

INFORMATIENOTA OVER DE AANBIEDING VAN MORINGAWAY OBLIGATIES DOOR MORINGAWAY LTD.

Dit document is opgesteld door Hands-on BV (Lendahand).

DIT DOCUMENT IS GEEN PROSPECTUS EN WERD NIET GECONTROLEERD NOCH GOEDGEKEURD DOOR DE AUTORITEIT VOOR FINANCIËLE DIENSTEN EN MARKTEN

20 maart 2020

WAARSCHUWING: DE BELEGGER LOOPT HET RISICO ZIJN BELEGGING VOLLEDIG OF GEDEELTELIJK TE VERLIEZEN EN/OF HET VERWACHTE RENDEMENT NIET TE BEHALEN

DE BELEGGINGSINSTRUMENTEN ZIJN NIET GENOTEERD: DE BELEGGER LOOPT HET RISICO GROTE PROBLEMEN TE ONDERVINDEN OM ZIJN POSITIE AAN EEN DERDE TE VERKOPEN INDIEN HIJ DAT ZOU WENSEN.

Deel I - Belangrijkste risico's die inherent zijn aan de uitgevende instelling en de aangeboden beleggingsinstrumenten, en die specifiek zijn voor de betrokken aanbieder

Over het algemeen geldt hoe hoger het aangeboden of verwachte rendement, hoe hoger het risico. Het aangeboden of verwachte rendement op de obligaties is afhankelijk van de winst die de uitgevende instantie maakt. De kans bestaat dat de winst lager is dan verwacht of dat er zelfs sprake is van verlies, waardoor u mogelijk minder rendement krijgt uitgekeerd of zelfs uw inleg of een deel daarvan verliest. De belangrijkste redenen waardoor de uitgevende instelling mogelijk niet in staat is het aangeboden of verwachte rendement of zelfs uw inleg uit te keren, zijn:

Macro-economische, sociale en politieke landenrisico's: er is sprake van het risico dat macro-economische, sociale en politieke factoren leiden tot een lastig zakelijk klimaat voor de uitgevende instelling. Deze risico's zijn aan elkaar gerelateerd en lastig te beheersen. Economische, financiële en sociale instabiliteit, een complex en snel veranderende juridisch systeem, natuurrampen, etc. hebben een grote impact op het zakelijk klimaat via o.a. devaluaties van lokale valuta, hoge inflatie en beperkte capaciteit tot terugbetaling door klanten.

Portefeuille risico: er is sprake van het risico op te veel slechte leningen in de portefeuille van de uitgevende instelling, bijvoorbeeld omdat de kredietbeoordeling en/of klantafhandeling niet op orde is, of door politieke instabiliteit of een natuurramp. Dit betekent dat leningen afgeboekt moeten worden wat een weerslag kan hebben op de kapitalisatie en winstgevendheid van de uitgevende instelling.

Wisselkoersrisico: er is sprake van het risico op verliezen door wisselkoersschommelingen omdat de uitgevende instelling inkomsten genereert die anders zijn dan de valuta waarin de obligaties zijn uitgegeven. Dit betekent dat de liquiditeit en solvabiliteit van de uitgevende instelling in gevaar kan komen bij heftige wisselkoersschommelingen.

De obligaties zijn niet verhandelbaar op een beurs of platform en daardoor beperkt verhandelbaar. Dat betekent dat er mogelijk geen koper is voor uw obligaties als u tussentijds van uw belegging af wilt. U loopt dan dus het risico dat u niet op het door u gewenste moment uw geld terug kan krijgen en uw belegging langer aan moet houden of uw obligaties voor een lagere prijs moet verkopen.

Fraude en corruptierisico's: er is sprake van het risico op fraude en/of corruptie omdat er over het algemeen een grote afstand is tussen de uitgevende instelling en de investeerders in de obligaties. Tevens is het fraude- en corruptieniveau in het land van de uitgevende instelling over het algemeen hoger dan in het land van verblijf van de investeerders in de obligaties. Dit betekent dat de (financiële) situatie bij de uitgevende instelling er beter voor kan lijken te staan dan dat het daadwerkelijk is.

Financieringsrisico: er is sprake van een financieringsrisico omdat de uitgevende instelling continue financiering nodig heeft voor haar activiteiten. Dit betekent dat het kan gebeuren dat de uitgevende instelling haar leenportefeuille moet verkleinen als ze niet meer voldoende financiering kan aantrekken wat een neerwaartse druk geeft op de winstgevendheid.

Vervroegde aflossing: er is sprake van het risico op vervroegde aflossing omdat de uitgevende instelling de obligaties op lagere kosten kan herfinancieren. Dit betekent voor u als belegger dat u eerder de beschikking heeft over uw geld dan verwacht, hetgeen gederfde (rente)inkomsten als gevolg kan hebben.

Rangorde uitbetaling: uitkering van het rendement gebeurt nadat operationele uitstaande kosten voldaan zijn zoals lonen en facturen van leveranciers. Het risico bestaat dat de uitgevende instelling onvoldoende liquide middelen overhoudt om het rendement uit te keren. Dit betekent voor u als belegger dat het rendement lager kan zijn dan verwacht en eventueel dat u niet uw volledige inleg terugkrijgt.

In geval van faillissement hebben de volgende uitkeringen voorrang op de uitbetaling van het rendement op de obligaties: operationele uitstaande kosten, belastingen, deposito's, vreemd vermogen met onderpand. Let op dat deze lijst niet per se uitputtend is. Dit betekent voor u dat het rendement lager kan zijn dan verwacht en eventueel dat u niet uw volledige inleg terugkrijgt.

Beperkt eigen vermogen: het eigen vermogen van de uitgevende instelling is beperkt ten opzichte van het vreemd vermogen. Dit betekent dat de buffer aan eigen vermogen klein is waardoor bij tegenvallende resultaten de uitgevende instelling relatief snel niet meer aan haar verplichtingen op de obligaties zal kunnen voldoen. Het risicoprofiel van de obligaties lijkt daardoor op het risicoprofiel van aandelen.

Operationeel risico: er is sprake van het risico op operationele tekortkomingen omdat de kosten langdurig te hoog kunnen zijn versus de opbrengsten. Dit betekent dat de uitgevende instelling niet meer aan haar financiële verplichtingen kan voldoen.

Platform risico: er is sprake van het risico op discontinuatie van het platform omdat de aanbieder de exploitatie niet rendabel kan maken. Dit betekent dat het lastiger zal zijn om terugbetalingen te faciliteren voor investeerders in de obligaties.

Deel II - Informatie over de uitgevende instelling en de aanbieder van de beleggingsinstrumenten

A. Identiteit van de uitgevende instelling

1. De uitgevende instelling is een besloten vennootschap, opgericht op 02-05-2008 en gevestigd in Port Luis, Mauritius. Het adres van de uitgevende instelling is 11e verdieping, Tower 1, Ebene, Mauritius. De website van de uitgevende instelling is <https://www.agoramicrofinance.com/management-team-cuws>
2. Dit zijn de belangrijkste activiteiten van de uitgevende instelling: financieren van financiële instellingen in opkomende landen.

3. Voor zover die informatie bekend is bij de uitgevende instelling of de aanbieder, identiteit van de personen die meer dan 5% van het kapitaal van de uitgevende instelling in bezit hebben, en omvang (uitgedrukt als percentage van het kapitaal) van de deelnemingen in hun bezit: Gerhard Bruckermann
4. Het bedrag aan uitstaande leningen is: geen additionele financiering
5. De uitgevende instelling wordt bestuurd door Gerhard Bruckermann, Tanmay Chetan en MATCO Corporate Services Limited
6. Bezoldiging bestuurder: onbekend bij aanbieder
7. voor de sub 4° bedoelde personen, vermelding van elke veroordeling als bedoeld in artikel 20 van de wet van 25 april 2014 op het statuut van en het toezicht op kredietinstellingen en beursvennootschappen, of een passende negatieve verklaring: niet van toepassing
8. beschrijving van de belangenconflicten tussen de uitgevende instelling en de sub 3° tot 5° bedoelde personen, of met andere verbonden partijen, of een passende negatieve verklaring: niet van toepassing
9. in voorkomend geval, identiteit van de commissaris: niet van toepassing

B. Financiële informatie over de uitgevende instelling

Verklaring door de uitgevende instelling dat het werkkapitaal naar haar oordeel toereikend is om aan haar behoeften voor de volgende twaalf manden te voldoen: ja

Beschrijving van elke wijziging van betekenis in de financiële of handelspositie die zich heeft voorgedaan na het einde van het laatste boekjaar waarop de sub 1° hierboven bedoelde jaarrekening betrekking heeft, of een passende negatieve verklaring: niet van toepassing

C. Uitsluitend wanneer de aanbieder en de uitgevende instelling verschillende personen zijn: identiteit van de aanbieder

De aanbieder is niet de uitgevende instelling van de obligaties. Na uitvoerig onderzoek biedt de aanbieder de uitgevende instelling toegang tot haar website waarmee de uitgevende instelling financiering kan aantrekken ten behoeve van verschillende projecten. Hiervoor krijgt de aanbieder een vergoeding van de uitgevende instelling. Er is dus een financiële relatie tussen de aanbieder en de uitgevende instelling. Meer informatie over de uitgevende instelling is te vinden op de website van de aanbieder.

De aanbieder is opgericht op 17 juli 2012 en gevestigd in Rotterdam onder het KvK-nummer 55711766. Het adres van de aanbieder is Eendrachtsplein 3, Unit 2A, 3015 LA Rotterdam, Nederland. De website van de aanbieder is www.lendahand.com

De aanbieder wordt bestuurd door Engelcke B.V., Le Theta B.V. en Wiggerd B.V.

Contactpersoon: Koen The, koen.the@lendahand.com, +31 10 7171815.

D. Uitsluitend wanneer de aangeboden beleggingsinstrumenten een onderliggend actief hebben: beschrijving van het onderliggende actief

Niet van toepassing.

Deel III - Informatie over de aanbieder van beleggingsinstrumenten

A. Beschrijving van de aanbieder

De totale opbrengst van de aanbieder bedraagt EUR 2.000.000, verdeeld over diverse projecten gedurende de looptijd van de aanbieder.

Dit bedrag kan ook lager zijn als niet op alle obligaties wordt ingeschreven. De minimale opbrengst is EUR 2.500

De aanbiederperiode begint op 23-03-2020 en eindigt op 22-03-2021, of zoveel eerder als op de gehele aanbieder is ingeschreven.

Gedurende de aanbiederperiode biedt de uitgevende instelling projecten aan op de Lendahand website op basis waarvan obligaties worden uitgegeven.

De uitgiftedatum van de obligaties is doorlopend gedurende de aanbiederperiode.

De startdatum van een obligatie is de eerste dag van de maand volgend op de dag dat het onderliggende project volledig gefinancierd is.

Over uw inleg betaalt u geen emissiekosten. Bij verkoop van uw obligaties betaalt u geen kosten.

Van elke euro van uw inleg wordt EUR 0,- gebruikt om kosten af te dekken. EUR 1,- wordt geïnvesteerd in obligaties van de uitgevende instelling. Er is dus geen sprake van kosten voor de belegger.

B. Reden voor de aanbieder

De opbrengst wordt gebruikt voor het financieren van microkredietinstellingen in opkomende landen die kleine en middelgrote ondernemingen in de betreffende landen financieren. Van de opbrengst wordt 0% gebruikt voor kosten, tenzij er sprake is van een eenmalige vooruitbetaalde platform vergoeding welke over het algemeen niet hoger is dan 4% per jaar.

Deel IV - Informatie over de aangeboden beleggingsinstrumenten

A. Kenmerken van de aangeboden beleggingsinstrumenten

U belegt in een obligatie.

De nominale waarde van de obligaties is EUR 50,00.

De intrinsieke waarde van de obligaties is EUR 50,00.

De prijs van de obligaties is EUR 50,00.

Deelname is mogelijk vanaf EUR 50,00.

De uitgiftedatum van een obligatie is de eerste dag van de maand volgend op de dag dat het onderliggende project volledig gefinancierd is.

De looptijd van de verschillende obligaties varieert tussen de 6 en 48 maanden. De betreffende looptijd wordt per project aangegeven. Terugbetalingen vinden elke 6 maanden plaats, inclusief rente, op de 15^e van de maand.

De rente op de obligaties is tussen de 3-5% per jaar. Het betreffende percentage wordt per project aangegeven. De obligaties kennen geen bonusrente.

Rang van de beleggingsinstrumenten in de kapitaalstructuur van de uitgevende instelling bij insolventie: obligaties zijn niet preferent noch achtergesteld.

B. Uitsluitend in het geval waarin door een derde een garantie wordt toegekend in verband met de beleggingsinstrumenten: beschrijving van de garant en van de garantie

Niet van toepassing.

C. In voorkomend geval, bijkomende informatie voorgelegd door de markt waar de beleggingsinstrumenten toegelaten zijn.

Niet van toepassing.

Deel V - Alle andere belangrijke informatie die mondeling of schriftelijk aan één of meer beleggers wordt gericht

Onder verwijzing naar de Wet van 18 december 2016 tot regeling van de erkenning en de afbakening van crowdfunding en houdende diverse bepalingen inzake financiën, wordt de volgende informatie gedeeld:

De volledige identiteit en contactgegevens van de gereglementeerde onderneming die de alternatieve-financieringsdiensten verstrekt:

Hands-on B.V. (een besloten vennootschap met beperkte aansprakelijkheid, opgericht naar Nederlands recht op 17 juli 2012 en gevestigd te Rotterdam)
Eendrachtsplein 3, Unit 2A
3015 LA Rotterdam, Nederland
www.lendahand.com

Geregistreerd bij de Nederlandse Kamer van Koophandel onder nummer 55711766
De aanbieder wordt bestuurd door Engelcke B.V., Le Theta B.V. en Wiggerd B.V.
Contactpersoon: Koen The, koen.the@lendahand.com, +31 10 7171815.

De naam en het adres van de bevoegde autoriteit die de vergunning heeft verleend aan de gereglementeerde onderneming:

Autoriteit Financiële Markten (AFM)
Vijzelgracht 50
1017 HS Amsterdam, Nederland

De kosten van de alternatieve-financieringsdiensten voor de cliënten: geen.

De in het kader van het verstrekken van de alternatieve-financieringsdiensten in ontvangst genomen vergoedingen: een fee van de uitgevende instellingen.

De gereglementeerde onderneming beschikt over een belangenconflictenbeleid, ten einde zich op loyale, billijke en professionele wijze in te kunnen zetten voor de belangen van haar cliënten.

De gereglementeerde onderneming verwijst naar bovengenoemde Wet van 18 december 2016 voor de geldende (gedrags)regels voor het verstrekken van alternatieve-financieringsdiensten.

De te financieren projecten worden op de volgende wijze geselecteerd:

Lendahand voert een boekenonderzoek uit waarbij onder andere gekeken wordt naar de track record, de sociale missie, het business model en enkele financiële datapunten (zoals de unit economics en marges, winstgevendheid, groeicijfers, de balansgrootte, samenstelling van de bezittingen en schulden). Dit boekenonderzoek wordt ter goedkeuring voorgelegd aan een externe credit committee bestaande uit impact investing professionals.

Het is de gereglementeerde onderneming verboden:

- om gelden die haar cliënten toebehoren in ontvangst te nemen en aan te houden
- om beleggingsdiensten te verlenen, met uitzondering van het in ontvangst nemen en doorgeven van orders
- om een mandaat of volmacht te hebben op de rekeningen van haar cliënten

Voornaamste kenmerken van de beleggingsinstrumenten die de gereglementeerde onderneming commercialiseert: vast rentende obligatieleningen met tussentijdse aflossingen.

Bilage

Voor zover de uitgevende instelling op dat moment al actief was, haar jaarrekening van de laatste twee boekjaren, alsook, in voorkomend geval, overeenkomstig artikel 13, go 1 of 2, 1^o, van de wet van 11 juli 2018, het verslag van de commissarissen.

To: the General Meeting and the Supervisory Board of Agora Microfinance N.V.

Report on the accompanying financial statements Our opinion

We have audited the financial statements 2018 of Agora Microfinance N.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Agora Microfinance N.V. as at 31 December 2018 and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the consolidated and company balance sheet as at 31 December 2018,
- 2 the consolidated and company profit and loss account for the year ended 31 December 2018;
- 3 the consolidated cash flow statement for the year ended 31 December 2018; and
- 4 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Agora Microfinance N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (VIO, Code of Ethics for

Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands.

Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

Report on the other information included in the annual report
In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- directors' report;
- other information pursuant to Part 9 of Book 2 of the Dutch Civil Code;

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors are responsible for the preparation of the other information, including the director's report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements
Responsibilities of the Board of Directors and the Supervisory Board for the financial statements

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors are responsible for such internal control as the Board of Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

Directors' report Directors' report (continued)

General

The Company was incorporated on 9 December 2011 by the founding shareholders. The Company thereafter invited new investors during 2012-2014 and at present has three individual shareholders.

The Company invested in its subsidiaries which are legal entities that are fully consolidated as from the date on which control is obtained and until the date that control no longer exists. The Group consists of the following subsidiaries at 31 December 2018:

- Agora Microfinance India Limited ("AMIL") - 90%
- Agora Microfinance Zambia Limited ("AMZ") - 79%
- Moringaway, Mauritius - 100% (purchase date 18 September 2018)

Until 31 August 2018 AMK MFI Plc, Cambodia ("AMK") was also a subsidiary that was included in the consolidation (51%). The shares in AMK were partly sold and the company maintained an equity stake of 20% at 31 December 2018.

Mission

The Company's mission is to maximise the social returns in microfinance while providing a fair and attractive financial return to its investors.

Principal objectives

The Company's objectives are:

- A to make microfinance investments by:
 - 1 establishing, acquiring and disposing of microfinance companies and enterprises, acquiring and disposing of interests in them and administering them or having them administered, conducting or having the management of companies and enterprises conducted and financing them or having them financed;
 - 2 acquiring, possessing, managing, selling, exchanging, transferring, alienating, issuing shares and other certificates of participation, bonds, funds, promissory notes, debentures, convertible loans, bills of exchange and other evidences of indebtedness and other securities;
- B to contract, and to grant money loans and to give security for the fulfilment of the obligations of the corporation or of third parties;
- C to enter into risk management transactions, including exchange traded and over the counter derivatives to hedge risks the Company or microfinance institutions affiliated with the Company are exposed to;
- D the representation and the management of the interests of third parties;
- E as principal agent, commission agent, manager and/or administrator, everything that is related to the foregoing.

Directors' report (continued)

Directors' report (continued)

Risks and Risk Management

The Company's activities are exposed to a variety of risks, the main ones being currency, political/regulatory, operational and market risks. In addition, capital and liquidity risks also have a bearing on the Company's ability to continue its investments. The Company monitors these risks as part of its core activity, and has various strategies in place to mitigate such risks.

The Company's Directors are responsible for risk identification, monitoring and control. In particular the risks that arise within its subsidiaries also have a direct bearing on the Company. Each of its subsidiaries manages their risks through the involvement of staff and management, their Boards of Directors and associated committees. In mature institutions such as AMK, a separate risk department of the management also exists with the mandate of prompt identification and redressal of risks as and when they arise. In less mature subsidiaries the identification and mitigation of risks usually lies within the mandate of the senior management and the internal audit/ control departments, and is overseen by the Board of Directors and the Risk or Audit and Finance Committees.

Overall Risk Profile 2018

Operational & Credit Risks: These risks manifest mainly in the form of loan losses, as the loan book of the subsidiaries is the main income-earning asset. Such risks are managed through the systems and structures at the subsidiaries, overseen by their respective Boards and committees. For the year being reported, the portfolio quality of all three consolidated subsidiaries was very good, with portfolio at risk (>30 days) at 2% (AMIL), 1.3% (AMZ) and 0% (Moringaway).

Political & Regulatory Risks: During 2018, no significant new political or regulatory risks materialised. The political and regulatory environment in all of the Company's countries of operations remained stable, with no major developments. The political environment in Cambodia remained under watch towards the end of the year after the potential withdrawal of its EBA status by the European Union.

In India, elections were scheduled for early 2019 but at the time of releasing these financial statements, it had not had any negative

effect on the operations of the Company's subsidiary.

The Zambian environment remained stable during the year, even though there are some concerns around the Zambian government's rapidly increasing

foreign debt and the purported discovery of some yet unreported government debt from the past years. These risks and any potential impact from them will become clearer in the coming years.

Currency Risks: The Group is exposed to currency risk denominated in a currency other than the respective functional currencies of group entities. The functional currencies in the subsidiaries are their respective local currency. Some of the Company's operating currencies showed significant volatility during the year, particularly the Zambian Kwacha which devalued against the dollar. The presentation currency of the Group is USD. The group manages risk by keeping funds as much as possible in USD and converting funds into local only when necessary.

Capital and Liquidity Risks: The Company's business depends on a mix of dividends, borrowings and equity capital raises to fund operations. The Company has sufficient liquidity for its short-to-medium term operational needs. The Company's subsidiaries manage their liquidity through a range of instruments, including equity, external borrowings and customer deposits. As on the report date all subsidiary companies maintain capital adequacy levels in excess of their respective national regulations (typical CAR requirement is 15%).

Market Risks: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments. While we discuss currency risks separately, interest-rate risks can potentially also create some uncertainty in the business.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. On the asset side, this relates to the loan pricing methods followed by the group's subsidiaries. On the liabilities within the Group, there is no current exposure to floating interest rates and the primary risk lies with interest rate movements for its subsidiaries at the time of their renewal of existing borrowing lines. Such market risks can manifest themselves in the loss of clientele, downward pressure on pricing or in extreme cases to client over-indebtedness.

Directors' report (continued) Directors' report (continued)

Risk Mitigation

Established microfinance strategy: The Group has been in the business of microfinance since 2011, and has an established and a proven track-record. Its operations have now reached optimum scale in Cambodia and are growing rapidly in both India and Zambia. The Group's approach to microfinance is to establish operating systems that mitigate risk exposure in operations. Its long-term loan losses as well as profitability profile confirms that its approach to microfinance is viable and is managed within acceptable risk levels.

Systems and processes: The Company ensures, through its role in the governance of the Subsidiaries and associate company AMK, that appropriate levels of risk management processes and systems are in place. The establishment of such systems is relevant to the context and complexity in each subsidiary but the focus on risk management remains dear within these institutions. The associated company has relatively more extensive structures in place and the other two subsidiaries also follow processes appropriate to their size, scale and complexity. The Company oversees this aspect closely through its representation on the governance of the Subsidiaries and associate company AMK.

Operating policies: The Company ensures that its Subsidiaries and associate company AMK follow responsible lending practices and thereby maintain the credit risk in their operations within acceptable limits. Each of the subsidiaries work with established policies for lending, which includes amongst other things, a focus on geographical and market diversification, risk exposure limits by sector, cash-flow based loan assessments, checks and balances in lending decisions and ongoing monitoring/audits. These practices help in managing the credit risk inherent in the business, and the Group's overall portfolio consistently performs with long-term weighted average loan losses below 2% per annum.

Result for the period

During the year under review, the Company recorded a profit of USD 16,602,105 (2017: USD 1,738,271) resulting from the gain on sale of AMK of USD 14,487,131. The contribution of AMK to the net profit of the Group over the eight months in 2018 amounts to USD 2,063,107. The share of result from participating interests in AMK over the period 1 September until 31 December 2018 amounts USD 498,175. The operating subsidiaries registered profits for the year, with Moringaway showing a small loss amounting to USD 30,273. Its two green-field operations in Zambia and India continued to show a profit for the 2018 year: this is of particular significance to the group and helps create a healthy overall group structure.

The Company had adequate liquidity during the year which allowed for follow-on investments as well as operating expenses.

Its financing requirements in the short-term are limited, as it only foresees geographic expansion after 1-2 years. Current liquidity will be sufficient for operations and investments for the coming year.

Solvency is not a concern at the holding level since the Company does not carry borrowings on its balance sheet and the entire asset base is funded by shareholder capital. The subsidiaries have

comfortable solvency levels in excess of the regulatory requirements in their countries of operations.

Management opinion on-going concern

The Company shows an improved and strong financial position for the year ended 2018, boosted by the gain on sale of AMK and the achievement of profits of three of its subsidiaries. In the opinion of the management there is sufficient certainty around the going-concern nature of the Company's business.

Directors' report *(continued)*

Future developments

The Company will continue its microfinance investment activities and expects its current investments to grow organically while at the same time looking for new opportunities as and when they arise. The expected future developments for 2019 and beyond include amongst other things, further equity investments into AMIL and AMZ, intercompany financing, one new acquisition, and further development and diversification of the portfolio. The Group is currently recruiting an Investment Officer and plans to increase its staffing levels as and when its business activities increase.

Based on the pace of the above activities, the Company is likely to add to its staff strength during the forthcoming 12-18 month period.

Amsterdam, 30 June 2019

Managing Directors:	Supervisory board:
Ms. R. Peat	Mr. T. Chetan
Mr. R.W. van Hoof	Mr. G.E. Bruckermann



Consolidated Balance Sheet (continued)
as at 31 December 2018 (before proposed appropriation of net result and expressed in USD)

31-Dec-18 USD		31-Dec-17 USD
Equity and liabilities		
Group equity		
Shareholders' equity		
Minority interest	9	
		22,797,495
		25,850,521
		183,295
		20,225,219
Total group equity		22,980,790
		46,075,740
Non-current liabilities		
Non-current Borrowings	10	2,985,072
Staff pension fund	11	-
Term and contractual deposits	12	-
Total non-current liabilities		2,985,072
		66,401,572
		3,491,555
		68,469,205
Current liabilities		
Interest payable	13	95,171
Current Liabilities	14	2,872,867
Demand deposits	15	-
Accrued expenses and other liabilities	18	748,339
Total current liabilities		3,716,377
		4,504,548
		48,856,256
		49,209,391
		8,416,273
Total equity and liabilities		29,682,239
		295,424,540

The notes on pages 40 to 75 are an integral part of these financial statements.

The notes on pages 40 to 75 are an integral part of these financial statements.

Consolidated Statement of Cashflows
for the year ended 31 December 2018

2018 USD		2017 USD
Operating activities		
Results before tax		19,449,028
		6,151,385
Adjusted for:		
Gain on AMK Sale 2018	22	(14,487,131)
Depreciation and amortisation	2 & 3	959,382
Impairments (loan losses)		2,227,867
Interest expenses		12,443,370
Interest income		(31,014,914)
Other value adjustments		191,179
Operating cashflows before changes in operating assets and liabilities		(10,231,219)
Changes in operating assets and liabilities		
Balances with central banks	4	13,103,031
Loans to customers	4	(36,181,100)
Other assets		(323,854)
Deposits from customers	12	15,503,074
Staff pension fund	11	(2,771,370)
Other liabilities		6,763,008
		(14,138,430)
T ¹ Income tax paid		(1,477,981)
Interest received		31,015,731
Interest paid		(12,644,191)
Cash from operating activities		2,755,129
		(28,204,678)

The notes on pages 40 to 75 are an integral part of these financial statements.

MORINGAWAY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

MORINGAWAY
FOR THE YEAR ENDED 31 DECEMBER 2017

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STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9 - 24

MORINGA WAY
CORPORATE DATA 1.

Date of appointment

Date of resignation

DIRECTORS:	MATCO Corporate Services Limited		
Gerhard Bruckermann	Tanmay Chetan Shamreenbhai Adam Essack	October 13, 2011	February 20, 2018
Moammar Reyaz legally			
		August 24, 2017	
		August 24, 2017	
		February 20, 2018	
		February 20, 2018	

REGISTERED OFFICE

:

MATCO Limited

11th Floor, Tower 1, NeXTeracom Building, Ebene, Cybercity, Mauritius

MATCO Limited

11th Floor, Tower 1, NeXTeracom Building, Ebene, Cybercity, Mauritius

**ADMINISTRATOR
AND SECRETARY:**

AUDITOR: Ernst & Young
9th Floor, NeXTeracom Tower 1 Cybercity
Ebene Mauritius

BANKERS : SBM Bank (Mauritius) Ltd SBM Tower 1
Queen Elizabeth II Avenue Port Louis
Mauritius

Bank Vontobel AG Gotthardstrasse 43 CH-8022
Zurich Switzerland



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORINGAWAY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Moringaway (the "Company") set out on pages 5 to 24 which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Moringaway as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MORINGAWAY (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Responsibilities of the Directors for the Financial Statements (Continued)

In preparing the financial statements, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MORINGAWAY (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the directors 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.

Use of our report

This report is made solely to the Company's members, as a body. 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 auditor's 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 opinions we have formed.

ERNST & YOUNG
Ebene, Mauritius

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Date: 11 July 2018

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L d by FBC
CSZMADIA, C.A. (S.A)

MORINGAWAY
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017 5.

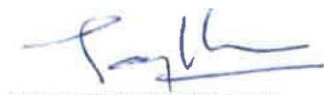
	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		US	US
		O	O
Revenue Interest income Other income		,	
	6	195,302	135,666
Expenses			32,228
Other expenses		(17,640)	
Operating expenses	5	(65,619)	(62,564)
		(83,259)	(62,564)
Profit from operations		112,043	105,330
Gain on transaction with owners of the associate	8	50,085	
Share of profit of an associate	8	29,610	36,915
Profit before taxation		191,738	142,245
Taxation	7	(1,389)	(2,724)
Net profit for the year		190,349	139,521
Other comprehensive income			
Total comprehensive income for the year		190,349	139,521

The notes on pages 9 to 24 form an integral part of these audited financial statements.

MORINGAWAY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 6.

	Notes	2017	2016
USO USO			
ASSETS			
Non-current assets			
Investment in associate	8	187,826	108,131
Loan receivable	9	605,011	246,291
		792,837	354,422
Current assets			
Loan receivable	9	269,636	527,880
Other receivables	10	213,487	468,029
Cash and cash equivalents	11	748,816	574,807
Total current assets		1,231,939	
		1,570,716	
Total assets		2,024,n&	1,925,138
EQUITY AND LIABILITIES			
Equity			
Stated capital		5,070,000	5,070,000
Accumulated losses	12	{3,103,407}	(3,293,756)
Total equity		1,966,593	
		1,776,244	
Current liabilities			
Other payables	13	58,183	148,894
Total current liabilities		58,183	148,894
Total equity and liabilities		2,024,n&	1,925,138

Approved by the Board of Directors and authorised for issue on \ \ :f.... \1 **08** and signed on its behalf by:



Director Tanmay Chetan &-tJ

Director Shamreen Adam Essack

The notes on pages 9 to 24 form an integral part of these audited financial statements.

MORINGAWAY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017 7.

Stated <u>capital</u>		Accumulated losses	Total								
USD		USD	USD								
At 1 January 2016	5,070,000	(3,433,277)	1,636,723								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Net profit for the year</td> <td style="width: 25%;"></td> <td style="width: 12.5%; text-align: right;">139,521</td> <td style="width: 12.5%; text-align: right;">139,521</td> </tr> <tr> <td>Other comprehensive income for the year</td> <td></td> <td></td> <td></td> </tr> </table>				Net profit for the year		139,521	139,521	Other comprehensive income for the year			
Net profit for the year		139,521	139,521								
Other comprehensive income for the year											
Total comprehensive income for the year		139,521	139,521								
As at 31 December 2016	5,070,000	(3,293,756)	1,776,244								
At 1 January 2017	5,070,000	(3,293,756)	1,776,244								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Net profit for the year</td> <td style="width: 25%;"></td> <td style="width: 12.5%; text-align: right;">190,349</td> <td style="width: 12.5%; text-align: right;">190,349</td> </tr> <tr> <td>Other comprehensive income for the year</td> <td></td> <td></td> <td></td> </tr> </table>				Net profit for the year		190,349	190,349	Other comprehensive income for the year			
Net profit for the year		190,349	190,349								
Other comprehensive income for the year											
Total comprehensive income for the year		190,349	190,349								
As at 31 December 2017	5,070,000	(3,103,407)	1,966,593								

The notes on pages 9 to 24 form an integral part of these audited financial statements.

MORINGAWAY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

8.

	Note	2017	2016
		USD	USD
Operating activities			
Profit before tax		191,738	142,245
Adjustments to reconcile profit before tax to net cash flow:			
Gain on transaction with owners of the associate	8	(50,085)	-
Share of profit of an associate	8	(29,610)	(36,915)
Net foreign exchange differences		17,640	(32,228)
Interest income	6	(195,302)	(135,666)
Working capital adjustments:			
Movement in prepayments and other receivables		254,542	500,997
Movement in other payables		(90,711)	51,270
Interest received		162,106	130,844
Tax paid		(1,389)	(2,724)
Net cash flows (used in)/ generated from operating activities		258,929	617,823
Financing activities			
Loan granted	14	(873,456)	(425,000)
Loan repayment	14	789,483	-
Net cash flows used in financing activities		(83,973)	(425,000)
Net movement in cash and cash equivalents		174,956	192,823
Net foreign exchange difference		(947)	(3,516)
Cash and cash equivalents at beginning of year		574,807	385,500
Cash and cash equivalents at end of year		748,816	574,807

The notes on pages 9 to 24 form an integral part of these audited financial statements.

