Letlole La Rona Limited

INTEGRATED ANNUAL REPORT 2024

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In direct translation, **Letlole La Rona means 'our basket of wealth'.** To us the basket of wealth is symbolical to a collection of principles that nurture true wealth and success. In everything we do we strive to create a basket of wealth for Batswana.

Mission

To integrate our basket of wealth into the African Economy through value enhancing Real Estate Investments, which unlock superior returns for our Shareholders, whilst connecting and empowering our communities.

Vision

We are the Real Estate Leader in Botswana and a partner of choice in selected African markets.

About this report

Letlole La Rona ('LLR or "the Company" or "the Group") is a Botswana-based real estate investment company listed on the Botswana Stock Exchange ("BSE"). Our primary goal is to grow and improve cash flow to deliver quality earnings, which underpin growth and sustained value creation for all stakeholders. This Integrated Annual Report ("IAR") 2024 covers the financial year from 1 July 2023 to 30 June 2024.

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Printed Section

The printed version of the Annual Report aims to provide concise, relevant and reliable information addressing the Company's objectives and activities

Online Section

The online version is made available to provide convenience of accessibility and cater for readership preference to Letlole La Rona stakeholders. The Annual Report aims to provide concise, relevant and reliable information addressing the Company's objectives and activities

https://letlole.com/annual-reports/

About this report

Letlole La Rona ("LLR" or "the Company" or "the Group") is a Botswana-based real estate investment company listed on the Botswana Stock Exchange ("BSE"). Our primary goal is to grow and improve cash flow to deliver quality earnings, which underpin growth and sustained value creation for all stakeholders. This 2024 Integrated Annual Report ("IAR") covers the financial year from 1 July 2023 to 30 June 2024.

The report looks at the key elements that underpin our strengthened basis and highlights our achievements, which provide us the stability we need to expand our portfolio. In order to show our commitment, resiliency, and flexibility in the ever-changing marketplace, the IAR 2023 also gives us the chance to evaluate the challenges we faced over the fiscal year.

In addition to staying up to date with external elements so that we can foresee, predict, and respond to market situations, we were able to investigate potential opportunities and demonstrate how they reinforce our strategic base. The collaborative thinking culture that permeates every aspect of our operations strengthens our solid business foundation, which offers the opportunity to produce long-term value.

The report aims to provide a balanced, concise and holistic view of LLR's financial and non-financial performance and covers the Group's operations in Botswana and Kenya. This includes information about our growth aspirations, efficiency opportunities, service quality, sustainability approaches, corporate governance, and accountability.

Local and International requirements and frameworks have guided the information provided in this Integrated Annual Report. These include the following:

- Botswana Stock Exchange (BSE) Equity Listings Requirements
- King III Code of Corporate Governance Principles
- International Integrated Reporting Council (IIRC)'s <IR> Framework
- International Financial Reporting Standards (IFRS)
- Botswana Stock Exchange Sustainability Disclosure Guidelines

Environmental Social Governance (ESG) related disclosures were selected with reference to the Botswana Stock Exchange (BSE) Sustainability Related Disclosures, Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) standards and the United Nations Sustainable Development Goals (UNSDGs).

Materiality

This report discloses matters that substantively affect our ability to create value. In line with the BSE Sustainability Disclosure guidelines, LLR adopted the "double materiality" concept in the financial year 2022/23 which is a notion that emphasises that we need to consider not just the financial implications of our actions but also our impact on ESG considerations.

This reporting year marks the third year of implementing this approach, allowing us to further refine and enhance our understanding of both our internal and external impact and report back on it. As part of this process, the Company is actively working on enhancing its reporting practices by incorporating more detailed and transparent disclosures on material issues. This includes aligning international best practices with the BSE sustainability reporting standards, improving data collection methods, and engaging with stakeholders to ensure that reported information accurately reflects the Company's efforts and impacts. Through these enhancements, the Company aims to provide a more holistic view of its sustainability initiatives, supporting informed decision-making and reinforcing its commitment to long-term value creation. The process for determining and prioritising material matters, and our disclosure of these is discussed on page 20.

Disclosure and Assurance

LLR aims at the highest standards for all disclosures in this IAR to provide stakeholders with meaningful, accurate, complete, transparent and balanced information. The Board, its committees and management were involved in finalising disclosures made in this Integrated Report and assumed responsibility for the information contained herein.

The financial information included in this Report was prepared in accordance with IFRS, with Grant Thornton Botswana independently assuring the annual financial statements.

Board Responsibility

The Board approved this report on 29 November 2024 and acknowledged its responsibility for its accuracy. It has applied its collective expertise and, in its opinion, this IAR addresses all material issues and presents an integrated view of the Company's performance in the year under review.

Forward Looking Statements

Readers are cautioned not to place undue reliance on forward-looking statements. Many of the statements in this IAR constitute forward-looking statements. These are not guarantees or predictions of future performance. As discussed in the IAR, LLR faces risks and other factors outside its control, which may lead to outcomes unforeseen by LLR.

Feedback on IAR

We welcome your feedback on this IAR. Please email your comments to Ms. Keletso Sebogodi at ksebogodi@letlole.com

Our Integrated Approach to Value Creation

At LLR, we recognise that sustainable value creation cannot be achieved in isolation, hence we map out interdependencies and adopt the integrated thinking process which involves identifying and evaluating the various matters that could influence our ability to create value over time. We diligently examine the interdependencies between our resources or their effect, mindful of the potential tradeoffs in our strategic choices. This holistic approach enables us to report transparently, reflecting the value we create, preserve and, where necessary, address challenges that may erode value.

Integrated thinking drives our integrated reporting. Our IAR aims to be a window into the flow of strategy and decision-making within LLR, illuminating how we create value for our business, shareholders, people and communities. By adopting integrated thinking, we are better equipped to navigate the dynamic landscape of risks and opportunities, ensuring our stakeholders gain a thorough understanding of our present and future outlook.

Our Approach to Business is Driven from a Place of Purpose.

Our strategic foundations comprise the Company's mission, vision, and values. Our mission statement clearly articulates our core purpose and promise to our stakeholders, while our vision statement paints a clear picture of what we intend to achieve. Our objective is to become a leader in Botswana's property market.

Our Operating Environment

We assess the challenges and opportunities that could impact our ability to create value

We review our operating environment by identifying the economic, environmental, social and governance (ESG) factors that could substantively impact the Group's ability to create value:

- Macro-economic developments
- Property sector trends
- Regulatory and compliance landscapes.
- Political landscape

Read more at page 76

Our Stakeholder's Needs

Through our stakeholder engagement process, we seek to understand the needs and concerns of our valued stakeholders:

- Investors, providers of capital and asset managers
- Employees
- Tenants
- Regulators, government and authorities
- Suppliers and business partners
- Communities

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Our Risks and Opportunities

Our inward focus is on the risks and opportunities highlighted by our risk management processes:

- Interest Rates
- Non-Compliance with Laws and Regulations
- High liquidity in the market/ De-pressed Investment Returns
- Cyber Security Risk
- Business Continuity Risk
- Legislation Changes
- Funding Risk
- Tenant Default
- Concentration Risk
- Financing Strategies

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Our Material Matters

We identify the issues that could affect the delivery of our strategy, our profitability, and our sustainability

Having identified the material matters that could impact on our ability to create value, we rank these topics in terms of their potential impacts on the Group and decide on our responses to deliver short-medium and long-term value:

Analyse

Identify

Plan

- External operating environment
- Corporate Strategy and investments
- Compliance with laws and regulations
- Employee satisfaction and development
- Preservation of natural capital
- Relations with stakeholders
- Financial performance
- Corporate governance
- Cyber security and data protection

Read more at page 20

Our Strategy

We integrate our strategy into our business model.

Our refined Go-to-Africa strategy seeks to optimise and diversify the LLR portfolio, drive balance sheet growth, enhance shareholder value and deliver investor returns. Our strategic objectives are grouped into six pillars, namely:

- To streamline and expand Botswana portfolio
- To optimise our balance sheet
- To invest in quality African assets
- To build strong partnerships and networks
- To achieve operational excellence
- To build a talented and competent team

Read more at page 70

Value Creation

We seek to actively manage our activities and their impacts to ensure we enhance the positive and minimise the adverse outcomes of our business model, thereby sustaining value for all our stakeholders.

Resources flow through LLR in the form of the six identified capitals, being

Financial capital
We use our funds for running costs, property refurbishments, maintenance, strategic acquisitions and unit holder distributions.

Intellectual capital
The intangibles that sustain the quality of our property and service offering, which provide LLR's competitive advantage, such as, our innovations, systems and reputation.

Manufactured (built) capital
The facilities and general infrastructure that enable LLR to conduct business operations (tangible assets).

Social and relationship capital
The relationships and collaborations we create with our stakeholders.

Human capital
Competencies, capabilities and experience of our employees and how they innovate, collaborate and align with LLR's objectives.

Natural capital
Renewable and non-renewable resources used by LLR.

We manage the flow of our capital inputs to align with our strategic intent and deliver favourable outcomes for the business and our stakeholders.

Read more at page 86

We aim to deliver broader societal and environmental value through our commitment to the United Nations Sustainable Development Goals (UN SDGs). The Company has identified the following sustainable development goals, where our business activities can have the most meaningful impact and improve lives:

We aim to ensure healthy lives and promote wellbeing for all.

Our goal is to provide inclusive and equitable access to quality education while fostering lifelong learning opportunities for our communities.

We strive to integrate strategies into our business model that enhance energy efficiency, utilise renewable energy, and support sustainable practices.

We seek to stimulate economic development and promote decent employment opportunities through sustainable real estate practices.

We participate in and support initiatives that promote inclusivity and equal opportunities for all.

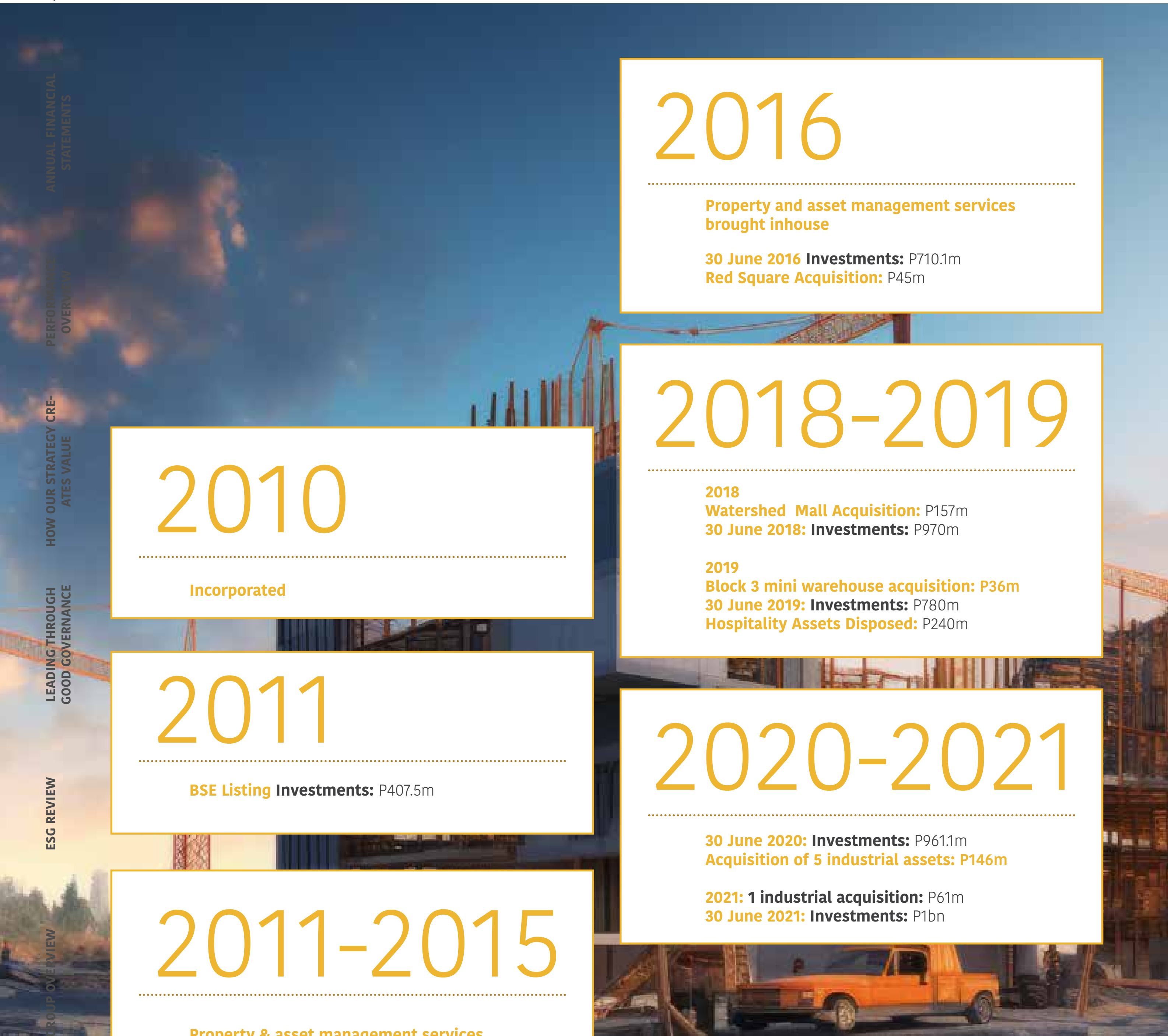
We align our investments towards urban properties that feature safe, dependable, and resilient buildings, while also striving to implement efficient waste management systems within these developments.

Value creation is underpinned by strong governance:

Our Board provides oversight of LLR's ethics, accountability, strategy, and performance. It ensures our choices align with our values and strategic objectives to create long-term value, while ensuring transparency and accountability for our actions.

Read more at page 60

Milestones



2010

Incorporated

2011

BSE Listing Investments: P407.5m

2011-2015

Property & asset management services outsourced

2016

Property and asset management services brought inhouse

30 June 2016 Investments: P710.1m
Red Square Acquisition: P45m

2018-2019

2018
Watershed Mall Acquisition: P157m
30 June 2018: Investments: P970m

2019
Block 3 mini warehouse acquisition: P36m
30 June 2019: Investments: P780m
Hospitality Assets Disposed: P240m

2020-2021

30 June 2020: Investments: P961.1m
Acquisition of 5 industrial assets: P146m

2021: 1 industrial acquisition: P61m
30 June 2021: Investments: P1bn

2022-2023

2022
Acquisition of a 32.79% stake in Rail Park Mall: P150m

2023
Acquisition of a 30% stake in an industrial asset in Kenya: P100m
30 June 2023: Investments: P1,4bn

2024

Disposed of a significant number of units at Red Square

Acquisition of 25% additional stake in Rail Park Mall

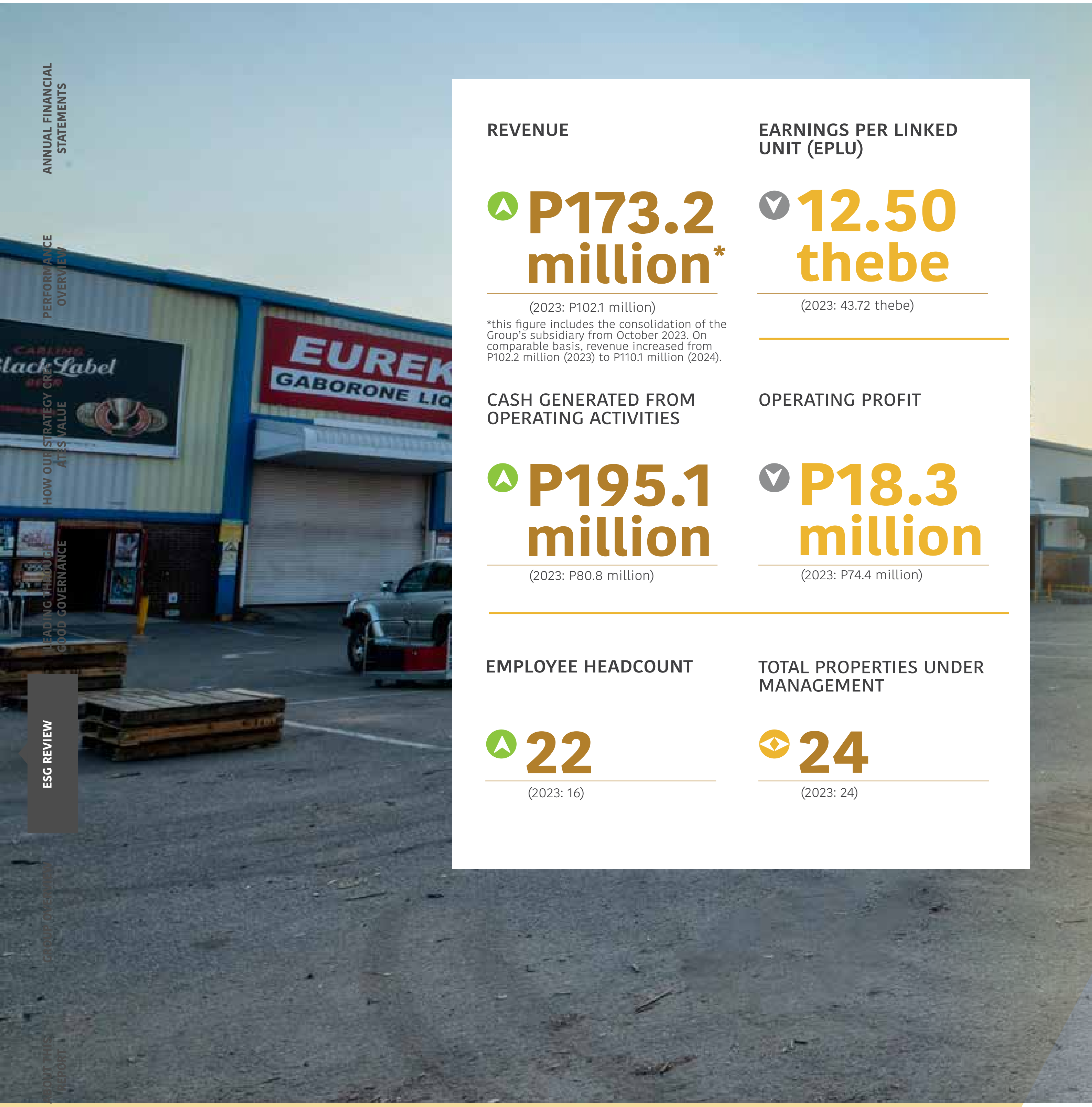
30 June 2024:
Investments: P1,9billion

The acquisition of 25% additional stake in Rail Park Mall resulted in LLR transitioning from a Company to Group

2025 and beyond

Our journey continues

Our FY24 Performance at a Glance



REVENUE

P173.2 million*

(2023: P102.1 million)

*this figure includes the consolidation of the Group's subsidiary from October 2023. On comparable basis, revenue increased from P102.2 million (2023) to P110.1 million (2024).

EARNINGS PER LINKED UNIT (EPLU)

12.50 thebe

(2023: 43.72 thebe)

CASH GENERATED FROM OPERATING ACTIVITIES

P195.1 million

(2023: P80.8 million)

OPERATING PROFIT

P18.3 million

(2023: P74.4 million)

EMPLOYEE HEADCOUNT

22

(2023: 16)

TOTAL PROPERTIES UNDER MANAGEMENT

24

(2023: 24)

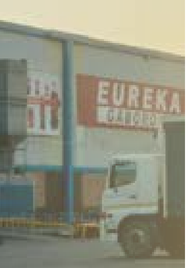
*2024 financial statements - Group, 2023 financials - Company

GROUP OPERATING COSTS	SHARE OF PROFIT ASSOCIATES	NET ASSET VALUE (NAV)
▲ P62.6 million	▼ P9.2 million	▼ P869.3 million
(2023: P41.7 million)	(2023: P12.5million)	(2023: P913.7 million)

SKILLS DEVELOPMENT INVESTMENT (TRAINING)	CORPORATE SOCIAL INVESTMENT (CSI) SPEND
▲ P0.52 million	▲ P0.40 million
(2023: P0.47 million)	(2023: P0.37 million)

AVERAGE TOTAL PROPERTY YIELD	AVERAGE INDUSTRIAL PROPERTY YIELD	AVERAGE RETAIL PROPERTY YIELD
▲ 9.5%	▲ 10%	▼ 9%
(2023: 10%)	(2023: 11%)	(2023: 10%)

GROUP LTV RATIO	VACANCY RATE	Total Gross Lettable Area (Direct Botswana Properties)
▲ 39%	▼ 1%	▲ 195,060.40m²
(2023: 44%)	(2023: 3%)	(2023: 183,141.08m²)



Who We Are

Letlole La Rona (LLR), which translates from Setswana as 'Our Basket of Wealth,' represents a collective commitment to nurturing the principles that generate prosperity and success.

Founded on 8 July 2010, LLR operates as a variable rate loan stock company focused primarily on property investment and property management, deriving revenue through property rentals and property investment income from investment in real estate equity instruments. We have a diversified operational scope across the industrial and retail property segments, providing a comprehensive portfolio that addresses the varied demands of the market.

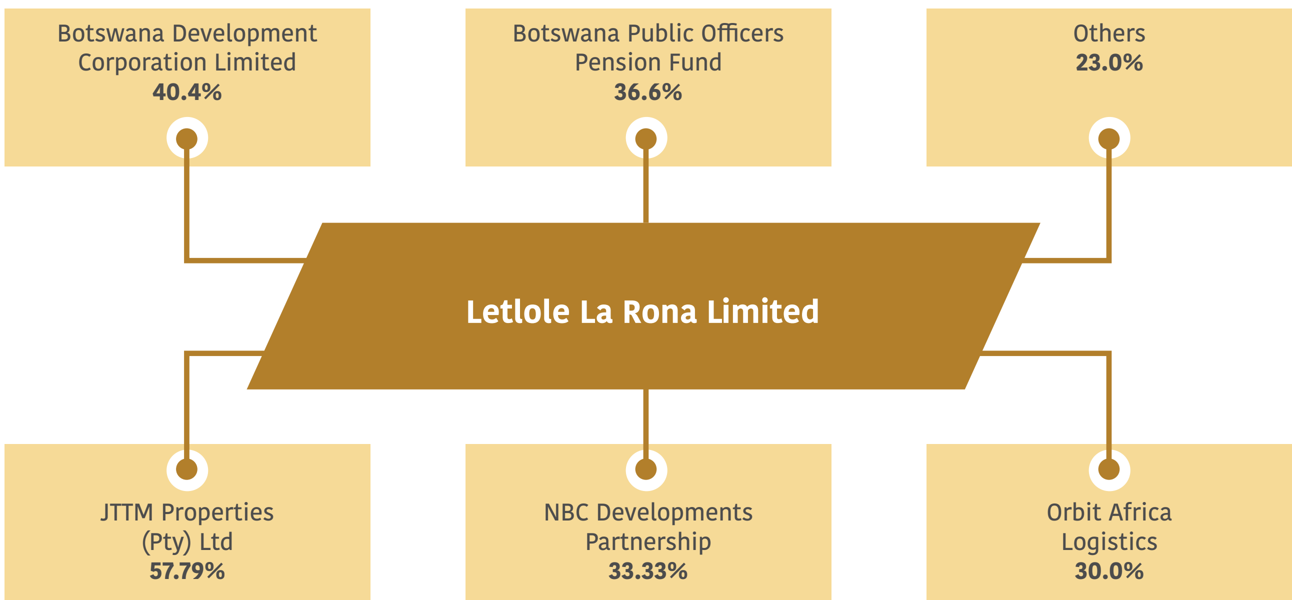
Situated in Gaborone, LLR was established under Botswana Development Corporation (BDC) and made its debut on the Botswana Stock Exchange (BSE) on 15 June 2011. This crucial event underscored our dedication to bolstering the financial markets of Botswana and offering its citizens opportunities to partake in its investment ventures. Originally, the Company's assets were consolidated from three subsidiaries: Commercial Holdings (Pty) Ltd, Western Industrial Estates (Pty) Ltd, and Botswana Hotel Development Company (Pty) Ltd, creating a balanced and diversified portfolio that spans several key economic sectors.

Over the years, we have marked significant growth and solidified our status as a key player in Botswana's real estate sector. Currently, we manage direct investments in 24 properties and hold shares in three real estate investment vehicles, two companies, and a subsidiary, located in the greater Gaborone area. These investments contribute to a portfolio valued at P1.9 billion as of 30 June 2024.

A key point of our strategic expansion is our "Go-to-Africa" strategy, which reflects a discerning approach to continental growth, emphasising property-specific rather than market-wide investments. In 2022, this strategy led to the acquisition of a 30% stake in Orbit Africa Logistics for USD 7.2 million. Additionally, the completion of the acquisition of an additional 25% shareholding in JTTM 's immovable property at Plot 4716, Gaborone (Rail Park Mall) has transitioned this investment to a subsidiary status, further consolidating our control and enabling us to present our financials in a consolidated format for the first time this year. These strategic moves underline our commitment to refining our investment approach and showcase our resilience in navigating tenancy and market challenges.

Furthermore, the Company is transitioning from residential investments, exemplified by the divestiture of units at Red Square Flats, enhancing its focus on more strategic, high-yield opportunities. Our unwavering commitment to strategic foresight, operational excellence, and stakeholder value continues to drive our market leadership, fostering sustainable growth and reinforcing our pivotal role in Botswana's economic framework. Through targeted initiatives and a nuanced understanding of African real estate dynamics, we are poised to further our vision of robust, sustainable urban development across the continent.

Group Overview



Ownership

TOP 10 UNITHOLDERS
For the year ended 30 June 2024

BENEFICIAL SHAREHOLDER	LINKED UNITS	%SHAREHOLDING
BOTSWANA DEVELOPMENT CORPORATION LIMITED	112,996,263	40.36%
FNB BOTSWANA NOMINEES RE: BIFM - ACT MEM & DP EQ FNB BOTSWANA NOMINEES RE: BIFM - ACT MEM & DP EQ	27,738,072	9.90%
BOTSWANA PUBLIC PENSION FUND VUNANI	14,918,053	5.33%
BOTSWANA PUBLIC PENSION FUND VUNANI	14,918,052	5.33%
STANBIC NOMINEES BOTSWANA RE MORULA RE DPF	14,454,210	5.16%
STANBIC NOMINEES BOTSWANA RE BPOPF WT PRO PORT MCP	13,024,719	4.65%
BOTSWANA PUBLIC OFFICERS PENSION FUND	10,583,319	3.78%
STANBIC NOMINEES BOTSWANA RE BPOPF NON-PROFIT-MCP	9,278,166	3.31%
BOTSWANA PUBLIC OFFICERS PENSION FU	9,018,676	3.22%
STANBIC NOMINEES BOTSWANA RE BIFM PLEF	5,810,907	2.08%

LINKED UNITS	NUMBER OF HOLDERS	% SHAREHOLDING	TYPE OF UNIT HOLDER	LINKED UNITS	%
0 - 1 999	554	0.1%	Non - public	113 256 249	40%
2 000 - 4 999	749	0.2%	Public	166 743 751	60%
5 000 - 9 999	85	0.2%	**Total**	**280 000 000**	**100%**
10 000 - 49 999	149	1.1%			
50 000 - 99 999	22	0.5%			
>100 000	77	97.9%			
Total	**1 066**	**100.0%**			

Our Operating Footprint

Number of Properties:	Value of Botswana Portfolio:	Total m2/GLA:
23	**P1.9** billion	195,060.4m^2

Number of Properties:

1

Value of Kenya Portfolio:

P3.7 million

Total m2/GLA:

29 243m²

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What We Do

Products and Services Overview

SEGMENTAL INVESTMENT PROPERTY*	2024	2023
Retail	56%	23%
Industrial	44%	77%
Residential	-	-

*Excludes assets held for sale

OCCUPANCY RATES	2024	2023
Retail	99%	97%
Industrial	99%	97%
Residential	-	-

SEGMENTAL REVENUE*	2024	2023
Retail	48%	20%
Industrial	52%	80%
Residential	-	-

*Excludes assets held for sale

Key Tenants

Our portfolio has approximately 238 tenants with a balanced tenant base, and can be classified as follows:

TENANT CLASSIFICATION	2024	2023
Multinationals	41%	41%
Nationals	26%	29%
SMMEs	27%	22%
State Owned	5%	5%
Vacant	1%	3%

INDUSTRIAL PROPERTY TENANT CLASSIFICATION	2024	2023
Multinationals	38%	39%
Nationals	25%	24%
SMMEs	30%	28%
State Owned	6%	6%
Vacant	1%	3%
Other	0%	
	100%	**100%**

RETAIL PROPERTY TENANT CLASSIFICATION	2024	2023
Multinational	50%	47%
Nationals	29%	45%
SMMEs	17%	3%
State Owned	1%	1%
Vacant	2%	3%
Other	1%	1%
	100%	**100%**

What Sets Us Apart

We distinguish ourselves in the real estate investment landscape by leveraging a set of strategic advantages that are both distinctive and impactful.

01 Diversified & Quality Asset Portfolio

We boast a well-balanced and high-quality portfolio, with our investments spanning across industrial and retail properties. We can therefore capitalise on varying market segments and mitigate risks across different sectors, ensuring steady and reliable returns. Our investment in cyclical and countercyclical investments resulted in the resilience of the portfolio during Covid.

02 Investment Positioning

Our properties are in some of Botswana's most economically active regions, allowing us to secure prime real estate investments that appeal to a wide range of tenants. This strategic positioning leads to high occupancy rates, stable revenue streams, and strong cash flows, reinforcing our competitive edge. Additionally, we plan to expand by acquiring properties in other areas of Botswana with diverse economic activities, further showcasing our resilience. Our commitment to effective portfolio management and targeting high-yield properties has consistently been a priority, demonstrating our focus on long-term growth.

03 Diverse and Stable Tenant Composition

Our tenant portfolio is characterised by a robust mix of entities that enhance the stability and resilience of our operations. This mix includes multinationals accounting for 41%, national corporations at 26%, small to medium-sized enterprises (SMMEs) at 27%, and state-owned enterprises making up 5%. Key tenants within our diverse portfolio include major corporations like Sefalana from the Sefalana Group, Kromberg, Choppies from the Choppies Group, Shoprite from the Shoprite Group, and First National Bank (FNB), among others. These tenants contribute significantly to our financial stability, mitigating the impact of economic shifts and ensuring consistent returns.

04 Dedication to Sustainability

We actively incorporate sustainability into our operations by aligning with global Environmental, Social, and Governance (ESG) trends and addressing the needs of local communities. Our commitment includes transitioning to more sustainable waste management practices in our portfolio, reducing plastic bottle usage and dedication to developing a comprehensive ESG strategy. Additionally, we plan to invest in future projects focused on renewable energy, such as, promoting energy efficiency and thus supporting Botswana's green transition. On the social front, LLR enhances educational opportunities, supports local economic growth, and improves community health and wellness. Through such initiatives, we not only champion sustainability in real estate but also align our business objectives with broader societal goals, including the UN SDGs.

05 Solid Local Ownership

LLR embodies the philosophy of creating a "Basket of Wealth" for Batswana, reflecting this commitment through its significant Government-related entities. This alignment with Government stakeholders not only secures our position as a pivotal player in Botswana's economic landscape but also reinforces our dedication to advancing national prosperity. Through this strategic shareholder structure, we ensure that developmental initiatives and investment outcomes contribute directly to the socioeconomic upliftment of Batswana, aligning with national goals and prioritising local community benefits and growth.

06 Focused Strategic Direction

Our "Go-to-Africa" initiative strategically positions LLR for growth beyond Botswana by targeting key markets across the continent. This approach not only expands our geographic footprint but also enables us to seize emerging opportunities within Africa's rapidly growing real estate sector. The calculated divestures from the Red Square residential units in June 2023 and Moedi House in August 2023 were key steps in optimising our asset portfolio. These strategic moves allowed us to reallocate resources towards more profitable ventures, streamline our asset base, and further align with our "Go-to-Africa" strategy and long-term growth objectives.

WE AIM TO LEAD IN THE PROPERTY MARKET IN BOTSWANA

OUR PROMISE
We will leverage strong partnerships and networks, optimise our assets, expand the Botswana portfolio, and grow into Africa to create a diversified portfolio of P3.0 billion and exceed the market-weighted average total return year on year by FY 2027.

OUR MISSION
To integrate our Basket of Wealth into the African economy through value-enhancing Real Estate investments, which unlock superior returns for our shareholders whilst connecting and empowering our communities.

OUR VISION
We are the Real Estate leader in Botswana and a partner of choice in selected African markets.

OUR VALUES
Our values guide our behaviour to fulfil our promise, and they define how we do business.

Excellence	Agility	Innovation	Integrity

How We Are Leading

1%

Vacancy Rate

With a 1% vacancy rate, we outperform the industry average, reflecting our strong tenant retention and demand for our properties.

195,060.40m² GLA

With over 195,060.40m² of Gross Leasable Area (GLA), we hold one of the largest lettable portfolios in Botswana, providing flexible leasing solutions for both national and international tenants..

100%

Collection Rate

With a 100% collection rate, we highlight a perfect collection record, showcase effective rent collection processes and demonstrate robust cash flow.

FINANCIAL PERFOMANCE

Group Revenue

Up 69% to

P173.2 million

(2023: P102.2 million)

Our Group revenue went up by 69% (P71 million) from P102.2 million to P173.2 million, reflecting our commitment to growth and ability to generate returns from assets.

PROPERTY PERFOMANCE

Investment Portfolio Value

Up 33% to

P1.9 billion

(2023: P1.4 billion)

Our property portfolio is valued at over P1.9 billion in FY24, which shows a significant increase from previous years and draws us closer to our goal of amassing a portfolio value of P3 billion by 2027.

Material matters that inform our strategy

Our material matters provide a comprehensive overview of key issues identified during the financial year that could impact our long-term value creation and strategy implementation. This includes insights on our social and environmental impacts, beneficial for stakeholder engagement and strategic decision-making. We address these material issues through a robust process of identification, prioritisation, response, and comprehensive reporting. Throughout this document, we detail our approach to managing each matter, outlining strategic responses as well as the associated risks and opportunities.

Our materiality determination process

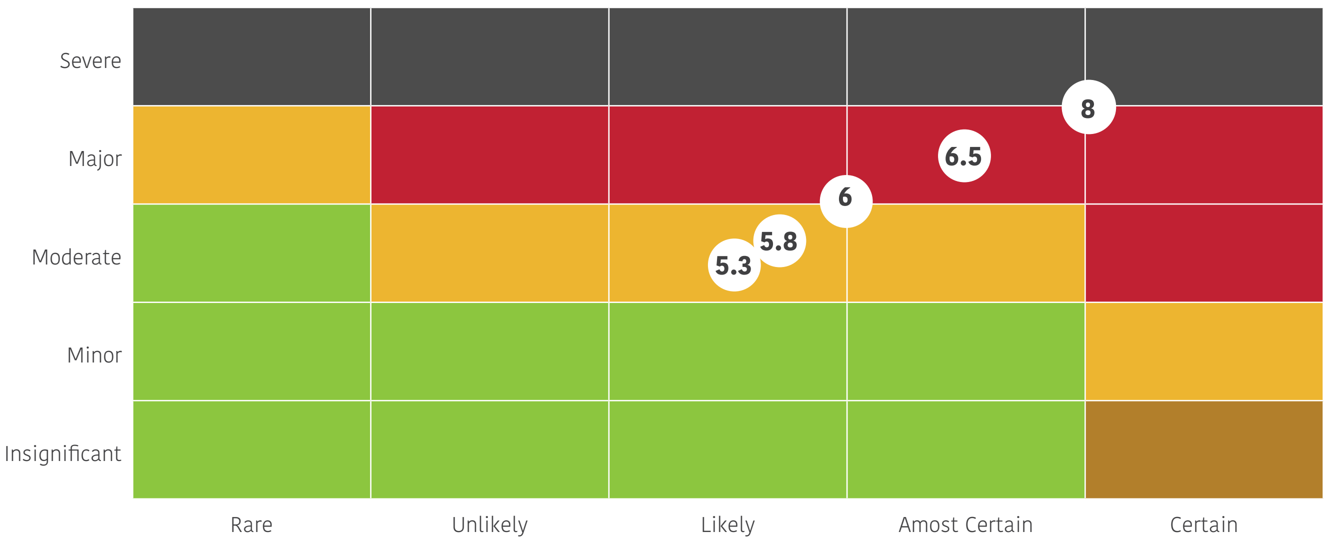
With a comprehensive grasp of the imperative reporting standards, management meticulously adhered to a structured approach in identifying material matters for the year 2024. Persisting with the double materiality perspective, the analysis encompassed both "Impact Materiality" and "Financial Materiality," with each issue being methodically plotted on a relevance graph.

This year, while retaining most of the material matters identified in 2023, management introduced two additional matters which were Cyber Security and Data Protection and Providing properties relevant to users evolving needs to better align with and reflect LLR's strategic positioning within the evolving business environment. Numerical values were assigned to each material matter, prioritising them according to their criticality and influence on the organisation's operations and strategic objectives.

Our 2024 Material Matters

MATERIAL MATTERS	Ranking
External Operating Environment	8.0
Corporate Strategy & Investments	6.5
Compliance with laws and regulations	6.5
Employee Satisfaction and Development	6.5
Providing properties relevant to users evolving needs	6.0
Property Quality	6.0
Preservation of Natural Capital	6.0
Relations with stakeholders	5.8
Financial Performance	5.8
Corporate Governance	5.5
Cybersecurity and data protection	5.3
Local Community Development	5.3

Materiality by Heatmap



Our material matter changes from FY2023 to FY2024:

Economic | Governance | Social | Environmental

Increased | Decreased | No change | New

investors, providers of capital and asset managers

employees

tenants

regulators, government and authorities

suppliers and business partners

communities

External Operating Environment

Y-O-Y Change

Economic | Governance | Social | Environmental

External socio-economic conditions, including inflation, interest rates, forex fluctuations, property rates, geopolitical risk and constrained consumer spending impact LLR's ability to create value. A challenging operating environment affects not only the performance of LLR's investments and our opportunities to secure quality assets at a reasonable price, but our tenant's operating sustainability and the general well-being of local communities.

Internal/ Capital Resource Impacts

Economic and geopolitical risks can influence:

- the availability and cost of financial capital for LLR's operations and investments.
- the demand for LLR's built assets, affecting occupancy rates and rental income
- the change in pension fund regulations, competition for properties has increased leading to an increase in prices.

External Stakeholder Impacts

Economic disruptions can impact LLR's ability to generate returns for investors, providers of capital, and asset managers and may influence their investment decisions.

Economic challenges can impact employee wellness, job security and satisfaction.

Market dynamics directly affect LLR's tenants' businesses, influencing their ability to pay rent or leading to lease renegotiations.

Instability in the operating environment may affect our suppliers' and business partners' ability to fulfil their contractual obligations.

Economic conditions and social factors influence local economic development, job creation, and community wellbeing.

Our Response to protect value in FY24

Refer to: External Environmental Analysis on page 76.

Capitals Impacted

Stakeholders with an interest in this matter

Material Matters that Inform Our Strategy
(continued)

Corporate Strategy Investments

Y-O-Y Change

Economic

LLR's corporate strategy, partnerships, and investments underpin our operational sustainability and have a critical role in generating long term value for our stakeholders. By strategically identifying opportunities, adapting our business model, leveraging new trends and technologies and fostering partnerships, we position ourselves to thrive in a rapidly evolving market, enhancing our financial stability and resilience. This approach supports our ability to navigate external operating conditions and enables our positive social and environmental impacts

Internal/ Capital Resource Impacts

LLR's corporate strategy and investment decisions require financial resources. Careful financial planning and capital allocation are essential to execute the chosen strategy and achieve investment objectives.

Our investments in new properties, refurbishments, or maintenance projects also require the effective management of manufactured (built) capital.

The execution of LLR's strategy relies on our workforce skills, expertise, and capabilities. We leverage our intellectual capital to assess opportunities, conduct due diligence, and make informed decisions.

Ethical and sustainable investments can enhance LLR's social and relationship capital, leading to positive stakeholder perceptions and environmental outcomes.

External Stakeholder Impacts

LLR's corporate strategy and investments directly impact our financial performance and return on investment, influencing investors' confidence and decisions.

Strategic decisions may affect our workforce through expansion, contraction, changes in business focus, or opportunities for growth and development.

Our investment decisions influence the types of properties available to tenants and the level of service provided.

LLR's corporate strategy and investments may influence our partnerships and collaborations with suppliers and business partners.

Responsible and sustainable investments may contribute to community development, well-being and job creation.

Our Response to protect value in FY24

Refer to: Our Performance Review on page 88.

Capitals Impacted

Stakeholders with an interest in this matter

Compliance with laws and regulations

Y-O-Y Change

Governance

Compliance and transparency concerning all legal and regulatory requirements including environmental, social and governance requirements, are central to LLR's reputation. Proactively identifying relevant, existing and emerging legislation is critical to ensuring compliance. Although meeting these compliance standards can be demanding, we view it as worthwhile to benefit society and our surrounding communities.

Internal/ Capital Resource Impacts

Compliance and transparency ensure the proper use and protection of financial capital, preventing costly legal issues and fines.

By following laws and regulations related to building and natural capital, LLR can safeguard its property investments and reduce potential environmental risks, enhancing the value of its portfolio.

Moreover, compliance with laws and regulations enhances LLR's intellectual capital, demonstrating the Company's understanding and adaptation to the evolving legal landscape.

External Stakeholder Impacts

By proactively ensuring compliance, LLR upholds its reputation and maintains its license to operate, which is crucial for investors, providers of capital, and asset managers who rely on the Company's financial stability.

Compliance ensures a fair and safe working environment for employees, fostering trust and loyalty.

Tenants benefit from LLR's adherence to laws and regulations as it assures quality property management and fair lease agreements.

Regulators, government, and authorities have confidence in LLR's ability to operate responsibly, leading to smoother interactions and potential support for future projects.

Suppliers and business partners can trust LLR's commitment to ethical practices and compliance, leading to more substantial and sustainable relationships.

Our Response

Refer to Governance Review on page 60.

Capitals Impacted

Stakeholders with an interest in this matter

About Us

Material Matters that Inform Our Strategy
(continued)

Employee Satisfaction and Development

Y-O-Y Change

Social

Employee expertise and specialist skills drive the efficiency and sustainability of our business, ultimately shaping LLR's reputation and differentiation in the market. We prioritise investment in the development and wellness of our employees, offering ample opportunities for training and education to enhance their capabilities. We attract and retain top talent by fostering a people centered culture that supports wellbeing and growth.

Internal/ Capital Resource Impacts

Investment in employee satisfaction and development may initially require financial resources for training programs, talent development, and employee benefits. However, a satisfied and skilled workforce can improve operational efficiency and better financial performance over the long term.

Satisfied employees are more likely to share knowledge and ideas, leading to improved business processes and practices.

External Stakeholder Impacts

Employee satisfaction and development play a crucial role in LLR's financial performance and long-term value creation for our investors.

By providing opportunities for growth, training, and a positive work environment, LLR can enhance employee morale, motivation, and job satisfaction.

Satisfied and skilled employees are more likely to deliver excellent tenant service and participate in community upliftment initiatives.

Our Response

Refer to: ESG Review on page 34.

Capitals Impacted

Stakeholders with an interest in this matter

Providing Properties Relevant to User's Needs

Y-O-Y Change **

Environmental | Social

As consumer preferences and lifestyle changes it is important that LLR stays attuned to the shifts in the evolving needs of customers. Providing properties tailored to meet the current and future needs of customers can attract a broader customer base for LLR and position us as a forward-thinking brand and make us competitive in the market.

Internal/ Capital Resource Impacts

Adapting to users evolving needs requires significant capital allocation for either acquisition of new properties or renovations.

The investment in evolving with users' needs can improve the quality of properties which would present LLR an opportunity to increase rental income and generate a sustainable cash flow.

Well, maintained, upgraded properties that cater to current tenant demands appreciate over time which would enhance LLR's asset base and long-term financial stability.

External Stakeholder Impacts

For LLR, offering properties that align with tenants changing needs can significantly influence tenant retention rates, bolster tenant satisfaction, and maintain a high retention rate for the Company and lower the vacancy rate.

It improves investor trust as it indicates that LLR responds well to market demand and tenant preferences, which is likely to achieve better occupancy rates and munity upliftment initiatives.

Our Response

Refer to: Property Review on page 12.

Capitals Impacted

Stakeholders with an interest in this matter

Material Matters that Inform Our Strategy
(continued)

Property Quality

Y-O-Y Change

Environmental | Social | Governance

LLR prioritises customer needs and ensures top-notch property quality by adhering to the highest building and safety standards. This enables us to create smart, safe, and sustainable spaces, enriching stakeholder experiences. Our tenants expect excellent maintenance, structural upkeep, and environmentally conscious asset development. We are committed to providing well-maintained properties that deliver optimal yields.

Internal/ Capital Resource Impacts

Effective property quality management protects LLR's financial investments in its real estate portfolio.

Regular maintenance and refurbishment can preserve the value of properties and extend the lifespan of buildings, optimizing manufactured capital and minimizing long-term capital expenditure.

Property quality involves the application of intellectual capital in selecting innovative solutions and best practices to enhance property value and sustainability. Skilled and well-trained employees play a crucial role in preserving and improving the quality of LLR's assets.

Providing safe, high-quality properties that incorporate environmental criteria contributes positively to LLR's environmental, social and relationship capital.

External Stakeholder Impacts

Effective management of property quality ensures that LLR's assets retain their value and attractiveness to investors. Well-maintained properties lead to higher occupancy rates, rental income, and overall returns on investment.

Property quality directly affects LLR's tenants, as well-maintained properties provide a comfortable and attractive space for their businesses.

Proper property maintenance and adherence to quality standards ensure LLR's compliance with relevant regulations and building codes, ensuring the safety of our tenants and employees.

Well-maintained and aesthetically pleasing properties contribute to the overall development and attractiveness of the community.

Our Response

Refer to: Property Review on page 12.

Capitals Impacted

Stakeholders with an interest in this matter

Preservation of Natural Capital

Y-O-Y Change

Environmental | Social

Our commitment to natural resource management ensures responsible practices that preserve water, increase energy efficiency, minimise waste and promote recycling, positively impacting the environment. Despite higher initial capital outlay, green rated buildings attract quality tenants willing to pay higher rentals for a reduced carbon footprint

Internal/ Capital Resource Impacts

As the focus of this material matter, managing natural capital involves strategies to minimize environmental impact and protect natural resources.

Initiatives to preserve natural capital may require financial investments in sustainable practices, technologies, and certifications. While there may be upfront costs, long-term benefits can include cost savings from resource efficiencies and an improved reputation.

Our intellectual capital is also enriched as LLR learns and implements best practices for sustainability.

External Stakeholder Impacts

The communities in which LLR operates benefit from the preservation of natural capital. Sustainable practices lead to reduced waste and enhance green spaces, contributing to a healthier and more attractive living environment.

Preservation of natural capital is vital to investors, employees and tenants who prioritise sustainable and environmentally responsible practices.

Our Response

Refer to: ESG Review on page 34.

Capitals Impacted

Stakeholders with an interest in this matter

Material Matters that Inform Our Strategy
(continued)

Relations with stakeholders

Y-O-Y Change

Environmental | Social

Context

Maintaining positive and constructive relationships with shareholders, regulators, investors, employees, tenants and society is crucial for differentiating LLR in the real estate market and shaping our reputation. By actively listening to our stakeholders, understanding their needs and aligning our strategies accordingly, we foster trust, openness and collaboration, creating a harmonious environment for mutual success and driving our efficiency, sustainability and relevance.

Internal/ Capital Resource Impacts

Effective stakeholder engagement builds trust and positive relationships, enhancing LLR's reputation and credibility in the market. As a result, we can:

- Attract investments and secure funding more effectively.
- Enhance LLR's intellectual capital through knowledge sharing and collaboration.
- Create a conducive work environment to support our human capital.

External Stakeholder Impacts

Effective management of relations with stakeholders is vital for maintaining investor confidence.

By engaging with stakeholders and addressing their concerns, LLR can increase cooperation with business partners, enhance employee morale and satisfaction, retain tenants, maintain positive relationships with regulators and authorities, and contribute to relevant community development initiatives that deliver impact.

Our Response

Refer to: Integrated Stakeholder Management on page 82.

Capitals Impacted

Stakeholders with an interest in this matter

Financial Performance

Y-O-Y Change

Economic

Context

Financial stability, prudent capital management, operational efficiency and the resilience of our business model determine our profitability and sustainability in the short, medium, and long-term. Factors such as lease escalations and the vacancy rate contribute to our financial performance, which in turn influences the price of linked units and returns to unitholders. Externally LLR's financial performance influences stakeholders' perceptions of the Company's economic value and ability to contribute to the broader economy, thus affecting its reputation and social standing in the market.

Internal/ Capital Resource Impacts

Effective financial performance is crucial for LLR to access capital for expansion, development, and investment in new properties. Positive financial results also support our built assets' maintenance, refurbishment, and improvement.

Sustained profitability fosters trust and builds our social and relationship capital. LLR's financial performance can also impact on its investment in human capital as profitability underpins the allocation of resources for employee training and development.

While the direct impact of financial performance on natural capital is limited, stable financial performance supports LLR's commitment to sustainability initiatives.

External Stakeholder Impacts

LLR's financial performance, including profitability, liquidity, and dividend payments, directly affects our investors and providers of capital.

Financial performance also impacts our:

- Capability to maintain and improve property quality for tenants
- Ability to meet financial obligations, including taxes and regulatory requirements.
- Timeous supplier payments and relationships with business partners.
- Community development programs, which are funded by the Company's profits.
- The ability to remunerate and reward staff fairly

Our Response

Refer to Performance Review on page 88.

Capitals Impacted

Stakeholders with an interest in this matter

Material Matters that Inform Our Strategy
(continued)

Corporate Governance

Y-O-Y Change

Governance

Context

Appropriate corporate governance is a cornerstone of responsible and well-managed organisations. Our robust governance framework encompasses effective risk management, anti-corruption measures and sustainability practices, ensuring integrity, transparency, and protection of stakeholder interests. Through these practices, we uphold ethical behaviours, address risks proactively and safeguard sensitive information, contributing to our long-term financial stability and external reputation.

Internal/ Capital Resource Impacts

Sound corporate governance practices protect LLR's financial interests and safeguard investor capital.

Effective governance ensures proper asset management and maintenance, optimising the value of manufactured capital and preserving natural capital through sustainable resource management.

Robust policies and frameworks increase LLR's intellectual capital.

Transparent and ethical corporate governance enhances LLR's social and relationship capital

External Stakeholder Impacts

Effective corporate governance ensures transparent and accountable management of LLR, instilling investor confidence and attracting potential investors.

In addition, a strong governance system can:

- Build credibility with regulators and authorities, promoting a positive relationship.
- Foster a positive work culture, employee satisfaction and retention, leading to a motivated and productive workforce.
- Enhance trust and satisfaction among tenants, contributing to stable and long-term tenancy relationships.
- Align LLR's actions with the interests of local communities.

Our Response

Refer to: Advancing Through Effective Governance on page 60.

Capitals Impacted

Stakeholders with an interest in this matter

Cyber security and Data Protection

Y-O-Y Change **

Governance | Social

Context

Without robust cyber security and data protection, LLR could face several breaches, inclusive of after sensitive information, within the organisation being exposed or stolen, financial losses and significant damage to the organisation's reputation. Non-compliance with data protection regulations could result in hefty fines for the group and cause a string of legal repercussions. Operational disruptions could occur due to cyber-attacks, affecting productivity and business continuity and could also lead to intellectual property for the Company being compromised affecting the competitive advantage and overall implementation of the strategy.

Internal/ Capital Resource Impacts

Effective cybersecurity measures for LLR would help mitigate risks that are associated with data breaches and cyber-attacks for the Company.

Investment in cyber security measures, such as advanced threat detection systems, data encryption, secure network infrastructure, requires significant financial and human resources for LLR.

The ongoing training for employees to recognize and respond to cyber security threats and data protection practices adds to internal resource demands.

External Stakeholder Impacts

Effective cyber security measures can help to enhance LLR reputation by:

- Enhancing client trust as information is adequately protected.
- Building trust with regulators as the Company complies with data protection laws.
- Contributes to consumer protection and enhances the Company's reputation as a responsible business impacting community relations.

Our Response

Refer to: Advancing Through Effective Governance on page 60.

Capitals Impacted

Stakeholders with an interest in this matter

Material Matters that Inform Our Strategy
(continued)

Local Community Development

Y-O-Y Change

Environmental | Social

Context

As part of our CSI approach, we prioritise projects aimed at children's wellbeing and education, understanding the significance of private sector contributions to developing well educated and confident young leaders. By investing in the future of Batswana, we demonstrate our commitment to the local community's growth and empowerment. These efforts create a positive impact on society and foster goodwill and enhance our reputation as a responsible and socially conscious organisation.

Internal/ Capital Resource Impacts

By investing financial, intellectual, and human resources into CSI programmes, LLR can contribute positively to the wellbeing and prosperity of the communities where we operate, thereby increasing our social and relationship capital.

External Stakeholder Impacts

LLR's investment in CSI projects contributes positively to the wellbeing and prosperity of the communities where it operates.

Investors, tenants, employees, and government bodies often value companies that demonstrate a commitment to social responsibility and community development, which may enhance LLR's reputation and attract further investment.

Our Response

Refer to: ESG Review on page 34.

Capitals Impacted

Stakeholders with an interest in this matter


DAYTONA MOTORSPORT

Environmental & Social Review

ENVIRONMENTAL STEWARDSHIP

We continue to make substantial progress in integrating environmental sustainability into our core operations, aligning the Company's efforts with the UN SDGs. LLR recognises the critical importance of addressing environmental impacts in a manner that ensures long-term value creation and operational efficiency, while contributing to the broader societal good. Our commitment to sustainable practices is rooted in the belief that these initiatives not only safeguard the environment but also provide tangible business benefits by enhancing resource efficiency, reducing costs, and ensuring regulatory compliance.

LLR's efforts have been primarily focused on the following SDGs:

The Company is aware of its role in reducing the environmental impact of urban developments, particularly in the context of waste management and energy consumption. We have been intentional in implementing programmes aimed at reducing waste, energy consumption, and carbon emissions while promoting renewable energy solutions and water conservation. Our approach aligns with global efforts to minimise the environmental footprint of cities by promoting responsible urban development which aligns to **SDG 11: Sustainable Cities and Communities.**

Our approach focuses on improving resource and energy efficiency across our property portfolio, reducing waste generation, and minimising our environmental footprint. Through the implementation of waste separation systems, recycling initiatives, and energy-saving measures, we are actively contributing to sustainable infrastructure and improving the quality of life for all stakeholders. These efforts help mitigate future economic, environmental, and social costs, thus reinforcing LLR's long-term competitiveness.

Integration of Environmental Sustainability into Strategy

Our environmental governance framework is undergoing significant enhancement with the development of a Sustainability and Green Building Strategy. This strategic framework ensures that environmental considerations are fully integrated into our decision-making processes. Along with the preparation of the strategy-specific metrics/ KPI and with clear lines of accountability for tracking and reporting environmental performance across the portfolio This environmental governance approach prioritises the continuous dissemination of environmental management messages to tenants and other stakeholders, fostering a culture of sustainability throughout our operations. The goal of these initiatives is to reduce waste, energy, and water consumption across our property portfolio while driving tenant engagement in sustainable practices.

Environmental Impact and Performance

During the period under review, we have undertaken several initiatives aimed at improving our environmental footprint. A Green Building Culture Survey was conducted to assess current attitudes and practices related to sustainability within our tenant community. This was complemented by ongoing efforts to disseminate environmental management messages across stakeholders through regular meetings and periodic briefings. The desired outcome of these initiatives is clear: to increase the separation and recycling of waste, reduce energy and water consumption, and promote sustainable practices across all properties.

Some key environmental highlights from FY2024 include:

We committed to reduce the production of plastic bottle waste by ceasing the purchase of bottled water and replacing it with aluminum water bottles for all employees. Additionally, a jug-and-glass system was introduced for meetings, further reducing plastic waste.

A waste separation system was successfully implemented at various properties, resulting in an increase in recycling rates. Tenant engagement in this initiative has been particularly promising, with some tenants requesting additional bins to facilitate effective waste separation.

We have also implemented a tracking and reporting system for both general waste and recyclable waste at Rail Park Mall. This system aims to reduce overall waste generation, increase recycling rates, and improve the efficiency of waste management practices. Although this initiative is still in its early stages, it is expected to yield significant environmental benefits as it expands across other properties.

However, there have also been challenges. For example, communal waste separation has been difficult to enforce due to insufficient common area bins and improper use of recycling bins by walk-in customers. Despite these obstacles, we continue to prioritise waste reduction and recycling initiatives, recognising the importance of tenant education in achieving long-term environmental goals.

We have also implemented a tracking and reporting system for both general waste and recyclable waste at Rail Park Mall. This system aims to reduce overall waste generation, increase recycling rates, and improve the efficiency of waste management practices. Although this initiative is still in its early stages, it is expected to yield significant environmental benefits as it expands across other properties.

Environmental Challenges and Opportunities

Despite the notable successes in waste separation and recycling, some challenges persist. A key issue has been the distortion of waste collection figures due to industrial staff collecting recyclable materials for personal sale. While this has skewed formal reporting, we acknowledged the social benefit of these informal recycling efforts. Additionally, there have been challenges in communal waste separation at some properties, particularly due to the improper disposal of general waste in recycling bins by walk-in customers.

Looking ahead, LLR has identified several key environmental focus areas for the coming year:

- **Green Building Strategy:** The Company plans to develop and implement a comprehensive strategy to promote sustainable building practices across its portfolio. This includes modifying existing properties in line with sustainability guidelines and pursuing opportunities to develop green-certified buildings in the long-term.

- **Waste and Energy Management:** LLR is focused on reducing general waste, increasing recycling rates, and reducing energy and water consumption across all properties.

- **Tenant Engagement:** The Company will continue to educate tenants on the importance of environmental sustainability and promote responsible consumption patterns through regular briefings and workshops.

Environmental & Social Review
(continued)

Addressing Climate Change

We are in the process of developing a Sustainability and Green Building Strategy aimed at addressing climate-related risks and opportunities. This strategy will ensure that the Company is well-positioned to navigate the broader transition to a low-carbon economy while enhancing the resilience of its operations to climate change impacts. We recognise that issues such as carbon emissions and water conservation will have a growing influence on the real estate sector, and the Company is committed to staying ahead of these trends.

While LLR has not yet set specific net-zero targets, the Company is actively exploring opportunities to enhance its environmental performance and align with global best practices in climate change mitigation. The Company is also evaluating the feasibility of obtaining environmental ISO certifications in the medium-term to further strengthen its sustainability credentials.

SOCIAL IMPACT

Regarding social impact, we reinforced our commitment to making a meaningful difference in the communities we serve by aligning our Corporate Social Investment (CSI) initiatives with the UN SDGs. These targeted efforts not only address immediate needs but also foster long-term sustainable development, reflecting our vision of shared prosperity.

Community Engagement and Empowerment

Otse Hostel Partnership

Our ongoing partnership with the Otse RADS Hostel underscores our dedication to enhancing the lives of vulnerable children. On 7 June 2024, we donated school uniforms and winter clothing, providing crucial resources that support both the well-being and educational progress of these children. By sourcing these uniforms from local tailors in Otse, we not only met an immediate need but also bolstered the local economy, contributing to economic growth and directly supporting **SDG 4: Quality Education.**

We have also taken a further step in supporting the educational journey of these children by facilitating the employment of an ICT tutor at the Otse RADS Hostel. This tutor, whose monthly remuneration is partially covered by LLR, helps students acquire valuable ICT skills, which are essential for their future learning and career opportunities. This initiative reflects LLR's holistic approach to community upliftment by combining social welfare efforts with economic empowerment, ultimately fostering sustainable development in the community.

LLR organised a Christmas party and prizegiving ceremony for the children on 17 November 2024. The event included face painting, fun games, and activities, creating a joyful and memorable experience. During the prizegiving ceremony, the children were recognised for their dedication to their studies, which not only celebrated their achievements but also encouraged them to continue striving for excellence. This initiative reflects our commitment to nurturing and celebrating the efforts of young learners, further contributing to their personal growth and motivation.

Understanding that education is a critical factor in shaping future opportunities, we are committed to supporting vulnerable groups like children to create a more equitable learning environment. This aligns with our long-term strategy to promote inclusive education and create lasting opportunities, contributing to a future where all individuals are better equipped to lead and drive growth in Botswana.

Environmental & Social Review
(continued)

Miss RADP 2023 and Mr RADP Fashion Show Contest

A cornerstone of our social responsibility is the empowerment of underrepresented and marginalised communities. This year, we proudly sponsored the Miss RADP 2023 and Mr. RADP Fashion Show Contest, held on 28 October 2023, contributing P27,000.00 towards this initiative. The event promoted cultural pride and youth development, offering a platform for young individuals to showcase their talents. By supporting such events, we encourage social inclusion and create opportunities for the youth of Mahalapye to engage in activities that promote community and personal growth.

Botswana Stock Exchange Women's Day Opening Bell Ringing Ceremony

10 REDUCED INEQUALITIES

On 8 March 2024, the Botswana Stock Exchange (BSE) held a commemorative event to mark International Women's Day 2024 during its Opening Bell Ceremony. The event, themed 'Invest in Women: Accelerate Progress,' brought together leaders to discuss the vital role of women in economic development. LLR's Chief Executive Officer, Ms. Kamogelo Mowaneng, participated in a panel discussion on the topic, 'Intentional Investment in Women: Shaping the Next Era of Botswana's Prosperity.'

Ms. Mowaneng's contribution to the discussion highlighted LLR's commitment to promoting gender equality, directly aligning with **SDG 10: Reduced Inequalities.** She emphasised and highlighted the challenges that women in Botswana face when trying to excel in the workplace, particularly within Botswana. By advocating for women to be more confident and resilient within the workforce, LLR champions the inclusion of diverse perspectives in driving economic progress, thereby helping to reduce inequalities across society.

Through active involvement in this high-profile event, LLR reinforced its role as a catalyst for social and economic change. By prioritising gender equality and supporting women's empowerment, LLR is committed to fostering a more inclusive environment that reflects the values of SDG 10. Reducing Inequalities. In doing so, LLR contributes to building a future where all individuals, regardless of gender, can participate equally in Botswana's economic prosperity.

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Environmental & Social Review
(continued)

Women in Built Environment Power Brunch

In addition to our educational efforts, On 16 August 2023, we sponsored the Women in Built Environment Conference, under the theme “Ideas and Partnerships.” As the lead sponsor, we provided a platform for women professionals across various sectors - architects, engineers, and planners - to share ideas, build networks, and address the barriers women face in the built environment. Our support for this event signifies our firm commitment to fostering gender equality within male-dominated industries, further aligning with SDG 10.

The conference gave women professionals a vital stage to collaborate on innovative solutions for the future, breaking stereotypes and encouraging greater participation of women in leadership roles within the industry. Through this sponsorship, LLR is actively contributing to reducing gender gaps and supporting a more diverse and inclusive industry in Botswana

Health and Wellbeing Initiatives

Rail Park Valentines' Blood Donation Drive

The promotion of health and wellbeing is another critical aspect of LLR's social responsibility strategy. In partnership with the National Blood Transfusion Services (NBTS), LLR hosted a Valentine's Blood Donation Drive from 12 to 17 February 2024, during which 143 pints of blood were donated. The involvement of Government officials, including the Minister of Youth, Gender, Sport, and Culture, further highlighted the significance of this initiative. This project directly contributes to SDG 3: Good Health and Well-Being, raising awareness of the vital role that blood donations play in saving lives and improving health outcomes.

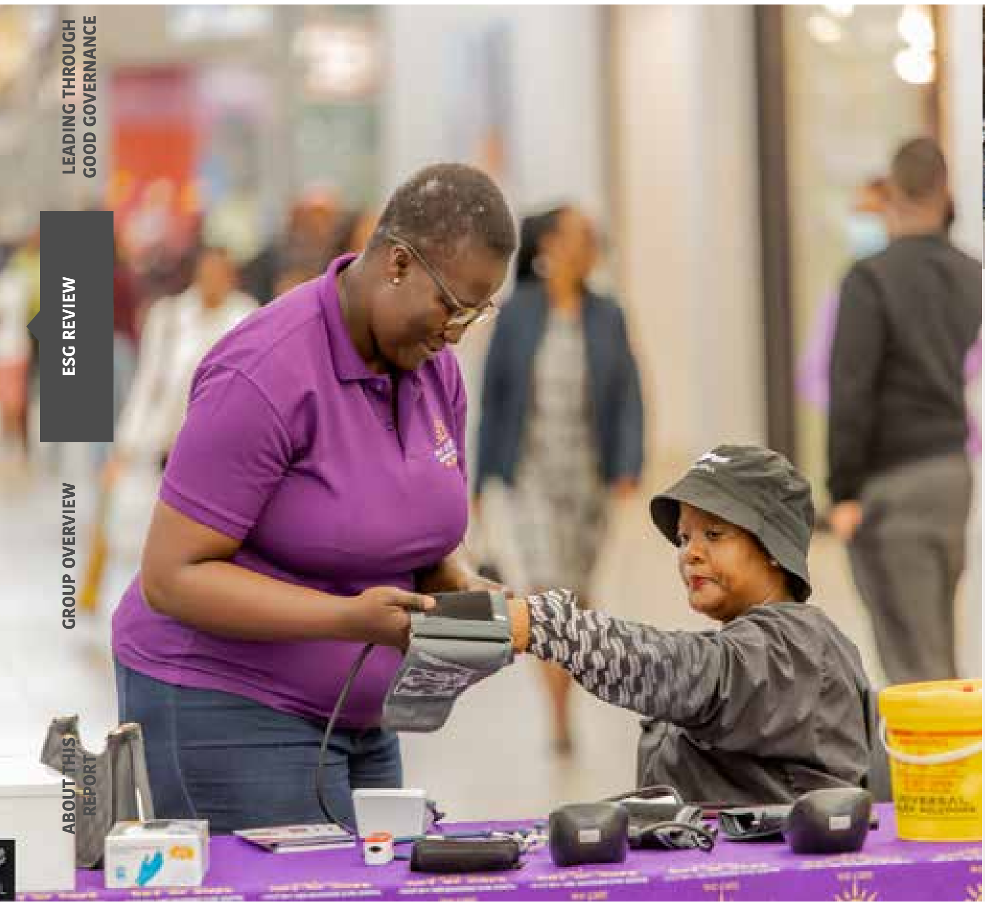
Employee Wellness Day

To promote employee wellbeing, LLR hosted an annual Wellness Day. This year's theme was "Balance in Bloom" which emphasised maintaining balance in all aspects of one's life. It was an eventful day with presentations on diet and nutrition, as well as stress management interventions in the workplace. In addition, staff participated in an aerobics session and were pampered with relaxing massages.

Environmental & Social Review
(continued)

Epilepsy Awareness Walk

The Epilepsy Awareness Walk was held on 23 March 2024 at Rail Park Mall, led by the First Lady, Mrs. Neo Jane Masisi. The engagement provided a platform for raising awareness and promoting inclusivity for individuals living with epilepsy. By hosting such events, LLR continues to foster a supportive and informed community, making health education and awareness an integral part of its social impact strategy.



Supporting Non-Governmental Organizations (NGOs)

As part of its commitment to supporting social development through partnerships, we hosted the Hope Givers Exhibition from 20 to 22 June 2024. The event brought together various NGOs, offering them a platform to engage with the public and showcase their missions. Through the exhibition, Rail Park Mall provided a P20,000.00 donation to Hope Worldwide Botswana, furthering its dedication to community upliftment and strengthening ties with organisations that play a pivotal role in addressing societal challenges.

Employee Engagement and Development

We place great importance on creating a work environment that fosters engagement and satisfaction. To this end, LLR conducts an Annual Employee Engagement Survey to assess the levels of employee involvement, their satisfaction, and their understanding of key organisational initiatives, including the green building culture. This survey enables LLR to continuously improve the work environment, ensuring that employees remain motivated and aligned with the Company's strategic objectives.

We made significant progress in our Talent Mapping initiative, aimed at understanding the skills and potential within its workforce. This ongoing process involves identifying top talent and analysing the associated risks and opportunities, while also focusing on elevating lower-tier talent through targeted development strategies.

Promoting Industry Knowledge and Networking: Real Estate Expo

We further demonstrated our commitment to fostering industry growth and development by being the lead sponsor of the 2023 Real Estate Conference and Expo. This event brought together key stakeholders in the real estate and property development sectors, including investors, developers, and service providers. The Expo served as a platform for sharing knowledge, networking, and discussing the future of Botswana's real estate market. Our active participation in this expo highlights our role not only as a major player in the real estate industry but also as a thought leader driving dialogue on sustainable real estate development. The event provided an opportunity for LLR to engage with its stakeholders on critical topics such as green building practices, energy efficiency, and sustainable urban development, reinforcing its commitment to aligning with global Environmental, Social, and Governance (ESG) standards.

Through this Expo, we aimed to enhance industry collaboration, raise awareness of best practices in property management, and encourage investments that contribute to Botswana's economic growth. It also served as a valuable touchpoint for us to communicate its broader goals of sustainability and community impact, further positioning the Company as a socially responsible leader in the real estate sector.

Chairman's Statement

"I am pleased to present this statement for financial year ended 30 June 2024, which has been a transformative period for Letlole La Rona."

Dear Esteemed Stakeholders,

I am pleased to present this statement for financial year ended 30 June 2024, which has been a transformative period for Letlole La Rona. In a real estate market marked by shifting dynamics and increased competition, we have focused on strengthening our fundamentals to sustain our position as a leading choice for investors. This has meant reinforcing our commitment to operational excellence, customer centricity, and stakeholder engagement—our core value drivers. Each of these principles has been pivotal in helping us manage the risks and seize the opportunities in today's market.

Resilience and Adaptation

When speaking on strengthened fundamentals, the word "Resilience" truly defines our approach for the reporting year. We have witnessed significant changes in the real estate landscape, with rising asset prices and heightened competition from an influx of capital seeking quality investments. In this environment, continuous monitoring of risks and rewards is essential. As a company, we have doubled down on our key value drivers, continuously reinforcing our operational standards and customer relationships, ensuring we remain the premier choice for investors in listed real estate. Going forward, we plan to introduce new capabilities such as leveraging on data analytics and implementing robust plans to address feedback from our recent tenant satisfaction survey, adding a vital dimension to our customer insights and supporting our commitment to maintaining sustainable, long-term relationships with our tenants.

Competitive Landscape and Strategic Focus

As capital flows increase in the domestic economy, we see the potential for a real estate bubble, with asset prices sometimes exceeding their intrinsic value due to demand outstripping supply. This overvaluation presents a challenge, pushing us to adapt and seek alternative investment opportunities. We have been diligent in pursuing opportunities that align with our strategic objectives and provide genuine value to our portfolio. To stay ahead, we are actively improving our stakeholder engagement and bolstering our business development team to capture quality assets proactively. By building a team with keen market insights and strong relationships, we position ourselves to act strategically and decisively. Our corporate scorecard is now closely linked to actionable performance metrics, and we are confident that this alignment will drive tangible results.

Board Performance and Governance

Our board remains steadfast in its commitment to good governance. Although we have had no major changes in board composition this year, we continue to evaluate our governance structures to align with our strategic goals. We are considering expanding the board to enhance its diversity and breadth of expertise, as we recognise that varied perspectives strengthen decision-making. Our recent board evaluation, conducted by Institute of Directors South Africa (IODSA), highlighted our achievements and areas for development. With the board having enrolled in the IoDSA Certified Director Programme, this certification will bolster their credibility by demonstrating a commitment to upholding high standards of corporate governance and ethics. It will also equip the Board with valuable tools and recognition essential for navigating the complexities of today's corporate landscape succesfully. While we have made remarkable strides in governance practices, we recognise the need for greater diversity and are committed to addressing this in the near future.

"Our board remains steadfast in its commitment to good governance. ..we continue to evaluate our governance structures to align with our strategic goals. "

Risk Management and Compliance

We are becoming agile in our risk management practices, creating a culture of proactive risk identification and mitigation. The development of our Enterprise Risk Management (ERM) framework is underway, which will ensure a robust process is put in place for monitoring and managing risks across departments. Our compliance function remains solid, and we continue to refine our policies and procedures to ensure they are practical and effective.

Sustainability

Sustainability remains a key priority, and this year we have made several practical shifts, such as reducing plastic use and initiating recycling efforts across our properties. We are developing a comprehensive Sustainability strategy that will guide not only our operational practices but also inform our investment decisions. Our corporate social initiatives remain strong, as we continue to support local schools and organisations.

Outlook and Future Direction

As we move forward, our focus remains on strengthening our core value drivers: customer centricity, operational excellence, and stakeholder engagement. We are committed to leveraging these principles to enhance our sustainable value creation. In the year ahead, we will prioritise improving stakeholder engagement, ensuring that we maintain strong relationships with our investors and regulatory partners.

Closing Remarks

I want to extend my sincere gratitude to our shareholders, investors, employees, and management for their continued support and dedication. As we build upon our strengthened fundamentals, I am excited about the opportunities ahead and confident in our ability to deliver sustained value for all our stakeholders.

Thank you.

Mr. Khuto Balosang
Chairman of the Board

Our Board of Directors

1. Mr. Zola Lupondwana
Independent Non-Executive Board Member

2. Mr. Mooketsi Maphane
Independent Non-Executive Board Member
Deputy Chairperson

3. Mr. Khuto Balosang
Independent Non-Executive Board Chairperson
Board Chairperson

4. Ms. Katso Gaobakwe
Non-Executive Board Member

5. Mr. Boikanyo Kgosidintsi
Independent Non-Executive Board Member

Our Effective Leadership

Our Board of Directors
(continued)

Mr. Khuto Balosang

Independent Non-Executive Board Chairperson

Qualifications
- Graduate of Management Information Systems
- Specialisation in Information Systems and Quantitative Analysis

Date of Appointment: 14 December 2021
As Chairman: 01 November 2022

Mr. Balosang has a Bachelor of Science in Business Administration degree with a specialisation in Information Systems and Quantitative Analysis from the University of Nebraska at Omaha. He is a business technology management professional with core competencies in Performance Management, Business Intelligence, Management Consulting and IT Management. He has over 25 years primarily in IT Management and exclusively in delivering business solutions that improve performance.

He commenced his career in the United States in 1997 and concluded it in 2002 working in different industries culminating in his employment at Debswana in 2011. Before founding his management consulting firm, Mr. Balosang held various positions at Debswana Diamond Company, culminating in his promotion to Group Systems Manager. In this capacity, he provided strategic leadership, overseeing the coordination and implementation of critical solutions across the Group. He served in this role from 2003 until his departure at the end of 2011. During his tenure, Mr. Balosang utilised his extensive management expertise to spearhead initiatives that enhanced the organisation's strategic and operational performance.

Committee Membership:
Nominations and Remuneration Committee.

Mr. Mooketsi Maphane

Independent Non-Executive Board Member
Deputy Chairperson

Qualifications

- Master of Science in Industrial and Organisational Psychology
- Bachelor of Arts in Psychology (Cum Laude)

Date of Appointment: 14 December 2021
Deputy Chairperson: 21 September 2023

Mr. Maphane is the founder and director of MYHRSPACE (PTY) LTD, a human resource consultancy and technology start up. He brings over 24 years of executive-level expertise in industrial psychology, strategic human resource management and management consulting.

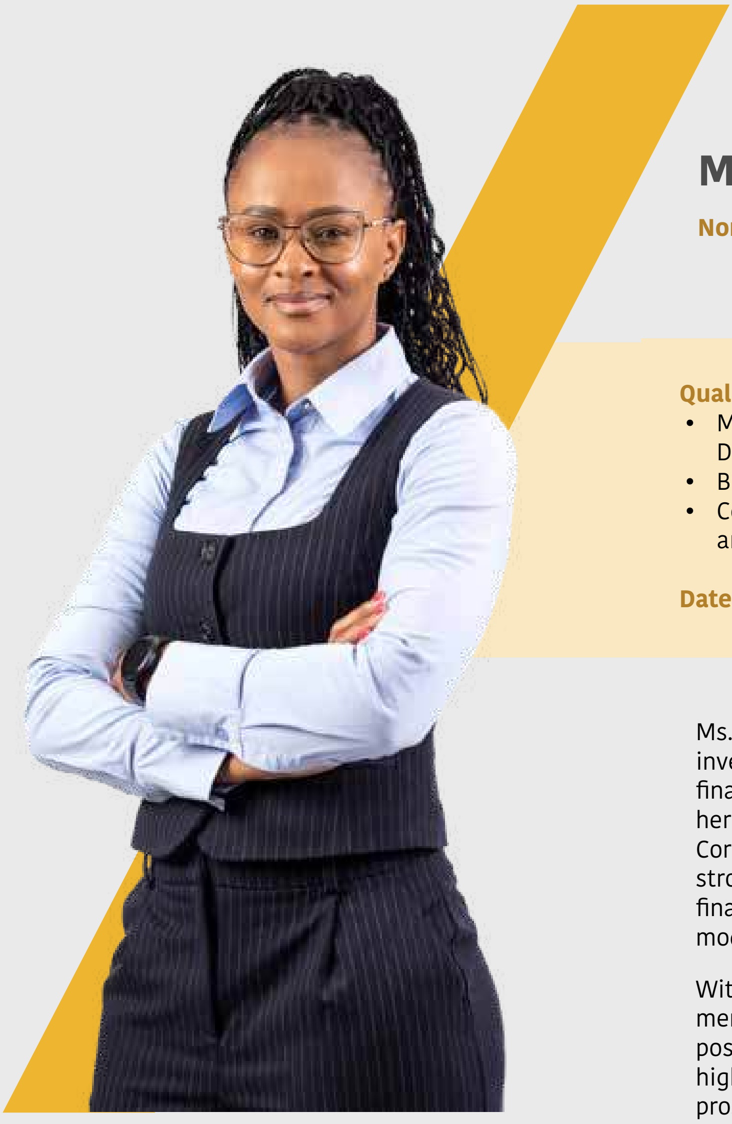
He holds a Bachelor of Arts Degree Psychology from Hawaii Pacific University, USA, and a Master of Science Industrial & Organizational Psychology from Springfield College, USA. He went through a Management Development Program from the University of Stellenbosch Business School.

He is a Certified Coach through the Results Based Coaching Program. He has a Certificate of Proficiency in Insurance (Life) and Practice of Long-Term Insurance (Insurance of South Africa) and a Financial Advisors Qualification from the International Chartered Institute of Insurance (CII), UK.

Mr. Maphane is a member of the Institute of People Management and Coaches and Mentors of Southern Africa (COMESA) and the Society of Industrial/Organizational Society of South Africa.

Chairperson of the Nomination and Remunerations Committee and a member of the Audit Risk and Compliance Commitee.

Our Board of Directors
(continued)



Ms. Katso Gaobakwe

Non-Executive Board Member

Qualifications
- Masters in Management of Finance Management Development Program
- Bachelor of Commerce in Accounting
- Certified Chartered Accountant (member of FCCA and BICA)

Date of Appointment: 29 June 2023

Ms. Gaobakwe is a meticulous and forward-thinking investment professional with broad expertise in corporate finance, investment strategy, and portfolio oversight. In her role as Investment Principal at Botswana Development Corporation (BDC), she has consistently demonstrated strong capabilities in financial evaluation, analysis of financial statements, investment stewardship, and financial modelling.

With her extensive knowledge of corporate governance and mergers & acquisitions (M&A), she also holds directorship positions across various entities within the BDC portfolio, highlighting her acumen in identifying lucrative investment prospects and excelling in deal sourcing and execution

Committee Membership:
Investment Committee and
Nominations and Remunerations
Committee

Mr. Boikanyo Kgosidintsi

Independent Non-Executive Board Member

Qualifications
- Bachelor of Laws (LLB)

Date of Appointment: 29 June 2023

Mr. Kgosidintsi is an entrepreneur, independent non-executive director and former finance and banking executive. A lawyer by profession, Boikanyo has deep financial services experience. He has been involved in capital raising of over USD2 billion for African sovereigns, blue chip corporates and state-owned enterprises. Prior to his retirement from corporate, Boikanyo was CEO of a life insurance company and Group Head of Investor Relations for pan African microfinance group. His skills include leadership, strategic thinking and communication.

He chairs the Botswana Bond Market Association, a position he has held since 2023. Mr. Kgosidintsi is a member of the investment committee of an independent private equity outfit that invests in businesses that operate in Botswana and across the region.

Chairperson of the Investment Committee

Committee Membership:
Investment Committee and
Audit Risk and Compliance Committee

Our Board of Directors
(continued)

Mr. Zola Lupondwana

Independent Non-Executive Board Member

Qualifications

- Chartered Financial Analyst
- Chartered Accountant (South African Institute of Chartered Accountants)
- Chartered Accountant (Institute of Chartered Accountants in England & Wales)
- Bachelor of Commerce in Accounting

Date of Appointment: 29 June 2023

Mr. Lupondwana is a highly experienced professional in debt and equity investments, as well as financial management, with over 20 years of expertise in investment analysis and portfolio management across both listed and unlisted assets in South Africa.

Specialising in wholesale property finance, he brings over a decade of experience in managing transactions within the residential housing sector. His career includes a notable tenure in asset management at Allan Gray Limited, a leading investment management firm, where he was instrumental in establishing the Company's presence in Botswana.

Mr. Lupondwana is a member of the South African Institute of Chartered Accountants (SAICA), the Institute of Chartered Accountants in England and Wales (ICAEW), as well as a Chartered Financial Analyst (CFA charter holder).

Chairperson of the Audit Risk and Compliance Committee

Committee Membership:
Investment Committee and
Audit Risk and Compliance Committee


team

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Executive Management

Kamogelo Mowaneng

Chief Executive Officer

Qualifications

- Chartered Accountant, South African Institute of Chartered Accountants (CA(SA))
- Fellow Certified Professional Accountant (FCPA (BICA)
- Oxford Executive Leadership Programme
- Certificate in Property Development and Investment
- Post Graduate Diploma in Accounting
- Bachelor of Business Science with Finance Honors

Join Date: February 2019

Skills and experience:

Ms. Mowaneng joined LLR as Chief Financial Officer in 2019 and shortly thereafter assumed the role of Acting CEO for a period of 18 months before her formal appointment as CEO in February 2022.

She began her career as an external auditor at Deloitte Johannesburg, South Africa, where she specialized in the audit of financial institutions. She later transferred to Deloitte Botswana, where she served as an External Audit Manager.

Ms. Mowaneng transitioned into the real estate sector when she moved from audit to take on the role of Finance Manager at RDC Properties Limited, a position she held until her appointment at LLR.

In addition to her responsibilities at LLR, Ms. Mowaneng holds several board directorships, including at NBC Developments Partnership, JTTM Properties (Pty) Ltd, Mogo'lori Mall (Pty) Ltd, Orbit Africa Logistics Limited, and Hidden Leaf (Pty) Ltd.

Ms. Mowaneng is a member of the Institute of Directors South Africa (IoDSA).

Pulafela Isaacs

Chief Financial Officer

Qualifications
- Master of Business Administration (MBA)
- Chartered Accountant
- Associate Certified Professional Accountant (ACPA)
- Chartered Global Management Accountant (CGMA)
- Management Development Program
- Bachelor of Finance Degree

Join Date: April 2022

Skills and experience:
Mr. Isaacs joined LLR from Rand Merchant Bank Botswana (RMB), where he held the position of Head of Finance. With over 18 years of experience in the financial services sector, Mr. Isaacs has built a diverse career, having served in roles such as Investment Analyst, Equities Analyst, and Portfolio Manager at notable institutions including African Alliance Botswana, Stockbrokers Botswana, Botswana Insurance Fund Management (BIFM), and Stanlib Investment Management Services.

Additionally, he held the role of Head of Business Performance & Analytics for the Corporate and Investment Banking division at Barclays Bank Botswana before his transition to RMB Botswana as Head of Finance. Mr. Isaacs has completed several leadership programmes, including the Barclays Africa Leadership Programme and the FirstRand Future-Fit Finance Program. He has recently completed his Master of Business Administration degree with Wits Business School.

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Executive Management
(continued)

Chandada Masendu-Kusane

Chief Property Officer

Qualifications
- Master of Science Degree in Real Estate
- Bachelor of Science Degree in Property Studies.
- Certified Project Management Professional (PMP) and PRINCE2 Practitioner

Join Date: June 2023

Skills and experience:
Ms. Masendu-Kusane is a highly experienced real estate professional with expertise spanning property development, project management, asset management, valuations, and investments.

She has held both executive and non-executive leadership roles in listed and unlisted companies in Botswana. Throughout her career, she has gained significant experience in commercial banking and the local real estate sector, having worked with institutions such as First National Bank, Stanbic Bank, Khumo Properties, and RDC Properties.

Prior to joining LLR, Ms. Masendu-Kusane served as an Executive Director at Minnacle Properties and held non-executive directorships at PrimeTime Holdings and Western Industrial Estate.

Bothepa Obuseng

Head of Legal, Compliance and Company Secretary

Qualifications
- Bachelor of Laws (LLB)

Join Date: November 2020

Skills and experience:
Ms. Obuseng is a qualified lawyer with 13 years post qualification experience in legal advisory and corporate governance. Ms. Obuseng graduated from the University of Botswana in 2011 and began her career shortly thereafter as a Candidate Attorney at Briscoe Attorneys. In 2012, she joined Botswana Insurance Holdings Limited (BIHL) Group, where she served as a Legal Officer within the Group Legal Services and Company Secretary division.

In 2016, she transitioned to Absa Bank Botswana Limited (formerly Barclays Bank of Botswana) as a Legal Advisor before joining LLR in 2020.

Ms. Obuseng is a member of the Institute of Directors in South Africa (IoDSA), the Compliance Institute South Africa, and is a supporter of The Ethics Institute (TEI).

Executive Management
(continued)

Lesego Keitsile

Head of Investments

Qualifications
- Master of Science (MSc) Finance and Investment
- Oxford Executive Leadership Programme
- Certificate Enterprise Risk Management
- Management Development Programme (MDP)
- Bachelor of Arts (Honours) Finance and Accounting

Join Date: May 2023

Skills and experience:
Ms. Keitsile is a highly skilled investment professional with 13 years of experience in investment analysis and portfolio management. Prior to joining Letlole La Rona, she served as the Head of Investments at the Motor Vehicle Accident Fund, where she was responsible for managing the Fund's P4.3 billion portfolio, as well as formulating, implementing, and monitoring investment strategies.

As a fixed income analyst at Capital Management Botswana, Ms. Keitsile conducted detailed credit analysis and credit reviews on bond issuers. She was instrumental in managing client fixed income portfolio with particular attention to portfolio duration management. Ms. Keitsile began her career as a Transaction Advisor at Grant Thornton Botswana, specializing in private company valuations and financial due diligence.

In addition to her responsibilities at Letlole, Ms. Keitsile also serves as an Independent Trustee for Pula Med Board of Trustees.

Our Staff

LLR Team

Kamogelo Mowaneng
Chief Executive Officer

Pulafela Isaacs
Chief Financial Officer

Chandada Masendu-Kusane
Chief Property Officer

Bothepa Obuseng
Head of Legal, Compliance and Company Secretary

Lesego Keitsile
Head of Investments

Barulaganye Paakane
Property Manager

Malebogo Montshiwa
Finance and Administration Manager

Rorisang Macheng
Centre Manager

Thapelo Samodimo
Centre Manager

Dinah Jonah
Compliance Officer

Kabona Aron-Botshelo
Financial Accountant

Letlhogonolo Madigele
Accountant

Senwelo Botlholo
Leasing Specialist

Bantle Sentsho
Leasing Specialist

Otsetswe Mongudi
Facilities Specialist

Nametso Tshwaane
Facilities Specialist

Clement Maplanka
Facilities Specialist

Thamaga Lebogang
Facilities Officer

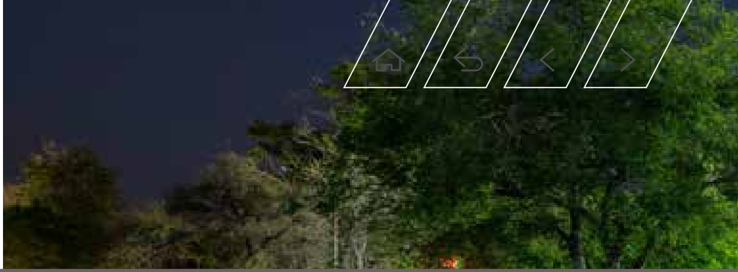
Oanthata Kwele
General Office Administrator

Johannes Ralegoreng
IT Specialist

Keletso Sebogodi
Marketing Officer

Concillia Kotewa
Collection Officer

Morekolodi Motsumi
Intern



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Our Governing Excellence

8 DECENT WORK AND ECONOMIC GROWTH

Strong corporate governance is at the heart of our commitment to long-term sustainability and value creation.

It serves as the foundation for building trust, transparency, and accountability with all our stakeholders.Guided by the Board of Directors, our governance framework is designed to ensure that LLR's strategies, policies, and operations adhere to the highest corporate governance standards. This alignment supports not only our organizational goals but also our contribution to sustainable urban development.

By embedding rigorous internal controls, risk management, and compliance protocols throughout the Company, we can make informed decisions that appropriately balance risk with opportunity, driving business success and growth. Our governance model further strengthens stakeholder confidence by fostering ethical leadership, transparency, and accountability. These elements help us attract and manage capital more efficiently and at a lower cost. Our governance approach is also aligned with the UN SDG 11, focusing on responsible real estate investments that promote inclusive, resilient, and sustainable urban development. Through these principles, we continue to establish ourselves as a leader in the real estate sector while contributing to the creation of sustainable communities for the broader benefit of society.

GOVERNANCE STRUCTURE

BOARD

- **Audit, Risk and Compliance Committee (ARAC)**
- **Nominations and Remuneration Committee (NRC)**
- **Investment Committee (IC)**

BOARD COMMITTEES

These are the committees established by the Board to assist in the discharge of its duties and the overall governance of the organisation.

ARAC Audit, Risk and Compliance Committee

Mandate

The committees' objectives are to:

- Assist the Company in fulfilling its statutory obligations in terms of the Botswana Companies Act
- Oversee the quality and integrity of the Company's integrated reporting, qualifications and independence of the internal and external auditors, scope and effectiveness of internal controls
- Ensure the effectiveness of the risk management and compliance with legal and regulatory requirements.

Key Focus Areas for FY24

- Finalise the Company's Funding Strategy
- Botswana Accountancy Oversight Authority (BAOA) Audit Findings Closure
- Update the Procurement Policy
- Review of the Finance Function
- To review the external audit function and key company governing documents
- Transaction reviews of non-performing assets
- Skills development including valuation workshop
- Commence implementation of IT Governance Framework.

Key Highlights and Achievements

- Approved the Funding Strategy
- Implementing the IT Governance Framework
- Appointed Internal Auditors
- Approved and recommended the procurement policy for approval to the Board
- Transaction reviews for non-performing assets is currently ongoing
- Skills enhancement initiatives were carried out during the year.

Members as of 30 June 2024

Chairperson: Mr. Zola Lupondwana
Mr. Mooketsi Maphane
Mr. Boikanyo Kgosidintsi

Focus Areas for FY25

- Implementation of the IT Strategy
- Development and implementation of Enterprise-Wide Risk Management Framework
- Monitor the ongoing implementation of IT Governance framework
- Approval of financial manuals / policies.
- Capital Raising for the Company.

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Board Committees
(continued)

NRC Nominations and Remuneration Committee

Mandate

The committees' objectives are to:

- Deal specifically with human capital, and remuneration aspects of the Company as well as the nominations of Directors to the Board of the Company through a continuous assessment of the required skills on the Board
- Reviewing and providing guidance with respect to human resource policies and strategies.

Key Focus Areas for FY24

- Reviewing the appropriateness of the Organisational Structure
- Reviewing key Human Capital Policies
- Ensuring Board governing documentation remains up to date.

Key Highlights and Achievements

The policy on the appointment of Independent Non-Executive Directors was approved during the current year to ensure that the appointment process followed is fair and transparent.

Members as of 30 June 2024

Chairperson: Mr. Mooketsi Maphane
Mr. Khuto Balosang
Ms. Katso Gaobakwe

Focus Areas for FY25

- Approval of Long-Term Incentive Plan
- Development and Implementation of Succession Planning Policy
- Updating of Remuneration Policy ahead of shareholder approval.

IC Investment Committee

Mandate

The committees' objectives are to:

- Assist the Board in overseeing the development and implementation of the Company's investment policies, guidelines, strategies and procurement activities
- Ensuring there is an appropriate, robust and consistent framework for objective analysis of proposed real estate investments, analysis of divestment of disposals, review and approval of major property refurbishments and performance reviews of the Company's investment portfolio.

Members as of 30 June 2024

Chairperson: Mr. Boikanyo Kgosidintsi
Mr. Zola Lupondwana
Ms. Katso Gaobakwe

Focus Areas for FY25

- Implementation of the Investment Policy Statement (IPS)
- Conversion of existing pipeline
- Strengthening the investment tea.

Key Focus Areas for FY24

- Updating of the Company's investments policy statement
- Growing the investment porfolio
- Portfolio monitoring
- Investment risk management.

Key Highlights and Achievements

The Investment Policy Statement (IPS) was updated and approved.

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Board Composition

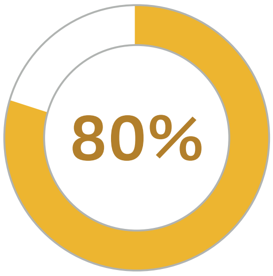
As of 30 June 2024, our Board comprises 5 members, predominantly Independent Non-Executive Directors.

We are steadfast in our commitment to maintaining a diverse and experienced Board, with a particular emphasis on a higher proportion of Independent Non-Executive Directors. These independent members play a crucial role in providing robust oversight on matters such as strategy, performance, risk management, resources, key appointments, and standards of conduct.

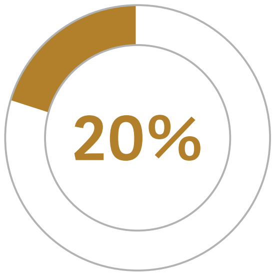
Independence

Board includes:

4 Independent Non-Executive Directors



1 Non-Executive Director



Gender

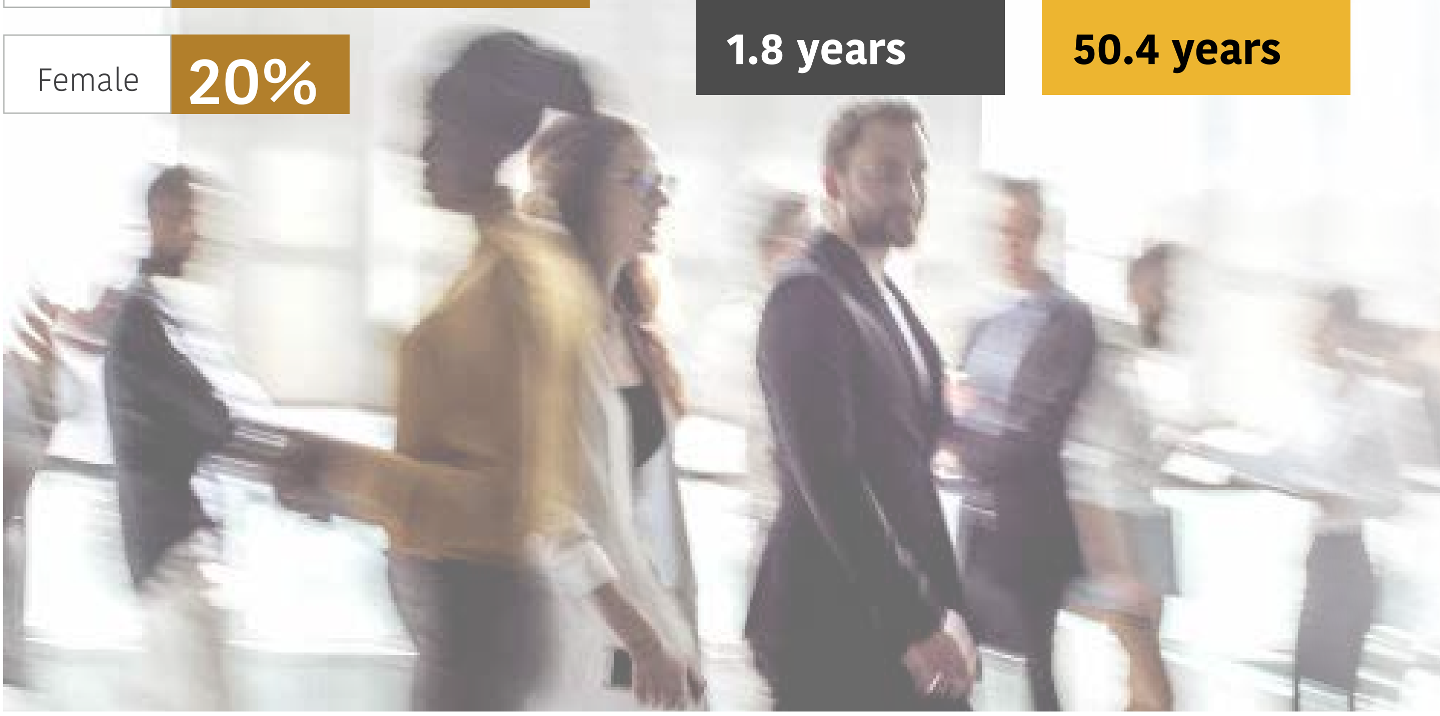
Male	80%
Female	20%

Average Tenure

1.8 years

Average Age

50.4 years



BOARD AND COMMITTEE MEETINGS ATTENDANCE

In line with the Company's Board Charter and Constitution, the Board and Committees meet at least four times a year to deliberate on, amongst others, matters of strategy, investments, approval of annual financial statements and to monitor the implementation of set controls within the Company. Over and above a prescribed minimum of four meetings per year, special Board and Committee meetings are held as and when necessary to further aid the Directors in discharging their duties.

Both the Directors and the members of the Board Committees are supplied with full and timely information that enables them to properly discharge their responsibilities. All directors have unrestricted access to all Company information. The Chairman of the Audit, Risk and Compliance (ARAC) Committee is required to attend the annual general meeting to respond to issues or answer questions raised by shareholders to discharge their responsibilities. All Directors have unrestricted access to all Company information.

Any remuneration paid by the Company to Directors is subject to the approval of shareholders.

			Board Meetings		Committee Meetings				
		Committee Membership	Eligible to Attend	Meeting Attendance	Eligible to Attend	Meeting Attendance	Other Engagements	Total Fees Paid 2024	Total Fees Paid 2023
KHUTO BALOSANG	**Independent Non-Executive Director**	NRC	7/7	7/7	5/5	5/5	5	**360,200.00**	**646 267.16**
MOOKETSI MAPHANE	**Independent Non-Executive Director**	NRC & ARAC	7/7	7/7	10/10	10/10	5	**382,000.00**	**628 800.48**
KATSO GAOBAKWE	**Non-Executive Director**	IC & NRC	7/7	7/7	11/11	11/11	5	**362,000.00**	**N/A**
BOIKANYO KGOSIDINTSI	**Independent Non-Executive Director**	IC & ARAC	7/7	7/7	11/11	11/11	5	**368,500.00**	**N/A**
ZOLA LUPONDWANA	**Independent Non-Executive Director**	ARAC & IC	7/7	7/7	11/11	11/11	5	**368,500.00**	**N/A**
BRONWYN KNIGHT*	**Non-Executive Director**	IC & NRC	N/A	N/A	N/A	N/A	N/A	**0.00**	**391,752.68**
OTENG KEABETSWE*	**Non-Executive Director**	IC	N/A	N/A	N/A	N/A	N/A	**0.00**	**474 095.60**
DONALD BORTHWICK*	**Independent Non-Executive Director**	NRC & ARAC	N/A	N/A	N/A	N/A	N/A	**0.00**	**441 657.48**
GREGORY PEARSON*	**Non-Executive Director**	IC	N/A	N/A	N/A	N/A	N/A	**0.00**	**224 571.60**
MERVIN MULLER**	**Independent Non-Executive Director**	ARAC	N/A	N/A	N/A	N/A	N/A	**0.00**	**115 895.35**
								1,841 200.00	**2,923 040.35**

*Resigned effective 30 June 2023
** Appointment not ratified at the AGM of December 2022

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Board Committees
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BOARD COMPENSATION

Non-Executive Directors are remunerated in line with the Board Compensation Policy, as approved by the Board. Non-Executive Directors, including Independent Directors, receive remuneration by way of fixed retainer fees as well as sitting fees for quarterly Board and Committee meetings. .

BOARD FOCUS AREAS AND PERFORMANCE HIGHLIGHTS

Throughout the reporting period, our Board has remained dedicated to enhancing governance practices and driving the Company's strategic objectives. Key areas of focus included corporate governance, risk management, and operational oversight, ensuring LLR's continued growth and alignment with sustainable development goals.

Strengthened Board Governance and Strategic Direction

The Board successfully completed several governance initiatives aimed at improving operational efficiency and accountability. Key highlights include:

- Closure of Botswana Accounting Oversight Authority (BAOA) findings.
- Implementation of IT Governance Framework to enhance digital infrastructure and align with business goals.
- Approval of critical governance policies, including:
  - Compliance Policy and Procedures Manual.
  - Ethics Policy.
  - Internal Audit Charter.
- Strategic takeover of JTTM property and asset management.
- Successful completion of the Company scorecard and continuous review of corporate strategy.

Board Composition and Effectiveness

The Board conducted an externally facilitated effectiveness assessment in collaboration with the Institute of Directors in South Africa (IODSA). Key findings included:

- The need for greater gender diversity on the Board.
- Emphasis on strengthening Board culture.
- Recommendations to intensify stakeholder mapping and engagement.

These findings are actively being addressed as part of the Board's commitment to continuous improvement in governance practices.

Looking Ahead to FY2025

As the Board prepares for FY2025, the following priorities have been identified:

- Shifting strategy and investment tactics to proactively align with strategic objectives.
- Identifying alternative investment prospects considering increasing competition from local pension fund capital.
- Considering the incorporation of in-house property development for sale or lease into the business model.
- Capital raising initiatives.

Additionally, the Board will focus on:

- Implementing the policies and frameworks developed in FY2023.
- Developing a comprehensive ESG strategy.
  - Setting KPIs for our material ESG matters
  - Establishing clear governance structures to oversee our ESG strategy
  - Setting Clear objectives and targets
  - ESG integration into business processes
  - Effective stakeholder management and tracking
  - Reporting and transparency
- Strengthening oversight in areas including:
  - Financial management
  - Risk management
  - Governance and compliance
  - Stakeholder engagement
  - Succession planning

Chief Executive Officer's Report

"It gives me great pleasure to present the FY2024 Integrated Report of Letlole la Rona."

Overview and Highlights

It gives me great pleasure to present the FY2024 Integrated Report of Letlole la Rona. In a year of unprecedented challenges, our resilience and adaptability have strengthened our position as a market leader while driving sustainable value for all stakeholders. This financial year marked a significant milestone for LLR, particularly with our acquisition of an additional stake in JTTM Properties (Proprietary) Limited (Rail Park Mall). Initially, in 2021, we acquired a 32.79% stake in JTTM (Rail Park Mall), but as of October 2023, we increased our shareholding to 57.79%, making Rail Park Mall the first subsidiary that LLR has acquired in its history. In addition to that, LLR took over the property and asset management services of Rail Park Mall, thereby significantly increasing its assets under management as well as number of tenants and transaction. This expansion necessitates the streamlining and digitalization of processes to maintain the group's operational efficiency.

The management of such a high-traffic asset, with an impressive footfall of 600,000 people per month, has broadened our understanding of the retail sector. Rail Park Mall has provided valuable insights into a sector we had limited exposure to in Gaborone, historically focusing more on industrial assets. Managing retail has presented new challenges but also exciting opportunities as we adjust to being more hands-on and customer centric. This strategic balance of industrial and retail assets, has stretched and empowered our team, adding a new dynamic to our operational focus. The group still maintains its strategy of being more heavily weighted towards the industrial sector which has proven to be resilient over time. The group is also actively looking to diversify its portfolio across other asset classes such as leisure and office.

Strategic Performance and Challenges

During the year under review, LLR delivered strong performance within its Botswana portfolio, achieving robust returns, maintaining high occupancy rates, and demonstrating stellar collection levels. The group successfully upheld the quality of its assets, highlighted by the redevelopment of Plot 14555. This project, undertaken following a fire in 2020 that caused significant damage, was completed successfully, resulting in a P16 million redevelopment. The property now hosts a new tenant on a 10-year lease, reflecting the effectiveness of LLR's property and asset management strategies.

Group Revenue
Up 69% to
P173.2million
(2023: P102.2 million)

However, the group faced challenges with its 30% stake investment in OAL, in Kenya. While the investment initially performed well, the tenant experienced financial difficulties during the year, resulting in arrears that impacted returns. This has necessitated the impairment of the equity investment and a shareholders loan to OAL of approximately P100 million during the year. The company is closely assessing the performance of the asset to determine its turn around potential. Despite this setback, the group's overall asset performance remained solid, underscoring LLR's resilience and sound management practices.

Risk Management: Addressing Concentration Risk
One key lesson from the OAL investment is the importance of addressing concentration risk, particularly with single-tenant assets. Having a single property occupied by a single tenant exposed us to significant risk when that tenant encountered financial difficulties. In response, we have begun incorporating more rigorous counterparty risk assessments and are now focusing on multi-tenanted properties, where diversification reduces exposure to any single tenant's performance.

The 'Go to Africa' Strategy: Looking Forward
We remain committed to our 'Go to Africa' strategy with a refined approach. As we move forward, we are taking a case-by-case approach to African investments, ensuring we thoroughly stress-test opportunities and consider multi-tenancy and investment size to mitigate risk. Our focus remains on identifying and pursuing opportunities that align with our long-term vision of geographical diversification, with an emphasis on detailed analysis and risk mitigation strategies.

Strategic Focus
Our strategic objectives remain centred on diversification, customer centricity, and operational excellence. Our engagements with stakeholders helped shape our future direction and influenced our strategic approach, particularly regarding expanding into Africa. Additionally, we have refined our internal processes by undertaking comprehensive process mapping, enhancing policy engagement, implementing an IT governance framework, and strengthening our operating policies and procedures. These initiatives, driven by active staff engagement, have fostered a stronger organisational culture and a commitment to operational excellence. As a result, we have fortified our operational foundations and improved our agility in responding to evolving market conditions.

> "One key lesson from the OAL investment is the importance of addressing concentration risk, particularly with single-tenant assets."

Employee Wellbeing and Development
The wellbeing of our employees is crucial to our continued success. We have initiated several programs to support employee health and psychological wellness, addressing issues like hypertension and anxiety. We are also investing in employee development plans across departments, with a focus on building skills and fostering a supportive workplace.

Outlook
Looking ahead, we are planning to expand our focus from solely acquiring assets to also developing new projects. Our key challenges locally will revolve around navigating increased competition in the real estate market. However, we remain optimistic about the future, particularly as we apply the lessons from our experience with OAL to our ongoing 'Go to Africa' strategy. Our aim is to raise capital for growth while continuing to prioritise our customers and stakeholders.

Closing Remarks
In closing, I would like to extend my sincere thanks to all our stakeholders, and most importantly, to our staff, for their dedication and hard work. Your support has been instrumental in navigating this challenging year and setting the stage for future growth. Together, we will continue to build a resilient and forward-looking LLR.

Kamogelo Mowaneng
Chief Executive Officer

Creating Value through Strengthened Fundamentals

STRATEGIC INTENT

- Expand the Botswana portfolio
- Optimise our assets
- Leverage partnerships and networks
- Grow into Africa to create a diversified portfolio
- Enhance shareholder value and sustain investor returns.

STRATEGIC PILLARS

- Streamline and expand Botswana portfolio
- Optimised balance sheet
- Quality African assets
- Strong partnerships and networks
- Operational excellence
- Talented and competent people

STRATEGIC DRIVERS

- Management
- Property metrics
- Sustainable distribution growth over time in distribution and NAV
- • Cashflow
  • Location
  • Quality of assets
  • Tenant relations
  • Long term asset attractiveness

LLR's strategic map shows the cause and effect connection between our strategic objectives and the outcomes that will create value for shareholders and key stakeholders

STRATEGIC OUTCOMES

Financial	Grow net asset value	Optimised balance sheet	Grow distribution yield
Customer	Enhance customer experience	Enhance stakeholder experience	
Internal Processes	Institute governance and risk framework	Improve business processes	
People	Build a talented and competent team		

Excellence | **Agility** | **Innovation** | **Integrity**

Overview and Highlights

Our "Go-to-Africa" strategy focuses on optimising and diversifying LLR's portfolio to drive balance sheet growth, enhance value for shareholders, and maintain strong investor returns. By leveraging strategic partnerships and networks, we aim to maximise the performance of our assets, expand within Botswana, and grow our presence across Africa. Our goal is to create a diversified portfolio valued at P3 billion, with the ambition of outperforming the market-weighted average total return annually through to 2027.

OPTIMISE

Existing LLR assets will be streamlined through:

- effective asset management
- leveraging relationships with existing tenants.

MAXIMISE

The market opportunity within Botswana will be seized by:

- expanding through acquisitions and developments
- leveraging our valuable relationship with key stakeholders.

AFRICANISE

LLR will execute a strategy for growth into Africa that is guided by:

- our investment policy
- clear criteria for market entry
- an effective end-to-end investment analysis process
- credible expert advice
- market intelligence
- leveraging in-country experience and networks on the continent
- thorough due diligence of investment partners.

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Creating Value through Strengthened Fundamentals
(continued)

Performance against our strategic pillars

01 Streamlining and Expanding Our Local Portfolio (Diversified Portfolio)

Our opportunity-first approach has been pivotal in reducing risk and creating new growth opportunities within Botswana's retail market. The additional acquisition of a 25% stake in JTTM (Rail Park Mall) has strengthened our position by giving us direct control over one of the busiest commercial spaces in the country, allowing us to diversify and enhance our revenue streams. As property and asset managers for the mall, we are now better positioned to optimise its performance and drive long-term value.

We have also made significant strides in optimising our industrial portfolio, particularly with the redevelopment of the Plot 14455 warehouse in Gaborone West Industrial. A key achievement was securing a 10-year lease with a multinational company on one of the units, ensuring a stable and long-term income stream. This redevelopment has added substantial value to our portfolio, reinforcing our commitment to growing and maintaining high-performing assets. However, our Orbit Africa Logistics investment in Kenya did not meet the expected cash flow projections, impacting distributions for the year. This under-scores the importance of continuously evaluating and adjusting our portfolio strategy to ensure we maintain sustainable growth and deliver strong returns to stakeholders.

02 Balance Sheet Optimization and Financial Prudence (Value Preservation and Growth)

Maintaining a robust balance sheet remains a key focus of our financial strategy. As of 30 June 2024, our total assets were valued at P2.03 billion, with liabilities amounting to P910.01 million, resulting in a strong net asset position of P869.3 million. This solid asset base provides us with the flexibility to pursue growth opportunities while safeguarding our financial stability.

During the reporting period, we strategically disposed of non-performing assets, including Moedi House and Red Square, generating P83.3 million in proceeds. These funds have been earmarked for reinvestment into more strategic, yield-accretive projects. By continuously evaluating the performance and relevance of existing assets, we ensure that our portfolio remains optimised for both growth and income generation.

Additionally, our liquidity ratio of 2.1 demonstrates our ability to comfortably meet short-term obligations while maintaining reserves for operational needs and future investments. We effectively balance cash inflows from rentals and other operations with capital outflows for acquisitions and debt servicing, ensuring prudent cash flow management. This approach strengthens our financial position, allowing us to maintain resilience in a competitive market.

03 Quality African Assets (Distribution Growth)

LLR continues to seek opportunities to expand across Africa with a focus on high quality, yield accretive properties. With a strong performance and high rental collection rates from the Botswana portfolio, we remain committed to acquiring quality assets. Our focus remains on diversifying the portfolio to secure suitable premium assets. Additionally, we are prioritising rental collections and prudent cost management to support the Company's ability to increase distributions to unitholders.

04 Maintaining strong partnerships and networks

During the period under review, we focused on reinforcing our partnerships and networks with our stakeholders and we conducted an exploratory roadshow for our shareholders to gauge the market's appetite for a capital raise in the form of a rights issue. This has been fundamental in getting direct market feedback from our shareholders, building strong relationships and networking with investors to align to their needs and expectations.

05 Driving operational excellence

We made significant progress in optimizing key business policies such as the development and approval of the compliance policy and procedure manual, approval of the ethics policy, investment policy, development of the funding strategy and the implementation of a comprehensive IT Governance Framework. These efforts underscore our commitment to operational efficiency and risk mitigation. A major achievement was enhancing our cyber security through extensive training programmes, which fortified our defenses against potential threats and strengthened our IT infrastructure.

The updating, development and implementation of comprehensive policies and procedures aims to create clear guidelines on aspects of compliance, ethics and investment. Our funding strategy is essential to drive our operational excellence by aligning funding sources with our organisation's strategic objectives.

As we continue to pursue operational excellence, our focus is on further refining our business processes and establishing clear Key Performance Indicators (KPIs) to guide progress in this strategic area. Central to our objectives is the development of a comprehensive IT strategy that will drive technological innovation, increase efficiency, and improve system security to address emerging risks. We have also prioritised the development and implementation of the Internal Audit Charter, which will serve as a critical tool in maintaining transparency, governance, and compliance across all levels of the organisation. In addition, to our ethics policy we are working to implement an ethics framework that will define the principles guiding our corporate behavior and decision-making processes, ensuring that integrity remains a cornerstone of our operational ethos.

06 Developing talented and competent people

Our employees are central to the success of our business, and under the period under review, we achieved a 100% staff retention rate. We continued to invest in our human capital through various learning and development initiatives, including training in governance, risk and compliance, project management, and ethics. Our learning and development budget was P550,000, with 44% utilized by mid-year and 75% by year-end. Additionally, team members are pursuing professional qualifications like ACCA and attending industry conferences to enhance their expertise.

We also placed a strong emphasis on employee wellness by organising a Wellness Week in May 2024, where healthcare professionals conducted wellness checks and hosted stress management workshops. This initiative underscored our commitment to supporting the overall wellbeing of our staff.

To further develop our human capital, we are working on developing a talent management framework and succession planning to foster career growth. A regular job evaluation and salary benchmarking exercise is also being conducted to ensure competitive remuneration packages and alignment with market standards.

Creating Value through Strengthened Fundamentals
(continued)

Fortifying Our Foundations: **Driving Growth Through Strategic Execution**

At LLR, our success is built on a foundation of strong financial discipline, strategic foresight, and a firm commitment to sustainable development. Over the period under review, we strengthened our core by focusing on key drivers of value creation, including robust financial performance, geographical diversification, efficient capital allocation, portfolio optimisation, sustainability, and risk management. These strategic pillars not only reinforced our operational and financial fundamentals but also positioned us for future growth.

This year, our financial performance highlighted the strength and resilience of our business model. Despite the impairment and underperformance of our Kenyan investment, we achieved a 69% increase in revenue, rising by P71 million from P102.2 million to P173.2 million. Although our profit before tax also declined by 66%, the group successfully increased the portfolio value to P1.9 billion from P1.5 billion and maintained rental escalations between 6% and 8%, in line with market standards. We also achieved an impressive 100% collection rate, reflecting our ability to navigate portfolio challenges while sustaining financial stability and growth.

We aim to return to our distribution growth target of 6% after the next financial year. This will be driven by strategic capital deployment that strikes a balance between immediate returns and long-term value creation. We are confident that our disciplined financial management, paired with active portfolio oversight, will continue to deliver positive outcomes in the coming years.

Efficient capital allocation is central to our value creation strategy. Throughout the period under review, we ensured that capital was deployed prudently, with each investment aimed at driving long-term portfolio growth. Our capital expenditure during the year focused on projects with high internal rates of return (IRR) and positive net present value (NPV), including the redevelopment of industrial properties. This approach allowed us to maintain a diversified and profitable asset base, reinforcing our commitment to ensuring every Pula invested yields maximum returns for our stakeholders.

Group Revenue

Up 69% to

P173.2 million

(2023: P102.1 million)

Portfolio Value

Up 33% to

P1.9 billion

(2023: P1.4 billion)

1%

Vacancy Rate

With a 1% Vacancy Rate, we outperform the industry average, reflecting our strong tenant retention and demand for our properties.

195,060.40m² (Direct Botswana Properties)

With over 195,060.40m² of Gross Leasable Area (GLA), we hold one of the largest lettable portfolios in Botswana, providing flexible leasing solutions for both national and international tenants.

100%

Collection Rate

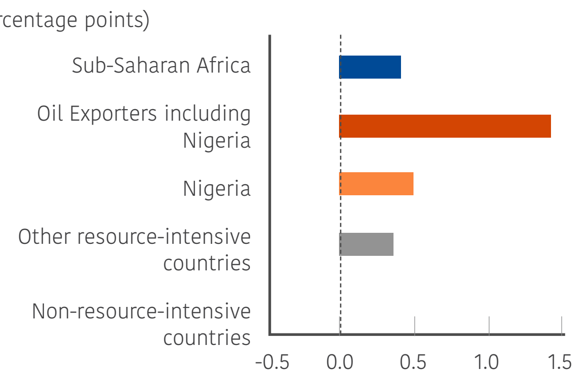
With a 100% Collection Rate, we highlight a perfect collection record, showcase effective rent collection processes and demonstrate robust cash flow.

External Environment Analysis

Regional economic overview

Sub Saharan Africa is cautiously improving after two years of slow growth. Growth is expected to rise from 3.4% in 2023 to 3.8% in 2024, signaling gradual recovery in the region. A significant portion of countries are forecasting stronger growth compared to the previous year, with a median growth acceleration of 0.6%. However, growth trends across the region remain uneven, with oil-exporting nations, excluding Nigeria, expected to experience a notable rebound, with growth increasing by 1.5% to 3.1%. This recovery is largely driven by oil and gas projects coming online in countries like Niger and Senegal, which are among the fastest-growing economies in the region, projected to grow by 10.4% and 8.3% respectively in 2024.

Figure 1: Change in GDP Between 2023 and 2024



Sources: IMF, World Economic Outlook database; and IMF staff calculations.

Niger and Senegal, which are among the fastest-growing economies in the region, projected to grow by 10.4% and 8.3% respectively in 2024.

Conversely, diversified economies, which have shown resilience and consistently high growth rates, are expected to see no significant change in 2024. This highlights a persistent growth divide between resource-intensive and non-resource-intensive economies, with the latter projected to grow at 5.7% compared to 3.0% for resource-intensive economies. This trend has been entrenched since the 2015 commodity-price shock, further exacerbating the divergence between the two groups.

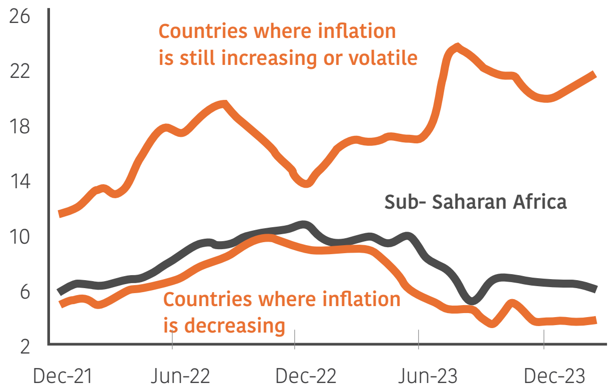
A key factor influencing this uneven growth pattern is the varied performance of major economies in the region. For example, South Africa, one of the region's largest economies, is forecast to grow by just 0.9% in 2024 due to enduring energy shortages and logistical issues at its ports and railways. Nigeria, on the other hand, is expected to perform slightly better with a growth rate of 3.3%, primarily supported by improvements in its oil sector.

Looking ahead to 2025, growth in Sub-Saharan Africa (SSA) is projected to increase to 4.0%, driven by the recovery of private consumption and investment. The easing of funding constraints in frontier markets such as Côte d'Ivoire, Benin, and Kenya is expected to support this growth trajectory. Over the medium term, regional growth is anticipated to stabilize at around 4.3%, with non-resource-intensive economies continuing to outperform their resource-heavy counterparts. The former group is projected to grow at 6.2%, twice the rate of the latter, which is expected to grow at 3.5%.

On the inflation front, headline inflation has been on a downward trend since peaking in November 2022. However, inflation rates continue to vary significantly across countries. For instance, countries like Angola, Malawi, Nigeria, Zambia, and Zimbabwe have experienced double-digit inflation due to significant currency depreciations. While some countries, such as Botswana, Ghana, and Mozambique, have begun to lower their policy interest rates, many others in the region have maintained high rates to combat inflationary pressures, despite inflation peaking. The delayed cycle of monetary tightening in Sub-Saharan Africa, compared to other emerging markets, means that real policy rates are now becoming increasingly positive across the region, signaling potential room for rate cuts soon.

Figure 2: Median Inflation, December 2021-February 2024

(Percentage points)



Sources: Countries authorities; Haver Analytics; and IMF staff calculations.

Note: Country Groupings, consisting of a fixed set of countries, are categorised based on the evolution of inflation over the past three months. In over half of the countries, inflation is declining.

This broader regional context has important implications for real estate markets and investment strategies, particularly for us. With much of our portfolio concentrated in industrial properties, we stand to benefit from improving growth prospects, especially in countries where industrial and logistics demand is expected to rise in tandem with economic recovery. Industrial properties, in particular, are likely to see increased demand as governments prioritise diversification and infrastructure development. Additionally, the steady recovery in private consumption could offer opportunities in the retail sector, particularly in well-located and resilient retail assets.

However, the economic challenges faced by key markets such as South Africa and Nigeria underscore the importance of LLR's diversified geographic strategy. By maintaining a balanced portfolio and capitalising on growth in diversified economies such as Kenya, Niger, and Senegal, we can mitigate risks associated with weaker performances in resource-heavy markets. Furthermore, the inflation dynamics and monetary policy adjustments across the region will also influence investment returns and financing costs, necessitating a careful evaluation of macroeconomic trends in our ongoing strategic planning and risk management efforts.

External Environment Analysis
(continued)

Botswana's Economic Overview

Botswana's economic landscape has historically been shaped by prudent macroeconomic policies and robust economic institutions, particularly in the management of diamond revenue, which has fueled long periods of growth. However, this reliance on diamonds and a public sector-driven economic model has exposed the country to external vulnerabilities. Diamonds account for over 90% of total exports, making Botswana highly susceptible to global market fluctuations and external shocks.

In 2023, the country experienced a slowdown in economic growth, with GDP growth projected at 3.3%, down from 5.8% in 2022. This deceleration was largely driven by a decline in diamond production and weaker global demand for the commodity. Despite these challenges, growth is anticipated to improve slightly over the medium term as global demand for diamonds rebounds and the government's efforts to diversify the economy start to yield results. However, the heavy reliance on the diamond sector remains a critical challenge for Botswana's broader economic resilience.

Inflation in 2023 averaged 5.2%, a significant improvement compared to the 12.2% inflation rate recorded in 2022. This reduction was attributed to tight monetary policy conditions and lower fuel prices. The Bank of Botswana responded by cutting its policy rate by 25 basis points to 2.4% in December 2023 to address the persistent output gap and support economic activity. Looking ahead, inflation is expected to remain within the central bank's target range over the medium term, providing some stability on the price front.

However, the country's fiscal position has been a growing concern. In 2023, the overall fiscal deficit is estimated to reach 3.4% of GDP, driven by increased capital and recurrent spending. Public debt is projected to rise to 25% of GDP, up from 22% in 2022. The need to enhance the efficiency of public spending, particularly by reorienting expenditure toward productive investments and human capital development, remains a key priority. This would not only stimulate job creation but also help diversify the economy by strengthening the private sector, which has remained modest in size.

Further complicating the economic outlook is the IMF recent revision of Botswana's 2024 growth forecast. Initially estimated at 3.6% in April 2024, the IMF has now slashed this forecast to just 1%, citing a continued decline in diamond production as the primary factor. This lower growth projection is compounded by expectations of a widening budget deficit, which is now forecast to reach 6% due to falling mineral revenues. The IMF has urged the Botswana government to consider slowing down the execution of new infrastructure projects to prevent further deterioration of the fiscal deficit and to focus on prioritising projects with the highest potential returns.

Lower consumer demand globally, coupled with economic weakness in key markets, has led to a decline in the demand for diamonds, traditionally considered luxury items. This has had a direct impact on Botswana's fiscal and economic performance, highlighting the need for diversification in the economy. Additionally, Botswana's competitive position on the global stage has been under pressure. According to the Global Competitiveness Report, Botswana was last ranked at 91 in the 2018/19 edition, experiencing a steady decline from a high of 56 in 2008/9. Similarly, in the World Bank's Ease of Doing Business ranking, Botswana fell to 87 in 2020 from 38 in 2009.

The key factors contributing to these declines include poor work ethic, excessive government bureaucracy, limited access to finance, and restrictive labor regulations. These challenges have hindered the country's capacity for innovation, technological readiness, and business sophistication, critical elements for driving economic diversification and long-term growth. As Botswana seeks to revitalize its economy and reduce its reliance on diamonds, addressing these structural challenges will be essential for improving its competitiveness and attracting new investment opportunities.

Lower consumer demand globally, coupled with economic weakness in key markets, has led to a decline in the demand for diamonds, traditionally considered luxury items.


GLOBAL HOLDINGS
PST
SALES & DISTRIBUTION

Managing Risks & Opportunities

Protecting long-term value creation

At LLR, we take on certain risks in executing our strategy, including making investments and capitalising on opportunities to enhance our portfolio value. We, therefore, appreciate that effective risk management plays a crucial role in pursuing financial stability and delivering superior value for our stakeholders. Effective internal risk reporting forms a vital component of the risk management system, which ensures that management, the Audit Risk and Compliance Committee and the Board:

1. are informed of emerging risks
2. are made aware of adverse events that require management's intervention
3. receive assurance that the business is operating within acceptable levels of risk; and
4. receive relevant, accurate and timely information regarding the level of risk within the Company.

Risk Management Process

LLR engages in a comprehensive risk register assessment process quarterly. This involves the identification of potential risks, evaluating their likelihood and impact through structured discussions and interviews, and documenting them within a centralised register. To address these risks, mitigation strategies are developed, ensuring a proactive approach to risk management. This method allows for the timely identification and escalation of risks to the Audit Risk and Compliance Committee and the Board before they pose significant challenges to business operations. The process ensures that both management and the Board receive assurance that risks are managed and monitored with due diligence.

At LLR, risk identification, evaluation, and management are ongoing activities. The Board and management are regularly briefed on key developments, ensuring that risk management is a continuous priority. While every employee is responsible for managing risks in their day-to-day functions, the ultimate governance of risk rests with the Board. Management is responsible for implementing, monitoring, and reporting on the effectiveness of the risk management framework, ensuring alignment with the organisation's overall objectives.

Our Top Risks During FY2024

During the period under review, there has been notable movement in the overall risk scores, particularly in relation to key risks identified in the prior year. The top 5 risks LLR faced during the period under review encompass a range of macroeconomic, strategic, operational, and regulatory risks.

Interest Rate Risk

The risk on the company's profitability due to higher cost of funding.

Management mitigation

- Performed a sensitivity analysis to determine the effect of rising interest rates on LLR's profitability
- Concluded the Balance Sheet Optimisation exercise
- The monitoring of interest rates as well as exploration of alternative funding sources continues.

Cyber Risk

It relates to the increased risk of hacking, phishing, and general cyber-attacks.

Management mitigation

- Management has commenced the implementation of a robust IT Governance framework.

Non-compliance with Laws and Regulations

This relates to the ongoing requirement to comply with onerous legislative requirements of the Botswana Accountancy Oversight Authority, Anti-Money Laundering Policy and Botswana Stock Exchange Limited Requirements.

Management mitigation

- Management continues to track all relevant regulations and ensure compliance with all applicable legislation.

Outdated Investment Policy

Investment policy is outdated.

Management mitigation

- The Investment Policy was presented to Board in June 2024 and was approved.

Depressed Investment Returns

This relates to increased liquidity in the local market which may result in depressed yields.

Management mitigation

- Geographic diversification of the portfolio and enhanced strategic relations. The company is also exploring opportunities in developments which generates higher yields.

Integrated Stakeholder Management

Our stakeholders form the cornerstone of our organization. We value engagement and communication to continually add value to all stakeholders, recognizing relationships' direct and indirect impact on our organization and reputation. Feedback from stakeholders is vital in enhancing our strategy and operations, allowing us to deliver tangible value. By proactively managing our stakeholder relationships through systematic engagement and clear communication, we aim to maintain trust, openness, and alignment with our stakeholders' needs and expectations.

STAKEHOLDER ANALYSIS

We group our material stakeholders by their level of influence on us and our impact on them. To foster constructive engagement and communication, we employ various channels to connect with our stakeholders effectively. We are committed to understanding their concerns and applying their relevant inputs to our decision-making to ensure value creation

Investors, Asset Managers, Stockbrokers, Bankers

Letlole La Rona has a mix of investors, funders, and asset managers such as the Botswana Development Corporation (BDC), the Botswana Public Officers Pension Fund (BPOPF) and the Debswana Pension Fund (DPF) and others that support its operations and growth.

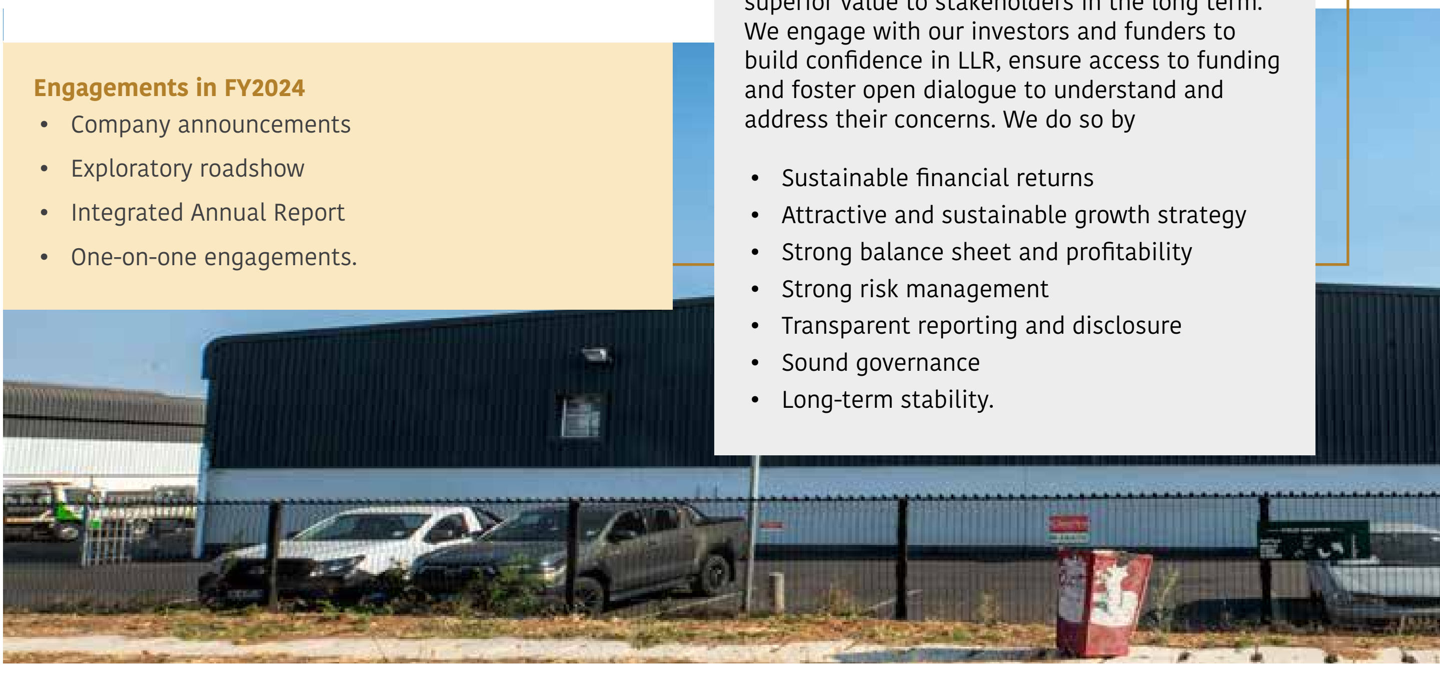
Engagements in FY2024

- Company announcements
- Exploratory roadshow
- Integrated Annual Report
- One-on-one engagements.

Needs and Expectations

Our investors and lenders provide the capital and financial support that enables us to invest in our operations and assets, thereby delivering superior value to stakeholders in the long term. We engage with our investors and funders to build confidence in LLR, ensure access to funding and foster open dialogue to understand and address their concerns. We do so by

- Sustainable financial returns
- Attractive and sustainable growth strategy
- Strong balance sheet and profitability
- Strong risk management
- Transparent reporting and disclosure
- Sound governance
- Long-term stability.



Employees

Letlole la Rona has a staff composite of 22 employees

Engagements in FY2024

- Our staff have undergone significant learning and development with various staff members pursuing their MBAs, Governance, Risk and Compliance Course, Chartered Accountancy qualifications, master's in construction studies, Project Management courses as well as Marketing and Brand management courses, to name a few
- Annual team building and Christmas Party
- Staff health and wellness week for the employees to encourage staff wellbeing.

Needs and Expectations

Our people are integral to LLR. Through them, we can deliver value to our tenants, shareholders and stakeholders and build the growth and success of our business. Our people's confidence in our strategy and their collaboration in performance and delivery is crucial to long-term success, which requires:

- Fair remuneration, effective performance management and recognition
- A positive, respectful and supportive work environrment
- Training, skills development, and talent management
- Career development and advancement opportunities
- Clear communication
- A safe and healthy work environment.

Tenants

Engagements in FY2024

- Tenant engagement breakfast
- Regular tenant visits
- Tenant engagement surveys.

Needs and Expectations

We strive to be the top choice for tenants, and our success in achieving our vision and strategic objectives relies on consistently providing properties that meet their needs and expectations. We strive to understand our tenants so that we engage with them in a relevant way and offer facilities that are right for them by providing:

- Ethical and fair treatment
- Well maintained properties that are fit for purpose
- Convenient and appropriate rental properties
- Friendly and efficient service
- Transparency
- Data and personal information security.

Integrated Stakeholder Management
(continued)

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Regulators, Government and Authorities

Our Regulatory Universe

- **Botswana Stock Exchange (BSE)**
- **Botswana Accountancy Oversight Authority (BAOA)**
- **Botswana Unified Revenue Service (BURS)**
- **Botswana Stock Exchange Sustainability Disclosures**
- **King Report on Corporate Governance**
- **Companies Act**
- **Other regulations governing conduct**

Engagements in FY2024

- Real Estate Conference and Expo-engagement with captains of industry as well as Regulators, Government and Authority
- Part-taking in various Botswana Stock Exchange activities
- One-on-one meetings
- Women in the Built Environment Conference.

Needs and Expectations

Regulators provide a framework for robust and productive property and asset management sectors and offer opportunities to work together to safeguard the interests of all participants within our property ecosystem. Engagements with Government and regulatory authorities/ bodies builds confidence and trust, enhancing brand reputation and the ease of business and as LLR we meet their needs by:

- Complying with all legal and regulatory requirements
- Responsible business practices and contributions to society
- Risk and Cybercrime management.

Suppliers, Property Brokers, and Other Business Partners

As LLR, we believe strategic commercial partnerships help us deliver innovative tenant value propositions and superb customer experience. Business partner engagements are vital to developing lasting relationships with vendors and service providers through mutual trust, ensuring beneficial outcomes for both parties.

- **Mutual benefits and profitability**
- **Clear agreement on terms and adherence to agreements**
- **Ethical principles and business practices**

Engagements in FY2024

- Key engagements with suppliers to help facilitate with the completion and development of LLR's projects
- Engagements at real estate conferences and expos
- Engagements at Women in Built Environment Conference
- Engagements at Africa Property Investment Summit
- Engagements at South African Council of Shopping Centres Conference.

Needs and Expectations

As LLR, we believe strategic commercial partnerships help us deliver innovative tenant value propositions and superb customer experience. Business partner engagements are vital to developing lasting relationships with vendors and service providers through mutual trust, ensuring beneficial outcomes for both parties.

- Mutual benefits and profitability
- Clear agreement on terms and adherence to agreements
- Ethical principles and business practices.

Communities

Letlole la Rona has social community development projects ranging from areas such as Otse, Mahalapye and even the Gaborone geographic area.

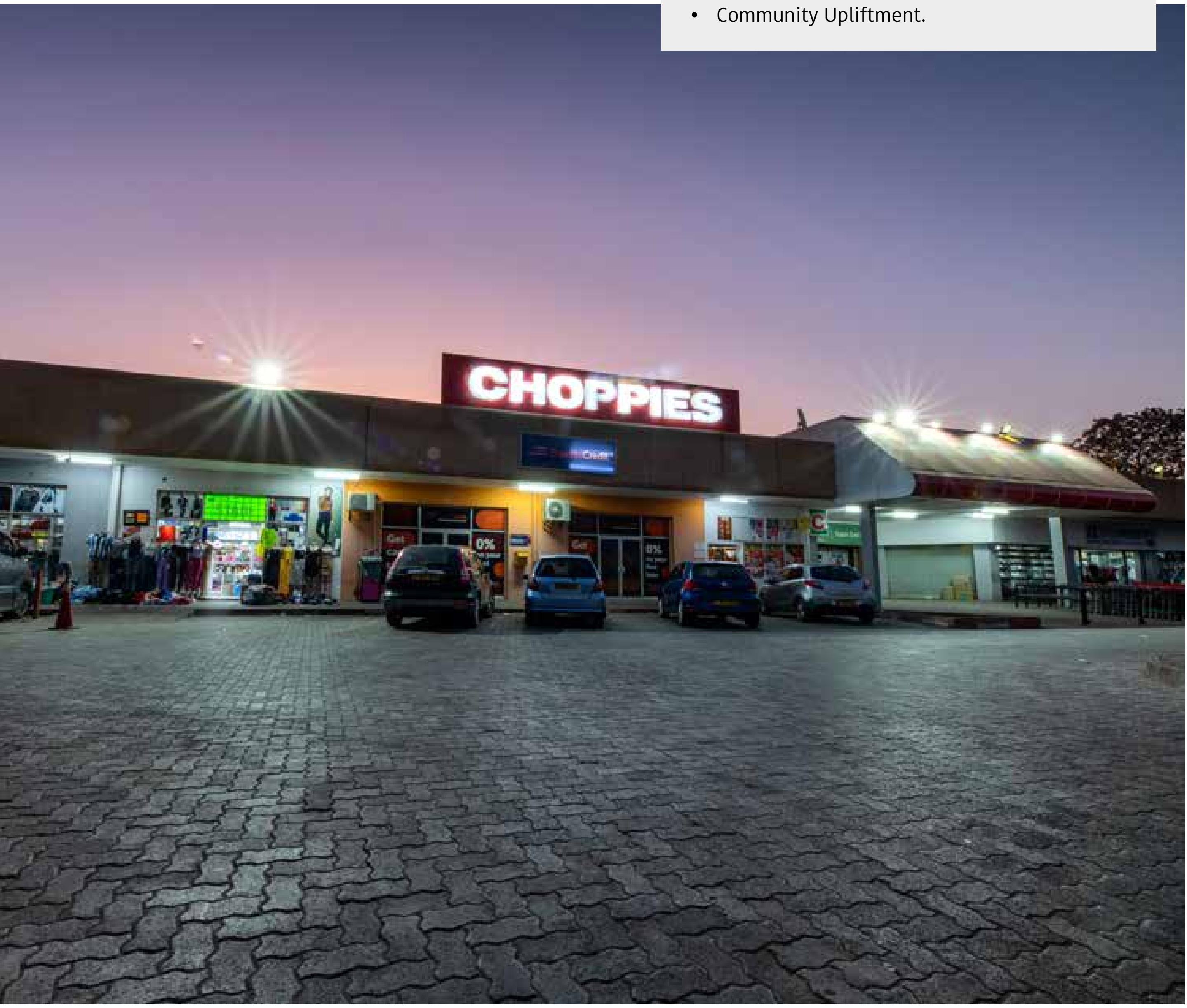
Engagements in FY2024

- Refer to the ESG Review page 34.

Needs and Expectations

At LLR, we are committed to engaging with our communities to cultivate strong, positive relationships that foster trust and mutual benefit. Through our ongoing involvement, we gain valuable insights into local needs and expectations, enabling us to contribute meaningfully and drive positive change within our communities. We do so through:

- Social Investment
- Community Upliftment.



Our Value-Creating Business Model

Capital Inputs
Our resources and our relationships

Financial capital
- Operating cash flow
- Debt funding
- Equity funding

Manufactured (built) capital
- Head office
- Yield enhancing property assets of GLA
- Furnishings, décor, equipment
- Facilities Management
- Investment in assets (Retail, Industrial, Commercial etc)

Intellectual capital
- Strong brand reputation
- Industry knowledge and experience
- Operating systems
- Policies and procedures

Human capital
- 22 employees
- Property and asset managers
- Training and development
- Employee wellness and wellbeing

Social and relationship capital
Proactive relationships with
- Investors, funders and asset managers
- Employees
- Tenants
- Regulators, government and authorities
- Suppliers and business partners
- Communities.

Natural capital
- Electricity
- Water
- Land
- Quality air

*Excludes discontinued operations

Our Operating Environment (Refer to Page 76)

Our Stakeholder Needs (Refer to Page 82)

Our Material Matters (Refer to Page 20)

Our Risks and Opportunities Landscape (Refer to Page 80)

Our Core Business Activities
Driven by Our Purpose and Vision

Acquiring
Our strategy is to grow and improve the quality of our portfolio by acquiring high-quality buildings offering superior cash flows.

Managing
We actively manage our diversified portfolio to enhance efficiency and aim to deliver risk-adjusted returns.

Developing
Driven by demand and opportunity, we redevelop or refurbish existing properties to extend value creation.

Disposing
We sell assets and recycle the capital into opportunities that have better long-term capital growth prospects.

Delivering Through Our Strategy (Refer To Page 70)

Streamline and expand Botswana portfolio	Optimised balance sheet	Quality African Assets	Strong partnerships and networks	Operational excellence	Talented competent people

Underpinned by Strong Corporate Governance (Refer to Page 60)

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Outputs	Outcomes	
• Revenue: BWP 173 million (FY22/23:102.1million) • Operating profit: 18.2milion (FY22/23: P74.5million) • Distribution Declared: BWP 40.2 million (FY22/23 P55.3 million) • Operational expenditure: BWP 62.6 million (FY22/23 P41.7million) • Finance costs: BWP 50.3 million (FY22/23 P34.5million)	• Solid revenue growth • Sustainable shareholder distributions despite financial adjustments • Investment for future growth • Significant tax contribution • Economic benefits to communities, vendors and suppliers • Preserved Group Value Refer to the CFO's Message on page 88.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
• Group occupancy rate: 99% (FY 22/23 96.89% average) • Purchases of Investment Property: BWP 6.1 million (FY 22/23 P14.8million) • 100% Collection Rate • 57.79% stake in JTTM (FY22/23 32.8%).	• High quality properties • Efficient, well-maintained property and equipment • Expanded property portfolio and asset base. Refer to the Performance Review on page 89.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
• New and updated policies approved by Board o Approval of the compliance policy and procedure manual o Approval of the Ethics Policy o Investment Policy • Business intelligence and innovation • Operating efficiencies • Quality rental value offerings • Health and safety • IT Governance Implementation • Mapped business processes.	• Improved tenant relationships • Ability to create competitive offerings in response to changing industry demands • Enhanced innovation capacity for LLR • Strengthened IT resilience • Enhanced Corporate Governance.	11 SUSTAINABLE CITIES AND COMMUNITIES
• Excellent service • Effective sales and marketing.	• Qualified and experienced workforce • Employees are engaged and developed in line with a high-performance environment • 0% staff turnover.	8 DECENT WORK AND ECONOMIC GROWTH
• A strong and loyal shareholder base • Socio-economic development • Engaging local suppliers for procurement • CSI spend million: P0.42million (FY22/23 P0.37million).	• Strong brands and solid reputation • The trust and respect of our stakeholders • Customer value and satisfaction • Brand loyalty • Creating opportunities for local enterprise development • Delivery of long–term value for communities • Social license to trade. Refer to the Stakeholder Analysis on page 82.	4 QUALITY EDUCATION
• Waste management and separation from various facilities • Reduced energy consumption through efficient lighting and solar panel installs • Alternative water sources identified.	• Enhanced levels of environmental awareness across Group • Solar panel installations • Reduction in water usage Refer to the Envronmental Review on page 34.	7 AFFORDABLE AND CLEAN ENERGY

Chief Financial Officer's Report

"Performance for the Group remained solid during the period under review across key metrics."

It gives me pleasure to report on the first set of consolidated financial statements for Letlole La Rona Limited (LLR). This marks a significant milestone in the history of LLR and is a demonstration of the management's commitment to achieving the Group's five-year strategy, which is anchored around growth. During the period under review, significant growth in the balance sheet was recorded. This was following the acquisition of an additional stake in Rail Park Mall. This acquisition resulted in the LLR's shareholding in Rail Park Mall increasing from 32.79% to 57.79%, thereby rendering Rail Park Mall a subsidiary of LLR, and resulted in the investment portfolio growing from P1.4 billion as at 30 June 2023 to P1.9 billion as at 30 June 2024.

With the balance sheet optimisation exercise that we carried out in the latter part of the previous financial year, we were able to utilise our headroom to fund part of our growth. As part of our asset recycling strategy, we disposed of two properties, being Moedi House and Red Square Apartments. The disposal of these properties has insulated the average portfolio yield from dilution, and we were also able to reduce our borrowings and deploy some of the proceeds to finance part of the acquisition of the additional stake in JTTM. In terms of funding future growth, the Board has recently approved the funding strategy, which will be executed in due course to support LLR's growth aspirations.

Proft Before Tax (PBT)

P41.1million

(2023: P119 million)

Cost to income ratio

35%

(2023: 36%)

Proft After Tax (PAT)

P21.4million

(2023: P101.2 million)

Investment portfolio

P1.9 billion

(2023: P1.4 billion)

Vacancies

1%

(2023: 3.11%)

Earnings Per Linked Unit (EPLU)

12.50 thebe

(2023: 43.72 thebe)

Performance for the Group remained solid during the period under review across key metrics. Contract revenue was largely in line with annual lease escalations which range between 6% and 8%, on average. The Group has enjoyed very high occupancy levels which averaged 99%, while collection rates averaged 100%, and costs well contained with the cost-to-income ratio at 35% and this enabled the Group to maintain a strong cashflow position.

While the Botswana portfolio continued to record strong performance, the ex-Botswana portfolio had a challenging year, and consequently, performed below expectations. The investment in the ex-Botswana portfolio was through a shareholder loan and equity, which the significant part of the investment being the shareholder loan, for which the underlying investment is an industrial property in Kenya. The Group had to recognise a non-cash expected credit loss ratio of P100.1 million in line with International Financial Reporting Standards (IFRS) 9 Financial Instruments, mainly driven by non-performance of the ex-Botswana portfolio, in respect of the shareholder loan. This resulted in the shareholder loan value dropping from P99.2 million as at 30 June 2023 to P3.7 million as at June 2024. The Group also recognised an impairment of P5.5 million on the equity portion of the investment in line with International Accounting Standard (IAS) 36, Impairment of Assets.

> “The Group has enjoyed very high occupancy levels which averaged 99%, while collection rates averaged 100%.”

Due to the underperformance of the ex-Botswana portfolio, the total distribution was scaled down by 27% to P40.4 million. This drop in distribution was necessitated by the need to be more cautious in cash management as the commitments on shareholder loan were not being honoured by the special purpose vehicle through which the ex-Botswana investment was made.

In conclusion the Group has posted strong results, despite a once-off impairment charge and expected credit loss charge. Revenue growth was in line with market escalations, occupancies and collection rates have remained consistently high, and the investment portfolio has grown significantly. Looking ahead, we will continue to monitor the performance of the ex-Botswana portfolio and explore opportunities for value accretive investments.

Pulafela Isaacs
Chief Financial Officer

Segmental Review

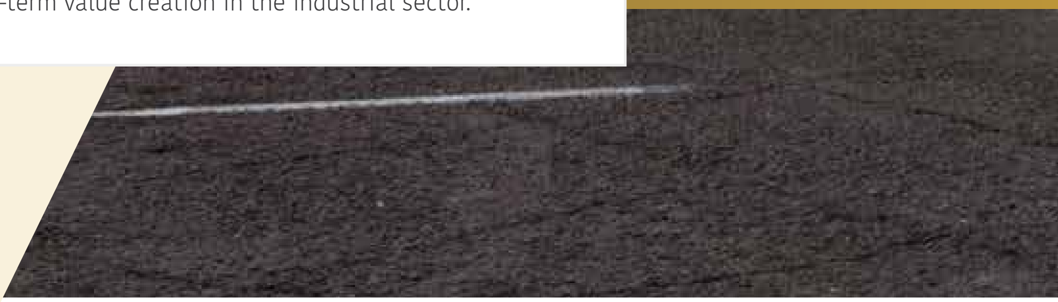
Botswana's industrial property sector has proven to be resilient, driven by Government initiatives to diversify the economy through manufacturing, logistics, and warehousing. Industrial yields in Botswana remain among the highest in Sub-Saharan Africa, ranging between 7.5% to 8.5%, with prime rental properties benefiting from this favourable environment. Our industrial portfolio, strategically located in key hubs such as Gaborone and Lobatse, is well-positioned to capitalise on these trends. Our industrial assets span a diverse range of properties, such as the 22,000 square meters occupied by Global Holdings and Kromberg, which serve as logistical and manufacturing centers. The property portfolio benefits from stable demand, reflected in a low vacancy rate of 1% as of July 2024, down from 3% in the previous year, highlighting the sector's continued strength.

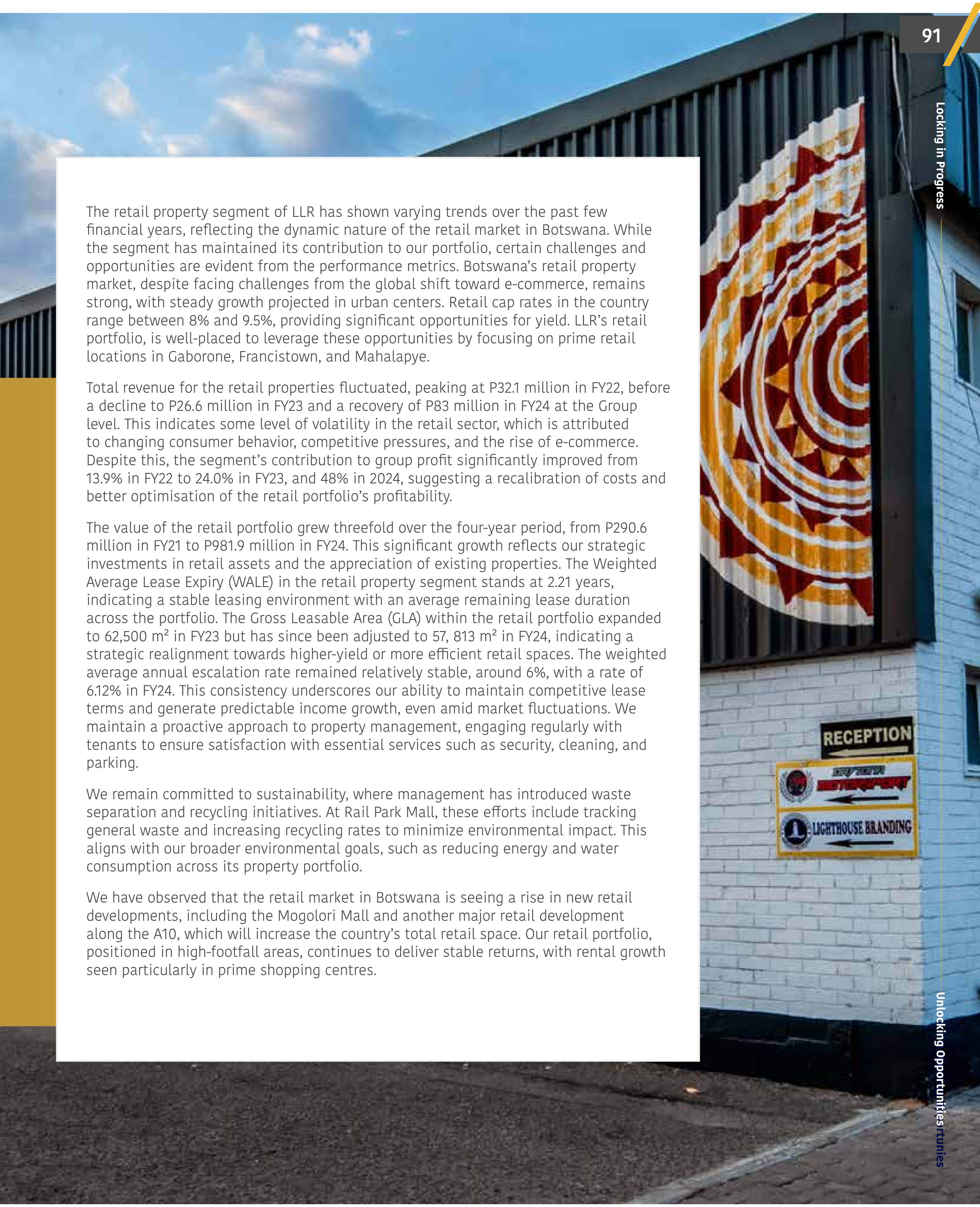
In the industrial property segment, we have demonstrated a consistent and stable performance across key indicators, underscoring the segment's strategic importance to the overall portfolio. The steady growth in total revenue of the industrial portfolio, rising from P81.5 million in FY23 to P90.3 million in FY24 at Group level highlights our ability to secure and retain tenants in the industrial space, even as the broader economic environment fluctuates. This rise in revenue has significantly contributed to group profit and this performance is particularly notable considering the segment's ability to weather market dynamics while maintaining its share in group profitability.

One of our strengths in the industrial portfolio lies in the Weighted Average Lease Expiry (WALE), which increased from 3.2 years in FY22 to 3.6 years in FY24. This significant improvement signals long-term lease commitments and tenant stability, reducing the risks associated with high tenant turnover.

In terms of lease agreements, the weighted average annual escalation rate stood at 6.76% for FY24, a reflection of our responsiveness to market conditions and competitive pricing strategies. This level of escalation still ensures that the portfolio remains profitable while staying attractive to potential tenants. The low vacancy rates and stable tenant mix also indicate that the industrial segment will continue to play a pivotal role in our growth strategy.

As Botswana continues to drive industrial diversification, particularly in the manufacturing and diamond mining sectors, our portfolio is positioned to thrive. We have also focused on property management by ensuring tenants are engaged through periodic briefings on energy and water consumption, contributing to operational efficiency across its industrial portfolio. Additionally, the introduction of waste management initiatives, which include waste separation systems, demonstrates our commitment to aligning the Company's operations with environmental sustainability. Our commitment to enhancing property value is evident in the redevelopment of lot 14555, adding a GLA of 2089m² with 50% of the new space already let out and high tenant interest in the remaining portion, our ability to attract and retain high-quality tenants further solidifies our strong market positioning. This investment in property upgrades, coupled with favorable market conditions supports LLR's long-term value creation in the industrial sector.





The retail property segment of LLR has shown varying trends over the past few financial years, reflecting the dynamic nature of the retail market in Botswana. While the segment has maintained its contribution to our portfolio, certain challenges and opportunities are evident from the performance metrics. Botswana's retail property market, despite facing challenges from the global shift toward e-commerce, remains strong, with steady growth projected in urban centers. Retail cap rates in the country range between 8% and 9.5%, providing significant opportunities for yield. LLR's retail portfolio, is well-placed to leverage these opportunities by focusing on prime retail locations in Gaborone, Francistown, and Mahalapye.

Total revenue for the retail properties fluctuated, peaking at P32.1 million in FY22, before a decline to P26.6 million in FY23 and a recovery of P83 million in FY24 at the Group level. This indicates some level of volatility in the retail sector, which is attributed to changing consumer behavior, competitive pressures, and the rise of e-commerce. Despite this, the segment's contribution to group profit significantly improved from 13.9% in FY22 to 24.0% in FY23, and 48% in 2024, suggesting a recalibration of costs and better optimisation of the retail portfolio's profitability.

The value of the retail portfolio grew threefold over the four-year period, from P290.6 million in FY21 to P981.9 million in FY24. This significant growth reflects our strategic investments in retail assets and the appreciation of existing properties. The Weighted Average Lease Expiry (WALE) in the retail property segment stands at 2.21 years, indicating a stable leasing environment with an average remaining lease duration across the portfolio. The Gross Leasable Area (GLA) within the retail portfolio expanded to 62,500 m² in FY23 but has since been adjusted to 57, 813 m² in FY24, indicating a strategic realignment towards higher-yield or more efficient retail spaces. The weighted average annual escalation rate remained relatively stable, around 6%, with a rate of 6.12% in FY24. This consistency underscores our ability to maintain competitive lease terms and generate predictable income growth, even amid market fluctuations. We maintain a proactive approach to property management, engaging regularly with tenants to ensure satisfaction with essential services such as security, cleaning, and parking.

We remain committed to sustainability, where management has introduced waste separation and recycling initiatives. At Rail Park Mall, these efforts include tracking general waste and increasing recycling rates to minimize environmental impact. This aligns with our broader environmental goals, such as reducing energy and water consumption across its property portfolio.

We have observed that the retail market in Botswana is seeing a rise in new retail developments, including the Mogolori Mall and another major retail development along the A10, which will increase the country's total retail space. Our retail portfolio, positioned in high-footfall areas, continues to deliver stable returns, with rental growth seen particularly in prime shopping centres.

Consolidated Financial Statements

for the year ended 30 June 2024

The reports and statements set out below comprise the consolidated financial statements presented to the shareholder

The following supplementary information does not form part of the consolidated financial statements and is unaudited


CHOPPIES

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of Botswana to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 30 June 2025 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated financial statements. The consolidated financial statements have been examined by the group's external auditors and their report is presented on pages 97 to 101.

The consolidated financial statements set out on pages 101 to 263, which have been prepared on the going concern basis, were approved by the board of directors on 23 September 2024 and were signed on their behalf by:

Approval of financial statements

Director

Director

Directors' Report

The directors have pleasure in submitting their report on the consolidated financial statements of Letlole La Rona Limited and the group for the year ended 30 June 2024.

1. Stated Capital and Debentures

The Stated Capital of the company consists of 280 000 000 linked units, each comprising one ordinary share and one variable debenture which are indivisibly linked. Each linked unit comprises an ordinary share issued at P0.01 and one variable rate unsecured debenture issued at P1.49. The yield on the unit comprises a dividend on the share component and interest on the debenture component of the linked unit.

During the current year, the company acquired an additional 25% shareholding in JTTM Properties (Proprietary) Limited (JTTM) in October 2023, the holding company of Railpark Mall, which resulted in JTTM becoming a subsidiary of the Company at a shareholding of 57.79%. This resulted in a goodwill of P 3 986 858 arising from the acquisition. There have been no material changes to the nature of the group's business from the prior year, which is engaged in property investment and deriving revenue primarily from property rentals.

2. Financial statements

The operating results for the year ended 30 June 2024 and state of affairs of the company are fully set out in the attached annual financial statements. In line with International Reporting Standards (IFRS), the group will be presenting its first set of group financial statements which comprise of the company and group related results.

3. Linked Units Distribution Policy

Distribution to linked unit holders is primarily in the form of debenture interest. The company has adopted the policy of distributing profits to linked unit holders by means of debenture interest payments with a nominal amount being dividends. The directors intend to ensure that rolling over any period of three consecutive financial years the company will distribute at least 80% of available cash after prudent retention and provision for foreseeable capital expenditure and cash flow requirements as per the Trust Deed of the company.

The following distributions were paid/declared during the year:

30 June 2024	Debenture interest (thebe)	Dividend (thebe)	Total thebe)
Interim-paid	9.06	0.05	9.11
Final declared	5.24	0.05	5.29
	14.30	**0.10**	**14.40**

30 June 2023	Debenture interest (thebe)	Dividend (thebe)	Total thebe)
Interim-paid	9.06	0.05	9.11
Final declared	10.58	0.05	10.63
	19.64	**0.10**	**19.74**

Directors' Report

4. Directors

The directors in office at the date of this report are as follows:

Directors

Khuto Balosang
Mooketsi Maphane
Katso Gaobakwe
Boikanyo Kgosidintsi
Zola Lupondwana

The were no appointments or resignations during the year under review.

5. Interests of Directors and Secretary

None of the Directors or Secretary who held office at 30 June 2024 had any interest in the company.

______________________	______________________
Director	**Director**

Grant Thornton

Chartered Accountants

Grant Thornton
Acumen Park, Plot 50370
Fairgrounds, Gaborone
P O Box 1157
Gaborone, Botswana

T +267 395 2313
F +267 397 2357

linkedin.com/company/Grant Thornton Botswana
twitter.com/GrantThorntonBW

Independent Auditor's Report

To the unit holders of Letlole La Rona Limited

Opinion

We have audited the consolidated and separate annual financial statements of Letlole La Rona Limited set out on pages 11 to 68, which comprise the consolidated and separate statement of financial position as at 30 June 2024, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the annual financial statements, including material accounting policy information.

In our opinion, the consolidated and separate annual financial statements give a true and fair view of, the consolidated and separate financial position of Letlole La Rona Limited as at 30 June 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the annual financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and the report below is not intended to constitute separate opinions on those key audit matters.

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Botswana Accountancy Oversight Authority registration number: FAP 006 2024 (Audit Firm of Public Interest Entity)
Botswana Institute of Chartered Accountants membership number: MeFBW1013 (Non-Audit)

Partners
Kalyanaraman Vijay (Managing), Aswin Vaidyanathan*, Madhavan Venkatachary*, Anthony Quashie, Sunny K Mulakulam*, Aparna Vijay* (*Indian)

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Key audit matter	How the matter was addressed in our audit
Valuation of the investment property	
The Group owns a portfolio of retail, residential and commercial property valued P1 808 562 001 (company: P1 039 281 234), disclosed under note 15 of the consolidated and separate annual financial statements. The valuation of these property portfolios requires significant judgement and is underpinned by assumptions including estimated future rentals and yields. The values of these properties are determined using valuation experts in the field of real estate valuations. For the purpose of our audit, we identified the valuation of investment property as a key audit matter due to the significance of the balance to the consolidated and separate financial statements as a whole and the estimates and judgements associated with determining the fair value. Disclosures on the investment properties are under note 15 of the consolidated and separate annual financial statements.	We met with the management experts to discuss and understand the method of valuation, estimates and criteria used in arriving at the values. We evaluated the appropriateness of the valuation methods used, by comparison to valuation methods used by other similar companies with property portfolio. We found the models (discounted cashflow and net income model) to be appropriate and the capitalisation rates were comparable to market rates and those used in the prior year. We tested a selection of data inputs underpinning the investment property valuation, including rental income, tenancy schedules and capitalisation rates, against appropriate supporting documentation, to assess the accuracy, reliability and completeness thereof. As per Group instructions provided, the component auditors assessed the integrity of the information provided to the valuers and management experts and through audit procedures evaluated the assumptions used in the valuations. We also performed an independent assessment of property values using discounted cash flows, net income, comparable market values and determination of cap rates for few properties and compared it against what was determined by the management experts. The values arrived at by the management experts were deemed reasonable as it was with the range of acceptable variations. We assessed the competence, independence and integrity of the management experts both, external and internal who were involved in the valuations. Wherever applicable, the audit engagement teams discussed and reviewed the terms of engagement with external valuers to determine that there were no matters that affected their independence and objectivity or imposed scope limitations upon them. We confirmed that the

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	approaches they used are consistent with IFRS and industry norms. We have assessed the reasonability of net income used in the valuation model by reviewing of the budgets for the succeeding 12 months budgets and testing the reasonableness of assumptions made to consider. From our independent audit, the property values recorded appear to be reasonable and supported by appropriate judgements and estimates.

Other Information

The directors are responsible for the other information. The other information comprises the directors' responsibility and approval of the annual financial statements, as required by the Companies Act (CAP 42:01), which we obtained prior to the date of this auditor's report and the Integrated Annual Report which is expected to be made available to us after the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated and Separate Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate annual financial Statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated and Separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and /or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the subsidiaries or business activities within the Group to express an opinion on the consolidated and separate annual financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated and separate annual financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Firm of Certified Auditors
Practicing member: Sunny Mulakulam (CAP 0034 2024)

23 SEPT 2024
Gaborone

Statement of Profit or Loss and Other Comprehensive Income

		Group	Company	
Figures in Pula	**Note(s)**	**2024**	**2024**	**2023**
Continuing operations				
Revenue	4	173 184 059	110 081 354	102 146 703
Other income	5	3 457 574	4 860 917	1 612 156
Other operating gains	6	887 953	887 953	10 897 813
Movement in credit loss allowances	7	(100 062 211)	(101 119 789)	1 508 589
Administrative expenses	7	(38 172 571)	(34 676 140)	(31 889 850)
Property related expenses	7	(24 456 957)	(8 667 373)	(9 821 667)
Investment income	5	3 452 890	12 413 770	-
Operating profit (loss)		**18 290 737**	**(16 219 308)**	**74 453 744**
Finance income	8	8 518 873	8 051 166	20 734 401
Finance costs	9	(50 263 069)	(40 588 309)	(34 476 270)
Share of profit from equity accounted investments	10	9 248 353	9 248 353	12 509 443
Fair value adjustment of investment properties	11	54 781 753	44 367 475	46 097 737
Gain on disposal of investment in associate	12	6 047 948	6 047 948	-
Impairment of investment in associate	13	(5 535 335)	(5 535 335)	-
Profit before taxation		**41 089 260**	**5 371 990**	**119 319 055**
Taxation	14	(19 655 030)	(17 942 800)	(18 136 185)
Profit (loss) from continuing operations		**21 434 230**	**(12 570 810)**	**101 182 870**
Discontinued operations				
Profit from discontinued operations		4 752 048	4 752 048	9 118 449
Profit (loss) for the year		**26 186 278**	**(7 818 762)**	**110 301 319**
Other comprehensive income		-	-	-
Total comprehensive income (loss) for the year		**26 186 278**	**(7 818 762)**	**110 301 319**
Profit (loss) attributable to:				
Owners of the parent:				
From continuing operations		3 294 529	(12 570 810)	101 182 870
From discontinued operations		4 752 048	4 752 048	9 118 449
		8 046 577	**(7 818 762)**	**110 301 319**
Non-controlling interest:				
From continuing operations		18 139 701	-	-
Total comprehensive income (loss) attributable to:				
Owners of the parent		8 046 577	(7 818 762)	110 301 319
Non-controlling interest		18 139 701	-	-
		26 186 278	**(7 818 762)**	**110 301 319**
Per linked unit information				
Earnings per linked unit				
Basic earnings per linked unit (thebe) from continuing operations	34	10.80	(1.35)	40.46
Basic earnings per linked unit (thebe) from discontinued operations	34	1.70	1.70	3.26
		12.50	**0.35**	**43.72**
Distribution, dividends and debenture interest per linked unit				
Dividend per linked unit (thebe)	35	0.10	0.10	0.10
Debenture interest per linked unit (thebe)	35	14.30	14.30	19.64
Distribution per linked unit (thebe)		**14.40**	**14.40**	**19.74**

Statement of Financial Position

		Group	Company	
Figures in Pula	**Note(s)**	**2024**	**2024**	**2023**
Assets				
Non-Current Assets				
Property, plant and equipment	18	1 616 074	1 272 976	1 607 628
Right-of-use assets	19	3 110 000	3 110 000	98 348
Investment property	15	1 776 202 680	1 017 413 813	967 983 900
Goodwill	16	3 986 858	-	-
Investments in subsidiaries	17	-	340 322 482	-
Investments in associates	21	51 460 533	51 460 533	234 624 422
Loans to group companies	22	3 736 493	3 736 493	99 224 484
Investments at fair value	23	6 250 000	6 250 000	6 250 000
Operating lease asset	24	32 369 942	21 867 421	20 716 721
Deferred tax	32	9 359 383	9 359 383	12 843 591
Deferred tax taxation recoverable - related party	20	3 095 461	3 095 461	3 200 048
		1 891 187 424	**1 457 888 562**	**1 346 549 142**
Current Assets				
Other financial assets	25	81 043 289	66 478 297	-
Trade and other receivables	26	15 152 911	8 970 815	6 091 038
Current tax receivable		7 574 819	5 239 976	2 992 181
Cash and cash equivalents	27	24 586 476	11 917 518	66 797 614
		128 357 495	**92 606 606**	**75 880 833**
Non-current assets held for sale	28	13 160 000	13 160 000	96 500 000
Total Assets		**2 032 704 919**	**1 563 655 168**	**1 518 929 975**
Equity and Liabilities				
Equity				
Equity Attributable to Equity Holders of Parent				
Stated capital	29	2 718 884	2 718 884	2 718 884
Debentures - Linked units	30	405 113 547	405 113 547	405 113 547
Retained income		461 418 018	466 572 573	505 885 904
		869 250 449	**874 405 004**	**913 718 335**
Non-controlling interest	17	253 355 299	-	-
		1 122 605 748	**874 405 004**	**913 718 335**
Liabilities				
Non-Current Liabilities				
Borrowings	31	697 717 704	563 613 402	476 346 426
Lease liabilities	19	2 655 863	2 655 863	-
Deferred tax	32	147 789 002	75 176 493	69 626 596
		848 162 569	**641 445 758**	**545 973 022**
Current Liabilities				
Trade and other payables	33	39 596 184	26 353 810	24 111 238
Borrowings	31	6 921 775	6 031 953	5 237 180
Lease liabilities	19	619 965	619 965	126 200
Debenture interest and dividend payable	35	14 798 678	14 798 678	29 764 000
		61 936 602	**47 804 406**	**59 238 618**
Total Liabilities		**910 099 171**	**689 250 164**	**605 211 640**
Total Equity and Liabilities		**2 032 704 919**	**1 563 655 168**	**1 518 929 975**

Statement of Changes in Equity

Figures in Pula	Stated capital	Debentures	Retained income	Total attributable to equity holders	Non-controlling interest	Total equity
Group						
Balance at 1 July 2023	**2 718 884**	**405 113 547**	**505 885 904**	**913 718 335**	**-**	**913 718 335**
Profit for the year	-	-	8 046 577	8 046 577	18 139 701	26 186 278
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**8 046 577**	**8 046 577**	**18 139 701**	**26 186 278**
Taxation attributable to debenture interest	-	-	8 804 109	8 804 109	-	8 804 109
Acquisition of business	-	-	(21 019 894)	(21 019 894)	245 660 661	224 640 767
Dividends and debenture interest declared (Note 35)	-	-	(40 298 678)	(40 298 678)	(10 445 063)	(50 743 741)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(52 514 463)**	**(52 514 463)**	**235 215 598**	**182 701 135**
Balance at 30 June 2024	**2 718 884**	**405 113 547**	**461 418 018**	**869 250 449**	**253 355 299**	**1 122 605 748**
Note(s)	29	30				
Company						
Balance at 1 July 2022	**2 718 884**	**405 113 547**	**438 752 105**	**846 584 536**	**-**	**846 584 536**
Profit for the year	-	-	110 301 319	110 301 319	-	110 301 319
Taxation attributable to debenture interest	-	-	12 096 480	12 096 480	-	12 096 480
Dividends and debenture interest declared (Note 35)	-	-	(55 264 000)	(55 264 000)	-	(55 264 000)
Balance at 1 July 2023	**2 718 884**	**405 113 547**	**505 885 904**	**913 718 335**	**-**	**913 718 335**
Loss for the year	-	-	(7 818 762)	(7 818 762)	-	(7 818 762)
Taxation attributable to debenture interest	-	-	8 804 109	8 804 109	-	8 804 109
Dividends and debenture interest declared (Note 35)	-	-	(40 298 678)	(40 298 678)	-	(40 298 678)
Balance at 30 June 2024	**2 718 884**	**405 113 547**	**466 572 573**	**874 405 004**	**-**	**874 405 004**
Note(s)	29	30				

Statement of Cash Flows

		Group	Company	
Figures in Pula	**Note(s)**	**2024**	**2024**	**2023**
Cash flows from operating activities				
Profit before taxation		41 089 260	5 371 990	119 319 055
Adjustments for non-cash items:				
Depreciation and impairment		6 748 883	7 028 066	1 372 579
Losses on sale of plant and equipment		-	-	35 722
Gains on sale of investment in associate		(6 047 948)	(6 047 948)	-
Gains on exchange differences		(1 584 353)	(1 584 353)	-
Fair value gains (excluding straightlining adjustmet)		(55 932 453)	(45 518 175)	(46 268 986)
Movement in credit loss allowances		100 062 211	101 119 789	(1 508 589)
Changes in operating lease assets		(7 852 957)	(1 150 700)	(164 240)
Lease modification		277 674	277 674	-
Share of profit or loss of equity accounted investments		(9 248 353)	(9 248 353)	(12 509 443)
Other non-cash item included in profit or loss		(2 792 776)	-	-
Interest and investment income		(11 971 763)	(20 464 936)	(20 734 401)
Finance costs		50 263 069	40 588 309	34 476 270
Changes in working capital:				
(Increase) decrease in trade and other receivables		(2 607 215)	(3 593 430)	2 597 271
Increase (decrease) in trade and other payables		6 235 366	2 242 577	(3 829 492)
Cash generated from operations		**106 638 645**	**69 020 510**	**72 785 746**
Tax paid	38	(2 439 991)	(2 393 621)	(1 080 590)
Cash flows of discontinued operations		4 752 048	4 752 048	9 118 449
Cash flows from non-current assets held for sale		83 340 000	83 340 000	-
Net cash from operating activities		**192 290 702**	**154 718 937**	**80 823 605**
Cash flows from investing activities				
Purchase of property, plant and equipment	18	(643 132)	(462 172)	(1 271 345)
Proceeds from sale of property, plant and equipment		20 334	20 334	3 881
Purchases of investment property	15	(6 119 110)	(4 933 619)	(14 817 394)
investment in subsidiary	21	(149 485 917)	(149 485 917)	-
investment in associate		-	-	(8 108 689)
Cash received on business combinations	42	15 661 631	-	-
Cash receipts on repayments of loans to group companies	22	(4 918 145)	(4 918 145)	(99 224 484)
Cash receipts on repayments of loans receivable (at amortised cost)	25	(81 043 289)	(66 478 297)	-
Purchases of investments at fair value		2 792 776	(74 103)	-
Other receivable		-	-	26 620 370
Interest and investment income	5&8	11 971 763	20 464 936	20 734 401
Dividends received	8	3 052 423	3 052 423	3 080 445
Net cash from investing activities		**(208 710 666)**	**(202 814 560)**	**(72 982 815)**
Cash flows from financing activities				
Repayments of loans from group companies		1 606 558	1 606 558	-
Repayments of borrowings	31	(30 825 129)	(31 938 251)	(2 534 548)
Cash advances received on borrowings	31	120 000 000	120 000 000	8 000 000
Cash repayments on lease liabilities	19	(578 265)	(578 265)	(722 018)
Dividends paid to non-controlling interest	36	(10 445 063)	-	-
Finance costs	9	(50 263 069)	(40 588 309)	(34 476 270)
Dividends paid	36	(55 264 000)	(55 264 000)	(53 584 000)
Net cash from financing activities		**(25 768 968)**	**(6 762 267)**	**(83 316 836)**

Statement of Cash Flows
(continued)

		Group	Company	
Figures in Pula	**Note(s)**	**2024**	**2024**	**2023**
Total cash movement for the year		**(42 188 932)**	**(54 857 890)**	**(75 476 046)**
Cash and cash equivalents at the beginning of the year		66 797 614	66 797 614	142 273 660
Profit on foreign exchange on cash and cash equivalents		(22 206)	(22 206)	-
Cash and cash equivalents at the end of the year	27	**24 586 476**	**11 917 518**	**66 797 614**

Material Accounting Policies

Corporate information
Letlole La Rona Limited is a public limited company incorporated and domiciled in Botswana.

1. Material accounting policies
Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these consolidated financial statements.

1.1 Basis of preparation
The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these consolidated financial statements.

The consolidated financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Pula, which is the group and company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

1.2 Segmental reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating-decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments. A segment is a distinguishable component of a company that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. The company's primary segment is based on business segments. There are no secondary segments. The business segments are determined based on the company's management and internal reporting structure.

On a primary basis, the company operates in the following segments:

- Industrial;
- Commercial and retail;
- Residential

1.3 Consolidation

Basis of consolidation
The consolidated financial statements incorporate the consolidated financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group.

The results of subsidiaries are included in the consolidated financial statements from the date of obtaining control until the date that control is lost.

The accounting policies of all subsidiaries are the same as those of the parent.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non- controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Investments in subsidiaries in the separate financial statements

Investments in subsidiaries are carried at cost less any accumulated impairment losses in the separate financial statements.

Material Accounting Policies
(continued)

1.3 Consolidation (continued)

Business combinations
The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non- controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

1.4 Significant judgements and sources of estimation uncertainty
The preparation of consolidated financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Impairment of financial assets
The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Fair value estimation
Several assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note 15 and note 40.

Impairment testing
The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment
Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

Material Accounting Policies
(continued)

1.4 Significant judgements and sources of estimation uncertainty (continued)

Taxation
Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.5 Revenue and income
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is significantly earned from rental income and is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer credits and other similar allowances.

Rental Income
Rental income from operating leases is recognised in the statement of comprehensive income on a straight line basis over the term of the relevant leases.

Other Operating Revenue
Other operating revenue comprises utility expenses, service levies and other costs recovered from tenants.

Interest Revenue
Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. This is presented as finance income.

1.6 Translation of foreign currencies

Foreign currency transactions
A foreign currency transaction is recorded, on initial recognition in Pula, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Cash flows arising from transactions in a foreign currency are recorded in Pula by applying to the foreign currency amount the exchange rate between the Pula and the foreign currency at the date of the cash flow.

Refer to the individual accounting policies for financial instruments for the detailed foreign exchange accounting policies.

1.7 Employee benefits

Short-term employee benefits
Short-term employee benefits, which consist of paid annual leave and sick leave, bonuses, and medical aid, are recognised in the period in which the service is rendered and are not discounted.

1.8 Borrowing costs
All borrowing costs are recognised as an expense in the period in which they are incurred.

Material Accounting Policies
(continued)

1.9 Tax

Current tax assets and liabilities
Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates that have been enacted by the end of the reporting period.

Deferred tax assets and liabilities
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expenses
The income tax expense consists of current and deferred tax and is recognised in profit or loss. Tax arising on a business combination is not included in profit or loss.

1.10 Investment property
Investment property consists of land and buildings including undeveloped land. These properties are held to earn rentals and for capital appreciation rather than being occupied by the group.

Investment property is initially recognised at cost, including transaction costs.

Cost for additions to or replacement of parts of investment property, are included in the costs of the investment property when they will result in future economic benefits. The carrying amount of replaced parts are derecognised.

Subsequent to initial measurement, investment property is measured at fair value, with changes in fair value recognised in profit or loss in the period in which it arises.

Gains or losses arising from a change in fair value, as well as gains or losses on disposal of investment property are included in profit or loss for the period in which they arise.

1.11 Work in progress
Properties in the course of construction or development for use as investment properties are carried at cost, less any recognised impairment loss. Cost includes construction costs, professional fees and for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

Material Accounting Policies
(continued)

1.12 Property, plant and equipment
Property, plant and equipment is initially measured at cost.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	6-7 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	6-7 years
IT equipment	Straight line	4 years
Computer software	Straight line	4 years
Leasehold improvements	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting . No material changes were made.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.13 Leases
The group assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Group as lessee
A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability
Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Right-of-use assets
Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated, from commencement date, over the shorter period of lease term and useful life of the underlying asset.

The useful lives of right-of-use assets are presented in the following table:

Material Accounting Policies
(continued)

1.13 Leases (continued)

Item	Depreciation method	Average useful life
Buildings	Straight line	Lease period

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

1.14 Investments in associates

Investments in associates are carried at cost less any accumulated impairment losses.

1.15 Goodwill

Goodwill is initially recognised and measured as set out in accounting policy note 1.3 business combinations, above.

Goodwill is not amortised but is reviewed for impairment at least annually, and when there are indicators of impairment. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or Groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.16 Financial instruments

Financial instruments are recognised when the group becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The material accounting policies for each type of financial instrument held by the group are presented below:

Loans to related parties receivable at amortised cost

Management have assessed and classified loans to related parties as financial assets at amortised cost.

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan in the application of the effective interest method. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Refer to the loss allowances and write offs accounting policy for impairment of loans receivable.

Debt instruments at fair value through other comprehensive income

They are measured at fair value, with the difference, at reporting date, between the amortised cost and the fair value being recognised in other comprehensive income and accumulated in equity in the reserve for valuation of financial instruments.

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.

Although these instruments are measured at fair value, interest income is recognised on them using the effective interest method, and is included in profit or loss.

Refer to the loss allowances and write offs accounting policy for impairment of debt instruments at fair value through other comprehensive income.

Material Accounting Policies
(continued)

1.16 Financial instruments (continued)

On derecognition, the cumulative gain or loss on that instrument which was previously accumulated in equity in the reserve for valuation of financial instruments is reclassified to profit or loss.

Trade and other receivables
Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

Impairment - Expected credit losses and write offs
A provision matrix is used as a practical expedient when determining expected credit losses. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The group writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the group's recovery procedures. Any recoveries made are recognised in profit or loss.

Investments in equity instruments
They are subsequently measured at fair value, with fair value gains or losses recognised in profit or loss. Details of the valuation policies and processes are presented in note 40.

Dividends received on equity investments are recognised in profit or loss when the group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Borrowings
Borrowings are classified as financial liabilities subsequently measured at amortised cost.

Interest expense on borrowings is calculated on the effective interest method, and is included in profit or loss.

Trade and other payables
Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Cash and cash equivalents
Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Material Accounting Policies
(continued)

1.16 Financial instruments (continued)

Derecognition

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The group derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities are not reclassified.

1.17 Non-current assets (disposal groups) held for sale or distribution to owners

Investment property is a disposal group that management has committed to sell within one year in its present condition. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The assets are not depreciated while classified in this manner.

1.18 Impairment of assets

Management assesses, at the end of each reporting period, whether there is any indication that investment in associates and investment property may be impaired. If any such indication exists, then the recoverable amount of the asset is determined.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

Goodwill is tested for impairment annually by allocating it to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination.

An impairment loss is recognised for an asset (or a cash-generating unit) if the recoverable amount of the asset or cash generating unit is less than the carrying amount. The impairment loss is determined as the difference between the two amounts. For cash generating units, the impairment loss is allocated to reduce the carrying amount of goodwill included in the cash- generating unit and then to the other assets on a pro-rata basis.

Impairment losses are recognised immediately in profit or loss, except for impairment losses of revalued assets, which are treated as a revaluation decrease.

1.19 Provisions and contingencies

The group recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the group will be required to settle the obligation.

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

Material Accounting Policies
(continued)

1.20 Stated capital and equity
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments, which comprise stated capital and variable rate unsecured debentures, are recognised at the proceeds received, net of direct issue costs.

Other components of equity include retained earnings which includes all current and prior period retained profits. All transactions with owners of the parent are recorded separately within equity.

Distribution to linked unit holders is recognised as a liability in the company's financial statements in the period in which the distribution is approved by the board.

1.21 Related party
Related parties are defined as those parties:

a) directly, or indirectly through one or more intermediaries, if the party:

1. controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
2. has an interest in the entity that gives it significant influence over the entity; or

b) that are members of the key management personnel of the entity, including close members of the family.

Material Accounting Policies
(continued)

2. Changes in accounting policy

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Disclosure of accounting policies: Amendments to IAS 1 and Practice Statement 2

The group adopted the amendments to IAS 1 and Practice Statement 2, which now require that only material accounting policy information shall be disclosed in the annual financial statements. The amendment did not result in changes to measurement or recognition of financial statement items, but management reviewed the accounting policies and made changes to ensure that only material accounting policy information is disclosed.

The group has replaced 'significant' with 'material' accounting policy information that impacts the accounting policy disclosures of the group. The group has carefully considered whether "standardised information, or information that only duplicates or summarises the requirements of the IFRSs" is material information and, if not, has removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

International tax reform - Pillar two model rules - amendments to IAS 12

The amendments incorporate into IAS 12, taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. As an exception, deferred tax assets and liabilities shall not be recognised, nor information about them disclosed related to Pillar Two income taxes. Disclosures about applying this exception to deferred tax are required. Any current tax income or expense related to Pillar Two income taxes is required to be disclosed separately. In addition, where the legislation is enacted or substantively enacted, but not yet in effect, management are required to disclose known or reasonably estimable information of the entity's exposure to Pillar Two taxes arising from that legislation.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The group has adopted the amendment for the first time in the 2024 consolidated financial statements.

The impact of the amendment is not material.

Initial application of IFRS 17 and IFRS 9 - Comparative information

A narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated financial statements.

The impact of the amendment is not material.

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

Material Accounting Policies
(continued)

3. Changes in accounting policy (continued)

The effective date of the amendment is for years beginning on or after 1 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated financial statements.

The impact of the amendment is not material.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2
IAS 1 was amended to require that only material accounting policy information shall be disclosed in the consolidated financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated financial statements.

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

Definition of accounting estimates: Amendments to IAS 8
The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in consolidated financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 1 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated financial statements.

The impact of the amendment is not material.

IFRS 17 Insurance Contracts
The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.

The effective date of the standard is for years beginning on or after 1 January 2023.

The group expects to adopt the standard for the first time in the 2024 consolidated financial statements.

The impact of the standard is not material.

3.2 Standards and interpretations not yet effective
The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 July 2024 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

Material Accounting Policies
(continued)

3. Changes in accounting policy (continued)

Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non- exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for years beginning on or after 1 January 2025.

The group expects to adopt the amendment for the first time in the 2026 consolidated financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

Supplier finance arrangements - amendments to IAS 7 and IFRS 7

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The group expects to adopt the amendment for the first time in the 2025 consolidated financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The group expects to adopt the amendment for the first time in the 2025 consolidated financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The group expects to adopt the amendment for the first time in the 2025 consolidated financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

Material Accounting Policies
(continued)

3. Changes in accounting policy (continued)

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1
The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 1 January 2024.

It is unlikely that the amendment will have a material impact on the company's consolidated financial statements.

IFRS: S1 General Requirements for Disclosure of Sustainability-related Financial Information
The objective of IFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S1 requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S1 prescribes how an entity prepares and reports its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to users in making decisions relating to providing resources to the entity.

IFRS S1 sets out the requirements for disclosing information about an entity's sustainability-related risks and opportunities. In particular, an entity is required to provide disclosures about:

- the governance processes, controls and procedures the entity uses to monitor, manage and oversee sustainability- related risks and opportunities;
- the entity's strategy for managing sustainability-related risks and opportunities;
- the processes the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities; and
- the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

The effective date of the standard is for years beginning on or after 1 January 2024.

It is unlikely that the standard will have a material impact on the company's consolidated financial statements.

IFRS S2: Climate-related Disclosures
The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'climate related risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S2 applies to:

- climate-related risks to which the entity is exposed, which are climate-related transition risks; and
- climate-related opportunities available to the entity.

The effective date of the standard is for years beginning on or after 1 January 2024.

Material Accounting Policies
(continued)

3. Changes in accounting policy (continued)

It is unlikely that the standard will have a material impact on the company's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows.The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and

The effective date of the standard is for years beginning on or after 1 January 2027.

It is unlikely that the standard will have a material impact on the company's consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
FRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

The effective date of the standard is for years beginning on or after 1 January 2027.

It is unlikely that the standard will have a material impact on the company's consolidated financial statements.

Notes To The Consolidated Financial Statements

		Group	Company	
Figures in Pula	**Note(s)**	**2024**	**2024**	**2023**
4. Revenue				
Revenue from contracts with customers				
Contractual income		161 134 720	104 809 712	98 731 227
Straightline lease rental adjustment		(1 642 076)	1 224 803	59 457
Operating cost recoveries		13 691 415	4 046 839	3 356 019
		173 184 059	**110 081 354**	**102 146 703**
5. Other income				
Administration and management fees received		10 800	2 321 638	50 400
Investment income - Debenture interest		3 452 890	12 413 770	-
Bad debts recovered		3 000	3 000	483 137
Operating cost recoveries		2 536 279	2 536 279	767 813
Other income		907 495	-	6 611
Insurance claim		-	-	304 195
		6 910 464	**17 274 687**	**1 612 156**
6. Other operating gains (losses)				
Gains (losses) on disposals				
Property, plant and equipment	18	-	-	(35 722
Foreign exchange gains				
Net foreign exchange gains		887 953	887 953	10 933 535
Total other operating gains		**887 953**	**887 953**	**10 897 813**
7. Operating profit				
Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external				
Audit fees		1 104 844	614 514	453 200
Employee costs				
Salaries, wages, bonuses and other benefits		19 818 263	19 642 100	15 519 644
Depreciation and amortisation				
Depreciation of property, plant and equipment		497 307	776 490	767 388
Depreciation of right-of-use assets		716 241	716 241	605 191
Total depreciation and amortisation		**1 213 548**	**1 492 731**	**1 372 579**

Notes to the Consolidated Financial Statements
(continued)

		Group	Company	
Figures in Pula	**Note(s)**	**2024**	**2024**	**2023**
7. Operating profit (continued)				
Movement in credit loss allowances		(343 925)	713 653	(1 508 589)
Trade and other receivables		100 406 136	100 406 136	-
Loans to related company		**100 062 211**	**101 119 789**	**(1 508 589)**
Other				
Consulting and professional fees		3 512 972	3 335 996	3 487 314
Insurance		1 317 901	997 839	1 109 514
Security		2 839 361	1 549 752	2 009 522
Assessment rates		1 381 877	886 877	927 745
Legal expenses		1 749 112	441 027	746 506
Repairs and maintenance		1 817 310	760 425	2 536 263
		12 618 533	**7 971 916**	**10 816 864**
8. Finance income				
Interest income				
Investments in financial assets:				
Bank and other cash		4 455 725	3 988 018	3 136 113
Debenture interest: Related party interest		-	-	13 764 343
Loans to group companies:				
Related party interest - LLR		4 063 148	4 063 148	3 833 945
Total interest income		**8 518 873**	**8 051 166**	**20 734 401**
9. Finance costs				
Lease liabilities		184 654	184 654	32 781
Bank borrowings and interest		50 078 415	40 403 655	34 443 489
Total finance costs		**50 263 069**	**40 588 309**	**34 476 270**
10. Share of profit from equity accounted investments				
Investment in associate		9 248 353	9 248 353	12 509 443

Notes to the Consolidated Financial Statements
(continued)

Figures in Pula	Note(s)	Group 2024	Company 2024	Company 2023
11. Fair value adjustment of investment properties				
Fair value gains				
Investment property	15	53 139 677	45 592 278	46 157 194
Straightline lease adjustment		1 642 076	(1 224 803)	(59 457)
		54 781 753	**44 367 475**	**46 097 737**
12. Gain on disposal of investment in associate				
Gains on disposal				
Investments in associates		6 047 948	6 047 948	-
13. Impairment loss on investment in associate				
Impairment losses				
Impairment of investment in associate		(5 535 335)	(5 535 335)	-
14. Taxation				
Major components of the tax expense				
Current				
Income tax		104 587	104 587	-
Attributable to debenture interest credited to statement of changes in equity		8 804 109	8 804 109	12 096 480
		8 908 696	**8 908 696**	**12 096 480**
Deferred				
Arising from tax losses		758 868	758 868	(572 514)
Deferred tax charge		447 295	447 295	1 420 607
Deferred capital gains tax		9 644 757	7 932 527	4 320 509
Arising due to Capital gains tax recoverable from related party		(104 586)	(104 586)	871 103
		10 746 334	**9 034 104**	**6 039 705**
		19 655 030	**17 942 800**	**18 136 185**
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit		41 089 260	5 371 990	119 319 055
Tax at the applicable tax rate of 22% (2023: 22%)		9 039 637	1 181 838	26 250 192
Tax effect of adjustments on taxable income				
Effects of fair value surplus		(10 980 695)	(11 115 035)	(10 207 843)
Expenses not deductible for tax		27 825 501	27 788 002	173 248
Income from associate not subject to tax		-	(671 533)	(5 477 417)
Tax effect due to capital gains		-	(1 935 740)	5 169 117
Discontinued operations		2 661 963	2 695 268	2 228 888
Expenses allowed for tax purposes - debenture interest		(8 891 376)	-	-
		19 655 030	**17 942 800**	**18 136 185**

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**
15. Investment property			
At fair value			
Freehold properties	35 900 000	35 900 000	83 400 000
Leasehold properties	1 772 662 001	1 003 381 234	905 290 000
	1 808 562 001	1 039 281 234	988 690 000
Less: Straight line rental adjustment	(32 359 321)	(21 867 421)	(20 706 100)
	1 776 202 680	**1 017 413 813**	**967 983 900**
Reconciliation of fair value:			
At valuation	988 690 000	988 690 000	1 023 950 000
Straight line lease rental adjustment at the beginning of the year	(20 706 100)	(20 706 100)	(20 552 480)
Opening fair value	967 983 900	967 983 900	1 003 397 520
Additions (new acquisitions) during the year	755 611 070	-	-
Existing buildings (Refurbishment)	6 119 110	5 007 722	14 817 394
Disposals during the year	-	-	-
Transfers to non-current assets held for sale	(13 160 000)	-	(96 500 000)
Transfer from property, plant and equipment	1 873 779	-	-
Increase in fair value during the year	55 987 169	45 572 891	46 399 285
Straight line rental adjustment	1 787 652	(1 150 700)	(130 300)
	1 776 202 680	**1 017 413 813**	**967 983 900**

The fair value of the company's investment properties at 30 June 2024 has been arrived at on the basis of the open market value of the properties as at year end. The valuation was carried out by Knight Frank Botswana (Proprietary) Limited. Knight Frank Botswana (Proprietary) Limited are members of the Real Estate Institute of Botswana and are registered in terms of the Real Estate Professionals Act 2003. The valuations, which conform to International Valuation Standards, were carried out using the comparative and DCF methods (Discounted cashflows with reversion to market rentals).

JTTM Properties

The investment property was independently valued as of 31 March 2024 by Knight Frank Proprietary Limited. The property was valued in accordance with Statement of Asset Valuation Practice and Guidance Notes prepared by the MRICS (The Red Book) and an open market basis using investment method approach at a capitalisation rate of 8.7% (2023: 8.5%), assuming that the properties are not subject to any adverse easements, restrictive covenants or under provisions that would otherwise depress those values.

Directors performed a desktop valuation and note that the was no significant change to the market or conditions that could impact the fair value disclosed as at 31 March 2024.

Notes to the Consolidated Financial Statements
(continued)

Figures in Pula	Group 2024	Company 2024	Company 2023

15. Investment property (continued)

Details of property

Freehold land comprises of:

- Plot 6371 Lobatse
- Plot 54060 Gaborone
- Plot 2989 Gaborone

Leasehold properties comprises of:

- Plot 14398 Gaborone	50 year State Grant from 03 February 1984
- Plot 14453 Gaborone	50 year State Grant from 16 November 1984
- Plot 14454 Gaborone	50 year State Grant from 16 November 1984
- Plot 14455 Gaborone	50 year State Grant from 16 November 1984
- Plot 14457 Gaborone	50 year State Grant from 28 August 1989
- Plot 14458 Gaborone	50 year State Grant from 22 August 1986
- Plot 14459 Gaborone	50 year State Grant from 22 August 1986
- Plot 14460 Gaborone	50 year State Grant from 22 August 1986
- Plot 22033 Gaborone	99 year State Grant from 29 June 1992
- Plot 22038 Gaborone	50 year State Grant from 28 June 2002
- Plot 28911 Gaborone	50 year State Grant from 27 August 1989
- Plot 32084 Gaborone	50 year State Grant from 10 July 1995
- Plot 74204 Gaborone	50 year State Grant from 10 October 1997
- Plot 29052 Mahalapye	50 year State Grant from 21 March 2003
- Plot 64260 Gaborone	50 year State Grant from 23 September 2010
- Plot 69365 Gaborone	99 year State Grant from 10 October 1997
- Plot 69368 Gaborone	99 year State Grant from 09 February 1984
- Plot 69369 Gaborone	99 year State Grant from 09 February 1984
- Plot 22047 Gaborone	50 year State Grant from 09 February 1984
- Plot 4738 Gaborone	50 year State Grant from 30 August 1977
Subsidiary property details	
- Plot 4716 Gaborone	40 year State Grant from 10 March 2011

Operating leases receivable by the Company as a lessor relate to the investment properties owned by the company with lease terms of between 1 and 10 years. The lessees do not have an option to purchase the properties at the expiry of the lease period.

At the end of the reporting period the company had contracted with tenants for the following future minimum lease payments:

Figures in Pula	Group 2024	Company 2024	Company 2023
Minimum lease payments due			
- within one year	253 569 466	94 834 030	99 888 793
- in second to fifth year inclusive	560 390 246	239 293 274	194 042 230
- later than five years	96 551 242	96 551 242	15 270 878
	910 510 954	**430 678 546**	**309 201 901**
Amounts recognised in profit and loss for the year			
Rental income from investment property	(173 184 059)	(110 081 839)	(101 700 379)
Direct operating expenses from rental generating property	24 515 814	(8 667 373)	9 512 407
	(148 668 245)	**(118 749 212)**	**(92 187 972)**

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

16. Goodwill

Group

		2024	
	Cost	Accumulated impairment	Carrying value
Goodwill	3 986 858	-	3 986 858

Reconciliation of goodwill - Group - 2024

	Opening balance	Additions through business combinations	Total
Goodwill	-	3 986 858	3 986 858

Goodwill is not amortised but is tested for impairment annually and more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments of JTTM.

No impairment indicators were identified for JTTM. The recoverable amount of JTTM CGU was determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on most recent financial budgets approved by the directors covering a 1- year period from JTTM's financial year end to 31 March 2025.

17. Investments in subsidiaries

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

Name of company	Held by	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
JTTM Properties Proprietary Limited		57.79 %	- %	340 322 482	-

Subsidiaries with material non-controlling interests

The following information is provided for subsidiaries with non-controlling interests which are material to the reporting company. The summarised financial information is provided prior to intercompany eliminations.

Subsidiary	Country of incorporation	% Ownership interest held by non-controlling interest	
		2024	**2023**
JTTM Properties Proprietary Limited	Botswana	42.21 %	- %

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

17. Investments in subsidiaries (continued)

Summarised statement of financial position

	JTTM Properties Proprietary Limited
	2024
Assets	
Non-current assets	769 634 486
Current assets	35 750 889
Total assets	805 385 375
Liabilities	
Non-current liabilities	207 606 633
Current liabilities	220 849 007
Total liabilities	428 455 640
Total net assets (liabilities)	376 929 735
Carrying amount of non-controlling interest	253 355 299

Summarised statement of profit or loss and other comprehensive income

	JTTM Properties Proprietary Limited
	2024
Revenue	53 458 129
Other income and expenses	(8 771 008)
Profit before tax	44 687 121
Tax expense	(1 712 230)
Profit (loss)	42 974 891
Total comprehensive income	42 974 891
Profit (loss) allocated to non-controlling interest	18 139 701

Summarised statement of cash flows

	JTTM Properties Proprietary Limited
	2024
Cash flows from operating activities	1 529 897
Cash flows from investing activities	8 929 300
Cash flows from financing activities	1 113 122
Net increase(decrease) in cash and cash equivalents	11 572 319
Debenture interest and dividend paid to non-controlling interest	10 445 063

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

18. Property, plant and equipment

Group	2024		
	Cost	Accumulated depreciation	Carrying value
Plant and machinery	2 384 771	(2 169 929)	214 842
Motor vehicles	713 037	(573 186)	139 851
Office equipment	1 351 509	(864 175)	487 334
IT equipment	2 011 073	(1 443 325)	567 748
Leasehold improvements	1 716 361	(1 510 062)	206 299
Total	**8 176 751**	**(6 560 677)**	**1 616 074**

Company	2024			2023		
	Cost	Accumulate depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	59 230	(51 268)	7 962	78 230	(46 719)	31 511
Motor vehicles	713 037	(573 186)	139 851	713 037	(512 956)	200 081
Office equipment	741 451	(390 335)	351 116	670 152	(308 601)	361 551
IT equipment	2 011 073	(1 443 325)	567 748	1 752 597	(1 120 134)	632 463
Leasehold improvements	1 716 361	(1 510 062)	206 299	1 577 034	(1 195 012)	382 022
Total	**5 241 152**	**(3 968 176)**	**1 272 976**	**4 791 050**	**(3 183 422)**	**1 607 628**

Reconciliation of property, plant and equipment - Group - 2024

	Opening balance	Additions	Additions through business combinations	Disposals	Transfers to Investment Property	Depreciation	Total
Plant and machinery	31 511	180 960	1 574 854	(20 334)	(1 828 117)	275 968	214 842
Motor vehicles	200 081	-	-	-	-	(60 230)	139 851
Office equipment	361 551	66 003	181 880	-	(45 662)	(76 438)	487 334
IT equipment	632 463	256 839	-	-	-	(321 554)	567 748
Leasehold improvements	382 022	139 330	-	-	-	(315 053)	206 299
	1 607 628	**643 132**	**1 756 734**	**(20 334)**	**(1 873 779)**	**(497 307)**	**1 616 074**

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

18. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold property Improvements	382 022	139 330	-	(315 053)	206 299
Plant and machinery	31 511	-	(20 334)	(3 215)	7 962
Motor vehicles	200 081	-	-	(60 230)	139 851
Office equipment	361 551	66 003	-	(76 438)	351 116
IT equipment	632 463	256 839	-	(321 554)	567 748
Total	**1 607 628**	**462 172**	**(20 334)**	**(776 490)**	**1 272 976**

Reconciliation of property, plant and equipment - Company - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold property Improvements	328 620	360 396	-	(306 994)	382 022
Plant and machinery	17 060	19 000	-	(4 549)	31 511
Motor vehicles	34 960	240 923	-	(75 802)	200 081
Office equipment	223 111	199 023	-	(60 583)	361 551
IT equipment	539 523	452 003	(39 603)	(319 460)	632 463
Total	**1 143 274**	**1 271 345**	**(39 603)**	**(767 388)**	**1 607 628**

Net carrying amounts of leased assets

Leasehold improvements			
	206 299	206 299	382 022
IT equipment	2 350 736	2 289 784	540 481
Motor vehicles	472 114	472 114	472 114
Plant and machinery	1 862 371	41 033	41 033
Office furniture & Equipment	350 361	-	-
	5 035 582	**2 802 931**	**1 053 628**

19. Right-of-use assets

The group has the option to purchase the plant at a nominal amount on completion of the lease term.

Details pertaining to leasing arrangements, where the group is lessee are presented below:

Group	**2024**		
	Cost	**Accumulated depreciation**	**Carrying value**
Buildings	4 431 433	(1 321 433)	3 110 000

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

19. Right-of-use assets (continued)

Company	**2024**			**2023**		
	Cost	**Accumulate depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Buildings	4 431 433	(1 321 433)	3 110 000	1 571 427	(1 473 079)	98 348

Reconciliation of right-of-use assets - Group - 2024

	Opening balance	**Additions**	**Depreciation**	**Total**
Buildings	98 348	3 727 893	(716 241)	3 110 000

Reconciliation of right-of-use assets - Company - 2024

	Opening balance	**Additions**	**Depreciation**	**Total**
Buildings	98 348	3 727 893	(716 241)	3 110 000

Reconciliation of right-of-use assets - Company - 2023

	Opening balance	**Depreciation**	**Total**
Buildings	703 539	(605 191)	98 348

Other disclosures

Interest expense on lease liabilities	184 654	184 654	32 781

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	807 377	807 377	127 187
Two to five years	2 943 995	2 943 995	-
	3 751 372	3 751 372	127 187
Less finance charges component	(475 544)	(475 544)	(987)
	3 275 828	3 275 828	126 200
Non-current liabilities	2 655 863	2 655 863	-
Current liabilities	619 965	619 965	126 200
	3 275 828	3 275 828	126 200

The table below describes the nature of the company's leasing activities by type of right of use asset recognised on balance sheet. There were no leases with variable payments linked to an index and termination option.

Right of use asset	**No of right of use assets leased**	**Range of remaining term**	**Average remaining lease term**	**No of leases with extension options**	**No of leases with option to purchase**
Buildings	1	4	4	1	-

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

20. Deferred tax taxation recoverable - related party

Amount of capital gains tax recoverable from Botswana Development Corporation Limited ("the Vendors") on disposal of investment properties acquired as part of listing.

Capital gains tax recoverable from Botswana Development Corporation Limited	3 095 461	3 095 461	3 200 048

21. Investments in associates

The following table lists all of the associates in the group:

Group
Name of company

	% ownership interest 2024	Carrying amount 2024
NBC Developments (Partnership)	33.33 %	51 460 533
Orbit Africa Logistics	30.00 %	-
		51 460 533

Company
Name of company

	% ownership interest 2024	% ownership interest 2023	Carrying amount 2024	Carrying amount 2023
NBC Developments (Partnership)	33.33 %	33.33 %	51 460 533	44 165 293
JTTM Properties Proprietary Limited	- %	32.79 %	-	183 100 827
Orbit Africa Logistics	30.00	30.00 %	-	7 358 302
			51 460 533	**234 624 422**

Material associates
The following associates are material to the group:

	Country of incorporation	Method	% Ownership interest	
			2024	**2023**
NBC Developments (Partnership)	Botswana	Equity	33.33 %	33.33 %
JTTM Properties Proprietary Limited	Botswana	Equity	- %	32.79 %
Orbit Africa Logistics	Kenya	Equity	30.00 %	30.00 %

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

21. Investments in associates (continued)

Summarised financial information of material associates

2024

Summarised statement of profit or loss and other comprehensive income	Revenue	Other income and expenses	Profit(loss) from continuing operations	Total comprehensive income
NBC Developments (Partnership)	9 169 019	(1 407 770)	7 761 249	7 761 249
Orbit Africa Logistics	52 124 844	(52 215 510)	(90 666)	(90 666)
Total	**61 293 863**	**(53 623 280)**	**7 670 583**	**7 670 583**

Summarised statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
NBC Developments (Partnership)	220 845 623	13 978 449	76 000 000	4 442 475	154 381 597
Orbit Africa Logistics	544 078 952	90 765 347	600 182 857	16 210 327	18 451 115
	764 924 575	**104 743 796**	**676 182 857**	**20 652 802**	**172 832 712**

Reconciliation of net assets to equity accounted investments in associates	Total net assets	Interest in associate at % ownership	Investment in associate
NBC Developments (Partnership)	154 381 597	51 460 533	51 460 533
Orbit Africa Logistics	18 451 115	-	-
	172 832 712	**51 460 533**	**51 460 533**

Reconciliation of movement in investments in associates	Investment at beginning of 2024	Acquisitions/ Disposals	Share of profit	Impairment	Dividends received from associates	Investment at end of 2024
NBC Developments (Partnership)	44 165 293	-	10 335 240	-	(3 040 000)	51 460 533
JTTM Properties Proprietary Limited	183 100 827	(180 781 032)	(2 307 373)	-	(12 422)	-
Orbit Africa Logistics	7 358 302	-	(1 822 967)	(5 535 335)	-	-
	234 624 422	**(180 781 032)**	**6 204 900**	**(5 535 335)**	**(3 052 422)**	**51 460 533**

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

21. Investments in associates (continued)

Summarised financial information of material associates

2023

Summarised statement of profit or loss and other comprehensive income	Revenue	Other income and expenses	Profit(loss) from continuing operations	Total comprehensive income
NBC Developments (Partnership)	7 694 492	(2 412 595)	5 281 897	5 281 897
JTTM Properties Proprietary Limited	20 387 227	(6 465 190)	13 922 037	13 922 037
Orbit Africa Logistics	52 093 892	(41 084 284)	11 009 608	11 009 608
Total	**80 175 611**	**(49 962 069)**	**30 213 542**	**30 213 542**

Summarised statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
NBC Developments (Partnership)	187 582 483	7 893 594	61 039 605	1 940 589	132 495 883
JTTM Properties Proprietary Limited	752 096 523	22 044 250	207 248 347	8 487 951	558 404 475
Orbit Africa Logistics	534 319 527	60 414 095	557 151 162	13 054 784	24 527 676
	1 473 998 533	**90 351 939**	**825 439 114**	**23 483 324**	**715 428 034**

Reconciliation of net assets to equity accounted investments in associates	Total net assets	Interest in associate at % ownership	Investment in associate
NBC Developments (Partnership)	132 495 883	44 165 293	44 165 293
JTTM Properties Proprietary Limited	558 404 475	183 100 827	183 100 827
Orbit Africa Logistics	24 527 676	7 358 303	7 358 303
	715 428 034	**234 624 423**	**234 624 423**

Reconciliation of movement in investments in associates	Investments at end of 2023	Acquisitions/ Disposals	Share of profit	Dividends received from associates	Investments at end of 2023
NBC Developments (Partnership)	45 168 358	-	2 063 602	(3 066 667)	44 165 293
JTTM Properties Proprietary Limited	171 918 377	-	11 196 228	(13 778)	183 100 827
Orbit Africa Logistics	-	8 108 689	(750 387)	-	7 358 302
	217 086 735	**8 108 689**	**12 509 443**	**(3 080 445)**	**234 624 422**

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

22. Loans to group companies

Associates			
Orbit Africa Logistics	104 142 629	104 142 629	99 224 484
Credit loss allowance	(100 406 136)	(100 406 136)	-
	3 736 493	**3 736 493**	**99 224 484**

The loan is unsecured. The loan and any accrued interest is repayable 5 years from disbursement date and bears interest at 4% per annum. The loan is denominated in United States Dollars.

During the year under review, the loan was tested for impairment and given the existence of impairment indicators, a provision for impairment amounting to P100.4 million was charged on the loan.

Split between non-current and current portions

Non-current assets	**3 736 493**	**3 736 493**	**99 224 484**

Exposure to credit risk

Loans receivable inherently expose the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

Reconciliation of loss allowances

Loss allowance measured at lifetime ECL (credit impaired):

Impairment charged on loan to related party	100 406 136	100 406 136	-

Due to the underperformance of the Associate Company in Kenya, the Group performed an impairment assessment in on the shareholder loan advanced to the Associate Company in line with the requirements of IFRS 9 Financial Instruments, and consequently an expected credit loss provision amounting to P100.4 million was charged.

Fair value of group loans receivable

The fair value of group loans receivable approximates their carrying amounts.

23. Investments at fair value

Equity investments at fair value through other comprehensive income	6 250 000	6 250 000	6 250 000

Equity investments at fair value through other comprehensive income:

Mogo'lori Mall (Proprietary) Limited	6 250 000	6 250 000	6 250 000
15% shareholdings of shares and linked debentures.			
	6 250 000	**6 250 000**	**6 250 000**

Split between non-current and current portions

Non-current assets	6 250 000	6 250 000	6 250 000

Fair value information

Refer to note 40 Fair value information for details of valuation policies and processes.

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

23. Investments at fair value (continued)

Risk exposure

The investments held by the group expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 39 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

Equity instruments at fair value through other comprehensive income

The specific investments which are measured at fair value through other comprehensive income are as follows:

Investments held at reporting date - Group and Company

	2024 Fair value	2024 Dividends received	2023 Fair value	2023 Dividends received
Mogo'lori Mall (Proprietary) Limited	6 250 000	-	6 250 000	-

24. Operating lease asset (accrual)

Non-current assets	32 369 942	21 867 421	20 716 721

25. Other financial assets

Kgori Capital Proprietary Limited	14 564 992	-	-
Stanlib Money Markerts	28 065 303	28 065 303	-
Bank Gaborone Limited - Fixed deposit	12 047 598	12 047 598	-
Ipro Money Market	26 365 396	26 365 396	-
	81 043 289	**66 478 297**	**-**

The short term investments are unsecured, earns average interest of 5 - 6% per annum and has no fixed maturity date. The investments can be liquidated subject to an average notice period of 48 hours to the investee company.

26. Trade and other receivables

Financial instruments:			
Trade receivables	16 409 373	12 182 036	9 487 970
Loss allowance	(9 721 607)	(7 767 800)	(7 445 647)
Trade receivables at amortised cost	6 687 766	4 414 236	2 042 323
Deposits	742 992	288 330	242 294
Other receivable	5 883 655	2 553 406	1 196 213
Non-financial instruments:			
Value added tax	-	-	399 531
Prepayments	1 838 498	1 714 843	2 210 677
Total trade and other receivables	**15 152 911**	**8 970 815**	**6 091 038**

Split between non-current and current portions

Current assets	15 152 911	8 970 815	6 091 038

Notes to the Consolidated Financial Statements

(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**
26. Trade and other receivables (continued)			
Financial instrument and non-financial instrument components of trade and other receivables			
At amortised cost	13 314 413	7 255 972	3 480 830
Non-financial instruments	1 838 498	1 714 843	2 610 208
	15 152 911	**8 970 815**	**6 091 038**

Trade and other receivables pledged as security

The rental income and related receivables from certain properties which have been mortgaged to the bankers are also pledged as security.

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due. More information is presented in the risk management note.

Trade receivables arise from rental income. The customer base is spread across commercial, retail, industrial and residential with no specific significant concentration of credit risk from these trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Group

	2024	2024
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Not past due	5 468 892	(648 131)
31 - 60 days past due	2 384 840	(849 312)
More than 60 days past due	8 555 641	(8 224 164)
Total	**16 409 373**	**(9 721 607)**

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

26. Trade and other receivables (continued)

Company

Expected credit loss rate:	**2024 Estimated gross carrying amount at default**	**2024 Loss allowance (Lifetime expected credit loss)**	**2023 Estimated gross carrying amount at default**	**2023 Loss allowance (Lifetime expected credit loss)**
Not past due	3 024 121	(385 898)	1 430 881	(490 552)
31 - 60 days past due	1 219 474	(385 060)	128 306	(112 618)
More than 60 days past due	7 938 441	(6 996 842)	7 928 783	(6 842 477)
Total	**12 182 036**	**(7 767 800)**	**9 487 970**	**(7 445 647)**

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for lease receivables:

	Group 2024	Company 2024	Company 2023
Opening balance in accordance with IFRS 9	**(7 445 647)**	**(7 445 647)**	**(8 966 000)**
Amounts recovered	1 057 578	-	1 520 353
Provision raised on new trade receivables	(322 153)	(322 153)	-
Acquisition of business	(3 011 385)	-	-
Closing balance	**(9 721 607)**	**(7 767 800)**	**(7 445 647)**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

27. Cash and cash equivalents

	Group 2024	Company 2024	Company 2023
Cash and cash equivalents consist of:			
Bank balances	24 586 476	11 917 518	13 636 967
Short-term deposits	-	-	53 160 647
	24 586 476	**11 917 518**	**66 797 614**

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. None of the banks in Botswana are rated, but are subsidiaries of reputed and rated financial institutions in Southern Africa.

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

28. Non-current assets held for sale

The group has decided to discontinue its operations at Plots 50380 Moedi House and 2989 Red Square both in Gaborone in June 2022. The assets and liabilities of the disposal group are set out below.

The decision was made by the board of directors to discontinue these operations due poor performance by the properties.

As at 30 June 2024 Moedi House was already sold (transaction completed in August 2023) while sale of Plot 2989 was still ongoing with sales to sitting tenants and staff.

	Group 2024	Company 2024	Company 2023
Profit and loss			
Revenue	7 658 802	7 658 802	10 857 083
Fair value adjustment	54 716	54 716	171 249
Expenses	(2 961 470)	(2 961 470)	(1 909 883)
	4 752 048	**4 752 048**	**9 118 449**
Assets and liabilities			
Non-current assets held for sale			
Investment property	13 160 000	13 160 000	96 500 000

29. Stated capital

	Group 2024	Company 2024	Company 2023
Issued			
280 000 000 (2023: 280 000 000) Ordinary shares of no par value	2 718 884	2 718 884	2 718 884

Each Linked Unit in the Company comprises one ordinary share and one variable rate unsecured debenture as per note 30, which are indivisibly linked. It is not possible to trade the shares or the variable rate unsecured debentures separately from one another.

The linked units are listed on the Botswana Stock Exchange Limited.

All of the issued shares are of the same class and rank pari passu in every respect.

In accordance with the Constitution, at any general meeting, every shareholder present in person or by authorised representative or proxy shall have one vote on a show of hands and on a poll, every member present in person, by authorised representative or by proxy shall have one vote for every share held.

30. Debentures- Linked units

Each Linked Unit in the company comprises one ordinary share as per note 29, and one variable rate unsecured debenture, which are indivisibly linked. It is not possible to trade with the shares or the variable rate unsecured debentures separately from one another.

All of the variable rate unsecured debentures are of the same class and rank pari passu in every respect.

The debentures are governed in terms of a Trust Deed entered into between the Company and the Trustee for the debenture holders.

	Group 2024	Company 2024	Company 2023
280 000 000 (2023: 280 000 000)	405 113 547	405 113 547	405 113 547

Notes to the Consolidated Financial Statements

(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**
31. Borrowings			
Held at amortised cost			
First National Bank of Botswana Limited	607 078 095	539 671 157	448 724 532
Bank Gaborone Limited	29 974 198	29 974 198	32 859 074
Stanbic Bank Botswana Limited	67 587 186	-	-
	704 639 479	**569 645 355**	**481 583 606**
Split between non-current and current portions			
Non-current liabilities	697 717 704	563 613 402	476 346 426
Current liabilities	6 921 775	6 031 953	5 237 180
	704 639 479	**569 645 355**	**481 583 606**

Bank Gaborone Limited

The loan facility of P47.75 million carries interest at prime rate (base rate of the bank) plus 1% currently at 6.26% (2023: 6.76%) per annum. The loan is repayable in 180 months installments and is secured by a first covering mortgage bond of P24 million over Lot 4738 Station, Gaborone and cession of P12 million held in a call deposit account.

First National Bank of Botswana Limited

The loan facility is for P 540 million (2023: P 449 million) split as Tranche A carrying interest at a fixed rate 6.7%, Tranche B carrying interest at prime plus 0.75%, currently 6.26% (2023: 6.76%) and facility B carrying interest at prime plus 0.75%, currently 6.26% . The loan is repayable after 5 years from initial drawdown in 2022. The loan is secured by

- a first covering mortgage bond for P28 million over Lot 22033, Gaborone.
- a first covering mortgage bond for P11 million over Lot 14453, Gaborone.
- a first covering mortgage bond for P11 million over Lot 14454, Gaborone.
- a first covering mortgage bond for P4 million over Lot 14455, Gaborone.
- a first covering mortgage bond for P9 million over Lot 14457, Gaborone.
- a first covering mortgage bond for P8 million over Lot 14458, Gaborone.
- a first covering mortgage bond for P9 million over Lot 14459, Gaborone.
- a first covering mortgage bond for P9 million over Lot 14460, Gaborone.
- a first covering mortgage bond for P47 million over Lot 69365, Gaborone.
- a first covering mortgage bond for P44 million over Lot 69368, Gaborone.
- a first covering mortgage bond for P29 million over Lot 69369, Gaborone.
- a first covering mortgage bond for P6 million over Lot 6369-6372, Lobatse.
- a first covering mortgage bond for P38 million over Lot 22047, Gaborone.
- a first covering mortgage bond for P24 million over Lot 54060, Gaborone.
- a first covering mortgage bond for P80 million over Lot 74204, Gaborone
- a first covering mortgage bond for P82 million over Lot 32084, Gaborone
- a first covering mortgage bond of P137 million over Lot 29052, Mahalapye.
- a first continuing covering mortgage bond of P32 million over Lot 22038, Gaborone.
- a first continuing covering mortgage bond of P74 million over Lot 28911, Gaborone.
- a first continuing covering mortgage bond of P22 million over Lot 14398, Gaborone.
- a first continuing covering mortgage bond of P31 million over Lot 64260, Gaborone
- cession of lease rentals in relation to mortgaged properties
- cession of insurance policies and proceeds with regards to mortgaged properties.
- cession of receivable balances.

Subsidiary of the company

On the 3rd May 2024, an addendum to the loans was signed where the loan repayment period was extended to 132 months at a rate of prime plus 1.35% (prime is currently at 6.51%).

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

31. Borrowings (continued)

Stanbic Bank Botswana Limited

The loan is secured by;

- a first covering mortgage bond for P205 million over Lot 4716, Gaborone.
- a deed of hypothecation for P205 million

First National Bank Botswana Limited

The loan is secured by;

- a first covering mortgage bond for P205 million over Lot 4716, Gaborone.
- a deed of hypothecation for P205 million

32. Deferred tax

Figures in Pula	Group 2024	Company 2024	Company 2023
Deferred tax liability			
Capital gains on fair value increase in investment property	(109 765 483)	(37 152 974)	(34 480 762)
Accelerated capital allowances	(34 928 058)	(34 928 058)	(31 945 787)
Capital gains on disposal of investment property recoverable from related party	(3 095 461)	(3 095 461)	(3 200 047)
Total deferred tax liability	**(147 789 002)**	**(75 176 493)**	**(69 626 596)**
Deferred tax asset			
Tax losses available for set off against future taxable income	9 359 383	9 359 383	12 843 591
Deferred tax liability	(147 789 002)	(75 176 493)	(69 626 596)
Deferred tax asset	9 359 383	9 359 383	12 843 591
Total net deferred tax liability	**(138 429 619)**	**(65 817 110)**	**(56 783 005)**
Reconciliation of deferred tax asset / (liability)			
At beginning of year	(56 783 005)	(56 783 005)	(50 845 396)
Increases (decrease) in tax loss available for set off against future taxable income	-	-	572 514
Movement in capital gains tax recoverable/payable to related party	104 586	104 586	102 097
Other movements in deferred tax assets and liabilities	(73 818 672)	(1 206 163)	(5 191 613)
Capital gains charges to the statement of comprehensive income	(7 932 528)	(7 932 528)	(1 420 607)
	(138 429 619)	**(65 817 110)**	**(56 783 005)**

No deferred tax asset was recognised on the tax loss as the utilisation of the taxable loss is impacted by the payment or non-payment of debenture interest to the shareholders. Non-payment results in an increase in taxable profits and payment reduces the available taxable profits. Management intends to continue to pay debenture interest to shareholders and assess these on an annual basis.

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**
33. Trade and other payables			
Financial instruments:			
Trade payables and accruals	15 475 272	6 329 136	7 210 814
Refundable deposit held	14 747 301	11 486 311	11 435 864
Other payables	1 933 721	1 672 537	2 927 779
Non-financial instruments:			
Amounts received in advance	3 452 669	3 160 358	1 346 159
Accrued gratuity and leave pay	2 305 182	2 305 182	1 190 622
Value added tax	1 682 039	1 400 286	-
	39 596 184	**26 353 810**	**24 111 238**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	32 156 294	19 487 984	21 574 457
Non-financial instruments	7 439 890	6 865 826	2 536 781
	39 596 184	**26 353 810**	**24 111 238**

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

34. Earnings per linked unit

Earnings per linked unit is calculated based on the average number of linked units in issue and total comprehensive income for the year, adjusted by the taxation on debenture interest credited to the statement of changes in equity.

The earnings and weighted average number of linked units used in the calculation of earnings per linked unit are as follows:

Total profit and comprehensive income for the year	26 186 278	(7 818 762)	110 301 319
Taxation on debenture interest credited to the income statement	8 804 109	8 804 109	12 096 480
Earnings attributable to linked unit holders	**34 990 387**	**985 347**	**122 397 799**
Weighted average number of linked units in issue for the year	280 000 000	280 000 000	280 000 000
Profit before taxation			
Taxation	(19 655 030)	(17 942 800)	(18 136 185)
Profit from continuing operations	21 434 230	(12 570 810)	101 182 870
Profit from discontinued operations	4 752 048	4 752 048	9 118 449
	26 186 278	**(7 818 762)**	**110 301 319**

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**
34. Earnings per linked unit (continued)			
Basic earnings per linked unit from			
Continuing operations (including taxation on debenture interest)	10.80	(1.35)	40.46
Discontinued operations (excluding taxation on debenture interest)	1.70	1.70	3.26
Total basic earnings per linked unit (thebe)	**12.50**	**0.35**	**43.72**

Basic headline earnings per share (thebe)

The calculation of headline earnings and diluted headline earnings per share is based on the weighted average number of ordinary shares

	Group 2024	Company 2024	Company 2023
Basic headline earnings per linked unit (thebe)			
Basic headline earnings per share (thebe)- continuing operations	45.91	39.63	42.60
Basic headline earnings per share (thebe)- discontinuing operations	1.70	1.70	3.26
	47.61	**41.33**	**45.86**
Diluted headline earnings per linked unit (thebe)			
Diluted headline earnings per share (thebe) - continuing operations	45.91	39.63	42.60
Diluted headline earnings per share (thebe) - discontinued operations	1.70	1.70	3.26
	47.61	**41.33**	**45.86**
Reconciliation between earnings and headline earnings			
Continuing operations	22 949 55	5 371 990	119 319 055
Discontinued operations	4 752 048	4 752 048	9 118 449
Profit for the year attributable to owners of the company (Pula)	27 701 607	10 124 038	128 437 504
Re-measurement:	-		
Impairment losses	-	-	-
Tax effect on re-measurement	-	-	-
	27 701 607	**10 124 038**	**128 437 504**
Continuing operations			
Reconciliation between earnings and headline earnings			
Continuing operations	22 949 559	5 371 990	119 319 055
Discontinued operations	4 752 048	4 752 048	9 118 449
Profit for the year attributable to owners of the company (Pula)	27 701 607	10 124 038	128 437 504
Re-measurement:	-		
Profit/loss on disposal of property,plant and equipment	-	-	(35 722)
Impairment losses	105 597 546	105 597 546	-
Tax effect on re-measurement	-	-	(7 859)
	133 299 153	**115 721 584**	**128 393 923**
Discontinued operations			
Reconciliation between earnings and headline earnings			
Discontinued operations	4 752 048	4 752 048	9 118 449

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**
35. Debenture interest and dividend payable			
Debenture interest			
Interim paid - 9.06 (2023: 9.06) thebe	25 360 000	25 360 000	25 360 000
Final declared - 5.24 (2023: 10.58) thebe	14 658 678	14 658 678	29 624 000
Total debenture interest	40 018 678	40 018 678	54 984 000
Dividend			
Interim paid - 0.05 (2023: 0.05) thebe	140 000	140 000	140 000
Final declared - 0.05 (2023: 0.05) thebe	140 000	140 000	140 000
Total distribution	**40 298 678**	**40 298 678**	**55 264 000**
Debenture interest and dividend payable			
Debenture interest	(16 281 930)	(16 281 930)	(31 161 346)
Debenture payable	(140 000)	(140 000)	(140 000)
	(16 421 930)	**(16 421 930)**	**(31 301 346)**
36. Dividends and debenture interest paid			
Balance at beginning of the year	(29 764 000)	(29 764 000)	(28 084 000)
Dividends and debenture interest declared	(50 743 741)	(40 298 678)	(55 264 000)
Balance at end of the year	14 798 678	14 798 678	29 764 000
	(65 709 063)	**(55 264 000)**	**(53 584 000)**
Dividends and debenture interest paid attributable to:			
Owners of parent	(55 264 000)	(55 264 000)	(53 584 000)
Non-controlling interest	(10 445 063)	-	-
	(65 709 063)	**(55 264 000)**	**(53 584 000)**

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

37. Related parties

Parties are considered related when one has power, through ownership, contractual right, family relationship, or otherwise, to directly or indirectly control or significantly influence the other party. Parties also are related when they are under the common control or significant influence of a third party.

Botswana Development Corporation Limited owns 40.4% of the issued linked units of the Company as at 30 June 2024 (2023: 40.4%)

Botswana Public Officers Pension Fund (BPOPF) owns 36.6% of the issued linked units of the company as at 30 June 2024 (2023: 36.6%).

During the year the Company entered into the following trading transactions with related parties and had the following balances with related parties.

Relationships

Shareholders	Botswana Development Corporation Limited Botswana Public Officers Pension Fund (BPOPF)
Subsidiaries	Refer to note 17
Associates	Refer to note 21
Board of directors	Refer to page 1
Members of key management	Ms K Mowaneng (Chief Executive Officer)
	Mr P Isaacs (Chief Financial Officer)
	Ms C Masendu - Kusane (Chief Property Officer)
	Ms L Keitsile (Head of Investments)
	Ms B Obuseng (Head of Legal, Compliance & Company Secretary)

Related party balances

Loan accounts - Owing (to) by related parties			
Orbit Africa Logistics	104 142 629	104 142 629	99 224 484
Credit loss allowances	(100 406 136)	(100 406 136)	-
	3 736 493	**3 736 493**	**99 224 484**
Deferred tax recoverable from related party			
Botswana Development Corporation Limited	3 095 461	3 095 461	3 200 047

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**
37. Related parties (continued)			
Related party transactions			
Dividend and debenture interest received			
NBC Partnership	3 040 000	3 040 000	3 066 667
JTTM Properties (Proprietary) Limited	3 443 920	12 426 192	13 778 121
	6 483 920	**15 466 192**	**16 844 788**
Share of profit from partnership			
NBC Partnership	7 295 239	7 295 239	(1 003 065)
JTTM Properties (Proprietary) Limited	787 790	787 790	11 182 450
Orbit Africa Logistics	(1 878 129)	(1 878 129)	1 040 241
	6 204 900	**6 204 900**	**11 219 626**
Dividend and debenture interest paid			
Botswana Development Corporation Limited	16 271 462	16 271 462	22 305 462
Grit Services Limited	-	-	4 671 608
Botswana Public Officers Pension Fund (BPOPF)	14 749 317	14 749 317	20 226 624
	31 020 779	**31 020 779**	**47 203 694**
Movement in credit loss allowances			
Orbit Africa Logistics	100 406 136	100 406 136	-
Interest income from related party			
Orbit Africa Logistics	4 063 148	4 063 148	3 833 945
Directors' emoluments			
Directors fees	1 890 400	1 841 200	2 923 040
Remuneration paid to members of key management			
Short term employee benefits	10 515 589	10 515 589	5 908 582
Post-employment benefit	-	-	326 524
	10 515 589	**10 515 589**	**6 235 106**
38. Tax paid			
Balance at beginning of the year	2 992 181	2 992 181	1 911 591
Current tax for the year recognised in profit or loss	(145 826)	(145 826)	-
Adjustment in respect of businesses sold and acquired during the year	2 288 473	-	-
including exchange rate movements Balance at end of the year	(7 574 819)	(5 239 976)	(2 992 181)
	(2 439 991)	**(2 393 621)**	**(1 080 590)**

Notes to the Consolidated Financial Statements
(continued)

39. Financial instruments and risk management

Categories of financial instruments
Categories of financial assets

Group - 2024

	Note(s)	Fair value through other comprehensive income - equity instruments	Amortised cost	Total
Loans to group companies	22	-	3 736 493	3 736 493
Other financial assets	25	-	81 043 289	81 043 289
Investments at fair value	23	6 250 000	-	6 250 000
Trade and other receivables	26	-	13 314 413	13 314 413
Cash and cash equivalents	27	-	24 586 476	24 586 476
		6 250 000	**122 680 671**	**128 930 671**

Company - 2024

	Note(s)	Fair value through other comprehensive income - equity instruments	Amortised cost	Total
Loans to group companies	22	-	3 736 493	3 736 493
Other financial assets	25	-	66 478 297	66 478 297
Investments at fair value	23	6 250 000	-	6 250 000
Trade and other receivables	26	-	7 255 972	7 255 972
Cash and cash equivalents	27	-	11 917 518	11 917 518
		6 250 000	**89 388 280**	**95 638 280**

Company - 2023

	Note(s)	Fair value through other comprehensive income - equity instruments	Amortised cost	Total
Loans to group companies	22	-	99 224 484	99 224 484
Investments at fair value	23	6 250 000	-	6 250 000
Trade and other receivables	26	-	3 480 830	3 480 830
Cash and cash equivalents	27	-	66 797 614	66 797 614
		6 250 000	**169 502 928**	**175 752 928**

Notes to the Consolidated Financial Statements
(continued)

39. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2024

	Note(s)	Amortised cost	Total
Trade and other payables	33	32 156 294	32 156 294
Borrowings	31	704 639 479	704 639 479
Lease liabilities	19	3 275 828	3 275 828
Dividend payable	35	14 798 678	14 798 678
		754 870 279	**754 870 279**

Company - 2024

	Note(s)	Amortised cost	Total
Trade and other payables	33	19 487 988	19 487 988
Borrowings	31	569 645 355	569 645 355
Lease liabilities	19	3 275 828	3 275 828
		592 409 171	**592 409 171**

Company - 2023

	Note(s)	Amortised cost	Total
Trade and other payables	33	21 574 457	21 574 457
Borrowings	31	481 583 606	481 583 606
Lease liabilities	19	126 200	126 200
Dividend payable	35	29 764 000	29 764 000
		533 048 263	**533 048 263**

Notes to the Consolidated Financial Statements
(continued)

		Group	Company	
Figures in Pula		**2024**	**2024**	**2023**

39. Financial instruments and risk management (continued)

Capital risk management

The group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the company consists of cash and cash equivalents and equity, comprising the stated capital, the variable rate unsecured debentures and accumulated profits as disclosed in the statement of financial position.

At 30 June 2024, the group had interest bearing borrowings of P 704 639 479 (2023:P 481 583 606).

The group monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as borrowings divided by shareholders' equity plus borrowings.

The capital structure and gearing ratio of the group at the reporting date was as follows:

Borrowings	31	704 639 479	569 645 355	481 583 606
Cash and cash equivalents	27	(24 586 476)	(11 917 518)	(66 797 614)
Net borrowings		**680 053 003**	**557 727 837**	**414 785 992**
Equity and borrowings		1 573 889 928	1 444 050 359	1 395 301 941
Gearing ratio		43%	39%	35%

Financial risk management

Overview

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out under policies approved by the board of directors.

The company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits. The company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Audit, Risk And Compliance committee is responsible for monitoring compliance with the company's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to risks faced by the company. The most important types of risk are credit risk, liquidity risk, market risk and other operational risk.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on debt instruments at fair value through other comprehensive income, trade and other receivables, and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring at the inception of the lease agreement. The company evaluates credit worthiness of its tenants through several mechanism and only deals with reputable counterparties with consistent payment histories. Deposits are also obtained when necessary. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Notes to the Consolidated Financial Statements

(continued)

39. Financial instruments and risk management (continued)

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus, the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is operating, external credit references etc. If amounts are 30 days past due, then the credit risk is assumed to have increased since initial recognition.

Where necessary, the assessment for an increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics

The maximum exposure to credit risk is presented in the table below:

Group		**2024**		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost/ fair value**
Loans to group companies	22	96 942 629	(93 206 136)	3 736 493
Other financial assets	25	81 043 289	-	81 043 289
Trade and other receivables (excluding non-financial instruments)	26	23 036 020	(9 721 607)	13 314 413
Cash and cash equivalents	27	24 586 476	-	24 586 476
		225 608 414	**(102 927 743)**	**122 680 671**

Company		**2024**			**2023**		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost/ fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost/ fair value**
Loans to related companies	22	96 942 629	(93 206 136)	3 736 493	99 224 484	-	99 224 484
Other financial assets	25	66 478 297	-	66 478 297	-	-	-
Trade and other receivables (excluding non-financial instruments)	26	15 023 772	(7 767 800)	7 255 972	10 926 477	(7 445 647)	3 480 830
Cash and cash equivalents	27	11 917 518	-	11 917 518	66 797 614	-	66 797 614
		190 362 216	**(100 973 936)**	**89 388 280**	**176 948 575**	**(7 445 647)**	**169 502 928**

39. Financial instruments and risk management (continued)

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts

Group - 2024

		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Borrowings	31	-	697 717 704	697 717 704	697 717 704
Lease liabilities	19	-	2 655 863	2 655 863	2 655 863
Current liabilities					
Trade and other payables	33	32 156 299	-	32 156 299	32 156 299
Borrowings	31	6 921 775	-	6 921 775	6 921 775
Lease liabilities	19	619 965	-	619 965	619 965
Dividend payable	35	14 798 678	-	14 798 678	14 798 678
		56 858 787	**700 373 567**	**754 870 284**	**754 870 284**

Company - 2024

		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Borrowings	31	-	563 613 402	563 613 402	563 613 402
Lease liabilities	19	-	2 655 863	2 655 863	2 655 863
Current liabilities					
Trade and other payables	33	19 487 988	-	19 487 988	19 487 988
Borrowings	31	6 031 953	-	6 031 953	6 031 953
Lease liabilities	19	619 965	-	619 965	619 965
Dividend payable	35	14 798 678	-	14 798 678	14 798 678
		40 938 584	**566 269 265**	**607 207 849**	**607 207 849**

Notes to the Consolidated Financial Statements
(continued)

39. Financial instruments and risk management (continued)

Company - 2023

		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Borrowings	31	-	476 346 426	476 346 426	476 346 426
Current liabilities					
Trade and other payables	33	21 574 461	-	21 574 461	21 574 461
Borrowings	31	5 237 180	-	5 237 180	5 237 180
Lease liabilities		126 200	-	126 200	126 200
Dividend and distribution	35	29 764 000	-	29 764 000	29 764 000
		56 701 841	**476 346 426**	**533 048 267**	**533 048 267**

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the group is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary. Interest rate swaps are also used where appropriate, in order to convert borrowings into either variable or fixed, in order to manage the composition of the ratio. Interest rates on all borrowings compare favourably with those rates available in the market.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Fluctuations in interest rates impact on the value of short-term cash investment and financing activities, giving rise to interest rate risk. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group	**2024**	**2024**
Increase or decrease in rate by 10%	**Increase**	**Decrease**
Impact on profit or loss:		
Net finance income and finance costs	3 810 665	(3 810 665)

Company	**2024**	**2024**	**2023**	**2023**
Increase or decrease in rate by 10%	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Net finance income and finance costs	1 994 769	(1 994 769)	1 994 769	(1 994 769)

Notes to the Consolidated Financial Statements
(continued)

		Group	Company	
Figures in Pula		**2024**	**2024**	**2023**

40. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 3

Recurring fair value measurements

Assets	Note(s)			
Investment property	15			
Investment property		1 776 202 680	1 017 413 813	967 983 900
Equity investments at fair value through other comprehensive income	23			
Investments at fair value		6 250 000	6 250 000	6 250 000
Total		**1 782 452 680**	**1 023 663 813**	**1 009 647 520**

40. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3

	Note(s)	Opening balance	Fair value adjustment	Straight line rental adjustment	Additions	Business combinations	Non current-assets held for sale	Transfers from plant and equipment	Closing balance
Group - 2024									
Assets									
Investment property									
Investment property		967 983 900	55 987 169	1 776 762	6 119 110	755 611 070	(13 160 000)	1 884 669	1 776 202 680
Equity investments at fair value through other comprehensive income	23								
Unlisted shares		6 250 000	-	-	-	-	-	-	6 250 000
Total		**974 233 900**	**55 987 169**	**1 776 762**	**6 119 110**	**755 611 070**	**(13 160 000)**	**1 884 669**	**1 782 452 680**
Company - 2024									
Assets									
Investment property	15								
Investment property		967 983 900	45 572 891	(1 150 700)	5 007 722	-	-	-	1 017 413 813
Equity investments at fair value through other comprehensive income	23								
Unlisted shares		6 250 000	-	-	-	-	-	-	6 250 000
Total		**974 233 900**	**45 572 891**	**(1 150 700)**	**5 007 722**	**-**	**-**	**-**	**1 023 663 813**

Notes to the Consolidated Financial Statements
(continued)

40. Fair value information (continued)

	Note(s)	Opening balance	Fair value adjustment	Straight line rental adjustment	Additions	Disposals during the year	Non current-assets held for sale	Transfers from plant and equipment	Closing balance
Company - 2023									
Assets									
Investment property									
Investment property		1 003 397 520	45 967 437	301 549	14 817 394	-	(96 500 000)	-	967 983 900
Equity investments at fair value through other comprehensive income	23								
Unlisted shares		6 250 000	-	-	-	-	-	-	6 250 000
Total		**1 009 647 520**	**45 967 437**	**301 549**	**14 817 394**	**-**	**(96 500 000)**	**-**	**974 233 900**

40. Fair value information (continued)

Information about valuation techniques and inputs used to derive level 3 fair values

Valuation process

The fair value of the company's investment properties at 30 June 2024 has been carried out using the comparative discounted cashflow methods with reversion to market rentals. The valuation was carried out by Knight Frank Botswana (Proprietary) Limited. Knight Frank Botswana (Proprietary) Limited are members of the Real Estate Institute of Botswana and are registered in terms of the Real Estate Professionals Act 2003. The valuations, which conform to international Valuation Standards, In undertaking our valuation of the Property, we have made our assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions we have then applied these to the property, taking into account size, location, covenant terms and other material factors. We have used MRI (Cougar) software to process the DCF valuation. The software takes into account the following assumptions;

- That passing rents run and are indexed each year in line with and until the end of lease contracts
- Anticipated take up of vacant space based on current negotiations
- 3% growth in market rents per year
- The net operating costs as detailed in the report
- Budgeted capital expenditure allocated to the improvements
- 10 year holding period
- All risk reversion yields of between 9.25% and 9.81%
- Discount rates between 10.64% and 11.34%

The fair value of investments in unlisted entities measured through other comprehensive income is determined based on inputs that the management receives. At the year end, the fair value of this investment is estimated to be no different from the cost due to the timing of the investment coupled with the underlying business operations of the investee company which has not changed significantly from the time the investment was initially made.

The investment property held by the subsidiary JTTM was independently valued as of 31 March 2024. The property was valued in accordance with Statement of Asset Valuation Practice and Guidance Notes prepared by the MRICS (The Red Book) and an open market basis using investment method approach at a capitalisation rate of 8.7%, assuming that the properties are not subject to any adverse easements, restrictive covenants or under provisions that would otherwise depress those values.

Information about the sensitivity to changes in unobservable inputs

The significant unobservable inputs used in the fair value measurement of the investment properties are the capitalisation rates. Significant increases/(decreases) in the capitalisation rates would result in significantly lower/(higher) fair value measurement. The changes to capitalisation rates are dependent on various market factors including location of properties, interest rates, length of leases and quality of tenants.

Valuation techniques	observable input	Range
Discounted cash flow	Capitalisation rate	9%-12%

Notes to the Consolidated Financial Statements
(continued)

41. Segmental reporting

The Company's business activities are concentrated in the segment of property rentals and are carried out within the geographical region of Botswana.

Group

Segmental Statement Financial Position at 30 June 2024	Corporate P	Commercial & Retail P	Industrial P	Residential P	Total P
Non-current Assets					
Investment Property including straight lining of rental income	-	1 012 496 157	796 076 465	-	1 808 572 622
Property Plant and Equipment	1 272 976	343 098	-	-	1 616 074
Right Use of Asset	3 110 000	-	-	-	3 110 000
Investment in Partnership/Associate	51 460 533	-	-	-	51 460 533
Investments at fair value	6 250 000	-	-	-	6 250 000
Deferred Tax	9 359 383	-	-	-	9 359 383
Goodwill	3 986 858	-	-	-	3 986 858
Deferred tax recoverable-related party	3 095 461	-	-	-	3 095 461
Loans to group companies	3 736 493	-	-	-	3 736 493
	82 271 704	1 012 839 255	796 076 465	-	1 891 187 424
Current Assets					
Taxation refundable	5 239 976	2 334 843	-	-	7 574 819
Trade and other receivables	6 017 576	6 821 851	1 843 110	470 374	15 152 911
Cash and cash equivalents	11 917 518	12 668 958	-	-	24 586 476
Investments at fair value	66 478 297	14 564 992	-	-	81 043 289
Assets classified as held for sale	-	-	-	13 160 000	13 160 000
Total assets	**171 925 071**	**1 049 229 899**	**797 919 575**	**13 630 374**	**2 032 704 919**

Company

Segmental Statement Financial Position at 30 June 2024	Corporate P	Commercial & Retail P	Industrial P	Residential P	Total P
Non-current Assets					
Investment Property including straight lining of rental income	-	243 204 769	796 076 465	-	1 039 281 234
Property Plant and Equipment	1 272 976	-	-	-	1 272 976
Right Use of Asset	3 110 000	-	-	-	3 110 000
Investment in Partnership/Associate	51 460 533	-	-	-	51 460 533
Investments at fair value	6 250 000	-	-	-	6 250 000
Deferred Tax	9 359 383	-	-	-	9 359 383
Goodwill	340 322 482	-	-	-	340 322 482
Deferred tax recoverable-related party	3 095 461	-	-	-	3 095 461
Loans to group companies	3 736 493	-	-	-	3 736 493
	418 607 328	243 204 769	796 076 465	-	1 457 888 562

Notes to the Consolidated Financial Statements

(continued)

41. Segmental reporting (continued)

Company (continued)

Segmental Statement Financial Position at 30 June 2024	Corporate P	Commercial & Retail P	Industrial P	Residential P	Total P
Current Assets					
Taxation refundable	5 239 976	-	-	-	5 239 976
Trade and other receivables	6 017 577	639 754	1 843 110	470 374	8 970 815
Cash and cash equivalents	11 917 518	-	-	-	11 917 518
Investments at fair value	66 478 297	-	-	-	66 478 297
Assets classified as held for sale	-	-	-	13 160 000	13 160 000
Total assets	**508 260 696**	**243 844 523**	**797 919 575**	**13 630 374**	**1 563 655 168**

Company

Segmental Statement Financial Position at 30 June 2023	Corporate P	Commercial & Retail P	Industrial P	Residential P	Total P
Non-current Assets					
Investment property including straight lining of rental income	-	223 847 133	764 853 488	-	988 700 621
Property Plant and equipment	1 607 629	-	-	-	1 607 629
Right Use of Asset	98 348	-	-	-	98 348
Investment in Partnership/Associate	234 624 423	-	-	-	234 624 423
Investments at fair value	6 250 000	-	-	-	6 250 000
Deferred Tax	12 843 591	-	-	-	12 843 591
Deferred tax recoverable-related party	3 200 048	-	-	-	3 200 048
Loans to group companies	99 224 484	-	-	-	99 224 484
	357 848 523	223 847 133	764 853 488	-	1 346 549 144
Current Assets					
Taxation refundable	2 992 180	-	-	-	2 992 180
Trade and other receivables	3 519 538	507 771	1 962 155	101 573	6 091 037
Cash and cash equivalents	66 797 614	-	-	-	66 797 614
Assets classified as held for sale	-	49 300 000	-	47 200 000	96 500 000
Total assets	**431 157 855**	**224 354 904**	**766 815 643**	**47 301 573**	**1 518 929 975**

Due to the pooling of funds, all liabilities in the statement of financial position are corporate liabilities.

Notes to the Consolidated Financial Statements
(continued)

41. Segmental reporting (continued)

Group

Segmental Statement of Comprehensive Income for the year ended 30 June 2024	Corporate P	Commercial & Retail P	Industrial P	Residential P	Total P
Segment revenue-rental income	-	82 855 502	90 328 557	-	173 184 059
Other operating income	21 400	1 895 878	1 540 296	-	3 457 574
Movement in credit loss allowances	(100 728 289)	1 057 578	(391 500)	-	(100 062 211)
Other non-operating gains	887 953	-	-	-	887 953
Investment income	3 452 890	-	-	-	3 452 890
Administration expenses	(34 299 621)	(3 650 792)	(163 301)	-	(38 113 714)
Property operating expenses	(835 154)	(18 029 240)	(5 651 420)	-	(24 515 814)
Operating Profit	(131 500 821)	64 128 926	85 662 632	-	18 290 737
Finance income	8 042 196	476 677	-	-	8 518 873
Finance costs	(27 938 413)	(20 017 628)	(2 307 028)	-	(50 263 069)
Gain on disposal of investment in associate	6 047 948	-	-	-	6 047 948
Fair value gain on investment property net of adjustment resulting from straight lining	-	12 405 637	42 376 116	-	54 781 753
Share of profit from equity accounted investment	9 248 353	-	-	-	9 248 353
Impairment of investment in associate	(5 535 335)	-	-	-	(5 535 335)
Profit before tax	(141 636 072)	56 993 612	125 731 720	-	41 089 260
Income tax	(17 942 800)	(1 712 230)	-	-	(19 655 030)
Profit from continuing operations	(159 578 872)	55 281 382	125 731 720	-	21 434 230
Discontinued operations					
Profit from discontinued operations	-	2 327 116	-	2 424 932	4 752 048
Profit for the year	**(159 578 872)**	**57 608 498**	**125 731 720**	**2 424 932**	**26 186 278**

Company

Segmental Statement of Comprehensive Income for the year ended 30 June 2024	Corporate P	Commercial & Retail P	Industrial P	Residential P	Total P
Segment revenue-rental income	-	19 752 797	90 328 557	-	110 081 354
Other operating income	21 400	3 299 221	1 540 296	-	4 860 917
Movement in credit loss allowances	(100 728 289)	-	(391 500)	-	(101 119 789)
Other non-operating gains	887 953	-	-	-	887 953
Investment income	12 413 770	-	-	-	12 413 770
Administration expenses	(34 299 621)	(213 218)	(163 301)	-	(34 676 140)
Property operating expenses	(835 154)	(2 180 799)	(5 651 420)	-	(8 667 373)
Operating Profit	(122 539 941)	20 658 001	85 662 632	-	(16 219 308)
Finance income	8 051 166	-	-	-	8 051 166
Finance costs	(27 938 413)	(10 342 868)	(2 307 028)	-	(40 588 309)
Gain on disposal of investment in associate	6 047 948	-	-	-	6 047 948
Fair value gain on investment property net of adjustment resulting from straight lining	-	1 991 359	42 376 116	-	44 367 475

Notes to the Consolidated Financial Statements
(continued)

41. Segmental reporting (continued)

Company (continued)

Segmental Statement of Comprehensive Income for the year ended 30 June 2024	Corporate P	Commercial & Retail P	Industrial P	Residential P	Total P
Share of profit from equity accounted investment	9 248 353	-	-	-	9 248 353
Impairment of investment in associate	(5 535 335)	-	-	-	(5 535 335)
Profit before tax	(132 666 222)	12 306 492	125 731 720	-	5 371 990
Income tax	(17 942 800)	-	-	-	(17 942 800)
Profit from continuing operations	(150 609 022)	12 306 492	125 731 720	-	(12 570 810)
Discontinued operations					
Profit from discontinued operations	-	2 327 116	-	2 424 932	4 752 048
Profit for the year	**(150 609 022)**	**14 633 608**	**125 731 720**	**2 424 932**	**(7 818 762)**

Company

Segmental Statement of Comprehensive Income for the year ended 30 June 2023	Corporate P	Commercial & Retail P	Industrial P	Residential P	Total P
Segmental revenue-rental income	-	20 662 003	81 484 700	-	102 146 703
Other operating income	12 733	44 756	1 554 667	-	1 612 156
Movement in credit loss allowances	1 508 589	-	-	-	1 508 589
Other non-operating gains	10 897 813	-	-	-	10 897 813
Property related expenses	(557 748)	(2 079 621)	(7 184 298)	-	(9 821 667)
Administrative expenses	(30 303 976)	(292 992)	(1 292 882)	-	(31 889 850)
Operating Profit	(18 442 589)	18 334 146	74 562 187	-	74 453 744
Finance income	20 734 401	-	-	-	20 734 401
Finance costs	(21 565 387)	(10 342 868)	(2 568 014)	-	(34 476 269)
Share of profit from equity accounted investments	12 509 443	-	-	-	12 509 443
Fair value gain on investment property net of adjustment resulting from straight lining	-	7 062 559	39 035 178	-	46 097 737
Profit before tax	(6 764 132)	15 053 837	111 029 351	-	119 319 056
Income tax expense	(18 136 186)	-	-	-	(18 136 186)
Profit from continuing operations	(24 900 318)	15 053 837	111 029 351	-	101 182 870
Discontinued operations					
Profit from discontinued operations	-	5 631 025	-	3 487 424	9 118 449
Profit for the year	**(24 900 318)**	**20 684 862**	**111 029 351**	**3 487 424**	**110 301 319**

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

42. Business combinations

Aggregated business combinations

Property, plant and equipment	1 756 734	-	-
Investment property	755 611 070	-	-
Operating lease asset	14 607 431	-	-
Deferred tax	(70 900 279)	-	-
Trade and other receivables	6 110 733	-	-
Current tax receivable	2 288 473	-	-
Cash and cash equivalents	15 661 631	-	-
Borrowings	(133 881 002)	-	-
Trade and other payables	(9 258 555)	-	-
Total identifiable net assets	581 996 236	-	-
Non-controlling interest	(245 660 611)	-	-
Fair value of equity interest held before the business combination	(190 836 566)	-	-
Goodwill	3 986 858	-	-
	149 485 917	**-**	**-**

Consideration paid

Cash	(149 485 917)	-	-

JTTM Properties Proprietary Limited

In October 2023, the Company acquired an additional 25% shareholding in JTTM Properties (Proprietary) Limited (JTTM), the holding company of Railpark Mall, which resulted in JTTM becoming a subsidiary of the Company at a shareholding of 57.79%. This resulted in a goodwill of P 3 986 858 arising from the acquisition.

Fair value of assets acquired and liabilities assumed

Property, plant and equipment	1 756 734	-	-
Investment property	755 611 070	-	-
Operating lease asset	14 607 431	-	-
Deferred tax	(70 900 279)	-	-
Trade and other receivables	6 110 733	-	-
Current tax receivable	2 288 473	-	-
Cash and cash equivalents	15 661 631	-	-
Borrowings	(133 881 002)	-	-
Trade and other payables	(9 258 555)	-	-
Total identifiable net assets	581 996 236	-	-
Non-controlling interest	(245 660 611)	-	-
Fair value of equity interest held before the business combination	(190 836 566)	-	-
Goodwill	3 986 858	-	-
	149 485 917	**-**	**-**

Notes to the Consolidated Financial Statements
(continued)

	Group	Company	
Figures in Pula	**2024**	**2024**	**2023**

42. Business combinations (continued)

Non-controlling interest

Non-controlling interest, which is a present ownership interest, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, is measured at the present ownership interests proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair values.

Acquisition date fair value of consideration paid

Cash	(149 485 917)	-	-

43. Events after the reporting period

There are no events after reporting period.

44. Going concern

The consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated financial statements have been prepared on a going concern basis. The directors have satisfied is that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors is not aware of any new material changes that may adversely impact the group. The directors is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

DETAILED INCOME STATEMENT

for the year ended 31 March 2021

		Group	Company	
Figures in Pula	**Note(s)**	**2024**	**2024**	**2023**
Continuing operations				
Revenue				
Contractual income		161 134 720	104 809 712	98 731 227
Straightline lease rental adjustment		(1 642 076)	1 224 803	59 457
Operating cost recoveries		13 691 415	4 046 839	3 356 019
	4	**173 184 059**	**110 081 354**	**102 146 703**
Other operating income				
Management fees received		10 800	2 321 638	50 400
Fees earned		3 452 890	12 413 770	-
Bad debts recovered		3 000	3 000	483 137
Operating cost recoveries		2 536 279	2 536 279	767 813
Other income		907 495	-	6 611
Insurance income		-	-	304 195
	5	**6 910 464**	**17 274 687**	**1 612 156**
Other operating gains (losses)				
Profit on disposal of property, plant and equipment		-	-	(35 722)
Foreign exchange gains		887 953	887 953	10 933 535
	6	**887 953**	**887 953**	**10 897 813**
Impairment	7	(100 062 211)	(101 119 789)	1 508 589
Expenses		**(62 629 528)**	**(43 343 513)**	**(41 711 517)**
Operating profit (loss)	**7**	**18 290 737**	**(16 219 308)**	**74 453 744**
Finance income	8	8 518 873	8 051 166	20 734 401
Finance costs	9	(50 263 069)	(40 588 309)	(34 476 270)
Share of profit from equity accounted investments		9 248 353	9 248 353	12 509 443
Fair value adjustment of investment properties				
Gains on disposal of investment in associate		6 047 948	6 047 948	-
Impairment losses		(5 535 335)	(5 535 335)	-
Fair value adjustment of investment properties		54 781 753	44 367 475	46 097 737
Profit before taxation		**41 089 260**	**5 371 990**	**119 319 055**
Taxation	14	(19 655 030)	(17 942 800)	(18 136 185)
Profit (loss) for the year from continuing operations		**21 434 230**	**(12 570 810)**	**101 182 870**
Discontinued operations		4 752 048	4 752 048	9 118 449
Profit (loss) for the year		**26 186 278**	**(7 818 762)**	**110 301 319**

Appendices

for the year ended 30 June 2024


FLOWERTOWN
LIQUORAMA
DUNNS
Nando's
Nando's

King III Application Register

The table below explains how Letlole La Rona Limited has applied the principles set out in King III and addresses the extent of the Company's compliance with the Code as of 30 June 2024.

Principle		Comments / explanation	Status
1. Ethical Leadership and Corporate Citizenship (6 principles)			
1.1	**The board should provide effective leadership based on an ethical foundation.**	The ethical foundation on which the Board provides effective leadership is incorporated in the Code of Conduct and Ethics as stipulated by the Board Charter and Conditions of Employment. The Company's values, on which it builds its foundation, are included in the 2024 Integrated Annual Report. The Board has adopted the requirements of King III and considers best corporate governance practices to be critical in delivering sustainable growth. The Board also ensures that the Company complies with the requirements of BSEL, Companies Act, IFRS and applicable laws.	Applied
1.2	**The Board should ensure that ethics is a part of the Company's business strategy.**	The Company ensures that ethics is integral to the Company's business strategy by fostering a culture of ethical leadership and accountability at all levels of the organisation. For the reporting year, there was a push for the approval of the ethics policy, which shows the Company's commitment to providing a guiding framework for proper ethical practices.	Applied
1.3	**The Board should ensure that the company is and is seen to be a responsible corporate citizen**	The Board ensures that the Company is and is seen to be a responsible corporate citizen and this is also included in the Board Charter as part of the role of the Board. As a responsible corporate citizen, the Company strives to preserve value for stakeholders and maximise returns to unit holders.	Applied
1.4	**The Board should ensure that the company is socially responsible.**	The Board integrates social responsibility into the Company's core values and strategy. Through the application of integrated reporting at LLR, the Board is able evaluate and monitor the Company's impact on both society and the environment.	Applied
1.5	**The Board should monitor ethical performance.**	See 1.1 and 1.2	Applied
1.6	**The Board should manage conflicts of interest.**	The Board applies the concept of conflict-of-interest checks, requiring regular declarations from both Directors and Executives.	Applied

Principle		Comments / explanation	Status
2. Boards and Directors (18 principles)			
2.1	**The Board should act as the focal point for the custodian of corporate governance**	The Board Charter, approved in December 2021, sets out its responsibilities and the Board meets at least four times per year. Proper minutes are maintained of Board deliberations to ensure that proper corporate governance is being implemented on an ongoing basis	Applied
2.2	**The Board should appreciate that strategy, performance, and sustainability are inseparable**	The Board informs and approves the strategy and ensures it is aligned with the purpose of the Company, its value drivers and the legitimate interests and expectations of its stakeholders to ensure sustainable outcomes.	Applied
2.3	**The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities**	Specific responsibilities have been formally delegated to the Board Committees with defined terms of reference, duration, and function, clearly agreed upon reporting procedures and written scope of authority documented in its formal charters.	Applied
2.4	**Directors should be appointed through a formal process.**	Directors are appointed through a formal process, and this is overseen by the NRC with appointments approved by the Board ratified by the Company' shareholders.	Applied
2.5	**The Board should comprise of a majority of non-executive directors, most of whom should be independent.**	The Board is currently made up of four (4) independent Non-Executive Directors and one (1) Non-Executive Director. In line with best practice principles, the Board ensures that the majority of the Board members are independent Non-Executive Directors.	Applied
2.4	**The Chairperson should be independent, and there should be a clear division of responsibilities between the Chairperson and CEO.**	Mr. Khuto Balosang is an Independent Non-Executive Director and Chair of the Board.	Applied
2.5	**The Board should ensure that Directors receive appropriate induction and ongoing training**	Following the appointment of new Directors, they visit the Company's businesses and meet with senior management, as appropriate, and are offered to facilitate their understanding of the Company and their fiduciary responsibilities. Directors receive training as and when required on company-specific matters.	Applied
2.6	**There should be regular evaluation of the Board, committees, and individual directors.**	The evaluation of the Board, its committees and individual performance evaluations are performed annually.	Applied
2.7	**The Board should ensure succession planning for key positions.**	Key positions in the Company have been identified and development of succession plan for the key positions to be completed by FY 2025.	Partially Applied
2.8	**The Board should be assisted by a competent, suitably qualified company secretary**	The Company has a suitable and competent Company Secretary. The Company Secretary is not a director of the Company and remains on an arm's-length basis with the Board.	Applied
2.9	**The Board should ensure that the CEO and Executive management are evaluated regularly.**	See 2.6	Applied
2.10	**The Board should meet regularly and hold sufficient meetings to discharge its duties effectively.**	The Board convened seven (7) times during the reporting year, with all Board members in attendance. The Board continues to hold an adequate number of meetings to fulfill their responsibilities effectively.	Applied

Appendices

King III Application Register
(continued)

Principle		Comments / explanation	Status
2.11	**The Board should have financial literacy and the appropriate skills mix.**	The Board composition currently contains a mix of financial compositions with a mix of CA qualified members and other relevant skills in financial investments and IT	Applied
2.12	**Non-Executive Directors should be independent and free from conflicts of interest.**	To reference External Interest Check	Applied
2.13	**Board diversity should be considered when appointing Directors.**	Appointment is conducted through a formal process and is overseen by the NRC. The board then recommends the required skills set to shareholders for appointment at the Annual General Meeting (AGM)	Applied
2.14	**Directors should seek independent, professional advice where necessary.**	When applicable the directors seek independent advice from the independent Non-Executive Directors	Applied
2.15	**The Board should ensure that stakeholder interests are appropriately considered.**	The Board and its management ensured that stakeholder interests were considered by running initiatives in the reporting year that aimed to seek perspective of the stakeholders. To reference integrated stakeholder management.	Applied
2.16	**Directors should disclose their interests and abstain from decisions where there is a conflict of interest.**	To reference External Interest Check	Applied
3. Audit Committees (7 principles)			
3.1	**The Board should ensure that the company has an effective and independent ARAC Committee comprising at least three members**	LLR has an effective Audit Risk and Compliance Committee that consists of three independent non-executive directors. See	Applied
3.2	**ARAC Committee should oversee integrated reporting**	This responsibility is included in the ARAC Committee's terms of reference.	Applied
3.3	**ARAC Committee should ensure a combined assurance model is applied to provide a coordinated approach to assurance.**	A combined assurance model is applied in LLR with the application of the internal and external audit and the provision of regulatory compliance.	Applied
3.4	**The ARAC Committee should satisfy itself of the expertise, resources, and experience of the company's finance function**	The ARAC Committee is directly involved in the employment and appraisal of finance executives who head the finance function of the Company. The Committee is satisfied with the expertise and experience of the CFO.	Applied
3.5	**The ARAC committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process**	The ARAC Committee recommends the approval of the appointment of the external auditor as well as its engagement letter and terms, nature and scope of the audit function and the audit fee.	Applied
3.6	**The ARAC Committee should be responsible for overseeing internal audit**	The ARAC Committee have oversight of the outsourced internal auditor's activities and findings.	Applied
3.7	**The Audit Committee should ensure accurate financial reporting and disclosures.**	Financial disclosures and reporting are subject to the ARAC Committee approval.	Applied

Principle		Comments / explanation	Status
4. The Governance of Risk (7 principles)			
4.1	**The Board should be responsible for the governance of risk**	The Board oversees the management of risk and has delegated the process to the ARAC Committee. The Committee monitors the adequacy and effectiveness of the Company's internal risk management process	Applied
4.2	**The Board should determine the levels of risk tolerance**	The risk tolerance levels have been determined and are quarterly tracked on the risk register	Applied
4.3	**The Board should ensure risk assessments are performed continually.**	The inherent and residual risks are discussed at the quarterly ARAC Committee meetings.	Applied
4.4	**The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredicted risks**	The risk registers are continuously reviewed and discussed at the quarterly ARAC Committee meetings.	Applied
4.5	**The Board should ensure continuous risk monitoring by management**	The Board has established a comprehensive control environment, ensuring that risks are mitigated, and the Company's objectives are attained.	Applied
4.6	**The Board should ensure appropriate disclosure regarding risks and how they are managed.**	The Board ensures appropriate risk disclosure by adopting a proactive, transparent, and structured approach to risk reporting. The Board implementing robust risk governance practices, aligning with regulatory standards, and providing clear, comprehensive information, which helps stakeholders understand how risks are managed and demonstrate the Company's commitment to effective risk oversight	Applied
5. The Governance of Information Technology (IT) (5 principles)			
5.1	**The Board should be responsible for IT governance.**	The Board provides oversight of LLR's IT governance and has an approved IT policy and framework in place.	Applied
5.2	**IT should be aligned with the performance and sustainability objectives of the Company**	The IT Governance Framework and Information and Security Policy are aligned with LLR's strategy and operational policies	Applied
5.3	**The Board should delegate to management the responsibility for the implementation of an IT governance framework.**	Management outsources its IT function to an experienced, reputable firm who ensures the integrity of its IT system.	Applied
5.4	**IT should form an integral part of the Company's risk management**	Both the internal and external auditors perform assessment on IT general controls. The SLA between LLR and the outsourced service provider serves as assurance on the effectiveness of the IT internal controls that are put in place by the outsourced service provider.	Applied
5.5	**The Board should ensure that information assets are managed effectively**	A Board-approved Disaster Recovery and Business Continuity Plan is in place. LLR has a secured cloud-based backup solution through the IT-service provider that will assist in the event there is a disaster for business continuity purposes.	Applied

King III Application Register
(continued)

Principle		Comments / explanation	Status
6. Compliance with Laws, Rules, Codes, and Standards (3 principles)			
6.1	**The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes, and standards**	The Board ensures that the Company complies with the requirements of BSEL, Companies Act, IFRS and the applicable law. The Company, through the Head of Legal and Compliance , advises the Board on any legal and regulatory requirements.	Applied
6.2	**The Board and each individual Director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business**	Directors have a working understanding of all applicable laws, rules, codes, and standards applicable to the Company. Additional training is provided as required.	Applied
6.	**Compliance should form an integral part of the Company's risk management process**	Compliance risk is discussed at each ARAC Committee meeting and forms part of the risk management process.	Applied
7. Internal Audit (4 principles)			
7.1	**The Board should ensure that there is an effective risk-based internal audit**	The Company engages external internal auditors who conduct internal audit services biannually. A quality assurance and improvement programme are in place to assess the internal audit's adherence to established standards and evaluate whether the auditors follow the code of ethics. Additionally, the programme reviews the efficiency and effectiveness of internal audit activities and highlights areas for potential enhancement.	Applied
7.2	**Internal audit should provide a written assessment of the effectiveness of the Company's system of internal controls and risk management**	At the end of each audit, the internal auditor provides a written assessment of his findings regarding the Company's system of control and risk management.	Applied
7.3	**Internal audit should be strategically positioned to achieve its objectives**	Internal audit reports are reviewed at the ARAC Committee meetings which the internal auditors attend by invitation.	Applied
7.4	**Internal audit should provide assurance on the governance, risk management, and control environment.**	See 4.6	Applied

Principle		Comments / explanation	Status
8. Governing Stakeholder Relationships (5 principles)			
8.1	**The Board should appreciate that stakeholders' perceptions affect the Company's reputation.**	Management engages with the stakeholders and reports to the Board on the perception of stakeholders and how they affect the Company's reputation.	Applied
8.2	**The Board should delegate to management to proactively deal with stakeholder relationships**	Refer to 8.1	Applied
8.3	**The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company**	A formal stakeholder engagement policy is in place. The Company interacts with its major stakeholders on an ad hoc basis in the normal course of business.	Applied
8.4	**Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence**	The Board strives to ensure that reporting to stakeholders is relevant, transparent, and accurate.	Applied
8.5	**The Board should ensure that disputes are resolved as effectively, efficiently, and expeditiously as possible**	LLR currently uses the Company's Dispute and Grievance Policy to resolve disputes as effectively, efficiently, and expeditiously as possible.	Applied
9. Integrated Reporting and Disclosure (5 principles)			
9.1	**The Board should ensure the integrity of the Company's integrated report**	To ensure the integrity of the Company's integrated report, take several key steps to verify that the information presented is accurate, transparent, and aligned with the Company's strategic objectives, risks, and performance.	Applied
9.2	**Sunstainable reporting and disclosure should be integrated with the Company's financial reporting**	The Company endeavours to integrate all information to stakeholders in the form of the IAR, focusing on sustainability on all levels, including finances.	Applied
9.3	**The board should ensure that the Integrated Report covers both financial and non-financial aspects of performance.**	See 9.1.	Applied
9.4	**The Board should ensure that the governance disclosures in the integrated report are comprehensive and accurate.**	Integrated reports are currently subject to Board Approval before publishing our Board assesses and reviews all governance disclosures according to their accuracy and comprehensiveness	Applied
9.5	**The Board should ensure independent assurance on sustainability reporting**	Sustainability (ESG) reporting is currently being self-assured. At this stage in its reporting journey, LLR has decided that it is premature to obtain independent assurance for non-financial disclosures.	Not Applied

ESG Data Index

ENVIRONMENTAL

Natural resources	2023	2024
Any legal or regulatory responsibility for an environmental impact? Yes/No	No	No
Does the company publish and follow an environmental policy?	No	No
Specify the primary source of energy used by the company	Electricity	Electricity
Head office: electricity consumption (KW)	Not Measured	Not Measured
Percentage of renewable energy used (%)	Not Measured	Not Measured
Head office: total water consumption (liters)	Not Measured	Not Measured
Water consumption intensity (liters / employee)	Not Measured	Not Measured
Head office: total waste generated	Not Measured	Not Measured
Total recycled waste (Kg)	Not Measured	Not Measured
Total paper consumption (kg)	Not Measured	Not Measured
Total paper recycled (kg)	Not Measured	Not Measured
Business travel (domestic, # trips)	Not Measured	Not Measured
Business travel (international, # trips)	Not Measured	Not Measured
Total amount invested in climate-related infrastructure, resilience and product development	Not Measured	Not Measured
Total spent on green property development	Not applied	Not applied
# of certified green properties	0	0

SOCIAL

Workforce Overview	2023	2024
Does LLR have any employee policies in place?	Yes	Yes
Total workforce (excluding trainees, students)	16	22
Male employees	4	8
Female employees	12	14
Total number of national employees	16	22
Female	12	14
Male	4	8
Total New employee hires:	5	6
Male	2	4
Female	3	2
Employee turnover (voluntary and involuntary)	14%	0
Training spends for the reporting year under review	P436,175.29	P384,704
Training hours	Not measured	Not Measured
Permanent employees receiving performance review	16	21
Number of employees with disabilities	N/a	N/a
Employee wages & benefits (P million)	P15,519,644	P19,818,263
Workplace-related deaths	0	0
Workplace-related serious injuries	0	0
Lost time incident rate	N/a	N/a
Total recordable injury rate	0	0
Disclosure and adherence to a Human Rights Policy? (Yes/No)	Yes/No	N/a
Number of grievances about human rights issues filed, ad-dressed and resolved	0	
Variance female salary to male salary	N/a	N/a
Does the company prohibit the use of child or forced labor throughout the supply chain?	Yes	Yes

ESG Data Index
(continued)

GOVERNANCE

	2023	2024
Board of Directors Members	6	5
Independent members of the Board of Directors	3	4
Non-Executive Members of the Board of Directors	2	1
Female members of the Board of Directors	1	1
Male members of the Board of Directors	5	4
Disclosure of the voting results of the latest AGM.	100%	100%
Does the company publish and follow a Bribery/Anti-Corruption Code?	No	No
Does the company publish and follow a Supplier Code of Conduct?	No	No
Does the company publish and follow an Ethics Code of Conduct?	No	Yes
Executive compensation linked to performance indicators.	No	Yes
Role separation of Chairman and CEO.	Yes	Yes
Sustainability report published.	Yes	Yes
An external party assures the company's non-financial information.	Yes	Yes
Ethics-related queries and concerns (number)	0	0
Calls to tip-offs anonymous whistle-blower line (number)	N/A	N/A
Conflict of interest declarations (number)	3	1
Suppliers prequalified following due diligence (total suppliers assessed)	No	No
Suppliers monitored or audited (number)	No	No
Suppliers trained on ethics and fraud management (number)	No	No
Number of breaches reported in relation to consumer data privacy	None	None
Number of stakeholder inquiries, complaints, or issues received	2	0
Total number of confirmed Whistleblowing cases	None	None

Corporate Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	The Company is a Variable Rate Loan Stock Company engaged in property investment and deriving revenue primarily from property rentals.
Registered office	Letlole la Rona Limited Unit 2B, 1st Floor Peelo Place, Plot 54366 CBD P O Box 700 ABG Gaborone Botswana
Business address	Unit 2B, 1st Floor Peelo Place, Plot 54366, CBD P O Box 700 ABG Gaborone Botswana
Auditors	Grant Thornton Chartered Accountants and Certified Auditors of Public Interest Entities
Secretary	Bothepa Obuseng
Company registration number	BW00001394482
Date of incorporation	08 July 2010
Transfer secretaries	Central Securities Depository Company Botswana 4th Floor, Landscape Precinct Plot 70667 Fairgrounds Gaborone Botswana
Debenture Trust Trustees	Desert Secretarial Services (Pty) Ltd / Stevens Fricker & Associates

Glossary and ACRONYMS

CPD	Continued Professional Development
CSI	Corporate Social Investment
DPLU	Dividend Per Linked Unit
ESG	Environmental Social Governance
GLA	Gross Lettable Area
GRI	Global Reporting Initiative
IAR	Integrated Annual Report
IC	Investment Committee
IFC EDGE	An innovation of the International Finance Corporation (IFC), EDGE makes, designs and certifies resource efficient and Zero Carbon buildings.
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
Information Tech-nology	Information Technology
JTTM	JTTM Properties (Pty) Ltd
King III	The King III™ Code of Governance Principles
LLR	Letlole la Rona Limited, also referred to as ‘the Company’
LTV	Loan-To-Value
NAV	Net Asset Value
WALE	Weighted Average Lease Expiry
IODSA	Institute of Directors South Africa

Notice of Annual General Meeting (AGM)

NOTICE IS HEREBY GIVEN THAT THE 2024 ANNUAL GENERAL MEETING OF THE UNITHOLDERS OF LETLOLE LA RONA LIMITED SHALL BE HELD BY MEANS OF AUDIO- OR AUDIO-VISUAL COMMUNICATION ON 20 DECEMBER 2024 AT 09:00HOURS IN TERMS OF SECTION 11.1 (B) OF THE CONSTITUTION OF THE COMPANY FOR THE FOLLOWING PURPOSE:

Agenda
1. To read the Notice convening the meeting and confirmation of quorum in accordance with the Company Constitution.

2. To approve minutes of the Annual General Meeting held on 14 December 2023.

3. To receive the Chairperson's Report.

4. Ordinary Resolution 1
To receive, consider, and adopt the Audited Annual Financial Statements and the reports of the Auditors and Directors for the year ended 30 June 2024.

5. Ordinary Resolution 2
To approve and ratify the distributions declared by the Directors for the year ended 30 June 2024.

6. Ordinary Resolution 3
To approve the remuneration of the Directors for the year ended 30 June 2024.

7. Ordinary Resolution 4
To approve the remuneration of Grant Thornton, the Company's Auditors, for the year ended 30 June 2024.

8. Ordinary Resolution 5
To re-appoint Grant Thornton as Auditors of the Company for the ensuing year.

9. Ordinary Resolution 6
To re-elect Mr. Boikanyo Kgosidintsi who retires by rotation in terms of section 20.9.1 of the Constitution and being eligible, offers himself for re-election (refer to profile on page 51 of the Integrated Report).

10. Ordinary Resolution 7
To re-elect Mr. Zola Lupondwana who retires by rotation in terms of section 20.9.1 of the Constitution and being eligible, offers himself for re-election (refer to profile on page 52 of the Integrated Report).

11. Ordinary Resolution 8
To re-elect Ms. Katso Gaobakwe who retires by rotation in terms of section 20.9.1 of the Constitution and being eligible, offers himself for re-election (refer to profile on page 50 of the Integrated Report).

12. Special Resolution 1
To adopt the new and amended Constitution, a draft of which Constitution is available for inspection as of 29 November 2024 to the date of the AGM at the Company's registered office as well as on the Company's website.

13. Special Resolution 2
To adopt the new and amended Debenture Trust Deed, a draft of which Debenture Trust Deed is available for inspection as of 29 November 2024 to the date of the AGM at the Company's registered office as well as on the Company's website.

14. Special Resolution 3
To ratify the appointment of Mr. Stephen David Pezarro as the Trustee and Mr. Kopanang Thekiso as his successor of Desert Secretarial Services (Proprietary) Limited as Trustees in terms of the Debenture Trust Deed.

15. Special Resolution 4
To ratify the appointment of Mr. Kopanang Thekiso of Desert Secretarial Services (Proprietary) Limited as Mr Pezarro's trustee successor in terms of the Debenture Trust Deed.

16. Any other Business:
To transact any other business which may be transacted at an Annual General Meeting.

By order of the Board Company Secretary
29 November 2024

A member entitled to attend, and vote may appoint a proxy to attend and vote for him, on his behalf, and such proxy need not also be a member of the company. A proxy form is available at the end of the Annual Report.

Notes to the notice:
1. The Company's Annual General Meeting will be held by means of audio- or audio-visual communication in terms of Section 11.1 (b) of the Constitution of the Company at on Wednesday 18 December 2024.

2. Unitholders who wish to attend the meeting should RSVP by email to bobuseng@letlole.com, djonah@letlole.com, and Cc: compliance@letlole.com by close of business on Wednesday 18 December 2024.

3. A proxy form must be deposited at the registered office of the Company, being Unit 2B, First Floor, Peelo Place, Plot 54366, New CBD, Gaborone or emailed to the above referenced emails not less than 48hrs before the time of holding the meeting.

Form of Proxy

The 2024 Annual General Meeting of members to be held on 20 December 2024 at 09:00hrs by means of audio or audio-visual communication in terms of Section 11.1 (b) of the Constitution of the Company.

For use at the Annual General Meeting of Unitholders of the Company to be held on 20 December 2024 at 09:00hrs by means of audio- or audio-visual communication.

I/We ....of ....being a member/members of the above-named Company do hereby appoint:

....of ....or failing that person the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 2024 Annual General Meeting of the Company to be held on 20 December 2024 at 09:00 hrs.

	Number of linked units		
	For	Against	Abstain
Ordinary Resolution 1 To receive, consider, and adopt the Audited Annual Financial Statements and the reports of the Auditors and Directors for the year ended 30 June 2024.			
Ordinary Resolution 2 To approve and ratify the distributions declared by the Directors for the year ended 30 June 2024.			
Ordinary Resolution 3 To approve the remuneration of the Directors for the year ended 30 June 2024.			
Ordinary Resolution 4 To approve the remuneration of Grant Thornton, the Auditors, for the year ended 30 June 2024			
Ordinary Resolution 5 To re-appoint Grant Thornton as Auditors of the Company for the ensuing year.			
Ordinary Resolution 6 To re-elect Mr. Boikanyo Kgosidintsi who retires by rotation in terms of section 20.9.1 of the Constitution and being eligible, offers himself for re-election (refer to profile on page 51).			
Ordinary Resolution 7 To re-elect Mr. Zola Lupondwana who retires by rotation in terms of section 20.9.1 of the Constitution and being eligible, offers himself for re-election please add (refer to profile on page 52).			
Ordinary Resolution 8 To re-elect Ms. Katso Gaobakwe who retires by rotation in terms of section 20.9.1 of the Constitution and being eligible, offers herself for re-election (refer to profile on page 50 of the Integrated Report).			
Special Resolution 1 Resolved to replace the Constitution in its entirety with a new Constitution, a draft of which Constitution is available for inspection as of 29 November 2024 to the date of the AGM at the Company's registered office.			
Special Resolution 2: Resolved to adopt the new amended Debenture Trust Deed, a draft of which Debenture Trust Deed is available for inspection as of 29 November 2024 to the date of the AGM at the Company's registered office.			
Special Resolution 3: Resolved to appoint Mr. Stephen David Pezarro as the Trustee of Desert Secretarial Services (Proprietary) Limited as Trustees in terms of the Debenture Trustee Deed.			
Special Resolution 4: To ratify the appointment of Mr. Kopanang Thekiso of Desert Secretarial Services (Proprietary) Limited as Mr Pezarro's trustee successor in terms of the Debenture Trust Deed.			

Letlole La Rona Limited

1st Floor, Unit 2BPeelo
Place, CBD, Gaborone
+267 318 0301
info@letlole.com