

PRIMETIME PROPERTY HOLDINGS LIMITED

(Share code: PrimeTime ISIN:BW000 000 0603, Incorporated in the Republic of Botswana on 29 August 2007, Company No. BW00000877365)

UNAUDITED INTERIM CONSOLIDATED FINANCIAL RESULTS

FOR THE PERIOD ENDED 29 FEBRUARY 2024

HIGHLIGHTS

Group Rental income

Net Asset Value



10%



Portfolio Vacancy Rate



Down to 0.6%

- 6% increase in revenue, 10% increase in net asset value, when compared to the prior year period;
- Portfolio vacancy rate improved to 0.6% from 2.5% at the
- Profit from operations up 1% from the prior year period; LTV down to 49% from 51% at 31 August 2023;

tive sustainability ratings;

- Sustainability initiatives continue with three solar installations underway in the period and further opportunities being assessed. There is also an initiative to assess existing buildings for retrospec-
- Motswere, our first 5 star rated green building at Prime Plaza II, was completed in November 2023 and is fully let.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the period ended 29 February 2024

	Interim period to 29 February 2024	Interim period to 28 February 2023	Audited year to 31 August 2023
	BWP	BWP	BWP
Revenue	111 207 322	104 918 884	212 797 222
Operating expenses	(47 566 401)	(41 530 617)	(81 756 527)
Exchange differences on translating foreign denominated balances	(163 522)	(953 416)	3 757 335
Expected credit losses on trade receivables	(452 510)	(447 272)	(686 136)
Profit from operations before fair value adjustment	63 024 889	61 987 579	134 111 894
Fair value adjustment	(342 886)	-	44 303 419
Profit from operations	62 682 003	61 987 579	178 415 313
Interest income	342 190	637 238	1 499 008
Interest expense	(38 231 416)	(36 845 747)	(75 506 912)
Profit before taxation	24 792 777	25 779 070	104 407 409
Taxation	(3 771 546)	(3 743 243)	(21 144 525)
Profit for the year	21 021 231	22 035 827	83 262 884
Other comprehensive income/ (loss)			
Items that may be subsequently classified to profit or loss			
Exchange differences on translation of foreign operations	(2 316 310)	(2 096 120)	(8 145 298)
Exchange differences on translation of related party loans	13 598 390	17 669 032	23 290 001
Exchange differences on translation of related party loans reclassified to profit or loss	_	-	(4 749 459)
Income tax relating to the exchange differences on translation of related		()	(·-)
party loans	(1 962 299)	(3 093 848)	(3 970 474)
Other comprehensive income	9 3 1 9 7 8 1	12 479 064	6 424 770
Total comprehensive income for the year	30 341 012	34 514 891	89 687 655
Earnings per linked unit	33311072	3.511071	57 007 033
Basic (thebe)	8.26	8.90	35.91
Diluted (thebe)	8.26	8.90	35.91

The Directors have pleasure in announcing the Financial Results for Primetime Property Holdings Limited for the interim period ended 29 February 2024.

Audited

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION as at 29 February 2024

	29 February 2024 BWP	28 February 2023 BWP	year to 31 August 2023 BWP
ASSETS	DWF	DWF	DWF
Non-current assets	1 880 960 914	1 793 225 153	1 860 684 824
	1 795 246 819	1 665 214 311	1 715 894 944
Investment properties			
Work in progress	40 766 227	79 903 566	98 682 346
Rentals straight-line adjustment	44 947 868	48 107 276	46 107 534
Current assets	46 364 812	54 958 505	47 083 530
Trade and other receivables	11 845 880	14 672 327	14 234 650
Rentals straight-line adjustment	8 703 045	11 173 133	9 843 521
Taxation receivable	39 533	1 433 668	2 156
Cash and cash equivalents	25 776 354	27 679 377	23 003 203
Total assets	1 927 325 726	1 848 183 658	1 907 768 354
EQUITY AND LIABILITIES			
Capital and reserves	917 230 084	832 817 178	866 777 958
Stated capital	15 351 725	14 465 197	14 795 794
Debentures	355 690 573	328 433 283	336 135 390
Reserves	534 795 519	469 445 934	512 563 504
Debenture interest reserve	11 392 267	20 472 764	3 283 270
Non-current liabilities	902 627 412	930 658 502	842 638 502
Deferred taxation	60 827 772	51 868 843	58 865 473
Long term borrowings	838 669 881	875 941 317	780 873 358
l ease liabilities	3 129 759	2 848 342	2 899 671
Current liabilities	107 468 230	84 707 978	198 351 894
Trade and other payables	16 712 469	18 258 650	21 546 019
Amount due to related parties	2 193 799	2 094 632	3 233 822
Current portion of long-term			
borrowings	87 449 028	61 660 698	150 860 033
Lease liabilities	121 204	217 544	237 641
Deferred revenue	948 579	685 265	2 841 852
Bank overdraft	-	1 768 250	19 629 605
Tax payable	43 151	22 939	2 922

CONSOLIDATED STATEMENTS OF CASH FLOWS

the period ended 29 February 2024						
ash flows from operating tivities	Interim period to 29 February 2024 BWP	Interim period to 28 February 2023 BWP	Audited year to 31 August 2023 BWP			
ofit for the year before taxation	24 792 777	25 779 070	104 407 409			
terest income	(342 190)	(637 238)	(1 499 008)			
terest expense	38 231 416	36 845 747	75 506 912			
reign exchange gains on anslation of related party loan	-	-	(4 749 459)			
ir value adjustments on revaluation investment properties	2 697 886	3 852 678	(37 204 859)			
ght-of-use asset remeasured	-	-	149 313			

CONSOLIDATED STATEMENTS OF CASH FLOWS

for the period ended 29 February 2024

	Interim period to 29 February	Interim period to 28 February	Audited year to 31 August	
Cash flows from operating activities (continued)	2024 BWP	2023 BWP	2023 BWP	
Operating income before working	45.370.000	65.040.357	424 440 200	
capital changes Decrease in trade and other	65 379 889	65 840 257	136 610 308	
receivables	2 388 770	1 313 712	1 751 389	
Decrease in trade and other payables	(4 833 550)	(3 361 316)	(73 953)	
Decrease in amounts due to related parties	(1 040 023)	(2 160 409)	(1 021 219)	
(Decrease)/increase in deferred revenue	(1 893 273)	(1 921 787)	234 800	
Cash generated from operations	60 001 813	59 710 457	137 501 325	
Income taxes (paid)/received	(3 768 693)	670 136	(2 818 017)	
Net cash generated from operating activities	56 233 120	60 380 593	134 683 308	
Cash flows from/(to) investing activities				
Interest received	342 190	637 238	1 499 008	
Additions to investment properties	(8 322 055)	(1 260 396)	(6 774 178)	
Additions to work in progress	-	(16 464 272)	(35 243 052)	
Net cash used in investing activities	(7 979 865)	(17 087 430)	(40 518 222)	
Cash flows from/(to) financing activities				
Long term borrowings raised	60 000 000	15 000 000	35 786 321	
Long term borrowings repaid	(65 614 482)	(12 095 435)	(37 283 670)	
Repayment of principle portion	(05 011 102)	(12 033 133)	(57 205 070)	
of leases	(116 802)	(14 442)	(222 663)	
Debenture interest paid	-	-	(27 593 612)	
Interest paid on lease liabilities	(113 702)	(99 474)	(220 338)	
Interest paid on all other borrowings	(38 117 716)	(36 746 273)	(76 753 283)	
Net Proceeds from capital raise	20 111 114	-	-	
Net cash used in financing activities	(23 851 588)	(33 955 624)	(106 287 245)	
Net increase / (decrease) in cash and cash equivalents for				
the year	24 401 667	9 337 539	(12 122 159)	
Cash and cash equivalents at				
beginning of the year	3 373 598	18 490 975	18 490 975	
Effects of exchange rate	(1 998 911) (1 917 387)		(2 995 218)	
Cash and cash equivalents at end of the year	25 776 354 25 911 127		3 373 598	
Comprising:				
Bank balances and cash	25 776 354	27 679 377	23 003 203	
Bank overdraft	25770357	(1768 250)	(19 629 605)	
Cash and cash equivalents at end		(00230)	(32, 003)	
of the year	25 776 354	25 911 127	3 373 598	





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UNAUDITED INTERIM CONSOLIDATED FINANCIAL RESULTS

FOR THE PERIOD ENDED 29 FEBRUARY 2024

EXPLANATORY NOTES

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The summarised consolidated financial statements have been prepared applying the recognition and measurement criteria in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee, and as a minimum contain the information required by International Accounting Standard 34 - Interim Financial Reporting. The principal accounting policies applied in the preparation of the consolidated financial statements are consistent in all material aspects with those adopted in the previous year, except for the adoption of new standards and revised standards in the current year. In the preparation of the consolidated financial statements, the Group has applied key assumptions concerning the future and other inherent uncertainties in recording various assets and liabilities.

REVENUE

Rental income and revenue from contracts with customers are as follows:						
	Interim period to 29 February 2024	Interim period to 28 February 2023	Audited year to 31 August 2023			
	BWP	BWP	BWP			
Rental income (excluding straight line adjustments)	93 394 204	89 634 210	181 758 800			
Straight line adjustments	(2 355 000)	(3 852 678)	(7 098 560)			
Rental income	91 039 204	85 781 532	174 660 240			
Recovery of property expenses	20 168 118	19 137 352	38 136 982			
Total rental income and revenue from contracts with customers	111 207 322	104 918 884	212 797 222			

3. SEGMENTAL REPORTING

The Group's business activities are concentrated in the segment of property rentals and are concentrated within the geographical regions of Botswana, Zambia and South Africa. The geographical segmental information is outlined below:

	Interim period to 29 February 2024	Interim period to 28 February 2023	Audited year to 31 August 2023
	BWP	BWP	BWP
Contractual lease revenue			
Botswana	62 284 763	59 107 207	119 604 349
Zambia	26 392 095	25 212 472	51 697 849
South Africa	4 717 346	5 314 531	10 456 602
	93 394 204	89 634 210	181 758 800
Segment profit			
Botswana	10 082 835	13 842 307	68 863 466
Zambia	12 655 045	9 759 075	34 538 651
South Africa	2 054 897	2 177 688	1 005 290
	24 792 777	25 779 070	104 407 407
Non-current assets			
Investment properties			
Botswana	1 069 468 617	1 032 942 062	1 069 468 617
Zambia	561 120 824	546 502 077	561 120 824
South Africa	85 305 503	85 770 172	85 305 503
	1 715 894 944	1 665 214 311	1 715 894 944
Work in progress			
Botswana	40 766 227	79 903 566	98 682 346
	40 766 227	79 903 566	98 682 346
Total liabilities			
Botswana	1 135 608 393	830 366 812	861 539 932
Zambia	574 205 416	131 147 022	128 603 839
South Africa	85 433 010	53 852 646	50 846 625
	1 795 246 819	1 015 366 480	1 040 990 396

CAPITAL COMMITMENTS

Plot 54359 in the Gaborone CBD was acquired in 2019. The Motswere building at Prime Plaza II was completed in November 2023 at a cost to date of P66m. The building was fully let within a short period of time from its completion. At 29 February 2024 the total commitments for capital expenditure is P3 601 549 (31 August 2023: P11 265 748).

FINANCIAL PERFORMANCE

The Group remains resilient in a challenging operating and uncertain economic environment achieving a growth of 6% in revenue. The income growth is due to increased occupancies in our properties and a high performing tenant base, this was offset by an increase in operating costs, resulting in a modest increase in profit from operations by 1% year-on-year. Included in the operating costs for the current period are one-off costs of P1.6m relating to transaction costs to the proposed acquisition of a property portfolio of six properties, which did not materialize in the current period. Removing the effect of the one-off expenses the profit from operations would have increased by 4%. In December 2023 Bank of Botswana decreased the MPR by 0.25%, which was offset by the SOFR increase of 0.5%, the JIBAR increase of 1% and the Bank of Zambia MPC increase of 2.75% yearon-year, which after sharp increases in the prior periods, was a marginal ease on the cost of the Botswana debt and provided some relief to the Group's debt service costs. The Group continues to operate under the adverse macroeconomic pressures of high interest rates, exchange rate volatility and high inflation in the other markets where the Group operates. The Group's debt service costs through interest payments grew by 4%, impacting the overall profit before tax which decreased by 4% year-on-year (2% increase removing the one-off transactions costs).

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY for the period ended 29 February 2024

	Stated Capital	Debentures	Retained earnings	FCTR on translation of foreign operations	FCTR on translation of related party loan	Debenture interest reserve	Total
	BWP	BWP	BWP	BWP	BWP	BWP	BWP
Balance at 31 August 2022	14 465 197	328 433 283	385 807 950	(18 658 615)	78 352 289	9 902 183	798 302 287
Linked units issued during the year	330 597	7 702 107	-	-	-	-	8 032 704
Profit for the year	-	-	83 262 884	-	-	-	83 262 884
Other comprehensive (loss)/income for the year	-	-	-	(8 145 298)	14 570 068	-	6 424 770
Total comprehensive income/(loss) for the year	-	-	83 262 884	(8 145 298)	14 570 068	-	89 687 654
2022 final debenture interest paid	-	-	-	-	-	(9 902 183)	(9 902 183)
2023 interim debenture interest paid	-	-	(25 724 133)	-	-	-	(25 724 133)
2023 final proposed debenture interest	-	-	(3 283 270)	-	-	3 283 270	-
Taxation attributable to debenture interest		-	6 381 629	-	-	-	6 381 629
Balance at 31 August 2023	14 795 794	336 135 390	446 445 060	(26 803 913)	92 922 357	3 283 270	866 777 958
Balance at 1 September 2023	14 795 794	336 135 390	446 445 060	(26 803 913)	92 922 357	3 283 270	866 777 958
Linked units issued during the year	555 931	19 555 183	-	-	-	-	20 111 114
Profit for the year	-	-	21 021 231	-	-	-	21 021 231
Other comprehensive (loss)/ income for the year	-	-	-	(2 316 310)	11 636 091	-	9 319 781
Total comprehensive income/(loss) for the year	-	-	21 021 231	(2 316 310)	11 636 091	-	30 341 012
2023 interim debenture interest paid		-	(8 108 997)	-	-	8 108 997	-
Balance at 29 February 2024	15 351 725	355 690 573	459 357 294	(29 120 223)	104 558 448	11 392 267	917 230 084
	_						

The Group completed its new development. Motswere building in Gaborone's CBD with costs to date of P66m, incurring capital additions of P8m in the current period and P58m in the prior periods. The contribution to operational income has been felt in the period due to its full occupancy shortly after

While the tenant base has grown during the current period, the collection of trade receivables economic challenges experienced in Zambia resulting in of the increased costs of business operations due to higher interest rates, inflation, increased load shedding, and the impact of the exchange rate depreciation to the US dollar. In February 2024 the Group raised P20.1m net proceeds from a Capital raise, which resulted in the

issuance of 11.8m linked units. The proceeds from the capital raise were applied to reducing existing debt. The benefits of the debt reduction will be felt in latter part of the financial year. Apart from the above reduction of borrowings the remaining composition of the Group's borrowings has largely remained the same in line with its respective debt maturity.

Our property portfolio continues to prove its strength through high quality developments and tenant performance. Driving growth in profits and returns remains the Group's key focus through optimizing balance sheet efficiencies through various strategies.

PROPERTY PORTFOLIO

Demand has been robust across all sectors, with office vacancies notably falling, as well as filling the new Motswere Building on Plot 54359 CBD Gaborone In the coming year PrimeTime will see the ground leases at Hillside Mall, Lobatse, and Plot 165, Gaborone reach their maturity and will lose On 1 March 2024 an interim interest distribution comprising interest of 3.01 thebe per. linked the income from these properties. The rental income earned from Lobatse Junction mitigates against the Group's exposure in this area. With the completion and tenanting of the Motswere Building the long-scheduled loss of the two ground leases is well covered. The rental income in Botswana is up second half of the year. 5% and vacancies have improved from 2.8% at 31 August 2023 to 0.7%.

Our two properties in South Africa represent 5% of the Group's properties market value. Despite the wider property market dynamics in South Africa and the economic headwinds faced in country, the assets are performing well with full occupancy and effective tenant performance. EQ-Fin, the largest in the Group's records, due to cheques issued becoming stale or accounts used for bank transfers tenant at Riverside Junction, Bryanston is taking expansion space which they will occupy before the having been closed. Unitholders are requested to contact the Transfer Secretaries to claim their end of the year. In 7AR terms, the properties in South Africa recorded a decrease in rental income of outstanding interest payment 9% year-on-year due to a restructure of an existing lease to extend it by 6 years, which will protect long-term income and value at the property.

Considerable efforts continue to be made to retain and attract tenants to PrimeTime's Zambian properties. The assets are attractive to tenants and now operate with minimal vacancies. However the fluctuating value of the 7MW as well as the heavy loadshedding in the country remain a challenge for our tenants. Our management team in country will continue to manage our long-term interests in the market. Our 7ambian property values account for 31% of the Group's in Significant progress was made in filling vacant space, achieving a country vacancy rate of 0.3% down from 2.4% at 31 August 2023. However, due to rental reversions revenue has remained flat in USD. rental income terms year-on-year.

In terms of tenant mix across the group, 30% of the rental income is from major corporates, multinationals, banks, and financial institutions, 40% from national and regional retail chains, and a further 9% from the Government and parastatal sector, including foreign missions. This is largely unchanged from the prior year and represents a well-diversified and robust mix of over 400 tenancies across the Group.

Our sustainability program continued to be rolled out during the period with three new solar installations in progress to supplement the solar system that has been operating at Sebele Centre since the beginning of the 2023 financial year as we transition towards cleaner energy use. These installations, include two substantial systems at Lobatse Junction and Pilane Crossing and a smaller system which has already been installed in the CBD. We are also assessing several of our existing properties for retrospective green sustainability rating. Our Motswere Building, at Prime Plaza II in the CBD, which was fully let from November 2023, was built with a five-star green design rating and the ratification for its five-star as built green rating is underway.

PROSPECTS & OPPORTUNITIES

The business environment in Zambia is currently challenging due to rising inflation, high interest rates and the depreciation of Zambian Kwacha to the US dollar. Our properties are currently

almost fully let contributing to increased rentals for the year. This positive development is offset at the bottom-line level, by the cost of funding due to the increased interest rate environment in-country and rising costs due to depreciation of the local currency against US Dollar. While we expect this trend to continue in the short/medium term, the company will continue to focus on cost containment measures and managing of the in-country debt. continues to be optimal contributing to a low increase in credit losses of 1% year-on-year, noting the

Management expects that it will take time for the Zambian economy to reach its full potential, as the longer-term political and demographic indicators are positive and global demand for the country's resources continue to remain strong, which augers well for the company.

> Our strategic growth can be achieved by disposing of properties that show diminishing returns, where necessary, and applying the proceeds to reduce our debt to value ratio and deploy funds into new high yielding assets. During the period net proceeds of P20.1m raised in a capital raise, were applied to reducing debt and thereby adding long-term value to the linked

We continue to assess prospects and opportunities to optimize our business operations. We are confident that the underlying fundamentals of population growth and urbanisation in Southern Africa will continue to fuel demand for our product in the medium to longer term. PrimeTime has a strong landbank, which in time can be developed, whilst remaining focused on its commitment to reduce the Group's borrowings to reduce the loans to value ratio and Our portfolio in Botswana, consisting of 21 properties, represents 64% of the Group's market value. increase positive returns to linked unitholders.

DISTRIBUTION TO LINKED UNITHOLDERS

unit in respect of the year ended 31 August 2024 (covering the 4-month period to 31 December 2023) was declared and paid on 27 March 2024. A further distribution will be considered in the

The Directors wish to bring to the attention of unitholders that there are unclaimed interest payments

By order of the Board



P Masie (Chairman)