

Independent Auditor's Report  
To the Shareholders of PrimeTime Property Holdings Limited  
Report on the Audit of the Consolidated and Separate Financial Statements

*Opinion*

We have audited the Consolidated and Separate Financial Statements of PrimeTime Property Holdings Limited ('the Company') and its subsidiaries ('the Group') set out on pages 12 to 85, which comprise of the Consolidated and Separate Statements of Financial Position as at 31 August 2024, and the Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income, the Consolidated and Separate Statements of Changes in Equity and the Consolidated and Separate Statements of Cash Flows for the year then ended, and the notes to the Consolidated and Separate Financial Statements, including material accounting information.

In our opinion, the Consolidated and Separate Financial Statements give a true and fair view of the consolidated and separate financial position of the Group and Company as at 31 August 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act (CAP 42:01).

*Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the Consolidated and Separate Financial Statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated and Separate Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated and Separate Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated and Separate Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated and Separate Financial Statements.



The Key Audit Matters applies equally to the audit of the Consolidated and Separate Financial Statements.

Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="185 360 639 394">Valuation of Investment Properties</p> <p data-bbox="185 432 751 741">The Group’s investment property portfolios comprise of office, retail and industrial use properties located in Botswana, South Africa and Zambia. The Group’s investment property portfolios are valued at BWP 1.788 billion (2023: BWP1.716 billion) and the Company’s investment portfolio is valued at BWP1.193 billion (2023: P1.098 billion) as at 31 August 2024.</p> <p data-bbox="185 779 751 1290">The fair values of these investment property portfolios are determined by management using the direct capitalisation or discounted cash flow methods, depending on the nature and location of the respective investment properties. The direct capitalisation method involves the application of a capitalisation rate to the net operating income of each investment property. The discounted cash flow method estimates the value of an income -producing investment property based on the future cash flows which include considerations for vacancies, rental income changes and cost changes. The future cashflows are discounted using a capitalisation rate.</p> <p data-bbox="185 1328 751 1496">The fair values derived from the direct capitalisation and discounted cash flow methods are then compared to transaction prices realised from the sale of similar properties in the same geographical area.</p> <p data-bbox="185 1534 751 1776">The Group and Company use external independent valuation specialists to value their investment properties annually. The valuation process followed by the external independent valuation specialists includes the physical inspection of each property on a five-year rotational basis.</p> <p data-bbox="185 1814 751 2056">Estimating the capitalisation rate applied to the net operating income or net cash flows to determine the fair value of the investment properties is subjective in nature and involves significant assumptions distinctive to each geographical region including a risk-free rate adjusted for interest rates, inflation rates and</p>	<p data-bbox="775 360 1305 394">Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li data-bbox="826 432 1390 611">▶ We obtained an understanding of the valuation process and methodology used to determine the fair values of the investment properties through discussions with the independent valuation specialists and management.</li> <li data-bbox="826 618 1390 741">▶ We evaluated the external valuation specialists’ competence, capabilities and objectivity with reference to their qualifications and industry experience.</li> <li data-bbox="826 748 1390 804">▶ With the support of our internal valuation specialists, we: <ul style="list-style-type: none"> <li data-bbox="826 810 1390 1314">- Assessed the valuation methods used by the external independent valuation specialists and considered if these methods are in line with International Valuation Standards (“IVS”) and valuation practise. Our assessment included assessing if the methodology adheres to the fundamental concepts and principles of valuation outlined in the IVS, including fairness, transparency and consistency. We further evaluated if the methodology considers relevant market evidence in order to adhere to IVS market requirements for gathering, analysing, and applying market data in the valuation process.</li> <li data-bbox="826 1321 1390 1500">- Evaluated the transaction prices realised from the sale of similar properties, used to support the fair values of investment properties, by comparing the external source of these transaction prices to publicly available information.</li> <li data-bbox="826 1507 1390 1948">- Independently recomputed a capitalisation rate for each property by assessing the economic market conditions in Zambia, South Africa and Botswana including vacancy rates, rental growth rates, risk-free rates, interest rates and inflation rates. We also considered the risks specific to each geographic region, to obtain an understanding of how these risks can impact property values. We compared our calculated capitalisation rates to the rates used by the external independent valuation specialists for reasonableness.</li> <li data-bbox="826 1955 1390 2078">- Evaluated the mathematical accuracy of the valuation method by recalculating the net operating income or net cash flows and applying the capitalisation rate to the</li> </ul> </li> </ul>

a risk factor determined based on the anticipated future growth prospects, vacancy rates, tenant quality, nature and location of each property.

The estimation of these inputs is further complicated by uncertain economic and market conditions in each geographical region reflected in volatility observed in inflation and interest rates.

We have identified the valuation of the Group and Company's investment property portfolios to be a key audit matter due to the valuation method being inherently judgmental because of the subjective inputs applied in determining the capitalisation rate for each property across different regions and the significance of the investment property portfolios to the Group and Company's total assets.

The disclosures associated with the valuation of the Group and Company's investment properties, including the fair value adjustments, are set out in the Consolidated and Separate Financial Statements in the following notes:

- Note 1.3 - Critical judgements and sources of estimation uncertainty: Fair value of investment property
- Note 1.4 - Material Accounting Policies: Investment property
- Note 6 - Fair value adjustment
- Note 13 - Investment property
- Note 13 - Details of valuation
- Note 15 - Fair value information

net operating income or net cash flows for each property to determine the fair value per property.

- ▶ We assessed the appropriateness of the disclosures included in the Consolidated and Separate Financial Statements relating to investment properties and fair value adjustments against the requirements of IAS 40 - *Investment property* and IFRS 13 - *Fair value measurement*.

### *Other Information*

The directors are responsible for the other information. The other information comprises the other information included in the 85-page document titled "PrimeTime Property Holdings Limited (Registration number BW00000877365) Consolidated and Separate Financial Statements for the year ended 31 August 2024" which includes the General Information, Directors' Report and the Directors' Responsibilities and Approval of the Consolidated and Separate Financial Statements, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the Consolidated and Separate Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated and Separate Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.



In connection with our audit of the Consolidated and Separate Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated and Separate Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Directors for the Consolidated and Separate Financial Statements*

The directors are responsible for the preparation and fair presentation of the Consolidated and Separate Financial Statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act (CAP 42:01) and for such internal control as the directors determine is necessary to enable the preparation of Consolidated and Separate Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated and Separate Financial Statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting processes.

#### *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

Our objectives are to obtain reasonable assurance about whether the Consolidated and Separate Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated and Separate Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated and Separate Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated and Separate Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated and Separate Financial Statements, including the disclosures, and whether the Consolidated and Separate Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Consolidated and Separate Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young  
Firm of Certified Auditors  
Practising member: Francois J Roos (CAP 0013 2025)  
Gaborone

28 January 2025