



NEW AFRICAN PROPERTIES

UNAUDITED INTERIM FINANCIAL RESULTS

For the 6 months ended 31 January 2022

NEW AFRICAN PROPERTIES LTD AND ITS SUBSIDIARY

"the Group" or "New African Properties" or "NAP"

Incorporated in the Republic of Botswana, UIN: BW00001055962 (formerly 2008/545)

BSE share code: NAP ISIN code: BW 000 000 1049

www.newafricanproperties.co.bw

COMMENTARY

RESULTS

Net distributable income of P86.2 million (14.26 thebe per unit) is 6.6% up on the comparative P80.9 million (13.38 thebe per unit). While revenue grew by 4.6% excluding rental straight line adjustments, property costs decreased by 4.7%. This decrease in property costs was driven by lower impairments and excluding this, costs increased by 12%, as a result of an 18% in security, refuse and cleaning costs and a 64% increase in repairs and maintenance due to a phased maintenance and servicing schedule. Portfolio costs have decreased by 1.7%.

Profit before tax is 2.7% below the comparative while profit after tax is 8.8% up. The fair value and other accounting adjustments net of tax amount to a P1.7 million (2021: P0.1 million) and account for the difference between distributable income and profit after tax. The tax credit is primarily the result of the indexation adjustments which reduces the deferred tax liability.

External valuations are prepared annually for the year end. The Board has retained the last external valuations for these interim results with the exception of Riverwalk, where a desktop valuation has been performed using the same methodology and discount rate as that used for the 2021 year end.

The unimpaired exposure to debtors excluding the VAT impact is P2.2 million at 31 January 2022.

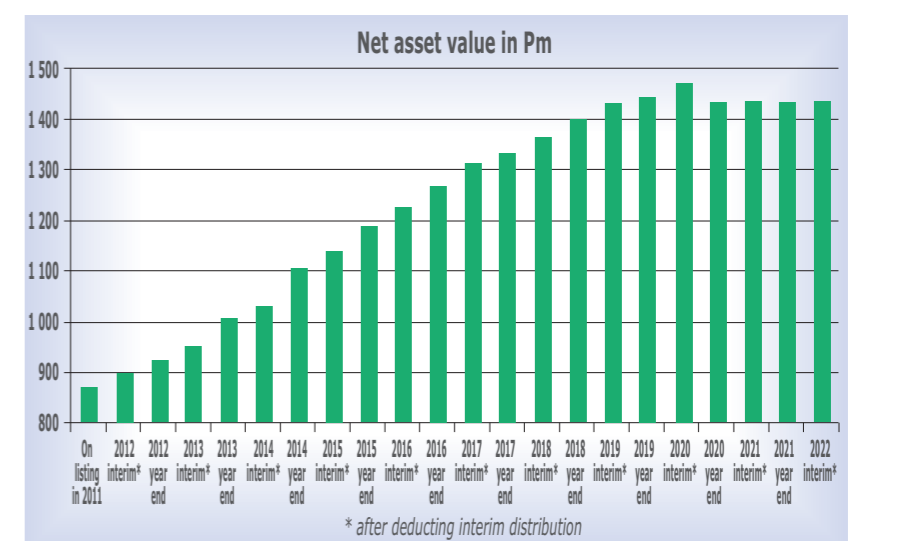
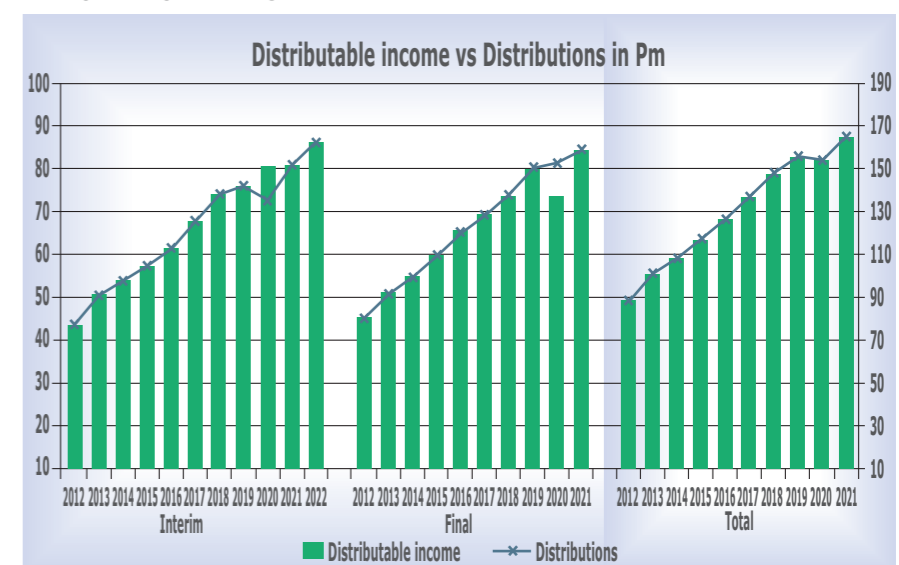
PROPERTY PORTFOLIO

Three properties were acquired during the period at a total cost of P63.0 million. These acquisitions were funded from available cash and the property yield is expected to be higher than the return on cash. The properties are retail properties located in Maun, Ghanzi and Ramotswa and complement the existing portfolio. They are fully tenanted with 92% of rentals generated from listed and multinational tenants. Directors' have valued these assets at original cost in these interim results. It is possible that the external valuer will value these assets at a capitalisation rate that differs to the acquisition yields at year end.

Vacancies have remained at similar levels to year end, while there has been a significant reduction on monthly tenancies from 11% to 6% during the period.

The new acquisitions have utilised existing cash resources and creates the opportunity to introduce gearing for future acquisitions. Gearing at moderate levels should enhance the long term returns to investors but does introduce some exposure to interest rate fluctuations.

PERFORMANCE TRENDS



The 14.26 thebe distribution for the period equates to an 8.7% annualised historic yield for investors, based on the closing price of 328 thebe per linked unit on 31 January 2022.

DEMATERIALIZATION OF LINKED UNITS

In line with the 2017 Directive from the Non-Bank Financial Institutions Regulatory Authority (NBFIIRA) unitholders are required to dematerialise their certificated holdings in listed companies. This process requires investors to open an account in the Central Securities Depository (CSD) system via a broker.

DISTRIBUTION DECLARATION

Distribution number 21 amounting to 14.26 thebe per linked unit, comprising 13.80 thebe debenture interest and 0.46 thebe dividend, has been declared and is payable to unitholders registered on 20 May 2022. Withholding taxes will be deducted where applicable.

The relevant dates are:

Ex-distribution date	18 May 2022
Record date to participate in distribution	20 May 2022
Payment	1 June 2022

For New African Properties Limited

J.T. Mynhardt
Chairman
20 April 2022

T.L.J. Mynhardt
Managing Director

Company Secretary

DPS Consulting Services Pty Ltd
Plot 54513, Unit 6A, Courtyard Village, Gaborone, Botswana
(PO Box 1453, Gaborone, Botswana)

Directors: J.T. Mynhardt (Chairman), T.L.J. Mynhardt (Managing Director), F.B. Lebala, J.P. McLoughlin#, L.C. Tapping# (Financial Director), S. Venkatakrishnan*
South African, * Indian

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 31.01.2022 P000's	Unaudited 6 months to 31.01.2021 P000's	Audited 12 months to 31.07.2021 P000's
Revenue	109 764	103 861	209 537
Contractual rental and recoveries	110 902	106 012	212 911
Rental straight line adjustment	(1 138)	(2 151)	(3 374)
Other income	2 003	2 367	3 760
Property costs	(19 885)	(20 867)	(39 521)
Net rental income	91 882	85 361	173 776
Other expenses	(6 231)	(6 337)	(12 138)
	85 651	79 024	161 638
Net finance income	1 097	1 374	3 317
Finance income	1 454	1 892	4 076
Finance expense	(357)	(518)	(759)
	86 748	80 398	164 955
Investment property fair value adjustment	(8 843)	(885)	(22 901)
At fair value	(10 136)	(3 186)	(26 504)
Rental straight line adjustment	1 138	2 151	3 374
Lease accounting adjustment	155	150	229
Financial asset fair value adjustment	1 137	238	(1 177)
Intangible asset amortisation	(441)	(441)	(881)
Share of associate's profit	1 213	2 720	4 111
Profit before taxation	79 814	82 030	144 107
Taxation	8 047	(1 257)	17 411
Profit after taxation	87 861	80 773	161 518
Other comprehensive income			
Currency translation differences	(431)	2 076	3 637
Total comprehensive income	87 430	82 849	165 155
Linked units in issue	604 397 124	604 397 124	604 397 124
Earnings per linked unit (thebe)*	14.54	13.36	26.72
Distribution per linked unit (thebe)			
Interest	13.80	12.97	26.43
Dividend	0.46	0.41	0.91
Total	14.26	13.38	27.34

* Earnings per linked unit is equivalent to headline earnings per linked unit and diluted earnings per linked unit

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital P000's	Debentures P000's	Total linked units P000's	Foreign currency translation reserve P000's	Non distributable retained income P000's	Distributable retained income P000's	Total P000's
Unaudited 6 months to 31 January 2021							
Balance at 31 July 2020	8 719	863 105	871 824	(16 368)	575 944	1 883	1 433 283
Transactions with owners							
Distributions proposed	-	-	-	-	-	(80 868)	(80 868)
Distributions not yet declared	-	-	-	-	-	80 868	80 868
Total comprehensive income				2 076	(113)	80 886	82 849
Profit for six months	-	-	-	-	-	80 773	80 773
Transfer of non-distributable amounts net of related taxes	-	-	-	-	(113)	113	-
Other comprehensive gain	-	-	-	2 076	-	-	2 076
Balance at 31 January 2021	8 719	863 105	871 824	(14 292)	575 831	82 769	1 516 132
Audited 12 months to 31 July 2021							
Balance at 31 July 2020	8 719	863 105	871 824	(16 368)	575 944	1 883	1 433 283
Transactions with owners							
Distributions declared	-	-	-	-	-	(165 242)	(165 242)
Total comprehensive income				3 637	(3 708)	165 226	165 155
Profit for the year	-	-	-	-	-	161 518	161 518
Transfer of non-distributable amounts net of related taxes	-	-	-	-	(3 708)	3 708	-
Other comprehensive gain	-	-	-	3 637	-	-	3 637
Balance at 31 July 2021	8 719	863 105	871 824	(12 731)	572 236	1 867	1 433 196
Unaudited 6 months to 31 January 2022							
Balance at 31 July 2021	8 719	863 105	871 824	(12 731)	572 236	1 867	1 433 196
Transactions with owners							
Distributions proposed	-	-	-	-	-	(86 187)	(86 187)
Distributions not yet declared	-	-	-	-	-	86 187	86 187
Total comprehensive income				(431)	1 673	86 188	87 430
Profit for six months	-	-	-	-	-	87 861	87 861
Transfer of non-distributable amounts net of related taxes	-	-	-	-	1 673	(1 673)	-
Other comprehensive loss	-	-	-	(431)	-	-	(431)
Balance at 31 January 2022	8 719	863 105	871 824	(13 162)	573 909	88 055	1 520 626

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months to 31.01.2022 P000's	Unaudited 6 months to 31.01.2021 P000's	Audited 12 months to 31.07.2021 P000's
Net cash flows from operating activities	(912)	1 291	9 991
Cash generated from operations	84 328	82 820	171 445
Net finance income	1 097	1 374	3 317
Distributions paid to linked unitholders	(84 610)	(81 436)	(161 722)
Taxation paid	(1 727)	(1 467)	(3 049)
Net cash flows from investing activities	(24 611)	2 069	(332)
Net investment in property	(63 002)	-	-
Withdrawal from/(deposit in) related party receivable	38 391	2 069	(332)
Net cash flows from financing activities	(1 823)	(1 748)	(3 541)
Net change in cash and cash equivalents	(27 346)	1 612	6 118
Cash and cash equivalents at beginning of the year	37 699	31 581	31 581
Cash and cash equivalents at end of period	10 353	33 193	37 699

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 31.01.2022 P000's	Unaudited 31.01.2021 P000's	Audited 31.07.2021 P000's
ASSETS			
Non-current assets			
Investment property	1 488 700	1 455 157	1 434 835
At valuation	1 519 112	1 488 123	1 466 546
Rental straight line adjustment	(31 018)	(33 338)	(32 162)
Lease accounting adjustment	606	372	451
Investment in associate	54 901	52 297	53 688
Financial asset receivable	24 466	24 744	23 329
Intangible asset	3 823	4 704	4 264
Rental straight line adjustment	26 648	25 232	27 594
	1 598 538	1 562 134	1 543 710
Current assets			
Trade and other receivables	71 551	109 014	109 069
Rental straight line adjustment - current portion	4 370	8 106	4 568
Tax receivable	979	2 006	1 034
Cash and cash equivalents	10 353	33 193	37 699
	87 253	152 319	152 370
TOTAL ASSETS	1 685 791	1 714 453	1 696 080
EQUITY AND LIABILITIES			
Capital and reserves	1 520 626	1 516 132	1 433 196
Non-current liabilities			
Borrowings	6 239	10 404	8 134
Deferred taxation liabilities	127 522	158 347	137 443
	133 761	168 751	145 577
Current liabilities			
Trade and other payables	26 760	25 909	28 196
Distributions payable to unitholders	671	325	85 281
Taxation payable	218	130	147
Borrowings - current portion	3 755	3 206	3 683
	31 404	29 570	117 307
TOTAL EQUITY AND LIABILITIES	1 685 791	1 714 453	1 696 080

NOTES

- The accounting policies are consistent with those applied in the previous financial year.
- The Group's business activities are concentrated in the retail property rental segment and are primarily carried out within Botswana.
- Distribution to linked unitholders is reconciled to comprehensive income as follows:

	Unaudited 6 months to 31.01.2022 P000's	Unaudited 6 months to 31.01.2021 P000's	Audited 12 months to 31.07.2021 P000's
Total comprehensive income	87 430	82 849	165 155
Add/(Deduct): Foreign currency translation difference	431	(2 076)	(3 637)
Net profit	87 861	80 773	161 518
Adjust for non-distributable items:			
Fair value adjustments net of tax	(2 024)	405	1 688
Amortisation adjustments	441	0.07	881
Share of associate's profit net of tax	(1 092)	(2 516)	(2 584)
Rental straight line adjustment net of tax	868	1 666	2 616
Lease accounting adjustment net tax	134	117	241
Other non-distributable tax charges	-	-	866
Distributable income	86 188	80 886	165 226
Distributions	(86 187)	(80 868)	(165 242)
Distributable income retained/(utilised)	1	18	(16)