



NEW AFRICAN PROPERTIES

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

UNAUDITED INTERIM FINANCIAL RESULTS

For the 6 months ended 31 January 2021

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 31.01.2021 P000's	Unaudited 6 months to 31.01.2020 P000's	Audited 12 months to 31.07.2020 P000's
Revenue	103 861	103 713	208 916
Contractual rental and recoveries	106 012	102 660	207 111
Rent straight line adjustment	(2 151)	1 053	1 805
Other income	2 367	1 243	2 456
Property costs	(20 867)	(17 156)	(44 064)
Net rental income	85 361	87 800	167 308
Other expenses	(6 337)	(6 209)	(12 260)
Operating profit	79 024	81 591	155 048
Net finance income	1 374	1 908	4 341
Finance income	1 892	2 441	5 339
Finance expense	(518)	(533)	(998)
Net income from operations	80 398	83 499	159 389
Investment property at fair value adjustment	(885)	22 736	(13 266)
At fair value	(3 186)	23 643	(11 683)
Rental straight line adjustment	2 151	(1 053)	(1 805)
Lease accounting adjustment	150	146	222
Financial asset fair value adjustment	238	317	(221)
Amortisation adjustments	(441)	(493)	(881)
Share of associate's profit	2 720	2 202	3 783
Profit before taxation	82 030	108 261	148 804
Taxation	(1 257)	(5 802)	519
Profit after taxation	80 773	102 459	149 323
Other comprehensive income			
Currency translation differences	2 076	(1 095)	(4 185)
Total comprehensive income	82 849	101 364	145 138
Linked units in issue	604 397 124	604 397 124	604 397 124
Earnings per linked unit (thebe)*	13.36	16.95	24.71
Distribution per linked unit (thebe)			
Interest	12.97	12.04	25.52
Dividend	0.41	-	-
Total	13.38	12.04	25.52

* 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 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
Audited 12 months to 31 July 2020							
Balance at 31 July 2019	8 719	863 105	871 824	(12 183)	581 119	1 627	1 442 387
Transactions with owners	-	-	-	-	-	(154 242)	(154 242)
Distributions declared	-	-	-	-	-	(154 242)	(154 242)
Total comprehensive income	-	-	-	(4 185)	(5 175)	154 498	145 138
Profit for the year	-	-	-	-	-	149 323	149 323
Transfer of non-distributable amounts net of related taxes	-	-	-	-	(5 175)	5 175	-
Other comprehensive loss	-	-	-	(4 185)	-	-	(4 185)
Balance at 31 July 2020	8 719	863 105	871 824	(16 368)	575 944	1 883	1 433 283
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

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months to 31.01.2021 P000's	Unaudited 6 months to 31.01.2020 P000's	Audited 12 months to 31.07.2020 P000's
Net cash from operating activities	1 291	1 835	(3 320)
Cash generated from operations	82 820	81 705	148 631
Net finance income	1 374	1 908	4 341
Distributions paid to linked unitholders	(81 436)	(79 992)	(152 728)
Taxation paid	(1 467)	(1 786)	(3 564)
Net cash from investing activities	2 069	(4 384)	(5 062)
Net investment in property	-	(975)	(2 081)
Withdrawal from/(deposit in) related party receivable	2 069	(3 409)	(2 981)
Net cash from financing activities	(1 748)	(1 641)	(3 335)
Net change in cash and cash equivalents	1 612	(4 190)	(11 717)
Cash and cash equivalents at beginning of the year	31 581	43 298	43 298
Cash and cash equivalents at end of period	33 193	39 108	31 581

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 31.01.2021 P000's	Unaudited 31.01.2020 P000's	Audited 31.07.2020 P000's
ASSETS			
Non-current assets			
Investment property	1 455 157	1 491 905	1 453 820
At valuation	1 488 123	1 526 507	1 489 026
Rental straight line adjustment	(33 338)	(34 748)	(35 428)
Lease accounting adjustment	372	146	222
Investment in associate	52 297	47 996	49 577
Financial asset receivable	24 744	25 044	24 506
Intangible asset	4 704	5 585	5 145
Rent straight line adjustment	25 232	28 151	28 829
	1 562 134	1 598 681	1 561 877
Current assets			
Trade and other receivables	109 014	106 113	112 321
Rent straight line adjustment - current portion	8 106	6 597	6 599
Tax receivable	2 006	1 908	2 029
Cash and cash equivalents	33 193	39 108	31 581
	152 319	153 726	152 530
TOTAL ASSETS	1 714 453	1 752 407	1 714 407
EQUITY AND LIABILITIES			
Capital and reserves	1 516 132	1 543 751	1 433 283
Non-current liabilities			
Borrowings	10 404	13 641	11 839
Deferred taxation liabilities	158 347	166 936	158 710
	168 751	180 577	170 549
Current liabilities			
Trade and other payables	25 909	24 413	25 295
Borrowings - current portion	3 206	3 411	3 519
Distributions payable to unitholders	325	255	81 761
Taxation payable	130	-	-
	29 570	28 079	110 575
TOTAL EQUITY AND LIABILITIES	1 714 453	1 752 407	1 714 407

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.
- Comparatives have been restated where necessary to give more meaningful comparison.
- Distribution to linked unitholders is reconciled to comprehensive income as follows:

	Unaudited 6 months to 31.01.2021 P000's	Unaudited 6 months to 31.01.2020 P000's	Audited 12 months to 31.07.2020 P000's
Total comprehensive income	82 849	101 364	145 138
Add/(Deduct): Foreign currency translation difference	(2 076)	1 095	4 185
Net profit	80 773	102 459	149 323
Net profit tpu	13.36	16.95	24.71
Adjust for non-distributable items:			
Fair value adjustments net of tax	405	(19 327)	10 300
Amortisation adjustments	441	461	881
Share of associate's profit net of tax	(2 516)	(2 037)	(3 498)
Rental straight line adjustment net of tax	1 666	(819)	(1 400)
Lease accounting adjustment net tax	117	65	(134)
Other	-	-	(974)
Distributable income	80 886	80 802	154 498
Distributions	(80 868)	(72 769)	(154 242)
Net income retained	18	8 033	256

COMMENTARY

RESULTS

NAP, as a Variable Rate Loan Stock Company, focuses primarily on distributable income. Distributable income excludes valuation and other accounting adjustments, that are included in net profit but do not impact cash flows or distributions to unitholders.

Net distributable income for the 6 months of P80.9 million (13.38 thebe per linked unit) is in line with the comparative period (P80.8 million or 13.37 thebe). In view of the uncertainty created by COVID-19 this time last year, the 2020 interim distribution was based on 90% of distributable income with the amount retained being distributed as part of the year end final distribution after confirming that we were able to revert to 100% distributions. As a result, the actual interim distribution declared now is 11.1% above the interim distribution paid last year.

The P80.9 million distributable income is after increasing our impairment provisions in view of the impact of Covid-19. Excluding these impairments distributable income increased by 5.3% and distributable net rental income, excluding rent straight line and accounting adjustments, by 5.8% on the comparative results. Revenue excluding straight line adjustments has increased by 3.3%. The 21.6% increase in property costs is directly attributable to impairment provisions, excluding impairments these costs have reduced by 3.1%. Portfolio related costs have increased by 2.1%, net investment income has decreased mainly in view of declining interest rates and taxation impacting distributable income has increased.

Profit is below the comparative number as a result of non-distributable components of profit. While distributable income has remained constant, the net after tax impact of valuation and other accounting adjustments results in a P0.1 million charge to profit (2020: a gain of P21.7 million). The valuations are the primary cause of volatility in NAP's profit. The board has retained the 2020 year end investment property valuations at the current reporting date, other than for Riverwalk where a desktop valuation has been performed using a discount rate unchanged from the prior year end. A full external valuation will be performed at year end.

PROPERTY PORTFOLIO

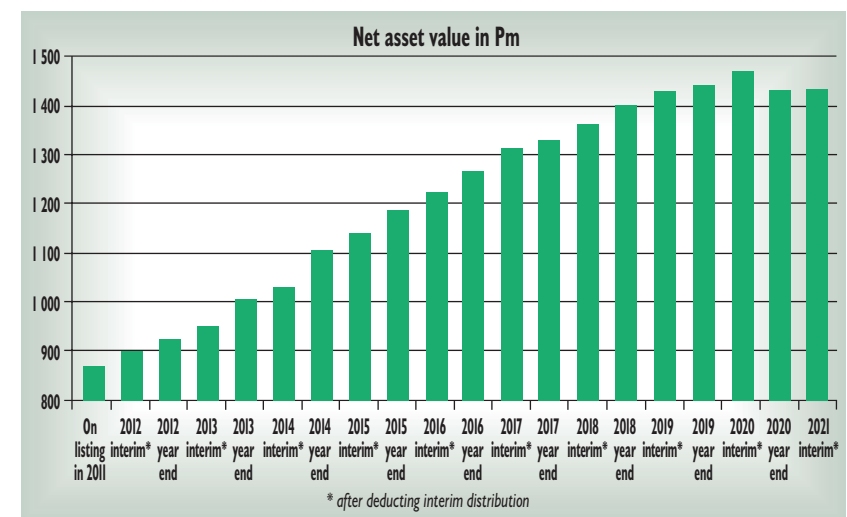
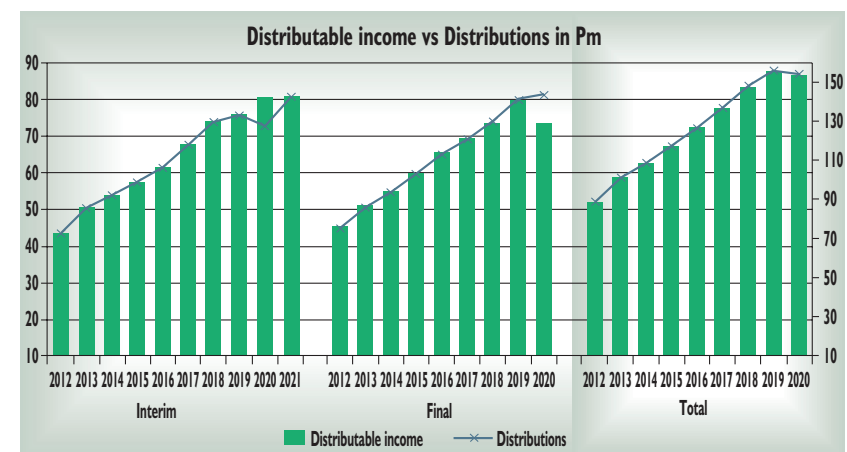
The portfolio remains unchanged, comprising predominantly Botswana based retail properties, weighted towards Gaborone but with a wide geographical footprint, as well as some exposure to Namibia retail properties.

Covid-19 continues to have an impact on the business environment, particularly in view of curfews, the liquor restrictions and impact on the tourism sector and this has impacted NAP, our tenants and customers. Vacancies have remained flat at 4.6% last reported at year end, against a decrease in monthly tenancies from 4.1% to 3.3%. Selebi Phikwe continues to account for a significant portion of vacancies (31%) which has remained relatively stable to the position last reported, while the smaller properties in Maun and Kasane are seeing some increase in line shop vacancies.

Net impairment charges of P4.6 million (2020: P0.4 million) were recognised for the 6 months. Total unprovided tenant arrears, after adjusting for VAT, amounted to P4.0 million at 31 January, a reduction on the P5.4 million last reported.

Following the submission of further documentation by the company, the Competition and Consumer Authority was requested by the Competition Tribunal to reconsider their decision to reject the acquisition of a going concern enterprise situated at Tribal Lot 1299, Maun.

PERFORMANCE TRENDS



The 13.38 thebe distribution per linked unit for this period equates to an annualised historic yield of 8.2% on the current unit price of 325 thebe and NAP remains well positioned, effectively ungeared.

DISTRIBUTION DECLARATION

Distribution number 19 amounting to 13.38 thebe per linked unit, comprising 12.97 thebe debt interest and 0.41 thebe dividend, has been declared and is payable to unitholders registered on 21 May 2021. The key dates for the distribution are:

Ex-distribution date	Wednesday, 19 May 2021
Record date to participate in distribution	Friday, 21 May 2021
Payment	Wednesday, 2 June 2021

Withholding taxes will be deducted where applicable.

For New African Properties Limited

J.T. Mynhardt
Chairman
28 April 2021

T.L.J. Mynhardt
Managing Director

Transfer Secretaries Grant Thornton Capital Security 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)
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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

