

AFRISTRAT INVESTMENT HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number: 1998/013215/06

JSE Code: ATI - ISIN: ZAE000305959

Debt Issuer Code: ATID

Hybrid Issuer Code: ATIG

("Afristrat" or "the Company")



QUARTERLY PROGRESS REPORT – 15 DECEMBER 2022

Holders of securities are referred to the SENS announcement dated 5 August 2022 relating to the suspension by the JSE Limited ("JSE") of Afristrat's securities as a result of its failure to publish its annual financial statements for the year ended 31 March 2022 within the prescribed period ("the Suspension").

Furthermore, the Company released a SENS announcement on 21 October 2022 pertaining to the urgent liquidation application filed by an ordinary shareholder and the Company has successfully filed a responding affidavit in court accordingly, further details of which are set out in the final paragraph below.

In line with paragraph 1.11(c) of the JSE Listings Requirements, Afristrat is required to provide holders of securities with an update on the state of the affairs of the Company, on a quarterly basis, until the Suspension is lifted.

Accordingly, holders of securities are referred to the following announcements released on SENS (and using the terms defined therein unless otherwise stated), and relevant updates thereto:

- the 'Late submission of Annual Financial Statements update' announcement dated 5 August 2022 stating, *inter alia*, that the Company's audited annual financial statements for the year ended 31 March 2022 ("AFS") are only expected to be distributed on or before 30 November 2022;
- the 'Resignation of External Auditor' announcement dated 15 August 2022 advising of the resignation of Nexia with effect from 12 August 2022, which resignation would have a further negative impact on the release of Afristrat's AFS and that the Board had commenced the process of appointing new external Auditors.

The Board hereby advises that it is still evaluating a proposal from a prospective auditor, specifically with regard to the proposed fees, and an announcement will be made in due course. The publication of Afristrat's AFS and distribution of its annual report remain subject to the appointment of an auditor approved by the Board and commencement of the audit;

- the 'Business Update on Afristrat's listed note and equity investment in FirstCred Limited Botswana' dated 26 August 2022 advising, *inter alia*, that the Investigation initiated by FirstCred (previously Getbucks Limited Botswana), which was finalised in August 2022, revealed gross misuse of the BWP120 million raised from investors by the former management of Getbucks Limited Botswana between 2017 and 2019 and that FirstCred has since initiated civil and criminal action against former management and their associates who were found to have participated in the aforementioned loss of investors' funds, which included an amount of BWP50 million invested by Afristrat. As requested by FirstCred's existing executives, on 19 August 2022 the High Court granted an order of Judicial Management to allow the company an opportunity to resolve its debt position, which surfaced from the mismanagement and misappropriation of funds by former management.

The Judicial Management is currently ongoing and all creditors in FirstCred including the Company are being engaged with a view to finding an acceptable creditor compromise. Failure to find an acceptable creditor compromise, will result in FirstCred being placed under liquidation. While the Board believes that the Judicial Management of FirstCred will further negatively impact the Company's liquidity, the prospects of achieving a creditor compromise through the Judicial Management will provide an opportunity to potentially recover some of its investment value and hopefully rebuild value for all stakeholders;

- the 'Business update on legal actions, Event of Default, proposed debt restructuring, rationale for a capital raise and Cautionary Announcement' dated 12 May 2022 regarding, *inter alia*, the Event of Default and offers to holders of Afristrat's securities and the 'Renewal of Cautionary Announcement' announcement dated 19 September 2022 advising holders of securities that

restructuring initiatives are still underway and that holders of securities should continue to exercise caution when dealing with the Company's securities. Afristrat has been unable to make additional progress in this regard due to the suspension of its listing. The restructuring initiatives process, which will include an offer to holders of securities, is expected to be resumed once the suspension is uplifted; and

- the 'Urgent Liquidation Application filed by Ordinary Shareholder announcement' dated 21 October 2022 regarding the urgent liquidation application filed by an ordinary shareholder which was heard in the High Court of South Africa on Tuesday, 18 October 2022 ("**the Application**"). The Company hereby advises that the Company's lawyers successfully filed a responding affidavit and accordingly, the Application was postponed to allow the Company to file its response to the allegations by the ordinary shareholder.

15 December 2022
Pretoria

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