Deloitte.

PO Box 778
Gaborone
Botswana

Deloitte & Touche
Assurance & Advisory Services
Chartered Accountants
Registration No: P00002685058
2nd Floor
Twin Towers
East Building
Plot 2883
Fairgrounds Office Park
Gaborone
Botswana

Tel: +(267) 395 1611
www.deloitte.com

*It should be noted that the opinion relates to the audited consolidated financial statements and not the abridged financial statements / X News publications. The opinion should be read in conjunction with the audited consolidated financial statements which are available at the Company's registered office.*

**INDEPENDENT AUDITOR'S REPORT**
**TO THE SHAREHOLDERS OF G4S (BOTSWANA) LIMITED**

**Report on the Audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the financial statements of G4S (Botswana) Limited ('the Company') and its subsidiaries set out on pages 10 to 63, which comprise the consolidated and separate statement of financial position as at 31 December 2025, and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy 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 G4S (Botswana) Limited as at 31 December 2025, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

**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 audits of the consolidated and separate financial statements in Botswana, and we 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

MAKING AN IMPACT THAT MATTERS since 1845

| Key Audit Matter | How the matter was addressed in the audit |
|---|---|
| **Weak control environment over financial reporting and impact on the financial statements** | |
| The completeness and accuracy of the financial statements and its overall reliability is dependent on strong internal controls over the financial reporting process.<br><br>Robust processes and controls are fundamental to financial resilience and reliable financial reporting, with internal controls being the foundation of that enables the Group to protect itself and build stakeholder trust and confidence.<br><br>The deficiencies in oversight and monitoring of internal controls resulted in heightened risks of material misstatement in various financial statement areas, revenue, including trade accounts receivable, impairment of trade accounts receivable, impairment of non-financial assets including goodwill, leases, uniform capitalised and value added tax. The deficiencies resulted in significant management effort to appropriately address the matters identified and delayed the audit process and the resultant reporting on the financial statements.<br><br>The weak control environment and the extent to which these deficiencies were linked to a likelihood of material misstatement including the risk of fraud and error, had a significant and pervasive impact on the overall timing, level of expertise and effort associated with the audit of the financial statements and thus was considered a key audit matter. | Given the quantum and pervasiveness of the control deficiencies identified in the current year, we adopted a fully substantive audit approach.<br><br>In order to address the key audit matter, the following additional audit effort was required:<br>• Held upfront discussions with management regarding the key focus areas relevant to the year-end financial reporting such as key account reconciliations, position papers and areas of accounting judgement to obtain an understanding of changes and enhancements made by management in the control environment over the financial reporting process.<br>• We applied auditor judgement to consider the appropriateness of the nature, timing and extent of our audit procedures performed over financial statement account balances and where appropriate alter them to address additional risks based on control deficiencies identified.<br>• The audit process was delayed to allow management and the directors sufficient time to close out on the key reconciliations, position papers, judgment areas and financial closing journal entries processed directly to the financial statements.<br>• We evaluated our scoping and testing thresholds considering the weak control environment.<br>• We revised our sample sizes and selections where applicable to address the risk arising from the weak control environment and internal control deficiencies.<br>• Audit information reports produced by the Group's systems which were relevant to the performance of our audit procedures were subjected to increased substantive testing to determine whether reliance could be placed on them.<br>• We increased the level of involvement by our senior audit team members to evaluate key judgements made in the financial statements including accuracy and completeness of disclosures.<br>• We evaluated the sufficiency of audit evidence obtained by reassessing the results of audit procedures performed, including the appropriateness of the nature and extent of such evidence.<br><br>Based on the audit procedures performed and the level of expertise and effort associated with the current year audit, we are satisfied that our audit procedures were sufficient to address the audit risks arising from the weak control environment. |

| Key Audit Matter | How the matter was addressed in the audit |
|---|---|
| **Adequacy of allowance for expected credit losses on trade accounts receivables (consolidated and separate)** | |
| The Group and Company have significant trade accounts receivable book which comprises a large number of customers which are overdue. At 31 December 2025, the Group recognised net trade receivables of P24.3 million after recognising a total ECL of P30.3 million and the Company recognised net trade receivables of P21.7 million after recognising a total ECL of P29.6 million.<br><br>The directors apply the simplified approach and use the provision matrix to estimate the allowance for Excepted Credit Losses ("ECL"), in accordance with IFRS 9- Financial Instruments("IFRS 9"). The directors apply a provisioning matrix as practical expedient to determine the ECL for trade accounts receivables. Trade accounts receivables are assessed on a collective basis as they possess shared credit risk characteristics and by grouping these based on days past due.<br><br>Expected loss rates are based on the payment profile of credit sales over the thirty-six months preceding 31 December 2025, as well as corresponding historical credit losses during the period. These rates are then adjusted to reflect current and forward-looking macroeconomic factors, which are likely to impact on customers' ability to settle the outstanding amount.<br><br>Trade accounts receivables are considered irrecoverable when the customer has not made any payment within 180 days from the date of invoice, made no alternative payment arrangements with the company and where subsequent external collection efforts (mainly through external debt collection agencies) have failed.<br><br>In determining the impairment, key judgements are applied by the Directors in selecting and applying an appropriate model and in determining the ECL which are expected to be incurred once it is considered irrecoverable.<br><br>The assumptions and judgements applied include the determination of the:<br>• probability of default (PD); and<br>• loss given default (LGD).<br><br>Accordingly, we identified the adequacy of the allowance for expected credit losses as a key audit matter as a result of the:<br>• significant assumptions and judgements applied by management in determining the probability of default; and<br>• quantitative magnitude/significance of the allowance for ECL and its impact on the financial statements.<br><br>Disclosures with respect to the debtors' allowance for ECL are included in:<br>• Note 1.2 "Accounting estimates and judgements Impairment of trade receivables".<br>• Note 1.8 - "Financial Instruments - Measurement and recognition of expected credit losses".<br>• Note 3- "Financial instruments and risk management - Credit Risk"; and<br>• Note 21 - "Trade and other receivables". | Our procedures included the following:<br>• Assessed the Group's impairment model against the requirements of IFRS 9.<br>• Evaluated the design and tested the implementation of relevant controls over the governance processes implemented for credit models and inputs into the ECL models and how the directors ensure they have appropriate oversight of the ECL.<br>• Tested the mathematical accuracy of the Group's and Company's allowance for ECL computation and compared the amounts to the general ledger.<br>• Assessed and challenged the directors on the data inputs and key assumptions into the ECL models, which includes the evaluation of shared credit risk characteristics, estimated macroeconomic inputs and the estimated probability of default, and loss given default.<br>• Performed a retrospective review of the allowance for ECL previously raised against the actual debts still outstanding or written off.<br>• Tested, on a sample basis, the data utilised in the allowance for ECL model at year-end, including ageing of trade accounts receivable balances and debt recovery rates achieved after initial credit default.<br>• Using the debt recovery analysis, historical loss rates and our understanding of likely expected future loss rates based on our assessment, formed an independent view of appropriate future loss rates.<br>• Evaluated the adequacy of disclosures in the financial statements for compliance with IFRS 9 requirements.<br><br>In conclusion, we considered the judgements and estimates used for the assessment of the ECL and related disclosures to be appropriate.<br><br>From a design and implementation of relevant controls perspective, we have concluded that review control over the governance processes implemented for credit models and input data into the ECL models and how the Directors ensure they have appropriate oversight of the determination of the ECL require enhancement. |

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Adequacy of impairment of non-financial assets including goodwill (consolidated and separate)</td></tr>
<tr><td>
The Company's share price significantly declined in the current year from P2.45/share to P0.91/share as at 31 December 2025 resulting in the market capitalisation falling significantly below the carrying amount of the net assets. Under IAS 36- Impairment of Assets ("IAS 36"). This is an indicator that non-financial assets (including goodwill) may be impaired.
The directors performed impairment testing which involved:
<ul>
<li>using a discounted cash flow (DCF) model to estimate value in use. The DCF is inherently judgmental and highly sensitive to the key inputs such as the forecast future cash flows, long-term growth rates and the weighted average cost of capital (WACC).</li>
<li>calculating the fair value less costs of disposal ("FVLCOD ") of the Group and Company's net assets.</li>
</ul>
The determination of the recoverable amount required management to exercise judgement in assessing whether the Group's quoted market capitalisation represented the best estimate of fair value. The directors concluded that market capitalisation provided the most reliable measure of recoverable amount given the existence of an active market for the Group's shares and the insignificance of estimated disposal costs.
Changes in market conditions, investor sentiment, operating performance or other factors affecting the Group's market capitalisation may result in future changes to the recoverable amount of the cash generating unit (CGU) and could give rise to additional impairment charges or impairment reversals, where permitted by IAS 36.
We therefore identified the determination of the recoverable amounts and the reasonableness of the related significant assumptions as a key audit matter.
Disclosures with respect to the impairment of non-financial assets are included in:
<ul>
<li>Note 1.2 "Accounting estimates and judgements - Impairment of non-financial assets".</li>
<li>Note 1.6 - "Material accounting policy information – Impairment of assets".</li>
<li>Note 15 - "Goodwill"</li>
</ul>
</td><td>
Our procedures included the following:
<ul>
<li>Assessed the design and implementation of relevant controls around the impairment model.</li>
<li>Obtained an understanding of management's impairment assessment methodology and evaluated it for compliance with the principles of IAS 36.</li>
<li>Inspected the impairment assessment / calculations prepared by management and assessed the validity and reasonableness of the assumptions applied in the impairment assessment.</li>
<li>Tested the mathematical accuracy of the impairment calculation.</li>
<li>Assessed the future projected cash flows used in the management's "value in use" calculation and compared them to historical performance and the entity for reasonability.</li>
<li>Recomputed and tested the accuracy of the key inputs used in the computation which include the future growth rates, and the discount rate utilising our internal corporate finance specialist to assist with the review of the reasonableness of the discount rate used by management.</li>
<li>Performed a retrospective review of the inputs (growth rate and projected cash flows) by comparing prior year budgeted inputs to actual results achieved in the current year to assess the reasonableness and accuracy of management's estimates and assumptions.</li>
<li>Performed an independent sensitivity analysis of the key inputs (discount rates and the future growth rates) used in the "value in use" computation.</li>
<li>Evaluated management's rationale for adopting market capitalisation as the principal measure of FVLCOD and assessed whether an active market for the Group's shares existed at the reporting date.</li>
<li>Independently verified the market capitalisation used by management to public market data and recomputed FVLCOD, including validating the assessment that incremental disposal costs are insignificant.</li>
<li>Analysed the basis of the impairment of P4 459 000 and if it was fully supported by the prevailing business environment in 2025 financial year and cash flow projections from the CGUs.</li>
<li>Evaluated the adequacy of the disclosures included in the financial statements for conformity with IAS 36.</li>
</ul>
A material misstatement was identified in the impairment of non-financial assets model, and this was corrected in the consolidated and separate financial statements.
In conclusion, we considered the judgements and estimates used for the impairment of non-financial assets and related disclosures to be appropriate.
From a design and implementation of relevant controls perspective, we have concluded that review control over the impairment of non-financial assets model require enhancement.
</td></tr>
</table>

**Other Information**

The directors are responsible for the other information. The other information comprises the Statement of Directors' Responsibility and Approval, 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. The 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 on the other information obtained prior to the date of this auditor's report, 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 as issued by the International Accounting Standards Board 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's and the 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 the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Groups' and Company's financial reporting process.

**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 the 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 the 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 and the Company to cease to continue as a going concern.

Deloitte.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**
**TO THE SHAREHOLDERS OF G4S (BOTSWANA) LIMITED**

**Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)**

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

Deloitte & Touche

**Deloitte & Touche**
Firm of Certified Auditors
Practicing Member: Cecilia Veeta Ramatlapeng (CAP 008 2026)

02 July 2026
Gaborone