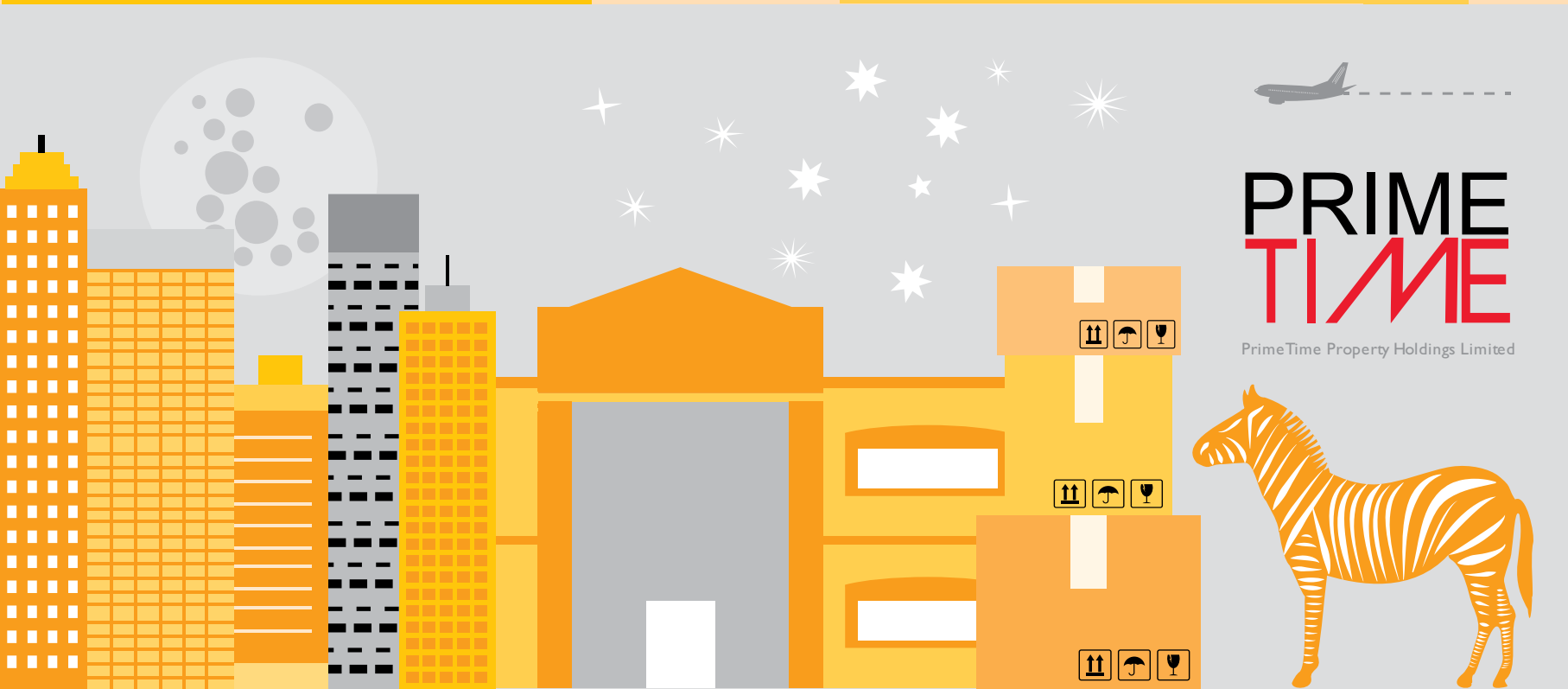


PrimeTime Annual Report 2021



**PRIME
TIME**

PrimeTime Property Holdings Limited

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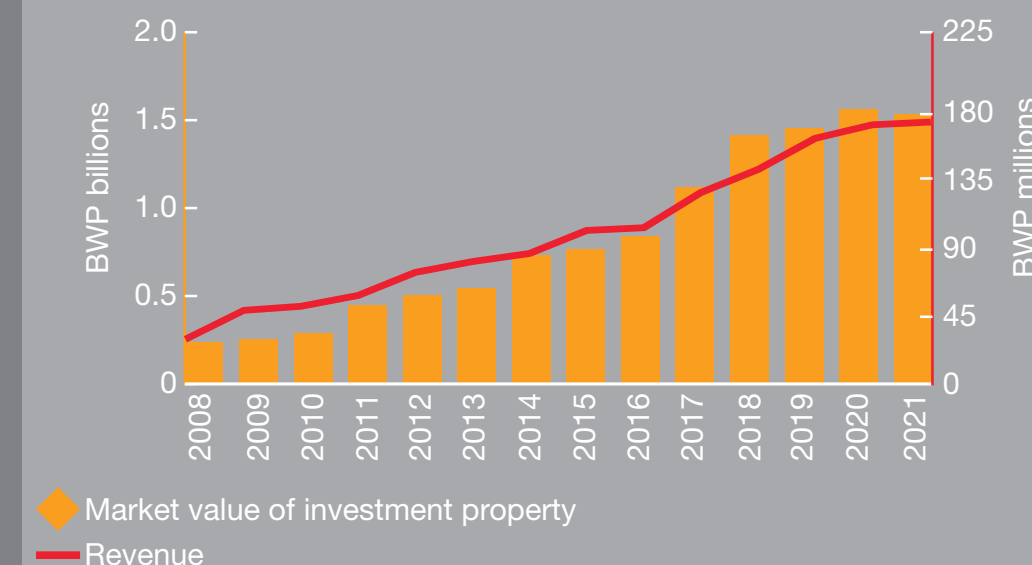


What is PrimeTime?

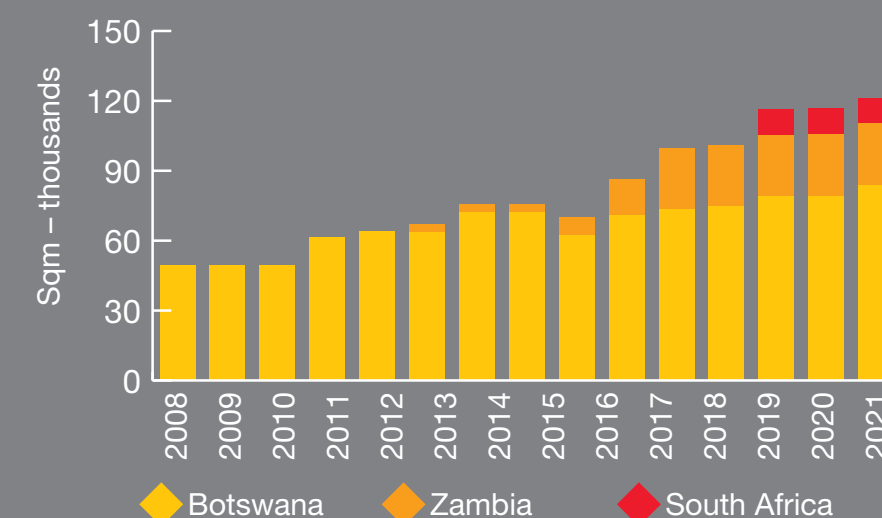
PrimeTime is a leading Botswana Stock Exchange listed property investment company. Since listing in 2007, PrimeTime's portfolio has grown to 31 properties in Botswana, South Africa and Zambia amounting to over 120,000 sqm of lettable office, retail, and industrial space. PrimeTime has proved resilient to the challenges of the global pandemic, maintaining high occupancy levels, and positioning itself well to capitalise on future opportunities.

There are prospects to grow the portfolio further off the base of a strong roster of tenants and a portfolio that is well balanced. People will still need to work, shop and have leisure time and our offering of bright, appropriately sized and diversified assets is well positioned to accommodate people's needs.

Market value of Investment Property and Revenue



Gross lettable area by country





A statement from our Chairlady

Another remarkable year

Your company, PrimeTime, remains robust with strong assets and has demonstrated its resilience over a challenging 12 months. The group finished the year with close to full occupancy and has continued to pay distributions while delivering on its pre-committed development pipeline. The filling of the new Pinnacle Park offices in Gaborone is a great achievement which we will now start to enjoy the benefit of, along with the income from Lobatse Junction which was completed just after the financial year end.

Petronella Matumo

COVID drag

The unprecedented nature of the Covid-19 pandemic has tested the culture and resilience of businesses throughout the world, and it has been encouraging to see how PrimeTime has responded.

The indiscriminate spread of the virus will have affected almost everyone both in their personal and professional capacities, with our region being particularly hard hit during its winter months. Sadly, PrimeTime lost business partners to the pandemic, and I send my sincere condolences to those who have lost people close to them. At the time of our financial year end a semblance of normality appeared to be returning and the vaccine roll out was gaining momentum. Restrictions were being lifted and all our tenants were once again able to trade fully, including the many restaurants and cafes we accommodate, who were the hardest hit.

The diversity of PrimeTime's portfolio has provided it with some protection. Our broad range of occupiers across the office and retail sectors, including many essential services, forms the foundation of our income. Despite this, the restrictions under which we all had to operate have clearly had an impact which is reflected in the results presented in this year's annual report.

Our Zambian operations have been particularly affected over the last two years with the impact of the pandemic exacerbating an already precarious economic situation. However, there has been a noticeable uptick in confidence post the general elections of August 2021 which saw Hakainde Hichilema ('HH') and his United Party for National Development sweep emphatically to power. Whilst the road to realising

Zambia's full potential will be a long one, we believe that the underlying fundamentals will return stability to the property sector in due course. We wish the president and his government every success in plotting Zambia's path forward.

PrimeTime's operations in South Africa are still relatively small, with just the two assets there acquired at the end of 2019. At that time, we had ambitions to grow a portfolio there quickly, but it has not been possible given the events that have transpired. However, there are still persuasive arguments for expansion and our team continue to monitor how these can be realised.

Our response

It has been encouraging to see how PrimeTime has responded in these trying times. Throughout the last year the group has remained focused on how it can help customers and other stakeholders to mitigate the impact of the pandemic. Investors and financiers have been kept abreast of developments and the policies the group has implemented have ensured it is well positioned for the inevitable recovery. The external property and asset managers, Time Projects and Ebbstone Asset Management, have worked with customers across the portfolio to help restructure leases where appropriate and this is reflected in a year end vacancy rate in line with those seen in earlier years at just 3%.

We have been prudent in managing the next phase of PrimeTime's expansion with completion of the Lobatse Junction retail mall, which was successfully opened in October 2021, being a focus over the last year.

“ It has been encouraging to see how PrimeTime has responded in these trying times. Throughout the last year the group has remained focused on how it can help customers and other stakeholders to mitigate the impact of the pandemic. ”

Corporate governance

The board is responsible for ensuring that the group complies with all applicable legislative, regulatory, and best practice requirements. It is accountable and oversees effective management of risk. As PrimeTime works towards embedding the King IV code we will see a broader range of policies and initiatives being introduced through a collaborative approach between the board and external management team. As part of this process we have appointed an external company to provide an internal audit function.

Constitution of the board

After 10 years Sifelani Thapelo resigned from the board of directors in February 2021. Sifelani contributed immensely over his tenure as a board director, offering guidance on a wide array of legal and governance matters. I thank Sifelani for his contribution and dedication over the years.

We were delighted to welcome Paul Masie to the board in May 2021. Paul brings a wealth of experience from over 30 years in the financial services industry to the board. Subsequent to the year-end we have also welcomed Chandada Masendu-Kusane who has extensive real estate and financial sector experience and Nigel Dixon-Warren, former senior partner at KPMG Botswana. These appointments diversify the skill sets from which we can collectively draw on as a board.

The future

PrimeTime still has an exciting pipeline to deliver. In Gaborone there is the next phase of Prime Plaza, which we made some progress on over the year. The awarding of a five-star green design rating to the first phase of the development is a major boon for PrimeTime. It is the first five-star rating to be awarded to a development in Botswana and demonstrates that our commitment to environmental issues is not just lip service.

The additional pipeline projects of the Boiteko Junction extension and another phase of the fully let Pinnacle Park offices in Setlhoa Gaborone will be advanced with caution, but we expect to see progress in the current year with strong demand from occupiers in both locations. These projects will allow for continued steady growth while we position PrimeTime to be able to take advantage of opportunities that will present themselves as markets recover.

To assist with increasing regulatory requirements, a governance and directors sub-committee will be set up in the course of the 2022 financial year.

It just remains for me to thank my fellow colleagues on the board, past and present, for their considerable efforts over the last year. A substantial amount of time, energy and expertise has been invested by all the directors, particularly in addressing the financial and regulatory complexities of the various jurisdictions in which the group operates.



Board of Directors

Petronella Matumo (60)
Independent non-executive chairlady
Appointed: 12 October 2007
HND (Shannon, Rep. of Ireland), IHCI
Petronella is a hotelier by profession and is the Managing Director of Private Collection Proprietary Limited and Fine Jewellery Manufacturing Proprietary Limited – a diamond jewellery retailer and manufacturer respectively. She has extensive business experience gained on the boards of a diverse range of companies, some of which were listed – Barclays Bank of Botswana Limited and Debt Participation Capital Fund Limited. Her tenures include being a previous chairlady of Mascom Wireless Botswana Proprietary Limited, Deci Investments and Motswedi Securities Proprietary Limited. She currently sits on the board of Associated Fund Administrators Proprietary Limited as well as some other private companies.

Joanna (“Jo”) Jones (50)
Executive
Appointed: 1 June 2017
BA Hons (Finance), FCA (UK), FCPA (Bots)
Jo has been the Finance Director of the external management company since 2007 and is responsible for the financial management of the PrimeTime group. Having qualified as a chartered accountant in the UK, she moved to Botswana in 1998 as an auditor with PricewaterhouseCoopers. Leaving audit in 2000, she accumulated a wide range of experience in different industries and areas of financial management before specialising in real estate. She sits on the board of other private companies in the property industry.

Cross Kgosiidiile (52)
Independent non-executive
Appointed: 16 February 2011
BaC (Accounting), MsB Admin, FCMA, FCPA (Bots)
A qualified accountant, Cross has a solid track record in public sector finance and management. His early days as a finance manager for Air Botswana progressed to the Motor Vehicle Accident Fund where he was CEO for 10 years. He spent 3 years at the Botswana Power Corporation as the CFO and then the acting CEO before moving to the Botswana Development Corporation in 2020 in his current role as Managing Director. Over the years he has held several other directorships and board positions and currently sits on a number of boards including Minergy Limited and GRIT Real Estate Income Fund, as well as some other private companies and pension fund benefits administrators.

Paul Masie (55)
Independent non-executive
Appointed: 5th May 2021
BA Econ
Paul has over 30 years’ experience in the financial services industry, retiring as the CEO of Alexander Forbes Botswana in 2018. He has worked extensively throughout SADC, East and West African countries in the retirement funds and insurance industries, including emerging markets. He remains Chairman of the Alexander Forbes Botswana Group Holdings Proprietary Limited and serves as a director to several companies in the Alexander Forbes Group, and has several other private board positions.

Alexander (“Sandy”) Kelly (67)
Executive
Appointed: 6 September 2007
Pr. Eng BSc (Civ Eng.) MBA, MBIDP
Following an early career in South Africa in construction, Sandy moved to Botswana in 1988 to ‘open the doors’ for Time Projects, the external management company. He was instrumental in developing PrimeTime’s initial portfolio and its successful listing on the BSE in December 2007. Since then he has led the team that has built up PrimeTime’s portfolio to where it is today and is a director of the external management company with overall responsibility for managing PrimeTime. Sandy is also a director of several of PrimeTime’s subsidiaries, and sits on the board of other private companies in the property and tourism industries, and property companies in the UK where he has indirect interests.

Chandada (“Chanda”) Masendu-Kusane (39)
Independent non-executive
Appointed: 14 October 2021
BSc (Property Studies), MSc (Real Estate), PMP, PRINCE2
As a real estate professional, Chanda’s experience includes property and asset management, valuations and investment. Her career spans 17 years in the commercial banking sector and the local real estate market. She now heads up her own business interests in real estate, education and media. She runs her own private company board and is also a director of Western Industrial Estate, a subsidiary of the Botswana Development Corporation.

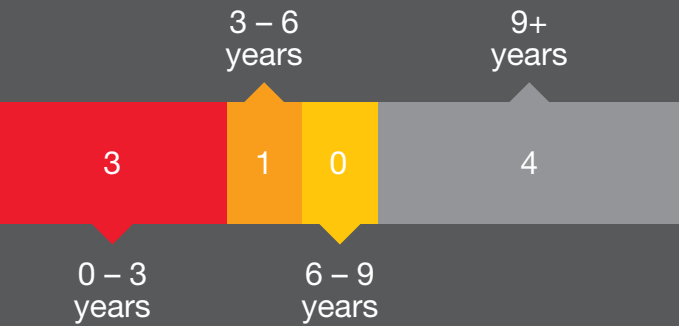
Mmoloki (“Turnie”) Morolong (53)
Executive
Appointed: 6 September 2007
BA (UB), MBA (UB), Dip. PM REIB
Turnie has been with the external management company, Time Projects, since 2005 and was appointed director of the property management division in 2007. He has gained vast experience in property management having been in the industry for more than 20 years and is responsible for the day-to-day management of all the properties in PrimeTime’s portfolio. Turnie is a director of several of PrimeTime’s subsidiaries, and sits on the board of other private companies in the property industry.

Nigel Dixon-Warren (52)
Independent non-executive
Appointed: 22 November 2021
FCCA (UK), FCA (Bots)
Nigel is an accountant by profession with over 30 years’ experience. He spent almost 25 years’ with KPMG, the last 19 of which were as a Partner/Senior Partner in Botswana. Nigel now heads up a private consultancy specialising in corporate finance, business planning and tax. He has held a number of voluntary positions in the Botswana business community over the years and contributed to the development of the accounting profession. Having already served in various roles for the Botswana Institute of Chartered Accountants he still remains actively involved as a member of their Tax Committee.



Board composition

BOARD TENURE



BOARD AGE



BOARD INDEPENDENCE



BOARD GENDER DIVERSITY



30 NOVEMBER 2021

	Date of appointment	Years	Age
Petronella Matumo	12 October 2007	14.1	60
Jo Jones	01 June 2017	4.5	50
Sandy Kelly	06 September 2007	14.2	67
Turnie Morolong	06 September 2007	14.2	53
Cross Kgosiile	16 February 2011	10.8	52
Chanda Masendu-Kusane	14 October 2021	0.1	39
Paul Masie	05 May 2021	0.6	55
Nigel Dixon-Warren	22 November 2021	0.0	52
Average		7.3	54

Linked unitholders information

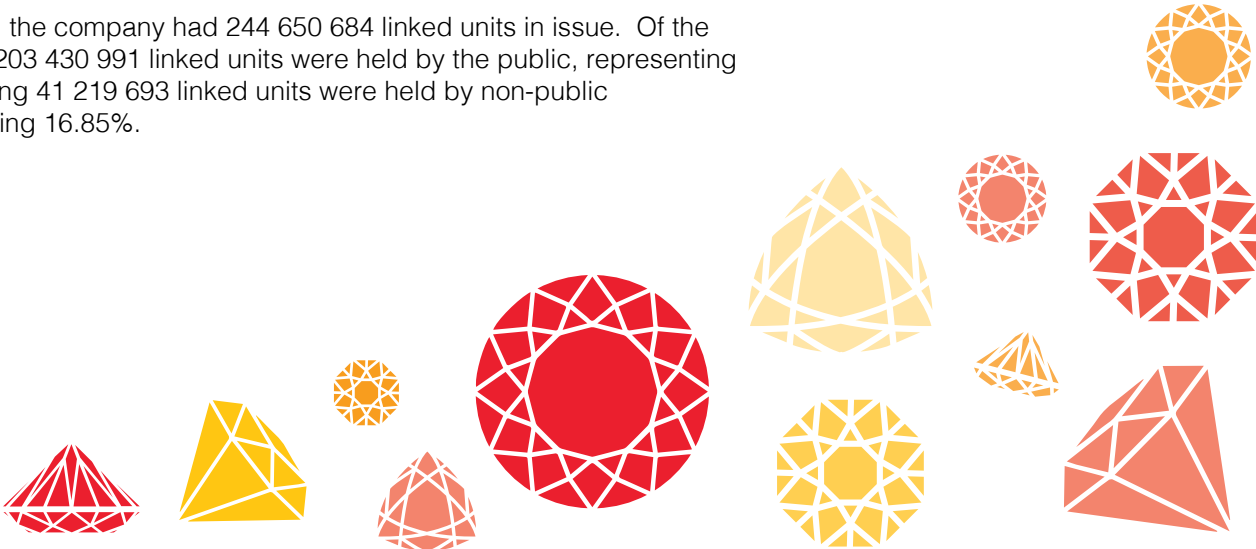
As at 31 August 2021

When looking at holdings across asset managers:

Major Linked Unitholders	Linked Units	%	Rank
BPOPF (across all asset managers)	74 611 036	30.50%	1
Linwood Holdings Limited	40 028 705	16.36%	2
Tati Company Limited	22 873 846	9.35%	3
Debswana Pension Fund (across all asset managers)	18 457 743	7.54%	4
Metropolitan Life Botswana (across all asset managers)	14 502 236	5.93%	5

Linked Unit Band	No. Linked units	%	No of Holders	%
0 -1 999	625 600	0.26%	1 111	64.86%
2 000 - 4 999	663 456	0.27%	228	13.31%
5 000 - 9 999	634 104	0.26%	93	5.43%
10 000 - 49 999	3 642 754	1.49%	183	10.68%
50 000 - 99 999	1 290 996	0.53%	19	1.11%
100 000 - 499 999	8 842 492	3.61%	42	2.45%
500 000 +	228 951 282	93.58%	37	2.16%
	244 650 684	100.00%	1 713	100.00%

As at 31 August 2021 the company had 244 650 684 linked units in issue. Of the linked units in issue 203 430 991 linked units were held by the public, representing 83.15%. The remaining 41 219 693 linked units were held by non-public unitholders representing 16.85%.



Report from the external property & asset manager

As PrimeTime's 2021 financial year came to an end, there was a palpable sense that we are now entering a period of recovery. While we can expect bumps along the way, the increasing penetration of the vaccination programme across the region, particularly in Botswana, is helping drive the return to normality.

“As a result of our proactive approach to the challenges posed by the pandemic, PrimeTime is well poised for the recovery.”

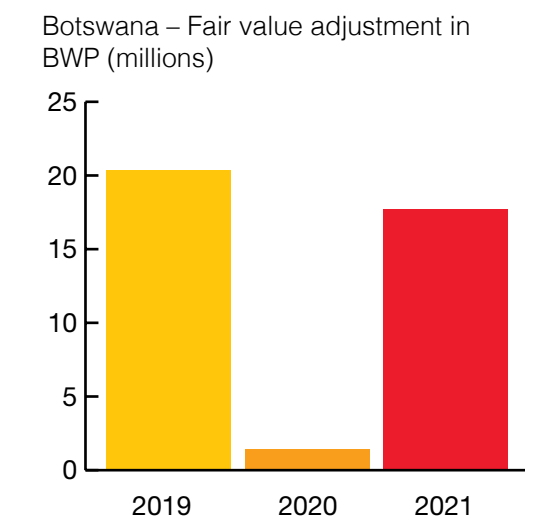
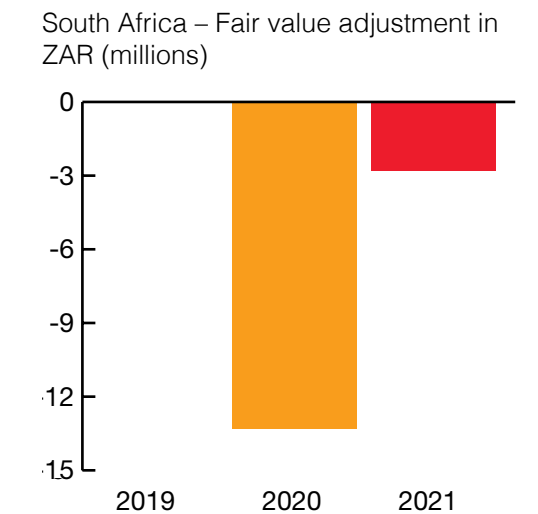
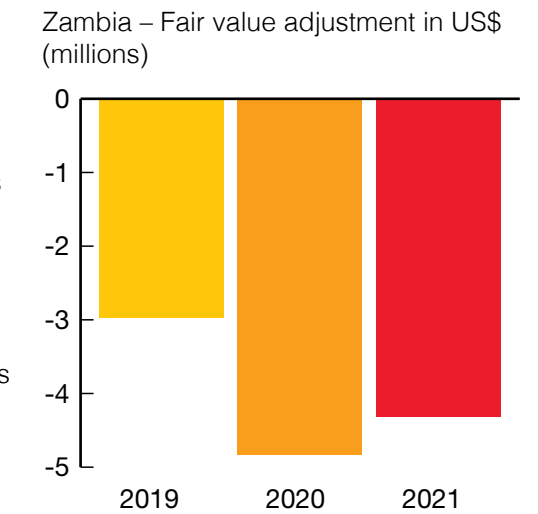
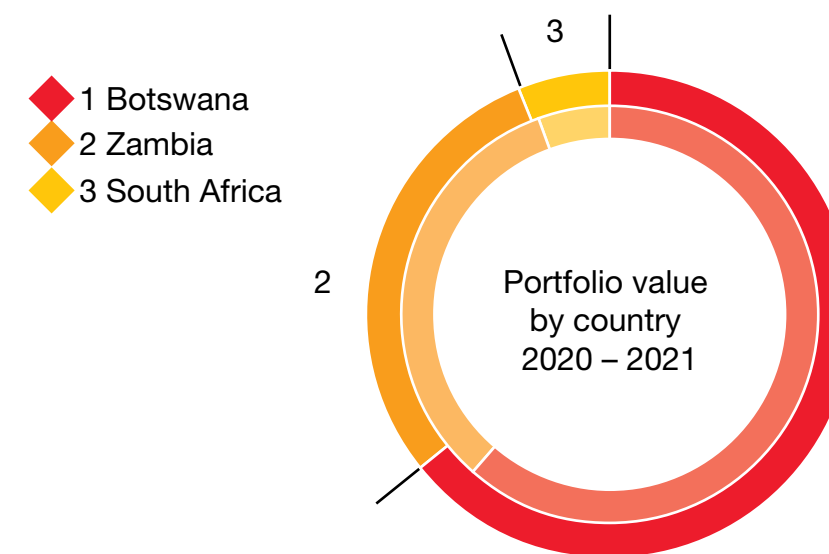
Sandy Kelly

The discovery of a new variant in Botswana was one of these such bumps in the road, but the fact of the matter is the world is learning to adapt and deal with Covid-19 while the virus itself is reportedly weakening and its impact has, so far, been far less detrimental than previous waves.

Positively, the group returned to profit in the year, we filled PrimeTime's new development at Pinnacle Park with a strong set of tenants who we look forward to working with for many years to come and we made substantial progress with the new Lobatse Junction retail mall which completed after the year end. This was achieved with 100% of the space already committed to by a high-quality tenant mix and we are optimistic on its future. The investment into Lobatse was carefully analysed and proceeded based on PrimeTime receiving a guarantee from the developer on the first year's income, which will ensure a net 8% return. We believe the development will play a key role in Lobatse's future with the investment leading to the creation of substantial employment opportunities in the town. Given the challenges we have faced over the period of construction this is a strong performance and reflects well on the quality of the new assets that have come into the PrimeTime portfolio.

The total value of the group's investment property fell slightly over the year on independent valuations by 1.8%. Botswana values rose marginally, but in Zambia values took another downward turn. In Pula terms, values there fell by 11% as rental discounting and regearing of leases in response to the in-country economic situation filtered through to property values. This trend was seen across the Zambian market. However, our on the ground management team worked hard to fill vacant space and despite the headwinds have significantly reduced the voids in PrimeTime's retail properties in the country.

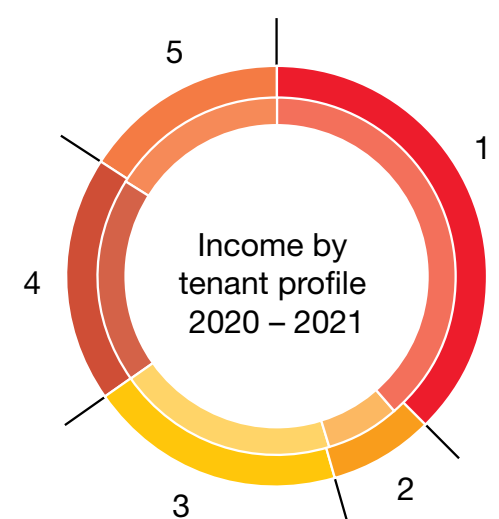
As our Chairlady has mentioned, we continued with a collaborative approach to PrimeTime's tenant base which resulted in low vacancy levels. While there was a need to offer some assistance to tenants in the form of rental relief, we also regeared leases to secure long-term income. We were pleased to see a quick return to normalised rental collections in Botswana and South Africa over the course of the year and expect Zambia to follow suit.



PrimeTime is managed by Time Projects under separate property management and asset management agreements. Subsequent to the year-end these contracts were ceded to a new entity Time A&PM as part of restructure of the external management company.

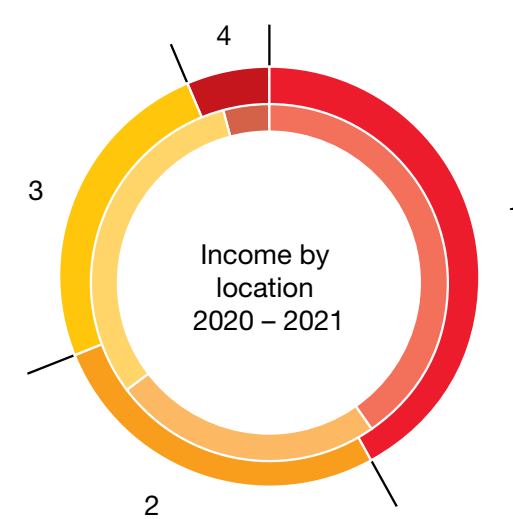
The South African portfolio is externally managed by Ebbstone Asset Management

The strength and breadth of the group's tenant base, with around 360 leases in place across 30 properties, means PrimeTime's single asset and party exposure is robustly mitigated against. Much of the tenant base is comprised of blue-chip covenant tenants, the largest segment being national and regional retail chains. PrimeTime also has significant rental contributions from the banking sector, major corporates and multinationals. Combined these sectors provide over 70% of PrimeTime's income while a further 8% comes from government & parastatal entities, which includes foreign missions and NGOs.



- ◆ 1 Retail chains
- ◆ 2 Government & parastatal
- ◆ 3 Major corporates/multinationals
- ◆ 4 Others
- ◆ 5 Banks

Overall, income increased marginally year on year. The increase was driven by the Botswana portfolio which showed strong growth and countered the disappointing performance in Zambia. We expect to see an improvement in Zambia in the coming year, which combined with a full year's income in Botswana from Pinnacle Park, and Lobatse Junction also contributing, will boost income in 2022..



- ◆ 1 Gaborone
- ◆ 2 Other Botswana
- ◆ 3 Zambia
- ◆ 4 South Africa

Market conditions:

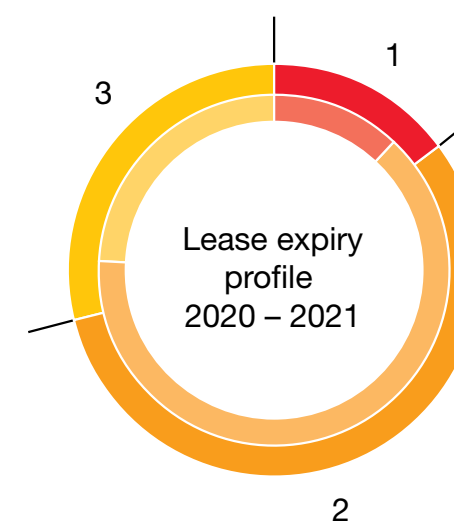
Botswana:

PrimeTime's Botswana portfolio has shown its resilience to the challenges of the pandemic, with near full occupancy at the year-end and rental collections close to contractual lease revenue. PrimeTime's retail assets are performing well and there is still strong demand from many retailers to expand their footprint in the country. PrimeTime's exposure is predominantly small to mid-sized convenience centres, targeted to serve the needs of local communities. It is our view that these centres will continue to perform well, with little over-rented space we expect steady revenue increments in the coming years. There are still opportunities in undersupplied conurbations across the country and expansion possibilities within the existing portfolio, such as in Serowe Boiteko Junction.

In the office sector, the underlying market fundamentals suggest a cautious approach needs to be taken. Good opportunities still exist – for example corporate HQs relocating to the CDB and tailoring our offer to the post-Covid office environment. PrimeTime's existing office assets are well located and offer flexible subdivisible space which position it well when considering the expectations of occupiers in the future.

As well as the progress made on Lobatse Junction over the course of the year, we also began the refurbishment of South Ring Mall in Gaborone as part of our ongoing efforts to improve and enhance the attractiveness of PrimeTime's assets. In Lusaka, a new cash centre was developed for G4S at the existing head office site which further cements our ties with them and will generate additional income over the course of their long-term lease.

The lease expiry profile moved out over the course of the year, reflecting longer-term secure income for the group. There is now a further 5% of lease revenue under leases with four or more years left to run, up to 29% from 24%.



- ◆ 1 Less than 1 year
- ◆ 2 2 - 4 years
- ◆ 3 More than 4 years

Performance for the year ahead will be determined by the trajectory of the economic recovery in the region. Early signs are positive, and we are confident of making progress on PrimeTime's development pipeline in the coming year. Proceeds from the sale of assets after the financial year-end will be reinvested into best-in-class developments which will deliver long-term yield accretive returns.

On behalf of the external management team, I would like to extend our gratitude to the board for their support and guidance over the year, PrimeTime's tenants, and unitholders and financiers who we have continued to work closely with and look forward to engaging with further as property markets in the region recover.

Market conditions cont:

Zambia:

While cognisant of the more volatile nature of the Zambian market and short-term shocks it suffers, the long-term outlook for Zambia remains positive. Zambia's primary export, copper, is in high demand globally and a growing and urbanising population combined with a general undersupply of quality commercial stock underpins PrimeTime's long-term view on the market. Positive sentiment following the change of government at the August 2021 elections has been cemented after PrimeTime's financial year end with an agreement being reached with the IMF for a lending programme worth around \$1.4 billion which will help the country restructure its debt.

In terms of the underlying property market fundamentals; there is an oversupply which will take time to absorb in the office and retail sectors in Lusaka and rentals are expected to take time to recover. The market needs stability and will benefit from prudent economic management, which now appears a reality. There has been an uptick in enquiries from occupiers looking for space after the elections, and we have confidence in the long-term prospects for PrimeTime's Zambian portfolio.

South Africa:

The South African economy rebounded in 2021 from an 8.2% contraction in real GDP in 2020, but progress was hampered by Covid restrictions as new variants came and went. This coupled with the internal unrest in July 2021 has negatively impacted the economy.

The strength of the corporate tenant base in South Africa is still far superior to anywhere else on the continent and leases are strongly enforceable. There has been a notable move towards smaller A-Grade offices that are in well located areas and offer all the services that a "work from home" environment provides, a niche that suits PrimeTime and would complement the existing portfolio.

We expect to see opportunities in smaller retail centres and industrial/logistics warehouses which continue to perform well- PrimeTime's Logwin property being an example of a strong defensive asset.



Investment strategy

The group's strategy is developed by management with input from the board before approval. The strategic plan remains under constant review and is discussed in depth at specific strategy sessions where the board, management and external consultants share views across the markets in which PrimeTime operates.

PrimeTime's strategy of leveraged growth has been inhibited since the onset of the pandemic as focus was switched to tenant retention and the protection of asset value. With the dust now settling, we are able to refocus on growing the portfolio and maximising returns to shareholders.

Short-term strategy:

- ◆ Focus on delivering PrimeTime's immediate pipeline of yield accretive investment opportunities through the disposal of non-core assets
- ◆ Roll debt into longer-term instruments and manage LTV levels
- ◆ Ensure tenant retention through difficult market conditions by securing long-term leases at regeared rental levels where necessary and being prepared to offer flexible lease terms
- ◆ Maximise performance from existing asset base of standing income producing properties
- ◆ Maintain and enhance PrimeTime's stable of properties and deliver improved sustainability in new additions to the portfolio and retrospectively where possible



Pipeline

With our long-term strategic focus still set on tenant management, property maintenance, sectoral and geographical diversification - there are still opportunities for the group to enhance its core asset base at this juncture. With Lobatse Junction now complete, management's immediate focus is to transform its existing Botswana landbank into completed developments:

Bulk earthworks on the plot in the Gaborone CBD – adjacent to Prime Plaza - were in progress at the year-end and plans for the first building thereon have been approved by council. This development will kick-off with the proceeds of the two property disposals announced after the year-end and will be built to the highest environmentally friendly standards seen in Botswana to date, positioning itself for the demands of the 'post-Covid' office environment.



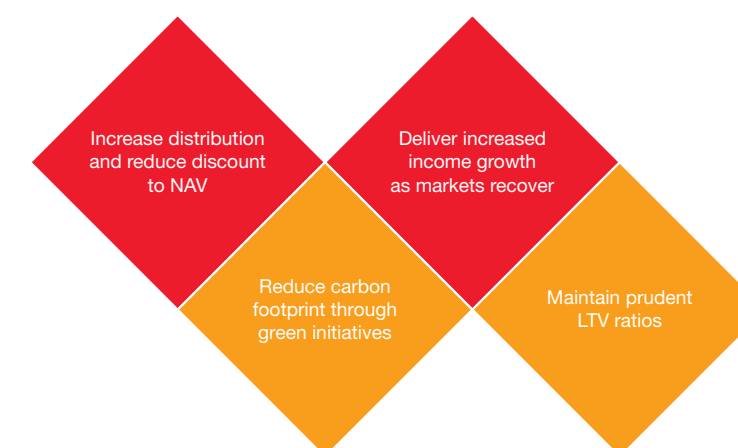
The planned extension at Boiteko Junction in Serowe at an estimated cost of P60m will satisfy the strong tenant demand in the area and secure our footprint in the retail sector there. We have interest for 3,000 sqm of additional space at the mall which if delivered will cement the property as the dominant shopping node in the Serowe market for years to come. Substantial planning work and tenant negotiations have already taken place.

The success we have had in securing tenants at the first phase of Pinnacle Park augurs well for future phases. There is still a hectare of the site to develop which could ultimately see Pinnacle Park double in size to close to 9,000 sqm. We are searching for pre-commitments for the second phase but given the now proven attractiveness to occupiers of this kind of office development in an undersupplied location and demonstrable demand, we expect to be able to progress this soon.

Long-term strategy:

Our long-term strategy remains ambitious, and we will seek to grow and diversify PrimeTime's asset base to mitigate risk and create unitholder wealth. The underlying long-term property fundamentals in our regions are strong, and we aim to position PrimeTime to be able to capitalise on opportunities when they arise.

- ◆ Maintain a prudent approach to LTV levels, safeguarding against market shocks
- ◆ Seek new development opportunities on a limited risk basis
- ◆ Seek further expansion opportunities elsewhere while focussing on our core markets
- ◆ Drive income growth as markets recover and leases come up for renewal
- ◆ Increase distribution and reduce unit price discount to NAV
- ◆ Incorporate green technology to optimise efficiencies and reduce carbon footprint



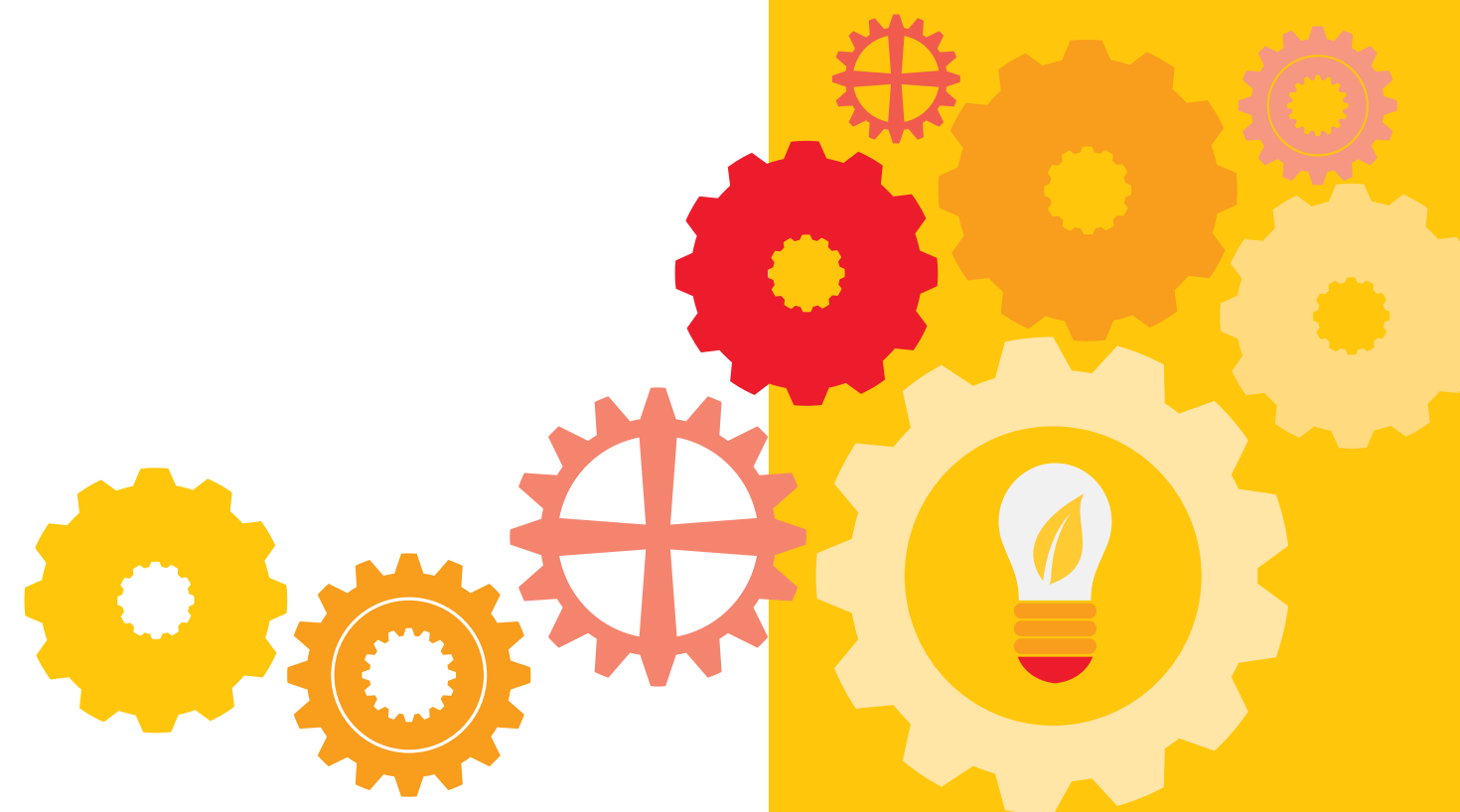
Sustainability

PrimeTime is cognisant of the role that the built environment plays in climate change. The group is dedicated to playing its part in minimising the negative impact that our industry has on the environment. We have historically incorporated measures such as waterwise gardens and ablutions, low energy lighting, recycling facilities and orientating buildings to minimise sunlight penetration.

PrimeTime is now going to the next level. Green building design and operation, for energy efficiency and carbon footprint reduction, are at the core of the design strategy for all new developments. PrimeTime's upcoming developments will be submitted for 5 Star Design Green Star Council ratings.

Motswere, the first building that will be completed at the new phase of Prime Plaza in Gaborone's CBD, has been awarded the first 5 Star Design Rating in Botswana under the Green Star SA certification tool. Upon practical completion, it will target a 5 Star As-Built Green Star rating, which will be confirmation that the building is indeed built, and operates, according to the 5 Star rated sustainable design.

While we have faced challenges over the last year, progress has been made on our plans to install solar photovoltaics to generate electricity at certain properties. Initially we will roll these out in Botswana, and in due course introduce them in our other markets. This will offer a solution to provide both a sustainable and reliable energy supply to our tenants.



Technology & information

PrimeTime has embraced the expanding role that technology plays in improving and streamlining business processes. It utilises MDA Property Systems, an industry leading property management and accounting software platform. It is a widely used cloud-based, fully supported solution for the real estate sector. As a lease driven system, MDA has in-built controls over tenant and property management which complement the accounting system. It has proved to be convenient, efficient and a necessity to organise data and improve business processes.

PrimeTime's external management company employs a specialist external IT solutions provider who oversee back-up procedures, anti-virus protection and firewalls. In line with data protection principles, they are also responsible for:

- ◊ Ensuring all systems, services and equipment used for storing data meet acceptable security standards,
- ◊ Performing regular checks and scans to ensure security hardware and software is functioning properly,
- ◊ Evaluating any third-party services used to store or process data.

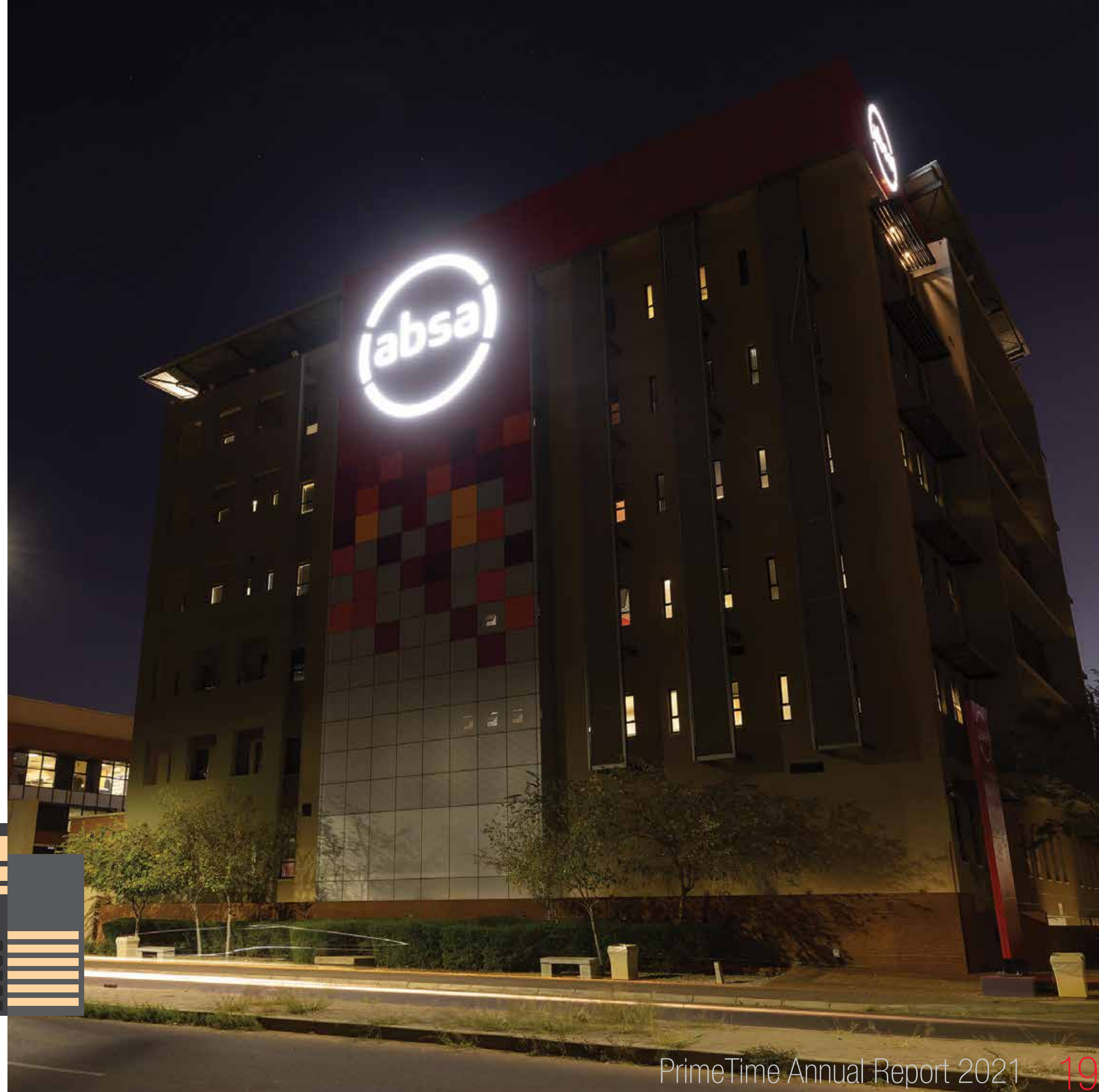
The external management company's IT Policy, which governs the IT infrastructure and usage thereof, ensures all employees are aware of the proper usage, security and maintenance of technological assets including the computers, mobile devices, servers, internet, and applications.

Regular cyber security training and cyber threat simulation campaigns are conducted by and on all staff.

In line with data protection principles, responsibility has been taken for ensuring individuals data is collected, stored and handled appropriately. It must be protected from unauthorised access, accidental deletion and malicious hacking attempts.

The following procedures have been implemented to handle electronically stored data:

- ◆ Strong passwords that are changed regularly and never shared between employees,
- ◆ Non-disclosure agreements integrated into employment contracts,
- ◆ Data is backed up regularly both on and offsite. Backups are tested regularly, in line with policy procedures,
- ◆ Any hardware holding data is protected by approved endpoint security software, drive encryption and a firewall.



The external management team

Turnie Morolong
BA (UB) MBA (UB) Dip. PM
Turnie has been with Time Projects since 2005 and was appointed Director of the Property Management Division in December 2007. Turnie has also sat on the PrimeTime Board since inception. He has gained vast experience in property management attained more than 20-years in various capacities. He is responsible for the day-to-day management of all the properties in the PrimeTime group portfolio.

Joanna Jones
BA (Hons) FCA (UK) FCPA (Bots)
Jo has been the Finance Director of Time Projects since 2007 and is responsible for the financial management of the PrimeTime group. Having qualified as a chartered accountant in the UK, she moved to Botswana in 1998 as an auditor with PricewaterhouseCoopers. Leaving audit in 2000, she accumulated a wide range of experience in different industries and areas of financial management before specialising in real estate.

Merapelo Mopaki
Merapelo has been the Property and Maintenance Manager at Time Projects since 2013. He holds a certificate in Real Estate and has extensive experience in the Botswana property industry, working all over the country. Merapelo is a key player in the servicing and utility provision to PrimeTime's Botswana properties, as well as working on improvement projects and providing tenant liaison.

John Kelly
BSc (Hons) (Real Estate) (UP)
After completing his Honors in Real Estate from the University of Pretoria, John joined Time Projects in 2018 as an Asset and Property Administrator. Experienced in the Property Broking field, John's roles in the company are sourcing of tenants, lease negotiations and administration as well as facilities/ property management.

Kagiso Sebetso
BSc Hons Construction Management, MSc Real Estate, Green Star Accredited Professional
Kagiso is a Green Star Accredited Professional for New Buildings, Existing Buildings and Net Zero Buildings, and is currently involved in facilitating Green Star design, construction, and certifications for Time Developments. Kagiso's journey with Time Projects started in 2009.

Julien Matoka (Zambia)
BSc (Hon) PS
Julien spearheads our Property Management services in Zambia. Over the past seven years, Julien has acquired vast experience in property management in Zambia and Namibia. In addition, Julien has recently been certified in Project Management Practices and Principles by the University of Stellenbosch. He has been responsible for the day-to-day management of all the properties under the PrimeTime portfolio in Zambia since his appointment in 2017.

Moonga Kachemba (Zambia)
AZICA, CIMA
Moonga has over 10 years experience in Financial Accounting and Tax. He joined Time Projects Zambia as senior Financial Accountant in 2018. Before Joining Time Projects Zambia, Moonga worked for a mining company where he rose to the position of senior management accountant. Before joining the mining company, he worked in audit firms for four years. Moonga is responsible for the accounting function in Zambia.



Sandy Kelly
Pr. Eng. BSc (Civ Eng) MBA MBIDP
Following an early career in South Africa in construction, Sandy came to Botswana in 1988 to set up Time Projects in the country. He was instrumental in developing PrimeTime's initial portfolio and its successful listing on the BSE in December 2007. Sandy stood down from his role as Managing Director of Time Projects in 2020 but continues as a director providing guidance from his wealth of experience to the rest of the management team.

Wananani Nyasulu
Wani is the group Finance Manager for the PrimeTime group of companies, having worked her way up in Time Projects from where she started in 2008 as a Property Administrator. With a career spanning over 20 years in the property and accounting sectors, she is a part qualified accountant.

Joe Simpson
BA (Hons), PGDBES
Joe joined Time Projects in 2014 and became a director of the company in 2020. He has worked for over 20-years in the Real Estate field, in a range of roles and jurisdictions. His main role for PrimeTime is in assessing, negotiating and facilitating property acquisitions and disposals, sourcing finance and in managing the larger lease renewals and maintenance projects.

Musonda Banda (Zambia)
B.COMM, CPA
Musonda joined Time Projects Zambia as Assistant Finance Manager 2017. Musonda has 10 years experience in property management and is responsible for the lease administration function in Zambia. He has previously worked at in lease administration and centre management at The ORS Group and JLL in Western Australia.

Andrew Glencross (South Africa)
B(Tech) Real Estate, N Dip Prop Valuation, N Dip Prop Economics and Finance, Registered Valuer
Andrew has 25 years' experience in real estate investment, asset management, developments, and property finance at a senior executive and board level. As well as working in various capacities for several listed funds, Andrew has extensive valuation and banking experience.

Neil Jackson (South Africa)
Property Development and Investment (UCT),
Neil is highly respected within the South African real estate sector. He joined JHI Real Estate in 1990 and ended his career there as a senior executive in 2003. He spent 13 years working in various roles throughout the organisation, including; commercial leasing and investment, corporate advisory, town planning and account management.

Financial report

Five-year financial review

	August 2021 P'000	August 2020 P'000	August 2019 P'000	August 2018 P'000	August 2017 P'000
1. Distribution statement					
Revenue	176 795	175 213	165 719	142 105	125 475
Recoverable costs	(28 353)	(30 073)	(24 485)	(19 567)	(17 390)
Ground rental	(2 618)	(2 695)	(3 446)	(3 305)	(2 661)
Other property expenses	(18 767)	(18 903)	(15 217)	(11 928)	(8 354)
Net property income	127 057	123 542	122 571	107 305	97 070
Administrative and corporate costs	(15 361)	(16 219)	(20 788)	(14 052)	(18 288)
Net operating profit	111 696	107 323	101 783	93 253	78 782
Net finance cost	(50 842)	(51 615)	(45 457)	(39 379)	(41 757)
Taxation relating to distributable earnings	(12 049)	(10 889)	(9 559)	(4 549)	(2 966)
Distributable earnings	48 805	44 819	46 767	49 325	34 059
2. Summarised statement of financial position					
Non-current assets	1 607 296	1 615 269	1 498 857	1 426 485	1 237 028
Current assets	60 253	59 866	122 203	38 441	76 290
Non-current assets held for sale	43 884	-	-	-	-
Total assets	1 711 433	1 675 135	1 621 060	1 464 926	1 313 318
Non-current liabilities	538 278	612 390	686 238	531 617	456 952
Current liabilities	477 340	355 811	173 102	170 494	167 140
Total liabilities	1 015 618	968 201	859 340	702 111	624 092
Net asset value	695 815	706 934	761 720	762 815	689 226
3. Statistics					
Distribution (thebe)	12.94	15.78	17.90	16.88	15.92
Closing unit price (thebe)	235	285	295	312	316
Closing market cap (P'000)	574 929	697 254	721 720	763 310	773 096
NAV per unit (thebe)	284	289	311	312	282
Premium/(discount) to NAV	(17%)	(1%)	(5%)	0%	12%
LTV	57%	54%	52%	43%	45%
4. Properties					
Number of properties	30	30	27	27	26
GLA (000m2)	116 907	116 687	100 919	99 850	86 461
Vacancies	3%	5%	5%	5%	3%

Distributable earnings

The distributable earnings are calculated by removing fair value adjustments, straight line adjustments, unrealised foreign exchange differences on translating foreign balances and the tax adjustments thereon from statutory profits for the year as recorded in the statement of profits or loss and other comprehensive income. The distributable earnings increased by 9% year on year. As the increase in contractual rental income for the year was marginal at 1%, this improvement in profits largely reflects reduced costs. Most notable of these are utilities and other Kwacha-based costs in Zambia on translation as well as savings on generator fuel costs following some stability in the electricity supply leading to a reduction in load shedding. Advertising and mall promotions costs reduced due to decreased activity during Covid, a reduction in the impairment losses was recorded on trade receivables and interest costs have also reduced coming off lower base rate levels year on year.

“We have a portfolio of well-situated quality properties, very low vacancy levels and a secured pipeline of new developments ready to go.”

Distribution

Loan amortisation payments, minor capitalised improvements to investment properties and a buffer of distributable profits held in reserve, are all deducted from distributable profits before determining the recommended distribution. Given the uncertainty that still exists in the market prudent distributions continue to be made to ensure that the group's liquidity position is not compromised.

Investment properties

Fluctuations were experienced in the valuations of different regions at this financial year end. There was a slight decrease in the South African values, the Zambian properties also experienced a fall in values whereas the Botswana portfolio showed resilience and reported an uplift.

Some additions to existing investment properties were capitalised during the year. A cash centre at our G4S property in Zambia was constructed for a total cost of P4.5 million, the Rhapsody's fit-out at Sebele Centre Gaborone is a quality addition to the centre and the long-planned refurbishment of South Ring Mall got underway.

We also invested into our existing landbank by commencing with bulk earthworks at Prime Plaza II as well as incurring some of the consultants' planning costs for the Boiteko Junction expansion. These projects had been stalled by the onset of the pandemic, but the proceeds of the property

disposals due to be completed within 6 months of the year end will provide the funds to kick-start them. The works already done go towards ensuring the developments can proceed quickly once funds are secured.

Funding – facilities expiring in the next year

Debt management, with debt maturity management at its core, has been a focus for PrimeTime's finance team since it first embarked on the leveraged model. Covid has added increased emphasis on forward planning for maturities, where possible. We are pleased to report that the majority of the facilities maturing within 12 months of the 31 August 2021 year end already have plans in place to roll or replace them and for those not yet secured negotiations are underway. The continued backing from our funders supports the viability of our business model, and is enabling us to trade through this difficult period.

Covenants

Some of the commercial bank covenants were breached during the year. We have obtained a relaxation of them for a year from the affected banks. Unfortunately as these were not granted to us prior to the year end, under IFRSs this has resulted in these facilities being reclassified from long term borrowings to short term borrowings. Further details of these are provided in the notes to the financial statements.

Balance Sheet management

Management of the group's balance sheet is key to steering the business successfully through the next couple of years. We are now cautiously optimistic that our property values and income levels have now 'bottomed out'. We have a portfolio of well-situated quality properties, very low vacancy levels and a secured pipeline of new developments ready to go. With the continued support of all our stakeholders we believe the next year of trading will see increased stability.



Our portfolio Botswana



AFA House
AFA House
Gaborone

Bottom
Boiteko Junction
Serowe



Right
Capricorn House
Gaborone



Top left
Design Quarter
Gaborone

Middle left
G4S
Gaborone

Bottom left
Pinnacle Park
Gaborone



Top right
DHL
Gaborone

Middle right
Independence Place
Gaborone

Bottom right
Plot 22
Gaborone





Top left
South Ring Mall
Gaborone



Top
Hillside Mall
Lobatse

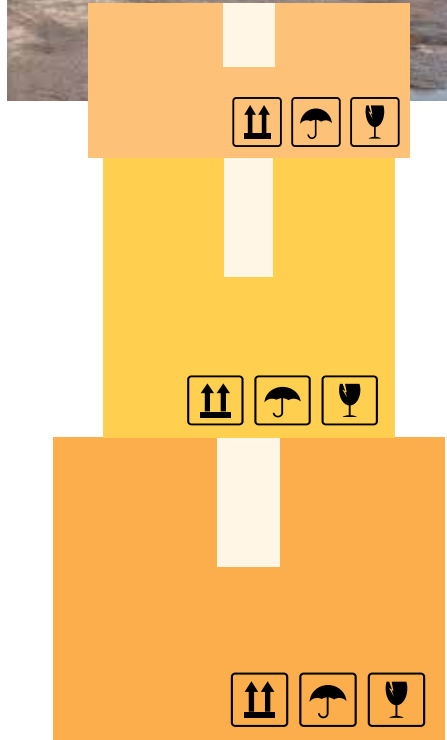


Top left
Pilane Crossing
Pilane

Top right
Ramotswa Shopping Centre
Ramotswa



Left
Ghanzi Shopping Centre
Ghanzi



Bottom
Nswazwi Mall
Francistown



Bottom left
Prime Plaza
Gaborone

Middle right
Sebele Centre
Gaborone



Bottom right
South African High Commission
Gaborone



Our portfolio South Africa



Left
Rivonia Junction
Johannesburg

Top
Logwin
Johannesburg



Our portfolio Zambia



Top left
Centro Kabulonga
Lusaka

Middle left
Chirundu Mall
Chirundu

Bottom left
G4S
Lusaka & Kitwe

Middle right
Munali Mall
Lusaka

Bottom right
PWC Office Park
Lusaka



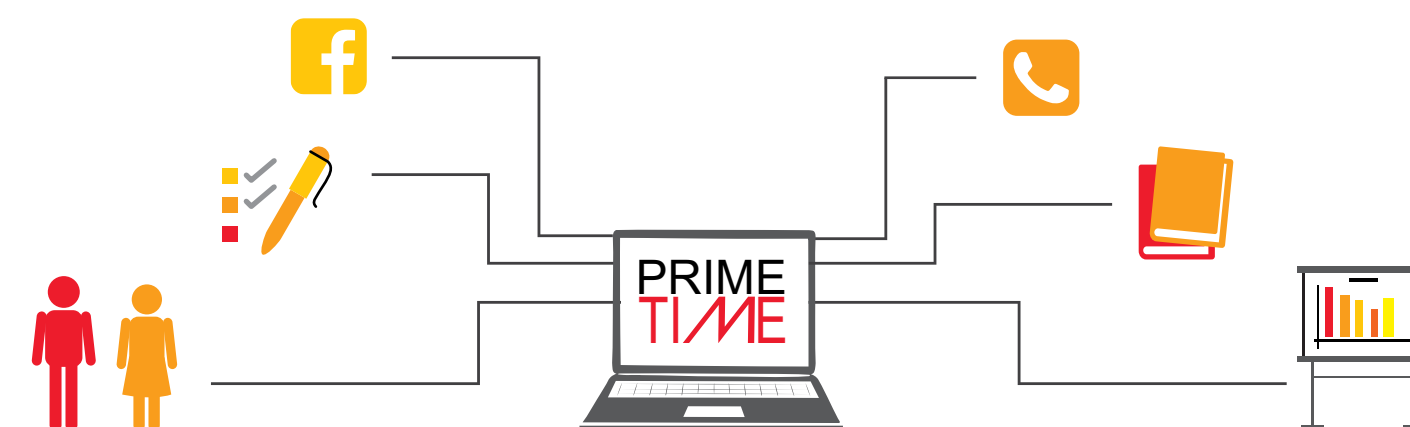
Stakeholder engagement

Stakeholder engagement is key to ensuring mutual sustainability and value protection. We engage in regular and open engagement, allowing feedback into our strategy formulation.

Our key stakeholders, what matters to them and how engagement with them is managed is set out below:

Stakeholder	How we engage	Objectives	What matters to them	Key issues faced in 2021	PrimeTime's response and actions
Unitholders	<ul style="list-style-type: none"> Presentations One-on-one meetings Annual reports PrimeTime website BSE x-News Mainstream media Annual general meetings 	<ul style="list-style-type: none"> Maintain existing investment Attract new investment Capital raising Keep major investors appraised of market conditions and strategic objectives 	<ul style="list-style-type: none"> Sustainable NAV and distributions Unit price performance Management competence 	<ul style="list-style-type: none"> Liquidity of units Quality of earnings in the sector Response to Covid-19 Sustainable compensation of external management company Payment of distributions Debt covenants Property valuations Strength of SOFP 	<ul style="list-style-type: none"> Regular and transparent feedback given on all matters raised Focused management to limit the impact of Covid-19 KPIs monitored cover the issues raised
Debt providers: commercial banks, fund managers, pension funds and institutions	<ul style="list-style-type: none"> Presentations One-on-one meetings Written, electronic and verbal communication Annual reports PrimeTime website BSE x-News Mainstream media Annual general meetings 	<ul style="list-style-type: none"> Access to suitable funding Keep major funders appraised of market conditions and strategic objectives 	<ul style="list-style-type: none"> Solvency Covenant compliance Adequate security 	<ul style="list-style-type: none"> Property devaluation risk Tough trading conditions impacting on cash flows 	<ul style="list-style-type: none"> Regular and transparent feedback given on all matters raised Focused management to limit the impact of Covid-19 KPIs monitored cover the issues raised
Tenants	<ul style="list-style-type: none"> One-on-one meetings Written, electronic and verbal communication Site visits PrimeTime website Social media Brochures, leaflets, adverts 	<ul style="list-style-type: none"> Attract and retain quality tenants 	<ul style="list-style-type: none"> Location and quality property management Cost effective space 	<ul style="list-style-type: none"> Continued rapid increase in utility costs Covid-19 trading restrictions applied to some sectors 	<ul style="list-style-type: none"> Continued engagement over costs Provision of assistance to tenants directly affected by Covid-19 trading restrictions Quality property management Portfolio improvements Ongoing engagement/objections with providers about costs

Stakeholder	How we engage	Objectives	What matters to them	Key issues faced in 2021	PrimeTime's response and actions
Shoppers at our retail properties	<ul style="list-style-type: none"> Social media Mainstream media Brochures, leaflets, adverts Events and promotions 	<ul style="list-style-type: none"> Understand the demographic of our shopper needs to enable us to deliver a suitable product 	<ul style="list-style-type: none"> Safe, convenient centres Clean modern facilities 	<ul style="list-style-type: none"> Tenant sustainability Security 	<ul style="list-style-type: none"> Focused property and asset management that addresses consumer needs
Government, municipalities, regulators, including: BSE BAOA BURS City councils	<ul style="list-style-type: none"> Meetings Written, electronic and verbal communication Mainstream media PrimeTime website 	<ul style="list-style-type: none"> To ensure compliance with all laws and regulations To manage risk 	<ul style="list-style-type: none"> Compliance Adherence to payment deadlines 	<ul style="list-style-type: none"> Increase in compliance requirements with associated costs Challenges with meeting BURS requirements due to problems with their systems Increased utility and rates costs Land tenure risks Covid-19 impacting on service levels 	<ul style="list-style-type: none"> Divert additional manpower Engagement of specialised service providers Open, transparent and regular communication
Suppliers and service providers	<ul style="list-style-type: none"> Meetings Written, electronic and verbal communication Site visits Mainstream media 	<ul style="list-style-type: none"> Promotion of good relationships with our suppliers equals quality service on good terms 	<ul style="list-style-type: none"> Repeat business from PrimeTime 	<ul style="list-style-type: none"> Covid-19 related project delays and service interruption 	<ul style="list-style-type: none"> Application of procurement policies

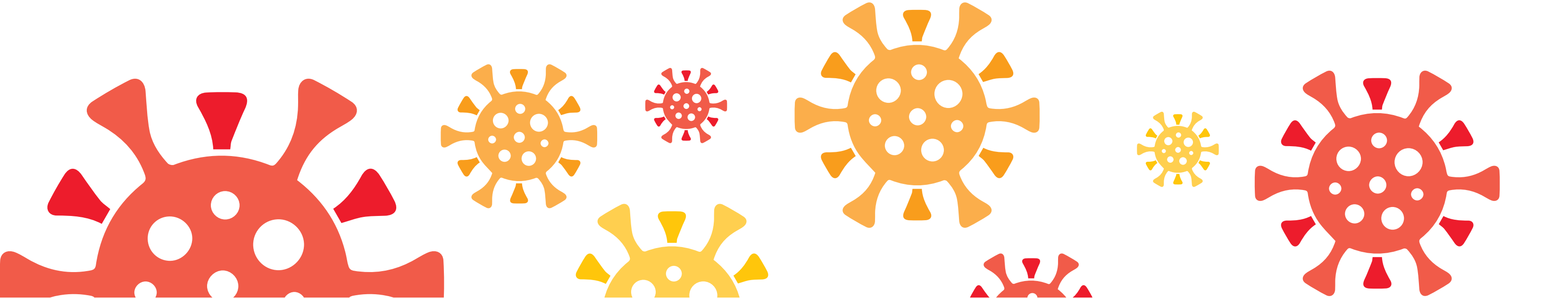


Risk management

Risk management is core to the day-to-day running of the group with a formal process in place to identify and manage all risks. Set out in the table below are PrimeTime's key risks.

Risk	Description	Impact	Mitigation
Impact of the prolonged Covid-19 pandemic	<ul style="list-style-type: none"> Negative effects on trading conditions 	<ul style="list-style-type: none"> Limits economic growth Potential tenant failures Lack of funding in market Reduced profits and property valuations Falling unit price and NAV Crime and unemployment Reduced footfall in retail centres 	<ul style="list-style-type: none"> Management dedicated to proactively manage the risk Tenant relief measures Transparent stakeholder communication
Tenant attraction and retention	<ul style="list-style-type: none"> Failure of existing tenants Non-renewal on lease expiry Competing properties having competitive edge 	<ul style="list-style-type: none"> Increased vacancies Reduced profits and property valuations 	<ul style="list-style-type: none"> Due diligence on lease initiation Early assessment of impending failure Deposits and/or personal sureties held Maintain market related rentals Create strong tenant demand ensuring properties remain current and desirable
Infrastructure failures	<ul style="list-style-type: none"> Road access Water and power supplies 	<ul style="list-style-type: none"> Properties become unattractive to tenants and consumers 	<ul style="list-style-type: none"> Initiate change Provide backup through generators, solar panels and water tanks Build efficiently using the latest green technologies

Risk	Description	Impact	Mitigation
Operational process failures	<ul style="list-style-type: none"> Loss of data Cyber security Cash handling safeguards Lease management Accounting records 	<ul style="list-style-type: none"> Inability to manage the business Theft Reduced profits Non-compliance 	<ul style="list-style-type: none"> Suitable policies in place to manage all processes Adequate back-ups performed Insurance cover maintained Competent management in place
Shifts in fashions and trends	<ul style="list-style-type: none"> Increase in online shopping and banking Commercial downsize in space due to work from home policies 	<ul style="list-style-type: none"> Increased vacancies Properties become irrelevant Reduced profits and property valuations 	<ul style="list-style-type: none"> Development planning to meet current consumer requirements Re-purpose existing spaces Monitor market trends
Capital structure and liquidity of units	<ul style="list-style-type: none"> Uncertainty in the market Lack of additional equity 	<ul style="list-style-type: none"> Low tradability of shares Discount to NAV Fewer investors High LTV ratio 	<ul style="list-style-type: none"> Engage with stakeholders to find a balanced solution Quality management to maximise portfolio values Maintain the support of funders
Capital availability and cost	<ul style="list-style-type: none"> Debt and equity funding 	<ul style="list-style-type: none"> Affects the ability of the group to manage cash flows Covenant compliance Ability to grow 	<ul style="list-style-type: none"> Maintain good relationships with funders Seek alternative sources of funding Raise additional equity
Compliance	<ul style="list-style-type: none"> Compliance with relevant legislation and regulations Managing changes in legislation and regulations 	<ul style="list-style-type: none"> Compliance increases stakeholder confidence Risk of penalties and sanctions due to non-compliance 	<ul style="list-style-type: none"> Engagement of competent management Use external advice and assistance where required Awareness and training



Governance

PrimeTime's board recognises that good governance and strong leadership create value for unitholders and confidence for its wider stakeholder community. The group adopted King IV as its preferred framework for corporate governance in 2018 and its appropriate application and interpretation is an ongoing process, with cognisance to the size and structure of the group. PrimeTime's board governs the whole group; all of its subsidiaries are wholly owned and adhere to the same governance framework.

The PrimeTime group is comprised of the following entities:

Group Entity	Relationship	Domicile
PrimeTime Property Holdings Limited	BSE listed parent company which prepares consolidated financial statements	Botswana
PrimeTime Property Holdings (Mauritius) Limited	100% owned subsidiary of PrimeTime Property Holdings Limited	Mauritius
PrimeTime Property Holdings (Mauritius) Limited South African branch	South African branch of PrimeTime Property Holdings (Mauritius) Limited	South Africa
PrimeTime Property Holdings (Zambia) Limited	100% owned subsidiary of PrimeTime Property Holdings (Mauritius) Limited	Zambia
PrimeTime Property Holdings Limited Zambian branch	Zambian branch of PrimeTime Property Holdings Limited	Zambia

The group has appointed BDO Services Proprietary Limited (BDO) to assist in formalising certain policies and procedures recommended in King IV, and their deliverables reference the findings highlighted during the Botswana Accounting Oversight Authority's corporate governance audit conducted during the year. BDO's assignment is scheduled for completion by the end of February 2022 and its deliverables are highlighted in the group's King IV compliance progress table at the end of this governance section.

The Board of Directors

The successful operation of the group is the responsibility of the board and its aim is to build a sustainable business. It is the unitholders' role to appoint the board of directors and the external auditors. The board operates within the framework of its formal charter which sets out the role and responsibilities of the board as well as the requirement for its composition and meeting procedures.

The composition of the board has been a focus during the year and considered effort has been applied to identifying additional independent directors to strengthen the existing skill set and facilitate the retirement of long-standing independent members. Required skills, experience, as well as gender and age diversity have formed part of the criteria considered when identifying suitable candidates. During 2021, three new independent directors – Paul Masie, Chanda Kusane-Masendu



and Nigel Dixon-Warren – have already been appointed, each bringing a unique set of skills and experience. Current directorate profiles and board composition information can be found on pages 8 to 10.

During the year, Sifelani Thapelo resigned from the board for personal reasons, having served on the board as an independent director for ten years. Independence assessments were performed on the two independent directors who have served on the board for a period of more than nine years – Petronella Matumo and Cross Kgosidiile. The board resolved that a reasonable and informed third party would judge them to be independent, and authorised their continuance on the board during this period of transition.

Board meetings and attendance during the financial year

Board meetings are held quarterly with other ad hoc meetings held as required. Additional meetings have been held by the independent directors during the year to deal with board composition and related party matters.

Name	Quarterly Board	Additional Independent Directors meetings	Annual General Meeting
P Matumo	4 (4)	3 (3)	1 (1)
A L Kelly	4 (4)	N/A	1 (1)
J C Jones	4 (4)	N/A	1 (1)
C Kgosidiile	3 (4)	3 (3)	0 (1)
P Masie (appointed 17.05.2021)	1 (1)	N/A	N/A
M T Morolong	4 (4)	N/A	0 (1)
S Thapelo (resigned 24.02.2021)	2 (2)	1 (1)	0 (1)

The number in brackets represents the number of meetings held during the office of the member.

Related party transactions with the external management company

The board remains sensitive to the related party transactions between the group and the external management company - Time Projects (Botswana) Proprietary Limited (Time Projects). Time Projects manage the day-to-day operations of the group and provides services when investment properties are being developed and/or refurbished. All such transactions are subject to scrutiny and assessment by the audit and risk committee before a recommendation is made to the independent board members. The independent board members then review and approve before unitholder approval, where required under the Botswana Stock Exchange Listings Requirements, is sought. Additional meetings and/or discussions are held by the audit and risk committee and independent board members if necessary, in order to facilitate this process.

Where unitholder approval is required, they are provided with full disclosure of these transactions prior to voting and the linked units held by the related parties are not entitled to vote.

Directors remuneration for the year ended 31 August 2021

Director	BWP
P Matumo	152 798
A L Kelly	93 726
J C Jones	93 726
C Kgosidiile *	200 030
P Masie (appointed 17.05.2021)	33 575
M T Morolong	93 726
S Thapelo (resigned 24.02.2021)	49 780

*Including fees paid for attendance at Audit and Risk Committee meetings

The executive directors are remunerated by the external management company which is not disclosed in this report. Fees paid to the management company are fully disclosed in the related party note to the financial statements.

Audit and Risk Committee

Certain duties have been delegated to this committee, whilst overall responsibility remains with the board. The formal committee charter sets out its roles and responsibilities as well as the requirements for its composition and meeting procedures. The board is satisfied that the committee members have recent and relevant financial experience – see pages 8 to 9 for the members directorate profiles. The implementation of recommendations made by this committee enhances the group’s transparency and accountability.

The committee meets independently of the board together with the external auditors, internal auditors, representatives of the external management company and executive directors by invitation. These invitees join certain meetings when appropriate in order to contribute relevant insights and information.

The committee is involved in the planning of the statutory annual audit at which a detailed risk assessment of the group is performed. The committee reviews the consolidated annual financial statements before publication and receives a direct report from the auditors on the results and findings of the audit process. On an annual basis the committee meets with the external auditor without any members the external management company and the executive directors being present.

In accordance with the Botswana Stock Exchange Listings Requirements all related party transactions are reviewed by this committee before they are recommended to the board for their review and subsequent approval.

The other duties of this committee are to provide the board with assurance on the following:

- The accuracy and reliability of the annual financial statements,
- That appropriate financial and operating controls are in place,
- That significant operating and financial risks have been identified, evaluated and mitigated,
- Compliance by the group with legal and regulatory requirements,
- Consideration of the appropriateness of the expertise and experience of the finance director of the external management company, and
- The independence and performance of the group’s external auditors.

The committee has considered and satisfied itself as to the appropriateness of the capability and experience of the Finance Director of the external management company and the wider finance function as provided to the group.

External audit

During the year in an effort to benchmark costs and streamline the audit process throughout the group, the company undertook a formal tender process for the appointment of the external auditor of the company. Following the conclusion of this process, Deloitte and Touche was retained as PrimeTime’s external auditor.

At the start of the audit, Deloitte and Touche presented their audit plan which identified key audit matters which they expected to require significant auditor attention.

The group’s investment properties are measured at fair value using judgements and estimates including lease renewal periods, tenancing vacancies, remaining periods on ground leases, capitalisation rates, highest and best use determination for properties and market conditions. The medium to long-term impact of COVID-19 on the rental income for the group also introduces uncertainties. Due to the significance of the investment property fair values in the financial statements combined with the level of judgement involved in determining them, the valuation of investment property was identified as a key audit matter by Deloitte and Touche. The committee has assessed and concluded that the groups’ policy and procedures for valuing investment property is adequate and that their carrying value in the financial statements is fairly disclosed.

Due to the net current liability position of the group, the key judgements applied in the going concern assessment were also identified as a key audit matter by Deloitte and Touche. The committee has assessed the key judgements made in assessing the appropriateness of applying the going concern principle in preparing the financial statements and is satisfied that the financial statements are appropriately prepared on that basis and that the disclosure therein is adequate.

Following a review of the annual financial statements and based on processes carried out by the external auditors and assurances obtained, the committee recommended the

annual financial statements for the year ended 31 August 2021 to the board for approval.

The external auditors are responsible for the independent review and the expression of an opinion on the reasonableness of the financial statements based on the audit. The committee has evaluated the independence and effectiveness of Deloitte and Touche as PrimeTime’s external auditor and is satisfied that the external auditor is independent of the group. In addition the committee was also satisfied with the quality of their audit work and the effectiveness of Cecilia Ramatlapeng as the audit partner. The committee accordingly nominates Deloitte and Touche as independent external auditor for reappointment at the AGM, with a rotation of audit partner as Cecilia Ramatlapeng has now served for 7 years.

Internal audit

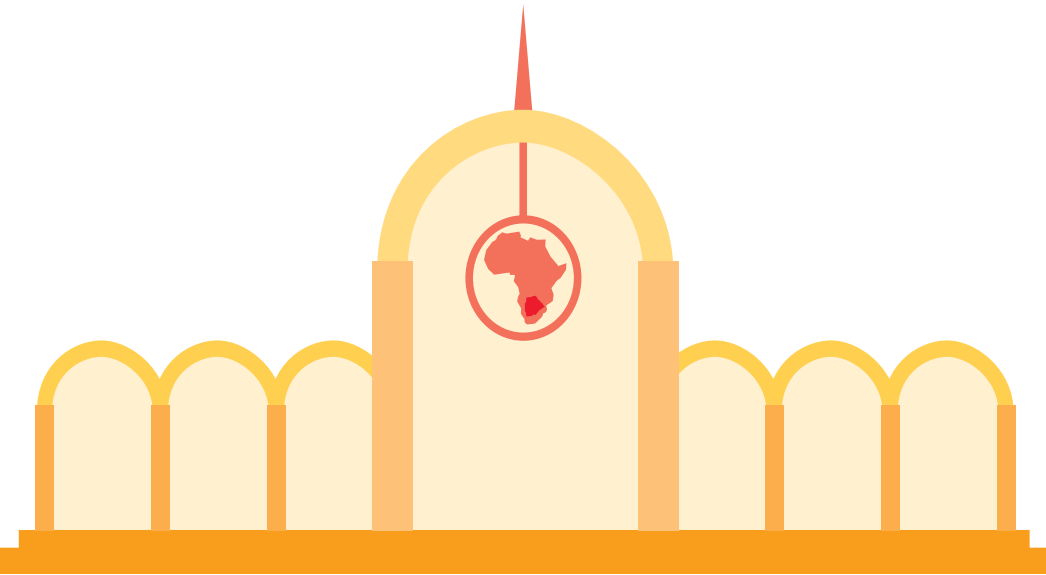
In July 2021 BDO Services Proprietary Limited were appointed by PrimeTime to perform internal audit services for the group. Their planning work was completed in October 2021 and a 3-year approved detailed program will commence in January 2022.

The audit and risk committee will examine and discuss with the internal auditor the appropriateness of internal controls and will meet with them on an annual basis without the external management company or executive directors being present. The committee is comfortable that the internal auditor has the necessary skills and resources to address the risks faced by the group and will continuously evaluate and review the group’s internal audit function.

Meetings and attendance during the financial year

Audit and Risk Committee member	External audit planning and finalisation meetings	Special meetings
C Kgosidiile (chairman)	2 (2)	3 (3)
N Dixon-Warren	2 (2)	3 (3)

The number in brackets represents the number of meetings held during the office of the member.



Performance during the 2021 financial year

Key focus areas addressed by the committee during the 2021 financial year:

- Appointment of internal audit consultant and approval of their workplan,
- Benchmarking of the external audit costs and streamlining the audit process within the group, and
- Improved King IV compliance eg. meeting with the external auditors independently from the external management.

The audit and risk committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference, for the reporting period.

Directors’ dealings

The group operates a policy of prohibiting dealings by directors and management in periods immediately preceding the announcement of its interim and year-end financial results, and any period when the group is trading under a cautionary announcement.

Company and Meeting Secretary

PricewaterhouseCoopers act as the company secretary and a representative attends all annual and extraordinary general meetings. The company secretary plays a critical role in the corporate governance of the group, acting as an advisor to the board, guiding individual directors and committees in areas such as corporate governance, updates on legal and statutory amendments and the effective execution of directors’ responsibilities and fiduciary duties. PricewaterhouseCoopers possess the required qualifications to carry out company secretarial duties as stipulated under Section 162 of the Botswana Companies Act, Chapter 42:01.

An annual review of the company secretary by the board is scheduled to ensure that they are competent, suitably qualified and experienced, to include:

- An assessment of the work performed for the company over the last year,
- A review of their qualifications and experience in company secretarial matters,
- Written confirmation from them that there is no conflict of interest with the company,
- Provision of an engagement letter with agreed annual fees,
- A re-tender process is performed every 5 years next due in 2022, and
- The removal of the company secretary is a matter for the board as a whole.

The external management company provides a meeting secretary to take minutes at the board and committee meetings and these are subsequently ratified by the board.

King IV compliance update

OUTCOME: ETHICAL CULTURE through leadership, ethics and corporate citizenship

Principle	Description	King VI recommended practices The board should:	Continued compliance actions
1. Leadership	The board should lead ethically and effectively	<ul style="list-style-type: none"> ◊ Cultivate and perform collectively and individually with integrity and accountability; ◊ Provide leadership that results in achievement of strategy over time; ◊ Be held accountable for leadership. 	<ul style="list-style-type: none"> ◊ All directors formally accept the code of ethics and business conduct; ◊ An external board assessment process is a deliverable of the corporate governance consultant during Q1 2022.
2. Organisational Ethics	The board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	<ul style="list-style-type: none"> ◊ Set the direction for ethics in the group; ◊ Approve codes of conduct and ethics; ◊ Ensure stakeholders can be made familiar with the codes; ◊ Delegate the implementation of the codes to management; ◊ Disclose how ethics are being managed. 	<ul style="list-style-type: none"> ◊ All codes and charters are regularly reviewed, amended and approved by the board as the group evolves; ◊ Appointment of executive directors ensures external management company buy-in.
3. Responsible Corporate Citizenship	The board should ensure that the organisation is and is seen to be a responsible corporate citizen	<ul style="list-style-type: none"> ◊ Set the direction for good corporate citizenship; ◊ Oversee and monitor the group's status as a good corporate citizen; ◊ Disclose how corporate citizenship is managed. 	<ul style="list-style-type: none"> ◊ A compliance policy is a deliverable of the corporate governance consultant during Q1 2022.

OUTCOME: GOOD PERFORMANCE through strategy, performance and reporting

Principle	Description	King VI recommended practices The board should:	Continued compliance actions
4. Strategy and performance	The board should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process	<ul style="list-style-type: none"> ◊ Steer and set direction, purpose and strategy; ◊ Delegate to management the formulation and approval of strategy; ◊ Approve managements' policies and operational plans and delegate implementation to them; ◊ Oversee strategy implementation and ongoing assessment; ◊ Be alert to the organisation's general viability, liquidity and going concern status. 	<ul style="list-style-type: none"> ◊ A strategy workshop was held in October 2021 with the next strategy document update to be tabled and adopted in 2022; ◊ Board review of operational and financial performance on a quarterly basis is established and ongoing; ◊ Currently focus is on liquidity and debt maturity profile management.

5. Reporting

The board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects

- ◊ Set the direction for the organisations reporting;
- ◊ Ensure that the various reports are compliant with legal reporting requirements;
- ◊ Ensure that an integrated annual report is issued;
- ◊ Oversees the publication and access by stakeholders of all reports on its website or other appropriate media/platform.

- ◊ An integrated report is scheduled to be published for the year ended 31 August 2022;
- ◊ All public announcements and reports are included on its website www.primetime.co.bw.

OUTCOME: EFFECTIVE CONTROL through governing structures and delegation

Principle	Description	King VI recommended practices The board should:	Continued compliance actions
6. Primary roles and responsibilities of the governing body	The board should serve as the focal point and custodian of corporate governance in the organisation	<ul style="list-style-type: none"> ◊ Exercise its leadership role; ◊ Disclose number of meetings and attendance thereof. 	<ul style="list-style-type: none"> ◊ All codes and charters are regularly reviewed, amended and approved by the board as the group evolves; ◊ Full disclosure of meetings by the board and all committees is included in the governance section of this report.
7. Composition of the governing body	The board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively	<p>These cover processes and procedures around:</p> <ul style="list-style-type: none"> ◊ Composition of the governing body, ◊ Nomination, election and appointment, ◊ Independence and conflicts, ◊ Chair of the board. 	<ul style="list-style-type: none"> ◊ Board composition has been a focus over the last 12 months and is ongoing. Details are disclosed on page 10; ◊ All members complete a declaration of interests form at every board meeting; ◊ Independent members serving for more than nine years are reviewed annually.
8. Committees of the board	The board should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties	<ul style="list-style-type: none"> ◊ Determine which committees are required, that they have formal terms of reference, a defined purpose with the resources to function effectively; ◊ Ensure that any members and/or management can attend committee meetings; ◊ Remain accountable with committees reporting back; ◊ Disclose details of committees, ◊ Consider establishing an audit committee if it issues audited financial statements; ◊ Consider allocating oversight of risk governance to a dedicated committee or another appropriate committee. 	<ul style="list-style-type: none"> ◊ The board has established an audit and risk committee. See pages 36 to 37 for further details; ◊ The board has given due consideration to the establishment of additional committees.
9. Evaluation of the performance of the governing body	The board should ensure that the evaluation of its own performance and that of its individual members support continued improvement in its performance and effectiveness	<ul style="list-style-type: none"> ◊ Take responsibility for performance evaluations; ◊ Have evaluations facilitated externally at least every two years. 	<ul style="list-style-type: none"> ◊ An external board assessment process is a deliverable of the corporate governance consultant during Q1 2022.

OUTCOME: EFFECTIVE CONTROL through governing structures and delegation

Principle	Description	King VI recommended practices The board should:	Continued compliance actions
10. Appointment and delegation to management	The board should ensure that the appointment of and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities	<ul style="list-style-type: none">◊ Delegation of certain powers and matters to suitably competent management and monitor them;◊ Ensure that it has access to professional and independent guidance on legal and corporate governance matters.	<ul style="list-style-type: none">◊ The board remains responsible for formulating and implementing group policy and making all strategic decisions, however it has delegated the day-to-day management of the group to the external management company as detailed on pages 12 to 21;◊ An external corporate governance consultant has been engaged to assist in formalising certain procedures and policies as referenced throughout this report.
11. Risk governance	The board should govern risk in a way that supports the organisation in setting and achieving strategic objectives	<ul style="list-style-type: none">◊ Set the approach for risk governance and treat risk as an integral part of decision-making and adherence to all duties;◊ Delegate and oversee risk management implementation to management;◊ Consider receiving independent assurance on the effectiveness of risk management.	<ul style="list-style-type: none">◊ The board maintains a detailed risk register which is reviewed and updated annually, and more frequently if new risks are identified;◊ The board ensures that mitigating action is executed by the executive directors;◊ See page 32 to 33 for details of key risks;◊ A risk management policy is a deliverable from the corporate governance consultant during Q1 2022.
12. Technology and information governance	The board should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives	<ul style="list-style-type: none">◊ Set the approach and approve the policy for technology and information governance;◊ Delegate and oversee effective technology and information implementation to management;◊ Consider receiving independent assurance on the effectiveness of technology and information management.	<ul style="list-style-type: none">◊ The external management company has adopted a technology and information policy;◊ This will be reviewed by the board for approval in Q1 of 2022.
13. Compliance governance	The board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation's being ethical and a good corporate citizen	<ul style="list-style-type: none">◊ Direct the governance of compliance to all relevant legislation and approve a policy thereto;◊ Delegate and oversee effective compliance implementation to management.	<ul style="list-style-type: none">◊ A compliance policy is a deliverable of the corporate governance consultant during Q1 2022.
14. Remuneration governance	The board should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term	These cover processes and procedures around: <ul style="list-style-type: none">◊ Remuneration policy;◊ Remuneration report;◊ Voting on remuneration.	<ul style="list-style-type: none">◊ The group does not have any employees as it is managed by an external management company◊ The board has set its retainer and meeting fees by an estimation of the time taken by the directors to adequately fulfil their duties and benchmarking to comparable entities;◊ Directors fees are reviewed annually, disclosed on page 36 and in the notes to the annual financial statements, and require unitholder approval at the AGM.

OUTCOME: EFFECTIVE CONTROL through governing structures and delegation

Principle	Description	King VI recommended practices The board should:	Continued compliance actions
15. Assurance	The board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of the organisation's external reports	These cover processes and procedures around: <ul style="list-style-type: none">◊ Combined assurance services;◊ Assurance of external reports; and◊ Internal audit.	<ul style="list-style-type: none">◊ Pages 36 to 37 disclose information on the management of the external and internal auditors.

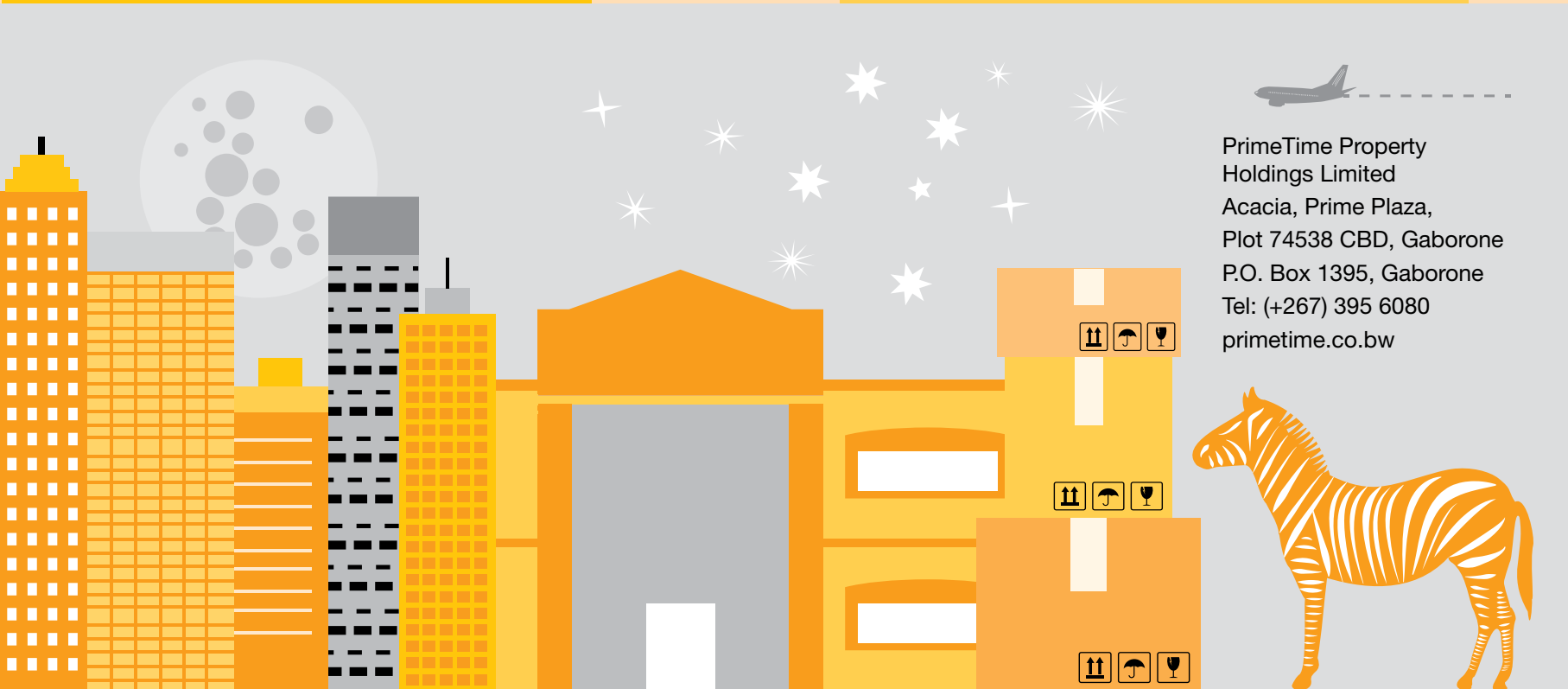
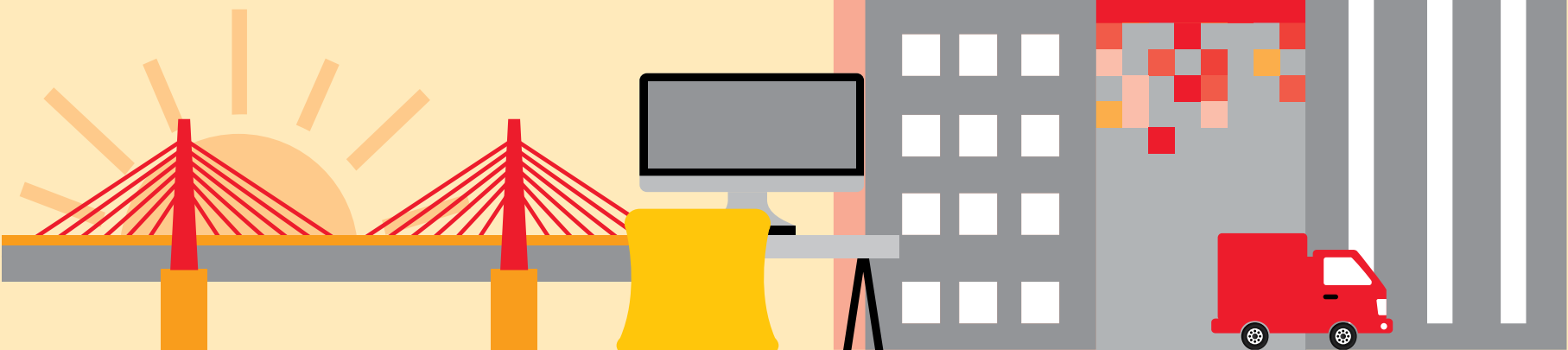
OUTCOME: LEGITIMACY through Stakeholder inclusivity

Principle	Description	King VI recommended practices The board should:	Continued compliance actions
16. Stakeholders	In the execution of its governance role and responsibilities, the board should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time	These cover processes and procedures around: <ul style="list-style-type: none">◊ Stakeholders relationships;◊ Unitholder relationships; and◊ Relationships within a group of companies.	<ul style="list-style-type: none">◊ Members of the board and the external audit partner avail themselves at every AGM;◊ The board ensures that minority interests are protected when decision-making;◊ The executive directors regularly engage with tenants, fund managers and financiers;◊ See pages 30 to 31 for details on stakeholder engagement;◊ The company's website www.primetime.co.bw is used to disseminate information;◊ Stakeholder management and dispute resolution policies are deliverables due from the corporate governance consultant during Q1 2022.



PRIME TIME

PrimeTime Property Holdings Limited



PrimeTime Property
Holdings Limited
Acacia, Prime Plaza,
Plot 74538 CBD, Gaborone
P.O. Box 1395, Gaborone
Tel: (+267) 395 6080
primetime.co.bw