



KGORI CAPITAL
INVEST WITH PRIDE

06 November 2023

COMPANY ANNOUNCEMENTS

Notice of Annual General Meeting (AGM)

CHOPPIES
Great value for your money!

- Choppies announced that it will hold its AGM at 2pm on 27 Nov 23 at its Choppies Innovation Centre, Plot 196, Gaborone International Conference Park where shareholders will vote on:
 - Approving 30 Jun 23 financial statements, the integrated annual report and the directors' and auditor's reports thereon.
 - Approving the re-elections of U Corea and V Chitalu as independent non-executive directors.
 - Approving the appointment of R De Silva and A Mogajane as a Non-Executive Director.
 - Approving the appointment of Mazars as auditors for the ensuing year.
 - Approving the remuneration of Mazars for the year ended 30 Jun 23.
 - Approving the remuneration policy, as well as the implementation of the same.
 - Pre-approving without amendment the donations for the year ending 30 Jun 24.
- P0.50 (YTD: -23.08%) PE: 6.1 PB: 21.7 D/Y: 0.00% Mkt Cap: 912.2mn

Notice of Retirement and Annual General Meeting (AGM) Results

Sefalana
GROUP

- Notice of Retirement
 - Sefalana announced the retirement K Mere as a Non-Executive Director, effective 27 Oct 23.
- AGM Results
 - Sefalana announced the results of its 2023 AGM where all the resolutions passed by 100% votes in favour except:
 - Ordinary resolution 4: Approving the remuneration of the Executive Directors for the period ended 30 Apr 23.. 32% voted in favour while 68% voted against.
- P11.29 (YTD: +16.87%) PE: 9.4 PB: 1.2 D/Y: 6.38% Mkt Cap: P2,830.7mn

TLOU ENERGY

Annual General Meeting (AGM) Results

- Tlou announced the results of its 2023 AGM where all the resolutions passed by 98.74% or more votes in favour.
- P0.50 (YTD: 0.00%) PE: N/A PB: 1.1 D/Y: 0.00% Mkt Cap: P522.0mn

CHOCBE
HOLDINGS LIMITED

Cautionary Announcement

- Chobe announced that its profit before tax (PBT) for the half year ended 31 Aug 23 will be P48.5mn to P58.9mn (47%-57%) higher than the P103.3mn PBT reported for 31 Aug 22 half year.
- Results will be published on or before 15 Nov 23.
- P14.79 (YTD: +86.98%) PE: 12.6 PB: 3.6 D/Y: 4.06% Mkt Cap: 1,322.8mn



Extension of Working Capital Facility

- Lucara announced that it extended the maturity of a \$50mn senior secured working capital facility and postponed a \$52.9mn reserve account requirement until discussions with lenders conclude or 15 Nov 23.
- The extension prohibits further borrowing from either the project loan or the working capital facility.
- Lucara's major shareholder, Nemesia S.a.r.l., agreed to extend financial support of up to \$15mn.
- Additionally, Lucara issued a debenture to Nemesia and 450,000 common shares, with a further 450,000 shares possible if the liquidity guarantee is used due to the company's cash balance dropping below \$10mn.
- The Toronto Stock Exchange conditionally approved this liquidity support extension.
- The initial extension granted by the lenders on 23 Aug 23, was set to expire on 1 Nov 23.
- P4.00 (YTD: -38.46%) PE: 2.1 PB: 1.1 D/Y: 0.00% Mkt Cap: P1,818.3mn

Notice of Annual General Meeting (AGM)



- FAR announced that it will electronically host its AGM at 11.30am on 28 Nov 23
Shareholders will vote on:
 - Approving 30 Jun 23 audited financial statements and the directors' and auditor's reports thereon.
 - To confirm the 11.80t dividend/share for the year ended 30 Jun 23
 - Approving the re-elections of R Ottapathu and R W Mokgathe as Directors
 - Approving the remuneration of Independent Directors for the year ended 30 Jun 23.
 - Approving the remuneration of Grant Thornton for the year ended 30 Jun 23.
 - Approving the reappointment of Grant Thornton as auditors for the ensuing financial year and authorise directors to fix their remuneration
 - Approving the company's remuneration policy
 - Approving the placement of linked units equal to an aggregate of 15% of the number of linked units in issue at any time under the control of the Directors for allotment and issue for cash or for the acquisition of immovable property until the next Annual General Meeting, subject to limitations in terms of BSE listing requirements.
- P2.39 (YTD: -0.42%) PE: 9.0 PB: 1.0 D/Y: 4.94% Mkt Cap: P1,133.1mn

Note Issuance



- Letshego announced the issuance of 4 new senior unsecured notes, with interest rates ranging from 10% to 11.2% with a nominal value P76.6mn, under its existing P2.5bn medium term note programme.
- 3 of the new notes mature in Sep26 with the remaining 1 matures in Sep24.
- P1.26 (YTD: +0.80%) PE: 6.2 PB: 0.5 D/Y: 11.75% Mkt Cap: P2,740.5mn

Notice of Annual General Meeting (AGM)



- NAP announced that it will host its AGM at their Nafprop offices, Cash Bazaar Holdings, Plot 20573/4, Block 3, Gaborone at 8am on 26 Jan 24.
Shareholders will vote on:
 - Approving the 31 Jul 23 annual financial statements, integrated annual report and auditor's reports thereon.
 - To ratify the 15.11t/share and 15.90t/share dividends paid on 31 May 23 and 4 Oct 23 respectively.
 - Approving the re-elections of M McLoughlin and S Venkatakrisnan as Directors
 - Approving the appointments of M Mynhardt as Managing Director and C van Wyk as Financial Director.
 - Approving the remuneration of independent directors for the year ended 31 Jul 23.
 - Approving the reappointment of Grant Thornton as auditors for the ensuing financial year.
 - Approving the remuneration of Grant Thornton for the year ended 31 Jul 23.
- P3.80 (YTD: +9.20%) PE: 10.2 PB: 1.5 D/Y: 8.16% Mkt Cap: P2,296.7mn

Termination of Nominated Transfer Secretaries (NTS)



- Absa announced Transaction Management Services t/a Corpserve Botswana Transfer Secretaries, will no longer serve as their NTS, effective 1 Nov 23.
- Shareholders are advised to henceforth contact the Company directly for any shareholder enquiries.
- P6.29 (YTD: +21.90%) PE: 7.4 PB: 1.8 D/Y: 8.65% Mkt Cap: P5,360.1mn



Annual General Meeting (AGM) Results

- FNB announced the results of its 2023 AGM where all the resolutions passed by 90.57% or more votes in favour.
- P4.19 (YTD: +19.71%) PE: 9.6 PB: 2.9 D/Y: 7.64% Mkt Cap: P10,658mn

Proposed Updates to Constitution and Proposed Updates to the LLR Debenture Trust Deed

- Proposed Updates to Constitution
 - LLR provided an update on the proposed updates to its Constitution encompassing several key changes to align with current Botswana company laws, corporate governance standards, and stock exchange requirements. The changes include:
 - Updated references to the Botswana Companies Act.
 - Inclusion of definitions for various roles (e.g., CEO, CFO).
 - Incorporation of beneficial interest provisions.
 - Definition additions, deletions, and updates (e.g., Chief Executive Officer, Shareholder, Central Securities Depository Botswana).
 - Addition of clauses on securities, their issuance, cancellation, consolidation, and redemption.
 - Revised methods for notice, dematerialized linked units, and service provision.
 - The updates aim to adhere to legal requirements, dematerialization, and modern corporate practices.
- Proposed Updates to the LLR Debenture Trust Deed
 - LLR provided an update on the proposed updates to its Debenture Trust Deed. The changes include:
 - Appointment of a new Trustee to replace the late D Fricker.
 - Inclusion of a clause for the Amended and Restated Debenture Trust Deed, clearly outlining its replacement of the existing document.
 - Updated references to the Botswana Companies Act and definitions related to various terms like Debentures, Trust Deed, Ordinary Shares, and Trustee to match the updated LLR Constitution.
 - Modifications in handling the transfer and withdrawal of debentures in accordance with dematerialization and Central Securities Depository of Botswana (CSDB) Rules.
 - Removal of references to the issuance and delivery of certificates due to the full dematerialization of securities.
 - Adjustments in the Payment of Interest to Debenture Holders, specifying electronic fund transfers instead of cheques.
 - Updates to clauses regarding the Cessation of Office of Trustee, Domicilium, and Notices, reflecting changes in addresses and positions.
 - Deletion of clauses that were relevant in the previous dematerialization process.
 - Amendments to provisions related to Meetings and Quorum for Debenture Holders to accommodate electronic meetings and align with the updated Constitution.
 - These changes aim to adapt the Debenture Trust Deed to reflect current laws, practices, and technological advancements in the financial domain.
- P2.61 (YTD: -25.00%) PE: 7.2 PB: 0.8 D/Y: 7.56% Mkt Cap: P730.8mn



Appointment of New Chief Investment Officer (CIO)

- BDC announced the appointment of K Pickup as their new CIO, effective Oct23.
- Mr Pickup was previously a partner and CIO at Africa Lighthouse Capital.



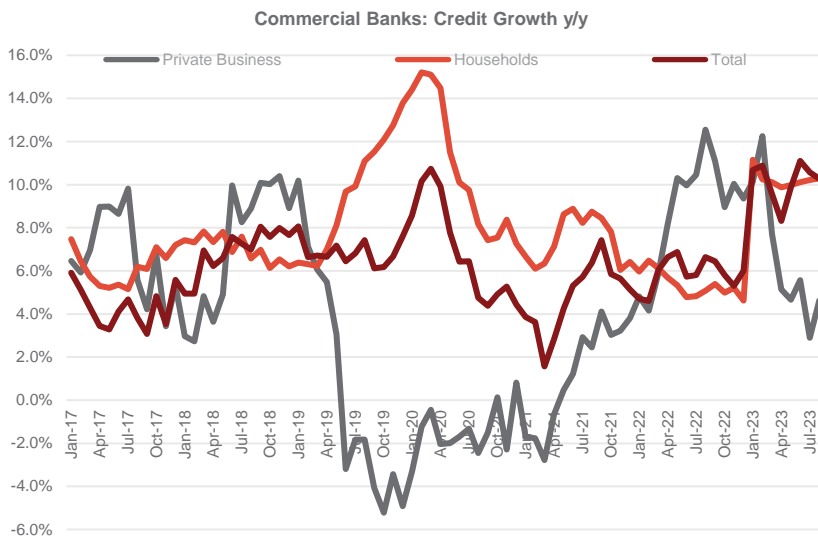
TURNSTAR HY24 RESULTS – HIGHER FINANCE COSTS AND TAXES REPAYMENTS

| Income Statement P Mn | HY 24 | HY 23 | % Δ | |
|---|-----------|-----------|--------------|---|
| Rental revenue | 155 | 143 | 9% | • +20% increase Profit before FV adjustment due to a 9% increase in rental revenue, combined with a 3% reduction in operational expenses. |
| Other income | 2 | 1 | 12% | |
| Operating expenses | (69) | (71) | (3%) | • +42% finance expenses due to elevated interest rate environment |
| Profit before Fair Value (FV) adjustment | 88 | 73 | 20% | |
| Finance income | 0 | 0 | (92%) | • -30% PAT due to significant increase in tax payments and higher finance costs. |
| Finance costs | (18) | (12) | 42% | |
| Profit before FX adjustment | 70 | 61 | 15% | • P1.99 (YTD: +12.43%) PE: 13.0 PB: 0.6 D/Y: 9.55% Mkt Cap: P1,138.6mn |
| Net FX Adjustment | (2) | (7) | (73%) | |
| Profit before tax | 68 | 54 | 27% | |
| Tax | (20) | 15 | (239%) | |
| Profit for the period (PAT) | 48 | 69 | (30%) | |
| Balance Sheet extract P Mn | HY 24 | HY 23 | % Δ | |
| Cash and cash equivalents | 24 | 13 | 88% | |
| Investment properties | 2 622 | 2 532 | 4% | |
| Borrowings | 584 | 586 | (0%) | |
| Deferred taxation | 237 | 193 | 23% | |
| Equity | 1 827 | 1 803 | 1% | |

FURNMART FY23 RESULTS – INCREASED INTEREST EXPENSES DRAG PROFITS

| Income Statement P Mn | FY 23 | FY 22 | % Δ | |
|---------------------------------------|------------|------------|--------------|--|
| Revenue | 1 458 | 1 361 | 7% | • Revenue +7% driven inflation related price increases. |
| Operating income | 249 | 243 | 3% | |
| Depreciation | (113) | (112) | 1% | • Gross profit margins decreased initially but improved in the latter part of the financial year due to lower shipping costs and supply chain inflation. |
| Net interest (expense)/income | (10) | 3 | (430%) | |
| Exchange gain/(loss) | (51) | (52) | (0%) | • Operating Income +3% due to increased sales. However, this was partially offset by increased expenses and higher debtors' impairment costs. |
| Share of profit/(loss) from associate | (0) | (0) | 200% | |
| Profit before taxation | 75 | 82 | (9%) | • Net Interest expense +4.3x due to rise in borrowings. |
| Tax | (16) | (18) | (8%) | |
| Profit for the period (PAT) | 58 | 65 | (10%) | • -10% PAT due to increased interest expenses |
| Balance Sheet extract P Mn | FY 23 | FY 22 | % Δ | |
| Cash and cash equivalents | 74 | 74 | (0%) | |
| Trade receivables | 585 | 536 | 9% | |
| Right of use assets | 417 | 565 | 181% | |
| Lease liability | 550 | 196 | 4% | |
| Borrowings | 204 | 196 | 4% | |
| Equity | 688 | 648 | 6% | |

AUG23 CREDIT GROWTH (CG) – CREDIT GROWTH RISES



- Aug23 CG y/y 10.3% v 10.6% (Jul23) vs 6.6% (Aug22)
 - Total decline driven by a slowdown in credit uptake by government and parastatals.
- Aug23 Private Business CG y/y 4.6% v 2.9% (Jul23) v 12.5% (Aug22)
 - There has been significant decline in credit uptake by private firms over the past year due to persistently high interest rates.
- Aug23 Household CG y/y 10.3% v 10.2% (Jul23) v 5.1% (Aug22)
 - Marginal increase due to rise in Property credit uptake by households.

REGIONAL

SOUTH AFRICA

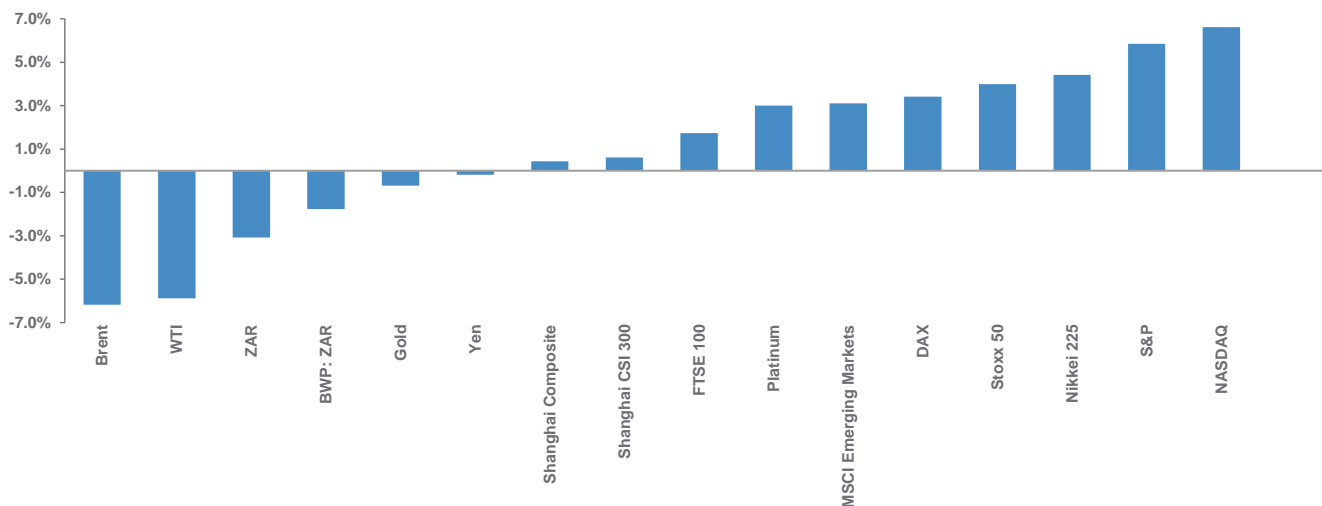
- Sep23 Trade Balance R13.1bn v R8.0bn (e) v R12.6bn (Aug23)
- Oct23 Manufacturing PMI 45.4 v 47.3 (e) 46.2 (Sep23)
- During the week, Eskom implemented stage 3 loadshedding citing unplanned outages and repairs of four generating units.

ZAR PERFORMANCE

- The ZAR strengthened against the USD post the dovish Fed update last week, fuelling expectations that interest rate hikes have come to an end.
- ZAR 18.26 (WTD: -3.07%) v 18.84 (27 Oct 23)

Rand continues to strengthen against the US Dollar.

INTERNATIONAL SNAPSHOT – 27 OCT 23 WEEKLY PERFORMANCE



- Sep23 Preliminary Industrial Production m/m 0.2% v 2.5% (e) v -0.7% (Aug23)
- Oct23 Final Manufacturing PMI 48.7 v 48.5 (Sep23)
- Sep23 Retail Sales m/m -0.1% v 0.2% v 0.1% (Aug23)
- Sep23 Jobless rate 2.6% v 2.6% (e) v 2.7% (Oct23)
- The Bank of Japan (BoJ) Monetary Policy Committee (MPC) met during the week and decided the following:
 - Maintain the short-term policy interest rate at -0.10%
 - Maintain the yield of the 10-year JGB at around 0%
- Japanese stocks ended the week in the green on the back of weaker than expected US jobs data and the Feds decision to maintain interest rates.
- Nikkei 225: 31,950 (WTD: +4.41%), Yen: 149.39 (WTD: -0.18%)



- Eurozone Oct23 Final Consumer Confidence -17.9 v -17.9 (Sep23)
- France 3Q23 Preliminary GDP y/y 0.7% v 0.7% (e) v 1.1% (2Q23)
- Germany Sep23 Retail Sales m/m -0.8% v 0.5% (e) v -1.1% (Aug23)
- UK Sep23 Final Manufacturing PMI 44.8 v 45.2 (e) v 45.2 (Aug23)
- The Bank of England Monetary Policy Committee met during the week and decided to keep the bank rate unchanged at 5.25%.
- European markets ended the week in the green following the release of weaker than expected US jobs data as well as expectations that the Fed is done raising interest rates.
- DAX: 15,189 (WTD: +3.42%), Stoxx50: 4,175 (WTD: +3.99%), FTSE100: 7,418 (WTD: +1.73%)



- Oct23 Official Manufacturing PMI 49.5 v 50.2 (e) v 50.2 (Sep23)
- Oct23 Caixin Manufacturing PMI 49.5 v 50.8 (e) v 50.6 (Sep23)
- Chinese markets closed in the green as reported data showed service activity picked up.
- SHSZ300: 3,584 (WTD: +0.61%), SHCOMP: 3,031 (WTD: +0.43%)



- 28 Oct 23 Initial Jobless Claims 217k v 210k (e) v 212k (21 Oct 23)
- Oct23 ΔNon-Farm Payrolls 150k v 180k (e) v 297k (Sep23)
 - Unemployment rate 3.9% v 3.8% (e) v 3.8% (Sep23)
 - Labour Force Participation Rate 62.7% v 62.8% (e) v 62.8% (Sep23)
- Sep23 Factory Orders 2.8% v 2.3% (e) v 1.0% (Aug23)
- The US Federal Reserve Open Market Committee met during the week and decided the following:
 - To keep the Fed fund rate unchanged at 5.25%-5.50%.
 - Maintained its plan to reduce its holdings of Treasury, agency debt and agency mortgage-backed securities.
- US equities ended the week in the green following weaker than expected US jobs data along with the Feds decision to maintain interest rates stoking expectations that rate hikes have come to an end.
- NASDAQ: 13,478 (WTD: +6.61%), S&P 500: 4,358 (WTD: +5.85%)



- Δ US Crude Inventories 773k bbl. (27 Oct 23) v 1,001k bbl. (e) v 1,372k bbl. (20 Oct 23)
- Δ US Oil Rigs +7; 618 (03 Nov 23) v 625 (27 Oct 23)
- Δ North American Oil Rigs -7; 814 (03 Nov 23) v 821 (27 Oct 23)
 - Oil prices were down on the back of demand constraints in the US and China, following the continuous buildup of crude inventory levels.
 - WTI: \$80.51 (WTD: -5.88%)
 - Brent Crude: \$84.89 (WTD: -6.18%)



- Precious metals closed the week mixed on the back of sentiment over the Feds decision to pause interest hikes as well as a weaker US Dollar.
 - Gold: \$1,993 (WTD: -0.68%)
 - Platinum: \$935 (WTD: +3.00%)

Oil prices decline on the back of demand constraints in the US and China.



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