



NEW AFRICAN PROPERTIES

UNAUDITED INTERIM FINANCIAL RESULTS AND COVID-19

NEW AFRICAN PROPERTIES LTD AND ITS SUBSIDIARY

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

Incorporated in the Republic of Botswana, UIN: BW0001055962 (formerly 2008/545)

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

www.newafricanproperties.co.bw

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 31.01.2020 P000's	Unaudited 6 months to 31.01.2019 P000's	Audited 12 months to 31.07.2019 P000's
Revenue	103 713	100 427	202 013
Contractual rental and recoveries	102 660	97 356	196 759
Rent straight line adjustment	1 053	3 071	5 254
Other income	1 071	1 053	2 167
Property costs	(17 156)	(16 899)	(32 265)
Net rental income	87 628	84 581	171 915
Other expenses	(6 209)	(6 041)	(12 292)
Operating profit	81 419	78 540	159 623
Net finance income	2 080	2 264	5 282
Finance income	2 613	2 803	6 309
Finance expense	(533)	(539)	(1 027)
Net income from operations	83 499	80 804	164 905
Investment property fair value adjustment	22 736	31 771	39 582
Financial asset fair value adjustment	317	(1 492)	(909)
Amortisation adjustments	(493)	(441)	(881)
Share of associate's profit	2 202	3 293	6 324
Profit before taxation	108 261	113 935	209 021
Taxation	(5 802)	(8 142)	(10 291)
Profit after taxation	102 459	105 793	198 730
Other comprehensive income			
Currency translation differences	(1 095)	(293)	(1 321)
Total comprehensive income	101 364	105 500	197 409
Linked units in issue	604 397 124	604 397 124	604 397 124
Earnings per linked unit (thebe)*	16.95	17.50	32.88
Distribution per linked unit (thebe)			
Interest	12.04	11.58	23.83
Dividend	-	0.98	1.97
Total	12.04	12.56	25.80

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

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 31.01.2020 P000's	Unaudited 31.01.2019 P000's	Audited 31.07.2019 P000's
ASSETS			
Non-current assets			
Investment property	1 491 905	1 462 554	1 469 317
Investment in associate	47 996	42 763	45 794
Financial asset receivable	25 044	24 144	24 727
Intangible asset	5 585	6 466	6 026
Rent straight line adjustment	28 151	25 201	27 395
	1 598 681	1 561 128	1 573 259
Current assets			
Trade and other receivables	106 113	102 444	99 943
Rent straight line adjustment - current portion	6 597	6 357	6 325
Tax receivable	1 908	1 583	1 762
Cash and cash equivalents	39 108	40 747	43 298
	153 726	151 131	151 328
TOTAL ASSETS	1 752 407	1 712 259	1 724 587
EQUITY AND LIABILITIES			
Capital and reserves	1 543 751	1 506 412	1 442 387
Non-current liabilities			
Borrowings	13 641	17 061	15 487
Deferred taxation liabilities	166 936	162 618	162 860
	180 577	179 679	178 347
Current liabilities			
Trade and other payables	24 413	22 297	20 400
Borrowings - current portion	3 411	3 232	3 206
Distributions payable to unitholders	255	147	80 247
Taxation payable	-	492	-
	28 079	26 168	103 853
TOTAL EQUITY AND LIABILITIES	1 752 407	1 712 259	1 724 587

COMMENTARY

RESULTS

Results for the first half are in line with expectations with total distributable income amounting to P80.8 million, a 6.4% increase on the P75.9 million comparative. This was primarily attributable to the 6.2% increase in net rental income (before straight-line adjustments) to P86.6 million for the period.

Profit for the six months amounted to P102.5 million, compared to the P105.8 million in the 2019 comparative period, with post-tax revaluation gains and other accounting adjustments of a net P21.7 million for the period (2019: P29.9 million). These gains are non-cash flow items and are excluded from the determination of distributable income but do increase the net asset value of NAP.

PROPERTY PORTFOLIO

The portfolio comprises predominantly Botswana based retail properties, weighted towards Gaborone but with a wide geographical footprint, as well as some exposure to Namibia retail properties. Directors valued the portfolio at P1.5 billion at 31 January which resulted in a fair value gain of P23.6 million before rent straight-line and other accounting adjustments.

Vacancies at the end of January amounted to 3.3% by gross lettable area, a marginal improvement on the 3.4% at the 2019 year end. Selebi Phikwe properties have continued to comprise a significant portion of total vacancies and comprise 44% of the total (41% at last year end). Lease renewals during the period achieved real growth in rentals and new tenancies resulted in more muted growth on previous rentals.

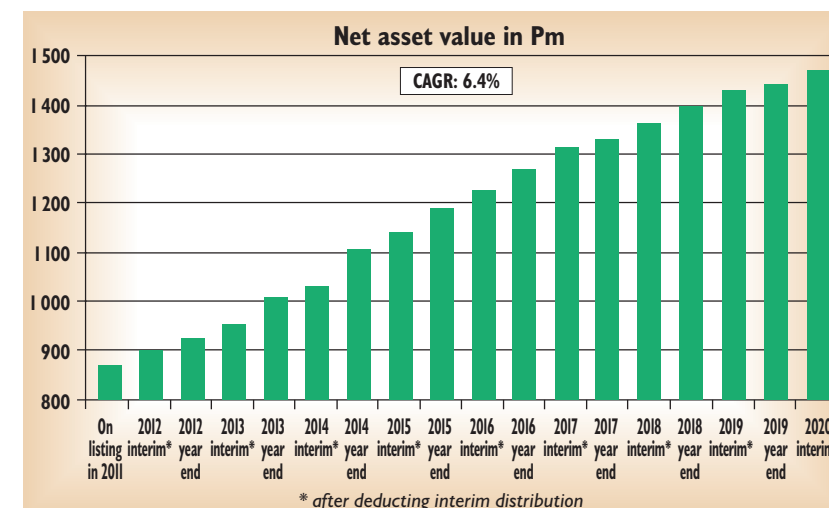
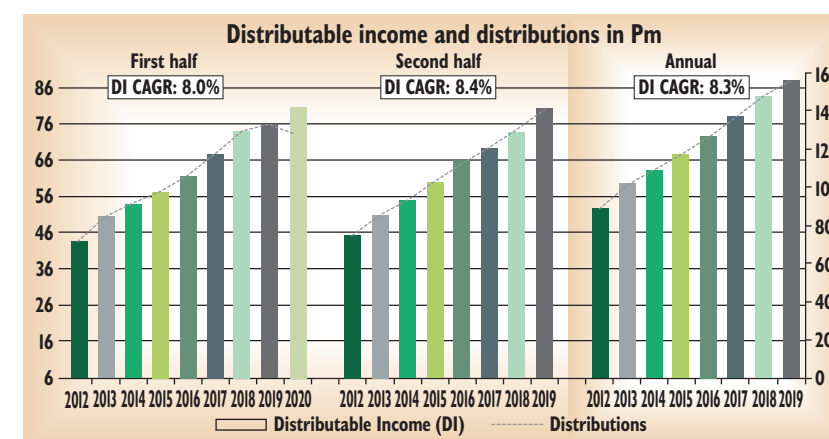
Net impairment charges of P0.4 million were recognised for the 6 months and amount to 0.3% of revenue, consistent with the prior year interim results. Net unprovided tenant arrears amounted to P0.8 million at 31 January and is marginally lower than that reported at the last year end.

COVID-19

Management is monitoring the COVID-19 situation, particularly in light of the measures introduced in both Botswana and Namibia. The lockdown measures have impacted our tenants, many of which have been forced to close. At this time the duration and extent of the impact of COVID-19 generally is uncertain and we are unable to quantify the impact on NAP. In view of this uncertainty, the Board has taken the decision to only declare 90% of distributable income for the period in order to provide for VAT payments that will be due to BURS on tenant arrears that have arisen due to COVID-19. We will reassess this in July when we will be able to assess the impact for the full financial year.

NAP's income flows from a diverse range of tenants with a weighting to multinational and listed companies and the Board is of the opinion that NAP's ability to continue as a going concern remains unchanged in view of the strength of the balance sheet. However, given the uncertainty at this time, the Board withdraws its distribution guidance previously provided for the 2020 financial year.

NAP's performance since listing has provided a consistent growth in distributions to unitholders and the Group's net asset value. While COVID-19 will impact on these trends in the short term, the fundamentals of the portfolio and the tenant base should benefit NAP in the future, post the impact of COVID-19.



CAGR = compound annual growth rate

DISTRIBUTION DECLARATION

Distribution number 17 amounting to 12.04 thebe per linked unit, comprising debenture interest, has been declared and is payable to unitholders registered on 22 May 2020. The key dates for this distribution are:

Ex-distribution date	20 May 2020
Record date to participate in distribution	22 May 2020
Payment	3 June 2020

For New African Properties Limited

J.T. Mynhardt
Chairman
28 April 2020

T.L.J. Mynhardt
Managing Director

Transfer Secretaries

Grant Thornton Business Services (Pty) Ltd
Plot 50370, Acumen Park
Gaborone, Botswana
(PO Box 1157, Gaborone, Botswana)

Company Secretary

DPS Consulting Services (Pty) Ltd
Plot 50371, Fairground Office Park
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. Venkatakrisnan*
South African, * Indian

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 2019							
Balance at 31 July 2018	8 719	863 105	871 824	(10 862)	538 429	1 521	1 400 912
Transactions with owners							
Distributions proposed	-	-	-	-	-	(75 912)	(75 912)
Distributions not yet declared	-	-	-	-	-	75 912	75 912
Total comprehensive income				(293)	29 881	75 912	105 500
Profit for six months	-	-	-	-	-	105 793	105 793
Transfer of non-distributable amounts net of related taxes	-	-	-	-	29 881	(29 881)	-
Other comprehensive loss	-	-	-	(293)	-	-	(293)
Balance at 31 January 2019	8 719	863 105	871 824	(11 155)	568 310	77 433	1 506 412
Audited 12 months to 31 July 2019							
Balance at 31 July 2018	8 719	863 105	871 824	(10 862)	538 429	1 521	1 400 912
Transactions with owners							
Distributions declared	-	-	-	-	-	(155 934)	(155 934)
Total comprehensive income				(1 321)	42 690	156 040	197 409
Profit for the year	-	-	-	-	-	198 730	198 730
Transfer of non-distributable amounts net of related taxes	-	-	-	-	42 690	(42 690)	-
Other comprehensive loss	-	-	-	(1 321)	-	-	(1 321)
Balance at 31 July 2019	8 719	863 105	871 824	(12 183)	581 119	1 627	1 442 387
Unaudited 6 months to 31 January 2020							
Balance at 31 July 2019	8 719	863 105	871 824	(12 183)	581 119	1 627	1 442 387
Transactions with owners							
Distributions proposed	-	-	-	-	-	(72 769)	(72 769)
Distributions not yet declared	-	-	-	-	-	72 769	72 769
Total comprehensive income				(1 095)	21 657	80 802	101 364
Profit for six months	-	-	-	-	-	102 459	102 459
Transfer of non-distributable amounts net of related taxes	-	-	-	-	21 657	(21 657)	-
Other comprehensive loss	-	-	-	(1 095)	-	-	(1 095)
Balance at 31 January 2020	8 719	863 105	871 824	(13 278)	602 776	82 429	1 543 751

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months to 31.01.2020 P000's	Unaudited 6 months to 31.01.2019 P000's	Audited 12 months to 31.07.2019 P000's
Net cash from operating activities	1 835	2 710	5 063
Cash generated from operations	81 439	76 316	153 986
Net finance income	2 174	2 264	5 282
Distributions paid to linked unitholders	(79 992)	(74 188)	(150 022)
Taxation paid	(1 786)	(1 682)	(4 183)
Net cash from investing activities	(4 384)	28	1 826
Net investment in property	(975)	(239)	(239)
Deposit in related party receivable	(3 409)	267	2 065
Net cash from financing activities	(1 641)	(1 552)	(3 152)
Net change in cash and cash equivalents	(4 190)	1 186	3 737
Cash and cash equivalents at beginning of the year	43 298	39 561	39 561
Cash and cash equivalents at end of period	39 108	40 747	43 298

NOTES

- The accounting policies are consistent with those applied in the previous financial year except for the modified retrospective adoption with simplification of IFRS 16.
- The Group's business activities are concentrated in the retail property rental segment and are primarily carried out within Botswana.
- Distribution attributable to linked unitholders is reconciled to comprehensive income as follows:

	Unaudited 6 months to 31.01.2020 P000's	Unaudited 6 months to 31.01.2019 P000's	Audited 12 months to 31.07.2019 P000's
Total comprehensive income	101 364	105 500	197 409
Add/(Deduct): Foreign currency translation difference	1 095	293	1 321
Net profit	102 459	105 793	198 730
Adjust for non-distributable items:			
Fair value adjustments net of tax	(19 327)	(4.25)	(35 205)
Amortisation adjustments	461	0.07	881
Share of associate's profit net of tax	(2 037)	(0.50)	(5 850)
Rental straight line adjustment net of tax	(819)	(0.39)	(4 062)
Other	65	0.13	1 546
Distributable income	80 802	75 912	156 040
Distributions	(72 769)	(75 912)	(155 934)
Net income retained	8 033	-	106