



NEW AFRICAN PROPERTIES

UNAUDITED INTERIM FINANCIAL RESULTS

For the 6 months ended 31 January 2023

NEW AFRICAN PROPERTIES LTD AND ITS SUBSIDIARY

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

Incorporated in the Republic of Botswana, UIN: BW00001055962

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

www.newafricanproperties.co.bw

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 31.01.2023 P000's	Unaudited 6 months to 31.01.2022 P000's	Audited 12 months to 31.07.2022 P000's
Revenue	118 857	109 764	224 336
Contractual rental and recoveries	119 923	110 902	225 814
Rental straight line adjustment	(1 066)	(1 138)	(1 478)
Other income	2 620	2 003	4 412
Property costs	(23 987)	(19 885)	(41 558)
Net rental income	97 490	91 882	187 190
Other expenses	(6 775)	(6 231)	(12 431)
	90 715	85 651	174 759
Net finance income	1 202	1 097	2 408
Finance income	1 502	1 454	3 062
Finance expense	(300)	(357)	(654)
	91 917	86 748	177 167
Investment property fair value adjustment	(17 439)	(8 843)	16 618
At fair value	(18 664)	(10 136)	14 904
Rental straight line adjustment	1 066	1 138	1 478
Lease accounting adjustment	159	155	236
Financial asset fair value adjustment	89	1 137	1 397
Intangible asset amortisation	(441)	(441)	(881)
Share of associate's profit	(2 170)	1 213	7 078
Profit before taxation	71 956	79 814	201 379
Taxation	223	8 047	24 120
Profit after taxation	72 179	87 861	225 499
Other comprehensive income			
Currency translation differences	(1 146)	(431)	35
Total comprehensive income	71 033	87 430	225 534
Linked units in issue	604 397 124	604 397 124	604 397 124
Earnings per linked unit (thebe)*	11.94	14.54	37.31
Distribution per linked unit (thebe)			
Interest	14.47	13.80	28.05
Dividend	0.64	0.46	0.96
Total	15.11	14.26	29.01

* 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 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
Audited 12 months to 31 July 2022							
Balance at 31 July 2021	8 719	863 105	871 824	(12 731)	572 236	1 867	1 433 196
Transactions with owners	-	-	-	-	-	(175 336)	(175 336)
Distributions declared	-	-	-	-	-	(175 336)	(175 336)
Total comprehensive income	-	-	-	35	50 236	175 263	225 534
Profit for the year	-	-	-	-	-	225 499	225 499
Transfer of non-distributable amounts net of related taxes	-	-	-	-	50 236	(50 236)	-
Other comprehensive gain	-	-	-	35	-	-	35
Balance at 31 July 2022	8 719	863 105	871 824	(12 696)	622 472	1 794	1 483 394
Unaudited 6 months to 31 January 2023							
Balance at 31 July 2022	8 719	863 105	871 824	(12 696)	622 472	1 794	1 483 394
Transactions with owners	-	-	-	-	-	-	-
Distributions proposed	-	-	-	-	-	(91 324)	(91 324)
Distributions not yet declared	-	-	-	-	-	91 324	91 324
Total comprehensive income	-	-	-	(1 146)	(19 148)	91 327	71 033
Profit for six months	-	-	-	-	-	72 179	72 179
Transfer of non-distributable amounts net of related taxes	-	-	-	-	(19 148)	19 148	-
Other comprehensive loss	-	-	-	(1 146)	-	-	(1 146)
Balance at 31 January 2023	8 719	863 105	871 824	(13 842)	603 324	93 121	1 544 427

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months to 31.01.2023 P000's	Restated Unaudited 6 months to 31.01.2022 P000's	Audited 12 months to 31.07.2022 P000's
Net cash flows from operating activities	954	(912)	3 047
Cash generated from operations	91 104	84 328	175 128
Net finance income	1 202	1 097	2 408
Distributions paid to linked unitholders	(89 479)	(84 610)	(170 704)
Taxation paid	(1 873)	(1 727)	(3 785)
Net cash flows from investing activities	(355)	(21 873)	(21 015)
Net investment in property	-	(63 002)	(63 022)
Withdrawal from related party receivable	33 892	38 391	63 241
Withdrawal from/(deposit in) money market Funds	(34 247)	2 738	(21 234)
Net cash flows from financing activities	(1 873)	(1 823)	(3 678)
Net change in cash and cash equivalents	(1 274)	(24 608)	(21 646)
Cash and cash equivalents at beginning of the year	12 227	33 873	33 873
Cash and cash equivalents at end of period	10 953	9 265	12 227

NOTES

A. The accounting policies are consistent with those applied in the previous financial year.

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 31.01.2023 P000's	Restated Unaudited 31.01.2022 P000's	Audited 31.07.2022 P000's
ASSETS			
Non-current assets			
Investment property	1 496 041	1 488 700	1 514 711
At valuation	1 524 806	1 519 112	1 544 713
Rental straight line adjustment	(29 611)	(31 018)	(30 689)
Lease accounting adjustment	846	606	687
Investment in associate	58 597	54 901	60 766
Financial asset receivable	24 815	24 466	24 726
Intangible asset	2 942	3 823	3 383
Rental straight line adjustment	23 359	26 648	25 257
	1 605 754	1 598 538	1 628 843
Current assets			
Trade and other receivables	12 194	71 551	45 542
Rental straight line adjustment - current portion	6 252	4 370	5 432
Tax receivable	1 484	979	1 415
Deposit in money market funds	59 307	1 088	25 060
Cash and cash equivalents	10 953	9 265	12 227
	90 190	87 253	89 676
TOTAL ASSETS	1 695 944	1 685 791	1 718 519
EQUITY AND LIABILITIES			
Capital and reserves	1 554 427	1 520 626	1 483 394
Non-current liabilities			
Borrowings	2 369	6 239	4 343
Deferred taxation liabilities	107 610	127 522	109 777
	109 979	133 761	114 120
Current liabilities			
Trade and other payables	26 888	26 760	26 988
Distributions payable to unitholders	434	671	89 913
Taxation payable	319	218	308
Borrowings - current portion	3 897	3 755	3 796
	31 538	31 404	121 005
TOTAL EQUITY AND LIABILITIES	1 695 944	1 685 791	1 718 519

NOTES (continued)

- B. The Group's business activities are concentrated in the retail property rental segment and are primarily carried out within Botswana.
- C. The 31 January 2022 Statements of Financial Position and Cash Flows have been restated to reflect deposits in money market funds as a separate line item instead of including in cash and cash equivalents, consistent with the treatment in the July 2022 annual financial statements. These reclassifications have no impact on previously reported profits or on the liquidity of NAP as it merely relates to the IAS7 definition of cash and cash equivalents.
- D. Distribution to linked unitholders is reconciled to comprehensive income as follows:

	Unaudited 6 months to 31.01.2023		Unaudited 6 months to 31.01.2022		Audited 12 months to 31.07.2022	
	P000's	tpu	P000's	tpu	P000's	tpu
Total comprehensive income	71 033	11.75	87 430	14.47	225 534	37.32
Add/(Deduct): Foreign currency translation difference	1 146	0.19	431	0.07	(35)	(0.01)
Net profit	72 179	11.94	87 861	14.54	225 499	37.31
Adjust for non-distributable items:						
Fair value adjustments net of tax	15 794	2.61	(2 024)	(0.33)	(46 106)	(7.63)
Amortisation adjustments	441	0.07	441	0.07	881	0.14
Share of associate's profit net of tax	1 953	0.32	(1 092)	(0.18)	(6 370)	(1.05)
Rental straight line adjustment net of tax	824	0.14	868	0.14	1 102	0.18
Lease accounting adjustment net tax	136	0.02	134	0.02	249	0.04
Other non-distributable tax charges	-	-	-	-	8	-
Distributable income	91 327	15.11	86 188	14.26	175 263	29.00
Distributions	(91 324)	(15.11)	(86 187)	(14.26)	(175 336)	(29.01)
Distributable income retained/(utilised)	3	0.00	1	0.00	(73)	(0.01)

COMMENTARY

RESULTS

NAP, as a Variable Rate Loan Stock Company, focuses primarily on distributable income. Distributable income excludes valuation and other accounting adjustments (net of related taxes), that are included in net profit but do not impact cash flows or distributions to unitholders. The valuations are the primary cause of volatility in earnings.

Net distributable income amounts to P91.3 million which is 6.0% up on the comparative P86.2 million. Distributable net rental income increased by 5.9%, with revenue being 8.1% up. Total expenses increased by 17.8% including impairments and 4.4% before impairments, with unimpaired debtors being P2.1 million net of VAT at 31 January 2023. The main contributors to the impairment charge are two tenants, one being a long term issue where we are following legal processes, and the other a general provision required in terms of IFRS for a backdated charge following the successful conclusion of a lease just before the end of the reporting period.

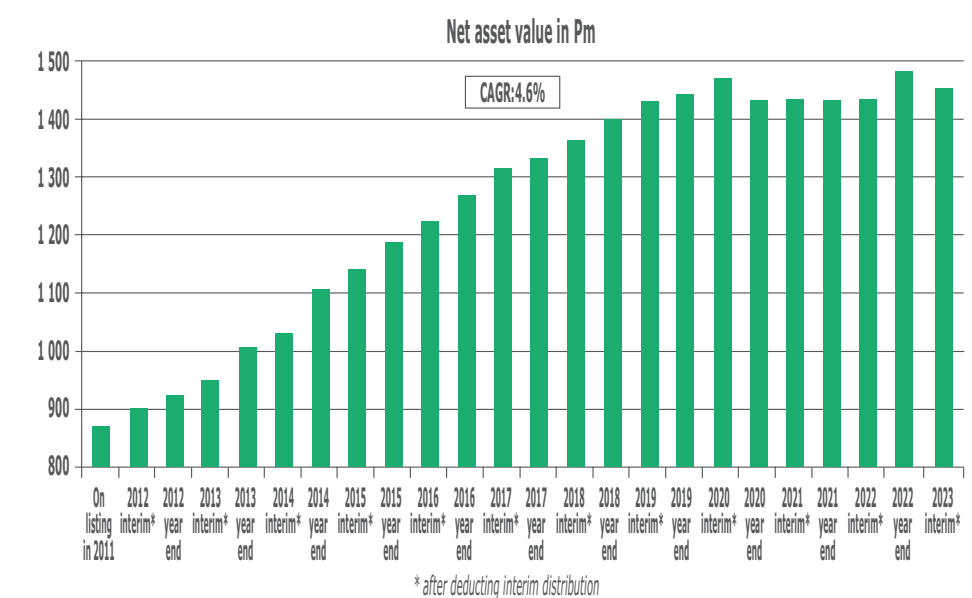
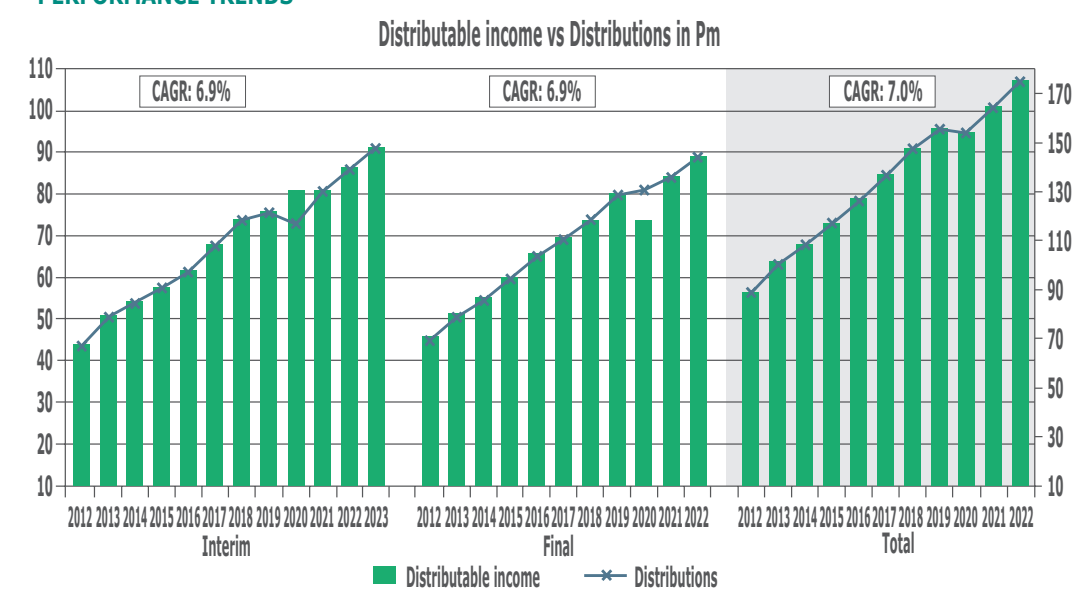
Profit before tax including the non-distributable components amounts to P72.0 million (2022: P79.8 million) and profit after tax amounts to P72.2 million (2022: P87.9 million). The tax line has been significantly impacted by the changes in the BURS national cost of living index adjustment which reduces the deferred tax liability.

PROPERTY PORTFOLIO

External valuations are prepared annually at the year end and the Board has retained the last external investment property valuations for these interim results with the exception of Riverwalk, where a desktop valuation was performed by Directors using the same methodology and discount rates as that used in July 2022, and the effect of the exchange rate movement on the Namibian portfolio.

Vacancies have reduced from 5.8% at 31 July 2022 to 5.4% at 31 January 2023. The main contributors to the vacancies remain in Namibia and Selebi Phikwe where the vacant areas have remained almost constant and account for 51% of total vacancies. The improvement expected in Kasane in the last report has materialised which accounts for the reduction in total vacancies since July 2022.

PERFORMANCE TRENDS



The 15.11 thebe distribution for the period equates to an annualised historic yield of 8.7% for investors, based on the closing price of 348 thebe at the end of January 2023.

BOARD CHANGES

Mr Tobias Mynhardt has been appointed as Chairman, Mr Louis Mynhardt as Managing Director and Mr Collin van Wyk as Finance Director designate. Messrs John Mynhardt, Fact Lebala and Ms Lauren Tapping have retired from the Board. Messrs Louis Mynhardt and Collin van Wyk have been part of the key executive team responsible for managing NAP for a number of years.

DISTRIBUTION DECLARATION

Distribution number 23 amounting to 15.11 thebe per linked unit, comprising 14.47 thebe debenture interest and 0.64 thebe dividend, has been declared and is payable to unitholders registered on 19 May 2023. Withholding taxes will be deducted where applicable.

The relevant dates are:

Ex-distribution date	17 May 2023
Record date to participate in distribution	19 May 2023
Payment	31 May 2023

T.L.J. Mynhardt

Chairman

25 April 2023

L.J. Mynhardt

Managing Director

Company Secretary

DPS Consulting Services Pty Ltd
Plot 28892 (Portion of Plot 50370), Twin Towers, West Wing - First Floor
Fairgrounds, Gaborone
(PO Box 1453, Gaborone, Botswana)

Directors: T.L.J. Mynhardt (Chairman), L.J. Mynhardt (Managing Director), J.P. McLoughlin# (Lead Independent Director), C.F. van Wyk# (Finance Director designate), S. Venkatakrishnan*
South African, * Indian