

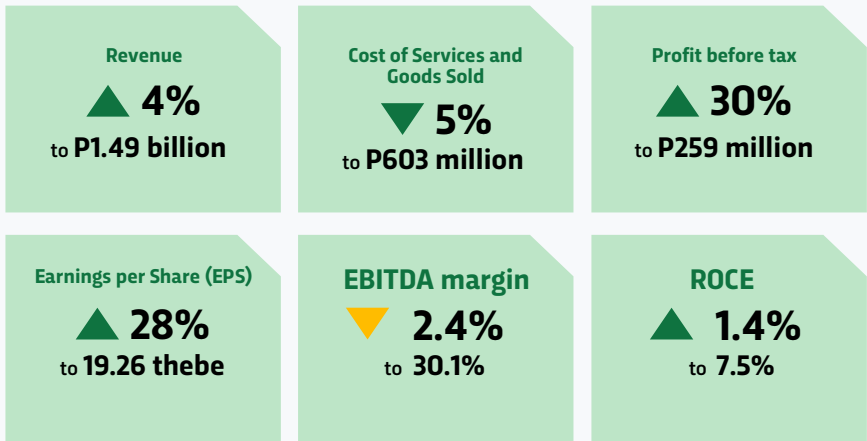


Botswana Telecommunications Corporation Limited

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025



The Board and Management of Botswana Telecommunications Corporation Limited (‘BTC’) are pleased to present to shareholders the abridged audited financial results of the Company for the year ended 31 March 2025.



COMMENTARY

Financial Highlights for the year ended 31 March 2025

- Revenue: Increased by 4%, from P1.44 billion to P1.49 billion
- Cost of services and goods sold: Decreased by 5%, from P637 million to P603 million
- EBITDA margin decreased from 32.5% to 30.1%
- Profit before tax: Increased by 30%, from P200 million to P259 million
- Earnings per share (EPS): Up by 28%, from 15.00 thebe to 19.26 thebe
- ROCE increased from 6.1% to 7.5%
- CAPEX to revenue from 14.3% to 20.2%.

REVIEW OF RESULTS

The Audited Financial Statements of the Company for the year ended 31 March 2025 were authorised for issue by the Board of Directors on 20 June 2025.

Performance Overview

BTC delivered solid bottom line performance with Profit before Tax reaching P259 million, a 30% increase year on year. Revenue grew by 4%, driven by continued uptake in fixed and mobile data services supported by investments in high-speed fibre networks and expansion of the mobile data infrastructure. Additional revenue growth was realised from the mobile money and cloud services segments. The cloud business particularly benefitted from the operationalisation of the Data Protection Act, which increased demand for local cloud storage and computing services.

Domestic Economy

Botswana's economy contracted by 3.0% in 2024 following a 3.3% growth in 2023, largely due to a slump in the diamond sector. In contrast, the non-diamond private sector posted growth of 4.1%. The outlook for 2025 remains weak, with GDP growth forecast at 0%, while the IMF projects a contraction of 0.4%, citing ongoing challenges in diamond exports and the recent imposition of U.S. tariffs.

Fiscal pressures persist due to declining mineral revenues, contributing to wider deficits, tightening liquidity, increased borrowing, and rising interest rates.

Nevertheless, government-led digitization initiatives including digital learning in schools, village connectivity, and device distribution programs are expected to drive demand for digital services.

Outlook

BTC continues to lead Botswana's digital transformation journey with a focus on affordable and reliable connectivity. Key strategic highlights include:

- Accelerated modernisation and investment in our mobile broadband data network (4G) to ensure full country coverage.
- Automation of customer touch points to improve customer experience.
- Investment in human capital to improve our employee value proposition fundamental to drive a high performance culture.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025	Mar 2025 P '000	Mar 2024 P '000
Revenue from contracts with customers	1,492,760	1,436,050
Cost of services and goods sold	(603,005)	(637,346)
Gross profit	889,755	798,704
Interest income	60,422	62,813
Interest expense	(14,938)	(14,664)
Other income	38,708	1,551
Selling and distribution costs	(23,489)	(18,225)
Administrative expenses	(387,825)	(361,391)
Impairment loss on financial assets and contract assets	(24,973)	(12,151)
Other expenses	(278,631)	(256,629)
Profit before tax	259,029	200,008
Income tax expense	(56,825)	(42,474)
Profit for the year	202,204	157,534
Other comprehensive income not to be reclassified to profit/loss in subsequent periods		
Gains on property revaluation	-	90,430
Impairment loss on assets prior to transfer to held for sale	(2,745)	-
Income tax effect	604	(19,894)
Other comprehensive (loss)/income for the year	(2,141)	70,536
Total comprehensive income for the year	200,063	228,070
Basic and diluted earnings per share (Thebe):	19.26	15.00

STATEMENT OF FINANCIAL POSITION

As at 31 March 2025	Mar 2025 P '000	Mar 2024 P '000
ASSETS		
Non-current assets		
Property, plant and equipment	1,638,484	1,506,783
Intangible assets	151,934	170,006
Right of use assets	136,938	140,412
Performance bond	16,650	-
IRU asset	305,678	343,887
Contract assets	49,212	45,830
	2,298,896	2,206,918
Current assets		
Inventories	50,128	58,390
Trade and other receivables	380,766	230,830
Contract assets	43,920	37,851
Income tax receivable	-	897
Short term investments	56,411	107,803
Cash and cash equivalents	442,360	625,344
	973,585	1,061,115
	14,742	12,664
Total assets	3,287,223	3,280,697
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	478,892	478,892
Revaluation reserve	385,663	393,713
Accumulated profits	1,539,358	1,614,745
	2,403,913	2,487,350
Non-current liabilities		
Development grants	26,910	27,108
Lease liabilities	146,084	148,391
IRU liability	47,278	61,112
Contract liabilities	2,897	5,461
Deferred tax liability	199,510	143,017
Employee related provisions	3,776	5,307
	426,455	390,396
Current liabilities		
Trade and other payables	383,007	324,665
Contract liabilities	2,879	8,718
Lease liabilities	15,898	15,810
IRU liability	13,834	12,965
Current portion of development grants	7,567	1,471
Current portion of employee related provisions	33,670	39,322
	456,855	402,951
Total liabilities	883,310	793,347
Total equity and liabilities	3,287,223	3,280,697

STATEMENT OF CASH FLOWS

For the year ended 31 March 2025	Mar 2025 P '000	Mar 2024 P '000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating cash flow before working capital changes	437,018	468,450
Working capital adjustments:		
Decrease in inventories	5,471	347
Increase in trade and other receivables, contract assets and prepayments	(184,671)	(62,981)
Increase in trade and other payables and contract liabilities	32,259	38,704
Cash generated from operations	290,077	444,520
Ordinary dividend paid to shareholders	(269,787)	(89,184)
Income tax received/(paid)	1,169	(68)
Net cash from operating activities	21,459	355,268
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Investment to expand operations:		
Purchase of property, plant and equipment	(277,765)	(144,530)
Purchase of intangible assets	(17,830)	(62,509)
Proceeds from disposal of property, plant and equipment and assets held for sale	37,663	23,016
Interest income received	60,821	64,620
Purchase of investments	(306,262)	(55,634)
Disposal of investments	357,654	375,456
Purchase of performance bond	(16,650)	-
Net cash (used in) / generated from investing activities	(162,369)	200,419
CASH FLOWS FROM FINANCING ACTIVITIES:		
Grants received	7,591	6,050
Interest paid on lease liabilities and IRU liability	(15,029)	(14,744)
Principal payment of lease liabilities	(21,044)	(19,274)
Principal payment of IRU liability	(12,965)	(46,514)
Net cash from financing activities	(41,447)	(74,482)
(Decrease)/Increase in cash and cash equivalents	(182,357)	481,205
Net foreign exchange difference on cash and cash equivalents	(627)	781
Cash and cash equivalents at beginning of the year	625,344	143,358
Cash and cash equivalents at end of the year	442,360	625,344

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025	Stated Capital P '000	Revaluation Reserve P '000	Accumulated Profits P '000	Total P '000
Balance at 1 April 2023	478,892	334,826	1,537,542	2,351,260
Profit for the year	-	-	157,534	157,534
Other comprehensive income for the year	-	70,536	-	70,536
Total Comprehensive Income	-	70,536	157,534	228,070
Ordinary dividend declared	-	-	(91,980)	(91,980)
Depreciation transfer net of deferred tax	-	(11,649)	11,649	-
Balance at 31 March 2024	478,892	393,713	1,614,745	2,487,350
Profit for the year	-	-	202,204	202,204
Other comprehensive loss for the year	-	(2,141)	-	(2,141)
Total Comprehensive (loss)/Income	-	(2,141)	202,204	200,063
Ordinary dividend declared	-	-	(283,500)	(283,500)
Depreciation transfer net of deferred tax	-	(5,909)	5,909	-
Balance at 31 March 2025	478,892	385,663	1,539,358	2,403,913

Presentation of Financial Statements

The audited financial statements are presented in Botswana Pula (BWP), which is the Company's functional currency.

Basis of Preparation and Accounting Policies

The annual financial statements on which this announcement is based have been prepared on a historical cost basis, except as modified by the revaluation of certain assets, and on the going concern basis. The annual financial statements have been prepared in compliance with the IFRS @ Accounting Standards as issued by the International Accounting Standards Board (IASB), IFRIC @ interpretations issued by the IFRS Interpretations Committee and in the manner required by the Companies Act (CAP 42:01). These policies are consistent with those applied for the year ended 31 March 2024.

Dividends Declaration

The BTC Board has declared a final dividend of 10.83 thebe per share for the year ended 31 March 2025. In accordance with the Botswana Income Tax Act (Cap 52:01) as amended, withholding tax at the rate of 10% or any other currently enacted tax rate will be deducted from the gross dividend.

Important dates pertaining to this dividend are:

Declaration date – 20 June 2025
Ex-dividend date – 30 July 2025
Last date to register – 1 August 2025
Dividend payment date – 13 August 2025

Auditor's report

The auditor, Deloitte & Touche, has issued its unmodified opinion on the Company's annual financial statements for the year ended 31 March 2025. These are available for inspection at the registered office of Botswana Telecommunications Corporation. This publication has been extracted from those financial statements. This abridged financial information and any reference to future financial performance has however not been audited by the auditors. The auditor's unmodified opinion on the annual financial statements was issued on 25 June 2025.

By Order of The Board

Mokgethi Frederick Magapa

Chairperson

Boitumelo Paya

Chief Executive Officer (A)*

Board of Directors

Mokgethi Frederick Magapa (Chairperson), Boitumelo Paya (CEO (A), Ranjith Priyalal De Silva**, Bafana Molomo, Thato Kewakae, Mcedisi Roger Solomon, Amantle Kgosiemang, Itemogeng Basadi Pheto.

*Acting

**Sri Lankan

Company Secretary

Sidney Mganga

Company Number

BW00000748937

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Private Bag 00417, Gaborone
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Contact Person: Nonofa Phalatse or Ambrosia Khupe

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