



**KGORI CAPITAL**  
INVEST WITH PRIDE

11 March 2024

## COMPANY ANNOUNCEMENTS

### Cautionary Announcement



- Minergy announced that its loss before tax (LBT) for the 31 Dec 23 interim period will be P25mn-P45mn (51%-71%) higher than the P58mn LBT reported for 30 Dec 22 interim period.
- Minergy experienced operational disruptions due to the suspension of activities by its former mining contractor, Jarcon Opencast Mining, due to trade payable arrears, resulting in decreased sales alongside challenges in coal pricing and inventory logistics.
- In response, Minergy received a total of P389mn funding from MDCB, leading to leadership changes and a strategic turnaround plan. This included replacing the contractor with Meropa Resources, aiming to resume production and stabilize operations. Full-scale production and sales are expected by June 2024, marking the transition to operational stabilization and continuous improvement as a low-cost producer.
- Results will be released during the week of 18 Mar 24.
- P0.40 (YTD: 0.00%) PE: N/A PB: N/A D/Y: 0.0% Mkt Cap: P188.0mn

### Small Related Party Transaction



- PrimeTime announced a related party transaction with Solar Saver Botswana for installing solar PV systems at three of its properties.
- Solar Saver is linked to PrimeTime through common ownership with Time A&PM.
- The agreement involves a lease-to-own arrangement with rental charges reflecting market rates.
- The total value of the contracts is P2.15mn/annum..
- P1.73 (YTD: -0.57%) PE: 5.5 PB: 0.5 D/Y: 2.49% Mkt Cap: P457.3mn

### Resignation of Chief Executive Officer (CEO)



- The Botswana Stock Exchange (BSE) announced that Mr T Tsheole resigned as the CEO on 1 Mar 24 to pursue an opportunity outside Botswana.
- He shall serve 3 months' notice ending in May 24.
- The BSE shall communicate plans for his replacement in due course.

### Update to Chief Executive Officer (CEO) Appointment



- Capricorn announced the appointment of Mr D Nuyoma as the substantive Group CEO with effect from 1 Mar 24.

## CAPRICORN HY24 RESULTS – LOAN BOOK GROWTH IMPROVES PERFORMANCE

Income Statement NAD Mn	HY 24	HY 23	% Δ
Interest income	3,263	2,612	25%
Interest expense	(1,792)	(1,299)	38%
<b>Net interest income</b>	<b>1,471</b>	<b>1,313</b>	<b>12%</b>
Impairment charges	(253)	(155)	63%
<b>Net interest income after impairment</b>	<b>1,218</b>	<b>1,158</b>	<b>5%</b>
Non-interest income	1,111	934	19%
<b>Operating income</b>	<b>2,329</b>	<b>2,092</b>	<b>11%</b>
Operating expenses	(1,329)	(1,192)	12%
<b>Operating profit</b>	<b>1,000</b>	<b>899</b>	<b>11%</b>
Share of associates after tax	96	126	(24%)
<b>Profit before taxation</b>	<b>1,095</b>	<b>1,026</b>	<b>7%</b>
Tax	(268)	(256)	5%
<b>Profit for the period (PAT)</b>	<b>828</b>	<b>770</b>	<b>8%</b>
Balance Sheet extract NAD Mn	HY 24	HY 23	% Δ
Cash and cash equivalents	6,671	5,372	24%
Loans to customers	47,120	43,510	8%
Financial assets through other comprehensive income	5,824	5,876	(1%)
Deposits from customers	48,260	44,131	9%
Debt securities in issue	5,109	5,603	(9%)
Equity	9,521	7,971	19%

- Net interest income +12% driven by higher interest rates, an 8.5% y/y loan book growth and prudent management of cost of funding.
- Increased inflation rates and higher interest rates increased non-performing loans and drove impairment charges up by 63%.
- Non-interest income +19% due to an increase of fee and commission income (+10.1%) and net trading income (+62.4%).
- Operating expenses +12% mainly due to a significant rise in variable operational banking expenses, driven by increased transaction and trading volumes. Additionally, staff costs rose mainly due to annual raises and filling key IT vacancies.
- PAT +8% due to loanbook growth

## TLOU ENERGY HY24 RESULTS – REDUCED EXPENSES DRIVE DOWN LOSSES

Income Statement A\$'000	HY 24	HY 23	% Δ
Interest income	11	6	79%
Employee benefits expense	(640)	(565)	13%
Depreciation expense	(56)	(147)	(62%)
FX gain / loss	207	190	9%
Interest expense	(484)	(296)	64%
Share based payment expense	(29)	(76)	(62%)
Professional fees	(145)	(272)	(47%)
Occupancy costs	(8)	(7)	16%
Fair value gain/(loss) on financial instruments	(2)	(47)	(96%)
Other expenses	(676)	(1,032)	(34%)
<b>Loss before income tax</b>	<b>(1,821)</b>	<b>(2,245)</b>	<b>(19%)</b>
Income tax	-	-	
<b>Loss for the period</b>	<b>(1,821)</b>	<b>(2,245)</b>	<b>(19%)</b>
Balance Sheet extract A\$'000	HY 24	HY 23	% Δ
Cash and cash equivalents	730	6,849	(89%)
Exploration assets	66,406	60,443	10%
PPE	2,205	1,400	58%
Equity	56,659	58,409	(3%)

- No revenues recorded for the period as Tlou is still in the development stage with the Lesedi Gas-to-Power project.
- Other expenses -34% due to decrease in Engineers and consultants' costs and investor relations costs.
- Tlou announced that, the ability of the group to remain a going concern is dependent on completing a capital raise or securing other forms of financing within the next 2 months.
- No dividends declared
- P0.50 (YTD: 0.00%)  
PE: N/A  
PB: 1.1  
D/Y: 0.00%  
Mkt Cap: P538.3mn

## REGIONAL

### SOUTH AFRICA

- Q423 GDP q/q 0.1% v 0.2% (e) v -0.2% (3Q23)
- 1Q24 Business Confidence 30 v 31 (4Q22)

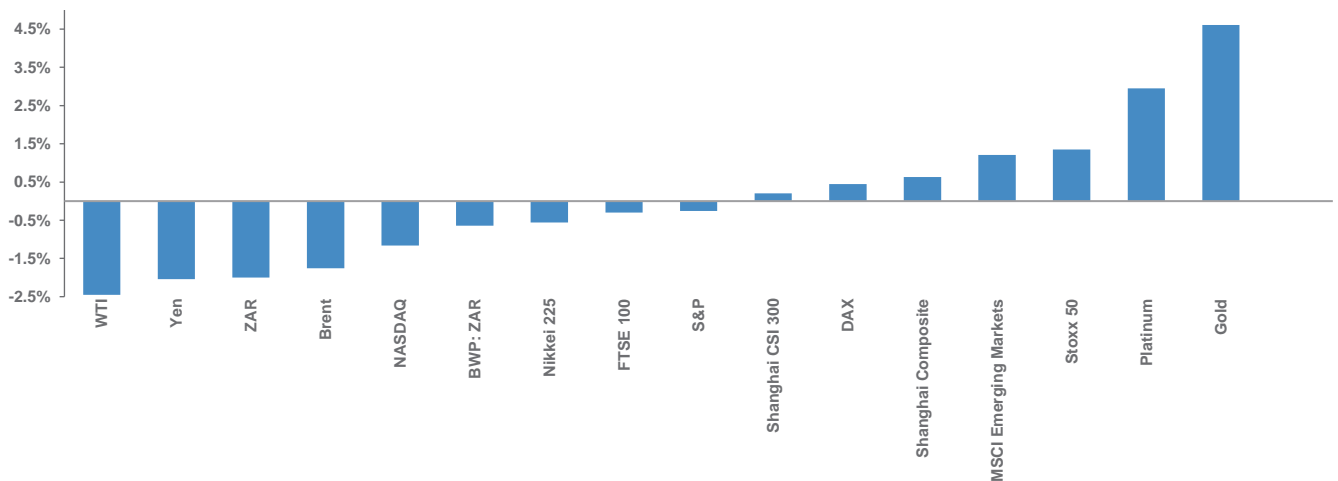
### ZAR PERFORMANCE

- The ZAR strengthened against the USD as comments from Fed Chairman Jerome Powell supported bets that the US central bank could start cutting interest rates in Jun24.
- ZAR 18.73 (WTD: -2.00%) v 19.11 (01 Mar 24)

# The South African rand weakens against USD.

## INTERNATIONAL

### INTERNATIONAL SNAPSHOT – 8 MAR 24 WEEKLY PERFORMANCE



- Feb24 Tokyo CPI y/y 2.6% v 2.5% (e) v -1.6% (Jan24)
- Japan equities closed the week lower on speculation the Bank of Japan may end its negative interest rate sooner than expected.
- Nikkei 225: 39,689 (WTD: -0.56%), Yen: 147.06 (WTD: -2.04%)



- Eurozone Mar24 Sentix Investor Confidence -10.5 v -10.6 (e) v -12.9 ( Feb24)
- France Jan24 Industrial Production m/m -1.1% v -0.1% (e) v 0.4% (Dec23)
- Germany Jan24 Industrial Production m/m 1.0% v 0.6% (e) v -2.0% (Dec23)
- UK Feb24 Final Composite PMI 53.0 v 53.3 (e) v 52.9 (Jan24)
- Euro stocks closed mixed, following the release of mixed economic data.
- DAX: 17,815 (WTD: +0.45%), Stoxx50: 4,961 (WTD: +1.35%), FTSE100: 7,660 (WTD: -0.30%)



- Feb24 Caixin China PMI Composite 52.5 v 52.5 (Jan24)
- Chinese stocks closed in the green after the Chinese central bank considered making further cuts to lenders' reserve requirement ratio.
- SHSZ300: 3,545 (WTD: +0.20%), SHCOMP: 3,046 (WTD: +0.63%)



- Mar 24 Initial Jobless Claims 217k v 216k (e) v 215k (Feb 24)
- Feb24 ΔNon-Farm Payrolls 275k v 200k (e) v 229k (Jan24)
  - Unemployment rate 3.9% v 3.7% (e) v 3.7% (Jan24)
  - Labour Force Participation Rate 62.5% v 62.6% (e) v 62.5% (Jan24)
- US stocks closed in the red following the release of data giving out mixed signals about the strength of the job market.
- NASDAQ: 16,085 (WTD: -1.17%), S&P 500: 5,124 (WTD: -0.26%)

## COMMODITIES



- ΔUS Crude Inventories 1,367k bbl (01 Mar 24) v 1,720k bbl (e) v 4,199k bbl (23 Feb 24)
- ΔUS Oil Rigs -7; 622 (8 Mar 24) v 629 (01 Mar 24)
- ΔNorth American Oil Rigs -13; 847(8 Mar 24) v 860 (1 Mar 24)
  - Oil prices slip on concerns about slow demand in China.
  - WTI: \$78.01 (WTD: -2.45%)
  - Brent Crude: \$82.08 (WTD: -1.76%)



- Precious metals close higher on a weaker USD.
  - Gold: \$2,179 (WTD: +4.61%)
  - Platinum: \$914 (WTD: +2.95%)

# Oil prices slip on demand concerns.



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1st Floor Exponential,  
Plot 54351, CBD, Gaborone

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

PO Box 1253 ABG,  
Sebele, Gaborone

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

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

**Reg No** BW00000988897

