

Unaudited Abridged Interim Financial Statements for the half year ended 31 December 2022

A limited liability public company incorporated in Botswana under the Companies Act, 2003 (as amended).



Interim statement of comprehensive income for the 6 months period ended

	Dec 2022 P'000	Dec 2021 P'000
Income from trade	17,136	6,330
Interest on loans	111,497	96,426
Finance and other income	39,273	44,027
Expected credit losses	(1,825)	(3,906)
Unrealised foreign exchange losses	(13,248)	(14,163)
Other expenses	(59,046)	(55,259)
Finance costs	(90,585)	(65,007)
Operating profit	3,200	8,448
Profit before tax	3,200	8,448
Income tax expense	(1,630)	(8,958)
Profit/(Loss) for the period	1,570	(510)
Other comprehensive income		
Gain/ (loss) on valuation of investment in equity instruments	45,102	(17,022)
Total comprehensive income for the period	46,672	(17,532)

Interim statement of financial position as at

	Dec 2022 P'000	Jun 2022 P'000
Other non-current assets	165,297	170,225
Investment assets	3,964,426	3,717,486
Current assets	957,695	1,364,886
Non-current assets classified as held for sale	-	10,865
Total assets	5,087,418	5,263,462
Equity and Liabilities		
Equity attributable to owners of the company	2,181,211	2,094,434
Non-current liabilities	2,656,972	2,634,218
Current liabilities	249,235	534,810
Total equity and liabilities	5,087,418	5,263,462

Interim statement of cash flows

	Dec 2022 P'000	Jun 2022 P'000
Opening cash balance	580,559	18,886
Net cash (used in)/ operating activities	(83,944)	(31,552)
Net cash (used in)/ generated from investing activities	(26,617)	29,385
Net cash (used in)/ generated from financing activities	(258,245)	563,840
Closing cash balance	211,752	580,559

Interim statement of changes in equity

	Stated Capital P'000	ISF Equity Reserve P'000	Fair Value Reserve P'000	Other Reserves P'000	Retained income P'000	Total equity P'000
Balance at 1 July 2021	888,269	-	177,294	168,789	911,388	2,145,740
Loss for the year	-	-	-	-	(13,092)	(13,092)
Other comprehensive income	-	-	(63,976)	-	-	(63,976)
Total comprehensive loss for the year	-	25,762	(63,976)	13,457	(13,092)	(51,306)
Transfer between reserves	-	25,762	-	13,457	(13,457)	25,762
Balance at 30 June 2022	888,269	25,762	113,318	182,246	898,296	2,094,434
Profit for the period	-	-	-	-	1,570	1,570
Other comprehensive income for the period	-	-	45,102	-	14,942	60,044
Total comprehensive income for the period	-	25,762	45,102	-	16,512	61,614
Transfer between reserves	-	42,274	-	6,352	(6,351)	42,275
Balance at 31 December 2022	888,269	68,036	158,420	188,598	923,399	2,198,323

Financial Highlights

16%

Interest on Loans

2022 P 111.5MIL
2021 P 96.4MIL

171%

Income from Trade

2022 P 17.1MIL
2021 P 6.3MIL

7%

Investment Assets

Dec 2022 P 3.96BIL
Jun 2022 P 3.71BIL

BASIS OF PREPARATION

The financial statements of Botswana Development Corporation Limited (the "Corporation") for the 6-month period ended 31 December 2022 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS).

They have been prepared using accounting policies that comply with International Financial Reporting Standards which are consistent with those applied in the prior period financial statements with the exception of the adoption of new standards and interpretations.

FINANCIAL PERFORMANCE COMMENTARY

Total revenue for the 6-month period, amounted to P168million. This performance represents a growth of 14% in comparison to prior period revenue of P147million owing to an increase in income from debt-based assets and near debt assets.

This growth is as a result of new investment deals completed in the period as well as market increases in interest rates.

Income from trade was recorded at P17million, ahead of prior period attributable to higher dividend inflows from associated companies driven by improved performances from underlying entities.

The Corporation continues to tackle the adverse market forces in the form of rising interest rate environment and the strengthening dollar against the Pula.

The net result of the above factors on performance resulted in a profit of P3.2million. Profitability being hampered by unrealised losses in foreign exchange of P13million for the most part as a result of the prolonged appreciation of the Dollar against the Pula. A long-term hedging solution is being sought to minimise the impact of currency fluctuations.

Total asset base at the end of the period was recorded at P5.2billion, down 3% from the close of the year ended 30 June 2022. This marginal decrease is as a result of the utilisation of cash reserves in service of borrowings, notably the Botswana Stock Exchange listed Bond 002 which matured in August 2022. Investment assets grew by 7% as a result of investments into various projects in the year. Of note being the Corporation's rejuvenation of the Lobatse

Clay Works operations which are set to go live in the coming months.

GOVERNANCE

The Board of Directors continues to ensure a business conduct characterised by integrity and in accordance with generally accepted governance practices and endorses the internationally accepted principles of corporate governance and public responsibility.

LOOKING AHEAD

Looking Ahead – The Next Horizon of Impact

As the business world continues to evolve at a rapid pace, it has become increasingly important to adopt forward-thinking strategies that are geared towards maximising long-term sustainable returns.

This is the vision that the Corporation aspires to achieve through its Beyond 2019 strategic plan, which seeks to transform and position the business for sustained success in the years to come. Key to this transformational approach is our commitment to investing locally in large-scale export-oriented businesses, with a focus on citizen economic inclusion. Additionally, the

Corporation aims to invest globally in high-return commercial and strategic projects, while also integrating Botswana into the world economy through key partnerships with global economic players. By pioneering industries and unlocking value in untapped sectors across Botswana, BDC is well-positioned to explore the full potential of the country and create opportunities where they have been lagging. In addition to futuristic aspirations, the Corporation has several key mega projects in its pipeline that are set to contribute significantly to Botswana's economic growth & diversity. These projects are not only designed to generate long-term returns for the Corporation but will also bring about significant socio-economic benefits for the people of Botswana. As such, they are a crucial component of the Corporation's forward-thinking approach, and their successful realisation will be a huge part of its history of success.

DIVIDENDS

There were no dividends declared for the interim period.

Mr. Maleho Mothibatsela
Chairperson of the Board

Mr. Cross Kgosiidiile
Managing Director