



PrimeTime Property Holdings Limited

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

ANNOUNCEMENT: SMALL RELATED PARTY TRANSACTION

The Directors of PrimeTime Property Holdings Limited (PrimeTime) hereby give notice to Unit holders of a related party transaction with Time A&PM Proprietary Limited a company providing asset and property management services.

The existing two agreements between PrimeTime and Time A&PM Proprietary Limited regarding asset and property management services respectively, will be consolidated into a single agreement.

The new, single agreement will retain the salient terms and conditions of the existing two agreements, with modifications to the fee structure, and a refinement of the key performance indicators (KPIs) bringing the agreement in line with the expected service delivery of asset and property managers into the current operating environment while ensuring remuneration is commensurate with the additional scope in services.

Details of the revised fee structure and KPIs are set out below:

Fee structure

Property Management fees remain unchanged at 4% of collections of property income in respect of the Properties.

Centre management fees on properties will incur a 5% admin fee from previously being charged at cost.

Leasing and renewal fees remain unchanged from the previous Property Management agreement, except for short-term leases (two years or less) which will attract a reduced letting of 50% of one month's property income.

Asset Management fees to be rebased to 0.75% of the Portfolio value, independently determined annually. Previously the Asset Management fee was charged on a sliding scale linked to the Market Capitalisation plus debt of PrimeTime.

Acquisition and disposal fees remain unchanged from the previous Asset Management agreement.

Key Performance Indicators (KPIs)

As part of the agreement, KPIs have been included to monitor the external management company's performance against agreed benchmarks. These will enable the Board to monitor performance metrics pertaining to:

Operations – Occupancy, collections, recoveries, and maintenance

Sustainability – Consumption monitoring, Solar PV analysis and implementation, green building accreditations, and covenant compliance

Financial – Net Property Income and Capital Values

Effective date

1st September 2023

Classification of the revised agreement

In line with the of the BSE Equity Listings Requirements section 7.2 the revised agreement is a related party agreement as it involves a variation of an existing agreement between a listed company (PrimeTime) and Time A&PM, the two companies are related parties due to a common shareholder and directorships.

Further determined, is that the proposed increase in fee structure is more than 0.25% but less than 5% of the market capitalisation of PrimeTime as of 31st August 2023, therefore treated as a small-related party transaction as per section 7.6 read with section 6.4 (a) of the BSE Equity Listings Requirements.

PrimeTime confirms that Sections 7.6(c) read with 6.9(c)(x) of the BSE Equity Listings Requirements on appointment of Directors are not applicable to this related party transaction as the transaction relates to a revision of management agreements without any appointment of Directors.

Rationale for the agreements revision

The rationale for the revision of the two agreements is to have one consolidated agreement on both asset and property management agreements to ensure alignment of terms and conditions. In addition, the current agreements were first drafted in 2007 with minor revision made in 2012. The role of the Asset Manager in the current operating environment has evolved considerably and the scope of duties and responsibilities of the Manager has become broader, more advanced and involved. The value of the existing contract has depreciated in real terms by inflation since the existing fee structure was implemented in 2007.

The Board has therefore determined the need to amend the agreements such that they cover current scope, duties, and responsibilities in terms of KPIs, and to ensure that the Manager is compensated fairly for its additional responsibilities and scope of work, with its performance transparently monitored on agreed metrics. The change is a benefit to all stakeholders to ensure the continued diligent and sustainable management of PrimeTime for the long-term benefit of Linked Unitholders.

Audit and Risk Committee review

In terms of Section 7.6 (b) of the Botswana Stock Exchange Listing Requirements, PrimeTime confirms that the Independent Expert (Grant Thornton) has reviewed the terms of the revised agreement and found them to be fair and reasonable. The fair and reasonable opinion confirming the revised fee structure will be available for inspection at PrimeTime's registered office for a period of 28 days from this announcement.

Unitholder approval

PrimeTime confirms that in terms of Section 7.6 of the Botswana Stock Exchange Listing Requirements being a small, related party transaction, Unitholders will not be required to vote on or approve the revision of the agreements, nor the change in fee structure and refinement of the KPIs. This announcement is for information purposes only.

For and on behalf of the Board:

Paul Masie

Chairman

Gaborone, 8 December 2023