



# CAUTIONARY STATEMENT

## PrimeTime Property Holdings Limited

Incorporated in the Republic of Botswana on 29 August 2007,  
Company No. BW00000877365

### ANNOUNCEMENT TO PRIMETIME UNITHOLDERS REGARDING POTENTIAL TRANSACTIONS:

1. ACQUISITION FROM A RELATED PARTY ("Acquisition")
2. CAPITAL RAISE ("Capital Raise")

#### INTRODUCTION

In accordance with the Equity Listings Requirements of the Botswana Stock Exchange ("Listings Requirements") Linked Unitholders are hereby advised that PrimeTime has conditionally offered to acquire a portfolio of six properties (the "Time Projects Portfolio") from Time Projects (Botswana) Proprietary Limited ("Time Projects"), a Related Party.

The directors of PrimeTime (the "Directors") also seek to raise new equity to optimise the financing of the company.

This cautionary announcement is issued to enable the Board to undertake a broader engagement with key investors on the potential transactions, utilising information that is in the public domain in advance of concluding the Transactions, subject to the necessary Regulatory and Linked Unit Holder approvals.

#### DIRECTOR'S RESPONSIBILITY

The Directors are responsible for the preparation of this announcement in accordance with the Listings Requirements.

#### CLASSIFICATION OF THE ACQUISITION

In accordance with the Listings Requirements the Acquisition constitutes a Related Party transaction.

#### SALIENT TERMS AND CONDITIONS OF THE PROPOSED TRANSACTIONS

The Board of PrimeTime has engaged an Independent Valuer, who has determined that the Time Projects Portfolio has an Open Market Value of P372,010,000 at 31 August 2023 (the "Effective Date")

The Time Projects Portfolio comprises 5 (five) developed properties and 1 (one) undeveloped plot, as follows:

Acacia, Section 1	Size	Major Tenancies	Sector
Lot 74358, Gaborone	355 m <sup>2</sup>	Time A&PM	Offices
Land Tenure	Tenants	Valuation (31st August 2023)	Completed
Fixed Period State Grant	1	P7 100 000	2011

Acacia, Section 3	Size	Major Tenancies	Sector
Lot 74358, Gaborone	211 m <sup>2</sup>	Pula Medical Aid	Offices
Land Tenure	Tenants	Valuation (31st August 2023)	Completed
Fixed Period State Grant	1	P3 930 000	2011

Mongala Mall	Size	Major Tenancies	Sector
Lot 6602, Kanye	6 907 m <sup>2</sup>	Spar, Clicks, KFC, Furnmart, Mr Price, Cash Bazaar, PEP, Ackermans	Retail
Land Tenure	Tenants	Valuation (31st August 2023)	Completed
Notarial Deed of Sub-lease	36	P111 900 000	2014

<b>Bell Equipment</b>	<b>Size</b>	<b>Major Tenancies</b>	<b>Sector</b>
Lot 68284, Gaborone	2 566 m <sup>2</sup>	Bell/Kanu Equipment	Industrial
<b>Land Tenure</b>	<b>Tenants</b>	<b>Valuation (31st August 2023)</b>	<b>Completed</b>
Freehold	1	P22 000 000	2019

<b>Setlhoa Corner (completed portion)</b>	<b>Size</b>	<b>Major Tenancies</b>	<b>Sector</b>
Lot 79961, Gaborone	1 603 m <sup>2</sup>	Aircon Masters	Showrooms
<b>Land Tenure</b>	<b>Tenants</b>	<b>Valuation (31st August 2023)</b>	<b>Completed</b>
Fixed Period State Grant	1	P14 130 000	2019

<b>Teemane Mall</b>	<b>Size</b>	<b>Major Tenancies</b>	<b>Sector</b>
Lot 5180, Letlhakane	11 880 m <sup>2</sup>	Pick n Pay, Woolworths, Knock Out, Clicks, OK Furniture, Studio 88,	Retail
<b>Land Tenure</b>	<b>Tenants</b>	<b>Valuation (31st August 2023)</b>	<b>Completed</b>
Notarial Deed of Sub-lease	34	P165 700 000	2022

<b>Sebele Lifestyle Centre (undeveloped land portion)</b>	<b>Salient details of the proposed development</b>
Lot 79961, Gaborone	Development size: Approx. 17,000 m <sup>2</sup>
	Development land size: 4.6388 Ha
<b>Land Tenure</b>	Land value: P47 250 000
Fixed Period State Grant	Expected initial yield: 8%
	Estimated development cost: P200 million excluding land.
	Sebele Lifestyle Centre will be a trophy addition to the PrimeTime portfolio. The potential development is adjacent to PrimeTime's Sebele Centre with frontage on the A1 Francistown Road. The land for development forms the undeveloped portion of the Setlhoa Corner showrooms property detailed above.

The Time Projects Portfolio contains various debt facilities estimated to be P177,116,565 ("Associated Debt") at the Effective Date. To facilitate transfer in ownership of the Time Projects Portfolio this Associated Debt will need to be settled by PrimeTime.

The net amount due to Time Projects of P194,893,435, being the Open Market Value less the Associated Debt, is proposed to be settled by way of the Consideration, comprising 111,367,677 new Linked Units at P1.75, being the weighted average traded price of Linked Units over 90 days prior to 31 August 2023.

The Proposed Transactions are subject to a number of conditions precedent including:

- Successful conclusion of the investor engagement process;
- Recommendation to Linked Unitholders from the PrimeTime board audit committee and independent non-executive directors, supported by a fair and reasonable report to be prepared by an independent Corporate Finance Adviser, Grant Thornton Capital Advisors Proprietary Limited, and a property valuation report to be prepared by an Independent Valuer, Riberry Proprietary Limited, as commissioned by the independent non-executive Directors;
- Approval by Linked Unitholders; and
- Approval by the Competition and Consumer Authority and the Botswana Stock Exchange;

Time Developments (Botswana) Proprietary Limited ("Time Developments"), another Related Party, has exclusive development rights on the undeveloped Setlhoa Land. If a suitable development for the Setlhoa Land is secured by Time Developments, which provides the net yield required by PrimeTime, and PrimeTime is unable to fund the development, Time Projects will procure a buy back of the Setlhoa Land by any member of the Time Projects Group, at the prevailing independently determined open market value, at that time.

Aside from the above, there are no put, call or other options relating to the Proposed Transactions.

Implementation of the Proposed Transactions will not result in any changes to the Board or the terms of service of the Directors.

## RATIONALE

The Board is confident that the Proposed Transactions and Capital Raise will enhance the long-term profitability and financial performance of PrimeTime, improving the Company's fundamental attractiveness for institutional and retail investors alike.

### The Acquisition

The Board further believes that the Acquisition provides a unique opportunity to acquire a portfolio of exceptional quality assets that rarely comes to market. If successfully concluded, the Acquisition will from the onset be yield and NAV accretive to PrimeTime's portfolio and is expected to increase annual contractual rental income to BWP217 million.

On conclusion of the Acquisition, PrimeTime's portfolio value will increase to over BWP 2 billion and its total portfolio size will increase to approximately 145 821 m<sup>2</sup> of gross lettable area.

In addition, the Acquisition will decrease portfolio exposure to Zambian properties from 31% to 26% and increase exposure to diversified Botswana assets from 63% to 69%.

The Acquisition is furthermore expected to increase sector and tenant diversification, adding 77 new leases to the overall portfolio. The additional assets are further expected to support the Group's flexibility to accommodate existing and potential future tenants.

The Directors believe that the rights offer and subsequent settlement of debt will lower PrimeTime's loan-to-value ratio, bringing it closer to the 40% benchmark level and support an improvement in the Group's interest cover ratio, which could lead to an increase in distribution payments

Time Projects demonstrate their confidence in the long-term prospects of PrimeTime through their willingness to accept Linked Units as consideration for the Time Projects Portfolio. This ensures that all of the cash proceeds from the Capital Raise are available to optimise the financing of the Company.

### The Capital Raise

The Directors are committed to reducing the Loan to Value ("LTV") ratio of PrimeTime. The proposed Capital Raise will afford Linked Unitholders the opportunity to participate in a capital raise that will provide the Company with funding to settle the Associated Debt, enhance the Company's debt funding capacity to undertake new developments and refurbishment of existing properties, as may be required in the future, and achieve a reduction in the LTV ratio. In addition, the Capital Raise will provide Linked Unitholders with an opportunity to maintain (or grow) their existing holding in the Company at the same price at which the Acquisition Consideration is settled.

## FUNDING

The proposed Acquisition includes debt due to third parties, currently secured by the Time Projects Portfolio, as at the Effective Date ("Associated Debt") of approximately P177,116,565, which will be assumed or settled by PrimeTime.

The Consideration of P194,893,435 due to Time Projects, being the Open Market Value of the Time Portfolio less the Associated Debt at the Effective Date, will be settled through the issuance of 111,367,677 Linked Units issued at P1.75 per Linked Unit.

The price of the Linked Units has been determined by reference to their 90 (ninety) day weighted average traded price on the Botswana Stock Exchange from 31 August 2023.

The Directors of PrimeTime wish to afford Linked Unitholders the opportunity to co-invest with Time Projects and raise cash for the Company on the same valuation basis.

Accordingly, the Company would seek to raise approximately P64,050,000 gross of expenses, by way of a Rights Issue of 36,600,000 new Linked Units at a price of P1.75 per Linked Unit (being the same price at which the Consideration has been determined) and approximately P186,000,000 gross of expenses, by way of an Excess Offer of 106,285,714 new Linked Units at this same price, being P1.75 per Linked Unit.

## FINANCIAL INFORMATION

The table below summarises the impact on the Linked Units in issue from the proposed Acquisition and Capital Raise.

	Linked Units	Value (P000's)	% of Linked Units in issue Post Acquisition and Capital Raise
In issue 31 August 2023	252,559,203	441,979	50%
<u>Acquisition of Time Projects Portfolio</u>			
Open Market Value at 31 August 2023		372,010	
Associated Debt at 31 August 2023		177,117	
NAV - consideration due to Time Projects (at P1.75/Linked Unit)	111,367,677	194,893	22%
<b>Total Linked Units in issue post Acquisition of Time Projects Portfolio</b>	<b>363,926,880</b>	<b>636,872</b>	<b>72%</b>
<u>Capital Raise</u>			
Rights Offer (at P1.75/Linked Unit)	36,600,000	64,050	
Excess Offer (at P1.75/Linked Unit)	106,285,714	186,000	
Total Linked Units issued in capital raise	142,885,714	250,050	28%
<b>Total Linked Units in issue post Acquisition of Time Projects Portfolio and Capital Raise</b>	<b>506,812,594</b>	<b>886,922</b>	<b>100%</b>

**CAUTIONARY**

The Proposed Transactions, if successfully completed, may have an impact on the price of PrimeTime Linked Units. Linked unitholders and the investing public are advised to exercise caution when trading in PrimeTime Linked Units until a further announcement is made.

**By order of the Board**

A handwritten signature in black ink, appearing to read 'Paul Masie', written in a cursive style.

**Paul Masie  
Chairman**

**21st September 2023**