

LETLOLE LA RONA LIMITED UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Letlole La Rona Limited,
incorporated in the Republic of Botswana.
Registration Number- BW00001394482
Share Code- letlole ISIM: BW 000 000 1015

Registered Office: 1st Floor, Peelo Place, Plot 54366, CBD
P.O. Box 700ABG, Gaborone, Botswana
Tel: +267 3180301; Fax: +267 3180357

Independent Auditors: Grant Thornton,
Plot 50370, Fairgrounds Acumen Park,
P.O. Box 1157, Gaborone



COMPANY HIGHLIGHTS

Contractual revenue

9%

Profit before tax

30%

Net asset value

11%

Occupancy levels

99.15%

Railpark Mall now a subsidiary of LLR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2023

| | GROUP UNAUDITED 6 months to Dec-2023 | COMPANY UNAUDITED 6 months to Dec-2023 | COMPANY UNAUDITED 6 months to Dec-2022 | COMPANY AUDITED 12 months to Jun-2023 |
|---|--------------------------------------|--|--|---------------------------------------|
| | P | P | P | P |
| Continuing Operations | | | | |
| Revenue | 76,511,094 | 53,596,257 | 50,185,445 | 102,146,703 |
| Contractual revenue | 71,062,494 | 52,187,596 | 47,987,296 | 98,731,227 |
| Straight line lease rental adjustment | 632,561 | (605,470) | 548,888 | 59,457 |
| Operating cost recoveries | 4,816,040 | 2,014,132 | 1,649,262 | 3,356,019 |
| Other income | 391,580 | 82,939 | 5,167,229 | 1,612,156 |
| Movement in credit loss allowances | (821,769) | (821,769) | 1,092,215 | 1,508,589 |
| Other non operating gains | (885,675) | (885,675) | 10,519 | 10,897,813 |
| Property related expenses | (9,124,772) | (3,092,293) | (5,314,019) | (9,821,667) |
| Administrative expenses | (19,449,710) | (18,278,235) | (4,460,169) | (31,889,856) |
| Operating Profit | 46,620,749 | 30,601,225 | 36,481,320 | 74,453,744 |
| Finance income | 4,294,745 | 10,220,018 | 9,391,610 | 20,734,401 |
| Finance costs | (22,411,415) | (19,796,754) | (17,314,338) | (34,476,270) |
| Gain on disposal of equity accounted investment | 6,947,948 | 6,947,948 | - | - |
| Share of profit from associate | 8,143,952 | 8,143,952 | 13,796,369 | 12,599,443 |
| Profit before fair value adjustment | 43,595,978 | 36,116,388 | 42,354,954 | 73,221,318 |
| Fair value adjustment of investment properties | 28,421,710 | 28,421,710 | 7,311,378 | 46,097,737 |
| As per valuation | 27,816,240 | 27,816,240 | 7,860,266 | 46,157,194 |
| Straight line lease adjustment | 605,470 | 605,470 | (548,888) | (59,457) |
| Profit before tax | 72,017,488 | 64,538,098 | 49,666,332 | 119,319,955 |
| Taxation | (4,007,385) | (3,356,843) | (9,899,739) | (18,136,383) |
| Profit from continuing operations | 68,010,103 | 61,181,255 | 39,766,623 | 101,182,870 |
| Profit from discontinued operations | 4,071,975 | 4,071,975 | 5,413,411 | 9,118,449 |
| Total comprehensive income for the year | 80,096,849 | 71,976,515 | 45,180,033 | 110,301,319 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company (date acquired 04/10/2023) | 74,408,511 | | | |
| Non-controlling interests | 5,688,338 | | | |
| | 80,096,849 | | | |
| Number of linked units in issue at end of the year | 280,000,000 | 280,000,000 | 280,000,000 | 280,000,000 |
| Weighted average number of linked units in issue | 280,000,000 | 280,000,000 | 280,000,000 | 280,000,000 |
| Earnings per linked unit (thebe) | 30.60 | 27.70 | 18.08 | 43.72 |
| Earnings per linked unit is calculated based on the average number of linked units in issue and total comprehensive income for the year, adjustably the taxation on debenture interest credited to the statement of changes in equity of: | | | | |
| Distribution per linked unit (thebe) | 9.11 | 9.11 | 0.38 | 12.23 |
| Dividends per linked unit (thebe) | 0.05 | 0.05 | 0.05 | 0.10 |
| Debiture interest per linked unit (thebe) | 9.06 | 9.06 | 9.06 | 19.64 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

| | GROUP UNAUDITED Dec-2023 | COMPANY UNAUDITED Dec-2023 | COMPANY UNAUDITED Dec-2022 | COMPANY AUDITED Jun-2023 |
|--|--------------------------|----------------------------|----------------------------|--------------------------|
| | P | P | P | P |
| ASSETS | | | | |
| Non-current assets | | | | |
| Investment properties | 1,753,847,848 | 998,011,403 | 914,837,710 | 967,983,900 |
| Operating lease asset | 34,672,649 | 20,065,219 | 21,052,291 | 20,716,721 |
| Right of use asset | 3,533,330 | 3,533,330 | 299,599 | 98,348 |
| Investment in associates | 57,308,136 | 57,308,136 | 238,540,392 | 234,624,422 |
| Investment in subsidiary | - | 340,322,482 | - | - |
| Goodwill | 3,986,858 | - | - | - |
| Loan to associate | 100,427,891 | 100,427,891 | 94,288,121 | 99,224,484 |
| Investments at fair value | 6,250,000 | 6,250,000 | 6,250,000 | 6,250,000 |
| Property, plant & equipment | 4,382,288 | 1,308,486 | 1,699,383 | 1,607,628 |
| Deferred tax | 10,271,605 | 10,271,605 | 13,475,936 | 12,843,591 |
| Deferred taxation recoverable - related party | 3,136,699 | 3,136,699 | 3,205,026 | 3,200,048 |
| Total non-current assets | 1,977,817,304 | 1,540,635,252 | 1,293,748,458 | 1,346,549,142 |
| Current assets | | | | |
| Taxation refundable | 4,038,102 | 3,814,191 | 2,050,805 | 2,992,181 |
| Trade and other receivables | 16,110,748 | 5,496,403 | 5,989,945 | 6,091,038 |
| Cash and cash equivalents | 94,132,784 | 78,375,203 | 63,811,078 | 66,797,614 |
| Total current assets | 114,281,634 | 87,685,797 | 71,851,828 | 75,880,833 |
| Non-current assets held for sale | 42,640,000 | 42,640,000 | 103,900,000 | 96,500,000 |
| Total current assets | 156,921,634 | 130,325,797 | 175,751,828 | 172,380,833 |
| Total Assets | 2,134,738,938 | 1,670,961,049 | 1,469,500,286 | 1,518,929,975 |
| EQUITY AND LIABILITIES | | | | |
| Capital and Reserves | | | | |
| Stated capital | 2,718,884 | 2,718,884 | 2,718,884 | 2,718,884 |
| Debentures - linked units | 405,113,547 | 405,113,547 | 405,113,547 | 405,113,547 |
| Retained income | 557,422,528 | 557,941,620 | 464,011,339 | 505,885,904 |
| Equity attributable to owners of the parent | 965,254,959 | 965,774,051 | 871,843,770 | 913,718,335 |
| Non-controlling interests | 245,303,036 | - | - | - |
| Total Capital and Reserves | 1,210,558,996 | 965,774,051 | 871,843,770 | 913,718,335 |
| Liabilities | | | | |
| Non-Current Liabilities | | | | |
| Long term borrowings | 724,808,345 | 589,661,743 | 477,969,166 | 476,346,426 |
| Deferred taxation | 128,945,897 | 88,045,618 | 68,544,723 | 69,626,596 |
| Lease liability | 3,024,480 | 3,024,480 | - | - |
| Total Non-Current Liabilities | 856,778,721 | 680,731,841 | 546,513,889 | 545,973,022 |
| Current Liabilities | | | | |
| Debiture interest and dividend payable | 25,500,000 | 25,500,000 | 25,500,000 | 29,764,000 |
| Trade and other payables | 35,373,118 | 22,423,054 | 19,992,098 | 24,111,238 |
| Current portion of borrowings | 5,948,054 | 5,948,054 | 5,153,503 | 5,237,180 |
| Current portion of lease liability | 584,050 | 584,050 | 497,027 | 126,200 |
| Total Current Liabilities | 67,405,222 | 54,455,158 | 51,142,628 | 59,238,618 |
| Total Equity and Liabilities | 2,134,738,938 | 1,670,961,049 | 1,469,500,286 | 1,518,929,975 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2023

| | Stated capital | Debentures | Retained income | Non-controlling interest | Total |
|---|------------------|--------------------|--------------------|--------------------------|----------------------|
| | P | P | P | P | P |
| Balance at 01 July 2022 | 2,718,884 | 405,113,547 | 438,752,106 | - | 846,584,537 |
| Total profit and comprehensive income for the year | - | - | 45,180,033 | - | 45,180,033 |
| Dividends declared | - | - | (140,000) | - | (140,000) |
| Debiture interest declared | - | - | (25,340,000) | - | (25,340,000) |
| Taxation attributable to debiture interest | - | - | 5,579,200 | - | 5,579,200 |
| Balance at 31 December 2022 | 2,718,884 | 405,113,547 | 464,011,339 | - | 871,843,770 |
| Total profit and comprehensive income for the year | - | - | 65,121,280 | - | 65,121,280 |
| Dividends declared | - | - | (140,000) | - | (140,000) |
| Debiture interest declared | - | - | (29,624,000) | - | (29,624,000) |
| Taxation attributable to debiture interest | - | - | 6,517,280 | - | 6,517,280 |
| Balance at 30 June 2023 | 2,718,884 | 405,113,547 | 505,885,904 | - | 913,718,335 |
| Equity attributable to non-controlling interest | - | - | - | 245,660,611 | 245,660,611 |
| Total profit and comprehensive income for the year attributable to owners of the company | - | - | 74,408,511 | - | 74,408,511 |
| Total profit and comprehensive income for the year attributable to noncontrolling interests | - | - | - | 5,688,338 | 5,688,338 |
| Distribution declared - Subsidiary | - | - | (2,951,087) | - | (2,951,087) |
| Dividends declared | - | - | (140,000) | - | (140,000) |
| Debiture interest declared | - | - | (25,340,000) | - | (25,340,000) |
| Taxation attributable to debiture interest | - | - | 5,579,200 | - | 5,579,200 |
| Balance at 31 December 2023 | 2,718,884 | 405,113,547 | 557,422,527 | 245,303,036 | 1,210,558,996 |

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2023

| | GROUP UNAUDITED 6 months to Dec-2023 | COMPANY UNAUDITED 6 months to Dec-2023 | COMPANY UNAUDITED 6 months to Dec-2022 | COMPANY AUDITED 12 months to Jun-2023 |
|---|--------------------------------------|--|--|---------------------------------------|
| | P | P | P | P |
| Cash flows from operating activities | | | | |
| Profit before taxation | 72,017,688 | 64,538,098 | 49,666,332 | 119,319,055 |
| Profit/(loss) before taxation from discontinued operations | 4,071,975 | 4,071,975 | 5,413,411 | 9,118,449 |
| Adjustments for: | | | | |
| Fair value adjustment of investment properties | (28,421,710) | (28,421,710) | (7,664,394) | (46,268,986) |
| Gain on disposal of equity accounted investment | (6,947,948) | (6,947,948) | - | (6,268,986) |
| Share of profit from associate | (6,637,548) | (6,637,548) | (13,796,362) | (12,509,443) |
| Loss/(profit) on sale of plant & equipment | - | - | 3,161 | 35,722 |
| Loss/(gain) on investment property | (2,814,325) | 2,814,325 | - | - |
| Finance costs | 22,411,415 | 19,796,754 | 17,336,386 | 34,476,270 |
| Finance income | (4,294,744) | (10,220,018) | (9,391,610) | (20,734,401) |
| Depreciation expense | 601,257 | 758,785 | 627,880 | 1,372,579 |
| Movement in credit loss allowances | 821,769 | 821,769 | (1,092,215) | (1,508,589) |
| Movements in operating lease assets | 651,503 | 651,503 | (465,871) | (164,240) |
| Operating income before working capital changes | 51,459,333 | 35,597,336 | 40,681,717 | 83,136,416 |
| Working capital changes | | | | |
| (Increase)/decrease in trade and other receivables | (1,980,934) | (2,271,134) | 28,902,361 | 2,597,271 |
| Increase/(decrease) in trade and other payables | 1,330,787 | (1,688,184) | (8,140,603) | (3,829,492) |
| Taxation paid | (815,005) | (622,010) | (139,214) | (1,080,590) |
| Net cash generated from operating activities | 49,994,179 | 32,660,009 | 61,304,261 | 80,823,605 |
| Cash flows (used in)/from investing activities | | | | |
| Proceeds from sale of investment property | (1,919,926) | (1,559,759) | (7,709,734) | (4,817,394) |
| Proceeds from sale of investment property | 53,000,000 | 53,000,000 | - | - |
| Distribution from associate | 1,506,404 | 1,506,404 | 6,090 | 3,080,445 |
| Investment in associate | 65,217 | 65,217 | (7,663,384) | (8,108,689) |
| Investment in subsidiary | (149,485,917) | (149,485,917) | - | - |
| Cash and bank at acquisition | - | - | - | - |
| Other receivable | - | - | - | 26,620,370 |
| Finance income | 4,294,745 | 10,220,018 | 9,391,610 | 20,734,401 |
| Acquisition of property, plant & equipment | (1,691,539) | (132,137) | (928,210) | (1,267,464) |
| Loan to associate | (1,203,407) | (1,203,407) | (94,288,121) | (99,224,484) |
| Net cash used in investing activities | (83,348,202) | (87,589,581) | (101,191,748) | (72,982,815) |
| Cash flows used in financing activities | | | | |
| Net movement in borrowings | (6,099,809) | (6,099,809) | 7,004,516 | (2,534,548) |
| New borrowings | 120,126,000 | 120,126,000 | - | 8,000,000 |
| Finance costs | (22,411,415) | (19,796,754) | (17,314,338) | (34,476,270) |
| Dividends paid | (148,999) | (140,000) | (140,000) | (280,000) |
| Debiture interest paid | (30,391,988) | (27,397,677) | (27,397,677) | (53,304,000) |
| Payment on lease liability | (384,596) | (384,596) | (373,239) | (722,018) |
| Net cash generated from/(used in) financing activities | 60,689,193 | 66,307,164 | (38,575,091) | (83,316,836) |
| Net increase/(decrease) in cash and cash equivalents | 27,335,170 | 11,577,589 | (78,462,582) | (75,476,046) |
| Cash and cash equivalents at beginning of the year | 66,797,614 | 66,797,614 | 142,273,660 | 142,273,660 |
| Cash and cash equivalents at end of the period | 94,132,784 | 78,375,203 | 63,811,078 | 66,797,614 |