



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 6%, Net Asset Value 10%, LTV Down to 49%, 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 year-end; Profit from operations up 1% from the prior year period; LTV down to 49% from 51% at 31 August 2023; 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 retrospective sustainability ratings; Motswe, 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

Table with 5 columns: Description, Interim period to 29 February 2024 BWP, Interim period to 28 February 2023 BWP, Audited year to 31 August 2023 BWP, and another BWP column. Rows include Revenue, Operating expenses, Profit from operations before fair value adjustment, Profit from operations, Interest income, Profit before taxation, Profit for the year, Other comprehensive income/ (loss), and Earnings per linked unit.

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION as at 29 February 2024

Table with 5 columns: Description, 29 February 2024 BWP, 28 February 2023 BWP, Audited year to 31 August 2023 BWP, and another BWP column. Rows include ASSETS (Non-current assets, Current assets), Total assets, EQUITY AND LIABILITIES (Capital and reserves, Non-current liabilities, Current liabilities), and Total equity and liabilities.

CONSOLIDATED STATEMENTS OF CASH FLOWS for the period ended 29 February 2024

Table with 5 columns: Description, Interim period to 29 February 2024 BWP, Interim period to 28 February 2023 BWP, Audited year to 31 August 2023 BWP, and another BWP column. Rows include Cash flows from operating activities, Cash flows from/to investing activities, Cash flows from/to financing activities, and Net increase / (decrease) in cash and cash equivalents for the year.

CONSOLIDATED STATEMENTS OF CASH FLOWS for the period ended 29 February 2024

Table with 5 columns: Description, Interim period to 29 February 2024 BWP, Interim period to 28 February 2023 BWP, Audited year to 31 August 2023 BWP, and another BWP column. Rows include Cash flows from operating activities, Cash flows from/to investing activities, Cash flows from/to financing activities, and Net increase / (decrease) in cash and cash equivalents for the year.

Comprising:

Table with 5 columns: Description, 29 February 2024 BWP, 28 February 2023 BWP, Audited year to 31 August 2023 BWP, and another BWP column. Rows include Bank balances and cash, Bank overdraft, and Cash and cash equivalents at end of the year.



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FOR THE PERIOD ENDED 29 FEBRUARY 2024

EXPLANATORY NOTES

1. 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.

2. REVENUE

Rental income and revenue from contracts with customers are as follows:

Table with 5 columns: Description, Interim period to 29 February 2024 BWP, Interim period to 28 February 2023 BWP, Audited year to 31 August 2023 BWP, and another BWP column. Rows include Rental income (excluding straight line adjustments), Straight line adjustments, Rental income, Recovery of property expenses, Total rental income and revenue from contracts with customers.

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:

Table with 5 columns: Description, Interim period to 29 February 2024 BWP, Interim period to 28 February 2023 BWP, Audited year to 31 August 2023 BWP, and another BWP column. Rows include Contractual lease revenue (Botswana, Zambia, South Africa), Segment profit (Botswana, Zambia, South Africa), Non-current assets (Investment properties: Botswana, Zambia, South Africa), Work in progress (Botswana), and Total liabilities (Botswana, Zambia, South Africa).

4. CAPITAL COMMITMENTS

Plot 54359 in the Gaborone CBD was acquired in 2019. The Motswe 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% year-on-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

Table with 8 columns: Stated Capital BWP, Debentures BWP, Retained earnings BWP, FCTR on translation of foreign operations BWP, FCTR on translation of related party loan BWP, Debenture interest reserve BWP, Total BWP, and another BWP column. Rows include Balance at 31 August 2022, Linked units issued during the year, Profit for the year, Other comprehensive (loss)/income for the year, Total comprehensive income/(loss) for the year, 2022 final debenture interest paid, 2023 interim debenture interest paid, 2023 final proposed debenture interest, Taxation attributable to debenture interest, Balance at 31 August 2023, Balance at 1 September 2023, Linked units issued during the year, Profit for the year, Other comprehensive (loss)/ income for the year, Total comprehensive income/(loss) for the year, 2023 interim debenture interest paid, and Balance at 29 February 2024.

The Group completed its new development, Motswe 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 completion.

While the tenant base has grown during the current period, the collection of trade receivables continues to be optimal contributing to a low increase in credit losses of 1% year-on-year, noting the 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

Our portfolio in Botswana, consisting of 21 properties, represents 64% of the Group's market value. Demand has been robust across all sectors, with office vacancies notably falling, as well as filling the new Motswe 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 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 Motswe Building the long-scheduled loss of the two ground leases is well covered. The rental income in Botswana is up 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 tenant at Riverside Junction, Bryanston is taking expansion space which they will occupy before the end of the year. In ZAR terms, the properties in South Africa recorded a decrease in rental income of 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 ZMW 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 Zambian property values account for 31% of the Group's investment property value. 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 Motswe 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. 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 unitholders.

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 increase positive returns to linked unitholders.

DISTRIBUTION TO LINKED UNITHOLDERS

On 1 March 2024 an interim interest distribution comprising interest of 3.01 thebe per, linked 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 second half of the year.

UNCLAIMED INTEREST

The Directors wish to bring to the attention of unitholders that there are unclaimed interest payments in the Group's records, due to cheques issued becoming stale or accounts used for bank transfers having been closed. Unitholders are requested to contact the Transfer Secretaries to claim their outstanding interest payments.

By order of the Board

[Signature]

P Masie (Chairman) Gaborone, 31 May 2024

