



# NEW AFRICAN PROPERTIES

## UNAUDITED INTERIM FINANCIAL RESULTS

For the 6 months ended 31 January 2024

### 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 31.01.2024 P000's	Unaudited 6 months to 31.01.2023 P000's	Audited 12 months to 31.07.2023 P000's
<b>Revenue</b>	<b>116 228</b>	118 857	239 642
Contractual rental and recoveries	120 316	119 923	238 302
Rental straight line adjustment	(4 088)	(1 066)	1 340
Other income	1 894	2 620	4 253
Property costs	(19 200)	(23 987)	(40 856)
<b>Net rental income</b>	<b>98 922</b>	97 490	203 039
Other expenses	(7 257)	(6 775)	(14 406)
	<b>91 665</b>	90 715	188 633
Net finance income	1 458	1 202	3 304
Finance income	1 664	1 502	3 857
Finance expense	(206)	(300)	(553)
	<b>93 123</b>	91 917	191 937
Investment property fair value adjustment	(30 288)	(17 439)	37 808
At fair value	(34 541)	(18 664)	38 904
Rental straight line adjustment	4 088	1 066	(1 340)
Lease accounting adjustment	165	159	244
Financial asset fair value adjustment	(4 573)	89	(229)
Intangible asset amortisation	(441)	(441)	(881)
Share of associate's profit	(848)	(2 170)	6 812
<b>Profit before taxation</b>	<b>56 973</b>	71 956	235 447
Taxation	10 760	223	(9 427)
<b>Profit after taxation</b>	<b>67 733</b>	72 179	226 020
Other comprehensive income			
Currency translation differences	(1 017)	(1 146)	(979)
<b>Total comprehensive income</b>	<b>66 716</b>	71 033	225 041
<b>Linked units in issue</b>	<b>604 397 124</b>	604 397 124	604 397 124
<b>Earnings per linked unit (thebe)*</b>	<b>11.21</b>	11.94	37.40
<b>Distribution per linked unit (thebe)</b>			
Interest	15.23	14.47	29.74
Dividend	0.59	0.64	1.27
Total	15.82	15.11	31.01

\* 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
<b>Unaudited 6 months to 31 January 2023</b>							
Balance at 31 July 2022	8 719	863 105	871 824	(12 696)	622 472	1 794	1 483 394
<b>Transactions with owners</b>							
Distributions proposed	-	-	-	-	-	(91 324)	(91 324)
Distributions not yet declared	-	-	-	-	-	91 324	91 324
<b>Total comprehensive income</b>	-	-	-	(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)
<b>Balance at 31 January 2023</b>	<b>8 719</b>	<b>863 105</b>	<b>871 824</b>	<b>(13 842)</b>	<b>603 324</b>	<b>93 121</b>	<b>1 544 427</b>
<b>Audited 12 months to 31 July 2023</b>							
Balance at 31 July 2022	8 719	863 105	871 824	(12 696)	622 472	1 794	1 483 394
<b>Transactions with owners</b>							
Distributions declared	-	-	-	-	-	(187 423)	(187 423)
<b>Total comprehensive income</b>	-	-	-	(979)	38 722	187 298	225 041
Profit for the year	-	-	-	-	-	226 020	226 020
Transfer of non-distributable amounts net of related taxes	-	-	-	-	38 722	(38 722)	-
Other comprehensive loss	-	-	-	(979)	-	-	(979)
<b>Balance at 31 July 2023</b>	<b>8 719</b>	<b>863 105</b>	<b>871 824</b>	<b>(13 675)</b>	<b>661 194</b>	<b>1 669</b>	<b>1 521 012</b>
<b>Unaudited 6 months to 31 January 2024</b>							
Balance at 31 July 2023	8 719	863 105	871 824	(13 675)	661 194	1 669	1 521 012
<b>Transactions with owners</b>							
Distributions proposed	-	-	-	-	-	(95 616)	(95 616)
Distributions not yet declared	-	-	-	-	-	95 616	95 616
<b>Total comprehensive income</b>	-	-	-	(1 017)	(27 856)	95 589	66 716
Profit for six months	-	-	-	-	-	67 733	67 733
Transfer of non-distributable amounts net of related taxes	-	-	-	-	(27 856)	27 856	-
Other comprehensive loss	-	-	-	(1 017)	-	-	(1 017)
<b>Balance at 31 January 2024</b>	<b>8 719</b>	<b>863 105</b>	<b>871 824</b>	<b>(14 692)</b>	<b>633 338</b>	<b>97 258</b>	<b>1 587 728</b>

#### ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months to 31.01.2024 P000's	Unaudited 6 months to 31.01.2023 P000's	Audited 12 months to 31.07.2023 P000's
<b>Net cash flows from operating activities</b>	<b>(682)</b>	954	8 153
Cash generated from operations	95 350	91 104	189 174
Net finance income	1 458	1 202	3 304
Distributions paid to linked unitholders	(95 933)	(89 479)	(180 587)
Taxation paid	(1 557)	(1 873)	(3 738)
<b>Net cash flows from investing activities</b>	<b>(6 680)</b>	(355)	1 602
Net flows related to investment property	4 082	-	-
Withdrawal from related party receivable	12 523	33 892	22 789
Withdrawal from/(deposit in) money market Funds	(23 285)	(34 247)	(21 187)
<b>Net cash flows from financing activities</b>	<b>(1 973)</b>	(1 873)	(3 797)
<b>Net change in cash and cash equivalents</b>	<b>(9 335)</b>	(1 274)	5 958
Cash and cash equivalents at beginning of the year	18 185	12 227	12 227
<b>Cash and cash equivalents at end of period</b>	<b>8 850</b>	10 953	18 185

#### ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 31.01.2024 P000's	Unaudited 31.01.2023 P000's	Audited 31.07.2023 P000's
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property	1 516 056	1 496 041	1 551 482
At valuation	1 542 879	1 524 806	1 582 569
Rental straight line adjustment	(27 919)	(29 611)	(32 018)
Lease accounting adjustment	1 096	846	931
Investment in associate	66 730	58 597	67 578
Financial asset receivable	19 924	24 815	24 497
Intangible asset	2 061	2 942	2 502
Rental straight line adjustment	23 271	23 359	24 088
	<b>1 628 042</b>	1 605 754	1 670 147
<b>Current assets</b>			
Trade and other receivables	10 187	12 194	21 796
Rental straight line adjustment - current portion	4 648	6 252	7 930
Tax receivable	1 657	1 484	1 850
Deposit in money market funds	69 532	59 307	46 247
Cash and cash equivalents	8 850	10 953	18 185
	<b>94 874</b>	90 190	96 008
<b>TOTAL ASSETS</b>	<b>1 722 916</b>	1 695 944	1 766 155
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>	<b>1 587 728</b>	1 554 427	1 521 012
<b>Non-current liabilities</b>			
Borrowings	-	2 369	343
Deferred taxation liabilities	102 970	107 610	115 595
	<b>102 970</b>	109 979	115 938
<b>Current liabilities</b>			
Trade and other payables	28 462	26 888	27 923
Distributions payable to unitholders	816	434	96 749
Taxation payable	571	319	534
Borrowings - current portion	2 369	3 897	3 999
	<b>32 218</b>	31 538	129 205
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 722 916</b>	1 695 944	1 766 155

#### 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 31.01.2024 P000's	tpu	Unaudited 6 months to 31.01.2023 P000's	tpu	Audited 12 months to 31.07.2023 P000's	tpu
Total comprehensive income	66 716	11.04	71 033	11.75	225 041	37.23
Add/(Deduct): Foreign currency translation difference	1 017	0.17	1 146	0.19	979	0.16
Net profit	67 733	11.21	72 179	11.94	226 020	37.40
Adjust for non-distributable items:						
Fair value adjustments net of tax	23 222	3.84	15 794	2.61	(33 114)	(5.48)
Amortisation adjustments	441	0.07	441	0.07	881	0.14
Share of associate's profit net of tax	763	0.13	1 953	0.32	(6 131)	(1.01)
Rental straight line adjustment net of tax	3 192	0.53	824	0.14	(1 037)	(0.17)
Lease accounting adjustment net tax	135	0.02	136	0.02	205	0.03
Other non-distributable tax charges	103	0.02	-	-	474	0.08
Distributable income	95 589	15.82	91 327	15.11	187 298	30.99
Distributions	(95 616)	(15.82)	(91 324)	(15.11)	(187 423)	(31.01)
Distributable income retained/(utilised)	(27)	(0.00)	3	0.00	(125)	(0.02)

#### 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.

Distributable income of P95.6 million is 4.7% up on the comparative P91.3 million, with distributable net rental income having increased by 4.4%. The noticeable decrease in property costs from P24.0m to P19.2m is largely on the back of a significant reduction in impairment charges related to tenant arrears, with the replacement of the anchor tenant at Kagiso Centre having been a noteworthy contributor to this favourable reduction. The amount of unimpaired tenant arrears excluding VAT remains limited at P2.2m.

Profit before tax including its non-distributable components amounts to P57.0 million (2023: P72.0 million) and profit after tax amounts to P67.7 million (2023: P72.2 million).

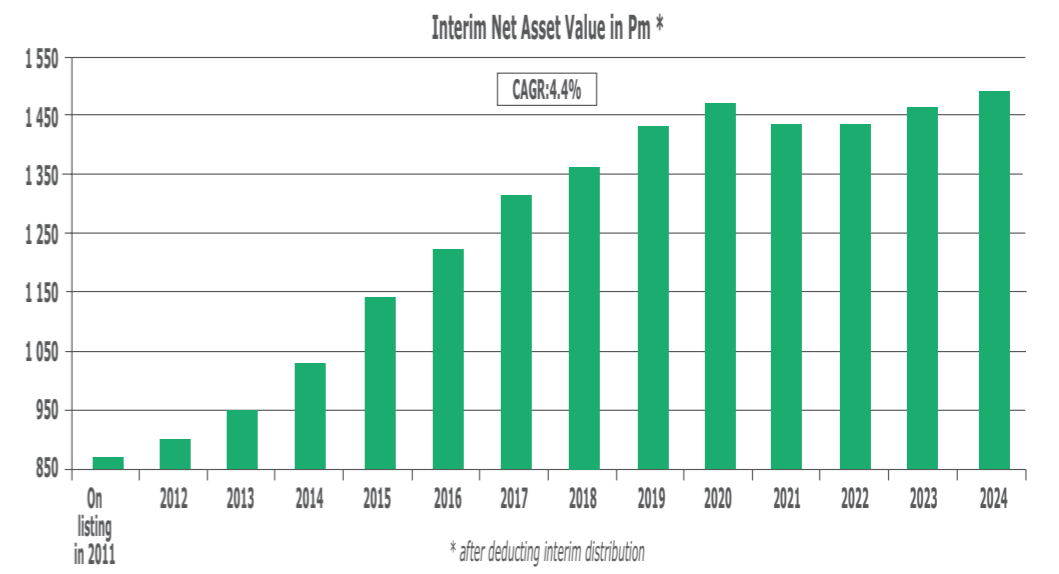
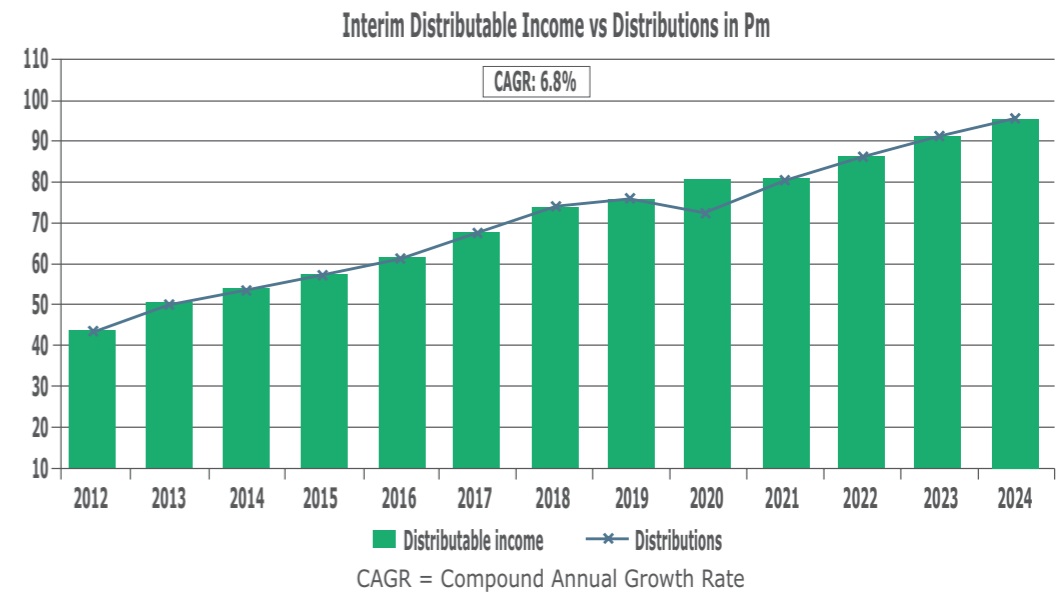
##### PROPERTY PORTFOLIO

The last external valuation was performed on 31 July 2023. The Board has retained these external valuations, in local currency, for these interim results with the exception of Riverwalk, where a desktop valuation was performed by the Directors using the same methodology that was used on 31 July 2023, updated for current estimates.

Following the fire damage at Kasane Mall, the reinstatement works remain on track with expenditure having been covered by insurance.

Vacancies have increased marginally to 7.0% from 6.9% at last year end, this increase relates to a shorter term vacancy which has subsequently been relet. Namibia and Selebi Phikwe are the largest contributors to the overall vacancy level, accounting for 44% of all vacancies.

##### PERFORMANCE TRENDS



The 15.82 thebe distribution for the period equates to an annualised historic yield of 8.4% for investors, based on the closing price of 375 thebe at the end of January 2024.

##### DISTRIBUTION DECLARATION

Distribution number 25 amounting to 15.82 thebe per linked unit, comprising 15.23 thebe debenture interest and 0.59 thebe dividend, has been declared and is payable to unitholders registered on 17 May 2024. Withholding taxes will be deducted where applicable.

Certificated unitholders are reminded that it was resolved, at the January 2023 Annual General Meeting, to delay payments of distributions to all certificated unitholders until such time as they have dematerialised their units.

Please see: [www.newafricanproperties.co.bw/pdf\\_files/unitholder\\_dematerialisation.pdf](http://www.newafricanproperties.co.bw/pdf_files/unitholder_dematerialisation.pdf)

The relevant dates are:

Ex-distribution date 15 May 2024

Record date to participate in distribution 17 May 2024

Payment 29 May 2024

**T.L.J. Mynhardt**

Chairman

24 April 2024

**L.J. Mynhardt**

Managing Director

**Transfer Secretary**

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**Company Secretary**

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