



## COMPANY ANNOUNCEMENTS

### Quarterly Operational Update

- Tlou Energy released an operational update for the quarter ending 31 Mar 21:
  - Project Finance:
    - The company announced that Project finance discussions are at an advanced stage with a Botswana-based entity whose name it cannot reveal on account of confidentiality.
    - Tlou confirmed that the investment committee of the entity and board have discussed advancing funding and are favourably disposed to Tlou's proposal. They are now proceeding to get a third-party technical review of the project as part of their due diligence process. Once this is complete an investment decision will be made.
    - The company is seeking \$10mn to develop Phase 1 of the Lesedi Project, which includes the construction of a 100km transmission line, grid connection, potential drilling of additional gas wells and generation of 2MW of electricity.
    - The company is seeking ~\$20mn for Phase 2 of the Lesedi Project which includes expansion of the 2MW Lesedi Project up to 10MW and will include drilling more gas wells, and purchasing additional electricity generating assets.
    - During the quarter, Tlou successfully placed 75mn ordinary shares valued at £2.625mn. The Funds raised will go towards development of Tlou's Lesedi project.
  - Boomslang Project - Environmental Impact Statement (EIS) Approved
    - Tlou announced that the Department of Environmental Affairs has approved the Environmental Impact Statement for the Boomslang Project. The Boomslang Prospecting Licence is located adjacent to Lesedi power project.
    - Successful exploration and development of the Boomslang area could facilitate Tlou's longer term strategy of expansion beyond the current Lesedi project area as well as additional revenue generating opportunities for Tlou.
  - Transmission Line Tender
    - Tlou announced that tenders for the construction of the overhead lines and construction of substations at Lesedi and Serowe have been awarded to Zismo Engineering (Pty) Ltd and OptiPower respectively.
  - 10MW Power Purchase Agreement (PPA)
    - During the quarter, the Company received correspondence from advisors assisting the Government of Botswana in the execution of their Coal Bed Methane (CBM) program for the development of up to 100MW of CBM fuelled pilot power plants with the aim of securing a 10MW Power Purchase Agreement (PPA) between Tlou and Botswana Power Corporation (BPC). Draft PPA documents are still under review.
- P0.50 (YTD: +51.52%)    PE: N/A    PB: 0.7    D/Y: 0.00%    Mkt Cap: P300.1mn



### Share Capital and Voting Rights Update

- Lucara announced that due to the vesting of employee share units, the number of issued and outstanding Lucara shares has increased to 397 125 340 common shares with voting rights as at 30 Apr 21.
- P7.00 (YTD: +36.99%)    PE: N/A    PB: 1.2    D/Y: 0.00%    Mkt Cap: P2,779.2mn



## Quarterly Market Update - 31 Mar 21



- Shumba issued its quarterly market update for the quarter ended 31 Mar 21 where it highlighted that:
  - The company generated \$204.3k of revenue and incurred \$79k in administration expenses and \$95.3k in trading costs resulting in net cash inflow of \$27k.
  - Cash and cash equivalents at the end of the quarter amounted to \$27.3k.
  - There were no mining development activities with regard to any licenses it holds.
  - The COVID-19 pandemic continued to have an adverse impact on Shumba during the quarter. Activity across the 3 jurisdictions it operates in reduced due to lockdowns imposed during the quarter.
- P0.95 (YTD: 0.00%) PE: 7.3 PB: 2.4 D/Y: 0.00% Mkt Cap: P278.4mn

## Industrial Court Judgment Against BBSL (BBS) Suspended Employees, and Changes to The Board of Directors and Appointment of Company Secretary



- BBS announced that the Industrial Court passed an order declaring lawful the suspensions of Mr Pius Molefe and Mr Siphon Showa from the Company for 60 days, effective 29 Apr 21.
- BBS advised that Messrs Molefe and Showa are interdicted from conducting any business or issuing any statements on behalf of BBS.
- BBS announced the appointment of Mr Kgalalelo N. Monthe and Ms Pelani D. Siwawa-Ndai to the Board with effect from 26 Apr 21 on account of ensuring that the number of BBS Directors does not fall below 5 as per the BBS constitution. These appointments follow the retirements of Ms Siwawa-Ndai, Mr Monthe, Mr Michael M. Tlhagwane, Mr James M. Kamyuka, and Mr Richard Molosiwa from the Board on 26 Apr 21.
- BBS further advised that it has appointed Grant Thornton Botswana as BBS company secretaries, effective 20 Apr 21 for a 3 month initial term, following the suspension of Mr Showa from his duties as Head of Marketing, Communication and Company Secretary of BBS.
- P1.00 (YTD: -8.26%) PE: N/A PB: 0.9 D/Y: 0.00% Mkt Cap: P487.5mn

## Conditional Approval of The Sale and Purchase of Majority of Shares In African Banking Corporation of Botswana Limited by Access Bank



- Bank of Botswana (BoB) announced that it has conditionally approved an application for the purchase and acquisition of the 78.15% ordinary shares, held by African Banking Corporation Holdings Limited in BancABC, by Access Bank.

## Monetary Policy Committee (MPC) Decision



- The Bank of Botswana (BoB) MPC met on 29 Apr 21 and maintained the Bank Rate at 3.75%. This is despite expecting inflation breach the upper bound of the BoB's 3%-6% objective as the MPC believes that the increase in inflation will be driven by transitory administered price changes and supply side factors that, except for second round effects, would not normally attract monetary policy response.
- Th BoB further projected that the economy will operate below full capacity in the short-to-medium term, therefore not creating any inflationary pressures going forward.

## Results of 30 Apr 21 Government Bond Auction



- Bank of Botswana released the results of the 30 Apr 21 Government bond auction where P1.8bn of Government securities were on offer:
  - P1.4bn (75%) of the auction was allotted.
  - P530mn (100%) of the P530mn BOTSTB0821 (3-Month T-Bill) on offer was allotted at a stop-out yield of 1.355% (+10bps from last allocated auction).
  - P600mn (100%) of the P600mn BOTSTB1121 (6-Month T-Bill) on offer was allotted at a stop-out yield of 1.521% (+12bps from last allocated auction).
  - P175mn (58%) of the P300mn BW016 (6-Year bond) on offer was allotted at a stop-out yield of 5.700% (new issuance).
  - P42mn (21%) of the P200mn BW011 (10-Year bond) on offer was allotted at a stop-out yield of 6.500% (+10bps from last allocated auction).
  - P19mn (10%) of the P200mn BW012 (20-Year bond) on offer was allotted at a stop-out yield of 6.700% (+140bps from last allocated auction).

## NAP HY21 RESULTS – VALUATION ADJUSTMENTS DROP PROFITS

Income Statement P'Mn	HY 21	HY 20	% Δ
Rental revenue	104	104	0%
Other income	2	1	90%
Other expenses	(27)	(23)	16%
<b>Operating profit</b>	<b>79</b>	<b>82</b>	<b>(3%)</b>
Finance income	2	2	(22%)
Finance costs	(1)	(1)	(3%)
Fair Value Adjustment (FVA)	(1)	23	(103%)
Intangible asset amortisation	(0)	(0)	(11%)
Share of associate's profit	3	2	24%
<b>Profit before tax (PBT)</b>	<b>82</b>	<b>108</b>	<b>(24%)</b>
Tax	(1)	(6)	(78%)
<b>Profit After Tax (PAT)</b>	<b>81</b>	<b>102</b>	<b>(21%)</b>
Balance Sheet extract P'Mn	HY 21	HY 20	% Δ
Cash and cash equivalents	33	39	(15%)
Investment properties	1,455	1,492	(2%)
Borrowings	14	17	(20%)
Deferred taxation	158	167	(5%)
Equity	1,516	1,544	(2%)

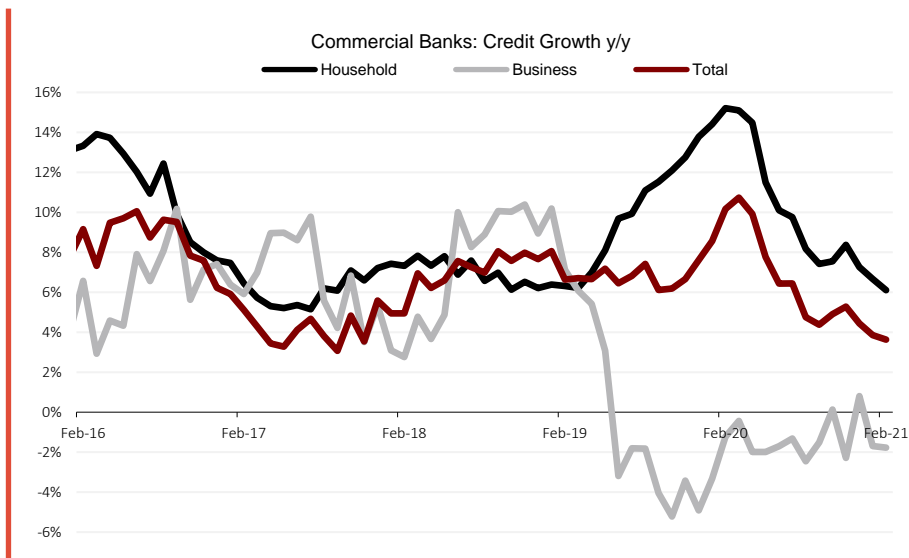
- Rental income +3.3% before straight-line adjustments.
- Vacancy at 4.6% with Selebi-Phikwe accounting for 31% of vacancies.
- PAT -21% due to negative FVA.
- NAP announced that Covid-19 imposed curfew and liquor restrictions continues to affect NAP and its tenants.
- As a result of reverting to 100% distributions, the actual interim distribution declared is +11.1% above the interim distribution paid in the previous period.
- Interim distribution of 13.38t/linked unit declared payable on 2 Jun 21.
- P3.25 (YTD: +1.25%)  
PE: 15.4  
PB: 1.3  
D/Y: 7.82%  
Mkt Cap: P1,964.3mn

## TURNSTAR FY21 RESULTS – RENTAL CONCESSIONS AND FX LOSSES REDUCE PROFITS

Income Statement P'Mn	FY 21	FY 20	% Δ
Rental revenue	245	269	(9%)
Other income	5	4	27%
Operating expenses	(121)	(117)	4%
<b>Profit before FV adjustment</b>	<b>130</b>	<b>157</b>	<b>(17%)</b>
Finance income	0	0	(42%)
Finance costs	(26)	(33)	(22%)
<b>Profit before FX adjustment</b>	<b>104</b>	<b>124</b>	<b>(16%)</b>
Net FX Adjustment	(3)	10	(125%)
<b>Profit after FX adjustment</b>	<b>101</b>	<b>134</b>	<b>(24%)</b>
Fair value adjustments (FVA)	(7)	(15)	(51%)
Goodwill impairment	(12)	(25)	(51%)
<b>Profit before tax</b>	<b>82</b>	<b>94</b>	<b>(13%)</b>
Tax	(1)	22	(102%)
<b>Profit After Tax (PAT)</b>	<b>81</b>	<b>102</b>	<b>(21%)</b>
Balance Sheet extract P'Mn	FY 21	FY 20	% Δ
Cash and cash equivalents	24	13	85%
Investment properties	2,396	2,382	1%
Borrowings	587	614	(4%)
Deferred taxation	182	184	(1%)
Equity	1,696	1,656	2%

- Rental revenue -9% due rental concessions granted to retail and commercial tenants that could not operate during the initial lockdown periods, as well as vacancies in the Commercial Office space in Dar es Salaam.
- Net Forex Adjustments -125% due to the USD appreciation against the Pula, which affected the USD denominated inter-company loan.
- PAT -21% due to -51% in Goodwill and -51% in FVA caused by vacancies in the Commercial Office space, and the reduction in Conference Centre income in Tanzania.
- Final distribution of 9t/linked unit declared, payable on 9 Jun 21.
- P1.98 (YTD: -20.80%)  
PE: 13.9  
PB: 0.7  
D/Y: 9.60%  
Mkt Cap: P1,132.9mn

## FEB21 CREDIT GROWTH (CG) – BUSINESS ACTIVITY SUPPRESSES CREDIT GROWTH



- Feb21 CG y/y 3.6% v 3.9% (Jan21)
  - Feb21 Household CG y/y 6.1% v 6.7% (Jan21)
  - Feb21 Business CG y/y -1.8% v -1.7% (Jan21)
- Positive contributors: Mining (60.3% y/y), Trade (23.5% y/y) and Finance (23.5% y/y).  
 Negative contributors: Manufacturing (-61.0% y/y), Electricity & Water (-24.5% y/y) and Construction (-15.8% y/y)

## Regional

### SOUTH AFRICA

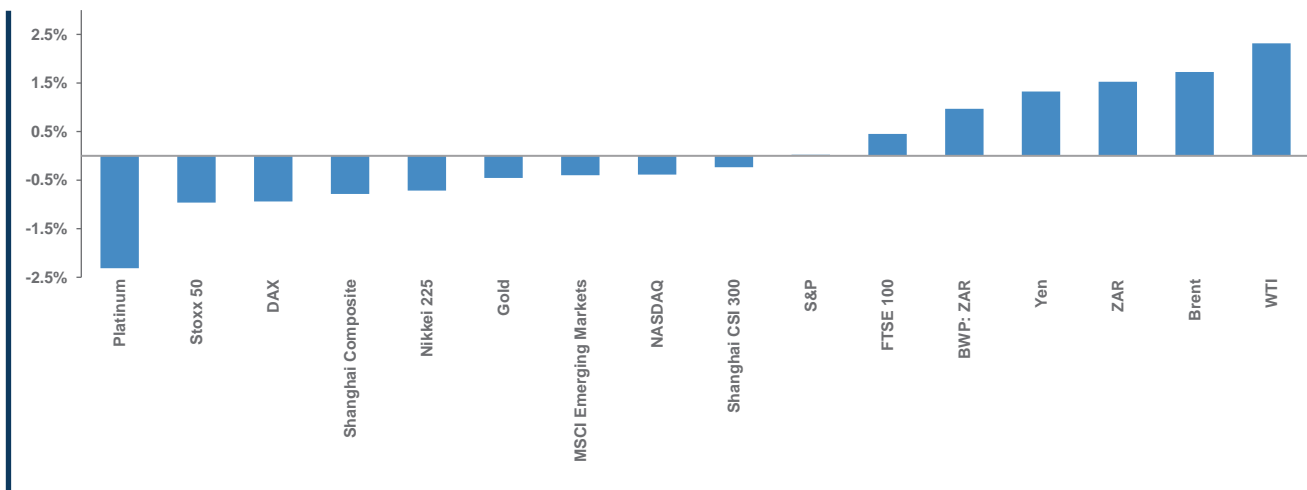
- Mar21 PPI y/y 5.2% v 4.5% (e) v 4.0% (Feb21)
- Mar21 Trade Balance R52.8bn v R23.6bn (e) v R31.2bn (Feb21)

### ZAR PERFORMANCE

- The ZAR weakened against the USD for the week due to the rise in US Treasury yields, following the release of strong US economic growth data for the first quarter.
- ZAR 14.495 (WTD: +1.53%) v 14.28 (23 Apr 21)

## International

### INTERNATIONAL SNAPSHOT – 30 APR 21 WEEKLY PERFORMANCE





- Mar21 Preliminary Industrial Production m/m 2.2% v -2.0% (e) v -1.3% (Feb21)
- Apr21 Final Manufacturing PMI 53.6 v 53.3 (Mar21)
- The Bank of Japan (BoJ) Monetary Policy Committee (MPC) left its policy rates and Japanese Government bond target yield unchanged.
- Japanese equities closed lower for the week due to bearish investor sentiment, following the new virus state of emergency set to be declared in Tokyo and 3 other parts of the country.
- Nikkei 225: 28,813 (WTD: -0.72%), Yen: 109.31 (WTD: +1.33%)



- Eurozone Apr21 Final Consumer Confidence -8.1 v -8.1 (Mar21)
- France 1Q21 Preliminary GDP q/q 0.4% v 0.0% (e) v -1.4% (4Q20)
- Germany 1Q21 Preliminary GDP q/q -1.7% v -1.5% (e) v 0.3% (4Q20)
- European equities closed the week in the red following the release of downbeat growth data from the region. UK equities closed higher on account of strong earnings figures of pharmaceutical stocks.
- DAX: 15,136 (WTD: -0.94%), Stoxx50 3,975 (WTD: -0.96%), FTSE100: 6,970 (WTD: +0.45%)



- Apr21 Caixin Manufacturing PMI 51.9 v 50.9 (e) v 50.6 (Mar21)
- Apr21 Official Manufacturing PMI 51.1 v 51.8 (e) v 51.9 (Mar21)
- Chinese equities closed lower for the week following the release of slowed manufacturing growth data.
- SHSZ300: 5,123 (WTD: -0.23%), SHCOMP: 3,447 (WTD: -0.79%)



- 24 Apr 21 Initial Jobless Claims 553k v 540k (e) v 566k (17 Apr 21)
- 1Q21 GDP Annualized q/q 6.4% v 6.7% (e) v 4.3% (4Q20)
- The Federal Reserve (Fed) maintained its benchmark rate at the 0.00%-0.25% range.
- US equities closed mixed with the rise of US treasury yields weighing on the tech-heavy NASDAQ whilst S&P closed higher on account of strong US growth data.
- NASDAQ: 13,963 (WTD: -0.39%), S&P 4,181 (WTD: +0.02%)

## COMMODITIES



- ΔUS Crude Inventories 90k bbl. (23 Apr 21) v -60.8k bbl. (e) v 594k bbl. (16 Apr 21)
- ΔUS Oil Rigs +2; 440 (30 Apr 21) v 438 (23 Apr 21)
- ΔNorth American Oil Rigs -2; 491 (30 Apr 21) v 493 (23 Apr 21)
- Oil prices rose for the week on account of optimism in fuel demand.
  - WTI: \$63.58 (WTD: +2.32%)
  - Brent Crude: \$67.25 (WTD: +1.72%)



- Precious metals closed in the red for the week following the rise in US Treasury yields and a stronger USD.
  - Gold: \$1,769 (WTD: -0.45%)
  - Platinum: \$1,203 (WTD: -2.31%)



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1st Floor Exponential,  
Plot 54351, CBD, Gaborone

PO Box 1253 ABG,  
Sebele, Gaborone

**T** +267 3915 990  
**F** +267 3915 980

[www.kgoricapital.com](http://www.kgoricapital.com)

**Directors:** KI Melamu, AM Ndzinge, S Noor, MS Sibanda  
**Reg No:** BW00000988897

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