



KGORI CAPITAL
INVEST WITH PRIDE

12 February 2024

COMPANY ANNOUNCEMENTS

Commercial Pilot Update



- Botata provided an update on its Commercial pilot programme. Salient points are as follows:
 - Project Pitse
 - Coring and desorption testing programme has commenced.
 - Exploration Programme
 - Geophysics campaign for the three exploration wells has been completed.
 - Botata is planning on three new exploration wells to be completed 1Q24.
- P0.82 (YTD: 0.00%) PE: N/A PB: N/A D/Y: 0.00% Mkt Cap: P135.5mn

Results of Entitlement Offer



- Tlou reported the closure of its entitlement offer, generating around A\$1.1mn, which represented a shortfall of approximately A\$12.1mn from the A\$13.3mn the company intended to raise.
- Tlou's largest shareholder, ILC Investments did not participate in the offer, indicating a preference for further financial support through current and further debt arrangements
- Following the offer, the total number of voting rights ordinary shares is 1.1bn.
- P0.50 (YTD: 0.00%) PE: N/A PB: 1.1 D/Y: 0.00% Mkt Cap: P538.3mn.

Notice To Shareholders



- Lucara announced that it will be publishing its FY23 results on 20 Feb 24 after market close in North America.
- Lucara will host a conference call and webcast to discuss the results on 21 Feb 24 at 6:00am Pacific, 9:00am Eastern, 2:00pm UK, 3:00pm CET.
- P3.90 (YTD: 0.00%) PE: 3.5 PB: 0.5 D/Y: 0.00% Mkt Cap: P1,786.5mn

Note Issuance



- Letshego announced the issuance of 8 new senior unsecured notes, with fixed interest rates ranging from 7.2% to 10.70% with a nominal value P233.4mn, under its existing P2.5bn medium term note programme.
- 3 of the new notes mature in Nov24, 2 mature in Dec26, while the remaining 3 mature in Jun24, Jul24 and Nov25 respectively.
- P1.24 (YTD: -0.80%) PE: 6.1 PB: 0.5 D/Y: 11.94% Mkt Cap: P2,697.0mn

Results of Rights and Excess Offer



- Primetime announced that 7,693,543 (21%) linked units were subscribed for under their Rights offer, were a total of 36.6mn linked units were on offer, managing to raise P13.4mn.
- Primetime also announced that 4,068,876 (4%) linked units were subscribed for under their Excess offer, were a total of 106.3mn linked units were on offer, raising P7.1mn
- P1.74 (YTD: 0.00%) PE: 5.5 PB: 0.5 D/Y: 6.65% Mkt Cap: P459.9mn



Amendment Of Closed Period

- BIHL announced their closed period has been extended to 28 Mar 24 in anticipation that publication of their results will be on or before 28 Mar 24 instead of 7 Mar 24 as initially announced.
- P20.12 (YTD: +0.55%) PE: 7.5 PB: 1.5 D/Y: 13.27% Mkt Cap: P5,731.6mn



Business Update

- Chobe provided an update on its HY23 performance. Salient Points are:
 - Increased demand for luxury travel, driven by flexible work practices and a preference for short lead-time travel.
 - Chobe is strategically focusing on Revenue per Available Room (RevPAR) rather than occupancy and it is expecting growth even in off-season travel due to high demand.
 - While conflict in Europe and the Middle East hasn't impacted forward reservations, inflationary pressures and supply chain disruptions pose challenges particularly in the aviation segment.
 - Chobe continues to invest in upgrading its assets, including a comprehensive rebuild of Savute Safari Lodge and acquisition of new aircraft.
 - The company aims to maintain a competitive product offering and considers various funding options for investments.
 - Revenue growth is driven by marketing strategies, with a focus on strengthening partnerships with tour operators and developing new markets globally.
- P15.24 (YTD: +2.63%) PE: 9.8 PB: 3.2 D/Y: 3.94% Mkt Cap: P1,363.1mn



Change of Nominated Transfer Secretary (NTS)

- NAP announced Grant Thornton Capital Security Services will no longer serve as their NTS and advised unitholders that the company is in the process of concluding an agreement with a new transfer office.
- In the meantime, unitholders queries can be directed to napunitholder@nafprop.co.bw.
- P3.85 (YTD: +1.32%) PE: 10.3 PB: 1.5 D/Y: 8.05% Mkt Cap: P2,326.9mn



Notice To Unitholders

- Turnstar announced that the board has resolved to release GH Group and Associated Investment & Development (AIDC) from the pledge of their linked units following the expiry of the guarantee period in the sale agreement signed between the parties.
- This pledge release is on the back of the Sale agreement entered in 2011 between Turnstar and GHG and AIDC for the sale of Mlimani Holdings in Tanzania.
- P1.95 (YTD: 0.00%) PE: 12.8 PB: 0.6 D/Y: 9.74% Mkt Cap: P1,115.7mn



Board Changes

- CGL announced the retirement of J.C Brandt as Non-Executive director (NED) of the company, effective 2 Feb 24.
- CGL further announced the appointment of J.W Brandt as NED, effective 2 Feb 24.

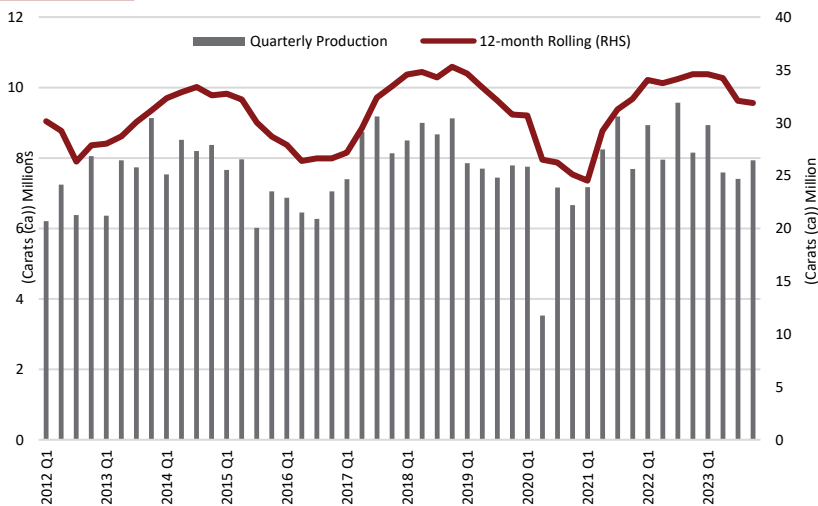
2024 Budget Speech

- The Minister of Finance and Economic Development, Honourable Peggy O Serame, presented the 2024 Budget Speech. For the financial year 2024/25 (FY24). Salient points are as follows:
 - Proposed 2023/24 Budget:
 - Government Revenues:
 - Total revenue of P93.58bn expected made up of Customs & Excise revenue P26.46bn (28.3%), Minerals P25.05bn (26.77%), non-mineral income tax P22.0bn (23.5%), VAT P15.24bn (16.28%) and Other P4.59bn (4.3%).
 - Government Expenditures:
 - Projected total expenditure is P87.4bn, up by 17.0% compared to previous budget. The increase is due to heavy spending on the development budget to fund numerous infrastructure projects.
 - Recurrent Budget:



- The Ministerial Recurrent Budget was allocated P63.74bn, up by 5.7% from P60.3bn in the previous budget allocation. This was primarily driven by a 5% increase in government employee salaries and allowances.
- The Ministry of Education and Skills Development received the largest allocation of P15.0bn, followed the Ministry of Defence and Security at P10.65bn and the Ministry of Local Government and Rural Development with 9.48bn.
- Development Budget:
 - The Development Budget was allocated P29.77bn, an increase of 41.7% compared to FY23/24. The bulk of the allocation will be directed towards infrastructure projects during the financial year.
- Overall Balance:
 - The overall balance for the 2024/25 budget is a deficit of 8.69bn, or 2.8% of GDP. The deficit will be funded through a moderate draw down of government savings and both domestic and external borrowing.

4Q23 DEBSWANA DIAMOND PRODUCTION (DDP) – HIGHER OUTPUT IN ORAPA MINE DRIVES DPP UP



- Anglo American (AA) released 4Q23 diamond production data
- 4Q23 DDP 6,135k ca v 5,837k ca (3Q23) v 5,760k ca (2Q22)
 - 6.0% increase in DDP v 4Q22 driven by increased plant output at the Orapa mine due to planned lower maintenance.
- 4Q23 DDP LTM 24,700ca v 24,142k ca (4Q22)
- AA 2024 De Beers production guidance has been announced at 29-32mn ca, however, due to prevailing market conditions, De Beers will assess options to reduce production.

REGIONAL

SOUTH AFRICA

- Dec23 Manufacturing Production m/m -1.7% v 0.4% (e) v 1.2% (Nov23)
- Jan24 Business Confidence 112.3 v 112.1 (Dec23)
- During the week, Eskom increased load shedding Stage 5 due to high demand and urgent maintenance being performed at certain power stations.

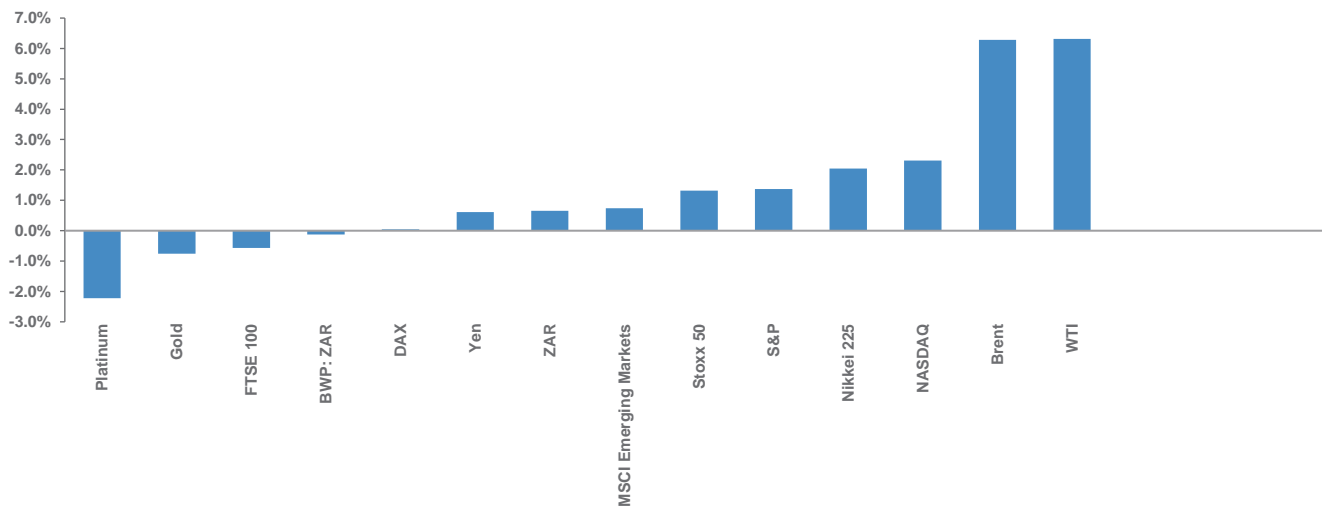
ZAR PERFORMANCE

- The ZAR weakened against the USD following better than expected corporate earnings by US Firms.
- ZAR 19.02 (WTD: +0.66%) v 18.90 (02 Feb 24)

Rand continues to weaken against the US Dollar.

INTERNATIONAL

INTERNATIONAL SNAPSHOT – 09 FEB 24 WEEKLY PERFORMANCE



- Jan24 Final Composite PMI 51.5 v 51.1 (Dec23)
- Japanese stocks ended the week in the green as investor sentiment soared following US companies quarterly earnings beating expectations.
- Nikkei 225: 36,897 (WTD: +2.04%), Yen: 149.29 (WTD: +0.61%)



- Eurozone Dec23 Retail Sales m/m -1.1% v -1.0% (e) v 0.3% (Nov23)
- France Jan24 Final Composite PMI 44.6 v 44.2 (e) v 44.8 (Dec23)
- Germany Dec23 Industrial Production m/m -1.6% v -0.5% (e) v -0.2% (Nov23)
- UK Jan24 Final Composite PMI 52.9 v 52.5 (e) v 52.1 (Dec23)
- European markets concluded the week mixed following the release of mixed corporate earnings reports.
- DAX: 16,927 (WTD: +0.05%), Stoxx50: 4,716 (WTD: +1.32%), FTSE100: 7,573 (WTD: -0.56%)



- Jan24 CPI y/y -0.8% v -0.5% (e) v -0.3% (Dec23)
- Jan24 PPI y/y -2.5% v -2.6% (e) v -2.7% (Dec23)
- China stocks were closed at the end of the week for the Lunar New Year holidays.
- SHSZ300: 3,180 (WTD: 0.00%), SHCOMP: 2,730 (WTD: 0.00%)



- 03 Feb 24 Initial Jobless Claims 218k v 220k (e) v 227k (27 Jan 24)
- Dec23 Trade Balance -\$62.2bn v -\$62.0bn (e) v -\$61.9bn (Nov23)
- Jan24 Final Composite PMI 52.5 v 52.9 (e) v 51.4 (Dec23)
- US equities ended the week in the green on the back of the release of stronger than expected corporate earnings from US companies reinvigorating investor believe that a recession will be averted.
- NASDAQ: 15,991 (WTD: +2.31%), S&P 500: 5,027 (WTD: +1.37%)



- Δ US Crude Inventories 5,520k bbl (02 Feb 24) v 1,515k bbl (e) v 1,234k bbl (26 Jan 24)
- Δ US Oil Rigs +4; 623 (9 Feb 24) v 619 (2 Feb 24)
- Δ North American Oil Rigs +4; 855 (9 Feb 24) v 851 (2 Feb 24)
 - Oil prices ended the week in the green due growing tensions in the middle as Israel rejects Hamas proposal for a cease fire.
 - WTI: \$76.84 (WTD: +6.31%)
 - Brent Crude: \$82.19 (WTD: +6.28%)



- Precious metals closed the week in the red due to a stronger US Dollar.
 - Gold: \$2,024 (WTD: -0.76%)
 - Platinum: \$877 (WTD: -2.22%)

Oil prices rise as Israel rejects Hamas cease fire offer, raising supply side concerns.



KGORI CAPITAL
INVEST WITH PRIDE

General Disclaimer

All information, recommendations or opinions contained in this document are not intended to provide exhaustive treatment of any subject dealt with and must be weighed solely as one factor in any investment or other decision made by or on behalf of any user of the information contained herein. Such user should consult its own investment or financial or other advisors before making any decision. Whilst all care is taken by Kgori Capital in the preparation of the contents hereof, no warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such recommendation or information is given or made by Kgori Capital in any form or manner whatsoever. The information in this document is not intended to and does not constitute financial, tax, legal, investment, consulting or other professional advice, and Kgori Capital does not purport to act in any way as a financial advisor. Kgori Capital shall not be responsible and disclaims all liability for any loss, liability, damage (whether direct or consequential) of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of any information, opinion, recommendation, or service contained in or provided through this document. All portfolio performance data is calculated by Kgori Capital. Performance is analysed and computed utilising true daily weighted methodology. Where this document contains statements or information which relate to projections, forecasts or hypothetical data, users should be advised that these are predictions and that actual performance may differ markedly. Users should also be aware that short term performance can be volatile and past performance is not necessarily a good indication or guideline of future performance. As the performance of financial markets fluctuates and is not guaranteed, an investor may not get back the full amount invested.

1st Floor Exponential,
Plot 54351, CBD, Gaborone

T +267 3915 990
F +267 3915 980

PO Box 1253 ABG,
Sebele, Gaborone

www.kgoricapital.com

Directors KI Melamu, AM Ndzinge, S Noor,
MS Sibanda, AA Wellio-Moyo

Reg No BW00000988897

