon Government business except to the extent that they may need regulatory approval to undertake their business;

**Annual Africa Financial Services Investment Conference (AFSIC)**

One essential component to the rollout of businesses developed by Afinitas Limited is the contact network developed by the Managing Director of Afinitas Limited as a result of the development of the annual Africa Financial Services Investment Conference (AFSIC). This annual event, which next takes place in London in May 2016, shows promising early signs of developing into Africa's leading investment conference for financial services companies. AFSIC 2016 will be the fourth AFSIC annual event and is likely to demonstrate continued growth in delegate numbers.

It specifically attracts the following types of delegates that may be of considerable value to Afinitas in the future:

• A wide range of Africa focused dealmakers from within and outside Africa;

• Many of the largest listed, and private equity funds focused on Africa, as well as a wide range of Development Financial Institutions, and Supranationals such as the African Development Bank;

• African financial services companies who attend from a wide range of African countries, including North Africa.

In order to capture the intellectual and potential monetary value inherent within the AFSIC event it has been agreed that 50% of AFSIC will be injected into Afinitas Limited following the successful listing of Afinitas Limited on the Botswana Stock Exchange. This will be effected by the establishment of a new Jersey, Channel Islands registered company. Ownership of the rights to the AFSIC conference will be transferred to this company, and all revenue and costs, and ongoing business associated with the 2016 event and future years will be accrued by this company. There are no material assets associated with the conference and no assets will be transferred into the new company. Rupert McCammon, the current beneficial owner of 100% of the AFSIC conference, has agreed to sell 50% of the new company to Afinitas for a nominal sum of USD100. Afinitas Directors have agreed to acquire 50% of this new entity for an agreed nominal sum of USD100 following the successful listing of Afinitas on the BSE.

The value of this conference, now in its 4th year, to Afinitas could be considerable. As an example Mining Indaba, an investor conference which was developed specifically to promote Africa’s resource sector was recently sold for $65m to Euromoney Plc.
Historic Development of the AFSIC

The first AFSIC took place in Brighton, UK in May 2013. The objective was, and remains, to bring together African financial services companies with a wide range of Africa's most important investors, both debt and equity. In consideration of the difficulty of travelling within and across different African countries, the event provides an important forum where a large number of high impact meetings can be held in one place at one time.

AFSIC 2014 saw considerable growth with over 125 companies attending. The event grew considerably again in 2015 with more than 300 delegates (up 50% year on year) and over 220 companies attending representing 25 different African countries. The number of investors attending grew yet again, and the number of African financial services companies attending grew particularly strongly.

Forecast Development of the AFSIC

AFSIC 2016 will be the fourth Conference. As news of AFSIC spreads throughout the continent it is believed likely that the event will continue to develop into Africa’s largest financial services investment event attracting banks, insurance companies, consumer lending companies, micro finance companies, leasing companies, investment banks and brokerages and similar companies. A team of researchers is focused on establishing contact with key regulated financial services companies across the continent, in three languages, English, French and Portuguese. The move of the event to a central London location and an increased marketing focus are likely to be additional key factors behind the forecast growth in AFSIC in the future. This is reflected in the financial forecasts provided below.

Forecast financial figures for AFSIC 2016, 2017 and 2018 are provided below. AFSIC has exhibited strong growth in past years however due to the early nature of development of the AFSIC event the financial forecasts are considered speculative and may differ considerably from actual results, especially where delegate numbers do not increase in line with expectations, and the forecasts below should be read with that in mind.

The financial information provided below for AFSIC 2015 is unaudited and has not been reviewed by Afinitas’ auditors.
AFRICA FINANCIAL SERVICES INVESTMENT CONFERENCE (AFSIC) FORECASTS 2016-2018

### FORECAST PROFIT & LOSS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016F</th>
<th>2017F</th>
<th>2018F</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
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<tr>
<td><strong>Unaudited</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Delegate Revenue</td>
<td>187,978</td>
<td>519,168</td>
<td>830,466</td>
<td>1,328,340</td>
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<tr>
<td>Sponsor Revenue</td>
<td>33,852</td>
<td>77,999</td>
<td>116,999</td>
<td>175,499</td>
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<tr>
<td>Exhibition Revenue</td>
<td>0</td>
<td>0</td>
<td>311,998</td>
<td>467,997</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>221,830</td>
<td>597,167</td>
<td>1,259,463</td>
<td>1,971,836</td>
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<td>Conference Costs Fixed</td>
<td>62,400</td>
<td>155,999</td>
<td>218,399</td>
<td>262,078</td>
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<td>Conference Costs Other</td>
<td>48,828</td>
<td>111,820</td>
<td>178,868</td>
<td>286,102</td>
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<tr>
<td>Profit before tax</td>
<td>110,602</td>
<td>329,348</td>
<td>862,196</td>
<td>1,423,655</td>
</tr>
<tr>
<td>Tax</td>
<td>22,120</td>
<td>49,402</td>
<td>129,329</td>
<td>213,548</td>
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<tr>
<td><strong>PAT</strong></td>
<td>88,482</td>
<td>279,946</td>
<td>732,867</td>
<td>1,210,107</td>
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<td>Dividend @ 50% PAT</td>
<td>0</td>
<td>139,973</td>
<td>366,433</td>
<td>605,054</td>
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<tr>
<td>Retained profit for the year</td>
<td>88,482</td>
<td>139,973</td>
<td>366,433</td>
<td>605,054</td>
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<td>Afinitas’s share of AFSIC dividend @ 50%</td>
<td>69,987</td>
<td>183,217</td>
<td>302,527</td>
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</tbody>
</table>

### FORECAST BALANCE SHEET

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<tr>
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<th>2016F</th>
<th>2017F</th>
<th>2018F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td><strong>CASH</strong></td>
<td>189,475</td>
<td>635,836</td>
<td>1,325,108</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>189,475</td>
<td>635,836</td>
<td>1,325,108</td>
</tr>
<tr>
<td><strong>SHARE CAPITAL</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>PROFIT &amp; LOSS</strong></td>
<td>139,973</td>
<td>506,406</td>
<td>1,111,460</td>
</tr>
<tr>
<td><strong>TAXATION</strong></td>
<td>49,402</td>
<td>129,329</td>
<td>213,548</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; EQUITY</strong></td>
<td>189,475</td>
<td>635,836</td>
<td>1,325,108</td>
</tr>
</tbody>
</table>
## FORECAST CASH FLOW

<table>
<thead>
<tr>
<th></th>
<th>2016F</th>
<th>2017F</th>
<th>2018F</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
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<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
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<tr>
<td>Cash generated from operations</td>
<td>329,348</td>
<td>862,196</td>
<td>1,423,655</td>
</tr>
<tr>
<td>Adjustment for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>-49,402</td>
<td>-129,329</td>
<td></td>
</tr>
<tr>
<td><strong>Net cashflows from operating activities</strong></td>
<td>329,348</td>
<td>812,794</td>
<td>1,294,326</td>
</tr>
</tbody>
</table>

| **CASH FLOWS USED IN INVESTING ACTIVITIES** |       |       |       |
| Acquisition of property, plant and equipment | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 |
| **Net cash used in investing activities** | 0 | 0 | 0 |

| **CASH FLOWS FROM FINANCING** |       |       |       |
| Proceeds from issue of shares | 100 | 0 | 0 |
| Dividends paid                | -139,973 | -366,433 | -605,054 |
| **Net cash flows from financing activities** | -139,873 | -366,433 | -605,054 |

|                          |       |       |       |
| Net increase in cash and cash equivalents | 189,475 | 446,361 | 689,272 |
| Cash and cash equivalents at the beginning of the year | 0 | 189,475 | 635,836 |
| **Cash and cash equivalents at the end of the year** | 189,475 | 635,836 | 1,325,108 |

## 8 PROSPECTS OF AFINITAS

The Company seeks to increase shareholder value by providing the seed investment into a number of new companies focused on different strategies or countries within the continent of Africa, and contemporaneously seek management teams for these companies.

These new subsidiaries are likely to require a second round of financing which will be sought from global institutional investors looking for investment opportunities in Africa. Once the second round of financing has happened the new companies could then, to a large extent, operate independently of Afinitas.

The Board believes that a listed company structure for Afinitas will be beneficial for the raising of capital and allow the long term business focus that is required in Africa in order to develop successful new companies.

While recognizing the risks inherent in operating in Africa, highlighted elsewhere in this document, the Board also believes that the Company's prospects are positive for a number of reasons including:

- In general Africa has, in recent years, experienced a rapid period of economic growth that directors believe may reflect a long term, and self-sustaining, positive growth cycle;
The business climate in Africa is, in general, improving, due to a number of factors which may include, among others:

- Improved telecommunications, including access to the internet, and mobile telephony;
- Better governance in general;
- Reducing corruption rates in general;
- More political stability, reflected in the reduced numbers of conflicts on the continent;

In many countries in Africa, business competition, in general, is less intense than in more developed countries, and that this may manifest itself with higher achievable rates of return on equity than in more developed countries;

The arrival of the internet and mobile telephony across Africa, and recent improvements in the speed of the internet on the continent is providing new companies with the opportunity to exploit “online” business models that may be more cost effective than existing business models operating across Africa. This has proven to be the case in many industries in the developed world, and is likely to occur in Africa as the speed and efficiency of communications in the continent continue to improve;

The improvements in communication will facilitate the offshoring of business from developed markets into the lower cost economies of Africa, and that this provides a significant business opportunity for the Company;

The directors are experienced in Africa’s capital markets, and have operated across multiple countries and sectors in the past. It is the directors’ judgment that interest in investing in Africa is at an unprecedented high, and that whereas in the past it was difficult to secure funding for African focused projects, it is now easier to secure finance for new companies than it has been in the past. This will facilitate the strategy of the Company by allowing newly seeded companies to raise funds from global investors in order to effect their chosen investment strategy.

9 IFSC CERTIFICATION

The Funds raised in the initial offering will be sourced from funds or investors located inside and outside of Botswana. It is forecast that subsequent rounds of financing are likely to be raised from funds predominantly located outside of Botswana.

These funds will be held by Afinitas and invested in new companies each incorporated in Botswana (an investee company), if this is the most appropriate jurisdiction, and each with a strategy as regards market segment investment, criteria and level of investment.

It is likely that each of these underlying investee companies will invest in its target market segment in different countries in Africa.
In order to procure a tax efficient flow through of returns for investors in Afinitas, and with the investment in an investee country having been made by Afinitas directly or indirectly through an investee company, or by an investor indirectly through an investee company, Afinitas was certified by the Minister for Finance and Development Planning as an IFSC Company in terms of Section 138 of the Income Tax Act for Botswana, ensuring exemption from tax on dividend received from foreign investee companies and that there is no withholding tax on dividends or, if a debt instrument is issued, no withholding tax on interest and to take advantage of tax credits for tax withheld in foreign jurisdictions and the lower tax rate of IFSC companies of 15%.

To the extent that an investee company is domiciled and registered in Botswana, each investee company will apply to be certified as an IFSC company in order to:

- obtain tax exemption for dividends flowing from any subsidiary company operating elsewhere in Africa, in which it is invested;
- procure that dividends remitted to Afinitas or other shareholders or interests payable to holders of debt instruments are not subject to withholding taxes;
- take advantage of the tax credits for tax withheld in foreign jurisdictions;
- take advantage of the lower tax rate of IFSC Companies of 15%;
- operate in an exchange control free environment.
PART C: REASONS FOR INVESTMENT

10 WHY BOTSWANA?

1. Country overview

Botswana is one of the most stable countries in Africa with one of the strongest economies on the continent. The country has experienced a multiparty constitutional democracy since independence in 1966, now under its fourth president, His Excellency Seretse Khama Ian Khama, who recently secured a majority in the recently concluded general election in October 2014.

Botswana has just over 2million people and one of the lowest population densities (3.5/sqkm) in the world but as one of the 15 member states of the Southern African Development Community (SADC) it is a gateway to the SADC region which comprises over 230million people. SADC’s headquarters are located in Gaborone. Botswana has strong government institutions, an independent legal system and low corruption. Botswana’s good governance is reflected in several international surveys such as the Mo Ibrahim Index or the Bertelsmann Transformation Index. Botswana has very low perceived corruption, and it continues to be perceived as the least corrupt African country, as measured by the Transparency International Corruption Index (globally Rank 30 out of 177 countries, in 2013).

Ibrahim Index: Top ten countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Score/100</th>
<th>Sustainable Economic Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa total</td>
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<td>69.5</td>
<td>63.6</td>
</tr>
<tr>
<td>Ghana</td>
<td>66.8</td>
<td></td>
</tr>
<tr>
<td>Tunisia</td>
<td>66.0</td>
<td>65.8</td>
</tr>
<tr>
<td>Lesotho</td>
<td>61.9</td>
<td>52.3</td>
</tr>
<tr>
<td>Senegal</td>
<td>61.0</td>
<td>54.8</td>
</tr>
</tbody>
</table>

Source: Mo Ibrahim Foundation 2014

The Bertelsmann Transformation Index analyses 129 developing and transition countries and is divided into two main measurements, the Management Index and the Status Index. The Management Index ranks countries according to the leadership’s management performance and the Status Index ranks countries according to the state of democracy and market economy. Botswana scores highest in the Management Index in South and East Africa, with an overall rank (globally) of 9, compared to Mauritius.
ranked at 16. The only Southern African country which ranks higher than Botswana in the Status Index is Mauritius, at Rank 15 versus Rank 18 for Botswana.

The Government of Botswana has avoided a resource curse and managed to invest its income from diamond mining in continuous economic and social development. Botswana has 82% enrolment rate in secondary education (2013)\(^4\) and a literacy rate of 85% (2008-2012)\(^5\). The country operates a sound legal and regulatory framework for its private sector, in compliance with international standards. The Global Competitiveness Report 2013/2014 ranks Botswana no. 26 in terms of judicial independence globally (out of a total of 148 countries analysed). One aspect, the protection of investors, is measured in the annual Doing Business Survey of the World Bank looking at three aspects: transparency of transactions (Extent of Disclosure Index), liability for self-dealing (Extent of Director Liability Index) and shareholders’ ability to sue officers and directors for misconduct (Extent of Shareholder Suits Index). The higher the index (90-10) the greater the disclosure, the greater the liability of directors, the greater the power of shareholders, and the better investor protection.

<table>
<thead>
<tr>
<th>Ease of doing business WB</th>
<th>Botswana</th>
<th>South Africa</th>
<th>SSA</th>
<th>OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent of Disclosure Index</td>
<td>7</td>
<td>8</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Extent of Director Liability Index</td>
<td>8</td>
<td>8</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Extent of Shareholder Suits Index</td>
<td>3</td>
<td>8</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Strength of Investor Protection Index</td>
<td>6</td>
<td>8</td>
<td>4.5</td>
<td>6.2</td>
</tr>
</tbody>
</table>


ICT is seen as an essential building block in an economy’s development and in its ability to trade and develop innovative solutions to compete in a global economy. The Botswana Government has focused on the development of an ICT enabling environment to foster economic progress. Penetration of telecommunications has been rapid in recent years, especially in the cell phone market, with the country showing the highest penetration in mainland SSA at 150.1 cell phone subscribers per 100 inhabitants in 2012 and an increase in mobile broadband subscription from 11.8 in 2011 to 17.4 per 100 inhabitants, but overall internet usage and international bandwidth speed remain relatively low.\(^6\)

Botswana scores fifth in Africa and 108 globally in the ICT Development Index (IDI), a composite index measuring countries performances with regards to their ICT infrastructure and uptake.

Global IDI Rank (2012), Africa:

- Seychelles 64
- Mauritius 72
- South Africa 84
- Cape Verde 96
- Botswana 108

\(^4\) The Global Competitiveness Report 2013-2014
\(^5\) http://www.unicef.org/infobycountry/botswana_statistics.html
\(^6\) Measuring the Information Society, International Telecommunications Union, 2013
2. Economic overview

Botswana’s GDP growth has recovered from its 4.3% in 2012 to 5.9% in 2013. Predicted growth for 2014 is 5.1%.

Year-on-year inflation has fallen from 7.4% in 2012 to 4.1% in 2013. Botswana is a middle income country with GNI per capita of $7,650 (2012).

Growth of Botswana’s economy in 2013 was driven by recovery in the mining sector whereas growth in the non mining sector fell from 8.1% in 2012 to 4.7% in 2013. Over the last years, much emphasis has been put to diversify the economy away from diamonds in anticipation of the fall in mineral output and to protect Botswana more against global shocks. The Government’s Economic Diversification Drive has focused on the development of non-mining sectors, ranging from financial services to tourism and manufacturing (e.g. dairy, leather).

Botswana’s exchange control free environment creates an enviable investment base for Afinitas in which to develop its opportunities throughout the continent.

11 WHY AFRICA?

Understanding Africa

Positive interest in Africa has increased over the last decade especially after the global financial crisis in 2007/2008. When all the other economies recorded negative growth rates, Africa slowed down but never dipped. Even with global growth predicted to pick up in 2014 to 3.6%, after sluggish growth in 2013 at 2.9% caused by renewed volatility\(^7\), Africa growth spurt continues.

\(^7\) IMF WEO October 2013
Understanding Africa: Economic growth

Seven of the ten fastest growing economies in the next five years are expected to be African (Ethiopia, Mozambique, Tanzania, Congo, Ghana, Zambia and Nigeria) \(^8\), including both commodity rich and natural resource poor countries. In April 2014, Nigeria overtook South Africa as the biggest economy in Africa after rebasing its GDP. Nigeria has a total GDP of $488 billion, making it the 26th biggest economy in the world and showing a rate of growth of 12.7% between 2012 and 2013.

Growth for the whole of Africa continues to be strong, projected to reach 5.3% in Sub Saharan Africa (“SSA”) by 2014, increasing to 5.8% by 2016. North Africa is predicted to grow by 2.5% in 2014 and fully recover (after political unrest in recent years) to 6% growth by 2016 (WEO). This continuous growth is driven by the ongoing investment in productive capacity and infrastructure, increased consumption and the start of development of new capacity in extractive sectors.

How does Africa fare relatively to the rest of the world economy?

Africa’s GDP, since 2000, has grown about 1.4% more per annum than global GDP.

Past growth in Africa is often associated with high commodity revenue (fuelled by high global commodity prices) and associated investment in extractive industries. This growth in turn is much more volatile to international commodity price shocks. But there has been a parallel growth in non resource rich economies which needs to be noted as these economies are not affected by global commodity price fluctuations. Economies which have not in a major way focused on natural resources exploration and which have shown a steady rates of growth over longer period of time (since mid 1990) include: Ethiopia, Mozambique, Tanzania, Congo, Ghana, Zambia and Nigeria.

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\(^8\) The Economist, Africa rising, 1 December 2013
Mozambique, Rwanda, Uganda, Burkina Faso and Tanzania. Major determinants of success in these economies are strong macroeconomic management combined with structural reforms and reliable external finance which results in productive investment and higher growth.

Inflation in Africa is moderate and falling, from 10% at end of 2011 to less than 8% in 2012. For SSA total inflation is projected to fall to 7% in 2013, which will be the third consecutive year of falling inflation (WEO).

Understanding Africa: One continent, 54 countries

Africa consists of 54 independent, distinct countries. African countries have organised themselves within different Regional Economic Communities (many with overlapping memberships) but even within these communities countries and markets vary widely. Some countries are much further developed and have a high share of formal markets (e.g. South Africa 85% formal), other countries are characterised by predominantly informal markets (e.g. Nigeria 80% informal) where market structures can even differ from city to city.

There are currently eight Regional Economic Communities (“REC”) recognised by the African Union and seen as the building blocks of an African Community. These RECs are all at a different stage of economic integration. Several African countries also have or are in negotiations for trade agreements with the European Union, as well as different trade agreements with the United States.

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9 Both Tanzania and Mozambique have more recently become resource focused economies (gold in Tanzania and gas in Mozambique)
10 Regional Economic Outlook Sub Saharan Africa Keeping Pace, IMF, October 2013
11 Deloitte Presentation: Japanese Companies’ Investment in Africa, May 2013
12 Morocco, Algeria, Tunisia, Egypt, South Africa, Madagascar, Mauritius, Seychelles and Zimbabwe have preferential trade agreements in place (European Commission Memo, 3 December 2013), others are under negotiation, see http://trade.ec.europa.eu/doclib/docs/2012/november/tradoc_150129.pdf
Regional Economic Communities:

AMU - Arab Maghreb Union: Algeria, Libya, Mauritania, Morocco, Tunisia


COMESA - Common Market for Eastern and Southern Africa: Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe

EAC - East African Community: Burundi, Kenya, Rwanda, Tanzania, Uganda


ECOWAS - Economic Community of West African States: Benin, Burkina Faso, Cape Verde, Côte d’Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo

IGAD - Intergovernmental Authority on Development: Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, South Sudan, Uganda.

SADC - Southern African Development Community: Angola, Botswana, Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

In addition, there are:

SACU - Southern African Customs Union: Botswana, Lesotho, Namibia, Swaziland, South Africa.

UEMOA - West African Economic and Monetary Union: Benin, Burkina Faso, Cote d’Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo.

Below table shows the differences in terms of size and GDP among some of the main economic trading zones in Africa;

<table>
<thead>
<tr>
<th>Trade Zone</th>
<th>Population (million)</th>
<th>GDP (PPP)/capita $US</th>
<th>Countries in Economic Community</th>
<th>Main Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMU</td>
<td>88</td>
<td>6833</td>
<td>5</td>
<td>Algeria</td>
</tr>
<tr>
<td>COMESA</td>
<td>406</td>
<td>1811</td>
<td>20</td>
<td>Egypt</td>
</tr>
<tr>
<td>EAC</td>
<td>140</td>
<td>1350</td>
<td>5</td>
<td>Kenya</td>
</tr>
<tr>
<td>ECOWAS</td>
<td>251</td>
<td>2500</td>
<td>15</td>
<td>Nigeria</td>
</tr>
<tr>
<td>SADC</td>
<td>233</td>
<td>3153</td>
<td>15</td>
<td>South Africa</td>
</tr>
<tr>
<td>UEMOA</td>
<td>114</td>
<td>1300</td>
<td>8</td>
<td>Ivory Coast</td>
</tr>
</tbody>
</table>

Total African exports have grown at 12.2% annually (2007-2011), faster than exports in other developed or developing regions. Intra African exports as a share of total African exports to the world is low at 11% (2007 -2011). This is relatively little compared to other developing economies such as developing Asia (50%) and Latin America (21%).

Understanding Africa: The African consumer

Modern Africa is marked by a growing consumer industry, driven by an ever younger population and with it, a thriving middle class. Today’s African population represents 15% of the world population (the second largest population after Asia) and it is projected to present more than 40% of world population growth by 2030. 40% of Africans already live in cities (compared to 30% in India and 45% in China). The share of Africans living below the poverty line has fallen from 51% in 2005 to 39% in 2012. 27 countries in Africa have middle income status already. Eight African countries have a higher GDP per capita than China and 15 a higher GDP per capita than India.

According to McKinsey’s report on The Rise of the African Consumer: Africa’s consumer-facing industries, defined as retail/wholesale, retail banking, telecommunications and tourism, are expected to grow by $410 billion by 2020. Private consumption in Africa is already higher than in Russia or India, rising by $568 billion from 2000-2010. The highest rate of growth in consumption will come from households earning more than $20,000 although the greatest share of consumption will still be by low income households. The segment of households with income over $20,000 is currently only 1-2% but expected to grow faster both in terms of average income and number of households (see below Figure). If it can be generalised, the average African consumer, independent of income, will look for affordable (37%), tried (31%) and same brand (31%) products.

The rate of urbanization is another driver of increased consumption, as McKinsey concludes: Urban spending is increasing twice as fast as rural spending. Higher per capita income of urban people (linked to higher productivity) and urban consumers are easier to reach, as urban centers are more densely populated.

14 UNCTAD Economic Development in Africa 2013 Intra-African Trade
16 The Diverse People of Africa, March 2012, The Nielsen Company
Africa shows a steady increase in its working age population (share of working age population: 52% in 1980 to 61% predicted by 2040), whereas working populations in Asia and Latin America/Caribbean are in decline. By 2050, every fourth worker in the world will be African.

This is coupled with a continuous fall in dependency ratio in Africa (contrary to other regions), from 80 dependants per 100 working population in 2010 to 65 by 2040\textsuperscript{17}, resulting in a higher GDP growth per capita.

African consumers relative to their income levels are heavy users of the internet and mobile technologies although usage varies widely by country. Across the continent about 760 million Africans have mobile

\textsuperscript{17} UNEDSA, World Population Prospects 2012
phones, internet penetration is at 16%, more than 50% of the urban population have access to the internet with a 167 million internet users, 67 million smart phones (and 760 million have mobile phones) and $18 billion contribution to GDP today and this is expected to grow significantly. By 2025, 600 million internet users in Africa, 360 million smart phones, internet penetration of about 50%, an estimated $75 million in e-commerce sales and $300 billion internet contribution to GDP is predicted\(^\text{18}\).

**Understanding Africa: Governance and stability**

Curbing corruption is still, together with the need to improve infrastructure, the biggest perceived challenge to doing business in Africa\(^\text{19}\).

The association of Africa with issues of domestic security and political risks and corruption is still relevant but large parts of SSA have become much more peaceful over the last decade. Individual countries may still be affected by political instability but less so the entire continent or region. Democratic regimes, fair elections and the freedom to protest have become much more the norm.

The Ibrahim Index of African Governance assess the delivery of public goods and services and policies in every African country under four categories: Participation and Human Rights, Safety and Rule of Law, Human Development and Sustainable Economic Opportunities. 85.7% of African countries have improved in Sustainable Economic Opportunities in the last year and 94% people live in a country which has shown overall governance improvement since 2000. Some of the biggest movers since 2000 include Angola (+18.1), Rwanda (+10.9) and Zambia (+8.6).

The top ten countries in 2013

<table>
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</tr>
</tbody>
</table>

Source: Mo Ibrahim Foundation 2014

Another helpful index is the World Bank Ease of Doing Business Index. Many African countries provide a more conducive regulatory environment to start and run a business. South Africa ranks higher than any of the other BRICS countries in the Ease of Doing Business Index and Mauritius at Rank 20 is ahead of any of the Latin American emerging economies. The AfDB Annual Development Effectiveness Report in

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\(^{18}\) Lions Go Digital, McKinsey, November 2013

\(^{19}\) Africa Attractiveness Survey 2013, Ernst & Young
2012 concludes that growth in Africa is driven by the private sector which benefits from continuous improved economic governance and better business climate.

As Charalambides notes, economic growth and return on investment are not automatically correlated with political stability. Rates of return on investment have been major in Africa, especially during the continent’s ‘hopeless’ period;

30% higher rate of return on US FDI in Africa than in any other region

Net income from British direct investment in the region (except Nigeria) increased by 60% between 1989 and 1995.

Japanese affiliates have been reported to be more profitable in Africa except for in West Asia, Latin America and Caribbean.20

Understanding Africa: Investment in Africa

FDI

In general, FDI to developing regions has been more resilient than to developed economies.

Africa’s share of global foreign direct investment (FDI) has grown over the past five years highlighting the growing interest from foreign investors.21 According to UNCTAD’s Global Investment Report 2013, foreign direct investment (FDI) flows to African countries increased by 5 per cent to US$50 billion in 2012

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21 Africa Attractiveness Survey 2013, Ernst & Young, May 2013
even as global FDI fell by 18 per cent. There was a continuous flow of FDI to extractive industries but also an increase of FDI to consumer oriented manufacturing and services.

After turmoil and instability in the region in 2011, North Africa showed a renewed increase in FDI by 35% to 11.5 billion in 2012. FDI to Central Africa was a record $10 billion in 2012, much of it from mining transnational corporations. FDI flows to West Africa declined, especially to Nigeria (by 21%). FDI grew from $4.5 billion to $6.3 billion in East Africa, especially fuelled by newly discovered energy resources (e.g. oil fields in Uganda). FDI to Southern Africa fell sharply in 2012, driven by falls in FDI to South Africa and Angola. South Africa experienced a 24% fall in FDI in 2012, driven by continued labour unrest. Angola’s FDI fell for a third year. In some countries FDI has increased, for example in Mozambique, earmarked for offshore gas fields.

There is an increased share of FDI going into new sectors, away from the traditional FDI destination of commodities and mineral extraction. The interest in the new African consumer industry can be seen by the increased share of FDI flows into consumer-related greenfield projects which has significantly increased in the last five years and sits at almost 25% in 2012.

Share of consumer-related FDI greenfield projects in total value of FDI greenfield projects in Africa (2008–2012),

Source: UNCTAD, World Investment Report 2013

This shift away from the primary sector (mining, quarrying and petroleum) to services and manufacturing can be further seen below;

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Even with the noted fall in FDI to South Africa in 2012, South Africa still is the primary investment destination in Africa.

The top 10 African FDI destinations, identified in the Ernst & Young PE Roundup (2014) are;

Even the overall number of new FDI projects is down in 2012, there has been a compound growth of FDI projects of 12.8% since 2007 and 22.3% in SSA alone\textsuperscript{23}. The highest % growth in FDI projects (CAGR 2007-2012) has been in Ghana (50.8%), followed by Democratic Republic of Congo (47.6%), Kenya (43.1%) and Cote d’Ivoire (43.1%).

The greatest spend on greenfield FDI projects in 2012 is from West Asia (25%), followed by South Asia (20%) and the European Union (17%)\textsuperscript{24}.

\textsuperscript{23} 2013 Africa Attractiveness Survey, Getting Down to Business Presentation, Ernst & Young
\textsuperscript{24} UNCTAD World Investment Report 2013
The BRICS (Brazil, Russian Federation, India, China and South Africa) countries continue to be an important source of FDI, measuring 10% of total world FDI outward flows at $145 million in 2012. Even though BRICS only represent 4% of total FDI to Africa, they have grown in importance (BRICS share in greenfield projects in Africa is 25%). Almost 75% of their African FDI goes to the manufacturing and services sectors.

South Africa continues to show an important level of outward flows of FDI, especially in mining, wholesale sector and health products. In 2012, South Africa was the third biggest FDI source for new projects.

Intra-African investment into new FDI projects in Africa grew at a 23 percent annual compound rate between 2003 and 2011 and this rate increased to 32.5 percent since 2007 (Ernst & Young). This is more than double the growth in investment from non-African emerging markets and almost four times faster than FDI from developed markets\(^25\) South Africa is seen as the gate way to the rest of SSA.

The importance of FDI to new sectors can be seen by South Africa’s own FDI behaviour on the continent, as explained by Charalambides\(^26\).

South African ITC providers have set up operations in over 30 SSA countries, banking operations are found in nearly 20 countries whereas presence in operations in traditional sectors of agriculture and mining is in less than 10.

CEO interest in Africa is growing, according to BCG\(^27\), in 2005, 4 visits were made by CEOs (of 27 selected companies) to Africa, this increased to 14 in 2009 and is estimated to be 24 in 2013, so almost one visit per CEO per year—a six fold increase over eight years.

**Private Equity**

Private equity and venture capital investment have become a significant channel of international finance to Africa. Initially, the African private equity industry was created by Development Finance Institutions (DFIs), such as the African Development Bank or the European Investment Bank and only in the early 1990s, the first private owned African PE companies, mainly in South Africa, emerged. Nowadays, there are over 200 PE funds with interest in Africa. Some global PE firms are opening offices in Africa. DFIs remain important players in the market, as substantial investors in private equity funds or as backers to first time fund managers. There is a trend of more African investors investing in African private equity and an increase, following regulatory changes in some countries, of African pension fund PE investment.

In a recent survey, based on 48 Limited Partner companies from all regions of the world\(^28\), African PE was seen as more attractive and more profitable than PE to other emerging markets. 85% of respondents expect to increase their exposure to African PE over the next two years and over 75% of them in the survey would consider a first time fund in Africa.


\(^{26}\) Investing in Africa: The Changing Nature of Constraints, Nicholas Charalambides, Imani Development, 2014

\(^{27}\) Winning in Africa, The Boston Consulting Group, January 2014

\(^{28}\) The Search for Returns, Investors View on PE in Africa, ACA/SAVCA/RisCura, 2014
There were 98 deals in total Africa in 2013 and a total PE investment value of $3.2billion (PE value reflects deals for which financial details have been disclosed), an increase from 77 deals and disclosed value of $1.5billion value in 2012.

Total capital invested in SSA was 43% higher than in 2013 and reached $1.6billion. East African deals increased by 29% in 2013. Traditionally the highest penetration of PE in SSA can be seen in more advanced economies like South Africa, Nigeria and Kenya, but interest in other countries like Rwanda (5 deals in 2013) and Ghana (4 deals in 2013) where more affordable deals can be found is rising. South Africa recorded the greatest number and value of deals. 2008 - 2010, 57% of all deal values and 44% of the total number of deals were in South Africa. This fell to 20% of PE investment value and 19% of deal volumes, 2011-2013. Investor interest in South Africa has decreased and even South African based PE funds take a greater interest in the rest of Africa. In 2013, SSA was ranked as the most attractive market for General Partner (GP) investment over the next 12 months. Although North Africa (together with the Middle East) only ranked 10th in terms of attractiveness to GP over the next 12 months, seven PE deals were closed in Tunisia alone in 2013.

Some common features of private equity investment in Africa:

- focus on growth capital, managing businesses and stakeholders (less on leverage and financial engineering as seen in more established markets);
- PE firms in Africa often hold minority (<50%) stakes in companies, with management remaining majority shareholders;
- Majority of deals (in terms of volume) are under $50million, this is likely to change as economies mature;
- Fundraising and investment periods tend to be longer than in other markets. Fundraising can take up to two years until the final close of a deal and the average investment period is just over 5 years (versus 4.5 in Latin America and the US and 4.1 in Europe);
- PE offers opportunities in the private sector on a continent with small stock and bond markets and underdeveloped financial markets with limited access to domestic credit;

PE firms used to raise general African funds but in recent years the share of sector specific funds has increased. The three most attractive sectors over the next three years identified by LP firms are: consumer discretionary, consumer staples and financials. Larger, global PE firms focus their capital investment on sectors such as power and utilities, oil and gas, banking and financial markets and infrastructure, looking at deals across countries.

By 2013, 207 PE exits have been realised.

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29 PE Roundup Africa 2014
30 EMPEA press release: “Deal activity continues in emerging markets as private equity investors see opportunity in adversity”, Jan 2014
32 AVCA study found that of 53 disclosed deals in 2013, over 80% were below $50million (although in terms of value these deals only account for 13% of total value of PE in 2013)
33 The Search for Returns, Investors View on PE in Africa, ACA/SAVCA/RisCura, 2014
With greater maturity in the PE market in Africa, secondary deals are increasing and in 2013, 22% of sales were actually PE to PE.

Understanding Africa: Tax and exchange controls

Many African countries still present investors with difficult regulatory regimes and nascent financial markets. But more and more countries are starting to make their jurisdiction more appealing to investors by revising exchange control rules, developing double taxation agreements (DTA) across Africa and offering specific tax incentives to foreign investors.

For example South Africa has a DTA network spanning 18 countries. Mauritius’s DTA covers 15 countries and Botswana has 13 existing DTAs and 12 in negotiation.

Ghana and South Africa have signed the OECD and Council of Europe Tax Cooperation Agreement (for information exchange by countries which are signatory to this agreement). Several African countries have become signatory to Tax Information Exchange Agreements (TIEAs). These bilateral agreements provide for the exchange of tax information (civil, criminal) in order to have better international tax cooperation. The following countries have TIEAs: Botswana, Ghana, Mauritius, Seychelles, South Africa and Liberia (these counties do not necessarily have TIEAs with each other).

South Africa and Mauritius have often been chosen as a preferred platform for investment into Africa. Both countries have developed certain tax perks for foreign investors. South Africa has introduced a Headquarter Company regime which implies a simplified tax and foreign exchange regime for companies based in South Africa that trade with Africa. This regime will be extended to unlisted companies (Budget 2014). In Mauritius the Category 1 Global Business License (GBL1) means for companies: no withholding tax on dividends, interest and royalties payable to non resident shareholders and the effective income tax rate of GBL1 is up to 3%.

Another country with positive tax regimes is Ghana, offering certain businesses such as farming, processing business and agro processing business tax holidays or exemption periods.

John Anderson analyses the state of currency transfer and conversion in a sample of 98 countries. In Uganda for example, firms can convert and transfer currency freely and there are no restrictions to other foreign exchange transactions. Other African countries with little to no restrictions to convert and transfer

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34 Converting and Transferring Currency, John Anderson, The World Bank/IFC, September 2013; not all African countries formed part of the analysis
currency include: Democratic Republic of Congo, Egypt, Kenya, and Mauritius. Administrative requirements (e.g. documentation), but not in general restricting currency transfers and exchange can be found in: Burundi, Ghana, Madagascar, Nigeria, Rwanda and Tanzania. Moderate restrictions are to be found in: Algeria, Burkina Faso, Cameroon, Chad, Ivory Coast, Mali, Morocco, Mozambique, Senegal, South Africa and Tunisia and heavy restrictions are to be found in Ethiopia and Angola.

Other hurdles do remain- 41 African countries have transfer pricing rules and 17 African countries apply thin capitalisation rules across all industries.\(^{35}\)

**Understanding Africa: The challenges**

**Infrastructure**

Africa requires investment in infrastructure of $93.3 billion/annum. Current spend is at $46 billion/annum, resulting in a funding gap of $48 billion/annum (including efficiency losses). Insufficient infrastructure results in a fall in firm’s productivity of 40%.\(^{36}\) Pressure on existing infrastructure from rapid urbanization as well as lack of access to power and water are huge. In addition, there is need for improved transport to enhance regional economic integration and trade, as well as the need to improve broadband infrastructure.\(^{37}\)

**Skills Gap**

Long term under investment in education and training by governments and companies in Africa have left significant skill gaps which need to be closed.

Africa is starting to experience a rapid growth of young people with educational attainments (Age: 20-24);

Local training and capacity building are essential, especially in the newly identified sectors of FDI focus.

Skills and technology in the extractive industries is highly skilled and as it is so specialised can be

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\(^{35}\) Tax and exchange control when investing in Africa, Norton Rose Fulbright, January 2014

\(^{36}\) Handbook on Infrastructure Statistics, ADBG/WB/ICA, December 2011

imported. The new FDI sectors, especially in the service industries, are much more middle management and administration driven and will need skills development in country. Companies have made different approaches to cover the skills gap, from recruiting managers from the African diaspora who have been educated abroad and are willing to return home to providing training to local managers temporarily abroad to setting up specific training colleges in country.
PART D: RISK FACTORS

Overview

An investment in the Company is speculative and risky. Applicants must consider the risk factors described in this Section, as well as information contained elsewhere in this Prospectus, before deciding whether to apply for Shares.

Investment in African focused companies has numerous risks, which may have an effect on the Company's future performance and on the value of its Shares. Applicants should consider whether the shares in Afinitas are a suitable investment having regard to their own individual investment objectives, financial circumstances and the risk factors set out below. If in any doubt, Applicants should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

Company Specific Risks

In addition to the general risks noted in this Prospectus, investors should be aware of the specific risks of an investment in the Company. These specific risks include, but are not limited to those risks referred to below.

Appraisal, development and commercialisation

The future profitability of Afinitas and the value of its Shares directly relates to the appraisal, development and commercialisation of the Company's chosen strategies. No assurances can be given that funds spent on such activities will result in outcomes that are economically viable.

Operating risks

African companies are subject to a number of operational risks. The occurrence of any of these risks could result in cessation or prejudice to business operations, prejudice to profit or inability to remit profit or dividends legal proceedings being initiated against Afinitas and potentially substantial losses to Afinitas due to injury or loss of life, damage to or destruction of property, or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations.

Competition risks

Afinitas Limited will initially be a small participant in various sectors within Africa whose competitors will have greater financial and other resources available to them. The Company will have no influence or control over the activities or actions of its competitors, whose activities may adversely affect the operating and financial performance of its projects and business.
Legal Title risk

The ownership of assets in Africa can be a combination of private and governmental ownership. Verifying the chain of title for African assets can be complex and may result in remedial steps to be taken to correct any defect in title. Afinitas will undertake due diligence to confirm the validity of title for any African assets acquired however, no due diligence process can completely eliminate all risks.

Limited control over non-controlled assets

Afinitas may acquire minority stakes in African operating companies. As such it may have limited control over the underlying operations. As a minority interest holder it will be dependent on the efficiency and management capability of the companies in which it invests.

Weather

Africa experiences volatile weather conditions. The countries in which Afinitas and / or its subsidiaries may be invested and operating may suffer flood, drought, earthquake and other climate catastrophe which could adversely affect and hamper business operations, hence profitability.

Health and Safety

The conduct of the business proposed in Africa may expose Afinitas personnel and the staff of service providers to potentially dangerous working environments. Many parts of Africa have higher incidents of disease such as HIV / AIDS, Ebola, viruses, bacteria, parasites and algae, an outbreak or presence of which may disrupt the carrying on business and have an effect on the performance of Afinitas, its investments, and its subsidiaries. These risks have the potential to adversely impact the financial performance and reputation of Afinitas.

Potential upheaval, Terrorism and War

Africa is a volatile region subject to potential upheavals with increasing acts of terrorism, and acts of war, all or any of which could result in charge of policy, sanction, closure of borders, disruption of communication all or any of which could have a deleterious affect on business operation, investments and remission of funds, which could affect the value of Afinitas and its Shares.

Environmental laws and regulations

There may be an environmental impact on underlying investments of Afinitas. It is the Company’s intention to procure that companies in which it invests conduct their activities to the highest standard of environmental obligation, including compliance with all applicable environmental laws, however there is always a risk of exposure to environmental costs and liabilities arising out of operations. As a result, substantial liabilities to third parties or government entities may be incurred, the payment of which could reduce or eliminate funds available for, dividend and future investment and development.
Lack of operating History

While the directors and executives of Afinitas have significant experience in Africa, the Company itself has no operating history and as such has no meaningful historical financial information, and its business plan requires significant expenditure.

Key personnel

The responsibility of overseeing the day to day operations and strategic management of Afinitas depends substantially on its senior management and its key personnel. There can be no assurance that there will be no detrimental impact on Afinitas if one or more of the key employees cease their employment. The success of the Company depends largely upon the expertise of the directors and management and their ability to develop the Company's intended business activities profitably. The loss of one or more of the directors or management team member would have an adverse effect on the Company and its viability. The Company's future success will also depend, inter alia, on its future directors and management team. The recruitment of suitably skilled directors and retention of their services or the services of any future management team cannot be guaranteed. The Company's board regularly reviews the skills that are available within it in relation to the activities of the Company. Should there be a shortfall then the required expertise are acquired through the engagement of consultants or the employment of relevant individuals.

Exchange rate risks

The income and expenditure of Afinitas is and will be reported in Pula, exposing the Company to the fluctuations and volatility of the rate of exchange between the US Dollar, and other currencies and the Pula. To the extent that there are unfavourable movements in the exchange rate, reported figures of Afinitas may be affected.

Taxation

Profits arising from business in Africa will be subject to various taxation regimes and that tax treatment may vary significantly from that which applies in Botswana. The Company has received IFSC tax accreditation which may be rescinded or amended in the future.

Corruption

Corruption rates vary across different African countries, from minor to severe. The Company intends to operate to very high ethical standards. However the Company may be exposed to legal action in various African and international jurisdictions if the Company is accused of corruption.

Licence and other regulatory risk

The operations of companies in which Afinitas is invested will be dependent upon the granting of, or as the case may be, the maintenance of appropriate licences, permits and regulatory consents which may
be withdrawn or made subject to limitations. The maintenance of licences and contracts, obtaining renewals, or getting licences and contracts granted, may depend on obtaining required statutory approvals for proposed activities and that the licences, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be granted or that such renewals, rights and title interests will not be revoked or significantly altered to the detriment of the particular company and the investment of Afinitas therein.

**Future funding**

Substantial capital expenditure is required for the development of African focused businesses. Afinitas Limited may be unable to meet future capital requirements once the proceeds of the Placing are fully expended, and be required to raise future additional capital. In the event such funds are not forthcoming the Company may seek to divest all or part of its interests or reduce its commitments.

**Labour risk**

The operations of a company in which Afinitas is invested may be adversely affected by labour disputes or changes in labour laws in the African countries in which it operates. Workers may form or join trade or labour unions and they may also strike to obtain improved working conditions and benefits and bargain collectively for higher wages.

**Insurance**

Insurance of all risks associated with operations in Africa is not always available and, where available, the cost can be high. The Company and its investee companies may not be insured against all possible losses, whether because of the unavailability of cover or because the premiums may be excessive relative to the benefits that would accrue.

**General Economic risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on activities of Afinitas, as well as on its ability to fund those activities. Further, share market conditions may affect the value of the Shares of Afinitas regardless of its operating performance. Share market conditions are affected by many factors such as:

(a) general economic outlook;
(b) interest rates and inflation rates;
(c) currency fluctuations;
(d) changes in investor sentiment toward particular market sectors;
(e) the demand for, and supply of, capital; and
(f) terrorism or other hostilities.
Market conditions

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the equities market in general, and African stocks in particular.

Accounting standards

Botswana adopted International Financial Reporting Standards (IFRS) as its applicable reporting framework. Future changes in IFRS standards are outside the control of Afinitas and could adversely affect the financial performance and position reported in financial statements of Afinitas.

Government policies

The introduction of new legislation or amendments to existing legislation and regulations by governments, and the decisions of courts and tribunals and the rulings and decisions of regulatory authorities, can impact adversely on the assets, operation and, ultimately, the financial performance of the companies in which Afinitas is invested, the performance of Afinitas itself and its securities. Any adverse changes in political and regulatory conditions or financial reporting could markedly affect Afinitas prospects. Political changes such as changes in both monetary and fiscal policies, import regulations and tariffs, taxation, methods of taxation and currency exchange could affect the profitability of Afinitas and adversely affect the return to Shareholders.

Acquisition and Shareholder dilution risk

From time to time Afinitas may undertake acquisitions of additional interests in African focused assets. The successful implementation of acquisitions will depend on a range of factors including funding arrangements, geographic issues, staff continuity and compatibility of equipment, systems and infrastructure. To the extent that acquisitions are not successfully integrated with existing business of Afinitas, the financial position and performance of Afinitas could be adversely affected. Depending on various factors affecting Afinitas at the time of any future acquisition such as its share price, its financial position and performance and the nature of the acquisition, the Company may decide that it is in the best interests of Afinitas and its Shareholders to fund the acquisition through the issue of further Shares. If this were to occur, it may result in dilution of the ownership interests of the Shareholders.

Applicant Considerations

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of Shares the subject of this Prospectus. Any Shares to the subject of this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value.
Not Exhaustive

The list of risk factors set out above is not exhaustive. Africa is a volatile continent. Operating in Africa exposes the investor to unexpected and unforeseen risks which may have detrimental consequences for the Company.
PART E: USE OF PROCEEDS

The proceeds of the Placement and the Public Offer will be used by the Company to fund investments in selected businesses in Africa.
PART F: FINANCIAL INFORMATION

A. HISTORICAL INFORMATION

EXCERPTS FROM THE AUDITED FINANCIAL STATEMENT OF AFINITAS LIMITED AS AT 31 DECEMBER 2014

STATEMENT OF COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014</th>
<th>Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Costs and expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company secretarial</td>
<td>2 880</td>
<td></td>
</tr>
<tr>
<td>Listing – Legal and accounting fees</td>
<td>117 472</td>
<td></td>
</tr>
<tr>
<td>(Loss)/profit before taxes</td>
<td>(120 352)</td>
<td></td>
</tr>
<tr>
<td>Tax expense</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Loss for the period</td>
<td>(120 352)</td>
<td></td>
</tr>
</tbody>
</table>

STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014</th>
<th>Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

EQUITY AND LIABILITIES

| Equity | | |
| Stated capital | 4 | 100 |
| Accumulated profits | (120 352) | |
| Total equity | (120 252) | |

| Current Liabilities | | |
| Shareholder loans | 3 | 120 252 |
| TOTAL EQUITY AND LIABILITIES | - | - |
## STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
</tr>
<tr>
<td>(Loss)/profit before taxes</td>
<td></td>
</tr>
<tr>
<td>Adjustment for:</td>
<td></td>
</tr>
<tr>
<td>Unrealised loss /(profit) on investments</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
</tr>
<tr>
<td>Profit before working capital changes</td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in trade and other receivables</td>
<td></td>
</tr>
<tr>
<td>(Increase) in investments</td>
<td></td>
</tr>
<tr>
<td>Increase/(decrease) in trade and other payables</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Cash flows used in investing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Acquisition of property, plant and equipment</td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash flows from investing activities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issue of shares</td>
<td></td>
</tr>
<tr>
<td>Proceeds from shareholder loan</td>
<td></td>
</tr>
<tr>
<td>Taxation refunded/(paid)</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash flows used in financing activities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the period</td>
<td></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the period</strong></td>
<td></td>
</tr>
</tbody>
</table>


### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2014

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014 Pula</th>
</tr>
</thead>
</table>

#### Stated capital\(^1\)

<table>
<thead>
<tr>
<th>Description</th>
<th>2014 Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of period</td>
<td>-</td>
</tr>
<tr>
<td>Issued during the period</td>
<td>100</td>
</tr>
<tr>
<td>Balance, end of period</td>
<td>4</td>
</tr>
</tbody>
</table>

#### Accumulated profits

<table>
<thead>
<tr>
<th>Description</th>
<th>2014 Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of period</td>
<td>-</td>
</tr>
<tr>
<td>(Loss)/profit for the period</td>
<td>(120 352)</td>
</tr>
<tr>
<td>Balance, end of period</td>
<td>(120 352)</td>
</tr>
</tbody>
</table>

#### Total equity and shares outstanding

<table>
<thead>
<tr>
<th>Description</th>
<th>2014 Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity and shares outstanding</td>
<td>(120 252)</td>
</tr>
</tbody>
</table>

\(^1\) The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restriction.

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise Standards and Interpretations issued by the International Accounting Standards Board (IASB), and applicable requirements of the Companies Act 2003.

The financial statements have been prepared on a historical cost basis except for the measurement at fair value of trading and available-for-sale investment securities.

**Statement of compliance**

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS).

These are the first set of financial statements of the company. The company adopted IFRS as its reporting framework and adopted all standards and interpretations which are relevant to its operations.
**Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are converted using year-end spot foreign exchange rates. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency transactions are included in the income statement.

**Significant accounting judgements, estimates and assumptions**

The preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. In the process of applying the company's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

**Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

**Cash and cash equivalents**

Cash on hand and in banks and short-term deposits which are held to maturity are carried at cost.

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**Trade and other receivables**

Trade receivables, which generally have 30 working day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Sundry and related party receivables are recognised and carried at cost.

**Trade and other payables**

Liabilities for trade and other amounts payable which are normally settled on 30day terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Payables to related parties are carried at cost.
Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
Employee entitlements to annual leave, bonuses and pension benefits are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Stated capital
Stated capital is recognised at the fair value of the consideration received by the Company.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest
Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends
Revenue is recognised when the shareholders’ right to receive the payment is established.

Income taxes
Current taxation is charged on the net income for the year after taking into account income and expenditure, which is not subject to taxation, and capital allowances on fixed assets.
Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
Deferred tax liabilities are recognised for all taxable temporary differences.
Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or subsequently enacted at the balance sheet date.
<table>
<thead>
<tr>
<th></th>
<th>CASH AND CASH EQUIVALENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Cash on hand and at bank</td>
</tr>
<tr>
<td></td>
<td>-</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>SHAREHOLDERS LOAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Short term loan from shareholders</td>
</tr>
<tr>
<td></td>
<td>These are short term loans repayable within one year and do not carry any interest. The shareholders are committed to fund the company up to the time the company starts its intended operation as an investment company.</td>
</tr>
<tr>
<td></td>
<td>120 252</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>STATED CAPITAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>100 ordinary shares at no par value</td>
</tr>
</tbody>
</table>
B PROSPECTIVE FINANCIAL INFORMATION
ASSUMPTIONS UNDERLYING THE FINANCIAL FORECASTS FOR AFINITAS LIMITED’S FIRST THREE YEARS IN OPERATION

Overview
Afinitas Limited intends to raise a maximum of BWP 120m, of which BWP91.2m has been subscribed for already in a private placement.
The capital raised will be used as seed investment for at least one, and up to, or more than four Africa focused companies. A number of business sectors, and types of business have been identified as being of interest to Afinitas. These are identified earlier in this document.
However the exact nature and timing of the businesses that will be established is not yet known. This will depend, inter alia, on a number of factors including the state of international capital markets at the time, the availability of suitable executive teams, and the perceived attraction of respective potential business strategies at the time of establishment. The financial forecasts should be read with this in mind.
Two forecasts have been prepared, one reflecting the minimum BWP90m capital raise the other on the assumption that the maximum capital raise of BWP120m is secured.

Investments
In the case of the BWP90m capital raise four investments are assumed to be made from Afinitas within the forecast period. Soon after the listing of Afinitas, the promoter has agreed to sell 50% of his ownership in one of the companies involved in organising the Africa Financial Services Investment Conference (AFSIC), the detail of which is given below. Apart from this, the company will make various other investments. These investments range from US$2m – US$3m. In the case of the BWP120m capital raise four investments are planned to be made from Afinitas within the forecast period. These investments range from US$2 – US$4m. It is planned that investments will be made into a company that could be a listed entity (London’s AIM market, the Botswana Stock Exchange or similar) subject to market conditions at the time.

Secondary Capital Raise
In both the scenarios it is assumed that each new investee company would undertake a second capital raise. It is believed likely that this capital raise will predominantly be undertaken with International Investors (from a Botswana perspective).
The quantum, attractiveness and timing of such a capital raise is dependent on a number of factors, including the state of capital markets at the time, the perceived quality of the executives within the new investee company, the perceived attractiveness of the investee company’s chosen business model and other factors.
However for the purpose of both forecasts it is assumed that each new investee company would raise $2.5m of investment for each $1m of initial investment by Afinitas, for equal shares. Thus an initial investment by Afinitas of $2m into an investee company is forecast to lead into a $5m secondary raising from international investors with both parties holding 50% of the (potentially listed) investee company.
Assuming, as per the example above, Afinitas invests $2m into a new company, and the new company successfully raises a further $5m from (predominantly international) investors, in exchange for 50% of the shares in the new company, the new company is assumed to have a Net Asset Value of $7m in cash. Of this 50% is attributable to Afinitas, i.e. $3.5m, providing Afinitas with a balance sheet unrealised gain on the original investment of $1.5m. The resulting increase in the original investment values in the new companies have been reflected on the balance sheet under the revaluation reserve.
Under the assumptions outlined above the actual revaluation gain will vary according to the quantum of the initial investment.

**Timing of Investments**
The timing of any investments is uncertain, as it will depend on a number of factors including the availability of suitable executive teams, the state of international capital markets in the future, and the perceived attraction of respective potential business strategies at the time of establishment. The forecasts assume that Afinitas will start to establish new companies in the year following a successful capital raise.

**Africa Financial Services Investment Conference (AFSIC)**
Rupert McCammon, the Managing Director of Afinitas, and founder of the AFSIC, has agreed to inject an effective holding of 50% of the special purpose vehicle which will own the rights to the AFSIC into Afinitas following a successful listing of Afinitas on the Botswana Stock Exchange at a nominal cost of USD 100 to Afinitas. Control of the company does not reside within Afinitas, and no dividend policy has yet been agreed however an assumption of US$70,000 dividend income as a result of the 2016 AFSIC Event is forecast. This is included as Year 1 dividend income.

**Dividend Forecasts**
Dividends are forecast at 10% return p.a. on initial investments from Year 2 and may vary significantly, depending on a wide range of factors including timing of start-ups; whether the investee company's focus is on developing business from scratch or focussing on acquisitions.

**Stock Exchange listing**
It is assumed that each of the investee companies will be listed on a stock market such as London's AIM market, the Botswana Stock Exchange or similar market.

**Interest on Cash Deposits**
Cash will be held predominantly in US Dollars. The assumptions assume 0.25% interest on US Dollar cash deposits.

**Management Fees**
Afinitas proposes to offer centralised services to underlying investments. A charge of US$70,000 per annum per investment is included in the forecasts. These management fees accrue to Afinitas and will be at the discretion of the underlying investee company.

**Salary & Consultancy Fee for Founder**
Rupert McCammon will neither draw a salary, nor receive consultancy fees from Afinitas.

**Costs**
Costs are assumed to increase at 10% p.a. where applicable

**Depreciation Policy**
A depreciation rate on office equipment of 25% is assumed.

**Tax Rate**
Afinitas has been registered by the Minister of Finance and Planning as an IFSC company in terms of Section 138 of the Income Tax Act for Botswana. A tax rate charged at 15% is therefore assumed.

**Exchange Rate**
An exchange rate of US$/BWP 0.103 is assumed.
Commission on IPO
As permitted by the BSE a commission will be paid to registered Brokers on money raised via their offices in the IPO. The exact amount is difficult to predict as it will depend on the quantum raised by registered brokers in the IPO, and the quantum that is raised directly without the involvement of the registered brokers. No Commission is shown in the forecast as a result.
## AFINITAS LIMITED
### FINANCIAL FORECAST ASSUMING A MINIMUM CAPITAL RAISE OF P90 MILLION

**FORECAST PROFIT & LOSS**

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>70,000</td>
<td>500,000</td>
<td>900,000</td>
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<tr>
<td>Interest Income</td>
<td>22,875</td>
<td>16,800</td>
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<tr>
<td>Management Fees</td>
<td>0</td>
<td>140,000</td>
<td>280,000</td>
</tr>
<tr>
<td><strong>Overheads (excluding depreciation)</strong></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Advertising and Promotions</td>
<td>10,000</td>
<td>11,000</td>
<td>12,100</td>
</tr>
<tr>
<td>Audit and Accounting Fees</td>
<td>18,000</td>
<td>19,800</td>
<td>21,780</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>1,200</td>
<td>1,320</td>
<td>1,452</td>
</tr>
<tr>
<td>Computer Expenses</td>
<td>5,000</td>
<td>2,500</td>
<td>2,750</td>
</tr>
<tr>
<td>Consulting Fees</td>
<td>2,400</td>
<td>2,640</td>
<td>2,904</td>
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<td>Courier and Postage</td>
<td>1,000</td>
<td>1,100</td>
<td>1,210</td>
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<tr>
<td>Internet Access</td>
<td>1,000</td>
<td>1,100</td>
<td>1,210</td>
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<tr>
<td>Electricity, water and other utilities</td>
<td>1,440</td>
<td>1,584</td>
<td>1,742</td>
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<td>Insurance</td>
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<td>1,320</td>
<td>1,452</td>
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<tr>
<td>Listing fees, share</td>
<td>100,000</td>
<td>12,000</td>
<td>13,000</td>
</tr>
<tr>
<td>Medical Aid</td>
<td>7,500</td>
<td>13,750</td>
<td>21,175</td>
</tr>
<tr>
<td>Printing, office &amp; Stationary</td>
<td>12,000</td>
<td>13,200</td>
<td>14,520</td>
</tr>
<tr>
<td>Rent</td>
<td>13,500</td>
<td>14,850</td>
<td>16,335</td>
</tr>
<tr>
<td>Salaries</td>
<td>107,944</td>
<td>153,635</td>
<td>207,384</td>
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<tr>
<td>Staff training</td>
<td>1,200</td>
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<td>1,452</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>1,000</td>
<td>1,100</td>
<td>1,210</td>
</tr>
<tr>
<td>Telephone and fax</td>
<td>6,000</td>
<td>6,600</td>
<td>7,260</td>
</tr>
<tr>
<td>Travel and accommodation</td>
<td>20,000</td>
<td>22,000</td>
<td>24,200</td>
</tr>
<tr>
<td><strong>EBITD</strong></td>
<td>-217,509</td>
<td>375,981</td>
<td>833,901</td>
</tr>
<tr>
<td>Depreciation</td>
<td>FF&amp;E</td>
<td>-3,750</td>
<td>-3,750</td>
</tr>
<tr>
<td><strong>NOPBIT</strong></td>
<td>-221,259</td>
<td>372,231</td>
<td>830,151</td>
</tr>
<tr>
<td>Interest charge</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>-221,259</td>
<td>372,231</td>
<td>830,151</td>
</tr>
<tr>
<td>Taxation</td>
<td>0</td>
<td>-22,646</td>
<td>-124,523</td>
</tr>
<tr>
<td><strong>NOPAT</strong></td>
<td>-221,259</td>
<td>349,585</td>
<td>705,628</td>
</tr>
<tr>
<td>Reserves brought forward</td>
<td>0</td>
<td>-221,259</td>
<td>128,326</td>
</tr>
<tr>
<td>Dividends</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Retained income/(loss)</strong></td>
<td>-221,259</td>
<td>128,326</td>
<td>833,955</td>
</tr>
</tbody>
</table>
AFINITAS LIMITED
FINANCIAL FORECAST ASSUMING A MINIMUM CAPITAL RAISE OF P90 MILLION

**FORECAST BALANCE SHEET**

<table>
<thead>
<tr>
<th></th>
<th>Year 1 US$</th>
<th>Year 2 US$</th>
<th>Year 3 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH</strong></td>
<td>9,037,391</td>
<td>4,413,372</td>
<td>1,224,627</td>
</tr>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Equipment</td>
<td>11,250</td>
<td>7,500</td>
<td>3,750</td>
</tr>
<tr>
<td>INVESTMENTS</td>
<td>100</td>
<td>8,750,100</td>
<td>15,750,100</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>9,048,741</td>
<td>13,170,972</td>
<td>16,978,477</td>
</tr>
<tr>
<td><strong>SHARE CAPITAL</strong></td>
<td>9,270,000</td>
<td>9,270,000</td>
<td>9,270,000</td>
</tr>
<tr>
<td><strong>REVALUATION RESERVE</strong></td>
<td>0</td>
<td>3,750,000</td>
<td>6,750,000</td>
</tr>
<tr>
<td><strong>PROFIT &amp; LOSS</strong></td>
<td>-221,259</td>
<td>128,326</td>
<td>833,955</td>
</tr>
<tr>
<td><strong>TAXATION</strong></td>
<td>0</td>
<td>22,646</td>
<td>124,523</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; EQUITY</strong></td>
<td>9,048,741</td>
<td>13,170,972</td>
<td>16,978,477</td>
</tr>
</tbody>
</table>

**FORECAST CASH FLOW**

<table>
<thead>
<tr>
<th></th>
<th>Year 1 US$</th>
<th>Year 2 US$</th>
<th>Year 3 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,750</td>
<td>3,750</td>
<td>3,750</td>
</tr>
<tr>
<td>Taxation</td>
<td>0</td>
<td>0</td>
<td>-22,646</td>
</tr>
<tr>
<td>Net cashflows from operating activities</td>
<td>-217,509</td>
<td>375,981</td>
<td>811,255</td>
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<tr>
<td><strong>CASH FLOWS USED IN INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of property, plant and equipment</td>
<td>-15,000</td>
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<tr>
<td>Investments</td>
<td>-100</td>
<td>-5,000,000</td>
<td>-4,000,000</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>-15,100</td>
<td>-5,000,000</td>
<td>-4,000,000</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issue of shares</td>
<td>9,270,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net cash flows from financing activities</td>
<td>9,270,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>9,037,391</td>
<td>-4,624,019</td>
<td>-3,188,745</td>
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<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
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<td>9,037,391</td>
<td>4,413,372</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>9,037,391</td>
<td>4,413,372</td>
<td>1,224,627</td>
</tr>
</tbody>
</table>
AFINITAS LIMITED

FINANCIAL FORECAST ASSUMING A MAXIMUM CAPITAL RAISE OF P120 MILLION

FORECAST STATEMENT OF COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Revenue</td>
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<td>763,419</td>
<td>1,391,500</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>70,000</td>
<td>600,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Interest Income</td>
<td>30,619</td>
<td>23,419</td>
<td>11,500</td>
</tr>
<tr>
<td>Management Fees</td>
<td>0</td>
<td>140,000</td>
<td>280,000</td>
</tr>
<tr>
<td>Overheads (excluding depreciation)</td>
<td>310,384</td>
<td>280,819</td>
<td>353,137</td>
</tr>
<tr>
<td>Advertising and Promotions</td>
<td>10,000</td>
<td>11,000</td>
<td>12,100</td>
</tr>
<tr>
<td>Audit and Accounting Fees</td>
<td>18,000</td>
<td>19,800</td>
<td>21,780</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>1,200</td>
<td>1,320</td>
<td>1,452</td>
</tr>
<tr>
<td>Computer Expenses</td>
<td>5,000</td>
<td>2,500</td>
<td>2,750</td>
</tr>
<tr>
<td>Consulting Fees</td>
<td>2,400</td>
<td>2,640</td>
<td>2,904</td>
</tr>
<tr>
<td>Courier and Postage</td>
<td>1,000</td>
<td>1,100</td>
<td>1,210</td>
</tr>
<tr>
<td>Internet Access</td>
<td>1,000</td>
<td>1,100</td>
<td>1,210</td>
</tr>
<tr>
<td>Electricity, water and other utilities</td>
<td>1,440</td>
<td>1,584</td>
<td>1,742</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,200</td>
<td>1,320</td>
<td>1,452</td>
</tr>
<tr>
<td>Listing fees, share</td>
<td>100,000</td>
<td>12,000</td>
<td>13,000</td>
</tr>
<tr>
<td>Medical Aid</td>
<td>7,500</td>
<td>13,750</td>
<td>21,175</td>
</tr>
<tr>
<td>Printing, office &amp; Stationary</td>
<td>12,000</td>
<td>13,200</td>
<td>14,520</td>
</tr>
<tr>
<td>Rent</td>
<td>13,500</td>
<td>14,850</td>
<td>16,335</td>
</tr>
<tr>
<td>Salaries</td>
<td>107,944</td>
<td>153,635</td>
<td>207,384</td>
</tr>
<tr>
<td>Staff training</td>
<td>1,200</td>
<td>1,320</td>
<td>1,452</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>1,000</td>
<td>1,100</td>
<td>1,210</td>
</tr>
<tr>
<td>Telephone and fax</td>
<td>6,000</td>
<td>6,600</td>
<td>7,260</td>
</tr>
<tr>
<td>Travel and accommodation</td>
<td>20,000</td>
<td>22,000</td>
<td>24,200</td>
</tr>
<tr>
<td>EBITD</td>
<td>-209,765</td>
<td>482,600</td>
<td>1,038,363</td>
</tr>
<tr>
<td>Depreciation</td>
<td>FF&amp;E</td>
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<td>-3,750</td>
</tr>
<tr>
<td>NOPBIT</td>
<td>-213,515</td>
<td>478,850</td>
<td>1,034,613</td>
</tr>
<tr>
<td>Interest charge</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>PBT</td>
<td>-213,515</td>
<td>478,850</td>
<td>1,034,613</td>
</tr>
<tr>
<td>Taxation</td>
<td>0</td>
<td>-39,800</td>
<td>-155,192</td>
</tr>
<tr>
<td>NOPAT</td>
<td>-213,515</td>
<td>439,050</td>
<td>879,421</td>
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<tr>
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<td>225,534</td>
</tr>
<tr>
<td>Dividends</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Retained income/(loss)</td>
<td>-213,515</td>
<td>225,534</td>
<td>1,104,956</td>
</tr>
</tbody>
</table>
AFINITAS LIMITED
FINANCIAL FORECAST ASSUMING A MAXIMUM CAPITAL RAISE OF P120 MILLION

FORECAST STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 Dec 2015</td>
<td>31 Dec 2016</td>
<td>31 Dec 2017</td>
</tr>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
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<td>FIXED ASSETS</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Office Equipment</td>
<td>11,250</td>
<td>7,500</td>
<td>3,750</td>
</tr>
<tr>
<td>INVESTMENTS</td>
<td>100</td>
<td>10,500,100</td>
<td>19,250,100</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
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<td>12,360,000</td>
<td>12,360,000</td>
</tr>
<tr>
<td>REVALUATION RESERVE</td>
<td></td>
<td>4,500,000</td>
<td>8,250,000</td>
</tr>
<tr>
<td>PROFIT &amp; LOSS</td>
<td>-213,515</td>
<td>225,534</td>
<td>1,104,956</td>
</tr>
<tr>
<td>TAXATION</td>
<td>0</td>
<td>39,800</td>
<td>155,192</td>
</tr>
<tr>
<td>TOTAL LIABILITIES &amp; EQUITY</td>
<td>12,146,485</td>
<td>17,125,335</td>
<td>21,870,148</td>
</tr>
</tbody>
</table>

FORECAST STATEMENT OF CASH FLOW

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 Dec 2015</td>
<td>31 Dec 2016</td>
<td>31 Dec 2017</td>
</tr>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-213,515</td>
<td>478,850</td>
<td>1,034,613</td>
<td></td>
</tr>
<tr>
<td>Adjustment for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,750</td>
<td>3,750</td>
<td>3,750</td>
</tr>
<tr>
<td>Taxation</td>
<td>0</td>
<td>0</td>
<td>-39,800</td>
</tr>
<tr>
<td>Net cashflows from operating activities</td>
<td>-209,765</td>
<td>482,600</td>
<td>998,563</td>
</tr>
<tr>
<td>CASH FLOWS USED IN INVESTING ACTIVITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of property, plant and equipment</td>
<td>-15,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Investments</td>
<td>-100</td>
<td>-6,000,000</td>
<td>-5,000,000</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>-15,100</td>
<td>-6,000,000</td>
<td>-5,000,000</td>
</tr>
<tr>
<td>CASH FLOWS FROM FINANCING</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issue of shares</td>
<td>12,360,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net cash flows from financing activities</td>
<td>12,360,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>12,135,135</td>
<td>-5,517,400</td>
<td>-4,001,437</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>0</td>
<td>12,135,135</td>
<td>6,617,735</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>12,135,135</td>
<td>6,617,735</td>
<td>2,616,298</td>
</tr>
</tbody>
</table>
The full names, ages, qualifications, nationalities, addresses, occupations and career details of the Directors of Afinitas are:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Other Directorship and nature of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lesang Magang</td>
<td>Plot 54971, Phakalane, Gaborone, Botswana</td>
<td>Phakalane Estates (Pty) Ltd a property owning and development company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Real Estate Development Company (Pty) Ltd a immovable property vehicle listed on the BSE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Property Asset Management (Pty) Ltd a property management and letting company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bibian Ventures (Pty) Ltd a property owning company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inum Properties Plat (Pty) Ltd</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Philadelphia Square Investments (Pty) Ltd</td>
</tr>
<tr>
<td>Rupert James McCammon</td>
<td>Le Petit Ponterrin, Rue du Ponterrin, St Saviour, JE2 7HP, Jersey</td>
<td>CBDF (Proprietary) Limited an investment holding company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ABCC (Proprietary) Limited a property holding company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital Corporate Finance (Proprietary) Limited a corporate finance company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital Conferences (Proprietary) Limited a conferencing company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital Real Estate (Proprietary) Limited a dormant company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Associated Securities Investment Trust Limited an investment holding company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GCH Limited an investment holding company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Green Fields Limited a property holding company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital Africa Limited an Africa focused consultancy and conference company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital Resources Limited Liability Partnership a dormant company</td>
</tr>
<tr>
<td>Leutlwetse Tumelo</td>
<td>Plot 39233, Mapoka Crescent Block 6, Gaborone</td>
<td>Capital Corporate Finance (Proprietary) Limited a corporate finance company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital Real Estate (Proprietary) Limited a dormant company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital Conferences (Proprietary) Limited a conferencing company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MOD Resources Botswana (Proprietary) a resources company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coal Fields Botswana (Proprietary) Limited a resources company</td>
</tr>
</tbody>
</table>
Lesang Magang

Lesang, a citizen of Botswana, holds a Law degree from the University of Central England in Birmingham. He is currently the Managing Director of Phakalane Estates (Pty) Ltd., a major property development company and one of the largest privately-owned township developers involved in residential, commercial and industrial developments in Botswana. Today Phakalane estates has the most exclusive residential developments such as the first and only golf estate in Botswana and attracts international investors.

Lesang has chaired, presented and participated in numerous panel discussions, on topics ranging from housing in Botswana to AIDS in the workplace. Lesang was featured in the 30th Anniversary of Botswana’s Independence Publication as one of the Who’s Who of Botswana. This section of the publication highlighted some of the many men and women who have contributed to the development of Botswana.

Rupert McCammon

Rupert a citizen of Great Britain graduated with a First Class BSc (Hons) in Banking and International Finance from the City University London. In 1992 He was recruited by Barclays Plc onto their top tier “Special Entrant” Graduate scheme. As a graduate trainee he spent a year working with Barclays Bank of Botswana Limited.

In 1997 Rupert was CEO of Stockbrokers Botswana Limited, which at the time was the only operating stockbroking company in Botswana. He was also responsible for managing the Botswana Stock Exchange. At this time the Botswana Stock Exchange was one of the best performing stock exchanges in the world.

In 2000 Rupert established a group of financial services companies in Botswana including stockbroking, asset management and corporate finance companies.

He has a specific expertise in Africa’s resource sector, having travelled across the continent, and invested in resource companies across Africa. This focus has expanded into Africa’s financial services sector where he runs the high profile Africa Financial Services Investment Conference, attended by
many of Africa’s most important financial services companies and investors. These opportunities have afforded him the networking capacity to raise funds from North America and Canada, Europe and in Australasia.

**Leutlwetse Tumelo**
Leutlwetse, a citizen of Botswana holds Accounting qualifications from the University of Botswana and the Association of Chartered Certified Accountants.

Leutlwetse has extensive experience in Capital Markets and Resources Sector in Botswana. He joined Capital Securities in 2003 as an Analyst covering most of the stocks listed on the Botswana Stock Exchange. His primary focus was on the financial, insurance, brewery and resources stocks. In 2006 he was appointed Head of Client Services and Joint CEO of Capital Securities. In this portfolio he managed the sales team responsible for both retail and institutional clients. He was also responsible for positioning Capital Securities as the leading broking firm for resources sector stocks. During this time there was increased participation in the sector by Botswana based investors. In addition he has been actively involved in promoting Botswana’s resources sector, for the past 12 years, through his participation in the Botswana Resource Sector Conference.

Leutlwetse is currently the Country Manager for Minergy Limited and also a Director on its subsidiaries, Coal Fields Botswana and Minergy Coal. He is also a Director of MOD Resources (Botswana).

**Dawn Pickering**
Dawn, a citizen of Australia, is a qualified attorney, historically admitted to practice in both South Africa and Botswana. Having worked in commercial legal practices in both South Africa and Botswana she left to work in the corporate finance field, first with the Flemings group and later establishing a boutique corporate finance advisory business with Rupert McCammon. Capital Corporate Finance (Pty) Ltd has been responsible as adviser for the majority of dual listings on the Botswana Stock Exchange. Since relocating to Perth, Western Australia, Dawn has been awarded the Certificate of Corporate Governance from the Governance Institute of Australia and has recently consulted as assistant Company Secretary to The Waterberg Coal Company Ltd and Firestone Energy Ltd. Her responsibilities here included reporting to the Australian Securities Exchange and Australian Securities and Investment Commission, preparation of compliance releases and quarterly reports on behalf of the company and providing general commercial and corporate compliance advice to the Managing Director.

### 13 QUALIFICATION, APPOINTMENT AND REMUNERATION OF DIRECTORS

13.1. The provisions of the Companies Act are taken to be incorporated by reference to this section

13.2. The proposed and forecast annual remuneration and benefits to be paid to each of the Directors of the Company is P80,000 per annum.
14 INTERESTS OF DIRECTORS IN THE COMPANY

14.1. As at date hereof only one Director, Rupert McCammon has an indirect interest in the Company, in respect of 120 000 000 shares representing 100% of the issued shares in the Company.

14.2. Save an amount of BWP140 000 due to Dawn Pickering in respect of services rendered setting up this Prospectus, there have not been any sums paid or agreed to be paid within the three years preceding the date of the Pre-listing Statement to any directors or to any company in which he is beneficially interested, directly or indirectly or of which he is a director, or to any partnership, syndicate or other association of which he is a member, in cash or securities or otherwise, by any person either to induce him to become or to qualify him as a director, or otherwise for services rendered by him or the company, partnership, syndicate or other association in connection with the promotion or formation of the Company.

15 AGGREGATE REMUNERATION AND BENEFITS TO DIRECTOR

15.1. There has been no remuneration and benefits paid by Afinitas to the Directors for the year ended 31 December 2014.

15.2. None of the Directors appointed since December 2014 have received any salaries, fees, bonuses, benefits or other remuneration from Afinitas for the year ended 31 December 2014.

15.3. Save for the fees disclosed in this Prospectus, no other fees have been paid to executive or non-executive Directors in respect of bonuses and performance-related payments, expense allowances, commission, gain or profit-sharing arrangements.

15.4. No fees have been paid, accrued or are proposed to be paid by Afinitas to any third party in lieu of Directors' fees.

15.5. There will be no variation in the remuneration receivable by any of the Directors as a direct consequence of the Listing except for Leutlwetse Tumelo who will take up a Senior Executive role within the Company.

15.6. Afinitas will not be managed by any third party under any contract or arrangement.

15.7. The Company does not have a share scheme for Employees or Directors and currently there are no plans to set up a share scheme.

16 CONSENT OF DIRECTORS

The Directors have consented to act as such and have undertaken to comply with the BSE Listings Requirements.
17 CORPORATE GOVERNANCE

17.1. The Board is fully committed to effective corporate governance and the need for integrity and high ethical standards in the conduct of its business. Afinitas is fully committed to achieving the principles of good corporate governance embodied in the BSE Code of Corporate Governance and King II Report and the recent King III Report. Board training will be conducted from time to time to ensure compliance with the above Codes.

17.2. Insofar as practicable and applicable, the Company will comply with the principles of the King Reports on corporate governance. By virtue of the fact that the Company will have a small board initially it is not deemed necessary to establish a separate remuneration committee.

18 BOARD OF DIRECTORS

The Board comprises of one non-executive Director who is independent and comprises three executive Directors who have a range of complementary skills and experience. The Board intends to meet at least 3 times a year and retains full responsibility for the direction and control of the Company.
PART H: PROFIT DIVIDEND CAPITAL LOANS AND FEES

19 PROFIT HISTORY AND DIVIDEND POLICY

19.1. Profits

Afinitas is a newly established company. There has been no trading hence have been no profits to date. Pre-incorporation, statutorial secretarial costs, and costs toward the listing have been incurred.

19.2. Indicative Income and Expenditure

Please refer to Part F of this Prospectus.

20 DIVIDEND POLICY

Afinitas is a newly established company. There have been no dividends distributed to date.

In future dividends will only be payable once the Company is operational. It is difficult to forecast the timing and quantum of future dividend flows as Afinitas will be focused on establishing new subsidiary companies each focused on a market sector or country in Africa. The timing of dividends will depend on the success of each of these subsidiaries, whether they focus on developing new businesses, or acquiring existing businesses, and the speed at which either or both of these strategies unfold.

21 ADEQUACY OF CAPITAL

The Directors of the Company are of the opinion that after subscription for the Shares the subject of the Placing, and the issue of such shares:

- the Company's stated capital will be adequate for the purposes of the business of the Company for the foreseeable future; and

- the Company's working capital resources will be adequate cover for its current and foreseeable requirements.

22 LOANS AND LOAN CAPITAL

22.1. At the date of this Prospectus, no loans have been made to the Company except those disclosed in Part F which have been incurred in the process of listing and incorporating Afinitas Limited and the Company has not issued any other form of loan capital.

22.2. There are no loans to Directors of the Company.
22.3. The Company has no outstanding borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase commitments, finance lease obligations, mortgages, charges, guarantees or other contingent liabilities, except those disclosed in Part F which have been incurred in the process of listing and incorporating Afinitas Limited.

23 BORROWING POWERS OF DIRECTORS

There are no limits on the borrowing powers of directors.

The directors may raise or borrow for the purposes of the business of the Company or its subsidiaries such sum or sums of money as Directors deem appropriate provided that the profit of the Company and its subsidiaries combined shall be sufficient to cover interest payable on such borrowing at least 3 times or such other ratio as shareholders by ordinary resolution in general meeting determine.

24 CAPITAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

At the date of this Prospectus, the Company has no material commitments for capital expenditure. At the date of this Prospectus the Company has no contingent liabilities save for those similarly disclosed. There has been no off balance sheet financing of the Company.

25 MATERIAL CHANGES

To the knowledge of the Directors there have been no material changes in the financial or trading position of the Company since the 31 December 2014 being date of the last Audited Financial Statements of the Company.

26 PROMOTER'S FEES

There are no Promoter's fees, however, the costs incurred in the establishment of the Company, any pre-incorporation, and pre-operating costs, and the preparation of this Prospectus and the private placement, with the costs of listing of the shares as contemplated in this Prospectus, borne by the Company, stand to be repaid by the Company out of the proceeds of the public offer.

27 COMMISSION

The Company shall pay a commission of 5% to a broker procuring and introducing a subscriber which commission shall be paid out of the proceeds of the public offer.

28 LITIGATION

The Company is not party to any litigation whether instituted by or against it.
PART I: SHARE CAPITAL

29 SHARES AND SHARE CAPITAL

29.1. All the shares on offer will be issued in dematerialised form only.

29.2. All of the issued shares in Afinitas are of the same class and rank pari passu in every respect.

29.3. None of the shares are listed on any stock exchange, other than in terms of the proposed listing on the BSE.

29.4. There have not been any issues or offers of securities of Afinitas in the three years preceding publications of this Prospectus.

29.5. There have been no consolidations or sub-divisions of Afinitas nor its subsidiaries in the three years preceding the publication of this Prospectus.

29.6. In accordance with the Companies Act, at any general meeting, every shareholder present in person or by authorised representative or proxy shall have the right to one vote on a show of hands and one vote for every Share held, on a poll.

29.7. There will be no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been given to any person to subscribe to shares of the Company. Further, no deferred shares have been awarded to founders of the Company or management.

29.8. No offer has been made to the public for the subscription or for the sale of shares during any period preceding the date of the issue of this Prospectus.

29.9. None of the advisors set out in this Prospectus, nor any of the promoters, save Rupert McCammon whose shareholding is disclosed in paragraph 14.1 in Part G of this Prospectus, hold any shares or have agreed to acquire any shares, as at the date of this Prospectus.

30 MINIMUM SUBSCRIPTION

The minimum subscription required is BWP 90 000 000 (ninety million Pula).

There is no minimum capital sum to be raised by the Public Offer. The minimum subscription of BWP 90 000 000 (ninety million Pula) was raised in the Placing.

31 INFORMATION ON SHAREHOLDING

Details of the controlling shareholder(s)

31.1. The major controlling and sole shareholder, as at the date of this Prospectus is:
GCH holding Number of Shares 120 000 000 100% of the Issuer

31.2. The major shareholders in the Company, after the Private Placement and Public Offer (assuming a full take up of the offer) will be

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>GCH</td>
<td>120 000 000</td>
<td>50</td>
</tr>
<tr>
<td>African Alliance Botswana</td>
<td>60 000 000</td>
<td>25</td>
</tr>
<tr>
<td>Investec Asset Management</td>
<td>18 000 000</td>
<td>7.5</td>
</tr>
<tr>
<td>Afena Capital Botswana</td>
<td>13 200 000</td>
<td>5.5</td>
</tr>
</tbody>
</table>

32 ISSUE OF NEW SHARES

The Constitution of Afinitas provides that the Directors are entitled to issue out ordinary shares equal to 15% of the ordinary shares in issue after such new issue, without offering such shares to existing shareholders, provided that such issue is for cash with which to make an investment acquire shares in an investee company or establish a subsidiary or acquisition of shares in an investee company, or acquisition of a business.

In the event that the Board determines to issue shares with different rights to ordinary shares as provided for in the Act, the Board is obliged to obtain shareholder approval by way ordinary resolution. In the event of an issue of new shares in excess of the 15% referred to hereinbefore or for reasons other than set out hereinbefore these new shares are to be offered to existing shareholders pro rata, unless the shareholders by ordinary resolution otherwise determine.

33 OVERSUBSCRIPTION

In the event the offer to the Public of 28 800 000 shares is oversubscribed then the shares shall be allocated among the other applicants, pro rata or in such other manner as the Directors determine to ensure a fair and equitable distribution of available shares among all applicants, while ensuring that no applicant will receive an allocation lesser than the allocation of an applicant who applied for lesser shares.
PART J: OTHER INFORMATION

34 MATERIAL CONTRACTS

The Subscription Agreements with Placees, comprise material contracts.

35 PLACING

Placees have undertaken in terms of Subscription Agreements, to subscribe for BWP 91 200 000 Shares. A list of the Placees and the number of Shares undertaken to be subscribed for by each appears in Schedule 3.

36 UNDERWRITING

By virtue of the fact that the minimum subscription required has been raised in the private placement, the Offer of 28 800 000 shares for BWP 28 800 000 (twenty eight million eight hundred thousand Pula) to the Public is not underwritten.

37 VENDOR AGREEMENTS

As at date of the Prospectus, Afinitas has not entered into any agreement with a vendor in terms of which it purchases any property, movable or immovable.

38 COMPANY SECRETARY

The Company Secretary of Afinitas is Rhoss (Pty) Limited, of 1st Floor Acacia House Plot 54358 New CBD, P. O. Box 1882 Gaborone. The principal and director of Rhoss (Pty) Limited is Olivia Britz a qualified attorney in Botswana.

39 EXPERT CONSENTS

The Lead and Legal Advisor, Sponsoring Broker, Reporting Accountants and Transfer Secretaries have given and have not, prior to the registration of this Prospectus, withdrawn their written consent to the inclusion of their names and, where applicable, reports in the form and context in which they appear.

40 GENERAL

40.1. Directors' responsibility statement:-

40.1.1. The Directors, whose names are given in Part G of this Prospectus collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading,
that they have made all reasonable enquiries to ascertain such facts, and that the Prospectus contains all information required by law.

40.1.2. The Directors confirm that the Prospectus includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company and of the rights attaching to the Shares to which the Prospectus relates.

40.2. Save for the underwriters fee there have not been any commissions, discounts, brokerages or other special terms granted during the three years preceding the date of this Prospectus in connection with the issue or sale of any securities, stock or debentures in the capital of the Company.

40.3. Preliminary expenses

The preliminary expenses of the placing, the subscription agreements, issue of and registration of the Prospectus, conclusion of subscriptions and listing of the Company will be borne by the Company. Such preliminary expenses are estimated at approximately BWP 2,427,100 (excluding VAT) and comprise payments relating to the services as set out:

<table>
<thead>
<tr>
<th>Fees (P)</th>
<th>Total (BWP)</th>
<th>VAT</th>
<th>Total (BWP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission on public offer*</td>
<td>1,440,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Advisor</td>
<td>140,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lead and Legal Advisors</td>
<td>250,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsoring Broker</td>
<td>150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR and Investor Relations</td>
<td>30,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reporting Accountants</td>
<td>83,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BSE</td>
<td>50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing and Advertising</td>
<td>100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer Secretaries</td>
<td>68,900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receiving Bank</td>
<td>105,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2 427 100</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Based on a commission of 5% presuming all shares on offer to the public are sold through business and commission paid
41 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at any time during business hours on weekdays (excluding Botswana public holidays) 24 June 2015 to the 17 July 2015:-

- The written consents of the lead and legal advisor, sponsoring broker and transfer secretaries, named in this Prospectus to act in those capacities, which consents have not been withdrawn;

- The written consent and signed reports of the Reporting Accountants, the texts of which are set out in Schedules 1 and 2;

- The Subscription Agreements;

- The Constitution;

- The certification of the Company, as an IFSC Company.

42 INSTRUCTIONS TO INVITEES

If you wish to apply to be allotted and subscribe for Shares you should

42.1. Complete the appropriate Application Form which is annexed hereto

42.2. Deliver the application form duly completed, together with payment of the price or proof of payment of the price by way of EFT or SWIFT for the number of Shares for which you apply, to

The Transfer Secretaries

“Afinitas Share Offer”

by hand to: Unit 206, Show Grounds Close Plot 64516, Fairgrounds

by post to: P.O. Box 1583 AAD Gaborone

42.3. The Application Form constitutes an unconditional, irrevocable offer by you to subscribe for the number of shares at the price indicated therein.

42.4. The Company may reject your offer, or accept your offer in whole or in part.

42.5. The Company will indicate acceptance of your offer, and the number of shares allotted to you by email to you or your broker on or before the 24 July 2015.
42.6. Payment of the price due by you, being the number of shares applied for by you multiplied by the Offer Price, is payable with the application form, can be made by cheque made in favour of “Afinitas Share Offer” or paid directly to:

“Afinitas Share Offer”; Barclays House Branch; Branch Code 02; Account Number 1022950

without any deduction for bank charge, levy, commission, or the like, in BWP with notice of payment to the Transfer Secretaries

42.7. You are to instruct your paying bank that there are to be no charges whatsoever to the beneficiary account. Quote Code, “OUR” at Field 71A on the Swift Message.

Duly authorised to sign, for and on behalf of each of the Directors.

Rupert McCammon

Managing Director of Afinitas Limited

Date: 17 June 2015
The Board of Directors
Afinitas Limited
1st Floor, Acacia House,
Plot: 54358; New CBD
Gaborone
Botswana

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS’ REPORT ON THE FINANCIAL INFORMATION OF AFINITAS LIMITED

INTRODUCTION

Afinitas Limited proposes to list on the Botswana Stock Exchange (‘BSE’).

At your request we present our Reporting Accountants’ Report on the financial information of Afinitas for the period ended 31 December 2014 as presented in Section A of Part F “Financial Information on pages 42 to 47 inclusive of the Prospectus for the purposes of complying with the listing requirements of Botswana Stock Exchange (the ‘BSE’) and for inclusion in the Prospectus to be issued on or around 24 June 2015

RESPONSIBILITY OF THE MANAGEMENT

The directors are responsible for the compilation, content and preparation of the Prospectus in accordance with the BSE listing requirements. The directors are also responsible for the fair presentation in accordance with International Financial Reporting Standards of the Historical Financial Information contained therein to which this Independent Reporting Accountants’ Report relates.

REPORTING ACCOUNTANTS’ RESPONSIBILITY

Our responsibility is to express an opinion on the historical financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing. International Standards on
Auditing requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the historical financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the historical financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the historical financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and presentation of the historical financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the historical financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion, the accompanying historical financial information give a true and fair view of the financial position of the Afinitas Limited as at 31 December 2014 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Chartered Accountants

Certified Auditor: Dinesh Radhakrishnan Mallan
(Membership No. 19990074)

17 June 2005

Gaborone
The Board of Directors
Afinitas Limited
1st Floor, Acacia House,
Plot: 54358; New CBD
Gaborone
Botswana

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS’ LIMITED ASSURANCE REPORT ON THE PROJECTED FINANCIAL INFORMATION ON AFINITAS LIMITED

We have examined the accompanying projected abridged financial information of Afinitas Limited, which comprises statement of financial position as at 31 December 2015; 2016 and 2017, and statement of comprehensive income and statement of cash flows for the years then ended, and a summary of significant assumptions as set out in pages 48 to 53 of the Prospectus.

Responsibility of the Management

The directors of Afinitas Limited are responsible for the projection, including assumptions set out by them, on which it is based and the prospective financial information from which these projection has been prepared. This responsibility, arising from compliance with the requirements of the Botswana Stock Exchange (‘BSE Listing Requirements’), includes determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the projected financial information, whether the projection has been properly complied on the basis stated and whether the projection is presented on a basis consistent with the accounting policies of Afinitas Limited.

This projection has been prepared for including prospective financial information into the Prospectus as per the ‘BSE Listing Requirements’. As the entity is in start-up stage the projections has been prepared using a set of assumptions that include hypothetical assumptions about future events and management’s actions that are not necessarily expected to occur. Consequently, readers are cautioned that this projection may not be appropriate for the purpose other than that described above.
Reporting Accountants’ responsibility

Our responsibility is to provide a limited assurance report on the projection prepared for the purpose of inclusion of the projected financial information in the Prospectus in compliance with ‘BSE Listing Requirements’. We have examined the projections in accordance with the International Standard on Assurance Engagements applicable to the ‘Examination of Prospective Financial Information (IASE 3400)’. This standard requires us to obtain sufficient and appropriate evidence as to whether:

I. Management’s best-estimate assumptions on which the projection is based are not unreasonable and are consistent with the purpose of the information.

II. The abridged projected financial information is properly prepared on the basis of assumptions and is drawn-up in accordance with the International Financial Reporting Standards. According to the management, all applicable pronouncements in relation to such standards, to be effective at prospective dates, are not expected to have any material impact on the projections at this point of time.

III. The projection is properly presented and all material assumptions are adequately disclosed; and the projection, is prepared and presented on a basis consist with the accounting policies of Afinitas Limited

In a limited assurance engagement the evidence gathering procedure are more limited than for a reasonable assurance engagement and therefore less assurance is obtained, than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide basis of our limited assurance conclusion.

Conclusion

Based upon our examination of evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions given on page 47 to 49 under caption ‘assumptions underlying the financial forecasts for Afinitas Limited’s first three years in operation’, do not provide a reasonable basis for the projection, even though some of the assumptions are hypothetical. Further, in our opinion the projection is properly prepared on the basis of the assumptions and is drawn-up in accordance with International Financial Reporting Standards.

Even if the events anticipated under hypothetical assumptions described above occur, actual results are still likely to be different from the projection since other anticipated events frequently do not occur as expected and the variation may be material.
Chartered Accountants
Certified Auditor: Dinesh Radhakrishnan Mallan
(Membership No. 19990074)

17 June 2015
Gaborone
## SCHEDULE 3: LIST OF PLACEES

<table>
<thead>
<tr>
<th>Placee</th>
<th>Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afena Capital Botswana (Pty) Ltd</td>
<td>13,200,000</td>
<td>P13,200,000</td>
</tr>
<tr>
<td>Investec Asset Management Botswana (Pty) Limited</td>
<td>18,000,000</td>
<td>P18,000,000</td>
</tr>
<tr>
<td>African Alliance Botswana (Pty) Ltd</td>
<td>60,000,000</td>
<td>P60,000,000</td>
</tr>
</tbody>
</table>
SCHEDULE 4: APPLICATION FORM

Afinitas Limited
Incorporated in accordance with the laws of Botswana on 4 May 2014, Company Number 2014/5015 ("Afinitas" or “the Company”)

APPLICATION FORM FOR COMPANIES

Application form ("Form") for allotment of part of 28 800 000 Ordinary Shares in Afinitas offered by way of an initial public offering ("IPO"), as set out in the Prospectus issued by the Company and registered in terms of the Companies Act [Cap 42:01] on 23 June 2015

Please complete this form in BLOCK CAPITALS and in ink.

Full name of entity:

Nature of entity (association/society/company/
pension fund / other legal entity):

Registered Office:

Principal Place of business:

Association/society/company/pension fund/other
legal entity registration number:

Country of incorporation/registration:

Postal address (PO Box/Private Bag):

(Proof of allotment and refund cheque (if any) may be posted to the above address or sent EFT or SWIFT to the bank account details of which are given below at the risk of the Applicant.)

Telephone number (in case of query):

E-mail address:

Applications must be for a minimum of 100 (one hundred) Ordinary Shares and thereafter must be in multiples of 100 (one hundred) Ordinary Shares to reach the Company by not later than 12 noon on 17 July 2015. The Directors of Afinitas ("the Directors") reserve the right to reject an application if the conditions contained in the Prospectus and instructions on this Form are not complied with.

Multiple applications in the same name will be rejected.

We irrevocably offer to purchase: (Number of Ordinary Shares in figures)

( ) (Number of Ordinary Shares in words)

In the capital of the Company, at a price of P1.00 per Ordinary Share on the terms and conditions set out in the Prospectus, and we enclose cash/a cheque/banker's draft in favour of “Afinitas Offer”, or proof of payment by way of EFT or SWIFT to Account Number 1022950, Branch Name: Barclays House, Branch Code: 02, in the sum of:
P ( ) (Pula amount in words).

All shares issued will be in a dematerialised form only. You must open an account with Central Securities Depository of Botswana. You must provide us with details of your account with the Central Securities Depository of Botswana.

Broker name/Custodian name: CSDB A/C number:

STATUS: LC/LI/FC/FI/FR/JR/FJ:

Bank account details for refunds, if applicable, and payment of any future dividends:
Name: Account name:
Branch code: Branch name:
Account number:

We declare that we:
1. are properly formed and registered in accordance with the law of the country where are registered;
2. are empowered in terms of the Constitution or other constitutional document to acquire Ordinary Shares in the Company;
3. have duly authorised the person(s) signing on our behalf to do so;
4. acknowledge that our application(s) is/are irrevocable and may not be withdrawn;
5. agree to accept the same or smaller number of Ordinary Shares in respect of which this application may be accepted upon the terms of the Prospectus and subject to the Constitution of the Company;
6. acknowledge that due completion and delivery of this Form accompanied by a cheque will constitute a warranty that the cheque will be honoured on first presentation;
7. acknowledge that the application shall be honoured subject to clearance of cheques;
8. acknowledge that the Directors may accept or reject the whole or any part of our application, for whatever reason, in their absolute discretion;
9. acknowledge that cheques for excess application money is liable to be held pending clearance of the cheque attached hereto;
10. acknowledge that we shall not be entitled to any interest in respect of any refund or excess application money held by the Company;
11. authorise you to send us a cheque for any money refundable, by post at our postal address herein set out, and to procure our names to be placed on the register of Ordinary Shareholders of the Company as the holders of the Ordinary Shares so purchased by us;
12. authorise you to pay any excess application money which is to be refunded to me/us directly to the bank account details which are set out above;
13. confirm that we have read and understood all the conditions of this issue, upon which our offer is based;
14. confirm that all the information supplied by us is true and correct.

Signature:
Date:
Full name:
Capacity:

Brokers/Bank stamp (if applicable)

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APPLICATION FORM FOR INDIVIDUALS

Application form ("Form") for allotment of part of 28 800 000 Ordinary Shares in Afinitas offered by way of an initial public offering ("IPO"), as set out in the Prospectus issued by the Company and registered in terms of the Companies Act [Cap 42:01] on 23 June 2015

Please complete this form in BLOCK CAPITALS and in ink.

Surname: Mr/Mrs/Ms/Dr
First Name:
Citizenship:
ID Number /Passport number:
Postal address (PO Box/Private Bag):
(Proof of allotment and refund cheque (if any) may be posted to the above address or sent EFT or SWIFT to the bank account details of which are given below at the risk of the Applicant.)
Telephone number (in case of query):
E-mail address:
Capacity: Adult/minor:
Marital status: Married in community of property/widowed/single

Applications must be for a minimum of 100 (one hundred) Ordinary Shares and thereafter must be in multiples of 100 (one hundred) Ordinary Shares to reach the Company by not later than 12 noon on 17 July 2015. The Directors of Afinitas ("the Directors") reserve the right to reject an application if the conditions contained in the Prospectus and instructions on this Form are not complied with. Multiple applications in the same name will be rejected.

We irrevocably offer to purchase: (Number of Ordinary Shares in figures) (Number of Ordinary Shares in words)

In the capital of the Company, at a price of P1.00 per Ordinary Share on the terms and conditions set out in the Prospectus, and we enclose cash/a cheque/banker’s draft in favour of “Afinitas Offer”, or proof of payment by way of EFT or SWIFT to Account Number 1022950 Branch Name: Barclays House, Branch Code: 02, in the sum of:
P ( ) (Pula amount in words).
All shares issued will be in a dematerialised form only. You must open an account with Central Securities Depository of Botswana. You must provide us with details of your account with the Central Securities Depository of Botswana.

Broker name/Custodian name: CSDB A/C number:

STATUS: LC/LI/FC/FI/FR/JR/FJ:

Bank account details for refunds, if applicable, and payment of any future dividends:

Name: Account name:

Branch code: Branch name:

Account number:

I/we declare that I/we:

1. am/are not acquiring the Ordinary Shares as the nominee(s) of any person(s);
2. agree to accept the same or smaller number of Ordinary Shares in respect of which this application may be accepted upon the terms of the Prospectus and subject to the Constitution of the Company;
3. acknowledge that due completion and delivery of this Form accompanied by a cheque will constitute a warranty that the cheque will be honoured on first presentation;
4. acknowledge that the application shall be honoured subject to clearance of cheques;
5. acknowledge that the Directors may accept or reject the whole or any part of our application, for whatever reason, in their absolute discretion;
6. acknowledge that my/our application(s) is/are irrevocable and may not be withdrawn;
7. acknowledge that cheques for excess application money is liable to be held pending clearance of the cheque attached hereto;
8. acknowledge that I/we shall not be entitled to any interest in respect of any refund or excess application money held by the Company;
9. authorise you to send me/us a cheque for any money refundable, by post at our postal address herein set out, and to procure our names to be placed on the register of Ordinary Shareholders of the Company as the holders of the Ordinary Shares so purchased by me/us;
10. authorise you to pay any excess application money which is to be refunded to me/us directly to the bank account details which are set out above;
11. confirm that we have read and understood all the conditions of this issue, upon which our offer is based;
12. confirm that all the information supplied by me/us is true and correct.

Signature:

Date:

Full name:

Assisted by:

(If a woman married in community of property or a minor)

Name:

Relationship:

Date:

Brokers/Bank stamp (if applicable)