



PRIMETIME PROPERTY HOLDINGS LIMITED
UNAUDITED INTERIM
CONSOLIDATED FINANCIAL RESULTS 2022

HALF YEAR TRADING HIGHLIGHTS

- Contractual rental income up 11% YOY
- Lobatse Junction retail centre opened on 21 October 2022 with full tenancy
- The 2 property disposals secured in the prior year successfully transferred by the end of January 2022, the proceeds of which will be invested into Building I of PrimeTime Plaza Phase II in the CBD, development of which has commenced
- All maturing debt has been successfully rolled or refinanced into long-term facilities of between 3 and 5-year tenures

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

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 28 February 2022

	Interim results six months to 28-02-2022 Pula	Interim results six months to 28-02-2021 Pula	Audited results year to 31-08-2021 Pula
Revenue (note 2)	97 827 451	89 674 392	177 900 908
Operating expenses	(39 058 777)	(32 734 155)	(65 099 059)
Exchange differences on translating foreign denominated balances	14 690 177	(20 946 334)	(7 695 003)
Loss on disposal of investment property	(1 252 129)	-	-
Profit from operations before fair value adjustment	72 206 722	35 993 903	105 106 846
Fair value adjustment	-	-	(35 455 545)
Profit from operations	72 206 722	35 993 903	69 651 301
Interest income	771 490	317 111	745 755
Interest expense	(29 565 851)	(25 374 501)	(51 587 945)
Profit before taxation	43 412 361	10 936 513	18 809 111
Taxation	(3 008 926)	(5 500 130)	(4 122 537)
Profit for the period/year	40 403 435	5 436 383	14 686 574
Other comprehensive (loss)/income			
<i>Items that may subsequently be classified to profit or loss</i>			
Exchange differences on translating foreign operations	(4 232 662)	3 227 774	3 313 050
Other comprehensive (loss)/income	(4 232 662)	3 227 774	3 313 050
Total comprehensive income/(loss) for the period/year	36 170 773	8 664 157	17 999 624
Basic Earnings per linked unit (thebe)	16.51	2.22	8.85
Diluted Earnings per linked unit (thebe)	16.51	2.22	8.85

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 28 February 2022

	28-Feb-2022 Pula	28-Feb-2021 Pula	Audited 31-Aug-2021 Pula
ASSETS			
Non-current assets	1 652 733 981	1 618 438 020	1 607 296 449
Investment properties	1 549 968 153	1 478 655 461	1 421 811 751
Work in progress	45 347 634	78 742 100	126 925 650
Rentals straight-line adjustment	57 418 194	61 040 459	58 559 048
Current assets	119 630 686	60 103 966	60 252 987
Amount due from related parties	-	3 559	-
Trade and other receivables	17 113 420	16 532 934	20 716 567
Rentals straight-line adjustment	8 731 398	7 541 581	9 616 256
Taxation receivable	2 350 592	1 563 815	2 497 151
Cash and cash equivalents	91 435 276	34 462 077	27 423 013
Investment properties held for sale	-	-	43 883 981
Total assets	1 772 364 667	1 678 541 986	1 711 433 417
EQUITY AND LIABILITIES			
Capital and reserves	731 985 421	715 598 124	695 814 648
Stated capital	14 242 773	14 242 773	14 242 773
Debtentures	323 329 682	323 329 682	323 329 682
Reserves	382 072 038	357 475 011	354 977 805
Debtenture interest reserve	12 340 928	20 550 658	3 264 388
Non-current liabilities	886 233 520	650 497 021	538 278 234
Deferred tax liability	35 196 344	50 584 292	35 444 298
Long term borrowings	848 283 136	597 071 297	500 051 592
Lease liabilities	2 754 040	2 841 432	2 782 344
Current liabilities	154 145 726	312 446 841	477 340 535
Trade and other payables	14 744 565	17 839 458	17 049 726
Amount due to related parties	2 867 556	1 534 596	15 343 875
Current portion of long-term borrowings	135 542 606	273 707 270	416 702 871
Lease liabilities	202 513	188 107	202 496
Deferred revenue	788 486	2 682 556	3 060 573
Bank overdraft	-	15 785 059	23 763 285
Tax payable	-	709 795	1 217 709
Total equity and liabilities	1 772 364 667	1 678 541 986	1 711 433 417

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS for the six months ended 28 February 2022

	28-Feb-2022 Pula	28-Feb-2021 Pula	Audited 31-Aug-2021 Pula
Net cash generated from operating activities	56 886 510	11 163 940	83 301 298
Net cash generated from/(used in) investing activities	13 505 991	(21 559 720)	(75 994 472)
Net cash generated from/(used in) financing activities	37 477 141	(28 720 491)	(45 088 717)
Net increase/(decrease) in cash and cash equivalents for the period/year	107 869 642	(39 116 271)	(37 781 891)
Cash and cash equivalents at the beginning of the period/year	3 659 728	33 877 484	33 877 484
Net effects of exchange rate on the cash held in foreign currencies	(20 094 094)	23 915 805	7 564 135
Cash and cash equivalents at the end of the period/year	91 435 276	18 677 018	3 659 728

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the six months ended 28 February 2022

	Stated capital Pula	Linked unit debtentures Pula	Accumulated profits Pula	Foreign currency translation reserve Pula	Debtenture interest & reserve Pula	Total Pula
Balance at 1 September 2020	14 242 773	323 329 682	372 218 957	(10 539 477)	7 682 032	706 933 967
Total comprehensive income for the year	-	-	14 686 574	3 313 050	-	17 999 624
2020 final debtenture interest paid	-	-	-	-	(7 682 032)	(7 682 032)
2021 interim debtenture interest paid	-	-	(28 403 944)	-	-	(28 403 944)
2021 final proposed interim debtenture interest	-	-	(3 264 388)	-	3 264 388	-
Taxation attributable to debtenture interest	-	-	6 967 033	-	-	6 967 033
Balance at 31st August 2021	14 242 773	323 329 682	362 204 232	(7 226 427)	3 264 388	695 814 648
Total comprehensive income for the period	-	-	40 403 435	(4 232 662)	-	36 170 773
Debtenture interest proposed	-	-	(9 076 540)	-	9 076 540	-
Balance at 28 February 2022	14 242 773	323 329 682	393 531 127	(11 459 089)	12 340 928	731 985 421

EXPLANATORY NOTES

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The summarised consolidated financial statements have been prepared applying the recognition and measurement criteria in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee, and as a minimum contain the information required by International Accounting Standard 34 - Interim Financial Reporting. The principal accounting policies applied are in terms of IFRS consistent in all material respects with those adopted in the previous financial year. In the preparation of the consolidated summarised financial statements, the Group has applied key assumptions concerning the future and other inherent uncertainties in recording various assets and liabilities.

2. REVENUE

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

	Interim results six months to 28-02-2022 Pula	Interim results six months to 28-02-2021 Pula	Audited results year to 31-08-2021 Pula
Rental income (excluding straight line adjustments)	83 542 773	75 053 456	151 229 935
Straight line adjustments	(1 206 109)	2 133 749	1 106 033
Rental income	82 336 664	77 187 205	152 335 968
Recovery of property expenses	15 490 787	12 487 187	25 564 940
Total rental income and revenue from contracts with customers	97 827 451	89 674 392	177 900 908

3. SEGMENTAL REPORTING

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

	Interim results six months to 28-02-2022 Pula	Interim results six months to 28-02-2021 Pula	Audited results year to 31-Aug-2021 Pula
Contractual lease revenue			
Botswana	58 470 595	51 576 379	104 340 281
Zambia	19 977 263	19 077 656	37 609 117
South Africa	5 094 915	4 399 421	9 280 537
83 542 773	75 053 456	151 229 935	
Segment profit/(loss) before exchange differences on translating foreign denominated balances			
Botswana	33 181 839	27 772 184	84 775 099
Zambia	8 336 196	13 241 720	(30 915 621)
South Africa	2 270 209	1 702 764	2 054 346
Mauritius (holding company for foreign investments)	(18 074 986)	(16 333 951)	(33 532 247)
	25 713 258	26 382 717	22 381 577
Exchange differences on translating foreign denominated balances			
Botswana	19 924 089	(27 338 784)	(16 714 480)
Zambia	(732 059)	(786 061)	(798 304)
South Africa	(88 108)	-	107 510
Mauritius (holding company for foreign investments)	(4 413 745)	7 178 511	9 710 271
	14 690 177	(20 946 334)	(7 695 003)
Profit for the period/year	40 403 435	5 436 383	14 686 574
Current assets			
Investment properties held for sale			
Botswana	-	-	43 883 981
Zambia	-	-	-
South Africa	-	-	-
	-	-	43 883 981
Non-current assets			
<i>Investment properties</i>			
Botswana	996 305 153	902 867 220	883 012 553
Zambia	464 441 271	487 658 533	447 953 054
South Africa	89 221 729	88 129 708	90 846 144
	1 549 968 153	1 478 655 461	1 421 811 751
<i>Work in progress</i>			
Botswana	45 347 634	78 742 100	126 925 650
Zambia	-	-	-
South Africa	-	-	-
	45 347 634	78 742 100	126 925 650
Total liabilities			
Botswana	860 932 719	787 138 742	839 925 471
Zambia	124 720 733	122 262 004	118 954 873
South Africa	54 725 794	53 543 117	56 738 425
	1 040 379 246	962 943 863	1 015 618 769

RESULTS ANALYSIS

When analysing the Group results it is important to read the foreign exchange differences recorded in the Statement of Comprehensive Income (SOC) with caution. Large unrealised fluctuations can occur on the inter-company loans and this component of the SOC has been separately disclosed in the Segmental Reporting Note 2 above.

Focusing on top line rental income, several changes in the Group's portfolio and tenant mix are reflected in these financials – with this financial year and the next being a period of consolidation now that the disruptions caused by Covid have eased. Specifically affecting PrimeTime were challenges experienced in delivering, tenancing and fitting-out our latest developments in our historic and traditional timely fashion. Lobatse Junction retail centre opened in October 2021 with full rentals reflecting from November 2021. While Pinnacle Park was practically completed right at the end of the 2020 financial year, the final unit has now been let out with effect from 1 July 2022.

Two property disposals brokered in the prior financial year, namely retail centres in the rural locations of Ghanzi and Ramotswa, were transferred by the end of January 2022. The proceeds of these being redirected into the first building of Prime Plaza II in the CBD, unlocking this portion of our landbank, and enhancing the longer-term potential of our portfolio. Due to current material availability issues and our model of building out the basement for the whole site with Building I, the development program is currently indicating that completion will be towards the end of the next financial year 2023. Early indications are showing strong demand from quality tenants for this space.

In terms of vacancies, notably those in Zambia have significantly reduced since the prior year-end and across the portfolio we are starting to see faster turn-around times in filling voids as they arise.

Moving onto costs there are some key drivers of the increase recorded during this period. New properties such as Lobatse Junction, by their nature as multi-tenanted retail malls, carry a higher cost base. Generally, across all the regions we operate in, utility and municipal costs have increased above inflationary levels and recoveries must continually be adjusted upwards to keep pace where possible. Additional refurbishment costs have been incurred this year to fill vacancies with suitable tenants. There is a cost attached to improving our board structures, governance, and ongoing compliance in an increasingly regulatory environment. Some of these costs – such as the refurbishment and compliance costs – are investments into the Group's future and we can expect to reap the benefits in the years to come.

It is significant to note our successful efforts in refinancing all the debt facilities which have matured to date in this financial year. Just after the interim period end P33 million of short-term commercial paper was settled from the cash reserves already held.

PROSPECTS AND OUTLOOK

While rental levels from existing properties have been relatively flat, the increased income and projected growth is coming from our new properties, Pinnacle Park and Lobatse. Vacancies are low and where tenants have moved, we have and are finding good covenant replacements. This is indicative of the quality of our assets, confirming the strength of our portfolio fundamentals.

As alluded to in the paragraphs above when analysing our results for the financial year to date, we are now emerging from our most challenging 2-year period. We have worked hard to look after our tenants and properties during this time as well as bedding down our new developments successfully. Running parallel to this, management and the board continue to partner with our funders to restructure and reduce the group's overall debt ratio levels. We would like to thank our funders and stakeholders for their consideration throughout and look forward to their continued support.

In terms of development pipeline, as already mentioned Phase II of Prime Plaza in the Gaborone CBD is underway. The major extension to our Botkeo Mall in Serowe is still being considered on the back of strong tenant demand and we have land to extend Pinnacle Park.

By order of the Board

P Matumo (Chairlady)
Gaborone, 24 May 2022