

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 AUGUST 2023

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

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
- Motswere, 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

	2023	2022
	BWP	BWP
Revenue	212 797 222	196 396 152
Operating expenses	(81 756 527)	(80 290 976)
Exchange differences on translating foreign denominated balances	3 757 335	(1 282 919)
Expected credit losses on trade receivables	(686 136)	(307 599)
Profit from operations before fair value adjustment	134 111 894	114 514 658
Fair value adjustment	44 303 419	33 747 310
Profit from operations	178 415 313	148 261 968
Interest income	1 499 008	1 670 843
Interest expense	(75 506 912)	(62 602 674)
Profit before taxation	104 407 409	87 330 137
Taxation	(21 144 525)	(21 976 586)
Profit for the year	83 262 884	65 353 551
Other comprehensive income/(loss)		

or loss	
Exchange differences on translation of foreign operations	(8
Exchange differences on translation of related party loans	2
Exchange differences on translation of related party loans reclassified to profit or loss on settlement	(4
Income tax relating to the exchange differences on translation of related party loan	(
Other comprehensive income	
Total comprehensive income for the year	8

Deferred taxa Long term bor Lease liabilitie Current liabi Trade and othe Amount due t Items that may be subsequently classified to profit Current portion Lease liabilitie (8 145 298) (9 239 293) Deferred reve Bank overdrat 23 290 001 60 239 590 Tax payable (4 749 459)

Total equity	(9 4/4 901)	(3 9/0 4/4)
	41 525 396	6 424 770
	106 878 947	89 687 655
	106 878 947	89 687 655

29.50

29.50

35.91

35.91

Owners of the holding company

Attributable to

Earnings per linked unit Basic (thebe) Diluted (thebe)

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

	2023	2022
	BWP	BWP
ASSETS		
Non-current assets		
Investment properties	1 715 894 944	1 646 579 905
Work in progress	98 682 346	63 439 294
Rentals straight-line adjustment	46 107 534	51 703 763
	1 860 684 824	1 761 722 962
Current assets		
Trade and other receivables	14 234 650	15 986 039
Rentals straight-line adjustment	9 843 521	11 313 040
Taxation receivable	2 156	6 471 665
Cash and cash equivalents	23 003 203	27 588 247
	47 083 530	61 358 991
Total assets	1 907 768 354	1 823 081 953
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	14 795 794	14 465 197
Debentures	336 135 390	328 433 283
Reserves	512 563 504	445 501 624
Debenture interest reserve	3 283 270	9 902 183
	866 777 958	798 302 287
Non-current liabilities		
Deferred taxation	58 865 473	48 774 995
Long term borrowings	780 873 358	669 435 952
Lease liabilities	2 899 671	2 862 808
	842 638 502	721 073 755
Current liabilities		
Trade and other payables	21 546 019	21 619 972
Amount due to related parties	3 233 822	4 255 041
Current portion of long-term borrowings	150 860 033	265 261 498
Lease liabilities	237 641	217 520
Deferred revenue	2 841 852	2 607 052
Bank overdraft	19 629 605	9 097 272
Tax payable	2 922	647 556
	198 351 894	303 705 911
Total equity and liabilities	1 907 768 354	1 823 081 953

	for the year ended 31 August 2023	
		2023
2022 BWP	Cash flows from operating activities	BWP
BMb	Profit for the year before taxation	104 407 409
	Interest income	(1 499 008)
	Interest expense	75 506 912
579 905 139 294	Foreign exchange gains on translation of related party loan	(4 749 459)
03 763	Fair value adjustments on revaluation of investment properties	(37 204 859)
2 962	Right-of-use asset remeasured	149 313
039	Lease liabilities derecognised on disposal of investment property	-
040	Operating income before working capital changes	136 610 308
65	Decrease in trade and other receivables	1 751 389
	(Decrease)/increase in trade and other payables	(73 953)
_	Decrease in amounts due to related parties	(1 021 219)
-	Decrease/(increase) in deferred revenue	234 800
-	Cash generated from operations	137 501 325
-	Income taxes paid	(2818017)
	Net cash generated from operating activities	134 683 308
7	Cash flows to investing activities	
3	Interest accrual received	1 499 008
	Proceeds from the disposal of investment property	-
	Additions to investment properties	(6 774 178)
-	Additions to work in progress	(35 243 052)
-	Net cash used in investing activities	(40 518 222)
	Cash flows to financing activities	
	Long term borrowings raised	35 786 321
-	Long term borrowings repaid	(37 283 670)
-	Repayment of principle portion of leases	(222 663)
	Debenture interest paid	(27 593 612)
	Interest paid on lease liabilities	(220 338)
	Interest paid on all other borrowings	(76 753 283)
	Net cash used in financing activities	(106 287 245)
	Net (decrease)/increase in cash and cash	
	equivalents for the year	(12 122 158)
-	Cash and cash equivalents at beginning of the year	18 490 975
-	Effects of exchange rate	(2 995 218)
_	Cash and cash equivalents at end of the year	3 373 598
	Comprising:	
	Bank balances and cash	23 003 203

Bank overdraft

Cash and cash equivalents at end of the year

STATEMENTS OF CASH FLOWS

859) (28 719 138) (12 675) 308 119 530 155 4 730 528 953) 4 570 244 219) (11 088 834) 800 (453 521) 325 117 288 572 (7 942 185) 109 346 387 308 008 1 670 843 45 000 000 (40 159 936) 178) (22 375 216) 222) (15 864 309) 207 141 309 321 670) (190 799 104) 663) (214,946) 612) (19 114 578) (207 804) 338) 283) (60 794 089) 245) (63 989 212) 29 492 866 3 659 728 (14 661 619) 598 18 490 975 27 588 24 (19 629 605) (9 097 272)

3 373 598

18 490 975

2022

BWP

87 330 137

(1670843)

62 602 674

29 August 2007, Company No. BW00000877365)

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 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. These assumptions were applied consistently to the consolidated financial statements for the year ended 31 August 2023 and are fully described in the consolidated financial statements. These assumptions are subject to ongoing review and possible amendments.

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 vear 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 be prepared on a going concern basis

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. The auditor does not report on all the information included in this report, unitholders are advised to obtain the copy of the auditor's report for the nature of the engagement performed by the auditor. For a better understanding of the Group's financial position and the results of its operations for the year and the scope of the audit, the abridged consolidated financial statements should be read in conjunction with the audited consolidated financial statements from which these abridged consolidated financial results were derived and the audit report thereon. The audit of the consolidated financial statements was conducted in accordance with International Standards on Auditing.

3. REVENUE

Rental income and revenue from contracts with cu

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Rental income (excluding straight line adjustments)
Straight line adjustments
Rental income
Recovery of property expense
Total rental income and revenue from contracts
 with customers
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SEGMENTAL REPORTING 4.

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

Contractual lease revenue

Botswana Zambia South Africa

Seament profit

Botswana 7ambia South Africa

Non-current assets

Investment propertie Botswana Zambia South Africa

	ALC: NO



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ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 AUGUST 2023

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 August 2023

stomers are as follows:					
2023	2022				
BWP	BWP				
181 758 800	169 031 008				
(7 098 560)	(5 028 172)				
174 660 240	164 002 836				
38 136 982	32 393 316				
212 797 222	196 396 152				

2022
BWP
115 841 611
42 711 858
10 477 538
169 031 008
58 162 381
24 135 775
5 031 981
87 330 137
1 032 942 062
524 664 482
88 973 361
1 646 579 905

	Stated Capital	Debentures	Retained earnings	FCTR on translation of foreign operations	FCTR on translation of related party loan	Debenture interest reserve	Total
	BWP	BWP	BWP	BWP	BWP	BWP	BWP
Balance at 1 September 2021	14 242 773	323 329 682	344 695 549	9 419 322	27 587 600	3 264 388	703 700 670
Linked units issued during the year	222 424	5 103 601	-	-	-	-	5 326 025
Profit for the year	-	-	65 353 551	-	-	-	65 353 551
Other comprehensive (loss)/income for the year	-	-	-	(9 239 293)	50 764 689	-	41 525 396
Total comprehensive income/(loss) for the year	-	-	65 353 551	(9 239 293)	50 764 689	-	106 878 947
2021 final debenture interest paid	-	-	10 534	-	-	(3 264 388)	(3 253 854)
2022 interim debenture interest paid	-	-	(21 186 749)	-	-	-	(21 186 749)
2022 final proposed debenture interest	-	-	(9 902 183)	-	-	9 902 183	-
Taxation attributable to debenture interest	-	-	6 837 248	-	-	-	6 837 248
Balance at 31 August 2022	14 465 197	328 433 283	385 807 950	(18 658 615)	78 352 289	9 902 183	798 302 287
Linked units issued during the year	330 597	7 702 107	-	-	-	-	8 032 704
Profit for the year	-	-	83 262 884	-	-	-	83 262 884
Other comprehensive (loss)/ income for the year	-	-	-	(8 145 298)	14 570 068	-	6 424 770
Total comprehensive income/(loss) for the year	-	-	83 262 884	(8 145 298)	14 570 068	-	89 687 655
2022 final debenture interest paid	-	-	-	-	-	(9 902 183)	(9 902 183)
2023 interim debenture interest paid	-	-	(25 724 133)	-	-	-	(25 724 133)
2023 final proposed debenture interest	-	-	(3 283 270)	-	-	3 283 270	-
Taxation attributable to debenture interest	-	-	6 381 629	-	-	-	6 381 629
Balance at 31 August 2023	14 795 794	336 135 390	446 445 060	(26 803 913)	92 922 357	3 283 270	866 777 958

2023	2022
BWP	BWP
98 682 346	63 439 294
98 682 346	63 439 294
861 539 932	832 576 651
128 603 839	135 329 617
50 846 625	56 873 398
1 040 990 396	1 024 779 666
	BWP 98 682 346 98 682 346 861 539 932 128 603 839 50 846 625

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. At the year end the total estimated cost of committed fees for these works was P11 265 748 (2022: P44 298 221).

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. Encouragingly, our property portfolio continues to prove its strength and has again achieved excellent occupancy levels – which have further improved post year end – a reflection of our strong tenant relationships and the standard of our stock.

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 (the proceeds of which have been rolled into the new Motswere development), and some prolonged vacancies in our commercial properties which have since been filled. Vacancies in-country were just under 3% by the end of the year and at the time of writing were down to 0.5%.

Our two properties in South Africa represent 5% of Group market value. In ZAR terms year-on-year of earlier lease reversions were managed during the year resulting in longer leases up to 10 years and some refurbishing costs.

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. This is largely **By order of the Board** 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 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. Our new building, Motswere at Prime Plaza II in the CBD, which was occupied from November 2023, was built with a five-star green design rating and the ratification is underway for its five-star as built green rating.

PROSPECTS & OPPORTUNITIES

As mentioned previously, our Motswere 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. While we expect this trend to continue in the short/medium term, the company will continue to focus on the amortisation of our in-country debt. Management believe that it will take some time for the Zambian economy to reach its full potential, however, the longer-term political and demographic indicators are positive and global demand for its resources continue to to remain strong, which augers well for the company.

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. We again offered our unitholders an elective capitalisation option this year on distribution enabling P8m to be retained in the business and adding long-term value to those who participated.

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. We are fortunate to have a landbank of exceptional quality in Botswana which will in time be developed out to add substantial value to the portfolio.

Any reference to future financial performance included in this announcement, has not been reviewed,

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.

they recorded a contraction in value of 3%, a 3% uplift in rental income and no vacancies. A number 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. A notice pertaining to this will be published in the press early in 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.

(HAMM Jam P Masie (Chairman) Gaborone, 30 November 2023