



Local

COMPANY ANNOUNCEMENTS



Director Share Trading

- Choppies announced that Ramachandran Ottapathu and Farouk Ismail traded 8,060,215 and 12,055,214 shares respectively at P0.60/share.
- P0.60 (YTD: -13.04%) PE: N/A PB: N/A D/Y: 0.00% Mkt Cap: P782.2mn

2020 Annual General Meeting Results and Appointment of Board Chairperson



- LLR announced the results of the 2020 AGM held 30 Oct 20, all resolutions were passed by 98% or more votes in favour apart from:
 - Ordinary Resolution 3: Appointment of Ms Bronwyn Corbett as a director. 31.26% of shareholders abstained from voting and 67.32% voted in favour.
 - Ordinary Resolution 5: Approval of director remuneration. 15.29% of shareholders voted against the resolution and 84.71% voted in favour.
- LLR also announced the appointed Mr. Fredrick Selolwane as Board Chairperson, effective 14 Dec 20. Mr Selolwane is the current Managing Director of Rider Levett Bucknall (Botswana).
- P2.29 (YTD: +1.78%) PE: 10.3 PB: 0.8 D/Y: 7.04% Mkt Cap: P641.2mn

Appointment to the Board



- BIHL Group announced the appointment of Mr. William Robertson Dommissie to the board as a non-independent non-executive member, effective 14 Dec 2020. Mr Dommissie currently oversees the life insurance cluster within Sanlam Pan Africa.
- P13.9 (YTD: 0.00%) PE: 13.0 PB: 9.4 D/Y: 7.26% Mkt Cap: P4,941.5mn

Lesedi Project Updates and Financing Needs



- Tlou announced receipt of the 10MW tender negotiation timetable from the Ministry of Mineral Resources Green Technology and Energy Security, and that negotiations would start in Jan21
- Tlou announced they had signed the Power Purchasing Agreement and Grid Connection Agreement with the Botswana Power Corporation for 2MW, as part of the Lesedi Power Project.
- Tlou notified investors that it is seeking investment capital for the Lesedi project:
 - ~US\$10mn for phase one production of 2MW, which includes transmission line constructions (~100km to Serowe), transformers, electric grid connection, and potential for oil drilling
 - ~US\$20mn for phase two scaling to 10MW, which includes additional asset purchases and drilling for gas.
- Tlou announced that tender requests for transmission construction had been sent out; and that Lesedi gas continues to flow, with flows expected to increase after dewatering of the reservoir.
- P0.33 (YTD: -58.75%) PE: N/A PB: 0.4 D/Y: 0.00% Mkt Cap: P169.4mn

2020 AGM Meeting Results



- Far Property announced the results of their 2020 AGM meeting held 16 Dec 20, where all the resolutions proposed were passed by 81% or more votes in favour.
- P2.47 (YTD: +0.41%) PE: 11.4 PB: 1.2 D/Y: 6.80% Mkt Cap: P1,105.8mn

Further Facility Debenture Agreement and Equity Placing

- Minergy announced that through Mineral Development Company Botswana (Pty) Limited (MDCB), it had come into a Further Debenture Agreement to offer its subsidiary, Mineral Coal (Pty) Limited, P125mn, with the following details:
 - The Further Facility is on top of an Initial Facility of P110mn.
 - The Further Facility would be divided in to two P62.5mn tranches, Further 1 and Further 2.
 - Further 2 would be subject to shareholder approval.
 - Together the Initial Facility and the Further Facility would be subject to 15% nominal compound annual interest.
 - All interest for the Funding Facilities is subject to capitalisation before 31 Mar 21.
 - All outstanding debt must be repaid to MDCB by 28 Feb 26.
 - MDCB has an option to convert the debenture into equity, subject to shareholder approval.
 - Shareholder approval subjections occur if conversion represents 40% of the company's market capitalisation, and conversions are restricted to no more than 35% equity interest before 30 Apr 20.
- Minergy announced they are planning an equity placement beginning in 2021 to offset the need for Further Facility 2, to pay required capitalisation interest, reduce any conversion impact, and to shore up productivity and pursue an international listing.
- P0.80 (YTD: -27.27%) PE: N/A PB: 8.7 D/Y: 0.00% Mkt Cap: P376.0mn



End of Closed Period

- BTC announced the end of trading restrictions, effective 18 Dec 2020, for BTC Board members, staff, and their immediate families, following the release of the unaudited half year financial results for the year ended 30 Sep 20.
- P0.85 (YTD -10.53%) PE: 9.0 PB: 0.4 D/Y: 4.20% Mkt Cap: P892.5mn

PRIMETIME FY20 RESULTS – COVID-19 SIGNIFICANTLY IMPACTED PROPERTY VALUATIONS

Income Statement P Mn	FY 20	FY 19	% Δ
Rental revenue	153	152	1%
Other income	26	20	27%
Operating expenses	-68	-64	6%
Profit on property disposal	0	-0	-100%
FX on foreign balances	11	11	0%
Ground lease straight line adjust.	-0	1	-102%
Profit before FV adjustment	123	121	1%
FV Adjustment	-61	-14	334%
Profit from operations	61	107	-43%
Finance income	2	1	70%
Finance costs	-53	-46	15%
Profit before tax	10	61	-84%
Tax	-24	-25	-7%
Profit for the period	-14	36	-139%
Balance Sheet extract P Mn	FY 20	FY 20	% Δ
Cash and cash equivalents	34	100	-66%
Investment properties	1,495	1,388	8%
Borrowings	968	859	13%
Equity	708	762	-7%

- Revenues remained stable, only increasing by 1% due to heavy discounts given to prevent vacancies.
- Opex +6% due to acquisition costs in South Africa.
- Negative FV Adjustment +334% as the market value of certain properties was impacted by the pandemic.
- Current liabilities exceeded current assets and PrimeTime was in breach of certain debt covenants. PrimeTime has secured waivers of these covenant breaches from funders.
- PrimeTime believes they will be able to meet all obligations for 12 months from 31 Aug 20 without any material uncertainty.
- P2.75 (YTD: -6.14%) PE: N/A PB: 0.8 D/Y: 6.13% Mkt Cap: P672.8mn

BTCL HY20 RESULTS – INCREASED DATA DEMAND CURTAILED SIGNIFICANT LOSSES

Income Statement P Mn	HY 21	HY 20	% Δ
Revenue	712	719	-1%
Cost of sales	-294	-300	-2%
Gross Profit	418	419	0%
Interest income	3	5	-50%
Interest expense	-4	-5	-8%
Other income	14	17	-16%
Selling and distribution costs	-13	-12	12%
Administrative expenses	-192	-208	-8%
Other expenses	-133	116	-215%
Profit before taxation	93	101	-8%
Tax	-17	-18	-5%
Profit for the period	77	83	-8%
Balance Sheet extract P Mn	FY 20	FY 20	% Δ
Cash and cash equivalents	181	172	5%
PPE	1,522	1,506	1%
Borrowings	464	485	-4%
Equity	2,170	2,104	3%

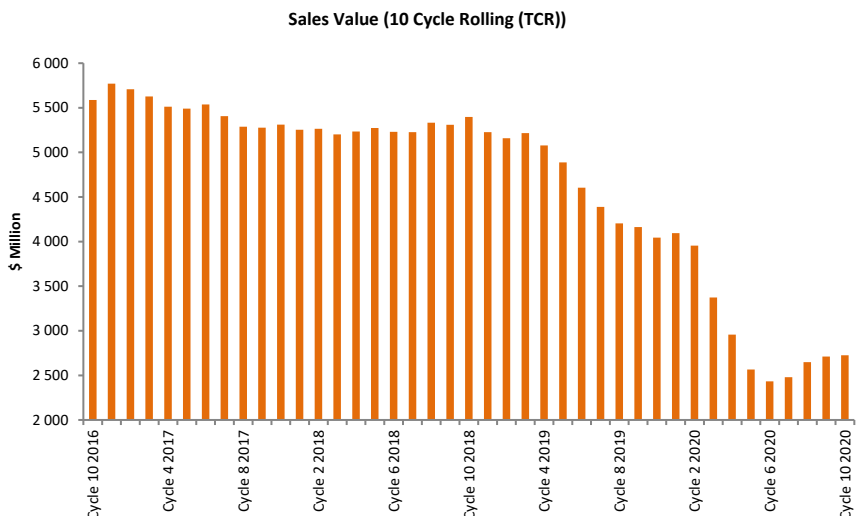
- Revenue declined 1%, which is attributable to poor performance by the fixed voice call segment in the early lockdown, as well as customer switches to low-cost data offerings.
- Gross profit was flat due to savings on fixed voice costs.
- Profit for the period -8% due to lower fixed voice revenues whilst expenses remained flat.
- Dividend of 3.13t/share declared, payable on 3 Feb 21.
- P0.85 (YTD: -10.53%)
PE: 9.0
PB: 0.4
D/Y: 4.2%
Mkt Cap: P892.5mn

SEEDCO HY20 RESULTS – EARLY SEED DEMAND DRIVES EXPONENTIAL REVENUE GROWTH

Income Statement US\$ '000	HY 20	HY 19	% Δ
Revenue	27,884	17,732	57%
Cost of sales	-14,789	-8,379	76%
Gross Profit	13,095	9,352	40%
Other Income and gains	1,721	1,275	35%
Operating expenses	-10,112	-10,651	-5%
Operating profit	4,704	-24	-19595%
Net Finance costs	-1,319	-1,415	-7%
Shares of results of associate and joint venture	-382	-195	96%
Profit before taxation	3,003	-1,634	-284%
Tax	-84	89	-195%
Profit before discontinued operations	2,918	-1,545	-289%
Loss from discontinued operations	-402	-956	-58%
Profit for the Period	2,517	-2,501	-201%
Balance Sheet extract US\$ '000	FY 20	FY 20	% Δ
Cash and cash equivalents	5,994	15,038	-60%
Trade and other receivables	52,909	54,232	-2%
PPE	43,965	41,516	6%
Trade and other payables	52,909	54,232	-2%
Borrowings	15,169	16,849	-10%
Equity	68,970	71,682	-4%

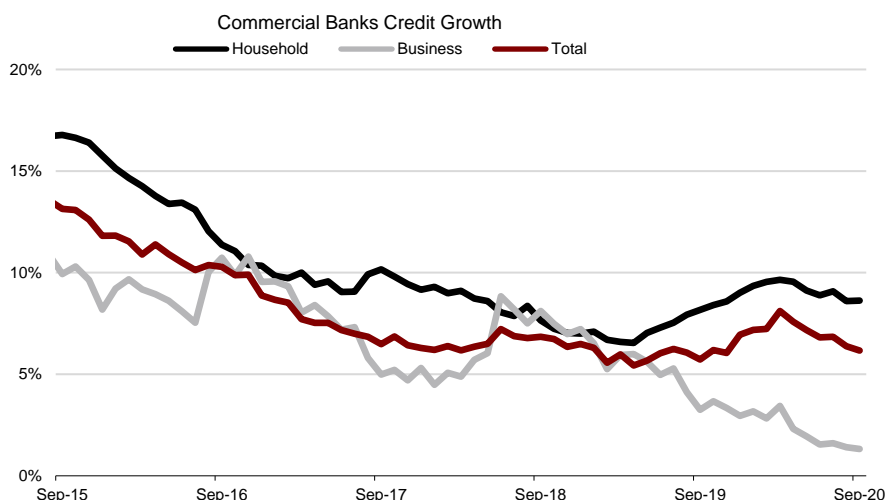
- Revenues +57.3% driven by strong Nigerian demand, Kenyan exports to Rwanda, and increased deliveries to Malawi and Zambia.
- Non-seed related sales also grew significantly as food security became top of the agenda for many countries; growth in this segment, however, was capped by foreign exchange losses
- Operating expenses -5% due to limited operational mobility during lockdowns.
- Profits for the period were driven by early season demand for the summer cropping seed.
- PPE saw some significant investment as the company expanded into newer markets
- Equity declines were attributable to losses from currency devaluations capping the impact of increased profitability
- P1.84 (YTD: -38.67%)
PE: 10.1
PB: 0.9
D/Y: 0.00%
Mkt Cap: P701.9mn

DE BEERS' (DB) TENTH SALES CYCLE 2020 – RETAIL HOLIDAY DEMAND KEEPS SALES AFLOAT



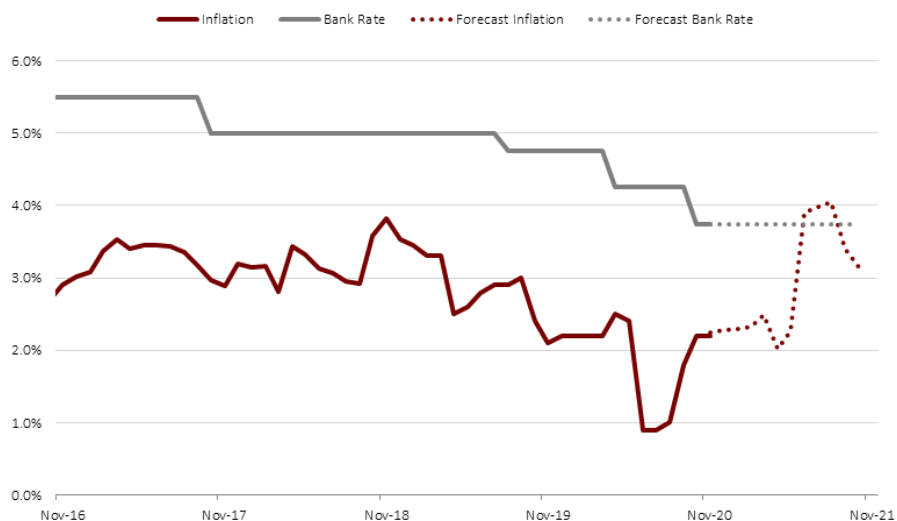
- DB Cycle 10 2020 Sales \$440mn v \$462mn (Cycle 9 2020) v \$426mn (Cycle 10 2019)
- DB Cycle 10 2020 Sales TCR \$2,725mn v \$4,044mn (Cycle 10 2019)
- DB continued to implement a flexible approach to rough diamond sales with Cycle 10 being extended beyond its normal week-long duration.
- DB stated that positive demand for jewellery during the holiday season was driving retail sales, which in turn drove rough diamonds sale; DB also acknowledged that Covid-19 continued to be a risk for the sector into 2021.

SEP20 CREDIT GROWTH (CG) – IMPROVEMENTS IN BUSINESS CREDIT BUOYED DECLINES



- Sep20 CG y/y 4.4% v 4.8% (Aug20)
- Sep20 Household CG y/y 7.4% v 8.2% (Aug20)
- Sep20 Business CG y/y -1.5% v -2.5% (Aug20)

NOV20 INFLATION – INFLATION CONTINUES TO TREND BELOW OBJECTIVE RANGE



- Inflation was 2.2% v 2.3% (Kgori) v 2.2% (Oct20)
- Inflation slightly higher than Kgori expectation due to moderation in Food inflation as Vegetables, Sugar and Soft Drinks declined on a m/m basis.
- Inflation expected to trend below the BoB objective range until 2Q21.

Regional

SOUTH AFRICA

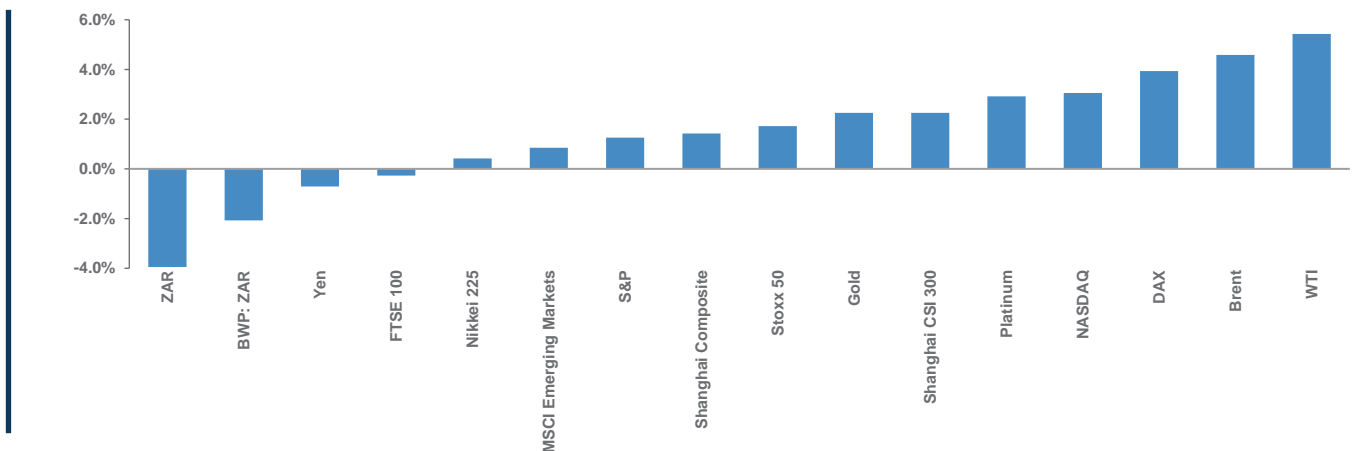
- Nov20 PPI y/y 3.0% v 2.8% (e) v 2.7% (Oct20)
- 4Q20 Consumer Confidence -12 v -23 (3Q20)

ZAR PERFORMANCE

- The ZAR strengthened upon news of global vaccine rollout progress, mild new lockdowns in South Africa, favourable trade terms, a reducing deficit, and increased consumer confidence towards recovery.
- ZAR 14.54 (WTD: -3.95%) v 15.14 (11 Dec 20)

International

INTERNATIONAL SNAPSHOT – 18 DEC 20 WEEKLY PERFORMANCE



- Nov20 National CPI y/y -0.9% v -0.8% (e) v 1.4% (Oct20)
- Nov20 Exports y/y -4.2% v 0.4% (e) v -0.2% (Oct20)
- Nov20 Imports y/y -11.1% v -9.5% (e) v -13.3% (Oct20)
- The BoJ Monetary Policy committee met and implemented the following:
 - Maintained short-term policy rate at 0.1%.
 - Maintained its 10-year JGB target yield at 0.0%.
 - Maintained its purchases of ETFs and J-REITs at ¥12trn and ¥180bn respectively.
 - Extended the duration of additional purchases of commercial paper and corporate bonds by 6 months until Sep21.
 - Extended its special funds-supplying operations by 6 months until Sep21.
- Japanese equities ended the week on a modest high as vaccine progress was balanced by virus resurgence fears in Japan and a strong Yen.
- Nikkei 225: 26,763 (WTD: +0.42%), Yen: 103.30 (WTD: -0.71%)



- Eurozone Dec20 Preliminary Manufacturing PMI 55.5 v 53.0 (e) v 53.8 (Nov20)
- Germany Dec20 Preliminary Manufacturing PMI 58.6 v 56.5 (e) v 57.8 (Nov20)
- France Nov20 Final CPI y/y 0.2% v 0.2% (e) v 0.2% (Oct20)
- European equities rallied following optimism on resolution of the Brexit fishing impasse, European vaccine rollouts, and an eminent US stimulus bill, while FTSE100 slid over increased UK lockdowns.
- DAX: 13,631 (WTD: +3.94%), Stoxx50: 3,546 (WTD: +1.72%), FTSE100: 6,529 (WTD: -0.27%)



- Nov20 Industrial Production y/y 7.0% v 7.0% (e) v 6.9% (Oct20)
- Nov20 Retail Sales y/y 5.0% v 5.0% (e) v 4.3% (Oct20)
- Chinese equities held on to vaccine rollout optimism globally, signalling increase in global trade is within reach, despite US blacklisting of more Chinese tech firms.
- SHSZ300: 5,000 (WTD: +2.26%), SHCOMP: 3,395 (WTD: +1.43%)



- 12 Dec 20 Initial Jobless claims 885k v 818k (e) v 862k (5 Dec 20)
- Nov20 Industrial Production m/m 0.4% v 0.3% (e) v -0.9% (Oct20)
- Nov20 Retail Sales Advance m/m -1.1% v -0.3% (e) v -0.1% (Oct20)
- The FOMC met and maintained its Federal Funds Rate at 0.25% - 0.00%.
- US equities closed the week optimistically as the \$900 Billion stimulus agreement seemed eminent for the weekend, and Moderna's vaccine received emergency authorisation for public use.
- NASDAQ: 12,756 (WTD: +3.05%), S&P 3,709 (WTD: +1.25%)

COMMODITIES



- ΔUS Crude Inventories -3,135k bbl. (11 Dec 20) v -1,088.20k bbl. (e) v +15,189k bbl. (5 Dec 20)
- ΔUS Oil Rigs +10; 346 (18 Dec 20) v 338 (11 Dec 20)
- ΔNorth American Oil Rigs -1; 448 (18 Dec 20) v 449 (11 Dec 20)
- Global oil prices rose following the authorisation of Moderna's vaccine and an eminent US stimulus bill which will likely support demand for in the near future.
 - WTI: \$49.10 (WTD: +5.43%)
 - Brent Crude: \$52.26 (WTD: +4.58%)



- Precious metals rose on account of market optimism that US lawmakers will agree on another round of fiscal stimulus.
 - Gold: \$1,881 (WTD: +2.26%)
 - Platinum: \$1042 (WTD: +2.92%)



KGORI CAPITAL

INVEST WITH PRIDE

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