



PrimeTime Property Holdings Limited

("PrimeTime" or the "Company") Share code: PrimeTime ISIN: BW 000 000 0603

Incorporated in the Republic of Botswana on 29 August 2007

Company No. BW00000877365

CAUTIONARY ANNOUNCEMENT FUND RAISING AND COVID-19

PrimeTime Property Holdings Limited ('PrimeTime' 'the Company' or 'the Group') is a property investment company, which is listed on the Botswana Stock Exchange (BSE). The equity listing requirements of the BSE require the Company to announce any circumstances or events that may have an impact on the price of the Company's linked units.

Fund Raising

Further to the Cautionary Announcements issued by the Company on 17 February and 17 March 2020, the Board of Directors of the Company would like to inform linked unitholders and all stakeholders that the fundraising initiative has been suspended given the global Coronavirus pandemic and the unprecedented situation in which this places the Group.

Covid-19 Coronavirus

This global pandemic presents many challenges for PrimeTime.

Over the last few weeks, the Asset and Property Managers have worked tirelessly to assess and mitigate the potential impact on its operations, and to establish a strategy to ensure the Group's ability to trade.

Containment and continuing operations

We have proactively mitigated against the spread of the virus at the Group's properties through the installation of hand sanitizer dispensers and the design and posting of advisory notices; briefing cleaning staff, etc.

PrimeTime's property manager under Time Projects has ensured that all key staff can continue to operate from home during the lockdown period. They will continue to collect rentals, manage cleaning and security staff, facilitate electricity tokens and run the financial affairs of the Group, albeit operating within the terms and conditions of the laws governing extreme social distancing under the state of emergency with essential service providers who have been secured permits.

Tenant risk

The laws imposed by the lockdown have had a negative impact on many of our tenants and we have been approached by an unprecedented number requesting some form of financial relief. We have compiled a risk schedule of PrimeTime's tenants where we have assessed, in our opinion, their continued ability in the short/medium term to pay rent. We will only find out by month end whether they can and will pay rent. These have then been overlaid onto PrimeTime's forecasted cashflow to highlight financial pressure points over the coming months. Provided these scenarios are accurate and with assistance from our financiers, we are confident that PrimeTime, our tenants and service providers will all be able to continue to trade through this challenging period.

There is much debate in the media here and in South Africa, where many of the major retailers are based, about whether, legally, tenants are bound to their lease conditions. We have adopted the policy that the legal position is not practical: that the tenant/landlord relationship is symbiotic and that we are reliant, one upon the other; thus we will deal with tenants on a case by case basis to ensure long term sustainability for all.

Finance risk

From our analysis, with a substantial drop in rental income considered probable, there is a risk that PrimeTime may breach covenants. While for all there is substantial uncertainty as to the extent of the impact due to several variable factors, what is certain is that PrimeTime does need to act immediately to assist some of our most at-risk tenants.

Our financiers have been engaged and discussions are ongoing to find solutions which will ensure the sustainability of PrimeTime. The Botswana banks are encouraged by government to meet the challenges as well as government offering guarantees to certain qualifying businesses which is encouraging. In South Africa, banks are also implementing mitigating measures as well as the Reserve Bank having reduced the bank rate by 2% which will lessen the pressure on loans.

Work in progress

Our major works in progress and planned pipeline acquisitions have been put on hold, including the main structure of the recently approved Lobatse development (earthworks were already underway). The completion of Pinnacle Park Phase I will continue, insofar as works on site are practicable, as it is at an advanced stage with occupation scheduled for May/June 2020.

Conclusion

Our ultimate goal is the sustainability of the Group's operations in order to protect the wider business community. Consideration is being given to the financial interdependence of unitholders, financiers, PrimeTime, our tenants and the other service providers to our properties - many of whom are small businesses. We are all part of the same supply chain. If we can support one another through this crisis - we believe this is achievable.

Accordingly, linked unitholders are advised to exercise caution when dealing in their securities until further updates are published.

By order of the Board

A L Kelly
Managing Director

P Matumo
Chairlady

Gaborone, 17 April 2020