



ANNUAL REPORT

2020



A global real estate company, that invests in stable income producing assets in the USA, with a hyper-focus on medical commercial buildings.



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01 BUSINESS OVERVIEW

OrbVest Limited is pleased to present the 2020 integrated Annual Report to stakeholders.

We invest in income-producing medical commercial real estate in the USA, generating reliable cash dividends on a quarterly basis for investors in more than 20 countries globally. We are proud to help thousands of investors from across the globe create and build long-term wealth.

We remain resolute, focused and on track to build our real estate portfolio to \$1 billion by 2025. We have already acquired 32 buildings that exceeded \$340 million in gross value for our investors and paid out in excess of \$4.8 million in dividends during 2020.

Paid out in excess of
\$4.8 million
in dividends during 2020

Value of Acquisitions to Dec 2020



\$340,000,000

Real Estate Under Management (REUM)



>1,200,000 sf of GLA

Internal Rate of Return



11% - 17%

Invest From



\$5,000

AS AT 1 FEB 2021



BUSINESS OVERVIEW

ORBVEST PURPOSE

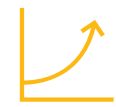
To be the most trustworthy real estate company helping investors from anywhere in the world invest seamlessly into quality medical buildings in the USA for sustainable dividends and capital growth.

FOCUS DELIVERS VALUE

Out of crisis comes opportunity.

Through the Covid-19 pandemic and market upheavals of 2020, our investment hypothesis was tested - and again proved that medical office buildings are recession-resistant. In 2021, we are on the brink of a new phase in our development.

MILESTONES OF 2020



HELPING GLOBAL INVESTORS GROW REAL WEALTH

During the worst year for the world economy since WW2, we distributed investor dividends to the value of \$4,823,403.



GROWING PORTFOLIO EVEN IN TOUGH TIMES

We grew our portfolio, initiating five new deals and raising most of the 2020 equity in the third and fourth quarters.



TRULY A GLOBAL COMPANY

Our objective to raise equity from at least 10 countries globally has taken hold. We are proud to announce that we now have active investors in more than 20 countries.



NEW INNOVATIVE PRODUCTS

In response to investor demand, we successfully launched a lower-risk product, OrbVest Diversified Holding (ODH). ODH1 and ODH2 were subscribed within weeks of launch, and ODH3 was almost fully subscribed before year-end.



TIGHTER LEVELS OF COMPLIANCE AND GOVERNANCE

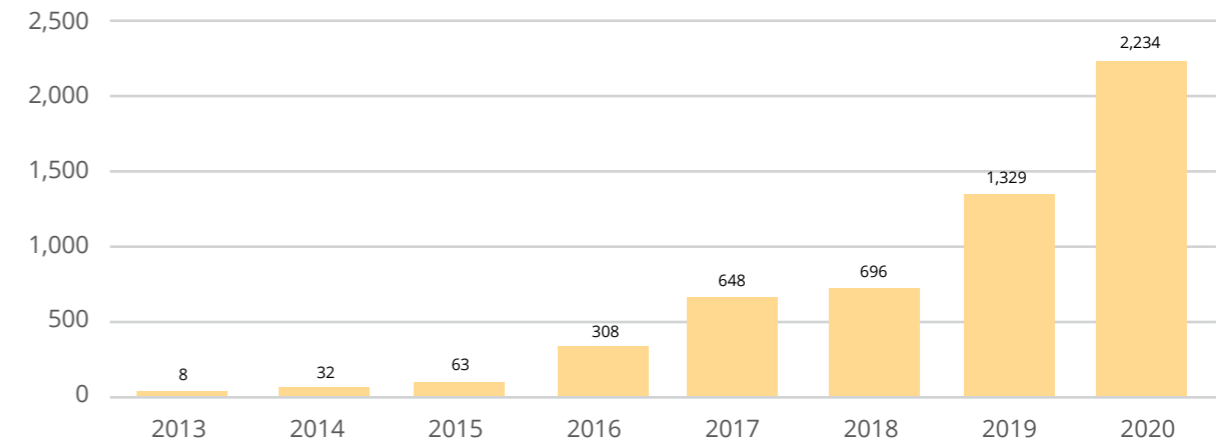
OrbVest SA (Pty) Ltd is an approved FSP, having obtained its Category I and II licence from the FSCA. As part of this licence, it can obtain a mandate from an investor to make investment decisions on behalf of the investor.



BECOMING A FULL GENERAL PARTNER

OrbVest successfully became a General Partner during 2020 with the acquisition of Medical 29, 555 N 18th Street, a multi-tenanted, class "A" medical office building located in Phoenix, Arizona.

Number of Investments per annum in OrbVest Medical Office Buildings



Source: OrbVest Core BI

Equity Raised per Country since 2018



Source: OrbVest Core BI

NOTEWORTHY 2021 TARGETS

EXPANDING THE ODH PRODUCT TO ATTRACT INSTITUTIONAL INVESTORS

We will further develop our ODH offerings in the year ahead to solve for the institutional investors' investment mandates and are working hard to establish a more robust global fund structure.

GROWING EQUITY RAISE IN NEW COUNTRIES TO DOUBLE DOWN ON GLOBALISATION EFFORTS

The pandemic cut off investment from countries like Brazil, China and Israel, but our renewed focus on building these channels and launching in the USA has delivered results to date in 2021.

02 2020 AT A GLANCE

AS AT 1 FEB 2021

**23.4%**Share Price Growth
after any dilution**\$320,375,955**

Real Estate Under Management

**40.6%**

YoY Growth in Investments

**32.7%**

YoY Growth in Equity Raised

**\$32,373,992**

Equity Raise

**\$4,464,448**

Profit before Tax

**>1,300,000**

sf. GLA

**21**

Buildings

**\$20,184,639**

Net Asset Value

**23%**

Equity Raised Over Forecast

**Positive**

EBITA

**103%**

Income over Forecast

03 WHY ORBVEST

Why do investors increasingly choose to invest with OrbVest?



INNOVATIVE

Obsessed with making complex cross-border real estate investment safe and simple.



SPECIALISED

Hyper-focus on the medical office sector in the USA.



ERUDITE

Consistently analysing how technology will disrupt the way medical services are delivered in the future and adapting for it.



LEADERSHIP

A proven and diversified team supported by highly respected non-executives and independent advisers.

OrbVest acquires profitable medical commercial buildings in fast-growing states across the USA, funded with equity raised from investors around the world. Our portfolio under management currently consists of 21 multi-tenanted medical office buildings (at December 2020) that generate average annual returns of 7 - 8% cash-on-cash, distributed quarterly to investors. The total growth projected at the exit of each investment is on course to return between 11% and 17% IRR to our investors.



INNOVATIVE

The OrbVest product is by nature an innovative alternative investment opportunity that makes it easy and efficient to invest into blue chip real estate in the USA. Our investors have continued to receive on average 2% in dividends per quarter, cash-on-cash, in 2020.

The sales of seven of our first buildings in our Medical 1 and Medical 2 portfolios each generated between 11% and 13% IRR, proving that the company can generate double-digit returns for its investors.

Investments	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Capital Gain (Pre-tax) Budget
Medical 1	8.8%	8.7%	9.6%	9.9%	8.2%	SOLD	26.2%
Medical 2	10.9%	11.0%	10.1%	10.2%	8.3%	SOLD	10.3%
Medical 3/24		8.3%	8.1%	8.3%	8.0%	8.4%	45.9%
Medical 5			8.0%	8.2%	7.2%	SOLD%	20.6%
Medical 7			8.5%	8.4%	7.8%	7.7%	33.5%
Medical 8*				7.2%	7.8%	1.4%	46.7%
Medical 9				8.0%	8.0%	8.0%	14.7%
Medical 10				8.0%	8.0%	8.0%	24.4%
Medical 12				7.2%	7.2%	7.2%	51.7%
Medical 14					9.0%	5.8%	34.4%
Medical 22					7.7%	7.9%	47.2%
Medical 23					7.1%	7.6%	28.9%
Medical 25						6.1%	33.1%
Medical 26						5.9%	35.8%
Medical 28 (Princeton 300A)						8.0%	28.4%
ODH 1						8.0%	16.7%
ODH 2						8.0%	16.7%
ODH 3						8.0%	16.7%
Medical 29 (555N)						NEW	29.7%

Dividends: Ave investor cash-on-cash dividends over past 6 years = 8%
 IRR: (COC + capital growth = total return) Ave over 5-year investment = 11% to 17%
 * Medical 8 - paused distributions from Q2 2020 until building is leased up

NEW ACQUISITIONS

Our acquisition in 2020 of Medical 29 opened up the state of Arizona. A second acquisition followed soon afterwards, which was listed and is due to close in early 2021.

New states approved by the investment committee for 2021 are: Florida, Utah, Colorado and North Carolina.



MEDICAL 29 (2020)

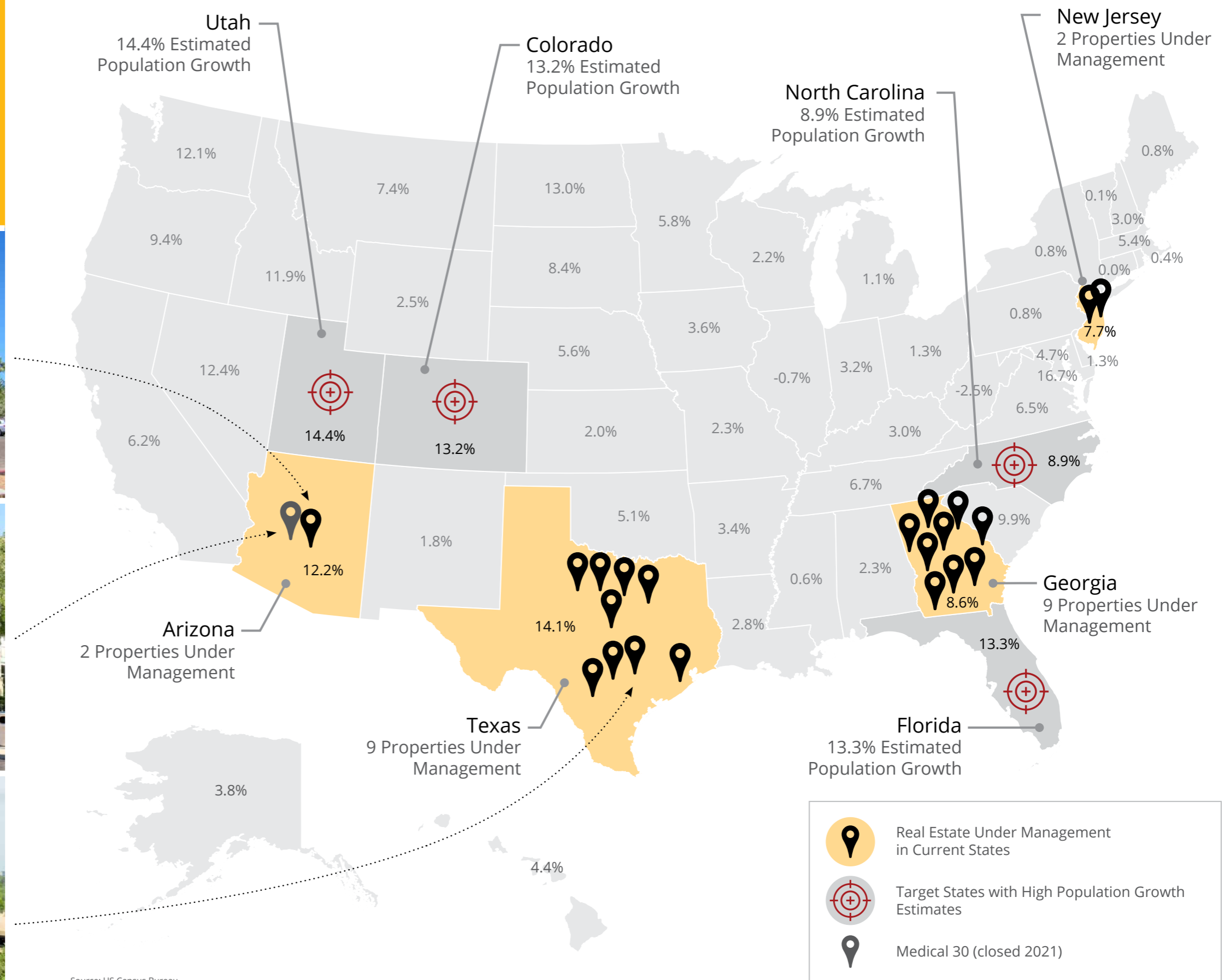





MEDICAL 30 (2021)



MEDICAL 26 (2020)

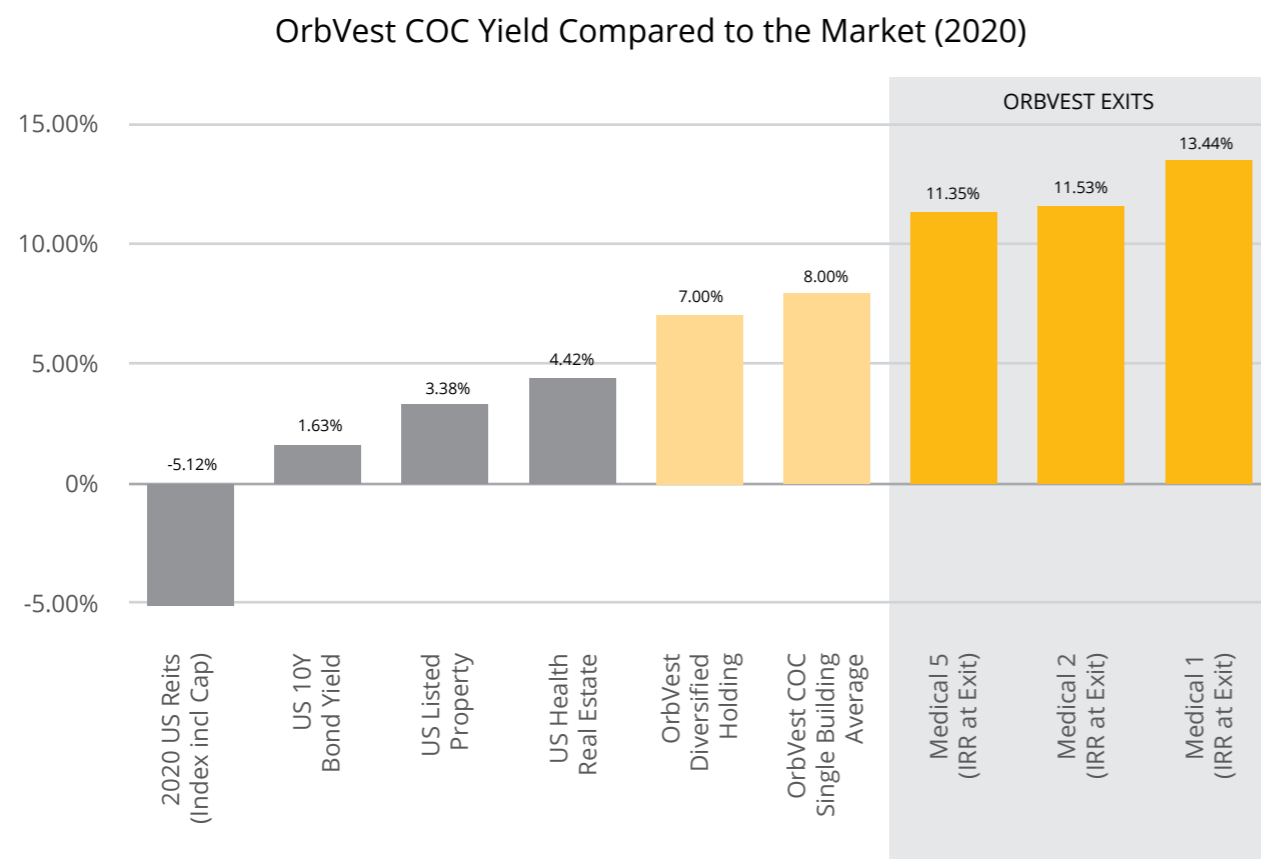
REAL ESTATE UNDER MANAGEMENT AND TARGET STATES



-  Real Estate Under Management in Current States
-  Target States with High Population Growth Estimates
-  Medical 30 (closed 2021)

HEAD AND SHOULDERS ABOVE THE REST

The graph below shows OrbVest has typically delivered returns from its MOB's that are several percentage points higher than comparative assets.



A NEW ORBVEST PRODUCT IS BORN...

To satisfy investors' appetite for more diversified risk, we launched OrbVest Diversified Holdings (ODH) in August 2020. It consolidated a small portion of more than eight underlying OrbVest properties, providing diversification across multiple cities and states and dividend flows from a spread of up to 60 tenants, into one investment opportunity. It has all the advantages of a traditional real estate fund, without the substantial fees and associated management costs. Money can be put to work immediately and OrbVest utilizes the uninvested funds as a mezzanine loan to expedite the close of acquisitions.

As with our offerings in single buildings, ODH is held over a five-year period, and delivers an attractive return of between 7% and 11% per annum, demonstrating very little leakage for costs.

Since launching our pilot ODH1, we have concluded and listed ODH2 and ODH3, raising \$7.5 million towards the end of 2020. A portion of ODH3 was rolled into Q1 2021.

ODH has been very well adopted by financial advisers and money managers, who are more comfortable with its lower risk profile. We intend to iterate and improve the model to comply with the more onerous investment mandates of institutional investors.

ORBVEST DIVERSIFIED HOLDINGS 4	
EQUITY SIZE	\$4 million equity.
MANDATE	Invest in profitable OrbVest investments. > 8 OrbVest single building investments. < 16.5% of total equity. < 10% of equity exposure is in each underlying asset.
PURPOSE	Diversify investment risk.
RETURN	7.5% COC and >11% IRR.

PARTNERING FOR GROWTH

To make it possible to secure off-market deal flow, we partner with a select group of leading medical real estate developers and managers (joint General Partners) on the ground, who manage and advise on each project because they not only have significant skin in the game, but because their interests are aligned with OrbVest's. This will propel our growth, not only by providing a consistent flow of off-market deals, but because the partner secures the debt in its own name, encumbering its balance sheet rather than ours.

OrbVest is proud to partner with the following medical office specialists across the USA:



WYTHE CAPITAL



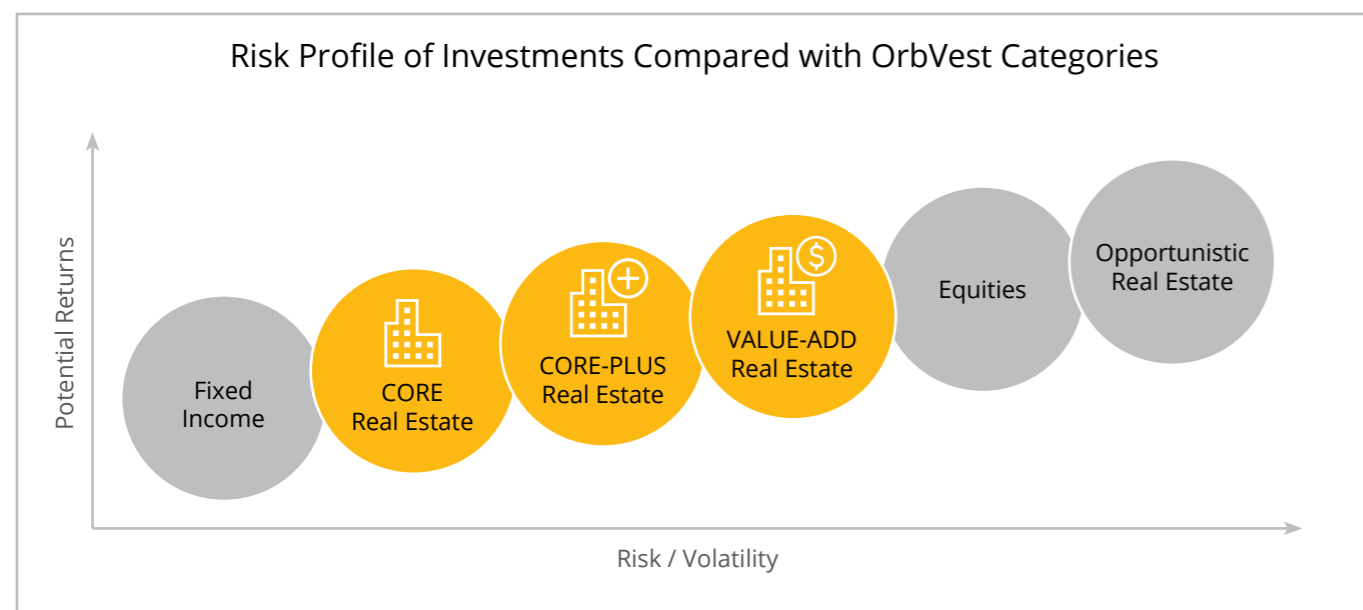
INTRODUCING CORE, CORE-PLUS AND VALUE-ADD PRODUCTS TAILORED FOR SPECIFIC INVESTOR NEEDS

As the guardian of an increasing quantum of investors' capital, we have become aware that investors may not understand the varied risks associated with differing types of real estate. As our reputation grows, investors believe that approval by the Investment Committee means that all deals have the same level of risk. To clarify investors' understanding of risk, and enable them to match their investments with their unique risk appetite, we have adopted a categorisation matrix which will be implemented in 2021.

Icon	CORE	CORE-PLUS	VALUE-ADD
	CORE		
	Most of our new investors have a relatively low risk appetite and will accept a lower return. They prefer to invest in near fully-tenanted medical buildings with triple-net leases (where tenants are responsible for maintenance and expenses), a high WALT (weighted average lease term), and lower gearing.	CORE-PLUS buildings do not quite qualify to be CORE, but still have manageable risks. This category of building may have more vacancy and roll-over risk, and greater exposure to maintenance risk, than CORE real estate.	VALUE-ADD real estate has a higher potential to generate capital growth but with significantly more risk. Buildings will typically have more vacancy, roll-over and maintenance risk than either CORE or CORE-PLUS. OrbVest does not invest in speculative properties.

TOP 3 CRITERIA	CORE	CORE-PLUS	VALUE-ADD
WALT	> 10%	> 7%	> 5%
Project Minimum IRR	> 9%	> 11%	> 11.5%
Average COC	> 5.5%	> 6.5%	> 7%

**Subject to approval by Investment Committee. This is an indicative guideline only and final approval and categorization will be decided by the Investment Committee on a deal by deal basis.



SEAMLESS PORTFOLIO MANAGEMENT

Refinements to our platform have significantly improved its user-friendliness, and more investors are choosing to make their investments online. This has come with constant investment and improvement by our team throughout 2020.

It is increasingly seamless to make an investment online, withdraw funds, check wallet balances, and track returns via our user-friendly dashboard. All communication with the investor is now available on the platform.

You will find your OrbVest corporate equity also tracked on the platform on your profile, together with shareholder communications from the company.

Visit <https://orbvest.com/portfolio>

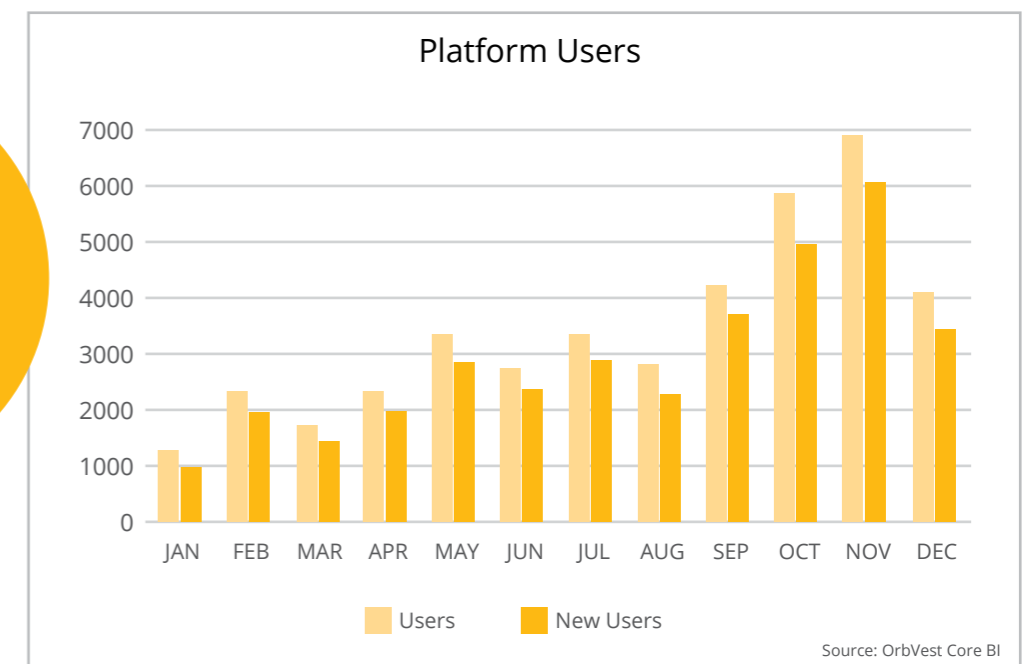
All communication with the investor is now available on the platform.

ORBVEST'S INVESTMENT IN DIGITAL IMPROVES ITS ACCESSIBILITY

While we regard our platform as an enabler, we believe strongly in the democratization of investment. We are increasing our efforts to entice investors to transact online and ultimately reduce the cost of a transaction, at the same time as we make it more accessible to global investors.

We were pleased to see increasing volumes of new investors starting their journey on the platform in 2020.

77%
of website visits were new users engaging with the website in 2020





SPECIALISED

Why we have a single-minded hyper-focus on the medical office buildings (MOB) sector in the USA.

Costs, technology, and demographics all drive long-term MOB demand.

THREE LEVERS WILL ACCELERATE DEMAND FOR MOBS INTO THE FUTURE:



COSTS

Since 1960, medical expenditure in the USA has grown by an average of 5.3% per annum. It now represents 17.9% of GDP, which is unsustainable. Health care insurance companies and schemes are pushing patients towards more cost-effective service providers, who are generally situated in the more efficient MOB environment.



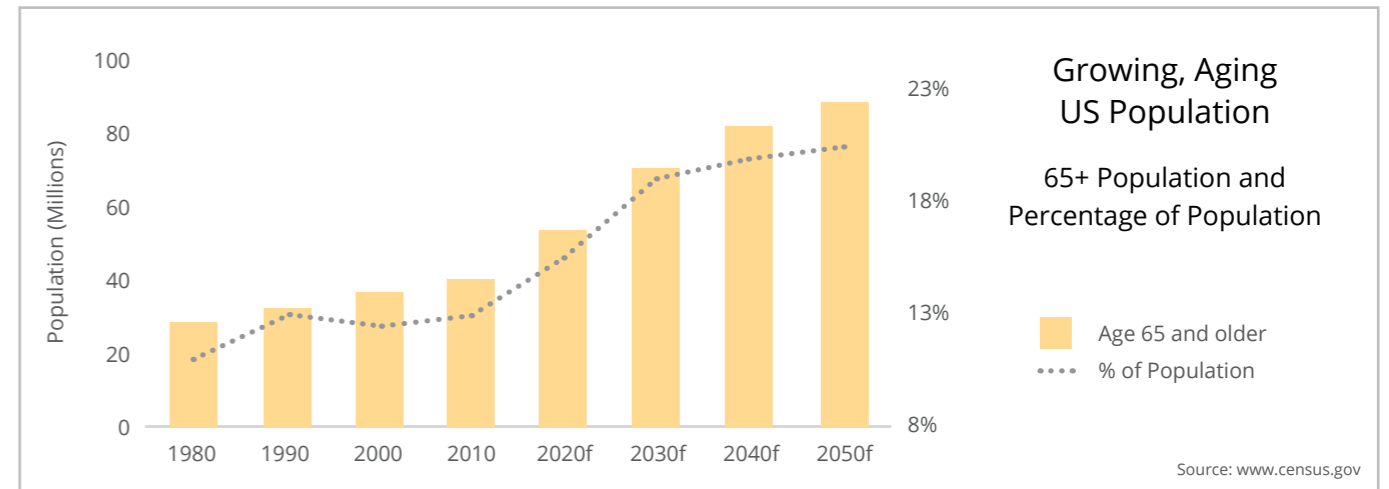
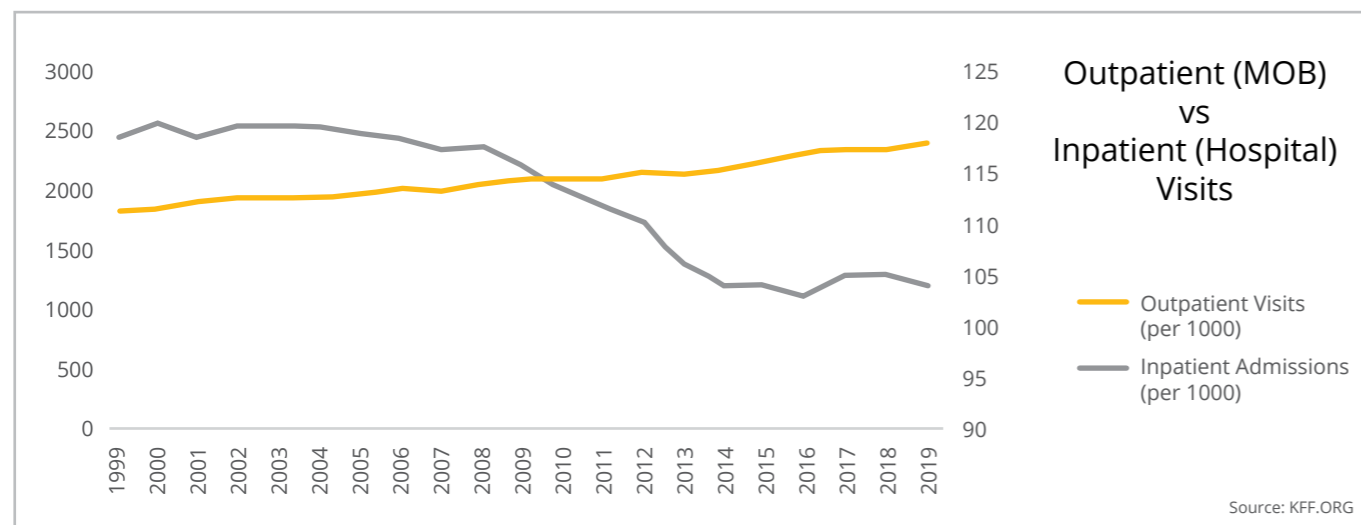
TECHNOLOGY

The impact of converging technologies is an almost exponential increase in efficacy, also reducing the size and cost of equipment. This makes it possible for doctors to perform procedures in their consulting rooms, so that overnight hospital stays become unnecessary. See graph below charting outpatient (MOB) vs inpatient (hospital) visits.



AGING POPULATION

OrbVest has focused on the USA to capitalise on the aging population. It is anticipated that by 2030 more than 80 million people in the USA will be over the age of 65. This age group requires five times more visits to a medical practitioner per year than those aged under 65.



Specialisation is the art of making the best decisions. Our focus is to improve the OrbVest ecosystem in this high-value category.

BECOMING THE GP

Over the past three years we have been building a reputation as a reliable and notable MOB operator. We now have a track record that is increasingly acceptable to debt providers and are being presented with off-market opportunities.

While our partners are an important component of our business, it is often not feasible to include a partner in the waterfall (profit share) and in an environment where there is increasing competition and compressing cap rates (higher prices).

In 2020 we explored the strategy of acquiring buildings without a partner, and towards the end of the year we launched and acquired Medical 29, a building in Phoenix, Arizona, as a General Partner.

This has significant upside for OrbVest. It will:

- Increase profitability on each deal.
- Build our balance sheet faster.
- Deliver real time and direct feedback on the performance of assets.
- Satisfy an institutional investment criterion.
- Grow our reputation across the USA as a specialist in MOBs.



Towards the end of 2020 we launched and acquired Medical 29, a building in Phoenix, Arizona, as a General Partner.

M E D I C A L P O R T F O L I O



MEDICAL 30



MEDICAL 29



MEDICAL 25



TWO FOREST PLAZA MEDICAL 26



PRINCETON 300B



PRINCETON 300A



SWAN BUILDING MEDICAL 24



MCGINNIS 6918 MEDICAL 24



BLAIRSVILLE MEDICAL 24



OAK HILL CRT A MEDICAL 24



OAK HILL CRT B MEDICAL 24



OAK HILL CRT C MEDICAL 24



MERIDIAN MEDICAL 23



GLENRIDGE MEDICAL 22



GLENRIDGE MEDICAL 22



RIVERPLACE MEDICAL 14



HIGHPOINT TOWERS MEDICAL 12



HIGHPOINT TOWERS MEDICAL 12



LIFE HOPE MEDICAL 10



GLENRIDGE MED CTR MEDICAL 9



SHADOWGLEN MEDICAL 8



MACARTHUR MEDICAL 7



ERUDITE

“Having or showing great knowledge or learning.”

OrbVest is obsessed with the threats and opportunities that technology will present to the healthcare industry and how it will disrupt the way medical services are delivered in the future. We are adapting our investment mandate accordingly.

Consolidators

Tech Invaders

Vertical Integrators

Health Retailers

Independents

We continue to develop our research around these five trends that we monitor closely.

We have noted some trends that we have used to inform our investment decisions:

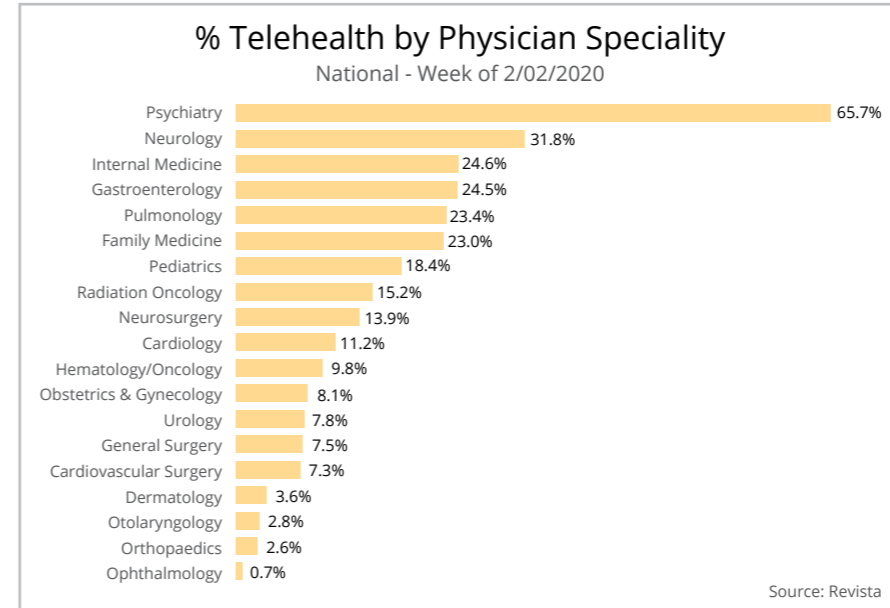
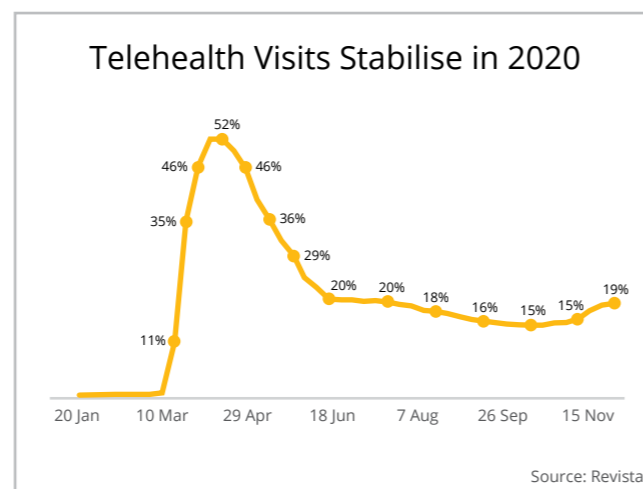
Our understanding of the future of primary health care (family medicine) has matured. We believe that small practices are under threat, while medium-sized practices are being consolidated within larger groups that have access to technology, capital and bargaining power. The business model is changing from a fee-per-service to a risk-based model, where insurance companies pay for the result and not the consultation. We will target the large consolidators but will limit exposure to small family practitioners.

TELEHEALTH NORMALISES

The most important observation is that patients prefer to consult a physician in person. This learning comes from the rapid growth of telemedicine accelerated by Covid-19, and the change in policy that allowed physicians to be paid by insurance companies for virtual consultations.

After the hard lockdowns ended in June 2020, patients migrated back to physical consultations and the percentage of telehealth visits is back below 20%.

This trend is expected to rise organically over time, ultimately leading to increased efficiencies and profitability for larger practices.



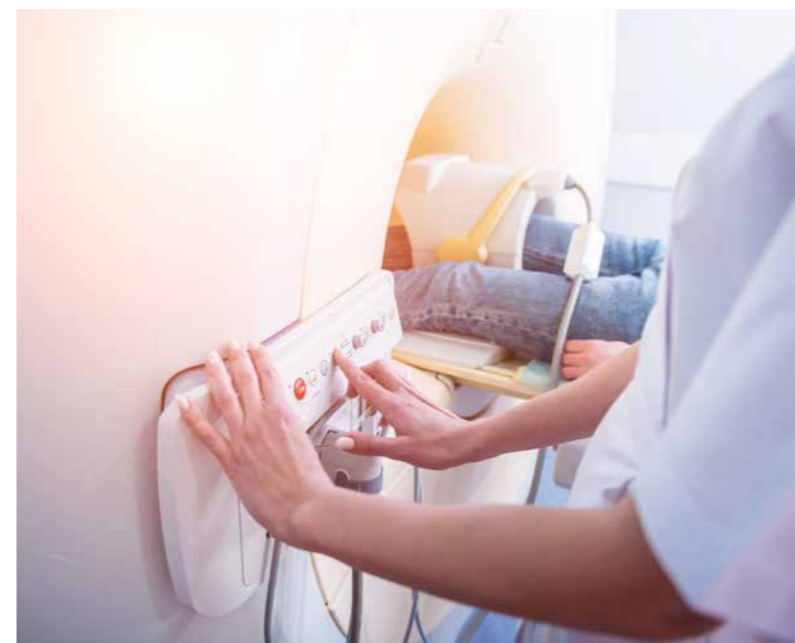
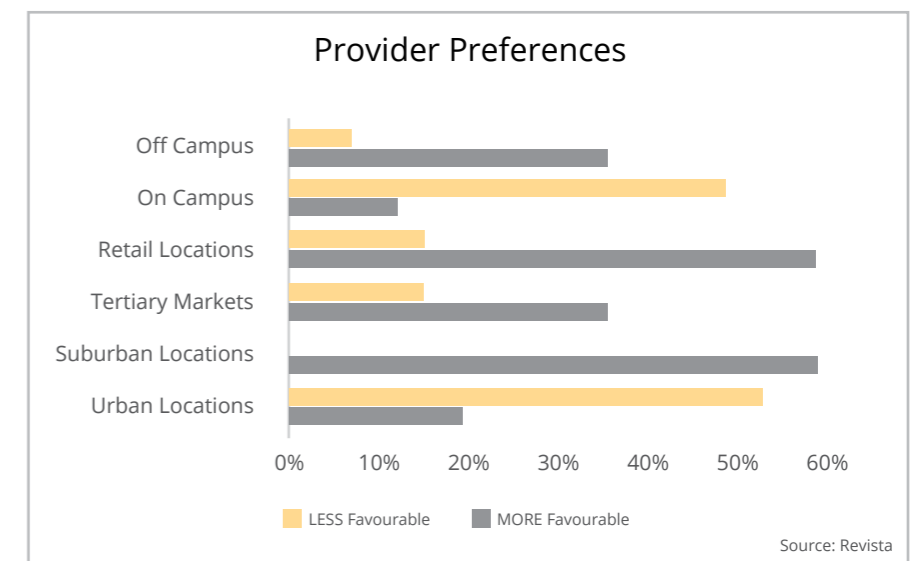
Even within the telehealth segment, some specialities have fared better than others. The chart shows those specialities that are not achieving traction in the telehealth space.

We have also firmed our preference for tenants that provide “heavy medical” services, and therapy that cannot be performed remotely or robotically.

OFF-CAMPUS DEMAND

Our investment mandate has been modified further, to again consider off-campus buildings, specifically in suburban locations. The popularity of off-campus buildings reflects the trend towards providing a more customer-centric service.

It is also evident that investors in MOBs are equally aware of this demand and are focusing on these type of buildings, which is increasing competition and raising prices for these locations.



IN 2020 HEALTHCARE PROVED ITS RESILIENCE THROUGH COVID-19

- Occupancy increased to 91.4% from 91.2%
- 1.8% rental escalation
- New development of MOBs was stable during the year
- Significant absorption of vacant space during the year



LEADERSHIP

OrbVest’s leadership team boasts a rare combination of deep experience and entrepreneurial flair. It includes seasoned entrepreneurs and corporate specialists. With its balance of risk appetite, financial acumen and the talents to spot opportunities, the team provides OrbVest with its competitive advantage in sourcing and financing deals at the right price, in the best locations, and growing global demand.

EXECUTIVE BOARD

The executive team is supported by high-profile independent committee members and non-executive directors.



Martin Freeman
CEO



Hennie Bezuidenhout
Chairman



Louw Viljoen
CFO

INDEPENDENT NON-EXECUTIVE DIRECTORS AND ADVISERS



James Sapirstein
Non-Executive Director (USA)



Darren Jacklin
Non-Executive Director (Canada)



Bharat Mehta
Independent Adviser

DIRECTORS OF SUBSIDIARIES & COMPANY SECRETARY



Machiel Lucas
Funding & Acquisition Director



Justin Clarke
Operational Director



Jakes van Niekerk
Company Secretary

INDEPENDENT INVESTMENT COMMITTEE MEMBERS

Investment decisions are ultimately given the red or green light by an independent Investment Committee



Dawid Wandrag
Independent Member



Alan Kynoch
Independent Member

COMMITTEE MEMBERS



Tienie van der Mescht
Risk Committee



Christo Snyman
Risk Committee



Andrew Meerburg
Audit Committee



Riaan Roux
Audit committee



Eric Gonzaga
Remuneration Committee



Llewellyn de Jager
Remuneration Committee

OrbVest SA Pty (Ltd) is proud to welcome Tienie van der Mescht to the board of our South African subsidiary, where he will serve as a non-executive director.

Tienie has given valuable input to the group risk committee, where he has served since 2019.



TIENIE VAN DER MESCHT

Non-executive Director
BSc, MBA

Tienie completed an MBA before joining Sanlam Investments in 1990. He held various positions in equity research and portfolio management before becoming the chief executive of Gensec Private Clients, renamed Sanlam Private Clients in 1998. In this role, Tienie led the acquisition of businesses from ABN Amro and Merrill Lynch.

In 2004, Tienie was appointed chief executive of Sanlam Collective Investments. He was part of the Sanlam team that assessed investment opportunities in India. In 2009, he relocated to India to become the chief executive of Sanlam Investments and Advisory India (formerly known as SMC Wealth), a wealth and asset management joint venture between Sanlam and SMC India.

Tienie is currently the Chairman of TBI Investment Managers (formerly known as Ora Fund Managers) and the Chairman of TBI Group Audit and Risk Committee. Tienie also serves as a non-executive director of TBI Strategic Partners and 670 Ventures, a venture capital company. He is a non-executive director of Sasfin Wealth and non-executive chairman of Sasfin Wealth Investments' Oversight Committee. He is also the non-executive chairman of H4, the CIS Manco in the Citadel Group, and non-executive chairman of CI Collective Investments, an associated company in the Analytics group.



REPORTS TO
SHAREHOLDERS

04 CHAIRMAN'S REPORT

We are on the brink of a new phase in the development of OrbVest, which presents both challenges and opportunities. Let us stand together in unity, alignment and fearless pursuit of this opportunity.



GLOBAL ECONOMIC TURMOIL

2020 will be remembered as the year when Covid-19 caused a global recession, whose depth was surpassed in the past 150 years only by the two World Wars and the Great Depression.

The pandemic delivered a heavy blow to economic activities worldwide, unleashing an employment crisis, widening inequalities and pushing another 131 million people into poverty. Unprecedented fiscal and monetary responses have prevented total economic collapse.

The pandemic has exposed systemic vulnerabilities in the world economy. A robust and resilient recovery will require strengthening public finances and improving debt sustainability; combating inequality and expanding social protection; and promoting climate action and environmental sustainability.

We expect the global economy will expand by around 5% this year, the fastest rate recorded in the 21st century. This depends on successful deployment of effective Covid-19 vaccines and continued accommodative fiscal, financial and monetary conditions.

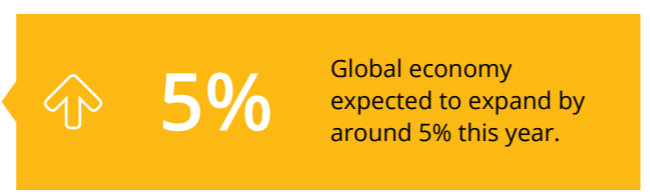
The long-term consequences of the crisis will be equally severe. The pace of digitalization and automation will accelerate, further depressing labour demand in the medium term. While productivity will grow in sectors embracing automation, average productivity growth will likely falter. Declining investments in fixed capital, low average productivity growth and lower labour-force participation rates are expected to weigh on potential output going forward.

STIMULUS FOR US ECONOMY

In the US, the economy came to a standstill in mid-March as a result of lockdown measures taken to combat the spread of the virus, and the unemployment rate jumped to 14.7% in April from 3.5% in February. The Government, supported by the Federal Reserve, promptly responded with unprecedented stimulus packages. Following a 3.9% contraction in 2020, the US economy is forecast to grow by 6.4% in 2021 and 3.5% in 2022.

Early in 2021, there is a definite improvement in US economic activity. Economic growth tends to push up interest rates and inflation will possibly rise. Mortgage rates will increase from 3% to 3.5% by the end of the year.

Against this background, OrbVest will revisit its investment criteria and take a more conservative approach, while we analyse longer-term trends.

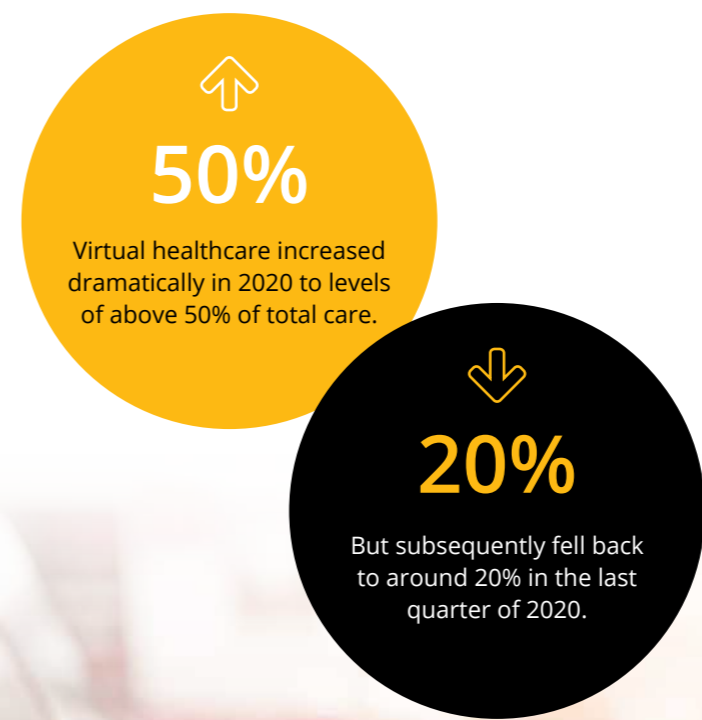


GROWING GLOBAL DEMAND FOR ORBVEST

Demand for OrbVest's offering of a stable reliable income stream, accompanied by capital growth in a sustainable industry, remains strong and acceptance from all over the world is growing.

Equity raising has expanded into countries in Asia, South and North America and the Middle East and we achieved our targets for 2020, which is an excellent achievement under current circumstances.

Expansion of our distribution network and our first steps into institutional investment capital bode well for 2021 and another year of above-average growth.



CHANGES IN COMMERCIAL PROPERTY LANDSCAPE

The biggest challenge for accelerated growth will be on the supply side. The real estate industry, and particularly asset classes like commercial and retail, were severely affected by the pandemic. Virtual meetings, preference for suburban locations and downsizing have had a negative effect on the commercial market. Increased vacancies can be a threat to medical office letting in the long term.

The MOB (Medical Office Building) market showed strong resilience to the negative impact of the pandemic. Profitability, occupancy and absorption levels in MOBs remained strong, recovering to pre-Covid levels in the fourth quarter of 2020.

OrbVest's IIC (Independent Investment Committee) and the executive team are closely following the structural changes in the sector that have resulted from Covid-19. One of those was that virtual healthcare increased dramatically in 2020 to levels of above 50% of total care, but subsequently fell back to around 20% in the last quarter of 2020. Another development was that the healthcare industry experienced a significant investment from FAMGA (Facebook, Amazon, Microsoft, Google and Apple), amounting to more than \$3 trillion, which includes 124 artificial intelligence (AI) start-ups. This will change healthcare delivery and have an impact on healthcare facilities.

Despite the severe impact of the pandemic, OrbVest's AUM (Assets Under Management) have performed well and almost all dividend payments were maintained. The biggest impact was on tenant installation, permitting and lease-up, which experienced delays. This may affect dividend payments in 2021.



04 CHAIRMAN'S REPORT (CONTINUED)

PORTFOLIO PERFORMANCE

The OrbVest healthcare portfolio performed well in 2020, despite the impact of Covid-19. Occupancy remained at acceptable levels. Progress was made in offloading non-core assets and this process should be finalised shortly.

Merger and acquisition activities increased and have affected some of our investments. Corrective measures were taken and more detail will be available in the next quarter. Tenant installation was slow, which may affect dividend payments in the second and third quarters.

The OrbVest healthcare portfolio performed well in 2020, despite the impact of Covid-19.

↑ 20%

The executive team achieved 20% plus growth on all the agreed shareholder parameters.

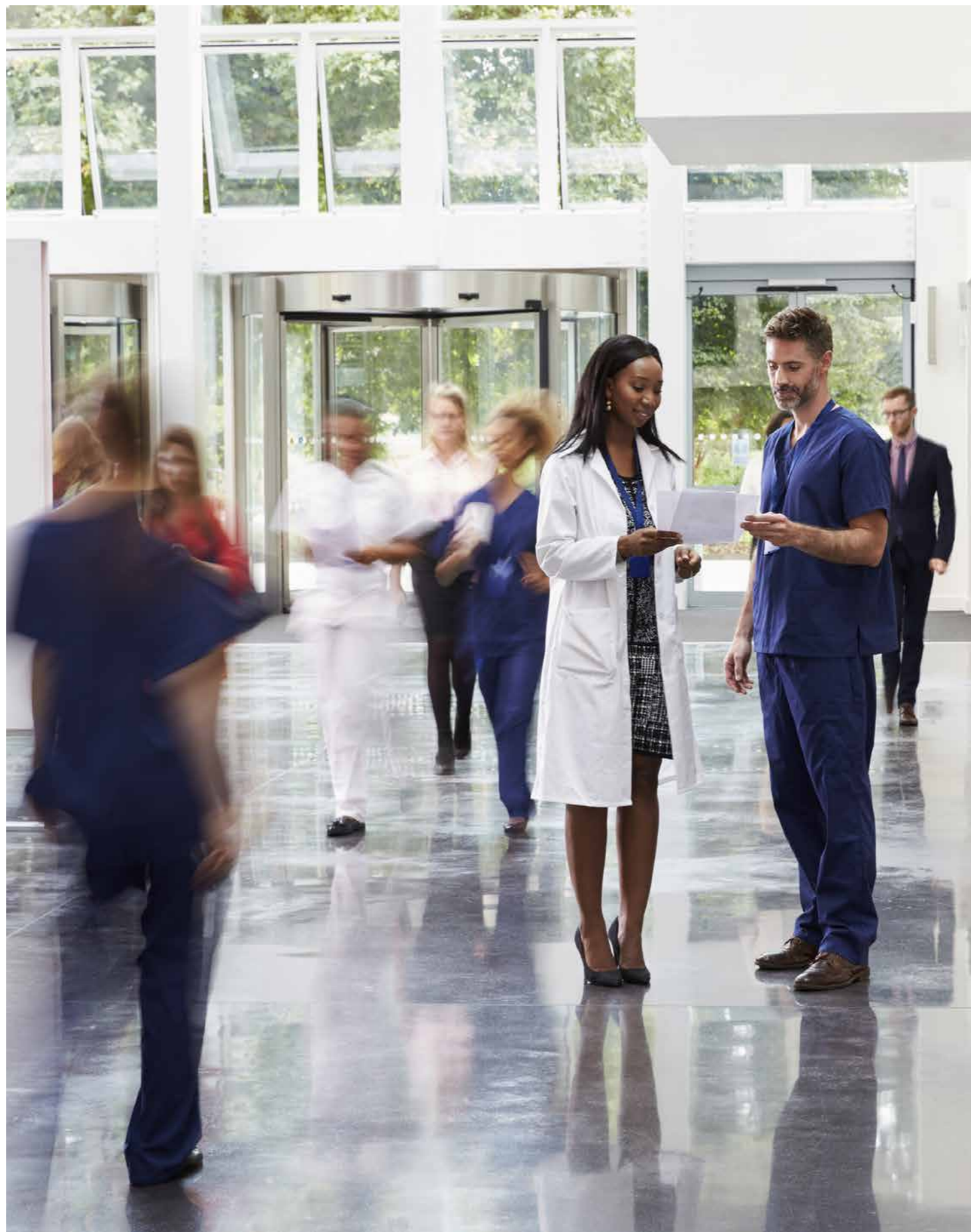
FINANCIAL RESULTS

Through dedication and perseverance, the executive team achieved 20% plus growth on all the agreed shareholder parameters. This is an exceptional achievement under difficult circumstances and deserves acknowledgement and appreciation from all stakeholders. Well done to the CEO, the executive team, managers and staff for an incredible performance against all odds.

STRENGTHENED GOVERNANCE

The Board has continued its efforts to comply with the highest standards of corporate governance. The experience and diversity of non-executive directors were further enhanced with the appointment of Darren Jacklin from Canada. He is an experienced business leader who advises various Fortune 500 companies.

The Board committees were strengthened with the appointment of several non-executives with relevant experience.



KEY OBJECTIVES FOR 2021

The group's goal is to expand its investor base globally through consistent growth and value creation for the next five years, which will be driven by:

Consistent and predictable supply of quality assets that meet our investment criteria.

Enhancing and growing our global distribution network, ensuring a constant flow of investment capital.

Establishing an appropriate investment structure for institutional capital.

Keeping and attracting the best-available talent and executives for this challenging environment.

Absolute commitment to deliver the five-year strategy and growth plan.

CONCLUSION

Against this background, I want to personally thank the shareholders, investors, board and leadership team for their continued support of our strategy. We are on the brink of a new phase in the development of OrbVest, which presents both challenges and opportunities. Our executive team has done a great job in moving us forward and they deserve our appreciation and encouragement. Let us stand together in unity, alignment and fearless pursuit of this opportunity.

Hennie Bezuidenhoudt
Chairman

05 CHIEF EXECUTIVE OFFICER'S REPORT

Our mantra within OrbVest is that results should be tangible and unequivocal. OrbVest has not only survived, but has thrived during Covid and 2020. The operational performance and results achieved in all areas have culminated in additional growth in the portfolio, share price and profitability.



STRATEGIC ENHANCEMENTS

“Life doesn't get easier or more forgiving, we get stronger and more resilient”
Steve Maraboli

I would like to extend my gratitude and appreciation to my executive team and all our employees for embracing the immediate change and acceleration in our strategy.

OrbVest pivoted in three key directions:

An immediate and determined plan to amplify our expansion efforts into other countries.

A focus on products that were aligned with low-risk demand from investors, given the uncertainty surrounding equity markets and the long-term impact of Covid, together with astonishingly large stimulus packages, which defied economic fundamentals and may in turn lead to inflationary pressures.

To become a GP in the US.

The change in direction resulted in an immediate revival of activity within OrbVest. The acquisition team achieved consistent deal flow onto the platform and equity began to flow from existing and new countries. OrbVest is proud to announce that we now have investors from more than 20 countries and the list continues to grow, with new investors from Canada, Australia, Saudi Arabia and UAE, to name but a few.

We now have investors from more than 20 countries and the list continues to grow.

The sustained growth in equity from Q3 onwards ensured that OrbVest achieved all our projected shareholder metrics and deliverables for 2020.

ORGANISATIONAL STRUCTURES

Structurally, OrbVest made sound progress with committees and structures.

Our board and board committees continue to deliver value and I would like to thank them again for their input and wisdom throughout the challenges of 2020.

The Investment Committee was bolstered over the past year and has implemented additional checks and balances when assessing deals. It should also be noted that an enormous amount of work has been done to identify and segment products into three key categories, namely 'Core, Core-Plus and Value-Add', each underpinned and assessed by a newly-implemented scorecard methodology. On behalf of the executive team, I'd like to extend our thanks to them for their tireless efforts, time and value.

Of critical importance was OrbVest's transition to a fully-fledged and stand-alone GP (General Partner) in the US. This achievement opens the door to additional equity investment from larger roleplayers globally, including family offices, established brands and institutions.

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This achievement opens the door to additional equity investment from larger roleplayers globally, including family offices, established brands and institutions.

Shareholders are advised that this may require the establishment of group subsidiaries or separate entities going forward, which would have majority shareholding by US residents or citizens. This is to accommodate and simplify the requirements of US lending institutions. The move is currently being assessed by the executive team and board.

Functional reporting lines were further entrenched and all employees remain clear on deliverables on a regular basis. Systems and processes evolved throughout 2020, with notable improvements to:

- All IT systems; and
- Legal documentation and processes, especially within the acquisition process.

I would like to personally acknowledge and thank my entire executive team and all our employees for their ability to transition to a 'new world', to embrace unthinkable change, and to demonstrate resilience, creativity and determination to succeed in a time that has been unique, but also filled with potential opportunity.

THE YEAR IN REVIEW

“In the middle of difficulty lies opportunity.”
Albert Einstein

There can be no doubt that 2020 was a year like no other. OrbVest began 2020 on a high note, having posted strong growth in 2019, and we were well poised for continued success.

The full onset of Covid-19 in Q2 and the resultant global lockdown tested both the strategy and resilience of the executive team and all our employees and caused an immediate pivot within OrbVest.



OrbVest has been stating for years that “if a correction or recession occurs, you'll want to be in Healthcare real estate, given its resilience”.

At the very heart of OrbVest is our strategic focus on medical office buildings and ensuring the preservation of capital for our investors. With most industries globally being decimated, the real estate sector was no exception. Many REITs experienced significant reductions in value and, in many instances, dividends were suspended. OrbVest has been stating unequivocally for years that “if a correction or recession occurs, you'll want to be in Healthcare real estate, given its resilience”.

OrbVest continued to distribute dividends to our investors on almost all our medical office buildings throughout 2020. Covid has impacted leasing up schedules and these delays will continue into late 2021, which in turn may impact dividends from some of our buildings in the short term. Delays were also experienced with regards to exiting deals. The lockdown led to a dramatic depreciation in emerging market currencies and a temporary halting of equity into deals.

The most significant impact of Covid-19 was the change in perception and transition of 'smart capital' globally from other real estate niches into healthcare, given its sustained strong performance throughout the pandemic. Medical office buildings are now highly regarded as a 'safer haven' than many other asset classes.

OPERATIONAL PERFORMANCE

From an acquisition and disposal perspective, OrbVest successfully launched seven deals in 2020 and achieved new milestones with regards to equity raised.

The launch of our low-risk OrbVest Diversified Holding (ODH) product was significant, with immediate acceptance from our channel partners and their respective clients. ODH allows all investors the opportunity to seamlessly invest and diversify their investment across a minimum of eight buildings via a single investment. This removes concentration risk and provides diversification across states and cities in the US. ODH is well aligned to the needs of all investors, whether they are retirees seeking consistent, low-risk returns or high net worth investors seeking a diversification strategy to protect and grow their wealth. Additional ODH launches are planned for 2021.



Another key operational objective was to expand our geographical presence in the US in 2020. OrbVest successfully expanded into the high growth state of Arizona with the acquisition of Medical 29.

OrbVest has over the past few years managed two non-core multi-family assets. The acquisition and Asset Under Management (AUM) team completed the successful turnaround of Water Ridge, which led to a profitable exit for investors. The exit of the last remaining non-core multi-family asset was significantly delayed and impacted by Covid-19. Although the exit has been unanimously approved by investors in 2020, it is now scheduled for 2021. Finalisation of the transaction is currently under way.

The ongoing constant improvements to our IT platform and sales software, combined with fintech processes, our track record and high levels of client service, are undoubtedly propelling the OrbVest brand forward. Over the past year, the sales team has witnessed a change in the sales process from 'cold calling' and lengthy closing timelines to brand acceptance and demand from new and existing clients. This is translating into faster onboarding and investment timeframes.

- +103%**
Projected Revenue
2020 : \$4,080,000
2020 Actual : \$8,292,590
- +40.8%**
YOY Profit Growth
- +23.4%**
Share Price

FINANCIAL PERFORMANCE

OrbVest achieved additional growth in profitability in the 2020 year, under trying circumstances. A key driver of the business model is to transition the revenue toward annual AUM fees, which are consistent and create sustainable profitability for shareholders. This in turn drives dividends on an annual basis.

While we continue to create value and grow the balance sheet, the growth in AUM fees remains disappointing to date. The executive team implemented changes within the acquisition process in Q4 2020, which will translate into exponential growth in AUM fees going forward.

Total revenue for the year under review was \$8.3 million and, with our strong focus on profitability and fiscal discipline, OrbVest generated a profit of \$4.4 million.

The share price has climbed by 23.4% to end 2020 at \$0.42. The continued growth in equity will continue to drive the portfolio, the balance sheet and hence the share price.

RISKS ARE BEING MANAGED

The key risk for OrbVest is the non-performance of buildings and the associated effect on dividends and capital invested by investors. As mentioned previously, although the majority of the buildings have performed well throughout Covid-19, lease up delays continue to impede the progress of some of the buildings and new tenants, which in turn may have an impact on dividends. The AUM team and executive are implementing additional measures to mitigate these risks.

Another key risk is the movement of investor funds globally. With the increase in emails and online financial transactions, additional security measures are essential and are being reviewed and improved upon.

Covid-19 has played an unimaginable role in our lives over the past year, but enormous vaccination efforts in the USA and globally are having a material impact on infection levels. Economists are therefore predicting a potential strong rebound in global economies and specifically a sense of optimism is filtering through the USA. The caveat is that inflationary pressures may result in increased interest rates and potentially reduced returns to investors.

We remain confident that our investments will be more resilient than other real estate sectors, yet they may suffer disruptions in the short term.

We remain confident that our investments will be more resilient than other real estate sectors, yet they may suffer disruptions in the short term.

CONCLUSION

OrbVest exists to create value for all our stakeholders, who are our shareholders, our employees and our investors.

Jack Welch said
"Shareholder value is a result, not a strategy."

Our mantra within OrbVest is that results should be tangible and unequivocal. OrbVest has not only survived, but has thrived during Covid and 2020. The operational performance and results achieved in all areas have culminated in additional growth in the portfolio, share price and profitability.

Real estate investing is built on the fundamentals of long-term growth and capital appreciation. We remain cognisant that shareholders' top priority is the receipt of dividends and we look forward to delivering this objective going forward.

Our international expansion initiatives are gaining momentum in 2021. The brand continues to attract new investors worldwide and property partners in the US. We therefore remain bullish on the prospects in 2021 and beyond.

Freeman
Martin Freeman
CEO

I would like to thank all our valued stakeholders for their overwhelming support during the past year.



06 CHIEF FINANCIAL OFFICER'S REPORT

The characteristic of a great team is how quickly it can react when it is catapulted into a new working and social environment, while still performing and exceeding expectations.



2020 FINANCIAL HIGHLIGHTS

	Increase / (Decrease)	Actuals	
		2020	2019
Equity Raise	32.7%	\$ 32 373 992	\$ 24 387 727
Total Income	15.3%	\$ 8 292 590	\$ 7 193 090
Total Cost	-4.8%	\$ 3 828 142	\$ 4 023 114
Profit before Taxation	40.8%	\$ 4 464 448	\$ 3 169 976
Investments	40.6%	\$ 20 112 590	\$ 14 305 300
NAV	33.9%	\$ 20 184 639	\$ 15 076 727
AUM	12.8%	\$ 320 375 955	\$ 284 108 341
Share Price (including exec shareholding)	23.4%	\$ 0.4277	\$ 0.3465

2020 Shareholder Targets	
Actual 2020	Over Target 2020
\$ 26 400 000	23%
\$ 4 080 000	103%
\$ 0.4114	4%

2020 UNDER REVIEW

In reviewing the results, the year can be broken down into three parts.

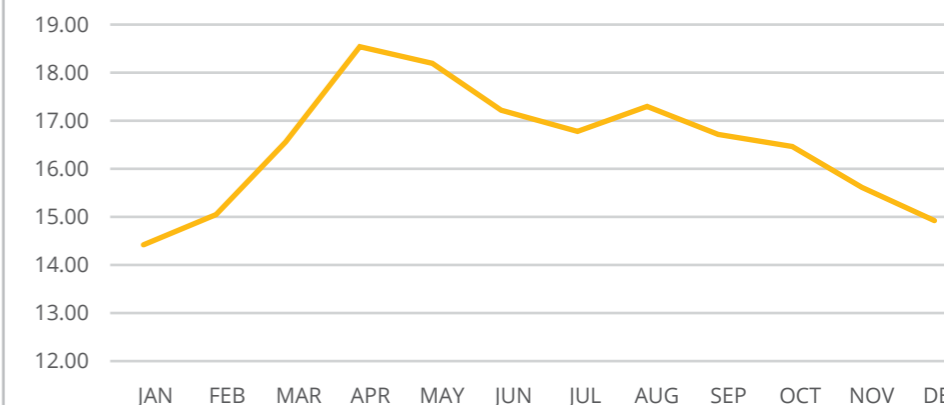
January – February

- We started the year with great anticipation after we managed to raise just over \$12.5 million for the long-term investments in Medical 12 & 25 as well as Medical 26. The total equity raised for these three projects in 2020 was \$17.8 million, of which \$12.5 million was raised in the first three months.
- We were planning to expand into new territories and bolster our team with new appointments and Medical 27 was being finalised for release to investors.

March – July

- Everything changed in March. Various factors influenced our equity raise, from the global uncertainties surrounding Covid-19 and lockdown, to investors holding back to see what the markets were doing. The most important factor was developing countries' exchange rates. Equity from China and Brazil completely dried up.
- Our biggest equity provider, South Africa, was the hardest hit from an exchange rate perspective. The rand rose from a monthly average of R14.38 to the dollar in January to an average of R18.58/\$ in April. It traded up to just over R19/\$ in April, from R14.05/\$ in January, a 36% devaluation.

Rand / Dollar Average Exchange Rate 2020



August – December

- Through all this, the team still managed to raise \$5.1 million during this period, thanks to great marketing initiatives and investors looking for a more secure real estate asset class.
- Medical 27 was cancelled, as a result of the effects of the pandemic on the pace of equity raise, and certain conditions around the lease that did not satisfy the conditions required by the investment committee.
- Measures were put in place to reduce costs:
 - The annual increase in executive salaries was forfeited. Although it was voted on at the AGM and approved by majority shareholders, the executives agreed not to take the increase and this was communicated by the Chairman at the AGM.
 - We were fortunate that our Cape Town office lease was expiring, and we opted not to renew it. We also decided that the Cape Town team would work from home, until we established new offices post-Covid-19.
 - Travel and accommodation expenses were halted.
- After the initial shock of the hard lockdown and the impact of the exchange rate, some normality returned to the market.
- Medical 28 and 29 and our new product, OrbVest Diversified Holdings, were launched. This added another \$14.6 million of equity for the last five months.

04 CHIEF FINANCIAL OFFICER'S REPORT (CONTINUED)

SUMMARY OF THE YEAR UNDER REVIEW

Total Equity \$32,373,992	<ul style="list-style-type: none"> Equity raise was up by 32.7% from 2019 and we exceeded our target of \$26.4 million by almost \$6 million.
Total Income \$8,292,590	<ul style="list-style-type: none"> Although revenue from equity raise and fees increased slightly, it is important to note that 2019 included the sale of Medical 1 and 2. Medical 29, our first General Partner deal, had a significant impact on our revenue towards the latter part of the year, with great advantages for both investors and OrbVest shareholders. Although we raised more equity, the deal size increased, which resulted in fewer deals. As most of the equity was raised in the latter part of the year, the associated income from monthly fees will only materialise in 2021. The Net Present Value from these deals had a \$5.791 million positive impact on both the total income as well as the Net Asset Value of the Group.
Cost of Sales	<ul style="list-style-type: none"> A lower commission payout was made, because 85% of equity was raised from our internal sales channels. Overall there was almost a 2% saving on equity raised.
Operating Expenses	<ul style="list-style-type: none"> Operating expenses increased marginally by 3% as a result of an increase in staff salaries. There was an increase in risk-associated expenses, i.e. insurance, compliance and information technology.
Net Profit after taxation \$4,464,448	<ul style="list-style-type: none"> All this resulted in a 40.8% increase from the prior year.
Borrowings	<ul style="list-style-type: none"> Although borrowings increased by \$2 million, it should be noted that these bridging funds are ringfenced to deals. This allows us to close deals timeously, while we wait for final equity from the investors. Interest is recovered from the deals, but there will be a shortfall as a result of these bridging funds not always being fully employed.
Net Asset Value \$20,184,639	<ul style="list-style-type: none"> The net asset value increased by 33.9% because of the new deals as well as the closing of Medical 12 and Medical 25 long-term investments.
Share Price based on NAV = \$0.4277	<ul style="list-style-type: none"> The share price increased by 23.4%. We exceeded the shareholder's target of \$0.4114 by 4%.
Cash Flow Positive	<ul style="list-style-type: none"> We ended the year cash flow positive and the cash flow forecast for 2021 looks very promising. One of the biggest drains on our cash flow remains the equity contributions required per deal, especially now that we are also a General Partner.


Louw Viljoen
CFO



GOVERNANCE AND
ASSURANCE

07 INDEPENDENT INVESTMENT COMMITTEE REPORT

Committee Members and Attendance

The IIC met 16 times during the 2020 financial year.

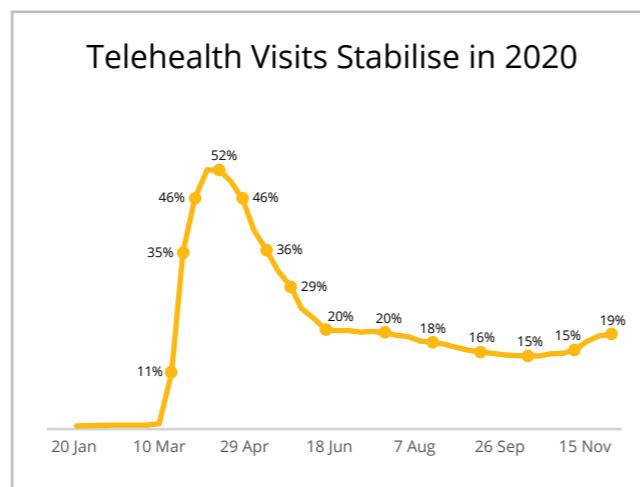
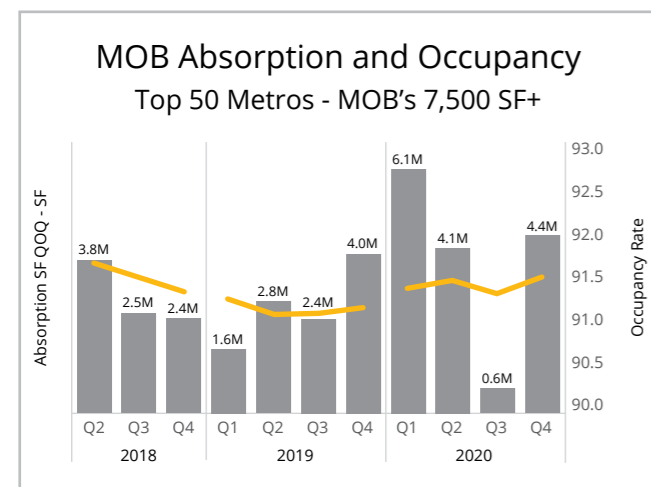
Member	Status	Meetings Attended
HD Bezuidenhoudt Chairman	Member	16
D Wandrag	Independent Member	16
A Kynoch	Independent Member	16
L Viljoen CFO	Member	16

2020 IN REVIEW

HEALTHCARE LANDSCAPE

The Covid-19 pandemic has had a significant impact on various aspects of the healthcare industry. In summary, the following were some of the important consequences:

- Virtual care became more important (telehealth).
- Elective surgery and treatment were badly affected (postponed).
- Permitting, tenant installation and consequently lease-up were delayed.
- Vacancies in commercial buildings increased and can affect MOB leasing in the near future.
- Strong preference from investors and providers for off-campus and suburban locations.
- On the positive side, occupancy, profitability and absorption were steady and recovered to pre-Covid levels in the fourth quarter. Acceptance levels for Telehealth dropped from 50% to approximately 20% in the fourth quarter.



The IIC follows these trends closely and will report back to the board on a regular basis.

MEASURES TAKEN TO MITIGATE RISK

The IIC is concerned about the risk associated with the recessionary state of the world economy and the long-term consequences of the Covid-19 pandemic. The investment criteria were reviewed and more risk-mitigating measures will be implemented.

The implementation of ODH (OrbVest Diversified Holdings) in 2020 and a more sophisticated fund in 2021 will mitigate the risk of investment in a single asset. The acceptance of the ODH model exceeded our expectations and OrbVest will develop this risk mitigation strategy further in 2021.

STRATEGY UNDERPINNED BY RESEARCH

The IIC has strengthened its underwriting and investment management capacity, with the appointment of Tyrone Bricknell in the fourth quarter of 2020 and its research capacity with the appointment of Johan de Bruyn, who has a legal background with underwriting experience, and Emma Swart. They will keep the IIC informed of the latest trends, and will read important and relevant research reports from industry leaders and consulting firms. This will ensure that the IIC gets all relevant market intelligence and stays on top of anticipated changes that can affect our investment, lease-up and exit strategies.

UNDERWRITING AND DEAL APPROVAL

Three important factors influence our deal approval process:

- The CEO would like to increase deal volumes to more than 10 per annum, to create variety and options for investors.
- Significant transformation and change are anticipated from Covid-19 and other developments.
- The lesson we have learned from our AUM (Assets Under Management).

Consequently, the investment criteria have been reviewed, with the focus on sustainability, and three categories have been adopted: Core, Core-Plus and Value-Add. These will differentiate the risk profile of each of our products, and are being implemented during 2021. The risk profile of each category is different.

The committee also developed a risk rating matrix and scorecard to improve the consistency and accuracy of approvals. The risk rating matrix identifies the top one-third of locations and properties in the market on a consistent and objective basis. The model is currently in an experimental phase and will be finalised in the second quarter of 2021.

ADMINISTRATION AND CAPACITY

The workload of the IIC has increased and the importance of an independent objective opinion is of the utmost importance. The appointment of a part-time expert to assist with underwriting, risk assessment and administration will enhance and improve the quality of decisions.

Hennie Bezuidenhoudt
Chairman

With growth in the IIC's capacity, it can handle 10 deals a year. It has developed a risk matrix to aid decision-making.

With the introduction of Core, Core-Plus and Value-Add, investors will be able to distinguish between different risk profiles.



LOOKING FORWARD IN 2021

The IIC is well prepared, with increased capacity, experience and systems, to meet its challenges of accelerated deal approval in 2021 and beyond. Capital preservation will be our first priority in the current recessionary circumstances and uncertainty.

08 REMUNERATION COMMITTEE REPORT

Committee Members and Attendance

The Remuneration Committee met three times during the 2020 financial year.

Member	Status	Meetings Attended
L de Jager Chairman	Independent Member	3
E Gonzaga	Independent Member	3
L Viljoen CFO	Member	3
HD Bezuidenhoudt	Per Invitation	3
MZ Freeman CEO	Member	3
J van Niekerk	Company Secretary	3

2020 IN REVIEW

KEY DELIVERABLES

The Committee dealt with a number of key issues during the 2020 financial year:

1. Executive Share Scheme

Despite the challenges associated with the Covid-19 pandemic, the business performed strongly for the 2020 financial year. All key metrics were achieved for the Executive Share Incentive Scheme (ESIS). RemCo therefore recommends that all the pre-agreed and allotted shares be issued to the Executives.

2. Annual Review Process and Recommendations

Since OrbVest has actually performed relatively well over this difficult period and the business can support the cost of a salary increase, RemCo recommends to shareholders that all Directors should be granted a 6% increase with effect from 1 January 2021. This is the increase they should have received in 2020, which they decided not to take, in the interests of the business in 2020, and this will be presented at the upcoming AGM.

The intention was to review the grades and pay of all employees in Q4 2020. However, as a result of the uncertainty created by Covid-19 in the business world, it was decided to postpone this process to 2021. RemCo therefore agreed with the recommendation that all employees be granted an increase of 5% from January 2021. It was further agreed that the business would possibly make further pay recommendations once the full grading and market-matching exercise is completed in 2021. This will therefore potentially impact the January 2022 increases.

In line with the company's reward philosophy, and to help provide alignment with employees, a long-term share incentive scheme based on the same criteria as those applying to the Executive Share Scheme for key non-executive employees that was previously approved by shareholders has now been successfully implemented.

3. Accounting Processes

Accounting for remuneration is in accordance with IFRS. The group's accounting policies determine the accounting treatment of each component of remuneration, with detailed disclosures within the relevant notes to the annual financial statements.

LOOKING FORWARD IN 2021

Key considerations for 2021 will include:

- Job grading all roles to ensure a clear understanding is developed around internal equity and external competitiveness.
- Ensuring roles are linked to appropriate external benchmarks. For senior executives, this will include factors such as the type of business, business turnover, organisational size as well as business and organisational complexity.

RemCo supports the Board in ensuring that OrbVest remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes over the short, medium and long term.



L De Jager
Chairman



09 RISK COMMITTEE REPORT

Committee Members and Attendance

The Committee comprises the following members, whose attendance at meetings is shown below:

Member	Status	Meetings Attended
C Snyman Chairman	Independent Member	4
T van der Mescht	Independent Member	4
FJJ Clarke	Member	4
HD Bezuidenhout	Representing Investment Committee	3
M Freeman CEO	In Attendance	4
L Viljoen CFO	In Attendance	4
J van Niekerk	Company Secretary	4

2020 IN REVIEW

The Risk Committee has pleasure in submitting its report for the year ending 31 December 2020, which describes how it has discharged its duties.

KEY DELIVERABLES

During the year under review, the Committee reviewed the following:

- 1 The Company's Risk Management Framework.
- 2 Quarterly risk meetings highlighting the pertinent risks and identifying measures to mitigate and manage these risks within the business.
- 3 The regular development of policies and their implementation, specifically relating to the Covid-19 pandemic, fraud and corruption and cybercrime.
- 4 The exchange of information between the Audit and Investment Committees about identified risks and action taken to mitigate them.
- 5 Legal matters highlighted by management, which could have a material impact on the Company.
- 6 The management and focus of a subsidiary which is a registered financial service provider, to ensure compliance with the licence conditions of the relevant Regulator.



The Risk Committee assists the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control and financial reporting procedures, and the maintenance of accurate and complete financial records of the assets. The Committee also monitors enterprise-wide, operational, market, regulatory, safety and other risks. It ensures adherence to MERJ Listings Requirements, the IBC Act and applicable Governance Codes.

C Snyman
Chairman

10 AUDIT COMMITTEE REPORT

Committee Members and Attendance

The Audit Committee comprises the following members, whose attendance of meetings is shown below:

Member	Status	Meetings Attended
RVL Roux Chairman	Independent Member	4
A Meerburg	Independent Member	4
MZ Freeman CEO	Member	4
HD Bezuidenhout	In Attendance	4
L Viljoen CFO	In Attendance	4
L Fourie	In Attendance	4
J van Niekerk	Company Secretary	4

2020 IN REVIEW

The Audit Committee has pleasure in submitting its report for the year ending 31 December 2020, which describes how the Committee has discharged its duties.

FUNCTIONS OF THE AUDIT COMMITTEE

The functions of the Audit Committee are to:

- perform all the duties required by the Act, related to the applicable listing requirements, governance principles and accounting standards in respect of the Company and all its subsidiary companies
- assist the Board in discharging its duties relating to the operation of adequate financial systems, control and financial reporting procedures, the operating effectiveness of those procedures, and the preparation of financial statements in accordance with IFRS accounting standards
- review the Group's integrated report, including the annual financial statements, as well as its interim report and any other public reports or announcements containing financial information
- provide management and external auditors with access to the Chairman or any other member of the Audit Committee to discuss any matter within the Committee's scope
- meet separately with the external auditor at least twice a year
- review the Audit Committee's work plan and terms of reference annually and make recommendations to the Board to ensure its effectiveness.



KEY SIGNIFICANT ISSUES CONSIDERED BY THE COMMITTEE

1. External Audit

During the year under review, the Audit Committee undertook the following:

- confirmed that the auditor and the designated auditor are accredited by MERJ
- approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor
- reviewed the audit and evaluated the effectiveness of the auditor
- obtained a statement from the auditor confirming that its independence was not impaired
- determined the nature and extent of all non-audit services provided by the external auditor and pre-approved all non-audit services undertaken
- obtained assurances from the external auditor that adequate accounting records were being maintained
- confirmed that no reportable irregularities had been identified or reported by the auditors under the Auditing Profession Act and
- nominated the external auditor and the designated independent auditor for each of the South African subsidiary companies for the financial year ended 31 December 2020.

2. Financial Statements

During the year under review, the Audit Committee:

- confirmed, based on management's review, that the interim and annual financial statements were prepared on the going-concern basis
- examined the published interim and annual financial statements and other financial information, prior to the Board's approval
- considered the accounting treatment of significant or unusual transactions and accounting judgments by management
- considered whether appropriate financial reporting procedures have been established and that those procedures are operating
- considered the appropriateness of accounting policies and any changes made
- reviewed the audit report on the annual financial statements
- reviewed the representation letter relating to the annual financial statements signed by management
- considered any problems identified as well as any legal and tax matters that could materially affect the financial statements
- met separately with management, the external auditor and internal financial manager and
- concluded that the annual financial statements fairly represent the financial position of the Company at the end of the financial year and the results of operations and cash flows for the financial year.

Taking into account all information received from management as well as the internal and external auditors, nothing has come to the attention of the Audit Committee that indicates a material breakdown in the internal controls of the Group.

10 AUDIT COMMITTEE REPORT (CONTINUED)

KEY AUDIT FOCUS AREAS

The audit process included these three key audit considerations:

- The discount rate used to determine the fair market value of investments
- IFRS 9 Disclosure with regards to financial instruments
- The application, if necessary, of IFRS 3 and Purchase Price allocations.

The auditor's findings have been discussed in detail and the Audit Committee is satisfied with the results as disclosed in the financial statements.

CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION

The Audit Committee has:

- considered the experience and expertise of the Chief Financial Officer and concluded that this is satisfactory and
- considered the expertise, resources and experience of the finance function and concluded that this is satisfactory.

INDEPENDENCE OF EXTERNAL AUDITOR

The Committee is satisfied that PKF Octagon Inc. is independent of the Group, after taking the following factors into account:

- representations made by PKF Octagon Inc. to the Audit Committee
- the auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the Company
- the auditor's independence was not impaired by any consultancy, advisory or other work undertaken
- the auditor's independence was not prejudiced as a result of any previous appointment as auditor and
- the criteria specified for independence by the Independent Regulatory Board of Auditors and international regulatory bodies.

ANNUAL FINANCIAL STATEMENTS

Following the review by the Committee of the consolidated and company annual financial statements of OrbVest Limited for the year ended 31 December 2020 and the opinion of the external auditor, the Audit Committee is of the view that they fairly present, in all material aspects, the financial position at that date and the results of operations and cash flows for that year, in accordance with International Financial Reporting Standards and the requirements of the Act and the Listing Requirements. The Audit Committee has satisfied itself of the integrity of the remainder of the integrated report.

Having achieved its objectives for the financial year, the Audit Committee has recommended the annual financial statements and integrated report for the year ended 31 December 2020 for approval to the OrbVest Limited Board. The Board has subsequently approved the financial statements, which have been published.



RVL Roux
Chairman



Our purpose is driven
by our proven and
diversified leadership
team, supported
by highly respected
non-executives and
independent advisers.





OrbVest Limited and its Subsidiaries

(Registration number 173191)

Consolidated and separate Financial Statements

for the year ended 31 December 2020



FINANCIAL
REPORT

OrbVest Limited and its Subsidiaries

(Registration Number 173191)

Financial Statements for the year ended 31 December 2020

General Information

Company	OrbVest Limited and its Subsidiaries
Country of Incorporation and Domicile	Seychelles
Nature of Business and Principal Activities	OrbVest Limited was established in Seychelles under the IBC Act, to hold and facilitate investments in commercial real estate. The Company was publicly listed on MERJ Exchange Limited in July 2018 with the proceeds being invested in commercial real estate weighted towards Medical Commercial real estate.
Directors	Martin Freeman Hennie Bezuidenhout Louw Viljoen James Sapirstein Darren Jacklin
Registered Office	Suite #118 Orion Mall Victoria Mahe Seychelles
Business Address	106 First Floor Waterside Building Eden Island Seychelles
Auditors	PKF Octagon Inc. Chartered Accountants Registered Auditor
Company Secretary	AJF Van Niekerk
Company Registration Number	173191
Level of Assurance	These Consolidated and Separate Financial Statements have been audited in compliance with the applicable requirements of the International Companies Act of 2016.

OrbVest Limited and its Subsidiaries

(Registration Number 173191)

Financial Statements for the year ended 31 December 2020

Index

The reports and statements set out below comprise the financial statements presented to the shareholders:

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OrbVest Limited and its Subsidiaries

(Registration Number 173191)

Financial Statements for the year ended 31 December 2020

Directors' Responsibilities and Approval

The directors are required in terms of the International Business Companies Act of 2016 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC). The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 31 December 2021 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated and separate financial statements. The consolidated and separate financial statements have been examined by the group's external auditors and their report is presented on pages 59 to 63.

The consolidated and separate financial statements set out on pages 64 to 115, that have been prepared on the going concern basis, were approved by the board on 30 March 2021 and were signed by:



Martin Freeman



Louw Viljoen



Hennie Bezuidenhoudt



James Sapirstein



Darren Jacklin

OrbVest Limited and its Subsidiaries

(Registration Number 173191)

Financial Statements for the year ended 31 December 2020

Directors' Report

The directors have pleasure of submitting their report on the consolidated and separate financial statements of OrbVest Limited and its Subsidiaries for the year ended 31 December 2020.

1. Incorporation

The company was incorporated on 05 October 2015 and obtained its certificate to commence business on the same day. Trading only commenced on 01 July 2018.

2. Nature of business

OrbVest Limited was incorporated in Seychelles with interests in the investment in real estate.

OrbVest was established in Seychelles under the International Business Company Act of 2016, to hold and facilitate investments in commercial real estate. The Company was publicly listed on the MERJ Exchange Limited in July 2018 with the proceeds being invested in commercial real estate weighted towards Medical Commercial real estate.

The group is a global real estate company that invests in US income-producing medical commercial real estate. The group generate strong cash dividends on a quarterly basis for our clients and assist with long-term wealth creation.

There have been no material changes to the nature of the group's business from the prior year.

3. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the International Business Companies Act of 2016. The accounting policies have been applied consistently compared to the prior year.

The Group has seen significant increases to the financial position of the Consolidated and Separate Financial Statements during 2020. The company was incorporated on 5 July 2015 but trading only commenced on 1 July 2018. The company had its first full year of operations in 2019 and during the current period continued to grow and add value by outperforming 2019 and building its balance sheet.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated financial statements.

4. Share capital

Authorised Class A ordinary shares	2020	2019
	Number of Shares	
	1 000 000 000	1 000 000 000

Issued Ordinary shares	2020	2019	2020	2019
	US Dollars		Number of Shares	
	4 440	4 092	44 404 689	40 929 836

Refer to note 12 of the consolidated financial statements for detail of the movement in authorised and issued share capital.

OrbVest Limited and its Subsidiaries

(Registration Number 173191)

Financial Statements for the year ended 31 December 2020

Directors' Report

5. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may pass on the payment of dividends.

The board do not recommend the declaration of a dividend for the year.

6. Insurance and risk management

The group follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, that is carried out in conjunction with the group's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of that as much cover as is reasonably available has been arranged.

7. Directorate

The directors in office at the date of this report are as follows:

Directors:
Martin Freeman
Hennie Bezuidenhout
Louw Viljoen
James Sapirstein
Darren Jacklin

8. Directors' interests in contracts

During the financial year, no contracts were entered into that directors or officers of the group had an interest and that significantly affected the business of the group.

9. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the company are unlimited. However, all borrowings by the company are subject to board approval as required by the board delegation of authority.

10. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

OrbVest Limited and its Subsidiaries

(Registration Number 173191)

Financial Statements for the year ended 31 December 2020

Directors' Report

11. Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation that may affect the group.

As disclosed in note 10 of the Director's Report of the 2019 Annual Financial Statements, COVID-19 was declared an international pandemic in January 2020.

In March 2020 various countries, including the Seychelles and the United States of America, went into national military enforced shut down. These lockdowns created a significant strain on the world economy and companies worldwide.

The pandemic and the resulting lockdowns that continued throughout the 2020 financial year caused financial and economic uncertainty and instability. Many investors were reluctant to invest locally or internationally due to financial distress and economic recession.

Despite the outbreak of the pandemic and the financial implications that followed, OrbVest and its group of companies continued with their operations by sourcing real estate projects for their investors. These real estate projects continued to meet the investment criteria as prescribed by the group and the Investment committee.

This enabled investors to continue investing in medical real estate projects. As the provision of medical services was deemed as essential services during the extended lockdown periods, the investors were fortunate to benefit from the uninterrupted operations of these medical office buildings.

Unfortunately, certain medical services were affected by COVID-19, but due to the diversified nature of the tenants within these medical buildings, the profitability and returns of the investments were still achieved. All deals were strictly monitored to ensure that the investments continued to perform as forecast and as communicated to investors.

Due to all the measures that were implemented to ensure the continued operations during the COVID-19 pandemic, the group was not only able to continue with its operations but also outperformed 2019. This is evident from the increased profitability as set out in the Statement of Profit or Loss and other comprehensive income as well as the Financial Positions report as at 31 December 2020.

12. Auditors

PKF Octagon Inc. continued in office as auditors for the company.

At the AGM, the shareholders will be requested to reappoint PKF Octagon Inc. as the independent external auditors of the company and to confirm Mr Henico Schalekamp as the designated lead audit partner for the 2021 financial period.

13. Secretary

The company secretary is Mr AJF Van Niekerk.

OrbVest Limited and its Subsidiaries

(Registration Number 173191)

Financial Statements for the year ended 31 December 2020

Directors' Report

14. Directors' interests in shares

Directors' ordinary shares held in the group are as follows:

Interests in Shares

Directors	2020 Indirect	% of Holding	2019 Indirect	% of Holding
Martin Freeman	1 225 989	2.76%	200 000	0.49%
Hennie Bezuidenhout	4 493 378	10.12%	2 932 701	7.17%
Louw Viljoen	566 934	1.28%	68 267	0.17%
	<u>6 286 301</u>		<u>3 200 968</u>	

The register of interests of directors and others in shares of the company is available to the shareholder on request.

The directors have an interest in the share incentive scheme taking place on the sign-off of the Consolidated and Separate Financial Statements.

15. Sponsor Advisor

PKF Capital Markets (Seychelles) Limited acts as a sponsor to the company in terms of MERJ Exchange Limited's regulations.

16. Transfer of securities

MERJ Depository and Registry Limited act as a registrar and transfer of securities of the Company.

17. Directors' fees

Directors' payments for services as directors and other emoluments for the past reporting periods are set out in note 24.

18. Date of authorisation for issue of financial statements

The Consolidated and Separate Financial Statements have been authorised for issue by the directors on 30 March 2021.

No authority was given to anyone to amend the Consolidated and Separate Financial Statements after the date of issue.



PKF OCTAGON

Independent Auditor's Report

Independent Auditor's Report to the Shareholders of OrbVest Limited Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of OrbVest Limited ("the Group") set out on pages 64 to 115, which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, the statements of consolidated and separate changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of OrbVest Limited as at 31 December 2020, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the International Business Companies Act, 2016.

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 consolidated and separate Financial Statements section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants, Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Seychelles, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Associate Directors: Deshen Rabinarain - Matthew Visser
Registration number: 2018/515503/21 **Practice number:** 944 351

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Independent Auditor's Report

Key Audit Matters

Key audit matter	How the matter was addressed in the audit
<p>Valuation of investments</p> <p>At 31 December 2020 investments represent 88,38% (2019: 91,5%) of the Group's total assets. The investments increased from \$14,3 million to \$20.1 million. This increase is attributable to the revaluation of the investments to fair value and additional investments acquired.</p> <p>The revaluation of these investments to fair market value is considered to be a key audit matter due to the large degree of subjectivity, estimation and judgement required to value the investments. The increase in value of the investments has a significant impact on the net asset value of the Group, which is a key assessment indicator to the shareholders.</p> <p>The valuation inputs, estimates and judgements are disclosed in note 5 with the most significant impact being the discount rates used in calculating the net asset value.</p>	<p>We confirmed through inspection of the valuation model as applied by management that the approach management used is consistent with IFRS and industry norms for valuing investments.</p> <p>We evaluated the judgements applied in determining the fair value, in particular:</p> <ul style="list-style-type: none"> • The model used by management; and • The significant assumptions including, net income used, discount rates, and any other adjustment factors. <p>Furthermore, we tested a selection of data inputs underpinning the investments against appropriate supporting documentation such as signed contracts, to assess the accuracy, reliability and completeness thereof.</p> <p>We found that the model used for the investment valuations to be appropriate and the net income and discount rates applied were comparable to the market-related rates. The disclosures pertaining to the investments were found to be appropriate and comprehensive in the consolidated financial statements.</p>

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Independent Auditor's Report

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate 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 and separate 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 concluded 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 Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the International Business Companies Act, 2016 and for such internal control as the directors determine it necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and 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 directors' 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 and 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 consolidated and separate 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 Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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.

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Independent Auditor's Report

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report On Other Legal And Regulatory Requirements

We report that PKF Octagon Inc. has been the auditor of OrbVest Limited for 3 years.



PKF Octagon Incorporated
Director: Henico Schalekamp
Registered Auditor

Johannesburg
30 March 2021

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OrbVest Limited and its Subsidiaries

(Registration Number 173191)

Financial Statements for the year ended 31 December 2020

Statement of Consolidated and Separate Financial Position as at 31 December 2020

Figures in American Dollar	Notes	Group		Company	
		2020	2019	2020	2019
Assets					
Non-Current Assets					
Property, plant and equipment	3	142 268	88 638	121 000	61 000
Investments in subsidiaries	4	-	-	5 073 086	5 182 656
Investments	5	20 112 590	14 305 300	15 916 545	10 125 549
Loan to group company	6	-	-	175 955	-
Other financial assets	7	485 903	361 797	455 473	361 797
		<u>20 740 761</u>	<u>14 755 735</u>	<u>21 742 059</u>	<u>15 731 002</u>
Current Assets					
Inventories	9	-	14 000	-	-
Trade and other receivables	10	574 266	185 602	791 882	548 723
Current tax receivable		-	374	-	-
Cash and cash equivalents	11	1 441 637	679 616	882 934	216 588
		<u>2 015 903</u>	<u>879 592</u>	<u>1 674 816</u>	<u>765 311</u>
Total Assets		<u>22 756 664</u>	<u>15 635 327</u>	<u>23 416 875</u>	<u>16 496 313</u>
Equity and Liabilities					
Equity					
Share capital	12	13 219 297	12 462 161	13 219 297	12 462 161
Retained income		6 965 342	2 614 566	7 588 398	3 418 663
		<u>20 184 639</u>	<u>15 076 727</u>	<u>20 807 695</u>	<u>15 880 824</u>
Liabilities					
Non-Current Liabilities					
Loan from group companies	14	-	-	1 006 135	209 570
Borrowings	15	1 345 915	156 571	1 280 768	156 571
		<u>1 345 915</u>	<u>156 571</u>	<u>2 286 903</u>	<u>366 141</u>
Current Liabilities					
Trade and other payables	16	366 121	402 029	135 699	249 348
Borrowings	15	801 701	-	186 578	-
Current tax payable		58 288	-	-	-
		<u>1 226 110</u>	<u>402 029</u>	<u>322 277</u>	<u>249 348</u>
Total Liabilities		<u>2 572 025</u>	<u>558 600</u>	<u>2 609 180</u>	<u>615 489</u>
Total Equity and Liabilities		<u>22 756 664</u>	<u>15 635 327</u>	<u>23 416 875</u>	<u>16 496 313</u>

OrbVest Limited and its Subsidiaries

(Registration Number 173191)

Financial Statements for the year ended 31 December 2020

Statement of Consolidated and Separate Profit or Loss and Other Comprehensive Income

Figures in American Dollar	Notes	Group		Company	
		2020	2019	2020	2019
Revenue	17	2 196 293	2 098 284	1 181 915	1 322 489
Cost of sales	18	(1 378 889)	(1 648 022)	(790 132)	(1 340 055)
Gross profit (loss)		817 404	450 262	391 783	(17 566)
Other operating income	19	66 376	280 618	15 732	7 645
Other operating gains (losses)		5 791 000	4 645 960	5 791 000	5 917 847
Other operating expenses		(2 267 829)	(2 197 119)	(1 868 949)	(1 853 356)
Operating profit (loss)	20	4 406 951	3 179 721	4 329 566	4 054 570
Investment income	21	238 921	168 228	-	-
Finance costs	22	(180 873)	(177 973)	(159 831)	(78 825)
Other non-operating gains (losses)		(551)	-	-	-
Profit (loss) before taxation		4 464 448	3 169 976	4 169 735	3 975 745
Taxation	23	(113 672)	(2 750)	-	-
Profit (loss) for the year		4 350 776	3 167 226	4 169 735	3 975 745
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the year		<u>4 350 776</u>	<u>3 167 226</u>	<u>4 169 735</u>	<u>3 975 745</u>

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Statement of Consolidated and Separate Changes in Equity

Figures in American Dollar	Share Capital	Share Premium	Total Share Capital	Retained Income	Total Equity
Group					
Balance at 01 January 2019	1 600	6 998 777	7 000 377	(552 660)	6 447 717
Profit for the year	-	-	-	3 167 226	3 167 226
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3 167 226	3 167 226
Issue of shares	2 492	5 459 292	5 461 784	-	5 461 784
Total contributions by and distributions to owners of company recognised directly in equity	2 492	5 459 292	5 461 784	-	5 461 784
Balance at 01 January 2020	4 092	12 458 069	12 462 161	2 614 566	15 076 727
Profit for the year	-	-	-	4 350 776	4 350 776
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	4 350 776	4 350 776
Issue of shares	348	756 788	757 136	-	-
Total contributions by and distributions to owners of company recognised directly in equity	348	756 788	757 136	-	757 136
Balance at 31 December 2020	4 440	13 214 857	13 219 297	6 965 342	20 184 639
Notes	12	12	12		
Company					
Balance at 01 January 2019	1 600	6 998 777	7 000 377	(557 082)	6 443 295
Profit for the year	-	-	-	3 975 745	3 975 745
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3 975 745	3 975 745
Issue of shares	2 492	5 459 292	5 461 784	-	5 461 784
Total contributions by and distributions to owners of company recognised directly in equity	2 492	5 459 292	5 461 784	-	5 461 784
Balance at 01 January 2020	4 092	12 458 069	12 462 161	3 418 663	15 880 824
Profit for the year	-	-	-	4 169 735	4 169 735
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	4 169 735	4 169 735
Issue of shares	348	756 788	757 136	-	757 136
Total contributions by and distributions to owners of company recognised directly in equity	348	756 788	757 136	-	757 136
Balance at 31 December 2020	4 440	13 214 857	13 219 297	7 588 398	20 807 695
Notes	12	12	12		

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Statement of Consolidated and Separate Cash Flows

Figures in American Dollar	Notes	Group		Company	
		2020	2019	2020	2019
Cash flows from operating activities					
Cash used in operations	25	(1 782 169)	(1 245 526)	(1 818 819)	(2 152 626)
Interest income		238 921	168 228	-	-
Dividends received		575	40 736	575	40 736
Finance costs		(180 873)	(177 973)	(159 831)	(78 825)
Tax paid		(55 010)	(3 124)	-	-
Net cash from operating activities		(1 778 556)	(1 217 659)	(1 978 075)	(2 190 715)
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(66 657)	(74 394)	(60 000)	(61 000)
Acquisitions in investments	26	(16 290)	(3 451 184)	-	(3 434 292)
Sale of investment		-	-	109 574	-
Loans to group companies repaid		-	-	(175 955)	-
Proceeds from group companies		-	-	-	294 134
Movement of financial assets		(124 106)	(219 465)	(93 676)	(219 465)
Sale of other assets		(551)	-	-	-
Net cash from investing activities		(207 604)	(3 745 043)	(220 057)	(3 420 620)
Cash flows from financing activities					
Proceeds on share issue	12	757 136	5 461 784	757 138	5 461 782
Proceeds from group loans		-	-	796 565	209 570
Proceeds from borrowings		1 991 045	156 571	1 310 775	156 571
Net cash from financing activities		2 748 181	5 618 355	2 864 478	5 827 923
Total cash movement for the year		762 021	658 814	666 346	216 588
Total cash at end of the year	11	1 441 637	679 616	882 934	216 588

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Accounting Policies

Corporate information

OrbVest Limited is a public company and incorporated and domiciled in Seychelles.

The consolidated and Separate financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on Tuesday, 30 March 2021.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the International Business Companies Act of 2016.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies that follow and incorporate the principal accounting policies set out below. They are presented in American Dollars, that is the group and company's functional currency.

These accounting policies are consistent with the prior year, except for the new standards adopted in the current year as disclosed in note 2.

1.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) that are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through the use of its power over the entity.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments that are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

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Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in that the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, that would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about the risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Fair value estimation

Several assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values.

The audit committee is charged to determine the appropriate valuation techniques and inputs for each valuation. The committee reports to the board. Significant valuation issues are reported to the audit committee.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Impairment testing

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to that the asset belongs.

Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, that have a significant carrying amount are assessed separately to consider whether a replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

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Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets that the group holds for its own use and that are expected to be used for more than one year.

OrbVest Limited group has underlying assets in their investments into tangible buildings and properties that are held for returns and held for longer than one year. These assets are not classified as property, plant and equipment as the assets are held as investments to earn returns on investments, these assets are not rented out and not used by the group.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure that is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day- to- day servicing costs are included in profit or loss in the year in that they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land that is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in that the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	2 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

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Accounting Policies

1.4 Property, plant and equipment (continued)

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5 Investments in subsidiaries

Investments in subsidiaries are carried at fair value with fair value changes recognised in profit or loss.

1.6 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, that are adopted by the group, as applicable, are as follows:

Financial assets that are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments that are held for trading or that are contingent consideration in a business combination).

Financial assets that are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instruments give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments that do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Note 28 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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Accounting Policies

1.6 Financial instruments (continued)

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Loans receivable at amortised cost Classification

Loans to group companies (note 6) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 21).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 months expected credit losses (12 month ECL).

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Accounting Policies

1.6 Financial instruments (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that is possible within 12 months after the reporting date.

To assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit-impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the prospects of the industries in that the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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Accounting Policies

1.6 Financial instruments (continued)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk is not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as the nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 20).

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 28).

Trade and other receivables Classification

Trade and other receivables, excluding, when applicable, VAT (value-added tax) and prepayments, are classified as financial assets subsequently measured at amortised cost (note 10).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

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Accounting Policies

1.6 Financial instruments (continued)

Application of the effective interest method

For receivables that contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 21).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), that represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix are presented in note 10.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through the use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 20).

Write off policy

The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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Accounting Policies

1.6 Financial instruments (continued)

Credit risk

Details of credit risk are included in the trade and other receivables note (note 10) and the financial instruments and risk management note (note 28).

Investments in equity instruments Classification

Investments in equity instruments are presented in note 5. They are classified as “mandatorily at fair value through profit or loss”. As an exception to this classification, the group may make an irrevocable election, on an instrument-by-instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments that are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments that have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss or in other comprehensive income (and accumulated in equity in the reserve for valuation of investments), depending on their classification. Details of the valuation policies and processes are presented in note 29.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses)

Dividends received on equity investments are recognised in profit or loss when the group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 21).

Impairment

Investments in equity instruments are not subject to impairment provisions.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The gains or losses that accumulated in equity in the reserve for valuation of investments for equity investments at fair value through other comprehensive income are not reclassified to profit or loss on derecognition. Instead, the cumulative amount is transferred directly to retained earnings.

Borrowings and loans from related parties Classification

Loans from group companies (note 6), are classified as financial liabilities subsequently measured at amortised cost.

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Accounting Policies

1.6 Financial instruments (continued)

Recognition and measurement

Borrowings and loans from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 16), excluding VAT (value-added tax) and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 22).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 28 for details of risk exposure and management thereof.

Derecognition

Refer to the “derecognition” section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount that is deemed to be fair value.

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Accounting Policies

1.6 Financial instruments (continued)

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.7 Hedge accounting

At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, that is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the group uses to hedge that quantity of the hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The group excludes the time value of options and designates only the intrinsic value of options as the hedging instruments in hedges involving options as the hedging instruments. The change in fair value attributable to the time value of options is recognised in other comprehensive income and accumulated in equity as deferred hedging gains (losses). The group only hedges time period related hedged items using options. The change in the aligned time value is recognised in other comprehensive income and is amortised on a systematic and rational basis over the period during that the hedge adjustment for the option's intrinsic value could affect profit or loss (or other comprehensive income, if the hedged item is an equity instrument at fair value through other comprehensive income). However, if hedge accounting is discontinued the net amount (i.e. including cumulative amortisation) that has been accumulated in the deferred hedging reserve is immediately reclassified into profit or loss.

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Accounting Policies

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against that the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against that the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event that is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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Accounting Policies

1.9 Leases (continued)

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", that means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

Short-term leases of 12 months or less, or leases of low-value assets. For these leases, the group recognises the lease payments as an operating expense (note 20) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in that economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component based on the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

1.10 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to that the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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Accounting Policies

1.10 Impairment of assets (continued)

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.11 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the group in that they are declared.

1.12 Revenue IFRS15

The group recognises revenue from the following major sources:

- Commission and project income
- Due diligence and monthly admin fees

Commission and project income

Income from subsidiaries and investment parties is obtained for accounting and annual fees for services rendered to the investment parties.

The service revenue is received at a point in time as it is invoiced quarterly for accounting fees and at a point time at beginning of the year for annual fees.

The service revenue is invoiced quarterly for accounting fees and annual fees once per year.

Due Diligence and monthly admin fees

The company performs due diligence services for its subsidiaries, in terms of underlying investments that will be made. Invoices are raised in the month the service is rendered.

1.13 Cost of sales

The group renders services as per the revenue accounting policies to its investment firms. The company then uses personnel to perform these services agreed upon for revenue, commission is then paid to the personnel for the rendering of the services that generates the revenue from these services.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

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Accounting Policies

1.14 Borrowing costs

All borrowing costs are recognised as an expense in the period in that they are incurred.

1.15 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in American Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on that the group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, the group determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at that they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in that they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in American Dollars by applying to the foreign currency amount the exchange rate between the American Dollar and the foreign currency at the date of the cash flow.

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2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

The group has chosen not to early adopt the following standards and interpretations, that have been published and are mandatory for the group's accounting periods beginning on or after 01 January 2021 or later periods:

Standard / Interpretation:	Effective date: Years beginning on or after	Expected Impact:
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2020	Immaterial impact
Definition of a business - Amendments to IFRS 3	01 January 2020	Immaterial impact
Presentation of Financial Statements: Disclosure initiative	01 January 2020	Immaterial impact
Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	01 January 2020	Immaterial impact

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the group's accounting periods beginning on or after 01 January 2021 or later periods but are not relevant to its operations:

Standard / Interpretation:	Effective date: Years beginning on or after	Expected Impact:
IFRS 17 Insurance Contracts	01 January 2021	Unlikely there will be a material impact

The aggregate impact of the initial application of the statements and interpretations on the group's financial statements is expected to be immaterial.

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3. Property, plant and equipment

Group	2020			2019		
	Cost or Revaluation	Accumulated Depreciation	Carrying Value	Cost or Revaluation	Accumulated Depreciation	Carrying Value
Used within the group						
Furniture and fixtures	17 673	(7 602)	10 071	17 980	(4 583)	13 397
IT equipment	23 791	(14 062)	9 729	17 044	(7 096)	9 948
Computer software	126 495	(4 027)	122 468	66 586	(1 293)	65 293
Total	167 959	(25 691)	142 268	101 610	(12 972)	88 638

Company	2020			2019		
	Cost or Revaluation	Accumulated Depreciation	Carrying Value	Cost or Revaluation	Accumulated Depreciation	Carrying Value
Used within the company						
Computer software	121 000	-	121 000	61 000	-	61 000

Reconciliation of property, plant and equipment - Group - 2020

	Opening Balance	Additions	Depreciation	Total
Furniture and fixtures	13 397	-	(3 326)	10 071
IT equipment	9 948	6 748	(6 967)	9 729
Computer software	65 293	59 909	(2 734)	122 468
	88 638	66 657	(13 027)	142 268

Reconciliation of property, plant and equipment - Group - 2019

	Opening Balance	Additions	Depreciation	Total
Furniture and fixtures	14 987	1 643	(3 233)	13 397
IT equipment	9 194	6 165	(5 411)	9 948
Computer software	-	66 586	(1 293)	65 293
	24 181	74 394	(9 937)	88 638

Reconciliation of property, plant and equipment - Company - 2020

	Opening Balance	Additions	Total
Computer software	61 000	60 000	121 000

Reconciliation of property, plant and equipment - Company - 2019

	Opening Balance	Additions	Total
Computer software	-	61 000	61 000

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4. Interests in subsidiaries

The following table lists the entities that are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements.

Company	Carrying amount 2020	Carrying amount 2019
Name of company		
OrbVest SA (Pty) Ltd	8	8
OrbVest Investment Holdings Inc.	5 072 078	5 182 648
OrbVest US Inc.	1 000	-
	5 073 086	5 182 656

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5. Investments

The following table lists all investments of the group:

Group		% ownership interest 2020	% ownership interest 2019	Carrying amount 2020	Carrying amount 2019
Name of company	Held by				
Medical Fund 5 Incorporated	OrbVest Investment Holdings Inc.	1,82 %	1,82 %	48 849	48 849
NPV of Medical Fund 5 Incorporated	OrbVest Limited	1,82 %	1,82 %	159 780	173 023
SG Medical 7 Project Incorporated	OrbVest Investment Holdings Inc.	1,54 %	1,54 %	53 330	53 330
NPV of SG Medical 7 Project Incorporated	OrbVest Limited	1,54 %	1,54 %	309 142	412 475
PPA Cypress Ridge Incorporated	OrbVest Investment Holdings Inc.	15,63 %	15,63 %	835 900	835 900
NPV of PPA Cypress Ridge Incorporated	OrbVest Limited	15,63 %	15,63 %	147 836	132 451
ASC Medical 8 Project Incorporated	OrbVest Investment Holdings Inc.	14,94 %	14,94 %	627 250	627 250
NPV of ASC Medical 8 Project Incorporated	OrbVest Limited	14,49 %	14,94 %	479 549	479 549
PPA Water Ridge Project Incorporated	OrbVest Investment Holdings Inc.	- %	20,76 %	-	180 570
NPV of PPA Water Ridge Project Incorporated	OrbVest Limited	- %	20,76 %	-	30 117
RH Medical 9 Project Incorporated	OrbVest Investment Holdings Inc.	0,24 %	0,24 %	9 000	9 000
NPV of RH Medical 9 Project Incorporated	OrbVest Limited	0,24 %	0,24 %	(76 840)	94 035
RH Medical 10 Project Incorporated	OrbVest Investment Holdings Inc.	3,30 %	3,30 %	126 000	126 000
NPV of RH Medical 10 Project Incorporated	OrbVest Limited	3,30 %	3,30 %	(37 243)	152 274
Medical 12 RH Project Incorporated	OrbVest Investment Holdings Inc.	0,97 %	0,97 %	100 087	100 087

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5. Investments (continued)

Group (continued)

Name of company	Held by	% ownership interest 2020	% ownership interest 2019	Carrying amount 2020	Carrying amount 2019
NPV of Medical 12 RH Project Incorporated - Short term	OrbVest Limited	0,97 %	0,97 %	125 274	125 217
NPV of Medical 12 RH Project Incorporated - Long term Phase 1	OrbVest Limited	0,97 %	0,97 %	2 404 210	2 404 210
ASC Medical 14 Project Incorporated	OrbVest Investment Holdings Inc.	1,55 %	1,55 %	65 000	65 000
NPV of ASC Medical 14 Project Incorporated	OrbVest Limited	1,55 %	1,55 %	650 607	800 881
OrbVest Glenridge Medical 22 Project Incorporated	OrbVest Investment Holdings Inc.	1,15 %	1,15 %	58 624	58 624
NPV of OrbVest Glenridge Medical 22 Project Incorporated	OrbVest Limited	1,15 %	1,15 %	1 095 395	1 239 881
NPV of OrbVest Meridian Medical 23 Project Incorporated	OrbVest Limited	3,90 %	3,90 %	313 289	401 085
OrbVest Atlanta Portfolio Medical 24 Project Incorporated	OrbVest Investment Holdings Inc.	3,49 %	3,49 %	161 875	319 007
NPV of OrbVest Atlanta Portfolio Medical 24 Project Incorporated	OrbVest Limited	3,49 %	3,49 %	561 197	1 232 762
OrbVest Old Milton Medical 25 Project Incorporated	OrbVest Investment Holdings Inc.	1,03 %	1,03 %	60 000	100 000
NPV of OrbVest Old Milton Medical 25 Project Incorporated - Short term	OrbVest Limited	1,03 %	1,03 %	422 499	422 499
Two Forest Plaza Dallas	OrbVest Investment Holdings Inc.	0,46 %	- %	40 000	-
NPV of Two Forest Plaza Dallas	OrbVest Limited	0,46 %	- %	1 336 072	-
NPV of OrbVest Old Milton Medical 25 Project Incorporated - Long term	OrbVest Limited	1,03 %	1,03 %	2 014 890	2 014 890
NPV of OrbVest Old Milton Medical 25 Project Incorporated - Long term Phase 2	OrbVest Investment Holdings Inc.	1,03 %	1,03 %	990 135	-

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5. Investments (continued)

Group (continued)

Name of company	Held by	% ownership interest 2020	% ownership interest 2019	Carrying amount 2020	Carrying amount 2019
Princeton 300A Hightstown NJ	OrbVest Investment Holdings Inc.	1,25 %	- %	50 000	-
NPV of Princeton 300A Hightstown NJ	OrbVest Limited	1,25 %	- %	294 494	-
NPV of 555N Phoenix Arizona	OrbVest Limited	2,84 %	- %	1 296 323	-
RPI Properties 104 LLC	OrbVest Investment Holdings Inc.	- %	- %	34 899	-
RPI Properties 105 LLC	OrbVest Investment Holdings Inc.	- %	- %	271 009	-
NPV of Medical 12 RH Project Incorporated - Long term Phase 2	OrbVest Investment Holdings Inc.	0,97 %	- %	3 260 798	-
NPV of OrbVest Diversified Holdings 1 Limited	OrbVest Investment Holdings Inc.	- %	- %	51 783	-
NPV of OrbVest Diversified Holdings 2 Limited	OrbVest Investment Holdings Inc.	- %	- %	51 783	-
NPV of OrbVest Diversified Holdings 3 Limited	OrbVest Investment Holdings Inc.	- %	- %	53 460	-
Cedarwood International Investments Incorporated	OrbVest Investment Holdings Inc.	100,00 %	100,00 %	1 666 334	1 666 334
				20 112 590	14 305 300
				Carrying amount 2020	Carrying amount 2019
Subtotal				15 904 436	10 115 301
Net present value				4 208 154	4 189 999
Investment				20 112 590	14 305 300

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5. Investments (continued)

Company

Name of company	Held by	% ownership interest 2020	% ownership interest 2019	Carrying amount 2020	Carrying amount 2019
Cedarwood International Investment Limited	OrbVest Limited	100,00 %	100,00 %	10 200	10 200
NPV of ASC Medical 8 Project Incorporated	OrbVest Limited	14,94 %	14,94 %	479 549	479 549
NPV of OrbVest Diversified Holdings 1	OrbVest Limited	- %	- %	51 783	-
NPV of OrbVest Diversified Holdings 2	OrbVest Limited	- %	- %	51 783	-
NPV of OrbVest Diversified Holdings 3	OrbVest Limited	- %	- %	53 460	-
NPV of Two Forest Plaza Dallas	OrbVest Limited	0,46 %	- %	1 336 067	-
NPV of Princeton 300A Hightstown NJ	OrbVest Limited	1,25 %	- %	294 494	-
NPV of 555N Phoenix Arizona	OrbVest Limited	2,84 %	- %	1 296 324	-
NPV of Medical Fund 5 Incorporated	OrbVest Limited	1,82 %	1,82 %	159 780	173 023
NPV of SG Medical 7 Project Incorporated	OrbVest Limited	1,54 %	1,54 %	309 143	412 475
NPV of PPA Cypress Ridge Incorporated	OrbVest Limited	15,63 %	15,63 %	147 836	132 451
NPV of PPA Water Ridge Project Incorporated	OrbVest Limited	- %	20,76 %	-	30 117
NPV of RH Medical 9 Project Incorporated	OrbVest Limited	0,24 %	0,24 %	(76 840)	94 035
NPV of RH Medical 10 Project Incorporated	OrbVest Limited	3,30 %	3,30 %	(37 243)	152 274
NPV of Medical 12 RH Project Incorporated - Short term	OrbVest Limited	0,97 %	0,97 %	125 169	125 217

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5. Investments (continued)

Company (continued)

Name of company	Held by	% ownership interest 2020	% ownership interest 2019	Carrying amount 2020	Carrying amount 2019
NPV of Medical 12 RH Project Incorporated - Long term Phase 1	OrbVest Limited	0,97 %	0,97 %	2 404 210	2 404 210
NPV of ASC Medical 14 Project Incorporated	OrbVest Limited	1,55 %	1,55 %	650 606	800 881
NPV of OrbVest Glenridge Medical 22 Project Incorporated	OrbVest Limited	1,15 %	1,15 %	1 097 416	1 239 881
NPV of OrbVest Meridian Medical 23 Project Incorporated	OrbVest Limited	3,90 %	3,90 %	313 289	401 085
NPV of OrbVest Atlanta Portfolio Medical 24 Project Incorporated	OrbVest Limited	3,49 %	3,49 %	561 197	1 232 762
NPV of OrbVest Old Milton Medical 25 Project Incorporated - Short term	OrbVest Limited	1,03 %	1,03 %	422 499	422 499
NPV of OrbVest Old Milton Medical 25 Project Incorporated - Long term	OrbVest Limited	1,03 %	100,00 %	2 014 890	2 014 890
NPV of OrbVest Old Milton Medical 25 Project Incorporated - Long term Phase 2	OrbVest Limited	1,03 %	- %	990 135	-
NPV of Medical 12 RH Project Incorporated - Long term Phase 2	OrbVest Limited	0,97 %	- %	3 260 798	-
				15 916 545	10 125 549

Net present value

The Net Present Value of the Investments was calculated by discounting the expected cashflow from our direct investments and outperformance fees, at a discount rate of 10%. This rate is in line with our listing statement. The exit value of the underlying investment / property is calculated by applying a capitalisation rate, advised by an independent party, that currently ranges between 5.75% and 6.6% across the various investments, to the expected net operating income at the exit. The most sensitive assumption used is the capitalisation rate, and a 1% increase in the capitalisation rate across these projects results in a \$2 200 000 difference in the Net Asset Value.

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6. Loan to group company

Subsidiary

	Group		Company	
	2020	2019	2020	2019
OrbVest US Incorporated	-	-	172 615	-
OrbVest America Inc.	-	-	3 340	-
	-	-	175 955	-

Represents unsecured loans that bear interest at the prescribed rates, have no fixed repayment terms and are not expected to be repaid within the next 12 months

Split between non-current and current portions

Non-current assets	-	-	175 955	-
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Exposure to credit risk

Loans receivable inherently expose the group to credit risk, being the risk that the group will incur a financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, that requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for group loans receivable is calculated based on twelve-month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve-month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

In determining the amount of expected credit losses, the group has taken into account any historic default experience, the financial positions of the counterparties as well as the prospects in the industries in that the counterparties operate.

The estimation techniques explained have been applied for the first time in the current financial period, that is the first time the group has applied IFRS 9. Group loans receivable were previously impaired only when there was objective evidence that the loan was impaired. The impairment was previously calculated as the difference between the carrying amount and the present value of the expected future cash flows.

The company was required to adopt IFRS 9 during the 31 December financial reporting period. The effect of not applying IFRS 9 in the previous financial reporting period was assessed as being immaterial.

The calculated expected credit loss on the loans is highly immaterial and therefore not recognised.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum exposure to credit risk is the gross carrying amount of the loan. The group does not hold collateral or other credit enhancements against group loans receivable.

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Figures in American Dollar	Group		Company	
	2020	2019	2020	2019

6. Loan to group company (continued)

Credit rating framework

For purposes of determining the credit loss allowances, management determine the credit rating grades of the loan at the end of the reporting period. These ratings are determined either externally through ratings agencies or internally where external ratings are not available.

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due.	Lifetime ECL (not credit impaired)
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL (credit impaired)
In default	Either 90 days past due or there is evidence that the asset is credit-impaired.	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

Fair value of group loans receivable

The fair value of group loans receivable approximates their carrying amounts.

7. Other financial assets

Loans and receivables

OrbVest Diversified Holdings 1 Limited	5 876	-	5 876	-
OrbVest Diversified Holdings 2 Limited	35	-	35	-
Edenville Holdings Limited	449 562	361 797	449 562	361 797
OrbVest Property Management LLC	730	-	-	-
OrbVest GP LLC	730	-	-	-
Phoenix 555N Holdings LLC	27 409	-	-	-
RPI Properties 105 LLC	1 561	-	-	-
	479 992	361 797	449 562	361 797
Total other financial assets	485 903	361 797	455 473	361 797

Represents unsecured loans that bear interest at the prescribed rates, have no fixed repayment terms and are not expected to be repaid within the next 12 months.

Non-current assets

Loans and receivables	485 903	361 797	455 473	361 797
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Figures in American Dollar	Group		Company	
	2020	2019	2020	2019

8. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax asset - assessed losses	-	374	-	-
Reconciliation of deferred tax asset / (liability)				
At beginning of year	-	2 378	-	-
Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	-	(2 004)	-	-
	-	374	-	-

9. Inventories

Inventories	-	14 000	-	-
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Inventory relates to a parcel of land that was sold in the current year. Details of the property: Land Lot 49 of the 2nd district, Spalding County, Georgia.

10. Trade and other receivables

Financial instruments:

Trade receivables	198 441	167 853	783 034	529 923
Deposits	329 021	17 749	8 700	8 700
Sundry receivables	35 538	-	148	10 100

Non-financial instruments:

VAT	11 266	-	-	-
Total trade and other receivables	574 266	185 602	791 882	548 723

Split between non-current and current portions

Current assets	574 266	185 602	791 882	548 723
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Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	563 000	185 602	791 882	548 723
Non-financial instruments	11 266	-	-	-
	574 266	185 602	791 882	548 723

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

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10. Trade and other receivables (continued)

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur a financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the group only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for credit worthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

Trade receivables for OrbVest Limited are composed of services rendered and amounts still owed for accounting and annual fees. Amounts outstanding for OrbVest US Incorporated represents management fees.

OrbVest Limited Group's trade receivables are comprised of the company's, plus its subsidiaries', trade receivables outstanding after eliminating inter-company receivables. Trade receivables remaining are services rendered to underlying investment companies still outstanding.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The average credit period on trade receivables is 30 days (2019: 30 days). No interest is charged on outstanding trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables that have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach that is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. The company assessed the expected credit losses, relating to the trade receivables, not to be material and therefore no loss allowance was recognised.

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Figures in American Dollar

10. Trade and other receivables (continued)

Group	Group		Company	
	2020	2019	2020	2019
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 51% (2019: 62%)	100 065	-	73 395	-
Less than 30 days past due: 8% (2019: 0%)	15 712	-	-	-
31 - 60 days past due: 7% (2019: 0%)	13 212	-	-	-
61 - 90 days past due: 7% (2019: 4%)	13 093	-	4 762	-
91 - 120 days past due: 27% (2019: 34%)	53 334	-	39 724	-
Total	195 416	-	117 881	-
Company	2020	2020	2019	2019
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 16% (2019: 19%)	127 005	-	102 000	-
Less than 30 days past due: 16% (2019: 19%)	121 500	-	100 000	-
31 - 60 days past due: 15% (2019: 19%)	120 000	-	100 000	-
61 - 90 days past due: 16% (2019: 19%)	121 810	-	101 500	-
91 - 120 days past due: 37% (2019: 24%)	292 719	-	124 358	-
Total	783 034	-	527 858	-

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1 441 637	629 616	882 934	216 588
Other cash and cash equivalents	-	50 000	-	-
	1 441 637	679 616	882 934	216 588

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that is neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates: The most recent credit rating for Barclays Seychelles was BB and Afrasia Mauritius bank as A+.

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Figures in American Dollar	Group		Company	
	2020	2019	2020	2019
12. Share capital				
Authorised				
1 000 000 000 Ordinary shares of \$0,0001 each	100 000	100 000	100 000	100 000
Issued				
44 404 689 Ordinary shares of \$0.0001 each	4 440	4 092	4 440	4 092
Share premium	13 214 857	12 458 069	13 214 857	12 458 069
	<u>13 219 297</u>	<u>12 462 161</u>	<u>13 219 297</u>	<u>12 462 161</u>

13. Earnings per share

Earnings and headline earnings per share are calculated using the weighted average number of relevant ordinary shares in issue during the year. The weighted average number of shares in issue during the year for both basic earnings per share and diluted earnings per share at 31 December 2020:

Number of shares in issue: 44 404 689
Weighted average share: 42 523 569

The shares are weighted per IAS33 as the shares are issued throughout the year.

Basic earnings: \$4 357 7212

The entity has no reason to exclude any amounts from basic earnings per share disclosed on the consolidated financial statements at the rates calculated

The basic and diluted earnings per share as at 31 December 2020 was \$0.10 (31 December 2019: \$0.10).

14. Loan from group company

Subsidiary

OrbVest Investments Holdings Inc.	-	-	1 006 135	209 570
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Represents an unsecured loan that bears interest at the prescribed rates, has no fixed repayment terms and is not expected to be repaid within the next 12 months.

Split between non-current and current portions

Non-current liabilities	-	-	1 006 135	209 570
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Exposure to liquidity risk

Refer to note 28 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to currency risk

Refer to note 28 Financial instruments and financial risk management for details of currency risk management for group loans payable.

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Figures in American Dollar	Group		Company	
	2020	2019	2020	2019
14. Loan from group company (continued)				
Fair value of group loans payable				
The fair value of group loans payable approximates their carrying amounts.				
15. Borrowings				
Held at amortised cost				
Joaniel Trust	119 360	101 627	108 859	101 627
Martla LLC	59 673	54 944	59 673	54 944
Savoy bank	44 043	-	-	-
OrbVest America Inc	10 603	-	-	-
H Bendeman	615 123	-	-	-
Dennis Freeman Trust	556 118	-	556 118	-
Freeman Family Trust	556 118	-	556 118	-
Orbmed Investments Ltd	186 578	-	186 578	-
	<u>2 147 616</u>	<u>156 571</u>	<u>1 467 346</u>	<u>156 571</u>
Split between non-current and current portions				
Non-current liabilities	1 345 915	156 571	1 280 768	156 571
Current liabilities	801 701	-	186 578	-
	<u>2 147 616</u>	<u>156 571</u>	<u>1 467 346</u>	<u>156 571</u>

Represents unsecured loans that bear interest at the prescribed rates, have no fixed repayment terms and are not expected to be repaid within the next 12 months.

The borrowings received from the Dennis Freeman Trust and Freeman Family Trust are secured and represent funds that were held in the bank as at 31 December 2020. These funds were specifically allocated to the bridging of projects in order to close these projects timeously.

Exposure to liquidity risk

Refer to note 28 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to currency risk

Refer to note 28 Financial instruments and financial risk management for details of currency risk management for borrowings.

Exposure to interest rate risk

Refer to note 28 for details of interest rate risk management for investments in Leases (group as lessee).

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Figures in American Dollar	Group		Company	
	2020	2019	2020	2019
16. Trade and other payables				
Financial instruments:				
Trade payables	94 079	19 975	(19 537)	89 511
Employee taxes	57 634	50 882	-	-
Other payables	329	-	-	-
Accruals	214 079	270 674	155 236	155 837
Sundry payables	-	60 498	-	4 000
	<u>366 121</u>	<u>402 029</u>	<u>135 699</u>	<u>249 348</u>

Exposure to liquidity risk

Refer to note 28 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to interest rate risk

Refer to note 28 Financial instruments and financial risk management for details of interest rate risk management for trade and other payables.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

17. Revenue

Revenue				
Rendering of services	2 195 718	2 057 548	101 340	81 753
Due diligence services	-	-	1 080 000	1 200 000
	<u>2 195 718</u>	<u>2 057 548</u>	<u>1 181 340</u>	<u>1 281 753</u>
Revenue other than from contracts with customers				
Dividends received	575	40 736	575	40 736
	<u>2 196 293</u>	<u>2 098 284</u>	<u>1 181 915</u>	<u>1 322 489</u>
Disaggregation of revenue from contracts with customers				
Rendering of services				
Services revenue	2 195 718	2 057 548	101 340	81 753
Other revenue				
Due diligence to subsidiary	-	-	1 080 000	1 200 000
Total revenue from contracts with customers	<u>2 195 718</u>	<u>2 057 548</u>	<u>1 181 340</u>	<u>1 281 753</u>
Timing of revenue recognition				
At a point in time				
Rendering of services	(2 195 718)	(2 057 548)	(101 340)	(81 753)
Construction contracts	-	-	(1 080 000)	(1 200 000)
	<u>(2 195 718)</u>	<u>(2 057 548)</u>	<u>(1 181 340)</u>	<u>(1 281 753)</u>

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Figures in American Dollar	Group		Company	
	2020	2019	2020	2019
18. Cost of sales				
Rendering of services	1 378 889	1 648 022	790 132	1 340 055
OrbVest Limited Group renders services as per the revenue sections to its investment projects. The company then uses personnel to perform these services as agreed upon for revenue. A commission is then paid to the personnel for the rendering of this service.				
19. Other operating income				
Profit on exchange	-	25 855	-	-
Profit on sale of investment	66 376	254 763	15 732	7 645
	<u>66 376</u>	<u>280 618</u>	<u>15 732</u>	<u>7 645</u>

20. Operating profit (loss)

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external				
Audit fees	39 432	24 188	6 797	5 215
Remuneration, other than to employees				
Administrative and managerial services	97 429	(2 116)	1 618 393	1 522 841
Consulting and professional services	206 574	149 404	150 201	88 794
	<u>304 003</u>	<u>147 288</u>	<u>1 768 594</u>	<u>1 611 635</u>
Employee costs				
Salaries, wages, bonuses and other benefits	1 423 072	1 456 774	-	34 090
Leases				
Operating lease charges				
Premises	66 399	89 532	-	-
Other				
Travel - Local	34 643	141 627	-	-
Computer expenses	102 699	155 588	72 183	121 937
Consulting and professional fees	203 877	118 452	150 200	72 889

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Figures in American Dollar	Group		Company	
	2020	2019	2020	2019
21. Investment income				
Interest income				
Investments in financial assets:				
Interest received	238 921	168 228	-	-
22. Finance costs				
Interest on loans	180 873	177 973	159 831	78 825
23. Taxation				
Major components of the tax expense (income)				
Current				
Current tax	113 672	2 750	-	-
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting (loss) profit	4 464 448	3 169 976	4 169 735	3 975 745
Tax at the applicable tax rate of 30% (2019: 30%)	1 339 334	950 993	1 250 921	1 192 724
Tax effect of adjustments on taxable income				
Other income	(1 737 300)	(1 393 788)	(1 737 300)	(1 775 354)
Tax losses carried forward	511 638	445 545	486 379	582 630
	113 672	2 750	-	-

No provision has been made for 2021 tax as OrbVest Limited has no taxable income. The movement is deferred tax movement for the South African subsidiary, as well as federal and state taxes for both the South African and United States subsidiaries.

OrbVest Limited is incorporated in Seychelles where no taxation is levied. The company also has no taxable income in the current or the prior year due to non-taxable asset revaluations. Due to this no tax expense has been recognised.

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Figures in American Dollar	Group		Company	
	2020	2019	2020	2019
24. Directors' emoluments				
Emoluments were paid to the directors or any individuals holding a prescribed office during the year.				
Executive				
2020				
			Emoluments	Total
Martin Freeman			264 800	264 800
Hennie Bezuidenhout			65 600	65 600
Louw Viljoen			200 649	200 649
			531 049	531 049
2019				
			Emoluments	Total
Martin Freeman			259 808	259 808
Hennie Bezuidenhout			65 692	65 692
Louw Viljoen			203 000	203 000
			528 500	528 500
25. Cash used in operations				
Profit (loss) before taxation	4 464 448	3 169 976	4 169 735	3 975 745
Adjustments for:				
Depreciation and amortisation	12 879	9 907	-	-
Losses on disposals, scrapings and settlements of assets and liabilities	551	-	-	-
Dividends received (trading)	(575)	(40 736)	(575)	(40 736)
Interest income	(238 921)	(168 228)	-	-
Finance costs	180 873	177 973	159 831	78 825
Fair value gains	(5 791 000)	(4 645 960)	(5 791 000)	(5 917 847)
Taxation	141	(750)	-	-
Changes in working capital:				
Inventories	14 000	(14 000)	-	-
Trade and other receivables	(388 665)	215 942	(243 159)	(199 130)
Trade and other payables	(35 900)	50 350	(113 651)	(49 483)
	(1 782 169)	(1 245 526)	(1 818 819)	(2 152 626)

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Figures in American Dollar	Group		Company	
	2020	2019	2020	2019
26. Movement in investments				
Fair value of assets acquired				
Investment	16 290	3 451 184	(109 574)	3 434 292
Fair value gains on investment	5 791 000	4 645 960	5 791 000	5 917 847
	<u>5 807 290</u>	<u>8 097 144</u>	<u>5 681 426</u>	<u>9 352 139</u>
Consideration paid				
Cash	(16 290)	(3 387 064)	109 574	(3 434 292)
Fair value (no consideration)	(5 791 000)	(4 710 080)	(5 791 000)	(5 917 847)
	<u>(5 807 290)</u>	<u>(8 097 144)</u>	<u>(5 681 426)</u>	<u>(9 352 139)</u>
Net cash outflow on acquisition				
Cash consideration paid	<u>(16 290)</u>	<u>(3 387 064)</u>	<u>109 574</u>	<u>(3 434 292)</u>

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Figures in American Dollar	Group		Company	
	2020	2019	2020	2019
27. Related parties				
Relationships				
Subsidiaries	OrbVest Investments Holdings Inc. OrbVest America Incorporated OrbVest US Incorporated			
Investments projects in group	Medical Fund 5 Incorporated PPA Cypress Ridge Incorporated SG Medical 7 Project Incorporated PPA Water Ridge Project Incorporated ASC Medical 8 Project Incorporated RH Medical 9 Project Incorporated RH Medical 10 Project Incorporated Medical 12 RH Project Incorporated ASC Medical 14 Project Incorporated OrbVest Glenridge Medical 22 Project Incorporated OrbVest Atlanta Portfolio Medical 24 Project Incorporated Two Forest Plaza Dallas Princeton 300A Hightstown NJ OrbVest Diversified Holdings 1 Limited OrbVest Diversified Holdings 2 Limited OrbVest Diversified Holdings 3 Limited 555N Phoenix Arizona OrbVest Old Milton Medical 25 Project Incorporated			
Executive directors	Martin Freeman Hennie Bezuidenhout Louw Viljoen			
Non-Executive directors	James Sapirstein Darren Jacklin			
Related party balances				
Loan accounts - Owing (to) by related parties				
OrbVest Investments Holdings Inc.	-	-	(1 006 135)	(209 570)
OrbVest America Incorporated	-	-	3 340	-
OrbVest US Incorporated	-	-	172 615	-
Amounts included in Trade receivable (Trade Payable) regarding related parties				
OrbVest US Incorporated	-	-	1 110 271	509 658
OrbVest SA Proprietary Limited	-	-	(82 363)	(78 255)
Related party transactions				
Purchases from (sales to) related parties	-	-	-	-
OrbVest Us Incorporated	-	-	(1 080 000)	(1 200 000)
OrbVest SA Proprietary Limited	-	-	1 525 719	1 524 014

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28. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2020

	Note(s)	Fair value through profit or loss - Designated	Amortised Cost	Total	Fair Value
Investments	4	20 112 590	-	20 112 590	20 112 590
Trade and other receivables	10	-	574 266	574 266	574 266
Cash and cash equivalents	11	-	1 441 637	1 441 637	1 441 637
Other Financial assets		-	485 903	485 903	485 903
		<u>20 112 590</u>	<u>2 501 806</u>	<u>22 614 396</u>	<u>22 614 396</u>

Group - 2019

	Note(s)	Fair value through profit or loss - Designated	Amortised Cost	Total	Fair Value
Investments	4	14 305 000	-	14 305 000	-
Trade and other receivables	10	-	185 602	185 602	185 602
Cash and cash equivalents	11	-	679 616	679 616	679 616
Other financial assets		-	361 797	361 797	361 797
		<u>14 305 000</u>	<u>1 227 015</u>	<u>15 532 015</u>	<u>1 227 015</u>

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28. Financial instruments and risk management (continued)

Company - 2020

	Note(s)	Fair value through profit or loss - Designated	Amortised Cost	Total	Fair Value
Investments in subsidiaries	4	20 991 971	-	20 991 971	20 991 971
Loans to group companies	6	-	175 955	175 955	175 955
Trade and other receivables	10	-	791 882	791 882	791 882
Cash and cash equivalents	11	-	882 934	882 934	882 934
Other financial assets		-	455 473	455 473	455 473
		<u>20 991 971</u>	<u>2 306 244</u>	<u>23 298 215</u>	<u>23 298 215</u>

Company - 2019

	Note(s)	Fair value through profit or loss - Designated	Amortised Cost	Total	Fair Value
Investments in subsidiaries	4	15 308 204	-	15 308 204	15 308 204
Trade and other receivables	10	-	548 723	548 723	548 723
Cash and cash equivalents	11	-	216 588	216 588	216 588
Other financials assets		-	361 797	361 797	361 797
		<u>15 308 204</u>	<u>1 127 108</u>	<u>16 435 312</u>	<u>16 435 312</u>

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Figures in American Dollar

28. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2020

	Note(s)	Amortised Cost	Total	Fair value
Trade and other payables	16	366 128	366 128	366 128
Borrowings	15	2 147 616	2 147 616	2 147 616
		<u>2 513 744</u>	<u>2 513 744</u>	<u>2 513 744</u>

Group - 2019

	Note(s)	Amortised Cost	Total	Fair value
Trade and other payables	16	402 028	402 028	402 028
Borrowings	15	156 571	156 571	156 571
		<u>558 599</u>	<u>558 599</u>	<u>558 599</u>

Company - 2020

	Note(s)	Amortised Cost	Total	Fair value
Trade and other payables	16	135 699	135 699	135 699
Loans from group companies	14	1 006 135	1 006 135	1 006 135
Borrowings	15	1 467 346	1 467 346	1 467 346
		<u>2 609 180</u>	<u>2 609 180</u>	<u>2 609 180</u>

Company - 2019

	Note(s)	Amortised Cost	Total	Fair value
Trade and other payables	16	249 347	249 347	249 347
Loans from group companies	14	209 570	209 570	209 570
Borrowings	15	156 571	156 571	156 571
		<u>615 488</u>	<u>615 488</u>	<u>615 488</u>

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Figures in American Dollar

28. Financial instruments and risk management (continued)

Pre-tax gains and losses on financial instruments

Gains and losses on financial assets

Group - 2020

	Note(s)	Fair value through profit or loss - Designated	Amortised Cost	Total
Recognised in profit or loss:				
Interest income	21	-	238 921	238 921
Gains (losses) on valuation adjustments		5 791 000	-	5 791 000
Net gains (losses)		<u>5 791 000</u>	<u>238 921</u>	<u>6 029 921</u>

Group - 2019

	Note(s)	Fair value through profit or loss - Designated	Amortised Cost	Total
Recognised in profit or loss:				
Interest income	21	-	168 228	168 228
Gains (losses) on valuation adjustments		4 645 960	-	4 645 960
Net gains (losses)		<u>4 645 960</u>	<u>168 228</u>	<u>4 814 188</u>

Company - 2020

	Note(s)	Fair value through profit or loss - Designated	Amortised Cost	Total
Recognised in profit or loss:				
Gains (losses) on valuation adjustments			5 791 000	5 791 000

Company - 2019

	Note(s)	Fair value through profit or loss - Designated	Amortised Cost	Total
Recognised in profit or loss:				
Gains (losses) on valuation adjustments			5 964 582	5 964 582

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28. Financial instruments and risk management (continued)

Gains and losses on financial liabilities

Group - 2020

	Note(s)	Amortised Cost	Total
Recognised in profit or loss:			
Finance costs	22	(180 873)	(180 873)

Group - 2019

	Note(s)	Amortised Cost	Total
Recognised in profit or loss:			
Finance costs	22	(177 973)	(177 973)

Company - 2020

	Note(s)	Amortised Cost	Total
Recognised in profit or loss:			
Finance costs	22	(159 831)	(159 831)

Company - 2019

	Note(s)	Amortised Cost	Total
Recognised in profit or loss:			
Finance costs	22	(78 825)	(78 825)

Capital risk management

The group's objective when managing capital (that includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities to maximise stakeholder returns sustainably.

The capital structure and gearing ratio of the group at the reporting date was as follows:

To maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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Figures in American Dollar

28. Financial instruments and risk management (continued)

	Notes	Group		Company	
		2020	2019	2020	2019
Loans from group companies	14	-	-	1 006 135	209 570
Borrowings	15	2 147 616	156 571	1 467 346	156 571
Total borrowings		2 147 616	156 571	2 473 481	366 141
Cash and cash equivalents	11	(1 441 637)	(679 616)	(882 934)	(216 588)
Net borrowings		705 979	(523 045)	1 590 547	149 553
Equity		20 184 636	15 076 724	20 807 695	15 880 824
Gearing ratio		3 %	-%	8 %	1 %

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on loans receivable, trade and other receivables, contract receivables, cash and cash equivalents, loan commitments.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The group only deals with reputable counterparties with consistent payment histories.

Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

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28. Financial instruments and risk management (continued)

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

To calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 months expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management applies the principle that if a financial asset's credit risk is low at year-end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where the default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, the industry in that the customer is employed, the period for that the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivables and contract assets that do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopts this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments that could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined based on lifetime expected credit losses before they reach the point of being past due. Forward-looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments based on of shared credit risk characteristics.

For trade receivables and contract assets that do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management has chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

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28. Financial instruments and risk management (continued)

Company	Notes	2020			2019		
		Gross Carrying Amount	Credit loss Allowance	Amortised Cost / Fair Value	Gross Carrying Amount	Credit loss Allowance	Amortised Cost / Fair Value
Loan to group company	6	175 955	-	175 955	-	-	-
Trade and other receivables	10	791 882	-	791 882	548 723	-	548 723
Cash and cash equivalents	11	882 934	-	882 934	216 588	-	216 588
		<u>1 850 771</u>	<u>-</u>	<u>1 850 771</u>	<u>765 311</u>	<u>-</u>	<u>765 311</u>

Liquidity risk

The group is exposed to liquidity risk, that is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short-term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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28. Financial instruments and risk management (continued)

Group - 2020	Notes	Less than 1 Year	2 to 5 Years	Total	Carrying Amount
Non-current liabilities					
Borrowings	15	-	1 345 915	1 345 915	1 345 915
Current liabilities					
Trade and other payables	16	366 128	-	366 128	366 128
Borrowings	15	801 701	-	801 701	801 701
		<u>1 167 829</u>	<u>1 345 915</u>	<u>2 513 744</u>	<u>2 513 744</u>

Group - 2019	Notes	Less than 1 Year	2 to 5 Years	Total	Carrying Amount
Non-current liabilities					
Borrowings	15	-	156 571	156 571	156 571
Current liabilities					
Trade and other payables		402 028	-	402 028	402 028
		<u>402 028</u>	<u>156 571</u>	<u>558 599</u>	<u>558 599</u>

Company - 2020	Notes	Less than 1 Year	2 to 5 Years	Total	Carrying Amount
Non-current liabilities					
Loan from group company	14	-	1 006 135	1 006 135	1 006 135
Borrowings	15	-	1 280 768	1 280 768	1 280 768
Current liabilities					
Trade and other payables		82 662	-	82 662	135 702
Loans from group companies	14	186 578	-	186 578	-
Borrowings	15	-	-	-	186 578
		<u>269 240</u>	<u>2 286 903</u>	<u>2 556 143</u>	<u>2 609 183</u>

Company - 2019	Notes	Less than 1 Year	Total	Carrying Amount
Non-current liabilities				
Loans from group companies	14	-	209 570	209 570
Borrowings	15	-	156 571	156 571
Current liabilities				
Trade and other payables	16	249 347	249 347	249 347
		<u>249 347</u>	<u>366 141</u>	<u>615 488</u>

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		2020	2019	2020	2019

28. Financial instruments and risk management (continued)

Interest rate risk

The debt of the group is comprised of loan instruments, that bear interest at fixed interest rates. The ratio of fixed rate instruments in the loan portfolio is monitored and managed. As the rates are in agreements at fixed rates, management has mitigated the risk of interest rate fluctuations and is able to control the risk to the group.

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

29. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at the measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 3

Recurring fair value measurements

Assets

Investments in subsidiaries at fair value	4				
Subsidiaries		-	-	20 989 631	15 308 205
Financial assets designated at fair value through profit (loss)					
Investments		20 112 590	14 305 300	-	-
Total		<u>20 112 590</u>	<u>14 305 299</u>	<u>20 989 631</u>	<u>15 308 204</u>

Investments are assessed at each reporting date for increases in fair value, as the underlying assets in the investments are Medical development real estate that increases in value.

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29. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3

	Notes	Opening Balance	Gains (losses) recognised in profit (loss)	Acquisitions	Purchases	Closing Balance
Group - 2020						
Assets						
Financial assets designated at fair value through profit (loss)						
Investments		14 305 300	5 791 000	16 290	-	20 112 590
Total		14 305 300	5 791 000	16 290	-	20 112 590
Group - 2019						
Assets						
Financial assets designated at fair value through profit (loss)						
Investments		6 208 156	4 645 960	3 451 184	-	14 305 300
Total		6 208 156	4 645 960	3 451 184	-	14 305 300

Company - 2020

Assets

Investments in subsidiaries at fair value	4					
Subsidiaries		15 308 205	5 791 000	-	(109 574)	20 989 631
Total		15 308 205	5 791 000	-	(109 574)	20 989 631

Company - 2019

Assets

Investments in subsidiaries at fair value	4					
Subsidiaries		5 956 066	5 917 847	3 434 292	-	15 308 205
Total		5 956 066	5 917 847	3 434 292	-	15 308 205

Gains and losses are recognised in profit and losses are realised in revenue, as the main business model of the entity is to hold investments for growth to attract more investors.

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29. Fair value information (continued)

Valuation processes applied by the Group

The fair value of investments is performed by the Group's finance department and operations team, on a quarterly basis. The finance department reports to the Group's Chief Financial Officer (CFO). The valuation reports are discussed with the Audit Committee in accordance with the Group's reporting policies.

30. Going concern

The financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

As disclosed in note 10 of the Director's Report of the 2019 Annual Financial Statements, COVID-19 was declared an international pandemic in January 2020.

In March 2020 various countries, including the Seychelles and the United States of America, went into national military enforced shut down. These lockdowns created a significant strain on the world economy and companies worldwide. The pandemic and the resulting lockdowns that continued throughout the 2020 financial year caused financial and economic uncertainty and instability. Many investors were reluctant to invest locally or internationally due to financial distress and economic recession.

Despite the outbreak of the pandemic and the financial implications that followed, OrbVest and its group of companies continued with their operations by sourcing real estate projects for their investors. These real estate projects continued to meet the investment criteria as prescribed by the group and the Investment Committee.

This enabled investors to continue investing in medical real estate projects. As the provision of medical services was deemed as essential during the extended lockdown periods the investors were fortunate to benefit from the uninterrupted operations of these medical office buildings.

Unfortunately, certain medical services were affected by COVID-19, but due to the diversified nature of the tenants within these medical buildings, the profitability and returns of the investments were still achieved. All deals were strictly monitored to ensure that the investments continued to perform as forecast and as communicated to investors.

Due to all the measures that were implemented to ensure the continued operations during the COVID-19 pandemic, the group was not only able to continue with its operations but also outperformed 2019. This is evident from the increased profitability as set out on the Statement of Profit or Loss and other comprehensive income as well as the Financial Positions report as at 31 December 2020.



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