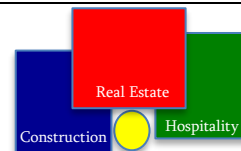




RDC PROPERTIES LIMITED
 PO Box 405391, Gaborone, Botswana
 Plot 5624, Lejara Road, Broadhurst Industrial, Gaborone, Botswana.
Registration Number BW 0000877423 (Incorporated in the Republic of Botswana)
Directors: G R Giachetti (Chairman)*, G Giachetti*, L Magang,
 K C Maphage, J Pari*, A. Bradley**, B Kenewendo
 * Italian, ** South African



Member of the: **Realestate Group**

WE OWN AND MANAGE STRATEGIC PROPERTY ASSETS THAT ADD VALUE TO THE COMMUNITIES WE SERVE

HIGHLIGHTS – ANNOUNCEMENT OF THE AUDITED GROUP CONSOLIDATED SUMMARISED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

↑ 13.6% INVESTMENT AND PROPERTY PORTFOLIO TO P2.3 BILLION **↓ 13.7% REVENUE TO P131,6M** **◆ 31% LOAN TO VALUE NET OF CASH** **↓ 77.5% EARNINGS PER LINKED UNIT**

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME	2020 P'000 Audited	2019 P'000 Audited	% Change
Revenue	131,594	152,481	(13.7%)
Operating expenses	(52,007)	(50,986)	
Income arising from joint venture	(427)	1,089	
Other foreign exchange gains	1,647	827	
Other operating income	1,913	3,279	
Profit from operations	82,720	106,690	(22.5%)
Investment Income	13,025	19,348	
Finance costs	(58,317)	(48,704)	
Net income from operations before fair value adjustments	37,428	77,334	
Surplus arising on fair valuation of investments	7,486	-	
Surplus/(deficit) arising on revaluation of investment properties	(25,947)	84,746	(130.6%)
Profit before tax	18,967	162,080	(88.3%)
Income tax expense	3,240	(34,547)	
Profit for the year	22,207	127,533	(82.6%)

Other comprehensive income	2020 P'000 Audited	2019 P'000 Audited	% Change
<i>Items that may be subsequently classified to profit or loss</i>			
Exchange differences on translation of foreign operations	(9,067)	5	
Fair value gain/(loss) on available for sale financial assets	3,862	(6,697)	
Total comprehensive income for the year	17,002	120,481	(85.9%)

Total comprehensive income for the year attributable to:	2020 P'000 Audited	2019 P'000 Audited	% Change
Owners of the company	17,007	102,560	(83.4%)
Non-controlling interests	(5)	18,281	
	17,002	120,841	

Average number of linked units in issue	352,644,215	350,982,285	
Earnings per linked unit (Thebe)	7.60	33.85	(77.5%)
Number of linked units in issue at year end	353,448,157	350,982,285	
Distribution per linked unit (Thebe)	6.37	13.03	

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2020 P'000 Audited	2019 P'000 Audited
Assets		
Property, plant and equipment	6,489	7,928
Intangible asset	1,000	1,000
Investments & loans	80,879	-
Investment in a joint venture	27,444	30,633
Investment properties	2,145,151	1,977,609
Rental receivable - straight line rental adjustment	13,429	11,663
Available for sale investments	38,160	7,321
Long-term trade receivables	4,408	945
Current assets	201,990	290,673
Total Assets	2,518,950	2,327,772

Equity and Liabilities	2020 P'000 Audited	2019 P'000 Audited
Equity attributable to the owners of the parent	1,156,823	1,169,406
Non-controlling interests	297,009	265,452
Long term borrowings (current & non-current portions)	877,745	707,826
Deferred tax liabilities	129,624	138,747
Current liabilities	57,749	46,341
Total Equity and Liabilities	2,518,950	2,327,772

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS	2020 P'000 Audited	2019 P'000 Audited
Net cash generated from operating activities	88,236	94,381
Net cash generated from / (used in) investing activities	(279,387)	35,787
Net cash generated from financing activities	73,758	(71,338)
Net movement in cash and cash equivalents	(117,392)	201,506
Cash and cash equivalents at beginning of year	257,945	55,402
Effects of exchange rates	17,787	(1,037)
Cash and cash equivalents at end of year	158,340	257,945

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	2020 P'000 Audited	2019 P'000 Audited
Balance brought forward	1,434,858	1,356,579
Total comprehensive income for the year	17,002	120,841
Debt interest paid	(33,679)	(38,098)
Taxation attributable to debenture interest	4,593	9,555
Dividends paid	(10,025)	(14,019)
Capitalisation issue of linked units	5,006	-
Effect of increase in controlling shareholding of subsidiary	36,077	-
Balance at the end of the period	1,453,832	1,434,858

The Year Review

2020 was an unprecedented year for all of us, it has changed our lives and the long-term effect on the real estate sector remains unclear. The global hard lock down periods highlighted the universal basic need to connect with one another as well as the importance of caring for our communities and the less fortunate – core values of RDC.

The incredible speed at which vaccines have been developed has created optimism for a return to a more normal life. Despite the accelerated shift to a 'work from home' environment and the uncertainty of travel, studies show that face-to-face interaction is an important component of our physical and emotional well-being and is critical to innovation and growth. As a result, we can expect an increase in travel and we believe our strategy of a diversified portfolio by use and location is aligned with the new normal.

I salute the dedication and commitment demonstrated by all of our management and staff during such challenging times. The quality of leadership demonstrated by our senior managers both in Botswana and in South Africa has reinforced my conviction that the integration of management teams with such extensive experience and professional and ethical qualities will provide us with a solid footing for the future.

The Consolidated results for the year ending 31 December 2020 reflect the resilience of a well-diversified and carefully managed portfolio in a very demanding operating environment. The purpose of our regional and sectoral spread becomes apparent through our USA investments performing strongly and the Capitalgro portfolio, underpinned by a reduced interest environment, continuing to contribute solidly to the results of the Group. The execution of the contracted acquisitions and the minimal impact on the ongoing key developments (the Radisson Red Hotel in Rosebank, Johannesburg and the Biotechnology Hub in Woodstock, Cape Town) stand testament to our ability to move forward and to continue to deliver amidst a crisis and a new normalcy.

Across the world the hospitality industry was one of the hardest hit in the fall out of the Global pandemic and Botswana was no different. The dedication and hard work of the employees of the hotels, supported by shareholders has protected and safeguarded the operations. The year ended with reduced revenue from the hospitality sector of about P28.4m as reflected in a prudent negative fair value adjustment of P20m in respect of our two largest hospitality assets, Chobe Marina Lodge and the Protea Hotel by Marriott – Gaborone Masa Square.

We continue to assess and react to the constantly shifting challenge of the Covid pandemic and continue to work with our tenants and other stakeholders to support them through this period and into the post pandemic era. In doing so, we will remain true to our core values and commitment to the communities we serve.

The Group has maintained a low overall level of borrowing with Long term borrowings, net of cash, at 31%. This was increased from prior periods mainly due to the issue of P52.2m of unsecured senior notes under our bond program in March 2020 and the successful debt finance of P119m through ABSA for our South African acquisitions. The focus on the preservation of cash resulted in a distribution capitalisation option followed by few linked unitholders which raised P5m in the period.

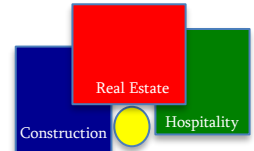
In Botswana, as with the rest of the world during the peak of the pandemic, the market was stagnant with generally reduced levels of leasing activity and low occupancies in the hospitality sector. Despite this, our commercial properties have performed well. The net revenue is in line with the prior year, underpinned by the strong performance of the residential and industrial sector and our blue-chip institutional tenants. We are proud that both the Protea Hotel by Marriott Gaborone, Masa Square and Chobe Marina Lodge were the first hotels to support the Government's efforts to curb the spread of the virus through offering the premises as Quarantine accommodation. The Protea Hotel by Marriott Gaborone, Masa Square as converted in May 2020 is now perfectly positioned to offer the Bonvoy loyalty card holders its services, and so will Chobe Marina Lodge, boasting its revamped rooms and improved restaurants and Spa. The overall collections stood at 90%

**RDC PROPERTIES LIMITED**

PO Box 405391, Gaborone, Botswana
Plot 5624, Lejara Road, Broadhurst Industrial, Gaborone, Botswana.

Registration Number BW 0000877423 (Incorporated in the Republic of Botswana)

Directors: G R Giachetti (Chairman)*, G Giachetti*, L Magang,
K C Maphage, J Pari*, A. Bradley**, B Kenewendo
* Italian, ** South African



Member of the: **Realestate Group**

The Year Review (continued)

of total billings with discounts/rebates otherwise secured via individual negotiations. The Retirement Homes Project has been put on hold pending clarity on the macro economic situation in Botswana and specifically the vaccine roll-out plan.

In **South Africa**, the **Capitalgro** portfolio performance has exceeded the expectations as the reduced income due to protracted vacancies and cyclical rental reversions has been mitigated by the combination of a reduction in finance costs and a high (96%) rental collections ratio, another positive consequence of our direct management strategy. The portfolio grew to **R964.5m**, up from R704m with the addition of the Capita buildings and the Rhino Africa building in March and May respectively. The portfolio distributed some R25.6m to shareholders, representing an interest rate of 8.6% on shareholder loans. Management has decided to repurpose the **Westlake Lifestyle Centre** as a convenience center and in this regard has just concluded a 10-year lease with Checkers to house their latest specification food store and are in final negotiations with Clicks, which will secure this asset in the long term. The development in **Woodstock, Albert Road 108**, began post lockdown and is due to be complete in Q3 2021, aiming to house biotech tenants in an innovation center. The new **Radisson RED Hotel, Rosebank**, turn-key developed is on budget and is set to open early June 2021. The Rosebank node is quickly becoming the center for both business and entertainment in the City of Johannesburg and we believe that RDC is set, in time, to take full advantage of the brand and the perfect location.

We are pleased with the continued strong performance of our investments in the **United States of America**. After the success of the City Lights investment, the Group has reinvested the proceeds through our local partners in the **Research Court** commercial property in Atlanta and **The Manning** residential development in Nashville Tennessee. The performance of these assets has been pleasing with Research Court being 100% let during the period and The Manning reaching 71% pre-sales. The Fair Value gain on the current investments is disclosed separately in the Statement of Comprehensive Income where in the prior year, the City Lights investment was realised as investment income. The Group's US exposure continues to provide an efficient currency hedge to the SADC region and its performance is due to a well selected Management team operating in the specific market.

In **Mozambique** we are seeing strong signs of political will to improve the conditions of doing business, with US diplomats moving into their new state-of-the-art Embassy adding to business confidence. The roll out of the vaccination plan should revive the letting activities which have slowed down in the Xai Xai Convenience Centre. The petrol station works, phase 1 of the development of the larger scheme of the Zimpeto Shopping Centre in the Capital City of Maputo, is expected to reach completion in the last quarter of 2021, underpinned by the signed lease of the Anchor Tenant.

Prospects

The impact of Covid has presented several interesting opportunities for the Company. The strength and support of our Unitholders and the depth of our Management Team has enabled us to apply our minds to these different opportunities. The Board is considering various cross-border acquisitions, including Zambia, which after the conclusion of negotiations and the successful fulfilment of all condition precedent, may contribute positively in the years to

Prospects (continued)

come. The afore-mentioned acquisitions are intended to enhance the existing portfolio and are a continuation of the Company's strategy of portfolio and geographic diversification.

Financial results and highlights

The audited financial statements of the Group for the year ended 31 December 2020, reflect a solid result in an unprecedented year of the Group's history.

The investment and property portfolio is up 13.6% to P2.3 billion, with Botswana representing 62% of this value and South Africa 32%. 22 of the 37 assets, being 49% of the portfolio has been independently valued. Rental revenue is down only 13.7% to P131.6m, with 55% earned in Botswana and 45% in South Africa. The decrease in revenue was predominantly a result of the impact of Covid on the hospitality business where revenue decreased by P28.4m. This was partially offset by the balance of the property portfolio, most notably in Capitalgro where new acquisitions resulted in a P6.8m increase. Finance costs are higher by P9.6m due to the costs to fund the Radisson RED project. The profit from operations is down by 22.5% to P82.7m from P106.7m due to the operating costs of the properties being incompressible and affected by reduced revenue due to Covid, this is clearly related to the pandemic and will normalize.

Corporate Governance and Directors

During the year 2020 the company was subject to a review and audit by the BOAO. We are pleased to confirm that their audit has been very helpful and enabled us to concentrate on adopting more formal policies.

During the year, K Jeffries resigned as an independent director and we are fortunate to have appointed B. Kenewendo as an independent director.

Basis of preparation and accounting policies

The summarised financial results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and contain the information required by IAS 34, Interim Financial Reporting. In preparing the underlying financial statements from which these summarised financial results were extracted, all IFRS and International Reporting Interpretations Committee interpretations issued and effective for annual periods beginning on or after 1 January 2020 have been applied. The Group's underlying consolidated financial statements have been prepared in accordance with IFRS. The principal accounting policies are consistent in all material aspects with those adopted in the previous year.

Distribution to linked unit holders

In order to implement the growth strategy of the company no further distribution has been declared. As declared on 30 December 2020, a dividend of 0.47 Thebe per ordinary share and interest of 5.89 Thebe per debenture has been declared. This dividend and interest will be payable on 28 April 2021.

Independent Auditor's Report

Grant Thornton, the Group's independent auditors, have audited the consolidated financial statements of the Group from which these summarised financial results have been derived, and have expressed an unmodified audit opinion on the consolidated financial statements. The full set of financial statements including the audit report and the summarised consolidated financial statements are available for inspection at the Group's registered office.

By order of the Board

G R Giachetti, Executive Chairman
Gaborone, 30 March 2020