



PRIMETIME PROPERTY HOLDINGS LIMITED

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

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 AUGUST 2023

HIGHLIGHTS

Group Rental income Net Asset Value

8% 9%

EPS year-on-year Portfolio Vacancy Rate

22% 2%

- 8% increase in group rental income, 9% increase in net asset value and 22% increase in EPS year-on-year; Portfolio vacancy rate of 2% at the year-end and less than 1% currently; LTV down to 51% (53% in the prior year) as the Group continues to rebalance its financial capital model; Sustainability initiatives continue with a future solar PV installation plan in place and an initiative to assess existing buildings for retrospective green star rating is under consideration; Motswe, our first 5 star rated green building at Prime Plaza II, was completed soon after year end and is fully let.

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 August 2023

Table with 3 columns: Description, 2023 BWP, 2022 BWP. Rows include Revenue, Operating expenses, Profit from operations before fair value adjustment, Profit from operations, Profit before taxation, Profit for the year, Other comprehensive income/(loss), Total comprehensive income for the year, and Earnings per linked unit.

The Directors have pleasure in announcing the abridged audited consolidated financial results of PrimeTime Property Holdings Limited for the year ended 31 August 2023

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 31 August 2023

Table with 3 columns: Description, 2023 BWP, 2022 BWP. 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.

STATEMENTS OF CASH FLOWS

for the year ended 31 August 2023

Table with 3 columns: Description, 2023 BWP, 2022 BWP. Rows include Cash flows from operating activities, Cash flows to investing activities, Cash flows to financing activities, and Net (decrease)/increase in cash and cash equivalents for the year.



PRIMETIME PROPERTY HOLDINGS LIMITED

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

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 AUGUST 2023

EXPLANATORY NOTES

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The abridged consolidated financial results have been extracted from the consolidated financial statements which were prepared on the historical cost convention except for investment properties which are measured at fair value, by applying the recognition and measurement criteria in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee and effective for annual periods ended 31 August 2023.

The going concern basis has been adopted in preparing the consolidated financial statements. Although there remains some economic uncertainty within the markets the Group operates in, based on their analysis the Directors are satisfied that there is a reasonable expectation that the Company and Group will be able to meet its ongoing and future commitments for at least 12 months from the date of approval of the consolidated financial statements for the year ended 31 August 2023.

After a review of the Group's cash flow forecast for the 12 months ending 30 November 2024 and the current financial position, the Directors are satisfied that the Company and Group have access to adequate resources to continue in operational existence for the next 12 months. The Directors have therefore resolved that it is appropriate for the Company and Group financial statements to be prepared on a going concern basis.

2. INDEPENDENT AUDITOR'S REPORT

Ernst & Young, the Group's independent auditors, have audited the consolidated financial statements of the Group from which the abridged consolidated financial results have been extracted, and have expressed an unmodified audit opinion on the consolidated financial statements. The audit report on the consolidated financial statements is available for inspection at the Group's registered office.

3. REVENUE

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

Table with 3 columns: Description, 2023 BWP, 2022 BWP. 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.

4. SEGMENTAL REPORTING

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

Table with 3 columns: Description, 2023 BWP, 2022 BWP. Rows include Contractual lease revenue (Botswana, Zambia, South Africa), Segment profit (Botswana, Zambia, South Africa), Non-current assets (Investment properties: Botswana, Zambia, South Africa).

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 August 2023

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. Rows include Balance at 1 September 2021, Profit for the year, Total comprehensive income/(loss) for the year, Balance at 31 August 2022, Profit for the year, Total comprehensive income/(loss) for the year, Balance at 31 August 2023.

Table with 3 columns: Description, 2023 BWP, 2022 BWP. Rows include Work in progress (Botswana, Zambia, South Africa), Total liabilities (Botswana, Zambia, South Africa).

5. CAPITAL COMMITMENTS

The acquisition of Plot 54359 in the Gaborone CBD was made in 2019. The bulk earthworks commenced in the prior year and the development of the first building (of four) and basement for the whole development commenced in the prior year.

PERFORMANCE & RESULTS

The greatest difficulties faced by the Group this financial year were the macroeconomic pressures of rising interest rates and inflation. Driving growth in profits and returns has been challenging in such a difficult operating environment, while at the same time staying committed to our scheduled debt amortisation program.

The property sector is directly affected by the current cost of living crisis with tenants looking to cut costs throughout their whole supply chain. Our management approach is to consider tenants on a case-by-case basis, ensuring quality tenants are retained on fair terms.

PROPERTY PORTFOLIO

Our portfolio in Botswana, consisting of 21 properties representing 63% of the Group market value, saw a modest uplift in value of 3% at the year end. Rental income was up just 4% on the prior year, which reflects the rental reduction for the two properties disposed of during the prior year.

Our two properties in South Africa represent 5% of Group market value. In ZAR terms year-on-year they recorded a contraction in value of 3%, a 3% uplift in rental income and no vacancies.

Similar to the prior year our Zambian property values, which represent 32% of the Group, only appreciated marginally at the year-end. Significant progress was made in filling much of the vacant space, achieving a country vacancy rate of 2% by the year end and a 9% increase in USD rental income 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.

Our sustainability program continued to be rolled out during the year with the solar PV system commissioned at Sebele Centre and two installations planned for the 2024 financial year, as we transition towards cleaner energy use. We are also planning to assess a number of our existing properties for retrospective green sustainability rating.

PROSPECTS & OPPORTUNITIES

As mentioned previously, our Motswe building at Prime Plaza II was completed post year end and is fully let with some tenants already in occupation. This property was developed and funded by a combination of the net proceeds from property disposals and debt, offering a new level of tenant experience in the Botswana market.

Zambia continues to show improved operating results since its low points of 2020 and 2021. Our commercial property there is now fully let contributing to increased rentals for the year. This positive development has unfortunately been offset at the bottom-line level, by the cost of funding due to the increased interest rate environment in-country, which has resulted in interest rates doubling over the last two financial years.

Our strategic pillar of growth can be achieved by continuing to build out our development pipeline, adding suitable assets and disposing of properties expected to show diminishing returns, where necessary. This must be balanced with our commitment to continuing to reduce our debt to value ratio and achieving income growth in the short to medium term.

Going forward, we continue to assess prospects and opportunities in the property space across the region. 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.

Any reference to future financial performance included in this announcement, has not been reviewed, audited, or reported on by the Group's auditors.

DISTRIBUTION TO LINKED UNITHOLDERS

The Group is continuing with its strategy of amortising a targeted portion of its debt finance over the next few years as a hedge against rising interest rates and to ensure it performs within acceptable covenant limits. Smaller additions and refurbishments to properties are funded from profits. While these actions impact on distribution levels the Board maintains that their benefits will be enjoyed by our investors in the longer term.

A total distribution of 11.57 thebe per linked unit has been achieved for the year. A final interest payment of 1.30 thebe per linked unit for the year ended 31 August 2023 will be paid together with an interim payment for the year ending 31 August 2024, in March 2024.

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

P Masie (Chairman) Gaborone, 30 November 2023

