AFRISTRAT INVESTMENT HOLDINGS LIMITED
Incorporated in the Republic of South Africa
Registration number: 1998/013215/06
JSE Code: ATI - ISIN: ZAE000287587
Debt Issuer Code: ATID
Hybrid Issuer Code: ATIG
("**Afristrat**" or "**the Company**" or "**the Group**")

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

The board of directors of Afristrat ("**the Board**") presents the condensed consolidated interim financial statements of the Group for the six-month period ended 30 September 2021 ("**Interim Financial Statements**"). The six-month period reflects the continued effects of the debt reduction, corporate restructuring and cost reductions which commenced in early 2020. The Board implemented the following actions during the six-month period and up to the date of this report, in order to improve the solvency and liquidity of the Group:

- Continued negotiations with two of the remaining large institutional debt holders to restructure debt facilities.
- Exit of non-core investments through the:
  - disposal of MHMK Capital (Pty) Ltd;
  - continued discipline in cost and cash flow management; and
  - disposal of MyBucks Zambia for a revised consideration of USD1.4million, subject to in-country Reserve Bank approvals, in order to settle current debts.
- Announcement of the acquisition transaction of MHMK Financial Services, details of which are further set out in the subsequent events note.
- The Group also made progress to identify what went wrong at MyBucks S.A. ("**MyBucks**"), through the High Court appointed Commission of Inquiry into VSS, a subsidiary of MyBucks, which will be overseen by a Retired Judge.

FINANCIAL SUMMARY

The Group's financial metrics compared to the prior six-month period reflect the effect of the initiatives implemented to stabilise the business and are set out below:

- Total assets decreased by 17% to R587 million compared to R705 million;
- Total liabilities increased by 1% to R886 million compared to R877 million;
- Loss per share ("**LPS**") improved by 80% to a LPS of 0.205 cents per share compared to 1.003 cents per share;
- Headline loss per share ("**HLPS**") improved by 79% to a HLPS of 0.212 cents per share compared to 0.988 cents per share;
- Credit impairments increased by 659% to R75 million compared to R10 million; and
- Fair value losses decreased by 86% to a loss of R39 million compared to a loss of R292 million.

The Board wishes to thank its shareholders for their continued support as it continues on its restructuring and rebuilding process.

OPERATIONAL REVIEW

Group Overview

An overview of the Group's operations for the six-month period ended 30 September 2021 is presented below.

Private Equity

The Group's investment portfolio as at 30 September 2021 consisted of:

Division	Investment
Banking & Financial Services	**42.97%** in MyBucks **32.8%** in Getbucks Microfinance Bank Limited ("**Getbucks Zimbabwe**")
Renewable Energy	**70%** in Invest Solar Africa Limited ("**Invest Solar Africa**")
Mining	**51%** in Chrome Valley Mining Private Limited ("**Chrome Valley Mining**" or "**CVM**").

Afristrat maintained and consolidated its Private Equity Holdings during the interim period, which consists of investments in the banking and financial services, renewable energy and mining sectors, with the main focus during the interim period being the completion of the restructuring process of MyBucks. As disclosed in the annual results for the year ended 31 March 2021, the Board does not see MyBucks holding any significant future value creation opportunities for the Group, as can be seen from the further devaluation in the MyBucks investment in the six-month period. The exposure to MyBucks, has continued to put pressure on the financial results for the six-month period, with further downward fair value adjustments of R56 million recorded.

Below is a summary of the investments which are expected to contribute to the future value of the Group.

Banking and Financial Services

After completion of all debt restructuring initiatives of MyBucks and together with the potential successful acquisition of MHMK Financial Services, Afristrat will effectively retain:

- an investment in Getbucks Zimbabwe of 52%, a financial services vehicle operating on Zimbabwe;
- an investment in FirstCred Ltd of 100%, a financial services vehicle operating on Botswana;
- a minority investment in MBC Malawi of 27%, with the Group pursuing the exit of this investment;
- an investment in Getbucks Eswatini of 51%, a financial services vehicle operating in Eswatini; and
- an investment in ESW Investment Group Ltd of 85%, a financial services vehicle operating in Eswatini.

The above investments will be the building blocks for the future growth of the financial services and banking division of Afristrat. The proposed MHMK Financial Services acquisition, will provide the Group with two additional funding instruments to complement its own R10 billion Domestic Medium Term Note Programme, through publicly listed bond programmes registered in Botswana of BWP1 billion and Eswatini of E1 billion. The Group will recommence its fund-raising efforts in order to grow these financial services entities during 2022.

Renewable Energy

Invest Solar Africa

Invest Solar Africa is an investment vehicle focused on renewable energy opportunities in markets within Africa. It focuses on small projects of up to 30 megawatt (MW), a niche that early movers often ignore owing to a preference for larger scale projects. This size of project generally attracts higher feed-in tariffs and, as technology evolves, can be scaled up to reduce the overall investment per MW, resulting in improved returns.

The company currently has a head office in Botswana. The company's target is to raise and direct a total sum of USD300 million (debt and equity) in funding for renewable energy projects with an aggregate generation capacity of over 300MW over the next 5-years.

Harava Phase 1 Solar project

Invest Solar Zimbabwe in which Invest Solar Africa holds a 40.7% stake, is in the final phase of commissioning the 20MW Harava Phase 1 Solar project, with the Group expecting to close the final round of fundraising to complete the project before year-end. The effects of Covid-19 and a contractual dispute with a sub-contractor have delayed the completion of the project. However, upon completion of the fund-raising round, the Group expects the project to be completed towards 31 December 2022, with the first 5MW being produced.

Harava Phase 2 and Zhenje Solar projects

After completion of the Harava Phase 1 Solar Project, the Group will shift its focus to the next fund-raising round in order to commence the construction of the 30MW Zhenje and the 20MW Harava Phase 2 Solar projects in Zimbabwe. The Group aims to raise between USD40 million and USD50 million in order to commence the construction of these projects

The renewable energy division will continue to be a core focus in the future strategy of the Group.

Mining

Chrome Valley Mining ("CVM")

ECS Private Equity Limited acquired 51% of CVM on 31 December 2019. CVM is a private exploration company incorporated in Zimbabwe that holds a total of 2,400-hectares (ha) of claims located 40 kilometres Northeast of Guruve town centre which is in the extreme northern part of the Great Dyke. Zimbabwe is estimated to hold 12% of the world's resource of metallurgical chrome, mainly on the Great Dyke with a chromic oxide range of 47% to 60% and chromium to iron ratios ranging between 2:2 and 4:1.

The initial trenching work focused mainly on the 600ha first phase, comprising about 25% of the total Mining Claims. 753 metric kilotons (kt) of the chrome mineral resources potential of 1 903kt was upgraded from a "deposit" to an inferred mineral resource as a result of the trenching work. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially extractable chrome deposits, and therefore the estimated mineral resource tonnage and grade have an associated risk of discovery and development. It is anticipated that further planned assessments during the next phase, being the initial diamond drilling exploration work, will result in an increase in confidence and an upgrade of some or all of the inferred mineral resources to indicated or measured resources.

An independent valuation was undertaken during September 2019, to obtain an indicative mineral asset value, performed in compliance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves and the South African Code for the Reporting of Mineral Asset Valuation. The indicative value placed on the inferred mineral resources contained in the initial 600ha is between USD12 million and USD24 million.

The investment is classified as an exploration asset.

The Group's focus during the interim period has been the development of a business plan to commence with mining operations from the first quarter of 2022. Further development of this asset requires additional capital investment, either through an equity or debt raise, in order to complete the full feasibility assessment, the acquisition of mining yellow equipment and to fund the initial working capital requirements. The Board is currently assessing the best option to build value from this investment, with a view to develop and extract value over the medium to long term.

The operationalising of the mine will be a key focus of the Group during 2022.

COVID 19 – IMPACT

The outbreak of Covid-19 and the resultant lockdowns has resulted in mass production shutdowns and supply chain disruptions resulting in ripple effects across all economic sectors; concomitantly, most countries have revised their growth forecasts downward. The duration of the Covid-19 pandemic and long-term magnitude of the economic shock on the Group's businesses, and those of its clients in the countries in which the Group operates, continue to remain unknown and uncertain as South Africa moves into the fourth wave and with the recent discovery of the Omicron variant. However the development of vaccines and implementation programmes have provided a gradual return to normal operating activity, although slower than anticipated, with the expectation being that operations will largely normalise during 2022.

Products and services

Due to the restructuring initiatives implemented in 2021, the impact of Covid-19 on the services provided by the Group has been minimal. The Interest Income reductions were largely attributable to the temporary suspension of the Credit Operations and the shift in focus to a Private Equity business. The impact of the Covid-19 pandemic on the fair value movements in the Private Equity portfolio has been an increase in the fair value losses.

Supply chain deliverables

The resultant lockdowns placed constraints on the ability of Invest Solar Africa to complete the construction of the Harava project due to the difficulties in importing products. These delays are gradually reducing as import lines are returning to normal, however on a constrained basis. This has had an impact on the expected completion date of the project and therefore future cash flows from the project. However, the delays are not expected to exceed the next 6- 12 months.

Debt covenants and restructuring

The resultant announcement of the preference share default process in 2020 and the subsequent disclosure around the restructuring initiatives of the debt facilities of the Group have been impacted by Covid-19, as the implementation of negotiations with debt holders, the ability to conclude sale of non-core assets and engagements with debt holders, became more complex. Debt covenants related to the Invest Solar Africa project remains largely unaffected. Details around the negotiations of the SATF and Norsad facilities are disclosed in note 10.

Liquidity

The liquidity position of the Group remains under severe pressure. The Group's interventions to address future cash flows and liquidity requirements are outlined in the Going Concern note 17.

PROSPECTS

Over the past 18-months, the Company has established the necessary building blocks to redevelop and rebuild its private equity investment portfolio and to recapitalise its financial services division in very difficult and turbulent market conditions. The effects of the restructuring initiatives are starting to materialise and the completion of the proposed acquisition of MHMK Financial Services, is expected to end the restructuring phase of the business.

The Group will now shift its focus on further recapitalisation efforts to strengthen the balance sheet and rebuilding its underlying private equity investments. The Group remains confident that the investments will provide positive returns in the medium to long term to its investors, being the next three to five years.

The rebuilding phase will focus on:

- operationalising the Chrome Valley Mine to the point of positive cash flows;
- completion of the Harava Phase 1 Solar Project to the point of positive cash flows and commencement of funding raising and Construction of the Harava Phase 2 and Zhenje Solar projects;
- reactivation of credit operations and fund-raising efforts to grow the financial services assets; and
- identification of further acquisition targets to enhance the balance sheet and grow the value proposition.

FINANCIAL RESULTS

The unaudited condensed consolidated financial statements for the six-months ended 30 September 2021 are presented below.

Condensed Consolidated Interim Statement of Financial Position as at 30 September 2021

		Group	
	Notes	**Unaudited At 30 Sept 2021 R '000**	**Audited At 31 March 2021 R '000**
ASSETS			
Cash and cash equivalents		1 118	4 463
Assets held for sale	3	21 450	25 104
Current tax receivable		428	430
Trade and other receivables		6 713	14 620
Loans and advances	4	137 531	199 520
Other financial assets	5	66 100	90 292
Investments in associates	6	146 597	185 659
Mineral and exploration asset		20 790	20 740
Deferred tax asset	8	180 616	156 900
Property, plant and equipment		6 600	7 936
TOTAL ASSETS		**587 943**	**705 664**
LIABILITIES			
Bank overdraft		17	53
Current tax payable		138	137
Trade and other payables		62 678	74 210
Preference shares		16 175	15 836
Other financial liabilities	10	628 523	609 172
Note programme	9	174 158	169 762
Deferred tax liability	8	1 551	3 750
Lease liabilities		3 241	4 310
TOTAL LIABILITIES		**886 481**	**877 230**
ASSETS MINUS LIABILITIES		**(298 538)**	**(171 566)**
EQUITY			
Equity and reserves			
Share capital		2 163 611	2 164 347
Hybrid preference shares		521 393	521 393
Accumulated loss		(2 893 782)	(2 772 141)
Reserves		(84 578)	(79 481)
Equity attributable to equity holders of parent		**(293 356)**	**(165 882)**
Non-controlling interest		(5 182)	(5 684)
TOTAL EQUITY		**(298 538)**	**(171 566)**

FINANCIAL RESULTS

Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income or Loss for the six-month interim period ended 30 September 2021

		Group	
		Unaudited 6-months ended 30 Sept 2021	**Unaudited 6-months ended 30 Sept 2020**
	Notes	**R '000**	**R '000**
Lending activities			
Interest income		10 427	29 065
Interest expenses		(7 417)	(24 750)
Net interest income		**3 010**	**4 315**
Credit impairments		(67 401)	-
(Loss) / profit from lending activities		**(64 391)**	**4 315**
Private equity			
Fair value loss	11	(39 436)	(291 975)
Profit on disposal of equity investment	7	5 767	8 832
Impairments reversed		-	1 639
Loss from private equity		**(33 669)**	**(281 504)**
Other business			
Other revenue		388	368
Cost of sales		(54)	(48)
Gross profit		**334**	**320**
Credit impairment		(7 817)	(9 914)
Loss from other business		**(7 483)**	**(9 594)**
Loss before operating activities		**(105 543)**	**(286 783)**
Other income		3 361	26 455
Operating expenses		(10 688)	(26 365)
Finance cost		(34 179)	(16 030)
Loss before taxation		**(147 049)**	**(302 723)**
Taxation		23 678	(38 114)
Loss for the period		**(123 371)**	**(340 837)**
OTHER COMPREHENSIVE INCOME OR (LOSS)			
Items that may be reclassified to profit and loss:			
Exchange differences on translating foreign operations		(5 097)	26 191
Total comprehensive loss		**(128 468)**	**(314 646)**

(LOSS) AND PROFIT AND OTHER COMPREHENSIVE INCOME OR (LOSS) ATTRIBUTABLE TO:			
(Loss)/profit attributable to:			
Owners of the parent		(121 641)	(337 206)
Non-controlling interest:		(1 730)	(3 631)
		(123 371)	**(340 837)**
Total comprehensive (loss)/profit attributable to:			
Owners of the parent		(126 738)	(311 015)
Non-controlling interest		(1 730)	(3 631)
		(128 468)	**(314 646)**
LOSS PER SHARE - BASIC AND DILUTED			
Basic and diluted loss per share (cents) attributable to equity holders of the parent	12	(0.205)	(1.003)

The comparatives have been disaggregated to separately present the financial performance of lending activities, private equity activities and operational activities.

Condensed Consolidated Statement of Changes in Equity for the interim period ended 30 September 2021

	Share capital	Hybrid preference shares	Foreign currency translation reserve	Retained income / (accumulated loss)	Non-controlling interest	Total equity
Group	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Balance at 31 March 2020	**145 170**	**-**	**(118 515)**	**(2 233 857)**	**7 314**	**(2 199 888)**
Loss for the period	-	-	-	(337 206)	(3 631)	(340 837)
Other comprehensive loss	-	-	26 191	-	-	26 191
Conversion of preference shares	1 783 187	521 394	-	-	-	2 304 581
Issue of shares	180	-	-	-	-	180
Debt-to-equity conversions	235 810	-	-	-	-	235 810
Disposal of subsidiaries	-	-	-	-	(4 168)	(4 168)
Balance at 30 September 2020	**2 164 347**	**521 394**	**(92 324)**	**(2 571 063)**	**(485)**	**21 869**
Loss for the period	-	-	-	(201 078)	(5 199)	(206 277)
Other comprehensive income	-	-	12 843	-	-	12 843
Balance at 31 March 2021	**2 164 347**	**521 394**	**(79 481)**	**(2 772 141)**	**(5 684)**	**(171 565)**
Loss for the period	-	-	-	(121 641)	(1 730)	(123 371)
Other comprehensive loss	-	-	(5 097)	-	-	(5 097)
Treasury shares	(737)	-	-	-	-	(737)
Disposal of subsidiary	-	-	-	-	2 232	2 232
Balance at 30 September 2021	**2 163 610**	**521 394**	**(84 578)**	**(2 893 782)**	**(5 182)**	**(298 538)**

Condensed Consolidated Cash Flow Statement for the interim period ended 30 September 2021

	Unaudited For the 6-month period ended 30 Sept 2021 R '000	Unaudited For the 6-month period ended 30 Sept 2020 R '000
Cash flow from operating activities		
Cash (utilised)/generated by operations	(19 531)	19 727
Finance costs	(7 177)	(9 886)
Taxation paid	-	(26)
Net cash from operating activities	**(26 708)**	**9 815**
Cash flow from investing activities		
Purchase of property, plant and equipment	(16)	-
Proceeds on the disposal of investment property	2 771	-
Loans and advances – disbursement	-	(19 954)
Loans and advances – repayments	7 234	8 977
Other financial assets – proceeds	-	3 992
Cash acquired/(disposed) through business combination/(disposal)	(2 700)	(5)
Net cash from investing activities	**7 289**	**(6 990)**
Cash flow from financing activities		
Other financial liabilities – raised	16 000	2 171
Other financial liabilities – repaid	(3 000)	(11 111)
Lease payments	(1 024)	(1 526)
Net cash from financing activities	**11 976**	**(10 466)**
Total cash movement for the period	**(7 443)**	**(7 641)**
Effect of exchange rate movement on cash balances	4 151	-
Cash at the beginning of the period	4 410	9 476
Total cash at the end of the period	**1 118**	**1 835**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the six-months ended 30 September 2021

1. ACCOUNTING POLICIES, BASIS OF PREPARATION OF RESULTS

The unaudited condensed consolidated interim financial statements for the six-month period ended 30 September 2021 are prepared in compliance with International Financial Reporting Standard ("**IFRS**"), the presentation and disclosure requirements of IAS 34: *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act, (Act 71 of 2008, as amended) of South Africa ("**Companies Act**") and the Listings Requirements of the JSE Limited ("**JSE**").

The accounting policies applied in the preparation of these interim financial statements for the six-month period ended 30 September 2021 are in terms of IFRS and are consistent with those applied in the previous annual financial statements for the year ended 31 March 2021, other than the adoption of those standards that became effective in the current period. The Interim Financial Statements were prepared under supervision of Mr. T.J. de Kock CA(SA).

The Interim Financial Statements have not been reviewed by the Company's auditors.

2. FINANCIAL INSTRUMENTS – FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

Accounting classification and fair values

The following table sets out the Group's classification of each class of financial asset and financial liability, including their carrying values amounts.

30 September 2021	**FVTPL R '000**	**At amortised cost R '000**	**Total R '000**
Non-financial assets measured at fair value			
Investment in associate	146 597	-	146 597
Financial assets that are not measured at fair value			
Other financial assets	-	66 100	66 100
Loans and advances	-	137 531	137 531
Trade and other receivables	-	4 378	4 378
Cash and cash equivalents	-	1 118	1 118
	146 597	**209 127**	**355 724**
Financial liabilities that are not measured at fair value			
Cash and cash equivalents	-	(17)	(17)
Preference shares	-	(16 175)	(16 175)
Note programme	-	(174 157)	(174 157)
Other financial liabilities	-	(628 523)	(628 523)
Trade and other payables	-	(62 620)	(62 620)
	-	**(881 492)**	**(881 492)**

31 March 2021	FVTPL	Carrying amounts At amortised cost	Total
	R '000	**R '000**	**R '000**
Financial assets measured at fair value			
Other financial assets	24 349	-	24 349
Non-financial assets measured at fair value			
Investment in associate	185 659	-	185 659
Financial assets that are not measured at fair value			
Other financial assets	-	65 943	65 943
Loans and advances	-	199 520	199 520
Trade and other receivables	-	12 960	12 960
Cash and cash equivalents	-	4 463	4 463
	210 008	**282 886**	**492 894**
Financial liabilities that are not measured at fair value			
Cash and cash equivalents	-	(53)	(53)
Preference shares	-	(15 836)	(15 836)
Note programme	-	(169 762)	(169 762)
Other financial liabilities	-	(609 172)	(609 172)
Trade and other payables	-	(74 104)	(74 104)
	-	**(868 927)**	**(868 927)**

Fair value hierarchy

The following table contains the fair values of assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for assets and liabilities not measured at fair value.

	Fair value		
30 September 2021	**Level 1**	**Level 3**	**Total**
	R '000	**R '000**	**R '000**
Fair value through Profit / Loss			
Investment in associate	-	146 597	146 597
	-	**146 597**	**146 597**

	Fair value		
31 March 2021	**Level 1**	**Level 3**	**Total**
	R '000	**R '000**	**R '000**
Fair value through Profit / Loss			
Investment in associate	-	185 659	185 659
Other financial assets	-	24 349	24 349
	-	**210 008**	**210 008**

The following table reflects the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs.

Fair value of financial assets and liabilities

The fair value of all financial assets and liabilities are considered to be equal to their carrying values. Directors consider the carrying value of financial instruments of a short-term nature, that mature in 12 months or less, to approximate the fair value of such assets or liability classes. The carrying value of longer-term assets are considered to approximate their fair value as these instruments bear interest at interest rates appropriate to the risk profile of the asset or liability class.

The Group's approach to determining the fair value for:

- Listed investments which are suitably liquid investments, the available market prices (calculated at spot on reporting date) is the basis for the measurement of the IFRS Portfolio Value for identical instruments.
- Listed investments where an active market does not exist and unlisted investments, the primary valuation methodologies applied are the income approach (IA) and discounted cash flow (DCF), compared against a market approach (MA), where appropriate.

Measurements of fair value – valuation techniques and significant unobservable inputs.

The following table reflects the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs.

Type	Valuation technique	Significant unobservable inputs	Sensitivity analysis
Investment in associate – MyBucks	For the valuation of the MyBucks Group a sum-of-the parts approach was used. In contrast to previous interim period, the MA approach was no longer deemed appropriate following the delisting of the entity from the Frankfurt Stock Exchange which resulted in no listed share price being available. The sum-of-the parts valuation is based on sum of the underlying operating investments in MyBucks, being the third-party market value of the investment in MBC Malawi and a combined Income Approach (IA) and Market approach (MA) approach for Getbucks Zimbabwe, less current debt exposure at holding company level.	Sum-of-the parts inputs; Investments: - MBC Malawi valued at third-party offer (Eur5.4 million) - Getbucks Zimbabwe DDM valuation (Eur3.2 million) - MHMK group loan valuation (Eur9.7 million) Less: - holding company debts (Eur18.03 million) Net sum-of-the parts (Eur0.45 million) - The significant unobservable inputs related to the DCF of Getbucks Zimbabwe is consistent with those disclosed below. - 30 September 2021 the spot Euro rate to convert to reporting currency.	For details of the sensitivity movements related to the inputs on the Getbucks Zimbabwe valuation, please refer below. Further detail of MyBucks sensitivities is disclosed in the table below.
Investment in associate – GetBucks Zimbabwe	For the valuation of GetBucks Zimbabwe, an Income Approach (IA) and Market approach (MA) approach was used. The IA approach made use of a Discounted cash flow ("**DCF**") and the MA based on listed share price at a weighting of 0.975 and 0.025 respectively. The share price valuation weighting was reduced to 0.025 following the exponential increase observed in the share price of	- A discount rate of 25.01% was used in the DCF valuation; - A five-year forecast and in perpetuity calculation were used, - Applied a fundamental price to book value ("**PBV**") of 0.6x; - Market price at 30 September 2021 of USD8,012 converted to local currency; - The PBV vs ROE scatter plot for the banking sample used yields the following regression equation; PBV= {8.4723* ROE+ 0.0268}; and - The local currency was adjusted to USD applying future cash flow factor taking into consideration the effect of hyperinflation.	- A 5% downward change in the discount factor would have resulted in an 8% effect upward on the valuation. - A USD0.10 adjustment to the market price at the current weighting would have resulted in a 0% adjustment to the valuation - A 5% upward adjustment to the weighting of the market price would have resulted in a 39%

	the Getbucks Zimbabwe shares by 1903% from March 2021. The exponential increase on a very low liquid trading base below 1% was therefore weighted on a conservative basis.		upward adjustment to the valuation - If the level 1 observable market price was the only valuation methodology applied to the weighting, it would have resulted in an upward valuation of 1394%: - Fair value gain R524 million in profit or loss statement
Invest Solar -Zimbabwe	The investment does not have a level 1 observable market price, accordingly, for the valuation the Invest Solar Zimbabwe an Income Approach (IA) and Market approach (MA) approach was used. The IA approach made use of a Discounted cash flow ("**DCF**") and the MA based on market value of the solar project with valuation weighting of 0.4 and 0.06 respectively. This basis is consistent with the previous reporting periods.	- The market value and peer comparison approach estimate the value of the solar asset at different stages of the project life cycle per MW of production capacity. - A discount rate of 9.6% was used in the DCF valuation; - A five-year cash flow forecast and in perpetuity calculation was used in the valuation. - Dividend pay-out ratio of 20% from 2022 onwards.	For details of the sensitivity movements related to the inputs on the Invest solar Zimbabwe, please refer below.

MyBucks – September 2021

Unobservable input	Share price 30-Sept-21	Effect on loss for the period 30-Sept-21 (ZAR'000)	Quantitative impact on loss	Quantitative impact on Assets
Change of 10% in market price using a combination of SOTP and MA approach	N/A	+/-923	+/-1%	+/-0%
Change of 10% in exchange rate when using a combination of SOTP and MA approach only	N/A	+/-335	+/-0.26%	+/-0.06%
Change of PBV1x9 using a combination of SOTP and MA approach	N/A	+/-1 091	+/-0.01%	+/-0.0%
Change of PBV1x9 using a MA approach only	N/A	+/-361 791	+/-282%	+/-0,62%
Change of 2% in discount rate using a combination of SOTP and MA approach	N/A	+/-1 128	+/-0.88%	+/-0.19%

GetBucks Zimbabwe– September 2021

Unobservable input	Share price 30-Sept-21	Effect on loss for the period 30-Sept-21 (ZAR'000)	Quantitative impact on loss	Quantitative impact on Assets
Change of 10% in market price using a combination of SOTP and MA approach	USD8.813	+/-1 358	+/-1.06%	+/-0.23%

Change of 10% in market price using MA approach	USD8.813	+/-561 224	+/-436.86%	+/-95.46%
Change of 10% in exchange rate when using a combination of SOTP and MA approach only	R1.57	+/-3 636	+/-2.83%	+/-0.62
Change of 10% in exchange rate when using MA approach only	R1.57	+/-561 223	+/-436.86%	+/-95.46%
Change of PBV1x9 using a combination of SOTP and MA approach	USD8.012	+/-1 604	+/-1.25%	+/-0.27%
Change of PBV1x9 using a MA approach only	USD8.012	+/-531 914	+/-414.04	+/-90.47
Change of 2% in discount rate using a combination of SOTP and MA approach	USD8.012	+/-1 659	+/-1.29%	+/-0.28%
Change of 2% in discount rate using a MA approach only	USD8.012	+/-506 897	+/-394.57%	+/-86.22%

Invest Solar Zimbabwe- September 2021

Unobservable input	Share price 30-Sept-21	Effect on loss for the period 30-Sept-21 (ZAR'000)	Quantitative impact on loss	Quantitative impact on Assets
Change of 10% in exchange rate when using a combination of SOTP and IA approach only	N/A	+/-10 543	+/-8%	+/-2%
Change of 10% in exchange rate when using IA approach only	N/A	+/-27 189	+/-21%	+/-5%
Change of 2% in discount rate using a combination of SOTP and IA approach	N/A	+/-661	+/-1%	+/-0%
Change of 2% in discount rate using a IA approach only	N/A	+/-15 132	+/-12%	+/-3%

Reconciliation of Level 3 fair values

Below is a reconciliation of the movement in level 3 fair values during the period:

	At 30 Sept 2021 R '000	At 30 Sept 2020 R '000
Assets as at fair value through profit & loss		
Assets as at fair value through profit & loss	146 597	210 008
Assets at fair value through profit & loss		
Opening balance at the start of the period	**210 008**	**793 027**
Purchases	-	(146 802)
Disposal of subsidiary	(24 349)	-
Foreign currency loss recognised in profit and loss	649	(47 783)
Fair value loss recognised in profit and loss	(39 711)	(388 433)
Balance at the end of the period	**146 597**	**210 008**

3. ASSETS AND LIABILTIIES HELD FOR SALE

Properties held for sale

During the prior financial period the Group decided to dispose of two fixed properties and thus these properties were classified as assets held for sale as at 31 March 2021. The properties consisted of unit 111 Blue Stream villas and erf 1001 Equestria ext. 142. The properties were sold during May 2021.

Disposal of MyBucks Zambia and settlement of liabilities

The Company entered into an agreement to dispose of its 25% stake in MyBucks Zambia subject to in-country regulatory approval. The disposal proceeds have been ringfenced for the settlement of the Everprosperous Worldwide Debt. Due to the impact of Covid-19 on the operations of MyBucks Zambia and the legal action that was being instituted by Finsbury on MyBucks S.A, the disposal was delayed and accordingly, the terms were renegotiated by way of a revised agreement with Xtenda ("**Revised Agreement**"), which was signed on 27 July 2021. The Revised Agreement resulted in a revised consideration of USD1 444 445. At the date of these results, the regulatory approval remains outstanding and as a result the MyBucks Zambia investment remained classified as held for sale.

Assets held for sale	**At 30 Sept 2021 R '000**	**At 31 March 2021 R '000**
Properties held for sale	-	2 873
Investment in MyBucks Zambia	21 449	22 231
	21 449	**25 104**

4. LOANS AND ADVANCES

	At 30 Sept 2021 R '000	**At 31 March 2021 R '000**
Business credit	522 897	507 459
The Business funding advances are secured, via a cession of the underlying equity and/or assets. The advances bear interest at fixed interest rates based on the entity risk profile, ranging between 8% - 28% and repayment terms are facility specific with loans in the portfolio with terms up to 4 years.		
Supply chain funding	21 758	21 758
Enterprise development and supply chain advances are of a short-term nature with an average transaction cycle of 30 to 45 days. The Afristrat Group secures the funding via the terms of the transactions and where appropriate additional covering security is obtained.		
TOTAL LOANS AND ADVANCES	**544 655**	**529 217**
Expected credit losses per stage of default	**(407 124)**	**(329 697)**
Stage 1: 30 days or less in default	(1 641)	(1 807)
Stage 2: 31 days to 360 days in default	-	(45 384)
Stage 3: more than 360 days in default	(405 483)	(282 506)
	137 531	**199 520**

NON-CURRENT ASSETS		
At amortised cost	92 923	82 120
CURRENT ASSETS		
At amortised cost	44 608	117 400
Total loans and advances	**137 531**	**199 520**

The material increases in the expected credit loss allowance between stage 2 and stage 3 is due to the movement of a loan from a stage 2 to 3 default, which resulted in a 100% expected loss allowance being raised on the specific loan.

5. OTHER FINANCIAL ASSETS

	At 30 Sept 2021 R '000	At 31 March 2021 R '000
AT FAIR VALUE THROUGH PROFIT OR LOSS		
Ngwedi Capital Holdings	-	24 349
The Ngwedi Capital Holdings assets was disposed of as part of the MHMK disposal. Refer to note 7 for details.		
Option agreement	-	-
In June 2018, the Group entered into a put option agreement with MHMK Group Ltd and Sunblaze Holdings Incorporated, the Option Issuers. In term of the agreement the Group holds an unconditional and non-exclusive option to require the Option Issuers to purchase, jointly or severally, all or any portion of the Option Shares, being the total number of MyBucks ordinary shares held by the Afristrat Group as at 31 December 2021, at an Option Strike price of EUR18. The option can be exercised during the 30-day Option Exercise Period which follows directly after the Option Period's expiration date being 31 December 2021. Included in the Put Option is a warranty that prohibits the Group from exercising the Put Option during the Option Exercise Period if the underlying puttable shares are pledged. The Group pledged all the shares it held in MyBucks to Scipion Active Trading Fund and due to the financial difficulties encountered by the Group as at 30 September 2021, which continues to today, the Group considers at each reporting period whether any portion of the pledge over the MyBucks shares could be cleared by the Option Exercise Period. At 30 September 2021 the Group was not able to demonstrate that the pledge over the shares could be cleared by the Option Exercise Period, due to the continued decrease in value of MyBucks. The Company has therefore concluded that it cannot reasonably recognised the Put Option at any value, other than zero. Further details around the Put Option and the impact of the MHMK Financial Services proposed acquisition, is disclosed in the subsequent events note.		
	-	**24 349**

Other financial assets carried at amortised cost		
Listed bond	66 100	65 943
Bond issued by FirstCred Ltd, listed on the Botswana stock exchange. The bond has a fixed coupon rate of 18% per annum and matures on 31 December 2021.		
	66 100	**65 943**
TOTAL OTHER FINANCIAL ASSETS	**66 100**	**90 292**
NON-CURRENT ASSETS		
At fair value through profit or loss	-	24 349
At amortised cost	-	65 943
	-	**90 292**
CURRENT ASSETS		
At fair value through profit or loss	-	24 349
At amortised cost	66 100	65 943
	66 100	**90 292**

6. INVESTMENT IN ASSOCIATES

At 30 September 2021, the Group had significant influence over the entities below by virtue of its interest in these companies shareholding and voting powers:

- MyBucks incorporated in Luxembourg;
- GetBucks Zimbabwe incorporated in Zimbabwe; and
- Invest Solar Zimbabwe incorporated in Zimbabwe.

Details of the Group's associate investments at 30 September 2020

	Proportion of ownership interest (%)		**Proportion of voting power (%)**	
	Sept 21	**Mar 21**	**Sept 21**	**Mar 21**
MyBucks	42,97%	42,97%	42,97%	42,97%
GetBucks Zimbabwe	32,80%	32,80%	32,80%	32,80%
Invest Solar Zimbabwe	40,70%	40,70%	40,70%	40,70%

30 September 2021	**MyBucks S.A**	**GetBucks Zimbabwe**	**Ngwedi***	**Invest Solar Zimbabwe**
Fair value of associates	5 080	36 369	-	105 148

31 March 2021	**MyBucks S.A**	**GetBucks Zimbabwe**	**Ngwedi**	**Invest Solar Zimbabwe**
Fair value of associates	62 064	18 510	1 653	103 431

**Disposed during the interim period*

Use of level 3 fair value hierarchy

Management deems the use of level 3 appropriate for the fair valuation of GetBucks Zimbabwe due to the inactive and illiquid market, with thin trading volumes of the number of shares in issue during the six-months period.

Reconciliation of movement

	For the 6-month period ended 30 Sept 502021 R '000	For the 12-month period ended 31 March 2021 R '000
Investments in associates – measured at fair value		
Opening balance	**185 659**	**648 139**
Fair value adjustments passed	(39 711)	(397 332)
Foreign exchange differences	2 302	(41 424)
Reclassification to held for sale	-	(23 724)
Equity accounted post acquisition earnings	-	3 540
Disposal of assets	(1 653)	-
	146 597	**185 659**

Fair value loss

The Afristrat Group reported a fair value loss of R39.4 million of which the investment in MyBucks accounts to R56 million.

7. DISPOSAL OF SUBSIDIARY

Disposal of the Group's 70% in MHMK Capital (Pty) Ltd ("MHMK")
Ecsponent South Africa Proprietary Limited ("**Ecsponent SA**"), a subsidiary of Afristrat, disposed of its 70% interest in MHMK to a BEE consortium led by the founding members of Ngwedi Capital Holdings Proprietary Limited ("**NCH**") represented by Softcore Trading Proprietary Limited ("**Softcore**") (the "**Disposal**"). The total cash consideration of R18 million ("**Purchase Consideration**") together with all risks and benefits of ownership, for the Disposal by Ecsponent SA of its shares and claims in MHMK took effect from 24 June 2020. In terms of the agreement giving effect to the disposal ("**Disposal Agreement**"), the settlement date of the Purchase Consideration was set at 31 December 2020, after which the Purchase Consideration will carry interest at prime +2% until such time of payment ("**Loan**"). The payment of the Purchase Consideration did not occur on 31 December 2020.

Despite various engagements between Afristrat and Softcore ("**the Parties**") and best efforts by the latter to commercially execute the Disposal, the Parties mutually agreed on 14 April 2021 to cancel the disposal, due to the inability by Softcore to effect the payment of the Purchase Consideration. Therefore, the parties mutually agreed to reverse the Disposal transaction and return to the original position whereby Afristrat will retain its 70% shareholding in MHMK.

NCH, an associate of MHMK has further entered into an agreement with a large BEE Asset Manager to acquire the shares in Ngwedi Investment Managers Proprietary Limited ("**NIM**"), a subsidiary of NCH ("**NIM Disposal**"). The NIM Disposal will result in the settlement of debts due within NCH and repayment of all Capital Contributions to MHMK. The net remaining equity value in NCH after the disposal will result in no distributable equity value remaining in NCH and effectively in MHMK. Further to the mutual agreement to cancel the transaction/agreement and the subsequent disposal of NIM, the fair value of the associate held by Afristrat in MHMK has been reduced to a value of R0 (Zero Rand).

The Group further concluded a transaction in terms of which MHMK was disposed, effective on 30 April 2021 for R1.

Fair value of the assets and liabilities disposed of are as follows:

	As at 30 April 2021 R'000
Other financial assets	24 349
Investments in associates	1 653
Property, plant and equipment	25
Deferred tax asset	(1 943)
Cash and cash equivalents	2 700
Trade and other receivables	2 124
Trade and other payables	(2 387)
Other financial liabilities	(34 521)
Total identifiable net assets	**(8 000)**
Non-controlling interest	(2 233)
Net assets derecognised	(5 767)
Profit on disposal	(5 767)
Consideration receivable	**-**

Net cash flow on disposal	As at 30 April 2021 R'000
Net cash balance disposed	2 700
	2 700

8. DEFERRED TAX

Net deferred tax asset	For the 6-month period ended At 30 Sept 2021 R '000	For the 6-month period ended At 31 March 2021 R '000
Fair value adjustments	75 565	77 370
Tax losses available for set off against future taxable income	56 318	42 054
Capital growth accruals	1 537	2 365
Allowance for credit loss	45 243	31 530
Other deferred tax assets	1 043	866
Deferred transaction cost	(641)	(1 073)
	179 065	**153 149**

Recognition of deferred tax asset

The Group recognises the net tax benefit relating to deferred income tax assets arising from future deductible temporary differences and past income tax losses. The deferred income tax asset is recognised to the extent it is probable that taxable income will be available from forecast profits to realise the future tax saving. The expectation of future taxable profits is based on the continued improvement in the Group's operating results arising from the restructure initiatives already implemented and the continuation of the Group's restructure. The main objective of the initiative is to ensure the Group's profitability and sustainability. The Group applied judgement in determining the future expected taxable income to recover deferred tax assets. The deferred tax asset arising on Group tax losses and fair value adjustments have not been recognised in full as at 30 September 2021, the amount of unrecognized deferred tax losses amounts to R529 million.

9. NOTE PROGRAMME

	At 30 Sept 2021 R'000	At 31 March 2021 R'000
HELD AT AMORTISED COST		
Note 1		
Initial issue price redeemable after three years. Monthly interest is paid at a rate of 9% per annum.	1 565	1 557
Note 2		
Initial issue price redeemable after three years. Monthly interest is paid at a rate of 10% per annum	29 487	29 232
Note 3		
Initial issue price redeemable after three years. Monthly interest is paid at a rate of 12% per annum	59 896	60 369
Note 4		
Note redeems at 137.49% of the initial issue price after three years. No monthly interest is paid.	44 763	40 480
Note 5		
Initial issue price redeemable after three years. Monthly interest is paid at a rate of prime plus 1.5% per annum.	38 446	38 124
TOTAL NOTES IN ISSUE	**174 157**	**169 762**
NON-CURRENT LIABILITIES		
At amortised cost	-	85 541
CURRENT LIABILITIES		
At amortised cost	174 157	84 221

10. OTHER FINANCIAL LIABILITIES

	At 30 Sept 2021 R '000	At 31 March 2021 R '000
Scipion Active Trading Fund	173 984	161 752

USD 10 million term loan facility that bears interest at 10% plus 12-month LIBOR screen rate amortised and payable monthly. 50% of the capital is payable by May 2021 and the remaining 50% is payable in August 2021. This loan is secured over MyBucks S.A. shares to the value of 125% of the loan balance. In addition to the shares as security, a further requirement is that an amount of R20m in financial assets of the Group is to be maintained and Afristrat signed as Original Guarantor. The Company has entered into renegotiation discussions with the lender after default on payment terms related to interest. The renegotiation is ongoing with a capital repayment holiday for 24 months and interest payment holiday of 12 months being renegotiated at interim period.

	At 30 Sept 2021 R '000	At 31 March 2021 R '000
Ever Prosperous Worldwide Limited – ISA	143 727	133 100
*This is a two-year facility bearing interest at 12% per annum. The loan is to be fully repaid by December 2021, with monthly payments from 31 July 2020. The facility is secured by shares in Invest Solar (Private) Limited ("**ISA**"), a personal guarantee by Mr G Manyere as well as the equipment purchased using the facility by Harava Solar Park.*		
Ever Prosperous Worldwide Limited	13 137	12 129
USD14.8 million loan is secured by a pledge of 381,506,336 shares in GetBucks Microfinance Bank Limited, bears interest at 10% per annum, payable monthly. At 31 March 2020 a total of USD725 051 was in arrears comprising capital and interest. Management have renegotiated terms for final settlement of the facility from the process of monetising certain longer-term assets.		
Ever Prosperous Worldwide Limited	15 498	14 242
ZAR 26 million unsecured term loan facility at an interest rate of 12% per annum. The capital and accrued interest is payable on demand, with 60 days' notice from the lender. The lender has issued the notice with repayment due on 13 February 2020. At the reporting date management renegotiated terms for final settlement of the facility from the process of monetising certain longer-term assets.		
Ever Prosperous Worldwide Limited	31 651	30 589
ZAR33,4 million unsecured term loan facility at an interest rate of 12% per annum. The loan capital is repayable monthly from April 2020 with the last payment on 30 November 2020. At the reporting date management renegotiated terms for final settlement of the facility from the process of monetising certain longer-term assets.		
Ecsponent Eswatini Collective Investment Scheme	1 013	1 013
The loan is secured by a payment guarantee by Afristrat, repayable 12 months from date of advance and bears interest at 15% per annum.		
Norsad Finance (Botswana) Limited	82 632	76 469
USD5 million loan is secured by a pledge of 444,000 MyBucks shares that bears interest at the three-month LIBOR plus 11% per annum, payable quarterly. The loan is repayable on 11 July 2022. The Group has entered into negotiations with the lender to amend the terms and requested an interest holiday for a period of 12 months.		
Norsad Finance (Botswana) Limited – ISA	95 883	90 228

This is a seven-year facility issued, being charged at 9% plus six months Libor which is to be utilised in the construction of the Harava Solar Project in Zimbabwe. The loan is payable in March 2026 and capital is payable from October 2020. The facility is secured by shares in Invest Solar Africa as well as the equipment purchased for the Harava Solar Park using the facility.		
Chrome Valley Mine Development	20 760	20 711
The liability relates to the company's obligation to pay USD1,5 million for the development of the Chrome mineral assets held by Chrome Valley Mine Development to secure the Group's 51% interest. The funding comprises the initial capital contribution of the company and no fixed payment terms are determined.		
MHMK Eswatini (Pty) Ltd	-	32 847
The loan is secured over financial assets of Ngwedi Capital Holdings (Pty) Ltd, bears no interest and is repayable on demand. The loan was settled after year-end.		
Stodaflow (Pty) Ltd	16 072	72
This R30 million facility is unsecured, interest free and repayable 6 months after drawdown.		
Promissory notes – Colyn	16 248	15 574
Promissory note bearing interest at 8% per annum, interest is payable monthly, unsecured and the capital is repayable by 25 July 2024.		
Promissory notes – Beetge	1 691	4 553
Promissory note bearing interest at 12% per annum, interest payable monthly, unsecured and matures on 30 June 2020. The Group entered in negotiations to extend the repayment date and has settled R3million of the note after year-end.		
Promissory notes – Seiler	1 517	1 425
Promissory note bearing interest at 12% per annum, interest payable monthly, unsecured and matures on 2 December 2022.		
Other	14 710	14 468
Credit facilities in issue are unsecured and bear no interest. The notes have repayment terms of 24 months commencing from the 1 December 2020.		
TOTAL OTHER FINANCIAL LIABILITIES	**628 523**	**609 172**
NON-CURRENT LIABILITIES		
At amortised cost	368 746	150 428
CURRENT LIABILITIES		
At amortised cost	259 776	458 744

11. FAIR VALUE

	6-months ended 30 Sept 2021 R'000	6-months ended 30 Sept 2020 R'000
Fair value gains (losses) – Listed equities	17 859	286 139
Fair value gains (losses) – Unlisted equities	(56 443)	5 836
Fair value gains (losses) – Other financial assets	(852)	-
	(39 436)	**291 975**

12. EARNINGS AND FULLY DILUTED EARNINGS PER SHARE

Loss	**6-months ended 30 Sept 2021 R '000**	**6-months ended 30 Sept 2020 R '000**
- Total loss for the period	(123 371)	(340 837)
- Loss attributable to non-controlling interest	(1 730)	(3 631)
Basic loss	**(121 641)**	**(337 206)**

Number of shares in issue at start of period	59 445 880 668	1 079 555 326
Weighted average of shares during the period	(67 770 878)	32 526 384 127
Total weighted number of shares in issue at end of period	**59 378 109 790**	**33 605 939 491**

Earnings and diluted earnings per share

Loss and diluted loss per share have been calculated using the following:		
Net loss for the period attributable to ordinary shareholders	(121 641)	(337 206)
Weighted average number of shares in issue for the period	59 378 109 790	33 605 939 491
Basic profit and fully diluted loss per share (cents)	(0.205)	(1.003)

Headline loss and diluted headline loss per share have been calculated as follows:

Headline loss		
- Basic loss	(121 641)	(337 206)
- (Profit)/loss of control on disposal of subsidiary	(4 152)	6 359
- Profit on disposal of property, plant and equipment	-	(9)
- Reversal of IAS 36 Impairment of assets	-	(1 180)
Total headline loss attributable to shareholders	**(125 793)**	**(332 036)**
Weighted average number of shares in issue for the period	59 378 109 790	33 605 939 491
Headline earnings per share (cents)	(0.212)	(0.988)

13. RELATED PARTIES

The Group entered into related party transactions with associates and related entities to directors during the financial period. Below is a summary of the relevant balances in this regard:

	30 Sept 2021 R'000	31 March 2021 R'000
Related party balances		
Other financial liabilities		
- Associate companies	(5 692)	(5 565)
- Entities related to directors	(21 391)	(38 193)
- Entities related to associates	(24 460)	(24 341)
Exploration and evaluation assets		
- Associate companies	20 789	20 741
Other financial assets		
- Associate companies	-	24 349
- Entities related to associates	66 100	65 943
Loans and advances		
- Entities related to directors	43 326	110 962
- Entities related to associates	91 891	84 453
Related party transactions		
Net lending income/(expenses)		
- Entities related to directors	-	28 673
- Entities related to associates	9 847	21 002
Fair value gains/(losses)		
- Associate companies	(39 711)	(397 332)

14. SUMMARY CONSOLIDATED SEGMENTAL INFORMATION

The segments identified are based on the operational and financial information reviewed by management for performance assessment and resource allocation.

Period ended 30 September 2021

	Total Assets R '000	Other Revenue R '000	Interest income R '000	Operating profit (loss) R '000
Operating segment				
Business credit	207 895	-	6 604	(66 913)
Investment services	99 085	-	23	12 806
Equity holdings	309 027	386	3 942	(58 621)
Corporate	4 108	-	-	-
Elimination	(32 172)	-	(142)	(142)
	587 943	**386**	**10 427**	**(112 870)**
Geographic segment				
South Africa	182 433	386	579	(57 535)
Botswana	436 972	-	9 847	(55 335)
Mauritius	296	-	-	-
Zambia	414	-	142	142
Elimination	(32 172)	-	(142)	(142)
	587 943	**386**	**10 427**	**(112 870)**

Period ended 30 September 2020

	Total assets R'000	Other Revenue R'000	Interest income R '000	Operating profit/ (loss) R'000
Operating segment				
Business Credit	292 647	-	30 412	21 126
Investment services	63 979	-	21 270	5 313
Equity holdings	530 753	368	4 728	(274 836)
Corporate	7 629	-	352	3 106
Elimination	(6 276)	-	(27 698)	(41 402)
Group total	**888 733**	**368**	**29 065**	**(286 693)**
Geographic segment				
South Africa	394 634	368	24 148	(250 564)
Botswana	472 725	-	26 417	20 228
Mauritius	327 263	-	6 057	(14 934)
Zambia	383	-	141	(21)
Eliminations	(6 276)	-	(27 698)	(41 402)
Group total	**888 733**	**368**	**29 065**	**(286 693)**

The comparatives have been disaggregated to separately present the financial performance of lending activities, private equity investment activities and operational activities.

15. EVENTS AFTER THE REPORTING PERIOD

15.1. Related party acquisition of MHMK Financial Services Limited

Afristrat entered into a binding term sheet ("**Term Sheet**") on 18 May 2020, to acquire 100% of MHMK Financial Services Limited ("**MHMK Financial Services**") from MHMK Group Botswana Limited ("**MHMK Group**") ("**Proposed Transaction" or "the Acquisition**"). The Term Sheet also envisaged a change of name of the Company ("**Name Change**") and the implementation of an employee share scheme.

In accordance with of the Term Sheet, the Proposed Transaction was to be settled by the issue of 82 816 606 485 new Afristrat ordinary shares ("**Consideration**"). In accordance with the final sale of shares agreement entered into between the Company and the GM Trust in October 2021 in order to give effect to the acquisition of MHMK Financial Services, the number of new Afristrat no par value ordinary shares ("**Shares**") to be issued in settlement of the purchase consideration, has now been reduced to 17 400 000 000 Shares (**"Revised Purchase Consideration"**), which will be issued prior to the proposed share consolidation.

The revised Proposed Transaction will no longer result in the GM Trust (and/or its associates and concert parties) holding more than 35% of the total issued share capital of the Company post the successful implementation of the Proposed Transaction, and accordingly, does not trigger the requirement that the GM Trust make a mandatory offer in terms of section 123 of the Companies Act to the remaining shareholders of Afristrat ("**Mandatory Offer**"). Accordingly, it is no longer a condition precedent to the Proposed Transaction that Afristrat seek shareholder approval for the waiver of the Mandatory Offer requirement.

Related Party Relationship and Classification of the Proposed Transaction

Mr George Manyere, is the ultimate beneficial owner of the MHMK Group and he is also the current Chief Executive Officer of the Company. MHMK Group is also a material shareholder in the Company.

In terms of sections 10.1(b)(i) and (ii) of the JSE Listings Requirements, the Proposed Transaction is classified as a related party transaction, given that Mr. George Manyere, is a beneficiary of the GM Trust, the controlling shareholder of MHMK Botswana and is the current Chief Executive Officer of the Company.

The Proposed Transaction is subject to the fulfilment of the certain Conditions Precedent on or before 31 March 2022 ("**Effective Date**").

Share Consolidation

The proposed terms of the share consolidation was that the issued share capital be consolidated on a basis of 1 for 200, based on the issued share capital post the Proposed Transaction, meaning that every 200 no par value shares would have been consolidated into one no par value share.

Pursuant to the Revised Purchase Consideration, the terms of the proposed Share Consolidation have been amended such that both the authorised and issued ordinary share capital of Afristrat will now be consolidated on the basis of 1 for 120, meaning that every 120 ordinary shares will be consolidated into one ordinary share.

The circular to shareholders related to the above, was distributed on 13 December 2021.

15.2. Put Option agreement in relation to the MyBucks interest

In June 2018, the Company ("**Option Holder**") entered into an agreement with the Afristrat, whereby Afristrat has the option to sell all, or a portion of its MyBucks shares to the Option Holder, at a price of EUR18 per MyBucks Share ("**Put Option**"), which option expires on 31 December 2021 ("**Put Option Agreement**").

At initial singing of the Put Option Agreement during 2018, the MyBucks Shares held by Afristrat amounted to 1.5 million shares (with the total issued share capital of MyBucks amounting to 12 million), which approximated a value of R238 million for the Put Option given the exchange rates in force at the time.

Subsequently, on 22 November 2019, MyBucks underwent a debt-to-equity conversion, priced at EUR1 which had a dilutionary effect on its shareholders, with its issued share capital increased to 76 million MyBucks shares, meaning that Afristrat currently owns a total of 32.8 million MyBucks Shares.

The Put Option Agreement did not cater for the abovementioned debt-to-equity conversion, and there was no renegotiation of the issue price with the Option Holders at the time of this conversion.

Afristrat's MyBucks Shareholding has been pledged as security to SATF. However, in accordance with warranties recorded in the Put Option Agreement, in order for the Put Option to be exercisable, the MyBucks Shares cannot be, *inter alia* pledged or ceded in any way at the time of the Put Option Exercise Period, being the 30 days period after the Option Expiration date.

Probability of exercise of the Put Option

Whilst Afristrat is in negotiation with its debt holders, the Company does not envisage being able to settle the SATF Debt by the end of this year, being the Put Option Exercise Period. Accordingly, the Board is of the view that the Put Option is unable to be exercised.

Furthermore, following the implementation of the Proposed Transaction as set out above in the subsequent events note, MHMK Financial Services will become a material part of the Company, making Afristrat both the Option Issuer and Option Holder in this regard. Accordingly, the successful implementation of the Proposed Acquisition in effect nullifies the Put Option Agreement.

The financial impact of the Put Option on the Group

Due to the inability of Afristrat to exercise the Put Option during the Option Exercise period, the Put Option has been recognised at no value in the accounting record.

15.3. De-facto control of investment MyBucks

With reference to the announcement released on SENS, the Board announced that MyBucks has accepted the nomination of Afristrat's current CEO (Mr. George Manyere) to the Board of MyBucks. This recent appointment together with the resignation of Mr Craig Lyons and Mr Lutz Seebacher as directors of MyBucks enables Afristrat to make all the operational and financial decisions for the MyBucks Group and certainly results in "control" for the purposes of the Companies Act, JSE Listing Requirements and IFRS.

Following the Board's assessment as set out above, MyBucks will become a subsidiary of the Company and will be consolidated in the Group financial results.

The board is still assessing and finalising the pro forma impact of the MyBucks consolidation on the group results.

16. CAPITAL COMMITMENTS

There were no authorised and contracted or authorised but uncontracted capital expenditure for the Group and Company as at 30 September 2021, (31 March 2020: Nil) (30 September 2020: Nil).

17. GOING CONCERN

The condensed consolidated interim financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

In performing the going concern assessment, the Board considered historical data relating to resources and reserves, available information about the future, the possible outcomes of planned events, changes in future conditions, the current global economic situation due to the Covid-19 pandemic and the responses to such events and conditions that would be available to the Board.

The Board has, *inter alia*, considered the following specific factors in determining whether the Group is a going concern:

- the total comprehensive loss for the six-month financial period of R128 million compared to a R315 million loss in the comparative six-month period;
- current liabilities exceeding current assets by approximately R372 million as at 30 September 2021;
- cash utilised in operations during the 2021 financial period in the amount of R26 million;
- assessment of the solvency and liquidity position in terms of the Companies Act;
- whether the Group has sufficient cash resources to pay its creditors and maturing liabilities as and when they fall due and meet its operating costs for the ensuing twelve months;
- whether there is any significant pending litigation that will threaten the going concern status of the Group;
- whether the Group has available cash resources to deploy in developing and growing existing operations or invest in new opportunities; and
- significant value accretive decisions taken and events after the reporting date.

The Board believes that the current economic outlook presents challenges in the near term, predominantly evidenced by the fair value reduction in the Group's investments and the current macro-economic conditions. These conditions, together with those mentioned above are considered to indicate that a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern. This is largely attributable to its short-term liquidity position.

The Board implemented a number of actions during the reporting period to further improve both solvency and liquidity.

Solvency

The directors have evaluated the Group's solvency position in terms of the Companies Act, and have concluded that the Group's total assets fairly valued, exceeded its total liabilities fairly valued, by R118 million and therefore is in a technically insolvent position. The Board's medium-term outlook of its solvency position remains positive with the expectation that the fair value of the investments, will improve in the foreseeable future and that some or all these investments are expected to ultimately realise value for all stakeholders. In order to address the technically insolvent position, the Group has proposed the acquisition of MHMK Financial Services. The proposed acquisition is expected to result in the Group obtaining a solvent position post the transaction of R232 million, based on the *pro-forma* assessment of this transaction. Accordingly, the Group believes the solvency position remains in place.

Liquidity

The directors have evaluated the Group's liquidity requirements to confirm whether the Group has adequate cash resources to continue as a going concern for the foreseeable future. Having taken into account the net current liability position, and having subsequently prepared a cash flow forecast covering a period of 12 months from the date of these financial statements, the directors have concluded that the Group would be able to continue its operations as a as a going concern.

In response to the net current liability position, to address future cash flow requirements, detailed liquidity improvement initiatives have been developed and are being pursued, with their implementation regularly monitored. These include the following:

- continuation of the successful decrease in operational expenses with specific focus on reducing head office costs and monthly operating overheads;
- successful conclusion of the disposal of MyBucks Zambia (subject to regulatory approval);
- successful implementation of various collection strategies relating to the recovery of long outstanding loans and advances owed to the Group relating to various business credit and supply chain funding arrangements; and
- monetising of the listed bond issued by FirstCred Ltd in the amount of approximately R66 million in order to support liquidity and working capital requirements, while exploring various capital raise initiatives aimed at funding future growth of the current and new investments.
- The renegotiations of the interest and capital repayment terms of the USD10 million facility with SATF and the USD5 million facility with Norsad, which the Group has already commenced and which has resulted in interest and capital payment holidays.
- Successful conclusion of the MHMK Financial Services acquisition, in order to provide the Group with a basket of income generating assets in the foreseeable future.
- Re-opening of the funding instruments.
- Successful re-investment of maturing Domestic Medium-Term Notes with an approximated value of R24 million into new series during December 2021.

As such, the Board continues to adopt the going concern basis of accounting in preparing the consolidated condensed interim financial statements.

18. CONTINGENCIES

The directors are not aware of any matter or circumstances of material significance that requires disclosure as a contingent liability.

19. LEGAL MATTERS

The directors are not aware of any legal matter or circumstances of material significance that requires disclosure except for the following:

Letters of demand relating to preference share conversion
The Group is currently defending four claims instituted against the Company as a result of the approval of the conversion of preference shares to ordinary shares at the General Meeting of 27 May 2020. The Group is actively defending these matters as it believes the merits for the claims are in contradiction with the original terms of the preference share programme and therefore any possible claim is considered as remote. As the claims are considered as remote, no contingency disclosures for these claims have been made.

Labour court matter
The Group is currently defending a labour court matter which has been lodged by the previous CEO in relation to the mutual separation agreement signed with the Company. The Company has recorded the full settlement value amounting to R9.5 million as part of its trade payables. However, subject to the forensic investigations initiated, the Group has ceased to repay the amounts per the separation agreement and accordingly the previous CEO has lodged an appeal at the labour court for this settlement amount to be repaid. The Company is defending the matter and has applied for cancellation of the separation agreement.

Forensic investigation
Afristrat initiated two forensic investigations during the year:
• The use and distributions of funds received from its USD10 million SATF. ("**SATF Investigation**")
• The investment of R100 million into a preference share structure of VSS Financial Services (Pty) Ltd ("**VSS**"), a wholly owned subsidiary of MyBucks ("**VSS preference share investigation**").

After receipt of the forensic investigation report on the VSS preference share investigation, the Afristrat Board requested the board of MyBucks to institute a further forensic investigation to be conducted by MyBucks into the operations of VSS. ("**VSS investigation**").

The two forensic investigations initiated by Afristrat, have been handed over to the Group's legal representatives who are currently assessing any actions necessary to take on the findings raised and any possible claims which can be pursued.

SATF Investigation
The Company instituted a forensic investigation into the use and distributions of funds received from its USD10 million SATF facility. Based on recommendations from the forensic investigators and legal representation obtained from the Company's external legal counsel, the Board has instructed its attorneys to institute legal action against certain parties potentially liable to the Company as referenced in the forensic report.

Having regard to the above forensic investigation, the ability of the Company to service the ongoing monthly interest and repay the USD10 million principal amount on the SATF facility, 50% which was due in May 2021 and the remaining 50% in September 2021 has been impacted. Accordingly, the Board has formally written to SATF to renegotiate the terms of the SATF facility. Although SATF is entitled to call up the entire debt owed, they have not accelerated debt payments and have held off on taking action in order to facilitate a commercial solution. Negotiations on the facility payable to SATF is ongoing and expected to be completed by December 2021.

The forensic investigation report has been handed over to the Group's legal representatives who are currently assessing the actions necessary to take on the findings raised and preparing particulars of claims.

VSS investigation
Afristrat announced the outcome of the forensic investigation on SENS on 8 September 2020 regarding the Company's R100 million investment in the form of redeemable preference shares in VSS and stated that certain parties should answer for the clear lack of corporate governance, financial mismanagement and failure to act in the best interests of the company and its stakeholders regarding this investment. The forensic investigation report has been handed over to our legal representatives who are currently assessing the actions necessary to take on the findings raised and whether any possible claims can be instituted.

Following the outcome of Afristrat's own forensic investigation into its investment in the preference share of VSS, the Afristrat Board requested MyBucks to further investigate the activities of VSS, a wholly owned subsidiary of MyBucks, registered in South Africa. MyBucks announced the outcome of the forensic investigation and stated that it believes that certain former directors and executives and certain service providers should answer for the clear lack of corporate governance, financial mismanagement, accounting irregularities and failure to act in the best interests of the company and its stakeholders. MyBucks and its major shareholder, Afristrat, have agreed to collaborate in the process. The Forensic report completed by MyBucks, has been handed over to the liquidator of VSS as VSS has been placed in provisional liquidation.

The High Court of South Africa has granted the liquidators of VSS permission to convene an inquiry, which is expected to be overseen by a retired judge. Once the Inquiry is concluded and if permission has been obtained from the Commissioner, shareholders will be advised of the outcome.

The Board is committed to ensure that any actions and recommendations and possible claims from this enquiry will be appropriately implemented. The Board has therefore taken all actions within its realm to address the findings of the report and will continue to pursue these matters to its fullest extent.

20. DIVIDENDS

No ordinary dividends have been declared or proposed for the current six month period.

21. DIRECTORS CHANGES

Mr Keith Rayner retired as independent non-executive director with effect from 5 November 2021. Mr Roger Pitt assumed the role of Chairman with effect from 29 November 2021.

Additionally, Mr Godwin Nyengedza has been appointed as the Chairman of both the Audit and Risk Committee; and the Remuneration and Nomination Committee, with effect from 29 November 2021.

For and on behalf of the Board

G Manyere
Pretoria
17 December 2021

Directors: RMH Pitt # (Chairman), G Nyengedza*, C Beetge#, Y Maitin*, G Manyere (Chief Executive Officer) and TJ de Kock (Chief Financial Officer)
(* Independent Non-Executives)
(# Non-Executive)
Company Secretary: Acorim (Pty) Ltd
Registered Office: 43 Garsfontein Road, Waterkloof, Pretoria, 0145, PO Box 39660, Garsfontein East 0060
Transfer Secretaries: Computershare Investor Services Proprietary Limited, (Registration number 2004/003647/07), 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, (PO Box 61051, Marshalltown, 2107)
Auditors: Nexia SAB&T
Sponsor: Merchantec Capital