



INVESTING IN GROWTH IN AFRICA



Annual Report 2019

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		DATE APPOINTED
DIRECTORS	Charles George Barrington Tryon	07 August 2014
	Marc Jan Albert Beuls	08 September 2014
	David John Morrison	24 September 2014
	Nicholas Eustace Haddon Ferguson	25 September 2014
	Iwan Sebastiaan Meister	04 November 2014
	Raju K Shaulis	01 December 2014
	Henry Awele Obi	04 December 2015
	Harris Harjan	28 April 2017
	Harry Sutherland	28 April 2017
ADMINISTRATOR AND SECRETARY	CrossInvest Global Management Services Limited Office FF01, Endemika Business Park Petit Raffray, 30715 Republic of Mauritius	
REGISTERED OFFICE	CrossInvest Global Management Services Limited Office FF01, Endemika Business Park Petit Raffray, 30715 Republic of Mauritius	
AUDITORS	Grant Thornton Ebene Tower 52 Cybercity Ebene 72201 Republic of Mauritius	
BANKER (MAURITIUS)	Barclays Bank Mauritius Limited Standard Bank (Mauritius) Limited	



Africa Logistics Properties (Kenya), Distribution Centre



Rungwe Avocado Company (Tanzania), Packing Facility



Karebe Gold Mine (Kenya), Pouring Gold

As reported in more detail in the Chief Executive's Review, 2019 really was a year of two halves. A weakish first half was followed by excellent performance in the second half, which was continuing in the first quarter of this year, prior to the onset of the pestilential virus.

Operating in East Africa is never straightforward and the need to be willing to roll with the punches is a critical attribute of a management team. 2019 was no exception, floods in Mozambique in the early part of the year and almost total economic collapse in Zimbabwe later on, were only two of the natural and economic challenges that our management encountered last year and, each year that passes, the experience and increasing depth of the team is evident.



Having completed a first closing of the long-planned financing in the last quarter of 2019 and anticipating a second and final closing by the middle of this year, the arrival of Covid-19 has inevitably put expectations regarding the financing, and other plans for the year, on hold. It is probably too early, as yet, to assess the impact on East Africa of the virus, though it is noteworthy how rapidly and effectively the response to its threat by certain governments has been and, so far, it appears that the voices of doom regarding its effect on East Africa appear to have been excessively pessimistic.

This said, it is likely that sub-Saharan Africa will enter its first recession in twenty-five years in 2020, as a consequence of Covid-19. Whilst this will undoubtedly present challenges across the group for the remainder of the year, it could also deliver opportunities in the medium term. Coming on the back of some turbulent years for African private equity, which has lived through the commodities crash of 2014, weak stock markets in 2017 and the Abraaj fiasco in 2018, another unforeseeable shock seems likely to constrain yet further the flow of funds into the sector, in the near term, and this may play to the advantage of Maris as a permanent capital vehicle building on the foundations of a solid portfolio of businesses.

At a local level, I am pleased to be able to report that the impact of the Virus on our staff has been minimal and I commend the senior management for the actions that they took, very rapidly, to look after the health and well-being of their colleagues.

David Morrison

Maris celebrated its 10th birthday in June 2019. It has been an incredible journey that started with some small investments in South Sudan, a disused old gold mine in Kenya and three founding partners, with a shared vision to invest in and build nuts and bolts businesses in frontier & post-conflict countries. Africa and the global economy have thrown a variety of challenges our way, but we have successfully navigated them building a stronger group along the way. We have learned a huge amount and believe we are well positioned today to take Maris to the next level.



OVERVIEW

Despite a court induced shutdown at Karebe having a marked impact on group performance in H1, the rest of the group continued to perform well. In H2, Karebe resumed production and by year end we had made up the deficit. FY2019 EBITDA at the operating company level was up 12% at USD 11.8m, a very welcome and impressive result given the headwinds of H1.

We are particularly pleased with the results of our Renewables (EBITDA +212%), Services (EBITDA +125%) and Gold divisions (EBITDA +28%), especially considering some of the challenges that we faced during the year at the Gold and Services divisions. The Property division also performed well, delivering a steady dividend flow. Unfortunately, EBITDA did not translate to the bottom line as net operating profit declined by 12%. At the holding company level we posted a paper loss due to the reduction in fair value of investments as mentioned above (overall USD 2.1m including the impairment of a loan to Equator Drilling).

Earnings increased across all divisions with the exception of Agriculture, Food & Forestry, which witnessed a decline as Equatoria Teak Company (ETC) came to the end of its harvesting rotation of our mature plantations. Our focus will now shift to expanding our plantations through planting additional trees and maintaining the 2,000 Ha's of trees we already have at various stages of maturity. ETC will add significant capital value in future, but minimal cash until we re-commence harvesting in 2027.

We also saw underperformance from Tatepa, our Tea and Avocado business in Tanzania, and Equator Drilling, which ran into financial difficulties in the DRC following an anchor client running into liquidity problems. We decided to close the DRC business, sell off the drilling assets and reposition the Mozambican branch into machinery rentals and rebranded as Equator Services.

The group's NAV increased 11% to USD 107.4m, with USD 14.4m in cash being added following a first closing of our capital raise in Q4 2019. The fair value of our holdings fell by less than 1% during the year to USD 87.2m and on a per-share basis the NAV now stands at 1.02 USD/share, i.e. a decline of -1.3% compared to 2018. This was due to a fall in the value of Equatoria Teak Company (-12%), Equator Drilling (-79%), Mulitani (-14%) and MTA (-22%), which was only partially offset by the significant gains seen in Equator Energy (53%) and MTR (43%). The value of our largest asset, Karebe Gold Mine, looks undervalued in both absolute and relative terms, but until our court case is resolved we feel it is not appropriate to conduct any revaluation.

COMPANY	COUNTRY OF OPERATION	EFFECTIVE % SHAREHOLDING	FAIR VALUE (USD M)	CHANGE IN VALUE (%)
Karebe Gold Mining Limited	Kenya	80%	16.0	0%
Venice Mine Complex	Zimbabwe	90%	14.1	0%
Africa Logistics Properties	Kenya	13%	11.2	6%
Quirimbas Support Services	Mozambique	100%	8.1	0%
Equatoria Teak Company	Mozambique	100%	6.6	-6.5%

At the Maris holding company level the group generated USD 0.9m in operating profit (dividends and fees received by the top holding less group holding costs), an increase on 2018. Maris received dividends and other cash inflows of USD 3.2m in 2019 and a further USD 1.2m belatedly in Q1 2020 vs. USD 4.1m in 2018.

Despite somewhat contradictory numbers at the holding company level, the group performed well and we felt that significant long-term value was added across the group. At Venice Mine for example, we have made great strides in re-opening a number of sections of the old complex and clearing the most prospective ground of illegal squatters. The potential of the mine is very significant indeed and whilst this has not translated into our 2019 numbers, we believe Venice may deliver some significant returns to shareholders in the future.

STRATEGY

Core to our strategy over the past few years has been to invest predominantly in “real assets” and focus on minimising local currency exposure through investing in businesses that generate earnings in hard currency where possible. This conservative approach has at times restricted our growth, but it has acted as an excellent buffer during some challenging years and particularly today.

Looking forward we believe we will add most value to our shareholders through building businesses and then aggregating them together into single larger entities. This offers economies of scale and synergies that also translate into higher value businesses. We have made good progress in starting to merge or scale our existing holdings into fewer larger entities that will be easier to realise greater value from. The formation and scaling of our dealerships into the META Group being one example and the creation and development of Agris, our Agroforestry focused holding company being another.

As I have mentioned previously, we feel it is time to scale Maris significantly. After 10 year investing in private equity & venture capital in Africa we have learned something and whilst we have much still to learn, in cricketing terms, we have got our eye in and it is now time push on. Whilst the Coronavirus pandemic has undoubtedly shattered global growth, it has presented opportunities and we are beginning to see some deeply discounted buying opportunities emerging in Africa. These should play into our strategic growth and provided we have the capital to support our growth plans, we should see some transformational growth across Maris in the next few years in advance of a planned liquidity event for shareholders.

As a condition within our revised shareholders' agreement, we are committed to a liquidity event or exit for shareholders by December 31st 2026. Whilst this may appear a distant date, we are preparing the foundations to create liquidity, either at the group level, or through selling divisions or assets over the next 5 years.

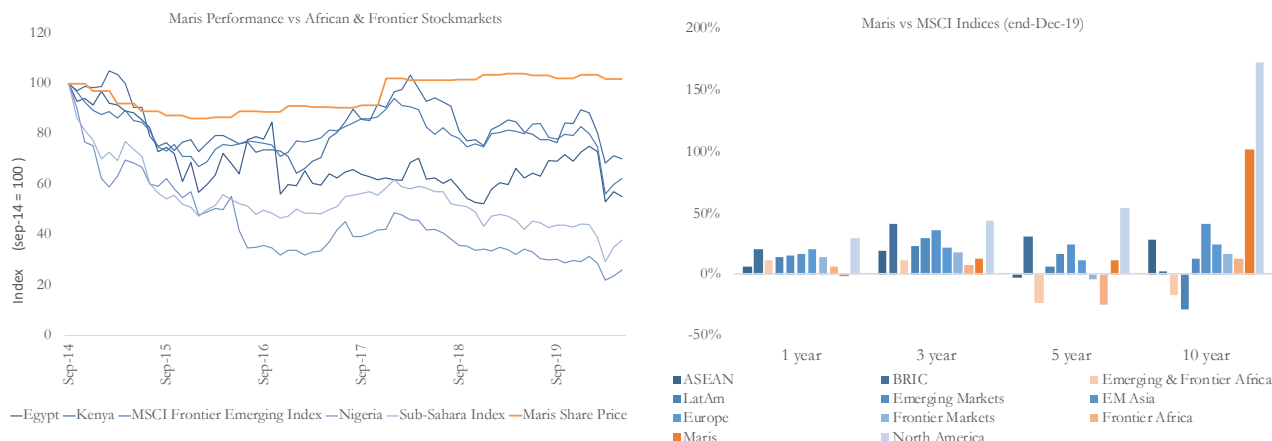
ACQUISITIONS & DISPOSALS

As part of this strategy the group has committed USD 12.3m to existing and new holdings (USD 2.7m to Agris, USD 3.7m to Renewables, USD 4m to Services, USD 1m to Gold and USD 0.9m to Properties). Of these funds, USD 2.6m have been deployed in 2019.

PERFORMANCE

Performance generally across Sub-Saharan Africa was sluggish in 2019. The S&P Frontier Africa Index, possibly our closest benchmark was down 5.3% in 2019, whilst the S&P All Africa Index (ex SA) was up 5.6% in 2019. GDP growth across the region was 2.4%, broadly flat versus 2018. Maris' NAV based share price fell by 1.3% for the year, outperforming the lacklustre performance of its nearest comparable index.

A longer-term perspective perhaps best illustrates how Maris has navigated some extremely tough markets in Africa. While it is disappointing Maris' NAV has not grown more over the past five years, our focus has been on protecting your and our capital in a very difficult environment. We have still continued to grow and start new businesses throughout this period, such as Africa Logistic Properties and Equator Energy, and we expect the fruits of these will come through over the next few years. However to have pursued a more aggressive investment strategy to grow NAV would have been unduly risky, given the economic and forex volatility in some of our countries.



The first chart above illustrates how well Maris has weathered the storm versus African stockmarkets in USD terms. To put it in context, an investment in the Nigerian stock market since 2014 would have resulted in losses close to 80%. Furthermore, Maris' 10 year performance versus major regional MSCI Indices in USD terms has also been encouraging. Only the North American indices have outperformed Maris, with much of this strong performance being driven by just seven large US technology companies. An end-Mar-20 comparison would actually have Maris' performance broadly equal to US stockmarket on a 10 year basis and significantly higher than other regional indices on a one, three and five year basis.

OUTLOOK FOR SUB SAHARAN AFRICA

The COVID-19 pandemic has been forecast to push Sub Saharan Africa into recession for the first time in 25 years. This does appear likely from evidence we are seeing on the ground in Africa, although this will be very much country and sector specific. What is abundantly clear is that African currencies are seeing weakness across the continent with leading currencies such as the South African Rand falling over 20% in Q1 2020.

Growth in Sub-Saharan Africa is likely to be anemic at best in 2020 with those economies that are more exposed to commodities seeing a greater negative impact. Much will depend on how quickly lockdown restrictions are lifted and the continent is able to get back to work. Maris should weather the storm better than most with our strong USD exposure and diverse asset base.

CAPITAL RAISE

Maris concluded the first close of its planned rights issue in 2019 on USD 14.4m which came almost entirely from existing shareholders' subscriptions. The group is planning to go back to market once business activity resumes following the pandemic to raise sufficient capital to scale Maris significantly.

Charlie Tryon



Mulitani (Mozambique), Serviced Housing Complex



MEFA (Tanzania), Dealership Compound



Venice Gold Mine (Zimbabwe), Hydro-Slicing Plant

USD 107m

NAV

+ 14% vs 2018

USD 45.6m

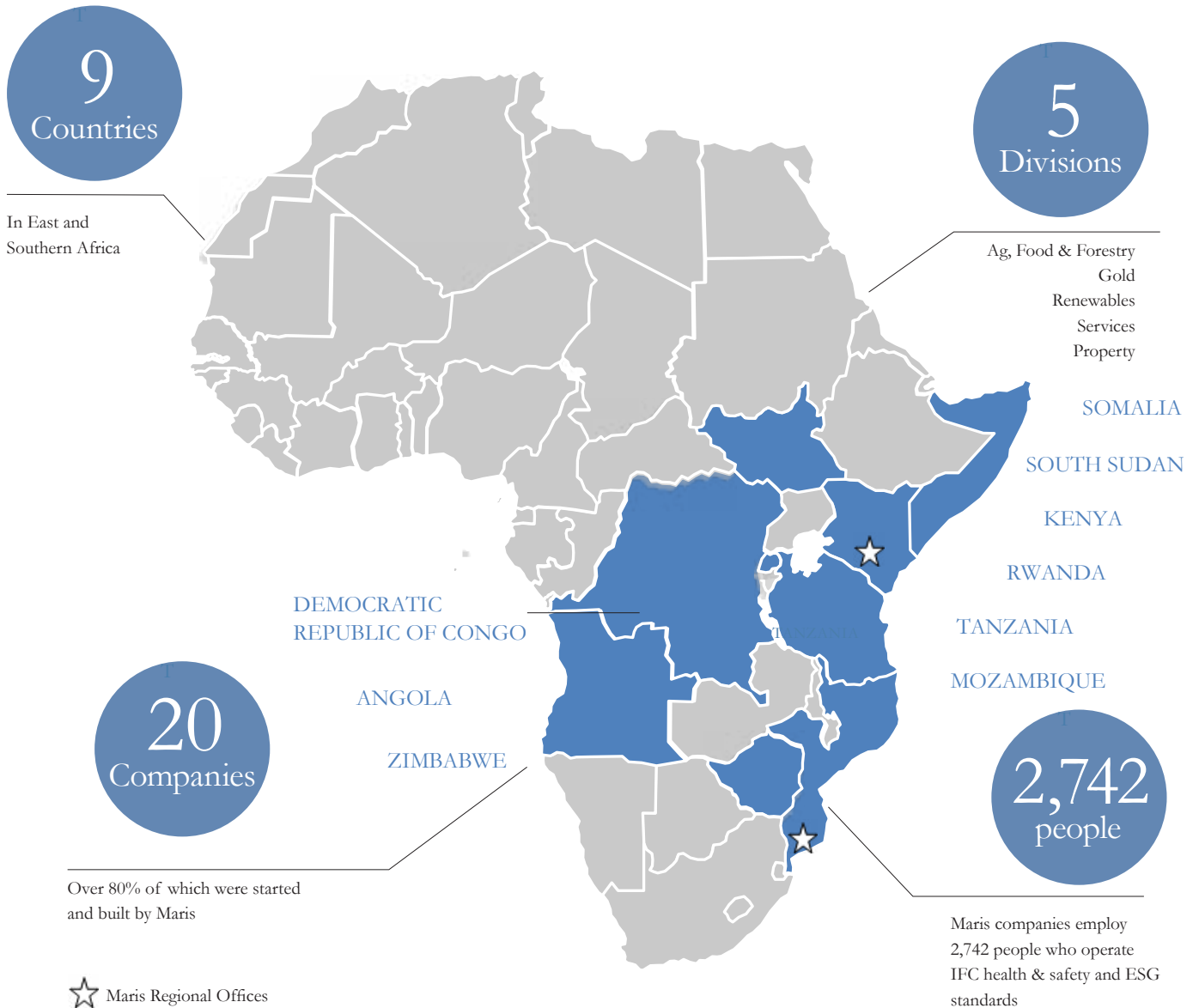
REVENUES
(Operating Companies)
- 4% vs 2018

USD 11.8m

EBITDA
(Operating Companies)
+ 12% vs 2018

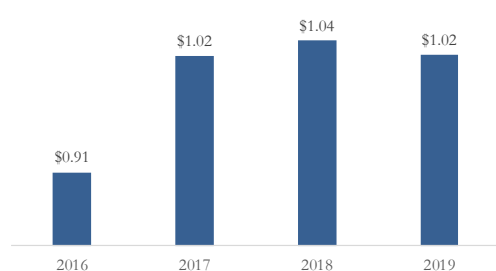
USD 15.8m

CASH
(Holding Company)
+ 410% vs 2018

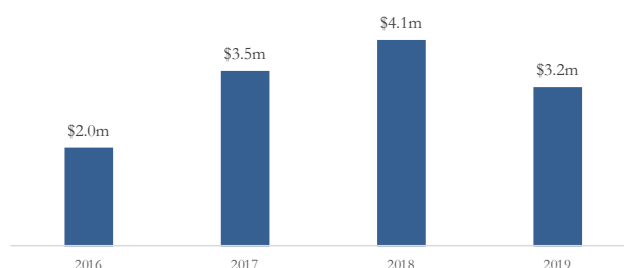


OVERVIEW	2016	2017	2018	2019
NAV (mUSD)	82.4	92.8	94.1	107.4
NAV / share	0.91	1.02	1.04	1.02
Changes in NAV / share y-o-y	na	12.1%	1.5%	- 1.3%
Cash from Operating Companies	2.0	3.5	4.1	3.2
Cash generated as % of NAV	2.4%	3.8%	4.4%	3.0%
Group costs as % of NAV	3.0%	2.5%	2.6%	2.6%
Group costs changes y-o-y	0.0%	- 6.0%	5.6%	14.5%

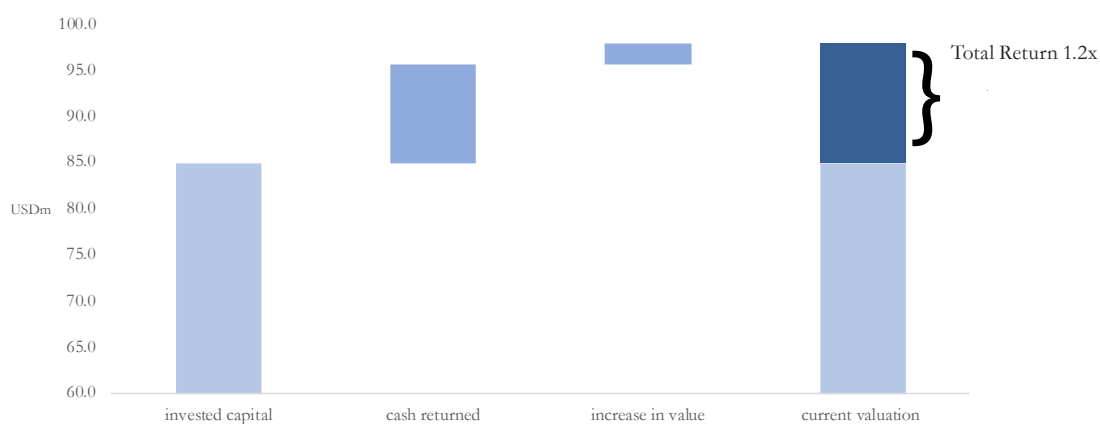
NAV/ share 2016-2019



Cash remitted to HoldCo 2016-2019



Total Investments Return to Maris Holding Company since 2014

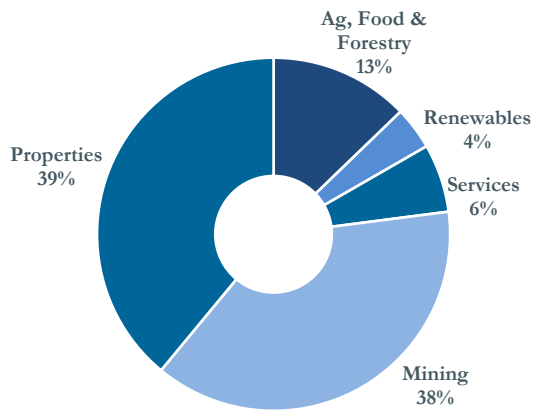


MARIS INVESTED CAPITAL BY SECTOR	INVESTED CAPITAL (since 2014)	REMITTANCES (Dividends, interest & fees)	CURRENT VALUATION	MONEY MULTIPLE (inc. Dividends)
All Divisions (excl. Group holding costs & cash)	85.0	10.7	87.3	1.2x
Ag, Food & Forestry	13.9	3.0	10.3	1.0x
Renewables	2.0	0.0	4.5	2.2x
Services	12.1	0.9	5.3	0.5x
Gold	22.6	4.0	33.2	1.7x
Properties	30.7	2.8	33.6	1.2x
Other Investments	3.7	0.0	0.3	0.1x

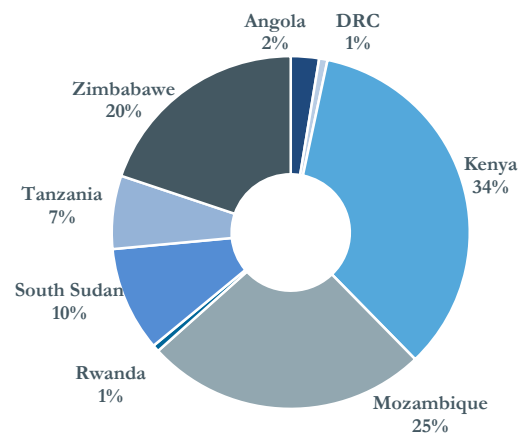
Note: the Total Shareholders Returns above are calculated before subtracting any group holding costs

VALUATION OVERVIEW (USD)	2016	2017	2018	2019	% CHANGE 2018-19
Value of Investment in OpCo's	74.6	84.2	87.8	87.3	-0.5%
Cash at Maris Ltd.	7.4	5.0	3.1	15.8	410%
Other assets	0.8	4.0	6.3	7.4	17.5%
Liabilities	- 0.6	- 0.4	- 3.1	- 3.1	0.1%
NAV	82.4	92.8	94.1	107.4	14.1%
NAV / Share (USD)	0.91	1.02	1.04	1.02	-1.3v%

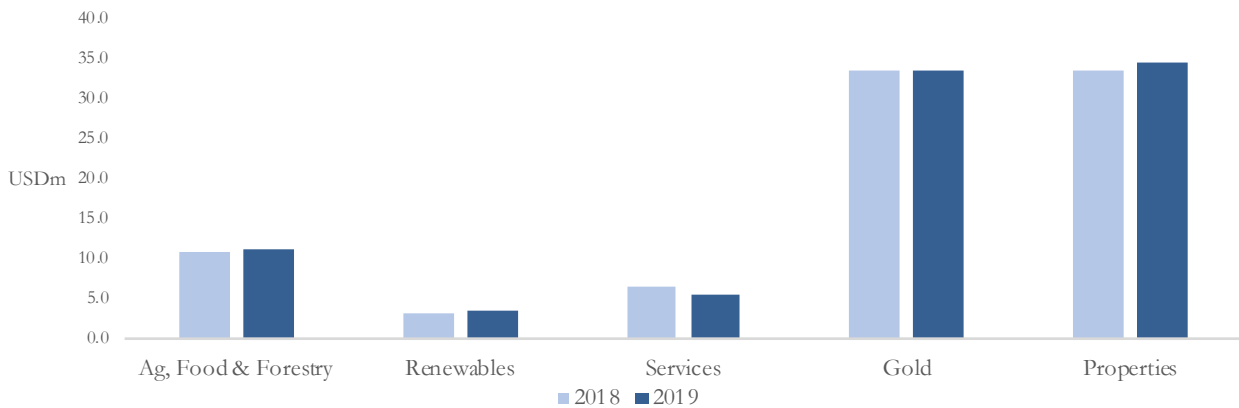
MARIS VALUATION BY DIVISION



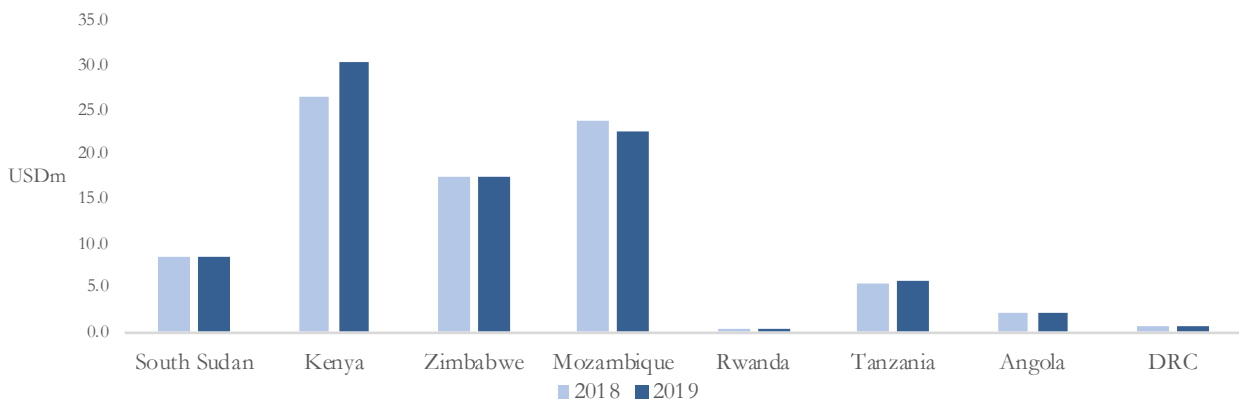
MARIS VALUATION BY COUNTRY



VALUATION BY DIVISION 2018 VS 2019

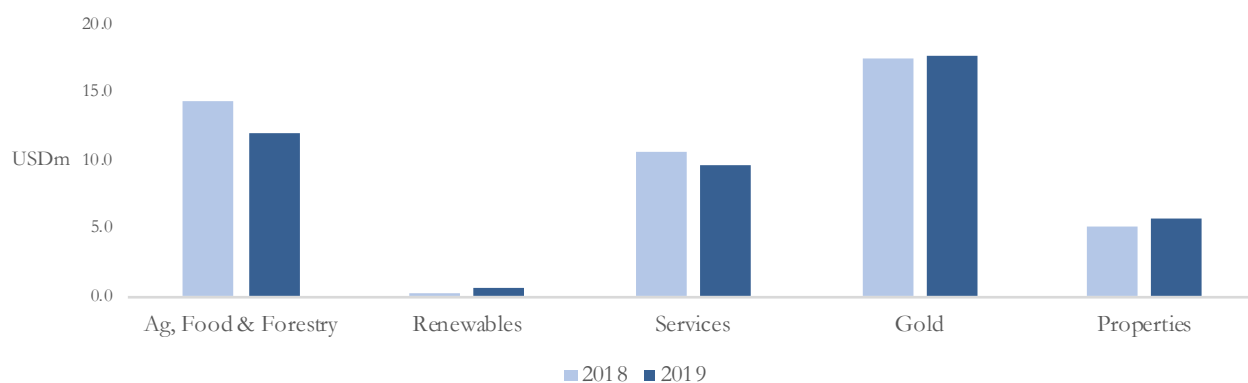


VALUATION BY COUNTRY 2018 VS 2019

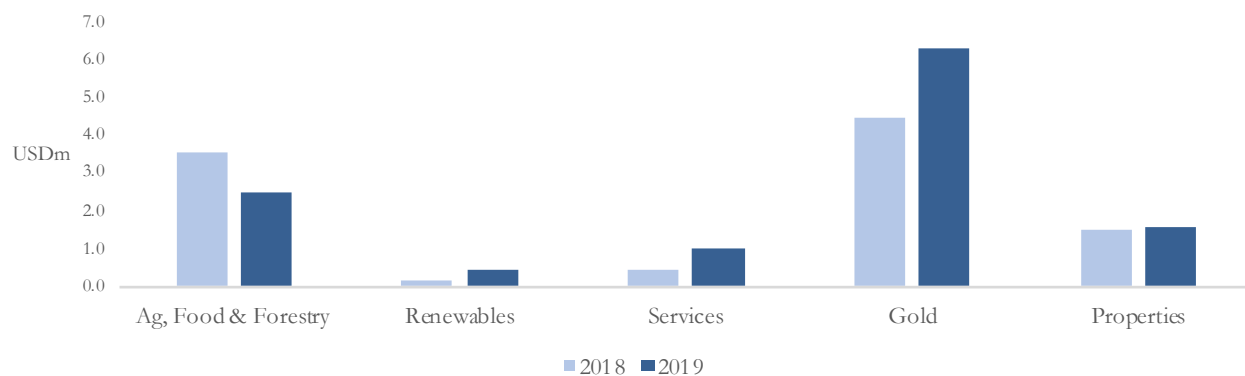


DIVISION PERFORMANCE (USDm)	Agris (2019)	Renewables (2019)	Services (2019)	Mining (2019)	Properties (2019)	Total (2019)	Total (2018)	% Change 2018-2019
Revenue	12.0	0.6	9.7	17.6	5.7	45.6	47.6	-4%
EBITDA	2.5	0.5	1.0	6.3	1.6	11.8	10.5	12%
Divisions Net Profit	2.0	0.1	0.1	3.4	0.8	6.4	7.2	-12%
Cash remitted to Holding Company	0.0	0.5	1.5	0.6	0.6	3.2	4.1	-22%

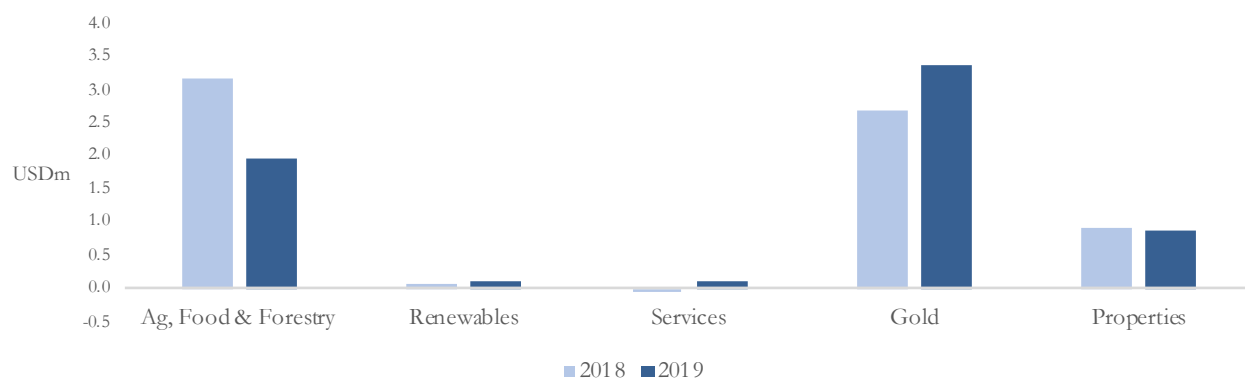
REVENUES BY DIVISION 2018 vs 2019



EBITDA BY DIVISION 2018 vs 2019



NET PROFIT BY DIVISION 2018 vs 2019





META Group (Tanzania), Service & Maintenance Crew



Wakulima Tea Company (Tanzania), Rungwe Plantation



Africa Logistics Properties (Kenya), New Tilisi Site

OVERVIEW



EQUATORIA TEAK COMPANY

(85%)

Sustainable Forestry
South Sudan

TATEPA

(18%)*

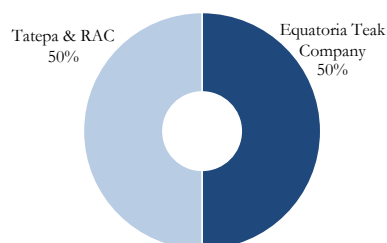
Tea, Avocados
Tanzania

() indicates Maris equity stake

* Convertible loan in place.

On conversion Maris' equity stake increases to approximately 70%

Percentage of NAV by business - Ag, Food & Forestry



2019 was a challenging year for the Agriculture, Food & Forestry division (rebranded Agris) with revenues and EBITDA down on 2018. Revenues were down 16.2% to USD 12m and EBITDA -29.3% to USD 2.5m. In part this was due to the anticipated reduction in teak exported from South Sudan; but a poor performance at Rungwe Avocado Company (RAC) also contributed negatively to the bottom line.

Equatoria Teak Company (ETC) has almost completed its harvesting rotation while its sister company, Green Environ Teak Company (GETC) is expected to be in a similar position by mid-2020. Nevertheless ETC and GETC generated more than USD 1m in free cash flow. ETC has now reduced its costs as it enters a plantation management phase while the immature trees that we have planted over the last 7 years grow. Alternative, shorter-cycle crops are also being trialled in an effort to generate revenue in the interim and the prospects for carbon credits are being explored.

At Tatepa, tea production at Wakulima Tea Company exceeded 5,700 tonnes, a record high. While production for 2020 is anticipated to be 6,000 tonnes with higher achieved prices.

At RAC, a combination of poor marketing decisions, detrimental pricing imposed by the government and logistical issues pushed RAC into financial distress in Q4 2019. Maris agreed to step in to save the company on condition that all the lenders to RAC accept to waive 90% of their debt. At the end of the restructuring Maris will own the majority of the equity and RAC will be debt-free (except for bank overdraft) and a leaner organization. Although 2020 will most likely see RAC again post a small loss, it is in much better shape for the future; the avocado market remains appealing and Maris is keen to expand its plantations in Tanzania, this will be done in 2021/22 under a new company in partnership with a world leading producer.

2020 will see Agris step into several exciting investment opportunities, including one involved in the production of fresh herbs for export and a start-up using state-of-the-art technology to produce high quality mushrooms for the local Nairobi market.

HIGHLIGHTS

- Although down on 2018, ETC posted a strong performance with 11,415 cbm of timber produced, which helped prop up the division.
- RAC's poor performance in 2019 enabled Maris to restructure the company and increase its holding in a business with strong fundamentals.

Key financial indicators - Ag, Food & Forestry

USDm	2018	2019	% Change
Revenues	14.3	12.0	-16%
EBITDA	3.5	2.5	-29%
Net Profit	3.2	2.0	-38%

Key Figures - Ag, Food & Forestry 2019

Cash remitted to Group holding company	USD 1m (remitted in Q1 2020)
Cash invested (gross)	USD 0.8m
Farmed area (tea and avocado)	376 Ha
Volume of tea exported	5,700 tonnes
# of outgrowers (tea and avocado)	12,000 tea and 3,500 avocado
Replanted / Coppiced area (forestry)	2,500 Ha
Renewable energy	160 Kw at ETC
# of employees & contractors	1795
# of countries covered	2

OVERVIEW



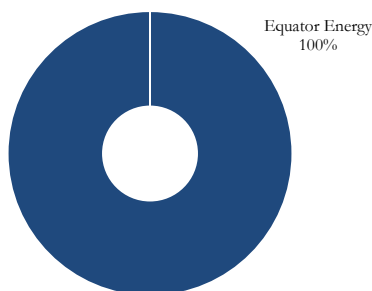
EQUATOR ENERGY

(70%)

Renewable energy solutions
Kenya, South Sudan, Somalia,
Zimbabwe

() indicates Maris equity stake

Percentage of NAV by business - Renewables



Equator Energy achieved considerable growth through 2019. The company commissioned a total of 3.74 MW of solar projects within the commercial and industrial space. Total installed capacity across the portfolio grew by more than 200% from 1.76MW to 5.50 MW. Annualised revenue increased year-on-year by 168%, EBITDA by 212%, and net profit by 56%.

The growth included diversification by both sector and geography. Exposure to the industrial and floriculture sectors in Kenya more than doubled. Meanwhile, the company commissioned its first project in Somalia, for a UN-occupied hotel within the militarised airport zone of Mogadishu. This opened the door to a considerable pipeline across both Somaliland and Puntland.

Further to reinvested cashflow, capital funding for new projects throughout the year came largely from existing debt facilities with a commercial bank in Kenya. Discussions with renewables debt-platforms, as well as European DFIs, has been ongoing. A USD 2.0m facility was also secured with USAID. This would guarantee 50% of capital spent on Equator Energy’s pipeline of high yielding utility-scale projects in Hargeisa and Bosaso.

An additional 1.9 MW of solar plants were signed in 2019, taking the total signed capacity across the portfolio to 7.5 MW, cementing Equator Energy’s position as a market leader by both installed and operating solar capacity within the commercial and industrial space.

HIGHLIGHTS

- Portfolio growth - more than tripling of installed solar capacity
- Financial growth - annualised revenue by 2.7x and EBITDA by 3.1x
- Risk reduction - diversification by both sector and geography
- Partnerships - USD 2.0m credit facility secured with USAID for Somalia projects
- Equator Energy valuation has constantly increased since its incorporation reflecting the strong EBITDA growth and long-term contracts. We believe there is further substantial upside as Equator Energy establishes itself as the leading solar power operator in the

Key financial indicators - Renewables

USDm	2018	2019	% Change
Revenues	0.2	0.6	168%
EBITDA	0.1	0.5	212%
Net Profit	0.1	0.1	56%

Key Figures - Renewables 2019

Cash remitted to Group holding company	USD 0.5m
Cash invested (gross)	USD 0.7m
CO2 emissions avoided	3,503,964 kg
Solar power capacity installed	5.5 MW
# of employees & contractors	16
# of countries covered	4



META ANGOLA (50%)

Exclusive JCB machinery dealership
Angola

META TANZANIA (50%)

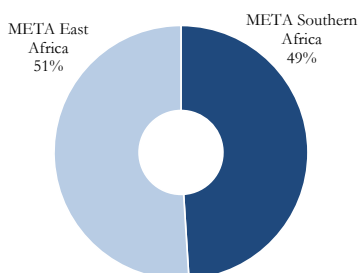
Exclusive JCB, Kaeser, Schwing Stetter
machinery dealership, Tanzania

META RWANDA (50%)

Exclusive JCB, Kaeser, Schwing Stetter
machinery dealership, Rwanda

() indicates Maris equity stake

Percentage of NAV by business -
Services



OVERVIEW

The Services Division saw quite a few structural changes in 2019: our machinery dealership was rebranded as META Group and a robust expansion plan launched; the solar power business and other similar pipeline projects have been spun off into the new Renewables Division; Equator Drilling’s foray in DRC ran aground when the main customer started defaulting on payments and this has led to the decision of winding down the business completely and exiting the mining services sector.

Despite the losses from Equator Drilling, the Division delivered good results with EBITDA growth of 125% to just above USD 1m and posting a net profit vs a loss in 2018.

META Group (the rebranded dealership) results have been very good marking a turnaround compared to 2018. Revenues were up +8% and just shy of USD 10m while EBITDA was +60% compared to the prior year. The strongest performance came from Tanzania and Rwanda where the product offering has been expanded to include cement mixers, concrete pumps and forklifts. META Angola as well delivered profit growth vs. 2018 but there are serious concerns whether the country is capable to reinvent its economy away from oil.

Looking ahead, Maris has agreed with Muscat Overseas Group, its historical JV Partner, to substantially scale up META’s footprint by extending operations into Kenya, Uganda, Zambia and possibly Mozambique. The plan is to market META’s products and services in these countries but also to offer ancillary services such as machines rental and leasing.

HIGHLIGHTS

- META is now organized into two-sub regions: East Africa and Southern Africa allowing us to benefit from economies of scale at the management level.
- The group started offering machinery rental in Northern Mozambique to capture growth from the oil & gas projects.
- META is in discussion with various Chinese manufacturers and is exploring the possibility of distributing electric delivery vehicles from Chinese manufacturers.

Key financial indicators - Services

USDm	2018	2019	% Change
Revenues	10.6	9.7	-9%
EBITDA	0.4	1.0	125%
Net Profit	0.0	0.1	544%

Key Figures - Services 2019

Cash remitted to Group holding company	USD 1.5m
Cash invested (gross)	USD 0.9m
Units of equipment sold by META	72
# of employees & contractors	69
# of countries covered	4

OVERVIEW

KAREBE GOLD MINING LIMITED

(80%)

Kenya

COMMONER MINE

(80%)

Zimbabwe

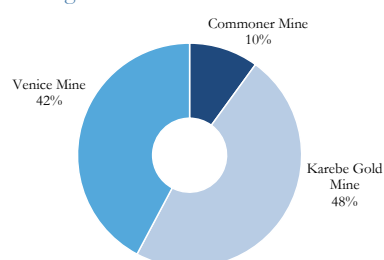
VENICE MINE COMPLEX

(90%)

Zimbabwe

() indicates Maris equity stake

Percentage of NAV by business - Mining



In 2019 the Gold Division delivered an exceptional performance; while revenues were substantially flat year-on-year, EBITDA and Net Profit grew 28% and 8% respectively. These results are even more impressive considering the multiple challenges faced in 2019: Karebe Mine had seen its operations blocked for five months due to a mix of maintenance requirements and legal issues; Venice Mine had to weather the transition from the US dollar to the new Zimbabwe dollar; and finally Commoner Mine could only stage a minimum production due to power shortages at the site.

Karebe Mine delivered the lion share of these outstanding results. It produced an average of 30 kg of gold per month of operations (vs. 16 kg / month in 2018) thanks to exceptionally high ore grades that averaged 26 g/t in 2019 versus 18 g/t in 2018). To a lesser extent results were boosted by higher international gold prices (1,380 USD \$/oz vs. 1,275 USD/oz). These high gold grades are expected to continue in the years to come. On the downside the unwelcome political interference surrounding Karebe Mine is continuing and the legal battle is spilling over to 2020. Maris continues to fight in every legal forum and is confident the rule of law will eventually prevail.

At Venice Mine, significant progress has been made to re-open the underground operations and we now have three shafts in production. However, management decided to process lower-grade ore until a new flotation plant is commissioned in 2020 which will enable Venice to increase the level of gold extracted from refractory ore from the current 40-50% to 70-80%. This strategy coupled with an increase in power costs led Venice Mine to reach just break-even in 2019. In a separate development, Maris Group is in discussion with a major listed gold mining company with the view to partner to develop Venice to its full potential.

HIGHLIGHTS

- Karebe Mine: the forced stop to production in 2019 has allowed the geology team to conduct more extensive development underground, identifying a substantial volume of readily available high-grade ore.
- Venice Mine: management has been able to regain access to the Whatcheer area, previously occupied by illegal miners, and plans are in place to reopen a shaft at the site.
- Venice and Commoner Mines: both operations are able to sell gold for cash (70% in USD and 30% in local dollars) which allows them to generate positive cash flows from operations.

Key financial indicators - Mining

USDm	2018	2019	% Change
Revenues	17.4	17.6	1%
EBITDA	4.9	6.3	28%
Net Profit	3.1	3.4	8%

Key Figures - Mining 2019

Cash remitted to Group holding company	USD 0.6m
Cash invested (gross)	USD 0.0m
Gold Produced	373,707 g or 12,015 oz t
Renewable energy	0.5 MW at Venice Mine
# of employees & contractor	545
# of countries covered	2

OVERVIEW

CORPORATE ACCOMMODATION

MULITANI (100%)

Tete, Mozambique
70 rooms

KAIA VILLAGE (100%)

Pemba, Mozambique
50 rooms

ACACIA VILLAGE (54%)

Juba, South Sudan
39 rooms

SERVICED OFFICES

MOZAMBIQUE MANAGED OFFICES (75%)

Maputo, Mozambique
2000 Sqm

INDUSTRIAL WAREHOUSING

OSS MOZAMBIQUE (100%)

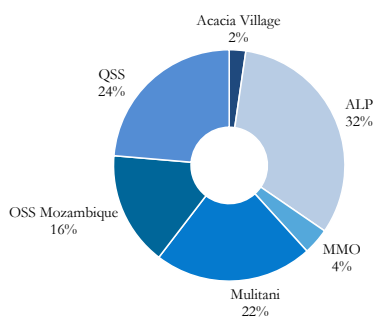
Tete, Nacala, Pemba
Mozambique
4,500 Sqm

AFRICA LOGISTICS PROPERTIES (13%)

Nairobi, Kenya
Completed 52,381 Sqm at site 1
Planned 100,000Sqm at site 2

() indicates Maris equity stake

Percentage of NAV by business Properties



In 2019 the Property Division delivered a steady performance: revenues and EBITDA grew 13% and 6% respectively vs. 2018, however net profit declined 5% as available tax losses have been depleted.

ALP had a remarkable year which saw the completion of the construction at the Tatu City site, north of Nairobi, which now offers approx. 50,000 sqm of grade-A warehousing space. Occupancy is at 82% for buildings 1 & 2 and 60% for warehouse 3, although the tenant is yet to move in. Furthermore construction is underway at the Tilisi site, in the West of Nairobi, for smaller units specifically targeting the SME market. Finally ALP is in advanced discussion with a JV partner in Ethiopia for redeveloping and expanding an industrial park there. It is likely that ALP will need to raise additional equity to finance this project in Q4 2020 or early 2021.

The Mozambique Properties performance reflects the recent dynamic of the country's economy: Areas affected by the oil & gas projects have seen rapid growth in the second half of 2019. We are particularly pleased with MMO and Kaia Village's robust growth; after a long wait we are finally poised to reap the benefits of Mozambique vast gas development. On the other hand in areas like Tete (more driven by coal), revenues were flat. Overall the Mozambique Properties continued to remit dividends to the holding company.

HIGHLIGHTS

- Mulitani renewed the lease for the full property for another two years.
- OSS Mozambique acquired land in Palma, in Northern Mozambique where most of the LNG activity is taking place.
- Acacia Village in South Sudan posted a 64% improvement in EBITDA thanks to a more stable environment in Juba and a revamped F&B offering.

Key financial indicators - Properties

USDm	2018	2019	% Change
Revenues	5.1	5.7	13%
EBITDA	1.5	1.6	6%
Net Profit	0.9	0.8	-5%

Key Figures - Properties 2019

Cash remitted to Group holding company	USD 0.6m
Cash invested (gross)	USD 0.2m
Gross Lettable Area (warehouses)	57,000 sqm
Renewable energy	0.7 MW at ALP and Acacia Village
# of employees & contractors	317
# of countries covered	4



Venice Mine (Zimbabwe), Main Surface Plant



Equator Energy (South Sudan), 100% Off-grid System



Equatoria Teak Products (Kenya), Finished Products

The Company relies on the following governance structure.

BOARD COMPOSITION

The Board comprises nine Directors, made up of one executive Director, six non-executive Directors and two Mauritius resident Directors.

Henry Obi is the independent Director.

Directors are appointed for three years terms renewable (except for current Directors whose initial appointments are for five years from the date of their initial appointment and then 3 years thereafter).

BOARD DELEGATION

The Board has delegated specific responsibilities to Board Committees notably the Audit, Risk and Valuation Committee, the Remuneration Committee and the Nominations Committee.

Terms of Reference have been established for each of these committees.

BOARD AND COMMITTEE FRAMEWORK

a) The Audit Committee has responsibility for reporting, risk management, health and safety, environmental and social impact, and valuations of the group's holdings. Significant risks are kept under review via a risk register and appropriate controls are sanctioned as appropriate.

b) The Remuneration Committee is responsible for setting the Remuneration Policy for the Company and for overseeing performance reviews.

c) The Nominations Committee is responsible for the structure and composition of the Board.

COMPANY'S ADMINISTRATOR

The Company's Administrator in Mauritius is CrossInvest Global Management Services Limited ("Crossinvest"). The resident directors representing Crossinvest are Harry Sutherland and Harris Harjan.

RELATIONS WITH SHAREHOLDERS

Quarterly Reports are sent to all shareholders and the Company publishes an Annual Report. The Annual General Meeting of Shareholders (AGM) is held in Mauritius each year. In addition, the Company's results and strategy are presented to the shareholders at a meeting held each year in London.

SHARE TRADING WINDOW

Pursuant to Clause 16 of the Company's Shareholders Agreement, Maris facilitates an annual share-trading window ("matched bargain process") during which it endeavours on a best effort basis to find prospective sellers and purchasers of Company's shares amongst its existing shareholders and third parties. The specific instructions are issued by Crossinvest.

KEY

- A Audit Committee
- R Remuneration Committee
- N Nominations Committee

DAVID MORRISON R, N

Chairman, Maris Limited

CEO, Prospect Investment Management

David Morrison is the founder and chief executive of Prospect Investment Management, a venture capital advisory firm that acts on behalf of a small group of investors. Prior to founding Prospect in 1999, he had spent several years as a partner of Abingworth Management.

CHARLIE TRYON

Maris Chief Executive Officer

Charlie Tryon co-founded Maris in 2009 and has driven its growth and transition from a successful private equity fund to a Company. He is a Director of Maris Limited and oversees group operations from East Africa. Prior to Maris Charlie developed a successful portfolio of venture businesses in Afghanistan and East Africa.

MARC BEULS R, N

Remuneration Committee Chairman

Ex-CEO, Millicom

Marc Beuls is a private investor in start-up and emerging market companies. He was the President and CEO of Millicom International Cellular, a leading emerging market telecommunications operator for more than 16 years.

NICHOLAS FERGUSON A, N

Chairman, Savills Plc

Nicholas Ferguson CBE is Chairman of Savills Plc. He was previously Chairman of Sky Plc. Prior to that he was Chairman of SVG Capital and prior to that Chairman of Schroder Ventures. He is the founder of the Kilfinan Group.

HARRIS HARJAN

CEO Crossinvest Global Management Services

Harris Harjan is the CEO of CrossInvest Global Management Services. With an MSC in Banking & Finance, BA in Law & Management & a Member of the Institute of Chartered Secretaries & Administrators, Harris co-founded Crossinvest in 2010, sits on the boards of a wide range of businesses in Africa and is based in Mauritius.

IWAN MEISTER A, N

Audit Committee Chairman

Iwan Meister is a former investment officer of FMO. Prior to FMO Iwan was responsible for credit ratings, modelling and portfolio management at ABNAMRO. Prior to this Iwan worked at a microfinance institution in Lima, Peru.

HENRY OBI A, N

Partner, Public & Regulatory Affairs,

Helios Investment Partners LLP

Henry Obi is a Partner in Helios Investment Partners LLP, an investment firm making private equity investments exclusively in Sub-Saharan Africa.

RAJU SHAULIS R, N

President & Co-founder CADG

Raju Shaulis is President and co-founder of Central Asian Development Group (CADG). Founded in 2002 CADG is a company focused on implementing donor-funded economic development programs and civil engineering projects in developing countries in Central Asia and Africa.

HARRY SUTHERLAND

Chairman Crossinvest Global Management Services

Harry Sutherland is the Chairman of Crossinvest Global Management Services. Harry co-founded Crossinvest in 2010 and is also Chairman of the Harland Capital Group which he established in 1997. He specialises in advising, developing & funding businesses in Africa. Prior to this he worked for ten years in a variety of management and project development roles for Lonrho Plc across the continent.



CHARLIE TRYON
CHIEF EXECUTIVE OFFICER

Charlie Tryon co-founded Maris and is a Director of Maris Limited. He oversees the group from East Africa. Prior to Maris, Charlie developed a successful portfolio of venture businesses in Afghanistan and East Africa.



ENRICO NORA
CHIEF FINANCIAL OFFICER

Enrico Nora is the group CFO and joined Maris in 2015 from Equity Bank. He was previously CFO and COO of DoCoMo intertouch pte. Ltd in Singapore and spent eleven years with Hewlett Packard.



ANDREW FIMISTER
OPERATIONS DIRECTOR

Andrew Fimister co-founded Maris and has been responsible for the development of businesses in Angola and Mozambique. He oversees wider group operations from Nairobi.



JOHANNES GUNNELL
COMMERCIAL DIRECTOR

Johannes Gunnell joined Maris in 2010 following seven years as a Director in Global Equities at UBS Investment Bank. He was previously acting CFO for Maris and now drives new business development.

INTRODUCTION

This report provides an overview of the Maris Group's approach to Environmental, Social and Governance (ESG) management and it highlights the progress of our portfolio companies. 2019 has seen steady progress in the development and implementation of the Environmental and Social Management System (ESMS). In the first half of the year the main focus has been on further embedding the environmental & social policies and procedures that were introduced in 2018 while the second half of the year was primarily dedicated to introducing new elements and to initiate an internal audit to track implementation at portfolio level. We have seen an increased understanding of ESG risks and opportunities by portfolio companies which led to better ESG management.

During the fund raising process in 2018 and 2019 it became clear that ESG management is increasingly relevant in the decision making process of investors, whether DFI's or institutional. We also noticed a shift from the more traditional topics like health & safety and compliance towards social matters such as community engagement and human rights. As part of the new Shareholders Agreement adopted by Maris in September 2019, Maris committed to an Environmental & Social Action Plan (ESAP) that includes aspects such as social and human rights related issues.

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)

PROGRESS

At the end of 2019 63% of the ESMS had been implemented. Two new E&S standards have been introduced to the portfolio companies as part of the Group's ESMS.

The first one is the Monitoring, Reporting, Compliance Assurance Standard. Initial E&S Key Performance Indicators (KPIs) have been established for tracking E&S performance of the Group and operating companies are required to submit their ESG data monthly. The ESG data collection tool consists of data that the Group currently reports to its shareholders as well as a wide range of other variables that are Environment, OHS, People, Social and Compliance related. By creating an ESG reporting channel now, we can easily respond to additional reporting requirements from new investors in the future.

The second E&S standard is the Incident and Non-Compliance Management Standard which documents the steps required to manage incidents and non-compliance using 6 incident categories divided over 3 severity levels. Operating companies were already required to report all serious incidents, but having implemented this standard allows for consistent incident management throughout the group. Operating companies are required to record incidents and non-compliances in the incident register which can be used for monitoring and internal audits.

ESG ADVISORY PANEL

In accordance with our new Shareholders' Agreement, we established an ESG Advisory Panel. This Panel will advise the Maris Board on ESG risks of existing and new investments. The initial panel members are Walter van Helvoirt (FMO E&S Officer), Andrew Fimister (Maris Operations Director) and Karijn de Bok (Maris E&S Officer, panel secretary).

The typical agenda always includes as a minimum:

- Review of forthcoming investment deals prior to due diligence phase and their likely ESG priorities;
- Assessment of ESDD of proposed deals including expansions of existing investments; and
- Review of existing portfolio ESG risks, priorities, major events or developments, with particular focus on Category A and B+ investments.

ESDD NEW INVESTMENTS

The new ESG protocols became operational in Q4-2019 and four new and follow-on investments were examined in accordance with the New Investment Screening Procedure, which includes an Environmental & Social Due Diligence (ESDD).

MARIS EXTERNAL VERIFICATIONS

In December 2019 Maris contracted IBIS Consulting for the Social Expert Review of its portfolio with a focus on the Gold and Agriculture, Food & Forestry divisions. The purpose of the review is to assess the current social performance management against the international framework and to assist Maris in closing any existing gaps, capacity building and develop and implement appropriate risk controls. Topics included are human rights, labour, stakeholder engagement including grievance management and the management of illegal miners. IBIS will commence the work in 2020 as soon as COVID-19 restrictions permit. Maris is also committed to an overall ESG verification of its portfolio companies as part of its ESAP.

GRIEVANCE

One level D grievance was reported by Mulitani in October 2019 and subsequently resolved.

GOVERNANCE

As part of the annual Business Integrity review Maris updated its Anti-Bribery and Corruption (ABC) policy which was re-circulated in October 2019 to all operational companies together with the Donations, Gifts and Hospitality Policy. All company directors and senior management are required to sign the anti-bribery statement again and to attend the Doing Business Without Bribery e-learning. Companies are also required to (further) implement the policies and to inform the company's third parties of our strict ABC policies. An Anti-Bribery and ABC statement has been published on the Maris website together with the E&S policies.

INCIDENTS & NON-COMPLIANCE

The Incident and Non-Compliance Management Standard was introduced in the beginning of 2019 as part of our ESMS. The standard outlines the procedure of identification and reporting of incidents and allows for identical incident reporting throughout the group. Each company is now required to include all incidents and non-compliances in the ESG data sheet, in addition to the Serious Incident Reports that companies were already required to submit in case of an incident that results in loss of life or a severe permanent injury or severe permanent damage to health, a material adverse environmental or social impact, material breach of law relating to environmental or social or business integrity matters, or financial irregularity or fraud.

A total of 90 incidents were recorded for the year 2019 of which 88 are Occupational Health & Safety incidents and 2 were Security incidents. From the 90 incidents that took place within the Group, 41 were considered Lost Time Injuries (LTIs). With a total of 7,675,734 hours worked by employees and contractors in 2019 this resulted in a LTI incident rate of 1.068 for the year compared to 2.75 in 2018. The improvement can be attributed to the increase of man hours on the one hand and the reduction of LTIs on the other hand. The group furthermore reported 43 MTIs which is classified as a work-related injury or illness requiring doctor-prescribed medical treatment but that does not result in loss of work time.

IMPACT REPORT

OUR PEOPLE

In 2019 Maris was operational in 9 different countries with 19 different companies. These companies employed a total of 2,742 individuals of which 48% are permanent employees and 25% are women. This means 10% less permanent employees compared to 2018 but an increase of 1% in female employees. Maris Group employed another 19 permanent employees in its three offices in Nairobi, Maputo and London. A total of 7,675,734 man hours were undertaken by the Group.

OUR ENVIRONMENT

With its IFC aligned ESMS Maris is offering its companies a solid framework for their environmental risk management. This framework often exceeds local and national requirements. The ESG data collection tool and the risk registers will allow us to see what each company's environmental risk and opportunities are and what mitigation measures should be taken.

We are also looking to expand our reporting of data that can be linked to the UN Sustainable Development Goals, for example, SDG 13 Climate Action, that promotes limitation of global emissions of carbon dioxide (CO2). Equator Energy sets a reporting example by publishing the energy produced by its projects over the past 12 months together with the approximate amount of greenhouse gas emissions avoided in CO2 equivalent.

At our sustainable forestry operation, Equatoria Teak Company, in South Sudan, we have planted over 3 million trees, which we believe capture over 20,000 tonnes of CO2e per annum. This makes the entire Maris group net carbon positive, something we are proud to have achieved and are constantly seeking to improve.

OUR COMMUNITIES

Maris companies spent a total of USD 69,803 on community programs in 2019, only 10% of the community spending in 2018. This difference is mainly a result of the termination of the AGDEVCO SDU program after 2018 which was a major part of Wakulima Tea Company's contribution in 2018. 71% of the community programs are undertaken by the Gold and Agriculture, Food & Forestry divisions which are the divisions operating in the most remote areas of our portfolio and where we aim to have an impact by creating socio-economic development. We are proud that 93% of our workforce are national employees of which the majority comes from the communities surrounding our operations.

LOCAL IMPACT

With the implementation of our Environmental & Social Management System the operating companies are having a better understanding and increased awareness of the wide range of topics that E&S entails.

As an example, Mozambique Managed Offices (MMO) won a 1 million Meticais prize (equivalent to ~USD 16,000) from BCI Bank for being the best SME in Mozambique in 2018. This annual prize is given to a company that sets an exemplary standard by adopting good business practice. The criteria to win the prize include social responsibility and inclusion. MMO is run by an all female management team and the company employs 83% women.

Also worth noting that, following the cyclones that hit Mozambique in April 2019, FMO and Maris partnered to rehabilitate 8 schools in Mucujo, Cabo Delgado. Mucujo was hit hard by cyclone Kenneth and 16 villages were devastated. Nema, an NGO based in Mucujo, has been appointed as project implementation partner. The rehabilitation works started in Q3 2019 and are expected to be completed in 2020.



JOB

2,742 Portfolio company jobs
93% National employees



HOURS WORKED

7,675,734



GENDER BALANCE

25% Female workers



TAXES AND ROYALTIES

USD 4.1m



WAGES

USD 10.5m



COMMUNITY CONTRIBUTIONS

USD 70k

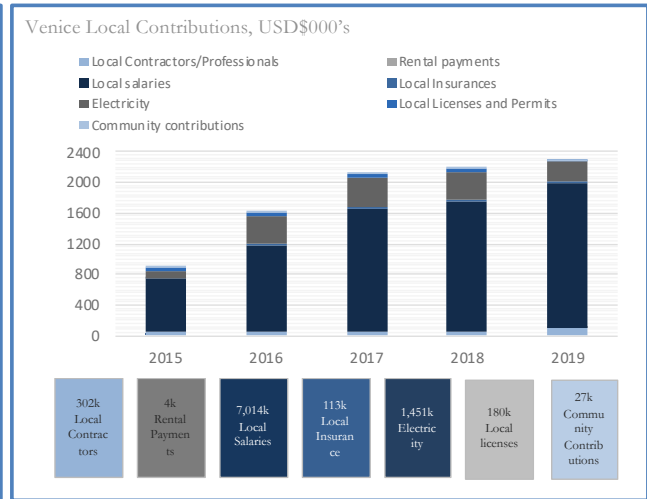
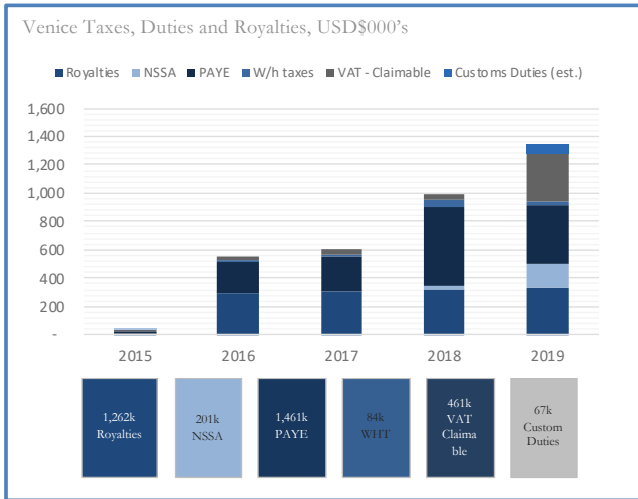


OUTGROWERS SUPPORTED

>15,000 Farmers

VENICE ECONOMIC IMPACT

Venice has contributed **USD12.6m** to the Zimbabwean economy in the period 2015-2019.

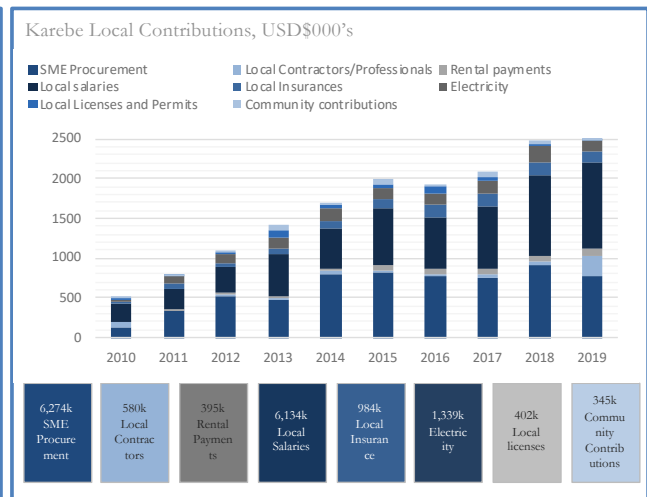
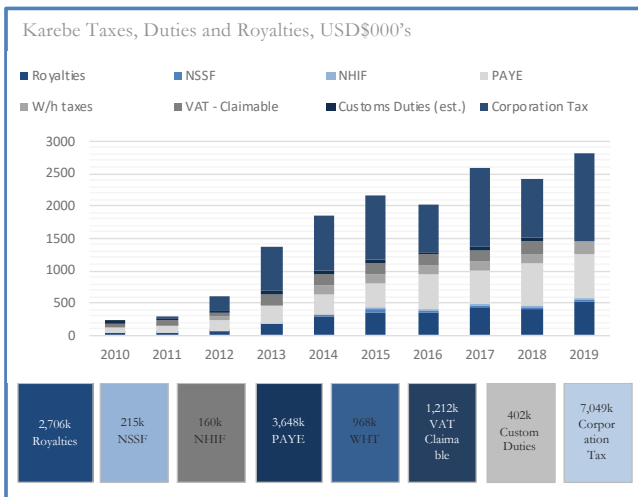


Total Taxes Duties and Royalties (2015-2019)
USD\$3.5m

Total Local Contributions (2015-2019)
USD\$9.1m

KAREBE ECONOMIC IMPACT

Venice has contributed **USD32.8m** to the Kenyan economy in the period 2010-2019.



Total Taxes Duties and Royalties (2010-2019)
USD\$16.4m

Total Local Contributions (2010-2019)
USD\$16.4m



Equator Energy (Kenya), Grid Tied System



Wakulima Tea Company (Tanzania), Katumba Factory



Kaia Village (Mozambique), Hotel Restaurant

COMMENTARY OF THE DIRECTORS

The directors present their report and the audited consolidated financial statements of Maris Limited, the “Company” and its subsidiaries, collectively referred to as the “Group” for the financial year ended 31 December 2019.

The Company reports the subsidiaries in which it has invested at fair value through profit or loss since it meets the definition of an investment entity as per the requirements of IFRS 10, “*Consolidated Financial Statements*” except for four subsidiaries namely Maris Kenya Limited, Maris Advisors UK Limited, Maris Mozambique Limitada and Industrial Support Services Limited. These four subsidiaries provide investment-related services to support the Company’s investment activities and therefore they do not qualify to be measured at fair value through profit or loss under the conditions attached to investment entities and have therefore been consolidated in accordance with IFRS 10, “*Consolidated Financial Statements*”.

PRINCIPAL ACTIVITIES

The principal activities of the Group are:

- to achieve long-term value creation, cash generation and income through starting, developing and investing in companies that demonstrate the potential for significant growth domestically and regionally within Africa; and
- to offer accounting, administrative and procurement services to group companies and other businesses in Africa.

RESULTS

The results for the year are shown in the consolidated statement of comprehensive income and related notes.

DIRECTORS

The present membership of the board is set out on page 2

STATEMENT OF DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Company law requires the directors to prepare consolidated financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Group and the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the consolidated financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the consolidated financial statements comply with the Mauritius Companies Act 2001 and IFRS. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Group’s ability to continue as a going concern and have no reason to believe that the Group will not be a going concern in the year ahead.

AUDITORS

The auditors, Grant Thornton, have indicated their willingness to continue in office until the next Annual Meeting.

CERTIFICATE FROM THE SECRETARY

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CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (D) OF THE MAURITIUS COMPANIES ACT 2001

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of Maris Limited under the Mauritius Companies Act 2001 for the financial year ended 31 December 2019.



for CrossInvest Global Management Services Ltd
Company Secretary

REGISTERED OFFICE

Office FF01, Endemika Business Park Phase 2
Petit Raffray
Republic of Mauritius

DATE: 19th May 2020

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Maris Limited, the “Company” and its subsidiaries, together referred to as the “Group”, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements on pages 10 to 54 give a true and fair view of the financial position of the Group and the Company as at 31 December 2019 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS’ REPORT THEREON (“OTHER INFORMATION”)

Management is responsible for the Other Information. The Other Information comprises mainly of information included under the Corporate Data and the Commentary of the Directors sections, but does not include the consolidated financial statements and our auditors’ report thereon.

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS


In accordance with the requirements of Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company and its subsidiaries other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

OTHER MATTER

Our report is made solely to the members of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.


Grant Thornton
Chartered Accountants


Y NUBÉE, FCCA
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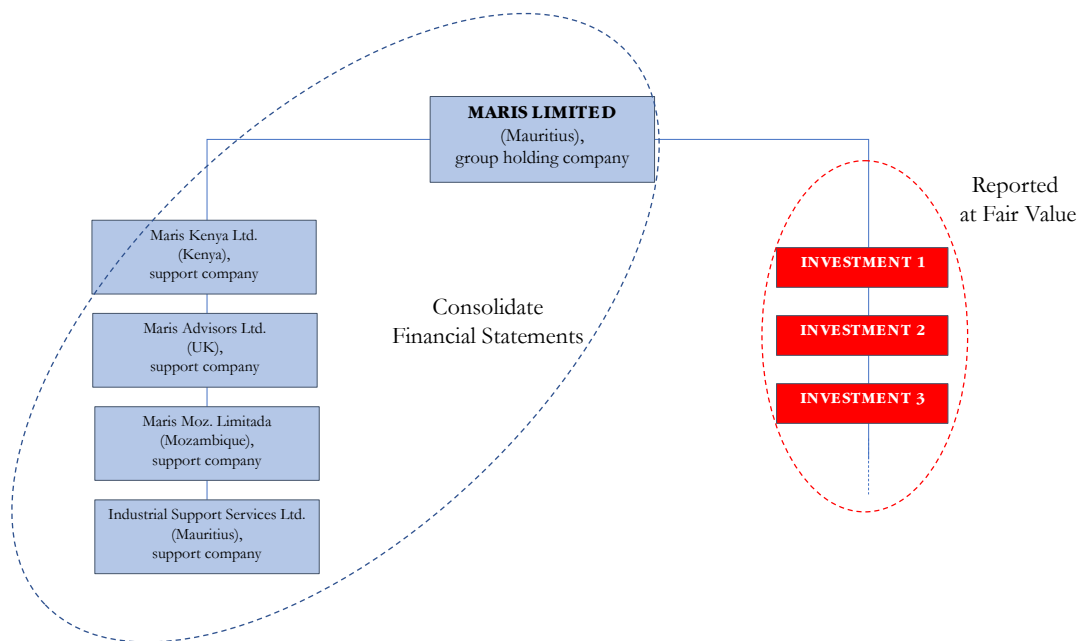
Date: 19th May 2020

Ebene 72201, Republic of Mauritius

Maris Limited (“the Company”) meets the definition of “Investment Entity” as defined under IFRS 10. This means that the Company is expected to prepare its audited Financial Statements as follows:

a) Financial investments in operating companies (i.e. the core of Maris mission) are reported at fair value on the balance sheet and any changes in fair value are reported through the profit & loss statement;

b) Support Companies (i.e. Maris Kenya Ltd., Maris Advisors UK Ltd., Maris Mozambique Limitada and Industrial Support Services Limited), which provide administrative services to other group entities, are reported in consolidated statements together with the group holding company, Maris Limited.



As mentioned, the Support Companies, together with Maris Limited itself, provide administrative services (such as accounting, HR support, provision of directors and others) to other group entities and to external clients. The Support Companies are remunerated on an arm’s-length basis by the entities receiving the services.

On the other hand, the costs of managing the portfolio of existing investments and creating new ones are reported as costs pertaining to Maris Ltd. and are not re-charged.

CONSOLIDATED FINANCIAL STATEMENT

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Notes	The Group		The Company	
		2019 USD	2018 USD	2019 USD	2018 USD
ASSETS					
Non-current					
Plant and equipment	8	23,821	26,546	-	-
Investment in subsidiaries	9	-	-	5,091	5,091
Financial assets at fair value through profit or loss	10	87,261,732	87,768,370	87,261,732	87,768,370
Loans to related parties	11	2,496,970	2,809,920	2,496,970	2,809,920
Total Non-current assets		89,782,523	90,604,836	89,763,793	90,583,381
Current					
Current tax assets	24	1,104	17,868	-	10,476
Other investments	12	112,122	117,243	112,122	117,243
Loan to related parties	11	-	285,000	-	285,000
Receivables	13	4,773,074	3,051,790	4,681,810	2,872,585
Cash and cash equivalents	14	15,837,406	3,102,551	15,564,462	2,574,371
Total Current assets		20,723,706	6,574,452	20,358,394	5,859,675
TOTAL ASSETS		110,506,229	97,179,288	110,122,187	96,443,056
EQUITY AND LIABILITIES					
Equity					
Stated capital	15	104,581,508	90,150,888	104,581,508	90,150,888
Retained earnings		1,927,429	3,432,852	1,754,032	2,861,142
Share option reserve	16	838,801	485,356	838,801	485,356
Translation reserves		51,483	51,798	-	-
Total equity		107,399,221	94,120,894	107,174,341	93,497,386
Liabilities					
Non-current					
Borrowings	17	29,808	529,793	-	500,000
Non-convertible bond	18	-	2,017,670	-	2,017,670
Total Non-current liabilities		29,808	2,547,463	-	2,517,670
Current liabilities					
Payables	19	526,738	509,870	407,732	428,000
Borrowings	17	515,082	-	515,082	-
Non-convertible bond	18	2,024,413	-	2,024,413	-
Current tax liabilities	24	10,967	1,061	619	-
Total Current liabilities		3,077,200	510,931	2,947,846	428,000
Total liabilities		3,107,008	3,058,394	2,947,846	2,945,670
TOTAL EQUITY AND LIABILITIES		110,506,229	97,179,288	110,122,187	96,443,056

The consolidated financial statements have been approved by the Board of Directors on 19th May 2020 and signed on its behalf by:



Charlie Tryon



Harris Harjan

The notes on the following pages form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR / PERIOD ENDED 31 DECEMBER 2019

	Notes	The Group		The Company	
		2019 USD	2018 USD	2019 USD	2018 USD
INCOME					
Dividends	10	3,405,840	3,167,286	3,405,840	3,167,286
Interest on loans to related parties		338,524	208,133	307,678	198,556
Interest income on other investments		4,980	5,063	4,980	5,063
Interest income on fixed deposits		20,794	-	20,794	-
Other income		32,185	-	27,655	-
TOTAL INCOME		3,802,323	3,380,482	3,766,947	3,370,905
EXPENDITURE					
Regional management costs	20	-	-	900,000	1,050,000
Direct staff costs		1,377,801	1,157,867	741,847	527,558
Other expenses	22	166,273	151,427	82,788	43,386
Directors' fees	23	270,611	216,844	270,611	216,844
Professional fees	21	283,310	286,368	126,980	149,486
Travel and miscellaneous expenses		160,601	205,208	6,289	57,110
Regional office costs		264,118	246,634	5,275	5,075
LTIP shares expenses	16	384,695	227,578	384,695	227,578
TOTAL EXPENDITURE		2,907,409	2,491,926	2,518,485	2,277,037
OPERATING PROFIT					
		894,914	888,556	1,248,462	1,093,868
Net foreign exchange losses		(26,432)	(22,727)	(8,439)	(6,083)
Finance costs (net)		(196,254)	(123,115)	(188,384)	(123,115)
Impairment losses	11 & 13	(599,936)	-	(599,936)	-
Fair value (losses)/gains on financial assets at fair value through profit or loss (net)	10 & 12	(1,529,862)	434,598	(1,529,862)	434,598
LOSS / PROFIT BEFORE TAX		(1,457,570)	1,177,312	(1,078,159)	1,399,268
Tax expense	24	(47,853)	(49,806)	(28,951)	(39,564)
LOSS / PROFIT FOR THE YEAR		(1,505,423)	1,127,506	(1,107,110)	1,359,704
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(315)	(3,719)	-	-
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		(315)	(3,719)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,505,738)	1,123,787	(1,107,110)	1,359,704

The notes on the following pages form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

THE GROUP	Stated capital USD	Retained earnings USD	Share option reserve USD	Translation reserves USD	Total USD
AT 01 JANUARY 2019	90,150,888	3,432,852	485,356	51,798	94,120,894
Employee share incentive (Note 16)	-	-	384,695	-	384,695
Issue of deferred shares (Note 15)	31,250	-	(31,250)	-	-
Rights issue (Note 15)	14,399,370	-	-	-	14,399,370
Transactions with the shareholders	14,430,620	-	353,445	-	14,784,065
Loss for the year	-	(1,505,423)	-	-	(1,505,423)
Other comprehensive income:					
Exchange differences	-	-	-	(315)	(315)
Total comprehensive income for the year	-	(1,505,423)	-	(315)	(1,505,738)
AT 31 DECEMBER 2019	104,581,508	1,927,429	838,801	51,483	107,399,221
AT 01 JANUARY 2018	90,150,888	2,305,346	257,778	55,517	92,769,529
Employee share incentive (Note 16)	-	-	227,578	-	227,578
Transactions with the shareholders	-	-	227,578	-	227,578
Profit for the year	-	1,127,506	-	-	1,127,506
Other comprehensive income:					
Exchange differences	-	-	-	(3,719)	(3,719)
Total comprehensive income for the year	-	1,127,506	-	(3,719)	1,123,787
AT 31 DECEMBER 2018	90,150,888	3,432,852	485,356	51,798	94,120,894

The notes on the following pages form an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENT

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

THE COMPANY	Stated capital USD	Retained earnings USD	Share option reserve USD	Total USD
AT 01 JANUARY 2019	90,150,888	2,861,142	485,356	93,497,386
Employee share incentive (Note 16)	-	-	384,695	384,695
Issue of deferred shares (Note 15)	31,250	-	(31,250)	-
Rights issue (Note 15)	14,399,370	-	-	14,399,370
Transactions with the shareholders	14,430,620	-	353,445	14,784,065
Loss for the year	-	(1,107,110)	-	(1,107,110)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(1,107,110)	-	(1,107,110)
AT 31 DECEMBER 2019	104,581,508	1,754,032	838,801	107,174,341
AT 01 JANUARY 2018	90,150,888	1,501,438	257,778	91,910,104
Employee share incentive (Note 16)	-	-	227,578	227,578
Transactions with the shareholders	-	-	227,578	227,578
Profit for the year	-	1,359,704	-	1,359,704
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	1,359,704	-	1,359,704
AT 31 DECEMBER 2018	90,150,888	2,861,142	485,356	93,497,386

The notes on the following pages form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	The Group		The Company	
	2019 USD	2018 USD	2019 USD	2018 USD
OPERATING ACTIVITIES				
(Loss)/profit before tax	(1,457,570)	1,177,312	(1,078,159)	1,399,268
Adjustments for:				
Accrued dividend income	(3,405,840)	(3,167,286)	(3,405,840)	(3,167,286)
Accrued interest income	(364,298)	(213,196)	(333,452)	(203,619)
Accrued interest expense	196,254	123,115	188,384	123,115
Foreign exchange losses	26,432	22,727	8,439	6,083
Fair value losses/(gains) on financial assets at fair value through profit or loss	1,529,862	(434,598)	1,529,862	(434,598)
Depreciation	5,768	9,345	-	-
LTIP share expenses	384,695	227,578	384,695	227,578
Gain on disposal of plant and equipment	(2,460)	-	-	-
Impairment losses	599,936	-	599,936	-
Fair value adjustment of non-convertible bond	9,000	-	9,000	-
	(2,478,221)	(2,255,003)	(2,097,135)	(2,049,459)
Net change in working capital:				
Change in receivables	1,275,616	344,264	1,187,675	190,448
Change in payables	16,868	91,265	(20,268)	203,964
Total changes in working capital	1,292,484	435,529	1,167,407	394,412
Cash used in operations	(1,185,737)	(1,819,474)	(929,728)	(1,655,047)
Income tax paid	(34,662)	(84,469)	(29,098)	(50,040)
Income tax refund	11,241	-	11,241	-
Interest received	517,044	5,063	395,340	5,063
Interest paid	(183,414)	(93,132)	(175,559)	(93,132)
Dividend income	395,340	2,686,500	487,337	2,686,500
NET CASH FROM OPERATING ACTIVITIES	(480,188)	694,488	(240,467)	893,344
INVESTING ACTIVITIES				
Acquisition of financial assets at fair value through profit or loss	(1,123,322)	(3,948,270)	(1,123,322)	(3,948,270)
Disposal of financial assets at fair value through profit or loss	100,000	850,000	100,000	850,000
Loans to related parties	(142,271)	(1,956,019)	(142,271)	(1,956,019)
Acquisition of held-to-maturity investments	-	(120,440)	-	(120,440)
Maturity of held-to-maturity investments	-	117,375	-	117,375
Acquisition of plant and equipment	(3,043)	(8,912)	-	-
Proceeds from disposal of plant and equipment	4,166	-	-	-
NET CASH USED IN INVESTING ACTIVITIES	(1,164,470)	(5,066,266)	(1,165,593)	(5,057,354)

The notes on the following pages form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

	The Group		The Company	
	2019 USD	2018 USD	2019 USD	2018 USD
FINANCING ACTIVITIES				
Proceeds from issue of shares	14,399,370	-	14,399,370	-
Proceeds from issue of non-convertible bond	-	1,987,687	-	1,987,687
Loan from related parties	-	529,793	-	500,000
Net cash from financing activities	14,399,370	2,517,480	14,399,370	2,487,687
Net change in cash and cash equivalents	12,754,712	(1,854,298)	12,993,310	(1,676,323)
Cash and cash equivalents, at start of the year	3,102,551	4,978,717	2,574,371	4,261,845
Exchange differences on cash and cash equivalents	(19,857)	(21,868)	(3,219)	(11,151)
Cash and cash equivalents, at end of the year	15,837,406	3,102,551	15,564,462	2,574,371
Cash and cash equivalents made up of:				
Cash at bank	14,816,652	3,102,551	14,543,708	2,574,371
Fixed deposit	1,020,754	-	1,020,754	-
Total cash and cash equivalents (Note 14)	15,837,406	3,102,551	15,564,462	2,574,371
Non-cash transactions:				
Issue of shares	31,250	-	31,250	-
Stock option reserve	(31,250)	-	(31,250)	-

For reconciliation of liabilities arising from the financing activities, refer to Note 25

The notes on the following pages form an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

Maris Limited, the “Company”, was incorporated in the Republic of Mauritius on 27 June 2014 as a public company with liability limited by shares and holds a Global Business Licence (previously called Category 1 Global Business Licence) issued by the Financial Services Commission. The Company’s registered office is office FF01, Endemika Business Park Phase 2, Petit Raffray, Republic of Mauritius.

The Company and its subsidiaries are collectively referred to as the “Group”.

The principal activities of the Group are:

- to achieve long-term value creation, cash generation and income through starting, developing and investing in companies that demonstrate the potential for significant growth domestically and regionally within Africa; and
- to offer accounting, administrative and procurement services to group companies and other businesses.

The consolidated financial statements of the Group have been prepared in accordance with IFRS as issued by International Accounting Standards Board (“IASB”).

2. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on a historical cost basis, except for financial assets designated at fair value through profit or loss which are remeasured at fair value.

The consolidated financial statements are presented in United States Dollars (“USD”) and all values are rounded to the nearest dollar, except where otherwise indicated.

The Company classifies its subsidiaries at fair value through profit or loss since it meets the definition of an investment entity as per the requirements of IFRS 10, “*Consolidated Financial Statements*” except for four subsidiaries namely Maris Kenya Limited, Maris Advisors UK Limited, Maris Mozambique Limitada and Industrial Support Services Limited. These four subsidiaries provide investment-related services to support the Company’s investment activities and therefore they do not qualify to be measured at fair value through profit or loss under the conditions attached to investment entities and have therefore been consolidated in accordance with IFRS 10, “*Consolidated Financial Statements*”.

3. APPLICATION OF NEW AND REVISED IFRS

3.1 NEW AND REVISED STANDARDS THAT ARE EFFECTIVE FOR THE YEAR BEGINNING ON 01 JANUARY 2019

In the current year, the following new and revised standards and interpretation issued by the IASB became mandatory for the first time for the financial year beginning on 01 January 2019:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
IFRS 9	Prepayment Features with Negative Compensation (Amendments to IFRS 9)
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
IAS 19	Plan Amendment, Curtail or Settlement (Amendments to IAS 19)

Management has assessed the impact of these new and revised standards and interpretation and concluded that none of them have an impact on these consolidated financial statements.

3.2 STANDARDS, AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY BY THE GROUP

At the date of authorisation of these consolidated financial statements, certain new standards and amendments to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements, as applicable to the Group's activities, will be adopted in the Group's accounting policies for the first year beginning after the effective date of the pronouncements. Information on new standards and amendments to existing standards is provided below.

IFRS 17	Insurance Contracts
IAS 1/IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)
IFRS 3	IFRS 3 Definition of a Business (Amendments to IFRS 3)
IAS 1	Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Management has yet to assess the impact of the above standards and amendments on the Group's financial statements.

4. SUMMARY OF ACCOUNTING POLICIES

4.1 OVERALL CONSIDERATIONS

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.2 BASIS OF CONSOLIDATION

The Group financial statements consolidate those of the Company and its subsidiaries which provide investment-related services (i.e. Maris Kenya Limited, Maris Advisors UK Limited, Maris Mozambique Limitada and Industrial Support Services Limited) that relate to the Company's investment activities as at

31 December 2019. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies.

Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the consolidated financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of the subsidiaries' profit or loss and net assets that are not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

4.3 BUSINESS COMBINATIONS

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire and (c) acquisition-date fair value of any existing equity interest in the acquire, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e gain on a bargain purchase) is recognised in profit or loss immediately.

4.4 INVESTMENT IN SUBSIDIARIES

A subsidiary is an entity over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Investment in subsidiaries is stated at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the consolidated statement of comprehensive income.

4.5 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Associates are those entities over which the Company is able to exert significant influence but which are neither subsidiaries nor joint ventures.

Holdings in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Company's share in the associate is not recognised separately and is included in the amount recognised as investment in associates.

The Company has been classified as an investment entity and is therefore exempt from providing summarised financial information about its associates when they are accounted for on a fair value basis under IFRS 9 - "Financial Instruments".

4.6 FINANCIAL INSTRUMENTS

RECOGNITION, INITIAL MEASUREMENTS AND DERECOGNITION

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

CLASSIFICATION AND INITIAL MEASUREMENT OF FINANCIAL ASSETS

All financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the current year, the Group does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the Group business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of trade receivables which is presented within other expenses.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, loans to related parties, investment in Government Bond and most receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of the financial assets in this category are determined using the valuation technique where no active market exists.

Principles of valuation of investment:

The unlisted investments are stated at amounts considered by the directors to be a reasonable assessment of their fair value, where fair value is the amount at which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

The Group values its unlisted holdings using a blend of methodologies dependent on the activity of the holdings and its stage in the investment and business lifecycle. These include the following methodologies:

- Average of multiples
- Discounted cash flows model
- Cost value
- Market value
- RICS Valuation methodology for real estate

In certain cases, the valuations derived are also submitted for independent reviews by industry experts.

Where the fair value of unquoted holdings cannot be reliably estimated, the transaction price on initial recognition less impairment losses is considered to be an approximate of the fair value.

The valuation of holdings may not necessarily represent the amounts that may eventually be realised from sales or other dispositions.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements include mainly loans to related parties.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Group makes use of a simplified approach in accounting for its loans receivable and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Group writes off a financial asset when there is information indicating that the borrowers are in severe difficulty and there is no realistic prospect of recovery. Receivables or other financial assets written off are still subject to recovery procedures based on legal advices.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES

The Group's financial liabilities include borrowings, non-convertible bond and payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.7 PLANT AND EQUIPMENT

Plant and equipment are initially recorded at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight-line method to write down the cost of assets to their residual values over their estimated useful lives as follows:

Motor vehicles	25%
Furniture and fittings	12.5%- 25%
Computer equipment	30%

The estimated useful lives are reviewed at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined as the difference between the proceeds and the carrying amount of the assets and are included in the consolidated statement of comprehensive income. All repairs and maintenance are expensed during the financial year in which they are incurred.

4.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and cash at bank, together with other short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.9 EQUITY AND RESERVES

Stated capital is determined using the nominal value of shares that have been issued.

Retained earnings consist of the current period results aggregated with results of the previous periods as disclosed in the consolidated statement of comprehensive income.

Translation reserve comprises mainly of foreign currency translation differences arising from the translation in USD of the financial statements of the Group's foreign entities.

4.10 SHARE BASED PAYMENTS

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The grant date fair value of equity incentives (deferred shares and performance shares) granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the instrument. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with a share-based payment transaction is presented as share option reserve in equity. The amount recognised as an expense is adjusted to reflect the actual number of share instruments that vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

4.11 INCOME TAXES

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period in the respective jurisdictions where each entity is incorporated.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective year of realisation, provided they are enacted or substantively enacted by the end of the reporting year.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

4.12 FOREIGN CURRENCY

FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in currency United States Dollar ("USD"), which is also the functional currency of the Group.

FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency of the Group, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the consolidated statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

FOREIGN OPERATIONS

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the USD are translated into USD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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On consolidation, assets and liabilities have been translated into USD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into USD at the closing rate. Income and expenses have been translated into USD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserves in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

The exchange rates used to convert the Group's foreign entities into USD at reporting date were as follows:

		USD
Great Britain Pound	GBP/USD	1.3268
Kenyan Shilling	KES/USD	0.00987
Mozambique Metical	MZN/USD	0.01625
Mauritian Rupees	MUR/USD	0.02835

4.13 REVENUE

The Group earns service fees from the provision of management services to related companies.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

To determine whether to recognise revenue, the Group ensures that the following 5 conditions are satisfied:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

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

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the accrual basis using the effective interest rate, unless collectability is in doubt.

4.14 IMPAIRMENT OF ASSETS

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

4.15 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the year of the borrowings using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Borrowing costs are expensed in the year in which they are incurred and reported in "finance costs".

4.16 NON-CONVERTIBLE BONDS

Non-convertible bonds are initially measured at fair value, net of transactions costs and are subsequently measured at amortised cost.

Non-convertible bonds carry fixed interest rate payable to the holder and the interest is recognised in the consolidated statement of comprehensive income under 'finance costs'. The non-convertible bonds are classified as liabilities.

4.17 GOODWILL

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See Note 4.3 for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses, if any.

Negative goodwill is recognised in the consolidated statement of comprehensive income.

4.18 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required from the Group and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

4.19 RELATED PARTIES

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

4.20 EXPENSE RECOGNITION

All expenses are accounted for on the accrual basis.

4.21 COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in the presentation in the current year.

4.22 SIGNIFICANT MANAGEMENT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

SIGNIFICANT MANAGEMENT JUDGEMENT

Significant management judgement in applying the accounting policies of the Group that has the most significant effect on the consolidated financial statements is set out below.

Determination of functional currency

The determination of the functional currency of the Group is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Group is the USD.

Investment entity

Using the guidance as per IFRS 10, "Consolidated Financial Statements", management has determined that the Group meets the definition of an investment entity. This has required management to make significant judgements as to whether the Group has met such definition and the typical characteristics to be considered to qualify as an investment entity as per IFRS 10.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised.

Impairment of investment in subsidiaries

The determination of impairment of investment in subsidiaries requires significant judgement. In making this judgement, management evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Impact of COVID-19

In January 2020, the World Health Organisation has declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The directors have considered the potential adverse impact of COVID-19 on the Group’s investment activities and have exercised significant judgement in assessing that the preparation of these consolidated financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the global economic conditions and the market and other risks that could affect the Group. Refer to Note 5.9 for analysis.

ESTIMATION UNCERTAINTY

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Fair value of financial instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. However, where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date.

Impairment losses on loans to related parties and other receivables

The Group uses the guidance of IFRS 9 to determine the degree of impairment of its loans to related companies and receivables. Management considers a broader range of information when assessing credit risk and estimating the expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculation for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated issues based on estimate of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Useful lives and residual values of plant and equipment

The Group reviews the estimated useful lives of its plant and equipment at each reporting date. At 31 December 2019, the directors considered that useful lives represent the expected utility of the assets of the Group. The carrying amounts are analysed in Note 8.

5. FINANCIAL INSTRUMENT RISK

RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk, concentration risk, operating risk, political risk, legal risk and capital repatriation risk. The Group’s overall risk management programme focuses on the above risks and seeks to minimise potential adverse effects on the Group’s financial performance.

The board of directors with the assistance of management has assessed the risks of Covid-19 and their potential impact on the Group based on the information available at time of assessment and the results of the assessment are provided in Note 5.9.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Group's and the Company's financial assets and liabilities by category are summarised below:

	The Group		The Company	
	2019 USD	2018 USD	2019 USD	2018 USD
FINANCIAL ASSETS				
Financial assets at fair value through profit or loss:				
Non-current				
Investments in unquoted companies	87,261,732	87,768,370	87,261,732	87,768,370
Amortised cost:				
Non-current				
Loans to related parties	2,496,970	2,809,920	2,496,970	2,809,920
Current				
Other investments	112,122	117,243	112,122	117,243
Loans to related parties	-	285,000	-	285,000
Receivables*	4,748,767	1,934,948	4,677,651	2,835,246
Cash and cash equivalents	15,837,406	3,102,551	15,564,462	2,574,371
	20,698,295	5,439,742	20,354,235	5,811,860
TOTAL FINANCIAL ASSETS	110,456,997	96,018,032	110,112,937	96,390,150
FINANCIAL LIABILITIES				
Amortised cost:				
Non-current				
Borrowings	29,808	529,793	-	500,000
Non-convertible bond	-	2,017,670	-	2,017,670
	29,808	2,547,463	-	2,517,670
Current				
Payables**	522,090	507,230	407,732	428,000
Borrowings	515,082	-	515,082	-
Non-convertible bond	2,024,413	-	2,024,413	-
	3,061,585	507,230	2,947,227	428,000
TOTAL FINANCIAL LIABILITIES	3,091,393	3,054,693	2,947,227	2,945,670

*Receivables considered as financial assets exclude VAT receivable, deposits and prepayments.

The most significant risks to which the Group is exposed are described below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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5.1 MARKET RISK ANALYSIS

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and capital controls regulations, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

FOREIGN EXCHANGE RISK

Indirectly, through its holdings, the Group has financial assets and liabilities denominated in other currencies. Consequently, the Group is indirectly exposed to significant exchange rate volatility of the Kenyan Shilling, Mauritian Rupees, British Pound, Mozambique Metical, Tanzanian Shilling, Angola Kwanza, Rwanda Franc and Zimbabwe Dollar that could affect the value of such holdings.

Any change in exchange rates, other than the Company's functional currency, would not have a material impact on the Group operating cash flows.

The direct currency profile of the Group's and the Company's financial assets and liabilities is as follows:

THE GROUP	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
	2019 USD	2018 USD	2019 USD	2018 USD
United States Dollar (USD)	110,218,748	95,808,251	2,965,915	2,961,824
Mauritian Rupee (MUR)	137,375	139,217	-	-
Kenyan Shilling (KES)	25,592	10,041	36,721	34,756
British Pound (GBP)	68,225	57,621	35,907	9,283
Mozambique Metical (MZN)	7,057	2,902	52,850	48,830
	110,456,997	96,018,032	3,091,393	3,054,693

THE COMPANY	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
	2019 USD	2018 USD	2019 USD	2018 USD
United States Dollar (USD)	109,968,911	96,239,205	2,947,227	2,945,670
British Pound (GBP)	6,651	11,728	-	-
Mauritian Rupee (MUR)	137,375	139,217	-	-
	110,112,937	96,390,150	2,947,227	2,945,670

INTEREST RATE RISK

The Group is not exposed to any changes in market interest rates. The loans to related parties, investment in Government Bond, fixed deposit, borrowings and non-convertible bond are at fixed interest rates. The exposure to interest rates on the Group's cash and cash equivalents, for which the interest is based on market rates, is considered immaterial.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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5.2 CREDIT RISK ANALYSIS

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's exposure to credit risk is limited to the carrying amount of its financial assets, as summarised below:

	The Group		The Company	
	2019 USD	2018 USD	2019 USD	2018 USD
FINANCIAL ASSETS				
<i>Non-current assets</i>				
Financial assets at fair value through profit or loss	87,261,732	87,768,370	87,261,732	87,768,370
Loans to related parties	2,496,970	2,809,920	2,496,970	2,809,920
	89,758,702	90,578,290	89,758,702	90,578,290
<i>Current assets</i>				
Other investments	112,122	117,243	112,122	117,243
Loans to related parties	-	285,000	-	285,000
Receivables	4,748,767	1,934,948	4,677,651	2,835,246
Cash and cash equivalents	15,837,406	3,102,551	15,564,462	2,574,371
	20,698,295	5,439,742	20,354,235	5,811,860
TOTAL	110,456,997	96,018,032	110,112,937	96,390,150

The Group holds investments in unquoted companies where most of the investee companies are incorporated in countries in the African Region. These investments are stated at their fair values using valuation technique as described in Note 6. At 31 December 2019, the fair values of these investments amounted to USD 87,261,732 (2018: USD 87,768,370). The Board and its subcommittees have carefully analysed the credit risk associated with the unquoted investments and concluded that the values at the reporting date are reasonable and conservative.

The directors believe that the credit risk associated with the loans to related parties has been properly assessed and reflected in the carrying amount of the loans where necessary. More details on the assessment of impairment of loans to related parties are provided in Note 11.

The directors consider that the credit risk associated with the investment in Government Bond and fixed deposit as remote.

The credit risk for cash and cash equivalents is considered acceptable since the Group transacts with reputable banks.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all its receivables as these items do not have a significant financing component.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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5.3 LIQUIDITY RISK ANALYSIS

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due and to fund its approved follow-on investments and acquisitions under normal operating conditions. The Group manages liquidity risk by ensuring timely recovery of receivables, return of surplus funds by the investees to the Group and by raising capital. The Group has in place a liquidity framework to ensure that funds are available to meet the Group's investment objectives and all obligations as and when they fall due.

The following are the contractual maturities of financial liabilities, including interest payments:

	The Group		The Company	
	2019	2018	2019	2018
	USD	USD	USD	USD
Non-current liabilities				
Borrowings	29,808	529,793	-	500,000
Non-convertible bond	-	2,017,670	-	2,017,670
	29,808	2,547,463	-	2,517,670
Current liabilities				
Payables	522,090	507,230	407,732	428,000
Borrowings	515,082	-	515,082	-
Non-convertible bond	2,024,413	-	2,024,413	-
	3,061,585	507,230	2,947,227	428,000
TOTAL	3,091,393	3,054,693	2,947,227	2,945,670

5.4 CONCENTRATION RISKS

The Group has invested mainly in unlisted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Group to acquire or dispose of such investments. These investments may be difficult to value and to sell or otherwise liquidate and the risks of investing in such companies are much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for these investments existed. However, the directors consider that such concentration risk has been adequately reflected in the valuation of these investments.

5.5 OPERATING RISK

The markets where the Group's holdings operate present various risks in terms of supply chain, infrastructure, security, corruption, health and safety, environmental impact and reputation of the Group. In view of such challenges, the Group seeks management control of its holdings where possible in order to maintain strict oversight of bank accounts, governance, operating policies and payment of dividends. Where the Group does not have management control, management seeks to implement appropriate minority protections measures through board representation, the right to appoint the Chairman and veto rights, among others.

5.6 POLITICAL AND REGULATORY RISK

Indirectly, through its holdings, the Group is exposed to political risk in the markets and the sectors where its investments operate. While the Group's geographical and divisional diversification is designed to mitigate political risk, such is considered material. The value of the Group's holdings may be materially affected in varying degrees by political circumstances and government regulations relating to the industry and foreign investors therein, and the policies of other countries in respect of the region. Any changes in regulations or shifts in political conditions are beyond the Group's control and may adversely affect the Group's performance.

5.7 LEGAL RISK

The regulatory supervision, legal infrastructure and accounting and auditing and reporting standards of the countries of Africa may not provide the same degree of investor protection or availability of information as would generally exist in more mature or developed markets. This may adversely affect both the valuation of the Group's holdings and performance.

5.8 CAPITAL REPATRIATION RISK

Several of the countries where the Group holds investments have capital transfer restrictions in place. The Group organises the operations of its holdings so to ensure compliance and minimise exposure. It is however possible that different interpretation of current regulations or new regulations will be introduced that could partially or totally prevent the Group's ability to transfer funds out of such countries when required. The Board closely monitors such risk and where necessary, legal and other advices are sought.

5.9 RISKS RELATED TO THE COVID-19 PANDEMIC

The countries where the Group and its portfolio investees operate are progressively being affected by the COVID-19 pandemic.

Based on the data from the World Health Organisation it would appear that, at the time of writing, the spread of the virus is still in its initial stages in Africa.

Recognising that the situation and the information available are evolving every day and therefore accepting that any risk assessment is susceptible to continuous updates, at the time of writing the Board of directors and management have identified the following specific risks that could affect the Group and its portfolio companies during the pandemic and in the period following it:

- Supply chain disruption for goods either purchased by or supplied by the portfolio companies.
- Reduction in demand for goods and services supplied by the portfolio companies.
- Restrictions of movement of people.
- Public order degradation, occurrence of looting and increased criminality.
- Risk of infection being contracted by the Group's and portfolio companies' personnel.
- Increased demand on company's liquidity.
- Delay of other corporate activities such as: capital raising, completion of new investments, completion of planned assets sales.

Based on the information available at the time of writing, the assessment of the potential impact of the risks listed above is here outlined:

- a. Given the geographical spread of the Group's investment portfolio, it is impossible to exactly predict the timing and extent of the pandemic impact on the Group; in general, management believes that such diversification is a desirable feature of the Group in the context of the current crisis;
- b. With the exception of the portfolio companies involved in trading (e.g. distribution of earth-moving equipment), the majority of the Group's investees are in primary industries and are backed by tangible assets which generate hard currency income; it is therefore not unreasonable to expect that the long-term value of such assets will not be negatively impacted by the current crisis if the global economic activity resumes to its pre-crisis level;
- c. It is possible that the Company may be called to support some of its investees/subsidiaries with bridge funding to compensate for the short-term drop in revenues. The Company has prepared two simulations to estimate the impact that this short-term funding could have on the Company's net asset value:
 - i. Under the assumption that the COVID-19 emergency will last 3 - 6 months in Africa, the reduction in net asset value for the Company could be up to USD 2.2M (approximately 2.1% of net asset value); and
 - ii. Under the assumption that the COVID-19 emergency will last 6 - 12 months in Africa, the reduction in net asset value for the Company could be up to USD 4.5M (approximately 4.2% of net asset value).

Based on the information currently available, the Company should have sufficient financial resource to withstand either scenario above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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- d. In addition to the reduction in net asset value triggered by cash requirements as described above, it is possible that once the COVID-19 crisis is over, the fair market value of the Group's investments may need to be reviewed with the risk of possibly substantial reductions if the long-term valuations for comparable assets ends up to be lower.
- e. Although no specific situation has been identified at present, it is possible that in the future some of the portfolio companies may breach covenants on banking facilities and supply contracts due to difficulties triggered by the COVID-19 crisis.
- f. It is possible that post-crisis, new legislations and/or regulations may be enacted in Africa or Europe that would adversely impact the portfolio companies' ability to access their traditional markets for goods and services.
- g. Depending on the duration and intensity of the crisis, there may be a delay for the Group in achieving its growth and profitability objectives for the years affected by the pandemic.
- h. Given the lack of adequate healthcare facilities in terms of quantity and quality in the countries where the Group's personnel operates, any serious medical emergency would entail a higher risk to such personnel compared to similar situations in Europe.

The assessment above is based on the information currently available about the spread of the COVID-19 disease in Africa and, by extrapolation, the pattern of infection observed in Asia and Europe.

It is possible that the actual impact of the COVID-19 crisis on the Group will differ substantially from what predicted above and result in a larger unfavourable impact.

6. FAIR VALUE MEASUREMENT

6.1 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents financial assets measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

THE GROUP AND THE COMPANY 31 DECEMBER 2019	LEVEL 1 USD	LEVEL 2 USD	LEVEL 3 USD	TOTAL USD
Financial assets at fair value through profit or loss	-	-	87,261,732	87,261,732
THE GROUP AND THE COMPANY 31 DECEMBER 2018	LEVEL 1 USD	LEVEL 2 USD	LEVEL 3 USD	TOTAL USD
Financial assets at fair value through profit or loss	-	-	87,768,370	87,768,370

There has been no transfer between Levels 1 and 2 during the year under review.

MEASUREMENT OF FAIR VALUE

Unquoted investments

The method and valuation technique used for the purpose of measuring fair values of the unquoted investments are detailed below:

- Sector multiples EV/EBITDA
- Discounted cash flows model
- Cost value
- Market value
- RICS valuation methodology for real estate

In certain cases, the valuations derived are also submitted for independent review by industry experts.

A reconciliation of the carrying amounts of financial assets classified within Level 3 has been disclosed in Note 10 to these consolidated financial statements.

Valuation policy

The valuation of the unquoted investments is determined on a six month basis with an initial valuation being made by reference to the price at which the Group acquired such investments and subsequent valuations being conducted in accordance with the IFRS 13, 'Fair Value Measurement'. Valuation techniques are selected based on the characteristics of each financial asset, with the overall objective of maximising the use of market-based information.

The valuation of the unquoted investments is performed by an internal team having the relevant expertise and qualifications. The valuation report is at first reviewed by the Executive Committee and subsequently reviewed by the Audit Committee. The report is then recommended to the Board of Directors for final review and approval. All the valuation processes and fair value changes are discussed at the Board level; including significant unobservable inputs used in the valuation techniques and the relationship of these unobservable inputs to the fair values. Where appropriate, the Group also utilises external consultants with specific valuation and sector expertise to supplement the internal valuation work. The Board adopts a prudent approach for investments held in countries with specific risks like political, inflation and social.

The Group's strategy is to create long term value through capital appreciation of its investments and through dividends generation; the Group has identified strategic sectors in which it intends to focus to develop large scale profitable businesses.

The Group regularly monitors the performance of its investments; whenever such performance falls below expectations or the investment fails to achieve sufficient scale. The Group applies different corrective measures such as restructuring the operations, increasing scale or dispose of the investment.

Similarly all investments, regardless of performance, are periodically evaluated to determine the approach that would deliver the highest value to the Company's shareholders; as a result certain investments are exited via a sale to third parties while other are retained for long term dividend generation.

6.2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE

The Group's other financial assets and financial liabilities are measured at their carrying amounts which approximate their fair values.

6.3 FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

The Group's non-financial assets consist of plant and equipment, prepayments, deposits, VAT receivable and current tax assets and its non-financial liabilities consist of VAT payable and current tax liabilities.

For non-financial assets and non-financial liabilities, fair value measurement is not applicable since these are not measured on a recurring or non-recurring basis.

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7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its members and other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, buy back shares or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital:

	2019 USD	2018 USD
Debt	2,569,303	2,547,463
Cash and cash equivalents	(15,837,406)	(3,102,551)
Net debt	-	-
Equity	107,399,221	94,120,894
Total capital	107,399,221	94,120,894
Gearing ratio	-	-

Debt is defined as borrowings and non-convertible bond, as detailed in Notes 17 and 18 respectively.

As at 31 December 2019, the Company was not geared.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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8. PLANT AND EQUIPMENT

31 December 2019	Motor vehicles	Computer equipment	Furniture and fittings	Total
	USD	USD	USD	USD
COST				
At 01 January 2019	5,402	31,126	30,301	66,829
On consolidation	(7)	1,763	1,483	3,239
	5,395	32,889	31,784	70,068
Additions	-	2,886	157	3,043
Disposals	(5,391)	(10,043)	(7,197)	(22,631)
Foreign exchange difference	(4)	77	1	74
AT 31 DECEMBER 2019	-	25,809	24,745	50,554
ACCUMULATED DEPRECIATION				
At 01 January 2019	2,953	23,650	13,680	40,283
On consolidation	735	318	489	1,542
	3,688	23,968	14,169	41,825
Charge for the year	-	3,028	2,740	5,768
Disposals	(3,685)	(10,043)	(7,197)	(20,925)
Foreign exchange difference	(3)	34	34	65
AT 31 DECEMBER 2019	-	16,987	9,746	26,733
NET BOOK VALUES AT 31 DECEMBER 2019	-	8,822	14,999	23,821

31 December 2018	Motor vehicles	Computer equipment	Furniture and fittings	Total
	USD	USD	USD	USD
COST				
At 01 January 2018	5,377	29,930	24,280	59,587
On consolidation	25	(1,030)	(621)	(1,626)
	5,402	28,900	23,659	57,961
Additions	-	2,235	6,677	8,912
Foreign exchange difference	-	(9)	(35)	(44)
AT 31 DECEMBER 2018	5,402	31,126	30,301	66,829
ACCUMULATED DEPRECIATION				
At 01 January 2018	2,368	19,516	10,647	32,531
On consolidation	15	(901)	(541)	(1,427)
	2,383	18,615	10,106	31,104
Charge for the year	573	5,157	3,615	9,345
Foreign exchange difference	(3)	(122)	(41)	(166)
AT 31 DECEMBER 2018	2,953	23,650	13,680	40,283
NET BOOK VALUES AT 31 DECEMBER 2018	2,449	7,476	16,621	26,546

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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9. INVESTMENT IN SUBSIDIARIES

9.1 UNQUOTED AND AT COST:

	2019 USD	2018 USD
At 01 January and at 31 December	5,091	5,091

9.2 DETAILS OF THE INVESTMENT IN THE SUBSIDIARIES ARE AS FOLLOWS:

NAME OF SUBSIDIARIES	Country of incorporation	Type of share	% holding	2019 USD	2018 USD
Maris Kenya Limited	Kenya	Equity	100%	990	990
Maris Advisors UK Limited	United Kingdom	Equity	100%	1	1
Industrial Support Services Limited	Republic of Mauritius	Equity	100%	100	100
Maris Mozambique, Limitada	Republic of Mozambique	Equity	100%	4,000	4,000
Total				5,091	5,091

9.3 THE ABOVE COST IS CONSIDERED TO BE A REFLECTION OF THE FAIR VALUE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

(i) Unquoted and at fair value

	2019 USD	2018 USD
At 01 January	87,768,370	84,234,894
Additions during the year – equity investments	-	3,169,564
Additions during the year – non-equity investments	1,123,322	778,706
Disposal during the year	(100,000)	(850,000)
Fair value (loss)/gain on remeasurement	(1,529,960)	435,206
At 31 December	87,261,732	87,768,370

(ii) Details of the Group's and the Company's financial assets at fair value through profit or loss are as follows:

Underlying asset / trading name	Country of operation	Effective % shareholding of underlying assets	Direct investee legal name (SPV)	Country of incorporation	% holding of direct investee	Fair Value 2019 USD	Fair Value 2018 USD
Agriculture & Forestry							
Central Equatoria Teak Company Limited	South Sudan	79%	Central Equatoria Teak Holdings Limited	Republic of Mauritius	100%	1	1
Equatoria Teak Company Limited	South Sudan	85%	Equatoria Teak Holdings Limited	Republic of Mauritius	100%	6,557,169	7,471,978
Tatepa Limited	Tanzania	18%	Maris Tatepa Holdings Ltd	Republic of Mauritius	100%	3,778,862	3,274,004
Business Services							
Equator Drilling, S.A.	Mozambique/ Democratic Republic of the Congo	80%	Equator Drilling International Ltd	Republic of Mauritius	80%	330,000	1,559,000
Equator Energy	Kenya/ Zimbabwe/ South Sudan	70%	Equator Energy Genco 2 Ltd	Republic of Mauritius	70%	4,520,000	2,952,436
Equator Machinery Services	Mozambique	100%	Equator Drilling International Ltd	Republic of Mauritius	100%	231,000	-
MTA - Maquinas e Tractores de Angola, LDA	Angola	50%	Machinery & Plant Angola	Republic of Mauritius	50%	1,750,000	2,250,000
Machines and Tractors Tanzania	Tanzania	50%	Machinery & Plant One Ltd	British Virgin Islands	50%	2,150,000	2,150,000
Machines and Tractors Rwanda	Rwanda	50%	Machinery & Plant Africa Ltd	Republic of Mauritius	50%	795,000	550,000
Mining							
Karebe Gold Mining Limited	Kenya	80%	Equatorial Mining Limited	British Virgin Islands	100%	16,000,000	16,000,000
Commoner Mine	Zimbabwe	80%	Commoner Mine Mauritius Ltd	Republic of Mauritius	80%	3,081,564	3,349,564
Venice Mine	Zimbabwe	90%	Venice Mine Mauritius Ltd	Republic of Mauritius	90%	14,140,135	14,140,135

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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Underlying asset / trading name	Country of operation	Effective % shareholding of underlying assets	Direct investee legal name (SPV)	Country of incorporation	% holding of direct investee	Fair Value 2019 USD	Fair Value 2018 USD
Property Services							
Africa Logistics Properties	Kenya	13%	Africa Logistics Properties Holdings Ltd	Republic of Mauritius	13%	11,215,956	10,584,753
Operational Support Services (OSS) Limited (Acacia Village)	South Sudan	55%	Operational Support Services Limited	Gibraltar	55%	1,002,722	1,002,722
Quirimbas Support Services (Kaia Village)	Mozambique	100%	Quirimbas Support Services 23 Ltd	British Virgin Islands	100%	8,070,000	8,050,000
MMO Mozambique Managed Offices, Limitada	Mozambique	75%	Africa Managed Office Solutions	Republic of Mauritius	75%	1,500,000	1,262,454
Mulitani, S.A.	Mozambique	100%	Mulitani BVI Ltd	British Virgin Islands	100%	6,500,000	7,550,000
OSS DRC	Democratic Republic of the Congo	45%	Hinterland Ltd	Republic of Mauritius	45%	339,323	321,323
OSS Mozambique	Mozambique	100%	Operational Support Services BVI Ltd	British Virgin Islands	100%	5,300,000	5,300,000
TOTAL						87,261,732	87,768,370

(i) Dividend income of USD 3,405,840 was received during the year under review (2018: USD 3,167,286).

(ii) The methods used to estimate the fair values are described in Note 6.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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11. LOANS TO RELATED PARTIES

	The Group		The Company	
	2019 USD	2018 USD	2019 USD	2018 USD
Non-current				
Loans to related parties (Note (i) and (ii))	2,496,970	2,809,920	2,496,970	2,809,920
Current				
Loans to related parties (Note (iii))	-	285,000	-	285,000
TOTAL	2,496,970	3,094,920	2,496,970	3,094,920

- i. The loans are unsecured, carry interest between 0-15% per annum and have no fixed repayment terms.
- ii. The loans will mature on the maturity date and will be automatically renewed for an additional 12 months under the same terms unless terminated under the provisions of the relevant agreements.
- iii. The loans are unsecured, interest free and receivable on demand.
- iv. Expected credit losses

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all its loans receivable as these items do not have a significant financing component. In measuring the expected credit losses, the loans receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

Based on their impairment assessment, the directors concluded that no provision for expected credit loss is to be recognised for the loans receivable as no default is expected given that funds are centrally managed at Group level and payments are made as and when required depending on the group treasury management.

- v. During the financial year, the directors resolved to recognise an impairment loss of USD 586,336 relating to loans receivable considered as irrecoverable.

12. OTHER INVESTMENTS

- i. The Group has invested in a Government Bond through a financial institution with a maturity date of 24 April 2021 and at an interest rate of 4.15% payable semi-annually. The nominal amount is MUR 4M (equivalent to USD 110,163).
- ii. Movement during the year

	The Group		The Company	
	2019 USD	2018 USD	2019 USD	2018 USD
At 01 January	117,243	119,844	117,243	119,844
Additions during the year	-	120,440	-	120,440
Matured during the year	-	(117,375)	-	(117,375)
Foreign exchange losses on retranslation	(5,219)	(5,058)	(5,219)	(5,058)
Fair value gains/(losses) on remeasurement	98	(608)	98	(608)
At 31 December	112,122	117,243	112,122	117,243

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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13. RECEIVABLES

	The Group		The Company	
	2019 USD	2018 USD	2019 USD	2018 USD
Other receivables	569,269	112,285	-	-
Prepayments	6,208	33,103	300	5,375
Deposits	5,474	1,037,217	3,859	31,964
Dividend receivable	4,032,368	1,814,868	4,032,368	1,814,868
Due from related parties (Note (i))	159,755	54,317	645,283	1,020,378
TOTAL	4,773,074	3,051,790	4,681,810	2,872,585

(i) The amounts due from the related parties are unsecured, interest free and receivable on demand. The directors consider that no credit risk is associated with the amount due from the related parties and hence no lifetime expected credit losses have been recognised.

During the financial year, the directors resolved to recognise an impairment loss of USD 13,600 relating to an amount due from Tatepa Limited considered as irrecoverable.

14. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2019 USD	2018 USD	2019 USD	2018 USD
Cash at bank:				
USD*	15,734,889	3,008,799	15,530,599	2,538,808
MUR	27,212	23,835	27,212	23,835
KES	16,727	9,394	-	-
GBP	56,049	57,621	6,651	11,728
MZN	2,529	2,902	-	-
	15,837,406	3,102,551	15,564,462	2,574,371

*Includes fixed deposit of **USD 1,020,754** (2018: USD Nil) placed on 31 December 2019 and maturing on 31 January 2020.

15. STATED CAPITAL

	2019 USD	2018 USD
Ordinary shares at no par value	104,581,508	90,150,888

15.1 MOVEMENT DURING THE YEAR

	2019	2018	2019	2018
	Number of shares	Number of shares	USD	USD
At 01 January	90,898,022	90,898,022	90,150,888	90,150,888
Issue of shares (Note 15.2 and Note 15.4)	14,199,862	-	14,430,620	-
At 31 December	105,097,884	90,898,022	104,581,508	90,150,888

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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15.2 Pursuant to a special resolution dated 05 September 2019, the Board approved the issue of shares of up to 60M shares at USD 1.02 per share. At the reporting date, the Company has issued 14,165,140 shares at USD 1.02 per share, equivalent to USD 14,399,370 (net of share issue costs of USD 49,073).

15.3 The ordinary shares would be conferred such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, as the directors may deem fit, subject to the Company's Amended and Restated Shareholders' Agreement dated 05 September 2019.

15.4 During the financial year, selected employees under the Long-Term Incentive Plan (Note 16) have been awarded a total of 34,722 ordinary shares at USD 0.90 per share, equivalent to USD 31,250.

16. SHARE OPTION RESERVE

Pursuant to clause 18.5 of the Shareholders Agreement, the Company has implemented a Long-Term Incentive Plan (LTIP). Under the LTIP, selected employees have been awarded a) deferred shares grants which allow them to receive ordinary shares of the Company after three years from grant date, and b) deferred performance shares grants which allow them to receive ordinary shares of the Company upon a major liquidity event, provided that certain conditions are met. The LTIP meets the definition of equity-settled incentive and has been accounted for based on the following parameters:

- 441,872 number of deferred and deferred performance shares granted in 2019
- USD 0.91 estimated FMV of one share at the time of granting
- 10.3% estimated probability of vesting conditions not being met
- The resulting cost of the benefit (USD 384,695) is amortised over 3 years for deferred shares
- No cost has been accrued for deferred performance shares

During the financial year 2019, a benefit of USD 384,695 (2018: USD 227,578) has been accounted as expense in the consolidated statement of comprehensive income and a corresponding entry has been made in share option reserve. In addition, pursuant to grants awarded in 2016 and following the end of the vesting period, the reserve has been used to award selected employees with ordinary shares, equivalent to USD 31,250.

17. BORROWINGS

	The Group		The Company	
	2019 USD	2018 USD	2019 USD	2018 USD
Non-current				
Loans from related parties	29,808	529,793	-	500,000
Current				
Loan from related party (Note (i))	515,082	-	515,082	-
Total	544,890	529,793	515,082	500,000

(i) The loan from the related party is unsecured, bears interest of 6% per annum and was fully repaid in March 2020.

(ii) Loan interest accrued during the year under review amounted to USD 37,788 (2018: USD 14,918).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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18. NON-CONVERTIBLE BOND

	The Group and the Company	
	2019	2018
	USD	USD
Non-current		
Non-convertible bond	-	2,017,670
Current		
Non-convertible bond	2,024,413	-
Total	2,024,413	2,017,670

(i) The non-convertible bond is secured, bears a fixed interest rate of 8% and will mature in 2020.

(ii) Interest on the non-convertible bond for the year under review amounted to USD 158,466 (2018: USD 108,197).

19. PAYABLES

	The Group		The Company	
	2019	2018	2019	2018
	USD	USD	USD	USD
Accruals	420,747	331,266	387,366	308,797
Other payables	77,350	153,262	-	111,049
Due to related parties (Note (i))	28,641	25,342	20,366	8,154
	526,738	509,870	407,732	428,000

(i) The amounts due to the related parties are unsecured, interest free and repayable on demand.

20. REGIONAL MANAGEMENT COSTS

In order to manage its activities, the Group maintains management resources (the “Regional Management”) at different locations: Mauritius, Nairobi, Maputo and London. The Regional Management is hosted by Maris Kenya Limited (“MKL”) in Kenya, by Maris Advisors UK Limited (“MCA”) in the United Kingdom and by Industrial Support Services Limited (“ISS”) in the Republic of Mauritius.

MKL, MCA and ISS charge the Group substantially “at cost” for the expenses incurred in hosting the regional management.

The Company has entered into a Business Services Agreement with ISS, whereby the latter has agreed to provide business services in return for a management fee of USD 900,000 for 2019 (2018: USD 1,050,000). The lower 2019 fees vs. 2018 fees are due to the reduction in staff cost and office rental expenses.

21. PROFESSIONAL FEES

	The Group		The Company	
	2019	2018	2019	2018
	USD	USD	USD	USD
Legal fees and professional fees	142,306	153,082	64,242	53,697
Other professional fees	26,481	15,289	21,726	9,620
Audit fees	45,956	49,531	39,996	43,150
Consultancy fees	68,567	68,466	1,016	43,019
	283,310	286,368	126,980	149,486

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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22. OTHER EXPENSES

	The Group		The Company	
	2019	2018	2019	2018
	USD	USD	USD	USD
Insurance expenses	56,560	46,903	28,850	32,384
Bank charges	26,357	40,534	6,816	8,894
Fundraising costs	54,959	23,504	47,122	2,108
Other expenses	28,397	40,486	-	-
	166,273	151,427	82,788	43,386

23. DIRECTORS REMUNERATION

The non-executive directors' fees structure of the Company is as follows:

Annual net fees unless otherwise indicated	2019	2018
	USD	USD
Chairman of the Board	85,000	68,000
Non-executive director	20,000	16,000
Chairman of Board committee	15,000	12,000
Member of Board committee	5,000	4,000

The Chairman of the Board is not eligible for attendance fee and committee fee. The total amount of directors' fees incurred during the year has been USD 270,611 (2018: USD 216,844). For the year 2018, the Board has resolved to reduce the directors' fees by 20% compared to the prior year. For the year 2019 onwards, the directors' fees have reverted to the values applicable in 2017.

24. TAXATION

INCOME TAX EXPENSE

The Company

The taxation of income and capital gains of the Company is subject to the fiscal laws and practice of the Republic of Mauritius and the countries in which the Company invests. The following is a summary in the key jurisdictions based on the taxation laws and practice currently in force.

The Company holds a Global Business Licence for the purpose of the Financial Services Act 2007. Pursuant to the enactment of the Finance Act 2018, with effect as from 01 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of the income of the Company from tax in Mauritius, with the remaining 20% of the income to be subject to a 15% tax, resulting in effective tax rate on of 3%.

The Company had an income tax liability of USD 619 as at 31 December 2019 (2018: income tax assets of USD 10,476).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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The Subsidiaries

The subsidiary incorporated in United Kingdom is liable to income tax at the rate of 19% (2018: 19%) and at 31 December 2019, it had an income tax recoverable of USD 1,104 (2018: income tax liability of USD 1,061).

The subsidiary incorporated in Kenya is liable to income tax at the rate of 30% and at 31 December 2019, it had an income tax liability of USD 10,348 (2018: income tax recoverable of USD 7,392).

The subsidiary incorporated in the Republic of Mauritius holds a Category 2 Global Business Licence and hence is exempt from tax.

The subsidiary incorporated in Mozambique is liable to income tax at a rate of 32% and at 31 December 2019, it had no income tax liability (2018: USD Nil).

CURRENT TAX ASSETS/(LIABILITIES)	The Group	
	2019 USD	2018 USD
At 01 January	16,807	(17,864)
Charge for the year	(48,618)	(49,806)
Tax paid during the year	34,662	84,469
Refund received during the year	(11,241)	-
Overprovision of tax in prior year	765	-
Currency translation differences	(2,238)	8
At 31 December	(9,863)	16,807

	The Group	
	2019 USD	2018 USD
Current tax assets	1,104	17,868
Current tax liabilities	(10,967)	(1,061)
	(9,863)	16,807

INCOME TAX RECONCILIATION

The tax of the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Group as follows:

	The Group		The Company	
	2019 USD	2018 USD	2019 USD	2018 USD
(Loss)/profit before tax	(1,457,570)	1,177,312	(1,078,159)	1,399,268
Tax exempt loss due to Category 2 Global Business Licence	328,318	236,271	-	-
	(1,129,252)	1,413,583	(1,078,159)	1,399,268
Tax calculated at the rate of 15%	(169,388)	212,037	(161,724)	209,890
Adjustment for tax rate difference in foreign jurisdiction	4,440	5,467	-	-
Exempt income	(1,093)	(66,005)	-	(65,203)
Non-allowable expenses	415,056	55,594	411,440	53,134
Deferred tax asset not recognised	16,961	(3,730)	-	-
Currency translation differences	2,642	4,700	-	-
Overprovision of tax in prior year	(765)	-	(765)	-
Actual foreign tax suffered	(220,000)	-	(220,000)	-
Deemed tax credit	-	(158,257)	-	(158,257)
Tax expense	47,853	49,806	28,951	39,564

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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DEFERRED TAXATION

The Group and the Company

No deferred tax asset has been recognised in respect of tax losses carried forward as taxable income is not probable in the foreseeable future.

25. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Group		Company	
	Borrowings	Non-convertible bond	Borrowings	Non-convertible bond
	USD	USD	USD	USD
At 01 January 2019	529,793	2,017,670	500,000	2,017,670
Cash flows:				
Movement during the year	-	9,000	-	9,000
Interest paid	(22,691)	(160,723)	(14,836)	(160,723)
Non-cash flows:				
Interest accrued	37,788	158,466	29,918	158,466
Issue of shares (LTIP)	-	-	-	-
At 31 December 2019	544,890	2,024,413	515,082	2,024,413

31 December 2018	The Group		The Company	
	Borrowings	Non-convertible bond	Borrowings	Non-convertible bond
	USD	USD	USD	USD
At 01 January 2018	-	-	-	-
Cash flows:	-	-	-	-
Movement during the year	529,793	1,987,687	500,000	1,987,687
Interest paid	(14,918)	(78,214)	(14,918)	(78,214)
Non-cash flows:				
Interest accrued	14,918	108,197	14,918	108,197
At 31 December 2018	529,793	2,017,670	500,000	2,017,670

26. CONSOLIDATION

Details regarding the subsidiaries, their total assets and liabilities as at 31 December 2019, and their revenue and loss for the year then ended are as follows:

Maris Advisors UK Limited

Country of incorporation	United Kingdom
Proportion of ownership interest	100%

	2019	2018
	USD	USD
Total assets	35,718	118,575
Total liabilities	35,908	52,673
Revenue	237,461	302,521
(Loss)/profit for the year	(68,714)	1,607

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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Maris Kenya Limited

Country of incorporation Kenya
Proportion of ownership interest 100%

	2019	2018
	USD	USD
Total assets	247,110	147,061
Total liabilities	104,255	34,756
Revenue	887,769	859,650
Profit for the year	29,769	13,376

Industrial Support Services Limited

Country of incorporation Republic of Mauritius
Proportion of ownership interest 100%

	2019	2018
	USD	USD
Total assets	733,207	1,484,188
Total liabilities	600,081	1,022,744
Revenue	931,777	1,059,211
Loss for the year	(328,318)	(236,271)

Maris Mozambique Limitada

Country of incorporation Mozambique
Proportion of ownership interest 100%

	2019	2018
	USD	USD
Total assets	12,277	29,953
Total liabilities	56,985	41,437
Revenue	189,537	177,289
Loss for the year	32,764	11,656

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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27. RELATED PARTY TRANSACTIONS

For the year ended 31 December 2019, the Company had transactions with its related parties. The nature, volume of transactions and the balances with the related are as follows:

THE GROUP

NATURE OF RELATIONSHIP	NATURE OF TRANSACTIONS	VOLUME OF TRANSACTIONS	DEBIT / (CREDIT) BALANCES AT 31 DECEMBER 2019	DEBIT / (CREDIT) BALANCES AT 31 DECEMBER 2018
		USD	USD	USD
Group companies	Loans receivable	477,647	2,396,052	2,873,699
	Interest on loans receivable	120,303	100,918	221,221
	Receivables	105,438	159,755	54,317
	Payables	8,913	(8,347)	(17,260)
	Dividend receivable	2,217,500	4,032,368	1,814,868
	Loans payable	15	(29,808)	(29,793)
Common directorship	Regional management costs	900,000	-	-
Shareholder	Borrowings	15,082	(515,082)	(500,000)
Key management personnel	Payables	12,212	(20,294)	(8,082)

THE COMPANY

NATURE OF RELATIONSHIP	NATURE OF TRANSACTIONS	VOLUME OF TRANSACTIONS	DEBIT / (CREDIT) BALANCES AT 31 DECEMBER 2019	DEBIT / (CREDIT) BALANCES AT 31 DECEMBER 2018
		USD	USD	USD
Group companies	Loans receivable	477,647	2,396,052	2,873,699
	Interest on loans receivable	120,303	100,918	221,221
	Receivables	50,101	63,889	13,788
	Payables	-	(72)	(72)
	Dividend receivable	2,217,500	4,032,368	1,814,868
Common directorship	Regional management costs	900,000	-	-
Shareholder	Borrowings	15,082	(515,082)	(500,000)
Subsidiary	Receivables	425,196	581,394	1,006,590
Key management personnel	Payables	12,212	(20,294)	(8,082)

The related party transactions are carried out on commercial terms unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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28. CONTINGENT LIABILITIES

The Company's subsidiary, Industrial Support Services Limited, has availed the following joint Standby Letter of Credit ("SBLC") from Standard Bank Mauritius Limited to secure the payment by Machines and Tractors Tanzania Ltd, Maquinas e Tractores De Angola Lda, MTR Holdings Ltd and Global Machines Trading Services Ltd for the purchase of industrial products on credit:

INVESTEES NAME	SBLC Amount		Tenor Number of years
	2019 USD	2018 USD	
Global Machines Trading Services Ltd			
Machines and Tractors Tanzania Ltd	500,000 joint SBLC on behalf of the four entities mentioned above	1,000,000 joint SBLC on behalf of the four entities mentioned above	1
Maquinas e Tractores De Angola Lda			
MTR Holdings Ltd			

29. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, the following events took place:

- (i) The Company, through its subsidiary Evergreen Herbs Limited (Kenya), entered into a long-term lease agreement for renting a farm and packaging facility in Kenya.
- (ii) The COVID-19 restrictions imposed by several Government in Africa are likely to reduce the activities of several subsidiaries. At the time of assessment of the impact of Covid-19 on the group, the directors considered that the group has adequate resources to face such circumstances, however it must be recognised that the situation is quite dynamic and requires constant re-assessment.
- (iii) In February 2020, a court in Kenya reversed a previous favorable decision in a legal case involving one of the Company's indirect subsidiaries, Karebe Gold Mine Limited. An appeal against this reversal has been lodged but with the current shut-down of courts in Kenya, the result of the appeal will not be known for months. The indirect subsidiary has taken operational measures as a precaution and has started to relocate some facilities to an adjacent parcel of land. This adverse scenario had been factored into the valuation and adequate cash reserves have been set aside by the relevant indirect subsidiary.

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