



COMPANY ANNOUNCEMENTS

Listing of New Shares, Share Capital Update, Release of 2Q21 Results and Recovery of 393ca Diamond



- Listing of New Shares
 - Lucara announced that 55.2mn common shares issued on 15 Jul 21 pursuant to the previously announced bought deal financing will commence trading on the Botswana Stock Exchange on 27 Jul 21.
- Share Capital Update
 - The number of outstanding Lucara shares increased to 453,034,981 as a result of equity financing announced on 15 Jul 21 and vesting of employee share units.
- Release of 2Q21 Results
 - Lucara announced that it will release its 2Q21 results on Tuesday 10 Aug 21 after markets close in North America.
 - Lucara will host a conference call on Wednesday 11 Aug 21 at 3pm UK time to discuss the results.
- Recovery of 393ca Diamond
 - Lucara announced the recovery of a 393.5ca top white Type Ila gem quality diamond from its Karowe mine.
- P7.25 (YTD: +41.88%) PE: N/A PB: 1.4 D/Y: 0.00% Mkt Cap: P3,278.3mn



Distribution Declaration

- NAP declared a distribution of 13.96t/linked unit payable on 6 Oct 21.
- P3.25 (YTD: +1.25%) PE: 13.2 PB: 1.4 D/Y: 8.41% Mkt Cap: P1,964.3mn



Results of 2021 Annual General Meeting (AGM)

- Turnstar announced the results of its 2021 AGM where 80.16% of shareholders voted and all resolutions were passed by 100% votes in favour.
- However, 37.03% of shareholders abstained from voting for Resolution 5: Remuneration of Non-Executive Directors and Resolution 6: Remuneration of Non-Executive Directors for the ensuing year.
- P1.98 (YTD: -20.80%) PE: 13.9 PB: 0.7 D/Y: 9.60% Mkt Cap: P1,132.9mn



Partnership with SolarCentury Africa and 30 Jun 21 Quarterly Market Update

- Partnership with SolarCentury Africa
 - Shumba announced that it has signed a co-development agreement with SolarCentury Africa to deliver renewable energy and storage projects together in Southern Africa. This is in line with Shumba's previous announcement that its focus is on renewable energy projects in the immediate term.
- 30 Jun 21 Quarterly Market Update
 - Shumba released its Jun21 quarterly report where it provided updates on its ongoing projects. Salient points are as follows:
 - Tati Solar Project
 - Shumba received environmental approvals from the Department of Environmental Affairs and further obtained a generation license for the project from the Botswana Energy Regulatory Authority.
 - Other Projects
 - There was no significant progress made on other projects during the quarter i.e. Poortjie Wes Wind and Solar Projects, Fuels Production, Sechaba Project, Morupule South Resources Project and Mabesekwa Project.
 - Cash Flow
 - Shumba generated \$119k in revenues and incurred \$132k of expenses, resulting in a \$13k net outflow in cash for the quarter.
 - At the end of the quarter Shumba had cash of \$15k.
- P0.90 (YTD: -5.26%) PE: 7.0 PB: 2.3 D/Y: 0.00% Mkt Cap: P264.2mn

30 June 2021 Operational Report and Heads of Agreement with Synergen Met

- 30 June 2021 Operational Report
 - Tlou released its Jun21 quarterly report where it provided updates on its ongoing projects. Salient points are as follows:
 - Lesedi project
 - The most advanced project of Tlou.
 - During the quarter Tlou made significant progress in negotiating a 10MW Power Purchase Agreement with Botswana Power Corporation (BPC). However due to confidentiality, Tlou could not expand further on what progress has been made.
 - Other projects
 - There was not much progress to report regarding Tlou's other prospecting licenses i.e. Mamba Project, Boomslang Project.
 - Tlou stated that it is looking into solar generation as well as the production of carbon-neutral hydrogen.
 - Tlou advised that it made a submission for a tender BPC issued for the supply and delivery of natural gas to the Orapa 90MW power plant.
- Heads of Agreement (HOA) with Synergen Met (SM)
 - Tlou announced a binding HOA with SM, a hydrogen developer that uses plasma technology.
 - The HOA envisages the construction and commissioning of a hydrogen and solid carbon prototype to be installed at the Lesedi Project.
 - Design work has commenced to modify an already existing SM prototype to produce hydrogen and solid carbon using Tlou's existing gas flows and approvals. The prototype will be constructed and tested in Queensland, Australia prior to transport to the Lesedi project in 1Q22.
 - Third party costs to build the prototype will be split 50:50 whilst in-house costs will be borne separately. Tlou will retain ownership of the input gas and SM will retain ownership of the plasma technology and associated IP.
- P0.50 (YTD: +51.52%) PE: N/A PB: 0.7 D/Y: 0.00% Mkt Cap: P300.1mn



End of Closed Period

- BTC declared the end of its closed period following the release of financial results for the year ended 31 Mar 21.
- P0.71 (YTD: -13.41%) PE: 5.5 PB: 0.3 D/Y: 11.89% Mkt Cap: P745.5mn

2Q21 Business Expectations Survey (BES)

- The Bank of Botswana (BoB) released the 2Q21 BES. Highlights from the results are as follows:
 - Firms were less pessimistic about economic activity in 2Q21 compared with 1Q21 but anticipate tight access to credit across all markets.
 - Firms expect cost pressures to rise in 3Q21, reflecting second round effects of the increase in VAT by 2% in Apr21.
 - Firms expect average inflation to be within the BoB's 3%-6% medium-term objective range in 2021 and 2022.
 - Covid-19 containment measures negatively affected business operations in 2Q21. The most affected firms were in Trade, Hotels, Restaurants, Transport and Communications, Finance & business Services and Manufacturing.
 - In general, firms anticipate that their businesses will recover from the impact of Covid-19 a year after Jun21.

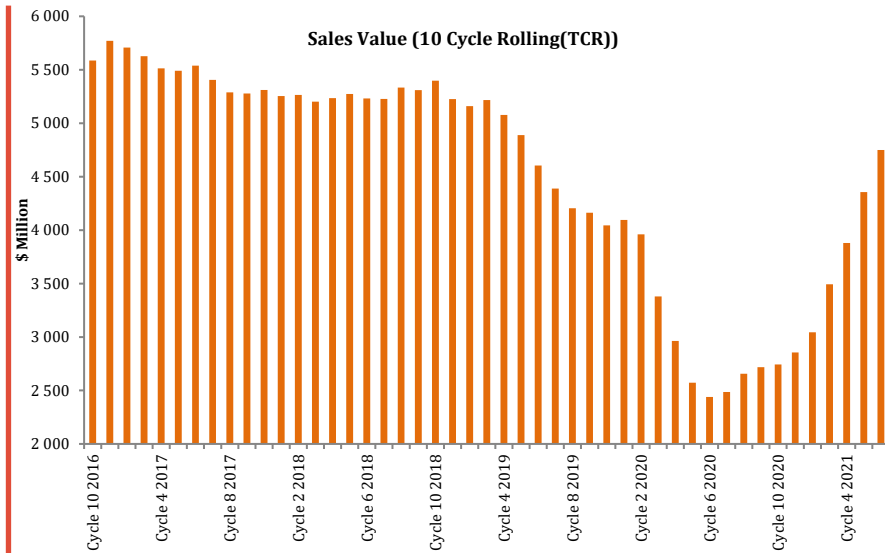


Vaccine Update

- The Minister of Health and Wellness, Dr Edwin Dikoloti, gave an update on the Government's Covid-19 vaccine acquisition:
 - Government has paid \$10.3mn to the COVAX and AVATT pooled procurement facilities and a further \$8.9mn directly to manufacturers for the acquisition of vaccines.
 - Government has received 82k vaccine doses versus 941k expected vaccine doses from COVAX.
 - Government expects to receive 1.2mn Johnson and Johnson (J&J) vaccines in 3Q21 and 4Q21.
 - Government has signed separate agreements with Moderna and Sinovac to secure 500k and 200k doses respectively. Government has a pending agreement with Bharat in India for 100k doses and is finalising an agreement with Pfizer for 2mn doses.
 - Government expects to receive a total of 1.4mn vaccine doses from various sources and Manufacturers in Aug21 and Sep21.



DE BEERS' (DB) CYCLE 6 SALES 2021 – DEMAND DRIVEN RESURGENCE CONTINUES



- DB Cycle 6 2021 Sales \$510mn v \$477mn (Cycle 5 2021) v \$116mn (Cycle 6 2020)
- DB Cycle 6 2021 Sales TCR \$4,750mn v \$2,439 (Cycle 6 2020)
- DB continued to implement a flexible approach to rough diamond sales with Cycle 6 being extended beyond its normal weeklong duration.
- DB stated that it continues to see good demand for rough diamonds driven by demand for diamond jewellery in key US and China consumer markets. The outlook for the second half of the year remains positive subject to the risks posed by the pandemic.

SEFALANA FY21 RESULTS – RETAIL BUSINESS GROWTH DRIVES EARNINGS

| Income Statement P'Mn | FY 21 | FY 20 | % Δ |
|---|------------|------------|------------|
| Revenue | 6,293 | 5,836 | 8% |
| Cost of sales | (5,839) | (5,449) | 7% |
| Gross Profit | 454 | 387 | 17% |
| Other Income and gains | 42 | 41 | 2% |
| Administrative expenses | (216) | (191) | 13% |
| Earnings before interest, tax and amortisation | 279 | 237 | 18% |
| Amortization | (6) | (6) | 3% |
| Investment income | 48 | 56 | (14%) |
| Finance costs | (23) | (26) | (11%) |
| Shares of results of associate | (8) | (2) | 283% |
| Profit before tax | 290 | 259 | 12% |
| Tax | (73) | (61) | 20% |
| Profit for the period (PAT) | 217 | 198 | 10% |
| Balance Sheet extract P'Mn | FY 21 | FY 20 | % Δ |
| Cash and cash equivalents | 478 | 372 | 29% |
| PPE | 791 | 757 | 4% |
| Trade and other payables | 723 | 651 | 11% |
| Equity | 2,006 | 1,805 | 11% |

- Revenue +8% driven by strong growth from retail business in Lesotho (+22%), Namibia (+17%) and Botswana (+2%).
- Gross profit +17% due to margin expansion in retail business in Lesotho (+0.3% to 5.2%), Namibia (+1.0% to 6.0%) and Botswana (+0.4% to 4.8%).
- Investment income -14% due to stronger ZAR in FY21.
- PAT +10% due to revenue growth and margin expansion.
- Dividend of 30t/share declared, payable on 25 Aug 21.
- P9.45 (YTD: +1.18%)
PE: 10.9
PB: 1.2
D/Y: 4.23%
Mkt Cap: P2,369.4mn

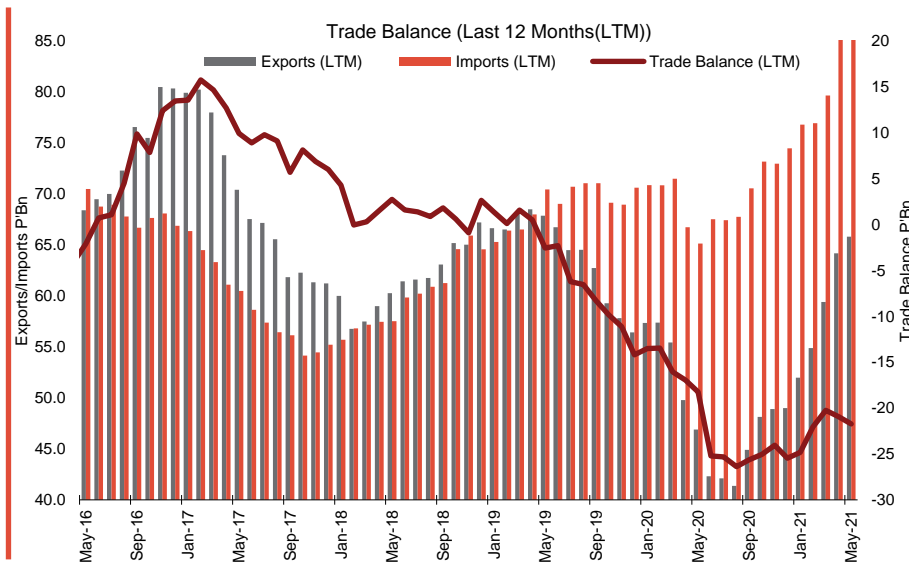
BTCL FY21 RESULTS – COST RATIONALISATION BOOSTS EARNINGS

| Income Statement P'Mn | FY 21 | FY 20 | % Δ |
|------------------------------------|------------|------------|------------|
| Revenue | 1,426 | 1,417 | 1% |
| Cost of sales | (594) | (612) | (3%) |
| Gross Profit | 832 | 805 | 3% |
| Interest income | 6 | 7 | (13%) |
| Interest expense | (27) | (31) | (14%) |
| Other income | 31 | 32 | (3%) |
| Selling and distribution costs | (21) | (25) | (17%) |
| Administrative expenses | (409) | (409) | 0% |
| Impairment | (13) | (19) | (32%) |
| Other expenses | (233) | (222) | 5% |
| Profit before taxation | 166 | 139 | 19% |
| Tax | (30) | (22) | 37% |
| Profit for the period (PAT) | 135 | 117 | 16% |

| Balance Sheet extract P'Mn | FY 21 | FY 20 | % Δ |
|-------------------------------|-------|-------|------|
| Cash and cash equivalents | 364 | 120 | 204% |
| Property, plant and equipment | 1,610 | 1,550 | 4% |
| Equity | 2,272 | 2,118 | 7% |

- FY20 figures restated, resulting in FY20 revenue and PAT increasing to P1,417mn and P117mn from P1,396mn and P106mn respectively.
- Revenue +1% driven by monetisation of significant investments in fixed and mobile broadband infrastructure.
- Admin expenses flat due to cost reduction strategies implemented in FY21.
- PAT +16% due to marginal increase in revenue and flat admin expenses.
- Dividend of 5.31t/share declared, payable on 27 Aug 21.
- P0.71 (YTD: -13.41%)
PE: 5.5
PB: 0.3
D/Y: 11.89%
Mkt Cap: P745.5mn

MAY21 TRADE BALANCE (TB) – MODERATION IN DIAMOND TRADE INCREASES DEFICIT



- May21 TB -P2.6bn v -P1.9bn (Apr21) v -P1.8bn (May20)
- May21 LTM TB -P21.7bn v -P18.2bn (May20)
- Increase in May21 trade deficit due to continued slowdown in diamond trade. Diamond trade surplus eased from P2.5bn in Apr21 to P1.4bn in May21 on account of increased diamond imports.

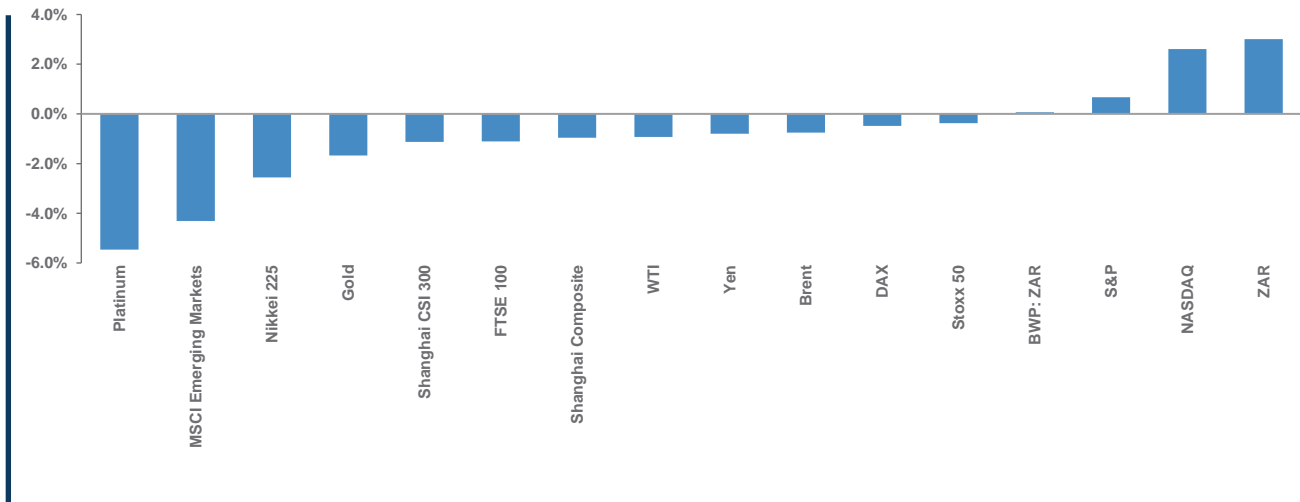
Regional SOUTH AFRICA

- Jun21 Trade Balance R57.7bn v R54.0bn (e) v R54.4bn (May21)
- Jun21 PPI y/y 7.7% v 7.3% (e) v 7.4% 9May21)
- South Africa moved to adjusted level 3 from 25 Jul 21, which allowed for restaurants to reopen and alcohol sales to resume.

ZAR PERFORMANCE

- The ZAR strengthened for the week following dovish comments from the US Fed Chair, Jerome Powell, regarding the timing of tapering the US Fed's quantitative easing program.
- ZAR 14.60 (WTD: -1.67%) v 14.85 (23 Jul 21)

INTERNATIONAL SNAPSHOT – 30 JUL 21 WEEKLY PERFORMANCE



- Jun21 Preliminary Industrial Production m/m 6.2% v 5.0% (e) v -6.5% (May21)
- Jul21 Preliminary Manufacturing PMI 52.2 v 52.4 (Jun21)
- Jun21 Retail Sales m/m 3.1% v 2.7% (e) v -0.3% (May21)
- Japanese equities sank as Japan continues to experience increased Delta variant Covid-19 cases.
- Nikkei 225: 27,284 (WTD: -0.96%), Yen: 109.72 (WTD: -0.75%)



- Eurozone 2Q21 Advance GDP q/q 2.0% v 1.5% (e) v -0.3% (1Q21)
- France 2Q21 Preliminary GDP q/q 0.9% v 0.8% (e) v 0.0% (1Q21)
- Germany 2Q21 Preliminary GDP q/q 1.5% v 2.0% (e) v -2.1% (1Q21)
- European equities were kept in check, despite good GDP releases, on account of the continued spread of the Delta Covid-19 variant.
- DAX: 15,544 (WTD: -0.80%), Stoxx50: 4,089 (WTD: -0.48%), FTSE100: 7,032 (WTD: +0.07%)



- Chinese equities plummeted as investors feared broader restrictions on companies following the publication of new restrictions which would fundamentally change the business model of private firms teaching the school curriculum.
- SHSZ300: 4,811 (WTD: -5.46%), SHCOMP: 3,397 (WTD: -4.31%)



- 24 Jul 21 Initial Jobless Claims 400k v 385k (e) v 424k (17 Jul 21)
- 2Q21 Advance GDP Annualised q/q 6.5% v 8.4% (e) v 6.3% (1Q21)
- The Federal Reserve Open Market Committee met during the week and decided the following:
 - To maintain the Fed Funds rate at 0.00%-0.25%.
 - To maintain its monthly quantitative easing program at \$80bn for US treasuries and \$40bn for mortgage-backed securities.
- US equities plummeted despite a dovish Fed as the market assessed the implications of increased restrictions in China and poor Tech earnings releases.
- NASDAQ: 14,673 (WTD: -1.11%), S&P: 4,395 (WTD: -0.37%)

COMMODITIES



- Δ US Crude Inventories -4,089k bbl. (23 Jul 21) v -2,408k bbl. (e) v 2,107k bbl. (16 Jul 21)
- Δ US Oil Rigs -3; 488 (30 Jul 21) v 491 (23 Jul 21)
- Δ North American Oil Rigs +1; 641 (30 Jul 21) v 640 (23 Jul 21)
- Oil prices rose following the larger than expected drawdown in US crude inventories.
 - WTI: \$73.95 (WTD: +2.61%)
 - Brent Crude: \$76.33 (WTD: +3.01%)



- Gold closed the week in the green following continued dovishness from the US Fed, whilst platinum declined on reduced demand expectations due to the continued spread of the Delta Covid-19 variant.
 - Gold: \$1,814 (WTD: +0.67%)
 - Platinum: \$1,052 (WTD: -1.13%)
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