



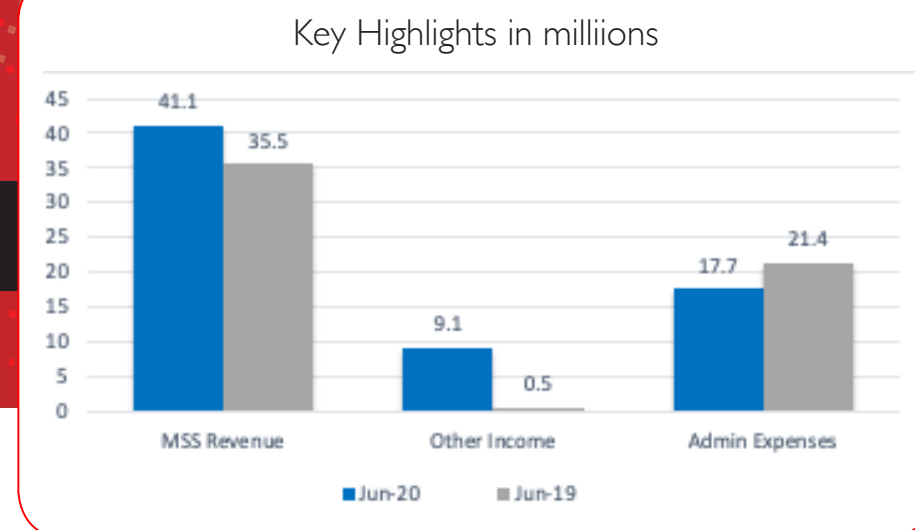
**G4S (Botswana) Limited**

# Unaudited Consolidated Summarised Financial Results

for the half year ended 30 June 2020

## Financial Highlights | GROUP KPI'S

Revenue	MSS Revenue	Other Income	Administrative Expenses	Profit for the year
<b>-7 % Decline</b> <b>BWP99.9m</b> (2019: BWP107.3m)	<b>17 % Growth</b> <b>BWP41.1m</b> (2019: BWP35.1m)	<b>1820% Growth</b> <b>BWP9.1m</b> (2019: BWP0.5m)	<b>-17 % Reduction</b> <b>BWP17.7m</b> (2019: BWP21.4m)	<b>5% Growth</b> <b>BWP18.9m</b> (2019: BWP18m)



### STATEMENT OF COMPREHENSIVE INCOME

	Half Year Ended 30 June 2020 (Unaudited) P'000	Half Year Ended 30 June 2019 (Unaudited) P'000	Year Ended 31 December 2019 (Audited) P'000
<b>Revenue</b>	99,860	107,286	206,492
Cost of sales	(69,513)	(63,832)	(140,750)
<b>Gross Profit</b>	30,346	43,454	65,742
Other income	9,085	512	896
Administrative expenses	(17,674)	(21,426)	(39,813)
Profit from operations	21,758	22,540	26,825
Finance expense	(824)	(53)	(2,195)
Finance income	1,626	1,587	3,211
Profit before taxation	22,560	24,074	27,842
Taxation	(3,687)	(6,011)	(7,721)
<b>Profit for the year</b>	18,873	18,063	20,120
<b>Other comprehensive income</b>	-	-	-
<b>Total comprehensive income</b>	18,873	18,063	20,120
Profit attributable to:			
Equity holders of the parent company	19,485	17,658	19,778
Non-controlling interest	612	405	342
Basic and diluted earnings per share (thebe)	28.21	22.58	24.72
Dividends per share (thebe) (gross of tax)	7.80	13.55	14.17

### STATEMENT OF FINANCIAL POSITION

	Half Year Ended 30 June 2020 (Unaudited) P'000	Half Year Ended 30 June 2019 (Unaudited) P'000	Year Ended 31 December 2019 (Audited) P'000
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	10,310	10,308	12,743
Right of Use Asset	13,032	19,977	17,707
Goodwill	18,066	18,066	18,066
Deferred taxation	2,359	1,985	2,359
Total non-current assets	43,767	50,336	50,875
<b>Current assets</b>			
Inventories	5,965	5,921	4,452
Trade and other receivables	39,077	45,268	34,905
Amount due from related parties	53,011	49,504	51,149
Current tax receivable	441	-	3,255
Cash and cash equivalents	26,674	25,878	18,863
Total current assets	125,168	126,571	112,623
<b>Total assets</b>	<b>168,935</b>	<b>176,908</b>	<b>163,498</b>
<b>Equity &amp; liabilities</b>			
<b>Equity</b>			
Stated capital	1,805	1,805	1,805
Retained earnings	119,581	115,370	100,096
Non-controlling interest	1,743	2,419	2,355
Total equity	123,129	119,594	104,256
<b>Non-current liabilities</b>			
Right of Use lease liability	7,332	10,910	10,584
Deferred tax	-	539	-
Total non-current liabilities	7,332	11,449	10,584
<b>Current liabilities</b>			
Trade and other payables	26,598	30,702	26,400
Current tax liability	229	5,585	-
Right of Use lease liability	9,950	6,547	12,466
Amounts due to related parties	1,698	3,031	9,792
Total current liabilities	38,475	45,865	48,658
<b>Total equity and liabilities</b>	<b>168,935</b>	<b>176,908</b>	<b>163,498</b>

### STATEMENT OF CHANGES IN EQUITY

	Stated Capital P'000	Retained Earnings P'000	Total P'000	Non Controlling Interest P'000	Total Equity P'000
<b>Balance at 1 January 2019 (Audited)</b>	<b>1,805</b>	<b>101,797</b>	<b>103,602</b>	<b>2,013</b>	<b>105,615</b>
Profit for 6 months	-	17,658	17,658	405	18,063
Dividends paid	-	(10,640)	(10,640)	-	(10,640)
<b>Balance at 30 June 2019 (Unaudited)</b>	<b>1,805</b>	<b>108,815</b>	<b>110,620</b>	<b>2,418</b>	<b>113,038</b>
Profit for 6 months	-	2,121	2,121	(63)	2,058
Dividends paid	-	(10,840)	(10,840)	-	(10,840)
<b>Balance at 1 January 2020 (Audited)</b>	<b>1,805</b>	<b>100,096</b>	<b>101,900</b>	<b>2,355</b>	<b>104,255</b>
Profit for 6 months	-	19,485	19,485	(612)	18,873
Dividends	-	-	-	-	-
<b>Balance at 30 June 2020 (Unaudited)</b>	<b>1,805</b>	<b>119,580</b>	<b>121,385</b>	<b>1,743</b>	<b>123,128</b>

The Consolidated Summarised Financial Statements were prepared under the historical cost convention using accounting policies that comply with International Financial Reporting Standards ("IFRS"), with no significant changes in recognition or measurement rules applied compared to the previous financial year.

#### Subsequent Events

The Board and Management are aware of the ongoing impact of the COVID-19 pandemic and its impact on economic activity. We continue to assess and track changes in our operational and financial environment, adjusting our business response as appropriate. The Board and Management are not aware of any material events that have occurred subsequent to the end of the reporting period that require adjustment or disclosure in the financial statements.

#### Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographic segment) which is subject to risks and rewards that are different from those of other segments. The business activities are concentrated in the segment of security

related services and are provided within the geographical region of Botswana, therefore geographical segmental information is not considered necessary.

#### Financial performance

Group revenue reduced by 7% year on year, owing to slow economic growth attributable to COVID-19. While the COVID-19 pandemic has also had an impact on cash flow, the impact has not been significant. The implementation of the Trade Act effective 1 June 2020 as well as growing market sentiment that impose citizen ownership on the industry hinders the business to grow particularly in the manned guarding and cleaning management space. Note is made that the business received approximately BWP 9m in government assistance in the form of a wage subsidy as part of the national response to the COVID-19 pandemic. The company continues to focus on the implementation of integrated security solutions in order to drive margins and reduce costs.

#### Prospects

While the statutory environment is putting pressure on our margins, we have adopted an approach of growing our business by increasing volumes and expanding our service offering to the market as a whole, rather than increasing prices during these difficult times.

The Board looks forward to reinvigorate our alarms business during the second half of the year through strategic partnerships with corporates and through the implementation of an agency model. We have also made significant strides in respect of the integration of our Deposita machines with various banking partners, allowing us to roll out services to customers across the country.

#### Dividend Proposal

Taking into consideration the impact of the COVID-19 pandemic and the business and financial uncertainty that it has wrought during the first half of the year, the Board has taken the decision not to declare an interim dividend. The Board notes a reduction in revenue and profitability year on year, exclusive of the wage subsidy received from Government, and is therefore of the view that a prudent approach should be adopted to resource management at this point in time. The company has liquid resources of P94 million as at 30 August 2020 based on the latest available management accounts. Notwithstanding this strong financial position, there is unprecedented uncertainty in respect of the global economy and therefore the dividend proposal will be revisited based on the full year results.

#### GENERAL INFORMATION

G4S (Botswana) Limited is a company registered under the Companies Act, 2003 of Botswana and domiciled in Botswana. The financial statements comprise the company and its subsidiary (together referred to as the 'Group'). The condensed financial statements have not been reviewed nor audited.

The condensed financial statements were approved for issue on 23 September 2020.

#### Basis of Preparation

These financial statements for the half year ended 30 June 2020 have been prepared in accordance with IAS 34, Interim Financial Reporting.

For comparisons, the condensed financial statements should be read in conjunction with audited annual financial statement for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

#### Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

#### Use of judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

#### KEY HIGHLIGHTS & FINANCIAL PERFORMANCE

- Revenue down year on year by 7%
- Administrative expenses decreased by 18%
- Manned Guarding Revenue increased by 17%
- Manned Guarding PBT increased by 217%
- Cash business PBT 38%, and increase of 3%
- Other Income increased by 94% owing to Wages Subsidy relief from the Government of Botswana

#### OUTLOOK

In these uncertain times customer retention and expansion has become a key focus area for management, and customer centricity and retention are more important than ever to ensure business growth.

The group will further be focusing on growing revenue in second half of the year as well as recovering long outstanding debts to bolster cash reserves. Revenue growth of 15% is expected for MSS year on year, 2% for Cash Services, and a reduction in revenue for ESS and FMS service lines. The group's strategic initiative will remain the acceleration of integrated security solution deployments with a long-term view of risk partnering with our customers on all fronts. This will assist with customer retention as well as expanding on the already existing relationships with our customer base. We will continue to invest in our people, technology and expertise in order to achieve a positive outlook as outlined on our management's 5 year strategy plan (Revenue growth at 5.3% average PBITA at 18.5% and OCF at 110% of PBITA).

#### Contingent liabilities and commitments

There has been no significant change in the nature of contingent liabilities and commitments with off-balance sheet risk from those reported in the half year financial statements as at 30 June 2020.

#### Related party transactions

There has been no significant change in the nature of related party transactions from those reported in the half year financial statements as at 30 June 2020.

#### Events occurring after reporting date

There were no other material changes in the affairs of the Company between the 30 June 2020 reporting period and the date of the approval of this condensed consolidated financial information.

#### CONCLUSION

The Directors would like to thank valued customers, supplier, shareholders and all stakeholders for unwavering support that has contributed to success of G4S Botswana. Appreciation is also extended to management and staff for the tremendous efforts shown during the year to ensure the business remains profitable.

#### SEGMENT REPORTING

A segment is a distinguishable component of the group that is engaged either in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographic segment) which is subject to risks and rewards that are different

from those of other segments. The business activities are concentrated in the segment of security related services and are provided within the geographical region of Botswana, therefore geographical segmental information is not considered necessary.

Sales between segments are carried out at arm's length. The revenue from external parties reported is measured in a manner consistent with that in the income statement.

#### SEGMENT RESULTS

For the period ended 30 June 2020	Security Systems P'000	Manned Security P'000	Cash Solutions P'000	Facilities Management P'000	Cleaning Services P'000	Total Segments P'000
<b>Revenue</b>	26,882	41,120	28,348	118	3,392	99,860
Cost of sales	(16,598)	(34,069)	(15,707)	(346)	(2,793)	(69,513)
<b>Gross Profit</b>	10,284	7,050	12,641	(227)	599	30,347
Other income	2,302	3,671	2,531	10.6	571	9,085
Administrative expenses	(4,264)	(5,188)	(4,572)	(454)	(3,196)	(17,674)
<b>Profit from operations</b>	8,321	5,533	10,601	(671)	(2,026)	21,758
Finance expense	(230)	(351)	(242)	(1)	-	(824)
Finance income	453	693	478	2	0	1,626
<b>Profit before taxation</b>	<b>8,545</b>	<b>5,875</b>	<b>10,836</b>	<b>(670)</b>	<b>(2,026)</b>	<b>22,560</b>

For the period ended 30 June 2019	Security Systems P'000	Manned Security P'000	Cash Solutions P'000	Facilities Management P'000	Cleaning Services P'000	Total Segments P'000
<b>Revenue</b>	33,666	35,162	31,391	855	6,212	107,286
Cost of sales	(14,668)	(27,969)	(16,619)	(723)	(3,854)	(63,832)
<b>Gross Profit</b>	18,998	7,193	14,772	132	2,359	43,454
Other income	164	171	153	4	20	512
Administrative expenses	(10,454)	(5,188)	(4,572)	(454)	(758)	(21,426)
<b>Profit from operations</b>	8,708	2,176	10,353	(318)	1,621	22,540
Finance expense	(28)	(14)	(10)	(0)	-	(53)
Finance income	535	549	490	13	-	1,587
<b>Profit before taxation</b>	<b>9,215</b>	<b>2,711</b>	<b>10,833</b>	<b>(305)</b>	<b>1,621</b>	<b>24,074</b>

#### SEGMENT ASSETS AND LIABILITIES

For the period ended 30 June 2020	Security Systems P'000	Manned Security P'000	Cash Solutions P'000	Facilities Management P'000	Cleaning Services P'000	Total Segments P'000
Total assets	70,639	40,136	48,163	1,605	4,869	165,412
Total liabilities	(18,845)	(10,707)	(12,849)	(428)	(1,456)	(44,285)

#### For the period ended 31 December 2019

Total assets	48,195	57,707	48,225	345	9,078	163,549
Total liabilities	(18,052)	(21,236)	(18,063)	(129)	(1,762)	(59,242)

#### For the period ended 30 June 2019

Total assets	66,548	42,593	51,111	1,704	14,953	176,908
Total liabilities	(18,552)	(13,629)	(16,354)	(545)	(8,235)	(57,315)

The directors of G4S (Botswana) Limited ("the Company") are responsible for the financial statements of the Company and its subsidiary. Their responsibility includes the maintenance of financial records and the preparation of the financial statement consistent with the accounting policies of G4S (Botswana) Limited, which comply with International Financial Reporting Standards ("IFRS").

The company and subsidiary maintains systems of internal control, which are designed to provide reasonable assurance that the financial records accurately reflect its transactions, and to provide protection against serious misuse of Group's assets. The directors are also responsible for design, implementation, maintenance and monitoring of these internal controls. Nothing has come to the attention of the directors to indicate that any significant break down in the functioning of these systems has occurred during the period under review.

The Board of Directors has reviewed and approved the accompanying condensed financial statements, set out on pages 1 to 4, for issue on 23 September 2020.

Signed on behalf of the Board of Directors

**Gaone Macholo**  
(Chairperson)

**Mokgethi Magapa**  
(Managing Director)

23 September 2020

Registered Address  
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BOARD OF DIRECTORS  
G. Macholo\*, M. Magapa\*, T. Mbaakanyi\*, L. Mosethanyane\*, E. Ueckermann\*\*  
\* Molebetsi \*\* South African