



PrimeTime Property Holdings Limited
(Incorporated in the Republic of Botswana)
Registration number BW00000877365
ISIN: BW0000000603
("PrimeTime" or the "Company")

FIRM INTENTION ANNOUNCEMENT REGARDING A GENERAL OFFER BY RDC PROPERTIES LIMITED TO ACQUIRE PRIMETIME LINKED UNITS AND WITHDRAWAL OF CAUTIONARY

1. Introduction

Unitholders of PrimeTime ("Unitholders") are referred to the renewal of cautionary announcement published by PrimeTime on 9 August 2024 (the "**Renewal of Cautionary Announcement**") in respect of a potential offer by RDC Properties Limited ("**RDC**" or the "**Offeror**") to each of the unitholders of PrimeTime, which, if the offer is made and is rendered unconditional, may result in a change of control in PrimeTime.

Unitholders are advised that on 21 August 2024, RDC revoked its 5 August 2024 letter to PrimeTime and issued a revised written notice to PrimeTime (the "**Firm Intention Letter**") of its firm intention to make a general offer to all Unitholders to acquire all the linked units of PrimeTime (consisting of the issued shares and debentures indivisibly linked) (the "**Linked Units**") not already held by RDC (the "**General Offer**").

The General Offer is regulated in terms of the Merger and Acquisition Rules of the Botswana Stock Exchange (the "**BSE**"), which in turn invoke the relevant sections of the South African Companies Act 71 of 2008 (the "**Companies Act**"), read with Chapter 5 of the Companies Regulations promulgated under the Companies Act (the "**Takeover Regulations**"). RDC advises that the General Offer will be made in terms of section 117(1)(c)(v) of the Companies Act, read with Chapter 5 of the Takeover Regulations.

This announcement constitutes a firm intention announcement ("**FIA**") in terms of Regulation 101 of the Takeover Regulations and provides Unitholders with the information on the General Offer required by that Regulation.

2. Terms and conditions of the General Offer

The salient terms and conditions of the General Offer set out below reflect the terms and conditions of the General Offer as presented in the Firm Intention Letter. Their replication in this announcement should not be construed as the Company in any manner endorsing or commenting on the legality or commercial merits of the Firm Intention Letter and/or envisaged General Offer.

The material terms of the General Offer are as follows:

2.1. *The General Offer and General Offer consideration*

RDC has informed PrimeTime that it intends to offer a unit for unit consideration in the ratio of 0.68750 RDC Linked Units for every PrimeTime Linked Unit acquired in terms of the General Offer (the “**Offer Consideration**”).

2.2. *Conditions precedent to the General Offer*

The implementation of the General Offer will be subject to the fulfilment or waiver, as the case may be, of the following conditions precedent by no later than 31 December 2024 (or such later date that may be determined by RDC):

- 2.2.1. such number of acceptances being received pursuant to the General Offer that will allow RDC to acquire at least 44% of the issued PrimeTime Linked Units;
- 2.2.2. the receipt of all requisite approvals, consents or waivers from all regulatory bodies (in each case either unconditionally or subject to conditions reasonably acceptable to persons on whom such conditions are imposed), including, but not limited to, the BSE issuing a compliance certificate to be issued in terms of the Companies Act in relation to the General Offer and the approval, if necessary, of the Competition and Consumer Authority for Botswana as a result of the General Offer;
- 2.2.3. the retention of PrimeTime’s listing on the BSE following implementation of the General Offer;
- 2.2.4. insofar as may be applicable, RDC obtaining the approval of its own unitholders of the resolution necessary to enable the new linked units of RDC to be issued and allotted as the Offer Consideration (the “**RDC Unitholder Approval**”);
- 2.2.5. no circumstance, fact or event which has arisen or might reasonably be expected to arise after the date of this firm intention letter, which, alone or together with any other circumstance, fact or event, has, or is reasonably expected to have, a materially adverse effect with regard to the operations, continued existence, business, condition, assets and/or liabilities of PrimeTime and its subsidiaries (the “**PrimeTime Group**”), provided that to be "materially adverse" the effect or reasonably expected effect must represent:
 - 2.2.5.1. a negative impact on the gross asset value of the PrimeTime Group's property portfolio (viewed collectively) (the “**PrimeTime Portfolio**”) of not less than 10%, if compared to the gross asset value of the PrimeTime Portfolio as at 29 February 2024 (determined by reference to the unaudited interim consolidated financial results of the PrimeTime Group for the financial period ended 29th February 2024);
 - 2.2.5.2. a negative impact on the net asset value of the PrimeTime Portfolio of not less than 10%, if compared to the gross asset value of the PrimeTime Portfolio as at 29 February 2024 (determined by reference to the unaudited interim consolidated financial results of the PrimeTime Group for the financial period ended 29th February 2024); and/or
 - 2.2.5.3. a negative impact on the sustainable net income of the PrimeTime Group of not less than 15% if compared to the net income of the PrimeTime Group for the financial year ended 2023 (determined by reference to the annual financial

statements of the PrimeTime Group for the financial period ended 31st August 2023);

- 2.2.6. the implementation of the General Offer shall not cause an event of default or termination event in terms of material contracts to which PrimeTime Group is a party, provided that each of (i) the third-party debt and finance agreements in respect of which the PrimeTime Group is a debtor; (ii) the asset and property management agreement in place between PrimeTime and Time A&PM Proprietary Limited; and (iii) PrimeTime leases, collectively, representing 10% of the gross rental income of the PrimeTime Group, shall constitute material contracts for the purposes of this condition.
- 2.2.7. none of the following events shall have occurred in respect of any entity within the PrimeTime Group:
 - 2.2.7.1. any corporate action, legal proceedings or other procedure or other step (including an application to court, proposal of a resolution or convening of a meeting of shareholders, members, directors or other officers) is taken by any person with a view to
 - 2.2.7.1.1. a moratorium, compromise, composition, business rescue or similar arrangement with any of its creditors; or
 - 2.2.7.1.2. its winding-up, dissolution or commencement of business rescue proceedings, or for the seeking of relief under any applicable bankruptcy, insolvency, company or similar law, or any such resolution; or
 - 2.2.7.2. the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities) or it is unable to pay its debts as they fall due.

The conditions precedent contemplated in paragraphs 2.2.2 and 2.2.4 above shall not be capable of waiver by RDC. The remaining conditions precedent shall be capable of waiver or relaxation by RDC prior to the expiry of the applicable time periods set out in this paragraph 2.2.

3. Material changes from RDC's letter of 5 August 2024

The Independent Board (as defined in paragraph 7 below), draws Unitholders' attention to the following material changes between RDC's letter of 5 August 2024, outlining the proposed offer terms presented in the Renewal of Cautionary Announcement, and the terms and conditions reflected in the Firm Intention Letter:

- 3.1. the removal by RDC of the condition requiring RDC to conclude a "bonus unit issue" of 1 new RDC linked unit for each 4 RDC linked units held to RDC unitholders (excluding Primetime Unitholders who accept the General Offer), as set out in paragraph 3.2.1 of the Renewal of Cautionary Announcement;
- 3.2. the removal by RDC of the condition requiring the BSE to waive any requirement for RDC to make a mandatory offer in terms of section 123 of the Companies Act to the remaining Unitholders of PrimeTime who do not accept the General Offer; and
- 3.3. the disclosure of Italtswana Construction Company Proprietary Limited as a related party to RDC, as detailed in paragraph 5 below.

4. **Confirmations by RDC**

Regulation 101(7)(b)(vii) requires a FIA to include a confirmation that an offeror has sufficient securities available to settle any consideration payable in securities.

In its Firm Intention Letter, RDC has not provided PrimeTime with the required confirmation that RDC is able to issue sufficient linked units to give effect to the General Offer. RDC has however undertaken to PrimeTime and the BSE that RDC shall, as soon as possible following the publication of this FIA, convene an extraordinary general meeting of RDC unitholders (the “**RDC EGM**”) to propose the resolution/s required in order to procure the necessary RDC unitholder approval to enable new units in RDC to be issued and allotted as the Offer Consideration.

PrimeTime is accordingly unable to provide confirmation in this FIA that RDC has sufficient securities available to settle any Offer Consideration.

5. **Beneficial interest in PrimeTime of the Offeror, persons related to the Offeror and/or persons acting in concert with the Offeror**

The Offeror has disclosed the following holdings in PrimeTime held or controlled directly or indirectly by the Offeror persons related to the Offeror and/or persons acting in concert with the Offeror:

Shareholder	Number of Linked Units	% of issued Linked Units
Italtswana Construction Company Proprietary Limited	18 494	0.007

Total PrimeTime Linked Units in issue: 264 321 718

6. **Pro forma financial information**

In terms of Regulation 101(7)(b)(iv) of the Takeover Regulations, a FIA must contain, *inter alia*, the *pro forma* earnings and asset value per offeree regulated company security if the offer consideration consists wholly or partly of offeror securities.

The table below sets out the *pro forma* financial effects of the General Offer on a PrimeTime unitholder based on PrimeTime’s results for the period ended 31 August 2023. The *pro forma* statement of financial position at 31 August 2023 gives effect to the General Offer as if it had occurred on 31 August 2023. The *pro forma* statement of profit or loss and other comprehensive income for the period ended 31 August 2023 are presented as if the General Offer had become operative at the beginning of the relevant period.

The *pro forma* financial effects are the responsibility of the directors of PrimeTime and are provided for illustrative purposes only to provide information about how the General Offer may have affected the financial performance and financial position of PrimeTime, and because of their nature, may not fairly represent the financial performance and financial position of PrimeTime after the General Offer.

	Before the General Offer ¹	Pro forma after the General Offer ²	Percentage change (%)
Basic earnings per Linked Unit (thebe)	35.91	27.63	(23.1)
Diluted earnings per Linked Unit (thebe)	35.91	27.63	(23.1)
Net asset value per Linked Unit (BWP)	3.43	2.46	(28.5)

Notes:

1. The “Before the General Offer” column has been extracted without adjustment from the results of PrimeTime for the period ended 31 August 2023.
2. The amounts in the “After the General Offer” column reflect a Unitholder’s position should they accept the General Offer and exchange 1 PrimeTime Linked Unit for 0.6875 of an RDC Linked Unit, and assumes the following adjustments:
 - a. The acquisition by RDC of 44% of PrimeTime’s Linked Units is assumed to result in RDC controlling PrimeTime and PrimeTime’s subsequent consolidation into RDC.
 - b. Included in earnings per Linked Unit is a gain on bargain purchase calculated at BWP 198 024 320 and assumed associated transaction costs of BWP 10 000 000.

7. Appointment of a PrimeTime independent board

In accordance with the provisions of the Companies Act and Regulation 108(9) of the Takeover Regulations, an Independent Board of the PrimeTime Board of directors comprising Paul Masie, Nigel Dixon-Warren, Max Marinelli and Inutu Zaloumis (the “**Independent Board**”) has been appointed to advise Unitholders on the General Offer.

The Independent Board will appoint an independent expert (the “**Independent Expert**”) to provide external advice to the Independent Board in the form of an Independent Expert opinion on the fairness and reasonableness of the Offer Consideration in accordance with the Takeover Regulations. The full Independent Expert opinion will be made available to Unitholders in the PrimeTime offeree response circular, per paragraph 8 below.

8. Posting of circulars

RDC has informed PrimeTime that it intends to issue its offeror circular within 20 business days after the publication of this FIA.

RDC has undertaken to PrimeTime and the BSE that it shall, as soon as possible following the publication of this FIA, convene the RDC EGM to propose the resolution/s required in order to procure the RDC Unitholder Approval required for RDC to issue linked units as the Offer Consideration. RDC advises that the RDC EGM will be held approximately 30 days after the issue of the notice convening the RDC EGM, which RDC expects to issue at or around the time of the issue of its offeror circular, and prior to the closing of the General Offer.

The Offeror has confirmed that, in compliance with the Takeover Regulations, the General Offer will remain open for acceptance for at least 30 business days from the publication of the offeror circular.

Further details on the publication of the PrimeTime offeree response circular will be provided to Unitholders in due course.

9. Responsibility statement

The Independent Board accepts responsibility for the information contained in this announcement and certifies that, to the best of its knowledge and belief, the information contained in this announcement relating to PrimeTime is true and this announcement does not omit anything that is likely to affect the import of such information.

10. Withdrawal of cautionary

In light of the release of this FIA, PrimeTime unitholders are advised that caution is no longer required to be exercised in their dealings in PrimeTime Linked Units.

By order of the Independent Board:

A handwritten signature in black ink, appearing to read 'P Masie', with a stylized flourish at the end.

**P Masie
Chairman**

Gaborone, 23 August 2024