IMPORTANT NOTE TO USERS:
The audit opinion reproduced here as a standalone document has been extracted from the New African Properties Integrated Annual Report 2020 (the "AFS"). The AFS include the consolidated and separate financial statements to which this audit opinion refers. Accordingly, this audit opinion should be read together with the AFS, which are available from the New African Properties Limited's registered office.

Independent Auditor's Report
To the Unitholders of New African Properties Limited

Our opinion
In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of New African Properties Limited (the "Company") and its subsidiary (together the "Group") as at 31 July 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited
New African Properties Limited's consolidated and separate financial statements set out on pages 38 to 77 comprise:

- the consolidated and separate statements of financial position as at 31 July 2020;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana.

Our audit approach
Overview

Overall group materiality
- P 14,332,830, which represents 1% of consolidated net assets.

Group audit scope
- Group audit scope has been determined based on indicators such as contribution to the consolidated net assets by each component. The Group consists of two components being the Company, and one wholly-owned subsidiary in Namibia. We performed a full scope audit on the Company, which we considered to be the only financially significant component.

Key audit matter
- Valuation of investment property.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	P 14,332,830.
How we determined it	1% of consolidated net assets.
Rationale for the materiality benchmark applied	We chose consolidated net assets as the benchmark because, in our view, the net asset value is the benchmark against which the performance of the Group is most commonly measured by users. Although the entity is profit-orientated, its strategic focus is to deliver long term unitholder returns. Net assets are one of the main elements of the consolidated financial statements and the users are likely to be more concerned with the net assets underlying the Group with a focus on long term returns rather than short term profits. We chose 1% based on our professional judgement and after consideration of the range of quantitative materiality thresholds that we would typically apply when using net assets to compute materiality.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of the Company and one wholly owned subsidiary, both of which were considered to be individual components for purposes of our group audit. Our scoping assessment included consideration of the financial significance of each component, as well as taking into consideration the sufficiency of work planned to be performed over material line items in the consolidated financial statements. We identified the Company to be the only financially significant component in the Group based on its contribution to the consolidated net assets. The Namibian subsidiary was considered to be financially insignificant to the Group.

For the financially significant component, we performed a full scope audit. Analytical review procedures were performed on the financially insignificant component. All audit work was performed by the Group engagement team and did not require involvement of component auditors. This, together with additional procedures performed at the Group level, including testing of consolidation journals and intercompany eliminations, provided us the audit evidence we needed for our opinion on the consolidated financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*

Valuation of investment property
 	
(This key audit matter refers to both the consolidated and separate financial statements)
 	
(All figures are in P '000)
 	
The Group accounts for investment properties at fair value in both its consolidated and separate financial statements. The carrying values of investment properties for the Group and Company at 31 July 2020 were P1,453,820 and P1,416,442, respectively. In the current year, the fair value adjustment recorded in the statement of comprehensive income in respect of investment properties for the Group and Company amounted to P13,266 and P8,601 respectively. Refer to Note 5, *Investment Property*, to the consolidated and separate financial statements for details.
 	
At 31 July 2020, the Group's valuation of the portfolio of properties was based on valuations carried out by an independent valuer using the investment method. For the Riverwalk property, the independent valuation assumes that standard terms and conditions with respect to title will apply to the property as a whole. Given the specific ownership structure and related contractual arrangements of the Group, the Group reduced the value determined by the independent valuer to take account of the specific ownership structure and contractual arrangements. Refer to Note 4.1, *Critical accounting estimates and judgements, Investment property*, to the consolidated and separate financial statements for details.
 	
Significant judgement is required to determine the fair value of investment properties, especially with respect to the determination of appropriate capitalisation and discount rates, and net cash flows.
 	
We considered the valuation of investment property to be a matter of most significance to the current year audit due to the significant assumptions applied by management in determining the fair values, as well as the magnitude of the balances.
	In respect of the Group's independent valuer (the "Valuer"), we performed the following procedures:
	
	• Inspected the Valuer's valuation reports for statements of independence and compliance with generally accepted valuation standards, as well as for confirmation of the Valuer's affiliation with the relevant professional body;
	• Inspected underlying documents relating to the Valuer's professional certifications, experience in the industry and reputation in the field, and considered our previous experience with the expert;
	• Evaluated whether there are any matters that might have affected the Valuer's objectivity or may have imposed scope limitations upon the work performed by the Valuer by obtaining written confirmation from the Valuer that:
	    • all professional staff involved in the valuation process are in good standing with relevant professional bodies;
	    • they are free from any direct or indirect shareholding or financial interest in the Group;
	    • the Group did not place any restrictions on the valuation process; and
	    • they are not aware of any information relevant to the valuation which had been withheld by the Group.
	
	Based on our procedures performed, we noted no matters requiring further consideration.
	
	We assessed the appropriateness of the valuation methodologies used by the Valuer against the requirements of IFRS 13 - *Fair value measurement* and industry practice. Based on our procedures performed, we accepted the valuation methodologies used by the Valuer.
	
	We compared a sample of data inputs used in the independent valuations, including net cash flows, to relevant documentation (such as tenancy schedules, rental agreements, business plans and historical performance). The data inputs used in the independent valuations were found to be consistent.
	
	We compared the capitalisation rates utilised in the valuation to those generally used in the market for similar properties, rates used in historical valuations, general market factors (such as comparable long-bond yield rates) and property specific risk factors. Variances identified were discussed with management. Based on our procedures performed, we accepted the capitalisation rates used by management.

Key audit matter	*How our audit addressed the key audit matter*
	With respect to the Riverwalk property, we tested the Group's calculation of the downward adjustment to the fair value calculated by the Valuer, as follows: ● we assessed the calculations with reference to the specific ownership structure and related contractual arrangements, which had not been taken into account by the independent valuer. We noted no matters requiring further consideration; ● we agreed the data inputs used in the calculation, including future cash flows from net rental income to underlying documentation (such as rental agreements, business plans and historical performance), taking into account the lettable area and attributable cash flows; and ● we assessed the appropriateness of the discount rate used to calculate present value of future cash flows, by computing the discount rate implied by the Valuer in their independent valuation of the Riverwalk property. We compared the implied rate to the rate used by management and did not identify any exceptions.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "New African Properties Integrated Annual Report 2020". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers.

Individual practicing member: Lalithkumar Mahesan **Gaborone**
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